

Village of Romeoville

1050 W Romeo Rd



Meeting Minutes

Wednesday, March 27, 2024

5:00 PM

Board Room - Village Hall
1050 W. Romeo Rd.

Village Board-Special Meeting

1. CALL TO ORDER- Roll Call

Present 6 - Brian A. Clancy Sr., John Noak, Dave Richards, Linda Palmiter, Lourdes Aguirre, and Jose Chavez

Absent 1 - Ken Griffin

2. POSTING OF COLORS- PLEDGE OF ALLEGIANCE

3. ITEMS FOR DISCUSSION

[24-3280](#)

A Presentation on the Annual Operating Budget for the Fiscal Year 2024-2025 for the Village of Romeoville, Will County, Illinois

Village Manager, Dawn Caldwell, gave a presentation on the 2024-2025 fiscal year budget. She highlighted the following:

The FY23 actual year-end compared to what was projected was \$11.3 better due to increased sales and home rule tax (\$1.6M), increased other tax (\$1M), increased interest (\$0.5M), reduced contractual expenses (\$3M), reduced commodities/supplies (\$.8M), reduced incentive payments/unemployment expenses (\$1M), and deferred capital (\$1M). The fiscal year 2024 revenue is projected to be \$10.5M better due to increased sales, home rule taxes (\$2.3M), increased other taxes (\$0.5M), increased interest and investment income (\$9.1). Fiscal year 2024 expenses are lower by \$15M as a result of deferred capital projects (10M), staffing expenses, primarily at the aquatic center (1.2M), and reduced contractual services.

The total tax rate is 8.50% on general merchandise (2.5% of sales goes to the Village), 7.0% on titled merchandise (1% of sales goes to the Village) and 1.75% on qualifying food, drugs, and medical appliances (1% of sales goes to the Village). The sales tax budget also includes revenue generated from the 3% local tax on the sale of cannabis which was implemented in 2020.

The 2024-2025 budget total of \$31.4M is 5.4M higher than the prior year budget as sales exceeded initial estimates and new ecommerce businesses have opened. This does not include a reduction if there is a suspension on grocery tax. Mayor Noak commented that we do not know what will happen with the Governor's grocery tax proposal.

The proposed Budget includes revenue Total \$175.6M (which includes use of \$19.4M fund balance).

The overall budget is 18% higher than the last year due to increased transfers, use of reserves, investments and fees for services. The total proposed expenses are \$170.6 M.

Expenses are 17.3% higher compared to the prior year budget. The primarily increase is within transfers for the newly created fleet operations fund, the facility construction fund, and the Lake Michigan fund capital projects. Other increases include additional capital expenditures and contractual services.

For the FY2024-2025 budget, General Fund revenue is projected to increase by 7.8% (\$5,564,620) over the 2023-2024 budget. Expenses are projected to increase by 28.0% (\$19,424,300). Overall, the General Fund budget exhibits a net deficit of

\$11,832,800 and the use of fund balance reserves.

The use of reserves is primarily for carryover capital projects not completed in the prior fiscal year and to fund current large capital projects.

Proposed revenue is 7.8% (\$5.6M) higher than the prior year budget due to increased sales and home rule taxes (\$2.8M), property tax (\$0.7M) state income (\$0.5M), and interest earnings (\$1.5M).

Total property taxes budgeted within the General fund are \$13.2M. Although we keep our rate low, property taxes within the General fund are increasing 6.3% and in all funds combined are increasing approximately 4%. Approximately 46% of property taxes are paid by commercial, industrial and retail taxpayers and 54% are paid by residents. The Village tax rate is projected to decrease from .9764 to .9695. The Fire Service area rate is projected to stay the same at .2047. The overall rate change is projected to decrease from 1.1811 to 1.1742.

Mayor Noak commented that he is hoping to bring in a company to re-evaluate the industrial property taxes. Involving the school district in order to bring in a firm jointly would benefit both parties.

Revenue in the Water Sewer Fund totals \$23.3 million. Proposed revenue is 10.6% (\$2.5M) higher than the prior year budget in part due to a potential grant of \$959,800 for the Spangler Lift Station. Water and sewer fees are also budgeted to be approximately \$1.6M higher than the prior year in part due to the addition of the monthly meter fee charge that began in January. A Water Rate Study that was completed shows that we are on track and don't anticipate rate increases beyond the normal annual increases. Expenses totaling \$28.5 million are 3.1% higher than the prior year due to increased transfers to the Water and Sewer Lake Michigan Fund primarily for the first phase of the Lukancic capital improvements. Capital projects budgeted decreased compared to what was budgeted for FY2024 but still includes \$12 million in projects. Contractual service expenses increased 8.4% due to \$294,500 added for digester cleaning and \$175,000 for sludge hauling.

The Village has 9 TIF Districts and in all funds combined, the increment revenue totals \$7,104,600.

The Administration operating expenses totaling \$2,247,000 are decreasing by 4.8% (\$112,200). Expenses budgeted include strategic planning fees, Safety town planning, small business grants, and Chamber of Commerce expenses.

The Information Technology budget is increasing by 3.7% (\$82,950) due to increased expenses for new software agreements and for current maintenance agreements.

New software expenses include OpenGov permitting and licensing software, CrowdStrike, BluDot, and Cisco Duo.

The Community Development budget is increasing by 1.4% (\$17,400). Turnover within the department was one reason salaries and benefits remained relatively flat compared to the prior year budget.

The budget for the Police Department is increasing 9.8% (\$1,383,400).

Fire operating expenses totaling \$8.8M are increasing by 7.7% (\$630,700) due to increased salaries related to the addition of 3 full-time firefighters.

Public Works Operating expenses totaling \$24,598,800 are increasing by 6.2% (\$1,432,400). Budgeted expenses for the Grand Prairie Water Commission are \$495,800 higher than the prior year's budget as the prior year included an annual

administrative fee while the 2025 budget includes monthly operational expenses and debt reserve payments.

Recreation operating expenses totaling \$9,013,100 are decreasing by 3% due to a decreased budget for the Aquatic Center.

Mrs. Caldwell commended each department on their hard work that attributed to the budget. She also thanked Finance Director, Christi Jacobson, and her team for their exceptional work.

4. ADJOURNMENT

A motion was made by Chavez, seconded by Aguirre, that this Special Meeting be Adjourned at 6:07 PM. The motion carried by a unanimous vote.