



## Agenda Item Summary

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### **Submitted By**

Steve Drazner, CFO

### **Agenda Item Title**

**Village Board Review of the Recommended Fiscal Year 2022 Budget**

### **Overview**

This meeting is the second meeting of the full Village Board, after the Finance Committee's review, to review the recommended budget for FY22. Staff will be available to review and answer questions on any of the following budgets:

- 1) General Fund
- 2) Special Revenue Funds
- 3) Capital Improvement Funds
- 4) Enterprise Funds
- 5) Internal Service Funds
- 6) Fiduciary Funds

### **Anticipated Future Actions/Commitments**

The full Board met on November 8, 2021 to discuss, review, and ask questions pertaining to key items and pending issues identified during Finance Committee meetings on the FY22 budget. For this final full board meeting to discuss the budget, while any issue may be brought up by the Board, the focus is expected to be made on the following items prior to adopting the FY budget on December 6, 2021:

- 1) Further discussion and a formal vote on whether to add \$25,000 to the Public Works budget for a consultant to explore "Vision Zero".
- 2) Additional information and discussion pertaining to the sustainability "incubator".
- 3) Ongoing dialogue regarding the addition of three new firefighters/paramedics to allow operating a third ambulance on a consistent basis. The proposed version of budget already includes the salaries/benefits for these three new hires.
- 4) Continued discussion on an appropriate amount to include in the budget for funding non-police safety initiatives and responses to 911 calls. Current placeholder in budget is \$50,000.

The final FY22 Budget is scheduled to be presented to the Board for adoption on Monday, December 6, 2021.

### **Report**

Adding \$25,000 to the Public Works operating budget will provide the necessary funding to obtain a study for

improving pedestrian safety. This is only a first step but necessary to make continued progress in this area.

Director Grossman will be in attendance to further discuss and elaborate on the issue surrounding a potential sustainability incubator and should the Board would like to proceed, what a reasonable amount might be to add into the budget next year to allow staff to begin the process.

There has been detailed discussion on the cost/benefit of adding three new firefighters/paramedics to allow continuous operation of a third ambulance. The addition of three new firefighters is expected to come at a net cost (even with factoring in overtime savings), however, there is more to this decision than merely considering the financial impact. Adding additional fire personnel would likely reduce response time and potentially save lives when seconds count. In addition, operating a third ambulance would decrease strain on existing staff within the department and may therefore lower workers compensation claims. However, it is not possible to predict with any certainty what any reduction in workers comps claim could be, and therefore, an estimate for this has not been included in the net cost savings.

There have been several past discussions within the last couple of years of either reallocating funding from the police department operating budget or adding new funding for budgeting non-police responses to emergency 911 calls. This has been a national issue and many large cities have had discussions on this topic and some have taken action. The Village has also engaged with an independent third party firm to provide a full analysis on the issue. For now as a placeholder, \$50,000 is the continued recommendation to be budgeted next year for such an initiative but this will largely depend on the results of the independent study.

Chapter 2 of the Municipal Code establishes the foundation for the Municipal Budget and provides:

- The Village fiscal year is January 1 - December 31 annually.
- The Board of Trustees must adopt the annual budget prior to the start of the Fiscal Year and passage of the annual budget shall be in lieu of passage of the appropriation ordinance.
- On or before the Village Board of Trustees' first regular meeting in November of each year, the Village Manager shall submit to the Board of Trustees an annual Municipal budget which contains estimates of revenues together with recommended expenditures in conformity with good fiscal management practice.

To date the Village Board has held a series of meetings specifically related to Village finances and preparations for the FY22 budget recommendations, including:

- June 14, 2021 and June 21, 2021 as part of a Finance Committee and then a Regular meeting of the Village Board, the Annual Village Audit and Comprehensive Annual Financial Report (CAFR) was presented and accepted for the year ending December 31, 2020.
- July 12, 2021, the Village Board held a Special Meeting to review the actuarial valuations of the Police and Fire Pension Funds
- July 26, 2021, the Village Board reviewed priorities from all of the Village Departments.
- There were two (2) Finance Committees on September 13, 2021 and September 27, 2021 along with a Special Board meeting on October 4, 2021 to review the Recommended Capital Improvement Plan Document.
- There were two (2) Finance Committee meetings on October 21, 2021 and October 25, 2021 to review

the Recommended FY22 Operating Budget.

- On November 1, 2021, as part of the Regular Village Board meeting a Public Hearing was held regarding Truth in Taxation for the Recommended FY22 budget.
- On November 8, 2021, a Special Board meeting was held to review key items that warranted further discussion regarding the FY22 budget.
- On November 15, 2021, a Public Hearing on the Proposed FY22 budget was held.

The FY22 Budget is proposed to be adopted Monday, December 6, 2021 at 7:00 p.m. as part of the Village Board Regular meeting.

### **Alternatives**

N/A