

VILLAGE OF  NORTH BARRINGTON

MEMORANDUM

To: Finance Committee Members

CC: Board of Trustees

From: John A. Lobaito, Village Administrator

Date: April 8, 2021

Subj: FYE 2022 Proposed Budget and 5-Year Capital Improvement Plan

Attachments:

1. FYE 2022 Proposed Budget
2. Capital Improvement Plan
3. Chart of Accounts

Enclosed is the proposed FYE 2022 balanced budget and 5-year Capital Improvement Plan (CIP). The proposed budgeted expenditures of \$1,389,502 are less than expected revenues of \$1,400,000. The format is like past budget proposals that the Committee has considered.

You will note a few changes to this year's budget proposal. One change is the introduction of a 5-year CIP. Other modifications have been made to group like services or expenditures into a single line item. For example, in the Village Hall category, maintenance items such as HVAC, Generator, Electrical, and Plumbing maintenance have been included under a single line item titled Building Maintenance. Certain line items have been eliminated where no funds have been budgeted for the past couple of years. And lastly, expenditures have been moved into categories that better fit the expenditure.

Revenue: The pandemic has caused much uncertainty this past year, however we estimate that the FYE 2021 revenues will exceed the budgeted estimate. The largest variance is in the State Income Tax and Use tax. We expect the revenues to hold steady in the proposed FYE 2022 budget.

Expenditures: It is projected that the Village will close out the FYE 2021 budget by spending nearly \$200,000 less than budgeted. Some of the savings can be attributed to the pandemic and personnel changes, but we saw lower costs in Highway and Streets, Salary & Benefits, and Administrative expenses. FYE 2022 proposed budget reflects an increase over last year due to a proposed \$200,000 transfer from the General Fund to the CIP. Excluding the proposed transfer, overall operational costs are projected to be flat compared to the prior year.



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Salaries & Benefits: The past 18 months have been a time of transition in the Administrator's office. Office staff has been reduced, but the vacant full-time position is expected to be replaced with a part-time position in the proposed budget. Cost of living adjustment of 2.3% and merit increase are included in proposed budget. Administrator position is being contracted for management services and is not an employee of the Village. These changes have lowered the overall annual cost of salaries and benefits.

Engineering: This is a new category this year. It replaces Stormwater Management. Stormwater Management is now a subcategory of Engineering. This change was driven by the need for management cost control. Prior budget included engineering in multiple categories depending on the engineering task. Now all functions of the Village Engineer can be viewed in one location and further separated by specific tasks.

Professional Services: This past year, the Village hired George Roach & Associates (GRA), an accounting and auditing firm to manage the daily finance functions of the Village. Adding GRA to the Village team has allowed for segregation of duties in its accounting function. The lack of segregation of duties was identified in the Auditor's Management Letter last year. We also brought payroll in-house at an annual savings compared to last year. Lauterbach and Amen, LLC was hired to conduct the Villages annual audit and has a three-year contract.

5-Year CIP: The enclosed CIP is new this year. The proposed CIP is a dynamic planning and management tool for the Finance Committee and Village Board to coordinate the timing and financing of capital improvements. The plan provides a blueprint for improving/maintaining the communities infrastructure and facilities.

This is the first time the Committee is considering a CIP so there should be no expectation that the enclosed document cannot be altered. The CIP is divided into three (3) categories: Infrastructure, Facilities, and Information Technology. Typical CIP's have a minimum threshold of \$5,000 to be included in the CIP, but I felt in certain instances a lower dollar amount was warranted. Not only do low dollar amount expenditures impact small budgets to a greater extent, it also is helpful to see the true cost of maintaining the capital assets of the Village.

Criteria: Project inclusion is based on public safety, value to the community, cost, and availability of funds.

Sources of Revenue: The CIP funding will come from general revenues of the Village, MFT revenues, and grant funds. However, the Village is receiving Rebuild Illinois funds of approximately \$200,000 paid out over three years beginning in 2020 and ending in 2022. These funds will be transferred to the CIP as the funds are restricted to roadway improvements.

Public Facilities: The facilities page is a 10-year projection not 5-years. This was done simply to capture large expenditures in the outer years so the Village can plan/save over a longer period for the expenditure. An example of this would be the Village Hall roof replacement in FYE 28. I also believe it will assist the Village Board in year to year decisions if they have a longer view.



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Initial Funding: I would propose an initial funding of the CIP to be \$1.5 million. This amount is approximately equal to the first three years of the CIP. The transfer from the General Fund reserves to the CIP Fund of \$1.5 million can be done by Resolution of the Board of Trustees. Thereafter, the village should budget annually a capital expenditure (transfer) from the General Fund to the CIP from revenues received in that fiscal year. For FYE 2022 the proposed budget transfers \$200,000 to the CIP.

Future Financial Policies: Last year's Management Letter from the audit identified a few financial policies that have been recommended the Village adopt. One of the strategic goals for FYE 2022 will be to establish the following policies.

1. Capital Asset Policy
2. Fund Balance Policy
3. Policy and Procedures Manual

America Rescue Plan: \$65 billion was included in the ARP for payments to all municipalities in the country. North Barrington's amount is \$364,000. Payments to municipalities will be split between two rounds of funding. The timing of the funding is unknown currently. The Illinois Municipal League has said, "For non-metropolitan (non-CDBG) communities (North Barrington) that will receive their funding from the state, there will be additional time allotted for the state to distribute that funding. The second round of funding may not be distributed earlier than 12 months after the first-round distribution, meaning sometime in spring or summer of 2022."

With unknown timing on the distribution of funds and the lack of criteria detail to receive the funds, no revenue from this distribution has been included in the revenue projections. However, if any funds are received from ARP it will be a one-time payment and should not be used for operational expenses and instead placed into the CIP for future capital needs.

Chart of Accounts: This past year we updated and improved the accounting system by transitioning from account names to a traditional numeric structure. This provides a uniform account system as well as allowing for easier segregation of accounting by department and account types. This is common practice for governmental accounting. The first two numbers are the department and the last 4 numbers is the account type. The department name is listed below.

Department No.	Department Name
10	Administration
12	Building and Zoning
15	Forestry
20	Public Safety
30	Highways and Streets
40	Parks
50	Storm Water Management

Village of North Barrington
Fiscal Year End 2022 Proposed Budget

General Fund

General Fund Revenues

	Fiscal Year Ending April 30, 2019 Actual	Fiscal Year Ending April 30, 2020 Actual	Fiscal Year Ending April 30, 2021 Budget	Fiscal Year Ending April 30, 2021 Estimate	Fiscal Year Ending April 30, 2022 Proposed Budget
State Tax Distributions	511,280	572,576	380,820	558,165	531,590
<i>State Income Tax</i>	312,454	369,103	232,290	344,601	332,090
<i>Sales Tax</i>	194,255	102,038	64,350	66,660	67,330
<i>Use Tax</i>	-	96,423	80,910	140,601	125,810
<i>Pers. Prop. Replacement Tax</i>	4,571	4,798	3,060	4,140	4,180
<i>Cannabis Use Tax</i>	-	214	210	2,162	2,180
Property Taxes	700,113	700,281	713,840	684,474	690,240
<i>Property Taxes - General R.Est.</i>	366,962	367,428	366,120	354,243	361,740
<i>Property Taxes - Roads</i>	69,694	69,435	25,000	17,771	-
<i>Property Taxes - Police</i>	255,278	255,289	312,720	302,778	320,000
<i>Property Taxes - Audit</i>	8,179	8,129	10,000	9,682	8,500
Road Impact Fees	4,000	2,500	1,500	500	500
Cell Tower Rental	30,541	12,000	-	-	-
Franchise Fees	79,186	77,706	77,890	76,219	76,980
<i>AT&T Uverse</i>	-	-	3,000	2,101	2,120
<i>AT&T Long Distance</i>	-	-	2,000	3,504	3,540
<i>Comcast</i>	-	-	72,890	70,615	71,320
Fines - Police	8,140	9,094	7,500	1,109	2,000
Other Fines	250	-	-	1,075	-
GF Proceeds from Sale of Asset	-	-	-	1,800	-
Board of Appeals Income	2,400	1,200	900	-	500
Liquor Licenses	4,600	4,400	4,400	4,350	4,350
Permits / Filing Fees	129,001	75,642	60,980	85,655	87,340
<i>Application Fees</i>	110,946	54,941	3,100	3,310	3,340
<i>Building Permit Fees</i>	-	-	30,660	63,495	64,130
<i>Home Occupation Fees</i>	-	-	270	25	30
<i>Wandering Tree</i>	-	-	1,500	-	-
<i>Septic Registration</i>	-	25	2,450	225	230
<i>Septic Permit</i>	-	-	1,000	1,150	1,160
<i>Tree Removal</i>	-	50	-	450	450
<i>Vehicle Stickers</i>	18,055	19,623	19,000	17,000	18,000
<i>Watershed Development Permit</i>	-	1,003	3,000	-	-
Interest Income	69,214	64,008	35,450	8,980	4,000
Special Service Area	2,000	-	-	-	-
Impact Fee - Parks	-	-	-	4,903	-
Other Income	1,460	744	-	24,515	2,500
Total General Fund Revenues	1,542,185	1,520,151	1,283,280	1,450,671	1,400,000

General Fund Expenditures

Engineering	199,998	113,105	15,700	14,914	25,000
<i>ENCAP</i>	-	-	-	-	-
<i>Stormwater Management</i>	199,998	95,753	-	-	-
<i>Engineer Consulting</i>	-	16,352	12,700	5,920	7,000
<i>Plan Review</i>	-	-	-	7,911	7,000
<i>Inspections</i>	-	-	-	-	8,000
<i>NPDES Permit</i>	-	1,000	1,000	1,083	1,000
<i>Invasive Species Monitoring</i>	-	-	2,000	-	2,000
Building Department	67,691	53,385	98,870	50,062	50,800
<i>Bldg & Zoning Officer</i>	-	-	34,800	38,000	38,000
<i>Inspections</i>	-	-	12,850	11,905	12,500
<i>Engineering</i>	-	-	51,220	-	-
<i>Membership Dues & Subscriptions</i>	-	-	-	157	300

Village of North Barrington
Fiscal Year End 2022 Proposed Budget

General Fund	Fiscal Year Ending April 30, 2019 Actual	Fiscal Year Ending April 30, 2020 Actual	Fiscal Year Ending April 30, 2021 Budget	Fiscal Year Ending April 30, 2021 Estimate	Fiscal Year Ending April 30, 2022 Proposed Budget
Health & Sanitation	12,043	9,150	8,000	3,605	6,800
<i>Health Officer</i>	-	-	8,000	3,605	5,000
<i>Annual Operations & Maintenance Fee</i>	-	-	-	-	1,500
<i>Membership Dues & Subscriptions</i>	-	-	-	-	300
Police Service	451,545	479,759	422,500	415,566	428,500
<i>IGA Police Services</i>	-	-	415,000	411,562	421,000
<i>IGA - NB School Traffic Control</i>	-	-	7,500	4,004	7,500
Forester	59,275	31,637	16,150	11,134	16,800
<i>Forester Services</i>	59,275	31,637	6,000	6,975	6,500
<i>Tree Planting & Removals</i>	-	-	10,000	4,000	10,000
<i>Membership Dues & Subscriptions</i>	-	-	150	159	300
Parks	36,541	23,472	18,700	8,610	21,700
<i>Programs -</i>	-	2,348	-	-	-
<i>Summer Concerts</i>	-	4,526	3,500	-	3,500
<i>Fall Fest</i>	-	7,568	6,800	-	6,800
<i>Santa Event</i>	-	-	-	-	-
<i>Utilities</i>	-	1,305	200	-	200
<i>Eton Rentals</i>	-	1,173	1,200	991	1,200
<i>Landscape Maintenance</i>	-	6,408	7,000	7,619	10,000
<i>Misc</i>	-	144	-	-	-
Village Hall	56,588	28,822	25,470	8,375	19,050
<i>Building Maintenance</i>	-	2,778	2,000	469	2,700
<i>Fire/Security Alarm</i>	-	2,850	3,500	2,646	-
<i>Electrical Maintenance</i>	-	123	1,500	-	-
<i>HVAC Maintenance</i>	-	600	2,790	238	-
<i>Plumbing Maintenance</i>	-	200	750	-	500
<i>Generator</i>	-	599	600	146	-
<i>Property Maintenance</i>	-	12,717	-	-	-
<i>Landscape Maintenance</i>	-	5,283	7,300	2,456	10,000
<i>Lake County Water Supply Permit</i>	-	-	2,200	-	250
<i>Cleaning Services</i>	-	2,660	3,000	-	3,000
<i>Office Supplies</i>	-	-	750	437	1,600
<i>Water</i>	-	593	310	507	-
<i>Hinckley Springs Service</i>	-	-	-	-	-
<i>Water Softener</i>	-	419	270	-	-
<i>Pest Control</i>	-	-	-	-	500
<i>Copier Lease/Maintenance</i>	-	-	-	-	-
<i>Misc</i>	-	-	500	1,477	500
Information Technology (IT)	39,573	28,418	48,900	22,434	40,000
<i>Consulting Services</i>	-	22,351	25,000	22,434	25,000
<i>IT Annual Licensing & Warranty Renewals</i>	-	6,067	6,620	-	15,000
<i>IT Hardware</i>	-	-	14,280	-	-
<i>Web Design</i>	-	-	3,000	-	-
Emergency Services	19,972	2,657	2,500	233	-
Administration Expense	425,171	264,091	175,750	139,888	189,265
<i>Codification Services</i>	2,398	515	-	2,831	3,000
<i>Treasurer Services</i>	3,266	1,883	1,200	1,192	1,200
<i>Professional Services:</i>	-	-	-	-	-
<i>Accounting Services</i>	-	-	-	5,395	25,000
<i>Audit</i>	10,000	10,100	18,000	9,858	9,700
<i>Legal</i>	81,164	69,181	50,000	50,000	50,000
<i>Outside Services</i>	-	-	-	650	-
<i>Mosquito Abatement</i>	36,713	22,097	33,590	18,857	33,590
<i>Liability Insurance</i>	17,002	14,494	16,000	14,766	15,000

Village of North Barrington Fiscal Year End 2022 Proposed Budget

General Fund	Fiscal Year Ending April 30, 2019 Actual	Fiscal Year Ending April 30, 2020 Actual	Fiscal Year Ending April 30, 2021 Budget	Fiscal Year Ending April 30, 2021 Estimate	Fiscal Year Ending April 30, 2022 Proposed Budget
<i>Publishing & Recording</i>	191	764	1,500	661	1,500
<i>Copier Lease & Maintenance</i>	3,573	3,171	3,250	4,076	4,000
<i>Postage</i>	1,364	2,902	3,250	2,225	3,000
<i>Electronic Mailing</i>	-	-	240	23	-
<i>Printing</i>	2,004	2,368	3,720	893	2,500
<i>Payroll Expense</i>	18,013	3,293	2,000	1,548	-
<i>Internet</i>	1,700	1,565	1,720	2,010	2,400
<i>Telephone</i>	4,202	4,656	-	-	-
<i>Membership Dues & Subscriptions</i>	1,568	2,362	750	4,261	4,000
<i>Flint Creek Watershed Partnership</i>	22,150	3,500	1,500	2,817	1,500
<i>BACOG Dues</i>	33,865	26,780	26,530	10,833	20,000
<i>Phone Services</i>	-	-	4,500	4,932	4,750
<i>Office Supplies</i>	4,124	2,393	2,500	1,209	2,000
<i>Meetings & Travel</i>	2,452	3,375	3,500	453	2,500
<i>Vehicle Stickers</i>	-	-	-	-	2,500
<i>Paratransit Services - PACE</i>	-	-	-	163	150
<i>Bank Service Fee</i>	-	157	-	237	225
<i>Depreciation Expense</i>	89,612	46,131	-	-	-
<i>Contingency</i>	76,993	37,624	1,500	-	-
<i>Miscellaneous</i>	12,817	4,780	500	-	750
Zoning Board of Appeals	591	395	500	-	500
Plan Commission	1,000	944	500	-	500
Environmental & Health Commission	9,685	3,774	-	-	500
Cuba Township Services	15,892	-	-	-	-
Highway & Streets (Road Dept.)	871,615	509,825	220,200	172,102	180,000
<i>Culvert Program</i>	27,400	2,343	-	-	-
<i>Public Works</i>	163,236	47,090	30,000	13,069	30,000
<i>Roads - Miscellaneous</i>	6,145	6,666	25,000	-	-
<i>Signage</i>	-	-	-	-	-
<i>Electric</i>	-	-	-	-	-
<i>Misc.</i>	6,145	6,666	5,100	1,836	-
<i>Road Maintenance & Construction</i>	454,984	225,395	5,000	8,064	-
<i>Utilities</i>	-	-	-	787	1,000
<i>Engineering</i>	153,977	93,231	5,000	6,060	-
<i>Snow & Ice Mgmt. Services</i>	7,873	135,100	135,100	135,100	139,000
<i>Maintenance/Storm Cleanup</i>	-	-	15,000	7,186	10,000
<i>Infrastructure Reserve</i>	58,000	-	-	-	-
Salaries & Benefits	273,842	265,071	238,160	183,627	210,087
<i>PT Help</i>	5,768	19,769	199,710	109,488	20,000
<i>Salary</i>	-	-	-	-	-
<i>Withholdings</i>	-	-	-	-	-
<i>Clerk KG</i>	62,950	29,644	-	-	-
<i>Salary</i>	-	-	-	-	-
<i>Withholdings</i>	-	-	-	-	-
<i>Deputy Clerk</i>	77,709	65,313	-	4,296	62,087
<i>Salary</i>	-	-	-	-	-
<i>Withholdings</i>	-	-	-	-	-
<i>Village Administrator</i>	127,415	110,494	-	50,313	100,000
<i>Salary</i>	-	-	-	-	-
<i>Withholdings</i>	-	-	-	-	-
<i>Consultant Charges</i>	-	-	-	-	-
<i>Employer Payroll Taxes</i>	-	25,411	29,320	8,293	15,000
<i>Employer Retirement/Medical Premiums</i>	-	14,439	9,130	11,236	13,000

**Village of North Barrington
Fiscal Year End 2022 Proposed Budget**

General Fund	Fiscal Year Ending April 30, 2019 Actual	Fiscal Year Ending April 30, 2020 Actual	Fiscal Year Ending April 30, 2021 Budget	Fiscal Year Ending April 30, 2021 Estimate	Fiscal Year Ending April 30, 2022 Proposed Budget
Capital Expenditures	-	-	-	-	200,000
Total General Fund Expenditures	2,541,022	1,814,505	1,291,900	1,030,550	1,389,502
Net Income	(998,837)	(294,354)	-	420,121	10,498
<i>General Fund Summary</i>					
Carry Over from Prior Year	3,428,119	2,875,809		2,241,678	2,661,799
Total Fund Revenue	1,542,185	1,520,151		1,450,671	1,400,000
Total Fund Expenditures	2,541,022	1,814,505		1,030,550	1,389,502
Restricted Funds - Capital Transfer	-	-		-	200,000
Additional Adjustments	(27)	(27)		-	-
Fund Carry Over (or Deficit)	2,429,255	2,581,428		2,661,799	2,472,297
<i>Restricted SSA Funds</i>	308,051	308,051		-	-
Adjusted Fund Balance	2,121,204	2,273,377		2,661,799	2,472,297

Village of North Barrington Fiscal Year End 2022 Proposed Budget

	Fiscal Year Ending April 30, 2019 Actual	Fiscal Year Ending April 30, 2020 Actual	Fiscal Year Ending April 30, 2021 Estimate	Fiscal Year Ending April 30, 2021 Proposed Budget
Motor Fuel Tax Fund (MFT)				
MFT Revenue				
Allotment from State	89,543.00	118,582.00	91,883.00	85,000.00
Transportation Renewal		-	17,290.00	17,000.00
Rebuild Illinois			100,404.00	66,936.00
Interest Income	-	-	260.00	200.00
Total MFT Revenue	89,543.00	118,582.00	209,837.00	169,136.00
MFT Expenditures				
Street Maintenance & Repairs	-	180,000.00	-	-
Engineering	-	-	-	40,000.00
Misc	-	-	-	-
Total MFT Expenditures	-	180,000.00	-	40,000.00
Fund Summary				
Carry Over from Prior Year	72,514.90	162,057.90	87,707.00	297,544.00
Total Fund Revenue	89,543.00	118,582.00	209,837.00	169,136.00
Total Fund Expenditures	-	180,000.00	-	40,000.00
Audit Adjustments - Cash to Accrual	-	-	-	-
Fund Carry Over (or Deficit)	162,057.90	87,707.00	297,544.00	426,680.00