Agenda
Village of Glen Ellyn
Special Village Board Workshop
Monday, October 7, 2024
7:00 PM
Glen Ellyn Civic Center, Room 301

<u>*Meeting Procedures Statement*</u>

Visitors are most welcome to attend all meetings of the Village Board and can find copies of the Agenda at the meeting or online at www.glenellyn.org prior to the meeting. Any individual with a disability requiring a reasonable accommodation in order to participate in a meeting should contact The Village of Glen Ellyn ADA Coordinator, 630-469-5000, at least five (5) business days in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Audience Participation

1) Open:

Members of the public are welcome to speak to any item not specifically listed on tonight's agenda for up to (3) three minutes. For those items which are on tonight's agenda, the public will have the opportunity to comment at the time the item is discussed. In either case, please complete the Audience Participation form and turn it in to the Village Clerk. It is requested that, if possible, one spokesman for a group be appointed to present the views of the entire group. Speakers who are recognized are requested to step to a microphone and state their name, their topic and the group, if any, they are representing prior to addressing the Village Board. Individuals wishing to address the Board shall exercise proper decorum and respect for the proceedings and the business of the Village Board, and shall refrain from abusive demeanor and language. The practice of ceding time to other speakers shall be prohibited, except in the discretion of the presiding officer of the meeting. Public officials are not obligated to respond to questions.

E. 2024 Property Tax Estimate

1) 2024 Property Tax Levy Estimate

F. 2025 Budget Discussion - General Fund

1) 2025 Budget Discussion - General Fund

G. Reminders

H. Adjourn

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/7/2024 7:00 PM
Department: Finance
Department Head: Patrick Brankin
Category: Presentation
Prepared By: Patrick Brankin

AGENDA ITEM (ID # 2024-667)

DOC ID: 2024-667

2024 Property Tax Levy Estimate

Statement of the Issue:

The Village Board will review and consider the 2024 property tax levy during the 2025 budget process with adoption of the levy ordinance planned for November. The Truth in Taxation Law requires that the Village Board estimate the amount of property taxes to be levied at least 20 days prior to the adoption of the levy. If the estimated levy is greater than a 5% increase, the Village must publish notice and hold a public hearing. Historically, the Village has chosen to publish notice and hold a public hearing annually, including when the increase is below the 5% threshold.

Analysis:

The annual property tax ordinance adopted by the Village Board includes both the levy for the Village and the levy for the Glen Ellyn Public Library. The approval of the Library levy is an administrative function of the Village only. The Library levy was approved by the Glen Ellyn Public Library Board at its September 16, 2024 meeting.

Attached is a summary of the change from the 2023 levy to the 2024 proposed levy for both the Village and the Library. For many years now, the Village has held itself to the maximum of the "tax capped" levy that a non-home rule community would be limited to, even though the Village is a home rule community and is not bound by the "tax cap" laws. By holding itself to the "tax cap" laws, the Village is permitted to increase the levy for new growth and CPI. The CPI is set each year following the requirements in state statute and was 3.4% for 2023. The "tax cap" laws limit the levy increase to the lesser of CPI or 5%; therefore, 3.4% is the increase allowed for the 2023 levy year. The Village is also permitted under the Property Tax Extension Limitation Law (PTELL) to levy for new growth within the Village in addition to the lesser of CPI or 5%. New growth for the Village in 2023 was 0.5% and will be used to estimate new growth for the 2024 levy.

The property tax levy proposed to be included in the truth in taxation notice includes a 0.5% increase in the Village levy, which is well below the amount permitted under the "tax cap" laws. Compared to the 2023 levy amounts prior to abatement, this 0.5% represents an increase of $20,794 in the General Fund and $22,628 in the Capital Projects Fund. This amount may be altered by the Village Board prior to the adoption of the levy ordinance. A public hearing and first reading of the 2024 levy ordinance is planned for the November 12 Village Board meeting with final adoption scheduled for the November 18 meeting.

Budget Impact:
The 2024 property tax levy will be included in the 2025 Village budget.

Contribution to Strategic Plan
Strategic Priority: Financial Stability. **Initiative**: Maintain financial stability and create a financial decision-making framework

Action Requested:
Provide feedback regarding the 2024 property tax levy estimate.

Attachments:
1. 2024 Levy Estimate
2. 2024 CPI Memo IDOR
3. 2024 CPI History

VILLAGE OF GLEN ELLYN
2024 PROPERTY TAX LEVY
(to be collected in FY2025)

	2023 Levy	2023 Taxes Extended	2023 Taxes Abated	2023 Taxes Ext & Abat	2024 Proposed Levy	2024 Proposed Abatements[2]	2024 Proposed Levy & Abatements	Change from Taxes Extended & Abated $ Inc/(Dec)	Change from Taxes Extended & Abated % Inc/(Dec)	Change from Original Levy $ Inc/(Dec)	Change from Original Levy % Inc/(Dec)
VILLAGE LEVY:											
Operating - General Fund	$ 4,203,366	$ 3,989,322	$ 214,375	$ 4,203,697	$ 4,224,160	$ -	$ 4,224,160	$ 20,463	0.5%	$ 20,794	0.5%
Operating - Capital Fund	4,574,175	4,510,174	64,375	4,574,549	4,596,803	-	4,596,803	$ 22,254	0.5%	22,628	0.5%
Total	**$ 8,777,541**	**$ 8,499,496**	**$ 278,750**	**$ 8,778,246**	**$ 8,820,963**	**$ -**	**$ 8,820,963**	**$ 42,717**	**0.5%**	**$ 43,422**	**0.5%**
LIBRARY LEVY:											
Operating	$ 5,177,177	$ 5,182,244	$ -	$ 5,182,244	$ 5,379,087	$ -	$ 5,379,087	$ 196,843	3.8%	$ 201,910	3.9%
Total	**$ 5,177,177**	**$ 5,182,244**	**$ -**	**$ 5,182,244**	**$ 5,379,087**	**$ -**	**$ 5,379,087**	**$ 196,843**	**3.8%**	**$ 201,910**	**3.9%**
TOTAL, VILLAGE AND LIBRARY											
Operating	$ 9,380,543	$ 9,171,566	$ 214,375	$ 9,385,941	$ 9,603,247	$ -	$ 9,603,247	$ 217,306	2.3%	$ 222,704	2.4%
Operating - Capital	4,574,175	4,510,174	64,375	4,574,549	4,596,803	-	4,596,803	22,254	0.5%	22,628	0.5%
Total Operating[1]	**$ 13,954,718**	**$ 13,681,740**	**$ 278,750**	**$ 13,960,490**	**$ 14,200,050**	**$ -**	**$ 14,200,050**	**$ 239,560**	**1.7%**	**$ 245,332**	**1.8%**
Aggregate Refunds-Village	$ 18,225	$ 18,838	$ -	$ 18,838	$ -	$ -	$ -	$ (18,838)		$ (18,225)	
Aggregate Refunds-Library	10,669	11,988	-	11,988	-	-	-	(11,988)		(10,669)	
Total	**$ 13,983,612**	**$ 13,712,566**	**$ 278,750**	**$ 13,991,316**	**$ 14,200,050**	**$ -**	**$ 14,200,050**	**$ 208,734**	**1.5%**	**$ 216,438**	**1.5%**

Debt Service Abatements[2]

Bonds	Fund	2024 Proposed Levy	2024 Proposed Abatements	2024 Proposed Levy & Abatements
2015 General Obligation Bonds	Capital Projects Fund	$ 818,044	$ (818,044)	$ -
2018 General Obligation Bonds	Capital Projects Fund	683,469	(683,469)	-
2020 General Obligation Bonds	Capital Projects Fund	611,323	(611,323)	-
2021A General Obligation Refunding Bonds	Village Links	303,100	(303,100)	-
2021B General Obligation Refunding Bonds	Capital Projects Fund	127,165	(127,165)	-
2024 General Obligation Bonds	Water & Sewer Fund	476,025	(476,025)	-
		$ 3,019,126	**$ (3,019,126)**	**$ -**
	Total Amount	**$ 17,219,176**	**$ (3,019,126)**	**$ 14,200,050**

1. Total operating increase is subject to required public hearing under the Truth in Taxation Act if percentage increase, excluding debt, is greater than 5.0% of taxes extended in prior year.
2. Abatement ordinances will be considered at a future meeting.

Note: There may be slight differences due to rounding

Illinois Department of Revenue
Property Tax Division
101 West Jefferson Street, MC 3-450
Springfield, Illinois 62702
Telephone: (217) 782-3016
Facsimile: (217) 782-9932

PTELL – CPI for 2024 Extensions - Property Taxes Payable 2025

TO: County Assessors, Clerks and Tax Extenders in Counties Containing Taxing Districts Subject to the Property Tax Extension Limitation Law (PTELL)

FROM: Brad Kriener
Property Tax Division

DATE: 1/12/24

SUBJECT: CPI Change for 2024 Extensions (for property taxes payable in 2025) for Taxing Districts Subject to PTELL

The Consumer Price Index (CPI) "cost of living" or inflation percentage to use in computing the 2024 extensions (taxes payable in 2025) under PTELL is 3.4%

Section 18-185 of the Property Tax Code defines CPI as "the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor." This index is sometimes referred to as CPI-U. Section 18-185 defines "extension limitation" and “debt service extension base” as "...the lesser of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year..." (emphasis added).

For 2024 extensions (taxes payable in 2025), the CPI to be used for computing the extension limitation and debt service extension base is 3.4%. The CPI is measured from December 2022 to December 2023. The U.S. City Average CPI for December 2022 was 296.797 and 306.746 for December 2023. The CPI change is calculated by subtracting the 2022 CPI from the 2023 CPI. The amount is then divided by the 2022 CPI which results in 3.4% CPI. (306.746 – 296.797)/296.797 = 3.4%. The Statute indicates the lesser of 5% or the actual percentage increase, in this case 3.4% is the lesser amount.

Information on PTELL may be accessed through the department’s web site at www.tax.illinois.gov under the "Property Tax" link and the "Property Tax Extension Limitation Law (PTELL)" link under the “General Information and Resources” heading.

If you have any questions concerning the change in the consumer price index (CPI), please contact us at REV.PropertyTax@Illinois.gov.

Illinois Dept. of Revenue
History of CPI's Used for the PTELL
01/31/2024

Year	December CPI-U	% Change From Previous December	% Use for PTELL	Comments	Levy Year	Years Taxes Paid
1991	137.900	--				
1992	141.900	2.9%	2.9%		1993	1994
1993	145.800	2.7%	2.7%	(5 % for Cook)	1994	1995
1994	149.700	2.7%	2.7%		1995	1996
1995	153.500	2.5%	2.5%		1996	1997
1996	158.960	3.6%	3.6%		1997	1998
1997	161.300	1.5%	1.5%		1998	1999
1998	163.900	1.6%	1.6%		1999	2000
1999	168.300	2.7%	2.7%		2000	2001
2000	174.000	3.4%	3.4%		2001	2002
2001	176.700	1.6%	1.6%		2002	2003
2002	180.900	2.4%	2.4%		2003	2004
2003	184.300	1.9%	1.9%		2004	2005
2004	190.300	3.3%	3.3%		2005	2006
2005	196.800	3.4%	3.4%		2006	2007
2006	201.800	2.5%	2.5%		2007	2008
2007	210.036	4.08%	4.1%		2008	2009
2008	210.228	0.1%	0.1%		2009	2010
2009	215.949	2.7%	2.7%		2010	2011
2010	219.179	1.5%	1.5%		2011	2012
2011	225.672	3.0%	3.0%		2012	2013
2012	229.601	1.7%	1.7%		2013	2014
2013	233.049	1.5%	1.5%		2014	2015
2014	234.812	0.8%	0.8%		2015	2016
2015	236.525	0.7%	0.7%		2016	2017
2016	241.432	2.1%	2.1%		2017	2018
2017	246.524	2.1%	2.1%		2018	2019
2018	251.233	1.9%	1.9%		2019	2020
2019	256.974	2.3%	2.3%		2020	2021
2020	260.474	1.4%	1.4%		2021	2022
2021	278.802	7.0%	5.0%		2022	2023
2022	296.797	6.5%	5.0%		2023	2024
2023	306.746	3.4%	3.4%		2024	2025

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/7/2024 7:00 PM
Department: Finance
Department Head: Patrick Brankin
Category: Budget
Prepared By: Patrick Brankin

AGENDA ITEM (ID # 2024-665)

DOC ID: 2024-665

2025 Budget Discussion - General Fund

Statement of the Issue:

The 2025 budget planning process began at the August 12, 2024 workshop where staff presented the midyear financial report, provided an overview of the current financial challenges faced by the Village, and reviewed the initial draft of General Fund revenues. At the September 30 Village Board Workshop, the Village Board reviewed the 5-Year Capital Improvement Plan (CIP) and proposed capital budget for Calendar Year (CY) 2025. At the October 7 workshop, staff will present the proposed 2025 General Fund expenditure budget.

Analysis:

As detailed beginning on page 8 of the attached transmittal memorandum, staff is pleased to present a balanced General Fund budget which features a very slight surplus of $194. Based on direction provided by the Village Board at the August 12 workshop, revenues were adjusted to include a property tax increase of new growth only (0.5%) with no increase for CPI.

After this adjustment, revenues and expenditures are both budgeted to increase by 4.3% in 2025 as noted below:

	FY25 Budget	FY24 Original Budget	Difference	Percent Change
Revenues*	$26,800,060	$25,687,691	$1,112,369	4.3%
Expenditures*	$26,799,866	$25,687,244	$1,112,622	4.3%
Net*	$194	$447	$(253)	

General fund expenditures can be broken down by category as follows:

Dept No.	Department Description	FY2025	FY2024	$ Change	% Change
121100	Village Board & Clerk	121,560	137,060	(15,500)	-11.3%
121200	Village Manager's Office	1,087,405	1,082,060	5,345	0.5%
121400	Information Technology	1,318,350	1,178,050	140,300	11.9%
121500	Senior Services	100,270	90,120	10,150	11.3%
1216X0	History Park	31,850	31,850	-	0.0%

121700	Law	402,385	376,050	26,335	7.0%
121800	Human Resources	470,190	440,165	30,025	n/a
122100	Finance - Administration	810,680	775,850	34,830	4.5%
122200	Finance - Cashiers Office	418,480	382,680	35,800	9.4%
126100	Planning	657,750	703,800	(46,050)	-6.5%
126200	Building	1,930,400	1,839,550	90,850	4.9%
126500	Economic Development/Mktg	616,315	782,480	(166,165)	-21.2%
134000	Police	12,540,076	11,698,606	841,470	7.2%
135100	Fire	347,850	354,500	(6,650)	-1.9%
135200	EMS	503,000	488,520	14,480	3.0%
143100	Public Works Admin & Engineering	956,930	988,855	(31,925)	-3.2%
143300	Public Works - Streets	1,885,970	1,990,398	(104,428)	-5.2%
143400	Public Works - Forestry	1,332,220	1,147,190	185,030	16.1%
143500	Facilities Maintenance	1,268,185	1,199,460	68,725	5.7%
	TOTAL	26,799,866	25,687,244	1,112,622	4.3%

Please see the attached transmittal memorandum for additional information.

Budget Impact:
Direction given by the Board during this Workshop will determine the Village's 2025 General Fund expenditure budget.

Contribution to Strategic Plan
Strategic Priority: Financial Stability. **Initiative**: Maintain financial stability and create a financial decision-making framework

Action Requested:
n/a

Attachments:
1. Draft Budget Transmittal 9-26-24 FINAL

October 2, 2024

Honorable President Senak and Village Board of Trustees
Village of Glen Ellyn

Subject: Budget Transmittal for Fiscal Year 2025 – Recommended Draft Budget

Introduction
Transmitted with this letter is the recommended budget of the Village of Glen Ellyn for Fiscal Year 2025 which runs from January 1, 2025 through December 31, 2025. This document presents a comprehensive look at major financial and non-financial goals and priorities for the Village both from a near-term as well as a long-range perspective. This document, in many ways, acts as the corporate plan for the Village over the next twelve months. The budget formation was again conducted through a zero-based budget process. The FY25 budget process required all departments to justify all line items and summarize the need for all expenses incorporated in their respective department budgets. This process, allocating scarce resources and prioritizing programs and projects, is difficult each year because the demand for municipal services often exceeds the revenues available to pay for those services.

BUDGET OVERVIEW

Financial Scorecard
In order to provide context for the merits and challenges of the Village's financial standing as the Village prepares its 2025 budget, it is important to review the highlights of the Village's Scorecard, which was updated at the beginning of 2020, before the Covid-19 pandemic. The Scorecard compares and contrasts the Village's financial performance to its peers. In the Scorecard, the Village was identified to have a strong financial position with less debt and lower pension liabilities than its peers. The Village also fell in the low to moderate range among its peer communities on expenditures.

The Village also fared well in its ranking for property taxes going to the Village/Library for a median value home. The Scorecard did underscore the need for the Village to stimulate economic development to increase the non-residential property tax base. Increasing the commercial property tax base, which includes multi-family and mixed-use development, could shift the property tax burden from the residential properties and may also increase sales tax and home rule sales tax revenues to the Village. The full scorecard can be found on the Village's website (https://www.glenellyn.org/218/Finance-Commission-Reports). The Scorecard has guided many of the strategic plan initiatives over the last four years and will be updated with the Finance Commission during the first half of 2025 in conjunction with a new overall strategic plan in CY25.

Budget Summary
The budget consists of 18 different funds, many summarized below. The 2025 budget can be bifurcated into capital and operating components as highlighted below. The increase in the budget in 2025 is divided between operating and capital components as noted below.

	2025 draft budget	2024 original budget	$ Change	% Change
Operating (net of transfers)	$55,716,328	$52,497,880	3,218,448	6.1%
Capital & Debt Service	$25,846,453	$32,539,319	(6,692,866)	(20.6)%
Total Budget	$81,562,781	$85,037,199	3,474,418	(4.1)%

The operating funds allow the Village to provide high-quality services to the community. This was a challenge over the last few years with the pandemic and then the Great Resignation requiring the Village to be agile in address staffing shortages, rightsizing various divisions and departments, and adopting new processes and delivery services in a new way to meet the expectations of the community. To that end, the Village Board has asked management to evaluate staffing needs and right size departments to ensure that the Village can meet the needs of the residents and businesses. Over the last few years, the Village Board has authorized some additional staffing as part of a right sizing exercise for all the operating departments. This has allowed departments to better meet the service demands and desires of the community and Village Board. However, this year, there are no new positions and outside of the Village Links/Reserve 22, no shifts in positions from part-time to full-time. The 2025 budget continues to sustain an increase in staffing in Police and Fire/EMS as well as incorporate reasonable compensation adjustments to meet the recommendations in the 2024 Compensation Study.

The capital budget fluctuates from year to year and is based upon the Village's 5-Year CIP (Capital Improvement Plan). Over the last two years, the Village Board directed staff to pursue a value engineering exercise and seek additional grant funds to lower the costs of the Train Station/Underpass Project, as well as to complete Phases II and III of the Central Business District (CBD) construction project. Additionally, the Village Board has authorized the transfer of General Fund reserves to the Capital Projects Fund in order to help close a funding gap and minimize the reliance on future debt issuances.

OPERATING BUDGET

Village Operations make up 68% of the total budget for all funds in FY25. Operating costs typically are associated with the provision of day-to-day basic Village services. This includes all staffing costs, various contract and consulting services, the purchase of a number of materials and commodities, and expenditures related to the maintenance of Village owned assets and rights of way. Some examples of Village operating expenditures/expenses include:

- Police and fire protection
- Purchase of Lake Michigan water
- Economic development awards
- Volunteer Fire Company support
- Golf course maintenance
- Street sweeping
- Tree planting, maintenance, removal
- Parking facilities
- Employment benefits
- Police and fire dispatch services
- Treatment of sanitary sewage by the Glenbard Wastewater Authority
- Weekly garbage pick-up
- General, liability, property and workers compensation insurance
- Snow and ice control
- Water and sewer system maintenance
- Pavement patching, line striping, and roadway signage
- Ambulance service contract
- Retirement benefits administration (Police Pension Fund)

The total operating budget increases 6.1% for FY25 and includes increased costs for personnel, supplies, and services driven by the current inflationary environment. The personnel budget is discussed in depth later in the memo. The operating budget also includes certain large one-time expenditures such as the purchase and implementation of new software in the Community Development department.

The Village continues to execute the CY2020-24 Strategic Plan and report out quarterly on progress. The Village Board has prioritized the following projects as most important. Strategic Goals-Key Priorities:

1. **Strategic Priority:** Financial Stability; **Initiative**: Staff to research and identify additional revenue sources as part of the CY25 budget preparation process. In addition, apply for grants and find alternative revenues to minimize the potential of issuing debt for capital projects. Lastly, recommend increases to the Fire Service Fee to sustain the level of service as determined by the Village Board (Fire, Capital, EMS).

a. Glen Ellyn received the Government Finance Officers Association Award for its 2024 budget document. This award is the highest form of recognition in governmental budgeting and represents a significant achievement by the organization. The Village also received special recognition related to strategic goals and strategies within the 2024 budget.
b. In May 2024, the Village Board approved an increase to the total Fire Services, Capital, and EMS/Ambulance fees for the first time since 2017 to ensure the long-term financial sustainability of Fire and Ambulance services.
c. Staff has implemented an interdepartmental grant tracking spreadsheet to manage and monitor grants effectively. The Village has secured several grant awards in the areas of major infrastructure, public safety, and public art for FY24 and beyond.

2. **Strategic Priority:** Infrastructure and Economic Development; **Initiative**: Finalize the Redevelopment Agreement for the US Bank property, sell the property to the Park District, and assist in identifying grant funds and other ways to fund the gap for Phase II of the project by end of 2024.
   a. The Village continues to collaborate with the Park District to further the redevelopment of the US Bank site. In October 2023, the Village Board approved the first amendment to the Intergovernmental Purchase and Sale Agreement Between the Village and Park District. The agreement was amended to extend the duration of the Inspection Period to allow the Park District additional time to finalize the development's design and pursue the necessary regulatory approvals for the development.
   b. The final design has been reviewed and recommended by the Architectural Appearance Commission and is tentatively scheduled for the Plan Commission in September 2024.

3. **Strategic Priority:** Development; **Initiative**: Advance and communicate to the community the process for developing the Roosevelt Rd./Taft Ave. property by approving two different purchase and sale agreements by June 2024.
   a. On February 26th, the Village Board approved the Purchase and Sale Agreement for $1.75 million with Full Circle Communities (FCC), for the three western parcels of the Roosevelt Road/Taft Avenue hotel site fronting Taft Avenue. Major benchmarks for FCC include March 5, 2024 ($500,000 earnest money and $20,000 nonrefundable deposits), August 2 (due diligence $50,000 nonrefundable deposit), and a May 1, 2025 closing date.
   b. On May 29th the Village Board approved the purchase and sale agreement for $1.5 million with Go Glen Ellyn Two, LLC, for four parcels comprising the eastern 1.3 acres of the Roosevelt Road/Taft Avenue hotel site. Go Glen Ellyn Two, LLC plans to align the development with their other commercial property east of the site including Starbucks, Chipotle, Crumbl Cookies, and Verizon. While specific development plans have not yet been submitted, the developer will be responsible for demolishing the building. Additional prioritized items encompass closing on the property within 120 days of the PSA approval (September 29), building permit application for demolition submitted 30 days after closing (October 29). In short, demolition is expected to be completed within 180 days of building permit issuance, estimated at June 1, 2025.

4. **Strategic Priority:** Infrastructure; **Initiative:** Complete all phases over a four/five-year schedule to be determined by staff and approved by the Village Board.
   a. Phase I-Substantially completed in 2022, punch list items remaining.
   b. Phase II and III-Substantially complete by October 15, 2024; punch list items to be completed in 2025.
   c. Glenwood/Crescent Parking Lot to be completed in 2025.
   d. Combine Phase IV with Pedestrian Tunnel/Train Station project, Phase 2 design engineering to be completed by CY25 Q2. Tentative approval schedule as follows:
      i. Joint meeting with Environmental Commission and Historic Preservation Commission on 08/20
      ii. Architectural Appearance Commission in fall 2024

iii. Plan Commission in fall/winter 2024/25
iv. Project to be let by the state in November 2025

5. **Strategic Priority:** Infrastructure; **Initiative:** Complete the 2024 CIP Plan and work towards minimizing the amount of additional debt needed to complete Phase III and IV/Train Station and Underpass project. Begin Phase II Engineering of the Train Station and Pedestrian Tunnel Project to maximize the ability to acquire additional grant funds for this project by May 2025.
   a. The Village has secured a substantial amount of grant funding for this project. To date, $14.4 Million has been secured from the Congestion Mitigation and Air Quality Improvement (CMAQ) Program, $5 Million from the Illinois Commerce Commission (ICC) Grade Crossing Protection Fund, $4 Million from Metra, and $1.4M from the Surface Transportation Program, for a total of $24.8 Million. Glen Ellyn is on the contingency list for an additional $10.8 Million from the Surface Transportation Program with the Village continuing to explore and apply for additional funding.
   b. In response to the Village's Community Project Funding application, Representative Sean Casten announced approximately $10 million for funding will be included in his FY 2025 project funding requests. In July, this amount was revised to $3M.
   c. The final engineering design of the project is underway with the design approximately 10% complete. The 30% design drawings are anticipated from the project design consultant this summer which will allow for further review of the project by the Village, State, Metra, Union Pacific Railroad, DuPage County, and the Illinois Commerce Commission. The design process is anticipated to continue through 2024 and 2025 with construction tentatively anticipated to begin in 2026.
   d. At the July 15th Village Board meeting, the Board directed staff to move forward with the Alternate 4 plan for parking on Crescent Boulevard between Main and Forest.

6. **Strategic Priority:** Workforce and Operations; **Initiative**: Once a software has been selected, implement the new Community Development software with assistance from a consultant to ensure best practices are established through the implementation of the new software system by May 2025.
   a. In April 2024, the Village Board authorized the Village Manager to execute a contract with The Davenport Group USA Ltd of Crystal Lake, Illinois for the LAMA Community Development software package in the amount of $336,795.00, to be paid out of the Corporate Reserve Fund.
   b. Staff is in the ongoing process of conducting software configurations with LAMA to prepare for implementation and streamline workflows. Restructuring the building permit fee schedule is set for Village Board discussion on July 22nd.

7. **Strategic Priority:** Workforce Development; **Initiative**: Negotiate the first contract with Public Works employees and continue to focus on succession planning, employee engagement, employee training, and overall employee retention throughout the organization. (Ongoing)
   a. Staff is in the process of ongoing discussions with the International Union of Operating Engineers (IUOE) Local 150.
   b. Village and GWA employees took part in a Classification and Compensation Study with Pontifex Consulting Group in 2023. In February 2024, a staff briefing was held to present the study findings. Staff is in the process of refining job descriptions and classifications that align with Village goals and the competitive labor market.
   c. Staff plans to incorporate the goals of the Classification and Compensation Study in the CY25 draft budget.
   d. The Facilities Division was reassigned to Public Works.

8. **Strategic Priority:** Infrastructure; **Initiative:** Complete Village Links Clubhouse project by September 2024, the GWA project through issuance of debt by April '24, complete a facilities assessment by Q1 2025, and hire an architectural firm to begin due diligence on Fire Station 62 renovation plans by December '24.
    a. Village Links: The Clubhouse project is well underway and is expected to be completed by September 1, 2024.
    b. GWA: In April the Village Board approved the bond issuance process, and after selling bonds in early June, the Village was able to transfer approximately $6.5M in bond revenue to the Authority for the Primary Clarifier and Gravity Thickener Improvements project. A bid opening was conducted in late May, and the construction contract was awarded to Vissering Construction, Inc., in the amount of $5.595M. A notice to proceed has been issued for July 8th, 2024, although most work will begin later this calendar year as much of the equipment that is being procured has long lead times. The project has a final completion date of March 10th, 2026.
    c. Public Works: The Reno Center remodeling project has been tabled to focus on completing an assessment of all buildings to better plan for future improvements and reevaluate the needs of Public Works and the Reno Center.
    d. Fire Company: Staff plans to issue a Request for Qualifications for architectural design services in the coming months. The Fire Company has engaged a surveyor to complete a topographic survey of Station 62's site in preparation for design, as well as identifying a potential site operated by GWA for a fire training tower funded by State Representative Terra Costa Howard. ($50K has been earmarked from State Representative Costa Howard's Office)

9. **Strategic Priority:** Effective Governance; **Initiative**: Develop a governance policy for the Village Board to discuss and agree on rules of order and process improvements by June 2024. Trustee Kalinich, Trustee Christiansen, and Trustee Simon have volunteered to develop processes to address governance and staff/board engagement.
    a. Process improvements are moving along as staff has defined workflows for "Contact Us." Staff implemented an auto-response from the Village website portal, to serve as receipt of the inquiry. Once staff has promptly responded to the inquiry, staff will notify the Board confirming the inquiry has been addressed.

10. **Strategic Priority:** Effective Governance; **Initiative:** Quality of life topics including:
    a. Complete a Sustainability Study by hiring a consultant through an RFP process. (CY24,Q4)
        i. The Request for Proposals for Environmental Sustainability Plan Consulting Services was issued in May and was due June 13, 2024. The Village received three proposals: paleBLUEdot LLC, Olympic Sustainability Group, and Quercus Consulting Inc. The Environmental Commission has reviewed the proposals, and staff will complete the reviews mid-July to determine recommendations for the Village Board.

    b. McKee House: Continue to work in partnership with the Midwest SOARRING Foundation to seek grants and develop formal plans to renovate the McKee House. Concept plans were shared at an event and stakeholders are seeking grants and donations to fund the $4M project.
        i. In response to the Village's Community Project Funding application, Representative Delia Ramirez announced the McKee House Native American Cultural & Environmental Center at Churchill Woods Forest Preserve will be included in her FY25 project funding requests, in the amount of $1 million.
        ii. A public meeting was held in March 2024 where concept plans and SOARRING marketing materials were shared with the public. Internal meetings continue monthly to discuss fundraising opportunities and conduct future planning.
        iii. Staff is coordinating the development of a work group to include members of the Village, Forest Preserve District, and SOARRING representatives. The focus areas of the work group will include governance, funding, and project oversight.

c. Public Art Grant Funding
    i. The Village was awarded two visual art grants from the JCS Arts, Health and Education Fund of DuPage Foundation. These funds will be allocated for the OLMEC Trails exhibit (currently on display) and to future public art displays at Panfish Park.
    ii. Last fall, the Public Art Workgroup made a presentation to the Village Board about its next art project to be installed in Panfish Park. The Village Board committed $25,000 to the project, and in late spring, the JCS Fund of the DuPage Foundation confirmed a matching grant of $25,000. The Workgroup has moved forward with making plans with the selected artist and has started the planning process. The piece the community identified and favored, called "The Enclosure" will be modified to work within our budget and space. Over the next month or so, the artist will provide an official proposal and mock-ups that will be discussed amongst the Workgroup and ultimately presented to the community for final public input. A fabrication time of five months will be required, with planned installation to take place in spring of 2025.

Managing the day-to-day operations as well as executing on the Strategic Plan continues to be a challenge, particularly given the number of new employees and number of special projects staff has been assigned over the last few years.

Personnel Costs

Personnel Costs are the largest component of the Village's operating budget. These costs are the largest expense for municipalities, so focusing on these costs are crucial. The Scorecard, updated in 2020, showed the Village ranking 5 out of 12 on the number of full-time equivalent (FTE) employees. The ranking is based on 1 being the lowest cost and 12 the highest cost. The Village was ranked 4 out of 12 for the number of full-time employees. Job sharing and the utilization of seasonal employees and part-time employees allow us to control health insurance and pension costs, but also contributes to lower retention levels. Evaluating the need for additional staffing and rightsizing departments has been a high priority over the last two years.

From a personnel standpoint, the Village has operated leanly for decades including managing a consolidated sanitary district, contracting out EMS and utilizing a volunteer fire company, hiring seasonal snowplow drivers, and utilizing various seasonal employees in all departments including the Village Links/Reserve 22. However, this has contributed to some burnout of staff and puts additional strain on the management team. In addition, these pressures, coupled with the challenging labor market and the desire of the Village Board to aggressively pursue some complicated projects has required some extraordinary efforts of staff at all levels of the organization. Lastly, the 2020-2024 Strategic Plan included the following goal of assessing staffing levels in all departments. This has been done formally in the Police Department and with EMS/Fire, and less formally in other departments, but has resulted in adding 14 FTE overall to the organization over the last three years.

Trying to balance cost control with improved continuity and productivity is challenging. Shifting some part time employees to full-time has been necessary this year and comes with an expense. However, the productivity and savings in recruitment costs should offset some of the expense and the Village will have to manage future impacts of these staffing changes.

Other notable highlights of the 2025 personnel budget include:

- The FY25 budget includes a total merit pool of $185,000 and also recommends a merit based pay adjustment of 3.4% to keep up with recent cost of living increases. The budget also includes steps allotted under the union contract with a 3% increase for the police union effective November 1, 2025.
- The IMRF pension rate (for those pensions for non-sworn employees) increases from 4.54% of covered payroll to 5.21% of covered payroll in 2025, increasing the IMRF expense for 2025 by approximately $75,000.

- The Village budget assumes a 3% increase in health insurance premiums, effective July 1, 2025.

- The FY25 budget includes a police pension contribution at $2.76 million based upon the Village's actuarial valuation. This represents a significant increase from the 2024 amount of $2.15 million.

CAPITAL BUDGET

The proposed 2025 Capital Budget was presented to the Village Board at the September 30, 2024 Village Board Workshop. Staff also presented a Draft 5-Year Capital Improvement Plan, which includes approximately $113M in engineering and construction projects and approximately $13M in debt service payments for bonds associated with the Police Station, Civic Center Renovations, Civic Center Parking Garage, CBD Streetscape and Utility Improvements Project (CBD SUI), and Metra Station/Underpass/Phase 4 CBD SUI.

For 2025-2029, the CIP shows approximately $35.6M in grant revenues for roadway projects and the Metra Station/Underpass/Phase 4 CBD SUI Project. The plan includes the Metra Station/Underpass/Phase 4 Streetscape Project. However, it is noted that expenditures and grants for the project extend beyond 2029.

$5M in General Obligation Bonds are shown to be issued in 2026 with a coinciding debt service of approximately $388K/year.

The proposed 2025 budget includes rehabilitation of approximately 4 centerline miles of Village streets. Staff is proposing to replace all lead water service lines on these streets to minimize disturbance and costs associated with the lead service line replacement. Water main replacement is proposed on Traver Avenue and Marion Avenue. Funding for sewer replacements and repairs is included as well. A tabular spreadsheet and project map of these improvements is provided as an attachment to this memorandum.

The Crescent and Glenwood Parking Lot and Streetscape Improvements Project is included within the CY2025 Budget with $2M in funding provided for construction.

Pavement maintenance and sidewalk repairs continue to be a feature of the Budget. Pavement maintenance continues to feature surface treatments, cracksealing, and patching. Sidewalk repairs will be in the form of both removal and replacement as well as sawing of vertical displacements between sidewalk panels.

Engineering assignments include design of future street rehabilitation projects including a future federal aid eligible resurfacing of South Park Boulevard, continued design of the Glen Ellyn Metra Station and Multimodal Access Improvements Project, design of a project to modernize the Village's traffic signal infrastructure at Main/Elm, Lambert/Fawell, Lambert/Tall Grass, Lambert/College, Park/Sheehan, and Taylor Avenue.

CASH RESERVES

The budget maintains the targets outlined in the Village's cash reserve policy. The Village's AAA bond rating was reaffirmed in 2024 and Standard & Poor's report cited the Village's very strong financial management and strong available reserves as strengths of the Village. The General Fund reserve policy is 30% of operating expenditures. Water and Sewer Fund cash reserve policy will increase to $2.7 million based on the policy of increasing by CPI or 3%, whichever is lower. For certain other funds, the policy calls for cash reserves of at least 25% of operating costs. The budget projects all funds with reserve policies to maintain cash reserves in excess of their minimum reserve level as of December 31, 2025.

BUDGET HIGHLIGHTS OF THE VILLAGE'S FUNDS

GENERAL FUND

As with other municipalities, the majority of General Fund costs are borne by the largest departments of Police and Public Works, as well as providing funding to the Volunteer Fire Company including EMS services. When totaled, these three departments make up over 70% of General Fund expenditures. The expenditures in our General Fund are primarily salaries, pensions, and benefits (55%). The Village of Glen Ellyn has a diverse revenue stream; however, much of the revenue base is derived from sales and home rule sales taxes (36% of General Fund revenues collectively), income tax (19%), and property taxes (16%). Below is a comparison of the FY2025 draft budget to the FY2024 original budget:

	FY25 Budget	FY24 Budget	Difference	Percent Change
Revenues*	$26,800,060	$25,687,691	$1,112,369	4.3%
Expenditures*	$26,799,866	$25,687,244	$1,112,622	4.3%
Net*	$194	$447	$(253)	

General Fund Revenues

General Fund Revenues increase by 4.3% over the prior year's budget. Notable revenue highlights in 2025 include:

- Property Tax - The General Fund property tax levy for the 2025 budget is increased by 0.5%, which represents the actual "new growth" in total assessed value from the prior year. This increase is well below the permitted levy increase under the Property Tax Extension Limitation Law, which would be a total of 3.9% (3.4% CPI + 0.5% new growth). This will have negative impacts in the future but was achievable through various department cuts that were shared with the Village Board.
- Special Service Areas (SSA) for Economic Development– The SSA rate will remain the same at 12.5 cents per $100 of EAV.
- Sales Tax – The budget anticipates a 7.9% increase in sales tax from 2024 to 2025 budgets, but only a 2.5% increase from the 2024 projected total. Sales tax is at an all-time high for the Village. This is due to a strong economy, but also due to sales tax law changes in Illinois which direct more online sales tax dollars to the Village. The 2025 budgeted Sales Tax is based upon estimated actual 2024 revenues plus a small amount of forecasted growth to reflect the trends of the past three years. While there is no direct impact on the 2025 budget, the State's elimination of the State sales tax on groceries will be effective in January 2026 and poses a significant challenge to the 2026 budget, with over $750,000 in revenue projected to be lost. Staff is researching alternative revenue streams as potential replacements and has already had preliminary discussions with both the Finance Commission and Village Board. This topic will be revisited with both bodies during 2025.
- Home Rule Sales Tax – The Home Rule Sales Tax remains at 1.25%, the rate that went into effect July 2018. The Home Rule Sales tax is budgeted to increase by 1.8% from the 2024 budget. As Sales Tax is being positively affected, so is Home Rule Sales Tax. Like with Sales Tax, the 2025 budgeted Home Rule Sales Tax is based upon estimated actual 2024 revenues plus a small amount of forecasted growth to reflect the trends of the past three years.

- Income Tax – Income tax is anticipated to see a 7.1% increase from the 2024 to 2025 budgets, based upon per capita estimates from the Illinois Municipal League as well as trend information. The 2025 budgeted amount is 2.8% above the 2024 projected total. The Village continues to benefit from the correction of a state-wide reconciliation issue dating back to tax year 2021.
- Use Tax – Based upon recent trends and information from the Illinois Municipal Leage, Use Tax is anticipated to decrease significantly.
- Building Permit Revenue – Building permit revenue is forecast at $1.2 million based upon historical activity. The Village Board approved a 4% increase in 2024.

General Fund Expenditures

General Fund Expenditures are budgeted to increase by 4.3%. The chart below by category highlights the changes from the prior year budget:

	FY25 Budget	FY24 Budget	Difference	Percent Change
Personnel Services	$14,790,472	$14,051,508	$738,964	5.3%
Contractual Services	$5,035,684	$5,069,613	$(33,929)	(0.7)%
Commodities	$338,680	$363,630	$(24,950)	(6.9)%
Capital Outlay	$121,830	$486,293	$(364,463)	(74.9)%
Transfers Out	$6,513,200	$5,716,200	$797,000	13.9%

- Personnel Services sustains the impact of right sizing various department that took place over recent years. Notable highlights pertaining to personnel services in the 2025 budget include:
    - The proposed 2025 budget includes no new requested positions. In fact, the total full-time equivalent (FTE) count in the proposed 2025 personnel schedule is below the 2024 budgeted amount.
    - The 2024 Compensation Study provided recommendations to assist in competing with the strong labor market. Those recommendations are supported in the CY25 budget.
    - This budget continues to sustain the increase staffing supported by the Police Assessment and Staffing Study completed in 2021. In addition, although these costs are not all captured in the General Fund, contract services have increased due to the three EMS Supervisors hire in 2022 and indirect costs of hiring additional personnel in the Fire Company including a full-time Fire Chief. Enhancing public safety personnel has been a key priority of this Village Board and this budget provides for that increase in service levels.
- The CY25 budget includes several one-time items to be funded out of the Corporate Reserve Fund rather than the General Fund to avoid negatively impacting operating budgets. Those projects include:
    - Zoning Code Update: The Village has budgeted $125,000 to update its Zoning Code to reflect changes and recommendations made in the recently approved 2023 Comprehensive Plan.

- Document Management: $140,000 is budgeted within the Corporate Reserve Fund to purchase and implement a new document management system, and to migrate existing data into the new system.
- Technology infrastructure upgrades: $85,000 is budgeted to replace the aging security camera system and access control system at the Police Department, and $20,000 is budgeted to replace nonfunctioning pole cameras within the Village.
- $750,000 is budgeted in 2025 for demolition costs relating to the west side of the hotel site on Roosevelt Road. Staff anticipates that these costs may be offset by related grants, which are also budgeted as an inflow within the Corporate Reserve Fund in 2025.

FIRE SERVICES FUND

The Fire Services Fund supports the Village's Volunteer Fire Company, the fire fleet, and the fire stations, which are owned by the Village. The Fund is supported by Special Service Area taxes from unincorporated areas served by the Volunteer Fire Company and by operating, EMS, and capital Fire Service Fees that are on the monthly Village Services Bill. EMS service is provided through a contract provider who houses two ambulances and one supervisor vehicle in the fire stations. Basic EMS service is paid for by the General Fund through a user fee, the new GEMT state program, and subsidy from the Village. In 2021, the Village Board enhanced Emergency Medical Service (EMS) by amending our current ambulance contract. The amendment provided additional compensation to paramedics to keep pace with industry standards and to retain qualified paramedics to serve Village residents and visitors. The amendment also added a layer of supervisors to provide additional supervision to paramedics and generally support the fire operations. The supervisors utilize a rapid-response vehicle, supplementing the Village's two ambulances.

In 2022, the Village Board agreed to support the Fire Company in hiring a full time Fire Chief, shift a part-time Adm to full time, and an increase to the day engine contract. A facility study and equipment replacement plan were updated to better understand capital needs for fire and EMS. The facility study recommends a $10M investment in the fire stations over the next five years. These increasing costs require an increase to the operating, EMS, and capital fees and have been vetted by the Finance Commission and incorporated into the recommended budget. It should be noted that the Village has tried to minimize the impact of these costs to provide EMS and fire services, but volunteer does not mean free. The Village has identified many ways to minimize these costs through the creation of the Special Service Area (SSA), to enrolling in the GEMT program and other cost saving measures, but additional revenues are necessary to sustain our current service levels. The Village Board declined to approve an annual increase to these fees which is necessary to meet the needs of this funding plan. Staff will be providing an annual discussion on fees to ensure annual increases are allotted to meet the financial plan for this fund.

In May 2024, the Village Board approved a new five and one-half year contract with Metro Paramedic Services to provide paramedic and firefighter services to the Village, which also includes a three year optional extension. Notably, the structure of the contract transitions to one where all fees and insurance benefits are remitted directly to the Village, which means that the Village will incur higher expenses as well as receive higher revenues. The impact of this change is included in the 2025 budget for the Fire Services Fund.

WATER AND SANITARY SEWER FUND

The Village Board approved a Water and Sewer Rate structure change and increase based on a full study that was completed in CY23 by an outside consultant. The fund currently has a healthy net position; however, several large capital projects decrease that position over the five-year forecast and we are continuing to evaluate lead water lines and the need to prepare for a significant investment in replacing these lines over the next decade as required by state law. The CY25 Budget incorporates a 3% increase in water and sewer volumetric fees based on recommendations from the recently completed study. The 5-Year CIP includes funding for lead water lines that will be discussed in more detail with the Village Board in late 2024. The Village Board will be discussing potential increases to the fixed fee portion based on updated the Water and Sewer Rate study, likely in CY25 Q1.

PARKING FUND

The Parking Fund is still being impacted by COVID-19 as commuters adjust to new work schedules. The daily lots, which generated approximately $85,000 in annual revenue prior to the pandemic, have still not recovered and are projected to generate $42,000 in 2025. The Village will continue to monitor commuter lot usage. However, if commuters do not return to their pre-pandemic levels, the Village will need to take action to modify the parking program. Some options may include, but are not limited to, increasing the number of permits sold, changing commuter permit lots to pay-and-display payments, offering commuter permits to non-residents, or reducing the number of commuter lots.

The Civic Center Parking Garage was completed in 2022 and the 2025 Parking Fund budget includes approximately $165,000 in maintenance expenses to include custodial services and snow removal.

VILLAGE LINKS RESERVE 22 FUND

Over the last few years, this fund has rebounded extraordinarily well. The team at the Village Links/Reserve 22 deserves much credit for stepping up and managing through the pandemic, Great Resignation, and most recently the high inflationary environment, all of which impacted restaurants throughout the country. The original 2024 budget projected a decrease in net position of $390,000, primarily due to planned capital spending relating to facility upgrades. 2024 projections are in line with the budget at $331,000. The 2025 budget anticipates $4.4 million in revenues from golf and $3.7 million in revenues from restaurant and banquets.

POLICE PENSION FUND

The required contribution to the Police Pension Fund is $2.76 million for 2025. Late in 2019, the State of Illinois passed a law which required consolidation of investments among downstate police pension funds. The Village's Police Pension Board completed the mandated consolidation in April 2022 and no longer oversees the investment of pension funds. The Police Pension Board still maintains authority over pension and disability determinations. The Village remains responsible for funding the police pension.

CONCLUSION

The Village of Glen Ellyn's FY25 budget enhances the Village's current level of services, particularly in public safety by sustaining the additional staffing in the Police Department and EMS/Fire. These changes will allow the Village to meet the expectations of the community and continue to executive the Strategic Plan. Striking the right balance between service levels and taxes to pay for those services is debated and decided during the budget process. This process, allocating scarce resources and prioritizing programs and projects, is difficult each year because the demand for municipal services often exceeds the revenues available to pay for those services. Strong cash reserves protect the Village from unforeseen emergencies, such as COVID-19 or possible recession, and assists in maintaining our bond rating and overall financial position.

In closing, we wish to extend a thank you to everyone for their hard work in preparing the FY25 budget. The development of the budget could not take place without the commitment and cooperation of many Village employees, many of whom have assumed additional responsibilities during staffing transitions and managing new projects. Many management employees actively participate in developing and reviewing budget information which leads to an award-winning budget document that will likely continue this year.

We would also like to thank the Village Board for their responsible and progressive manner in which it conducts the fiscal affairs of the Village. Difficult budget decisions are made each year during the budget process, but those decisions are critical in that they provide a game plan for what level of municipal service the Village can provide. The understanding, cooperation and resourcefulness of everyone helps to strengthen this year's budget process.

Respectfully submitted,

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