



Village of Hinsdale FY 2017-18 Budget

Review of Corporate Fund Operating Summary

Corporate Fund Operating Projections

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>
Revenues	20,234,409	19,688,723	20,096,449
Expenditures	16,976,853	16,219,071	17,041,106
Revenues in Excess of Expenditures	3,257,556	3,469,652	3,055,343
Budgeted Transfers	(3,300,000)	(3,700,000)	(3,050,000)
Revenues in Excess of Expenditures/Transfers	(42,444)	(230,348)	5,343
Discretionary Year-End Transfer	-	-	-
Revenues in Excess of Expenditures/Transfers	(42,444)	(230,348)	5,343
Beginning Fund Balance	4,571,448	4,529,004	4,298,656
Ending Fund Balance	4,529,004	4,298,656	4,303,999
25% Minimum Fund Balance	4,244,213	4,054,768	4,260,277

Review of FY 2016-17 Corporate Fund Operating Results

- As of April 30, 2017, the Village's Corporate Fund is projected to have an operating surplus of \$469,652, which is \$468,395 better than the original budgeted operating surplus.
- The positive operating results are primarily due to operating expenses being below budget and the Village not spending the \$300,000 Contingency line item.
- For FY 2016-17, the recommendation is to utilize the operating surplus and excess fund balance to make an additional transfer of \$700,000 (\$1 million total for FY 2016-17) to the Annual Infrastructure Fund in order to fund infrastructure improvements not provided for in the Master Infrastructure Plan (MIP).
- Due to this additional transfer, the Corporate Fund is projected to have a deficiency after transfers of \$230,348. The projected end of year fund balance of \$4,298,656, which results in a fund balance ratio of 26.5%, which exceeds the minimum target level of 25% set by Village Board policy.

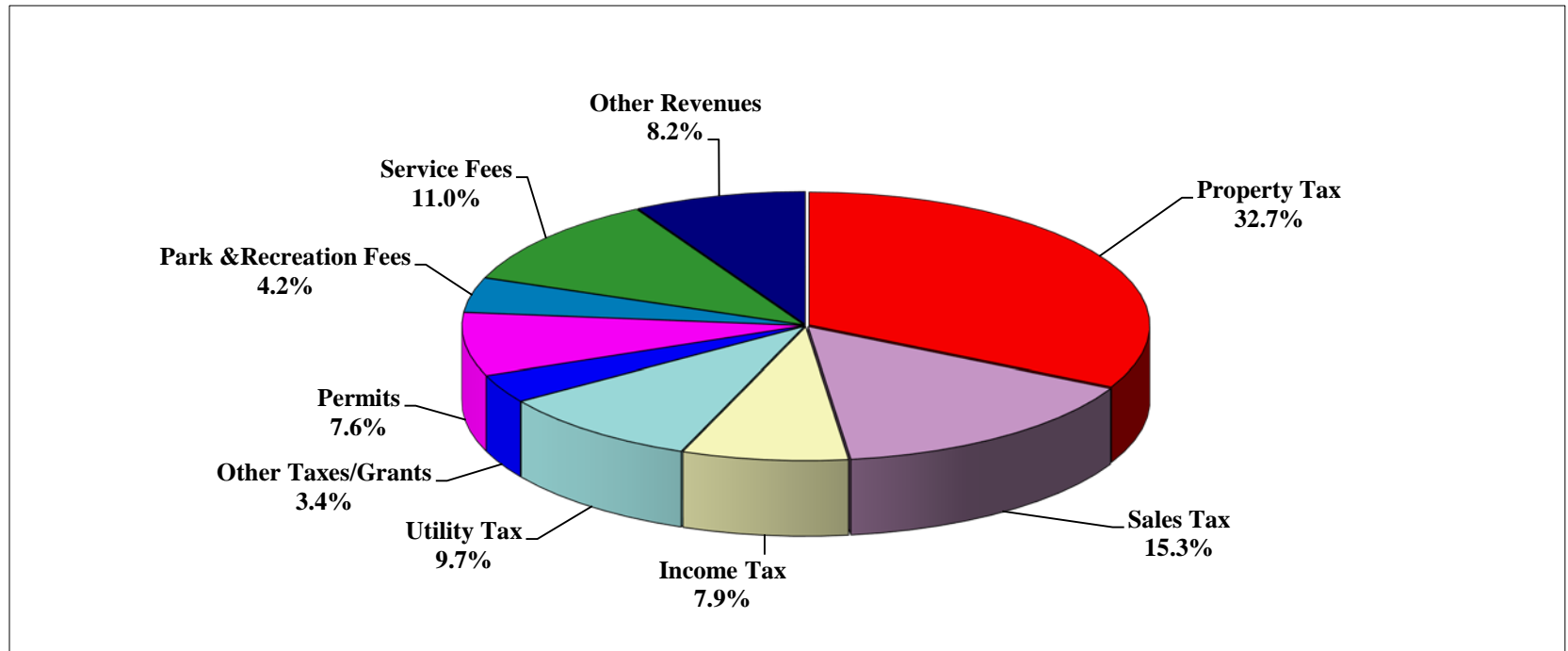
Corporate Fund Revenues Overview

	FY 2016-17	FY 2016-17	FY 2017-18	Change From	
	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>FY 2016-17 Budget</u>	
Property Taxes	6,647,066	6,660,066	6,850,829	203,763	3.1%
Sales Taxes	3,213,000	3,124,000	3,218,000	5,000	0.2%
Income Tax	1,757,000	1,601,000	1,650,000	(107,000)	(6.1%)
Utility Tax	2,071,000	1,992,000	2,032,000	(39,000)	(1.9%)
Other Taxes/Grants	763,000	762,334	711,634	(51,366)	(6.7%)
Permits	1,675,600	1,527,875	1,601,875	(73,725)	(4.4%)
Park & Recreation Fees	939,794	837,638	882,144	(57,650)	(6.1%)
Service Fees	1,400,813	1,381,813	1,435,432	34,619	2.5%
Other Revenues	1,711,275	1,851,997	1,714,535	3,260	0.2%
	<u>20,178,548</u>	<u>19,738,723</u>	<u>20,096,449</u>	<u>(82,099)</u>	<u>(0.4%)</u>

Review of Historical Corporate Fund Revenue Trends

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Property Taxes	6,262,266	6,312,103	6,518,132	6,660,066	6,850,829
Sales Taxes	3,122,710	3,168,115	3,079,279	3,124,000	3,218,000
Income Tax	1,605,901	1,694,141	1,490,685	1,601,000	1,650,000
Utility Tax	2,091,426	2,049,109	1,996,277	1,992,000	2,032,000
Other Taxes/Grants	755,597	656,966	738,981	762,334	711,634
Permits	1,514,019	2,126,549	2,089,135	1,527,875	1,601,875
Park & Recreation Fees	966,899	882,865	907,276	837,638	882,144
Service Fees	1,215,940	1,320,824	1,377,686	1,381,813	1,435,432
Other Revenues	1,822,846	1,606,408	2,145,958	1,851,997	1,714,535
	19,357,604	19,817,080	20,343,409	19,738,723	20,096,449

Corporate Fund Revenues



FY 2017-18 Budget Corporate Fund Revenues

Property Tax	6,850,829	32.7%
Sales Tax	3,218,000	15.3%
Income Tax	1,650,000	7.9%
Utility Tax	2,032,000	9.7%
Other Taxes/Grants	711,634	3.4%
Permits	1,601,875	7.6%
Park & Recreation Fees	882,144	4.2%
Service Fees	2,317,576	11.0%
Other Revenues	1,714,535	8.2%
Total	20,978,593	100.0%

Property tax, sales tax, income tax and utility tax comprise 65.6% of the total Corporate Fund revenues.

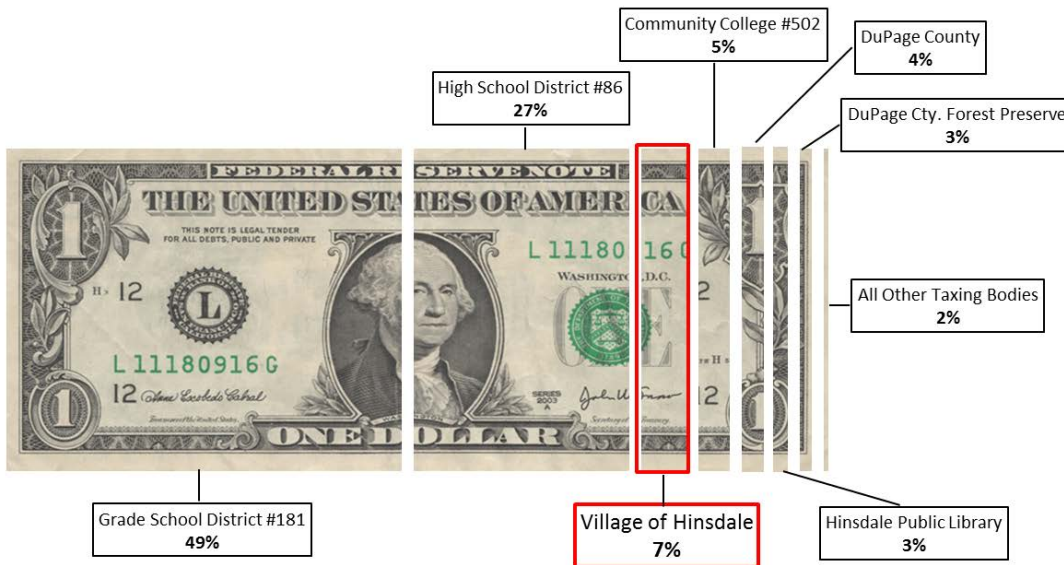
Other taxes and grants include the personal property replacement tax, food and beverage tax, and grants.

Service fees includes rents, cell tower leases, parking revenues, ambulance fees, and other miscellaneous.

Other revenue includes fines, cable franchise fees, reimbursed activity, and other miscellaneous.

Property Taxes

	<u>Tax Levy</u> <u>Year 2015</u>	<u>Tax Levy</u> <u>Year 2016</u>	<u>Change From Tax</u> <u>Year 2016-17 Budget</u>	
Corporate Fund Levies				
Police Protection Tax	2,322,779	2,302,765	(20,014)	(0.9%)
Fire Protection Tax	2,322,779	2,302,765	(20,014)	(0.9%)
Police Pension Tax	736,199	791,178	54,979	7.5%
Firefighters Pension Tax	802,366	976,718	174,352	21.7%
Handicapped Rec. Programs	72,943	74,403	1,460	2.0%
Debt Service Levy	171,403	169,295	(2,108)	(1.2%)
Total Tax Levy	6,428,469	6,617,124	188,655	2.9%



As a non-home rule unit of local government, the Village is subject to the Property Tax Extension Limitation Law, "PTELL" or "Tax Cap." The growth in the property tax levy is limited to the change in CPI plus the amount of taxes generated from new construction.

For the last several years, property tax policy has been to levy the maximum amount available under the "Tax Cap." Changes in CPI for the last seven years are as follows:

<u>CPI Year</u>	<u>Levy Year</u>	<u>Change</u>
2009	2010	2.7%
2010	2011	1.5%
2011	2012	3.0%
2012	2013	1.7%
2013	2014	1.5%
2014	2015	0.8%
2015	2016	0.7%

Sales Tax

	<u>FY 2016-17</u> <u>Budget</u>	<u>FY 2016-17</u> <u>Estimate</u>	<u>FY 2017-18</u> <u>Budget</u>	<u>Change From FY</u> <u>2016-17 Budget</u>	
State Sales Tax	3,213,000	3,124,000	3,218,000	5,000	0.2%
Non-H.R. Sales Tax	<u>1,633,000</u>	<u>1,576,000</u>	<u>1,624,000</u>	<u>(9,000)</u>	<u>(0.6%)</u>
Total Sales Tax	<u>4,846,000</u>	<u>4,700,000</u>	<u>4,842,000</u>	<u>(4,000)</u>	<u>(0.1%)</u>

FY 2017-18 Budget Summary:

- State Sales Tax consists of the 1% point-of-sale based tax and the Village's share of State Use Tax that is distributed on a per-capita basis.
- Non-Home Rule Sales Tax is the referendum approved 1% sales tax, which is the maximum rate allow by statute; by law the tax does not apply to vehicles, food and drugs. 100% of this revenue source is deposited in the MIP Infrastructure Projects Fund.
- Budget amount is based on a 3% increase from FY 2016-17 actual collections as recommended by the Finance Commission.

Income Tax

	<u>FY 2016-17</u> <u>Budget</u>	<u>FY 2016-17</u> <u>Estimate</u>	<u>FY 2017-18</u> <u>Budget</u>	<u>Change From FY</u> <u>2016-17 Budget</u>
Income Tax	1,757,000	1,601,000	1,650,000	(107,000) (6.1%)

FY 2017-18 Budget Summary:

- Per capita-based distribution from the Local Government Distributive Fund (LGDF) based on Income Tax collections State-wide and distributed based on population.
- For FY 2016-17, Income Tax revenues are estimated to be \$191,000 or 10.7% below the prior year. The Village still awaits some kind of reasonable explanation from the State as to the underlying cause of this variance, which is not reflective of what is going on in the Illinois economy in general, and the DuPage Mayors and Managers is also looking into this on behalf of all impacted communities.
- Budget amount is based on a 3% increase from the FY 2016-17 actual receipts.
- The impact of a potential reduction in the LGDF formula has not been factored in as the impact, if any, is unknown until the State passes its budget (budget deliberations have been ongoing since February 2015). The Contingency amount, set at \$350,000, will be available in order to mitigate this risk.

Utility Tax-Corporate Fund Share

	<u>FY 2016-17</u> <u>Budget</u>	<u>FY 2016-17</u> <u>Estimate</u>	<u>FY 2017-18</u> <u>Budget</u>	<u>Change From</u> <u>FY 2016-17 Budget</u>	
Utility Tax-Electric	642,000	645,000	665,000	23,000	3.6%
Utility Tax-Gas	185,000	177,000	186,000	1,000	0.5%
Utility Tax-Telephone	855,000	791,000	791,000	(64,000)	(7.5%)
Utility Tax-Water	389,000	379,000	390,000	1,000	0.3%
Total	2,071,000	1,992,000	2,032,000	(39,000)	(1.9%)

FY 2017-18 Budget Summary:

- Consists of the 5% tax on gross receipts for natural gas and water service, the 6% gross receipts tax on telecommunications service, and the per-kilowatt hour tax on electric service (this approximates 5% of gross receipts).
- 1.5% of the total rate on natural gas, electric, and telephone service is allocated to the MIP Infrastructure Projects Fund.
- For FY 2017-18, receipts from the utility tax on electric and natural gas are budgeted to increase 3% and 5%, respectively, from the FY 2016-17 estimated amounts in order to adjust to a more normal weather year.
- Receipts from the utility tax on telephone service are budgeted to be flat.
- The tax rates for all four utility tax categories are the statutory maximum rate limits.

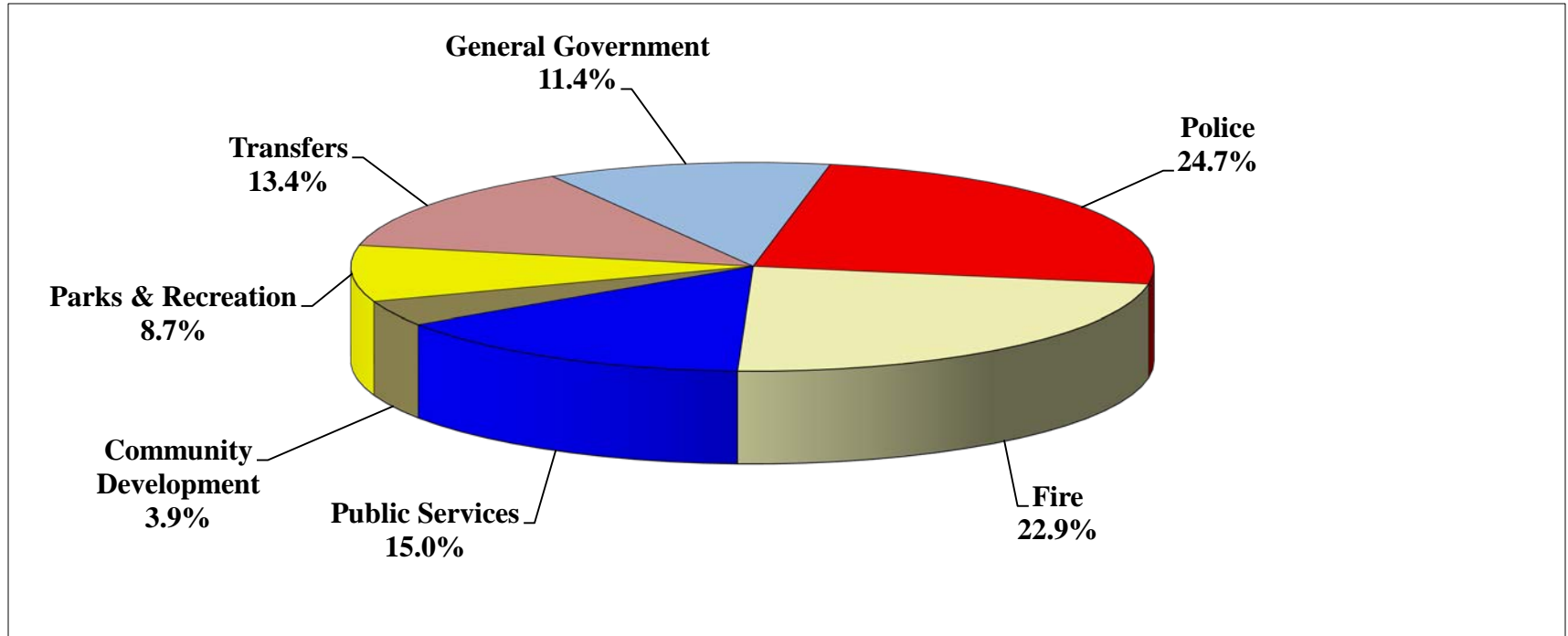
Permits

	<u>FY 2016-17</u> <u>Budget</u>	<u>FY 2016-17</u> <u>Estimate</u>	<u>FY 2017-18</u> <u>Budget</u>	<u>Change From</u> <u>FY 2016-17 Budget</u>	
Electric Permits	123,000	112,000	117,000	(6,000)	(4.9%)
Building Permits	1,281,000	1,197,000	1,257,000	(24,000)	(1.9%)
Plumbing Permits	219,000	173,000	182,000	(37,000)	(16.9%)
Stormwater Permits	34,600	34,200	34,200	(400)	(1.2%)
Overweight Permits	12,000	5,200	5,200	(6,800)	(56.7%)
Food Permits	6,000	6,475	6,475	475	7.9%
Total	1,675,600	1,527,875	1,601,875	(73,725)	(4.4%)

FY 2017-18 Budget Summary:

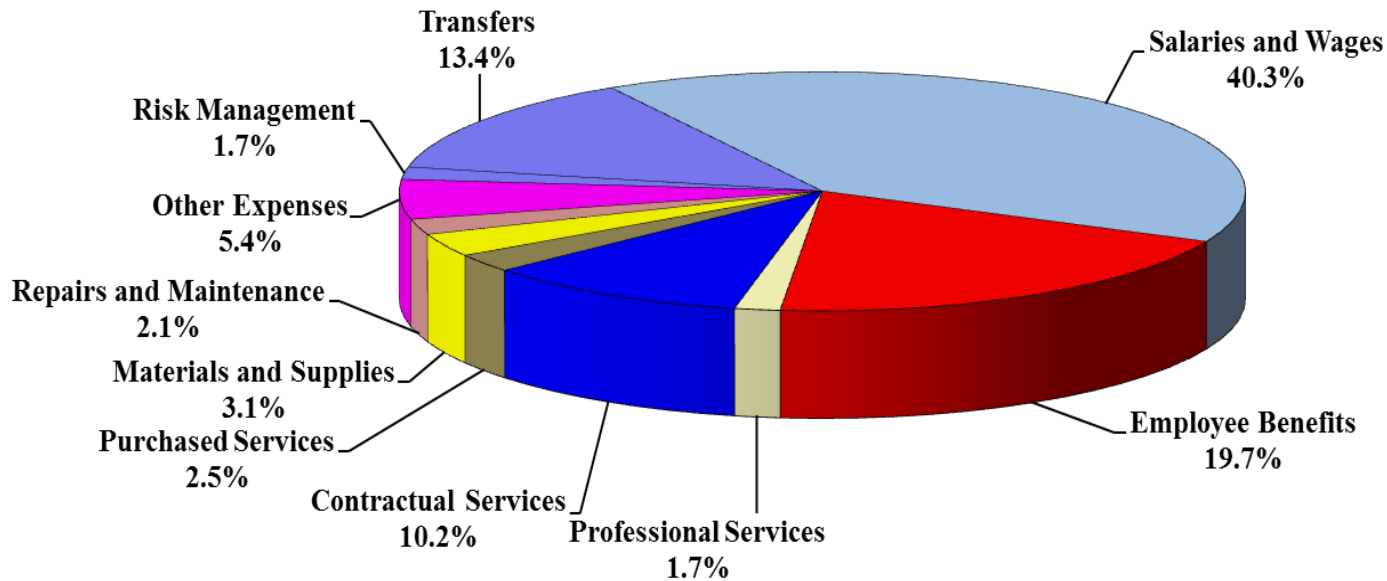
- Building Permit revenues for FY 2016-17 are projected to be \$147,000 below budget (which was set at the approximate average for the last four years).
- Building Permit revenues for FY 2017-18 for most categories are projected to increase 5% over the prior year, recognizing that FY 2016-17 was a down year and some permit fee revenue is expected in FY 2017-18 from the proposed Hinsdale Meadows development.

Corporate Fund Expenses-By Department



General Government	2,292,329	11.4%
Police	4,952,448	24.7%
Fire	4,599,659	22.9%
Public Services	3,010,509	15.0%
Community Development	785,663	3.9%
Parks & Recreation	1,750,498	8.7%
Transfers	2,700,000	13.4%
Total	20,091,106	100.0%

Corporate Fund Expenses-By Category



Salaries and Wages	8,088,359	40.3%
Employee Benefits	3,950,308	19.7%
Professional Services	348,665	1.7%
Contractual Services	2,041,874	10.2%
Purchased Services	497,790	2.5%
Materials and Supplies	629,157	3.1%
Repairs and Maintenance	423,111	2.1%
Other Expenses	1,077,542	5.4%
Risk Management	334,300	1.7%
Transfers	2,700,000	13.4%
Total	20,091,106	100.0%

Personnel costs (salaries and benefits) comprise 60.0% of the total Corporate Fund expenses.

Transfers include a transfer of \$1,500,000 to the MIP Infrastructure Projects Fund and a transfer of \$1,200,000 to the Departmental Capital Reserve.

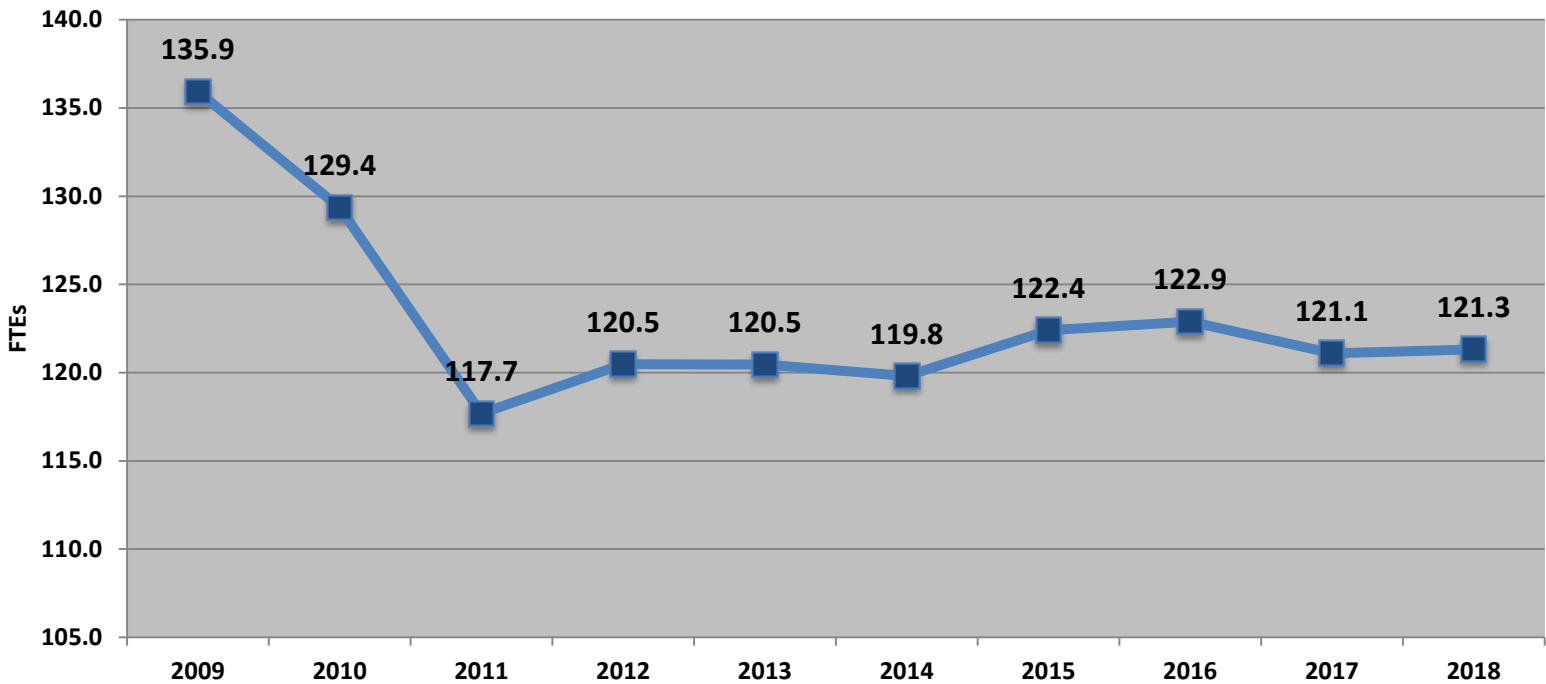
Contractual services include Police and Fire dispatching, a number of items related to tree maintenance, landscaping, and the cost of Parks & Recreation programming.

Other expenses include the Village's \$350,000 Contingency line item, which is being increased by \$50,000 in FY2017-18.

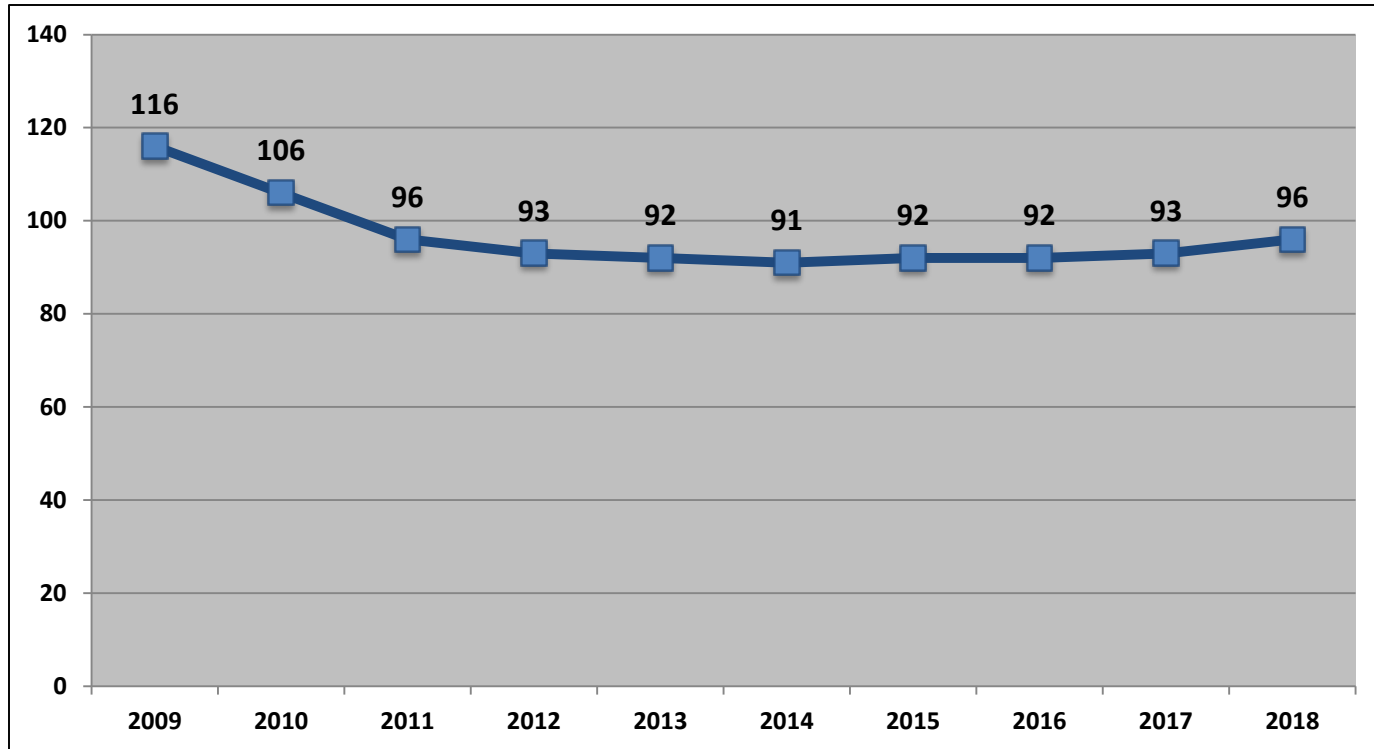
Corporate Fund Expenses

	FY 2016-17	FY 2016-17	FY 2017-18	Change From	
	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>FY 2016-17 Budget</u>	
Personnel Costs	11,810,811	11,584,383	12,038,667	227,856	1.9%
Professional Services	335,565	307,384	348,665	13,100	3.9%
Contractual Services	2,128,108	1,989,822	2,041,874	(86,234)	(4.1%)
Purchased Services	484,965	475,412	497,790	12,825	2.6%
Materials and Supplies	629,045	545,914	629,157	112	0.0%
Repairs and Maintenance	412,396	410,928	423,111	10,715	2.6%
Other Expenses	1,014,068	679,548	1,077,542	63,474	6.3%
Risk Management	312,333	225,680	334,300	21,967	7.0%
Transfers	3,000,000	3,700,000	2,700,000	(300,000)	(10.0%)
	<u>20,127,291</u>	<u>19,919,071</u>	<u>20,091,106</u>	<u>(36,185)</u>	<u>(0.2%)</u>

Staffing Levels Full-Time Equivalents



Staffing Levels Full-Time Employees



Corporate Fund Personnel Cost Budget Changes

2017-18 Budget Changes:

- Corporate Fund personnel costs (wages and benefits) are budgeted to increase \$227,856 or 1.9% from the FY 2016-17 budgeted amount
- Employee pension costs (IMRF, Police Pension, Fire Pension) are responsible for \$202,875 of the personnel cost increase. Most of this increase is due to an increase in the minimum pension requirement for Police and Fire Pension due to updating the mortality table.
- 2% across the board salary increase for all non-management employees consistent with the patrol officers collective bargaining agreement (negotiations currently ongoing with the public services employees)
- Step/merit raises for employees moving through pay grades consistent with provisions in collective bargaining agreements/Village pay plan
- Budget provides funding for a possible net increase of 3 full-time staff positions
 - Combining two part-time positions (1.3 FTE) and creating a full-time Finance/Economic Development Clerk (previously approved by Village Board)
 - Eliminating the full time Utility Billing Clerk and replacing it with a part-time Utility Billing Clerk and a part-time Accountant (previously approved by Village Board)
 - A temporary increase of one Patrol Officer in anticipation of employee retirements (previously approved by Village Board)
 - Addition of a full-time position to work in both the Parks and Public Services Departments
 - Addition of a full-time Administrative Analyst in the Public Services Department
 - There are several other changes in position titles and classifications that are located throughout the Budget but do not affect the number of net full-time employees

Other Corporate Fund Budget Items of Interest

- The Budget includes a transfer of \$1.5 million to the MIP Infrastructure Projects Fund, the minimum amount recommended by the Master Infrastructure Plan (MIP) financing plan.
- The Budget includes a transfer of \$1.2 million to the Departmental Capital Reserve, which is the same as the amount transferred in FY 2016-17. It is expected that annual transfers of this amount will be sufficient to fund nearly all of the items included in the FY 2017-18 to FY 2021-22 Capital Improvement Plan.
- Actual overtime costs Village-wide for FY 2016-17 are projected to be approximately \$135,000 over the budgeted amount. This is due to employee turnover in the Police and Fire Department and extended sick leave issues that resulted in overtime coverage being required to meet minimum staffing levels.
- The FY 2017-18 Budget includes a \$350,000 contingency line item, which has been increased by \$50,000 over the prior year amount due to the uncertainty of revenues received from the State of Illinois and possible costs associated with potential expansion of the I-294 tollway through Hinsdale.
- The FY 2017-18 Budget projects an ending Corporate Fund fund balance of \$4,303,999, which is equal to 25.3% of operating expenses and is above the 25% minimum amount recommended by the bond rating agencies.

Corporate Fund Departmental Capital

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>
Transfer From Corporate	1,100,000	1,200,000	1,200,000
Grants/Reimbursements	109,000	50,000	-
Expenditures	(876,455)	(1,056,208)	(1,991,905)
Revenues in Excess of Expenditures	332,545	193,792	(791,905)
Beginning Fund Balance	737,259	1,069,804	1,263,596
Ending Fund Balance	1,069,804	1,263,596	471,691

- Established in FY 2011-12, the Departmental Capital Reserve is a sub-fund within the Corporate Fund that is used to accumulate funds for the Capital Improvement Plan (CIP) and to absorb year-to-year fluctuations in capital spending.
- Annual funding comes from Corporate Fund operating revenues. The amount for FY 2017-18 has been set at \$1.2 million, which is sufficient to fund all of the expenditures recommended in the CIP.

Corporate Fund Departmental Capital

The following highlights some of the Departmental Capital expenditures included in the FY 2017-18 Budget:

- \$260,000 to replace Ambulance Unit #1014
- \$250,000 to complete Phase I of the project to replace and improve the Village's ERP systems
- \$210,000 to replace the roof at the Public Services building
- \$160,000 for replacement of a large dump truck with enhanced snow removal equipment in the Public Services Department
- \$155,000 for various improvements to the Village's computer network, including installation of fiber optic cabling to connect Village Hall with the Police/Fire facility as well as the Public Services facility
- \$154,405 to improve the tennis courts at four park locations
- \$150,000 for a number of improvements in the Central Business District as recommended by the Economic Development Commission
- \$115,000 to purchase and equip a water main response van for the Water Department
- \$110,000 to replace Forestry Unit #16
- \$85,000 to replace Unit #29, which is a backhoe used extensively by the Water Department
- \$75,000 to complete the water meter replacement project
- \$66,000 for replacement of police vehicles consistent with the Department's replacement schedule

In total, the FY 2017-18 Corporate Fund Budget includes \$1,991,905 for spending on departmental capital. A comprehensive listing of departmental capital expenditures can be found on pages 4 and 5 in the budget book and are also included in each department tab. Pictures and a more extensive description/justification can be found in the FY 2017-18 to FY 2021-22 Capital Improvement Plan.

FY 2016-17 Infrastructure Improvements Summary

	<u>MIP Infrastructure</u>		<u>Water Capital Fund</u>		<u>Annual Infr.</u>	<u>Total</u>
	<u>Projects Fund</u>		<u>Water</u>	<u>Sewer</u>	<u>Projects Fund</u>	
	<u>Engineering</u>	<u>Construction</u>				
MIP Projects:						
2017 Street Resurfacing	133,000	1,135,000				1,268,000
2017 Street Reconstruction	30,000	434,000		276,000		740,000
2017 Water Main			342,000			342,000
2018 Street Resurfacing	23,000					23,000
2018 Street Reconstruction	37,000					37,000
Other Projects:						
Downtown Sidewalks		200,000				200,000
Downtown Street Resurfacing		800,000				800,000
Oak Street Bridge*		100,000				100,000
Localized Drainage Allowance				40,000		40,000
Graue Mill Project*		2,794,455			104,000	2,898,455
Oak St Bridge Traffic Control Lights					150,000	150,000
50/50 Sidewalk Program					105,000	105,000
Undesignated**					1,997,086	1,997,086
Total	223,000	5,463,455	342,000	316,000	2,356,086	8,700,541

* Projects funded almost entirely with grant revenue

**For additional projects as determined by the Village Board

FY 2017-18 Infrastructure Improvement Areas

Street Name	Project Limits	
2017 MIP Reconstruction		
Ayres Street	Vine	Lincoln
Center Street	Vine	Washington
Chicago Avenue	Garfield	Park
2017 MIP Resurfacing		
59 th Street	Elm	East end
58 th Street	Garfield	East end
Giddings Avenue	58 th	South end
Ninth Street	Thurlow	Madison
Washington Street	Third	Fourth

FY 2017-18 Infrastructure Improvement Areas (Cont.)

Street Name	Project Limits	
2017 MIP Maintenance		
Madison Street	Second	Sixth
North Street	Adams	Madison
Hickory Street	Elm	Oak
Park Avenue	First	Third
Elm Street	Chicago	Fourth
Symonds Drive	Garfield	Park
Symonds Drive	Park	Elm
Elm Street	Walnut	Symonds
Adams Street	North	Maple
Stough Street	Eighth	South End
Woodmere Drive	West End	Garfield
Oak Street	First	Third
Elm Street	Fourth	Sixth
Park Avenue	Seventh	Eighth

FY 2017-18 Infrastructure Improvement Areas (Cont.)

Street Name	Project Limits	
Central Business District Resurfacing		
Hinsdale Avenue	Grant	Garfield
First Street	Grant	Garfield
Grant Street	Hinsdale	First
Lincoln Street	Hinsdale	Second
Washington Street	Hinsdale	Second
Garfield Street	Hinsdale	First
Central Business District	Crosswalks	
Village Place	Hinsdale	First

MIP Infrastructure Projects Fund

	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2016-17 Estimated Actuals	FY 2017-18 Budget	Change From Prior Budget
Revenues					
Utility Taxes	618,328	643,000	619,000	630,900	(12,100)
1% Non-Home Rule Sales Tax	1,585,915	1,633,000	1,576,000	1,624,000	(9,000)
Sidewalk Contributions	0	85,000	122,164	305,000	220,000
Grants	1,142,663	10,552,800	287,319	2,894,455	(7,658,345)
Interest on Investments	4,184	2,500	1,500	2,500	0
Total Revenues	3,351,090	12,916,300	2,605,983	5,456,855	(7,459,445)
Expenses					
Engineering	1,657,028	499,500	574,142	223,000	(276,500)
Street Improvements	2,473,822	12,304,300	2,064,749	5,263,455	(7,040,845)
Sidewalks	28,342	85,000	122,164	305,000	
Total Expenses	4,159,192	12,888,800	2,761,055	5,791,455	(7,317,345)
Excess of Revenues over Expenses	(808,102)	27,500	(155,072)	(334,600)	(142,100)
Other Financing Sources					
Transfer from General Fund	1,500,000	1,500,000	1,500,000	1,500,000	0
Transfer from MFT Fund	1,500,000	0	0	1,500,000	1,500,000
Transfer to Water Fund	(2,700,000)	(2,500,000)	(2,500,000)	(200,000)	2,300,000
Transfer to Debt Service Fund	(625,494)	(684,278)	(684,278)	(684,395)	(117)
Interfund Loan from Escrow Fund	0	1,700,000	1,700,000	(1,700,000)	(3,400,000)
Excess Revenues over Expenses	(1,133,596)	43,222	(139,350)	81,005	37,783
Beginning Fund Balance	1,283,273	56,224	149,677	10,327	(45,897)
Ending Fund Balance	149,677	99,446	10,327	91,332	(8,114)

- Dedicated revenues include 1.5% of the utility tax rate on natural gas, electric, and telecommunications services; the 1% locally imposed non-home rule sales tax; and a minimum annual transfer of \$1.5 million from the Corporate Fund
- Significant annual transfers are made to the Water and Sewer Fund to subsidize a major portion of the Water and Sewer Fund share of the MIP
- The Village advanced the repair of Vine Street from 2017 to 2016 due to its failed condition
- A temporary interfund loan of \$1.7 million was made in FY 2016-17 due to cash flows associated with the MIP; repayment is expected to occur in FY 2017-18
- A comprehensive update of the MIP was last provided to the Village Board in February 2015
- An abbreviated update of the MIP was provided to the Village Board in April 2016

Annual Infrastructure Projects Fund

- When the MIP was created in 2009, the weighting done in prioritizing the MIP work gave significant preference to work that involved all three infrastructure needs—roadways, water, and sewers.
- Prior to FY 2013-14, the Village did not have a process in place to address infrastructure issues that had arisen since 2009 or are expected to occur in the future. Some of the more recent issues that have come to the attention of the Village Board included the Graue Mill flooding problem, damage to numerous streets from the 2014 winter, brick street repairs, and an extensive list (over \$20 million) of deteriorated water mains that are not included in the MIP.
- Instead of adding these types of projects to the MIP, the Annual Infrastructure Fund was created at the end of FY 2013-14 in order to begin to address these issues.
- Initial funding of \$1,825,000 was made at the end of FY 2013-14 by transferring \$1.5 million of surplus funds from the MIP Fund and \$325,000 of budget surplus from the Corporate Fund.
- Due to operating surpluses in the Corporate Fund, an additional transfer of \$700,000 was made at the end of FY 2015-16.
- It is recommended that the allowable uses of the Annual Infrastructure Fund be expanded to include costs and debt service related to the proposed parking deck in the CBD.
- After setting aside \$300,000 of the fund balance for future expenses, there will be \$1,997,086 available in FY 2017-18 Budget to fund Annual Infrastructure projects.
- There were sufficient revenues in the FY 2016-17 Budget to include a budgeted transfer of \$300,000 from the Corporate Fund. Due to operating surpluses in FY 2016-17, it is recommended that the amount of the transfer be increased to \$1,000,000.
- There is not an ongoing dedicated source of revenue for this fund; although the FY 2016-17 Budget included a budgeted transfer of \$300,000, there are not sufficient revenues in the Corporate Fund to budget a transfer in FY 2017-18. It is expected that future Corporate Fund operating surpluses and budget savings in the MIP may be utilized to address further infrastructure needs outside of the MIP.

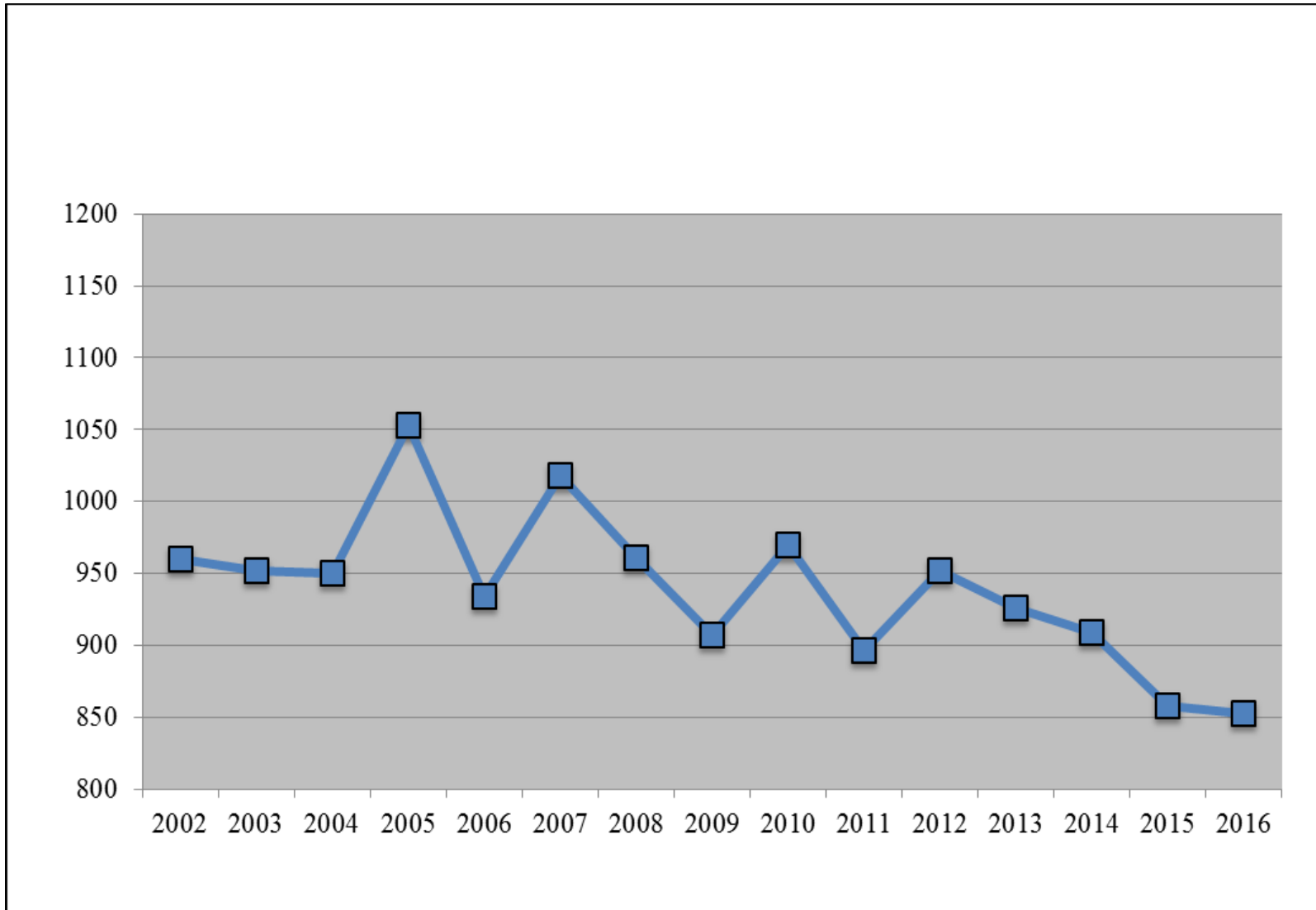
Annual Infrastructure Projects Fund

	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2016-17 Estimated Actuals	FY 2017-18 Budget	Change From Prior Budget
Revenue					
Miscellaneous	30,944	0	1,000	1,000	1,000
Total Revenues	30,944	0	1,000	1,000	1,000
Expenses					
Graue Mill Contribution	0	104,000	0	104,000	0
Oak St. Bridge Traffic Control Lights	0	150,000	0	150,000	
Infrastructure Improvements	50,073	1,587,230	14,490	1,997,086	409,856
Total Expenses	50,073	1,841,230	14,490	2,251,086	409,856
Excess of Revenues over Expenses	(19,129)	(1,841,230)	(13,490)	(2,250,086)	(408,856)
Other Financing Sources					
Transfer from MIP Infrastructure Projects Fund	0	0	0	0	0
Transfer from General Fund	700,000	300,000	1,000,000	0	(300,000)
Excess Revenues over Expenses	680,871	(1,541,230)	986,510	(2,250,086)	(708,856)
Beginning Fund Balance	882,705	1,541,230	1,563,576	2,550,086	1,008,856
Ending Fund Balance	1,563,576	0	2,550,086	300,000	300,000

Water and Sewer Operations Fund

	FY 2016-17 Budget	FY 2016-17 Estimated	FY 2017-18 Budget
Revenues	9,212,155	8,695,355	9,124,655
Expenditures	7,840,344	7,491,255	7,912,837
Revenues in Excess of Expenditures	1,371,811	1,204,100	1,211,818
Other Financing Sources (Uses)			
Transfer to/from Water Capital	(712,844)	(400,000)	(442,678)
Transfer to Water Debt Service	(659,895)	(659,895)	(661,254)
Revenues in Excess of Expenditures/Transfers	(928)	144,205	107,886
Beginning Fund Balance	300,000	47,909	192,114
Ending Fund Balance	299,072	192,114	300,000

Water Purchased from DuPage Water Commission (By Calendar Year-Data in Millions of Gallons)



Water and Sewer Operations Fund

- Total revenues are estimated to be \$516,800 below budget due to water sales being below the four year average, some of which is due likely due to seasonal factors.
- The Village purchased 858 and 852 million gallons of water from DWC in calendar years 2015 and 2016, respectively. For the fourteen year period of 2002 to 2015, the average water purchased was 946 million gallons.
- For calendar year 2016, this results in water purchases being almost 10% below historical levels. We have experienced moderate summer weather for the last few years, which accounts for some of the change, but after significant DWC rate increases that were passed on to Hinsdale customers, it is likely that the higher cost of water has had an impact, especially as it relates to irrigation use.
- As the prior graph indicates, water usage can fluctuate significantly year to year, causing material swings in revenue.
- Water purchased from the DuPage Water Commission (DWC) is projected to be \$195,000 under budget for FY 2016-17 due to lower than expected water purchases.
- The ending fund balance of approximately \$300,000 is the amount typically retained in the fund; any excess is generally transferred to the Water Capital Fund.
- For FY 2017-18, the budget amount for water purchased from DWC is based on purchasing 875 million gallons, which is the most recent three-year average. The DWC wholesale water rate will increase slightly from \$4.80 to \$4.88 per 1,000 gallons on May 1, 2017.
- Due to the increase in the DWC wholesale rate as well as the consistent revenue shortfalls in the Water and Sewer Fund for the last few years (due to declining water consumption), it is recommended that a water and sewer rate review be undertaken early in FY 2017-18.
- The revenue budget for water and sewer revenue is based on billing 82% of the gallons purchased from DWC at current Hinsdale rates, plus an allowance for improved accountability in billing due to the meter replacement program.
- After providing for all of the costs of operations, it is projected that there will be approximately \$443,000 available to transfer to the Water Capital Fund.

Water Capital Fund

	FY 2016-17 Budget	FY 2016-17 Estimated	FY 2017-17 Budget
Revenues	-	-	-
Expenditures	3,092,000	2,765,885	658,000
Revenues in Excess of Expenditures	(3,092,000)	(2,765,885)	(658,000)
Other Financing Sources (Uses)			
Transfer from Water Operations	712,844	400,000	442,678
Transfer from MIP Inf. Proj. Fund	2,500,000	2,500,000	200,000
Revenues in Excess of Expenditures/Transfers	120,844	134,115	(15,322)
Beginning Fund Balance	(63,543)	(91,740)	42,375
Ending Fund Balance	57,301	42,375	27,053

Water and Sewer Fund-All Funds

	FY 2015-16 Budget	FY 2015-16 Estimated	FY 2016-17 Budget
Revenues	9,212,205	8,695,805	9,124,905
Expenditures	11,590,182	10,914,978	9,235,048
Revenues in Excess of Expenditures	(2,377,977)	(2,219,173)	(110,143)
Other Financing Sources (Uses)			
Transfer from MIP Inf. Proj. Fund	2,500,000	2,500,000	200,000
Revenues in Excess of Expenditures/Transfers	122,023	280,827	89,857
Beginning Fund Balance	456,390	223,542	504,369
Ending Fund Balance	578,413	504,369	594,226

Debt Information

	Beginning Balance	Issuances	Retirements	Ending Balance
Governmental Activities				
<u>Bonds</u>				
2009 Limited Refunding	1,600,000	-	110,000	1,490,000
2011 IMRF GO Bonds	275,000	-	275,000	-
2012A GO Alternate Bonds (MIP Work)	4,140,000	-	235,000	3,905,000
2013A GO Library Alternate Bonds	2,310,000	-	175,000	2,135,000
2014B GO Alternate Bonds (MIP Work)	4,620,000	-	225,000	4,395,000
	<u>12,945,000</u>	<u>-</u>	<u>1,020,000</u>	<u>11,925,000</u>
<u>Installment Contract</u>				
2008 Fire Truck Installment Loan	209,441	-	103,748	105,693
Total Governmental Activities	<u>13,154,441</u>	<u>-</u>	<u>1,123,748</u>	<u>12,030,693</u>
Business-Type Activities				
<u>Bonds</u>				
2008C GO Alternate Revenue (Veeck Park CSO)	1,370,000	-	440,000	930,000
2014A GO Alternate Revenue (Water Meters)	1,795,000	-	115,000	1,680,000
	<u>3,165,000</u>	<u>-</u>	<u>555,000</u>	<u>2,610,000</u>
<u>IEPA Loans</u>				
EPA Loan L17-4509	2,788,957	-	158,496	2,630,461
EPA Loan L17-4511	340,349	-	21,549	318,800
	<u>3,129,306</u>	<u>-</u>	<u>180,045</u>	<u>2,949,261</u>
Total Business-Type Activities	<u>6,294,306</u>	<u>-</u>	<u>735,045</u>	<u>5,559,261</u>
Total-All Funds	<u>19,448,747</u>	<u>-</u>	<u>1,858,793</u>	<u>17,589,954</u>

Other Budget Information

- Information regarding the Motor Fuel Tax Fund, Foreign Fire Insurance Tax Fund, Police Pension Fund, and Firefighters' Pension Fund has not been included in this presentation but is included in numerous areas of the budget document. There are no unusual budget issues related to these funds other than normal operating activities.
- The budget presentation continues to provide for enhanced Department goals and objectives that tie to specific budget requests and a summary of prior year accomplishments. Additionally, certain departments were asked to include activity measures. Activity measures are counts of certain offerings of a department that provide information regarding the volume of activity. Performance measures have also been developed for those departments in which service delivery to the residents may be quantified. Staff hopes that the Board and residents will continue to find value in having these included in the budget presentation. The performance measures are intended to be dynamic and may be altered to meet service expectations and goals of the Board.
- The FY 2017-18 to FY 2021-22 Capital Improvement Plan was issued on December 2, 2016, was reviewed by the Village Board and Finance Commission on January 23, 2017, and was formally approved by the Village Board on March 7, 2017. This document includes detailed information on each capital outlay request and serves as a guide for the development of the capital outlay budgets in future years.

Questions?