



BUDGET COMMITTEE
Including a Working Session of the Village Board

March 28, 2023
VILLAGE HALL

MEETING AGENDA
6:00 PM

1. Call to Order
2. Establish A Quorum
3. Public Comments
4. Approval of the Minutes from:
 - a. March 10, 2022
 - b. March 7, 2023
5. Funding Discussions:
 - a. Coon Creek Country Days
 - b. Hampshire Area Chamber of Commerce
 - c. Hampshire Beautification/Façade Improvements
 - d. Building permit Fees
 - e. Motor Vehicle Fee
 - f. Large Group Gathering Staffing Fee
6. FY2024 Budget Presentation

7. Announcements

8. Adjournment

Attendance: By Public Act 101-0640, all public meetings and public hearings for essential governmental services maybe held by video or tele conference during a public health disaster, provided there is an accommodation for the public to participate, and submit questions and comments prior to meeting. If you would like to attend this meeting by Video or Tele Conference, you must e-mail the Village Clerk with your request no later than noon (12 PM) the day of the meeting. A link to participate will be sent to your e-mail address, including all exhibits and other documents (the packet) to be considered at the meeting.

Public Comments: The Board will allow each person who is properly registered to speak a maximum time of five (5) minutes, provided the Village President may reduce the maximum time to three (3) minutes before public comments begin if more than five (5) persons have registered to speak. Public comment is meant to allow for expression of opinion on, or for inquiry regarding, public affairs but is not meant for debate with the Board or its members. Good order and proper decorum shall always be maintained.

Recording: Please note that all meetings held by videoconference may be recorded, and all recordings will be made public. While State Law does not required consent, by requesting an invitation, joining the meeting by link or streaming, all participants acknowledge and consent to their image and voice being recorded and made available for public viewing.

Accommodations: The Village of Hampshire, in compliance with the Americans with Disabilities Act, requests that persons with disabilities, who require certain accommodations to allow them to observe and/or participate in the meeting(s) or have questions about the accessibility of the meeting(s) or facilities, contact the Village at 847-683-2181 to allow the Village to make reasonable accommodations for these persons.

**MEETING OF THE BUDGET COMMITTEE
March 10, 2022**

Minutes

The meeting of the Village Budget Committee was called to order by Chairperson Laura Pollastrini at 6:32 p.m. in the Village of Hampshire Village Board Room, 234 S. State Street, on Thursday, March 10, 2022.

A quorum was established.

Committee Members Present: Laura Pollastrini and Toby Koth

In addition, present were President Mike Reid, Village Manager Jay Hedges, Finance Director Lori Lyons, and Assistant to the Village Manager Josh Wray.

CITIZEN COMMENTS

Carl Palmisano from the Coon Creek Country Days Committee presented their request for funding in the FY23 budget of \$19,000, which he noted is 44% than what the Village granted last year. He noted that costs are skyrocketing, including operating costs and vendor prices, and they probably would have requested more if he had those increased costs when they made the request. Instead of asking for a higher amount, Mr. Palmisano respectfully requested the Committee and the Village Board consider increasing the contribution if additional funds are available.

MINUTES

Trustee Koth moved to approve the minutes from the Budget Committee meeting on February 23, 2022.

Seconded by Chairperson Pollastrini

Motion carried by roll call vote.

Ayes: Pollastrini, Koth

Nays: None

Absent: Robinson

FY2023 BUDGET PRESENTATION

Garbage Fund

Ms. Lyons presented the Garbage Fund budget with revenues in excess of revenue of \$22,737. There will be an increase in garbage rates per the contract with Flood Brothers.

Trustee Koth asked if staff had received any feedback from residents. Ms. Lyons and Mr. Hedges said it has been very positive once the transition was made. Mr. Hedges said the most significant issue with the transition was getting Waste Management to collect their cans.

Water Construction Fund

Ms. Lyons explained that this fund is funded mainly by commercial connection fees. Revenue also reflects the grant revenue for the Water System Connection project as well as expenses for that project and the Village's portion of the State & Rt. 72 intersection project.

Sewer Construction Fund (40)

Ms. Lyons explained that this fund is also funded mainly by commercial connections, but this budget also shows a transfer from the Water/Sewer Improvement Fund to pay for the expenses shown for sanitary sewer work on the State & Rt. 72 project.

Sewer Construction Fund (41)

Ms. Lyons explained that this fund is another capital construction fund, specifically for sewer expansion projects. There is no activity budgeted in this fund for FY23.

TIF Fund

Ms. Lyons noted that the TIF fund receives revenue from property taxes from parcels in the TIF district that have seen an increase in property value over the base value set at the establishment of the district. Those funds can be used for grant projects or to pay debt service for public infrastructure projects. The TIF fund has not been able to support itself for many years.

Chairperson Pollastrini asked when the bond for the public infrastructure project expires. Ms. Lyons said it will expire in 2030 or later.

Ms. Lyons noted the Village has been supplementing the TIF to make the bond payments for the last several years, and she expects that to continue especially as the bond payments shoot up in a couple of years.

President Reid asked what options the Village has to fix this problem. Mr. Hedges responded that staff plans to have a Joint Review Board meeting in March to go through the status of the TIF in detail, but he briefly explained that the TIF is about \$350,000 in debt to the Village at this point, and property values are just now getting back to where they were when the TIF was established.

Ms. Lyons also noted that another option is to extend the life of the TIF, which would allow the TIF more time to collect tax dollars to help pay that debt down before the TIF ends and the Village has no option of recouping that money.

Hotel/Motel Tax Fund

Ms. Lyons noted that she has \$18,000 in for Coon Creek in order to balance the budget in addition to the \$6,000 requested by the Chamber of Commerce.

Trustee Koth said he believes we should fund the full \$19,000 for Coon Creek Days, which Ms. Lyons said would be found with the fund's balance. Chairperson Pollastrini supported that as well and asked if we could consider additional contributions later if we have more revenues than expected in the fund. Ms. Lyons said she does not expect to do much better, but changes could be made if we find out differently.

Road and Bridge Fund

Ms. Lyons explained that this fund is funded from the Township's property tax levy based on roads the Village has taken over due to annexation. She expects to have a better dollar amount for revenue next week. On the expense side, the funds need to be used for road improvements, and staff would like to prioritize repaving Centennial Dr. However, the funds collected this fiscal year will not be enough to complete that project, so staff plans to appropriate the funds in FY23 and use them with more revenue next year for the Centennial project.

President Reid asked how the road projects are prioritized. Mr. Hedges responded that they are based on Streets Supervisor Dave Starrett's recommendations.

Motor Fuel Tax Fund

Ms. Lyons noted her revenue calculation for the FY22 budget was clearly wrong, but she expects an increase to \$309,563 based on the Village's new population. This fund also keeps the grant revenue from the Rebuild Illinois program through IDOT, which amounts to approximately \$366,000 in six installments over 3 years. The use of those grant funds is very restricted, but it is free money, so the Village plans to use it for significant road projects. Expenses expected in FY23 are only for road salt purchases.

SSA Maintenance Funds

Ms. Lyons explained that the revenue is based on the levies the Village approved in December. Expenses are for machine clearing, controlled burning, etc. as well as the labor for this maintenance.

Equipment Replacement Fund

The only expense in this fund is for the planned ERP software transition from MSI to Incode.

Capital Improvements Fund

This fund houses the CDBG money and the expenses for the Streetscape project. Some ARPA funds will also be transferred to this fund to cover the gap in Streetscape funding now that the final bids are in overbudget. Mr. Hedges briefly explained that the project does not include the centenary light system or the actual pavers, but it does include the Village clock.

Chairperson Pollastrini asked if we could ask for donations from the community to supplement Streetscape, particularly for the Village clock since it such a focal point that many older residents and businesses may want to donate to. Trustee Koth and Mr. Hedges both noted that a program like that is time consuming to manage, and staff would probably not be able to take that on.

Public Use Fund

Ms. Lyons explained that this fund receives revenue from impact and transition fees on new home builds, and it is designed to support projects related to streets and public facilities. It is used to supplement the TIF bond payments at an amount of \$25,000 in FY23.

Water/Sewer Improvement Fund

Ms. Lyons explained that this fund receives revenues from the capital improvement charge on water bills, and staff projects growth here due to the increasing population. Expenses include transfers to several other funds for capital projects/equipment, including the State & Rt. 72 water and sewer expenses.

Sanitary and Storm Sewer Improvement Fund

Inactive

Transportation Fund

Ms. Lyons explained that this fund receives revenue from impact and transition fees on new home builds. There is a transfer to the general fund to pay for debt service on capital equipment in the Streets Department.

Early Warning Fund

Ms. Lyons explained that this fund receives revenue from impact fees on new home builds. There are no expenses budgeted for FY23.

Capital Improvements/Debt Fund

This fund was previously used to record the letter of credit receipts from Tuscany Woods when the project failed. There is no activity budgeted for FY23.

Capital Projects - Debt Service Fund

This fund was previously used to record bond revenue and debt. There is no activity budgeted for FY23.

Police Pension Fund

Staff proposes to contribute \$504,112 as the employer contribution based on the Department of Insurances actuarial estimate. Ms. Lyons expects the fund to go to the consolidated fund in June 2022.

SSA #14 Lakewood Crossing Fund

Ms. Lyons explained that this fund is a bond fund that collects property taxes from the Lakewood subdivision to pay for the debt service on the bond that was issued for infrastructure in the subdivision.

SSA #13 Tuscany Woods Fund

This fund is the same as the SSA #14 fund for Lakewood Crossing except for the Tuscany Woods subdivision.

Agency Funds

Ms. Lyons explained that the several agency funds are used to collect impact and/or transition fees for the other taxing bodies, including the School District, Library District, Park District, Fire Protection District, the Cemetery, and the Township.

Trustee Koth asked if the Village can charge the other taxing bodies for the administrative work to track all these fees. Ms. Lyons said it is agreed to by intergovernmental agreement, which could always be dissolved or amended. She also noted that having the impact and transition fees set up this way does make payments easier for developers/builders since they bring two checks to Village Hall rather than having to go to each taxing body to pay the appropriate fees.

Review of General Fund

Ms. Lyons suggested reviewing the changes to the General Fund since the last committee meeting. There was previously a deficit of approximately \$268,000, but staff has made changes to the effect of a new deficit at \$379,737 after better projections for energy/fuel costs as well as a change to the Police Department's staffing plan to bring a part-time officer to full-time immediately rather than bringing-on a rookie officer out of the academy in January. After a transfer from the Transportation fund for capital expenses in the Streets Department, the deficit comes to \$259,876, which staff proposes to cover with remaining ARPA funds. Mr. Hedges explained that this is the third year the Village will use a one-time source to cover the General Fund's budget deficit as opposed to a long-term solution like a new revenue source.

Mr. Hedges also explained that the CP Railroad has offered the Village three options for creating a quiet zone: (1) \$625,000 cash to the Village to construct the quiet zone, (2) construct a quiet one themselves without paying the Village anything, or (3) \$225,000 to the Village for the off-track

expenses while CP completes \$400,000 worth of on-track expenses. It is possible that the Village could construct the off-track expenses for less than \$225,000 and keep the remainder of the money. Additionally, the Village could take either option with a cash payment and use the money for another project the Village sees as a higher priority, including more alternatives in the Streetscape project such as the brick paver option.

President Reid expressed that he supports the options where the Village ends up with a quiet zone as opposed to using the cash for other projects because he is still very concerned about the additional train traffic. Mr. Hedges said that staff will get the specs from CP for the off-track improvements so the Village can get quotes for the work to see if we can complete those improvements for less than \$225,000.

President Reid also asked if the Village could sell the portion of East St. on either side of the tracks since that street will be closed after completion of the quiet zone. Mr. Hedges said he will check, but he expects there is not much value in that land. Staff will also look into some sort of trade where the railroad gets that land after East St. is closed and the Village gets the strip of land along the north side of Rinn Ave. just west of State St. for public parking.

Recommendation

Ms. Lyons explained the next steps of the budget cycle. Staff will introduce the FY23 budget at the next Village Board meeting, and the Village Board will vote to set a public hearing for the following meeting. Staff will present the whole budget in detail during that public hearing, and the Village Board votes on approving the budget the same night.

Trustee Koth moved to recommend moving the preliminary budget forward as presented by staff with balanced operating funds.

Seconded by Chairperson Pollastrini
Motion carried by roll call vote.
Ayes: Pollastrini, Koth
Nays: None
Absent: Robinson

ADJOURNMENT

Trustee Koth moved to adjourn the Village Board meeting at 8:16 p.m.

Seconded by Chairperson Pollastrini
Motion carried by roll call vote.
Ayes: Pollastrini, Koth
Nays: None
Absent: Robinson

Laura Pollastrini, Committee Chair