

**MINUTES OF THE OCTOBER 16, 2023
SPECIAL MEETING/ 2024 BUDGET WORKSHOP OF THE BOARD OF TRUSTEES
RICHARD T. FLICKINGER CENTER 6101 CAPULINA
MORTON GROVE, ILLINOIS 60053**

Pursuant to proper notice in accordance with the Open Meetings Act, the special meeting was called to order at 6:00 p.m. by Mayor Daniel P. DiMaria who led the assemblage in the pledge of allegiance.

Clerk Eileen Scanlon Harford called the roll. In attendance were:

Elected Mayor Daniel P. DiMaria, Clerk Eileen Scanlon Harford Trustees Janine Witko, Ashur
Officials: Shiba, John Thill, Rita Minx, Connie Travis, and Saba Khan,
Absent: None

Village Staff : Village Administrator Ralph Czerwinski, Finance Director Hanna Sullivan, Assistant
Village Administrator Tom Friel, Public Works Director Mike Lukich, Public Works
Director of Operations Kevin Lochner, Village Engineer Chris Tomich, Police Chief
Mike Simo, Fire Chief Ralph Ensign, Manager of Building and Inspectional Services
Jim English, Community Development Administrator, Zoe Heidorn, and IT Manager
Boyle Wong,

Guests: None

Mayor DiMaria thanked staff for their efforts in putting tonight's budget presentation together. He noted that with inflation, the Village was facing tough times, but that "we will get through it." He then turned the meeting over to Village Administrator, Ralph Czerwinski. Mr. Czerwinski noted that tonight's presentation would include an overview of the Village and the Library's 2024 Budget, and recommendations to increase certain taxes. He then distributed additional documents that summarized the background and pages of the Budget. The elected officials have been provided budget books which contain detailed information and narratives about the budget.

Mr. Czerwinski stated tonight's presentation, as in past Budget Workshops would include projected revenues and expenditures estimated in the General Fund, Enterprise Funds, TIF Funds, Fiduciary Funds, and other Funds. Village expenditures are comprised of three major components, personnel, contractual and commodities. The 2024 Proposed Budget totals \$84,130,000.00 which is a \$5,900,000.00 increase or 7.66% from 2023 Budget of \$78,140,000.00.14. The major increases are funds budgeted for the Lincoln Lehigh TIF projects (\$2.9 Million), General Fund increase (\$2.46 Million) which are pension fund increases, health insurance increases and increased personnel costs to make the Village competitive for its staffing needs. We also have increased infrastructure and capital projects costs mainly for new watermain and sewers in the amount of \$500,000. Mr. Czerwinski characterized the budget as a "Reactionary Managed Budget", as the Village needs to react to increased costs due to inflation, increased health insurance costs which are fixed costs the Village must pay. He listed the following Funding Priorities: bond rating stabilization, capital projects development, appropriate personnel costs, addressing inflationary pressures, market impacts and recruitment. We also need to address the maintenance of public facilities, and the systematic replacement of operational equipment.

The proposed General Fund budget (the Village's normal, everyday operating costs) of \$37,570,000.00 represents a \$2,465,000.00 Increase (7.02%) from the 2023 Budget of \$35,100,000.00. These increases are attributed to pension contribution increases of \$654,000.00, healthcare insurance increase of \$400,000.00, personnel cost increases budgeted in the amount of \$950,000.00, technology cost increases to upgrade Village software to be cloud based which will make us more efficient in the long run, and increased software licensing costs totaling \$150,000.00 and street improvements and public buildings cost increases in the amount of \$200,000.00.

Due to these increased costs, Mr. Czerwinski is recommending a 7.5% Property Tax increase which will generate \$868,000. Mr. Czerwinski noted that the impact of the proposed property tax increase on a \$400,000 home was approximately \$95.90. He is also recommending a 1% increase in Food & Beverage Tax which is expected to produce \$600,000. Many nearby communities have a 2% food and beverage tax. He recommends that this increase not be applied to catering facilities. He further requests a \$0.01/gallon increase in the local gas tax

which will result in \$100,000.00 of additional revenue. This additional revenue will help offset Pension Contribution Increases of 9.7% and increased Health Insurance Cost of 10.35%.

Mr. Czerwinski summarized the anticipated 2024 General Fund revenues as follows:

Source	FY 2023	FY 2024	Difference	% Change
All Taxes	\$27,272,675	\$29,275,534	\$2,002,859	7.34%
Licenses & Permit Fees	\$2,201,500	\$1,956,500	(\$245,000)	(11.13%)
Fines	\$816,500	\$816,500	\$0	0.00%
Charges for Services	\$833,650	\$1,123,650	\$290,000	34.79%
Grants	\$302,000	\$302,000	\$0	0.00%
Investment/Rental	\$110,000	\$110,000	\$0	0.00%
Transfers	\$2,066,000	\$2,306,000	\$240,000	11.62%
Miscellaneous	\$604,500	\$594,500	(\$10,000)	(1.65%)
American Rescue Plan Act (ARPA)	\$900,000	\$1,088,000	\$188,000	20.89%
Total	\$35,106,825	\$37,572,684	\$2,465,859	7.02%

General Fund Expenditures were summarized as follows:

Media/Communications	\$39,310	\$57,840	\$18,530	47.14%
Information Technology	\$764,442	\$906,859	\$142,417	18.63%
Reserves	\$154,868	\$1,112,860	\$957,992	618.59%
Police Department	\$12,112,857	\$12,509,956	\$397,099	3.28%
Fire Department	\$10,311,909	\$10,973,931	\$662,022	6.42%
PW Streets	\$3,558,015	\$3,660,200	\$102,185	2.87%
PW Municipal Buildings	\$1,048,135	\$1,121,525	\$73,390	7.00%

Trustee Thill asked if any of these expenditures were for the new Village Hall. Mr. Czerwinski stated that those expenses would be reflected in the 2025 budget, except for some architectural fees.

Ms. Sullivan also noted that pension increases were due in part to poor performance by the market and investments.

Mr. Czerwinski then reviewed the legislative schedule for the budget process. He expected a public hearing on the Budget, along with a first reading of the Budget and Levy ordinances to be held at the November 14, 2023, meeting, and a Truth in Taxation public hearing on the levy and the second reading of the budget and levy ordinances to occur on November 28. He then asked the Board for questions.

Mr. Czerwinski reviewed the following chart with the Board on a line-by-line basis:

	Page #	2023	2024	\$ Difference	% Difference	Background
GENERAL FUND						
Legislative	3	\$ 122,750	\$ 122,750	\$ -	0.00%	
Media/Communications	6	\$ 39,310	\$ 57,840	\$ 18,530	47.14%	Increased Advertising/Communication
Administration	8	\$ 686,105	\$ 738,705	\$ 52,600	7.67%	Personnel Costs
Legal	11	\$ 384,200	\$ 373,150	\$ (11,050)	-2.88%	Reduction in Muni Code software
Community & Economic Development	14	\$ 300,318	\$ 309,275	\$ 8,957	2.98%	Personnel Costs
Finance	17	\$ 2,903,878	\$ 2,881,043	\$ (22,835)	-0.79%	Reduced transfer to debt service
Information Technology	19	\$ 764,442	\$ 914,009	\$ 149,567	19.57%	Increased Licensing Fees
Reserves	22	\$ 154,868	\$ 673,000	\$ 518,132	334.56%	Collective Bargaining & Unanticipated
Police Department	24	\$ 12,112,857	\$ 12,686,821	\$ 573,964	4.74%	Pension Expense, Personnel Costs
Fire Department	27	\$ 10,311,909	\$ 11,160,931	\$ 849,022	8.23%	Pension Expense, Personnel Costs
Public Works - Administration	30		\$ 95,020	\$ 95,020		Reclassification of expenses from Other PW Departments
Public Works - Streets	32	\$ 3,558,015	\$ 3,780,350	\$ 222,335	6.25%	Increase in Concrete Work
Public Works - Engineering	35	\$ 518,971	\$ 567,545	\$ 48,574	9.36%	Specialized Engineering Review, Personnel Costs
Public Works - Vehicle Maint.	38	\$ 1,008,897	\$ 1,041,305	\$ 32,408	3.21%	Increase in cost of fuel, repair parts and services
Public Works - Municipal Bldg.	45	\$ 1,048,135	\$ 1,121,525	\$ 73,390	7.00%	Fire Dept Generator, PW roofs
Family & Senior Services / Civic Center	40	\$ 300,670	\$ 295,275	\$ (5,395)	-1.79%	Personnel Costs Reclassified
Bldg. & Inspectional Services	42	\$ 891,500	\$ 923,140	\$ 31,640	3.55%	Enhanced Code Enforcement
Total General Fund		\$ 35,106,825	\$ 37,741,684	\$ 2,634,859	7.51%	
Enterprise - Water	47	\$ 8,122,216	\$ 8,253,896	\$ 131,680	1.62%	Water Mains
Enterprise - Sewer	50	\$ 1,624,538	\$ 1,888,285	\$ 263,747	16.24%	Austin sewer replacement increased
Enterprise - Administration	52	\$ 1,634,829	\$ 1,773,933	\$ 139,104	8.51%	Pension Expense, costs reallocated
Fire Alarm	72	\$ 305,100	\$ 320,800	\$ 15,700	5.15%	Increase in Share of RED Center
Capital Projects	54	\$ 1,360,000	\$ 1,803,000	\$ 443,000	32.57%	PW Remodel, Austin Ave., Oakton
Debt Service	56	\$ 663,963	\$ 664,213	\$ 251	0.04%	
Motor Fuel Tax Fund	66	\$ 3,049,000	\$ 2,209,000	\$ (840,000)	-27.55%	Street resurfacing completed in 2023
Emergency 911 Fund	68	\$ 420,000	\$ 443,384	\$ 23,384	5.57%	Increase in Central Dispatch costs
Solid Waste Funds	70	\$ 2,100,775	\$ 2,177,910	\$ 77,135	3.67%	Increase in collection and disposal costs
Equipment Replacement Fund	72		\$ 300,000	\$ 300,000		Equipment purchases
Liability Insurance Fund	72		\$ 100,000	\$ 100,000		New Fund - track IRMA claims
Commuter Parking Fund	72	\$ 30,200	\$ 30,200	\$ -	0.00%	
Seizure Fund	72	\$ 312,000	\$ 300,500	\$ (11,500)	-3.69%	Workstation purchased 2023
Morton Grove Days	72	\$ 160,000	\$ 170,000	\$ 10,000	6.25%	Increase in operational cost
Total Other Funds		\$ 19,782,621	\$ 20,435,121	\$ 652,501	3.30%	
Total General Operations		\$ 54,889,446	\$ 58,176,805	\$ 3,287,360	5.99%	
TIF & Economic Development						
Lehigh/Ferris TIF	58	\$ 3,222,110	\$ 2,088,810	\$ (1,133,300)	-35.17%	Final year of the TIF
Sawmill Station TIF	60	\$ 1,814,632	\$ 2,539,632	\$ 725,000	39.95%	New economic development support
Lincoln/Lehigh TIF	62	\$ 6,470,000	\$ 9,370,000	\$ 2,900,000	44.82%	New TIF Fund - Train station & developer support
Economic Development Fund	64	\$ 1,148,396	\$ 1,163,897	\$ 15,501	1.35%	Revenue Sharing - increased sales tax revenue generated
TIF & Economic Development		\$ 12,655,138	\$ 15,162,339	\$ 2,507,201	19.81%	
Pensions						
General Employees' Pension	81	\$ 1,326,000	\$ 1,426,000	\$ 100,000	7.54%	Increase reflects actual pensions
Firefighters' Pension	81	\$ 4,443,000	\$ 4,529,500	\$ 86,500	1.95%	Increase reflects actual pensions
Police Pension	81	\$ 4,831,100	\$ 5,008,100	\$ 177,000	3.66%	Increase reflects actual pensions
Total Pensions		\$ 10,600,100	\$ 10,963,600	\$ 363,500	3.43%	
TOTAL ALL FUNDS		\$ 78,144,684	\$ 84,302,744	\$ 6,158,061	7.88%	

In response to questions, Ms. Sullivan and Mayor DiMaria explained that the impact on the increased taxes and fees amount to approximately \$130.00/year or 10.00/month per household. He asked to remind residents that the Village receives only 12-13% of the total property tax bill.

Mayor DiMaria then thanked staff for their hard work.

Trustee Minx moved to adjourn the special meeting. The motion was seconded by Trustee Witko and approved unanimously pursuant to a voice vote at 7:37 PM.

Minutes by
Teresa Hoffman Liston
Corporation Counsel

Passed this 14th day of November 2023.

Trustee Khan Aye

Trustee Minx Aye

Trustee Shiba Aye

Trustee Thill Absent

Trustee Travis Aye

Trustee Witko Aye

Approved by me this 14th day of November 2023.



Daniel P. DiMaria, Village President

Approved and Filed in my office
this 14th day of November 2023.



Eileen Scanlon Harford, Village Clerk

