

**BOARD OF TRUSTEES WORK SESSION  
11004 Carpenter Street, Mokena, Illinois 60448  
Monday, April 20, 2020**

**CALL TO ORDER**

Mayor Fleischer called the Board of Trustees work session to order at 6:00 p.m.

**ROLL CALL**

Joseph E. Budzyn (via telephone)  
Debbie Engler (via telephone)  
Jillian Hersted (via telephone)  
George Metanias (via telephone)  
Jim Richmond (via telephone)  
Joe Siwinski (via telephone)

Absent:

Also present were: Clerk Melissa Martini via telephone; Village Administrator John Tomasoski and Finance Director Barb Damron were both in person.

**Fiscal Year 2021 Budget**

Village Administrator John Tomasoski and Finance Director Barb Damron presented the Fiscal Year 2021 Budget Discussion presentation.

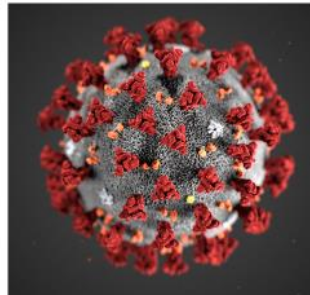
**Village of Mokena  
FY 21 Budget Discussion  
April 20, 2020**

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**Budget Process Overview**

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- Historical Process
  - ✓ January – June Budget Work Sessions
  - ✓ June – Public Hearing and Adoption
- Budget FY 21 Process – **Pre** COVID-19
  - ✓ January 17, 2020 – Roads Presentation
  - ✓ February 17, 2020 – Fleet Presentation
- Budget FY 21 Process – **Post** COVID-19
  - Need to restart process due to COVID-19
  - Revise projections based on unknown conditions



## Village of Mokena – Traditional Budget Principles

- Conservative fiscal practices focusing on revenue and expenditure detail along with fund balances
- Past focus on Capital Investment
  - ✓ Our infrastructure has been well maintained
  - ✓ Our fleet and heavy equipment are in good shape allowing deferred replacement schedules
- Our budgeting system has been refined over the years and provides a logical framework for decision making
- The economic development successes of the past several years should help to soften the impact of COVID-19
- Continue to maintain strong fund balances in the major funds

## FY 21 Budget – Uncertainties

- Uncertainties Moving Forward
  - ✓ How long will this continue?
  - ✓ What will the economic impact be?
  - ✓ What are the long-term effects?
  - ✓ What will State and Federal Governments do?
  - ✓ What Budget reductions will be necessary?

## FY 20 Estimated Year-End

Revenue Type	Budgeted FY 20	COVID-19 Revised FY 20
Sales Tax	\$6,069,268	\$6,288,545
Local Use Tax	\$664,989	\$610,503
State Income Tax	\$1,000,021	\$1,750,000
Property Tax (Corporate)	\$439,535	\$441,344
Building Permits	\$84,000	\$382,657
Amusement Tax	\$193,500	\$242,500
Video Gaming	\$275,000	\$321,647
OTB	\$85,000	\$59,249

- Village will end FY 20 with a surplus of approximately +/- \$2.75M - \$3M

## FY 21 Budget – General Fund Revenues

- Sales Tax

- ✓ Small and mid-sized bars and restaurants have been provided a 2-month delay in paying sales tax to State. Those payments will be spread over 4 months (May – August)
- ✓ Recommend budgeting 50% for 3 months and 75% for 9 months

- Local Use Tax

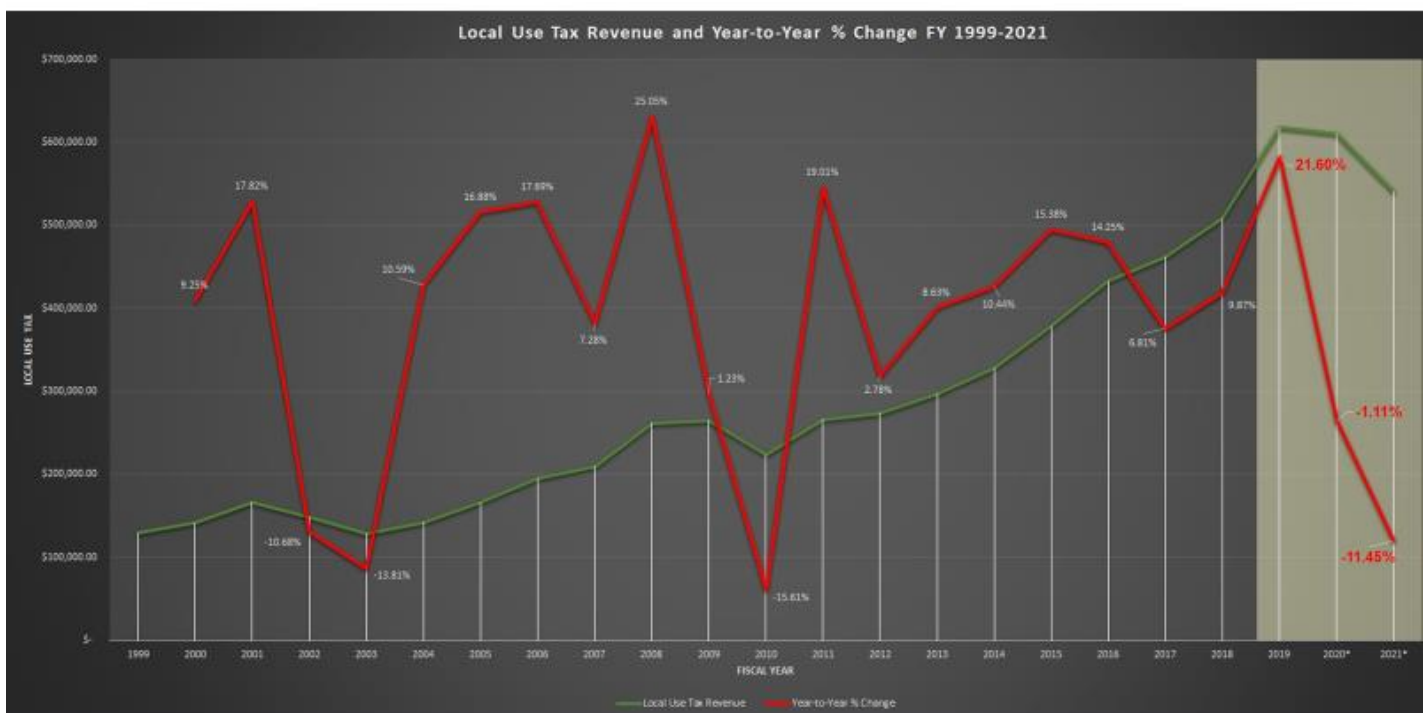
- ✓ Village will see impact of COVID-19 in the June payment from the State
- ✓ Recommend budgeting 75%

- Income Tax

- ✓ State income tax filing and payment extension pushed back 3 months to July 15
- ✓ Will see first impact in the May income tax payments from the State
- ✓ Recommend continuing the practice of budgeting 50% of state income tax



1999-2019 are actual | 2020-2021 are projected



1999-2019 are actual | 2020-2021 are projected



## Budget FY 21 – General Fund Revenues

- **Property Tax**
  - ✓ Recommend the 2020 tax levy covers pensions, retirement costs and special purpose levies with the corporate levy being reduced as needed
- **Amusement Tax**
  - ✓ Recommend budgeting 25%
- **Video Gaming**
  - ✓ Recommend budgeting 33.33%
- **OTB**
  - ✓ Recommend budgeting 25%
- **Interest**
  - ✓ Fed funds rate currently 0% -.25%
  - ✓ Banking agreement with Old Plank Trail Bank has a floor of .50% built into it for a one-year period which ends 11/30/20 and then is negotiable

## What Does This Mean?

Revenue Type	Proposed FY 21	COVID-19 Estimated FY 21	Difference	
Sales Tax	\$6,670,939	\$4,556,455	\$(2,114,484)	Sales Tax 50% for 3 months and 75% for 9 months
Local Use Tax	\$720,828	\$540,621	\$(180, 207)	Local Use Tax 75%
State Income Tax	\$1,066,012	\$1,066,012	\$0	State Income Tax kept at 50%
Property Tax (Corporate)	\$364,590	\$364,590	\$0	
Building Permits	\$63,200	\$96,500	\$36,300	Altorder permit included in estimated FY 21
Amusement Tax	\$301,000	\$75,250	\$(225,750)	Amusement Tax 25%
Video Gaming	\$300,000	\$100,000	\$(200,000)	Video Gaming 33.33%
OTB	\$80,000	\$20,000	\$(60,000)	OTB 25%
<b>Total Difference</b>			<b>\$(2,744,141)</b>	

## Budget FY 21 – Enterprise Funds Revenue

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- **Utility Fees**
  - ✓ Recommend increasing water rate for pass through fees only – 11 cents/1,000 gallons
  - ✓ Recommend no increase to sewer rate
- **Refuse Fees**
  - ✓ Recommend contractual increase only of 3%
  - ✓ Recommend extending electronic recycling program
- **Parking Fees**
  - ✓ Recommend budgeting 25%

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## FY 21 Budget – Next Steps

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- April 27, 2020 Work Session
  - Continue FY-21 Budget analysis and review
  - Wastewater Treatment Plant – discuss costs following April 21, 2020 bid opening
- Continue to meet with Department Heads to review and revise expenditures for proposed FY 21 budget

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## Conclusion

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- The budget process that the Village has historically followed will need to be modified.
  - The considerations presented tonight represent the best modeling and/or forecasting based on available data.
  - Concluding the budget process and approving the budget on schedule using a conservative approach is a high priority.
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## Questions and Comments

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### Discussion:

The Board generally agreed with staff's revenue projections for Fiscal Year 2021, however, Trustee Siwinski, Trustee Richmond and Trustee Budzyn were not sure if they were conservative enough. Trustee Budzyn was concerned with income tax revenues for Fiscal Year 2021 due to Governor Pritzker's proposed graduated income tax and asked for verification of when it would be effective if approved. Trustee Hersted advised everyone that if approved, the new income tax is currently set to go into effect on January 1, 2021. Village Administrator Tomasoski acknowledged that due to COVID-19, there is a significant amount of uncertainty moving forward. Therefore, he anticipated the necessity to review the Village's finances on a monthly basis with the Board until the economy stabilizes. The Board concurred with this process.

### Staff Updates

Mayor Fleischer highlighted Director of Economic and Community Development Alan Zordan's report to illustrate to the Board all the development currently taking place in the Village.

Trustee Budzyn asked for additional clarification on the 80<sup>th</sup> Avenue Industrial Park's removal of their signage in relation to Will County's upcoming project based off the update in Public Work Director Lou Tiberi's Staff Report. Village Administrator Tomasoski indicated he would provide additional information to the Board.

Trustee Budzyn indicated the Certificate of Appointment for Mr. Ryan Montgomery may need to be reissued.

Trustee Budzyn asked for clarification regarding tap-on fees in the March monthly Treasurer's report. Finance Director Barb Damron explained the revenues from tap-on fees are split 50/50 for water and sewer.

Trustee Budzyn asked how many trees staff intended to plant in parkways this spring and at what cost based off Assistant Village Administrator Kirk Zoellner's Staff Report. Village Administrator Tomasoski stated that this information would be provided to the Board.

There being no further business to bring before the Mayor and Board of Trustees, Mayor Fleischer adjourned the work session at 7:25 p.m.