

Village of Riverwoods
Finance Workshop
October 25, 2022
Draft

Present:

Kris Ford, Mayor
Michael Clayton (present electronically)
Liliya Dikin
Andrew Eastmond (arrived at 5:40 pm)
Michael Haber
Henry Hollander
Rick Jamerson

Also Present:

Katie Bowne, Deputy Village Clerk
Bruce Huvad, Village Attorney
Bruce Dayno, Police Chief
Carissa Smith, Village Engineer

The meeting was called to order at 5:30 pm.

This financial workshop is intended to provide a forum for discussion of issues that are considered in making the Village's financial decisions.

Discussion of the General Fund

The recommended scenario for the General Fund is a 4 percent increase in the police property tax levy and a 3 percent increase in the sales tax for 2023 followed by a 1 percent increase thereafter. The telecommunications tax and franchise fees will increase 1 percent year over year, which is historical. The hotel tax realizes a 2.5 percent increase due to inflation. There is also a 2 percent year over year increase in the building department fees. There will be some additional expenses in 2023 including increases of \$500,000 to allow for new personnel in administration and the building department with a 3 percent increase thereafter. There were questions about the increase for new personnel. Possible new positions include a Finance Director, a Village Administrator and a full-time Community Services Director.

Water Fund

The Water Fund currently has a \$2 million target balance. The rehabilitation and modernization spending includes replacing existing water mains that are more than 60 years. There could be a possibility to piggyback on the County roadwork for some of these expenses. The costs of some of these replacements start in 2023, and decisions will need to be made. The water mains affected by the Deerfield Road widening will not occur for a few years. The deficit noted in the projections could be offset by transferring money from the General Fund to the Water Fund.

Sewer Fund

The Sewer Fund balance will remain at or near \$1 million through 2028 making the five-year projection look good. The years 2029 and 2030 were not included in previous forecasts from Gewalt Hamilton. It was noted neither the Water nor Sewer Fund show any interest, which should be approximately 4.5 percent.

Capital Fund

The Capital Fund includes \$220,000 and \$330,000 in upgrades to non-campus pathways. It also assumes the MFT expenditures. It does not include Federal participation. The annual drainage improvement program starts in 2023. It was noted the Deerfield Road expenditures should not start until 2025.

TIF Discussion

The Trustees discussed money in the TIF funds. Funds generated by the TIFs have to be used as part of the TIFs. Any property taxes generated, however, would go into the General Fund.

In summary, the Village's overall cash position is projected to remain relatively strong even with additional expenses, major projects and capital investments. The Trustees discussed the increase in the police property tax levy and questioned whether the amount should be higher than the proposed 4 percent. They questioned if the Police Fund should be self-funded. Trustee Clayton previously looked at a higher percentage but it would have taken 10 years for the Fund to become self-funded.

Adjournment

The meeting was adjourned at 6:35 pm

Respectfully submitted,

Katie Bowne
Deputy Village Clerk

Transcribed by:
Jeri Cotton