

Village of Riverwoods
Board of Trustees
Finance Workshop
December 5, 2023
Final

Present:

Kris Ford, Mayor
Michael Clayton
Liliya Dikin
Andrew Eastmond
Henry Hollander
Rick Jamerson

Absent:

Jeff Smith

Also Present:

Bruce Huvad, Village Attorney
Bruce Dayno, Police Chief
Stephen Witt, Director of Community Services
Tony Vasquez, Finance Director
Carissa Smith, Village Engineer
Bill Balling, Consultant

The meeting was called to order at 6:00 pm

President Ford stated the purpose of the meeting was to review 2023 preliminary results and to engage in discussion regarding 2024 budget and projected budgets for the succeeding 5 year period.

Director Vasquez with the assistance of Trustee Clayton led the presentation. The workshop discussion focused on the recommended increase to the Police Tax Levy, the positions of the Water and Sewer Funds given the upcoming infrastructure and maintenance projects, a review of the Capital Fund and the resulting impacts on the Village's cash position.

The general revenue discussion gave rise to concern regarding sales tax and support to, and from, the Milwaukee Avenue corridor.

The Water and Sewer Funds were intended to be self-sustaining enterprises. A review of the Water Fund indicated a downward trend with increasing expenses due to main repairs and replacements. The Water Infrastructure project (extension of water mains to unserved areas) may not be financially feasible given the increasing costs of construction. It was suggested that the focus of the Water Fund be maintenance and not expansion.

A review of the Sewer Fund did not include management of the grinder pump service through Strenger. There is a major project proposed for 2029 that will have a material impact on the Fund balance. There is also a review in process of the Inter-Governmental Agreement in place with Lake County for sewer maintenance and service.

The Capital Fund projections included the recently proposed storm water management projects. The inclusion of grants to offset expense may be optimistic.

The resulting impacts of the Funds on the cash position of the Village indicated a material downward trend. The discussion included debt alternatives, an increase in the tax greater than what was used in the 5 year projections, and a review of the Water and Sewer Funds to determine what increases in revenue or project phasing could result in self-sufficiency for the Funds.

This budget and associated projections reflect a shift or transition from having a continuing comfortable cash position to consideration of financing and revenue generation. However, for purposes of the 2024 budget, the group agreed with the recommended 4.5% increase in the Police Tax Levy.

The Workshop was adjourned at 7:15 PM.

