

MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND BOARD OF TRUSTEES OF THE VILLAGE OF WILLOWBROOK FOR BUDGET WORKSHOP #3 HELD ON THURSDAY, MARCH 13, 2024, AT 5:30 P.M. AT THE COMMUNITY RESOURCE CENTER (CRC), 825 MIDWAY DRIVE, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS.

1. CALL TO ORDER

The meeting was called to order at 5:30 p.m. by Mayor Frank A. Trilla.

2. ROLL CALL

Those physically present at roll call were Mayor Frank Trilla, Village Clerk Deborah Hahn, Village Trustees Mark Astrella, Sue Berglund, Michael Mistele, Gayle Neal and Gregory Ruffolo, Village Administrator Sean Halloran, Assistant to the Village Administrator Alex Arteaga, Chief Financial Officer Lora Flori, Director of Parks and Recreation Dustin Kleefisch, and Chief Lauren Kaspar.

Director of Public Works Rick Valent arrived at 5:39 p.m.

Present via zoom: Director of Community Development Michael Krol

Absent: Trustee Umberto Davi, Deputy Clerk Christine Mardegan, Deputy Chief Benjamin Kadolph, and Deputy Chief Gerard Wodka.

A QUORUM WAS DECLARED

3. PLEDGE OF ALLEGIANCE

Mayor Trilla asked Ms. Flori to lead the pledge of allegiance.

4. VISITORS' BUSINESS

No visitors were present.

5. BUDGET WORKSHOP #3

- a. Proposed Water Fund
- b. Proposed Business District Fund Update
- c. Proposed Motor Fuel Tax Fund Update
- d. G.O. Bonds
- e. Opportunity Fund
- f. TIF District

Administrator Halloran indicated that tonight's meeting would provide an update on the Water Fund and then provide the status of the additional funds. He indicated there were no updates for the General Fund, neither revenues nor expenditures.

He noted that this is the final budget workshop and that the public hearing would be held April 8, 2024.

As an introduction, Administrator Halloran noted that the information on the Water Fund does not include specific details on revenues and expenditures but rather an indication of the direction of the fund and the progress the Village has made in controlling expenses and changing the revenue process. The current budget does not include any major expenditures for 2024/2025.

Last year's (2022/2023) deficit was \$298,658. In 2020/2021 and 2021/2022 there was a 15% increase in overall expenditures. For the last 3 years, there has been a -11% decrease, and a 2% decrease last year, with a 2% increase projected for the coming year. Credit for reigning in expenses goes to Foreman Passero and Director Valent for examining the Village contracts and making changes in the overall process of procuring services.

Administrator Halloran explained that the first receivable after the water rate increase was received in February 2023, so the effect of the increase only applied for 3 months of the fiscal year. 2023/2024 is the first full year where the full impact is being felt. This fiscal year projection is a surplus of \$360,711, and \$196,581 for the coming fiscal year. It may not appear to be a large amount, but when viewing the overall trajectory of the fund it does indicate an operating surplus. These figures do not include any capital improvements. While the fund is on a positive path, caution is required as funds will be needed in the future for expenditures for capital improvements and infrastructure maintenance.

Mayor Trilla asked if there was a provision in the water ordinance to keep pace with the increases in the rates charged for the water supply by the DuPage Water Commission (DWC). Administrator Halloran indicated that increases are not built into the ordinance, but that it is something that staff is reviewing along with other options. Mayor Trilla indicated he was not in favor of maintaining the practice of the Village absorbing the increased rates from the DWC.

In the overall water fund expenditures, including capital projects, the largest amount, \$2.6 million, is in contractual obligations. Of the \$2.6 million, \$1.7 million is for the water costs from DWC, close to 50% of all water fund expenditures. In

the coming year, expected revenues are \$3.8 million and expenditures \$3.6 million, resulting in a surplus of \$196,000.

Regarding the Business District Fund, the expenditures are primarily for litigation issues and some minor staff costs. The higher amount last year was due to the onset of the payments to Pete's Fresh Market as part of the redevelopment agreement, with an initial payment of approximately \$300,000. Although the agreement was signed in 2018, payments did not begin until all redevelopment items agreed upon were completed, which did not take place until this year.

The Business District Fund balance of just over \$3 million this year, with a projection of \$3.2 million next, provides the Board with opportunities for economic development or improvements in the Business District.

The Motor Fuel Tax Fund revenues are relatively consistent as the payments from the state are based on population.

In 2017-2018, the state's Rebuild Illinois Bond (RBI) proceeds were distributed to Illinois communities. This money was deposited to the Motor Fuel Tax Fund although not accounted for as revenue to the fund. The monies were spent as defined by the distribution, and the expenditures were attributed to the MFT. This resulted in an indication of a deficit in the MFT Fund of \$27,000, although the costs were paid by both MFT and RBI funds.

In reviewing the MFT Fund, the fund balance is the most critical figure. While the portion comprising the RBI has been used for items such as the park renovations, staff is reviewing the MFT to cover the costs of additional items, previously paid out of the General Fund, which can be allocated to the MFT such as road salt. This will allow the MFT fund balance to steadily increase based on the guaranteed revenue stream. When the RBI funds are exhausted, the growth in the MFT fund will allow expenditures for road repaving and other items to be paid for out of the MFT funds instead of the General Fund. This allows the Village to build a strategic fund balance to cover ongoing costs.

Regarding the General Obligation (G.O.) Bond Fund, these monies have been allocated by the Board over 2022, 2023, 2024 for various Capital Improvement Program (CIP) projects. Staff estimates the fund balance at the end of 2024/2025 to be \$2.1 million. Some projects included in the 2024/2025 proposed budget have not yet been brought to the Board, but staff is aware of

several large water infrastructure projects which will need to occur in the near future. Rather than using the Water Fund for these projects, to allow it to continue to grow, the use of G.O. Bond funds might be more practical.

Last year, the Board made a transfer to the Opportunity Reserve Fund of \$6.1 million, and this year the Board authorized a transfer of surplus funds of around \$543,000, making the current balance over \$6.6 million. There are no plans for expenditures shown in the 2024/2025 budget, as any expenditures must be pre-approved by the Board. It would also be premature to propose revenues to the fund until December 2024 or January 2025 when a potential surplus would be better known based on the fiscal year spending.

The TIF District was approved in 2022 and the first payment of \$152,000 was received last year from the County. Again, revenue projections are hard to pinpoint for this fund as it is not a tax levied by the Village and is based off an unknown increment. Staff has made a conservative rough estimate of \$152,000 for 2024/2025, resulting in a new fund balance of \$305,000.

No expenditures have been estimated for the TIF District Fund as any spending must come at the Board's direction. With a modest balance, it would be premature to plan spending as the fund develops. This fund could potentially be used for economic development, economic incentives, recruitment, or acquisitions.

6. ADJOURNMENT

MOTION: Made by Trustee Mistele and seconded by Trustee Berglund to adjourn the Special Meeting at the hour of 5:53 p.m.

ROLL CALL VOTE: AYES: Trustees Astrella, Berglund, Mistele, Neal and Ruffolo. NAYS: None. ABSENT: Davi.

MOTION DECLARED CARRIED

PRESENTED, READ, and APPROVED.

_____, 2024.

Frank A. Trilla, Mayor