

Committee of the Whole FY24 Budget Prep.

September 06, 2023

Points to Cover

- Overview of Village Infrastructure
- Potential Capital Expenditures
- Economic Conditions
- Budget Planning Methodology
- Next Steps



**FACILITY
MANAGEMENT**

Village Infrastructure

September 6, 2023 Committee of the Whole

Village Infrastructure

Utility Infrastructure

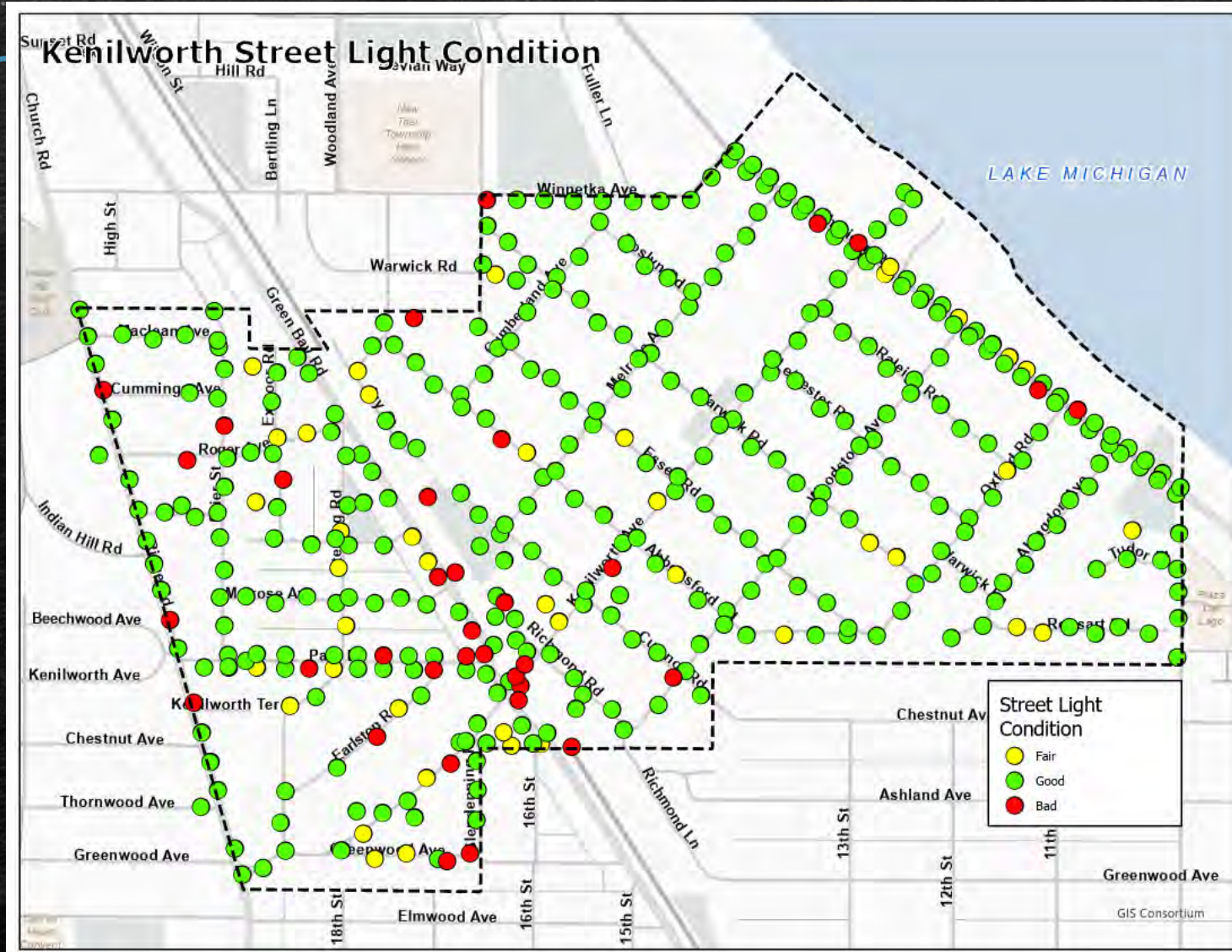
- Street Lights
- Village Streets
- Street Curbs
- Sanitary Sewer
- Water Main

Facility Infrastructure

- Village Hall
(Administration, Police, Range)
- Public Works
- Former Water Treatment Plant
- Beach/Lakefront
- Pumping/Reducing Stations
- Parking Lots

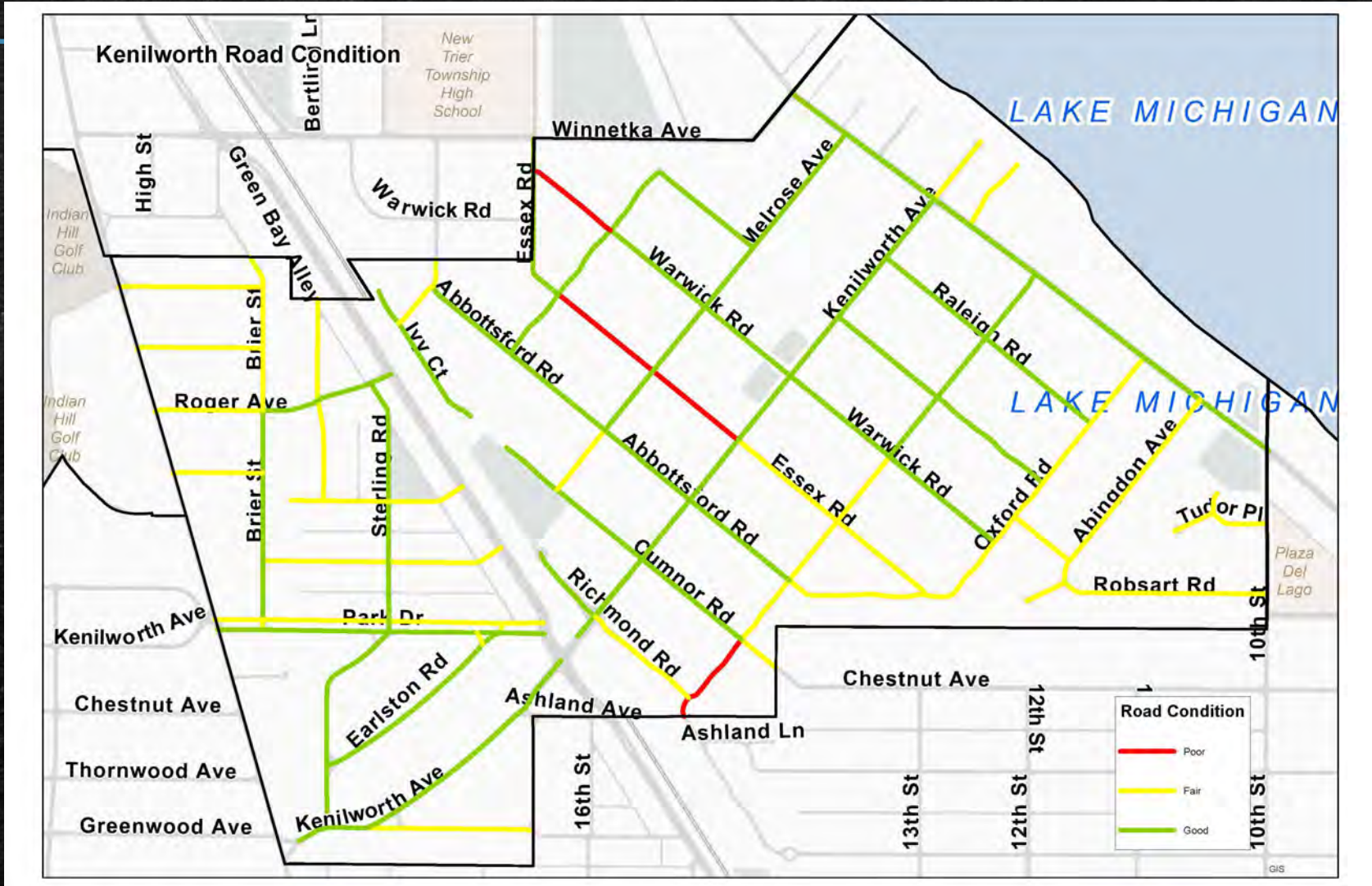
Utility Infrastructure Street Lights

Village of Kenilworth



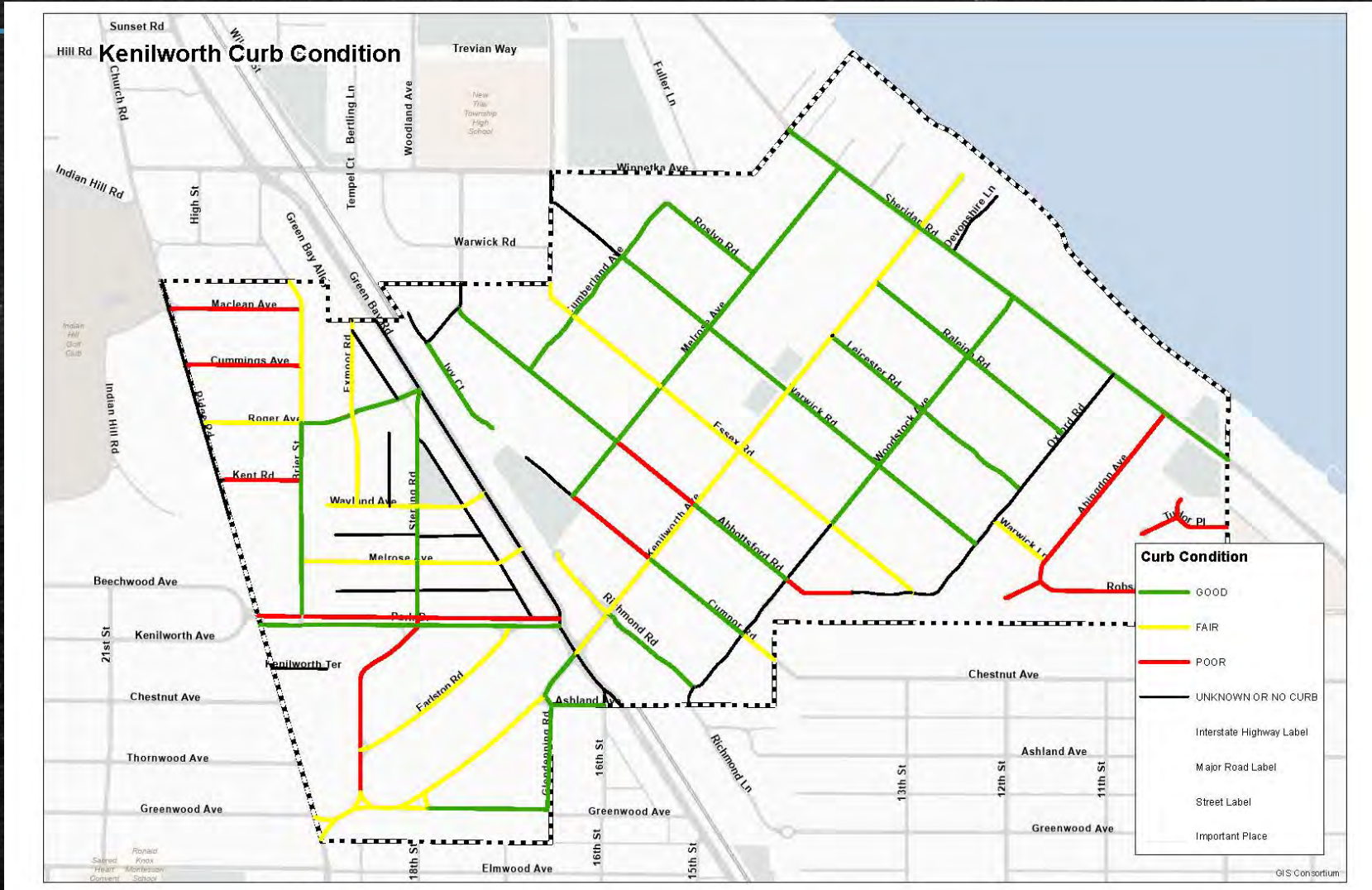
Utility Infrastructure Roadway

Village of Kenilworth



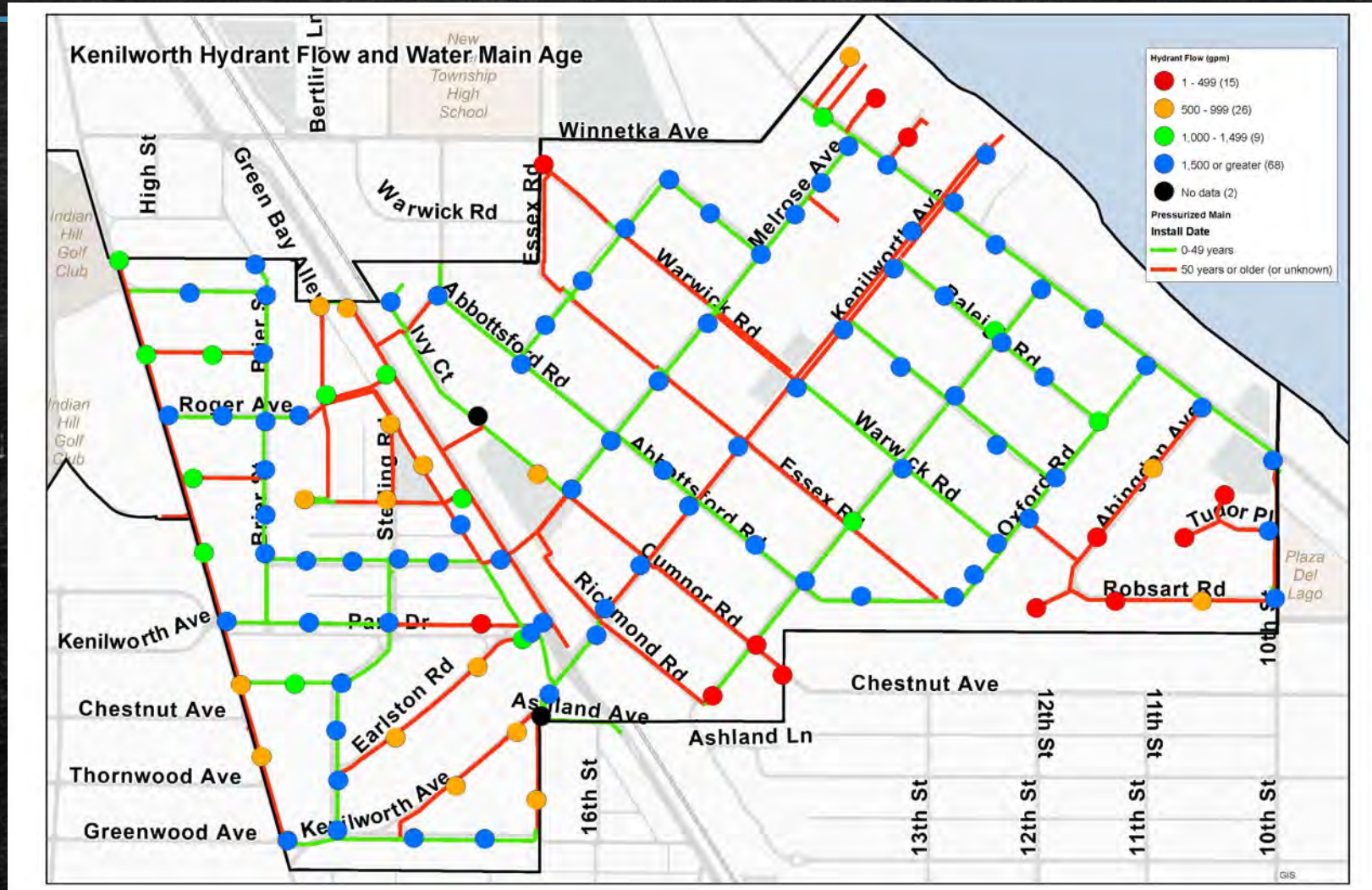
Utility Infrastructure Roadway Curbs

Village of Kenilworth



Utility Infrastructure Water Mains and Hydrant Flow

Village of Kenilworth

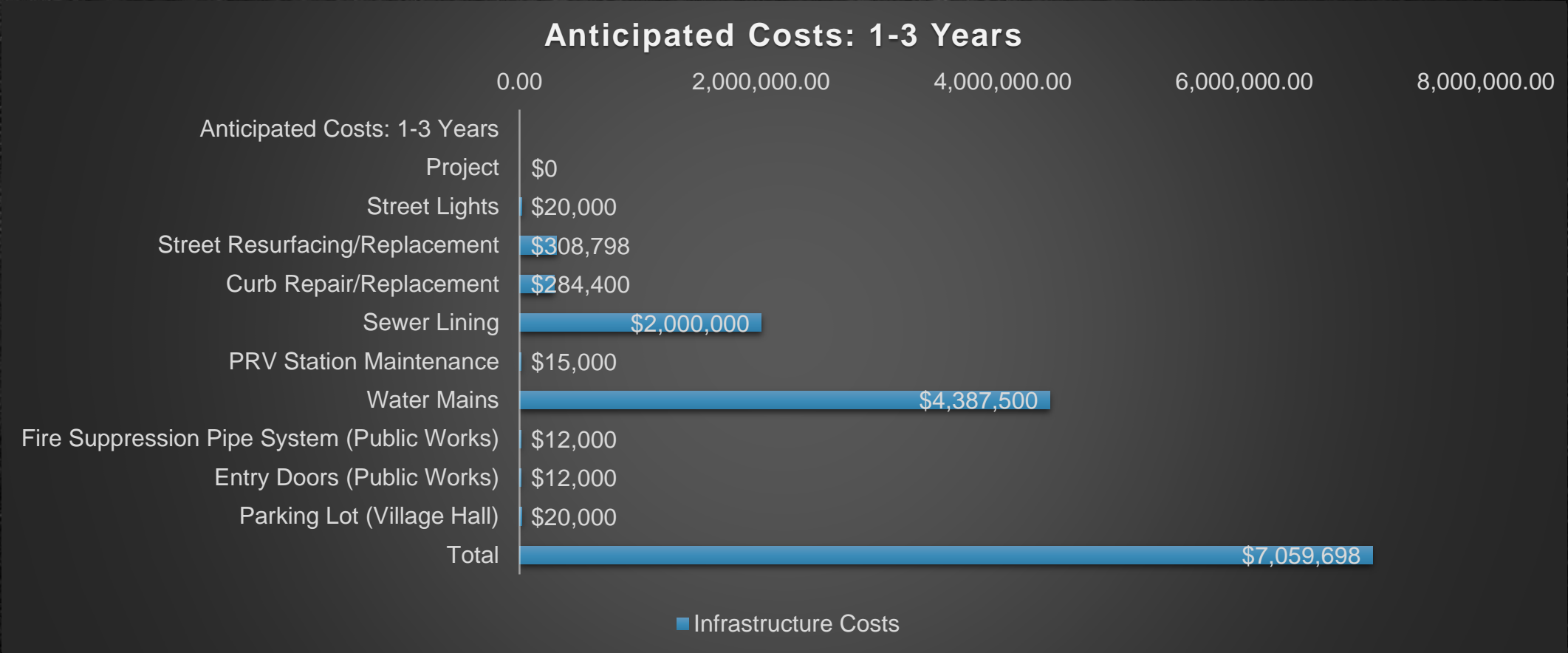


Facility Infrastructure

- **Village Hall**
 - Good condition overall
 - Some repairs needed in 5+ years
- **Public Works**
 - Good condition overall
 - Some repairs needed
- **Parking Lots**
 - Fair condition overall
 - Resurfacing needs
- **Water Booster Station**
 - Good condition overall
 - Water pump replacement in 5+ years
- **PRV Station**
 - Good condition overall
 - Some maintenance required
- **Beach / Lakefront**
 - Improvements TBD with future lakefront plans

Future Infrastructure Costs

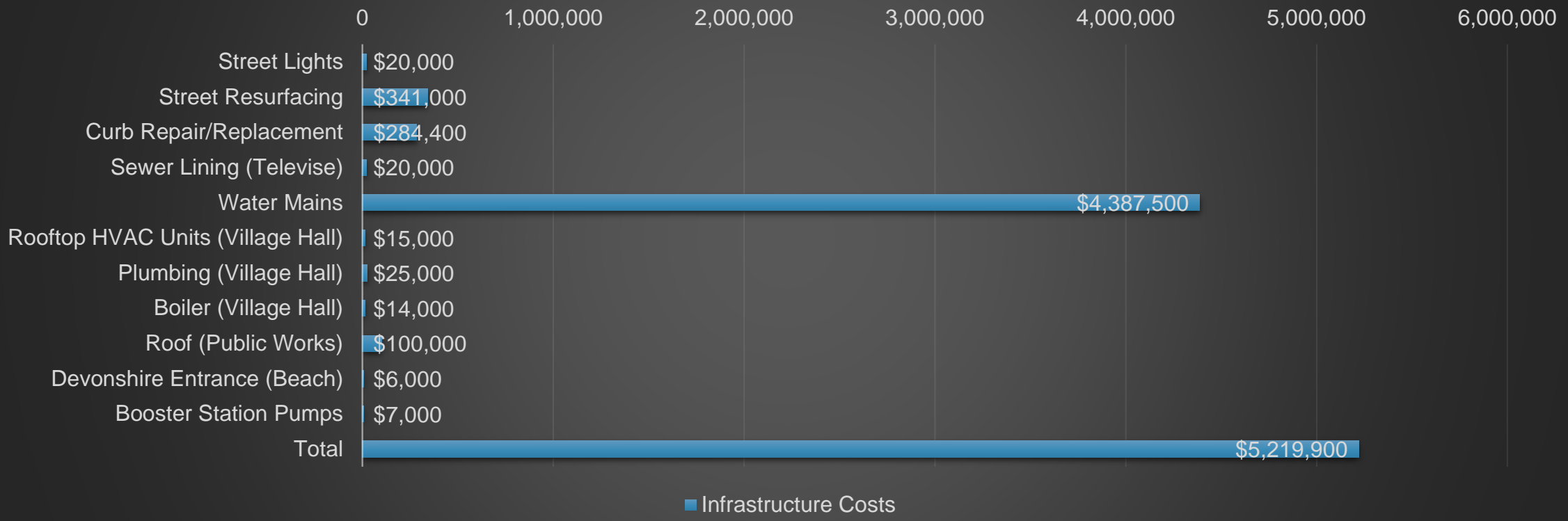
Village of Kenilworth



Future Infrastructure Costs

Village of Kenilworth

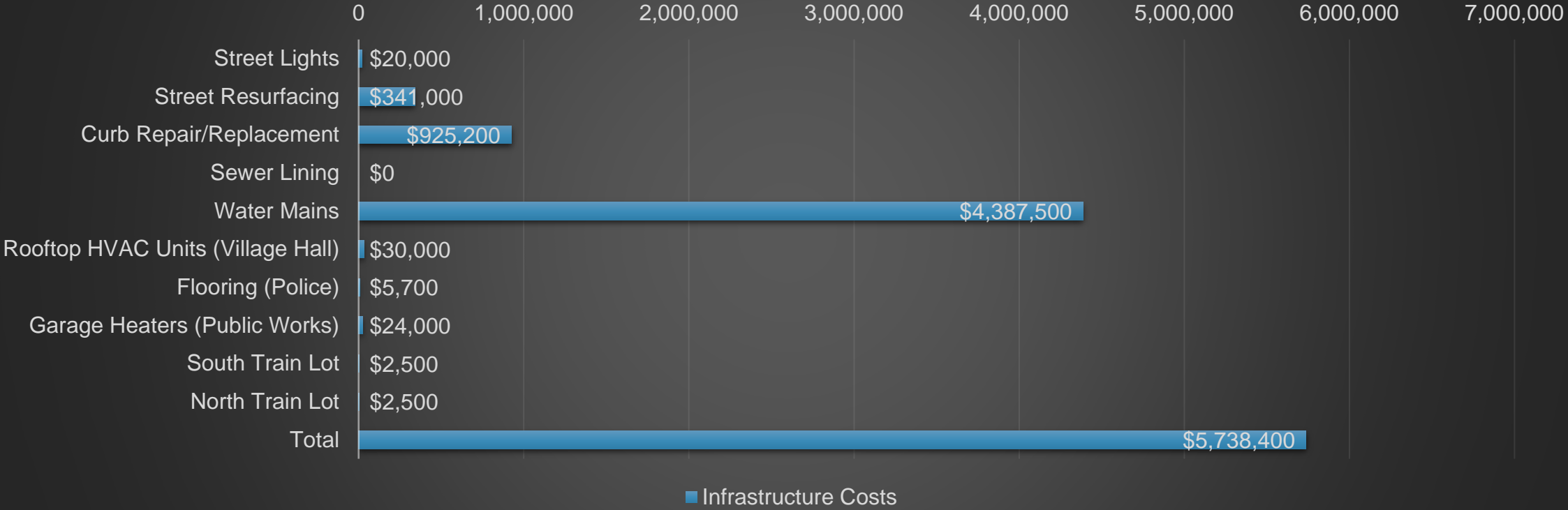
Anticipated Costs: 4-7 Years



Future Infrastructure Costs

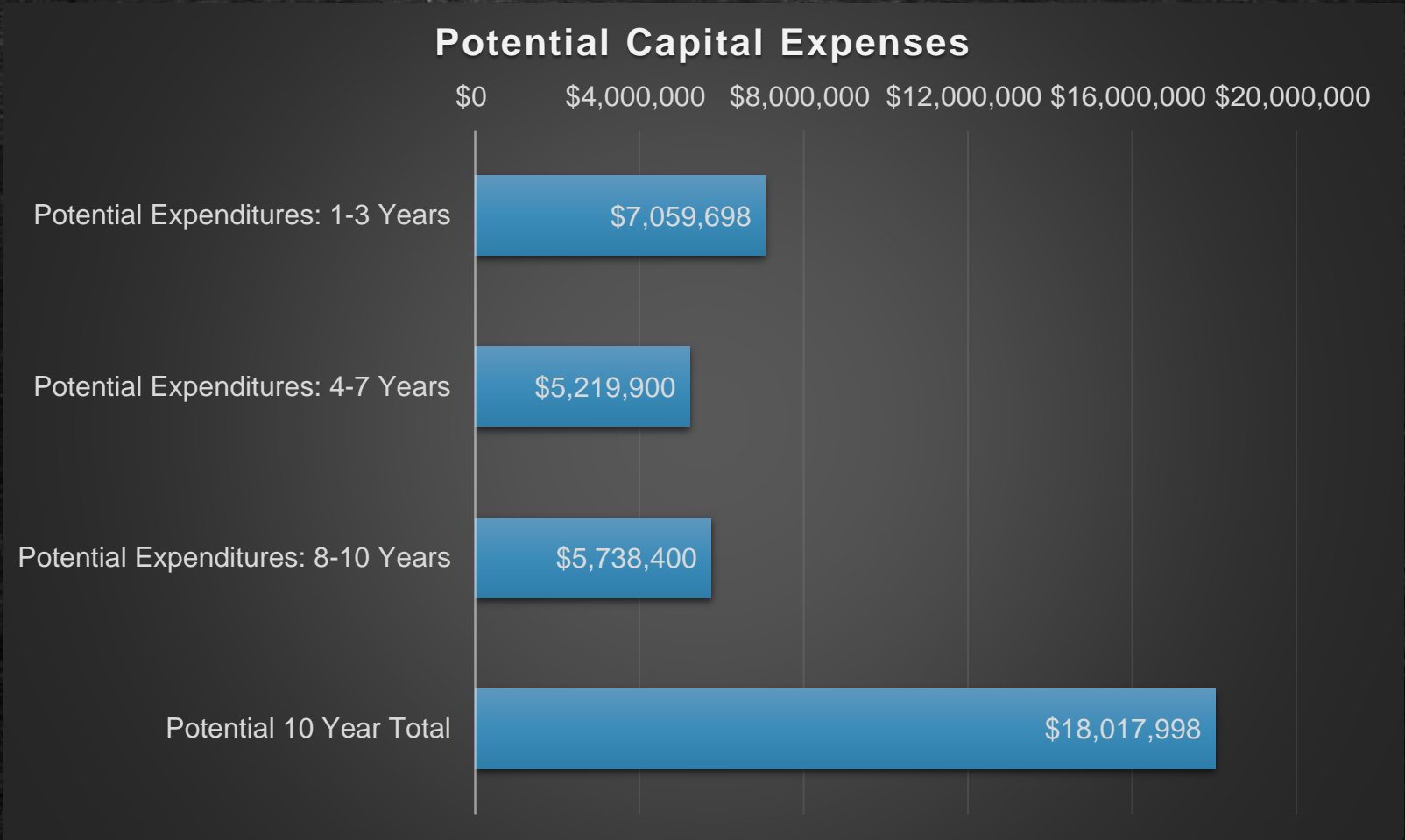
Village of Kenilworth

Anticipated Costs: 8-10 Years



Future Infrastructure Costs

Village of Kenilworth



Other Potential Capital Expenditures

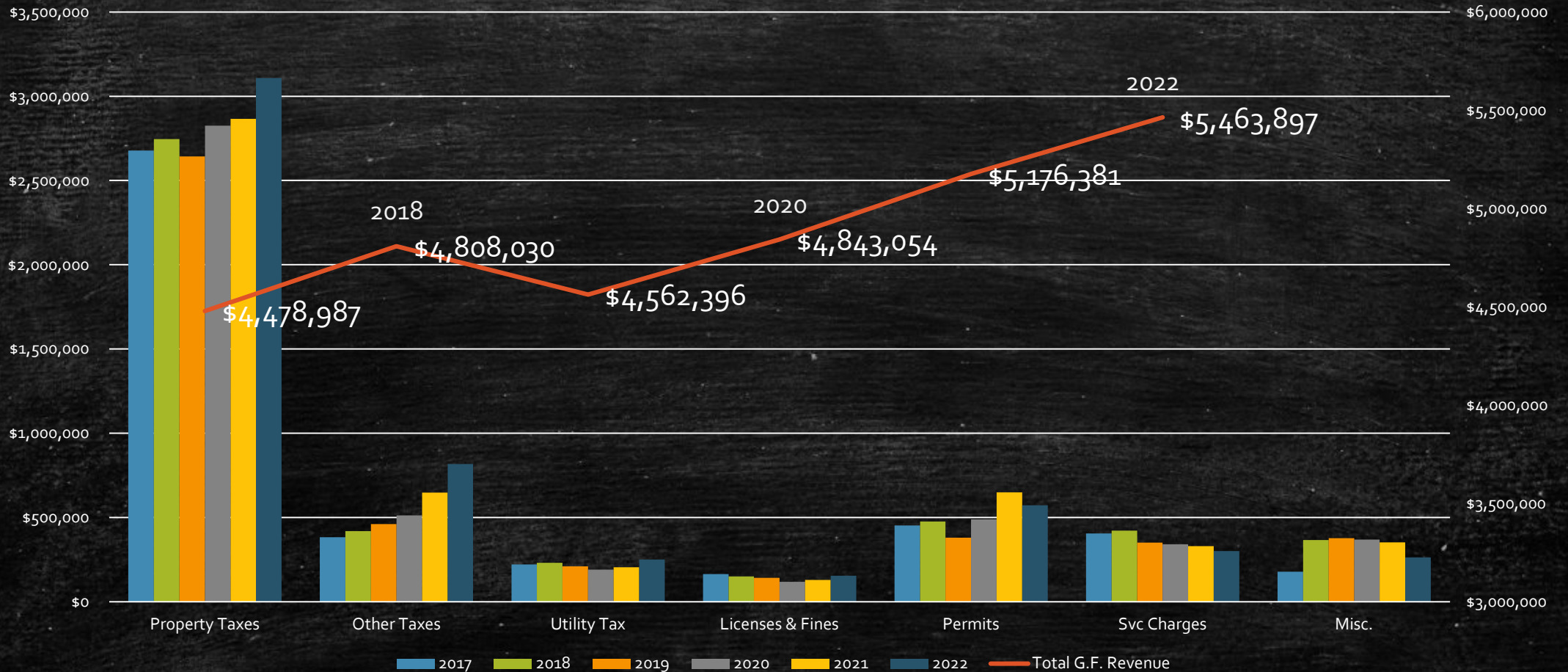
- **Beach Improvement Project**
 - Includes Water Treatment Plant Reuse and Shoreline Protection
 - Cost TBD in 2023
- **Green Bay Road**
 - Includes design and construction of roadway reconfiguration / streetscape improvements
 - Cost unknown
- **Zoning Code Update**
 - Review and update of Zoning Code
 - Scope to focus on code clean up, improved organization, and business development
 - \$70K for consultant driven approach
 - Includes legal and consultant time
 - Opportunities to reduce cost through commission driven approach + staff time



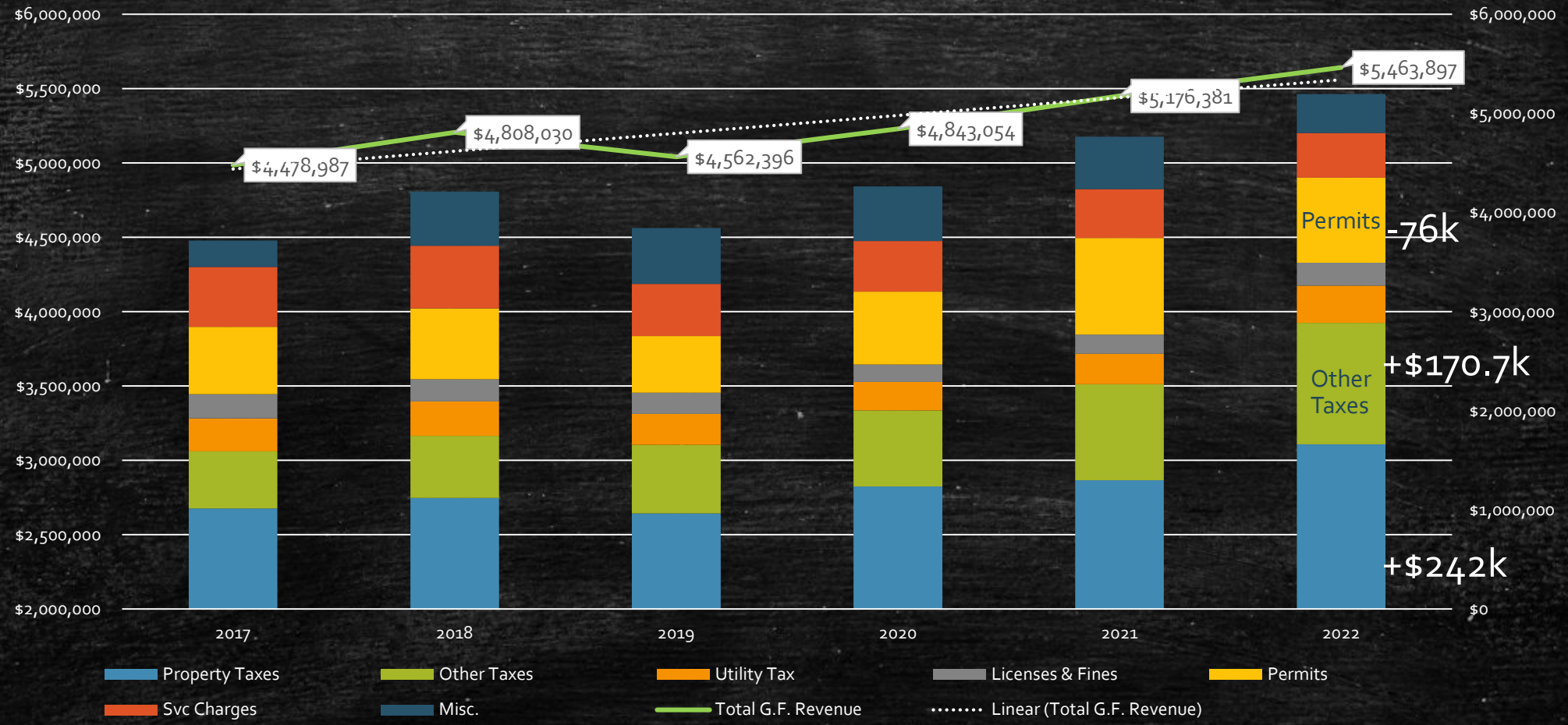
Village Financial Position

Revenue Trends by Category

Village of Kenilworth

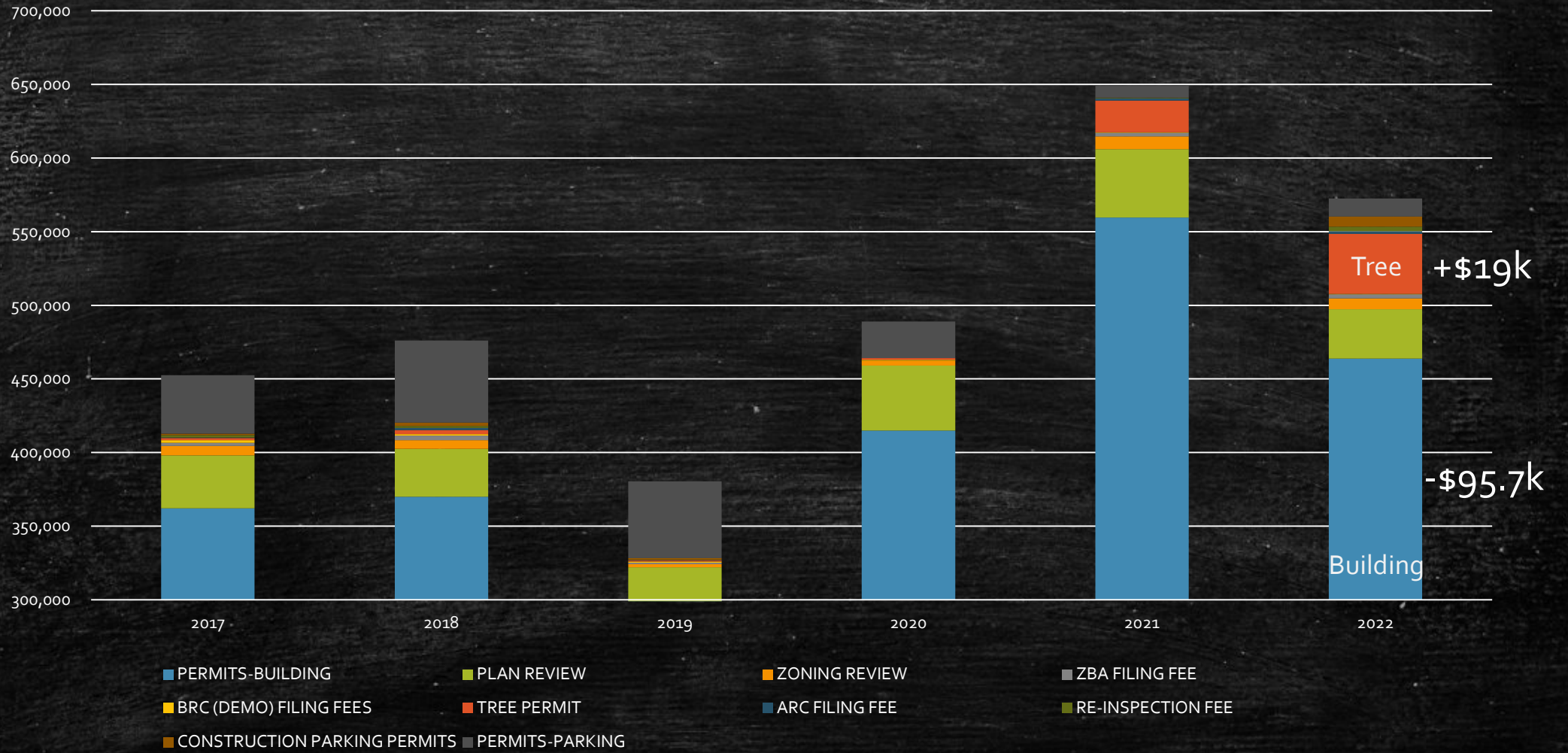


Revenue By Category



6-Year Revenue - Permits

Village of Kenilworth



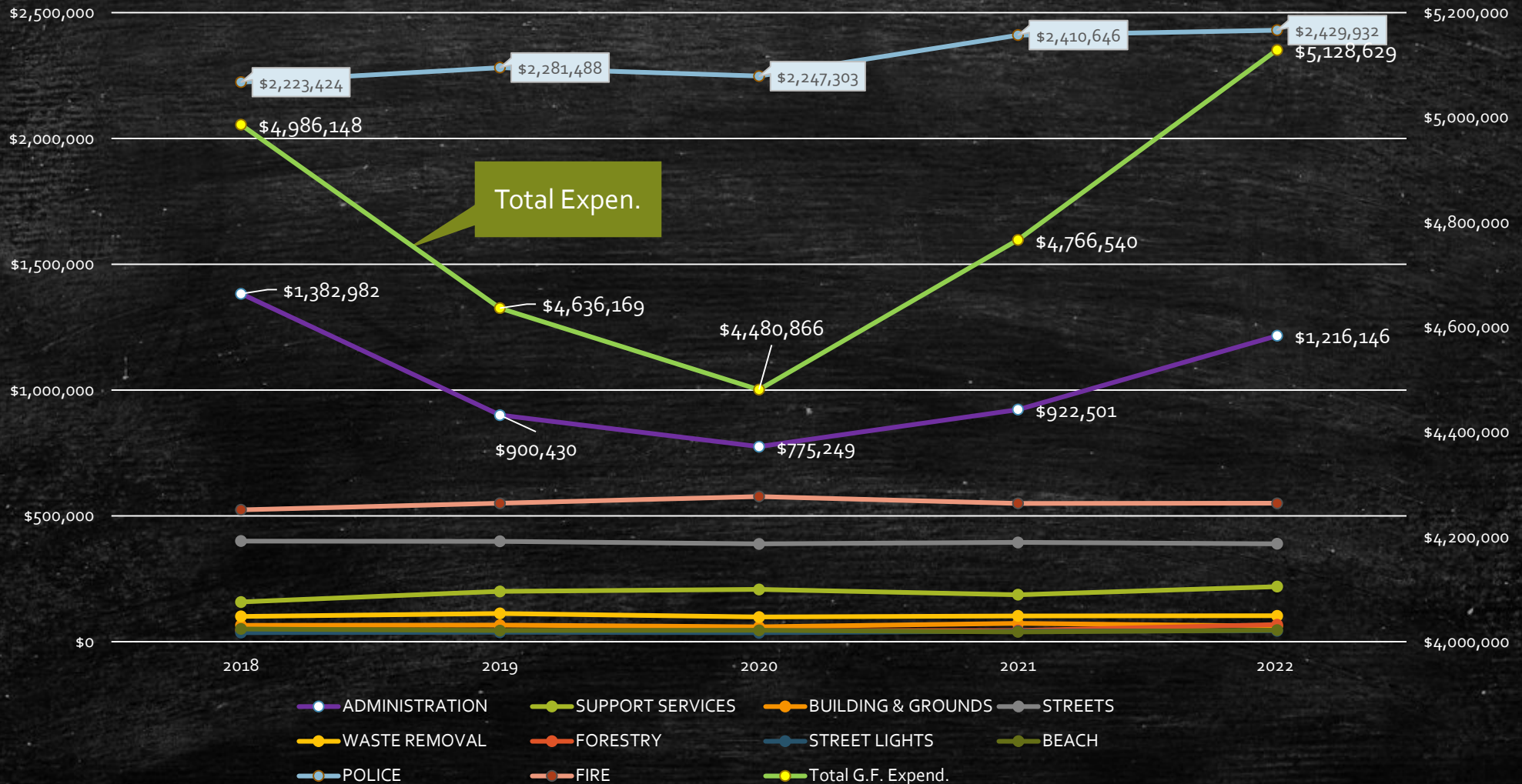
6 Year Revenue - Other Taxes

Village of Kenilworth



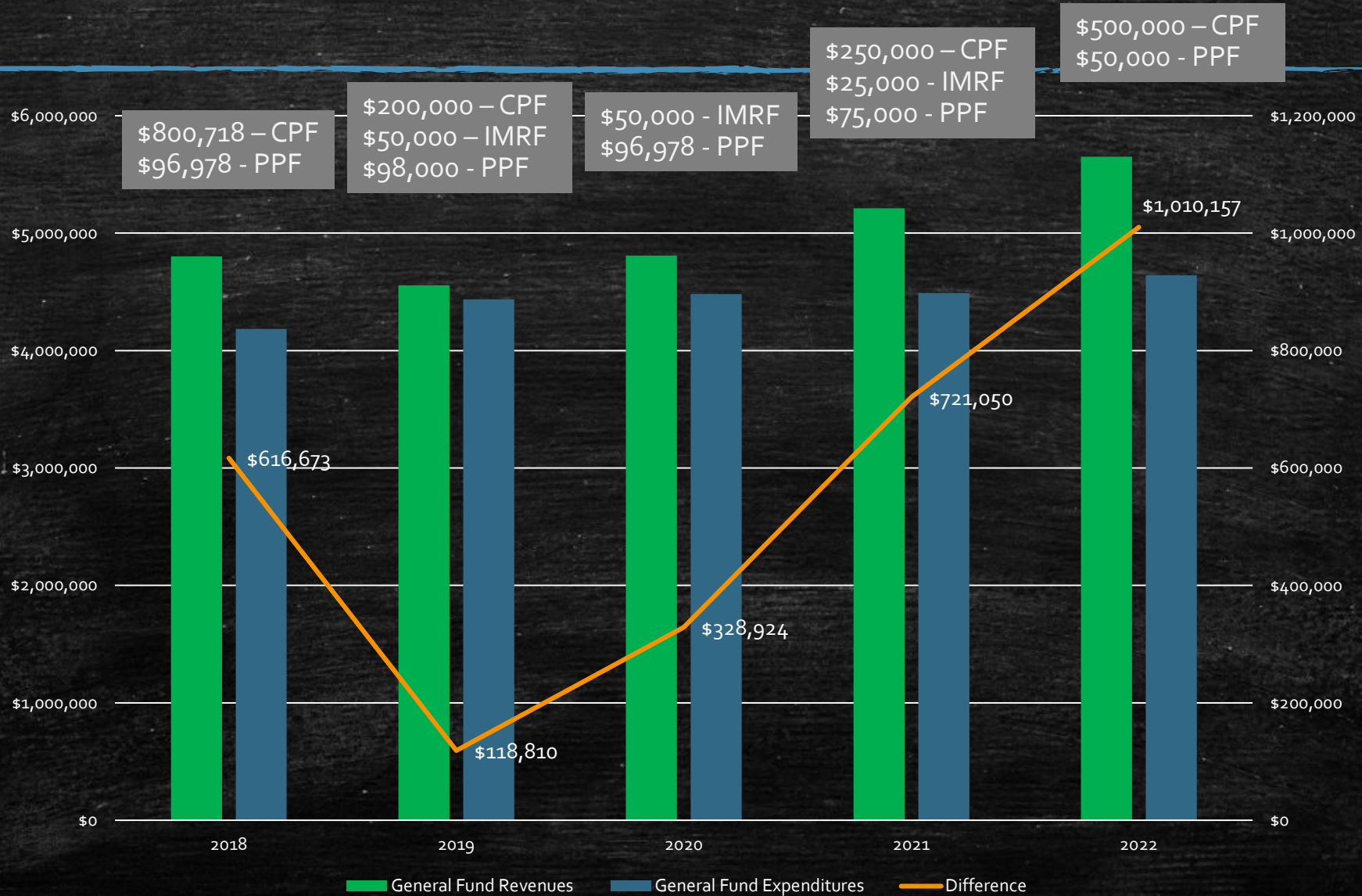
5 Year Trend - G.F. Expenditures by Dept.

Village of Kenilworth



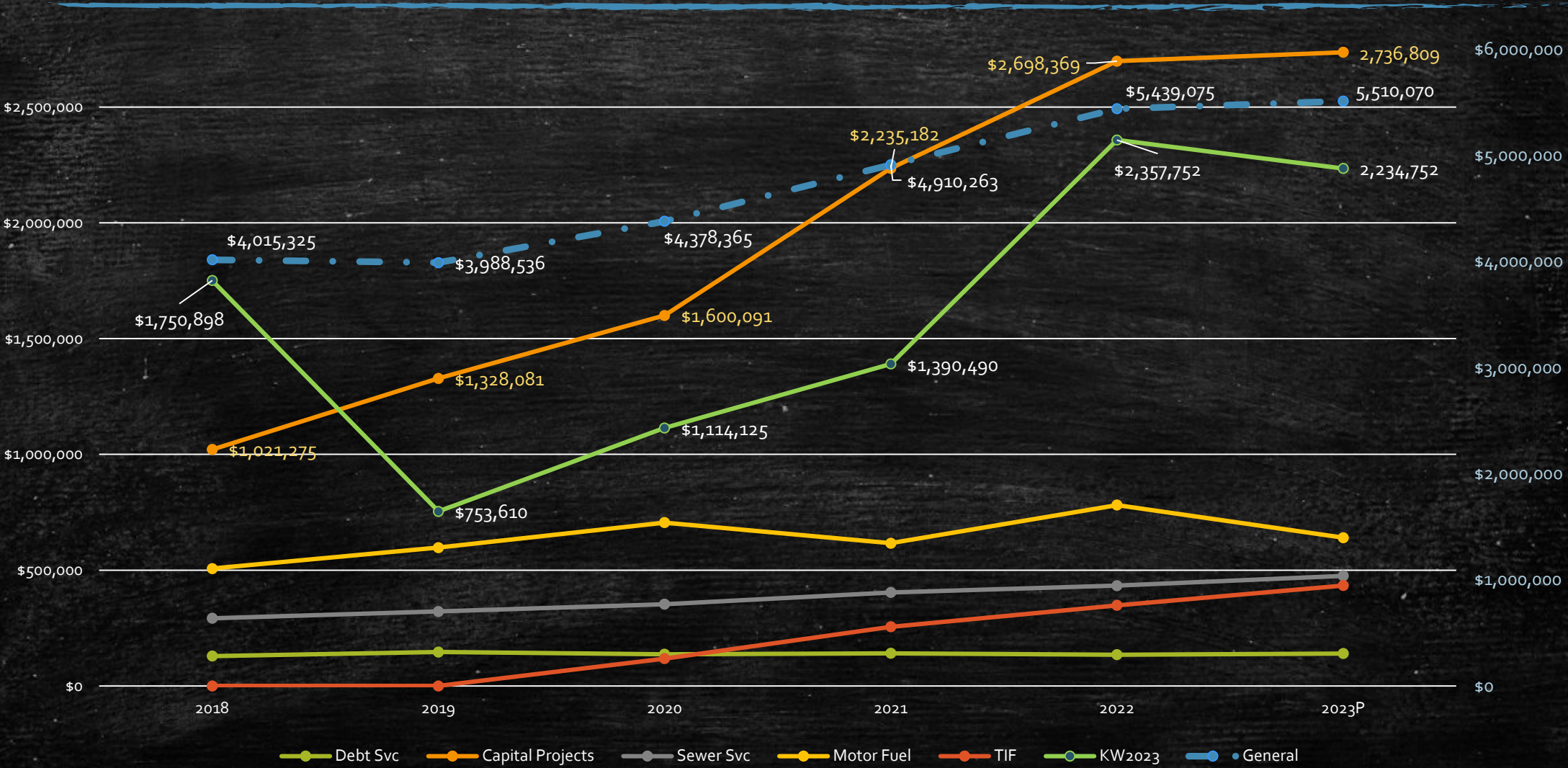
5 Year Trend – Revenues vs. Expenditures

Village of Kenilworth



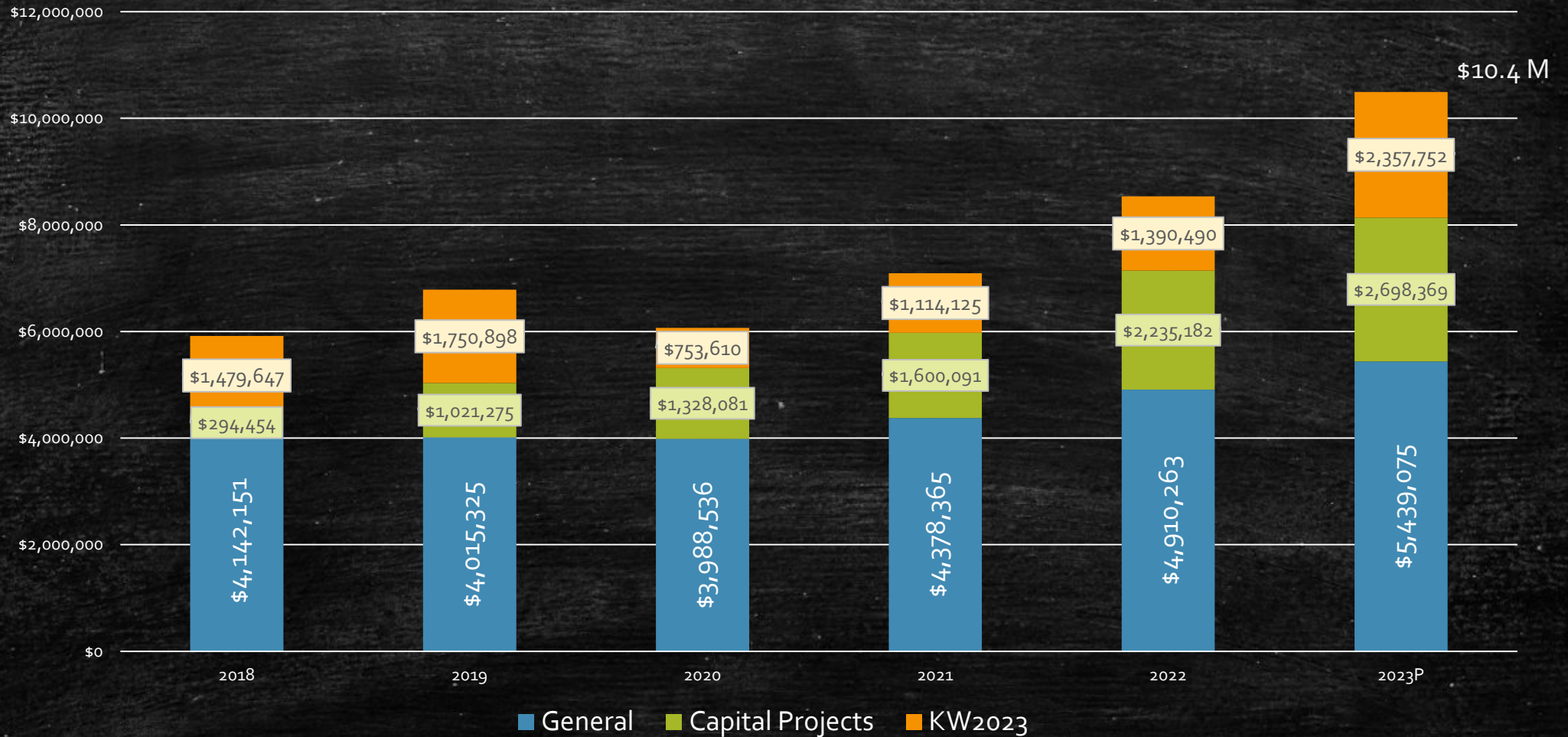
5-Year Trend – Fund Balances

Village of Kenilworth



Primary Capital Funding Sources

Village of Kenilworth

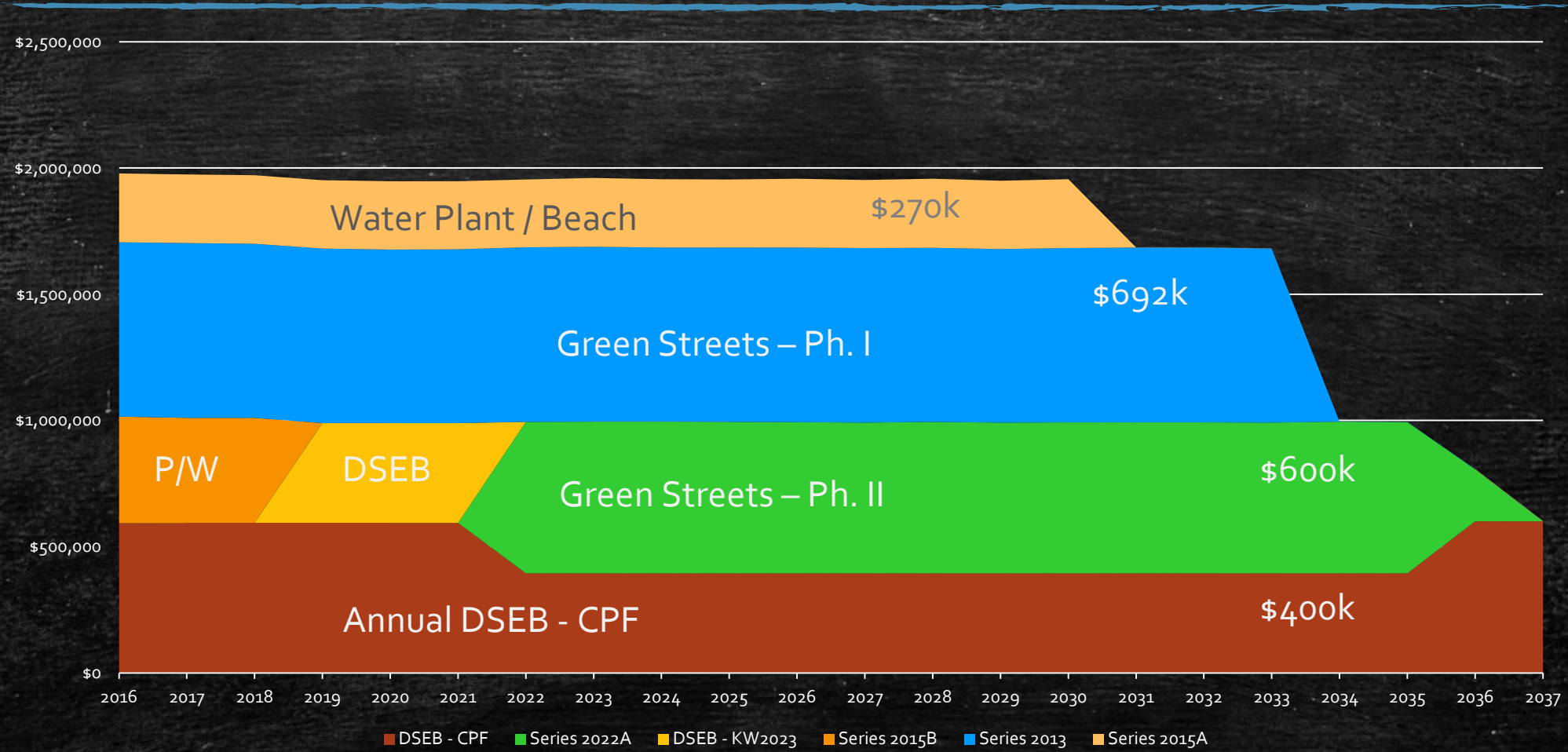


Capital Project Funding Sources

	General Fund	KW2023	Capital Projects	Water
12/2022	\$5,439,075	\$2,357,752	\$2,698,369	\$404,103
FY Revenue	+\$70,995	(\$123,000)	\$38,440	+\$67,231
Estimated 01/2023	\$5,510,070	\$2,234,752	\$2,736,809	\$471,334
Available for 2023	\$2.0 - \$2.7 M	\$2,234,752	\$2,636,809	\$70,000
Total Available	\$6.8 - \$7.5 (Nine years until KW2023 Ph I bonds are retired)			

Long Term Debt Service Obligations

Village of Kenilworth



Village of Kenilworth



On the Financial Horizon

Macro Economic Conditions

- Inflation slowing, soft landing predicted (tax revenue)
- Slowdown in growth expected (tax revenue)
- Housing sales slowing, due in part to mortgage interest rates (permit activity)
- Corporate Profits in decline (PPRT)
- Slowing job growth, employment costs rising 4.5% in 2022 and 3.7% in 2023 (pressure on compen.)
- Employment costs increasing (compensation, fringe)

IML – Shared Revenue Forecast

- Corporate profits expected to shrink 8.2% in 2024
 - Most sources now predicting soft landing
- Consumer Price Index – 3.3%
- Consumer Spending - neg. 0.3% to 2.2%
- Use (sales) Tax – remains relatively flat since Leveling act
- Personal Property Replacement Tax (PPRT) – 33% reduction
 - Estimates, SFY23 = \$118k, SFY24 = \$84,083
- Overall slightly above FY22 actual

IML Shared Revenue Economic Projections

	CY 23 Aug. Est.	CY24 Est.	% Chg.
LGDF	\$398,243	\$422,352	6.1%
Use Tax	\$105,588	\$107,096	1.4%
MFT	\$58,476	\$58,928	0.8%
Trans. Renewal	\$49,023	\$51,537	5.1%
Consumption	\$3,897	\$4,123	5.8%
Total Per Cap.	\$615,226	\$644,037	4.7%
PPRT (SFY)	\$118k	\$84k	-33%

Big Picture - Revenue

- FY23 Property Tax Distributions – Late in Billing. Potential \$500k
- Total FY23 Revenue may be under budget
- FY24 Property Tax Levy – 5% Tax Cap
 - Calculated FY23 Rates not yet available
 - 2% = \$63,827
 - 4% = \$127,654
 - 5% = \$159,567
- Permit Revenue – likely declining – impact of mortgage rates
- Overall – Early projection, 2.0% of P-Tax increase needed to match FY23B

Distilling the Data

- FY24 Budget – Prepare for stable or slow growth
- Fund balances adequate to support operations
- FY23 Property Tax Revenue timing
- Property Tax cap again at 5% (2nd year)
- Permit fee revenue likely to drop
- Expect personnel and contractual expense increases

FY24 Budget Preparation Mindset

- Conservative budgeting
 - Anticipate slight in revenues
 - Avoid maximum allowable p-tax increase (5.0%) ??
 - Keep pace with compensation adjustments
- Avoid creating new ongoing expenditure oblig.
- Continue selective one-time projects
 - (e.g., water plant / beach improvements)
- Increasing focus on visible quality of life projects
 - (e.g., beach, road resurfacing)

Near and Mid-term Future

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- Water Plant / Beach Enhancements Unkn.
 - Green Bay Road Improvements Unkn.
 - Roger Parcel Sale/Prep. TBD?
 - Body-worn Cameras \$20k
 - Zoning Code Review \$70K
 - Water Main Replacement Program \$0
 - Sewer Lining \$0
 - Lead Wtr. Svc Line Mandate Unkn.
 - Project Priority List – help set FY24 goals

Next Steps

- Village Board Meeting – Monday, Sept. 18
 - Present FY24 Goals for Consideration
 - Present / discuss proposed FY24 capital projects
 - Present data – annual fee ordinance comps.
- COTW, October – Upon Request
- Village Board – October 23
 - Proposed FY24 Budget
 - Estimated Tax Levy