

Village of  
**West Dundee**



TO: Village President and Board of Trustees

FROM: Joseph A. Cavallaro, Village Manager  
David Danielson, Finance Director

DATE: March 18, 2024

SUBJECT: Budget Presentation Timeline

A handwritten signature in black ink, appearing to read 'J. Cavallaro', written over the 'FROM' field.

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Budget binders were delivered to your homes last week and the draft and budget has been posted on the Village website.

We will begin the presentation of the proposed Fiscal Year 2024/25 Budget at the March 18th Village Board Meeting. The intention is to present the Budget as prepared.

The next topic will also be on the agenda for the Monday, April 1<sup>st</sup> Village Board Meeting, for further discussion if needed.

The formal Public Hearing on the Budget is to be scheduled for the April 1<sup>st</sup> Board Meeting, which will be the opportunity for the public to ask any questions that they may have regarding the budgetary process.

The final presentation of the Budget and any additional Q & A will take place later on the agenda at the April 15<sup>th</sup> Board Meeting, with the adoption of the 2024/25 Budget also scheduled for that evening.

Below please find the summary highlights for each of the major funds.

#### General Fund

The General Fund is shown as a balanced budget with no new or increased fees to support municipal operations. The Village is expecting a decrease in the tax rate from \$1.92 to \$1.87.

We are illustrating the use of the General Fund balance in the amount of \$370,000 to pay for the Board authorized Special Census for this year.

#### Sewer and Water Fund

The Sewer and Water Fund is shown as a balanced budget this year with no recommended rate increase. The variable to this is the Fox River Water Reclamation District audit and True Up charges relating to treatment charges for which we received a significant adjustment last year. As of the time of the preparation of the budget, we were still awaiting this year's adjustment. Staff is preparing a separate memo on this topic as these numbers have been received this week.

Capital Improvement revenues for the Sewer and Water Fund are estimated to be \$1.198M for this year and include \$500,000 which is obligated to meet future debt service obligations to FRWRD based on IPEA compliance and facility upgrades. We continue and hope to have the Spring Hill Water Tower repainted within this year's budget.

#### Fund 3 - Motor Fuel Tax

The revenues within Fund 3 for this year are estimated to be \$339,000. The Motor Fuel Tax Fund has a balance of \$1.1M. We are recommending the increase from \$225,000 to \$320,000 of the transfer to the General Fund to support continued Public Works of the street and roadway maintenance or repairs.

#### Fund 4 - Capital Projects

This year's Capital Projects Fund has a beginning unallocated balance of approximately \$3.16M and annual revenue of \$2.8M. Debt service obligations decreased from \$1.5 M to \$759,000 for this year. This decrease in funds has already been allocated towards future capital obligations for the Village.

Based on the allocation of Cares Act money towards the Street and Infrastructure Program for this year, there are some discussion points and decisions for the Village Board regarding the additional annual \$1.1M allocation to Streets and Infrastructure or other improvements as outlined in the budget memo and should be part of the principal discussion as it relates to the Fund 4 Capital Fund.

There is approximately an additional \$1M allocated for the department's vehicle and equipment purchases and buildings and ground repairs. Further details are also provided in the budget.

#### Fund 5 - Community Development

Fund 5 Community Development fund balance has decreased below the original \$250,000 set aside and now has a beginning balance of just over \$200,000. Annual revenues this year amount to \$691,000 with budgeted expenditures in the amount of \$846,000. The projected fund balance at the end of the year is less than \$50,000.

This fund continues, as it has for the last several years, to operate in a significant deficit position. This is further exacerbated this year based on non-TIF related expenses being accounted for within this fund for property purchases, such as utilities and contractual services.

#### Fund 6 - Debt Service

This fund illustrates the two bond and payment obligations for the Village regarding the original \$9.3M debt service schedule and the IEPA wastewater loan which amounts to the \$759,000 annual payment.

For illustrative purposes, we have also included the total outstanding debt of the Village in this fund, but recognize that both the TIF bonds and the SSA bonds are funded elsewhere within the budget documents, specifically the Spring Hill Gateway and Fund H, Spring Hill Mall.

#### Fund 4 - Carrington Reserve

This fund continues to fund the maintenance obligations regarding the wetlands and natural areas within the Carrington Reserve subdivision in the amount of \$45,000 for this year.

Fund F - SSA #9

This fund is for the downtown and accounts for \$34,700 as a contribution to the Village's outstanding debt service, as well as the ongoing maintenance obligations as it relates to the downtown public spaces and parking areas.

Fund G – TIF #4 Main Street / Route 31

We continue to see extremely positive growth from this fund. The increment this year is estimated to be nearing \$31M which is an increase over last year's \$21M revenue proceeds of about \$2.7M.

We are also showing funding from both the OSLAD grant and land cash donations towards the contribution of Canterfield Park improvements.

Expenditures this year of note include:

- Funding of the principal and interest payment obligation for the recently issued bonds in the amount of \$1.648M,
- Economic incentive payments to Transwestern, Nelson, and 200 Washington, if necessary,
- Authorization of the Canterfield Park improvements and the completion of that project this year,
- Downtown utility improvements regarding water and sewer relocation off Route 72.

Fund H – Spring Hill Mall TIF

With the establishment of the new Spring Hill Mall TIF, we are finally seeing the first revenues for this year in the estimated amount of \$100,000. The \$20M bond issue is accounted for within the last fiscal year, along with the related expenditures for the property acquisition. We have budgeted the remaining proceeds towards estimated demolition costs and some TIF-related expenditures including property taxes related to last year's property acquisitions.

This completes a very high-level summary of this year's budget document. We look forward to continuing the discussions and dialogue with the Village Board on this topic over the next couple of meetings.

If you have any questions, please feel free to contact me.

JAC:mjp

CC: Department Managers

Village of  
**West Dundee**



TO: Village President & Board of Trustees

FROM: Joseph A. Cavallaro, Village Manager

DATE: March 14, 2024

SUBJECT: FRWRD Treatment Charges

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Attached please find a spreadsheet illustrating the total FRWRD and East Dundee treatment charges paid by the Village during the last four fiscal years.

Unfortunately, as evidenced by this spreadsheet, neither FRWRD nor East Dundee are very good at billing on a consistent monthly basis. The spreadsheet details the month in which bills are paid as recorded in the Village's general ledger. We are consistently sending wastewater treatment to both entities and should be receiving bills every month.

In addition to the monthly treatment charges, FRWRD does a complete audit of its financials on an annual basis. The Village has the obligation to pay more or receive credit for the previous year's charges, depending on the actual cost to process our sewage.

Below please find the following FRWRD rates per million gallons:

2021	\$1,591
2022	\$2,528
2023	\$2,700

We did receive a significant increase of over \$1,000 per million gallons between 2021 and 2022. Between May 2020 and February 2022, the True Up adjusted cost to the Village for treatment charges was \$79,589. From May 2021 through January 2023, the True Up cost was \$384,404. We pay our monthly bill at the most recent FRWRD audit rate, and once a new audit rate is established, the prior year is adjusted and used for future bills. Since rates are based on FRWRD audits, the staff is having a difficult time budgeting accordingly for these numbers. The True Up charges are in addition to the monthly billing.

For fiscal year 2024, we believe the projected amount of \$1.26M for treatment charges is a solid number.

Based on the fact that the True Up charge is less than \$200 per million gallons this year, the True Up cost payable in fiscal year 2025 is only \$85,000. We believe that the \$1.1M amount included in the budget should be a good number, as long as the True Up number is a reasonable amount for the end of next year.

I hope this gives a better perspective in terms of what staff have been dealing with and how we are doing our best to gauge an estimated cost for this line item and budget projections.

**West Dundee  
Treatment Charges  
Account 2-22-3-3100**

	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>Total</u>
<b>FY 2021</b>													
FRWRD		56,118.48	145,852.34	38,116.00		55,282.86					45,310.19	43,543.08	384,222.95
FRWRD True-Up													-
East Dundee		32,985.15	31,517.46	32,853.57	33,174.58			33,092.16	32,163.83	31,336.45	61,036.57	54,638.40	342,798.17
<b>Total</b>	<b>-</b>	<b>89,103.63</b>	<b>177,369.80</b>	<b>70,969.57</b>	<b>33,174.58</b>	<b>55,282.86</b>	<b>-</b>	<b>33,092.16</b>	<b>32,163.83</b>	<b>31,336.45</b>	<b>106,346.76</b>	<b>98,181.48</b>	<b>727,021.12</b>
<b>FY 2022</b>													
FRWRD		24,475.47	46,891.47		46,485.18		45,742.65			52,131.21		132,783.36	348,509.34
FRWRD True-Up												79,588.80	79,588.80
East Dundee		29,410.03		59,319.99	28,926.68		56,319.08	28,961.21		56,762.37	26,563.79	56,615.99	342,879.14
<b>Total</b>	<b>-</b>	<b>53,885.50</b>	<b>46,891.47</b>	<b>59,319.99</b>	<b>75,411.86</b>	<b>-</b>	<b>102,061.73</b>	<b>28,961.21</b>	<b>-</b>	<b>108,893.58</b>	<b>26,563.79</b>	<b>268,988.15</b>	<b>770,977.28</b>
<b>FY 2023</b>													
FRWRD					133,882.65		62,255.83				99,437.50	239,528.00	535,103.98
FRWRD True-Up												64,067.38	64,067.38
East Dundee			70,003.01		68,519.68		67,734.68				133,899.36	67,734.68	407,891.41
<b>Total</b>	<b>-</b>	<b>-</b>	<b>70,003.01</b>	<b>-</b>	<b>202,402.33</b>	<b>-</b>	<b>129,990.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,336.86</b>	<b>371,330.06</b>	<b>1,007,062.77</b>
<b>FY 2024</b>													
FRWRD				143,464.00		88,783.36				241,424.00			473,671.36
FRWRD True-Up		32,033.69		96,101.07		64,067.38				128,134.76			320,336.90
East Dundee		34,259.84	33,474.84		68,519.68	33,474.84		67,734.68	34,259.84		34,259.84	*	305,983.56
<b>Total</b>	<b>-</b>	<b>66,293.53</b>	<b>33,474.84</b>	<b>239,565.07</b>	<b>68,519.68</b>	<b>186,325.58</b>	<b>-</b>	<b>67,734.68</b>	<b>34,259.84</b>	<b>369,558.76</b>	<b>34,259.84</b>	<b>-</b>	<b>1,099,991.82</b>

\* Through  
3/5/2024

FOX RIVER WATER RECLAMATION DISTRICT  
 Village of West Dundee  
 FY 2023 Annual Audited Rate True Up Adjustments

Per FY 2023 Audit Findings		
New Rate:	\$	2,700.00

FY 2023 - May 2022 through April 2023

Description	MG	Rate	Billed Amount
MAY FLOW BILLED	30.620	\$2,528.00	\$77,407.36
JUNE FLOW BILLED	20.450	\$2,528.00	\$51,697.60
JULY FLOW BILLED	17.000	\$2,528.00	\$42,976.00
AUG FLOW BILLED	16.080	\$2,528.00	\$40,650.24
SEP FLOW BILLED	21.380	\$2,528.00	\$54,048.64
OCT FLOW BILLED	17.750	\$2,528.00	\$44,872.00
NOV FLOW BILLED	19.370	\$2,528.00	\$48,967.36
DEC FLOW BILLED	22.630	\$2,528.00	\$57,208.64
JAN FLOW BILLED	20.500	\$2,528.00	\$51,824.00
FEB FLOW BILLED	21.000	\$2,528.00	\$53,088.00
MAR FLOW BILLED	37.750	\$2,528.00	\$95,432.00
APR FLOW BILLED	36.000	\$2,528.00	\$91,008.00
<b>TOTAL FLOW BILLED</b>	<b>280.53</b>		<b>\$709,179.84</b>
		<u>Rate</u>	<u>\$</u>
FY 2023 PAYMENTS MADE		\$2,528.00	\$709,179.84
FY 2023 PAYMENTS DUE @ FY 2023 AUDITED RATE	\$	<u>2,700.00</u>	\$757,431.00
FY 2023 OVER OR (UNDER) PAYMENT			<u>(\$48,251.16)</u>

FY 2024 - May 2023 through February 2024

Description	MG	Rate	Amount
MAY FLOW BILLED	21.870	\$2,528.00	\$55,287.36
JUNE FLOW BILLED	16.250	\$2,528.00	\$41,080.00
JULY FLOW BILLED	18.630	\$2,528.00	\$47,096.64
AUG FLOW BILLED	18.620	\$2,528.00	\$47,071.36
SEP FLOW BILLED	16.500	\$2,528.00	\$41,712.00
OCT FLOW BILLED	20.000	\$2,528.00	\$50,560.00
NOV FLOW BILLED	21.500	\$2,528.00	\$54,352.00
DEC FLOW BILLED	24.750	\$2,528.00	\$62,568.00
JAN FLOW BILLED	29.250	\$2,528.00	\$73,944.00
FEB FLOW BILLED	28.000	\$2,528.00	\$70,784.00
<b>TOTAL FLOW BILLED</b>	<b>215.370</b>		<b>\$544,455.36</b>
		<u>Rate</u>	<u>\$</u>
FY 2024 PAYMENTS MADE TO DATE			\$544,455.36
FY 2024 PAYMENTS DUE @ FY 2023 AUDITED RATE		\$2,700.00	\$581,499.00
FY 2023 OVER OR (UNDER) PAYMENT			<u>(\$37,043.64)</u>
FY 2023 & 2024 TOTAL OVER OR (UNDER) PAYMENT			<u>(\$85,294.80)</u>