

Fiscal Year 2022

Budget Preparation Manual



Elk Grove Village Finance Department

Alan Avitia x4056 & Brianna Bacigalupo x4053

Village Manager's Budget Directive – Service Excellence

With the global pandemic, budget preparation in 2020 will be an unusual challenge. As it stands today, economists predict 7% to 8% unemployment; virtually no growth in restaurant, travel, and hotel activity through 2021; and 1% inflation in 2021 which will reduce our natural revenue growth.

The Village of Elk Grove exists to serve our community in an efficient, effective, responsive, and cost effective manner. Our mission has been to provide taxpayer value through innovation and resourcefulness. We have performed well at this mission, and we are confident that will continue amidst the economic challenges caused by the COVID-19 pandemic.

In this light, the Fiscal Year 2021-2022 budgets are to be prepared on a **maintenance level only**, with a target of a **zero percent increase**, excluding salaries and benefits. Meeting this objective may require teamwork, creative thinking, and cost-efficiency efforts. As you develop your budgets, please be mindful of our services and infrastructure, including:

- 1) Delivering taxpayer value in support of providing a high quality of life for residents and businesses;
- 2) Offering exceptional customer service including: delivering reliable/consistent service, and optimizing our levels of health, safety, and welfare while driving taxpayer value;
- 3) Enhancing our internal processes: striving to identify areas of opportunity to be more efficient, effective, and responsive; strengthening our tax base; and collaborating with our community;
- 4) Preserving our bench strength through cross-training, intergovernmental cooperation, and workforce engagement and alignment; and
- 5) Improving service and operations through forward thinking innovation.

We expect these 5 provisions to be included in justifications in the upcoming budget. More specifically, we expect Departments to adhere to the following budget guidelines:

1. No new personnel requests unless previously discussed with the Village Manager.
2. Items eliminated during last year's budget review should not be included in the FY2022 budget unless discussed in advance with the Village Manager.
3. If capital items need to be replaced, consider methods of obtaining value. Are there other ways to deliver the service? Can the items be phased-in over multiple years?
4. Fleet Services has inventoried and evaluated the Village's rolling stock. Do not budget any vehicles unless discussed with the Village Manager in advance of submitting a budget request.
5. Departments will need to meet with the Director of Information Technology to review technology and computer-related requests in advance to ensure we integrate efficiently into future systems.
6. Departments seeking to confirm or make a recommendation to our chart of accounts should contact the Finance Department Analyst for consultation before budget entry.
7. Please always anticipate that every line item you submit will be explored. We are always seeking ways to creatively share resources and be resourceful. Please ensure that all justifications you submit are fully complete and accurate.

We appreciate that the aforementioned objectives may require difficult decisions, team input, and creative thought. However, we are confident that together the leadership of Elk Grove is up to the challenge at hand and prepare our community for a successful future.

We look forward to you meeting these objectives in a timely manner.

Thank you.

General Instructions - Fiscal Year 2022

Budget Entry

Beginning with fiscal year 2017, budget numbers and detail were entered into Munis by Departments. There are several training and informational documents on the [Intranet Munis Instructions page](#) to assist and refresh users on budget entry.

In addition to the guidance documents, Finance will be hosting multiple “Budget Open House” sessions in the IT Training Lab to assist users with entering their budgets into Munis, answer budget questions, and show users how to print budget reports from the Munis system. Invitations will be emailed to Departments prior to the event.

Budget entry users are expected to follow the guidelines below within Next Year Budget Entry when entering next year budget amounts. Please take note:

- When the next year Budget Projection is created, budget line detail is carried over from the previous year. Users may need to modify or delete certain lines as needed.
- When entering detail in budget projection for a Professional Development, Vehicle, Equipment, or Software/Hardware account, please enter NEW at the end of any new items. This does not include new **replacement** items, but rather additions to current inventory.
- When referencing a vehicle, cite the vehicle ID number, includes used and new vehicles.
- Please specify quantity and unit cost in the description for operating capital items, i.e. Four (4) new saws at \$800 apiece. This is due to the nature of the Cubes based capital outlay form.

Departments may re-budget items that are not anticipated to be received by April 30, 2021. The following are general guidelines regarding the re-budgeting of funds:

- Encumbered funds (e.g. those associated with a Purchase Order) may not be re-budgeted. Finance will advise with procedures for the handling of encumbered funds near the end of the fiscal year.
- Capital items/projects not anticipated to be purchased/initiated in the current fiscal year may be re-budgeted if sufficient funds are available in the specified account at fiscal year end. However, departments should attempt to initiate FY2021 budgeted projects in the current fiscal year.

Budgeting for Personnel Costs

The Finance Department intends to distribute the Personnel Salary Sheets in early October. Positions filled as of October 1, 2020, list the employee name, projected salary and benefits data. Authorized positions not filled as of October 1, 2020, are identified as ‘Vacant.’ If a department needs to make changes within divisions, please contact Alan Avitia at aavitia@elkgrove.org or extension 4056 before December 31.



The Finance Department has incorporated several estimates on the Personnel Salary Spreadsheets that are detailed as follows:

- The spreadsheets reflect anticipated hourly step and merit slot increases, pro-rated to the month in which the increase is expected to occur. Please note that salaries of personnel in the open merit range do not reflect an increase.
- Known union contract increases are factored into union employee salaries.
- The salaries of part-time personnel reflect the number of hours the employee is currently authorized to work.
- Management Enhancement Program and Longevity costs reflect the anticipated payment to the employee in FY2021 upon the date and terms specified by Ordinance or the respective union contract.
- Federal and State taxes, and Medicare rates have been adjusted to reflect the employer portion as of January 1, 2020. Pension contribution rates reflect as of April 30, 2020. For reference, employer rates are included below:

Item	Rate	Notes
Social Security	6.20%	First \$137,700 in Wages (CY2020)
Medicare	1.45%	No Wage Cap
IMRF	9.62%*	Employees Over 1,000 hrs./yr.
Police Pension	46.26%	As of April 30, 2020
Fire Pension	48.54%	As of April 30, 2020
Life Insurance	\$0.112 per thousand of base salary	As of July 1, 2020

*Preliminary figure for FY2022.

- Health and dental insurance costs reflect an estimated cost for Fiscal Year 2022. Please note that this figure is subject to change depending upon continued implementation of the Affordable Care Act and market changes.

ACTION ITEMS:

Departments will be responsible to budget the following items related to personnel, and return these budget numbers back to the Finance Department for entry via e-mail by November 30:

- **All** departments must budget for overtime, hire back and standby wages. Please be detailed (i.e. number of hours for x number of employees).
- **Police** to submit their budget for clothing allowance according to union contract.
- **Police and Fire** should budget for holidays where employees receive both regular and holiday pay if the holiday falls on the employee’s regularly scheduled workday.
- **Finance** will enter remaining salary and benefit information contingent on the return of the above items and receipt of preliminary insurance rate adjustments, no later than one week ahead of the Department budget entry deadline or sooner.

Budgeting for Information Technology and Associated Costs

Computers

Several years ago the Village adopted a 4-year replacement cycle for our desktop PC's and mobile devices. This includes Microsoft Surface units which are essentially mini (higher priced) laptops. Budgeting for new or replacement desktop or mobile device acquisitions should be based on the following schedule:

Desktops	\$ 800 each	Laptops	\$ 1,300 each
Surface Units	\$ 2,000 each	Tablets/iPads	\$ 1,000 each

Computer Replacement Schedule – Account 580001

Fiscal Year	Departments
FY 2022	Public Works (Fleet only), Police
FY 2023	Finance, Information Technology, Channel 6
FY 2024	Mayor & Village Attorney, VMO (Including HR), Village Clerk, Community Development
FY 2025	Public Works (excluding Fleet), Fire

Budgeting for mobile devices used in the field or by Public Safety Departments will vary based on the requirements of the vendor (Accela, ID Networks, Porter Lee, etc). Please contact the IT Department to review the specific requirements of the vendor and your department.

Also, the distinction between traditional laptops and Windows-based mobile devices (i.e., Microsoft Surface units) has grown increasingly blurry over time. However, because the cost difference between Windows- and non-Windows-based mobile devices is significant, separate cost estimates are provided for each.

Finally, because the lifespan of computer monitors is typically twice that of computers themselves, Departments shall only budget for monitor replacements every eight (8) years. The budget figure to use for monitor replacements is \$160 each.

Office Equipment Service Agreements

Information Technology has all laser printers on a contract with Genesis Technologies, which provides HP compatible cartridges and maintenance at a per page rate. Because our recently updated agreement provides slightly better pricing than we previously paid, there is no need to increase printer support costs in FY 2022.



Finance Department Budget Entry – FY2022

- **Budget entry by end of November**
 - **Insurance** - Finance Department will enter all estimated insurance costs.
 - **Capital Repayment** – Finance Department will enter all capital repayment amounts as scheduled.
 - **Audit fees** - Fees are also included for Water/Sewer Fund and TIF funds.
- **Budget entry by early December**
 - **Fuel** – Finance Department will enter all fuel costs received from Fleet.
 - **Pension pass-through** – Fire and Police pension budget entered by Finance.
- **Budget entry after December 18**
 - Water/Sewer Fund budget entry for Reimbursement to the General Fund is entered before Department deadline, and revised after Department budget entry deadline.

Preliminary Budget Proposals

The Finance Department will review preliminary proposals to ensure compliance with the established budget guidelines and meet with each department as necessary. Preliminary Budget Proposals include:

Capital Outlay Request Form

Starting in FY2021 budget, the Capital Outlay Request Form was replaced by a new form generated by Munis Cubes. Departments are advised to focus on two new budget entry components.

- Departments are to enter their justification text within the Justification field in Next Year Budget Detail Entry. The Justification column is located next to the Description column.
- Departments are asked to specify **quantity and unit cost in the description** for operating capital items, i.e. Four (4) new saws at \$800 apiece.

Final Budget Proposals

Following Village Manager review of Fiscal Year 2022 budget requests, Departments are requested to respond to notes written by Finance reflecting any adjustments considered from Village Manager/Department meetings. Finance Department will make budget entry changes within Munis.

Transmittal Memorandum

Additionally, departments are required to submit a Memorandum of Transmittal no later than January 29, 2021. The Memorandum of Transmittal is an opportunity for departments to highlight significant items and objectives within their respective Fiscal Year 2022 budget proposal and to provide clarification to the Village Board regarding significant increases or decreases to the departmental budget request compared to the prior year. Departments should be able to explain the impact of their proposed budget on department goals, and be detailed yet concise in the Memorandum of Transmittal.

The Memo should be formatted to have 1 inch margins, 12 point font and in Times New Roman. Subheadings should be bolded and underlined with the first letter of each word capitalized. Lists should be in bullets. Please view the template document attached to the e-mail correspondence for guidance.

Fiscal Year 2022 Budget Calendar

(Deadlines applicable to Departments are highlighted and assigned an arrow.)



Deadline	Item(s)
October 2, 2020	Distribution of Budget Prep Manual
October 30, 2020	Last day to file Treasurer's Report with Cook and DuPage County Clerks (65 ILCS 5/3.1-35-65).
November 17, 2020	Tax levy announced at Village Board Meeting (not less than 20 days prior to tax levy adoption).
Location: IT Training Lab November dates to be determined.	<u>Budget Open House</u> Join Finance in the IT Training Lab to ask questions about the budget process, data entry into Munis, and how to generate budget reports using Cubes.
November 24 – December 1, 2020	Finance Department to advertise Public Hearing for tax levy in Daily Herald (7 – 14 calendar days prior to the Public Hearing) if required. The Truth in Taxation Act requires a public hearing if the amount determined for the levy is greater than 105% of the previous year extension (35 ILCS 200/18-65).
December 8, 2020	<ul style="list-style-type: none"> • Hold Public Hearing at Board Meeting – Tax Levy • Pass Tax Levy and Abatement Ordinances
December 18, 2020	<u>2022 Department Level Budgets Due in Munis:</u> Mayor/Legal/Boards/Commissions Village Clerk Village Manager's Office Community Development Finance Department Public Works – Corporate Public Works – Water/Sewer Public Works – Motor Fuel Tax Police Department Asset Seizure Fire Department Foreign Fire Insurance Fund Business Leaders Forum GREEN Fund (VMO) Residential Enhancement (VMO) Cable Television Capital Projects (Finance/VMO/PW) Capital Replacement (Finance/VMO) Debt Service (Finance) Devon-Rohlwing, Grove Mall, Busse/Elmhurst and Higgins Rd Corridor TIFs (Finance) Fire and Police Pension Fund (Finance)



December 31, 2020	<ul style="list-style-type: none"> Last day to file Ordinances and Truth in Taxation Certifications with Cook and DuPage County Clerks. Village Clerk files with Cook and DuPage County Clerks on or before the last Tuesday in December, excluding December 25 (65 ILCS 5/8-3-1).
January 4 - 22, 2021	<ul style="list-style-type: none"> Village Manager meets with Departments to review budget proposals. Village Manager prepares final budget recommendations for the Village Board
January 29, 2021	All Departments must submit all required documents for Final Budgets
February 1 – 5, 2021	Finance Department prepares final budget documents and binders
February 12, 2021	Village Manager submits budget recommendations to Village Board (Friday prior to Presidents Day).
March 16, 2021	Budget presentations to Village Board Budget Workshop (3 rd Tuesday of March)
March 25, 2021	<ul style="list-style-type: none"> Finance Department sends memo to Village Clerk requesting advertisement of a public hearing regarding consideration of the budget (at least 10 calendar days prior to public hearing). A final draft copy of the proposed budget document is available for public inspection prior to adoption at the Finance Department counter and/or Village Clerk's Office.
April 19, 2021	Departments submit FY 2021 PO and Budget Carryover Requests
April 27, 2021	Budget Approval – Conduct Public Hearing on Proposed Budget Adopt Budget Resolution prior to the start of the fiscal year (65 ILCS 5/8-2-9-4).
April 30, 2021	Finance Department delivers official copy of adopted budget to Village Departments and Library (Village Budget is available for patrons to review).
May 1, 2021	New Fiscal Year Begins
May 27, 2021	Within 30 days of budget adoption, Village Clerk files copy of budget appropriation ordinance and estimate of revenues with Cook and DuPage County Clerks (35 ILCS 200/18-50).
June 2021 Dates to be determined	Pending FY21 final invoice processing. Follow up with departments to complete remaining FY21 Open Purchase Orders and Budget Carry Over Requests.

