



AGENDA MEMORANDUM

DATE: April 22, 2025

TO: Finance & Administration Committee

FROM: Benjamin Haberthur, Executive Director
David Petschke, Director of Finance

SUBJECT: 2025-2026 Proposed Appropriation Ordinance & Budget

PURPOSE:

The purpose of this memorandum is to provide the Committee with information regarding the approval of the proposed Appropriation Ordinance and Budget for Fiscal Year 2025-2026.

BACKGROUND:

2025-2026 Proposed Budget

The proposed budget represents a consolidated effort of all staff in maintaining very tight controls on expenditures within the District. Prior year trends were reviewed and a priority analysis of new initiatives/purchases was conducted to determine the best uses of the funds available. Summary highlights of the requested initiatives are below.

GENERAL FUND

The General Fund's revenues are expected to increase, going from \$12,036,082 in the current year to \$14,051,163 for FY25-26. The largest changes in revenues are:

- Property Tax – Increase of \$2,385,456 - This increase is due to the operating referendum that was approved by the voters of Kane County in November 2024. This increase will be offset by a budgeted transfer of \$1,000,000 from the General Fund to the Land Acquisition Fund increase land protection through further acquisition.
- Golf Courses – Decrease of \$135,000 – Due to the District's new golf management agreement with Landscapes Golf Management, all of the activity for golf is now reported in the Construction & Development Fund. Any profit will now be used to fund capital projects in the Construction & Development fund.
- State Replacement Tax – Decrease of \$260,000 - Based on guidance from the Illinois Municipal League, the expectation is that this revenue source will decrease as compared to the current year's budget.

Expenses of note are as follows:

- Interfund Transfer to Land Acquisition Fund \$1,000,000 – The District successfully passed an operating referendum in November 2024. \$2,500,000 of the increased funds were intended to be transferred from the General Fund and the Construction & Development Fund to the Land Acquisition Fund in fiscal year 2026 to further the District's efforts to acquire and protect natural areas. The remaining \$1,500,000 transfer to the Land Acquisition Fund will occur from the Construction & Development Fund and will be discussed later in the Construction and Development Fund Expenses section.
- Increase in Wages and New Positions- \$595,087 (9.88%) – The Commission approved an adjusted compensation model in fiscal year 2025 that adjusted wage ranges for the first time since 2017. This was implemented to help retain staff and reduce turnover due to higher pay at other neighboring governmental agencies.

The new compensation model placed employees' pay closer to the regional average of pay for each position compared to other local agencies, however the District was not able to award any type of longevity compensation to employees whose years of service were greater than the closest step to their current pay on the compensation model. To address this, the District would like to offer an additional 2.5% step for employees who: a) qualified for their performance based annual step increase and b) their years of service were greater than the step they are placed on. The estimated cost for the additional longevity step will be approximately \$29,480, or a 0.49% increase from the prior year's total budgeted salaries. The leadership team is not eligible for this additional longevity step to ensure it is within budget for the District.

The District is projecting that the annual performance-based step advancement on the new compensation model will increase salaries by an additional \$275,955, or a 4.58% increase compared to the prior year's budgeted salaries. This increase will include a performance-based step of 2.5% if the employee qualifies based on their performance. It will also include an economic factor adjustment to all ranges in the compensation package of 2.9% to keep wage ranges competitive with other local agencies.

The District is also seeking approval for new and reclassified positions in the amount of \$289,652, or 4.81%, increase from the prior year's budget:

- (3) new full-time positions including: Deputy Director, Human Resources Generalist and a Ranger Assistant Position for North Operations.
- (1) reclassification of a current full-time position from "Plant Technician" to "Plant Ecologist"
- (1) new part-time Administrative Specialist position to be dedicated to the Public Safety Department.

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- Health Insurance Premiums Increase \$72,248 – (HMO 8.8%, PPO 13.6%) – Health insurance premiums increased overall with the HMO plan increasing 8.8% and the PPO plan increasing by 13.6% for the upcoming fiscal year. Currently, 52% of the employees participating in the health insurance program elected to enroll in the HMO plan, 34% have elected the PPO plan, and 14% of employees have waived District provided health insurance. One of the concerns the District identified following the results of the compensation and classification study was that the PPO plan employer contributions were not competitive compared to other local agencies. As a result of this information, the District is seeking to improve the employer covered portion of health insurance by offering an 83% employer payment for PPO plan and a 90% employer payment for the HMO plans. This will realign the District with other competitive agencies as well as Kane County employer paid benefits. This is incorporated into the budget with an increase from the prior year budgeted health insurance costs of \$72,248, or a 7.3% increase based on current elections for coverage.
 - Vehicles & Vehicle Upfitting - \$660,132 – Consisting primarily of one replacement compact truck, one replacement tandem axle dump truck, and an amount added for three F-450 chassis that require upfitting for a combined increase in Operations - \$317,132. Two replacement F150 Interceptors for a combined increase to Public Safety - \$160,000. Two replacement trucks for Natural Resources Management - \$180,000.
 - Machinery & Equipment - \$146,000 – Consisting primarily of one tire replacement machine - \$14,000, one replacement wide area zero turn mower - \$35,000, one new three-point mounted finishing mower - \$7,500, and one replacement 4X4 Utility Cart - \$16,000 for the Operations Department. Natural Resources Management included one replacement Schulte XH1500 Mower - \$46,000. The remainder of the budget is for other smaller machinery or equipment purchases.
 - Carry-Over Capital Requests from Prior Year - \$535,680 – The General Fund balance is projected to increase this year due to several capital requests for vehicles being budgeted, but not purchased, due delivery delays caused by the lack of available inventory. This was primarily due to the ongoing vehicle production lag caused by part shortages. These carry-over items are detailed on the summary of additions in the General Fund and are the specific reasons for a deficit budget balance in the current fiscal year.

CONSTRUCTION & DEVELOPMENT FUND

A total of \$3,497,575 in new projects or additional funding of current projects is being proposed within the Construction & Development Fund. Project highlights are as follows:

- Stearns Road Trail Resurfacing and Natural Area Improvements - \$572,275 (Kane County funded all of this project cost with the donation of the trail system.)
- Elburn Grand Trillium Project – \$300,000 (This was part of the referendum promise to Kane County residents.)
- Illinois Clean Energy Community Foundation Grant Project at the newly acquired Huntley property. - \$85,000 (The District received a grant that included \$990,000 for the acquisition of this property and an additional amount of \$84,150 for the natural area improvement at this site.)
- Glenwood Forest Preserve Improvements - \$650,000
- Brunner Forest Preserve Improvements – new money \$475,000, remaining project total \$494,649.

This District also budgeted transfers in the current year for:

- \$1,500,000 from the Construction and Development Fund to the Land Acquisition Fund due to the increased referendum funding previously mentioned in the General Fund expense highlights section.
- \$500,000 from the Construction and Development Fund to the Wetland Mitigation Bank Fund for the ongoing construction, planting and monitoring of the Wetland Mitigation Bank.

Incorporated in the Construction & Development Fund is the budget for a full fiscal year of golf course activity including the gross revenue and expenditures for the activities at the Settler's Hill Golf Course and the Hughes Creek Golf Course. As previously presented to the Commission, the District is now responsible under the new management agreement with Landscapes Golf Management (LGM) for all of the financial activity at both courses. LGM has presented an annual budget that shows a net operating profit of \$113,676, however that net operating profit will be offset by capital improvements in the fiscal year of \$150,000, which was previously budgeted, for the re-numbering and trail adjustments at Settler's Hill to create a course of play that will return to the clubhouse after the first 9 holes played. It also includes a new budget request for \$150,000 at Hughes Creek for phase II of the cart path improvements. This will result in a total deficit of \$186,324 in fiscal year 2026 as the District continues to improve the course's condition to the level expected by golf community.

Appropriation Ordinance

The amount appropriated differs from the budgeted amount by 10%. It is common among municipalities to appropriate more than the amount budgeted by fund to allow for any

unexpected expenditures that may arise during the fiscal year while keeping the District in compliance with state statute. Management monitors and reports its financial performance based on the amount **budgeted** and not appropriated. This practice was implemented in the 2012-13 budget cycle and has continued each year.

RECOMMENDATION:

Staff recommends that the Committee approve the proposed budget and Appropriation Ordinance as presented.

ATTACHMENT: *Budget Draft*