

 <b>Lake County Policy</b>	<b>3.5.FY27 Fiscal Year 2027 Budget Planning Policy</b>
	<b>Approved by the County Board on:</b>

**1. Purpose and Intent**

- 1.1 The purpose of this policy is to provide specific planning guidance to County Staff for Fiscal Year 2027 Budget planning. A new policy is created each year to allow the County to respond to changing financial and operational conditions. This policy applies only to Fiscal Year 2027 and will sunset on November 30, 2027.
- 1.2 The intent of this policy is to support and build on the guidance in policy *3.5 Budget Development Policy*.

**2. Background**

- 2.1 Policy *3.5 Budget Development Policy* provides overarching, consistent guidelines and structure that support a strategic, long-term approach to financial management of Lake County’s resources. While it provides a framework for stability and continuity, clarifying strategic intent, defining boundaries, and accounting for risks, the direction provided herein is to address specific issues for the upcoming fiscal year.

**3. Scope**

- 3.1 This policy applies to all departments, agencies / commissions, and elected offices whose funding is approved by the Lake County Board, unless certain criteria apply that supersedes this requirement as defined in *3.1 Finance Policy*.

**4. Authority**

- 4.1 The Authority as stated in *3.1 Finance Policy, Section 4 applies*.

**5. Policy**

- 5.1 Working within the standing guidance in *3.5 Budget Development Policy*, the County Administrator and Chief Finance Officer shall provide a Recommended Fiscal Year 2027 Budget for Board consideration that includes the following requirements:
  - 5.1.1 A recommended budget that reflects the priorities identified in and is in alignment with the **Strategic Plan**, specifically employee recruitment and retention, sustainability options and capital improvements.
  - 5.1.2 A recommended budget that is balanced with a **tax levy** that includes growth from new property and the full allowable CPI growth.
  - 5.1.3 Fiscal Year 2027 non-union compensation adjustments will be determined based on: a market comparison conducted by Human Resources of comparable entities, economic factors, and the balance of priorities within the County’s balanced budget.

- 5.1.4 All vacant positions will be reviewed and must be justified using a systematic process during budget development and preparation.
- 5.1.5 Strategic personnel reorganizations of department staffing of three or more positions must only occur during the annual budget process to enhance strategic alignment, resource allocation and accountability in decision-making. Reorganizations must be submitted simultaneously with the department’s budget submission.
- 5.1.6 A recommended budget that includes **New Program Requests** and/or Program Expansions that are prioritized in alignment with Board-directed priorities from the Lake County Strategic Plan
- 5.1.7 Departments must review fees that are approved by the County Board annually as part of the budget development process. Departments should propose fee adjustments that will maintain the same approximate percentage of expenses covered by the related revenue, or in accordance with a formal fee study.
- 5.1.8 All departments must prioritize procurement of electric vehicles (EVs), electric equipment (EQ) and alternate fuels when replacing existing vehicles and equipment. Battery electric vehicles and equipment (BEVEQs) will be budgeted for purchase when a cost-effective market-ready vehicle or equipment item is available and matches the planned operations for that vehicle or equipment item, respectively. Cost-effective will be defined as being within 10% of the value using a Total Cost of Ownership model, which includes the vehicle’s and equipment item’s capital cost and expected lifetime cost of its operations, such as maintenance and fuel. Due to the unique operational needs of law enforcement activities, the Sheriff’s Office is exempt from the EV and EQ-first requirement for specialized law enforcement vehicles and equipment items.
- 5.1.9 A recommended budget that reflects the Board’s commitment **to infrastructure modernization** by including an operating contribution to the capital improvements fund as close as possible to the maximum of the allowable range, to fund non-transportation capital improvements, including facilities, technology, stormwater improvements, etc.
- 5.1.10 At a minimum, the operating contribution to the Capital Improvements Fund must cover the full amount of the approved Facility Assessment budget in the Capital Improvements Fund.
- 5.1.11 To create a recommended budget that limits budget growth, and fosters long-term fiscal sustainability, departments must submit departmental budgets that are within or below the budget **“targets”** established for each departmental budget across property tax funds.
- 5.1.12 A recommended budget that includes “normal” operations in each department’s operating budget while consolidating contingency funding in the non-departmental General Operating Expense (GOE) budget.

5.2 This policy is in effect through December 1, 2027.

## 6. Severability

6.1 If any section or provision of this policy should be held invalid by operation of law, none of the remainder shall be affected.

**7. Non-Discrimination**

7.1 Lake County prohibits the discriminatory application, implementation, or enforcement of any provision of this policy on the basis of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, gender identity, housing status, or any other protected category established by law, statute, or ordinance.

<b>Policy History</b>			
<b>Version</b>	<b>Date Adopted</b>	<b>Legistar Item #</b>	<b>Notes</b>
Original	April 8, 2025	25-0484	--