FOR BOARD APPROVAL

| Lake County Policy | **3.5.FY25 Fiscal Year 2025 Budget Planning Policy** |
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| | **Approved by the County Board on: May 14, 2024** |

## 1. Purpose and Intent

1.1 The purpose of this policy is to provide specific planning guidance to County Staff for Fiscal Year 2025 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 2025 and will sunset on November 30, 2025.

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 2025 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 one-half of the full allowable CPI growth (1.7%) to balance the recommended budget to that level of funding. In addition, include one additional flexible scenario tax levy scenario which includes include growth from new property and of the full allowable CPI growth (3.4%).

5.1.3 Fiscal Year 2025 compensation adjustments will be determined based on the County-Board approved recommendations from the 2024 Compensation Study.

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 Personnel reorganizations of department staffing of a minimum 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. Reorganizations of staff will not be considered at any other time during Fiscal Year 2025.

5.1.6 A recommended budget that includes **New Program Requests** that are prioritized in alignment with Board-directed priorities from the Lake County Strategic Plan. These priorities include:

1. Enhance justice programs to reduce crime,

2. Employment, housing opportunities and rehabilitative services to justice-impacted individuals,

3. Affordable housing,

4. Nature-based solutions, climate adaptive initiatives, open-space strategies, or environmental harm reduction strategies,

5. Consolidation of enterprise services/reduction of duplicated services.

All other New Program Requests will also be considered, but requests in the above categories will be highlighted. New Program Requests that are compensation-related are discouraged due to the Compensation Study being completed, as indicated in 5.1.3 above.

5.1.7 Departments must review their costing annually as part of the budget development process to ensure that revenues received cover the cost of providing services.

5.1.8 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.

5.1.9 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.

5.1.10 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.

5.1.11 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, 2025.

**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.

| Policy History | | | |
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| **Version** | **Date Adopted** | **Legistar Item #** | **Notes** |
| Original | Month DD, YYYY | 24-0623 | -- |