

Village of Winnetka



2017 Proposed Annual Budget and Capital Improvement Plan

2017 Proposed Annual Budget and Capital Improvement Plan - Overview

Today's Meeting

- 2017 Budget Overview (Including Tax Levy)
- Public Affairs / Village Manager's Office
- Finance Department
- Fire Department

Future Meetings

- 10/25 – Community Development / PW (MFT, Sanitary, Refuse, Storm, Fleet)
- 10/27 – Police Department / Water & Electric
- 11/1 – If Necessary

Note: The content of this presentation satisfies the “Truth in Taxation” requirements of 35 ILCS 200/18-55

2017 Proposed Annual Budget and Capital Improvement Plan - Overview

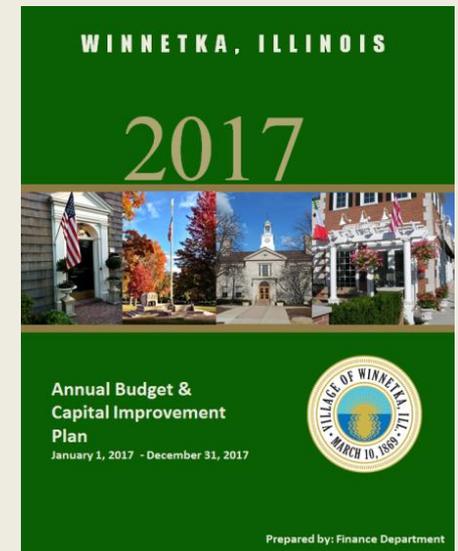
The Budget Process

- July - Kickoff Meeting – Review Budget Objectives / Policy Goals etc.
- August – Departments Prepare and Enter Budget Requests
- September – Management Review of Budget
- September 30th – Budget System Closed – Finance Prepares Document
- October 14th – Preliminary Budget Presented to Village Council
- Oct. 14 - Nov 1st – Council Review of Budget / Public Presentation
- November 15th – Public Hearing on the Budget
- November 15th – Intro of Tax Levy and Rate Resolutions
- December 6th – Final Council Approval of Budget
- December 27th – Deadline to File Tax Levy / Budget with Cook County

2017 Proposed Annual Budget and Capital Improvement Plan - Overview

Document Overview

- NEW - GFOA Distinguished Budget Presentation
- NEW - Upgraded Capital Improvement Plan
- NEW - IT Replacement Plan
- Improved Graphics / Visual Presentation
- Continued Grouping of Detail w/ Department
- Whole numbers, no Rounding
- User Friendly Searchable PDF for Web Display



2017 Proposed Annual Budget and Capital Improvement Plan - Overview

Key Policy Issues

- Provides \$4.1 Million in funding capacity for Stormwater initiatives.
- Funds Capital Investment for new Police Communications (\$435,000).
- \$2.65 Million dedicated to Roadway, Sidewalk, Bridge and Parking.
- Begins implementation of Downtown Master Plan Projects (\$470,000).
- Proposes borrowing \$1 Million IEPA Loan for Water Main Replacement.

2017 Proposed Annual Budget and Capital Improvement Plan - Overview

Key Policy Issues

- Reflects a balanced operating budget maintaining appropriate reserves.
- Maintains conservative staffing levels.
- Proposes Property Tax increase of .7% (CPI) on existing payers.
- Proposes 4% Water and Electric Rate Increases and 5% Sewer Increase.
- Funds pensions per actuarial study (100% funding in 20 years).
- Year to Year budget difference is \$174 or 2.3% for a typical Winnetka Resident.

2017 Proposed Annual Budget and Capital Improvement Plan - Overview

Budget Impact on Winnetkans = 2.3%

Homeowner Impact Analysis Select Taxes and Fees				Change	
		2016	2017	S's	%
Village Property Taxes *	\$ 3,263	\$ 3,286	\$ 23	0.7%	
Electric **	\$ 2,460	\$ 2,558	\$ 98	4.0%	
Water **	\$ 895	\$ 931	\$ 36	4.0%	
Sanitary Sewer **	\$ 333	\$ 350	\$ 17	5.0%	
Stormwater Utility Fee	\$ 262	\$ 262	\$ -	0.0%	
Telecommunications Tax	\$ 60	\$ 60	\$ -	0.0%	
Natural Gas Tax	\$ 80	\$ 80	\$ -	0.0%	
Licenses (2 cars & Dog)	\$ 90	\$ 90	\$ -	0.0%	
Total Taxes and Fees	\$ 7,443	\$ 7,617	\$ 174	2.3%	

* Assumes \$25,000 property tax bill, 13.05% Village portion, and 0.7% inflationary increase.
 ** Based on 4.0% increase in electric and water rate and 5.0% increase in sanitary sewer rate.

2017 Proposed Annual Budget and Capital Improvement Plan - Overview

Balanced Budget

	2016 Budget	2016 Estimate	2017 Budget	Budget to Budget Change	
				%	\$'s
Operating Revenues	\$ 61,582,307	\$ 61,344,540	\$ 64,684,803	5.0%	\$ 3,102,496
Operating Expenditures	\$ (55,853,395)	\$ (54,490,627)	\$ (57,712,292)	3.3%	\$ 1,858,897
Net Operating Income	\$ 5,728,912	\$ 6,853,913	\$ 6,972,511		
Capital	\$ 8,422,546	\$ 6,152,572	\$ 12,467,096	48.0%	\$ 4,044,550

The 2017 Annual Budget is balanced with operating expenditures fully funded by operating revenues. The budget does not rely on the use of fund balance or other one-time revenue sources for operating purposes.

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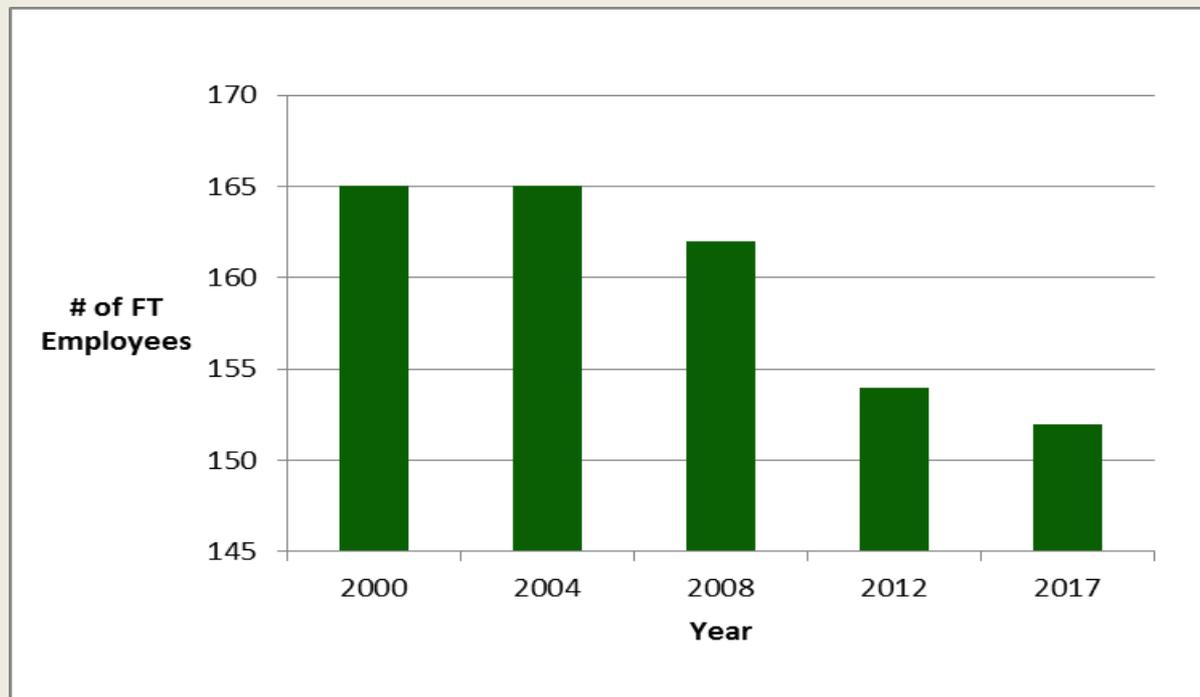
Significant Budget Initiatives

General Fund		<u>Total</u>
Police Department communications	\$ 435,000	
Public Works vehicle replacements	\$ 195,000	
Roads, sidewalk and parking lots	<u>\$ 1,950,000</u>	
		\$ 2,580,000
Motor Fuel Tax Fund		
Bridge and road projects 80/20	<u>\$ 700,000</u>	
		\$ 700,000
Facilities Fund		
Village Hall projects (Village Hall storm windows)	<u>\$ 250,000</u>	
		\$ 250,000
Downtown Revitalization Fund		
Capital repairs and planning (Master plan, site evaluations, repairs)	<u>\$ 470,000</u>	
		\$ 470,000
Electric Fund		
Electrical improvements	\$ 1,989,380	
Generator/Turbine Fire Protection	<u>\$ 600,000</u>	
		\$ 2,589,380

Water Fund		<u>Total</u>
Water system improvements	<u>\$ 1,142,716</u>	
		\$ 1,142,716
Sanitary Sewer Fund		
Sanitary sewer improvements	<u>\$ 550,000</u>	
		\$ 550,000
Stormwater Fund		
Sheridan Rd. ravine stabilization	\$ 275,000	
Western alternatives	\$ 3,000,000	
Boal Parkway improvements	\$ 580,000	
Other improvements	<u>\$ 330,000</u>	
		\$ 4,185,000
Total of items shown		<u>\$ 12,467,096</u>

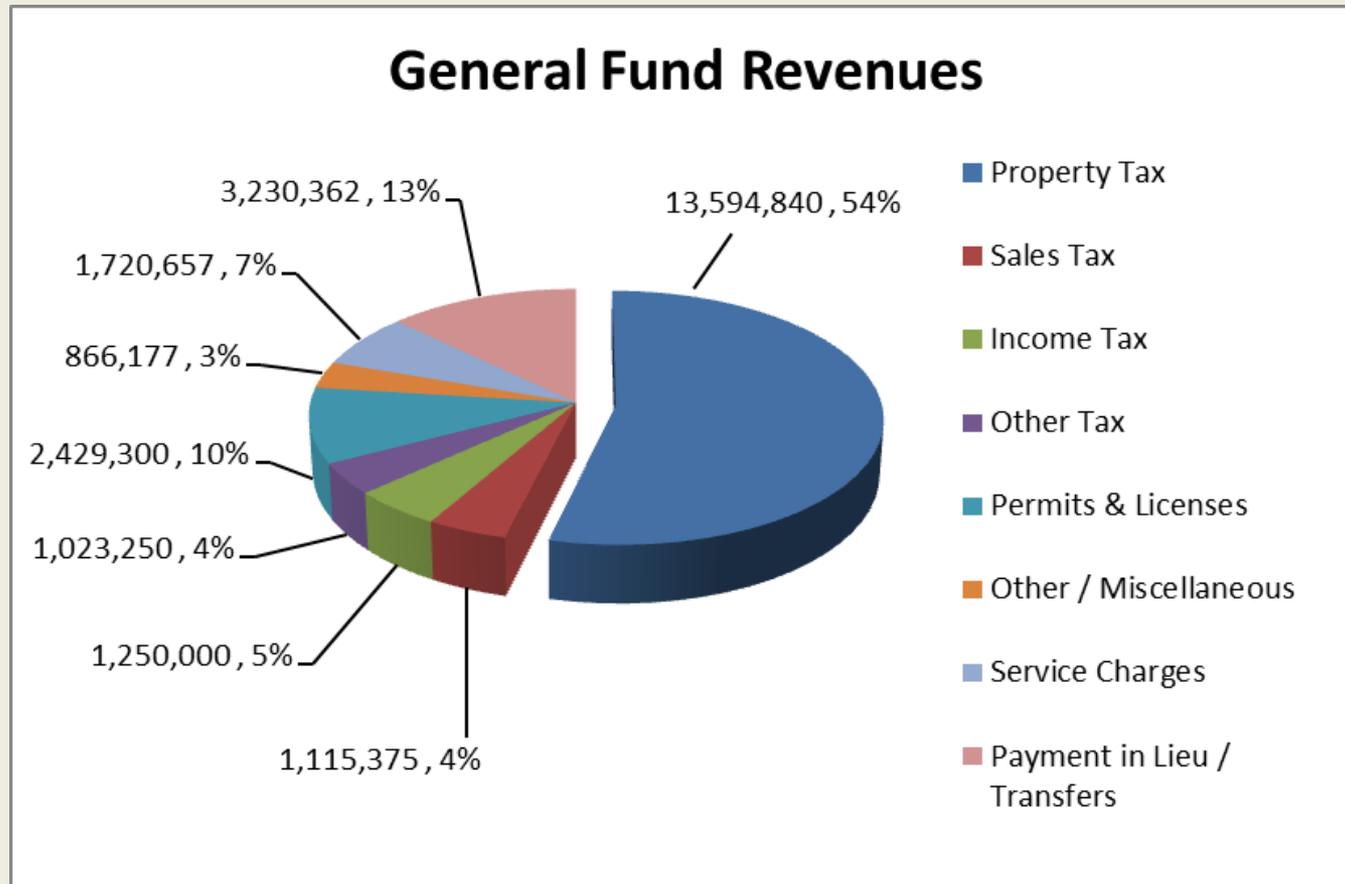
2017 Proposed Annual Budget and Capital Improvement Plan - Overview

Full Time Staffing Levels



Note: Total Full Time Staff = 152. Total Part Time Staff = 20.

2017 Proposed Annual Budget and Capital Improvement Plan - Overview



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General Fund Revenues

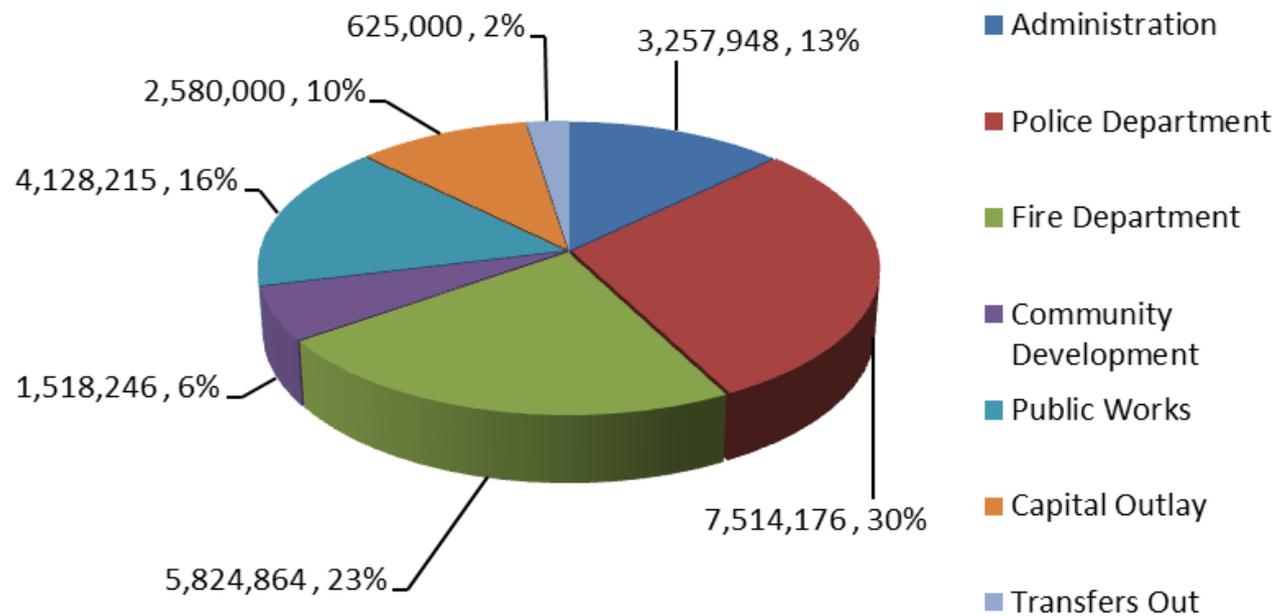
- 2017 Total General Fund Revenues \$25,229,961 – Up 4%

Significant Revenue Sources	Change
Tax Levy	\$ 277,973
Permit revenue	\$ 97,000
State income tax share (LGDF)	\$ 207,020
BMO Global interest earnings	\$ 113,532
Total	\$ 695,525

Note: State income tax share (LGDF) was not budgeted in 2016.

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General Fund Expenditures



2017 Proposed Annual Budget and Capital Improvement Plan - Overview

General Fund Operating Expenditures

- 2017 Total General Fund Operating Expenditures \$22,868,449 – Up 4.1%

General Fund Operating Expenses (in thousands dollars)	Actual FYE 12/31/15 A	Budget Cal. 2016 B	Estimated Cal. 2016 C	Budget Cal. 2017 D	Dollar Change D - B	% Change D v B
Administration	\$ 2,943,603	\$ 3,044,649	\$ 2,226,653	\$ 3,257,948	\$ 213,299	7.0%
Police	\$ 6,591,923	\$ 7,076,529	\$ 7,105,964	\$ 7,514,176	\$ 437,647	6.2%
Fire	\$ 5,234,210	\$ 5,544,047	\$ 5,521,676	\$ 5,824,864	\$ 280,817	5.1%
Comm. Development	\$ 1,465,060	\$ 1,547,298	\$ 1,430,793	\$ 1,518,246	\$ (29,052)	-1.9%
Public Works	\$ 3,865,427	\$ 4,046,320	\$ 3,967,686	\$ 4,128,215	\$ 81,895	2.0%
Transfers	\$ 1,250,000	\$ 700,196	\$ 700,196	\$ 625,000	\$ (75,196)	-10.7%
Operating Expenses	\$ 21,350,223	\$ 21,959,039	\$ 20,952,968	\$ 22,868,449	\$ 909,410	4.1%

2017 Proposed Annual Budget and Capital Improvement Plan - Overview

General Fund – Transfers to Other Funds

General Fund Transfers	Actual 2015	Budget 2016	Budget 2017
Refuse Fund	\$ 550,000	\$ 550,000	\$ 550,000
Fleet Services	\$ 250,000	\$ -	\$ -
Village Facilities Fund	\$ 150,000	\$ -	\$ -
Business District Revitalization	\$ 300,000	\$ 150,000	\$ 75,000
	<u>\$ 1,250,000</u>	<u>\$ 700,000</u>	<u>\$ 625,000</u>

2017 Proposed Annual Budget and Capital Improvement Plan - Overview

Allocation of Property Taxes Paid in 2016



2017 Proposed Annual Budget and Capital Improvement Plan - Overview

History of Property Tax Changes

	1997 *			2015 **			Increase in Taxes Paid	% Change
	Tax Rate	Taxes Paid	%	Tax Rate	Taxes Paid	%		
Winnetka Public Schools	2.723	\$4,751	31.67%	3.542	\$11,410	38.42%	\$6,659	140.2%
New Trier High School	1.967	\$3,432	22.88%	2.380	\$7,667	25.81%	\$4,235	123.4%
Village of Winnetka	1.481	\$2,584	17.23%	1.203	\$3,875	13.05%	\$1,291	50.0%
Cook County	1.028	\$1,794	11.96%	0.655	\$2,110	7.10%	\$316	17.6%
Winnetka Park District	0.445	\$776	5.17%	0.419	\$1,350	4.55%	\$574	74.0%
Water Reclamation District	0.451	\$787	5.25%	0.426	\$1,372	4.62%	\$585	74.3%
All Others	0.502	\$876	5.84%	0.595	\$1,917	6.46%	\$1,041	118.8%
Total	8.597	\$15,000	100%	9.220	\$29,701	100%	\$14,701	98.0%
Consumer Price Index - U	158.200				236.525			18 Year Increase in CPI >>> 49.5%
CPI Index (December, 18 years)	1997			2015				

* 1997 Property taxes paid in March and August 1998
 ** 2015 Property taxes paid in March and August 2016

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Property Tax Extension Limitation Law – PTELL

- Maintains 2005 Home Rule Pledge to maintain a tax levy that adheres to PTELL Tax Cap.
- 2016 Proposed Tax Levy = \$14,694,840.
- The 2016 levy is \$964,441 less than the PTELL limit.
Cumulative = \$5.2 Million under Tax Cap since 2005.
- Existing Tax Payer Increase = .7% (Equal to the CPI inflation factor utilized by tax capped communities).
- New Development is 1.2% providing \$173,003 in new revenue.
- 100% of the increased revenue resulting from the property tax levy will go directly towards public safety pension funding.
- The 2016 Property tax Levy will be set by the Council in December 2016 after approval of the budget.

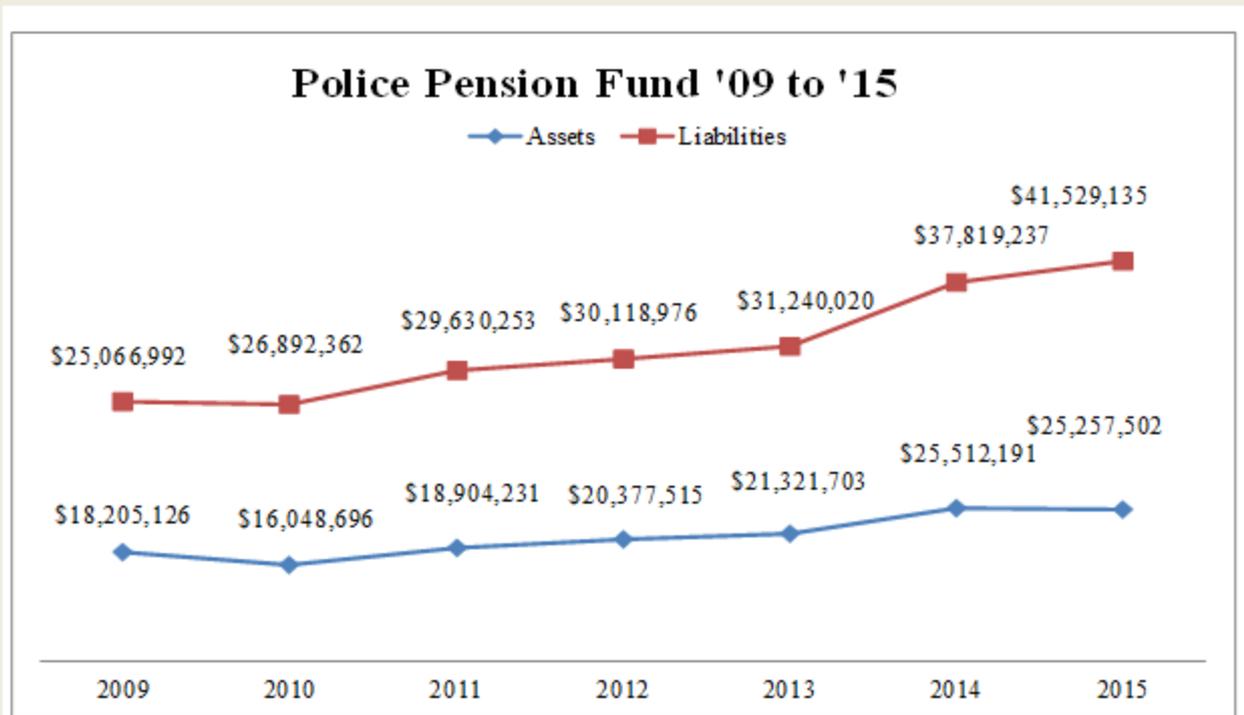
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Annual Pension Cost per Employee

- Police – 2016 Tax Levy \$1,446,664 / 28 Officers = \$52k per Officer
2015 tax levy = \$47k / officer (28 officers)
- Fire – 2016 Tax Levy \$1,723,176 / 24 ff's = \$72k per firefighter
2015 tax levy = \$58k / ff (25 firefighters)
- IMRF – \$1,388,674 / 103 employees = \$14k per Employee

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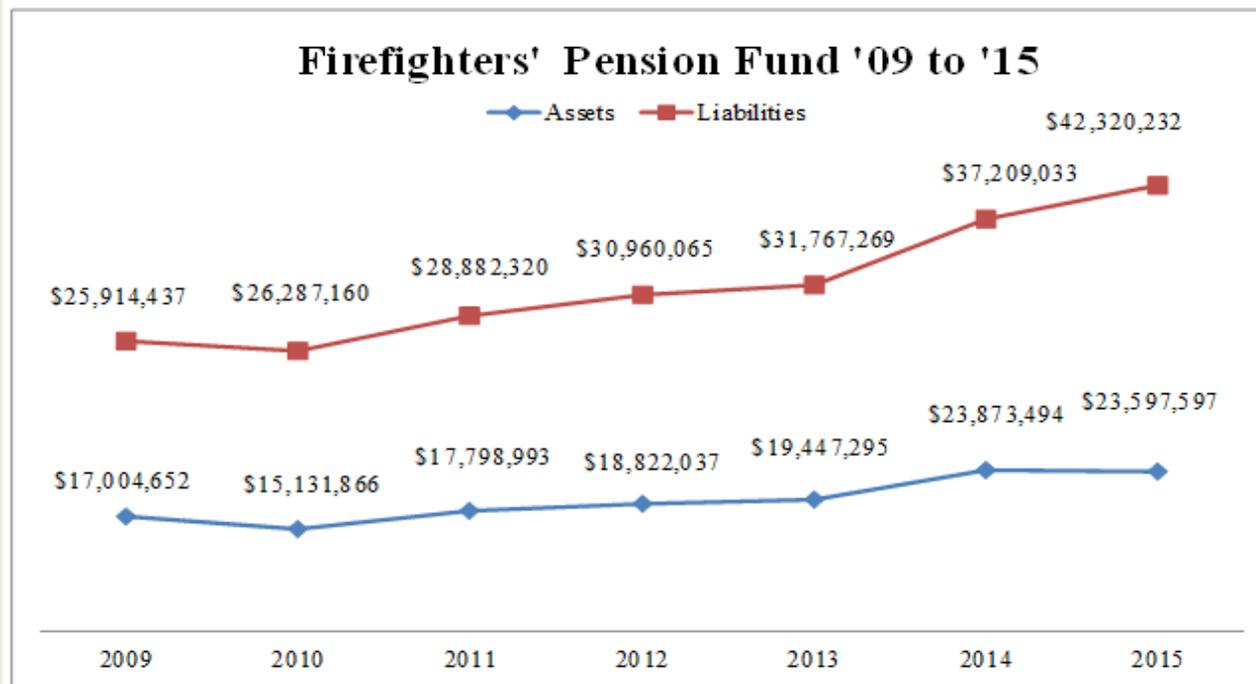
Funding Status – Police Pension



Total % Funded – 61%, Funding Shortfall = \$16,271,633

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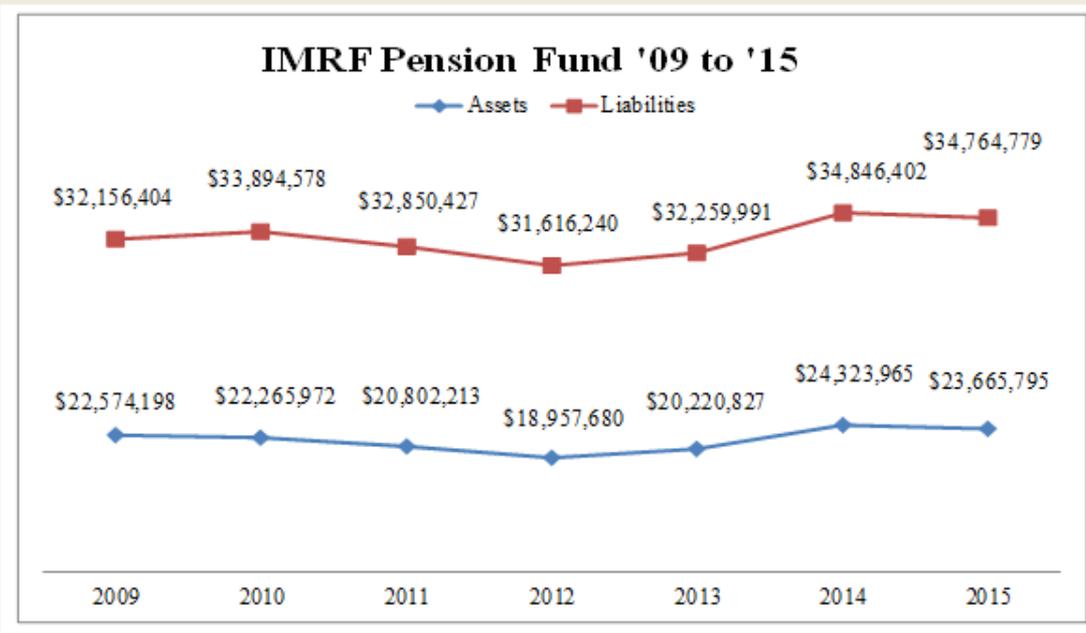
Funding Status – Fire Pension



Total % Funded – 56%, Funding Shortfall = \$18,722,635

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Funding Status – IMRF



Total % Funded – 68%, Funding Shortfall = \$11,098,984.

Note: If the retiree annuitized amounts were included in the IMRF data, the funded ratio increases to 85%.

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2017 Annual Budget / CIP – Summary

- The Budget is fiscally sound.
- Operating Budgets are balanced.
- Appropriate reserves are maintained.
- Maintains adequate staffing.
- Provide for core Village services.
- Continues to modernize and invest in the Village's infrastructure.
- Major Challenges – Funding for Infrastructure / Public Safety Pensions.