



December 6, 2022

Village President
Members of the Village Council, and
Village Manager

It is our privilege to present for your review and consideration the 2023 Annual Budget and Capital Improvement Plan. The 2023 Annual Budget and Capital Improvement Plan totals \$93,819,564 (excluding depreciation and interfund transfers), which is a decrease of \$397,348, or .42%, compared to the 2022 budget. The operating budget assumes conservative revenue estimates for 2023, and an operating expense budget increase of \$3,192,204, or 5.1%, across all funds primarily due to inflationary increases in services and supplies (ex. purchased power). The 2023 Annual Budget and Capital Improvement Plan is balanced and does not rely on the use of fund balance or other one-time revenue sources for operating purposes. One-time revenue sources such as the \$18.0 million in budgeted grant revenue are fully dedicated to capital projects.

At the time of the development of the FY 2023 budget, the United States has largely moved past the global pandemic. During the past 30 months, the financial implications from this public health emergency have been significant, with regional, national, and global impacts on the economy resulting from the initial stay at home orders implemented in spring of 2020, continued restrictions throughout 2021 and the Omicron wave in early 2022. While the pandemic impacts have dissipated, we now face the on-going impacts to the economy in the form of continued supply chain disruption and persistently high inflation.

As we look forward to 2023 and beyond there remains elevated levels of uncertainty. Staff has made every effort to utilize conservative, yet realistic, revenue estimates in putting forth a balanced budget. The Finance Department will continue to monitor the financial environment closely and will be prepared to develop and implement revised financial plans should it be required.

The remainder of this Transmittal Letter is divided into ten sections:

1. Summary of Key Budget / Financial Policies
2. Current Economic Environment
3. Budget Initiatives
4. Budget Summary
5. Budget Impact on a Resident
6. Tax Levy Analysis
7. Explanation of Individual Fund Budgets
8. GFOA Recognition
9. Community Profile
10. Closing Comments

Summary of Key Budget / Financial Policies

The Village's core financial policy is to maintain the long-standing tradition of fiscal discipline and stewardship, while delivering high levels of municipal services. Historically the Village's infrastructure investment has been on a pay-as-you-go basis. These guiding principles ensure that the Village delivers a high level of services and minimizes increases in operating expenses. The Village's fiscal prudence has earned it a Aaa bond rating, reduced the Village's portion of total property tax bills, ensured a steady and predictable revenue stream, and resulted in very little debt. While a comprehensive list of Financial Policies is included within this budget document, the summary below encapsulates the significant policies as they relate to maintaining fiscal discipline:

- **Balanced Budget** – We define a balanced budget as relying on recurring annual operating revenues to fund recurring annual operating expenditures. The Village does not rely on drawing down of fund balances or one-time (non-recurring) revenue sources to fund operating expenditures.
- **Revenue** – Ideal revenue sources are those that are stable and predictable, and to the greatest extent possible, they should grow in tandem with costs.
 - **Tax Levy** – In 2005, through voter referendum, the Village became a home rule municipality. As a home rule community, the Village Council can set the property tax levy at any amount it deems appropriate. As part of the voter referendum in 2005, the Village committed to operate within the non-home rule tax cap limitations. The 2023 budget continues that commitment by again exceeding the tax cap limitation (5.0%) and not increasing the tax levy for the ninth year in a row.
 - **Fees** – When the Village charges fees, they should be set to recover the full cost of providing the specific service.
 - **Utility Rates** – Retail electric, water, sanitary, refuse and stormwater sewer rates are set using a cost-of-service analysis to ensure an equitable allocation of revenue requirements.
- **Expenses** – A snapshot of the Village policies regarding operating expenses is shown below.
 - **Operating Expenses** – Increases in operating expenses generally should be equal to increases in revenues unless specific Council action is taken to increase or reduce cash balances.
 - **Personnel Expenses** – A well-trained and experienced work force is a vital component of providing high quality services at a reasonable cost. The Village strives to keep employee compensation fair and competitive, and in-line with neighboring communities to ensure retention of our workforce.

- Capital Improvement Policies – The core planning tool for infrastructure investment is the Village’s five-year Capital Improvement Plan (CIP), which is updated annually for the General, Motor Fuel Tax, Village Facilities, Business District Revitalization Water, Electric, Refuse, Sanitary Sewer, and Stormwater Sewer Funds. The Village will continue to maintain and upgrade most infrastructure via routine capital improvement projects on a pay-as-you-go basis. For large scale projects (e.g., stormwater sewers), the Village will utilize cash reserves to the extent possible, pursue grant funding, and evaluate debt financing options as needed.
- Debt Policies - The costs associated with acquiring and improving many long-term capital assets are met primarily through net operating income and accumulated fund balances, but occasionally the Village will elect to issue debt. The Village reviews existing debt obligation structure, current and projected surplus from operations, and future liability levels before making decisions to issue new debt. The Village has consistently retained a Aaa bond rating with a “Stable Outlook” from Moody’s.
- Budget Amendments - It is the practice and policy of the Village to avoid budget amendments whenever possible by budgeting strategically during the annual process. To that end, each year the budget includes a contingency expense that is approved by the Village Council. With Council approval, contingency can be used to pay for unforeseen items, or ongoing projects that may have been advanced or delayed from a previous fiscal year.
- Fund Balance / Net Assets Policy - Fund balance/net assets policies establish a minimum end-of-year fund balance/net assets target for select funds. These policies are established to provide financial stability, cash flow for operations, and ensure that the Village will be able to respond to emergencies with fiscal strength. Additionally, detailing the availability of fund balance increases the ability of financial statement users to understand the availability of resources. A summary chart showing the budget’s impact on estimated fund balances and how those fund balances compare to policy can be found at the end of this letter.

Current Economic Environment

For fiscal year 2023, there are economic and legislative factors to consider. On an organization-wide basis, elected officials, staff, and residents should be aware of several opportunities and pressures related to operational revenues, operational expenditures, and capital investment.

On the revenue side, after experiencing the longest economic expansion in US history, the economy collapsed in 2020 and quickly rebounded in 2021 as pandemic restrictions were lifted. In the beginning of 2022, the economy continued its robust recovery with the unemployment rate dropping from 14.7% in April-2020 back down to a pre-pandemic low of 3.5%. As of September 2022, there were 10.1 million job openings compared to 5.8 million people unemployed. The robust economic recovery along with global supply disruptions has triggered inflation.

Through September 2022, the inflation rate (CPI-U) for the past 12 months is 8.2%. Core inflation which does not include volatile food and energy categories was at 6.6%, the highest level since 1982, suggesting inflation is broad-based. The Federal Reserve, which at one point during the pandemic telegraphed keeping interest rates at or near zero through the end of 2022, has increased the federal funds rate five times in 2022 and is expected to do so again before the end of the year. The federal funds rate currently stands at a range of 3.00% to 3.25% and will likely end the year at 4.25% to 4.75%.

United States GDP went down 1.6% in the first quarter and another .6% in the second quarter signaling the country is technically in recession as historically defined. However, with unemployment at historical lows and an abundance of available jobs, the typical measure for recession may not be the best measure in the current environment. GDP projections for the year range from a decrease of 1.5% to an increase of 1.5%.

For 2023, the broader national economy faces heightened economic risks related to areas of ongoing uncertainty over the economic recovery. Key economic threats for the next 12 months include:

- **Supply Chain Interruption / Inflation** – When the pandemic first hit, we experienced a run-on various household supply (ex. paper towels) due to a temporary increase in demand. We are now experiencing shortages of supplies and equipment due to broken links in the global supply chain. Items such as computer chips, aluminum, metals, and lumber etc. have all seen significant shortages over the past year. We are seeing supply chain interruptions and inflation impact virtually all aspects of Village operations. Items such as squad cars, heavy duty vehicles and electric transformers have all seen significant lead times and delays. We have seen certain items that typically take three to six months from order to delivery now have lead times of up to 3 years. Furthermore, companies are building into their contracts the right to increase prices at the time of delivery should they experience an increase in costs.

The current rate of inflation rate is 8.2% and appears to be a sustaining trend. This includes rising wages and global trade impacts. With the number of available jobs open exceeding the number of people looking for jobs there will be continued pressure on employers to increase wages for positions. Additionally, for the last several decades the United States has been able to rely on cheap imports as a buffer against inflation. Increased global shipping costs, trade tensions (and tariffs), and the prolonged impacts due to the war in Ukraine are likely to contribute to a prolonged inflationary period.

- **Recession** – Many economists are predicting a significant recession to end 2022 and/or begin 2023. With inflation persisting many economists are expecting the Federal Reserve to continue to raise rates to tame inflation, which will lead to a slow-down in the economy. We have already seen the Federal Reserve's rate increases impact on the housing market as sales of existing homes went down 19.2% in August versus a year ago. If prices continue to increase, businesses and consumers are expected to continue to reduce discretionary purchases to make ends meet.

- **Pandemic** – While the United States has seemingly moved towards acceptance of the COVID-19 virus as endemic, key international trading partners such as China continue to pursue zero COVID-19 policies which may continue to impact the availability of goods and prolong disrupted global supply chains.
- **Unfunded Mandates** – The budget contains \$755,000 in additional costs from unfunded Federal/State mandates that were not anticipated for 2023. The majority (\$690,000) of this relates to the replacement of lead service lines, which is detailed later in this letter.
- **The Unknown** – The 2020 budget did not anticipate a global pandemic. The 2021 budget did not anticipate major inflation. The 2022 budget did not anticipate a war breaking out in Europe and related global tensions. As an organization, we will continue to adapt to changing economic and social conditions.

There also continues to be a high degree of uncertainty within the State of Illinois. With an influx of Federal money, and increased revenue from gaming and fuel taxes, the State budget seems to be in better shape than in prior years. However, this budget stability is likely to be short term and future budgets will continue to be stretched with limited revenue opportunities and increasing annual costs. Before long, the State may attempt to withhold a greater share of the Local Government Distributive Fund (LGDF) remittances (currently 5%).

On a local level, the current year (2022) has been a good year to do business in Winnetka. Village shops and restaurants have been able to operate throughout the full year with limited pandemic restrictions compared to 2020. Sales and use taxes, a key indicator of local economic activity have increased over 20% through the first nine months of the year. For 2023, local businesses will also experience continued inflationary and staffing challenges. The 2-year period from July-2020 through June-2021, the Winnetka real estate market heated up significantly. Depending on the indicator, property values have increased between 20% to 30% during this timeframe. This is expected to decrease over the next year as increased mortgage rates impact the market.

From an economic perspective the future remains uncertain, and the Village Council and staff need to remain cognizant of the above-mentioned economic threats and remain flexible by continuing contingency planning in the event of revenue interruption or increased costs.

Budget Initiatives

The Village exercises strong control over its expenses, which along with revenue decisions, form the second set of considerations in the 2023 budget. There are several initiatives which will impact the Village's operational and capital expenses for the short and long-term in the proposed budget. Those initiatives include:

- **Stormwater Management / Flooding Initiatives** – The 2023 budget provides \$15,332,910 for stormwater management / flooding initiatives. Stormwater continues to be a critical policy issue within the Village. In 2016, the Village accepted Strand Associates' "Stormwater Vision" for the Village, which included strategies for moving stormwater to the west in cooperation with the Cook County Forest Preserve and our local governmental partners. On July 13, the Village held a ceremonial groundbreaking on Little Duke Field to officially commence this project. This project consists of the Village building stormwater collection and holding tanks under Duke Childs Field (New Trier's athletic fields), the Winnetka Park District's golf course, and behind Crow Island School. During major storm events, water will be conveyed and drained into storage areas and slowly released into the Skokie River. This water detention/drainage system will alleviate intense flooding experienced by many Winnetka residents.

In order to undertake the necessary construction, the Village secured Intergovernmental Agreements (IGA's) with New Trier High School, Winnetka School District 36, and the Winnetka Park District and is in the process of finalizing approvals with Cook County Forest Preserve and the Army Corps of Engineers.

- **Downtown Improvements** – The 2023 budget provides approximately \$2.22 million towards downtown capital improvements in the Business District Revitalization Fund. In 2018, the Village Council adopted the Downtown Streetscape and Signage Master Plan. As part of that plan, \$8.9 million of projects were identified for the downtown area. To date the Village has completed 4 phases on this plan including:
 - Phase I streetscape improvements were located at Chestnut and Spruce Streets and completed in 2019.
 - Phase II streetscape improvements were located on Elm Street between Green Bay and Birch St and completed in 2020.
 - Phase III improvements were located on Lincoln Avenue, North of Elm Street and were completed in 2021.
 - Phase IV improvements were located along Chestnut South of Elm and on Chestnut Court in the West Elm Business District and were completed in 2022.

For 2023, the Village will work on Phase V improvements on East Elm Street. Other initiatives in this fund include redevelopment of the 93 Green Bay Road property, development of a concept design for Hubbard Woods streetscape, a new community gathering concept for the post office site, and annual streetscape maintenance items. The proposed 2023 budget utilizes \$1.915 million in transfers from the General Fund.

- **Lead Service Line Replacement** – The 2023 budget contains \$690,000 dedicated towards establishing an annual lead service line replacement program. In August 2021, the State of Illinois enacted the Lead Service Line Replacement and Notification Act. This legislation contained specific obligations for the Village of Winnetka, beginning in 2022 as it pertains to lead service lines. The Village’s potable water system contains 4,494 service connections of which 1,503 are lead and/or potentially lead. To adhere to the timelines of the act the Village must replace these lead service lines within 17 years. This is an unfunded mandate from the State of Illinois.
- **Improvements to Aging Infrastructure** – The 2023 budget contains a little over \$8.72 million dedicated to funding aging infrastructure. This includes \$3,737,024 dedicated towards improvements in the power system; \$2,146,000 towards roadway, sidewalk, trail, and bridge improvements; \$600,000 in sanitary sewer replacements; and \$2,587,000 towards water main renewal and replacement.
- **Utility Funding** – The Water and Electric Funds both underwent in-depth rate studies by staff to identify new rate structures generating the revenue needed to address the additional costs associated with the lead service line replacement program and the increased costs of operating an aging electric plant. For the water fund, staff built upon the 2016/2017 comprehensive rate study which identified annual rate increases of 8.5% a year through 2025 to fund \$2.4 million in annual watermain replacement. The proposed increase to residential water rates for this budget is 11% which includes an additional 2.5% for the lead service line replacement program.

For the Electric fund staff proposes an 8% average rate increase for FY2023. The electric rate increase is expected to generate almost \$1.46 million in new revenue to help offset a portion of the nearly \$1.5 million in capital improvements compared to the 2022 budget. In 2023, the Village Council will analyze and make significant decisions regarding the long-term viability of the Electric plant. The rate increases for the Water and Electric funds are sufficient to sustain over \$3.7 million in water system improvements and \$3.7 million in electric infrastructure improvements during FY2023.

Following extreme flooding in 2011, the Village began an in-depth investigation of portions of the sanitary sewer system to reduce the amount of stormwater entering the system via Inflow and Infiltration (I/I). In 2012, the Village engaged Strand Associates to perform a detailed flow monitoring study. Additionally, in 2013 and again in 2017, the Village engaged outside consultants to perform sanitary sewer evaluation surveys for different portions of the system. These surveys identified key sources of inflow and infiltration into the Village’s sanitary sewer system along with the costs associated to mitigate defects. The 2017 report identified \$1,763,140 in rehabilitation projects that needed to be completed over a five-year period. Projects were categorized as critical, high, medium, or low priority repairs. Staff has completed approximately \$1.6 million in repairs and replacements to date and is in year 5 of a five year “pay as you go” funding plan that will address remaining repairs in 2023. Proposed spending for FY2023 is \$600,000.

The Refuse Fund has completed the transition from a property tax-based funding model to a sustainable fee-based cost recovery approach. During the current year, staff implemented a residential curbside refuse collection option. Staff proposes a 2.5% increase in residential refuse rates, and a 15% average rate increase for Commercial collection is planned for FY2023. The commercial increase is primarily due to increased recycling costs incurred from the Village's recycling provider. The proposed Refuse fund budget does not include any capital investments this year.

- **Salaries and Benefits** - Salaries and benefits are budgeted to increase \$1,182,679, or 3.9% across all funds compared to 2022 due to increases in employee pay and higher pension costs. After going down for two straight years the cost associated with the police and fire pension funds are set to increase in 2023. In 2020 and 2021, in advance of pension investment consolidation the Village deviated its funding from the contributions recommended by the fire and police pension funds. For 2023, both the fire and police pension funds passed funding assumption changes including raising the assumed rate of return from 6.25% to 6.75% and moving to a 15-year rolling amortization versus the set date of December 31, 2035. While these changes reduced the amount of the pension fund recommended contributions, it still represents an increased cost to the Village of almost \$300,000. Staff proposes to fully fund to the recommended contribution. The actuarial assumptions recommended by the pension boards are valid and will result in relatively stable pension obligations going forward.

Beginning in 2018, the Village moved away from a standalone self-insurance model for health benefits and into the Intergovernmental Personnel Benefit Cooperative (IPBC) pool. The IPBC, due to its size, and leveraged purchasing power in the marketplace has a significant number of resources to help control costs which would not have otherwise been available to the Village as a standalone entity. Projected premiums vary for 2023 depending on insurance coverage (ex. PPO or HMO). On average, PPO premiums are expected to increase 6.6% for the coming year.

Budget Summary

Below is a summary of the FY2023 budget with comparative data from the FY2022 budget. Overall, operational revenues have increased 8.5%, or \$6,231,041 from the 2022 budget. This is the result of increases in service charges in the utility funds, projected increases in intergovernmental revenues (i.e., sales and income tax), property tax, permits and investment income.

**Village of Winnetka
Summary of Operating Revenues, Expenditures, and Capital (All Funds)
Excludes Depreciation Expense / Transfers Between Funds**

Operating Revenues	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	FY23 to FY22 Budget Change	
					%	\$'s
Property Tax	\$ 14,725,491	\$ 15,007,585	\$ 14,779,040	\$ 15,037,935	0.2%	\$ 30,350
Other Taxes	\$ 654,581	\$ 655,000	\$ 780,000	\$ 730,000	11.5%	\$ 75,000
Licenses/Permits	\$ 2,267,812	\$ 2,156,500	\$ 2,268,950	\$ 2,223,000	3.1%	\$ 66,500
Intergovernmental	\$ 5,173,110	\$ 4,744,724	\$ 5,566,659	\$ 5,769,850	21.6%	\$ 1,025,126
Service Charges	\$ 36,830,559	\$ 36,201,453	\$ 36,394,705	\$ 39,608,364	9.4%	\$ 3,406,911
Fines	\$ 90,427	\$ 189,100	\$ 95,500	\$ 162,300	-14.2%	\$ (26,800)
Interfund Services	\$ 4,472,131	\$ 4,781,218	\$ 4,724,652	\$ 5,115,963	7.0%	\$ 334,745
Payment in Lieu	\$ 1,634,947	\$ 1,646,946	\$ 1,646,946	\$ 1,666,873	1.2%	\$ 19,927
Other Revenue	\$ 3,413,520	\$ 3,135,879	\$ 3,246,834	\$ 3,464,034	10.5%	\$ 328,155
Investment Income	\$ 8,573,046	\$ 5,108,490	\$ (9,446,290)	\$ 6,000,838	17.5%	\$ 892,348
	\$ 77,835,624	\$ 73,626,895	\$ 60,056,996	\$ 79,779,157	8.4%	\$ 6,152,262
Operating Expenditures						
Salaries and Benefits	\$ 28,967,857	\$ 30,394,605	\$ 29,900,138	\$ 31,577,284	3.9%	\$ 1,182,679
Services and Supplies	\$ 21,930,481	\$ 24,308,110	\$ 22,247,675	\$ 25,775,958	6.0%	\$ 1,467,848
Insurance	\$ 4,600,022	\$ 5,593,535	\$ 5,175,367	\$ 5,551,460	-0.8%	\$ (42,075)
Debt Service	\$ 380,608	\$ 809,430	\$ 809,780	\$ 798,255	-1.4%	\$ (11,175)
Payment in Lieu	\$ 1,634,947	\$ 1,646,946	\$ 1,643,946	\$ 1,666,873	1.2%	\$ 19,927
Contingency	\$ -	\$ 300,000	\$ -	\$ 835,000	178.3%	\$ 535,000
	\$ 57,513,915	\$ 63,052,626	\$ 59,776,906	\$ 66,204,830	5.0%	\$ 3,152,204
Net Operating Income	\$ 20,321,709	\$ 10,574,269	\$ 280,090	\$ 13,574,327	28.4%	\$ 3,000,058
Other Sources / (Uses) of Funds						
Grant Revenue	\$ 133,726	\$ 14,631,071	\$ 5,337,144	\$ 18,000,000	na	\$ 3,368,929
Capital Expenditures	\$ (4,990,276)	\$ (31,164,286)	\$ (29,993,403)	\$ (27,534,734)	-11.6%	\$ (3,629,552)

Staffing has been reduced from 169 full-time employees in 2009 to 154.0 full time equivalents in 2023. Overall staffing from FY 2022 to FY 2023 remained stable. Salary budgets are developed assuming each position is fully staffed throughout the year.

Budget Impact on a Resident

The Village uses two primary metrics to evaluate finances as they relate to our residential customers: 1) estimating how the budget will change a customer’s costs, and 2) measuring property tax increases over long periods of time. For FY2023, we estimate a typical residential customer will pay 4.0%, or \$330 more per year (\$27.50 monthly), for municipal services as the following increases are incorporated in the 2023 budget: residential electric rate 8.0% (\$212), water rate 11% (\$106), and refuse charges 2.5% (\$11). The Village has suspended a planned 2.0% increase in sanitary sewer fees as sufficient balances are on hand in this fund. The FY2023 budget does not include a property tax increase. However, a 1.5% tax levy increase will be captured as in prior years due to new development in the Village. Residents will not see a property tax increase from the Village and could possibly experience a slight decrease in the Village’s share of their property tax bill. This is the ninth year of not increasing residential property taxes, continuing the Village’s commitment of adhering to or exceeding tax cap policy for non-home rule communities, even though the Village is home rule

The following is the calculated budget impact on a typical resident, based on an assumed \$25,000 property tax bill for all taxing districts (tax year 2022 / budget year 2023) and typical utility use:

Homeowner Impact Analysis		Select Taxes and Fees				Change 22 to 23	
						\$'s	%
	2020	2021	2022	2023			
Village Property Taxes *	\$ 3,235	\$ 3,235	\$ 3,235	\$ 3,235	\$ -	0.00%	
Electric **	\$ 2,479	\$ 2,533	\$ 2,661	\$ 2,873	\$ 212	8.0%	
Water **	\$ 821	\$ 891	\$ 967	\$ 1,074	\$ 106	11.0%	
Sanitary Sewer	\$ 432	\$ 454	\$ 463	\$ 463	\$ -	0.0%	
Refuse***	\$ 540	\$ 540	\$ 432	\$ 443	\$ 11	2.5%	
Stormwater Utility Fee	\$ 262	\$ 262	\$ 262	\$ 262	\$ -	0.0%	
Telecommunications Tax	\$ 60	\$ 60	\$ 60	\$ 60	\$ -	0.0%	
Natural Gas Tax	\$ 80	\$ 80	\$ 80	\$ 80	\$ -	0.0%	
Licenses - Cars (2) & Dog	\$ 90	\$ 90	\$ 90	\$ 90	\$ -	0.0%	
Total Taxes and Fees	\$ 7,999	\$ 8,145	\$ 8,250	\$ 8,580	\$ 330	4.0%	
					\$27.50 / month		

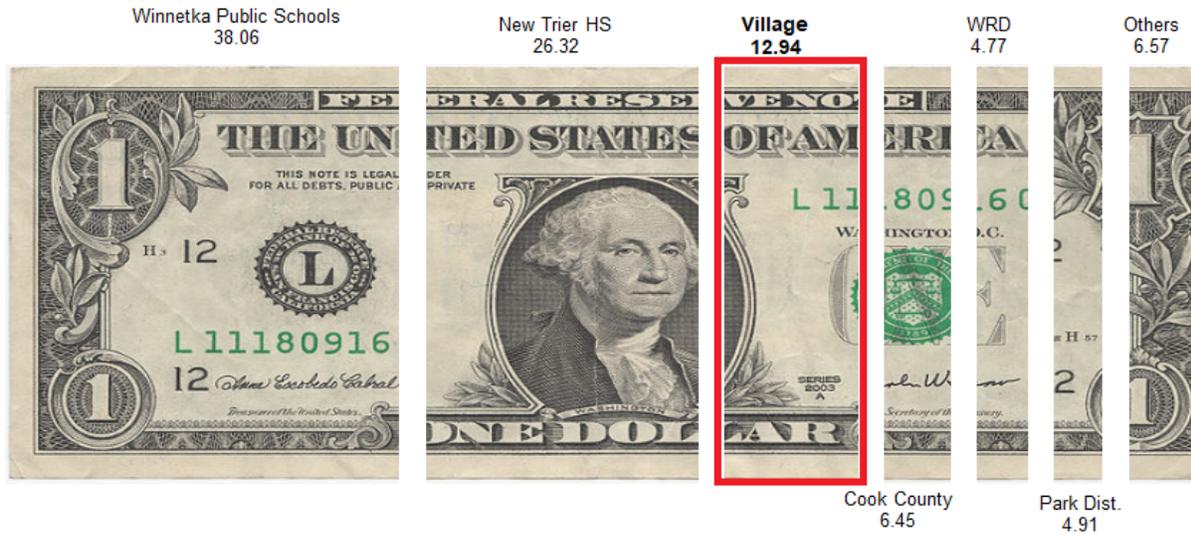
* Assumes \$25,000 property tax bill with no new growth (ex. additions).

** Based on 8.0% residential increase in electric rates and 11.0% increase in water rates.

*** Assumes resident moves from backdoor to cheaper 65 gallon curbside pickup option in 2022.

Tax Levy Analysis

Because Winnetka is largely a residential community without a large commercial tax base, the Village relies significantly on local property taxes to pay for traditional municipal services. Below is how each property tax dollar paid during calendar 2021 (the latest data available) was allocated among the taxing districts, with the Village receiving 12.94 cents of every dollar paid.



The chart on the following page, depicts community property tax growth for tax years 2000 to 2020 (payable in 2001 to 2021, respectively due to the one-year lag in payment) levied by all taxing districts. This assumes a home valued at \$750,000 in 2000 as a baseline and then inflated to 2020 value of \$1,189,500. The initial total property tax bill in 2000 would have been \$14,065 and is estimated to have grown to \$27,481 by tax year 2020. With these assumptions, the typical homeowner would have seen a 46.7% increase in the “Village” portion of property taxes over this time frame, which is less than the 20-year increase in the consumer price index (CPI) of 54.3% for the same period. This typical taxpayer would have experienced a 95.4% overall increase in property taxes, as all but one of the other taxing districts have had larger percentage increases than the Village.

**Comparison of Property Taxes Paid
Typical Taxing Districts in Winnetka
2000 Versus 2020 Tax Years**

	2000*			2020**			Increase in Taxes Paid	% Change
	Home Value - \$750,000			Home Value - \$1,189,500				
	Tax Rate	Taxes Paid	%	Tax Rate	Taxes Paid	%		
Winnetka Public Schools	2.723	\$4,455	31.67%	3.015	\$10,458	38.06%	\$6,003	134.7%
New Trier High School	1.967	\$3,218	22.88%	2.085	\$7,232	26.32%	\$4,014	124.7%
Village of Winnetka	1.481	\$2,423	17.23%	1.025	\$3,555	12.94%	\$1,132	46.7%
Cook County	1.028	\$1,682	11.96%	0.511	\$1,772	6.45%	\$90	5.4%
Winnetka Park District	0.445	\$728	5.18%	0.389	\$1,349	4.91%	\$621	85.3%
Water Reclamation District	0.451	\$738	5.25%	0.378	\$1,311	4.77%	\$573	77.6%
All Others	0.502	\$821	5.84%	0.520	\$1,804	6.57%	\$983	119.7%
Total	8.597	\$14,065	100%	7.923	\$27,481	100%	\$13,416	95.4%
Consumer Price Index - U	168.800			260.474			CPI Increase:	54.3%
CPI Index (1-2020 - 12-2020)	2000			2020				

* 2000 Property taxes paid in March and August 2001. Home Value of \$750,000.

** 2020 Property taxes paid in March and August 2021. Home Value of \$750,000 in 2000 inflated to 2020 value = \$1,189,500.

Because of the one-year delay between the levy and receipt of tax funds, the FY2023 budget will be funded by the 2022 property tax levy. The proposed 2022 Property Tax Levy can be found at the end of this letter. The supplemental information section of this document (Tab 18) contains additional historical and projected property tax levy information.

Explanation of Individual Fund Budgets

General Fund:

The General Fund is used to account for most traditional municipal services, including police, fire, public works, and administrative functions. The projected December 31, 2023, fund balance of \$24,094,762 exceeds the policy target range (six months of operating expenses) by \$11,873,369. A total of \$11 Million in excess fund balance will be formally designated as “Assigned” fund balance for future transfer to the Stormwater fund in the December 31, 2022, Audit.

Sufficient cash balances are needed to serve as a buffer for unexpected items (such as late property tax receipts, economic downturns, pandemics, emergencies, etc.), shared revenue reductions or interruptions from the State of Illinois, fund significant non-routine capital expenses (stormwater projects, emergency repairs or expenses, downtown revitalization, facilities, etc.), allow for inter-fund borrowing, and serve as an asset that could be used to satisfy pension liabilities. The 2023 fund balance policy threshold is \$12,221,393, based on budgeted operational expenditures.

Our organization has an estimated fund balance reserve policy that reflects the fiscally conservative nature of the Village. The Village does not issue debt except for financing major capital improvements. Reserves allow the Village to sustain financial shocks like those listed above without needing to seek outside financing. The Village has, at times, used General Fund balances for major capital projects, such as the Public Works Facility, Village Hall renovation, and to seed the stormwater utility (\$8.2 million). What makes Winnetka different from other municipalities is that we do not have a dedicated equipment replacement fund to pay for capital equipment needs, as the Village plans and funds these purchases well in advance using a “pay-as-you-go” approach. Consequently, without appropriate General Fund reserves, the Village would need to fund these projects in a different way. Finally, a healthy fund balance helps to maintain the Village’s Aaa bond rating and allows us to be in a financial position to self-insure risks.

Summary of Revenue and Expenditure Changes:

The fiscal year 2023 General Fund revenues are budgeted at \$28,773,414, up .6%, or \$163,356, from the prior budget. The change in the year-to-year budget amount is mostly due to an increase in sales tax (\$495,000), income and replacement tax (\$722,850), and natural gas tax offsetting decreases in miscellaneous revenue (-\$389,800) and grant revenue (-\$837,144).

Noteworthy revenue changes are displayed below:

Significant Revenue Sources	
Increase (Decrease) from Prior Fiscal Year	Change
Grants	\$ (837,144)
Sales Tax	\$ 495,000
Income and Replacement Tax	\$ 722,850
Natural Gas Tax	\$ 115,000
Miscellaneous income	\$ (389,800)
Total	\$ 105,906

General Fund departmental operating expenses (excluding capital, transfers, and contingency) are budgeted at \$23,992,786, up 5.1%, or \$1,171,916 from fiscal year 2022. The following is a summary of General Fund operating expenses by department:

General Fund	Actual	Budget	Estimate	Budget	%	\$
Summary	2021	2022	2022	2023	Change	Change
Operational Expenses		A		B	(A v B)	(A v B)
Administration	3,176,513	3,351,187	3,311,775	3,428,334	2.3	77,147
Police Department	6,920,345	7,446,450	7,420,998	7,681,429	3.2	234,979
Fire Department	5,791,298	5,999,874	5,881,857	6,126,795	2.1	126,921
Comm. Development	1,586,007	1,746,360	1,625,425	1,785,856	2.3	39,496
Public Works	3,021,201	3,184,189	3,113,789	3,685,881	15.8	501,692
Engineering	738,248	1,092,810	1,222,439	1,284,491	17.5	191,681
Total	21,233,612	22,820,870	22,576,283	23,992,786	5.1	1,171,916

Annual General Fund Capital Outlay:

In a normal year, the Village will typically budget \$2.4 million to \$2.8 million in the General Fund for regular capital investment for items such as roadways, equipment, and vehicle replacements. Due to scheduling, favorable bidding, and budgeted contingencies, the Village typically does not spend 100% of the capital budget each year.

For FY2023, General Fund capital outlay is budgeted at \$2,551,000 and consists of the following noteworthy projects: streets, sidewalks, and trails (\$1,871,000), building improvements (\$285,000), and vehicle/equipment purchases (\$395,000).

Transfers:

The General Fund also transfers dollars to pay for capital projects that do not have a dedicated revenue stream or to shore up fund balances in smaller funds. In FY2023, there are three scheduled transfers to other funds:

- \$1,915,000 will be transferred to the Business District Revitalization Fund to offset the costs of capital improvements relating to improving the Village's business districts.
- \$837,144 in grant revenue received from the American Rescue Plan Act will be transferred to the Stormwater fund to be used for the North of Willow Stormwater project.
- \$5,500,000 in accumulated fund balance will be transferred to the Stormwater fund to be used for Stormwater capital projects.

Motor Fuel Tax Fund:

The Village finances bridge repairs and major road projects using motor fuel tax dollars. The revenue in this fund is primarily derived from the State of Illinois' allotments of motor fuel tax to the Village. Monies in this fund are highly regulated by the State and require several engineering approvals by IDOT before funds can be spent. In addition to our annual budgeted State allotment of motor fuel tax funds of \$275,000, the Village is expecting to receive an additional \$195,000 due to the state increasing the Illinois gasoline tax by 19 cents a gallon in 2019. Planned 2023 spending in the MFT fund totals \$275,000. Major projects include engineering for Phase II of the Willow Road project and \$150,000 for the Village's share of the bridge repair at Cherry and Oak Street at \$320,000. In addition to the spending highlighted above the MFT fund will transfer \$133,862 in Rebuild Illinois Funds to the Stormwater Fund.

Capital Projects Funds (Village Facilities, Business District Revitalization, Special Service Areas):

The Village establishes separate capital project funds for specific projects not financed through regular operations. The FY2023 Village Facilities Fund budget contains \$106,300 in funding for facility improvements at Village Hall and the Public Works Yards facility. Projects include security upgrades, remodeling, HVAC, and repair to the front steps at Village Hall.

The Business District Revitalization Fund is funded by transfers from the General Fund along with \$300,000 in Rebuild Illinois state grant funds. Capital projects to be funded in 2023 total

\$2,220,000 and include improvements associated with recommendations from the Streetscape Master Plan. Most significant is the Phase 5 streetscape project on East Elm totaling \$1,310,000. Other budgeted projects site redevelopment at 93 Green Bay Road (\$620,000), design work for the Post Office Plaza redevelopment (\$50,000), design work for Hubbard Woods streetscape improvements (\$150,000), electric vehicle charging stations (\$40,000) and sidewalk, grate, and paver improvements (\$50,000). More information about the Business District Revitalization Fund initiatives can be found in the Budget Narrative Section and in the Capital Improvement Plan.

Utility Funds (Electric, Water, Sanitary Sewer, Refuse, and Stormwater):

The Village operates utility funds that generate revenues to pay for operating and capital needs. Utility-enterprise funds use accounting like the private sector where charges for utilities fully support these operations. User rates are charged based on a “cost-of-service” model and a review of the marketplace.

The following revenue and expense summary illustrate that each utility fund is operating with a positive net income, which is then dedicated to fund ongoing capital improvements:

	Electric Fund				Water Fund			
	Actual FY 2021	Budget FY 2022	Budget FY 2023	% 22 to 23	Actual FY 2021	Budget FY 2022	Budget FY 2023	% 22 to 23
Operating Revenues	\$ 18,828,900	\$ 19,063,864	\$ 20,679,983	8.5%	\$ 6,616,174	\$ 6,043,829	\$ 7,045,186	16.6%
Operating Expenses	\$ (17,354,521)	\$ (17,974,300)	\$ (18,854,880)	4.9%	\$ (3,701,286)	\$ (4,562,726)	\$ (4,396,359)	-3.6%
Op. Income (Loss)	\$ 1,474,379	\$ 1,089,564	\$ 1,825,103		\$ 2,914,888	\$ 1,481,103	\$ 2,648,827	

Note: The increase/decrease in revenues shown in the charts above do not solely equate to rate changes (8% electric and 11% in water) and incorporate changes to the estimated number of units (gallons / kwh) of water and electricity consumed based on a three-year look back in consumption patterns.

	Sanitary Sewer Fund				Refuse				Stormwater Fund			
	Actual FY 2021	Budget FY 2022	Budget FY 2023	% 22 to 23	Actual FY 2021	Budget FY 2022	Budget FY 2023	% 22 to 23	Actual FY 2021	Budget FY 2022	Budget FY 2023	% 22 to 23
Operating Revenues	\$ 1,665,114	\$ 1,632,130	\$ 1,684,498	3.2%	\$ 2,651,788	\$ 2,645,552	\$ 2,683,164	1.4%	\$ 2,010,580	\$ 2,024,824	\$ 1,998,964	-1.3%
Operating Expenses	\$ (672,676)	\$ (977,856)	\$ (1,024,790)	4.8%	\$ (2,383,583)	\$ (2,564,568)	\$ (2,646,492)	3.2%	\$ (753,335)	\$ (1,465,230)	\$ (1,639,415)	11.9%
Op. Income (Loss)	\$ 992,438	\$ 654,274	\$ 659,708		\$ 268,205	\$ 80,984	\$ 36,672		\$ 1,257,245	\$ 559,594	\$ 359,549	

Electric Fund:

In 2022, Finance and the Water/Electric staff completed a comprehensive electric rate analysis to determine proposed rates for 2023 and projected revenue needs through 2027. The Village continues to balance the need to recover its costs for wholesale power, operating needs, and capital expenditures with the desire to have reasonable electric rates. The Village purchases wholesale power through the IMEA, which is a long-term supplier of power to participating Illinois municipal electric utilities. This protects the Village from supply concerns and the on-going fluctuations of the spot market. For 2023, the Village will need to implement an 8% average rate increase to offset increased capital needs, which includes an anticipated 2.1% increase in the budget for purchased wholesale power.

Major capital improvements being undertaken by the Electric Fund in fiscal year 2023 include a major overhaul of turbine #4 (\$764,000), repair of rotor #4 (\$529,000), repair to the pier (\$300,000), exterior brick repair at the plant (\$250,000), fire protection (\$150,000) and other electric system improvements (\$1,744,024) such as new switchgear, breakers, cable pulling, directional boring, and underground connectors.

Fiscal year 2023 marks a transition period for the Electric fund. Initially built in 1900, and with many significant additions and investments since that time, the Winnetka Power Plant is nearing the end of its useful life. The five-year capital improvement plan has identified almost \$4.2 million of improvements necessary to continue generating electricity at the Electric Plant. Staff will begin implementing these improvements to 2023 pending Council study sessions to discuss the long-term viability of the power plant. The outcome of the plant discussion may have a significant impact on long-term electric rates.

Water Fund:

The Water Fund completed a comprehensive rate study in fiscal year 2017. The study's purpose was not only to establish an updated cost of service model, but also to create a plan to replace the Village's aging water mains over time. The study identified a watermain replacement cycle of 100 years and provided a 10-year ramp up in water rates to support this annual replacement target. At the conclusion of the study, the Council agreed to 8.5% revenue increases for fiscal years 2018-2025 which will be realized through an increase in the cubic foot unit cost and the existing fixed cost recovery, also known as a customer charge.

One significant item not anticipated in the 2017 rate study was the Lead Service Line Replacement and Notification act of 2021. The Village will experience \$690,000 in additional capital expense in 2023 beyond what was contemplated in the 2017 study. As a result, the proposed rate increase in 2023 is 11% (2.5% higher than what was called for in the 2017 rate study). Even with the 11.0% increase, the Village of Winnetka still sells water at very competitive rates versus our North Shore neighbors.

One of the commitments that staff made to the Village Council during the Water Rate Study was to continue the practice of coordinating water main work with the street improvement and

replacement schedule. This coordination lowers the cost of street repairs associated with watermain projects. The budgeted FY2023 water main replacement projects include work on Elm Street (\$500,000), Cherry Street (\$838,000), and Spruce Street (\$521,000). The Water Fund is making other capital investments in FY2023, such as lining an existing main underneath the Union Pacific railroad track (\$200,000) and completing maintenance work on the raw water intake from Lake Michigan (\$215,000).

Sanitary Sewer Fund:

The Village hired the consulting firm of RJN in 2017 to complete a sanitary sewer evaluation study. This study identified nearly \$3.5 million in critical, high, medium, and low repairs to the system in the next few years. With the critical components of this work already completed, staff proposed funding the high and medium repairs over a five-year period utilizing a pay as you go basis. We are in the fifth year of that process and at the end of the five-year cycle, staff will commence another sanitary sewer evaluation for the remainder of the village and identify future funding needs at that point.

The capital improvement activity budgeted in this fund for fiscal year 2023 includes high and medium level repairs from the 2017 RJN study (\$200,000) as well as routine annual sewer relining work (\$400,000).

Refuse Fund:

The Refuse Fund previously relied on a combination of user charges and a portion of the Village's property tax levy to offset cost of service and capital improvements. Beginning in FY2019, the Refuse utility shifted fully to being user fee funded, and the portion of the property tax levy previously dedicated to refuse collection has been utilized for business district revitalization purposes. In 2021 the Village implemented a new curbside collection option for residential customers which provides for more streamlined operations and an opportunity for customers to lower their Refuse bill. A key project for 2023 is continued review of the Village's Commercial refuse operations. Proposed rate increases for the Refuse fund include a 2.5% increase for residential customers and 15% for commercial based on market and cost of service. In 2022, the Village entered a new recycling contract which will increase the Village's cost for both residential and commercial recycling. The new contract runs through 2026 and with annual rate increases tied to CPI with a 2% minimum and a 4.5% maximum. The commercial portion of this contract is set to a baseline first year increase of 36%, due to increased costs to recycle incurred by the hauler.

Stormwater Fund:

The Village began billing property owners for stormwater utility service effective July 1, 2014. Customers are billed for this charge based on the amount of impervious surface on their property, which is calculated as an Equivalent Runoff Unit (ERU). All properties with impervious surface above 170 square feet pay the stormwater utility fee, including residential, commercial, non-profit, governmental, and all other property types. A typical residential property has approximately 1.0 ERU.

The stormwater utility fee is billed on a customer’s regular utility bill. The annualized cost of 1.0 ERU is \$262, or \$21.83 per month. This amount not only funds capital expenditures, but also operation and maintenance of existing stormwater infrastructure. There is no change to the stormwater utility fee projected for 2023.

The Stormwater Fund is the only Village operating unit, with outstanding General Obligation (GO) debt. Bonds were issued in 2013 and 2014 to help pay for capital improvements associated with the Stormwater Master Plan, including improvements to neighborhoods in Northwest and Northeast Winnetka, and two pump stations. In 2020 these bonds were refunded and replaced by a new series of bonds. As part of this refunding, we were able to shorten the payback period by 6 years, free up about \$500,000 in annual debt service capacity and achieve savings of \$3.5 million (NPV).

The current outstanding debt as of January 1, 2023, is listed in the table below:

Issuance Year / Purpose	Repaid By:	Par Amount	Par Outstanding 1/1/2023	Final Maturity	Interest Rate
Series 2020 (Refunded 2013 and 2014 G.O. Bonds)	G.O. Debt anticipated to be repaid with stormwater utility revenues	\$12,035,000	\$ 11,340,000	12/15/2040	2.61%

In 2016, the Village accepted Strand Associates’ “Stormwater Vision” for the Village, which included strategies for moving stormwater to the west in cooperation with the Cook County Forest Preserve and Winnetka’s sister taxing bodies. Components of the Strand Vision started progressing significantly in 2018 and there are several capital projects derived from the Vision budgeted in 2023. These major projects constitute portions of the Cook County Wetland-Duke Childs / Landfill projects of the Strand Vision, which involves the engineering and construction of stormwater detention and runoff infrastructure on the property of the Forest Preserve District of Cook County property and involves utilizing property at Duke Childs Field and the Park District for stormwater detention.

Insurance Funds (Workers’ Compensation, Liability, and Health Insurance):

Below is a summary of the Workers’ Compensation, Liability, and Health Insurance Funds:

	Health Insurance			Workers' Compensation			Liability Fund		
	Actual FY 2021	Budget FY 2022	Budget FY 2023	Actual FY 2021	Budget FY 2022	Budget FY 2023	Actual FY 2021	Budget FY 2022	Budget FY 2023
Inflows	\$ 3,892,312	\$ 4,140,168	\$ 4,277,333	\$ 573,277	\$ 340,000	\$ 391,800	\$ 36,096	\$ 628,550	\$ 508,630
Outflows	\$ (3,928,828)	\$ (4,461,200)	\$ (4,316,700)	\$ (356,587)	\$ (916,800)	\$ (866,800)	\$ (791,495)	\$ (626,285)	\$ (563,630)
Cash-Flow	\$ (36,516)	\$ (321,032)	\$ (39,367)	\$ 216,690	\$ (576,800)	\$ (475,000)	\$ (755,399)	\$ 2,265	\$ (55,000)
	Estimated Fund Balance: \$ 936,289			Estimated Fund Balance: \$ 448,351			Estimated Fund Balance: \$ 529,603		

The insurance funds’ revenues consist largely of user department charges, interfund transfers and interest income. In terms of cash balances, all funds can meet operating needs. Because of the uncertainty in self-funding these risks, these insurance funds have appropriate expense contingencies. The Village generally has fewer losses than provided for in the budget, which often results in actual expenditures coming in below budget.

To provide benefits under its employee health insurance plans, the Village joined the Intergovernmental Personnel Benefit Cooperative (IPBC) pool in 2018 and has had a good experience. The Village added an HMO option in 2020, which is expected to provide for significant long-term savings depending on employee participation. For the full insurance package including existing PPO, HMO, and dental coverages IPBC is projecting rate increases that average 6.6% for the PPO. It should be noted that the projected rate increase is lower than what the Village’s experience was when we were a standalone fully self-insured program. At that time, rate increases typically ranged from 6%-10% annually. Staff will continue to monitor the Village’s participation in the pool and make additional recommendations to the Village Council if necessary.

Beyond the health insurance operation, the projected expenses in the Liability and Workers’ Compensation Funds are based on an analysis of claims, administrative costs, and self-insured retention amounts. The Village’s self-insured retention amounts per claim as of January 1st, 2022, are: \$100,000 for general liability, \$250,000 for equipment breakdown (electric plant equipment is \$500,000), and \$250,000 for workers’ compensation.

Fleet Services Fund:

The Fleet Services Fund accounts for maintaining the Village’s rolling stock and some equipment. The actual cost of buying equipment is borne by the user departments. User fees for equipment are assessed based on a four-year rolling average of historical costs, with some limitations imposed for stability purposes.

GFOA Recognition

The Village submitted its fiscal year 2022 budget document to the Government Finance Officers Association (GFOA) to be considered for the Distinguished Budget Presentation Award and recently received notification that it had won the award. In addition to winning the award we have also received special recognition for our 5-year CIP which received an “outstanding” rating by the GFOA’s reviewers. Staff is further enhancing this year’s budget document and intends to submit for the award again in 2023.

Community Profile

The Village of Winnetka is located seventeen miles north of the City of Chicago on the west shore of Lake Michigan and is primarily a residential community. The Village was incorporated in 1869, prior to the adoption of the first State of Illinois Constitution, and thus enjoys Special Charter status with the State of Illinois. In 2005 the Village adopted Home-Rule status that provides additional legislative and revenue raising powers. To date, the Village has not utilized any of these new revenue-raising powers.

The Village is approximately 3.9 square miles. The Village population totals 12,744 persons according to 2020 federal census records. There are three business districts within the Village, all located adjacent to three commuter rail stations. The Village is one of the most affluent in the Chicago area, having a median household income over \$250,000. The Village obtained a Aaa bond rating from Moody's Investors Service in 1989 on General Obligation debt issued. At that time, the Village was only one of three communities having a Aaa bond rating within the State of Illinois based solely upon the merits of the Community. Moody’s has reaffirmed this rating on several occasions, most recently on October 15, 2020.

Our community is over 75% residential and its economic base is rooted primarily in the service industry, which includes restaurants, professional practices, and light retail. The most recent assessed value of all Village property was \$1,480,422,687 for the 2020 levy year. This represents a slight decrease from the previous levy year. Given the recent trend in home prices it’s likely EAV will increase over the next several years. Due to the high per capita income level in the Village and correspondingly large homes, the Village’s ten principal property taxpayers are individual residences with an average assessed property value of \$4.5 million. The top ten employers in the Village represent 35.07% of total Village employment. These employers include the local high school district, the local elementary school district, the Village itself, and various non-profit and commercial entities.

Closing Comments

The proposed budget continues the Village's long-standing practice of controlling operating costs while investing in capital to repair and enhance the Village's aging infrastructure. The budget initiatives will allow the Village to make progress on many fronts, including rehabilitating the infrastructure of the electric and water utilities, additional stormwater management projects to reduce flooding, aggressive downtown redevelopment, and continued improvement of the Village's human capital.

The Village is fortunate to have made good long-range financial decisions in the past. Due to operational efficiencies, we have been able to constrain property tax and other revenue growth to keep the cost of services roughly in line with inflation, unlike many taxing districts.

At this point in time, the Village can make major investments to modernize our infrastructure which will significantly improve our residents' quality of life and property values. Additionally, the Village should continue making investments in other infrastructure, such as our electric, water, sanitary sewer, refuse, and stormwater utilities.

Winnetka is an exceptional community in many respects. With continued sound management, solid long-range planning, adequate resources, and a strong personal commitment from all involved, we are excited about making an already outstanding community even better.

Respectfully submitted,

A handwritten signature in blue ink that reads "Timothy J. Sloth". The signature is written in a cursive style with a large initial 'T'.

Timothy J. Sloth, CPA
Director of Finance

**VILLAGE OF WINNETKA
FUND BALANCE COMPARISON
(ALL FUNDS, WITH CAPITAL AND TRANSFERS)**

FUND	12/31/2021 Audited Fund Balance	2022 Estimated Revenue	2022 Estimated Expense*	12/31/2022 Estimated Fund Balance	2023 Budgeted Revenue	2023 Budgeted Expense*	12/31/2023 Projected Fund Balance	Fund Balance Policy Amount	Surplus / (Deficiency)	Explanation of Target Amount
General Fund	30,027,257	29,442,859	28,702,838	30,767,278	28,773,414	35,445,930	24,094,762	12,221,393	11,873,369	Six (6) months of operating expenses
Motor Fuel Tax Fund	3,217,781	763,989	477,724	3,504,046	808,000	408,862	3,903,184	235,000	3,668,184	Fifty percent (50%) of annual MFT revenue
Foreign Fire Tax Fund	173,441	85,265	70,000	188,706	85,200	79,250	194,656	-	194,656	None, current balance is policy amount
Village Facilities Fund	180,275	101,000	170,000	111,275	500	111,300	475	-	475	None, current balance is policy amount
Downtown Revitalization Fund	952,114	1,958,500	2,611,800	298,814	2,223,500	2,262,500	259,814	-	259,814	None, current balance is policy amount
Electric Fund**	6,571,497	19,227,166	19,363,662	6,435,001	20,679,983	22,591,904	4,523,080	6,241,627	(1,718,547)	Four (4) months of operating expenses
Water Fund**	5,878,507	5,965,060	5,982,481	5,861,086	7,045,186	8,108,859	4,797,413	1,434,536	3,362,877	Four (4) months of operating expenses
Refuse Fund**	1,484,998	2,572,500	2,508,815	1,548,683	2,683,164	2,642,312	1,589,535	872,437	717,098	Four (4) months of operating expenses
Stormwater Sewer Fund**	13,817,943	7,624,868	20,474,563	968,248	26,564,970	15,972,325	11,560,893	280,387	11,280,506	Four (4) months of operating expenses
Sanitary Sewer Fund**	2,131,792	1,813,269	1,454,173	2,490,888	1,684,498	1,624,790	2,550,596	341,597	2,208,999	Four (4) months of operating expenses
W.C. Insurance Fund**	1,333,351	290,000	700,000	923,351	391,800	866,800	448,351	380,600	67,751	Four (4) months of operating expenses + \$250,000 deductible
Liability Insurance Fund**	473,553	631,050	520,000	584,603	508,630	563,630	529,603	287,877	241,726	Four (4) months of operating expenses + \$100,000 claim
Health Insurance Fund**	1,219,141	4,083,332	4,326,817	975,656	4,277,333	4,316,700	936,289	670,000	266,289	Two months of IPBC invoices.
Information Technology Fund**	62,803	873,117	834,450	101,470	1,080,288	1,052,644	129,114	73,780	55,334	Four (4) months of operating expenses
Fleet Services Fund**	857,516	958,654	1,283,075	533,095	1,082,825	1,182,377	433,543	394,126	39,417	Four (4) months of operating expenses
Police Pension Fund	41,249,632	(3,177,147)	2,560,000	35,512,485	4,237,203	2,652,520	37,097,168	45,102,868	(8,005,700)	State Statute - Funding pension at 90% by 2040
Fire Pension Fund	39,436,864	(2,889,474)	2,662,779	33,884,611	4,513,669	2,793,687	35,604,593	44,007,864	(8,403,271)	State Statute - Funding pension at 90% by 2040
TOTAL	\$ 149,068,465	\$ 70,324,008	\$ 94,703,177	\$ 124,689,296	\$ 106,640,163	\$ 102,676,389	\$ 128,653,069	\$ 112,544,092	\$ 16,108,977	

* - Expense totals omit depreciation

** - Fund Balance = Current Assets (less inventory) minus Current Liabilities

NOTE: The purpose of this spreadsheet is to show the effects of budgeted revenues and expenditures / expenses on Fund Balances / Net Assets and to show progress towards meeting targets set for the individual funds. Final Fund Balance is determined annually as part of the Village's audit and completion of the Comprehensive Annual Financial Report.



VILLAGE OF WINNETKA

Personnel Summary

Budgeted FTE Counts

<u>Department</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
Village Manager's Office	7.5	7.0	7.0	7.0	7.0
Finance Department	10.5	9.5	9.5	9.5	9.5
Police Department	35.5	35.5	35.5	35.5	35.5
Fire Department	27	27	27	27	27
Community Development Department	7	7	7	7	7
Public Works Department	17.35	16.35	11.8	12.15	12.15
Engineering	0	0	2.6	2.85	2.85
Electric Department	25.55	25.55	24.05	24.05	24.05
Water Department	9.2	9.2	10.45	10.45	10.45
Sanitary Sewer Department	2.95	2.95	3.3	3.3	3.3
Refuse Department	8	8	8	7.5	7.5
Stormwater Department	2.95	2.95	3.8	3.7	3.7
Data Processing Department	1	1	1	1	1
Fleet Services Department	3	3	3	3	3
Total	157.5	155.0	154.0	154.0	154.0

Village of Winnetka
Schedule of Property Tax Levy Calculations

<u>Tax Levy Category</u>	<u>2021 Actual Tax Levy</u>	<u>2022 Proposed Tax Levy</u>	<u>\$ - Change</u>	<u>% - Change</u>
<u>General Fund:</u>				
Corporate*	\$12,691,921	\$12,470,870	(\$221,051)	-1.74%
<u>Other Funds:</u>				
Police Pension	\$1,188,074	\$1,236,103	\$48,029	4.04%
Fire Pension	\$1,356,132	\$1,602,287	\$246,155	18.15%
Total Village-wide Tax Levy	\$15,236,127	\$15,309,260	\$73,133	0.48%
Less: New Development @ .48%		(\$73,133)	(\$73,133)	-0.48%
Existing Tax Payer Increase	\$15,236,127	\$15,236,127	\$0	0.00%

Increase (Decrease) Based on Total Property Tax Bill
--

Total Property Taxes Paid 100.00%	Other Taxing Distr. 87.06%	Village 12.94%	0.0% Change / Village
\$10,000	\$8,706	\$1,294	\$0
\$15,000	\$13,059	\$1,941	\$0
\$20,000	\$17,412	\$2,588	\$0
\$25,000	\$21,765	\$3,235	\$0
\$30,000	\$26,118	\$3,882	\$0
\$35,000	\$30,471	\$4,529	\$0
\$40,000	\$34,824	\$5,176	\$0
\$50,000	\$43,530	\$6,470	\$0
\$60,000	\$52,236	\$7,764	\$0