

2025 Budget Overview

OCTOBER 15, 2024

VILLAGE BOARD - SPECIAL MEETING

Agenda

- Overview of Village Infrastructure – current conditions
- Potential Capital Expenditures
- Villages Financial Position
- On the Financial Horizon
- Next Steps



Village Infrastructure

Village Infrastructure – Conditions

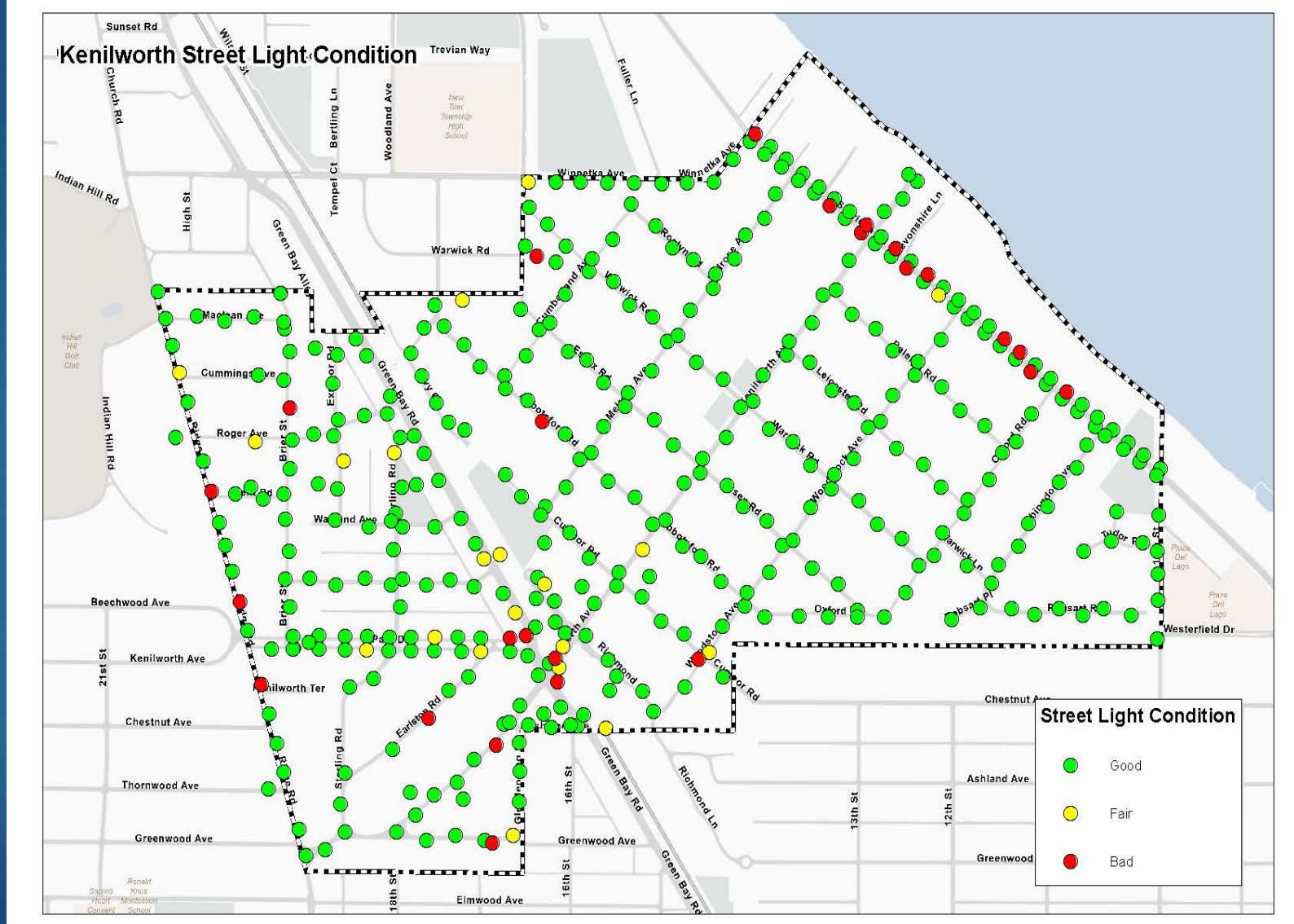
Utility Infrastructure

- ▶ Street Lights
- ▶ Village Streets
- ▶ Curbs & Gutter
- ▶ Sanitary Sewer
- ▶ Water Mains & Hydrant Flow

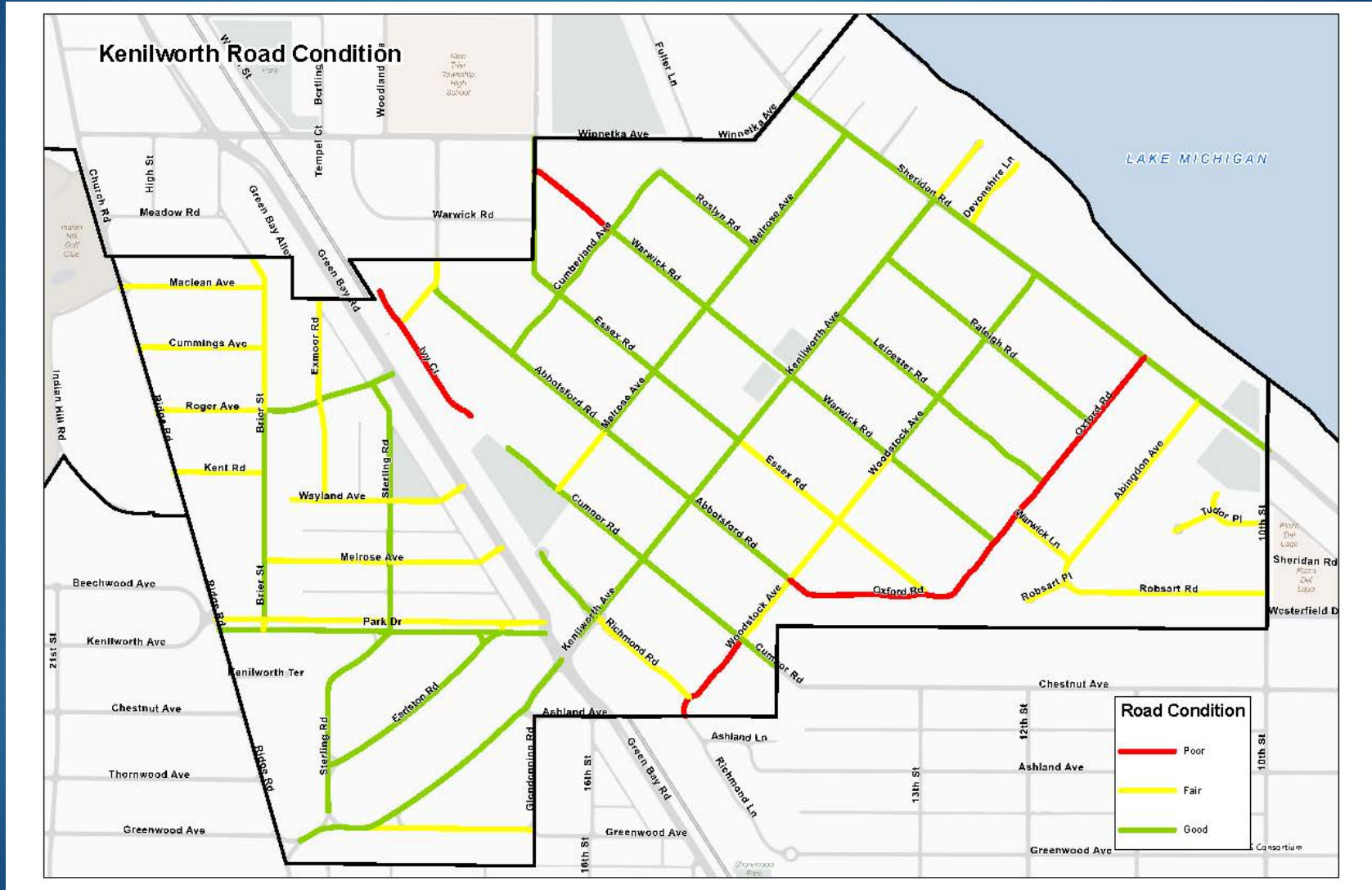
Facility Infrastructure

- ▶ Village Hall
(Administration, Police, Range)
- ▶ Public Works
- ▶ Former Water Treatment Plant
- ▶ Beach/Lakefront
- ▶ Pumping/Reducing Stations
- ▶ Parking Lots

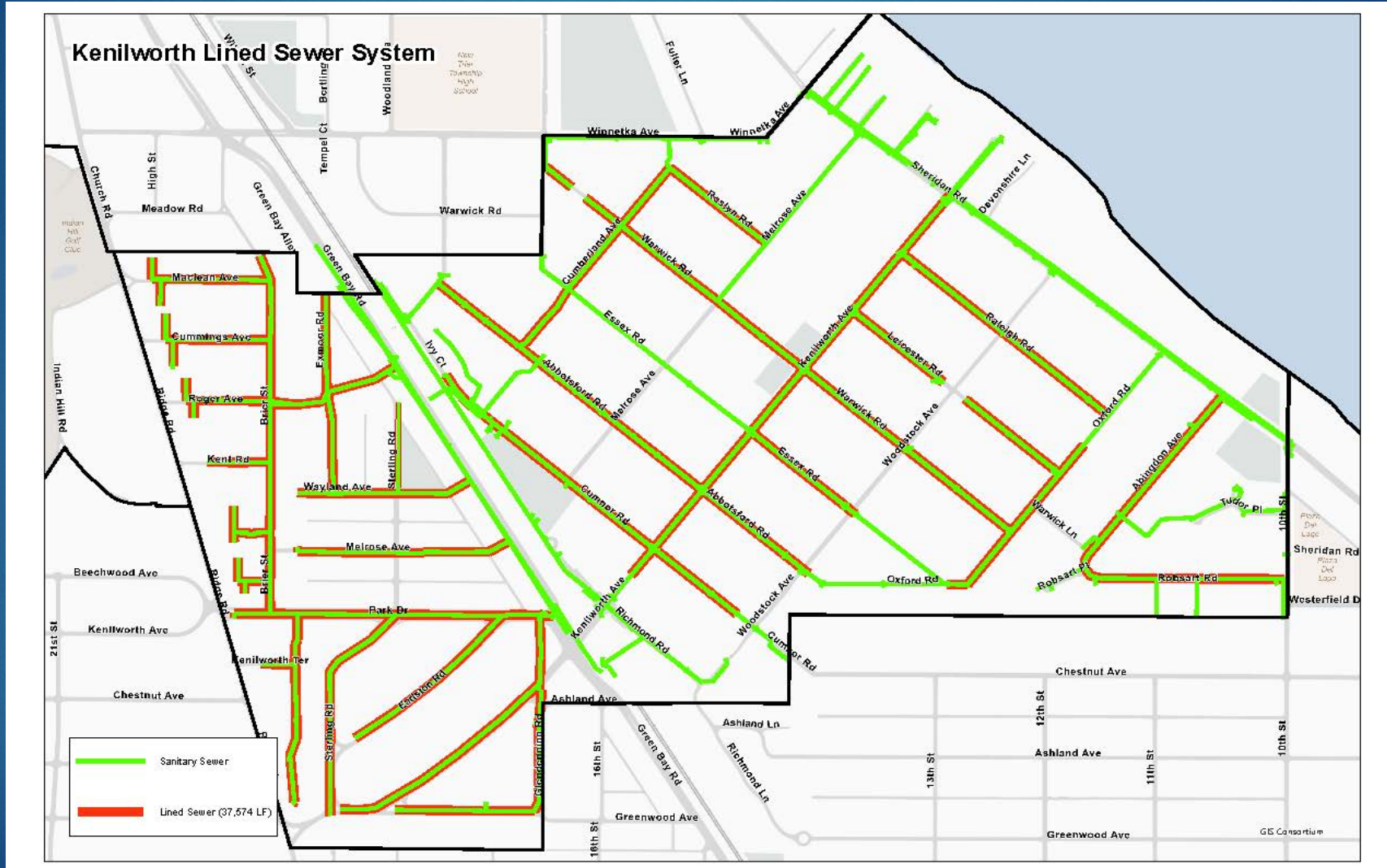
Street Lights



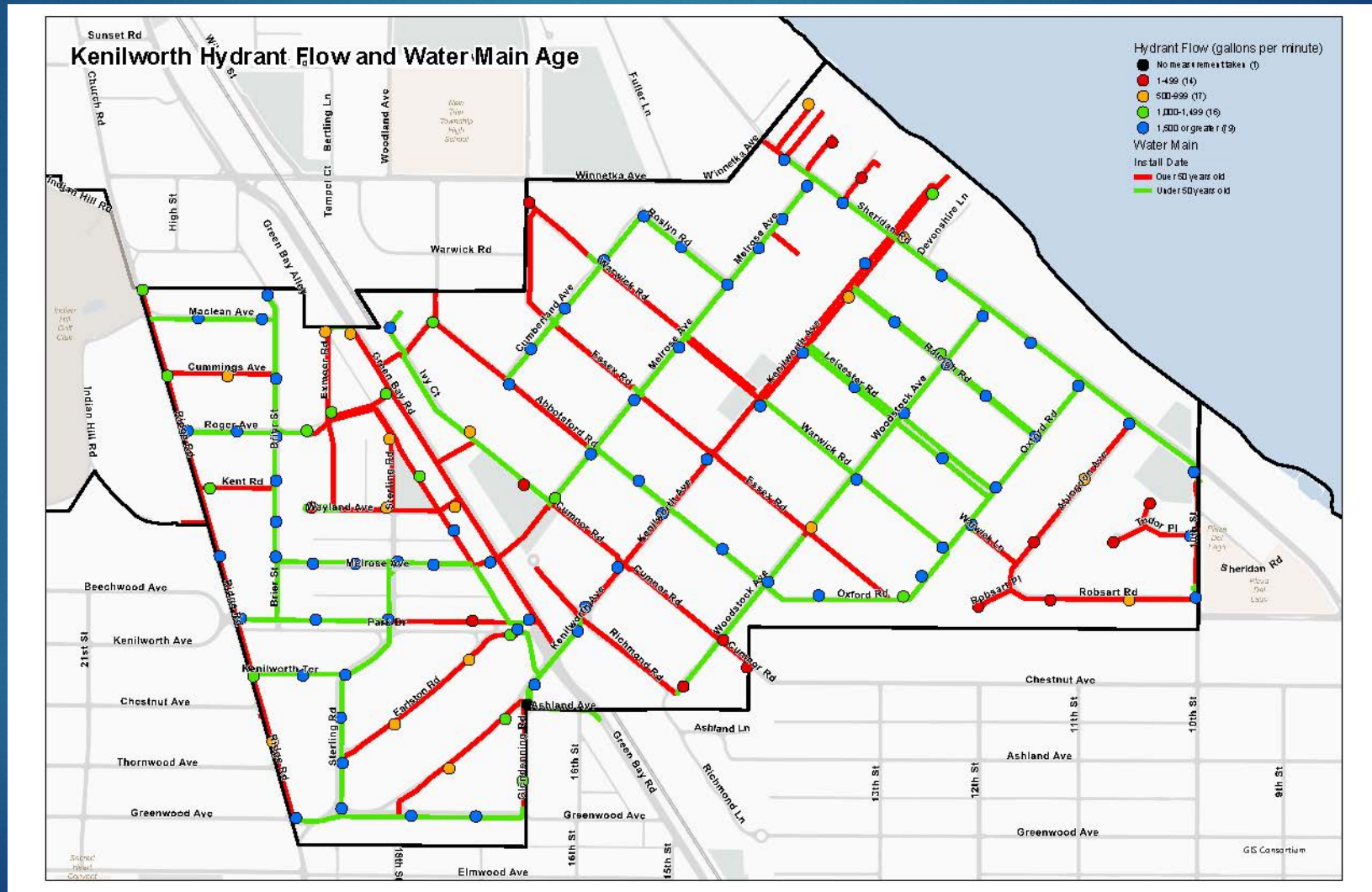
Streets



Sanitary System



Water Mains & Hydrant Flow

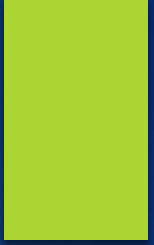


Lead Service Lines

- ▶ Lead Service Line Replacement and Notification Act
 - ▶ Service Line Inventory – COMPLETED
 - ▶ Replacement Plan – IN PROGRESS Due: April 15, 2027
 - ▶ Lead Service Line Replacement

Current Inventory

Year	Total Service Lines	Total Copper	Total Lead	Cast/Ductile Iron	Plastic	Total Unknown	Total Replaced
2020	910	450	263	6	0	191	0
2021	910	455	258	6	0	191	1
2022	904	568	315	7	2	12	54
2023	890	634	247	7	2	0	2



Lead Service Lines

- ▶ **Ownership**

- ▶ Historically, residents have been responsible for the entire service line (main to home)
- ▶ Code update in 2014 – Village began taking ownership of the public portion (main to b-box) during Village projects

- ▶ **When is replacement required?**

- ▶ Water main replacement projects
- ▶ Resident initiated – Repairs/Partial replacement no longer permitted

Lead Service Lines

- ▶ **Current Village Incentives**

- ▶ Flat permit fee (\$85), and escrow waiver

- ▶ **Cost-Sharing Replacement Program**

- ▶ Village reimburses a percentage of replacement cost up to a maximum amount
- ▶ Communities with Programs: Northbrook, Glencoe, Winnetka, Wilmette, Northfield, Highland Park, Glenview
- ▶ Considerations: Eligibility, Village contribution, transfer of ownership of the “public portion” of the service line
- ▶ Timeline
 - ▶ Further discussion and refinement with Public Works Committee and Village Board during 2025
 - ▶ FY2026 Implementation



Facility Infrastructure - Conditions



▶ Village Hall

- ▶ Good condition overall
- ▶ Roof replacement (1-3 years)
- ▶ Additional repairs needed in 5+ years (HVAC Units, Boiler, Plumbing)

▶ Public Works

- ▶ Good condition overall
- ▶ Entry Gate, Fire Suppression Pipe Replacement (FY25)
- ▶ Additional repairs needed in 5+ years (Roof, garage door, garage heater replacements)

▶ Parking Lots

- ▶ Fair condition overall
- ▶ Village Hall lot resurfacing expected FY26/27

▶ Water Booster Station

- ▶ Good condition overall
- ▶ Pump replacement (5+ years)

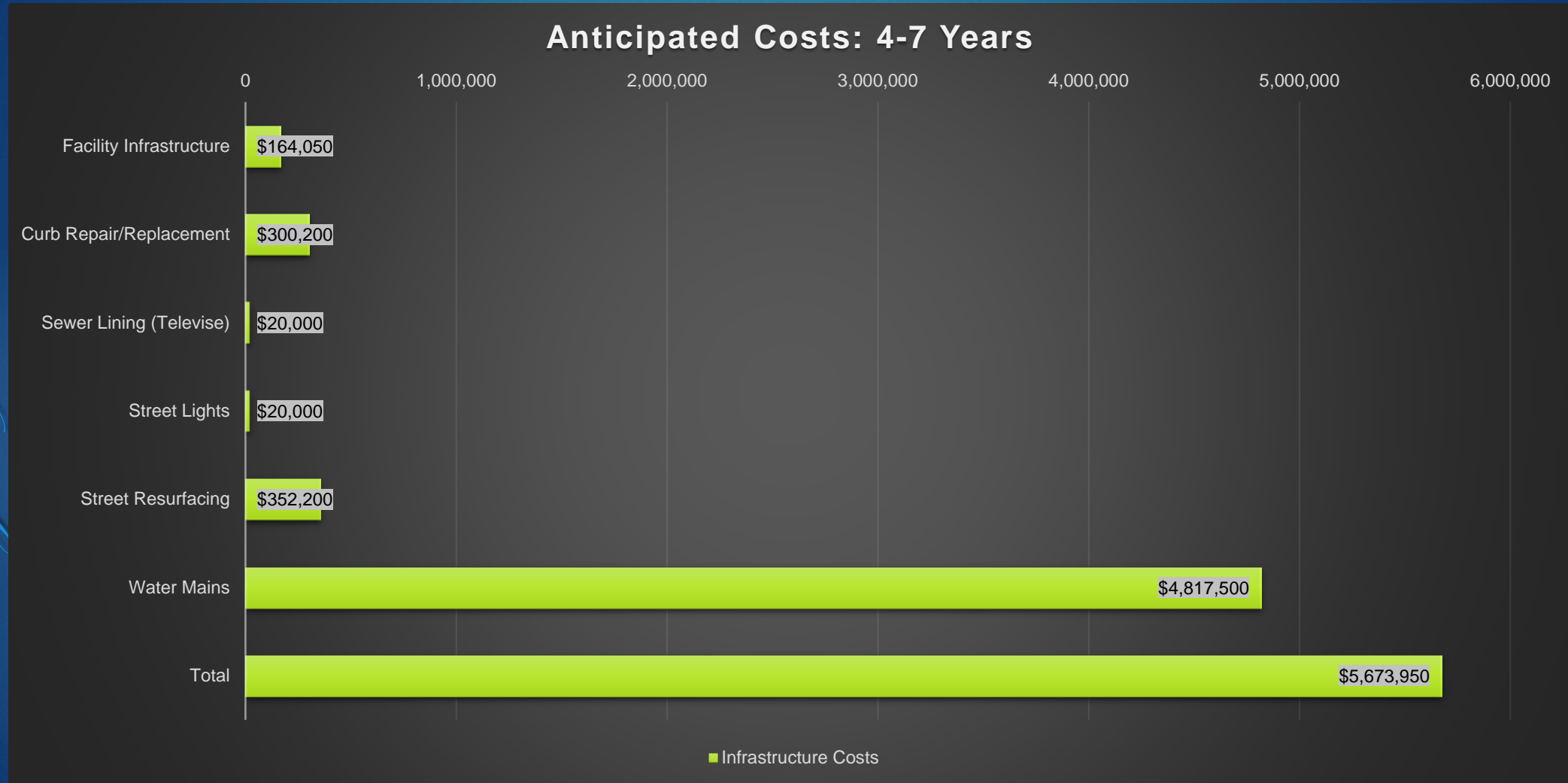
▶ PRV Station

- ▶ Good condition overall
- ▶ Routine maintenance required (paint, valve protection, anode replacement) – FY25

Infrastructure Costs (1-3 years)

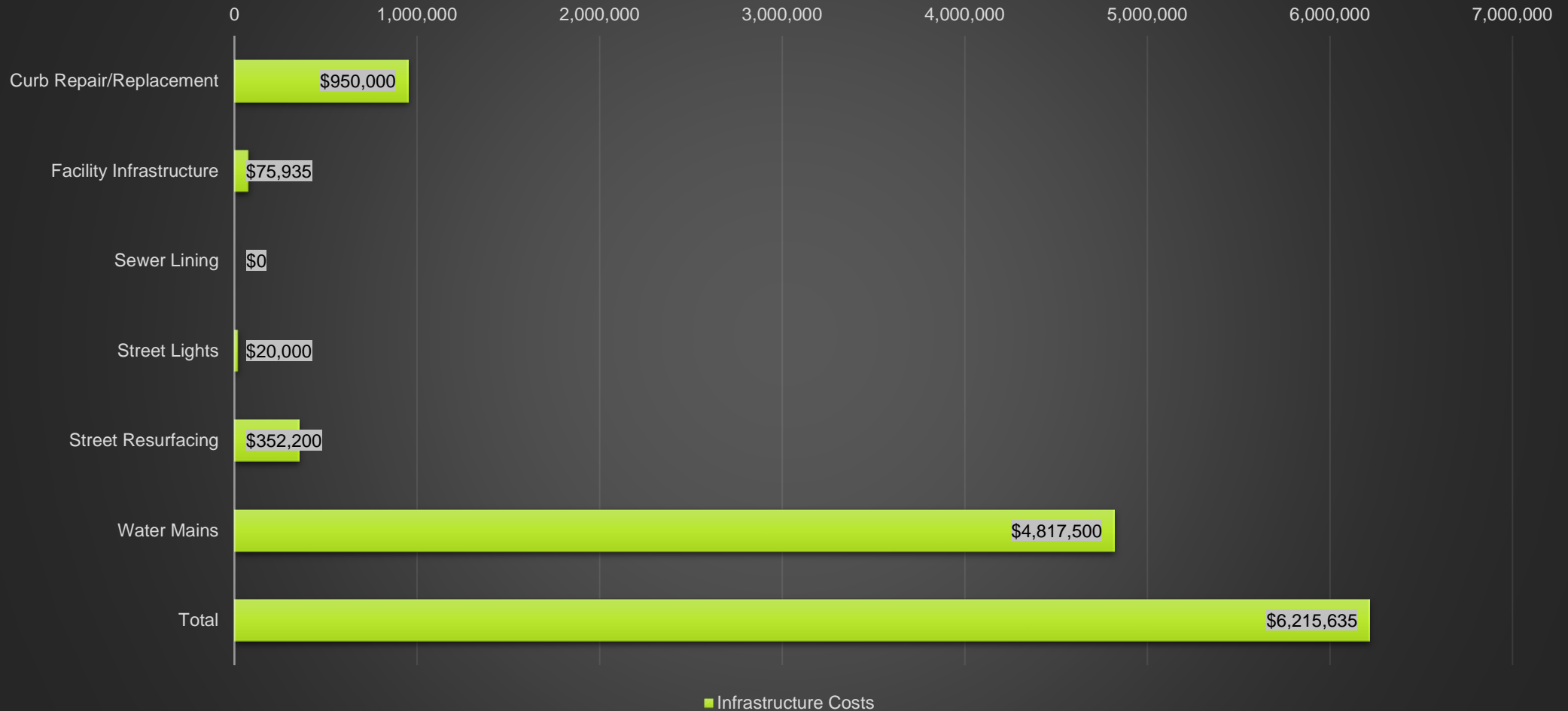


Infrastructure Costs (4-7 years)

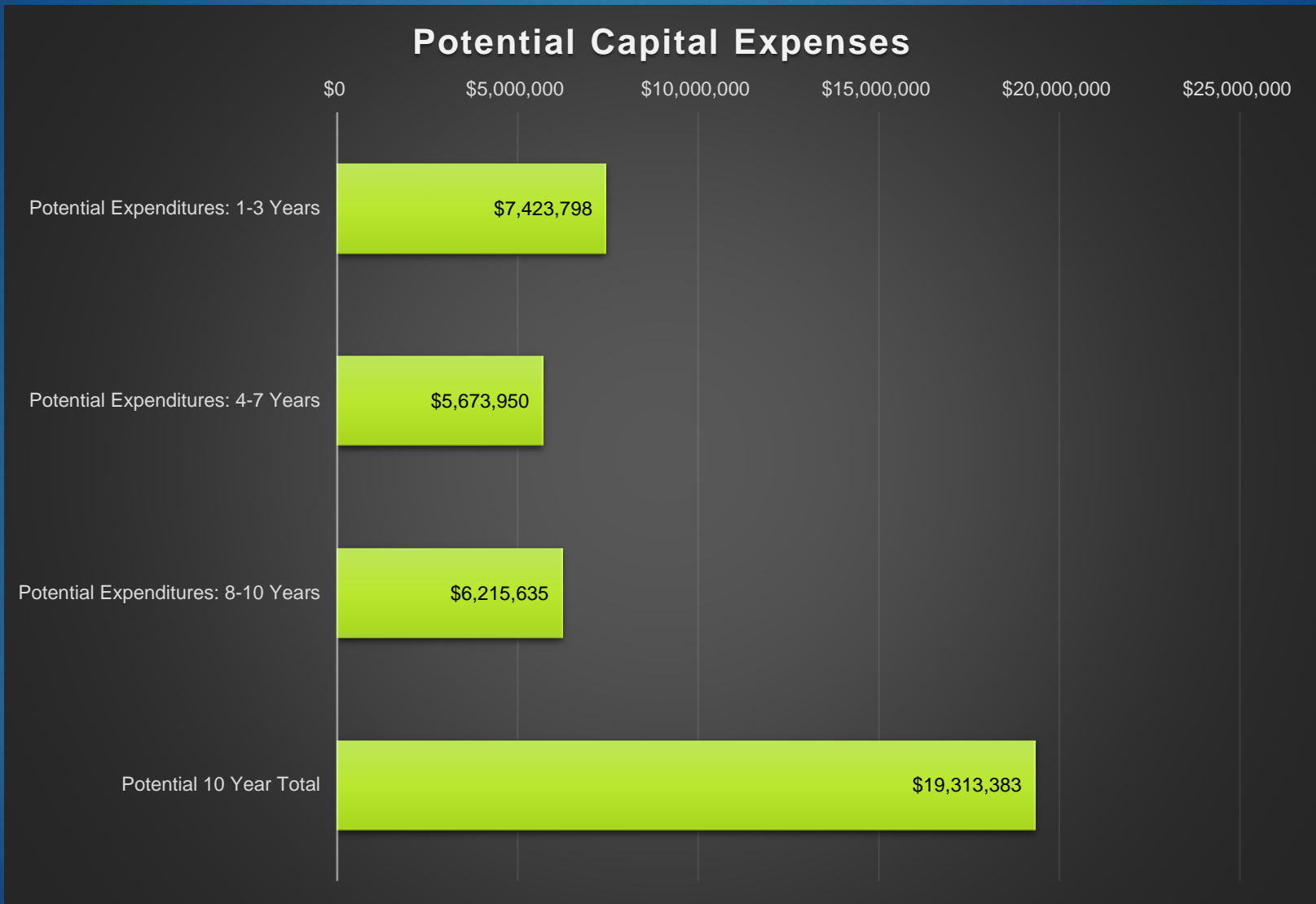


Infrastructure Costs (8-10 years)

Anticipated Costs: 8-10 Years



Summary - Infrastructure Costs





FY25 Potential Projects (over \$25,000)

- ▶ Proposed Infrastructure Projects
 - ▶ Streets - Woodstock/Richmond Project – \$425,000
 - ▶ Streets - Brier Street resurfacing (between Rodger Ave and Maclean Ave) \$110,000
 - ▶ Streetlights and Conduit - \$44,000
 - ▶ Public Works Gate - \$27,000
 - ▶ Sidewalk Program (~70 squares) - \$27,000

FY25 Potential Projects (under \$25,000)

- ▶ Proposed Infrastructure Projects
 - ▶ Phase 1 of 3 PW Fire Suppression (leaking pipes) – \$13,000
 - ▶ Ravine Skokie Ditch Tree Removal – \$10,000
 - ▶ Bridge repair on Essex Rd. \$5,000
 - ▶ Porous Parkway Rehab – \$6,000



Other Capital Expenditures

Beach Improvement (Fund 28)

- **Shoreline Protection** construction and oversight scheduled to begin in late 2024, end Spring 2025
 - Cost: \$1 million
- **Water Treatment Plant (2025-2026)**
 - Demolition: Est. \$420,000
 - Construction: Est. \$7.9 million
- **Architectural Fees:** 9-10% of total project cost - \$467,000 (2025 cost)

Green Bay Road (Fund 14 TIF)

- Continued **review of design** and construction of roadway
 - Explore Phase I (12-18 months) - estimated cost in 2025 - \$263,000 (70%), 2026 - \$112,000 (30%)
- **Streetscape and Beautification**
 - Planters (pilot program) - \$15,000
 - Facade Program - \$45,000

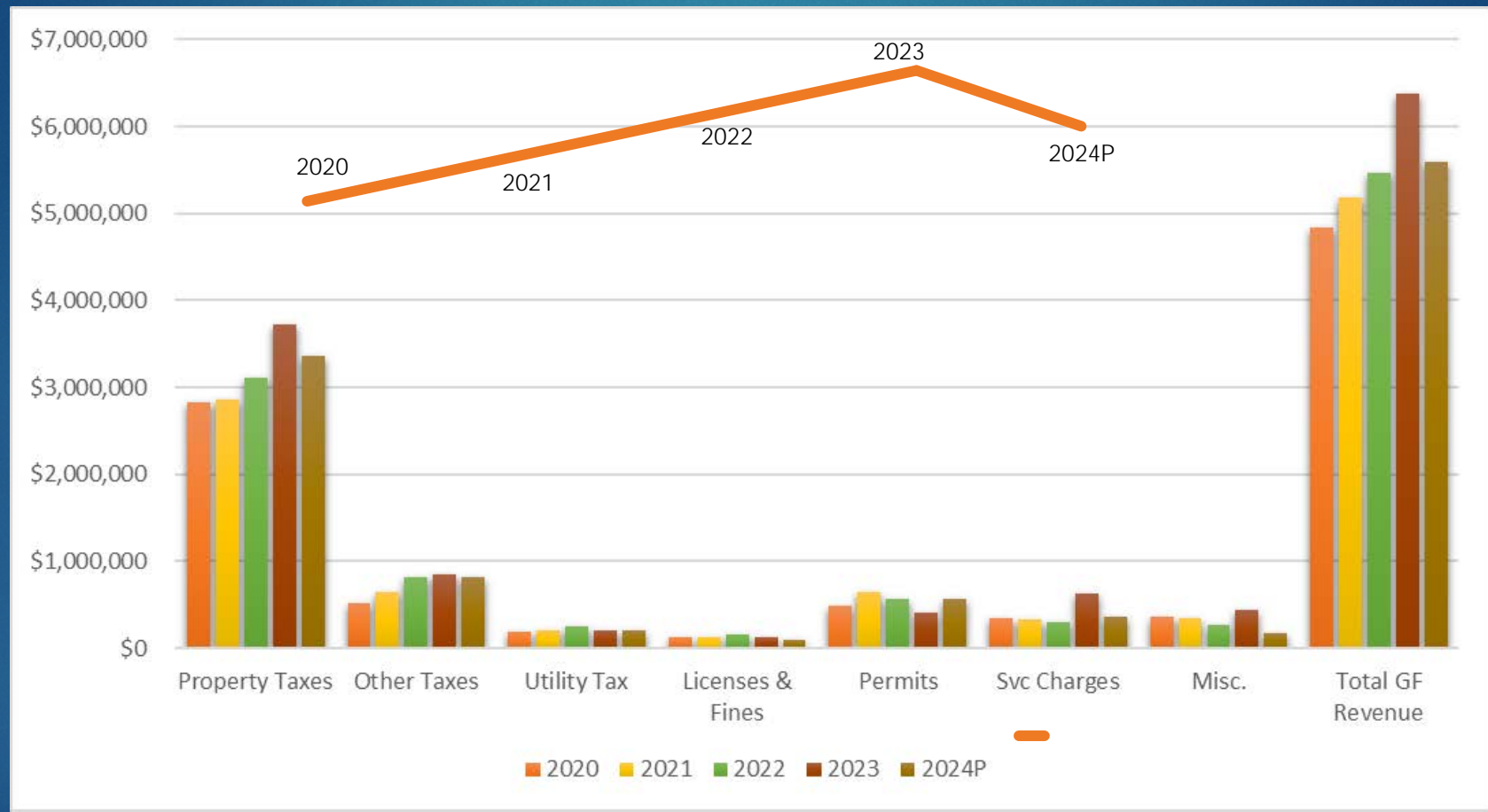
Zoning Code Update (Fund 27)

- Zoning Code Audit identified the need for a **comprehensive review and update**
- Cost: \$95,000 consultant driven approach
 - + design guidelines
 - + legal review
- Ad-Hoc Committee established to facilitate process

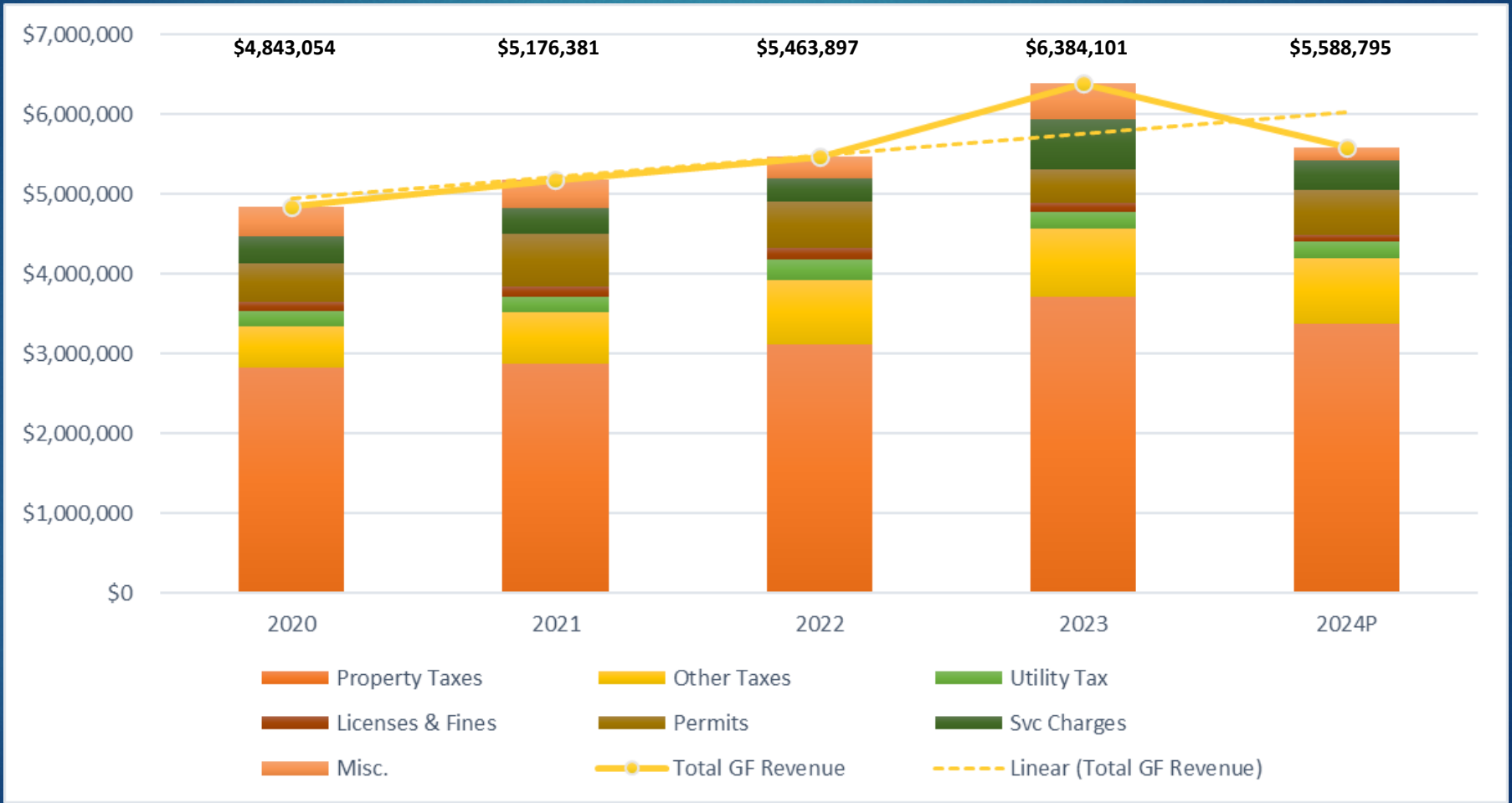


VILLAGE FINANCIAL POSITION

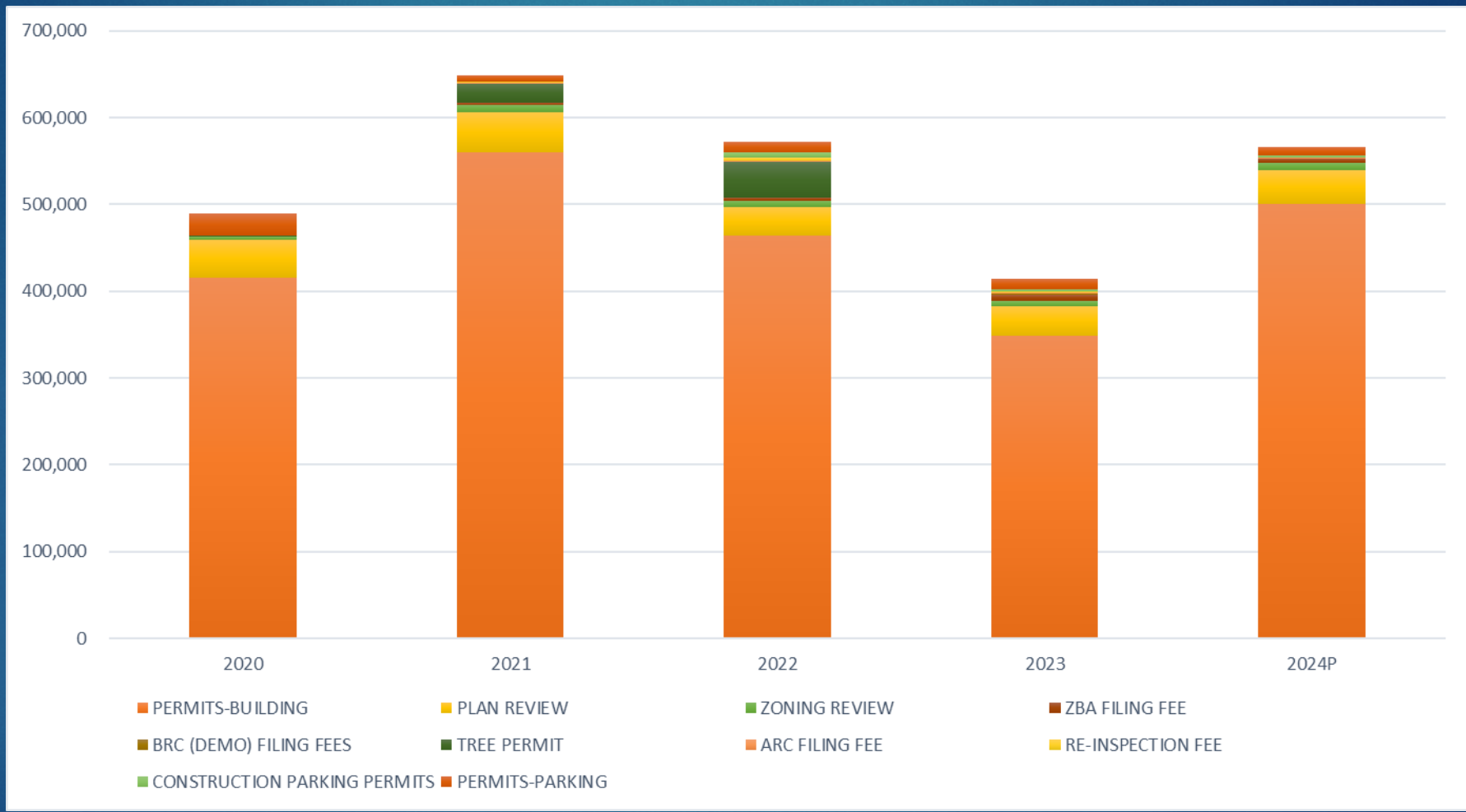
Revenue Trends by Category



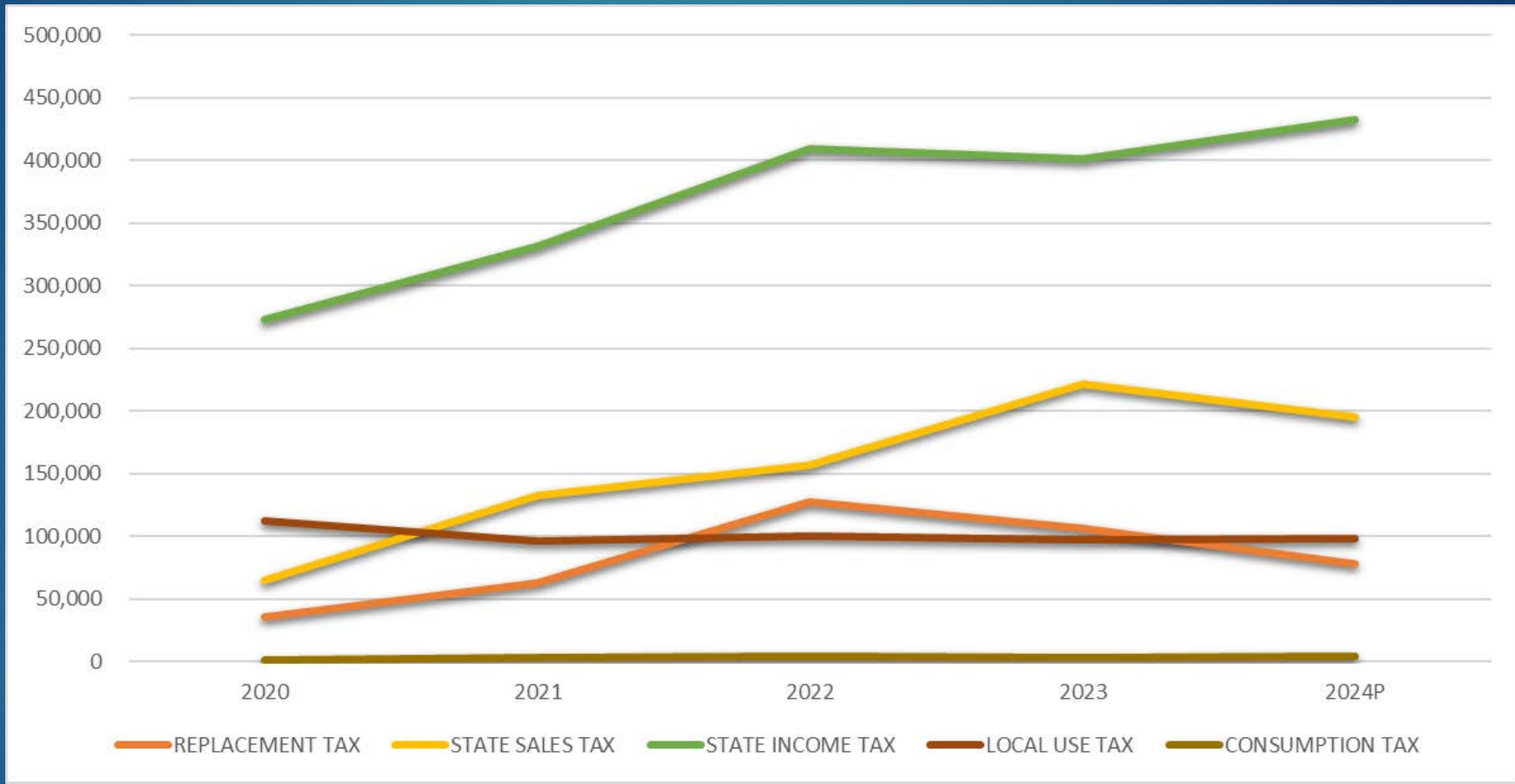
Revenue By Category



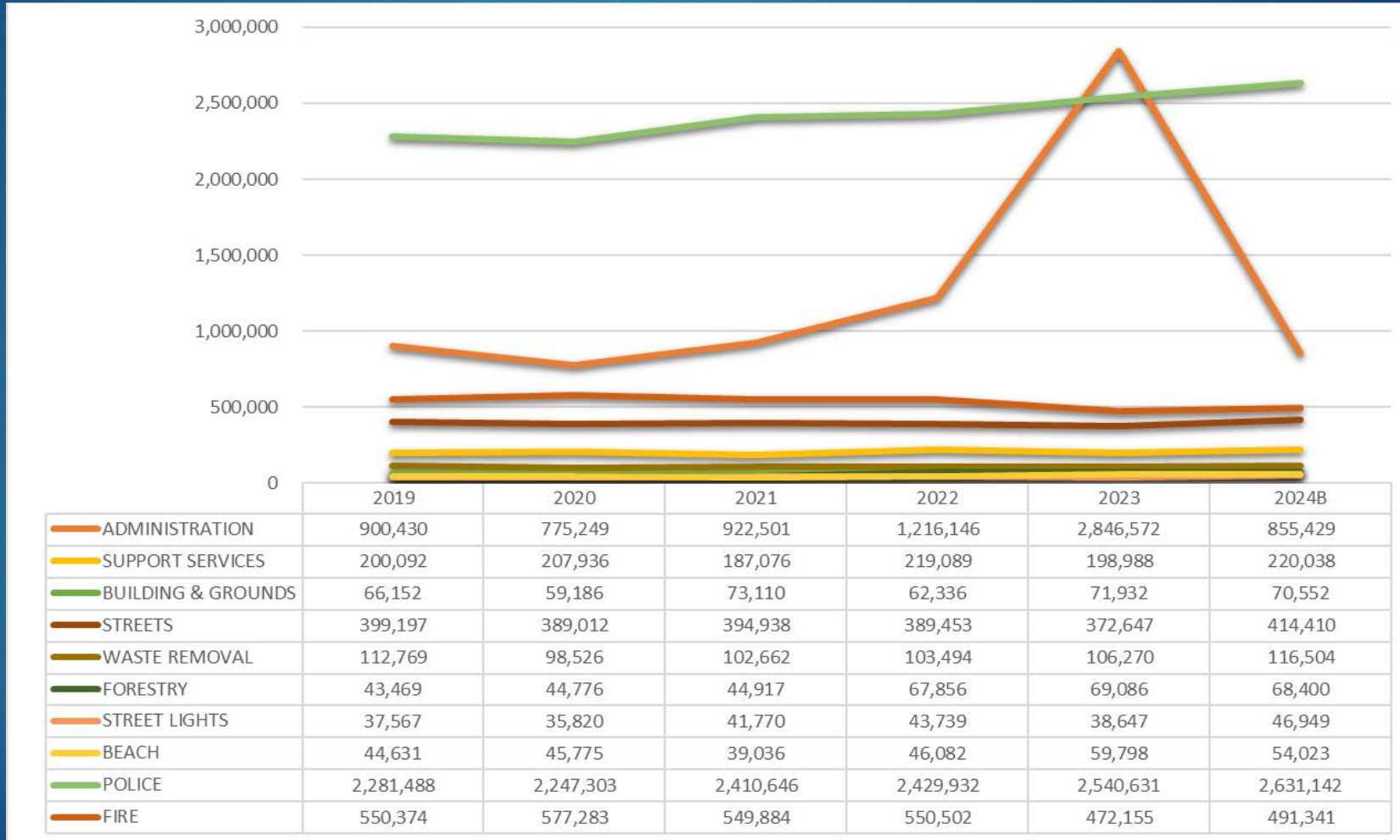
5-Year Revenue - Permits



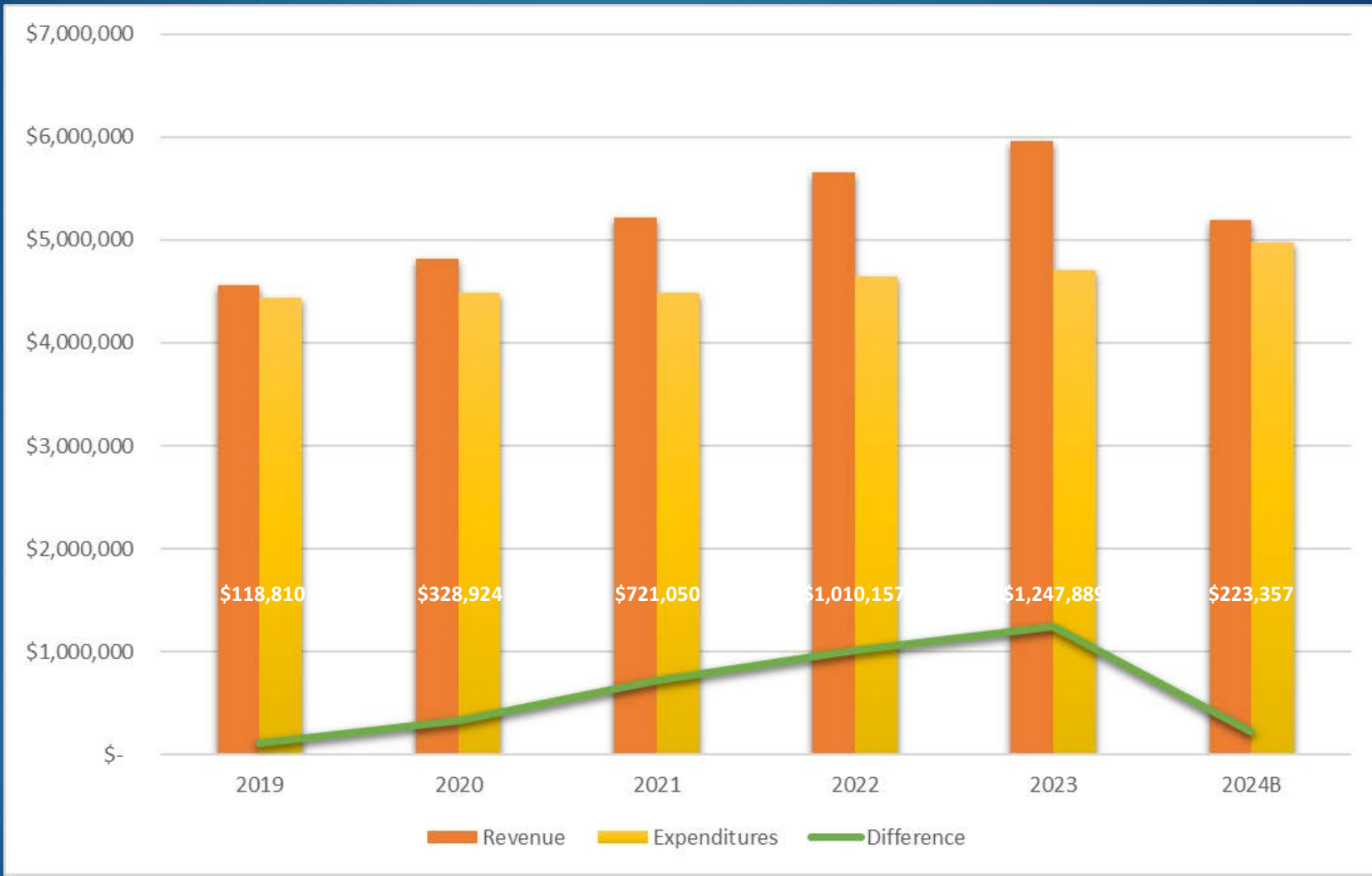
5 Year Revenue - Other Taxes



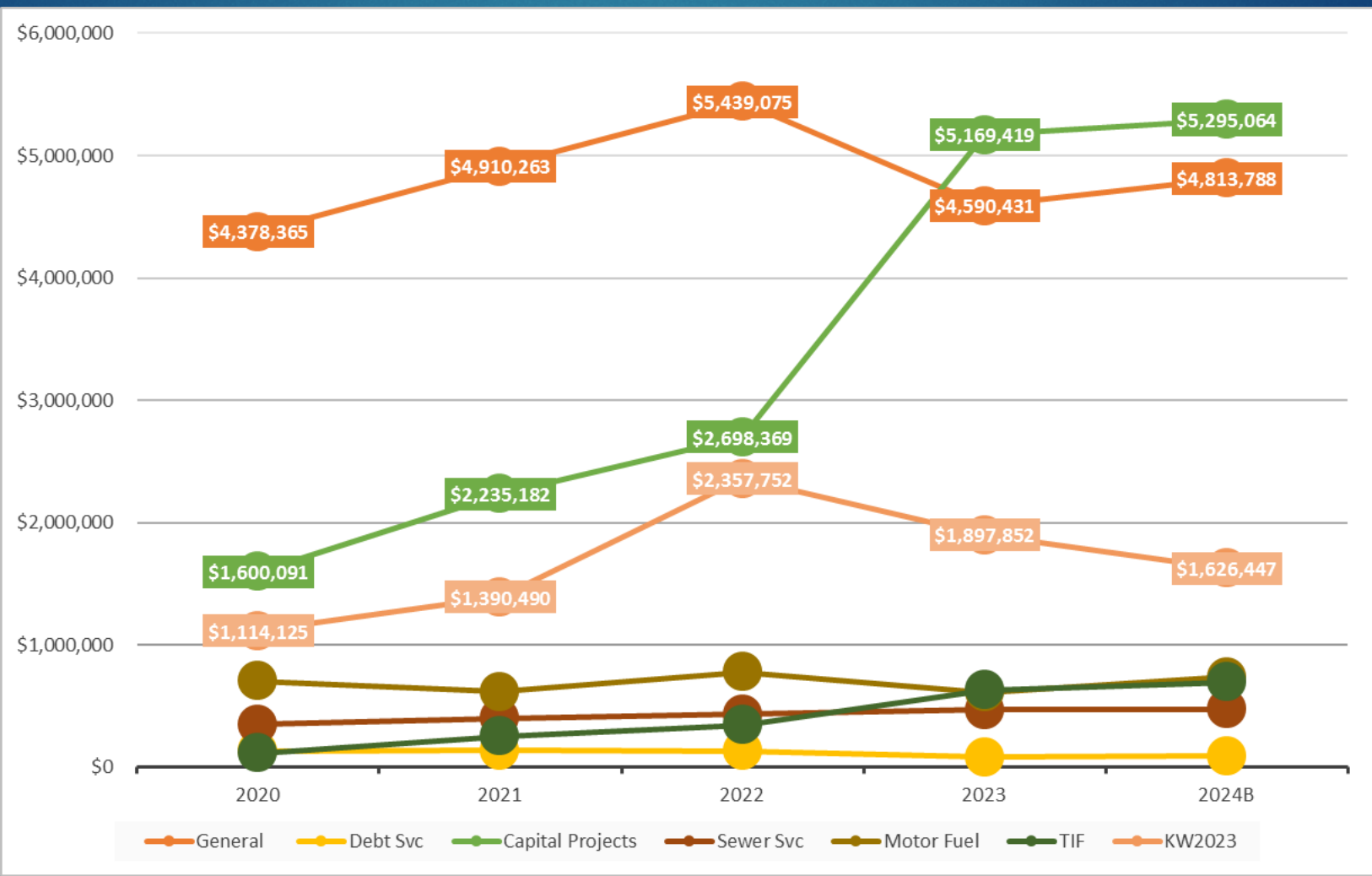
5 Year Trend – G.F. Expenditures by Dept.



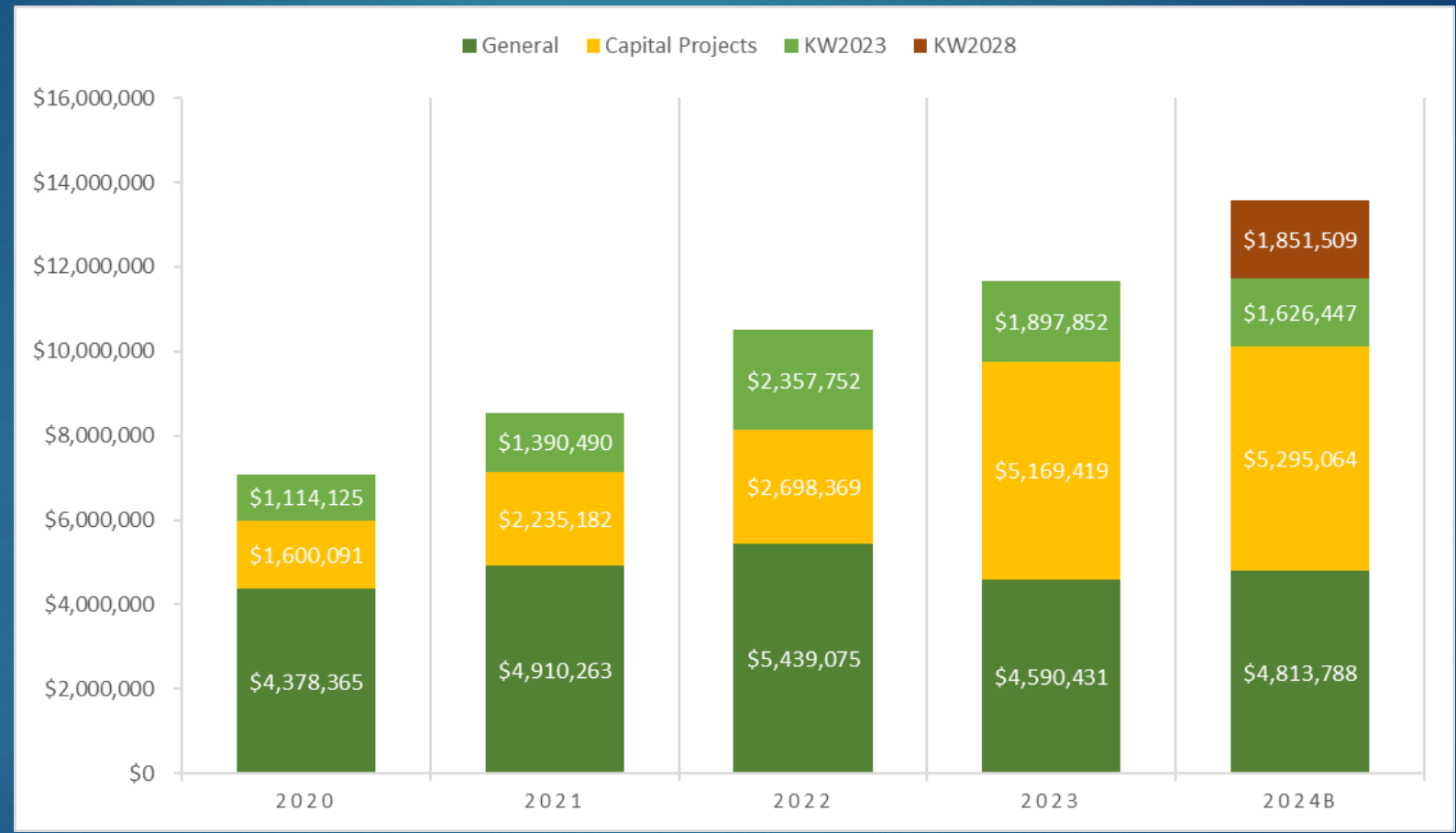
General Fund Operating Revenues vs. Expenditures



5-Year Trend – Fund Balances



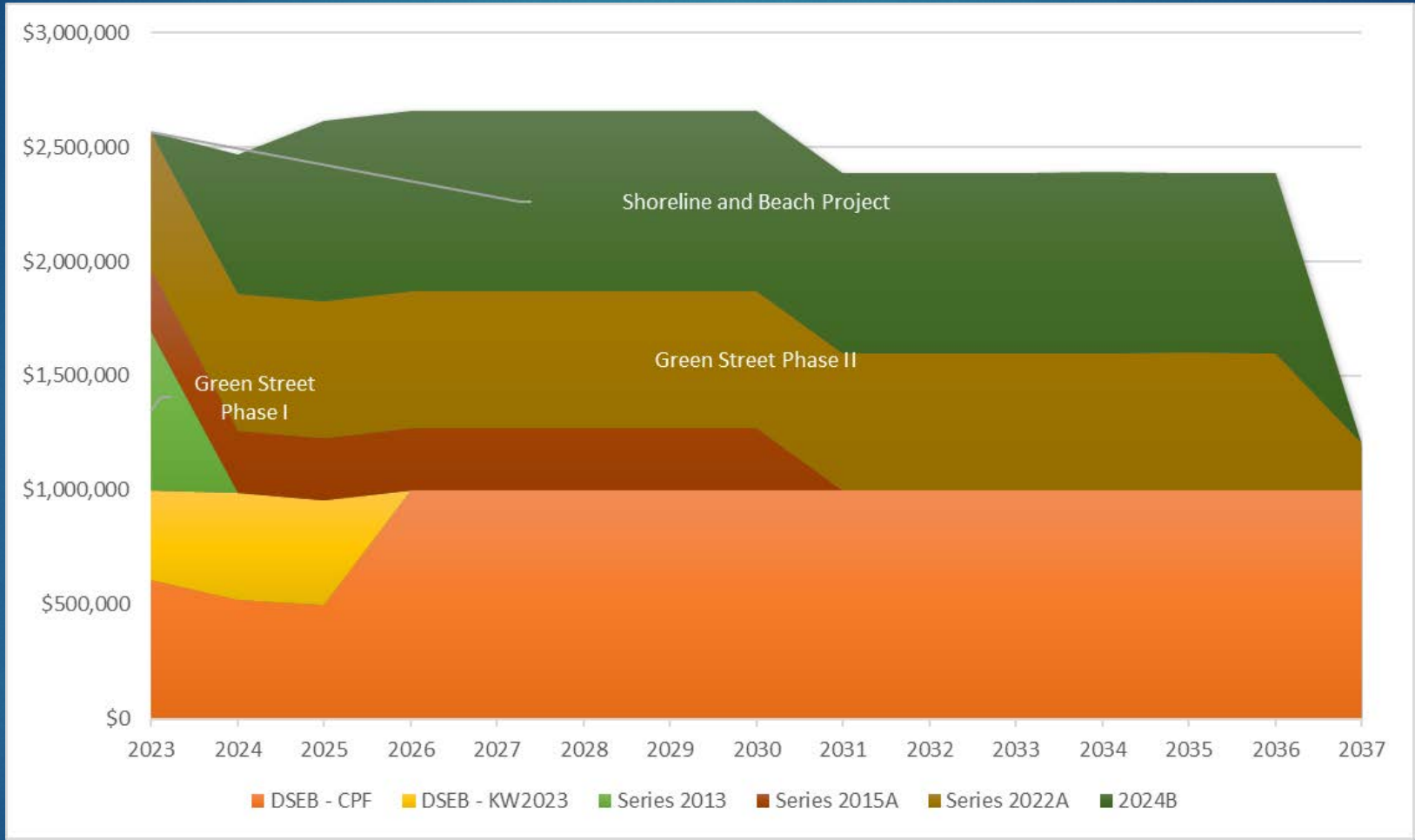
Primary Capital Funding Sources



Capital Project Funding Sources

	General Fund	KW2023	Capital Projects	Water	KW2028
12/2023	\$4,590,431	\$1,897,852	\$5,169,419	\$543,571	\$0
FY Revenue	+\$223,357	(\$271,405)	\$125,645	+\$75,405	\$2,638,416
Estimated 12/2024	\$4,813,788	\$1,626,447	\$5,295,064	\$618,976	\$1,851,509
Excess Avail. for 2025	\$1.0 - \$1.4 M	\$1,626,447	\$5,295,064	\$70,000	\$1,851,509
Total Available	\$9.6 - \$10M				

Long Term Debt Service Obligations





ON THE FINANCIAL HORIZON



Macro Economic Conditions



Inflation continues to slow, still in soft landing (tax revenue)



Continued slowdown in growth expected (tax revenue)



Ongoing housing sales constrained, due in part to mortgage interest rates (permit activity)



Corporate Profits will exhibit slower growth in CY2025 (PPRT)



Slowing job growth for 2025, no increase in unemployment rate forecasted



Employment costs increasing (pressure on compensation, health care)



IML – Shared Revenue Forecast

Corporate profits
expected to shrink 33%
in 2025

Consumer Price Index
2.2% proj. 2025

Consumer Spending
1.1% to 1.4%

Use (sales) Tax – est.
remains relatively flat
since Leveling act

Personal Property
Replacement Tax
(PPRT) – 33% reduction
• Estimates, FY24 = \$77k, SFY25
= \$52k

Overall \$122k below
FY23 actual

IML Shared Revenue Economic Projections

	CY 24 May Est.	CY25 Est.	% Chg.
PPRT (Replacement Tax)	\$ 77,743	\$ 52,382	-33.0%
LGDF (State Income Tax)	\$ 429,115	\$ 442,238	3.1%
Local Use Tax	\$ 97,443	\$ 65,062	-33.2%
MFT (Motot Fuel Tax)	\$ 56,967	\$ 56,515	-0.8%
Trans. Renewal (part of MFT)	\$ 55,107	\$ 56,992	3.4%
Consumption Tax	\$ 4,098	\$ 4,400	7.4%
Total Per Cap. (2,514)	\$ 642,729	\$ 625,207	-2.7%

Distilling the Data



- ▶ FY25 Budget – Prepare for slow growth
- ▶ Fund balances adequate to support operations for FY25
- ▶ Property Tax Cap reduced to 3.4% (compared to 5% last year)
- ▶ Permit fee revenue likely to drop
- ▶ Expect personnel and contractual expense increases

FY25 Budget Preparation Mindset

Conservative Budgeting

- Anticipate slight decrease in revenues
- Evaluate the maximum allowable p-tax increase (2024 Cap. 3.4%)
- Keep pace with compensation adjustments

Avoid Creating New Ongoing Expenditure Obligations

Continue Selective One-Time Projects

- (e.g., beach improvements)

Increasing Focus on Visible Quality of Life Projects

- (e.g., beach, road resurfacing)

Next Steps

