

# STUB YEAR 2023

# Budget in Brief



The Budget in Brief provides an overview of the Village of Lincolnwood's Stub Year 2023 Budget. The budget is approved annually by the Village Board in compliance with the Village's municipal code. It is the legal document detailing the spending authority by the Village Board and it communicates their goals and objectives for providing core services and new and ongoing initiatives.



The Budget in Brief summarizes the Stub Year 2023 budget for May 1, 2023 to December 31, 2023. The Budget in Brief is also intended to outline sources of revenue and planned expenditures and provide an understanding of Village services and infrastructure investments. This \$38.3 million budget across all funds, includes funding for all Village services including police, fire, water and sewer utilities, development services, infrastructure maintenance and customer services. The Village of Lincolnwood is transitioning to a Calendar Year budget beginning in 2024. With an eight month Stub Year budget, the Village continues to maintain the Village's strong financial position. The Village maintains a bond rating of Aa2 from Moody's Investors Service, which means the Village's obligations are judged to be of high quality and subject to very low credit risk.

Overall fund balances exceed the minimum reserve policies established by the Village Board. Compliance with legal mandates and a focus on financial sustainability are embodied within the document. Unrestricted fund balance in the General Fund derived from previous years will be used to support capital projects.



 Promote a culture of "Service First" to enhance the **customer service** experience

 Ensure **Financial Stability** through thoughtful and sustainable budgeting and planning

 Facilitate vibrant and inclusive growth through **Economic and Community Development**

 Develop a shared sense of **Community Identity** by featuring what makes the Village unique

 Maintain a **Business Friendly Environment** to enhance and retain the Village's 500+ established businesses

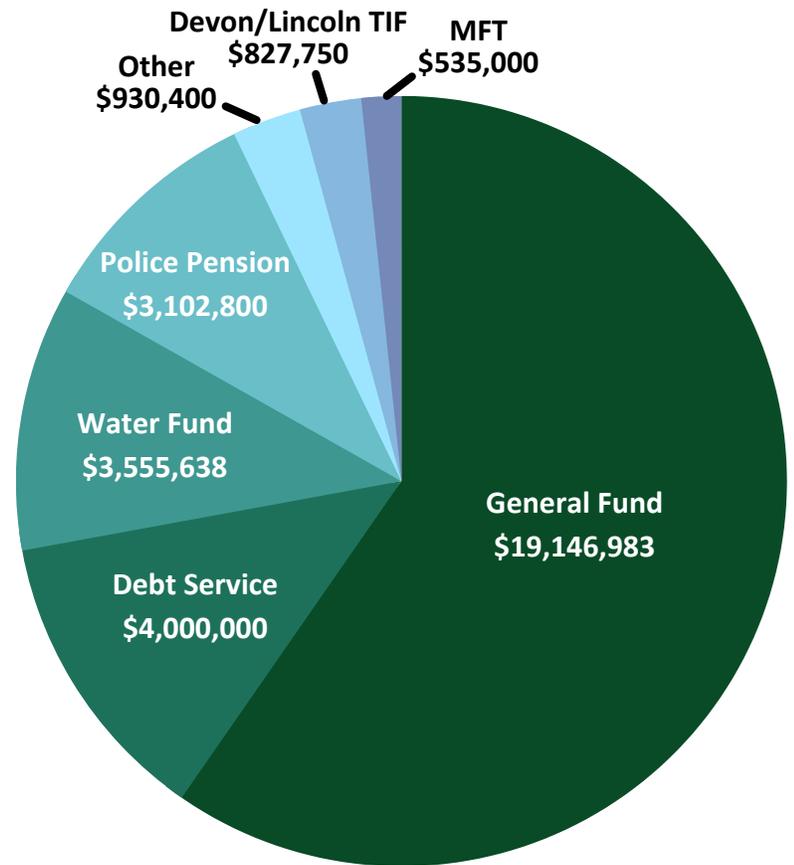
# STUB YEAR 2023 Budgeted Revenue

## Total Revenue Across All Funds \$32,098,571

|                           |       |
|---------------------------|-------|
| General Fund              | 59.6% |
| Debt Service              | 12.5% |
| Water and Sewer Fund      | 11.1% |
| Police Pension Fund       | 9.7%  |
| Other [1]                 | 2.9%  |
| Devon/Lincoln TIF         | 2.6%  |
| Motor Fuel Tax Fund (MFT) | 1.6%  |

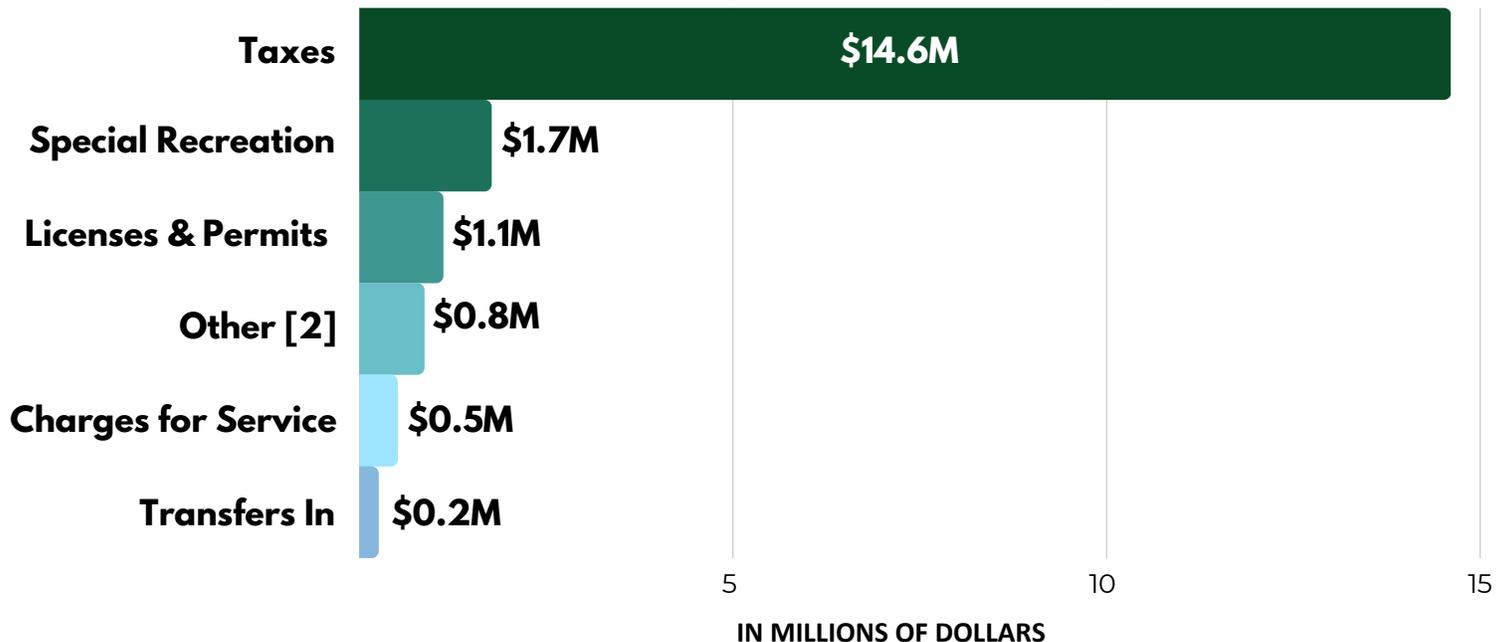
[1] Includes Storm Water Management, Private Sewer Lines Assistance, Transportation Improvement, NEID TIF, and North Lincoln TIF.

### Total Revenue Across All Funds



## General Fund Revenue by Type

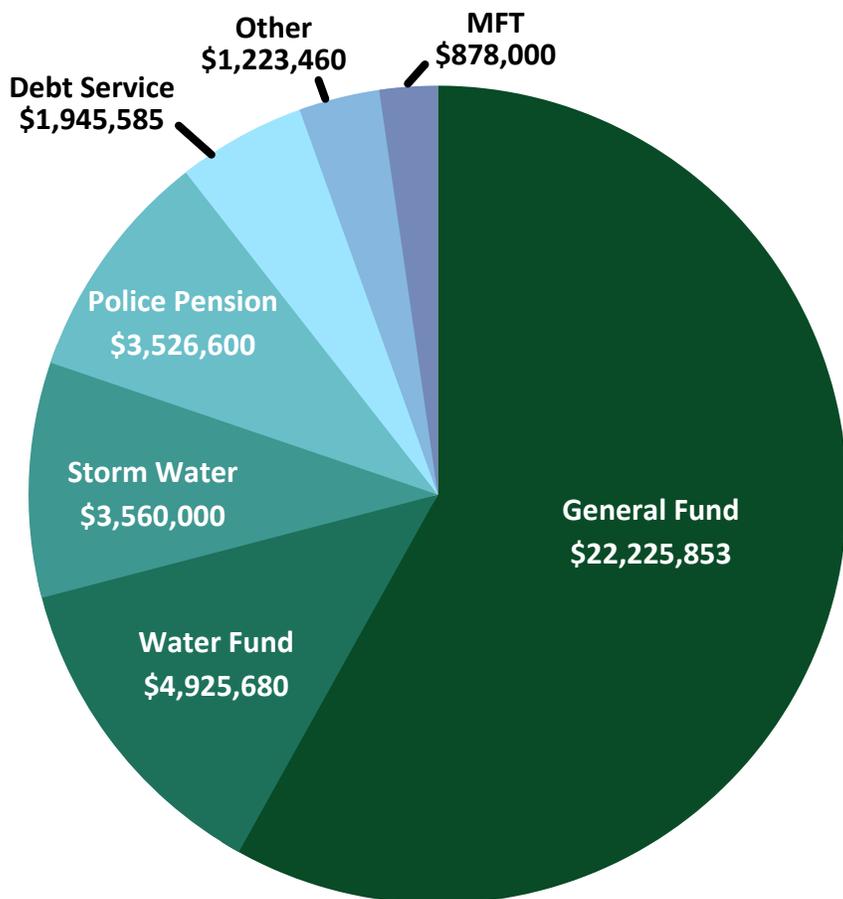
### General Fund Revenue by Type



[2] Includes Grants, Fines and Forfeits, Intergovernmental Transfers, Investment Income, and Other Revenues.

# STUB YEAR 2023 Budgeted Expenditures

## Total Expenditures Across All Funds



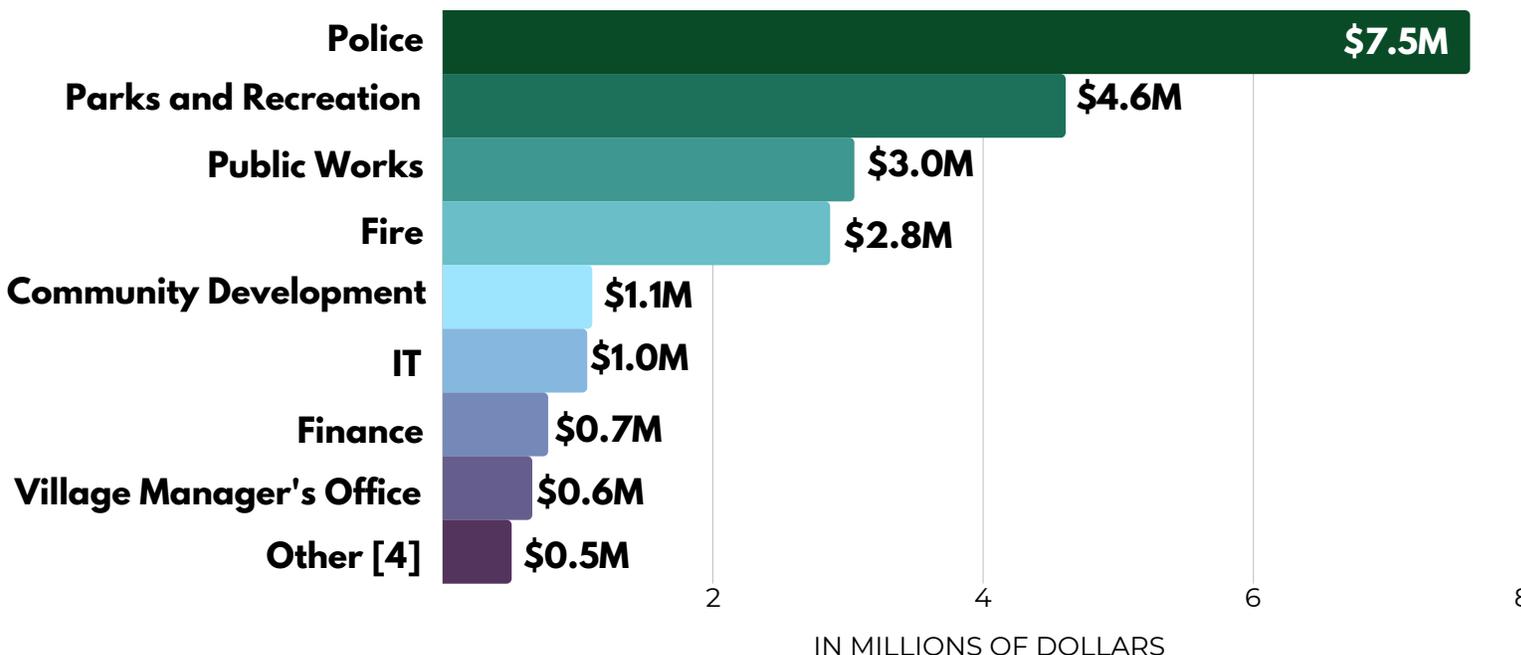
## Total Expenditures Across All Funds \$38,312,178

|                        |       |
|------------------------|-------|
| General Fund           | 58.1% |
| Water and Sewer Fund   | 12.8% |
| Storm Water Management | 9.3%  |
| Police Pension Fund    | 9.2%  |
| Debt Service Fund      | 5.1%  |
| Other [3]              | 3.2%  |
| Motor Fuel Tax Fund    | 2.3%  |

[3] Private Line Sewer Assistance, Transportation Improvement, North Lincoln TIF and Devon/Lincoln TIF.

## General Fund Expenditure by Type

### General Expenditure Revenue by Type



[4] Includes Legal, Engineering, Village President & Board, Transfers Out, and Village Clerk

# STUB YEAR 2023 Water Bill

## Water and Sewer Fund

As an enterprise fund, the Village's Water and Sewer Fund is created to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. All activity necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collection.

**Village tax dollars are not used to pay any of the costs associated with these water and sewer services.**

The Board of Trustees approved and adopted a 10-year Water Rate Study. The purpose of the study was to evaluate both the operational and capital costs being charged to the Water and Sewer Fund over the next 10 years. During the execution of the Transmission Main Construction Contract (when the Village moved from receiving water from Chicago to Evanston), the Village froze water rates until the end of Fiscal Year 2022 (April 30, 2022) to allow for the review of the water and sewer rates to prevent a shortfall in the Water and Sewer Fund. Due to the capital costs in the Water and Sewer Fund, such as the water main replacement program and the mandated lead service line replacement, the Village approved and adopted a 10-year Water Rate Study. As a result, the Village implemented water rate increases over the next three years to ensure the Water and Sewer Fund is sustainable in the future.

## Five Components of a Water Bill

### A typical water bill has five components

#### Water Usage



The basic water user charge is calculated quarterly based on consumption. Each unit is 1,000 gallons of metered water consumption. The current base rate is \$6.17 per unit. Prior to May 1, 2022, this rate was \$8.69 per unit. This represents a 28% decrease in basic water use charges.

#### Capital Improvements



Each bill includes a monthly charge of \$3.33 which is allocated to fund large Capital projects, such as, water main replacements. Water bills for residential properties are issued quarterly and reflect a charge of \$9.99 for the three-month period. Water bills for commercial properties are issued monthly, therefore they reflect the monthly charge of \$3.33. Prior to May 1, 2022, this rate was \$3.15 per month.

#### Water Meter Fund



Residential properties are charged a water meter fee of \$4.76 quarterly. Commercial properties are charged a water meter fund fee of \$9.51 per month. These fees are assessed for the use of the Village's water meters. Prior to May 1, 2022, the residential rate associated with this fee was \$4.50 and the commercial rate was \$9.00.

#### Debt Service Fund



The Debt Service Charge is calculated quarterly at \$3.60 per unit. This charge is allocated to pay debts incurred to improve the water delivery system for projects such as new water main replacements. Prior to May 1, 2022 this rate was \$0.38 per unit.

#### Sewer Use



The Sewer user fee is \$1.06 per unit. Funds that are generated from the sewer user charge are utilized for maintenance of the Village's combined sewer system as well as any improvements or repairs that are needed. Prior to May 1, 2022, this rate was \$1.00 per unit.

**Current rates are effective May 1, 2023 through December 31, 2023.**

# STUB YEAR 2023 Capital Improvement Program



As part of the annual budget development process, staff brings the Village Board recommendations on what investments are needed to maintain the Village's infrastructure into the future. These recommendations are intergraded into an on-going 5-Year Community Improvement Program (CIP), which includes plans for water systems, storm and sanitary sewer systems, facilities, sidewalks, streets, as well as capital equipment such as squad cars, ambulances, and Public Works vehicles. The CIP is a fluid document that is updated annually, meaning that while it serves as a plan for the year and years ahead, it often shifts course as new priorities emerge and data on the useful life of capital and infrastructure is updated.

The Stub Year 2023 Budget includes \$10,373,346 in capital expenditures across all funds. Some major highlights include the projects featured in the right-hand column.

- \$3.3M**  
Street Storage Program
- \$1.5M**  
Roadway Resurfacing
- \$1.2M**  
Flowers Park Renovation
- \$420K**  
Street Lighting Installation

## Property Tax

The Village levies property taxes for the payment of general corporate, police protection, police pension, liability insurance and FICA expenses.

- The Village's levy represents 9.5% of a property owner's total property tax bill.
- The Village Board has a self-imposed cap on the annual increase in the property tax levy.

### Where do your property taxes go?

