

# BUDGET IN BRIEF

FOR THE FISCAL YEAR ENDING APRIL 30, 2023



## FY23 Budget Highlights:

### **FISCAL RESPONSIBILITY**



- Strategically plan for long-term financial challenges
- Maintain prestigious bond ratings
- Enhance pension funding
- Hiring freeze of 10% of workforce in effect
- Property tax freeze since 1990

### **Public Health & Safety**



- First full-year to fund Co-Responder Program (pairs a Social Worker with a Crisis Intervention trained Police Officer)
- Implementing Body Worn Cameras
- AED's now in every squad vehicle
- Hiring an additional Social Worker

### **Sustainability & Development**



- Promote and undertake community based sustainability initiatives
- Strategically plan for and promote continued and controlled redevelopment
- Aggressive infrastructure investment

### **Service Delivery**



- Prioritize diversity, equity and inclusion in policy making and operations
- Invest in Village staff through training and development by reinstating training to pre-pandemic levels
- Maintain services and strive for customer service excellence

### **Long-Term Planning**



- Develop new Environmental Sustainability Plan
- Create new Economic Development Strategic Plan
- Skokie Health & Human Services will conduct a community needs assessment and develop a new community health plan

The Village of Skokie's Fiscal Year 2023 (FY23) Budget was approved by the Village Board after a detailed review by Village Board members during three public hearings in April 2022.

The Village of Skokie *Budget in Brief* summarizes the budget for May 1, 2022 to April 30, 2023, by outlining planned expenditures, sources of revenue and by providing an overview of Village services and capital improvements. The \$63.7 million operating budget funds important financial priorities that were cut or delayed during the pandemic, including a fire tower ladder, the development of the next Economic Development Strategic Plan and implementing police body worn cameras. Additionally, seven miles of neighborhood streets will be resurfaced, which meets Village resurfacing goals.

The budget is balanced and restores the Village's fund balance goal of 25% while maintaining Village services to the high-level that the community has come to expect. The Village maintains an Aa2 bond rating from Moody's Investors Service, as the Village's obligations are judged to be of high quality and are subject to very low credit risk.

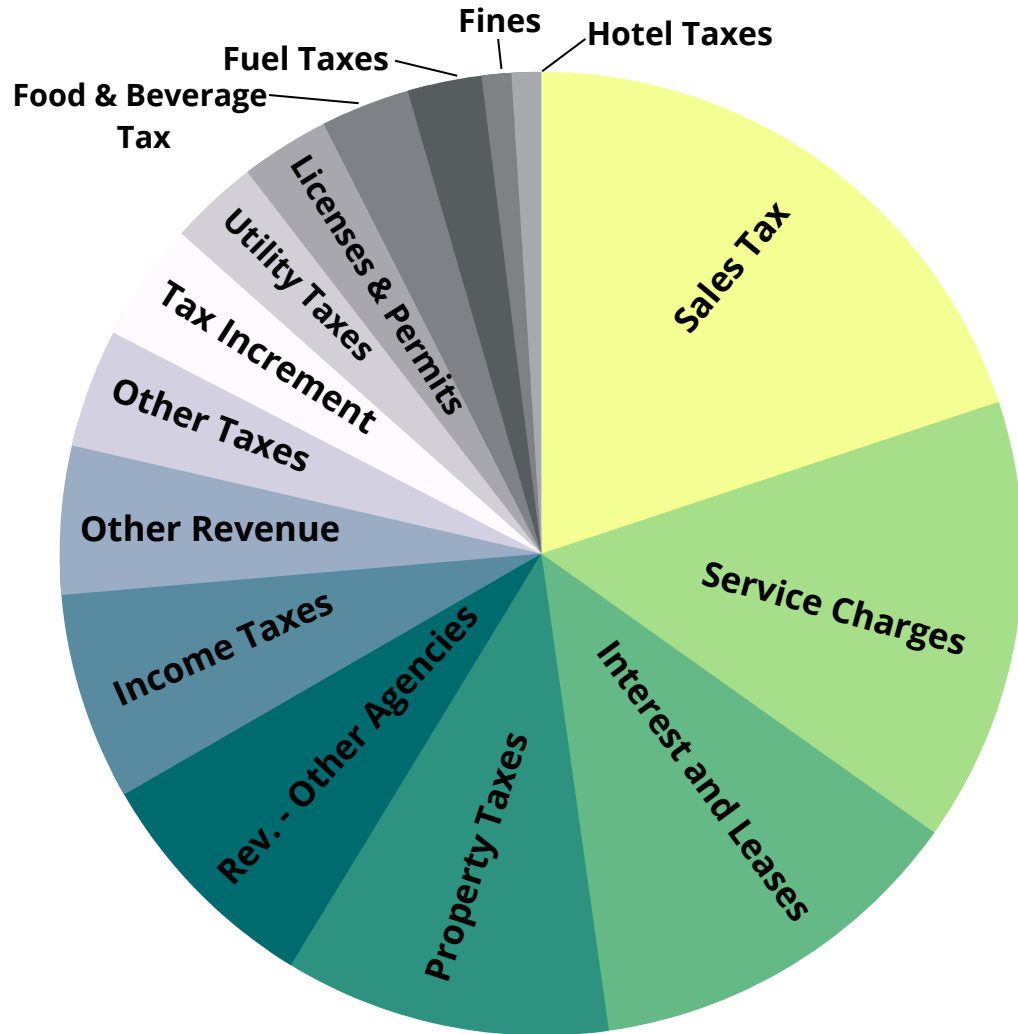


# Fiscal Year 2023 Budgeted Revenue

## Revenue Diversity

The Village's revenue profile is diverse, as depicted in the chart to the right. Nearly 49% of the General Fund (Operating Budget) revenues come from sources like sales, income, food and beverage, and hotel taxes. These sources in particular suffered the worst during the COVID-19 pandemic but also have been among the first to recover with the easing of COVID restrictions. Combined sales taxes are projected at 40% better than the FY22 budget, followed by food and beverage at 31% improvement, and income taxes at 29% improvement. Total FY23 General Fund revenues are \$65,199,046. This amount is sufficient to cover projected FY23 expenditures.

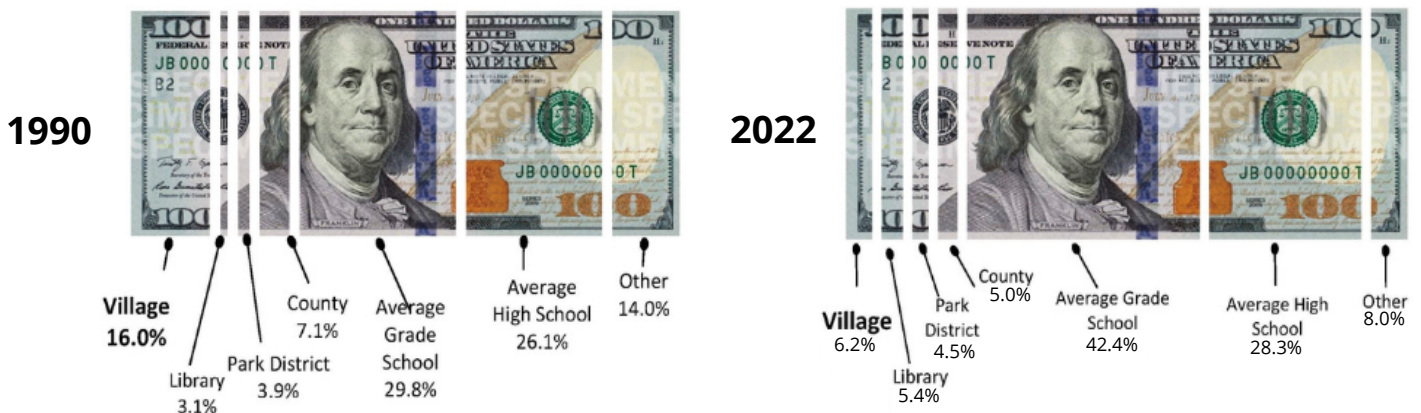
## Operating Budget Revenue Breakdown



## Revenue Philosophy

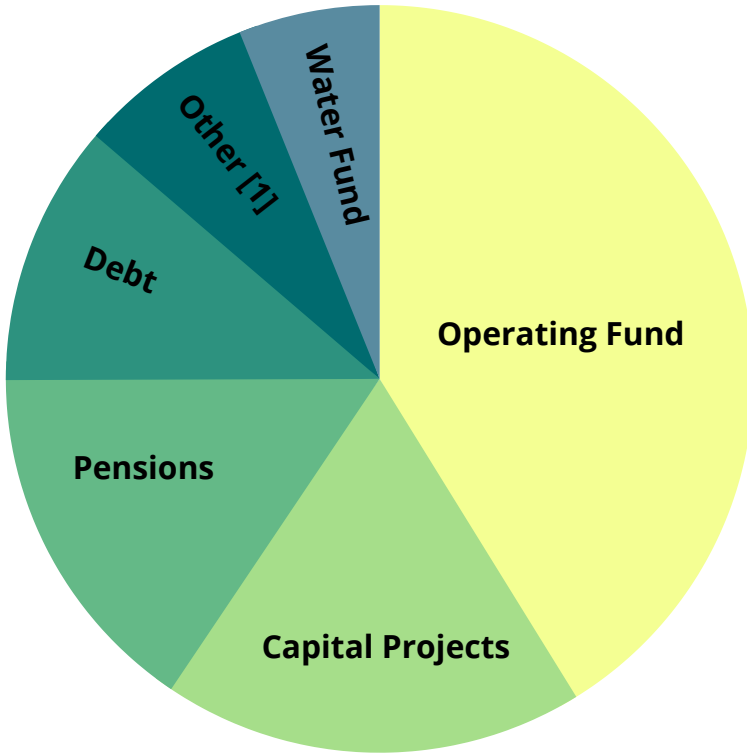
The Village's philosophy regarding revenue is to reduce the property tax burden on residents and businesses by diversifying the sources of revenue so non-residents and non-businesses help fund Village services.

As a result of the Village's philosophy, the percentage of a typical property tax bill that goes to the Village has decreased to approximately 6%.



# Fiscal Year 2023 Budgeted Expenditures

## All Funds Expenditure Breakdown

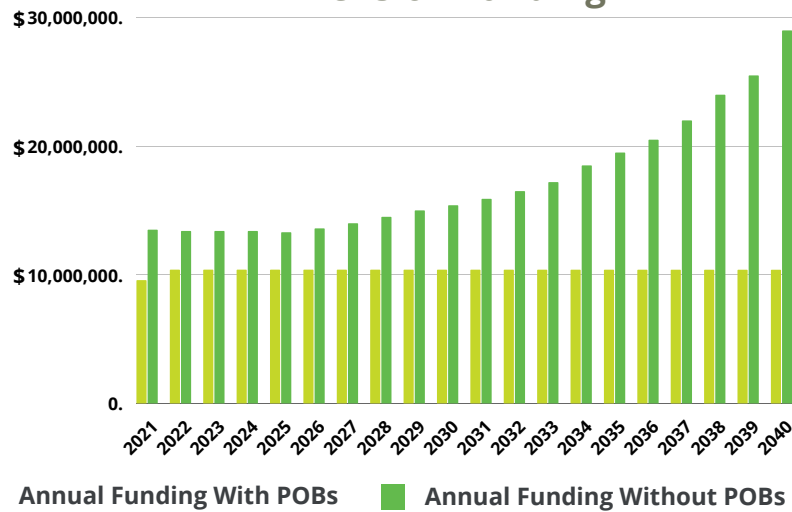


[1] Includes Federal Aid, Visitors Bureau Fund, Performing Arts Center Fund, Wireless Alarm Fund, TIF Fund, Motor Fuel Tax Fund, and Self Insurance Fund.

## Pension Strategy

In FY22, the Village issued Pension Obligation Bonds (POBs) to address the outstanding public safety (Police & Fire) pension liability growing to unsustainable levels, due largely to benefit enhancements by the state. The FY23 debt service amount represents a stable annual funding requirement for the next 20 years, providing much needed budgetary stability. **Through POBs, the Village will see present value savings of nearly \$40 million** while also coinciding with the state mandated funding deadline of 90% of the unfunded pension liability by 2040.

## Pension Funding



## Personnel Costs

As a service providing organization, the Village's expenditures largely consist of personnel related costs, **making up 84 percent of the General Fund Budget**. As a result, during times of extreme financial difficulty a hiring freeze is the primary tool to control costs. The Village has used hiring freezes strictly through attrition and after a careful assessment of operational need and staffing levels. During the great recession and in the recovering years afterwards, 35.5 positions were frozen and an additional 21 positions were frozen during the pandemic, for a total of 56.5 frozen positions. The FY23 proposed budget unfreezes seven of these positions. Even still, the Village has 49.5 fewer positions exceeding a ten percent reduction in the Village's workforce and achieving an annual savings of \$3.7 million.

## Inflationary Increases

FY23 inflationary increases to maintain services total \$1,459,941





# Fiscal 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 integrated into an on going Five-Year Capital Improvement Program (CIP), which includes plans for water and sewer systems, flood control, facilities, sidewalks and streets. It also includes capital equipment purchases such as squad cars, ambulances and Public Works vehicles. The CIP is a fluid document that is updated annually. The projects listed in each of the remaining fiscal years are included for planning purposes and are reviewed annually as they increase in priority during ensuing capital budgets.

The Fiscal Year 2023 CIP Budget is \$28,253,060. Some major highlights include:

 **\$4.1M**  
Street Improvements

 **\$435K**  
Sidewalk Improvements

 **\$4.9M**  
Multiuse Path/Bike Trail Construction

 **\$20K**  
Electric Vehicle Charging Stations

 **\$4.1M**  
Water System Improvements

 **\$390K**  
Green Alley Construction

 **\$80K**  
LED Lighting Upgrades

 **\$400K**  
Body Worn Camera Program

 **\$710K**  
Tower Ladder Firetruck

## Grant Awards

In FY23, the Village will distribute \$1,650,000 in American Rescue Plan Act (ARPA) funds back to the community through various grant opportunities.

**\$700K**  
Grants to Local Agencies

**\$500K**  
Park District & Library Funding



**\$325K**  
Low Income and/or Minority Owned Business Support Grants

**\$100K**  
Emergency Financial Assistance

**\$25K**  
Workforce Development

To view the full Fiscal Year 2023 budget, please visit [www.skokie.org/budget](http://www.skokie.org/budget)

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