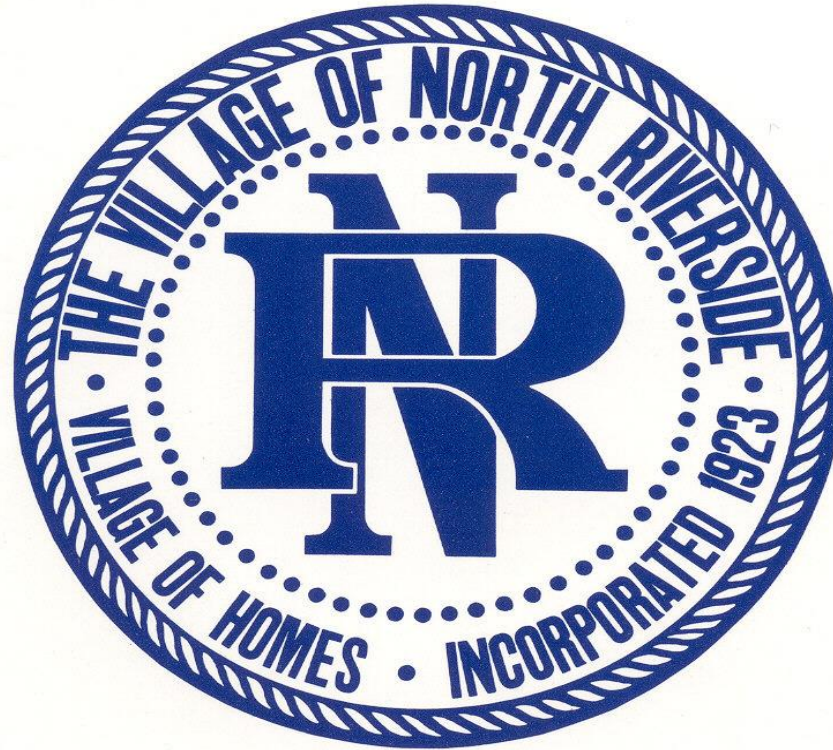


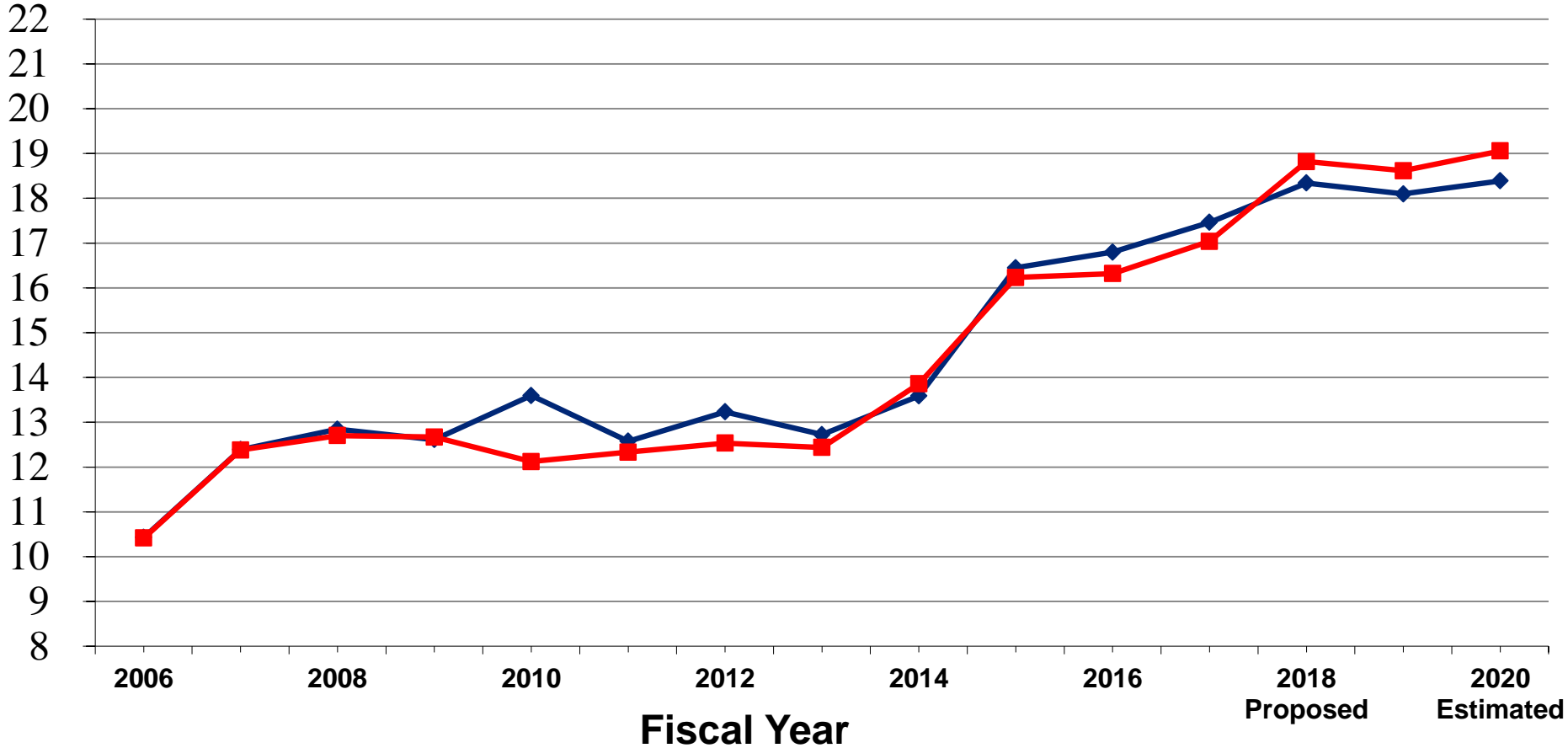
Village of North Riverside



Proposed Operating Budget
Fiscal Year 2017 - 2018

Operating Revenues vs. Expenses General Fund

Millions

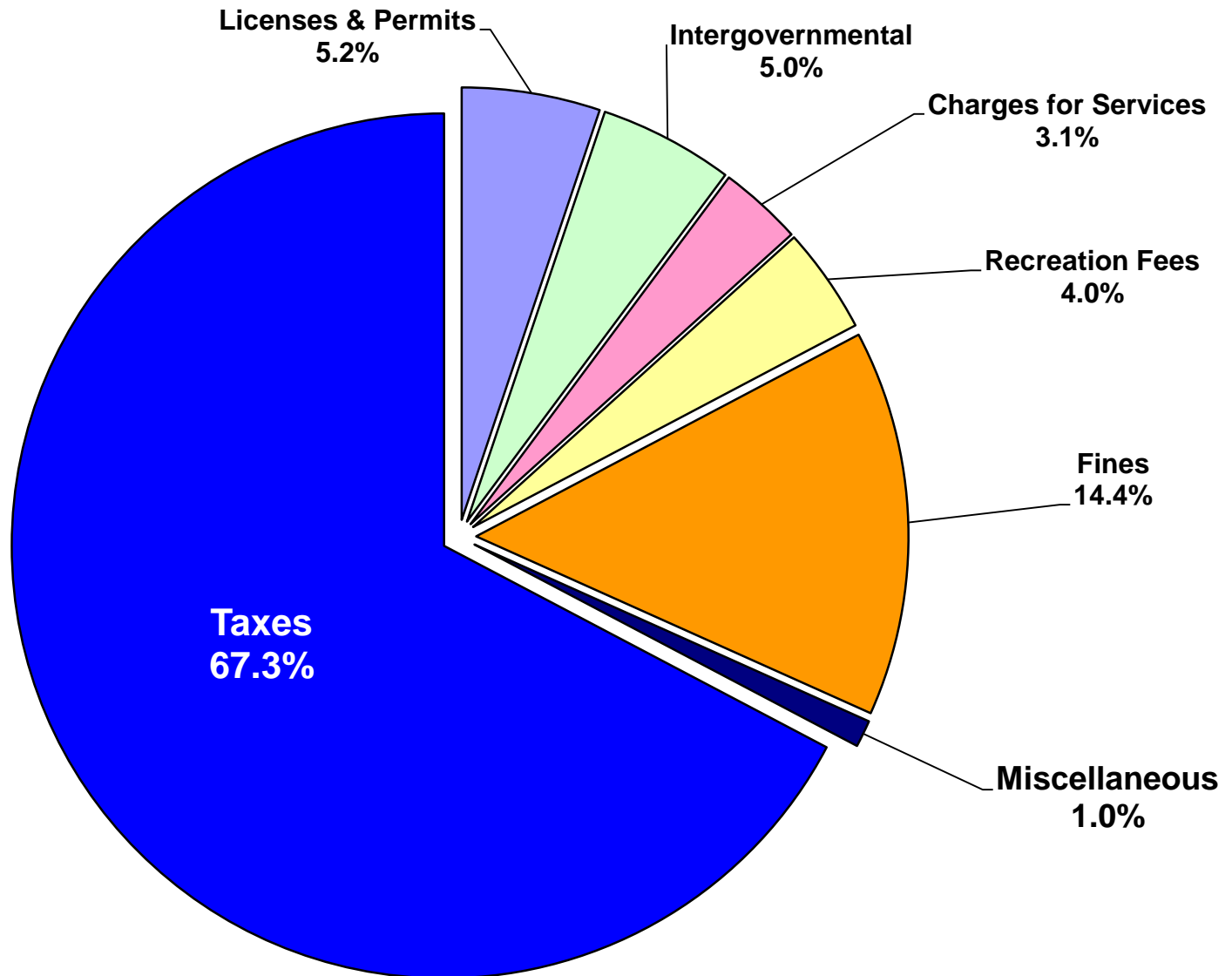


◆ Revenues

■ Expenditures

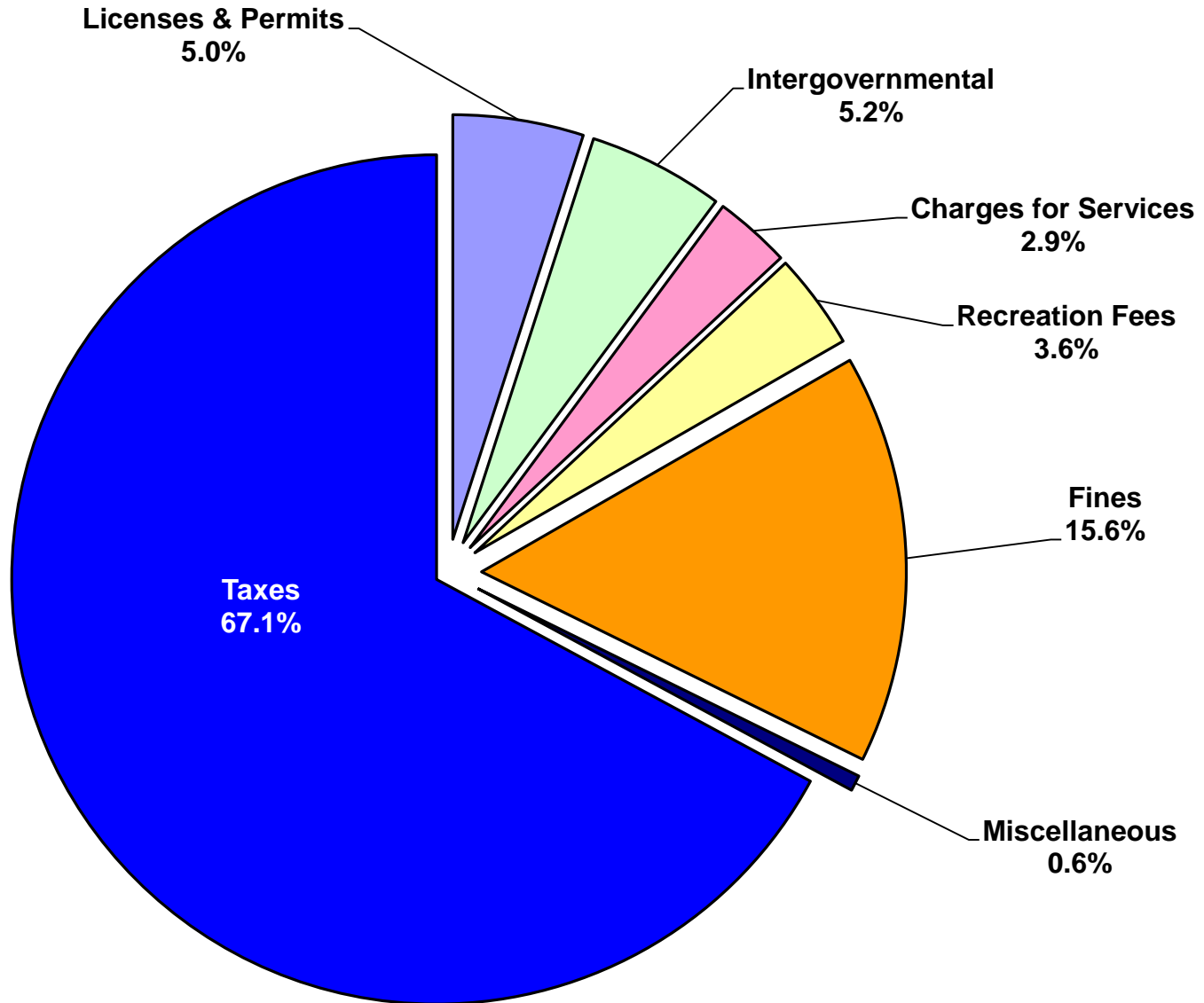
General Operating Revenues

FY17 Projection



General Operating Revenues

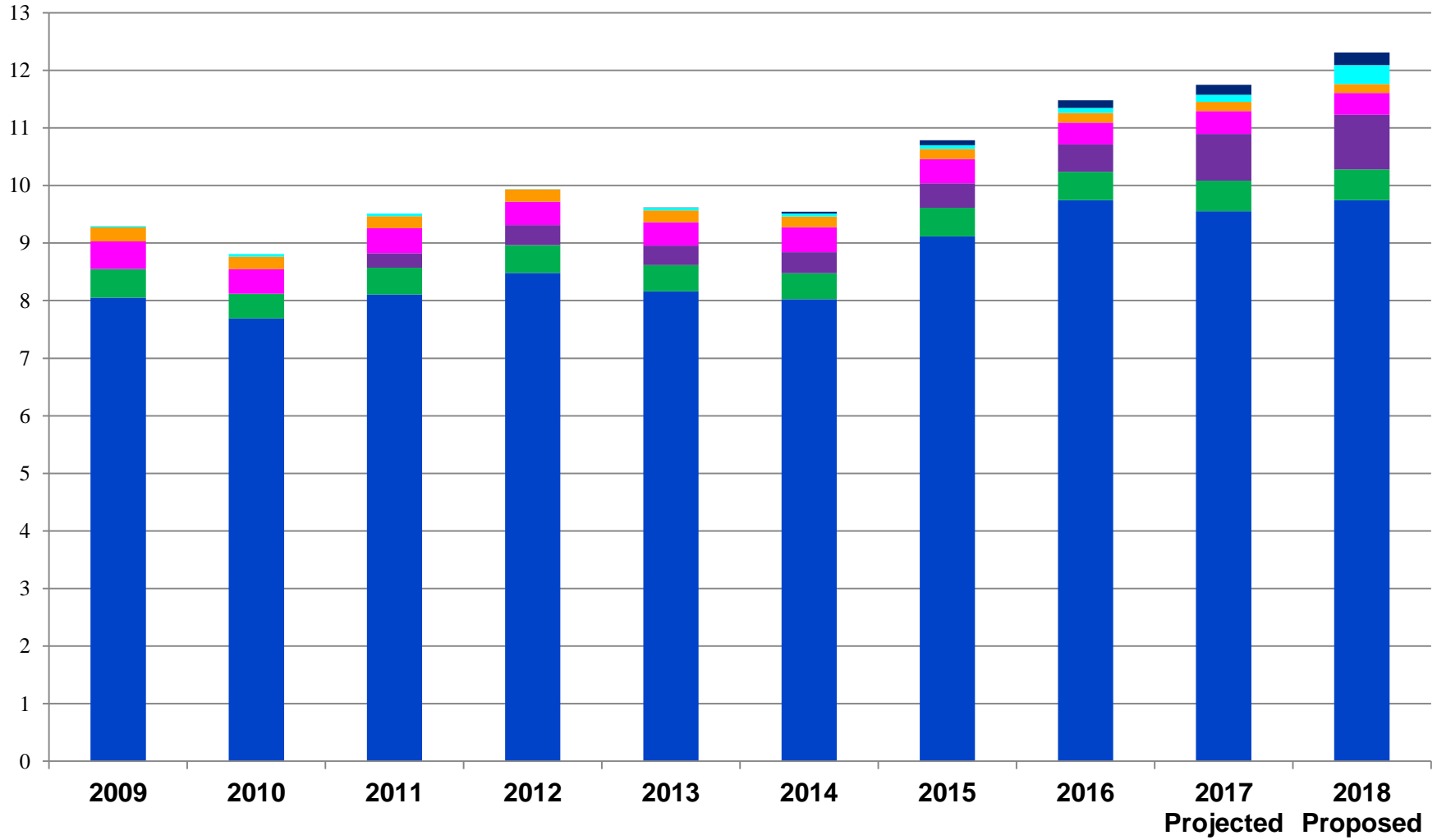
FY18 Proposed Budget



Breakdown of Taxes

General Fund

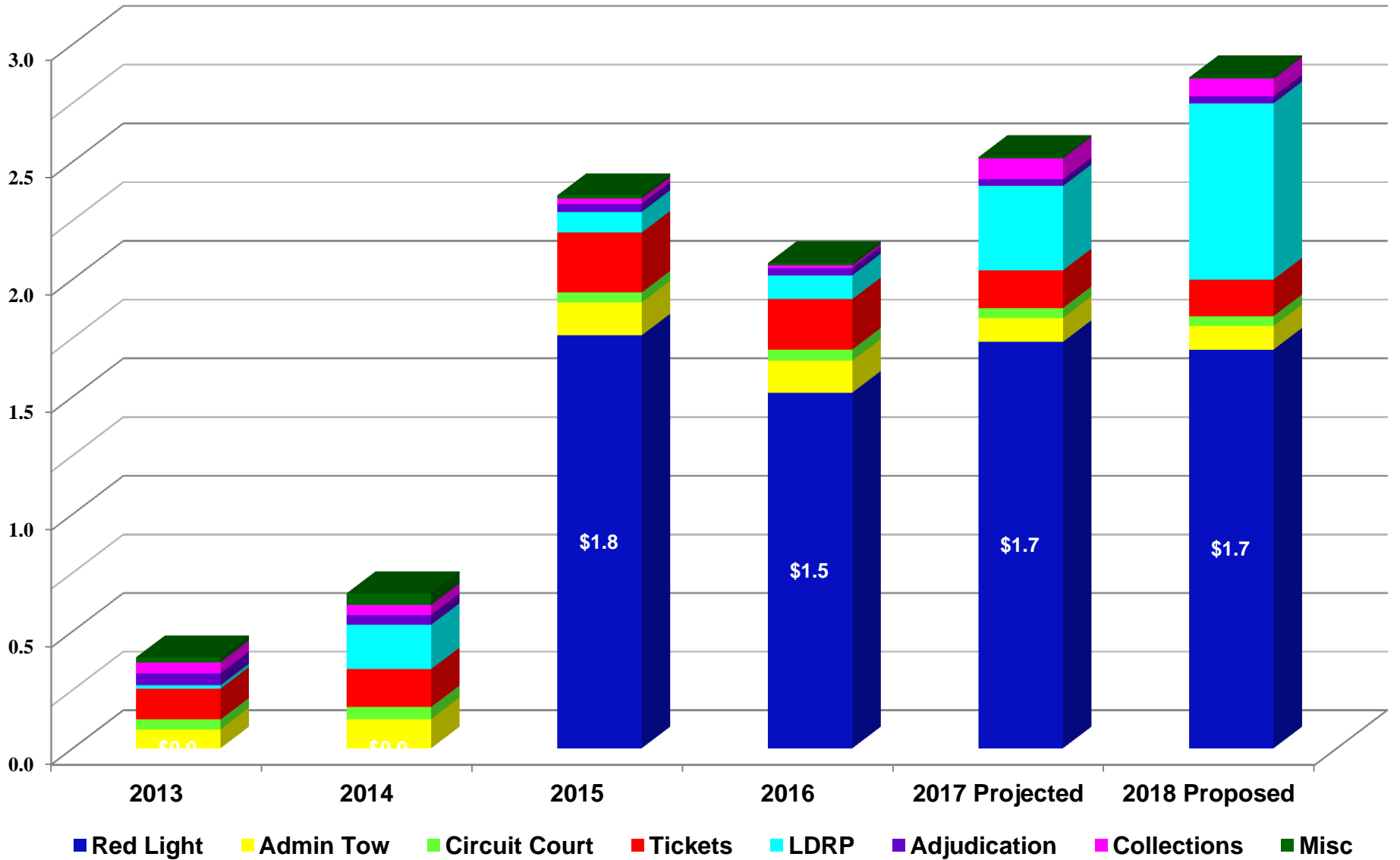
Millions



■ Sales ■ Property ■ Places for Eating ■ Utility ■ Telecommunications ■ Amusement ■ Video Gaming

Breakdown of Fines General Fund

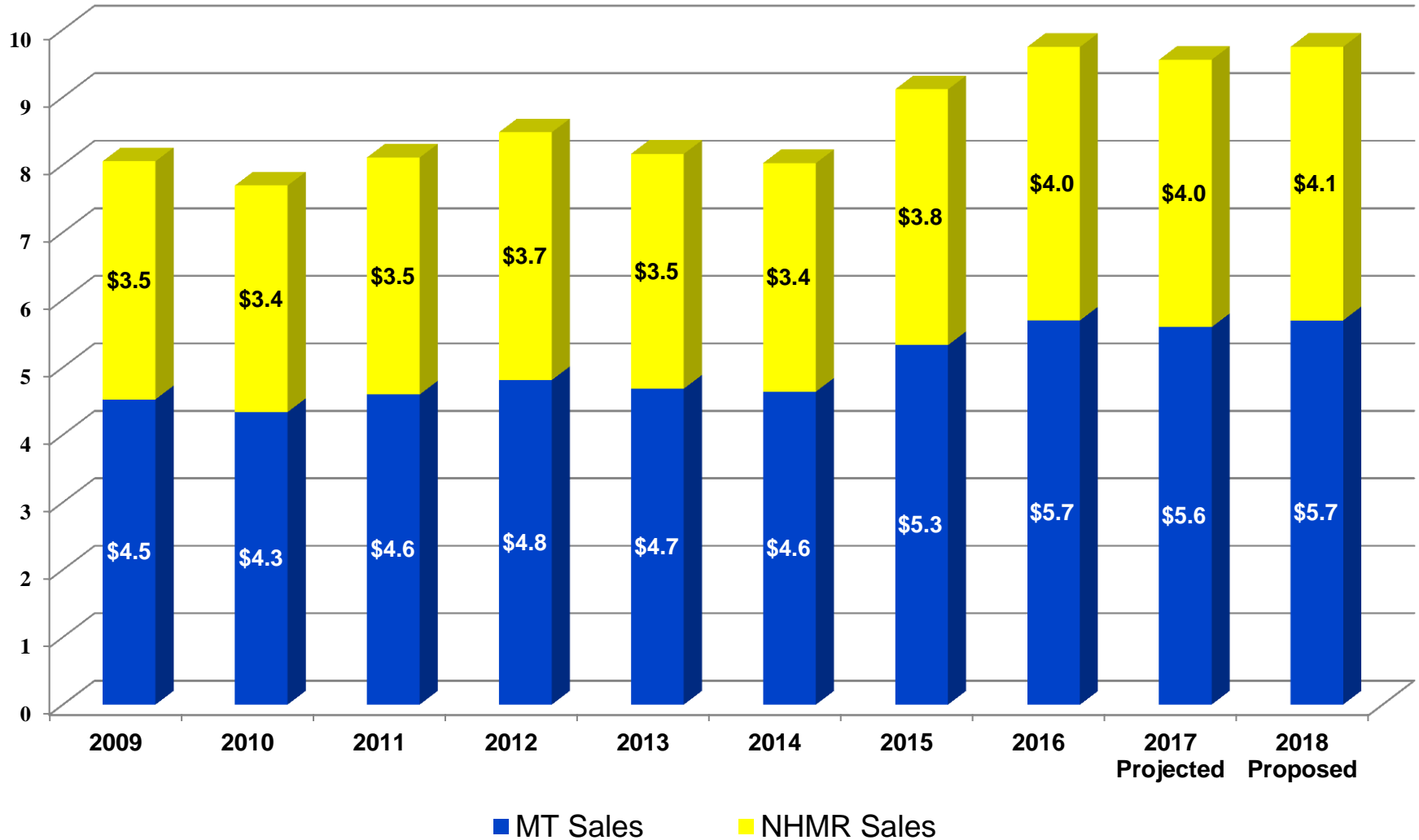
Millions



Sales Tax Revenue

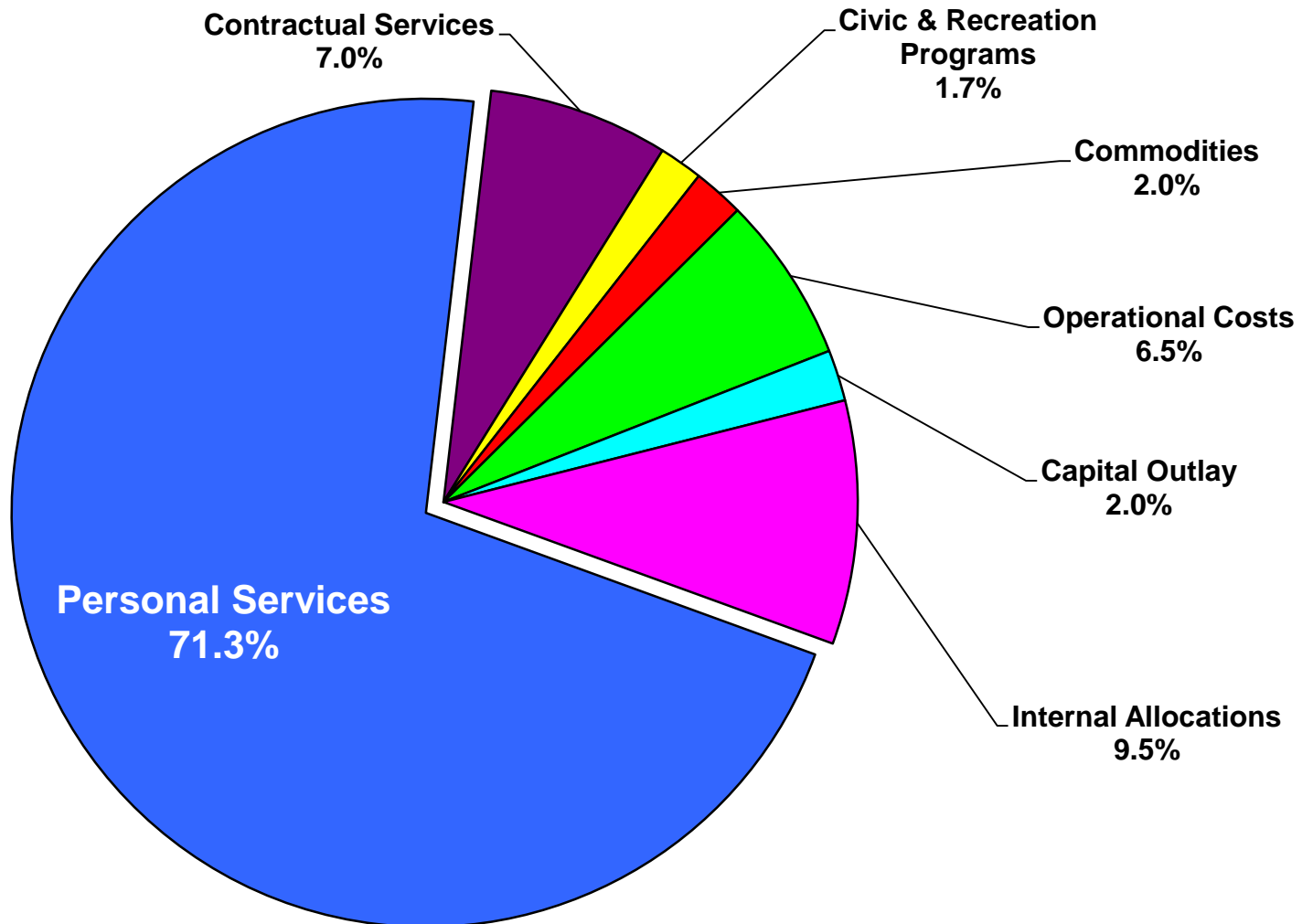
10 Year History

Millions



General Operating Expenses by Class

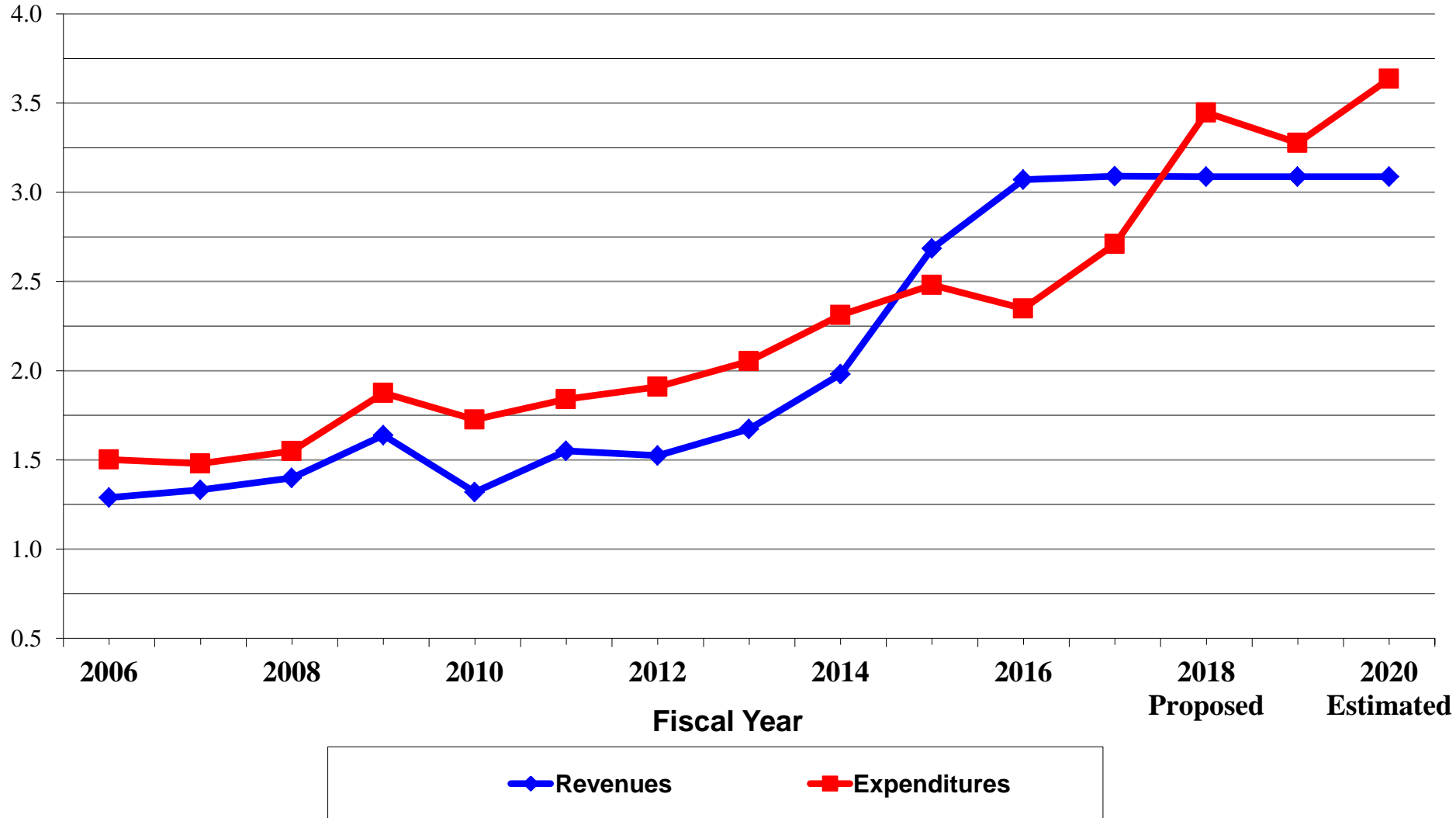
FY18 Proposed Budget



Operating Revenues vs. Expenses

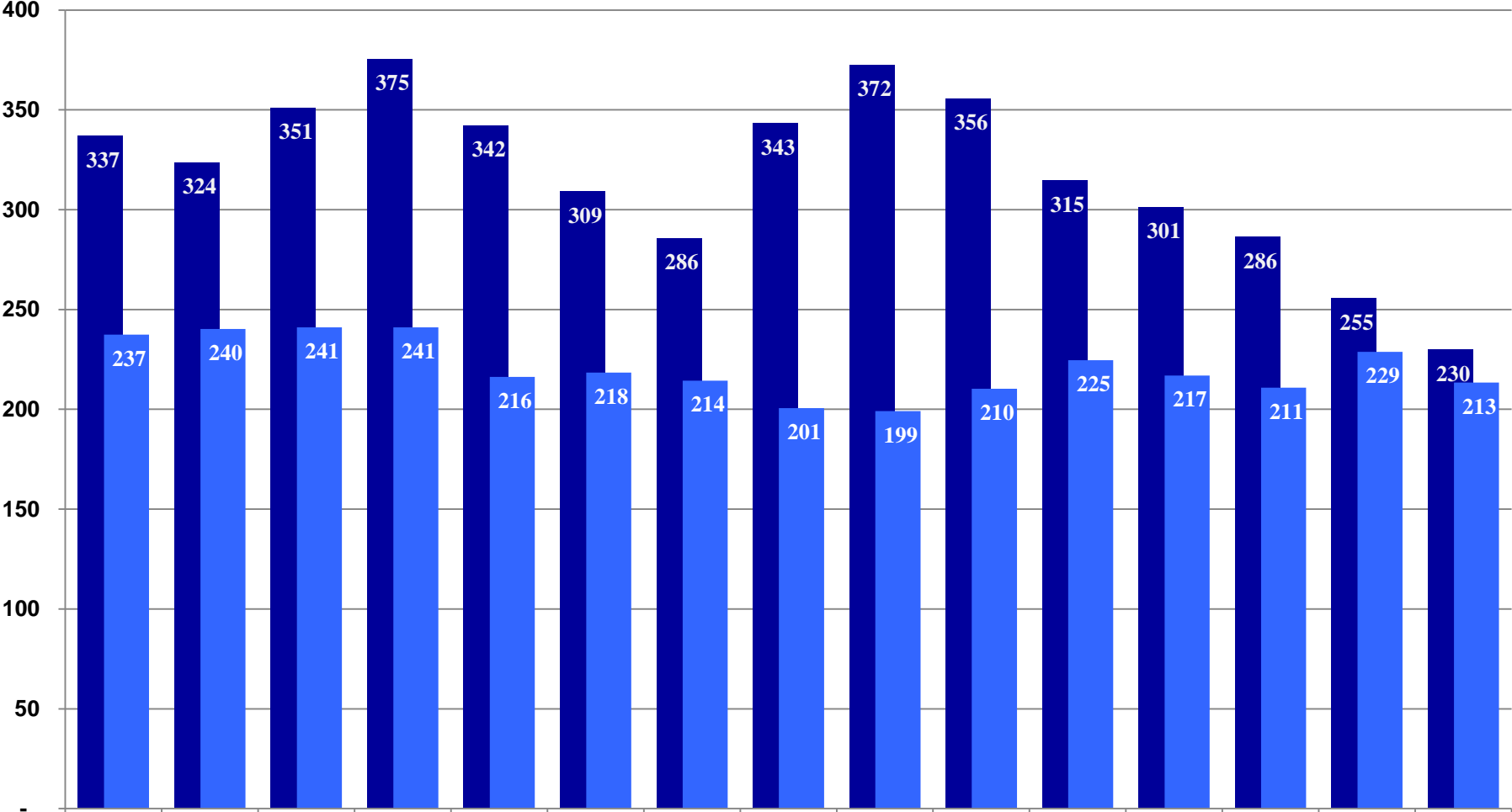
Water Fund

Millions



Gallons Water Purchased vs. Billed Water Fund

millions



■ Gallons Purchased **■ Gallons Billed**

FY17 Revenue Trends

- **Sales tax trending downward since Aug 2016**
 - MT sales tax projected reduction 1.8%
 - NHMR sales tax projected reduction 2.5%
- **State-Shared tax revenues showing consistent reductions**
 - LGDF (Local Government Distributive Fund) showing large fluctuations from past years
 - Income tax collections 11.3% lower
 - Individual rate 3.75%; corporate rate 5.25%
 - 8% of net collections rec'd from individuals, trusts and estates
 - 9.14% of net collections rec'd from C-Corporations
 - State share of income tax
 - » SFY13 - \$1.20 million (\$93.80 per capita)
 - » SFY14 - \$1.22 million (\$95.34 per capita)
 - » SFY15 - \$1.32 million (\$102.57 per capita)
 - » SFY16 - \$1.30 million (\$101.36 per capita)
 - » SFY17 - \$0.95 million (\$74.38 per capita) **lowest since 2005**

FY17 Revenue Trends

- **State-Shared revenues (continued)**

- Corporate PPRT (CPPRT) grew by 19.5%
- IDOR notifies taxing agencies of gross error in April, 2016
 - Affecting individual income tax (IIT), corporate income tax (CIT), and corporate PPRT (CPPRT) tax returns
 - \$168 million overpaid to local governments and counties
 - » NR portion \$5,586
 - \$100 million CPPRT funds diverted in FY17 to support community colleges and K-12 education
 - \$70 million CPPRT funds scheduled to be diverted in 2018
 - CPPRT over-allocation resulted in LGDF distributions being understated in FY15 & FY16
- Local use tax anticipated to grow 5%
 - Increase driven primarily from Amazon collecting use tax starting in Feb 2015
 - Strong growth in on-line sales
 - High consumer spending

FY17 Revenue Trends

- **Property tax collections 99% of levy**
 - Highest collection rate since 2008
- **Building activity flat**
 - 2% vacancy rate in North Riverside Park Mall
- **Health inspection fees continue to support operational costs**
- **Video gaming revenue grew 31% over 2016**
 - 10 gaming establishments (48 machines) as of April 2017

FY17 Revenue Trends

- **Recreation fees continue to exceed budget estimates**
 - Increased \$62,000 (10%) over original budget estimates
 - 3rd straight year of strong enrollment numbers
- **Fine revenue grew 22% over 2016**
 - Red light ticket fines grew 14%
 - \$1.5 million 2016
 - \$1.7 million 2017
 - Strong collection efforts on unpaid outstanding tickets through State LDRP Program
 - \$101,000 2016
 - \$359,000 2017

2017-18 Budget Environment

- **State budget crisis**

- Illinois running annual deficits since early 2000's
- Third consecutive year state budget not approved
- Illinois lowest bond rating among states
- Unfunded pension liabilities in excess of \$130 billion
- Unfunded state employee retiree health insurance liabilities of \$56.4 billion
- Record unpaid backlog of state bills totaling \$14.5 billion

FY18 Revenue Assumptions

- **Sales Tax**

- 3% growth anticipated over prior fiscal year
- Additional sales tax revenue over prior year
 - McCarthy Ford
- Little new businesses growth anticipated for FY18
- Continued sales tax loss from Sports Authority & HH Gregg

FY18 Revenue Assumptions

- **State Shared Revenues**

- **Income Tax (LGDF)**

- Currently safe from State budget cuts
 - Municipalities receive 8% of income tax money
 - FY18 projection is \$101.00 per capita
 - **Conservative projections due to IDOR reporting error**
 - CIT base normalizes and 0% economic growth
 - IIT receipts grow at 3.8%

- **Local Use Tax**

- FY18 projection is \$25.30 per capita
 - Expected growth to slow over prior fiscal year
 - Expected higher consumer spending and strong on-line sales

FY18 Revenue Assumptions

- **State Shared Revenues**

- **PPRT (Personal Property Replacement Tax)**

- FY16 revenue reduced approximately \$6,000 due to state calculation error
- Only municipalities who collected personal property tax in 1977 are eligible for distribution
- General Assembly has history of sweeping funds to pay for expenses that come out of state's general revenue fund
- FY18 baseline Corporate PPRT of \$1,225 million
 - Base CPPRT revenue \$1,215 million
 - \$0 refund transfers to CPPRT fund
 - \$70 million transfer out to fund education

FY18 Revenue Assumptions

- **State Shared Revenues**

- **Motor Fuel Tax Funds**

- FY18 projection remains flat at \$25.75 per capita
 - Assumes no further sweep of funds in FY18
 - Assumes gasoline prices will remain below \$4/gallon causing a modest increase in demand
 - Modest consumption growth to be offset by new purchases of more fuel efficient vehicles
 - Still a concern Governor's FY18 budget will call for additional sweep of funds

FY18 Revenue Assumptions

- **Places for Eating Tax**

- 2% tax on all eating establishments
 - Currently 48 active restaurants in North Riverside
 - Anticipated growth
 - 1-2 new restaurants

- **Amusement Tax**

- 5% gross sales
 - Additional collections due to tax increase effective entire FY
 - Additional amusement tax use opening during FY

- **Building Permits**

- Flat construction growth expected

FY18 Revenue Assumptions

- **Telecommunication Tax**
 - Anticipated to remain flat compared prior fiscal year
- **Video gaming tax**
 - Estimated 2 new gaming establishments during FY18
 - Projected \$40,000 increase (22%)
- **Red light violations**
 - Active cameras
 - Southbound Harlem at Cermak (live May, 2014)
 - Eastbound Cermak at Harlem (live March, 2015)
 - Northbound 17th at Cermak (live Nov, 2015)
 - 60/40 revenue split
 - **Aggressive collection of outstanding unpaid tickets**

FY18 Revenue Assumptions

- **Water User Fees**

- City of Chicago water rate
 - \$.07 (1.83%) increase June 1, 2017
- BNRWC water rate
 - \$.14 (2.83%) increase June 1, 2017
 - 1st of 7 \$.08 increases to cover repayment of 20 year EPA loan
- Recommending water rate increase effective 8/17 TBD

- **Grants**

- Cook County grant
 - \$114,000 1st Avenue Bike Path – Phase II (carry over)
- Federal grant
 - \$82,700 Air Pack Grant
- State grant
 - \$105,000 DCEO Grant

FY18 Expenditure Assumptions

- **Wage assumptions**

- 2.50% Non-Union (effective 5/1/17)
- 2.50% Union TC's (effective 11/30/17)
- 2.50% Union Police (effective 5/1/17)

- **MICA Insurance Pool**

- Self insured coverage for WC, property & liability ins
- Premium based on 4 year claim history and risk exposure
- 1st premium reduction in over 5 years
 - 2015 - 45% increase (\$170,841); 2016 - 10% increase (\$60,000)
 - 2017 – 2.8% reduction (\$17,143)

- **IPBC Pool**

- Self insured coverage for health & life insurance
- Policy year July 1st to June 30th
- Renewal increased 1.2%

FY18 Expenditure Assumptions

- **Contract services**

- Ambulance services (PSI)
 - 2.50% increase (\$12,000)
- Refuse Collection (Roy Strom)
 - Adjusts August 1st annually
 - CPI Adjustment with minimum 2.85% annually
- Building Inspector Fees
 - Status quo

- **Motor Fuel Tax Fund**

- Regular MFT program (\$180,000)
- Final IDOT payments to close out projects
 - Village wide bike path (\$52,500)
 - DesPlaines Avenue Streetscape Project (\$26,500)

FY18 Expenditure Assumptions

- **Debt Service**

- 2011 Debt Certificates

- Series A - \$1.94 Million Issue

- \$1.05 million Water Meter Replacement Program

- ✓ **Retire December 1, 2026**

- ✓ Interest \$35,000 annually

- ✓ Principal payments starting 12/16 (\$85,000-\$110,000)

- ✓ Accounted in Water Fund

- Series B - \$1.65 Million Issue

- Refunding 2009 Working Cash Loan

- ✓ **Retire Dec 1, 2018**

- ✓ Interest \$25,000 annually

- ✓ Principal \$240,000 - \$255,000

- ✓ Accounted in Capital Projects Fund

FY18 Expenditure Assumptions

- **Debt Service**

- 2013 Debt Certificates
 - Economic Development Incentive
 - **Retire December 1, 2032**
 - Interest \$220,000 annually
 - Principal \$285,000 - \$485,000
 - Accounted in Debt Service Fund
- 2016 GO Alternate Revenue Bonds
- Illinois Finance Authority Loan
 - Purchase of Ambulance
 - **Retired November 1, 2017**
 - 0% interest
 - \$12,500 annually
 - Accounted in Capital Projects Fund

FY18 Expenditure Assumptions

- **Pension Funding**

- Fire Pension Fund (as of 4/30/16)

- \$1,068,788 ARC (\$134,167 increase from prior year)
- \$972,426 Statutory Minimum Funding (PUC)
- **39% funded; 41.7% Funded PUC**

- Police Pension Fund (as of 4/30/16)

- \$1,518,549 ARC (\$265,032 increase from prior year)
- \$1,323,342 Statutory Minimum Funding (PUC)
- **44.6% Funded; 47.5% Funded PUC**

- IMRF (as of 12/31/16)

- 13.14% of payroll for 2017
- 13.03% of payroll for 2018 (preliminary rate)
 - Final rate will not be available until November, 2017
- **75.8% funded**