Operating Revenues vs. Expenses
General Fund

Fiscal Year

Proposed Estimated Budget

Revenues
Expenditures
General Operating Revenues
FY15 Projection

- Taxes: 65.6%
- Fines: 14.4%
- Licenses & Permits: 6.9%
- Intergovernmental: 5.6%
- Charges for Services: 3.3%
- Recreation Fees: 3.9%
- Miscellaneous: 0.3%
Sales Tax Revenue
10 Year History

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Projected Budget

Projected

Proposed Budget

MT Sales
NHMR Sales
General Operating Expenses by Class
FY16 Proposed Budget

- Personal Services 67.2%
- Contractual Services 13.0%
- Civic & Recreation Programs 1.6%
- Commodities 1.7%
- Operational Costs 8.3%
- Capital Outlay 2.4%
- Internal Allocations 5.8%
Operating Revenues vs. Expenses
Water Fund

Revenues
Expenditures
FY15 Revenue Trends

• **Sales taxes showed solid growth**
  – MT sales tax projected increase 13%
  – NHMR sales tax projected increase 10%

• **State-Shared Income Tax revenue (LGDF) safe for now, but other funds swept in 4/15**
  – $50 million swept from MFT Revenues
    • $1.20 per capita reduction on March distribution
    • Approximately $8,000 loss
  – **$40 million swept from State and Local Sales Tax Reform Fund (Local Use Tax)**
    • On per capita basis
    • Distributions after % paid to City of Chicago, RTA & Metro East Mass Transit District
FY15 Revenue Trends

- **State Budget Sweeps**
  - $14,114,300 swept from PPRT Fund
    - Reduction of less than 1%

- $200 million sweep from Local Government Tax Fund
  - State collected local sales tax is deposited into this fund
  - Not distributed on a per capita basis
  - Estimating Village exposure very difficult
    - IDOR indicated may be able to minimize or avert any reductions by strategically managing the money in this fund
FY15 Revenue Trends

• Property tax collections exceed 97% of levy
  – No significant tax protests for 1st time in 2 years

• Building activity continues to strengthen
  – 5% vacancy rate in North Riverside Mall
  – New businesses include
    • Red Robin
    • Charter Fitness
    • Sports Clip
    • ATI Physical Therapy
    • Auntie Annie’s Pretzels (2nd location)
    • Red Wing Shoes
    • Sliccily

• Health inspection fees continue to support operational costs
FY15 Revenue Trends

• **Recreation fees exceed projections**
  – 1st increase in past 3 years
  – Increased $170,000 (37%) over prior year

• **Fine revenue tripled over prior year**
  – Parking tickets increased $30,000 (50%)
  – Compliance tickets up $70,000 (100%)
  – Red light tickets anticipated at $1.7 million
  – Administrative tow fees increased $15,000 (12%)
2016 Budget Environment

• **State budget crisis**
  – Illinois running annual deficits since early 2000’s
  – FY16 state budget projects $9 billion deficit
  – Illinois lowest bond rating among states
  – Unfunded pension liabilities in excess of $105 billion
    • Illinois Supreme Court rules 2013 State pension law unconstitutional
  – Unfunded state employee retiree health insurance liabilities of $34.5 billion
  – Unpaid backlog of state bills totaling $6.5 billion
FY16 Revenue Assumptions

• **Sales Tax**
  – 4% growth anticipated over prior fiscal year
  – Additional sales tax revenue over prior year
    • Red Robin opened for business in late Sept 2014 (5 months)
    • Carson’s reopened in Feb 2015
  – New businesses anticipated to open in FY16
    • Miller Ale House (Nov 2015)
    • H&M Clothing (Fall 2015)
    • AAA Auto (Summer 2015)
    • Famous Dave’s relocation (late 2015)
FY16 Revenue Assumptions

• State Shared Revenues
  – Income Tax (LGDF)
    • Currently safe from State budget cuts, but may return
    • Municipalities receive 8% of income tax money
    • FY16 projection originally $99 per capita
    • Anticipated growth expected at 2.1%
    • Original proposed state budget cut $331,100 (50%)
    • Reduced $200,000 (30%) pending Governor’s budget cuts

  – Local Use Tax
    • FY16 projection originally $19.40 per capita
    • Expected growth of 4.9% over prior fiscal year estimates
    • Reduced $25,000 (20%) pending Governor’s budget cuts
FY16 Revenue Assumptions

- **State Shared Revenues**
  - PPRT (Personal Property Replacement Tax)
    - Replaced money lost by local governments when their powers to impose personal property taxes were taken away
    - 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
    - FY16 Corporate PPRT taxes originally expected to remain flat for 3rd consecutive year ($1.38 billion)
    - Reduced $4,500 (12%) pending Governor’s budget cuts
FY16 Revenue Assumptions

- **State Shared Revenues**
  - Motor Fuel Tax Funds
    - FY16 projection originally $23.80 per capita
    - Expected decline of 2.1% over prior fiscal year
    - Concern Governor’s FY15 budget sweep will continue in FY16
    - IL Job Now Capital Bill expired
      - loss of $29,000 annually
    - Reduced $20,000 (12%) pending Governor’s proposed cuts
FY16 Revenue Assumptions

• **Places for Eating Tax**
  – 1% tax on all eating establishments
    • Currently 42 active restaurants in North Riverside
    • Anticipated growth
      – 1 new restaurant
      – 2 existing restaurant relocation/expansion
    • Estimated growth FY17
      – 1 new restaurant

• **Building Permits**
  – Anticipated construction costs
    • Famous Dave’s relocation
    • Scottish Home expansion
    • H&M Clothing Store (NRPM)
    • Cermak & DesPlaines Strip Center
FY16 Revenue Assumptions

• **Telecommunication Tax**
  – Anticipated to remain flat compared prior fiscal year

• **Video gaming tax**
  – Estimated 2 new gaming establishments in Fall 2015
  – Projected $8,000 (10%) increase

• **Red light violations**
  – Active cameras
    • Southbound Harlem at Cermak (live May, 2014)
    • Eastbound Cermak at Harlem (live March, 2015)
    • Northbound 17th at Cermak (estimated Nov, 2015)
  – 60/40 revenue split
  – Conservative estimate 700 violations per month
FY16 Revenue Assumptions

• **Water User Fees**
  – City of Chicago water rate
    • No increase expected
  – BNRWC water rate
    • Anticipated minimum increase $.10 per 1,000 gallons
  – Recommending water rate increase effective 7/15

• **Grants**
  – Federal grants
    • $40,945 Fire Hose Grant (Carry Over)
    • $52,750 Village Commons Improvements Grant (Carry Over)
    • $142,500 Ambulance Grant (Applied)
  – State grants
    • $30,000 Skidster & snow bucket (Carry over)
    • $25,000 STEP Grants - traffic enforcement
FY16 Expenditure Assumptions

• Wage assumptions
  – 2.25% Non-Union (effective 5/1/2015)
  – 2.25% Union Police (effective 5/1/2015)
  – Estimated 2.25% Union TC’s (expires 11/30/15)
  – Estimated 0% Union Fire (expired 4/30/14)

• MICA Insurance Pool
  – Self insured coverage for workers compensation, property & liability insurance
  – Premium based on 4 year claim history and risk exposure
  – Renewal increased 45% ($170,841)

• IPBC Pool
  – Self insured coverage for health & life insurance
  – Policy year July 1st to June 30th
  – Renewal increased 4.6% ($108,406)
FY16 Expenditure Assumptions

• **Contract services**
  – Ambulance services (PSI)
    • 2.25% increase ($10,500)
  – Firefighting services
    • Estimated 6 months
  – Refuse Collection (Roy Strom)
    • Adjusts August 1st annually
    • CPI Adjustment with minimum 2.85% annually
  – Building Inspector Fees
    • $5 rate increase across the board

• **Motor Fuel Tax Fund**
  – $1.0 million street resurfacing project
    • Funding consideration Alternate Revenue Bonds
  – Final IDOT payments to close out projects
    • Village wide bike path ($123,000)
    • DesPlaines Avenue Streetscape Project ($43,000)
FY16 Expenditure Assumptions

• **Debt Service**
  – 2011 Debt Certificates
    • Series A - $1.94 Million Issue
      – $1.05 million Water Meter Replacement Program
        ✓ **Retired in 2026**
        ✓ $35,000 annually
        ✓ Principal payments starting 12/16 ($85,000-$110,000)
        ✓ Accounted in Water Fund

    – $ .89 million Refunding 2000 GO Alternate Revenue Bonds
      ✓ **Retired in 2015**
      ✓ $235,000 annually
      ✓ Accounted in Debt Service Fund

• Series B - $1.65 Million Issue
  – Refunding 2009 Working Cash Loan
    ✓ **Retired in 2018**
    ✓ $265,000 annually
    ✓ Accounted in Capital Projects Fund
FY16 Expenditure Assumptions

• **Debt Service**
  - 2013 Debt Certificates
    • Economic Development Incentive
      – *Retired in 2032*
      – $265,000 annually
      – Accounted in Debt Service Fund
  
  – Illinois Finance Authority Loan
    • Purchase of Ambulance
      – *Retired in 2017*
      – 0% interest
      – $12,500 annually
      – Accounted in Capital Projects Fund
FY16 Expenditure Assumptions

• **Pension Funding**
  – Fire Pension Fund (as of 4/30/14)
    • $879,775 ARC ($106,720 increase from prior year)
    • $814,381 Statutory Minimum Funding
    • 41% funded
  – Police Pension Fund (as of 4/30/14)
    • $1,192,086 ARC ($99,849 increase from prior year)
    • $1,071,049 Statutory Minimum Funding
    • 47% Funded
  – IMRF (as of 12/31/14)
    • 13.29% of payroll for 2015
    • 14.38% of payroll for 2016 (preliminary rate)
      – Final rate will not be available until 11/15
    • 64% funded