

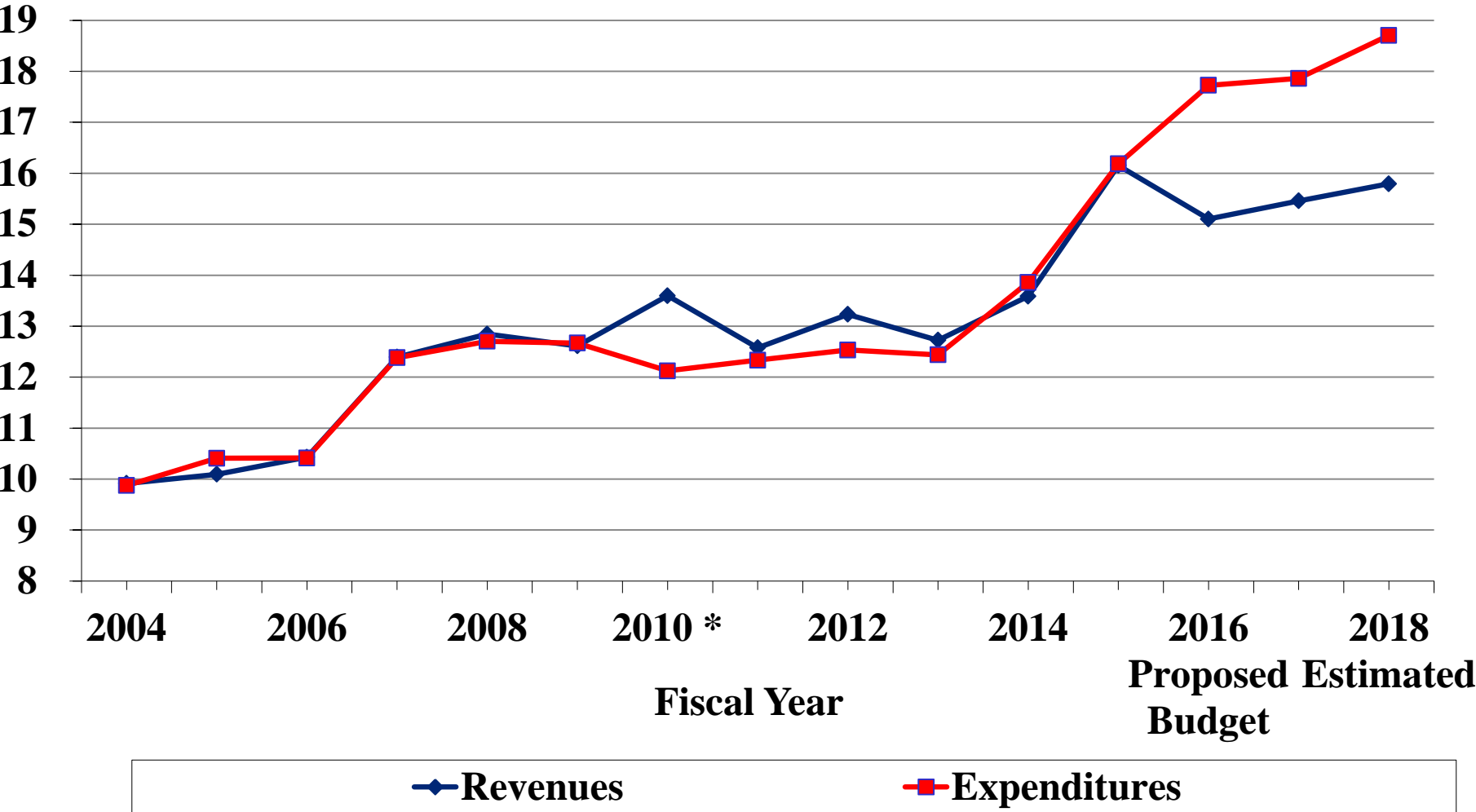
# Village of North Riverside



Proposed Budget  
Fiscal Year 2015 - 2016

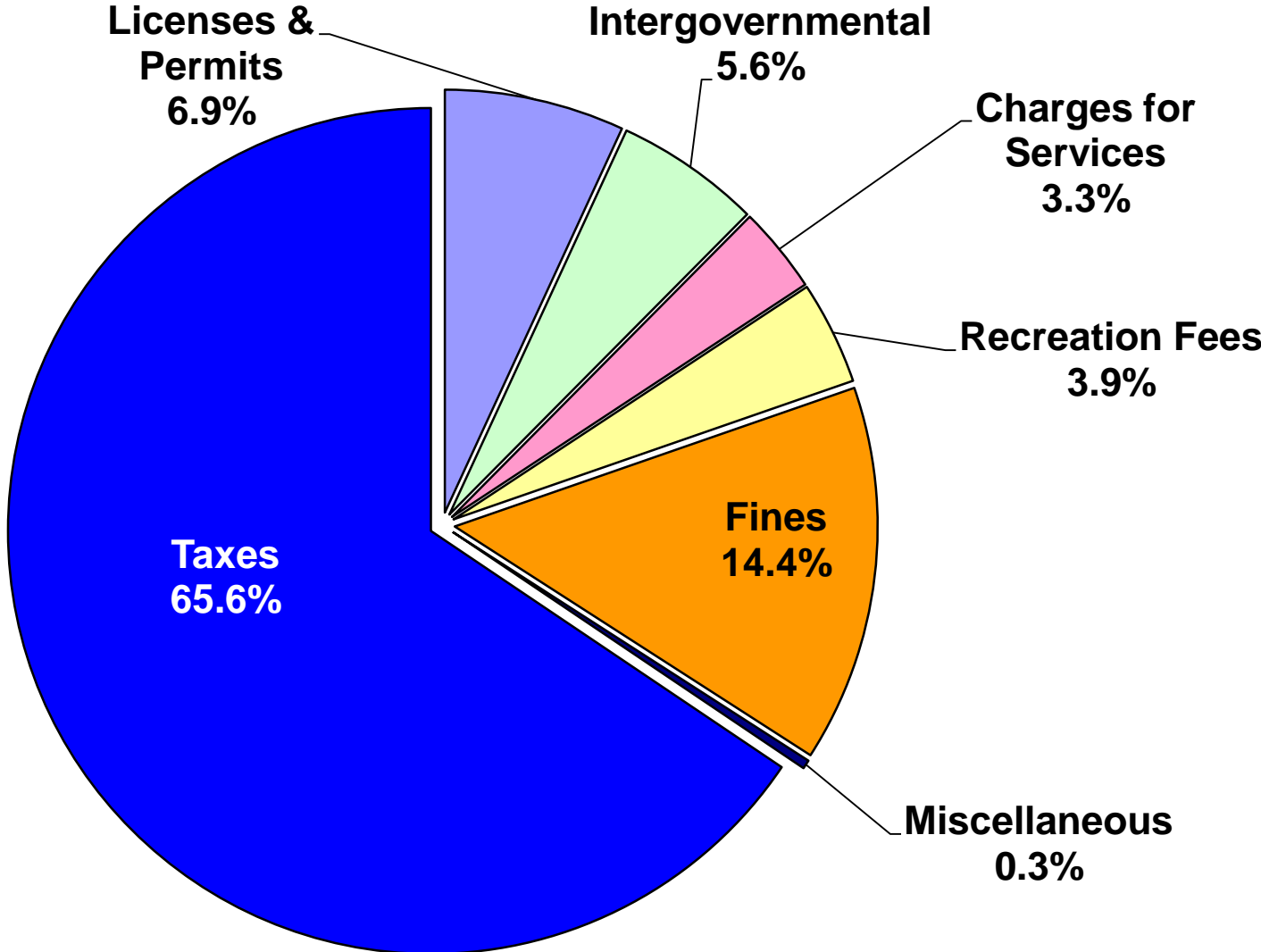
# Operating Revenues vs. Expenses General Fund

Millions



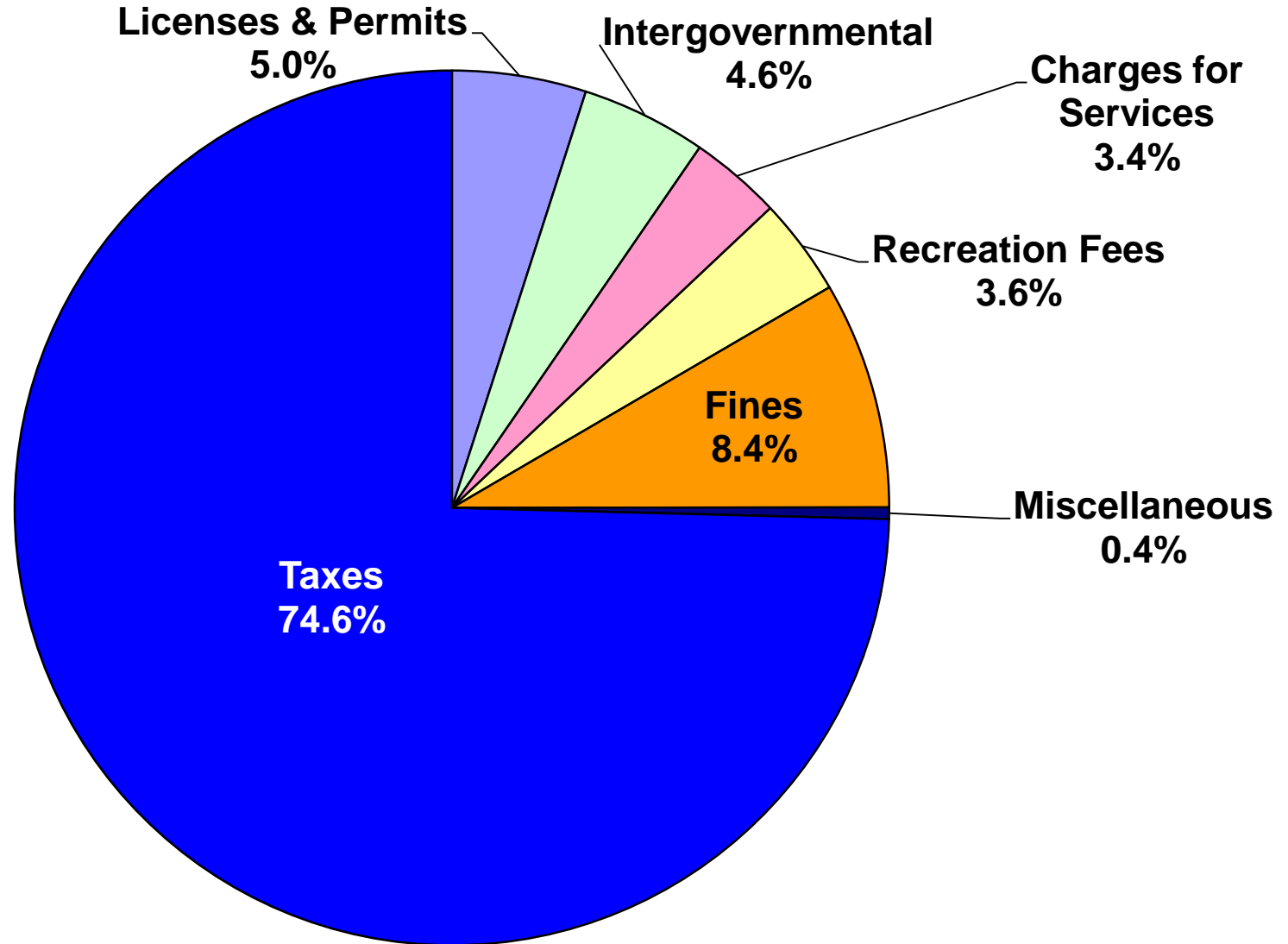
# General Operating Revenues

FY15 Projection



# General Operating Revenues

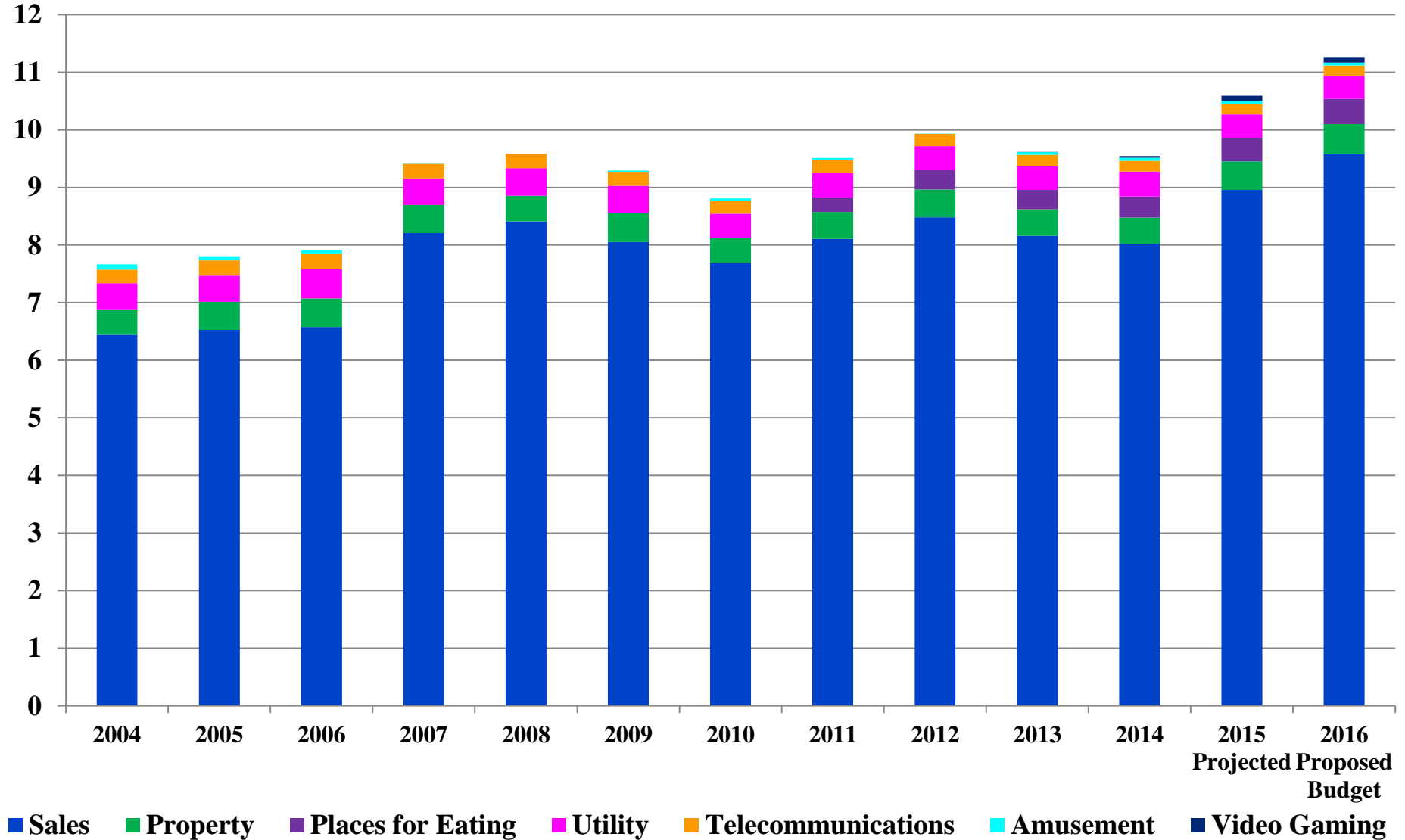
## FY16 Proposed Budget



# Breakdown of Taxes

## General Fund

millions

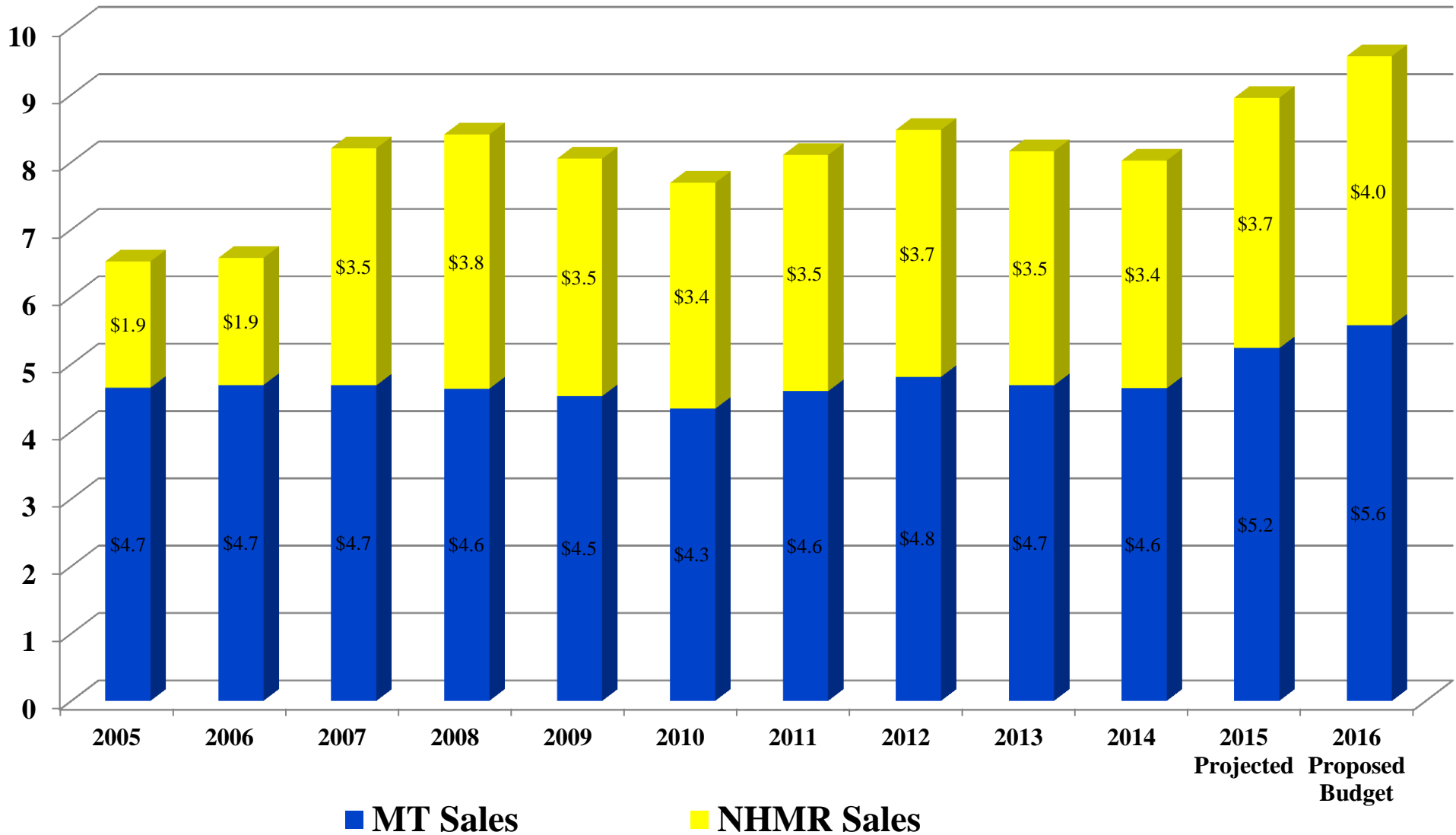


Projected Proposed Budget

# Sales Tax Revenue

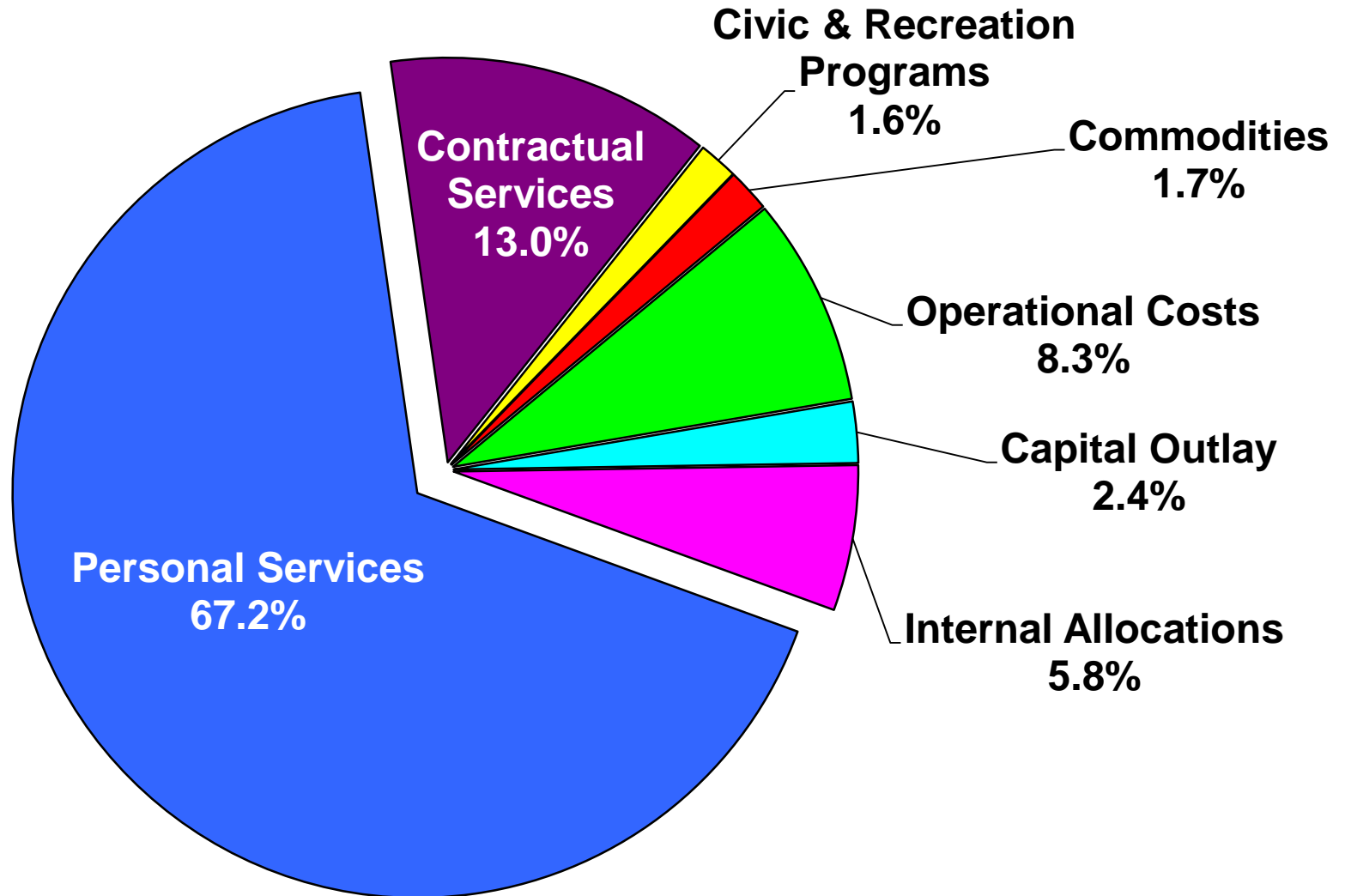
## 10 Year History

millions



# General Operating Expenses by Class

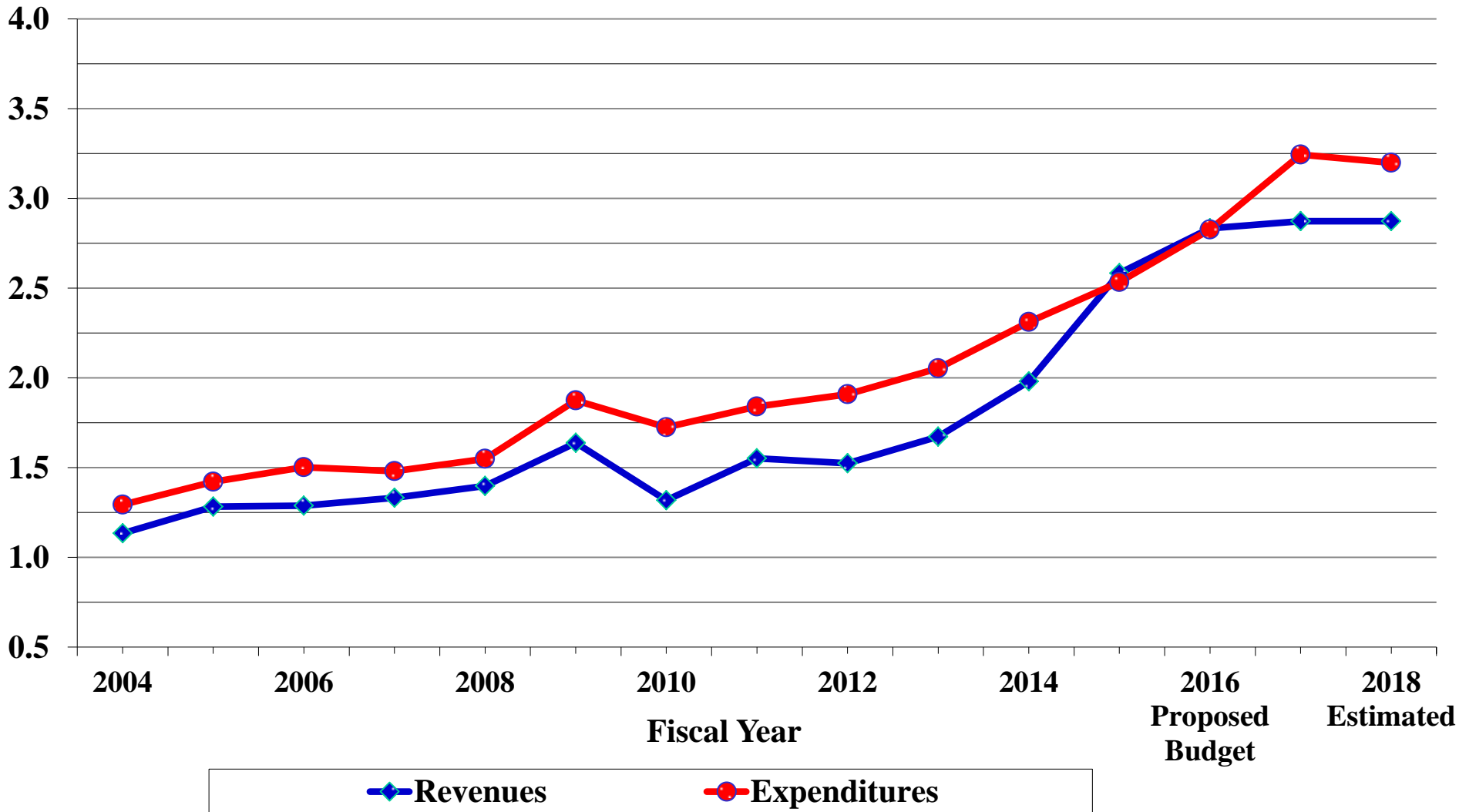
## FY16 Proposed Budget



# Operating Revenues vs. Expenses

## Water Fund

millions

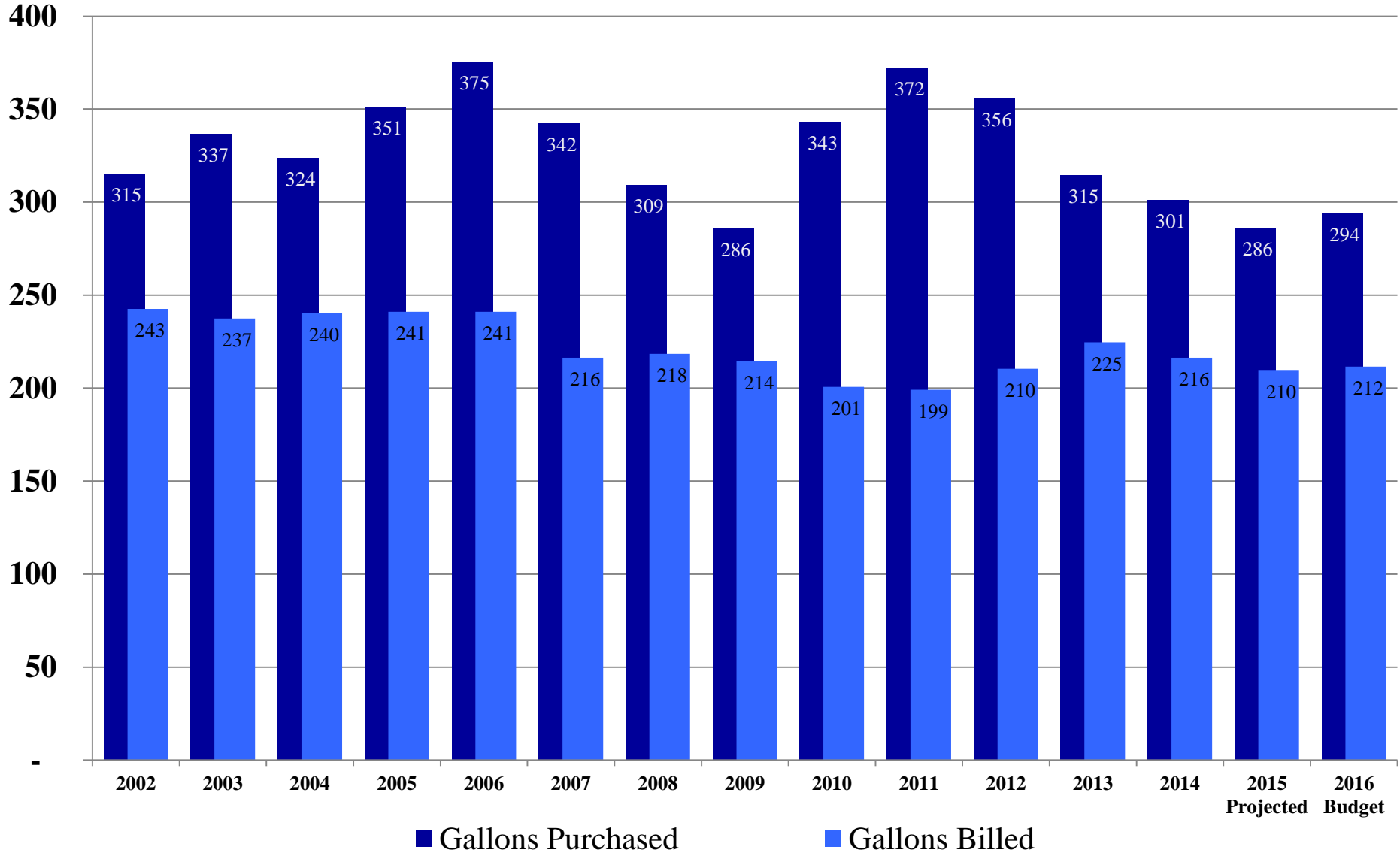




# Gallons Water Purchased vs. Billed

## Water Fund

millions



# 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 1<sup>st</sup> 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 (2<sup>nd</sup> location)
    - Red Wing Shoes
    - Sliccily
- **Health inspection fees continue to support operational costs**

# FY15 Revenue Trends

- **Recreation fees exceed projections**
  - 1<sup>st</sup> 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 17<sup>th</sup> 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 1<sup>st</sup> to June 30<sup>th</sup>
- 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 1<sup>st</sup> 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**