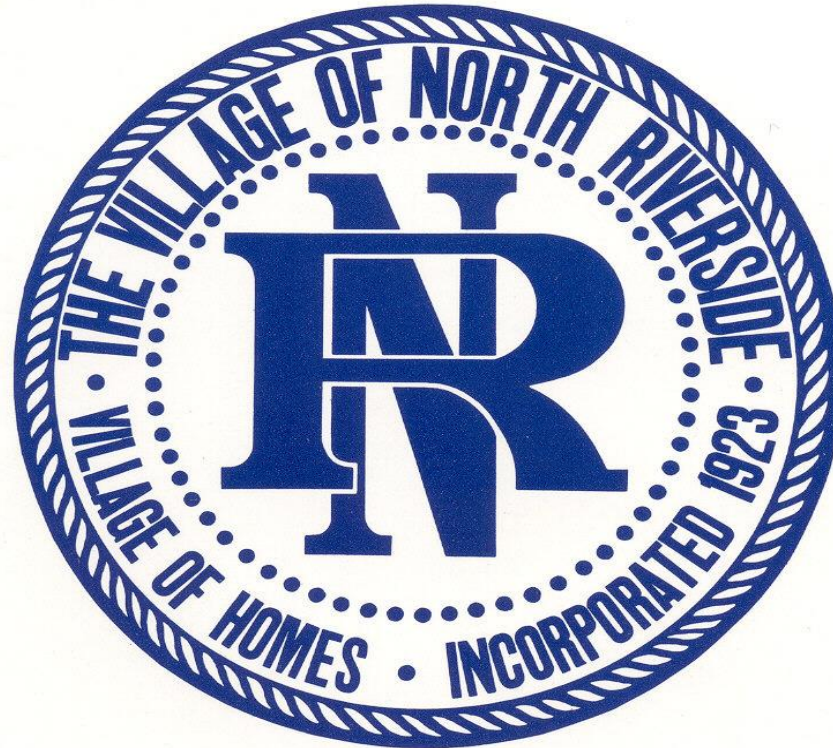


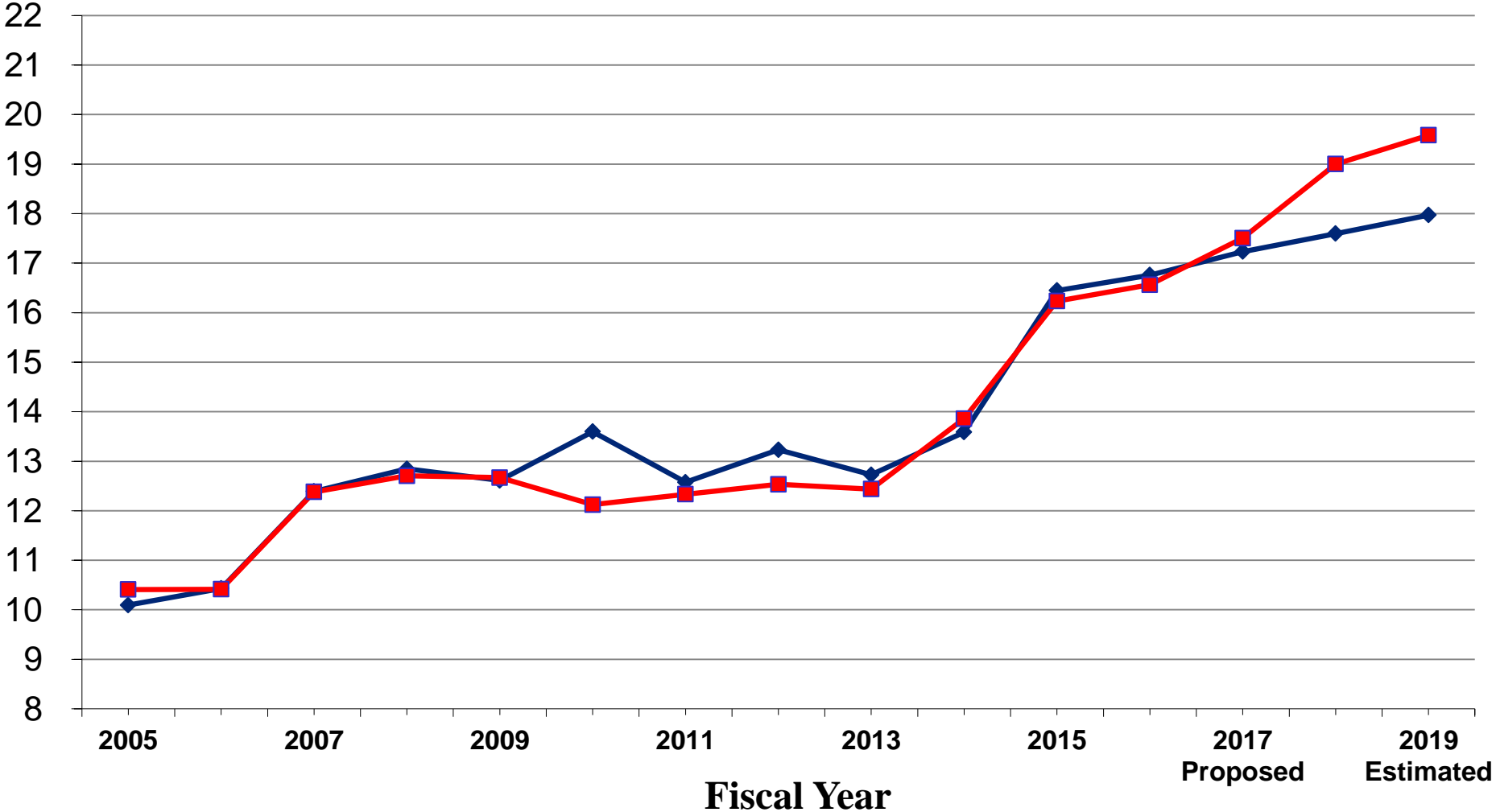
Village of North Riverside



Proposed Operating Budget
Fiscal Year 2016 - 2017

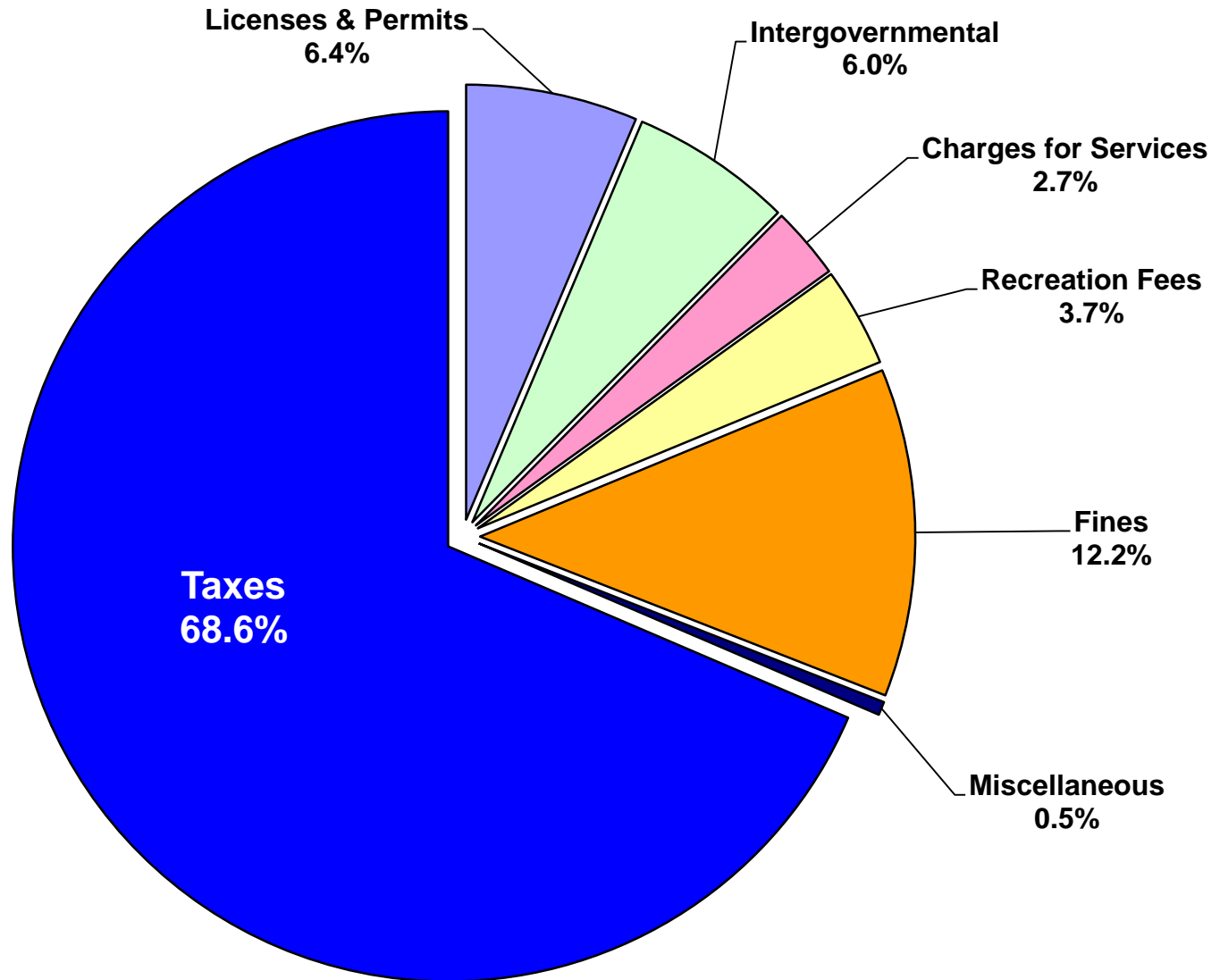
Operating Revenues vs. Expenses General Fund

Millions



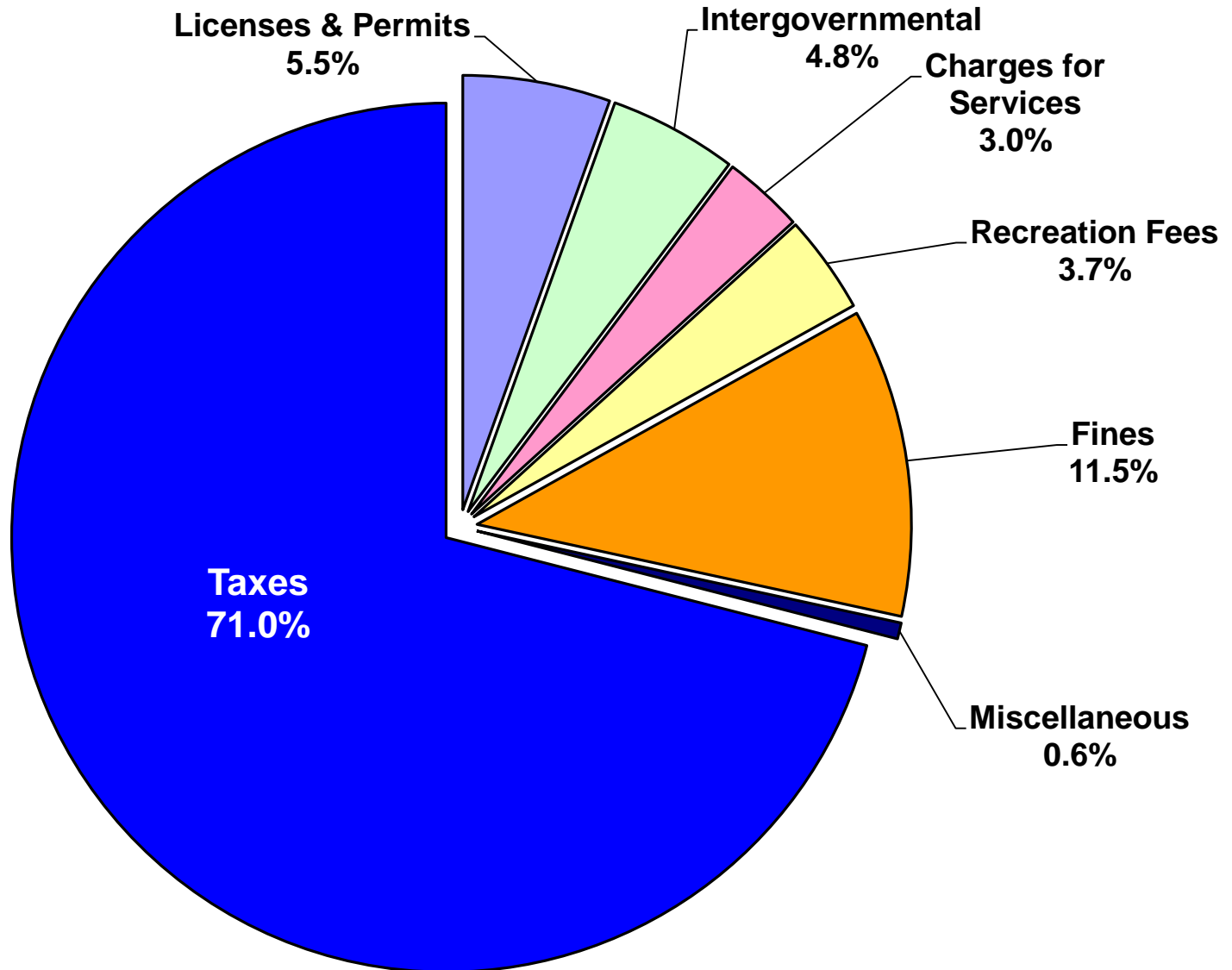
General Operating Revenues

FY16 Projection



General Operating Revenues

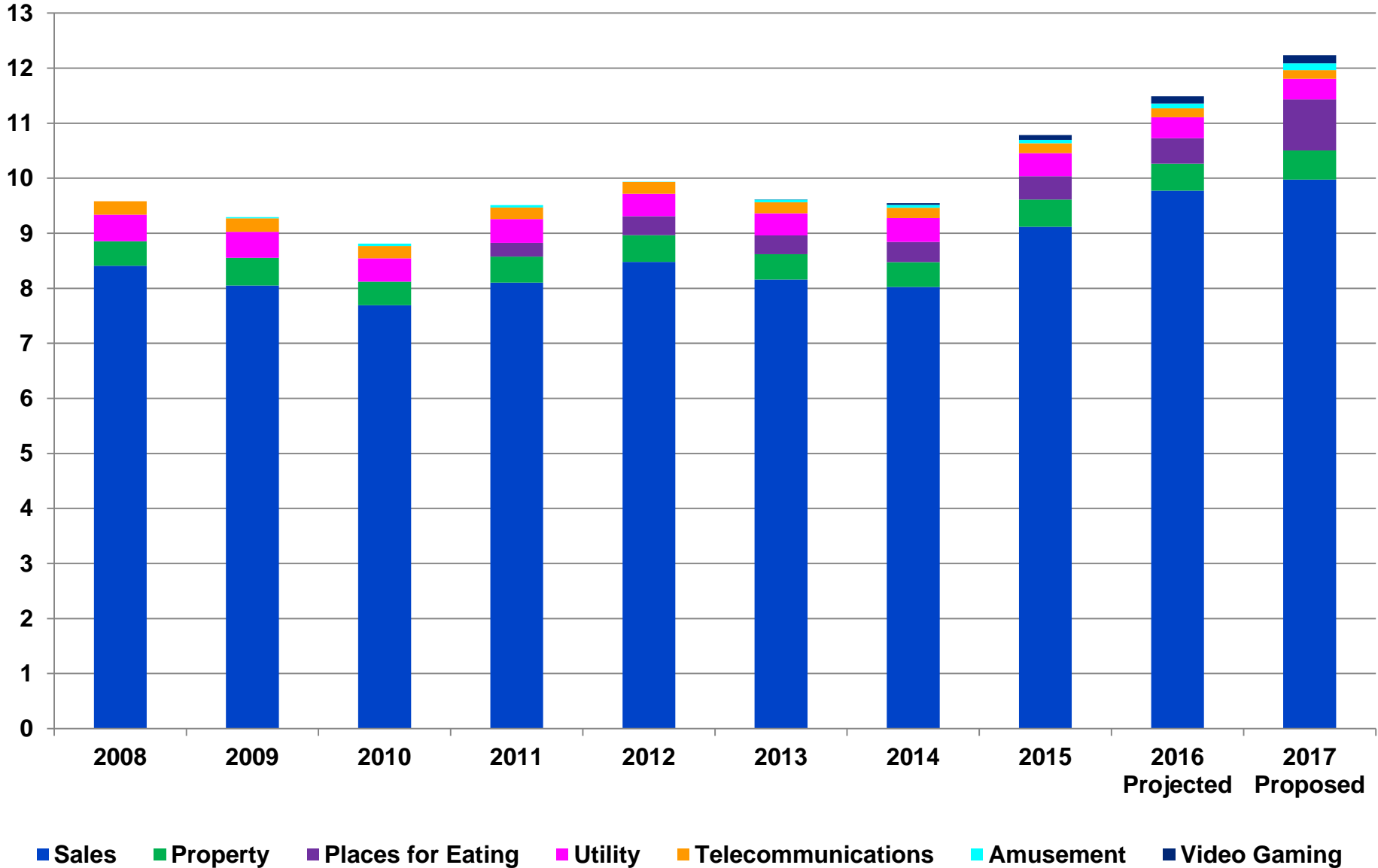
FY17 Proposed Budget



Breakdown of Taxes

General Fund

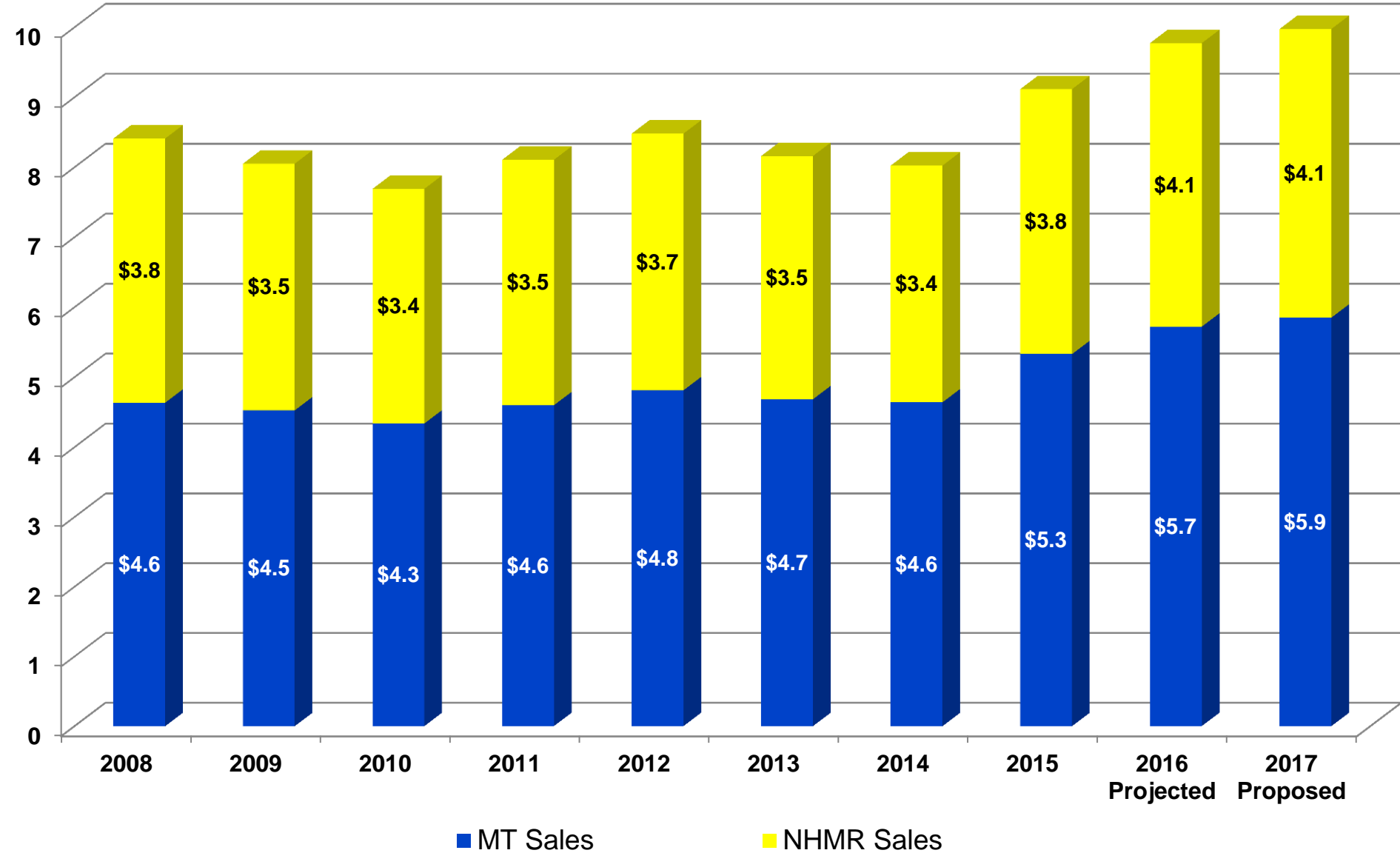
Millions



Sales Tax Revenue

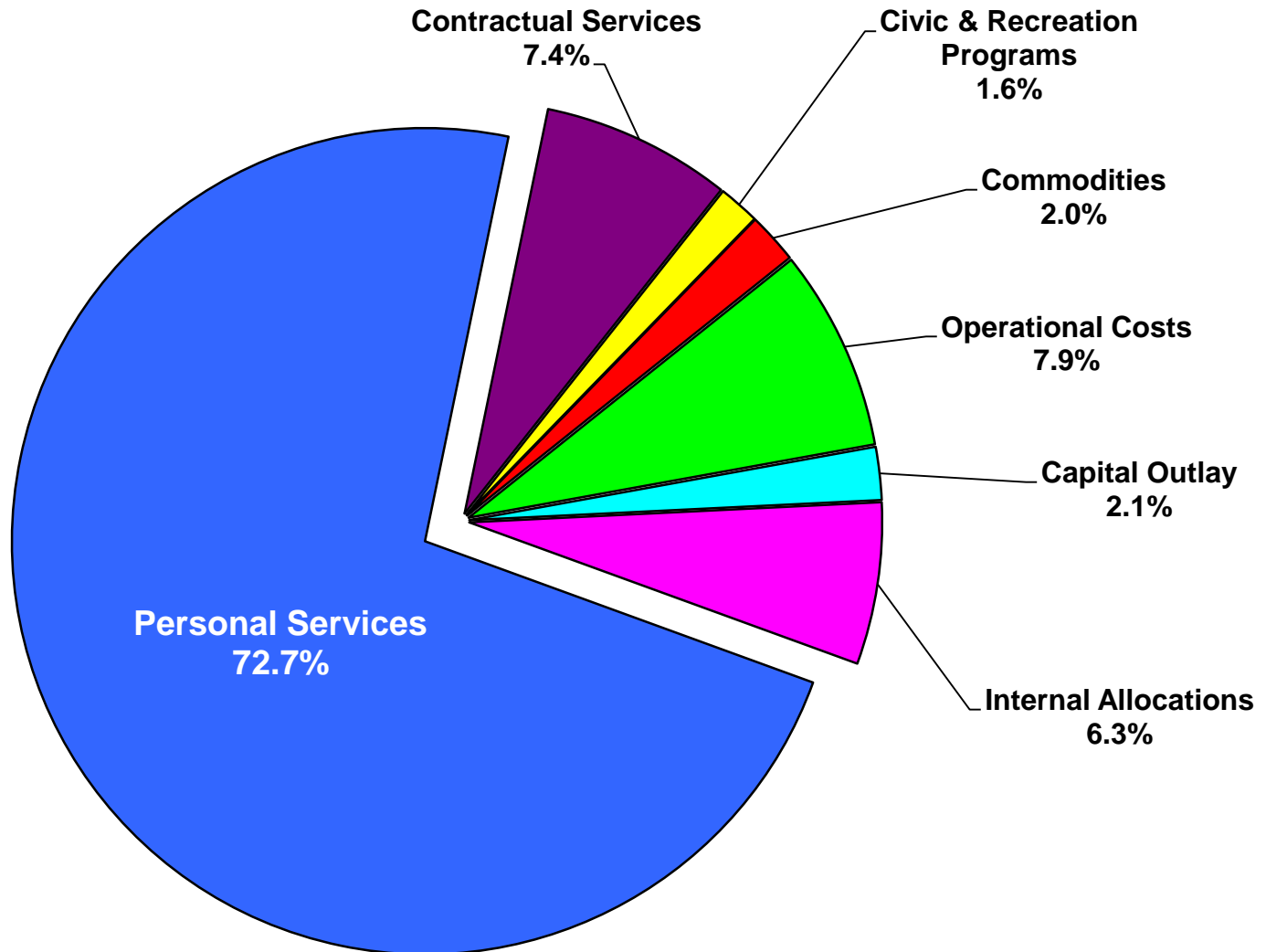
10 Year History

Millions



General Operating Expenses by Class

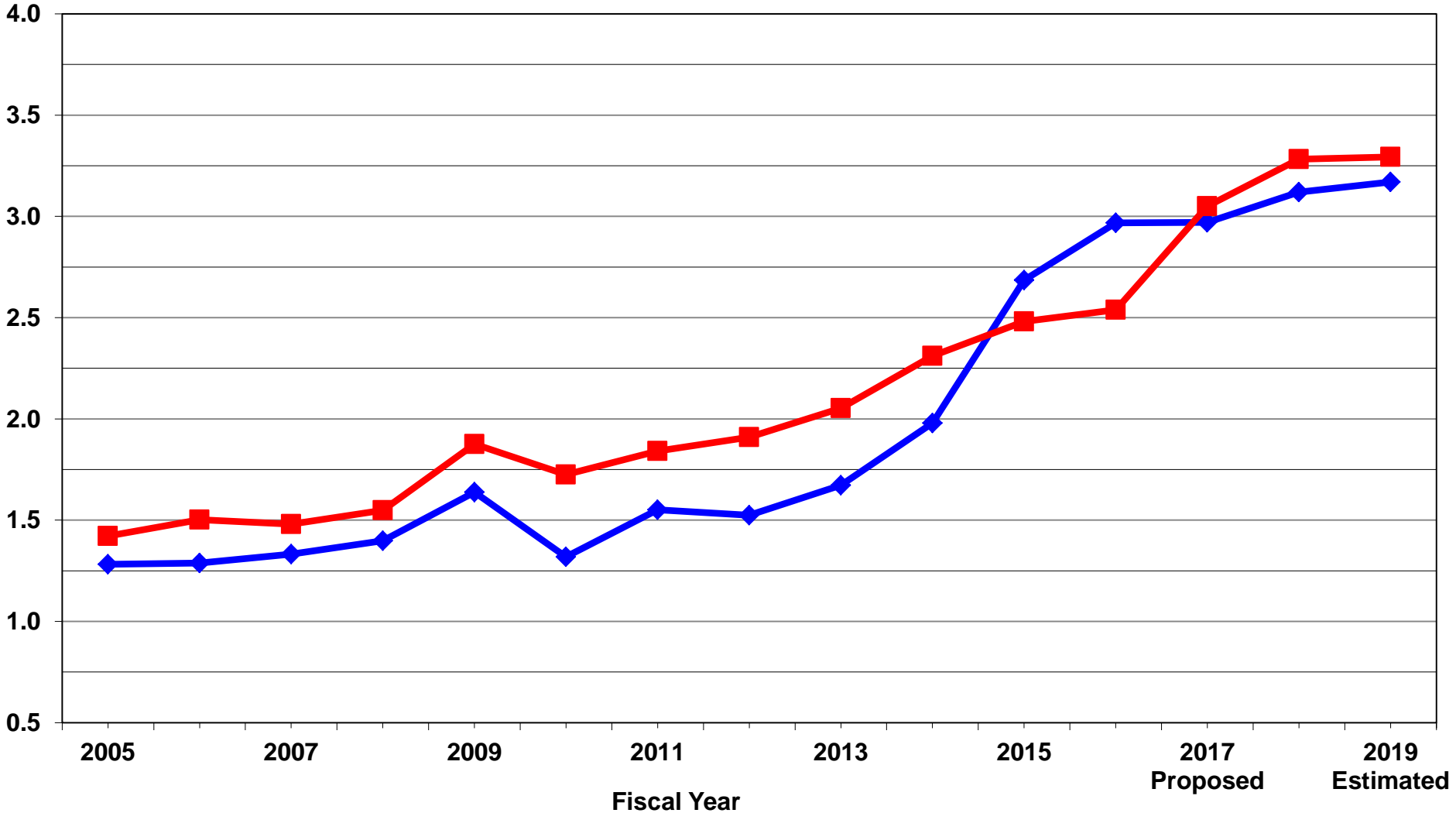
FY17 Proposed Budget



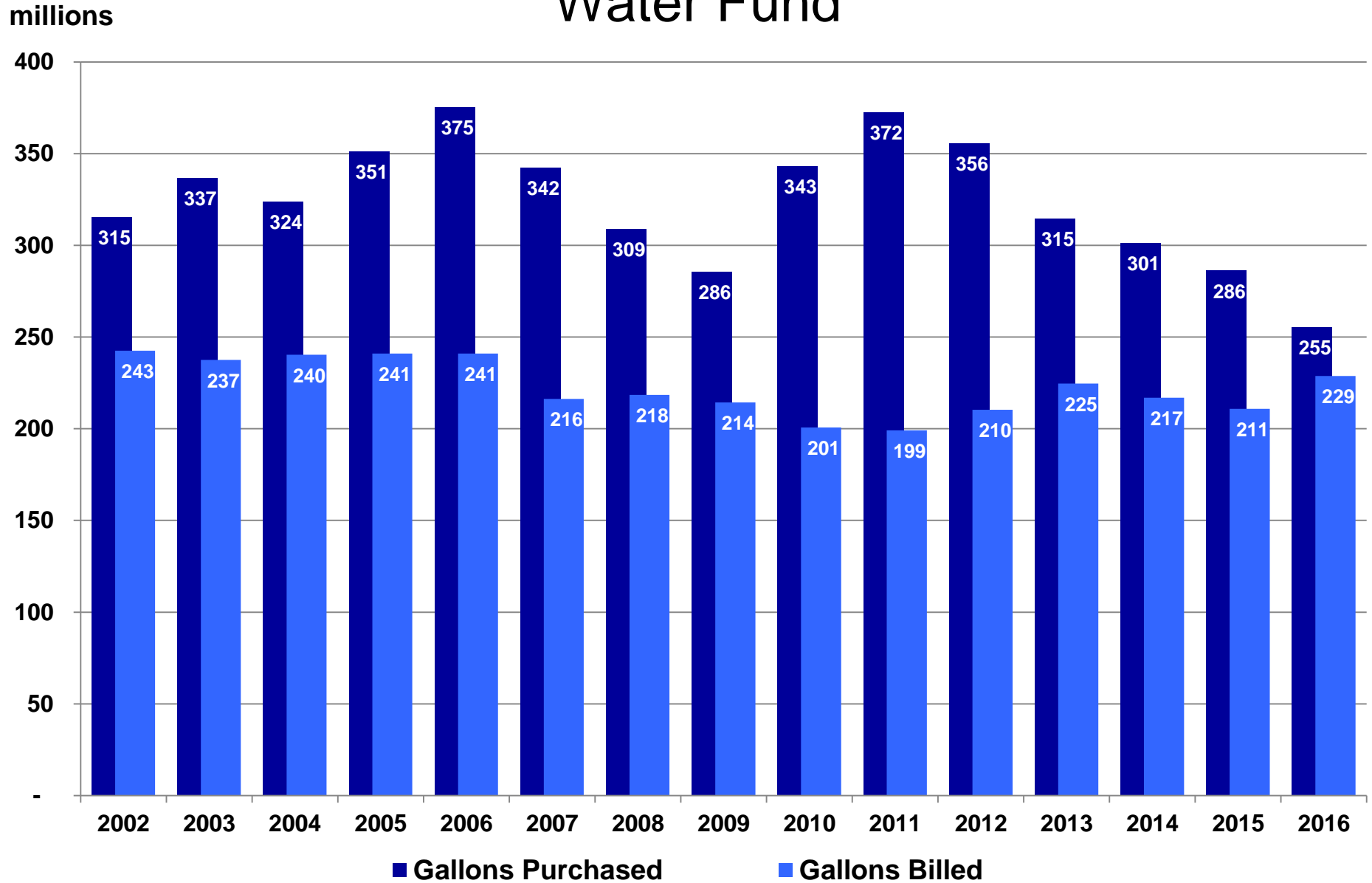
Operating Revenues vs. Expenses

Water Fund

Millions



Gallons Water Purchased vs. Billed Water Fund



FY16 Revenue Trends

- **Sales taxes showed solid growth**
 - MT sales tax projected to increase 8.7%
 - NHMR sales tax projected to increase 8.9%
- **State-Shared tax revenues (LGDF) safe for now**
 - No LGDF sweeps occurred in FY16 and strong growth experienced
 - On per capita basis
 - Income tax grew 8.8%
 - One time bump in allocation rates in May/June associated with expiration of income tax rate increase
 - Higher than anticipated capital gains reported in CY14
 - Improving labor market
 - Local use tax grew 8.5%
 - Increase driven primarily from Amazon collecting use tax in Feb 2015
 - Strong growth in on-line sales
 - High consumer spending

FY16 Revenue Trends

- **Property tax collections only 93% of levy**
 - Refunds accounted for 6.4% collection loss (\$33,500)
- **Building activity continues to strengthen**
 - 2% vacancy rate in North Riverside Mall
 - New businesses include:
 - Miller's Ale House
 - H&M Clothing
 - AAA Auto Care
 - Cinnabon
 - Ice Cream Barrel
- **Health inspection fees continue to support operational costs**
- **Video gaming revenue continues to increase**
 - 9 gaming establishments (42 machines) as of April 2016

FY16 Revenue Trends

- **Recreation fees continue to exceed budget estimates**
 - Increased \$74,000 (14%) over original budget estimates
 - 2nd straight year of strong enrollment
- **Fine revenue slightly under budget projections**
 - Parking (16.8%) & compliance (27%) fines continue to exceed budget expectations
 - Red light ticket fines slowing – 11% under budget
 - Strong collection efforts on unpaid outstanding tickets through State LDRP Program

2016-17 Budget Environment

- **State budget crisis**

- Illinois running annual deficits since early 2000's
- FY15-16 state budget still not approved
- Illinois lowest bond rating among states
- Unfunded pension liabilities in excess of \$111 billion
- Unfunded state employee retiree health insurance liabilities of \$56.4 billion
- Unpaid backlog of state bills totaling \$7.1 billion

FY17 Revenue Assumptions

- **Sales Tax**

- 3% growth anticipated over prior fiscal year
- Additional sales tax revenue over prior year
 - Miller's Ale opened for business in late Sept 2015 (5 months)
 - H&M Clothing opened for business in Nov 2015 (7 months)
- Little new businesses growth anticipated for FY17
- Possible sales tax loss from Sports Authority

FY17 Revenue Assumptions

- **State Shared Revenues**

- **Income Tax (LGDF)**

- Currently safe from State budget cuts
 - Municipalities receive 8% of income tax money
 - FY17 projection is \$102 per capita
 - **Do not expect similar growth rates over FY16**
 - Underlying growth primarily driven from income tax withheld from wage income
 - Weaker non-withholding revenue and corporate profits

- **Local Use Tax**

- FY17 projection is \$23.50 per capita
 - Expected growth to slow over prior fiscal year
 - Expected higher consumer spending and strong on-line sales

FY17 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
 - FY17 Corporate PPRT taxes expected to decline 2.14%

FY17 Revenue Assumptions

- **State Shared Revenues**

- **Motor Fuel Tax Funds**

- FY17 projection remains flat at \$25.90 per capita
 - Assumes no further sweep of funds in FY17
 - 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 FY17 budget will call for additional sweep of funds

FY17 Revenue Assumptions

- **Places for Eating Tax**

- 1% tax on all eating establishments
 - Currently 45 active restaurants in North Riverside
 - Anticipated growth
 - 1 new restaurant
 - 2 existing restaurants opened partial year FY16
 - **Proposing 1% tax increase**
 - Potential to generate additional \$460,000

- **Amusement Tax**

- Currently \$.25 per ticket amusement tax (3%)
 - **Proposing eliminating flat tax and 2% tax increase**
 - Potential to generate additional \$40,000

- **Building Permits**

- Modest construction growth expected

FY17 Revenue Assumptions

- **Telecommunication Tax**
 - Anticipated to remain flat compared prior fiscal year
- **Video gaming tax**
 - Estimated 2 new gaming establishments in Fall 2016
 - Projected \$20,000 increase (15%)
- **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**

FY17 Revenue Assumptions

- **Water User Fees**

- City of Chicago water rate
 - 1% increase anticipated June/July 2016
- BNRWC water rate
 - Anticipated minimum increase \$.10 per 1,000 gallons
- Recommending next water rate increase effective 6/17

- **Grants**

- Cook County grant
 - \$750,000 1st Avenue Bike Path – Phase II
- State grant
 - \$28,000 STEP Grants - traffic enforcement

FY17 Expenditure Assumptions

- **Wage assumptions**

- 2.50% Non-Union (effective 5/1/16)
- 2.50% Union TC's (effective 11/30/16)
- Estimated 2.50% Union Police (expired 4/30/16)
- Estimated 2.50% Union Fire (expired 4/30/14)

- **MICA Insurance Pool**

- Self insured coverage for WC, property & liability ins
- Premium based on 4 year claim history and risk exposure
- Renewal increases
 - 2015 - 45% (\$170,841); 2016 - 10% (\$60,000)

- **IPBC Pool**

- Self insured coverage for health & life insurance
- Policy year July 1st to June 30th
- Renewal increased 4.1% (\$102,000)

FY17 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**

- \$2.2 million street resurfacing project
 - Funding consideration Alternate Revenue Bonds
- Final IDOT payments to close out projects
 - Village wide bike path (\$55,500)
 - DesPlaines Avenue Streetscape Project (\$27,500)

FY17 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

FY17 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
- Illinois Finance Authority Loan
 - Purchase of Ambulance
 - **Retired November 1, 2017**
 - 0% interest
 - \$12,500 annually
 - Accounted in Capital Projects Fund

FY17 Expenditure Assumptions

- **Pension Funding**

- Fire Pension Fund (as of 4/30/15)
 - \$934,621 ARC (\$54,846 increase from prior year)
 - \$860,087 Statutory Minimum Funding (PUC)
 - **40% funded; 45.7% Funded PUC**
- Police Pension Fund (as of 4/30/15)
 - \$1,253,517 ARC (\$61,431 increase from prior year)
 - \$1,156,032 Statutory Minimum Funding (PUC)
 - **47% Funded; 52.5% Funded PUC**
- IMRF (as of 12/31/15)
 - 14.38% of payroll for 2016
 - 13.14% of payroll for 2017 (preliminary rate)
 - Final rate will not be available until 11/15
 - **73.7% funded**