General Operating Revenues

FY16 Projection

- Taxes: 68.6%
- Licenses & Permits: 6.4%
- Intergovernmental: 6.0%
- Charges for Services: 2.7%
- Recreation Fees: 3.7%
- Fines: 12.2%
- Miscellaneous: 0.5%
General Operating Revenues
FY17 Proposed Budget

- Taxes: 71.0%
- Licenses & Permits: 5.5%
- Intergovernmental: 4.8%
- Charges for Services: 3.0%
- Recreation Fees: 3.7%
- Fines: 11.5%
- Miscellaneous: 0.6%
Sales Tax Revenue
10 Year History

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MT Sales
NHMR Sales
General Operating Expenses by Class
FY17 Proposed Budget

- Personal Services: 72.7%
- Contractual Services: 7.4%
- Civic & Recreation Programs: 1.6%
- Commodities: 2.0%
- Operational Costs: 7.9%
- Capital Outlay: 2.1%
- Internal Allocations: 6.3%
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
  - 2\textsuperscript{nd} 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