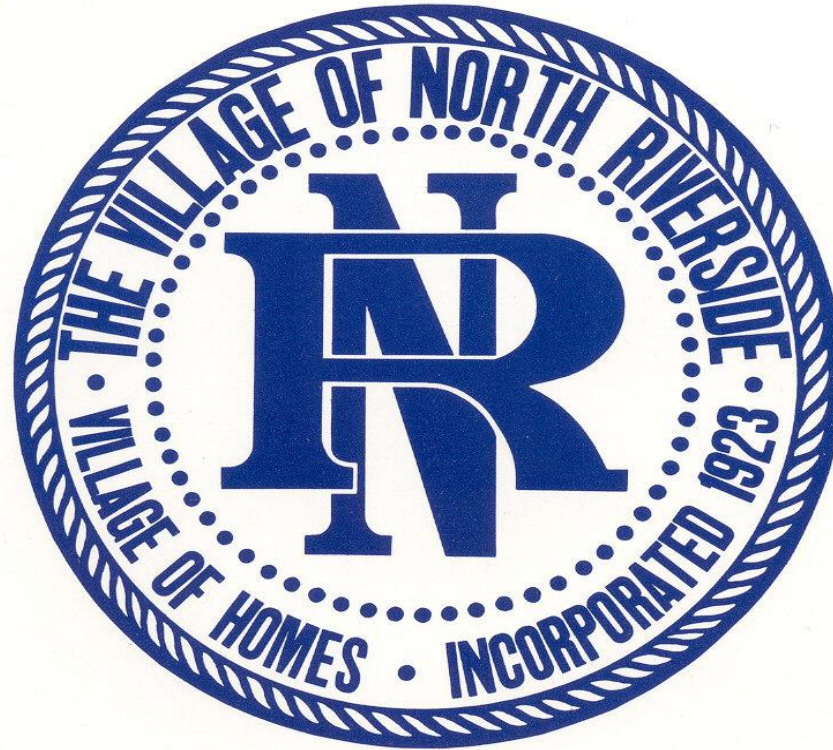
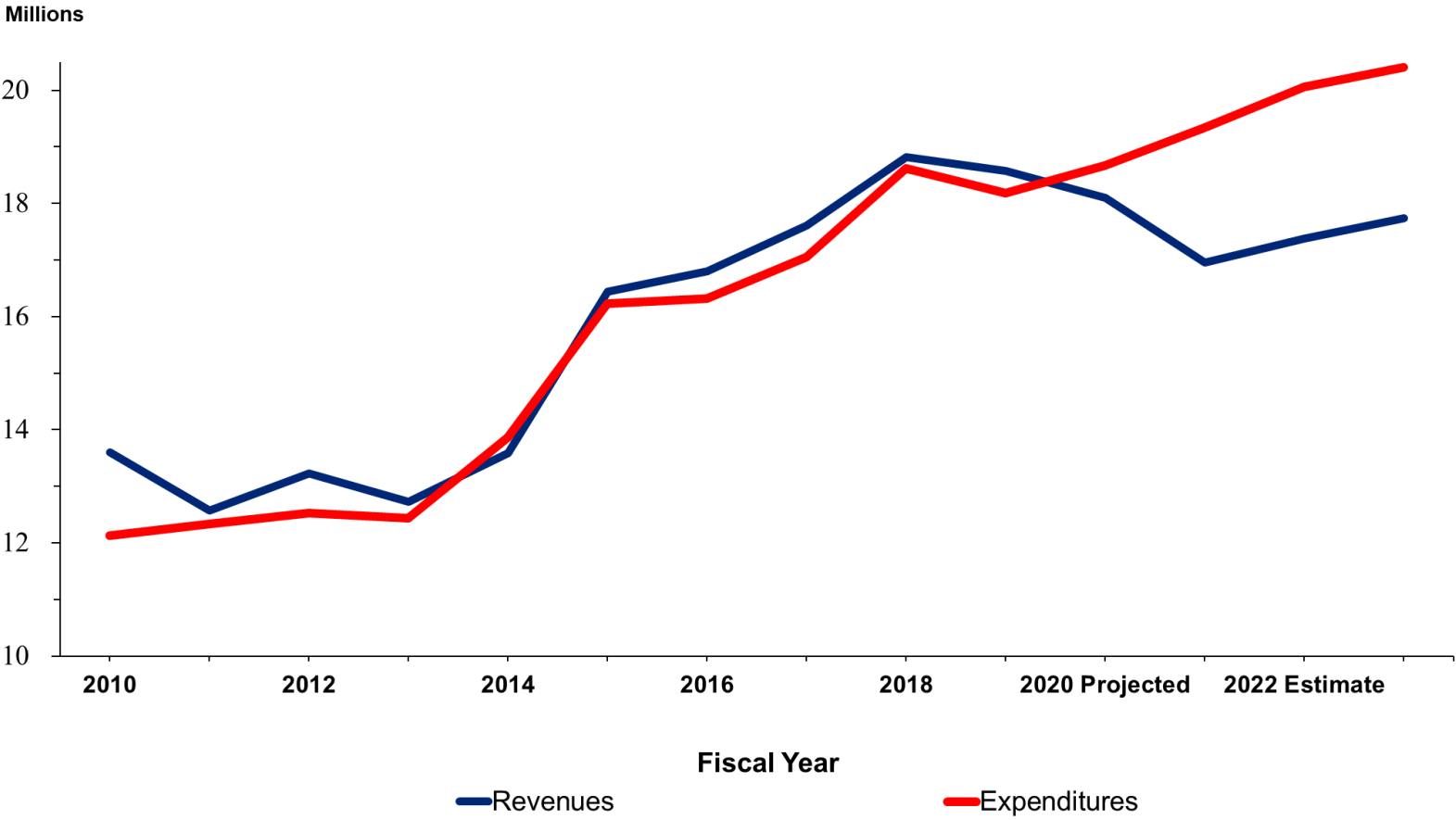


# Village of North Riverside



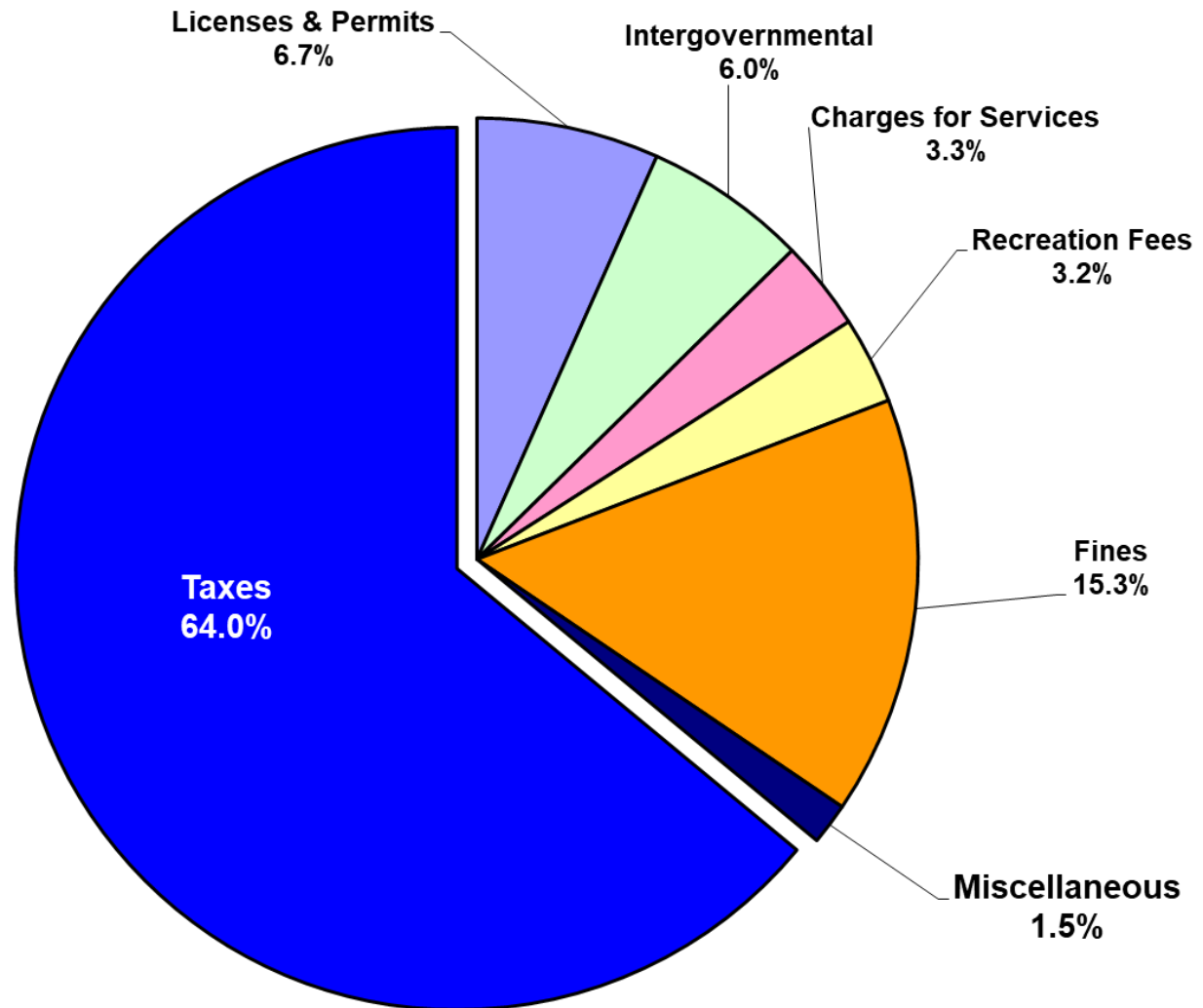
Proposed Operating Budget  
Fiscal Year 2020 – 2021

# Operating Revenues vs. Expenses General Fund



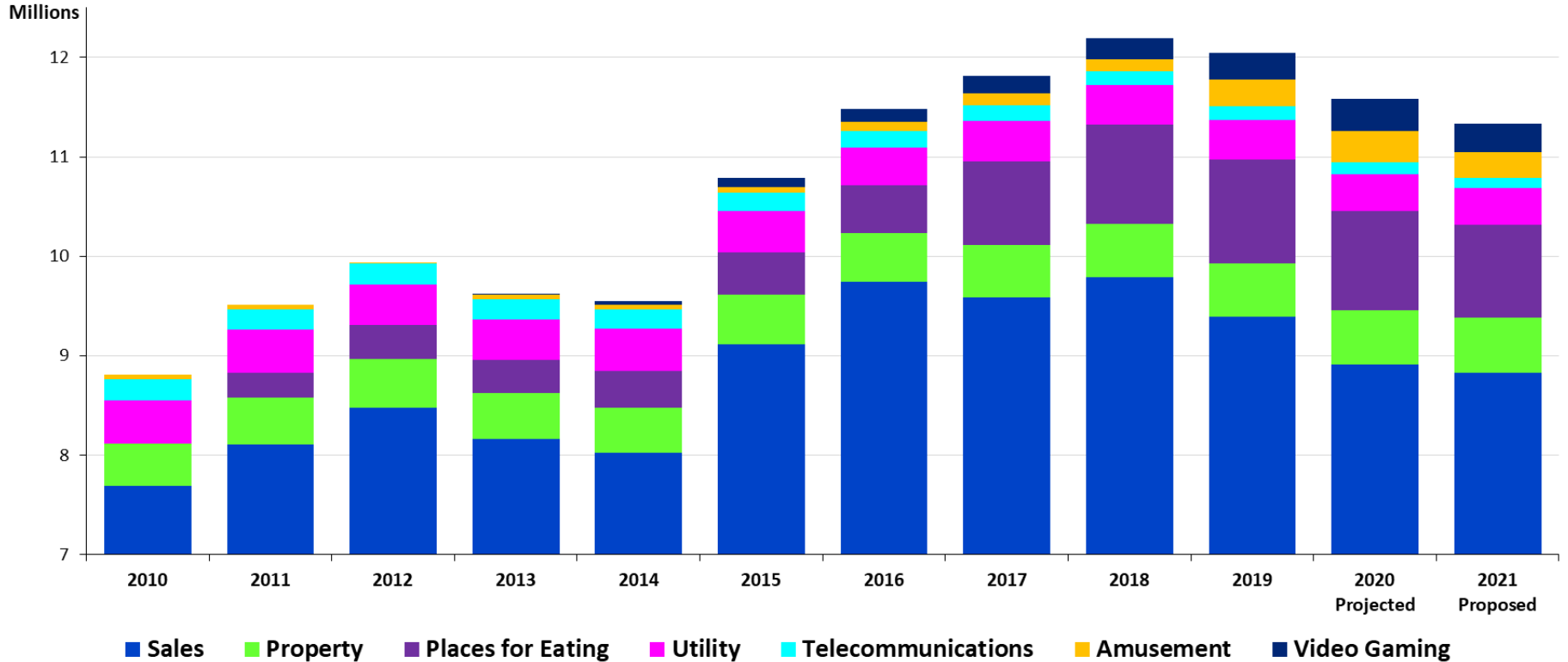
# General Operating Revenues

## FY20 Projection



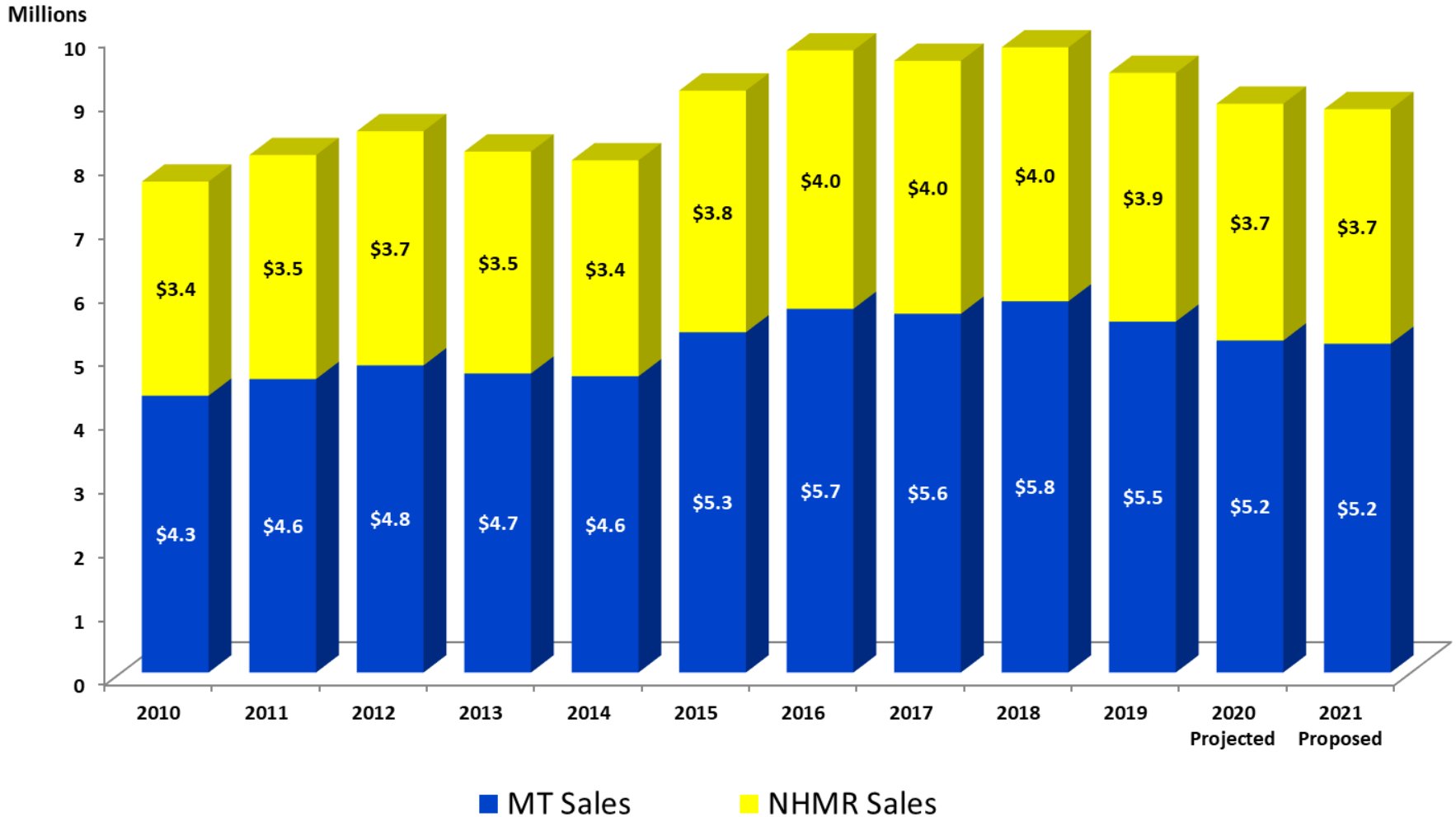
# Breakdown of Taxes

## General Fund

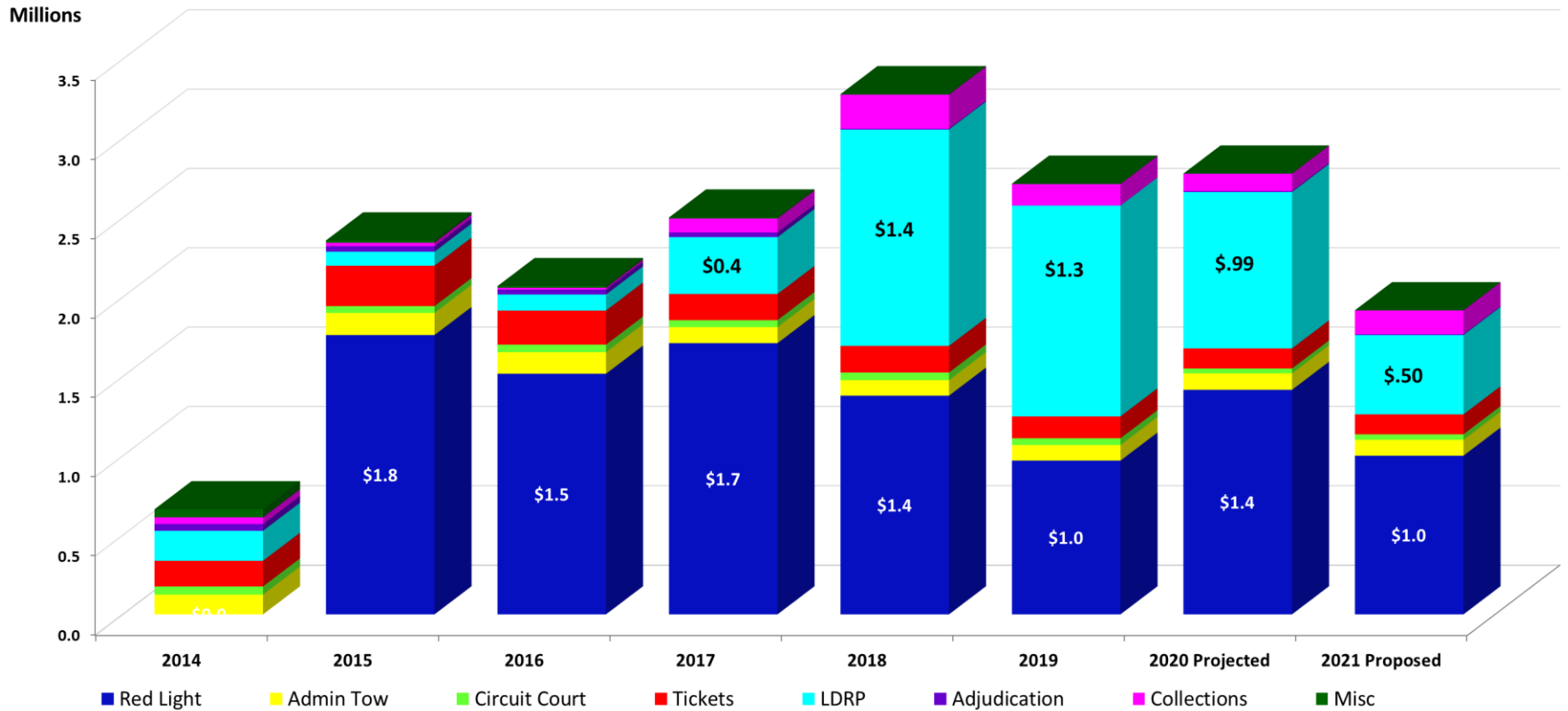


# Sales Tax Revenue

## 10 Year History

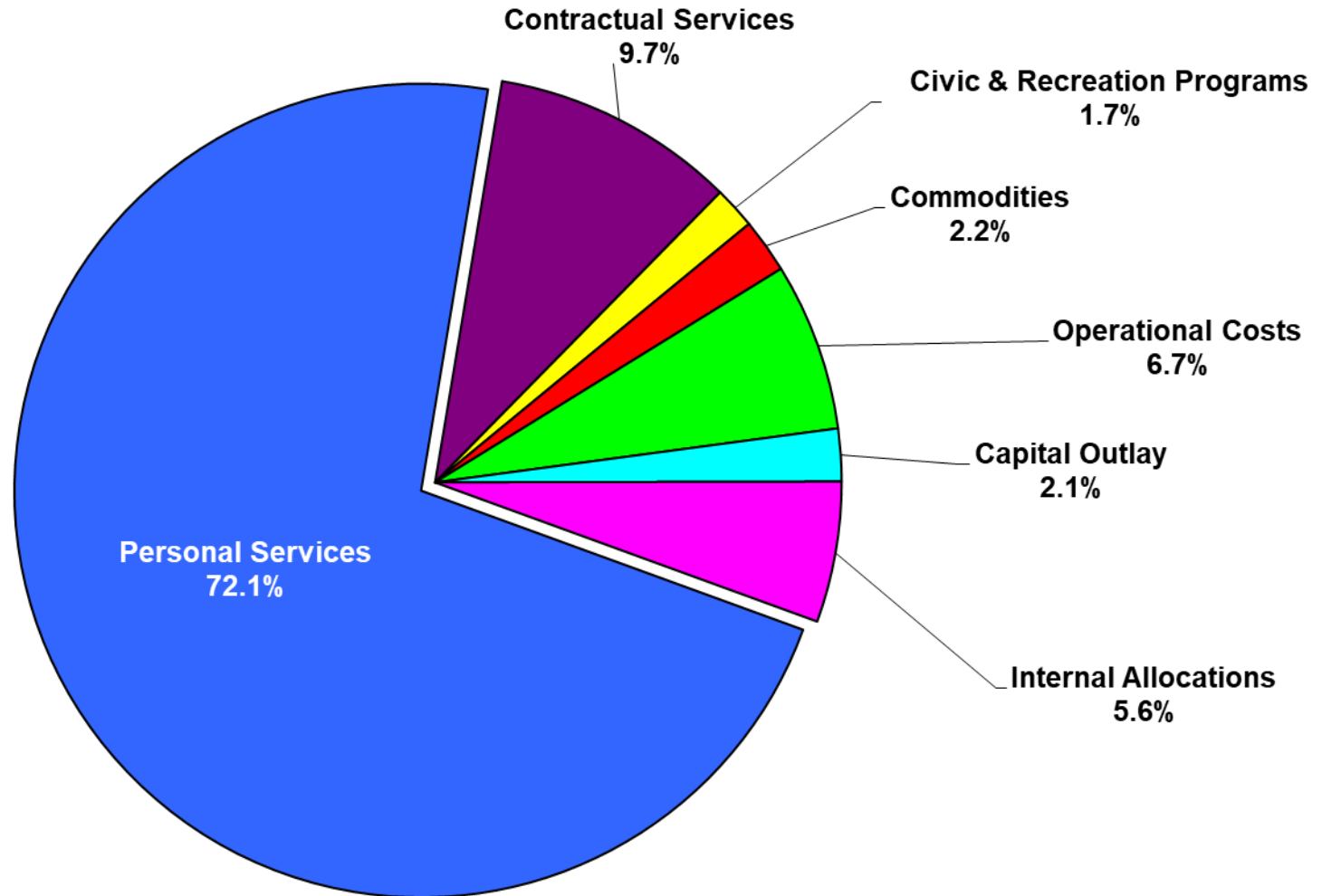


# Breakdown of Fines General Fund



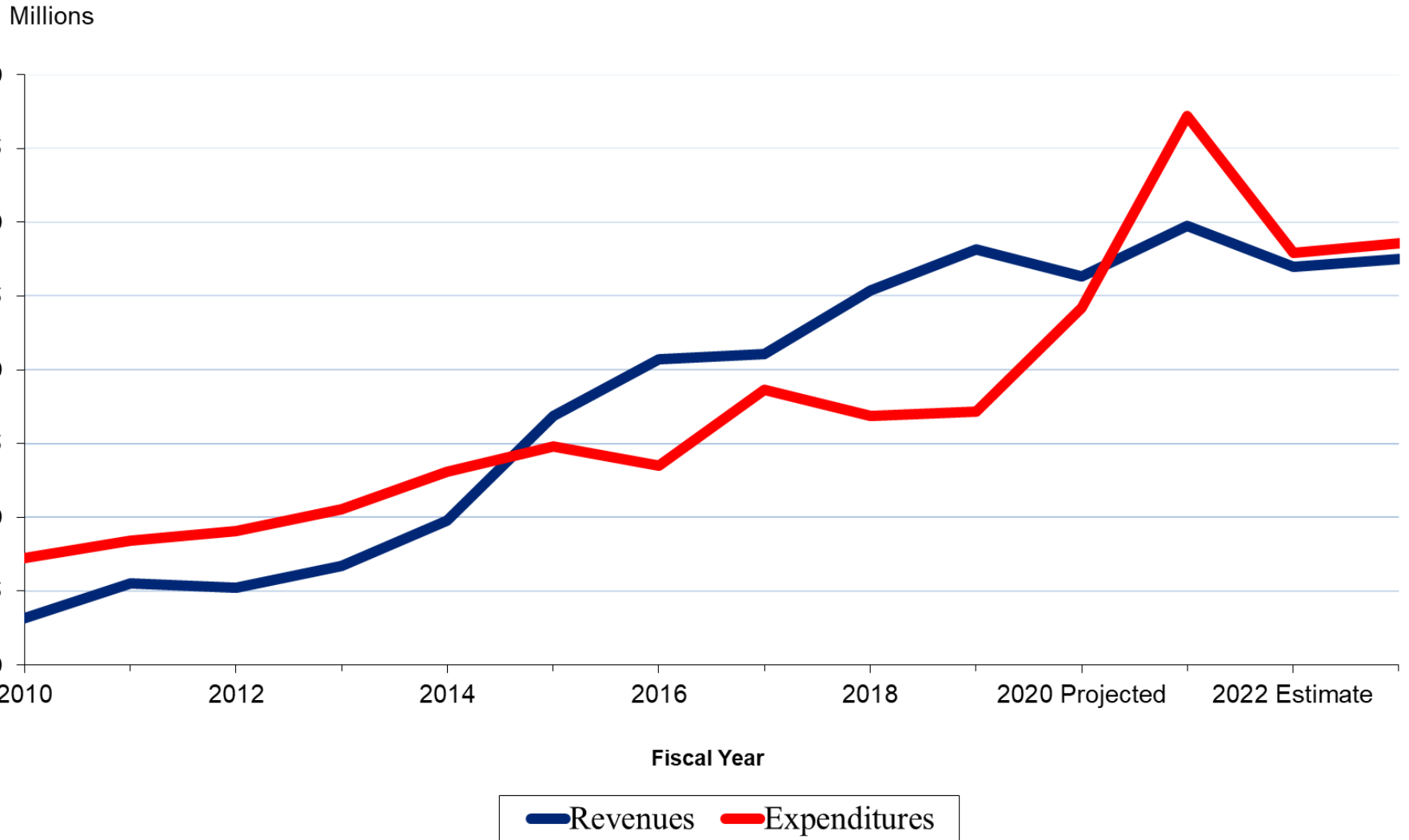
# General Operating Expenses by Class

## FY21 Proposed Budget



# Operating Revenues vs. Expenses

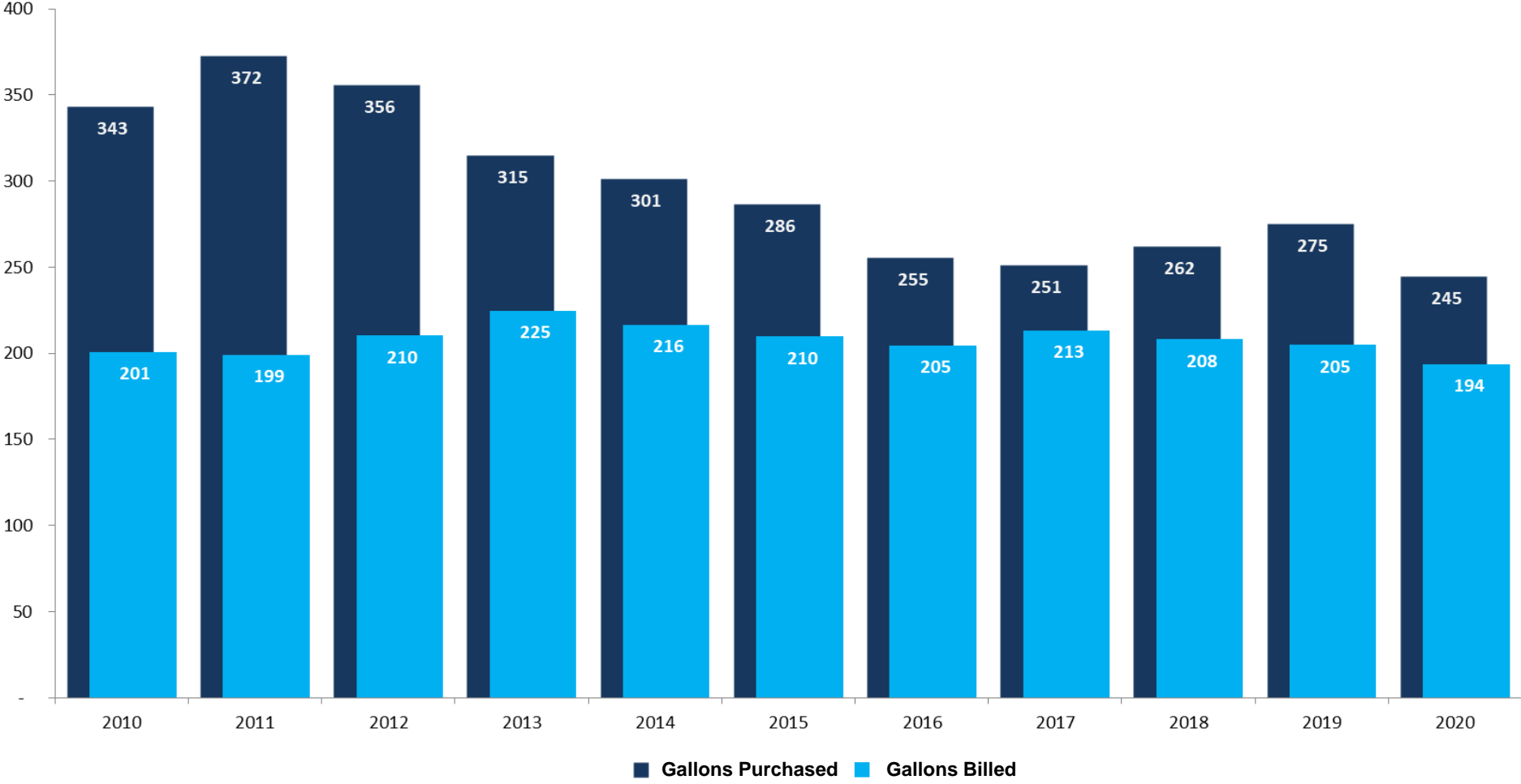
## Water Fund





# Gallons Water Purchased vs. Billed Water Fund

Millions



# FY20 Revenue Trends

- **Sales tax showed growth pre-COVID period**
  - MT sales tax projected increase 1.6%
  - NHMR sales tax projected increase 3.6%
- **State-Shared tax revenues showing consistent reductions**
  - LGDF (Local Government Distributive Fund) continues to be used to balance State budget
    - Income tax collections
      - Individual rate 4.95%; corporate rate 7.00% (effective July 1, 2017)
      - 5% reduction to LGDF in SFY20 & SFY21
      - 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 - \$1.22 million (\$94.71 per capita)
        - » SFY18 - \$1.16 million (\$90.40 per capita) **lowest since 2013**

# FY20 Revenue Trends

- **State-Shared revenues (continued)**
  - Local use tax continues to see strong growth
    - E-commerce growth 17% over 2019
      - » Accounts for 10% of total retail sales in US
    - Amazon's strong sales volume contributing to increase in local use taxes
  - Cannabis tax
    - Local governments receive 8% of revenue from associated state revenue
    - January 1, 2020 effective date of Cannabis Act
    - Distributions from State to Local Governments
      - » March 2020 - \$.07 per capita
      - » April 2020 - \$.09 per capita
      - » May 2020 - \$.05 per capita

# FY20 Revenue Trends

- **Property tax collections 98% of levy**
- **Building activity strong during 2018 & early 2019**
- **Health inspection fees continue to support operational costs**
- **Video gaming revenue continues strong growth**
  - Growth rates of 52%, 31%, 20% and 22% in last 4 years

# FY20 Revenue Trends

- **Property tax collections 98% of levy**
- **Building activity strong during 2017 & early 2018**
  - Increased residential activity with second story additions
  - Binny's opened in November 2017
  - Large commercial remodels in NRPM
    - Sears, Victoria Secret, PINK, Bath & Body, Footlocker
  - 2% vacancy rate in North Riverside Park Mall
- **Health inspection fees continue to support operational costs**
- **Video gaming revenue continues strong growth**
  - Growth rates of 52%, 31% and 21% in last 3 years

# FY21 Revenue Assumptions

- **Sales Tax**

- 2% growth anticipated over prior fiscal year
- Additional sales tax revenue anticipated
  - Ziegler Ford renovation
  - Hobby Lobby opening
  - Outlots at NRPM
- Limited new businesses growth anticipated for FY21
- Loss of sales tax from closed businesses
  - Carson's (still actively pursuing redevelopment)
  - Jewel Foods (Estimated August, 2020)

# FY21 Revenue Assumptions

- **State Shared Revenues**

- **Income Tax (LGDF)**

- SFY19 budget reduces LGDF reduction by 5%
    - Municipalities and counties receive 5.75% of state collections – down from 8% in 2017
    - FY19 projection is \$92 per capita
    - IIT receipts anticipated increase of approximately \$230 million resulting from federal tax reform (one time revenue)

- **Local Use Tax**

- FY19 projection is \$26.75 per capita
    - Expected higher consumer spending and strong e-commerce sales

# FY21 Revenue Assumptions

- **State Shared Revenues**

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

- 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
      - SFY19 budget includes a total of approximately \$300 million in diversions
      - Reduction in % allocation of total business income tax (BIT) going to CPPRT



# FY21 Revenue Assumptions

- **State Shared Revenues**

- **Motor Fuel Tax Funds**

- FY21 projection expected to fall 20% to \$20.00 per capita
      - 2017 - \$25.43
      - 2018 - \$25.43
      - 2019 - \$25.46
      - 2020 - \$24.94
    - FY21 outlook worse
    - COVID-19 wreaked havoc on fuel consumption and gas prices have fallen sharply due to plunging crude oil prices since 2/20.
    - Local MFT tax of \$.02 per gallon effective July 1, 2020

# FY21 Revenue Assumptions

- **Places for Eating Tax**

- 2% tax on all eating establishments
  - Currently 47 active restaurants in North Riverside
  - Anticipated growth
    - 1-2 new restaurants

- **Amusement Tax**

- 5% gross sales
  - Additional amusement tax use opening during FY
    - Urban Air Entertainment

- **Economic Development**

- Redevelopment in Business District
- Strong construction activity expected

# FY21 Revenue Assumptions

- **Telecommunication Tax**
  - Expected phase out of revenue within next 3 years
- **Video gaming tax**
  - Maximum cap of 10 video gaming café
  - 1 new gaming use restaurant
- **Red light violations**
  - Negative impact from State discontinuing LDRP collections of outstanding unpaid tickets
    - FY18 - \$1,363,602
    - FY19 - \$1,328,405
    - FY20 - \$ 985,425
    - FY21 - \$ 500,000 budget

# FY21 Revenue Assumptions

- **Water User Fees**

- **City of Chicago water rate**

- Annual increases - lower of CPI or 5%
      - 2019 CPI inflation rate - 2.45%
    - \$.11 increase June 1, 2020 (3% Increase)
      - \$3.94 per 1,000 gallons – 2018 (2%)
      - \$3.97 per 1,000 gallons – 2019 (1%)
      - \$4.08 per 1,000 gallons – 2020 (3%)

- **BNRWC water rate**

- \$.16 increase June 1, 2020 (7% Increase)
      - \$5.32 per 1,000 gallons – 2018 (8%)
      - \$5.37 per 1,000 gallons – 2019 (4%)
      - \$5.53 per 1,000 gallons – 2020 (7%)

- **Current NR water rates**

- \$13.60 per 1,000 gallons – residential
    - \$19.30 per 1,000 gallons – commercial

# FY21 Expenditure Assumptions

- **Wage assumptions**

- 2.50% Across the board Increases (all labor groups)
- New contract ratified with Fire Union in Jan 2020
- Contract Expiration
  - Police Union – 4/30/2021
  - Fire Union – 4/30/2021
- Undergo review of all personnel costs
  - Consolidate positions, as necessary
  - Reorganization of Administration, PW & Recreation
  - SAFER Grant positions

# FY21 Expenditure Assumptions

- **MICA Insurance Pool**

- Self insured workers' comp & general liability coverage
- Policy year May 1<sup>st</sup> to April 30<sup>th</sup>
- Premium based on 4 year claim history & risk exposure
- 2020-2021 Premium \$475,900 (approx. \$28,500)
  - 5 Year History of Premiums
    - FY17 - \$613,920 (11% increase)
    - FY18 - \$596,777 (3% reduction)
    - FY19 - \$535,977 (10% reduction)
    - FY20 - \$447,376 (16% reduction)
    - FY21 - \$475,900 (6% increase)

- **IPBC Pool**

- Self insured health & life insurance coverage
- Policy year July 1<sup>st</sup> to June 30<sup>th</sup>
- Overall IPBC renewal - slight increases over prior year
  - PPO (2%), HMO (3%), Dental (1%)

# FY21 Expenditure Assumptions

- **Contract services**

- Ambulance services (PSI)
  - RFP process complete & contract awarded Jan 2020
  - Approximately \$25,000 savings – 1<sup>st</sup> year
- Refuse Collection (Roy Strom)
  - Adjusts August 1<sup>st</sup> annually
  - CPI Adjustment with minimum 2.85% annually
- Building Inspector Fees
  - Status quo

- **IDOR Collection Fees**

- Remains 1.5% of local tax collections (\$60,000 annually)

- **Motor Fuel Tax Fund**

- Current Year MFT Project (\$175,000)
- Rebuild Illinois Bonds
  - Demolition & Site Preparation-Church Property

# FY21 Expenditure Assumptions

- **Debt Service**

- 2011 Debt Certificates, Series A

- \$1.05 Million Water Meter Replacement Program

- **Retire December 1, 2026**

- Interest \$27,000

- Principal \$85,000-\$110,000

- Accounted in Water Fund

- 2013 Debt Certificates

- \$6.8 Million Economic Development Incentive

- **Retire December 1, 2032**

- Interest \$200,000

- Principal \$315,000 - \$485,000

- Accounted in Debt Service Fund



# FY21 Expenditure Assumptions

- **Debt Service**

- 2016 GO Alternate Revenue Bonds

- \$2.8 Million Street Repaving Project

- **Retire October 1, 2031**

- Interest \$77,000

- Principal \$165,000 - \$235,000

- Accounted in Debt Service Fund

- 2017 Installment Note

- 2016 Fire Ladder Truck

- **Retire August 10, 2026**

- Interest \$20,500

- Principal \$111,000 - \$127,000

- Accounted in Capital Projects Fund

# FY21 Pension Assumptions

- **Pension Funding**

- Fire Pension Fund (as of 4/30/19)
  - \$1,510,101 ARC (\$250,040 increase from prior year)
  - **\$1,388,000 Transition Plan Contribution**
  - \$1,342,658 Statutory Minimum Funding (PUC)
  - **Historical Funding Levels**
    - 39% (2017 Actuary funds FY19)
    - 38% (2018 Actuary funds FY20)
    - 36% (2019 Actuary funds FY21)
- Police Pension Fund (as of 4/30/19)
  - \$2,116,221 ARC (\$338,933 increase from prior year)
  - **\$1,902,000 Transition Plan Contribution**
  - \$1,823,750 Statutory Minimum Funding (PUC)
  - **Historical Funding Levels**
    - 44% (2017 Actuary funds FY19)
    - 43% (2018 Actuary funds FY20)
    - 40% (2019 Actuary funds FY21)

# FY21 Pension Assumptions

- **Pension Funding**

- IMRF (as of 12/31/19)

- Employer Required Contributions

- \$282,751 CY16
      - \$292,894 CY17
      - \$236,686 CY18
      - \$208,859 CY19

- Historical Employer Rates

- 13.14% CY17
      - 13.03% CY18
      - 11.45% CY19
      - 11.71% CY20 Preliminary (Finalized 11/20)

- **Historical Funding Levels**

- **76% CY16**
      - **81% CY17**
      - **85% CY18**
      - **83% CY19**

# Comparative Information

## All Pension Funds

Fiscal Year	IMRF		Police Pension		Fire Pension	
	# Active	Covered Payroll	# Active	Covered Payroll	# Active	Covered Payroll
2016	28	\$1,870,630	26	\$2,491,162	14	\$1,298,088
2017	28	1,966,284	26	2,502,584	14	1,394,650
2018	31	2,235,556	24	2,583,918	13	1,439,976
2019	26	1,883,082	26	2,513,202	13	1,180,599
2020	22	1,824,093	24	2,648,163	13	1,291,899
Budget 2021	26	1,710,135	24	2,483,150	14	1,339,075

Fiscal Year	IMRF		Police Pension		Fire Pension	
	Annual Required Contributor	% Funded	Annual Required Contribution	% Funded	Annual Required Contribution	% Funded
2016	\$248,607	74%	\$1,192,086	42%	\$ 879,775	36%
2017	282,751	76%	1,253,517	43%	934,621	37%
2018	292,894	81%	1,518,549	44%	1,068,788	37%
2019	236,686	85%	1,624,735	44%	1,200,581	39%
2020	208,859	83%	1,777,288	43%	1,260,061	38%
Budget 2021	201,000	N/A	2,116,221	40%	1,510,101	36%

# Required Pension Contributions

