



**CITY COUNCIL WORKSHOP
AGENDA
CITY COUNCIL CHAMBERS
10/24/2011
5:00 p.m.**

5 YEAR PLAN AND TAX LEVY

A. CALL TO ORDER:

B. INTRODUCTION:

C. PRESENTATION:

1. Financial Gap and Five Year Plan
2. Tax Levy
3. Mayor and City Council Budget

D. ADJOURNMENT:

Any individual with a disability requesting a reasonable accommodation in order to participate in a public meeting should contact the Accessibility Coordinator at least 48 hours in advance of the scheduled meeting. The Accessibility Coordinator can be reached in person at 400 S. Eagle Street, Naperville, IL., via telephone at 630-420-6725 or 630-305-5205 (TDD) or via e-mail at manningm@naperville.il.us. Every effort will be made to allow for meeting participation.



CITY OF NAPERVILLE



Five Year Plan and Tax Levy Workshop

Municipal Center – Council Chambers
October 24, 2011
5:00 P.M.

	<u>Start Time</u>
1. Call to Order/ Opening Comments	5:00 p.m.
2. Financial Gap and Five Year Plan	5:15 p.m.
3. 2011 Tax Levy	6:00 p.m.
4. Mayor and Council Budget	6:30 p.m.
a. Mayor and Council Budget	
b. Alcohol and Tobacco Budget	
c. Sister Cities Budget	
5. Wrap Up	7:00 p.m.

Five Year Plan and Tax Levy City Council Workshop

October 24, 2011

FY13 Budget Workshop Schedule

- FY12 Update and Revenue Outlook 9/13/11
- **5 Year Plan and Tax Levy** 10/24/11
- General Fund FY13 Budget 12/12/11
- Capital Improvement Program (CIP) 1/23/12
- Utility and Other Funds 2/13/12
- Final Budget Workshop 3/12/12

Five Year Plan and Tax Levy Objectives

- Updated FY13 Financial Gap Projection
- Review General Fund Five Year Plan
 - Consider as background for Tax Levy Discussion
- Review and Reach Consensus on City Levy
- Review and Reach Consensus on SSA Levies
- Reach Consensus on Mayor and Council Line Item Budget

Status of FY13 Budget Gap

■ Budget Work has narrowed Financial Gap!	
■ Post Sept Workshop view	\$(4.0) mil
■ Reserve Calculation	1.3 mil
■ Chargeback Reduction	(0.9) mil
■ Further reduce Vehicle Replacement	1.8 mil
■ Reduce Medical Cost Assumption	0.4 mil
■ Department Requests Reduced	0.9 mil

Revised Gap View (flat property tax dollars)	\$(0.5) mil
■ Staff Recommendation	
Property Tax Reduction 2.75%	(1.4) mil

Pre October Workshop Gap Projections	\$(1.9) mil

General Fund Five Year Plan

- Projected Gap - Future Flat Property Tax

FY13	FY14	Fy15	Fy16	Fy17
\$1.9 mil	\$16.2 mil	\$19.9 mil	\$27.1 mil	\$28.4mil

- Admittedly Some, Conservative Assumptions
Revenue

- Sales Tax Revenue Flat after FY13
- Only a 2% increase in other revenue sources
- Assume no fund balances available

- Expenditure

- Assume 10% yr pension contribution increase
- Assume absence of grants to help fund annual roadway
- 8% yr medical and 6% yr dental increases – after Fy13

- However, Some Optimistic Assumptions as well

- No new borrowing
- No inflation - Flat dollar controllable expenditures

Conclusion: Budget Balancing will remain a challenge. Long term impacts of financial decisions should continue to be considered.

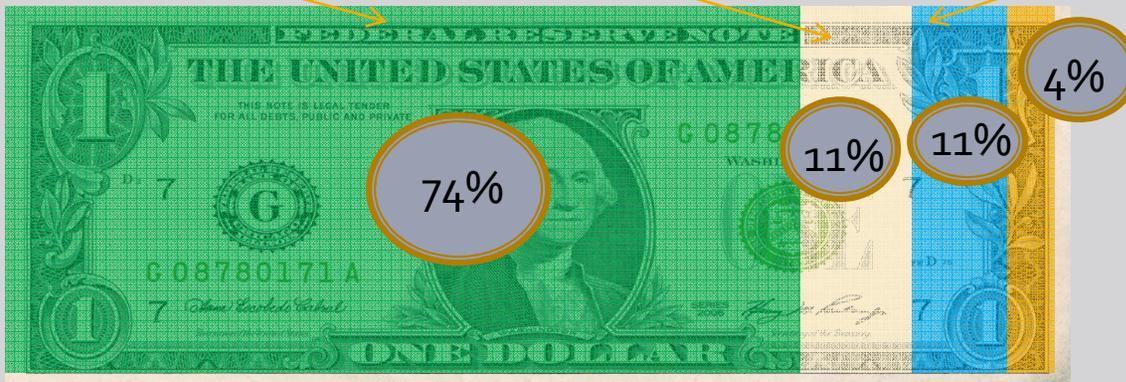
City of Naperville

Where do my property taxes go?

School District 203 & COD / City of Naperville / DuPage County & Naperville Township / Other



School District 204 & COD / City of Naperville / Will County & Wheatland Township / Other



City of Naperville Property Tax

City Services at an Affordable Price

2010 Avg Home Value of \$380,000

(City Operations Funded 23% by Property Tax)

	<u>Monthly</u>
Police	\$ 9.48
Fire	\$ 3.82
Public Works	\$ 2.92
Administration	\$ 1.83
Transportation, Engineering & Development	\$ 1.10
Refuse Collection & Recycling	\$ 2.03
Total Operations	\$ 21.18
Capital Projects/Debt Service	\$ 16.56
Pension - IMRF	\$ 4.01
Public Safety Pension	\$ 15.66
Total Pension	\$ 19.67
Library - including IMRF (Funded 90% by Property Tax)	\$ 21.06
Settlement - including IMRF (Funded 84% by Prop Tax)	\$ 4.66
Total Library/Settlement	\$ 25.73
Monthly Property Tax for City Services	\$ 83.13
Annual	\$997.59
Total Monthly Property Tax Bill	\$600-750
Total Annual	\$7,200-\$9,000

Average Home Owner Property Tax Reduction Benefit

	<u>2007-2009</u>	<u>2010</u>	<u>Chg</u>	<u>2011</u>	<u>Chg</u>
Average Home value	\$440,000	\$380,000		\$375,000	
3 Yr Avg Value	\$440,000	\$420,000	-4.5%	\$398,333	-5.2%
EAV	\$141,667	\$135,000	-4.7%	\$127,778	-5.3%
Property Tax Rate	0.7166	0.7390	3.1%	0.7609	3.0%
				Staff Recommendation	
Property Tax Paid	\$1,015.18	\$997.65	-1.7%	\$972.26	-2.5%
Avg Homeowner Reduction			\$17.53		\$25.39

General Corporate Tax Levy Options

CITY OF NAPERVILLE
2011 TAX LEVY AND RATE OPTIONS
24-Oct-11

Levy Purpose	CURRENT FISCAL YEAR		OPTION # 1- Flat Dollar		STAFF RECOMMENDED OPTION # 2-\$1.335million		OPTION # 3-Flat Rate	
	2010 Levy Actual	2010 Ext'd Tax Rate	2011 Unextended Levy Option #1	2011 Ext'd Tax Rate #1	2011 Unextended Levy Option #2	2011 Ext'd Tax Rate #2	2011 Unextended Levy Option #3	2011 Ext'd Tax Rate #3
General Corporate	12,518,040	.1882	10,124,331	.1611	8,789,331	.1399	7,414,331	.1180
Debt Service	9,790,005	.1472	11,447,369	.1821	11,447,369	.1822	11,447,369	.1822
IMRF	2,600,000	.0391	2,600,000	.0415	2,600,000	.0415	2,600,000	.0415
Firefighter Pension	4,695,134	.0706	4,688,185	.0747	4,688,185	.0747	4,688,185	.0747
Police Pension	4,334,585	.0652	4,317,379	.0687	4,317,379	.0687	4,317,379	.0687
Subtotal	33,937,764	.5103	33,177,264	.5281	31,842,264	.5069	30,467,264	.4850
Naperville Library	12,450,000	.1872	13,210,500	.2101	13,210,500	.2101	13,210,500	.2101
Naper Settlement	2,757,272	.0415	2,757,272	.0439	2,757,272	.0439	2,757,272	.0439
Subtotal	15,207,272	.2287	15,967,772	.2540	15,967,772	.2540	15,967,772	.2540
Total	49,145,036	.7390	49,145,036	.7821	47,810,036	.7609	46,435,036	.7390
Assessed Valuation:	6,718,739,726 (1)		6,349,209,041 (2)		6,349,209,041 (2)		6,349,209,041 (2)	

Notes:

- (1) Actual 2010 Assessed Valuation
- (2) Estimated 5.5% reduction in EAV

Based upon the estimated 2011 Assessed Valuation
\$.01 = \$635,000

Tax Levy Components

- Confirm Levy Requests by Consensus
 - Library \$13,210,500
 - Settlement \$ 2,757,272
 - Pension
 - Firefighter \$4,688,185
 - Police \$ 4,317,379

Consider Levy Options

- Reach Consensus on Levy Dollars
 - Resulting City Property Tax Rate
 - General Corporate Component Dollars

Council Consensus - SSA Levies

- Van Buren Deck- Debt SSA21 \$150,000 0.2796
- Downtown Maint & Mktg SSA24 \$783,000 1.4420
- Naper Main – Debt Service SSA23 \$214,667 Limit 40%

Mayor and Council Department Budget Non-Personnel Costs – (Page 34)

Line Item	Account Element	Object Description	Miscellaneous Data	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Adopted Budget	FY12 5 mth Actuals (with encumbrances)	Change Proposed from FY12 to FY13	FY13 Proposed
1	10-02	OVERTIME PAY	MEETING ATTENDANCE	1,582	1,096	-	-	-	-	-
2	20-13	WORKERS COMPENSATION	WORKERS COMPENSATION	2,423	3,080	3,065	2,794	2,794	8	2,802
3	30-29	SUPPORT SERVICES	INTERNET SERVICE	5,400	5,280	5,400	5,400	4,800	-	5,400
4	50-21	DUES & SUBSCRIPTIONS	DUPAGE MANAGERS AND MAYORS DUES	21,904	21,942	21,971	23,000	21,993	-	23,000
5	50-21	DUES & SUBSCRIPTIONS	IML	2,803	2,951	-	-	-	-	-
6	50-21	DUES & SUBSCRIPTIONS	US CONFERENCES OF MAYORS	6,121	-	-	-	-	-	-
7	50-21	DUES & SUBSCRIPTIONS	METROPOLITAN MAYORS CAUCUS	1,500	-	-	-	-	3,000	3,000
8	50-21	DUES & SUBSCRIPTIONS	SUBSCRIPTIONS FOR MAYOR AND COUNCIL	2,097	1,505	549	700	72	-	700
9	50-21	DUES & SUBSCRIPTIONS	WILL COUNTY CENTER	-	-	-	-	-	-	-
10	50-21	DUES & SUBSCRIPTIONS	WILL COUNTY GOVERNMENTAL LEAGUE	-	6,851	6,851	6,600	6,783	541	7,141
11	50-22	CONFERENCES & TRAINING	DPMM SPRINGFIELD DRIVE DOWN	310	2,725	927	1,000	-	-	1,000
12	50-22	CONFERENCES & TRAINING	COUNCILMAN ALLOWANCE	2,687	2,390	1,446	2,400	319	-	2,400
13	50-22	CONFERENCES & TRAINING	MAYOR ALLOWANCE	1,320	658	1,513	1,875	518	625	2,500
14	50-22	CONFERENCES & TRAINING	SISTER CITIES	539	1,520	-	500	-	-	500
15	50-24	MILEAGE REIMBURSEMENT	MILEAGE REIMBURSEMENT	5	224	-	-	-	-	-
16	50-28	EXTERNAL COPYING/BINDING	BUSINESS CARDS	141	184	242	250	50	-	250
17	50-28	EXTERNAL COPYING/BINDING	SPECIALIZED PRINTING/HON. CERTS/PROC	48	653	25	600	60	-	600
18	50-28	EXTERNAL COPYING/BINDING	COUNCIL HISTORY PROJECT UPDATE	-	-	-	50	-	-	50
19	50-41	TELE. CABLE TV & COMMUN	CELLPHONES FOR COUNCILMEN	4,800	4,800	4,800	4,800	4,200	-	4,800
20	50-45	RECEPTIONS & ENTERTAINMNT	VOLUNTEER BRUNCH	6,601	7,561	82	-	-	-	-
21	50-45	RECEPTIONS & ENTERTAINMNT	GIFTS	10,000	220	-	-	-	-	-
22	50-45	RECEPTIONS & ENTERTAINMNT	BUSINESS LUNCHES/MAYOR FOR THE DAY	1,390	497	150	1,000	116	(1,000)	-
23	50-45	RECEPTIONS & ENTERTAINMNT	MISCELLANEOUS	-	-	55	-	-	-	-
24	50-51	POSTAGE & DELIVERY	EXPECTED POSTAGE COSTS	630	477	291	500	78	(200)	300
25	60-63	OPERATING SUPPLIES	CERTIFICATES/FOLDERS	1,366	1,242	371	650	-	-	650
26	60-63	OPERATING SUPPLIES	PLAQUES	764	813	736	800	-	-	800
27	60-63	OPERATING SUPPLIES	EXECUTIVE SESSION FOOD	1,839	1,252	1,218	500	23	-	500
28	60-63	OPERATING SUPPLIES	MEMORIALS	-	-	63	525	-	-	525
29	60-63	OPERATING SUPPLIES	MISCELLANEOUS	-	-	109	-	-	-	-
30	60-63	OPERATING SUPPLIES	YOUTH SERVICE AWARDS	612	1,924	1,592	1,800	-	-	1,800 *
31	60-63	OPERATING SUPPLIES	FURNITURE	482	-	-	-	-	-	-
32	60-74	GENERAL OFFICE SUPPLIES	OFFICE SUPPLIES	1,485	1,851	1,360	2,000	2,000	-	2,000
33	60-74	GENERAL OFFICE SUPPLIES	GENERAL SUPPLIES	62	-	-	-	-	-	-
34	80-33	IT REPLACEMENT COST	IT REPLACEMENT CHARGES	24,334	19,516	19,058	19,058	19,058	-	19,058
35	80-35	VEHICLE REPLACEMENT	VEHICLE REPLACEMENT	-	-	-	-	-	-	-
36	80-36	VEHICLE SERVICES	M & O COSTS	3,864	2,609	3,300	3,264	1,295	96	3,360
37	80-37	AUTO LIABILITY	AUTO LIABILITY	-	2,324	2,315	2,001	2,001	288	2,289
38	80-39	GENERAL LIABILITY	GENERAL LIABILITY	-	2,146	2,501	2,161	2,161	128	2,289
Total				107,109	98,290	79,990	84,228	68,322	3,486	87,714
Percentage (Reduction)/Increase					-8.2%	-18.6%	5.3%			4.1%

* Consideration of SECA funding for Kidsmatter

Other Departments-(Page 35)

Alcohol and Tobacco Budget - Non-Personnel Costs

Line Item	Account Element	Object Description	Miscellaneous Data	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Adopted Budget	FY12 5 mth Actuals (with encumbrances)	Change Proposed from FY12 to FY13	FY13 Proposed
1	35-01	LEGAL SERVICES	EXPECTED LEGAL SERVICES	-	-	-	2,100	-	-	2,100
2	35-09	OTHER PROFESS. SERVICES	COURT REPORTER FEES & ENFORCEMENT FEES	-	-	-	2,500	-	-	2,500
4	50-22	CONFERENCES & TRAINING	LIQUOR COMMISSIONER CONFERENCE/REG ONLY	210	-	-	250	-	-	250
5	50-51	POSTAGE & DELIVERY	MAILINGS PLUS HEARING NOTICES	-	43	29	150	2	734	884
6	60-63	OPERATING SUPPLIES	TOBACCO GRANT**	-	-	-	9,900	-	-	9,900
7	60-63	OPERATING SUPPLIES	INVESTIGATION FOR SERVING UNDERAGE CUSTOMERS	-	-	-	1,200	-	-	1,200
8	60-63	OPERATING SUPPLIES	BASSET	7,540	10,372	7,658	6,500	6,160	2,000	8,500
9	60-63	OPERATING SUPPLIES	MISCELLANEOUS	78	4	-	-	-	-	-
10	60-74	GENERAL OFFICE SUPPLIES	OFFICE SUPPLIES	-	-	-	-	-	-	-
Total				7,828	10,419	7,687	22,600	6,162	2,734	25,334
Percentage Reduction					33.1%	-26.2%	194.0%			12.1%

**Tobacco grant expenses reclassified from the Police Department to ALT.

Sister Cities Budget (Will apply for SECA funding)

Line Item	Account Element	Object Description	Miscellaneous Data	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Adopted Budget	FY12 5 mth Actuals (with encumbrances)	Change Proposed from FY12 to FY13	FY13 Proposed
1	50-21	DUES & SUBSCRIPTIONS	SISTER CITIES INTERNATIONAL	880	880	880	950	-	-	950
2	50-21	DUES & SUBSCRIPTIONS	ILLINOIS STATE CHAPTER	105	35	35	100	-	-	100
3	50-22	CONFERENCES & TRAINING	STUDENT EXCHANGE PROGRAM	-	-	-	1,000	-	-	1,000
4	50-22	CONFERENCES & TRAINING	STATE CONFERENCE-5 DELEGATES	-	249	370	250	-	-	250
5	50-25	ADVERTISING	ADVERTISING	-	-	-	-	-	-	-
6	50-45	RECEPTIONS & ENTERTAINMENT	YOUNG ARTIST COMPETITION	150	-	670	1,000	33	-	1,000
7	50-45	RECEPTIONS & ENTERTAINMENT	SISTER CITY DELEGATION	-	-	556	-	-	-	-
8	50-45	RECEPTIONS & ENTERTAINMENT	INTERNATIONAL FESTIVAL NCC	101	50	60	100	-	-	100
9	50-51	POSTAGE & DELIVERY	POSTAGE	6	44	4.40	50	0.44	-	50
10	60-63	OPERATING SUPPLIES	PINS/PENNANTS	-	-	-	-	-	-	-
11	60-63	OPERATING SUPPLIES	GIFTS FOR DELEGATION	-	-	158	250	-	-	250
12	60-63	OPERATING SUPPLIES	MIRROR IMAGE EXPENSES	-	-	-	300	-	-	300
13	60-63	OPERATING SUPPLIES	MISCELLANEOUS	-	-	754	-	-	-	-
14	60-63	OPERATING SUPPLIES	NITRA INFO PACKET PRINTING	-	-	-	500	-	-	500
15	60-74	GENERAL OFFICE SUPPLIES	GENERAL OFFICE SUPPLIES	267	-	-	-	-	-	-
Percentage Reduction				1,509	1,258	3,487	4,500	34	-	4,500

Following Slides are Back Up – From Workshop Materials

General Fund FY13 Preliminary Budget Summary

General Fund FY13 Preliminary Budget Summary

(In \$ Millions)

	FY13 Preliminary Budget		
	Revenue	Expenditure	Gap
Final Budget and FY13 from Five Year Plan	107.0	118.2	-11.2 *
Revenue adjustments			
Increase Sales Tax Revenue Projection			
Library & Settlement reduce FY13 levy request	0.9		0.9
Rt 59 red light half year rev & maint	-0.6	-0.2	-0.4
Assume other improvements in revenue	0.5		0.5
Expenditure adjustments			
Self Insurance fund balance used to reduce FY13 transfers		-1.1	1.1
Vehicle Replacement reserve excess used to reduce FY13 transfer		-0.4	0.4
MFT fund balance used to reduce FY13 transfer		-0.4	0.4
State Jobs Now grant summer 2011 used to reduce FY13 transfer		-0.6	0.6
State Jobs Now grant - 2012 installment used to reduce FY13 transfer		-0.6	0.6
MFT lower FY12 contracts used to reduce FY13 transfer		-1.9	1.9
Assumed other increases in expenditures		1.2	-1.2
Use of a available Fund Balance		\$3.0	3.0
Pre September Workshop FY13 Gap Projection	\$110.8	\$114.2	-3.4
Council requested reserve for 2012 installment of Jobs Now grant		0.6	-0.6
Post September Workshop FY13 Gap Projection	\$110.8	\$114.8	-\$4.0
Revenue Adjustments			
Reduce required reserve calculation - confirmed by auditor	1.3		1.3
Net reduction of charge back for current services provided	-0.9		-0.9
Expenditure Adjustments			
Further reduction of vehicle replacement		-1.8	1.8
Reduction in medical cost assumption		-0.4	0.4
Department reductions		-0.9	0.9
	\$111.2	\$111.7	-\$0.5
Property Tax Assumption			
Staff recommends reduce levy dollars by half of EAV reduction or 2.75%	-1.4		-1.4
Pre October Workshop FY13 Gap Projection	\$109.8	\$111.7	-\$1.9

*Adjusted to reflect transfer of safety position to CMO and charged back to utilities

General Fund

Five Year Projections - \$ millions

Financial Gap	Budget					
	FY12	FY13	FY14	FY15	FY16	FY17
Revenue	111.7	109.8	108.0	107.3	106.5	109.6
Expenditures	111.7	111.7	124.2	127.2	133.6	138.0
Gap assuming flat dollar beyond FY13	0.0	-1.9	-16.2	-19.9	-27.1	-28.4
Gap Openers - ALL VERSUS FY13						
FY13 remaining gap			-1.9	-1.9	-1.9	-1.9
Absence of Fund balance			-4.3	-4.3	-4.3	-4.3
Reduction in GF component of Property Tax			-0.4	-2.5	-5.5	-4.8
Increase in Pension Property Tax to cover higher expenditure			0.9	2.0	3.2	4.5
Other revenue sources-inflation & growth			2.0	2.3	3.3	4.4
Change in Revenue			-3.7	-4.4	-5.2	-2.1
Wage increases			-2.3	-3.7	-5.2	-6.7
Benefit cost increases			-1.2	-2.0	-2.9	-3.9
Increased Pension contributions			-0.9	-2.0	-3.2	-4.5
Anticipated cost decreases/(increases and Inflation)			0.3	0.0	-0.6	-1.2
Need to fund vehicle replacement			-1.0	-1.1	-1.2	-1.2
Absence of Self insurance fund balance			-1.1	-1.1	-1.1	-1.1
Absence of one time external MIP funding			-6.3	-5.6	-7.7	-7.7
Change in Expenditures			-12.5	-15.5	-21.9	-26.3
Total Gap Openers - Flat Property Tax Dollars beyond FY13			-16.2	-19.9	-27.1	-28.4

NOTE: FY13 IS USED AS THE BASE YEAR FOR THE ANALYSIS OF GAP OPENERS

General Fund – Five Year Projection Revenue

General Fund Five Year Projection (in \$ millions) Revenue

	Budget FY12	FY13	FY14	FY15	FY16	FY17
FY13 Staff Recommended Reduction						
Flat Property Tax Assumed FY13 to FY17	49.1	47.8	47.8	47.8	47.8	47.8
Non-General Fund Components						
Debt Service *	9.7	11.4	9.8	10.3	11.6	9.1
Library	12.5	13.2	14.3	14.7	15.1	15.6
Settlement	2.8	2.8	2.8	2.9	3.0	3.0
Non-Gen Fund Property Tax Components	25.0	27.4	26.9	27.9	29.7	27.7
General Fund Revenue						
All Pensions	11.6	11.6	12.5	13.6	14.8	16.1
General Corp	12.5	8.8	8.4	6.3	3.3	4.0
Gen Fund Property Tax Component	24.1	20.4	20.9	19.9	18.1	20.1
Sales Tax	26.5	27.9	27.9	27.9	27.9	27.9
Utility Tax	17.2	17.3	17.5	17.9	18.3	18.6
State Income Tax	11.3	11.3	11.5	11.8	11.9	12.2
Charges for Services	6.0	6.0	6.2	6.3	6.4	6.5
Other Annual Revenue **	24.7	22.6	24.0	23.5	23.9	24.3
Non Prop Tax - On going Revenue sources	85.7	85.1	87.1	87.4	88.4	89.5
One Time Revenue - Available Fund Balance	1.9	4.3				
	111.7	109.8	108.0	107.3	106.5	109.6

General Fund - Five Year Projections Expenditure

**General Fund
Five Year Projection**
(in \$ millions)
Expenditure

	FY12	FY13	FY14	FY15	FY16
Salary & Wages	59.5	60.0	62.3	63.7	65.2
Benefits	13.4	13.2	14.4	15.2	16.1
IMRF	2.6	2.6	2.8	2.8	2.9
Services	13.9	15.2	16.4	16.6	17.3
Supplies	4.4	4.4	4.4	4.4	4.4
Vehicle Replacement	0.1	0.9	1.9	2.0	2.1
MIP transfer and Roadway Development	4.0	1.8	8.1	7.4	9.5
Internal Service	4.8	4.6	4.2	4.3	4.2
Public Safety Pension	9.0	9.0	9.7	10.8	11.9
	<u>111.7</u>	<u>111.7</u>	<u>124.2</u>	<u>127.2</u>	<u>133.6</u>

Summary Property Tax Components

City of Naperville

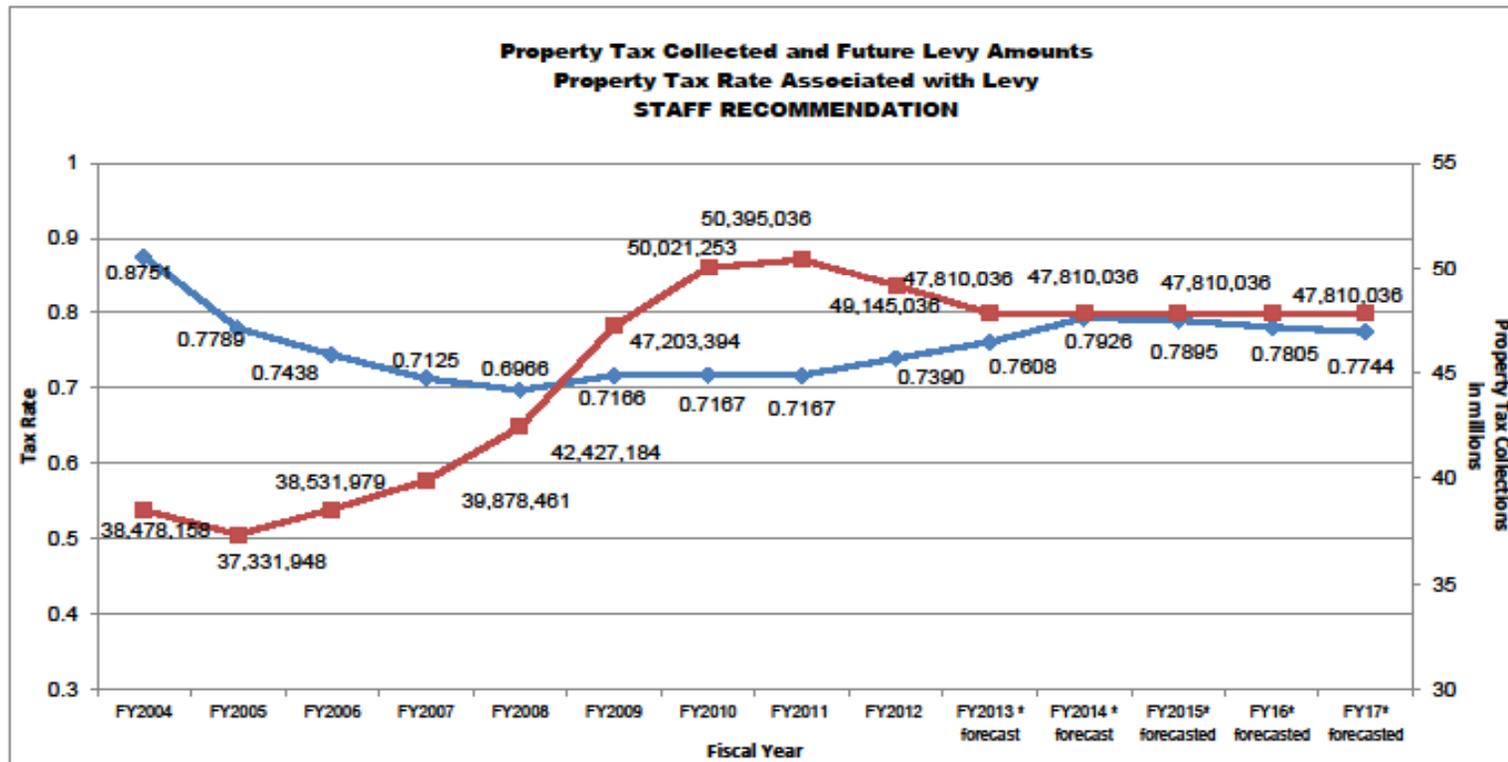
Summary Property Tax Component Table

(In \$ Millions)

Staff Recommendation

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Flat Property Tax Assumed FY12 to FY17	50.4	49.1	47.8	47.8	47.8	47.8	47.8
Non-General Fund Components							
Debt Service	8.9	9.7	11.4	9.8	10.3	11.6	9.1
Library	12.9	12.5	13.2	14.3	14.7	15.1	15.6
Settlement	2.8	2.8	2.8	2.8	2.9	3.0	3.0
Non-General Fund Property Tax Components	<u>24.6</u>	<u>25</u>	<u>27.4</u>	<u>26.9</u>	<u>27.9</u>	<u>29.7</u>	<u>27.7</u>
General Fund Revenue							
All Pensions	12	11.6	11.6	12.5	13.6	14.8	16.1
General Corp	13.8	12.5	8.8	8.4	6.3	3.3	4.0
General Fund Property Tax Components	<u>25.8</u>	<u>24.1</u>	<u>20.4</u>	<u>20.9</u>	<u>19.9</u>	<u>18.1</u>	<u>20.1</u>

Levy Rate Under Staff Recommendation



SSA 24

City of Naperville

SSA #24 Budget Projections	Adopted FY 12	Prelim FY 13	% Increase
Total Budget	\$ 2,329,471	\$ 2,156,024	-7.45%
Marketing Costs	\$ (326,900)	\$ (326,900)	0.00%
Total Operating/Maint Cost	<u>\$ 2,002,571</u>	<u>\$ 1,829,124</u>	<u>-8.66%</u>
Less Fund Balance	\$ (303,863)	\$ (164,900)	-45.73%
Less Interest Income/Fines	<u>\$ (310,790)</u>	<u>\$ (282,100)</u>	<u>-9.23%</u>
Total Maint Cost to be divided	<u>\$ 1,387,918</u>	<u>\$ 1,382,124</u>	<u>-0.42%</u>
City Share 2/3	<u>\$ 929,906</u>	<u>\$ 926,023</u>	<u>-0.42%</u>
Taxpayer Share 1/3	\$ 458,012	\$ 456,101	-0.42%
Add Marketing Costs	\$ 326,900	\$ 326,900	0.00%
Total Paid by Property Owners	<u>\$ 784,912</u>	<u>\$ 783,001</u>	<u>-0.24%</u>

SSA 22/24 and SSA 21

CITY NAPERVILLE
SSA #20 , SSA #21, SSA #22, SSA#24

SSA #22- Mair

Tax Year	SSA #22				SSA #24			
	May 07-April 08	May 08-April 09	May 09-April 10	May 10-April 11	May 11-April 12	May 12-April 13		
EAV	\$ 50,767,200	\$ 57,624,180	\$ 60,464,190	\$ 61,061,170	\$ 58,038,140	\$ 54,846,042		
Dollar Amount	\$ 653,426	\$ 741,635	\$ 778,198	\$ 785,842	\$ 784,912	\$ 783,001		
Tax Rate	1.3000	1.2999	1.3000	1.2999	1.3660	1.4420		
City	\$ 376,326.00 \$ 0.7487	\$ 439,634.58 \$ 0.7706	\$ 465,498.14 \$ 0.7776	\$ 458,941.85 \$ 0.7539	\$ 458,012.00 \$ 0.7971	\$ 456,100.92 \$ 0.8400		
Marketing	\$ 277,100.00 \$ 0.5513	\$ 302,000.00 \$ 0.5294	\$ 312,700.00 \$ 0.5224	\$ 326,900.00 \$ 0.5460	\$ 326,900.00 \$ 0.5689	\$ 326,900.00 \$ 0.6020		
Total	\$ 653,426.00 \$ 1.3000	\$ 741,635 \$ 1.3000	\$ 778,198.14 \$ 1.3000	\$ 785,841.85 \$ 1.2999	\$ 784,912.00 \$ 1.3660	\$ 783,000.92 \$ 1.4420		
	2006	2007	2008					
SSA #21- Debt Service on Deck (max \$2.50 - through levy year 2021)								
	May 07-April 08	May 08-April 09	May 09-April 10	May 10-April 11	May 11-April 12	May 12-April 13		
EAV	\$ 50,143,770	\$ 56,938,690	\$ 59,738,940	\$ 60,322,870	\$ 57,329,380	\$ 54,176,264		
Dollar Amount	\$ 346,500	\$ 393,450	\$ 267,436	\$ 266,827	\$ 210,000	\$ 150,000		
Tax Rate	0.6979	0.6980	0.4522	0.4468	0.3700	0.2796		
Total	1.9979	1.9979	1.7522	1.7467	1.7360	1.7217		

Financial Gap & Five Year Plan

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: October 14, 2011
TO: Mayor and City Council
FROM: Karen DeAngelis, Director of Finance
SUBJECT: **Financial Gap and Five Year Plan**

PURPOSE:

Provide Council with a five year plan projection and to update the FY13 projected financial gap as presented at the September 13, 2011 workshop.

DISCUSSION:

General Fund

Updated FY13 Financial Gap Projection

While detailed department budgets are only now in progress, staff shared with Council an early view of the FY13 budget gap at the September workshop. The projected gap was reduced from \$11.2 million to \$3.4 million with information now available regarding fund balance positions, known grant awards and negotiated roadway contracts. During the workshop, Council requested a conservative position by providing a reserve for the next installment of the State Jobs Now grant money. This increased the projected gap by \$0.6 million to a total of \$4.0 million.

Staff mentioned at the workshop that discussions were underway with the auditors regarding the calculation of required General Fund reserve. The reserve policy states that it is to be computed at 20% of the next year's General Fund expenditures, "net of inter fund transfers". At issue was the definition and treatment of inter fund transfers. The specific amount of the reserve is now disclosed in the Comprehensive Annual Financial Report, so the auditors are now required to sign off on the calculation. A meeting was held with the auditors on October 11, which confirmed the calculation should consider both internal service revenues and the public safety pension property tax transfers in the definition of "net of inter fund transfers". Using this definition, the required reserve is \$17.5 million and an additional \$1.3 million of fund balance is available for use in the FY13 Budget.

In the preparation of the budget, staff reviewed the services provided to other entities and funds. The current cost of the services was then used to compute the appropriate charge to be paid by each entity or fund. While there are several which resulted in increased charges to the other entity, the overall result was a reduction of \$0.9 million primarily driven by lower charges to the utility funds. This change will be reflected as lower revenue in the General Fund.

The vehicle replacement needs for FY13 have been further refined and the projected General Fund need for FY13 is now only \$1 million, a reduction of \$1.8 million from the earlier estimate. A close review of the required medical cost increase has reduced the projected cost by \$0.4 million, and department director preliminary budget submissions have incorporated an additional \$0.9 million of cost reductions.

The current gap projection incorporates the staff recommendation to reduce the property tax levy dollars by half of the EAV reductions (\$1,355,000), splitting the difference between a flat dollar and a flat rate levy. This position is aligned with the FY12 levy action taken by Council. At the conclusion of the workshop the Council levy consensus will be used to update the projected gap.

Five Year Plan

Over the five year plan horizon it is likely that the General Corporate component of the property tax levy will decline. The increasing levy requirements from the Library and Settlement along with higher pension requirements will continue to put pressure on the funds available for General Fund support. For purposes of this projection public safety pension cost is expected to increase by 10% per year, based on the historic actual trend. Pension reform may reduce the level of required annual contributions. For FY13 the funding requirement is roughly even with last year as reductions in the number of participants have offset the projected increases. Debt service payments in the five year view remain fairly flat as they assume no additional borrowing. Under these assumptions the General Corporate component of the property tax revenue declines from \$12.5 million in FY12 down to a low of only \$3.3 million in FY16. Any additional borrowing will increase the debt service payments and will further reduce the General Fund funding level.

For FY13 revenues are projected to decline by \$0.6 million as the reduction in red light revenue (\$0.6 million) and reduction in inter fund charges (\$0.9 million) more than offset the underlying revenue increase assumption of \$0.9 million. For the period of FY14 to FY17 other revenue sources are generally projected to increase by roughly 2%.

For expenditures, department controllable expenses are assumed to be flat throughout the five year horizon. Staff has included an assumption of a 2% annual wage increase per year for all employee groups not under a contract for the period. Healthcare cost increases of 8% per year for medical and 6% per year for dental for all years except FY13 where a reduced medical cost projection has been reflected. The healthcare employee contribution is assumed to increase to 20% in FY13 and remain at that level. The other two primary drivers for expenditure increases in the five year window will be the cost of vehicle replacements which continue to be consciously deferred, and the likely absence of the special road grant money that has helped in the most recent years. Overall expenditures in the preliminary FY13 projection are flat with the FY12 budget, but then are projected to increase by \$12.5 million in FY14 and grow by almost a full \$26.3 million over the FY12/FY13 level by FY17.

In summary the financial gap view, using the above described assumptions is as follows:

	FY14	FY15	FY16	FY17
Flat Property Tax Dollar	\$16.2	\$19.9	\$27.1	\$28.4

The potential impact of the declining EAV is discussed in the Tax Levy section of the workshop materials. These projected gaps are in line with, but slightly higher than those shared with Council in February. The change incorporates the staff recommendation of a reduced levy in

FY13 and further increases to benefit costs, services and need to begin funding improvements to the city arterial roadways.

Utility Funds

Both utilities had detailed rate studies completed within the last year, which included planning for future years. As this information is very recent, it is included here as the five year plan view for each of the utilities in the format prepared for the rate study.

CONCLUSION:

The future remains uncertain, but unless there is a significant improvement in the economy it is likely that achieving a balanced budget will remain a challenge for several years. Naperville continues to be conservative by carefully managing costs and reducing them when possible, to position the city well to sustain a potentially longer period of reduced revenue flows. With an understanding of the long range financial horizon Council can ensure that they make financial policy decisions and take budget balancing actions that are prudent in both the short and the long term.

ATTACHMENTS:

General Fund FY13 Preliminary Budget Summary

General Fund – Five Year Projection Summary

 Financial Gap

 Revenue

 Expenditure

General Fund – Summary of Revenue and Expenditures

General Fund – Revenue Summary

Electric Utility Plan

Water/Wastewater Utility Plan

General Fund FY13 Preliminary Budget Summary

(In \$ Millions)

Final Budget and FY13 from Five Year Plan

FY13 Preliminary Budget		
Revenue	Expenditure	Gap
107.0	118.2	-11.2 *

Revenue adjustments

Increase Sales Tax Revenue Projection			
Library & Settlement reduce FY13 levy request	0.9		0.9
Rt 59 red light half year rev & maint	-0.6	-0.2	-0.4
Assume other improvements in revenue	0.5		0.5

Expenditure adjustments

Self Insurance fund balance used to reduce FY13 transfers		-1.1	1.1
Vehicle Replacement reserve excess used to reduce FY13 transfer		-0.4	0.4
MFT fund balance used to reduce FY13 transfer		-0.4	0.4
State Jobs Now grant summer 2011 used to reduce FY13 transfer		-0.6	0.6
State Jobs Now grant - 2012 installment used to reduce FY13 transfer		-0.6	0.6
MFT lower FY12 contracts used to reduce FY13 transfer		-1.9	1.9
Assumed other increases in expenditures		1.2	-1.2

Use of a available Fund Balance

\$3.0	3.0
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Pre September Workshop FY13 Gap Projection

\$110.8	\$114.2	-3.4
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Council requested reserve for 2012 installment of Jobs Now grant

0.6	-0.6
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Post September Workshop FY13 Gap Projection

\$110.8	\$114.8	-\$4.0
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Revenue Adjustments

Reduce required reserve calculation - confirmed by auditor	1.3		1.3
Net reduction of charge back for current services provided	-0.9		-0.9

Expenditure Adjustments

Further reduction of vehicle replacement		-1.8	1.8
Reduction in medical cost assumption		-0.4	0.4
Department reductions		-0.9	0.9
	\$111.2	\$111.7	-\$0.5

Property Tax Assumption

Staff recommends reduce levy dollars by half of EAV reduction or 2.75%	-1.4		-1.4
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Pre October Workshop FY13 Gap Projection

\$109.8	\$111.7	-\$1.9
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*Adjusted to reflect transfer of safety position to CMO and charged back to utilities

General Fund
Five Year Projection

(in \$ Millions)

Financial Gap

	Budget		FY14	FY15	FY16	FY17
	FY12	FY13				
Revenue	111.7	109.8	108.0	107.3	106.5	109.6
Expenditures	111.7	111.7	124.2	127.2	133.6	138.0
Gap assuming flat dollar beyond FY13	0.0	-1.9	-16.2	-19.9	-27.1	-28.4

Gap Openers - ALL VERSUS FY13

FY13 remaining gap			-1.9	-1.9	-1.9	-1.9
Absence of Fund balance			-4.3	-4.3	-4.3	-4.3
Reduction in GF component of Property Tax			-0.4	-2.5	-5.5	-4.8
Increase in Pension Property Tax to cover higher expenditure			0.9	2.0	3.2	4.5
Other revenue sources-inflation & growth			2.0	2.3	3.3	4.4
Change in Revenue			-3.7	-4.4	-5.2	-2.1
Wage increases			-2.3	-3.7	-5.2	-6.7
Benefit cost increases			-1.2	-2.0	-2.9	-3.9
Increased Pension contributions			-0.9	-2.0	-3.2	-4.5
Anticipated cost decreases/(increases and Inflation)			0.3	0.0	-0.6	-1.2
Need to fund vehicle replacement			-1.0	-1.1	-1.2	-1.2
Absence of Self insurance fund balance			-1.1	-1.1	-1.1	-1.1
Absence of one time external MIP funding			-6.3	-5.6	-7.7	-7.7
Change in Expenditures			-12.5	-15.5	-21.9	-26.3
Total Gap Openers - Flat Property Tax Dollars beyond FY13			-16.2	-19.9	-27.1	-28.4

NOTE: FY13 IS USED AS THE BASE YEAR FOR THE ANALYSIS OF GAP OPENERS

**General Fund
Five Year Projection**

(in \$ millions)

Revenue

FY13 Staff Recommended Reduction

Flat Property Tax Assumed FY13 to FY17

Non-General Fund Components

	Budget FY12	FY13	FY14	FY15	FY16	FY17
Debt Service *	9.7	11.4	9.8	10.3	11.6	9.1
Library	12.5	13.2	14.3	14.7	15.1	15.6
Settlement	2.8	2.8	2.8	2.9	3.0	3.0
Non-Gen Fund Property Tax Components	25.0	27.4	26.9	27.9	29.7	27.7
General Fund Revenue						
All Pensions	11.6	11.6	12.5	13.6	14.8	16.1
General Corp	12.5	8.8	8.4	6.3	3.3	4.0
Gen Fund Property Tax Component	24.1	20.4	20.9	19.9	18.1	20.1
Sales Tax	26.5	27.9	27.9	27.9	27.9	27.9
Utility Tax	17.2	17.3	17.5	17.9	18.3	18.6
State Income Tax	11.3	11.3	11.5	11.8	11.9	12.2
Charges for Services	6.0	6.0	6.2	6.3	6.4	6.5
Other Annual Revenue **	24.7	22.6	24.0	23.5	23.9	24.3
Non Prop Tax - On going Revenue sources	85.7	85.1	87.1	87.4	88.4	89.5
One Time Revenue - Available Fund Balance	1.9	4.3				
	111.7	109.8	108.0	107.3	106.5	109.6

* Debt Service payment reflects only scheduled payments for issuances outstanding as of October 2011.

** Revenue decline in FY13 include reduction in red light revenue and reduction in utility chargeback.

Includes unused FY12 revenue cushion, all of which is removed for FY14.

**General Fund
Five Year Projection**

(in \$ millions)

Expenditure

	FY12	FY13	FY14	FY15	FY16	FY17
Salary & Wages	59.5	60.0	62.3	63.7	65.2	66.7
Benefits	13.4	13.2	14.4	15.2	16.1	17.1
IMRF	2.6	2.6	2.8	2.8	2.9	3.0
Services	13.9	15.2	16.4	16.6	17.3	18.0
Supplies	4.4	4.4	4.4	4.4	4.4	4.4
Vehicle Replacement	0.1	0.9	1.9	2.0	2.1	2.1
MIP transfer and Roadway Development	4.0	1.8	8.1	7.4	9.5	9.5
Internal Service	4.8	4.6	4.2	4.3	4.2	4.1
Public Safety Pension	9.0	9.0	9.7	10.8	11.9	13.1
	<u>111.7</u>	<u>111.7</u>	<u>124.2</u>	<u>127.2</u>	<u>133.6</u>	<u>138.0</u>

**CITY OF NAPERVILLE
FIVE YEAR FINANCIAL PLAN
GENERAL FUND SUMMARY**

Summary of Revenues and Expenditures

	2010-11 Actuals	2011-12 Adopted Budget	% Change	2011-12 Current Budget	2012-13 Forecast	% Change	2013-14 Forecast	% Change	2014-15 Forecast	% Change	2015-16 Forecast	% Change	2016-17 Forecast	% Change
Beginning Balance														
Total Revenue	113,914,956	111,731,897	-1.92%	111,731,897	109,785,816	-1.74%	107,962,521	-1.66%	107,308,234	-0.61%	106,472,833	-0.78%	109,555,176	2.89%
MAYOR	446,109	455,257	2.05%	459,076	496,354	8.12%	488,374	-1.61%	505,257	3.46%	523,023	3.52%	541,728	3.58%
ALCOHOL & TOBACCO	16,803	31,765	89.04%	31,765	35,052	10.35%	32,419	-7.51%	32,830	1.27%	33,264	1.32%	33,721	1.37%
SISTER CITIES	3,487	4,500	29.05%	4,500	4,500	0.00%	4,500	0.00%	4,500	0.00%	4,500	0.00%	4,500	0.00%
BOARD OF FIRE AND POLICE	104,698	123,522	17.98%	123,522	142,692	15.52%	126,863	-11.09%	128,878	1.59%	130,994	1.64%	133,217	1.70%
LEGAL	1,342,664	1,342,250	-0.03%	1,366,287	1,406,430	2.94%	1,433,602	1.93%	1,467,854	2.39%	1,503,430	2.42%	1,540,408	2.46%
CITY MANAGER	880,564	843,158	-4.25%	856,718	1,141,883	33.29%	1,143,914	0.18%	1,165,756	1.91%	1,188,188	1.92%	1,211,237	1.94%
COMMUNITY RELATIONS	351,298	347,634	-1.04%	353,841	352,769	-0.30%	464,607	31.70%	377,512	-18.75%	385,704	2.17%	394,198	2.20%
CITY CLERK	448,325	443,209	-1.14%	450,991	451,863	0.19%	470,560	4.14%	480,687	2.15%	491,162	2.18%	502,002	2.21%
REPROGRAPHICS/MAIL	345,090	381,548	10.56%	381,548	358,229	-6.11%	426,739	19.12%	398,197	-6.69%	404,980	1.70%	412,109	1.76%
HUMAN RESOURCES	1,008,989	1,047,178	3.78%	1,112,878	1,209,263	8.66%	1,161,604	-3.94%	1,186,801	2.17%	1,213,019	2.21%	1,240,320	2.25%
FINANCE	3,712,687	3,813,107	2.70%	3,861,962	3,873,490	0.30%	4,023,511	3.87%	4,088,185	1.61%	4,171,102	2.03%	4,257,456	2.07%
INFORMATION TECHNOLOGY	2,417,983	2,526,519	4.49%	2,556,129	2,642,330	3.37%	2,706,356	2.42%	2,741,246	1.29%	2,829,237	3.21%	2,869,247	1.41%
POLICE	35,798,509	36,162,335	1.02%	35,958,246	36,285,885	0.91%	38,411,074	5.86%	39,581,700	3.05%	40,964,080	3.49%	42,566,326	3.91%
FIRE	28,203,693	28,881,954	2.40%	28,874,868	30,339,269	5.07%	31,260,643	3.04%	32,784,327	4.87%	34,589,448	5.51%	35,639,520	3.04%
T.E.D.	7,270,368	7,406,671	1.87%	7,507,407	7,558,963	0.69%	8,008,586	5.95%	8,195,727	2.34%	8,339,035	1.75%	8,550,452	2.54%
PUBLIC WORKS	21,658,110	21,351,216	-1.42%	21,464,831	22,215,757	3.50%	24,258,332	9.19%	25,126,787	3.58%	25,876,567	2.98%	27,184,609	5.05%
RIVERWALK	229,236	237,683	3.68%	237,683	242,833	2.17%	258,658	6.52%	270,264	4.49%	282,719	4.61%	296,087	4.73%
MISC. SERVICES	7,645,016	6,332,391	-17.17%	6,129,645	2,915,867	-52.43%	9,524,025	226.63%	8,732,117	-8.31%	10,740,143	23.00%	10,648,099	-0.86%
Expenditures Sub-total	111,883,629	111,731,897	-0.14%	111,731,897	111,673,429	-0.05%	124,204,369	11.22%	127,268,626	2.47%	133,670,595	5.03%	138,025,237	3.26%
Total Expenditures	111,883,629	111,731,897	-0.14%	111,731,897	111,673,429	-0.05%	124,204,369	11.22%	127,268,626	2.47%	133,670,595	5.03%	138,025,237	3.26%
Revenues over Expenditures	2,031,327	0		0	(1,887,613)		(16,241,848)		(19,960,392)		(27,197,761)		(28,470,061)	
Use of Beginning Balance														

**GENERAL FUND
REVENUE SUMMARY**

	Actual 2009-2010	Actual 2010-2011	Budget 2011-2012	Forecast 2012-2013	Forecast 2013-2014	Forecast 2014-2015	Forecast 2015-2016	Forecast 2016-2017
Beginning Balance/Carry Forward			1,937,635	4,300,000	0	0	0	0
General Property Tax	14,938,027	13,861,770	12,518,040	8,769,331	8,358,968	6,240,748	3,220,083	3,985,455
% Change	16.3%	-7.2%	-9.7%	-29.9%	-4.7%	-25.3%	-48.4%	23.8%
Property Tax Pensions	9,915,136	12,065,914	11,629,719	11,605,564	12,584,121	13,675,073	14,827,495	16,111,370
% Change	10.7%	21.7%	-3.6%	-0.2%	8.4%	8.7%	8.4%	8.7%
Utility Taxes	16,422,358	16,390,164	17,248,754	17,248,754	17,593,729	17,945,604	18,304,516	18,670,606
% Change	-6.6%	-0.2%	5.2%	0.0%	2.0%	2.0%	2.0%	2.0%
Sales Taxes	1,727,984	1,991,764	1,570,000	1,570,000	1,601,400	1,633,428	1,666,097	1,699,418
% Change	-13.6%	15.3%	-21.2%	0.0%	2.0%	2.0%	2.0%	2.0%
Retail Sales Tax	24,312,907	26,608,242	26,276,749	27,825,849	27,825,849	27,825,849	27,825,849	27,825,849
% Change	-2.1%	9.4%	-1.2%	5.9%	0.0%	0.0%	0.0%	0.0%
State Income Tax	11,481,504	11,270,862	11,300,540	11,300,540	11,526,551	11,757,082	11,992,223	12,232,068
% Change	-8.4%	-1.8%	0.3%	0.0%	2.0%	2.0%	2.0%	2.0%
Other Taxes	1,246,583	2,088,564	2,170,000	2,170,000	2,213,400	2,257,668	2,302,822	2,348,877
% Change	-20.2%	67.5%	3.9%	0.0%	2.0%	2.0%	2.0%	2.0%
Real Estate Transfer Tax	2,302,235	2,605,511	2,650,000	2,650,000	2,703,000	2,757,060	2,812,201	2,868,445
% Change	-6.3%	13.2%	1.7%	0.0%	2.0%	2.0%	2.0%	2.0%
Licenses, Permits, and Fees	1,729,717	1,591,117	1,471,085	1,471,085	1,506,279	1,539,262	1,615,786	1,650,102
% Change	-18.8%	-8.0%	-7.5%	0.0%	2.4%	2.2%	5.0%	2.1%
Fines & Forfeitures	3,186,292	3,060,527	2,848,500	2,223,500	1,905,470	1,913,579	1,972,850	2,033,309
% Change	13.2%	-3.9%	-6.9%	-21.9%	-14.3%	0.4%	3.1%	3.1%
Investment Income	538,810	519,006	718,000	718,000	732,360	747,007	761,947	777,186
% Change	-58.4%	-3.7%	38.3%	0.0%	2.0%	2.0%	2.0%	2.0%
Inter & Intra Govtl Revenue	227,385	628,859	357,000	357,000	357,000	357,000	357,000	357,000
% Change	-33.0%	176.6%	-43.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Charges for Services	4,625,151	6,181,356	6,060,993	6,060,993	6,200,408	6,357,921	6,409,580	6,504,166
% Change	-4.4%	33.6%	-1.9%	0.0%	2.3%	2.5%	0.8%	1.5%
Other Internal Service Revenues	11,001,083	9,923,175	9,955,807	8,955,807	9,081,183	9,107,680	9,171,815	9,177,290
% Change	-2.5%	-9.8%	0.3%	-10.0%	1.4%	0.3%	0.7%	0.1%
Franchise Fees	2,071,556	2,290,718	2,062,785	2,258,102	2,335,174	2,349,181	2,381,883	2,456,622
% Change	2.4%	10.6%	-10.0%	9.5%	3.4%	0.6%	1.4%	3.1%
Miscellaneous	336,562	2,149,015	916,900	916,900	923,238	329,701	336,295	343,021
% Change	-39.2%	538.5%	-57.3%	0.0%	0.7%	-64.3%	2.0%	2.0%
Interfund Transfers	2,475,891	688,391	514,391	514,391	514,391	514,391	514,391	514,391
% Change	218.0%	-72.2%	-25.3%	0.0%	0.0%	0.0%	0.0%	0.0%
New Revenue Cushion			(475,000)	(1,130,000)				
TOTAL:	108,539,181	113,914,955	111,731,898	109,785,816	107,962,521	107,308,234	106,472,833	109,555,176
% Change	-0.3%	5.0%	-1.9%	-1.7%	-1.7%	-0.6%	-0.8%	2.9%

**ELECTRIC RATE STUDY
PREPARED BY CONSULTANT**

TABLE 11A - PROJECTED ANNUAL NET INCOME

(PAGE 1)

Description	Budget	Projected Annual Net Income				
	2011	2012	2013	2014	2015	2016
Operating Revenues						
<u>Annual Rate Revenues</u>						
Residential	\$ 56,729,800	\$ 55,972,200	\$ 57,001,400	\$ 57,809,900	\$ 58,792,000	\$ 59,789,800
General Service	\$ 55,862,900	\$ 56,487,400	\$ 57,045,700	\$ 57,609,400	\$ 58,180,300	\$ 58,755,800
Primary	\$ 18,177,600	\$ 17,497,300	\$ 17,497,300	\$ 17,497,300	\$ 17,497,300	\$ 17,497,300
Transmission	\$ 2,812,400	\$ 2,607,300	\$ 2,607,300	\$ 2,607,300	\$ 2,607,300	\$ 2,607,300
Lighting	\$ 291,300	\$ 316,900	\$ 320,100	\$ 323,300	\$ 326,500	\$ 329,700
General Service (IAC)	\$ 1,075,200	\$ 920,300	\$ 929,500	\$ 938,800	\$ 948,200	\$ 957,700
Rate Revenues	\$ 134,949,200	\$ 133,801,400	\$ 135,401,300	\$ 136,786,000	\$ 138,351,600	\$ 139,937,600
<u>Proposed Rate Revenue Adjustments</u>						
<u>Date of Implementation</u>		<u>Revenue Adjustment</u>		<u>Months Effective</u>		
May 1	FY 2011	0.00%	12			
May 1	FY 2012	0.00%	12			
May 1	FY 2013	0.00%	12			
May 1	FY 2014	2.00%	12	\$ 2,735,700	\$ 2,767,000	\$ 2,798,800
May 1	FY 2015	2.00%	12		\$ 2,822,400	\$ 2,854,700
May 1	FY 2016	2.00%	12			\$ 2,911,800
Revenue from Adjustments	\$ -	\$ -	\$ -	\$ 2,735,700	\$ 5,589,400	\$ 8,565,300
Annual Rate Revenues with Rate Increase	\$ 134,949,200	\$ 133,801,400	\$ 135,401,300	\$ 139,521,700	\$ 143,941,000	\$ 148,502,900
Other Charges for Services Revenues	\$ 263,600	\$ 263,600	\$ 263,600	\$ 263,600	\$ 263,600	\$ 263,600
Internal Services Revenues	\$ 123,600	\$ 123,600	\$ 123,600	\$ 123,600	\$ 123,600	\$ 123,600
Miscellaneous Revenues	\$ 1,190,000	\$ 1,190,000	\$ 1,190,000	\$ 1,190,000	\$ 1,190,000	\$ 1,190,000
Total Other Operating Revenues	\$ 1,577,200	\$ 1,577,200	\$ 1,577,200	\$ 1,577,200	\$ 1,577,200	\$ 1,577,200
Total Operating Revenue	\$ 136,526,400	\$ 135,378,600	\$ 136,978,500	\$ 141,098,900	\$ 145,518,200	\$ 150,080,100
Operating Expenses						
Purchased Power	\$ 103,184,000	\$ 99,936,200	\$ 100,512,400	\$ 103,835,000	\$ 107,225,700	\$ 111,514,700
Transmission Operations	\$ 14,500	\$ 13,600	\$ 13,900	\$ 14,200	\$ 14,700	\$ 15,200
Transmission Maintenance	\$ 23,000	\$ 16,100	\$ 16,100	\$ 17,200	\$ 17,400	\$ 18,700
Distribution Operations	\$ 5,649,700	\$ 5,361,000	\$ 5,424,400	\$ 5,652,300	\$ 5,822,300	\$ 6,001,000
Distribution Maintenance	\$ 4,547,000	\$ 3,994,000	\$ 4,003,100	\$ 4,188,900	\$ 4,435,300	\$ 4,608,300
Customer Accounts	\$ 99,700	\$ 97,800	\$ 97,900	\$ 104,000	\$ 114,000	\$ 118,400
Customer Service Operations	\$ 1,169,100	\$ 1,145,500	\$ 1,146,200	\$ 1,216,800	\$ 1,334,800	\$ 1,385,000
Administration & General Operations	\$ 7,547,100	\$ 7,528,800	\$ 7,573,900	\$ 7,693,000	\$ 7,961,200	\$ 8,201,100
Administration & General	\$ 661,800	\$ 651,500	\$ 655,200	\$ 700,400	\$ 741,200	\$ 760,700
Adjustment to Match CAFR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Operating Expenses (Fund 410)	\$ 122,895,900	\$ 118,744,500	\$ 119,443,100	\$ 123,421,800	\$ 127,666,600	\$ 132,623,100
Subtotal Operating Expenses (Fund 414)	\$ -	\$ 86,900	\$ 460,300	\$ 460,300	\$ 460,300	\$ 460,300
Total Operating Expenses	\$ 122,895,900	\$ 118,831,400	\$ 119,903,400	\$ 123,882,100	\$ 128,126,900	\$ 133,083,400
Operating Income Before Depreciation	\$ 13,630,500	\$ 16,547,200	\$ 17,075,100	\$ 17,216,800	\$ 17,391,300	\$ 16,996,700
Depreciation	\$ (11,712,700)	\$ (12,489,200)	\$ (13,161,400)	\$ (13,489,900)	\$ (13,784,200)	\$ (14,115,400)
Operating Income (Loss)	\$ 1,917,800	\$ 4,058,000	\$ 3,913,700	\$ 3,726,900	\$ 3,607,100	\$ 2,881,300
Non-Operating Revenues (Expenses):						
Net Investment Income	\$ 93,400	\$ 93,400	\$ 93,400	\$ 93,400	\$ 93,400	\$ 93,400
DOJ-Aurora-Tech Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Grant	\$ 3,599,000	\$ 6,109,000	\$ 1,107,300	\$ -	\$ -	\$ -
Capital Fees	\$ 621,000	\$ 603,000	\$ 604,000	\$ 605,000	\$ 606,000	\$ 607,000
Gain/(Loss) on Disposal of Capital Assets	\$ (1,180,000)	\$ (1,180,000)	\$ (1,180,000)	\$ (1,180,000)	\$ (1,180,000)	\$ (1,180,000)
Interest on Bonds	\$ (1,625,500)	\$ (1,750,100)	\$ (1,795,800)	\$ (1,709,400)	\$ (1,612,600)	\$ (1,500,100)
Total Non-Operating Revenue (Expense)	\$ 1,507,900	\$ 3,875,300	\$ (1,171,100)	\$ (2,191,000)	\$ (2,093,200)	\$ (1,979,700)
Net Income (Loss) Before Contributions & Transfers	\$ 3,425,700	\$ 7,933,300	\$ 2,742,600	\$ 1,535,900	\$ 1,513,900	\$ 901,600
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Assets	\$ 3,425,700	\$ 7,933,300	\$ 2,742,600	\$ 1,535,900	\$ 1,513,900	\$ 901,600
Total net assets, May 1	\$ 221,052,044	\$ 224,477,744	\$ 232,411,044	\$ 235,153,644	\$ 236,689,544	\$ 238,203,444
Change in Net Assets	\$ 3,425,700	\$ 7,933,300	\$ 2,742,600	\$ 1,535,900	\$ 1,513,900	\$ 901,600
Total net assets, April 30	\$ 224,477,744	\$ 232,411,044	\$ 235,153,644	\$ 236,689,544	\$ 238,203,444	\$ 239,105,044
Debt Service Coverage						
Operating Income Before Depreciation	\$ 13,630,500	\$ 16,547,200	\$ 17,075,100	\$ 17,216,800	\$ 17,391,300	\$ 16,996,700
Annual Debt Service	\$ 3,976,000	\$ 5,671,300	\$ 4,736,700	\$ 5,307,500	\$ 5,498,400	\$ 3,919,900
Debt Service Coverage	3.43	2.92	3.60	3.24	3.16	4.34
Minimum Debt Service Coverage	2.00	2.00	2.00	2.00	2.00	2.00

**Water Rate Study File Prepared by
Raftelis Financial Consultants
June 1, 2011**

Assumptions:

- 1. Water Rate Revenue – Naperville Delivery Charge FY13 to FY16 includes 3% increase**
- 2. Water Rate Revenue – Purchased Water Charge FY13 to FY16 includes 0% increase**
- 3. Wastewater Rate Revenue – Retail FY13 to FY16 includes 3% increase**
- 4. FY13 to FY16 incremental increase is due to growth.**

Combined Water and Sewer Fund Financial Plan

Table 32: Forecast FY 2012 - FY 2016 Comprehensive Water and Sewer Fund Cash Flow Forecast					
	FY 2012 Estimate	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast
Water Rate Revenue - Naperville Delivery Charge	\$11,973,240	\$12,371,040	\$12,782,064	\$13,206,751	\$13,645,555
Water Rate Revenue - Purchased Water Charge	\$11,914,998	\$11,952,357	\$11,989,840	\$12,027,447	\$12,065,178
Wastewater Rate Revenues - Retail	\$14,148,875	\$14,619,640	\$15,106,074	\$15,608,699	\$16,128,054
Wastewater Rate Revenues - Wholesale	\$926,651	\$926,651	\$926,651	\$926,651	\$926,651
Wastewater Rate Revenues - Extra Str. Surcharges	\$4,915	\$4,915	\$4,915	\$4,915	\$4,915
Combined Interest Earnings	<u>\$0</u>	<u>\$6,930</u>	<u>\$14,118</u>	<u>\$12,014</u>	<u>\$9,861</u>
	\$38,968,679	\$39,881,534	\$40,823,663	\$41,786,478	\$42,780,214
Operations and Maintenance					
Administration	\$5,040,868	\$5,187,468	\$5,338,400	\$5,496,447	\$5,659,246
CE Engineering / Construction Mgt.	\$864,721	\$880,175	\$895,938	\$917,538	\$939,790
Water Supply & Reclamation	\$19,431,574	\$19,672,303	\$19,920,888	\$20,140,964	\$20,366,299
Water Distribution & Collection	<u>\$5,179,004</u>	<u>\$5,280,944</u>	<u>\$5,385,283</u>	<u>\$5,513,963</u>	<u>\$5,646,386</u>
Total O&M Expenditures	\$30,516,167	\$31,020,890	\$31,540,509	\$32,068,911	\$32,611,721
Debt Service - Water	\$325,674	\$546,737	\$658,299	\$678,368	\$668,633
Debt Service - Wastewater	<u>\$1,176,240</u>	<u>\$1,414,093</u>	<u>\$1,632,030</u>	<u>\$1,688,899</u>	<u>\$1,676,659</u>
Total Debt Service	\$1,501,915	\$1,960,829	\$2,290,329	\$2,367,267	\$2,345,292
Rate Financed Capital Improvements - Water	\$75,215	\$1,040,351	\$1,880,477	\$4,160,663	\$3,980,834
Rate Financed Capital Improvements - Wastewater	<u>\$19,035</u>	<u>\$1,768,190</u>	<u>\$3,667,565</u>	<u>\$3,612,441</u>	<u>\$4,275,200</u>
Total Rate Financed Capital Improvements	\$94,250	\$2,808,541	\$5,548,042	\$7,773,104	\$8,256,034
Total Expenditures	<u>\$32,112,332</u>	<u>\$35,790,260</u>	<u>\$39,378,880</u>	<u>\$42,209,282</u>	<u>\$43,213,047</u>
Operating Surplus / Deficit	\$6,856,348	\$4,091,274	\$1,444,782	(\$422,804)	(\$432,833)
Beginning of Year Cash Reserves	<u>(\$8,623,210)</u>	<u>(\$1,766,862)</u>	<u>\$2,324,411</u>	<u>\$3,769,193</u>	<u>\$3,346,389</u>
End of Year Cash Reserves	(\$1,766,862)	\$2,324,411	\$3,769,193	\$3,346,389	\$2,913,556
Target Cash Reserves (30-Days of O&M Expenses)	<u>\$2,593,874</u>	<u>\$2,636,776</u>	<u>\$2,680,943</u>	<u>\$2,725,857</u>	<u>\$2,771,996</u>
Variance from Target	(\$4,360,737)	(\$312,364)	\$1,088,250	\$620,532	\$141,560

2011 Tax Levy

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: October 14, 2011
TO: Mayor and City Council
FROM: Karen DeAngelis, Director of Finance
SUBJECT: 2011 Tax Levy

ACTION REQUESTED:

Provide consensus for the 2011 property tax levy.

BACKGROUND:

The Equalized Assessed Valuation (EAV) used in the property tax calculation averages the homes assessed valuation over a three year period. This methodology delayed the impact of the economic decline on property taxes until FY12. Township assessors are projecting an overall reduction in property values of 15%, which is aligned with the decline in average home sales prices between FY08 (\$440,000) and current levels (\$375,000). The effect of the decline is expected to be spread across three levy years as follows:

FY12 - 2010 levy	5.44% (last year actual)
FY13 - 2011 levy	5.5% (estimate for this budget year)
FY14 - 2012 levy	4.0%.

The City Council Revenue Workshop on September 13, 2011 included a review of the impacts of the declining EAV on the property tax rate in preparation for the October Levy Workshop discussion.

DISCUSSION:

The Library and Settlement tax levy requests once again propose using all, or almost all (only \$42K remaining in Settlement) of the available fund balance to reduce this year's levy request. While last year at this time both entities anticipated that they would need to increase the levy request between 2010 and 2011, the Settlement has been able to hold their request flat and the Library reduced the request by \$760K.

Calculation of the legally required public safety pension contribution was changed by the passage of Pension Reform legislation at the State level. This change was generally expected to reduce the current required funding level and defer payment over a longer time horizon. As the City total obligation remains the same, the city is funding future contributions at the higher of the old calculation or the new legally required level. The levy requirements reflect the Firefighter Pension contribution at the new legal requirement of \$4.69 million, which is just slightly higher than the calculation under the old methodology. The Police Pension contribution reflects the requirement under the old methodology of \$4.32 million, which is \$259K above the new legally required minimum. In both cases the city contribution is slightly lower than last year.

During the budget discussions last year, Council discussed taxpayer expectations that lower home values would result in lower property tax bills. Revenue reduction creates additional stress on the budget and requires further cost and service reductions. Recognizing this Council balanced the city service needs with the tax payer expectations by splitting the impact of the projected EAV in half. Council acted to reduce the tax levy dollars by \$1.25 million, half of the projected EAV reduction, resulting in a 2.5% reduction in the average Naperville tax payer property tax bill. As a result, the average homeowner saw a \$22 reduction in the city portion of their property tax bill last year.

Staff has already completed significant preliminary work on the FY13 budget to close the gap to within \$0.5 million, assuming a flat dollar property tax. Staff is recommending that Council again act to provide tax relief by reducing the property tax levy by half of the projected EAV decline. With a projected decline of 5.5%, this would result in a 2.75% or \$1.4 million reduction in the levy dollars, saving the average homeowner an additional \$23 on the city portion of their annual property tax payment. The staff recommendation would increase the projected FY13 budget gap to \$1.9 million. While additional cost reductions become more difficult to find, staff is committed to provide closure to the gap through the budget challenge process.

State law dictates the timing and process that must be followed in the levy and collection of property taxes and regrettably requires passage of a property tax levy in advance of the budget process. The law does provide a margin of flexibility through the abatement process to reduce the levy amount between the initial request and the final property tax rate. The required abatement ordinances need to be completed by April of the tax year, which is near the end of the budget process. City Council has previously directed the tax levy at a level which provided the opportunity to take advantage of this flexibility and anticipated abatements.

RECOMMENDATION:

Staff recommendation is for the City Council to approve a 2011 property tax levy of \$47,810,036, which reflects a reduction of \$1,355,000 (2.75%) from the 2010 levy. The estimated tax rate for the recommendation is 0.7609, reflecting an assumed EAV reduction of \$5.5% and a rate increase of only 2.75%.

Based on City Council's direction at this October 24, 2010 workshop staff will publish the tax levies, schedule and conduct the public hearings and present an ordinance to City Council for passage at the December 6, 2011 Council meeting.

ATTACHMENTS:

- 2011 Tax Levy and Rate Options
- Five Year Financial Plan Tax Levy Information
- Graph Assessed Equalized Valuation
- Graph – Staff Recommendation Levy Rate and Amounts
- Library Tax Levy Request (Reprinted from September 13, 2011 Workshop Materials)
- Library Tax Rate and Levy (Reprinted from September 13, 2011 Workshop Materials)
- Letter from Naper Settlement – Request for FY13 Naper Settlement Operating Support
- Letter from Naper Settlement – Five Year Financial Plan for Naper Settlement
- Library and Settlement Fund Balance Positions

CITY OF NAPERVILLE
2011 TAX LEVY AND RATE OPTIONS
24-Oct-11

Levy Purpose	CURRENT FISCAL YEAR		OPTION # 1- Flat Dollar			STAFF RECOMMENDED OPTION # 2-\$1.335million			OPTION # 3-Flat Rate		
	2010 Levy Actual	2010 Ext'd Tax Rate	2011 Unextended Levy Option #1	2011 Ext'd Tax Rate #1	% Change of Ext'd Tax Rate	2011 Unextended Levy Option #2	2011 Ext'd Tax Rate #2	% Change of Ext'd Tax Rate	2011 Unextended Levy Option #2	2011 Ext'd Tax Rate #2	% Change of Ext'd Tax Rate
	General Corporate	12,518,040	.1882	10,124,331	.1611	-14%	8,789,331	.1399	-26%	7,414,331	.1180
Debt Service	9,790,005	.1472	11,447,369	.1821	24%	11,447,369	.1822	24%	11,447,369	.1822	24%
IMRF	2,600,000	.0391	2,600,000	.0415	6%	2,600,000	.0415	6%	2,600,000	.0415	6%
Firefighter Pension	4,695,134	.0706	4,688,185	.0747	6%	4,688,185	.0747	6%	4,688,185	.0747	6%
Police Pension	4,334,585	.0652	4,317,379	.0687	5%	4,317,379	.0687	5%	4,317,379	.0687	5%
Subtotal	33,937,764	.5103	33,177,264	.5281	3%	31,842,264	.5069	-1%	30,467,264	.4850	-5%
Naperville Library	12,450,000	.1872	13,210,500	.2101	12%	13,210,500	.2101	12%	13,210,500	.2101	12%
Naper Settlement	2,757,272	.0415	2,757,272	.0439	6%	2,757,272	.0439	6%	2,757,272	.0439	6%
Subtotal	15,207,272	.2287	15,967,772	.2540	11%	15,967,772	.2540	11%	15,967,772	.2540	11%
Total	49,145,036	.7390	49,145,036	.7821	6%	47,810,036	.7609	3%	46,435,036	.7390	0%
Assessed Valuation:	6,718,739,726 (1)		6,349,209,041 (2)			6,349,209,041 (2)			6,349,209,041 (2)		

Notes:

- (1) Actual 2010 Assessed Valuation
- (2) Estimated 5.5% reduction in EAV

Based upon the estimated 2011 Assessed Valuation
\$.01 = \$635,000

City of Naperville Five-Year Financial Plan Tax Levy Information

STAFF RECOMMENDATION

CURRENT BUDGET

PROJECTED EAV	FY 2012 BUDGET 2010 ASSESSED VALUE		
	LEVY	2010 RATE	EXTENSION
			6,718,739,726
PURPOSE	LEVY	2010 RATE	EXTENSION
GENERAL FUND	12,518,040	.1882	12,643,220
DEBT SERVICE	9,790,005	.1472	9,887,905
IMRF	2,600,000	.0391	2,626,000
FIREFIGHTER PENSION	4,695,134	.0706	4,742,085
POLICE PENSION	4,334,585	.0652	4,377,931
NAPER SETTLEMENT	2,757,272	.0415	2,784,845
SUB-TOTAL	36,695,036	.5518	37,061,986
LIBRARY	12,450,000	.1872	12,574,500
TOTAL	49,145,036	.7390	49,636,486

PROJECTED EAV	FY 2013 BUDGET 2011 ASSESSED VALUE		
	LEVY	2011 RATE	EXTENSION
			6,349,209,041
PURPOSE	LEVY	2011 RATE	EXTENSION
GENERAL FUND	8,789,331	.1399	8,877,224
DEBT SERVICE	11,447,369	.1822	11,561,843
IMRF	2,600,000	.0415	2,626,000
FIREFIGHTER PENSION	4,688,185	.0747	4,735,067
POLICE PENSION	4,317,379	.0687	4,360,553
NAPER SETTLEMENT	2,757,272	.0439	2,784,845
SUB-TOTAL	34,599,536	.5508	34,945,531
LIBRARY	13,210,500	.2101	13,342,605
TOTAL	47,810,036	.7609	48,288,136

PROJECTED EAV	FY 2014 BUDGET 2012 ASSESSED VALUE		
	LEVY	2012 RATE	EXTENSION
			6,095,240,679
PURPOSE	LEVY	2012 RATE	EXTENSION
GENERAL FUND	8,378,968	.1390	8,462,758
DEBT SERVICE	9,797,675	.1624	9,895,652
IMRF	2,678,000	.0445	2,704,780
FIREFIGHTER PENSION	5,157,004	.0855	5,208,574
POLICE PENSION	4,749,117	.0787	4,796,608
NAPER SETTLEMENT	2,757,272	.0458	2,784,845
SUB-TOTAL	33,518,036	.5558	33,853,216
LIBRARY	14,292,000	.2368	14,434,920
TOTAL	47,810,036	.7926	48,288,136

Based upon the estimated 2011 Assessed Valuation
\$.01 = \$635,000

Based upon the estimated 2012 Assessed Valuation
\$.01 = \$610,000

FY 2015 BUDGET

PROJECTED EAV	2013 ASSESSED VALUE		
	LEVY	RATE	EXTENSION
			6,125,716,883
PURPOSE	LEVY	RATE	EXTENSION
GENERAL FUND	6,260,748	.1034	6,323,355
DEBT SERVICE	10,300,843	.1700	10,403,851
IMRF	2,758,340	.0457	2,785,923
FIREFIGHTER PENSION	5,672,704	.0937	5,729,431
POLICE PENSION	5,244,029	.0867	5,296,469
NAPER SETTLEMENT	2,857,272	.0473	2,885,845
SUB-TOTAL	33,093,936	.5468	33,424,875
LIBRARY	14,716,100	.2426	14,863,261
TOTAL	47,810,036	.7895	48,288,136

Based upon the estimated 2013 Assessed Valuation
\$.01 = \$613,000

FY 2016 BUDGET

PROJECTED EAV	2014 ASSESSED VALUE		
	LEVY	RATE	EXTENSION
			6,186,974,052
PURPOSE	LEVY	RATE	EXTENSION
GENERAL FUND	3,240,083	.0529	3,272,484
DEBT SERVICE	11,624,186	.1898	11,740,428
IMRF	2,841,090	.0464	2,869,501
FIREFIGHTER PENSION	6,239,974	.1019	6,302,374
POLICE PENSION	5,746,431	.0938	5,803,895
NAPER SETTLEMENT	2,957,272	.0483	2,986,845
SUB-TOTAL	32,649,036	.5330	32,975,527
LIBRARY	15,161,000	.2475	15,312,610
TOTAL	47,810,036	.7805	48,288,137

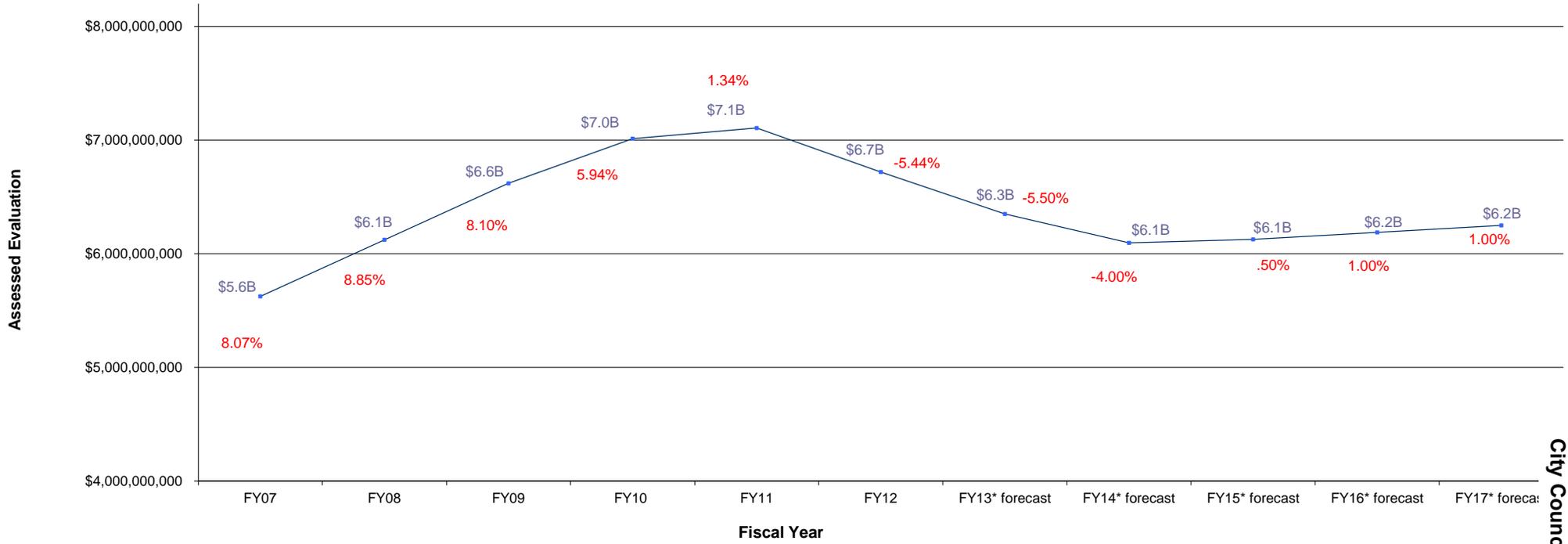
Based upon the estimated 2014 Assessed Valuation
\$.01 = \$619,000

FY 2017 BUDGET

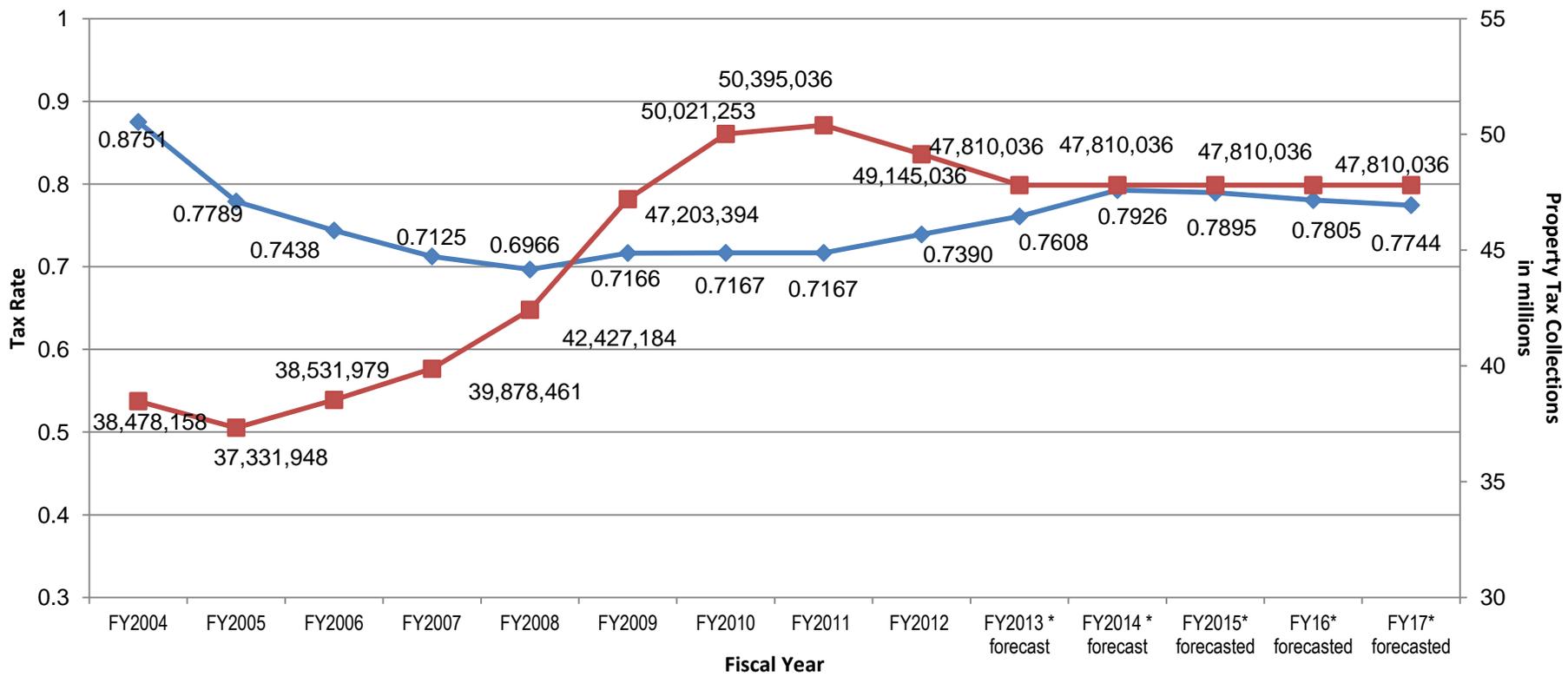
PROJECTED EAV	2015 ASSESSED VALUE		
	LEVY	RATE	EXTENSION
			6,248,843,792
PURPOSE	LEVY	RATE	EXTENSION
GENERAL FUND	3,905,455	.0631	3,944,510
DEBT SERVICE	9,113,739	.1473	9,204,876
IMRF	2,926,323	.0473	2,955,586
FIREFIGHTER PENSION	6,863,972	.1109	6,932,612
POLICE PENSION	6,321,075	.1022	6,384,286
NAPER SETTLEMENT	3,057,272	.0494	3,087,845
SUB-TOTAL	32,187,836	.5203	32,509,714
LIBRARY	15,622,200	.2525	15,778,422
TOTAL	47,810,036	.7728	48,288,136

Based upon the estimated 2015 Assessed Valuation
\$.01 = \$625,000

**City of Naperville
History and Projection of Assessed Equalized Valuation**



**Property Tax Collected and Future Levy Amounts
Property Tax Rate Associated with Levy
STAFF RECOMMENDATION**





NAPERVILLE PUBLIC LIBRARY

DATE: August 24, 2011
TO: Mayor and Council
From: John Spears, Executive Director
Re: Tax Levy Request for FY12-13

The Library Board and staff would like to express our gratitude to City staff for providing a great deal of information that has aided us in the preparation of our levy request and for additional time to prepare this request in light of recent administrative changes. As we receive over 90% of our revenue from property taxes, we are aware of the importance of carefully examining our expenditures to ensure that the funds with which we have been entrusted are spent in an efficient and proper manner. To achieve this goal, we have begun a zero-based budget process for FY13 that will more accurately account for all planned expenditures. In order to maintain an essentially flat budget, we are submitting a levy request of \$13,210,500, a request 4.8% lower than the initial projection submitted to Council. Our fund balance from FY11 will be fully utilized in FY13 to ease the burden on taxpayers and reduce our request from the initial proposed amount of \$13,881,000. This is in accordance with the agreement reached with Council to limit our Capital Reserve Fund to \$250,000 and use operating fund balances to reduce the amount requested.

Since 2009, the Library has reduced its levy by \$2.25 million, resulting in freezes on all wages, the elimination of paid programming, a reduction in the number of hours we are open, a longer replacement schedule for computer equipment, reductions in training opportunities for staff, and a significant reduction in the amount budgeted for library materials. Concurrently, we have absorbed increases in the employer share of IMRF contributions, utility costs, and unemployment insurance.

Maintaining our budget at current levels will, however, require further cost savings in multiple areas if we are to accomplish two goals that have been set by the Library Board: rebuilding our materials budget to a level that will adequately meet the needs of Naperville's residents and ensuring that our compensation levels are adequate to attract and maintain the quality of staff necessary to properly provide services. It is expected that we will be able, within the constraints of the current fiscal reality, to begin the process of rebuilding our collection without negatively impacting the public in other areas. Regarding compensation, the Library has engaged in salary range reviews similar to those requested by Council for City employees. The Library has regularly conducted such reviews to determine if we are maintaining a compensation level that will keep us at the 50th percentile of compensation for comparable organizations. Unfortunately, the elimination of merit increases and market adjustments for the past several years has caused our compensation to fall significantly below that of our peers, endangering our ability to attract and retain staff. It is our intention, though, to address these situations in FY13 through the identification of further cost savings that will allow us to accomplish these tasks without increasing our budget.

We appreciate the opportunity to work with Council on the establishment of our levy and look forward to meeting with you to discuss these issues.

Naperville Public Library Library Tax Rate and Levy

8/23/2011

FISCAL YEAR		EAV	EAV % INC	LIB RATE	LIBRARY TAX LEVY
FY03	Actual Library Tax Levy	\$3,978,480,794	10.02%	0.1954	\$7,696,088
FY04	Actual Library Tax Levy	\$4,413,444,252	10.93% % Change=	0.2337 19.6%	\$10,210,913 32.68%
FY04	Without Abatement (See note 1.)	\$4,413,444,252	10.93%	0.2418	\$10,565,757
		% Increase from Actual FY03 Library Rate		23.7%	
FY05	Actual Library Tax Levy	\$4,828,113,069	9.40% % Change=	0.2313 -1.0%	\$11,058,009 after abatement 8.30%
FY06	Actual Library Tax Levy	\$5,204,592,692	7.80% % Change=	0.2402 3.8%	\$12,373,186 11.9%
FY07	Actual Library Tax Levy	\$5,624,652,231	8.07% % Change=	5.4% 0.2532 Reductions " Oper. Bal 0.2404 0.08%	\$14,099,561 (81,211) (401,192) (230,000) 13,387,158 8.19%
FY08	Actual Library Tax Levy	\$6,122,396,965	8.85% % Change=	0.2302 -4.24%	\$13,953,973 4.23%
FY09	Actual Library Tax Levy	\$6,618,234,602	8.10% % Change=	0.2244 -2.53%	\$14,702,792 5.37%
FY10	Actual Library Tax Levy (per counties 5/4/09)	\$7,011,282,276	5.94% % Change=	Oper. Bal 0.2000 -10.84%	(500,000) \$13,886,796 -5.55%
FY11	Actual Library Tax Levy (per counties 5/10)	\$7,105,113,931	1.34% % Change=	Oper. Bal 0.1827 -8.65%	(1,000,000) \$12,855,307 -7.43%
FY12	Actual Library Tax Levy (per counties 5/11)	\$6,718,739,726	-5.438% % Change=	Oper. Bal 0.1872 2.42%	(1,367,000) \$12,450,000 -3.15%
FY13	Estimated Library Tax Levy	\$6,349,210,000	-5.500% % Change=	Oper. Bal 0.2101 12.28%	(673,940) \$13,210,500 6.11%
FY14	Estimated Library Tax Levy	\$6,095,250,000	-4.000% % Change=	Oper. Bal 0.2368 12.69%	-0- \$14,292,000 8.19%
FY15	Estimated Library Tax Levy	\$6,095,250,000	0.000% % Change=	Oper. Bal 0.2438 2.97%	-0- \$14,716,100 2.97%
FY16	Estimated Library Tax Levy	\$6,156,202,500	1.000% % Change=	Oper. Bal 0.2487 2.00%	-0- \$15,161,000 3.02%
FY17	Estimated Library Tax Levy	\$6,217,764,525	1.000% % Change=	Oper. Bal 0.2538 2.02%	-0- \$15,622,200 3.04%



NAPERVILLE HERITAGE SOCIETY

523 S. Webster Street
Naperville, IL
60540-6517
630.420.6010 Phone
630.305.4044 Fax

*Developers and
Administrators of
Naper Settlement
A History Museum*

MEMORANDUM

TO: Mayor Pradel and City Councilmen
FROM: Naperville Heritage Society Board of Directors
Christopher E. Birck, President

DATE: September 30, 2011

SUBJECT: Request for FY13 Naper Settlement Operating Support

On behalf of Naper Settlement, the NHS and NS Museum Boards respectfully request the Council's consideration in granting flat dollars, \$2,757,272, to support the 2013 fiscal year operations for the City's museum complex. Although our original intent was to begin re-building the level of tax support following reductions or flat dollars since fiscal year 2009, savings realized last fiscal year have enabled us to close the museum's projected gap without increased support. We value our strong partnership with the City and believe that includes doing our part during difficult times.

Maintaining our budget at current tax levels is not an easy task with the need to absorb increasing costs for IMRF, utilities, unemployment and City chargebacks. To balance, carefully thought out reductions in other areas, revenue growth of over 9% in programs and events, and increased support from the Naperville Heritage Society is planned in order that the organization's mission and goals are not compromised.

Significant operational changes have been made at the Settlement over the last few years which we feel has made the organization ready for its next phase of development. As you are aware, the Heritage Society board is in the process of developing a strategy for continued implementation of the long-range site development plan. The first phase, replacement of the interior roadways and stormwater management improvements, is at substantial completion. The Heritage Society was successful in obtaining outside funding for 86% of that project. The commitment from the Heritage Society to fund an additional Institutional Advancement position is also part of the plan to increase outside support for museum operations and development.

Naper Settlement continues to be a center point of interest for the City drawing visitors from all over the country and the world. Exceptional programs and events contribute to the citizen's quality of life and support of the local economy. Thank you for your consideration of our request for the museum's operating support for the upcoming year.



NAPERVILLE HERITAGE SOCIETY

523 S. Webster Street
Naperville, IL
60540-6517
630.420.6010 Phone
630.305.4044 Fax

*Developers and
Administrators of
Naper Settlement
A History Museum*

MEMORANDUM

TO: Mayor Pradel and City Councilmen
FROM: Naperville Heritage Society Board of Directors
Christopher E. Birck, President

DATE: October 7, 2011

SUBJECT: Five Year Financial Plan for Naper Settlement

Transmitted herein are preliminary forecasts for Naper Settlement's next five years of operations covering fiscal years 2013 through 2017.

Recognizing the challenging economic conditions continuing at the city and national level, the Heritage Society and Museum boards are requesting the same level of operational support for FY13 as was received in fiscal years 2011 and 2012 of \$2,757,272, a \$300,728 reduction from FY09. Preliminary plans call for incremental increases of \$100,000 per year beginning in fiscal year 2015.

Modest increases in expenses of less than 2% annually over the five year period are planned. Increases in salary and benefit costs, chargebacks, utilities and unemployment are based on budget assumptions provided by the City Finance Department. The only deviation from City plans is the decision to continue building toward a 30% contribution from employees for health and dental in fiscal years 2014 and 2015; the City assumptions remain at 20%. Taking into consideration the tax support levels mentioned above, to balance carefully thought out reductions in other areas, revenue growth from programs and events, and increased support from Naperville Heritage Society are forecasted.

Settlement staff continues to evaluate operations with decisions focused on the long-term goals of site development and sustainability while fulfilling the organization's mission of creating community by connecting visitors to Naperville's history through engaging, unique experiences. Some highlights are:

- Reorganization to a staff of 43 positions, down from 52, with a decrease in full time equivalents from 38.14 to 35.25. An increased resource focus on Institutional Advancement has been instituted to grow outside support for museum operations and development.
- Programming designed to take the museum beyond the borders of the 12 acre site. Tested during the summer of 2011, "On the Road" historically focused walks, registered-required lectures and activities, and behind the scenes tours were featured. Evaluation of these offerings will help build the public calendar for the upcoming year.
- A new interpretive plan strategy has been developed to increase attendance, attract volunteers, grow revenue and sponsorship, and better expand our collecting and interpreting to present day. The concept revolves around an annual theme upon which interpretation and programming will be developed. For fiscal year 2013 the big idea is "Food connects us through shared community, traditions, and work."

- Continued progress toward the long range site development plan. The first major step, stormwater management improvements and replacement of the interior roadways, has been substantially completed with a pending spring punch list.
- Continued partnership with the city and community to preserve Naperville's history. The first phase of development of a self-guided interpretive park at the Joseph Naper homestead property is underway, a collaborative effort of Settlement and City staff to secure grant funding and manage the project. Another example is the Settlement's involvement in the development of the former post office building on Washington Street by Naperville Bank and Trust. Naper Settlement staff has been instrumental in insuring historical features are maintained. The Settlement will have a space to display a changing exhibit at the site – another example of increasing the museum's visibility through off-site exposure.

The other strategic goal of the organization over the last two years is to achieve reaccreditation by the American Association of Museums. Our preparations culminated with a site visit by reviewers on October 3 and 4. As we look forward to the results in the spring, the Heritage Society would like to once again thank the City for its partnership and support of this valuable institution.

**NAPER SETTLEMENT FIVE YEAR OPERATING PLAN
FY13 - FY17**

Account Description	FY11 Actual	% Increase FY11 to FY12	FY12 Budget	% Increase FY12 to FY13	FY 13 Projection	FY 14 Projection	FY 15 Projection	FY 16 Projection	FY 17 Projection
Revenue:									
General Property Tax Support	2,768,464	-0.40%	2,757,272	0.00%	2,757,272	2,757,272	2,857,272	2,957,272	3,057,272
Federal Grant (TAH)	66,696	-87.40%	8,402	-100.00%	-	-	-	-	-
Programs and Events	493,886	-1.77%	485,150	13.21%	549,255	562,455	575,000	592,250	610,000
Interest Income	31,641	4.29%	33,000	0.00%	33,000	33,000	33,000	33,000	33,000
Investment Income	21,512	-	-	-	-	-	-	-	-
Contribution from Private Sources	-	-	100,000	174.63%	274,634	378,006	375,322	338,805	320,738
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenue:	3,382,199	0.05%	3,383,824	6.81%	3,614,161	3,730,733	3,840,594	3,921,327	4,021,010
Use of Fund Balance	-	-	279,550	-64.23%	100,000	50,000	-	-	-
Total Funding	3,382,199	-	3,663,374	-	3,714,161	3,780,733	3,840,594	3,921,327	4,021,010
Expenditures:									
Salaries	1,924,849	5.89%	2,038,271	1.79%	2,074,759	2,116,057	2,158,178	2,201,144	2,244,968
Benefits	623,109	14.74%	714,948	1.77%	727,576	740,650	753,928	774,192	811,684
Support Services	181,295	-5.52%	171,280	-9.44%	155,115	155,115	155,115	155,115	155,115
Professional Services	29,459	-74.54%	7,500	8.20%	8,115	5,115	5,115	5,115	5,115
Property Services	158,126	-4.31%	151,311	2.70%	155,392	155,161	156,547	156,351	157,773
Contractual Services	195,850	-26.85%	143,262	27.09%	182,068	184,353	170,773	171,523	171,523
Supplies	230,137	0.92%	232,264	-2.25%	227,030	231,364	235,546	239,898	244,428
Capital Outlay	157,729	-26.58%	115,802	-5.01%	110,000	110,000	110,000	110,000	110,000
City Chargebacks	111,059	4.62%	116,190	-12.10%	102,130	111,664	124,893	138,122	151,350
Vacancy Factor	-	-	(27,455)	2.07%	(28,023)	(28,747)	(29,501)	(30,133)	(30,947)
Total Expenditures:	3,611,613	1.43%	3,663,374	1.39%	3,714,161	3,780,733	3,840,594	3,921,327	4,021,010
Net Income:	(229,414)	-	0	-	0	0	0	0	0

Expenditure Increase Year over Year	1.43%	1.39%	1.79%	1.58%	2.10%	2.54%
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Major expense changes over the 5-year period include:

- 2% annual merit increases.
- Annual medical and dental cost increases of 8% and 6%, respectively. Increase in employee contribution to 30% by FY15.
- IMRF, Social Security and Medicare increases due to salary expense growth.
- Five year phase in of recalculated chargeback increase. (79% increase compared to FY12 charge)

Note: FY11 actual numbers include expenditures on purchase orders rolled from FY10, particularly in the capital outlay and contractual services categories.

	Opening Fund Balance	Property Tax	Other Revenues	Total Revenue	Expenditures	Bldg Reserve Transfer	Ending fund bal	Levy Rate
Library								
Proposed FY13	673	13,211	1,299	14,510	15,183	0	0	0.2101
Projected FY12	2,040	12,450	1,299	13,749	15,116	0	673	0.1872
FY11	2,307	12,897	1,426	14,323	14,590	0	2,040	0.1828
FY10	1,747	13,887	1,433	15,320	14,760	0	2,307	0.1989
FY09	901	14,702	1,699	16,401	14,904	651	1,747	0.2231
FY08	922	14,026	1,736	15,762	14,861	922	901	0.2302
Settlement								
Proposed FY13	142	2,757	857	3,614	3,714		42	0.0439
Projected FY12	421	2,757	627	3,384	3,663		142	0.0415
FY11	651	2,768	645	3,382	3,612		421	0.0392
FY10	504	2,973	596	3,569	3,422		651	0.0426
FY09	301	3,058	679	3,737	3,534		504	0.0464
FY08	230	2,702	668	3,370	3,299		301	0.0444

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: October 14, 2011
TO: Mayor and City Council
FROM: Karen DeAngelis, Director of Finance
SUBJECT: **2011 SSA Levies**

ACTION REQUESTED:

Provide consensus for the 2011 SSA tax levies.

DISCUSSION:

SSA 21 Van Buren Deck – Debt Service

The levy recommendation is a reduction of \$60,000 from the prior year and uses a portion of the fund balance to make the required annual debt service payment.

SSA 24 Downtown Maintenance & Marketing

The levy dollar recommendation is roughly flat with the last two years.

SSA 23 Naper Main – Debt Service

The levy recommendation is for the full amount of the debt service payment.

RECOMMENDATION:

Approve staff recommendations for SSA as follows:

Van Buren Deck-Debt	SSA21	\$150,000	0.2796
Downtown Maint & Mktg	SSA24	\$783,000	1.4420
Naper Main – Debt Service	SSA23	\$214,667	Debt service, limit 40.0%

ATTACHMENTS:

Letter from Downtown Naperville Alliance

SSA#22/#24 Budget Projections

SSA#21, #22/#24 Tax Levy Schedule

October 12, 2011

Mayor A. George Pradel and Members of the Naperville City Council
400 South Eagle Street
Naperville, IL 60566

Dear Mayor and Members of the City Council:

In accordance with the agreement outlined in SSA 24, this letter is to formally request the Downtown Naperville Alliance's Marketing Budget be set at \$326,900, held constant with our current year marketing budget. SSA 24 was built on the premise that DNA marketing spending would remain constant (not increase) during the SSA period (2011-2016) with fluctuating maintenance costs. We agreed that although the overall tax rate would fluctuate, that the marketing portion would remain constant year to year.

The Downtown Naperville Alliance continues to take on the role of facilitator on behalf of its members to better increase communications with various city departments and other organizations with a vested interest in downtown Naperville.

With the guidance of the Naperville Area Chamber of Commerce, the Downtown Naperville Alliance has worked diligently since its inception over a decade ago on behalf of the downtown merchants and property owners. The funding provided through SSA 20, SSA 22 and SSA 24, has been spent strategically and all expenditures are reviewed and approved monthly by both the DNA Management Council and the Finance Committee and Board of Directors of the Naperville Area Chamber of Commerce.

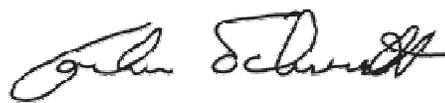
We continue to appreciate the Council and City Staff's past support of the Downtown Naperville Alliance, and look forward to your continued support in our joint efforts to maintain downtown Naperville as a vital and thriving destination for all ages.

If you have any questions about the DNA, we would be happy to meet at your convenience.

Sincerely,



Kris Hartner
Chairman-DNA



John Schmitt
CEO Naperville Chamber of Commerce

Katie Wood
Executive Director-DNA

City of Naperville

SSA #24 Budget Projections	Adopted FY 12	Prelim FY 13	% Increase
Total Budget	\$ 2,329,471	\$ 2,156,024	-7.45%
Marketing Costs	\$ (326,900)	\$ (326,900)	0.00%
Total Operating/Maint Cost	<u>\$ 2,002,571</u>	<u>\$ 1,829,124</u>	<u>-8.66%</u>
Less Fund Balance	\$ (303,863)	\$ (164,900)	-45.73%
Less Interest Income/Fines	<u>\$ (310,790)</u>	<u>\$ (282,100)</u>	<u>-9.23%</u>
Total Maint Cost to be divided	<u>\$ 1,387,918</u>	<u>\$ 1,382,124</u>	<u>-0.42%</u>
City Share 2/3	<u>\$ 929,906</u>	<u>\$ 926,023</u>	<u>-0.42%</u>
Taxpayer Share 1/3	\$ 458,012	\$ 456,101	-0.42%
Add Marketing Costs	<u>\$ 326,900</u>	<u>\$ 326,900</u>	<u>0.00%</u>
Total Paid by Property Owners	<u>\$ 784,912</u>	<u>\$ 783,001</u>	<u>-0.24%</u>

CITY NAPERVILLE
SSA #20 , SSA #21, SSA #22, SSA#24

SSA #22- Maint/Marketing (max \$2.50 - through levy year 2010)

Tax Year	Special Service Area #20				SSA #22								SSA #24					
	May 04-April 05		May 05-April 06		May 06-April 07		May 07-April 08		May 08-April 09		May 09-April 10		May 10-April 11		May 11-April 12		May 12-April 13	
EAV	\$ 33,005,890	\$ 37,894,650	\$ 43,078,490	\$ 50,767,200	\$ 57,624,180	\$ 60,464,190	\$ 61,061,170	\$ 58,038,140	\$ 54,846,042									
Dollar Amount	\$ 442,605	\$ 461,475	\$ 554,415	\$ 653,426	\$ 741,635	\$ 778,198	\$ 785,842	\$ 784,912	\$ 783,001									
Tax Rate	1.3544	1.2300	1.2999	1.3000	1.2999	1.3000	1.2999	1.3660	1.4420									
City	\$ 277,004.64	\$ 257,595.00	\$ 314,065.29	\$ 376,326.00	\$ 439,634.58	\$ 465,498.14	\$ 458,941.85	\$ 458,012.00	\$ 456,100.92									
Marketing	\$ 165,600.00	\$ 203,880.00	\$ 240,350.00	\$ 277,100.00	\$ 302,000.00	\$ 312,700.00	\$ 326,900.00	\$ 326,900.00	\$ 326,900.00									
Total	\$ 442,604.64	\$ 461,475.00	\$ 554,415.29	\$ 653,426.00	\$ 741,635	\$ 778,198.14	\$ 785,841.85	\$ 784,912.00	\$ 783,000.92									
	2003	2004	2005	2006	2007	2008												
SSA #21- Debt Service on Deck (max \$2.50 - through levy year 2021)																		
	May 04-April 05		May 05-April 06		May 06-April 07		May 07-April 08		May 08-April 09		May 09-April 10		May 10-April 11		May 11-April 12		May 12-April 13	
EAV	\$ 32,545,190	\$ 37,387,850	\$ 42,526,110	\$ 50,143,770	\$ 56,938,690	\$ 59,738,940	\$ 60,322,870	\$ 57,329,380	\$ 54,176,264									
Dollar Amount	\$ 330,000	\$ 330,000	\$ 330,000	\$ 346,500	\$ 393,450	\$ 267,436	\$ 266,827	\$ 210,000	\$ 150,000									
Tax Rate	1.0242	0.8915	0.7838	0.6979	0.6980	0.4522	0.4468	0.3700	0.2796									
Total	2.3786	2.1214	2.0836	1.9979	1.9979	1.7522	1.7467	1.7360	1.7217									

Mayor and Council Budget

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: October 14, 2011

TO: Mayor and City Council

FROM: Karen DeAngelis, Director of Finance

SUBJECT: Mayor and Council Department Budget

PURPOSE:

This information is provided to Council for their consideration of the proposed budgets for the Mayor and Council Departments, including Alcohol and Tobacco and Sister Cities.

DISCUSSION:

The attached schedules reflect the actual FY09, FY10 and FY11 expenditures as well as the Adopted FY12 and current Proposed FY13 Budget. The actual FY12 first five moth spending including encumbrances is also shown as a reference, however many items are not spent evenly over the year.

New for this year the Sister City Commission will apply for SECA funding for the full amount of the annual expenditures. The expectation is that it will no longer be reflected in the Mayor and Council budget.

We understand that Council has already had an opportunity to provide input to the Budget process. If there are elements for which further cost reductions should be discussed, you can note them on the form and provide it to Karen DeAngelis by Noon on Wednesday October 19th. In that way it can be shared with Council along with the slide presentation on Friday October 21, 2011 in advance of the workshop for consideration.

ATTACHMENTS:

Mayor and Council Department Budget - Non-Personnel Costs
Alcohol and Tobacco Budget – Non –Personnel Costs and Sister Cities Budget

Councilman -												
Mayor and Council Department Budget - Non-Personnel Costs												
Line Item	Account Element	Object Description	Miscellaneous Data	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Adopted Budget	FY12 5 mth Actuals (with encumbrances)	Change Proposed from FY12 to FY13	FY13 Proposed	Further Cost Reduction Challenge	
1	10-02	OVERTIME PAY	MEETING ATTENDANCE	1,582	1,096	-	-	-	-	-		
2	20-13	WORKERS COMPENSATION	WORKERS COMPENSATION	2,423	3,080	3,065	2,794	2,794	8	2,802		
3	30-29	SUPPORT SERVICES	INTERNET SERVICE	5,400	5,280	5,400	5,400	4,800	-	5,400		
4	50-21	DUES & SUBSCRIPTIONS	DUPAGE MANAGERS AND MAYORS DUES	21,904	21,942	21,971	23,000	21,993	-	23,000		
5	50-21	DUES & SUBSCRIPTIONS	IML	2,803	2,951	-	-	-	-	-		
6	50-21	DUES & SUBSCRIPTIONS	US CONFERENCES OF MAYORS	6,121	-	-	-	-	-	-		
7	50-21	DUES & SUBSCRIPTIONS	METROPOLITAN MAYORS CAUCUS	1,500	-	-	-	-	3,000	3,000		
8	50-21	DUES & SUBSCRIPTIONS	SUBSCRIPTIONS FOR MAYOR AND COUNCIL	2,097	1,505	549	700	72	-	700		
9	50-21	DUES & SUBSCRIPTIONS	WILL COUNTY CENTER	-	-	-	-	-	-	-		
10	50-21	DUES & SUBSCRIPTIONS	WILL COUNTY GOVERNMENTAL LEAGUE	-	6,851	6,851	6,600	6,783	541	7,141		
11	50-22	CONFERENCES & TRAINING	DPMM SPRINGFIELD DRIVE DOWN	310	2,725	927	1,000	-	-	1,000		
12	50-22	CONFERENCES & TRAINING	COUNCILMAN ALLOWANCE	2,687	2,390	1,446	2,400	319	-	2,400		
13	50-22	CONFERENCES & TRAINING	MAYOR ALLOWANCE	1,320	658	1,513	1,875	518	625	2,500		
14	50-22	CONFERENCES & TRAINING	SISTER CITIES	539	1,520	-	500	-	-	500		
15	50-24	MILEAGE REIMBURSEMENT	MILEAGE REIMBURSEMENT	5	224	-	-	-	-	-		
16	50-28	EXTERNAL COPYING/BINDING	BUSINESS CARDS	141	184	242	250	50	-	250		
17	50-28	EXTERNAL COPYING/BINDING	SPECIALIZED PRINTING/HON. CERTS/PROC	48	653	25	600	60	-	600		
18	50-28	EXTERNAL COPYING/BINDING	COUNCIL HISTORY PROJECT UPDATE	-	-	-	50	-	-	50		
19	50-41	TELE. CABLE TV & COMMUN	CELLPHONES FOR COUNCILMEN	4,800	4,800	4,800	4,800	4,200	-	4,800		
20	50-45	RECEPTIONS & ENTERTAINMNT	VOLUNTEER BRUNCH	6,601	7,561	82	-	-	-	-		
21	50-45	RECEPTIONS & ENTERTAINMNT	GIFTS	10,000	220	-	-	-	-	-		
22	50-45	RECEPTIONS & ENTERTAINMNT	BUSINESS LUNCHE/MAYOR FOR THE DAY	1,390	497	150	1,000	116	(1,000)	-		
23	50-45	RECEPTIONS & ENTERTAINMNT	MISCELLANEOUS	-	-	55	-	-	-	-		
24	50-51	POSTAGE & DELIVERY	EXPECTED POSTAGE COSTS	630	477	291	500	78	(200)	300		
25	60-63	OPERATING SUPPLIES	CERTIFICATES/FOLDERS	1,366	1,242	371	650	-	-	650		
26	60-63	OPERATING SUPPLIES	PLAQUES	764	813	736	800	-	-	800		
27	60-63	OPERATING SUPPLIES	EXECUTIVE SESSION FOOD	1,839	1,252	1,218	500	23	-	500		
28	60-63	OPERATING SUPPLIES	MEMORIALS	-	-	63	525	-	-	525		
29	60-63	OPERATING SUPPLIES	MISCELLANEOUS	-	-	109	-	-	-	-		
30	60-63	OPERATING SUPPLIES	YOUTH SERVICE AWARDS	612	1,924	1,592	1,800	-	-	1,800		
31	60-63	OPERATING SUPPLIES	FURNITURE	482	-	-	-	-	-	-		
32	60-74	GENERAL OFFICE SUPPLIES	OFFICE SUPPLIES	1,485	1,851	1,360	2,000	2,000	-	2,000		
33	60-74	GENERAL OFFICE SUPPLIES	GENERAL SUPPLIES	62	-	-	-	-	-	-		
34	80-33	IT REPLACEMENT COST	IT REPLACEMENT CHARGES	24,334	19,516	19,058	19,058	19,058	-	19,058		
35	80-35	VEHICLE REPLACEMENT	VEHICLE REPLACEMENT	-	-	-	-	-	-	-		
36	80-36	VEHICLE SERVICES	M & O COSTS	3,864	2,609	3,300	3,264	1,295	96	3,360		
37	80-37	AUTO LIABILITY	AUTO LIABILITY	-	2,324	2,315	2,001	2,001	288	2,289		
38	80-39	GENERAL LIABILITY	GENERAL LIABILITY	-	2,146	2,501	2,161	2,161	128	2,289		
			Total	107,109	98,290	79,990	84,228	68,322	3,486	87,714	0	
		Percentage (Reduction)/Increase			-8.2%	-18.6%	5.3%			4.1%		

Alcohol and Tobacco Budget - Non-Personnel Costs

Line Item	Account Element	Object Description	Miscellaneous Data	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Adopted Budget	FY12 5 mth Actuals (with encumbrances)	Change Proposed from FY12 to FY13	FY13 Proposed	Further Cost Reduction Challenge
1	35-01	LEGAL SERVICES	EXPECTED LEGAL SERVICES	-	-	-	2,100	-	-	2,100	
2	35-09	OTHER PROFESS. SERVICES	COURT REPORTER FEES & ENFORCEMENT FEES	-	-	-	2,500	-	-	2,500	
4	50-22	CONFERENCES & TRAINING	LIQUOR COMMISSIONER CONFERENCE/REG ONLY	210	-	-	250	-	-	250	
5	50-51	POSTAGE & DELIVERY	MAILINGS PLUS HEARING NOTICES	-	43	29	150	2	734	884	
6	60-63	OPERATING SUPPLIES	TOBACCO GRANT**	-	-	-	9,900	-	-	9,900	
7	60-63	OPERATING SUPPLIES	INVESTIGATION FOR SERVING UNDERAGE CUSTOMERS	-	-	-	1,200	-	-	1,200	
8	60-63	OPERATING SUPPLIES	BASSET	7,540	10,372	7,658	6,500	6,160	2,000	8,500	
9	60-63	OPERATING SUPPLIES	MISCELLANEOUS	78	4	-	-	-	-	-	
10	60-74	GENERAL OFFICE SUPPLIES	OFFICE SUPPLIES	-	-	-	-	-	-	-	
			Total	7,828	10,419	7,687	22,600	6,162	2,734	25,334	0
		Percentage Reduction			33.1%	-26.2%	194.0%			12.1%	

**Tobacco grant expenses reclassified from the Police Department to ALT.

Sister Cities Budget

Line Item	Account Element	Object Description	Miscellaneous Data	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Adopted Budget	FY12 5 mth Actuals (with encumbrances)	Change Proposed from FY12 to FY13	FY13 Proposed	Further Cost Reduction Challenge
1	50-21	DUES & SUBSCRIPTIONS	SISTER CITIES INTERNATIONAL	880	880	880	950	-	-	950	
2	50-21	DUES & SUBSCRIPTIONS	ILLINOIS STATE CHAPTER	105	35	35	100	-	-	100	
3	50-22	CONFERENCES & TRAINING	STUDENT EXCHANGE PROGRAM	-	-	-	1,000	-	-	1,000	
4	50-22	CONFERENCES & TRAINING	STATE CONFERENCE-5 DELEGATES	-	249	370	250	-	-	250	
5	50-25	ADVERTISING	ADVERTISING	-	-	-	-	-	-	-	
6	50-45	RECEPTIONS & ENTERTAINMNT	YOUNG ARTIST COMPETITION	150	-	670	1,000	33	-	1,000	
7	50-45	RECEPTIONS & ENTERTAINMNT	SISTER CITY DELEGATION	-	-	556	-	-	-	-	
8	50-45	RECEPTIONS & ENTERTAINMNT	INTERNATIONAL FESTIVAL NCC	101	50	60	100	-	-	100	
9	50-51	POSTAGE & DELIVERY	POSTAGE	6	44	4.40	50	0.44	-	50	
10	60-63	OPERATING SUPPLIES	PINS/PENNANTS	-	-	-	-	-	-	-	
11	60-63	OPERATING SUPPLIES	GIFTS FOR DELEGATION	-	-	158	250	-	-	250	
12	60-63	OPERATING SUPPLIES	MIRROR IMAGE EXPENSES	-	-	-	300	-	-	300	
13	60-63	OPERATING SUPPLIES	MISCELLANEOUS	-	-	754	-	-	-	-	
14	60-63	OPERATING SUPPLIES	NITRA INFO PACKET PRINTING	-	-	-	500	-	-	500	
15	60-74	GENERAL OFFICE SUPPLIES	GENERAL OFFICE SUPPLIES	267	-	-	-	-	-	-	
		Percentage Reduction		1,509	1,258	3,487	4,500	34	-	4,500	
			Total		-16.6%	177.2%	29%			0.0%	