2020 Budget Workshop #2

CITY OF NAPERVILLE – NOVEMBER 18, 2019

Budget Workshop Overview

- Library and Settlement presentations
- Remaining City ends policies
  - Public Safety and Financial Stability
- Summary of major funds and impacts
- Discussion of alignment with financial principles

Naperville Public Library

A Place to Be. The Place to Become . . .

Mission and Goals

Vision

A place to be. The place to become…

Mission

Inform. Inspire. Imagine.

Values

Service. Innovation. Excellence. Adaptability.

Strategic Goals

1. We will increase the convenience of our services.
2. We will be innovation leaders.
3. We will serve our diverse population.
4. We will convey the library's value.

Service	2018	2017	% Change
Library Visitors	1,554,212	1,450,656	7%
Items Circulated	3,925,166	4,032,102	-3%
Number of Programs	2,781	2,742	1%
Program Attendance	112,969	119,574	-6%
NaperLaunch Programs	134	103	30%
Program Attendance	2,678	1,970	36%
Summer Reading	**2019**	**2018**	**% Change**
All Ages:			
Completion of At Least 1 Level	6,815	6,410	6%
Completion of Entire Program	4,752	3,326	43%
Children Ages 3-12			
Completion of At Least 1 Level	4,586	4,022	14%
Completion of Entire Program	3,269	1,747	87%

Performance Indicators

2020 Key Initiatives

- Promoting online library card registration and services available remotely
- Expanding the variety of times programs are offered for kids and adults
- Increasing the enrollment of NaperLaunch Academy
- Exploring new world language collections and storytime programs
- Supporting the 2020 Census Complete Count Committee
- Releasing an app to help customers with autism plan for visits and use the library
- Renovating staff areas of the library
- Creating a new strategic plan

2020 Library Expense Overview

	2018 Actuals	2019 Budget	2019 Projection	2020 Proposed	Change ($)	Change (%)
Salaries & Wages	7.96	8.58	8.30	8.60	0.02	0.2%
Benefits & Related	2.56	2.63	2.53	2.95	0.32	12.3%
Purchased Services	1.01	1.10	1.02	0.99	(0.11)	-9.6%
Purchased Items	3.27	3.36	3.38	3.29	(0.06)	-1.9%
Capital Outlay	0.20	0.24	0.26	0.76	0.53	223.4%
Insurance	0.05	0.05	-	0.06	0.00	3.7%
Transfers Out	0.19	0.09	0.24	0.09	0.00	3.4%
Total	**15.24**	**16.04**	**15.73**	**16.74**	**0.70**	**4.4%**

**in millions*

	2018 Actuals	2019 Budget	2019 Projection	2020 Proposed	Change ($)	Change (%)
Charges for Service	0.16	0.15	0.17	0.15	(0.00)	-2.0%
Fines & Fees	0.35	0.31	0.31	0.33	0.02	4.8%
Grants	0.18	0.18	0.23	0.18	0.01	4.0%
Other Revenues	0.10	0.19	0.33	0.21	0.03	14.9%
Property Taxes	14.69	14.68	14.69	14.94	0.25	1.7%
Total	**15.46**	**15.51**	**15.73**	**15.81**	**0.30**	**1.9%**

**in millions*

2020 Library Revenue Overview

Library Capital Summary

LB014 – Maintenance & Emergencies

- $250,000 – Building Updates
- Funded through the Library Capital Reserve Fund
- Annual maintenance project

LB020 – Parking Lot Repairs

- $375,000 – 95th Street Parking Lot Repairs
- Proposed funding through borrowing

NAPER SETTLEMENT

Where we gather, share, preserve, and educate through immersive experiences

Mission and Vision

Vision

Deliver an immersive and experiential cultural campus of lifelong learning and discovery for all people and of all ages.

Naperville Heritage Society

Committed to the future, the Naperville Heritage Society collects, documents, preserves and educates by engaging with visitors and audiences.

Naper Settlement Museum Board

Creates and strengthens community by connecting visitors to Naperville's history through engaging, educational and unique experiences.

NAPER SETTLEMENT

Strategic Goals

Naper Settlement is acknowledged regionally–and nationally–as a vital historical and educational site and as a prime tourist destination in Northern Illinois.

Strategic Initiative #1 Economic Engine	Strategic Initiative #2 Lifelong Learning	Strategic Initiative #3 Institutional Memory	Strategic Initiative #4 Desirable Investment
Grow and strengthen our role as an economic engine for the City and State by attracting cultural tourism and becoming a household name.	Serve as a trusted leader in informal education through meaningful programming to spark creativity, innovation and conversation.	Be the institutional memory of Naperville and the region by preserving and sharing our stories and collections through innovative experiences that connect us to the local, regional and national narrative.	Strengthen our role as a desirable investment with grantors and donors in order to successfully fundraise locally and nationally in support of the museum's needs.

Strategic Initiative #5: Operational Excellence
Maintain best management practices in accordance with museum accreditation, municipal code and requirements, and nonprofit standards.

NAPER SETTLEMENT

Performance Indicators

Indicator	2017	2018	2019 Projected	Change
Total Attendance	385,401	365,910	159,495	(56.4%)
School Programming	34,675	31,774	33,900	6.7%
Summer Camps	461	451	449	(0.4%)
Rentals	293,294	284,326	126,208	(55.6%)
Sponsors	35	50	59	18.0%
Collections	9,777	3,237	3,000	(7.3%)

NAPER SETTLEMENT

2020 Key Initiatives

- Negotiate a new agreement with the City under the perpetual charitable trust provisions
- Implement next phase of Museums Empowered, The National Leadership and DEAI Grants
- *HerStory 2020 Theme: A* year-long commemoration of the centennial anniversary of the ratification of the 19th amendment — women's right to vote — will feature an exhibit, told through the lens of Naperville's women's clubs and organizations, a lecture series and a weekend dedicated to women's history
- Host the national touring exhibit *Manufacturing Victory: The Arsenal of Democracy* from the National World War II Museum and host *Homefront 1940's Weekend*, a World War II themed event
- Continue the transformative work of the museum
- Implement the next phase of the Never Settle campaign
- Grow temporary rotating exhibits
- Ongoing development of new programs, camps and learning experiences
- Gather our community by strengthening events

	2018 Actuals	2019 Budget	2019 Projection	2020 Proposed	Change ($)	Change (%)
Salaries & Wages	1.70	1.97	1.55	2.08	0.11	5.8%
Benefits & Related	0.59	0.90	0.66	0.89	(0.01)	-1.3%
Purchased Services	0.64	0.62	0.61	0.60	(0.03)	-4.3%
Purchased Items	0.23	0.28	0.28	0.26	(0.02)	-8.7%
Capital Outlay	0.59	0.11	0.04	0.55	0.44	402.4%
Internal Services	0.12	0.14	0.14	0.14	(0.00)	0.0%
Total	**3.48**	**4.02**	**3.26**	**4.04**	**0.02**	**0.5%**

**in millions*

NAPER SETTLEMENT

2020 Settlement Expense Overview

	2018 Actuals	2019 Budget	2019 Projection	2020 Proposed	Change ($)	Change (%)
Charges for Service	0.44	0.53	0.57	0.50	(0.03)	-5.7%
Contributions	-	0.53	0.11	0.55	0.01	2.3%
Interest & Investment	(0.02)	0.03	0.01	0.03	(0.00)	-11.2%
Property Taxes	2.92	2.80	2.80	2.80	-	0.0%
Total	**3.34**	**3.88**	**3.50**	**3.86**	**(0.02)**	**-0.5%**

**in millions*

NAPER SETTLEMENT

2020 Settlement Revenue Overview

Settlement Capital Summary

NS058 – Security Cameras

- New site-wide security cameras: $123,670
- Proposed funding through borrowing

NS059 – Card Reader Improvements

- Card reader improvements: $348,935
- Proposed funding through borrowing

"These stories are so important to instill this civic culture in us. These are dynamic stories that people want to hear at Naper Settlement that will bring in a broader audience. Ultimately, I think this is a wonderful civic institution and I think it's well worth your continued and strong support." – Dennis Cremin

"I didn't know what to expect, but I was completely amazed by the program that you have for school groups. I have been teaching for 13 years, and on many field trips over the years. This is by far one of the best!"
– Erin L, 5th Grade Teacher

"It is imperative that we have a place where all of our residents see themselves." – Raj Patel

"Thank you for teaching life lessons that I did not learn at school, thank you for your generous and continuous support, and thank you for encouraging and inspiring"
- Junior Volunteer

NAPER SETTLEMENT

2020 Proposed Budget

$0.7 MILLION INCREASE

- Downtown Streetscape: $450K

$25.5 MILLION INCREASE

- Water AMI: $10M
- North Aurora Road: $4.9M
- Public Building Reinvestments: $1.6M

$4.6 MILLION INCREASE

- Quint & Pumper: $1.9M
- SCBA Equipment: $1.25M

$4.9 MILLION INCREASE

- Healthcare: $1.2M
- Pensions: $2.1M
- Personnel: $1.96M

Naperville will deliver highly responsive emergency services to provide for a safe community

Related City Goals

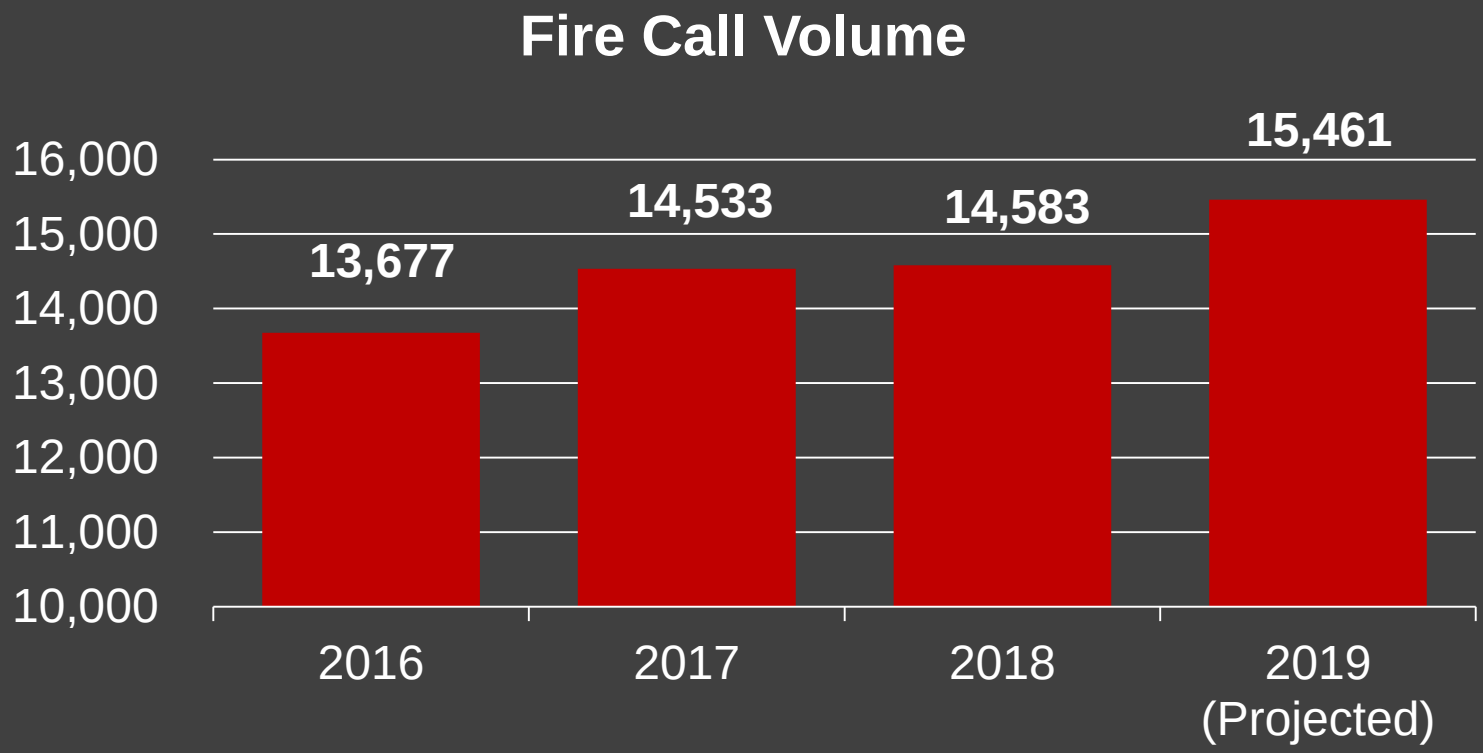
- In order to maintain response times and reduce ongoing costs of service delivery, the City will evaluate fire station coverage areas and potential consolidation.
- In order to reduce recidivism among the mental health community, the Police Department will certify 20% of officers and designated staff in Crisis Intervention Training (CIT) and the Fire Department will provide basic CIT to 90% of all members by 2019.
- In order to reduce recidivism among the mental health community, the CIT will provide follow-up care to at least 75% of identified individuals within 30 days.

Performance Indicators

Fire call volume and response

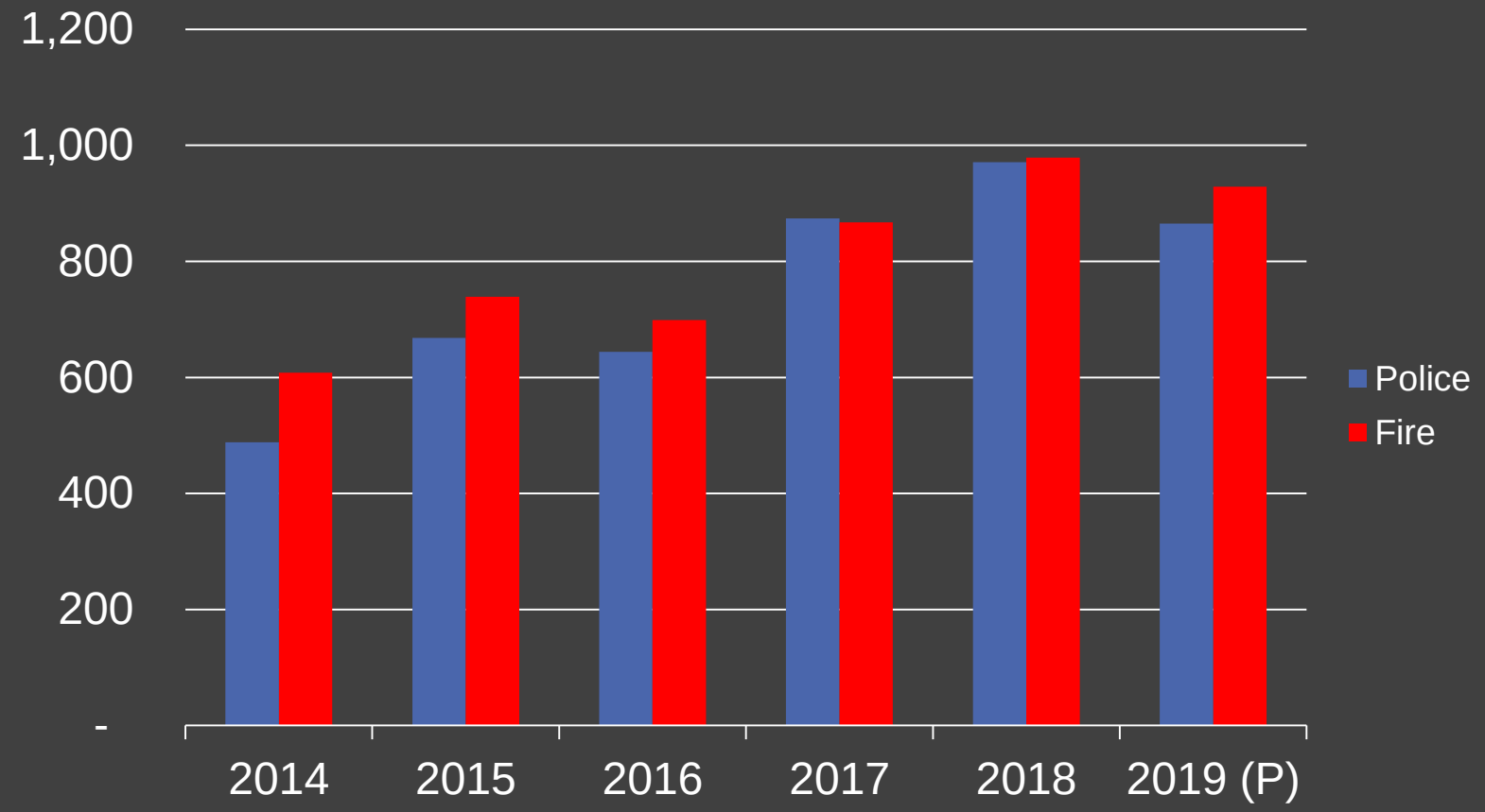
Call response within 6 minutes

2017	2018	2019
85%	86%	86%



Performance Indicators

Mental Health Calls



Police CIT Trained	Mental Health Follow-Up	Fire CIT Trained
56	100%	5

2020 Key Initiatives

Increase Crisis Negotiators on each shift

- Assist with mental health calls

Community Risk Reduction (CRR) Initiatives

- Mental health, vehicle accidents, aging community incidents

Continue Fire Power Shift

- Optimize personnel utilization at peak call times
- Ability to staff two additional ambulances

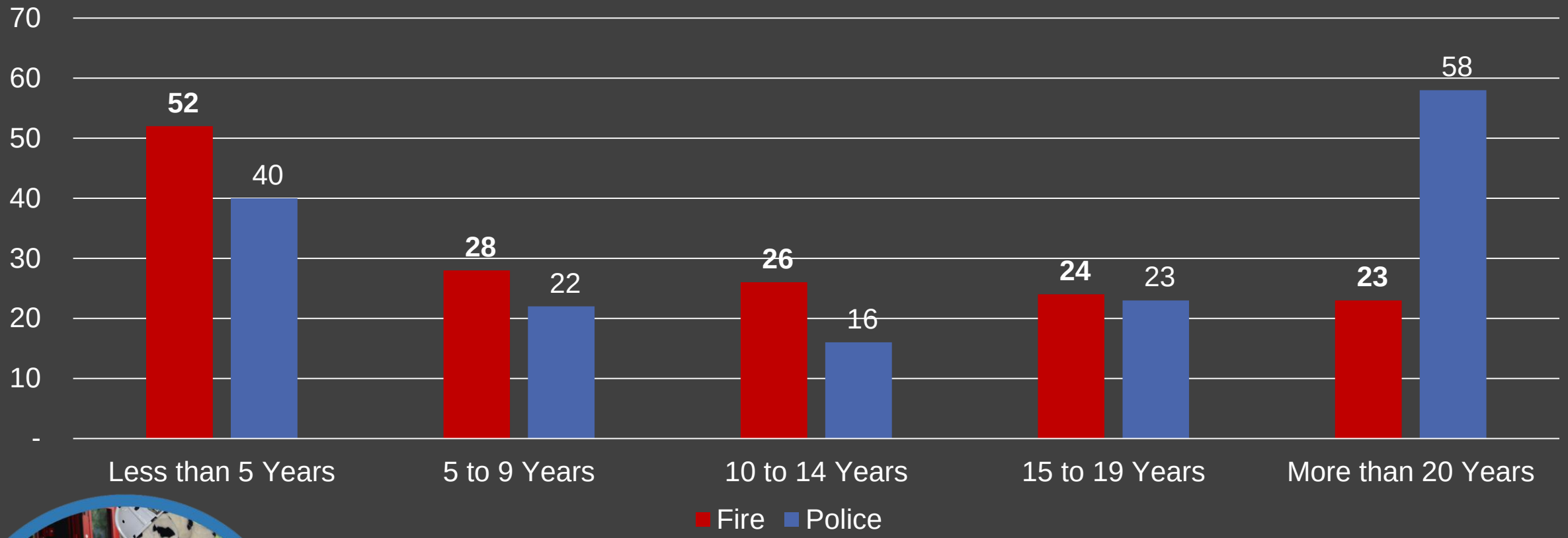
Expand Fire Alarm Monitoring Program

- Potential revisions to ordinance
- Increase number of direct-connect accounts

Senior Home Safety Survey

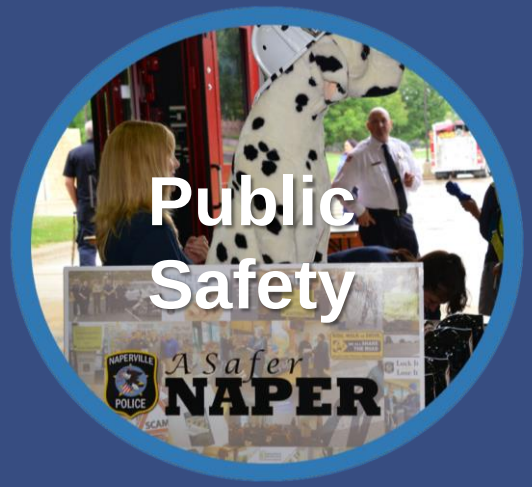
- Identify fire and fall hazards for senior citizens

Active Sworn Employees by Service Time



Personnel Transitions

- *Police* – 29 employees eligible for retirement; 72 eligible in 5 years
  - 1 year training for new officer: Pre-academy, academy & field training
  - Retirement Eligibility (Tier 1): 20 years and age 50 or older
- *Fire* – 44 employees eligible for retirement; 57 eligible in 5 years
  - 8 weeks basic training for new firefighter
  - Retirement Eligibility (Tier 1): 20 years and age 50 or older



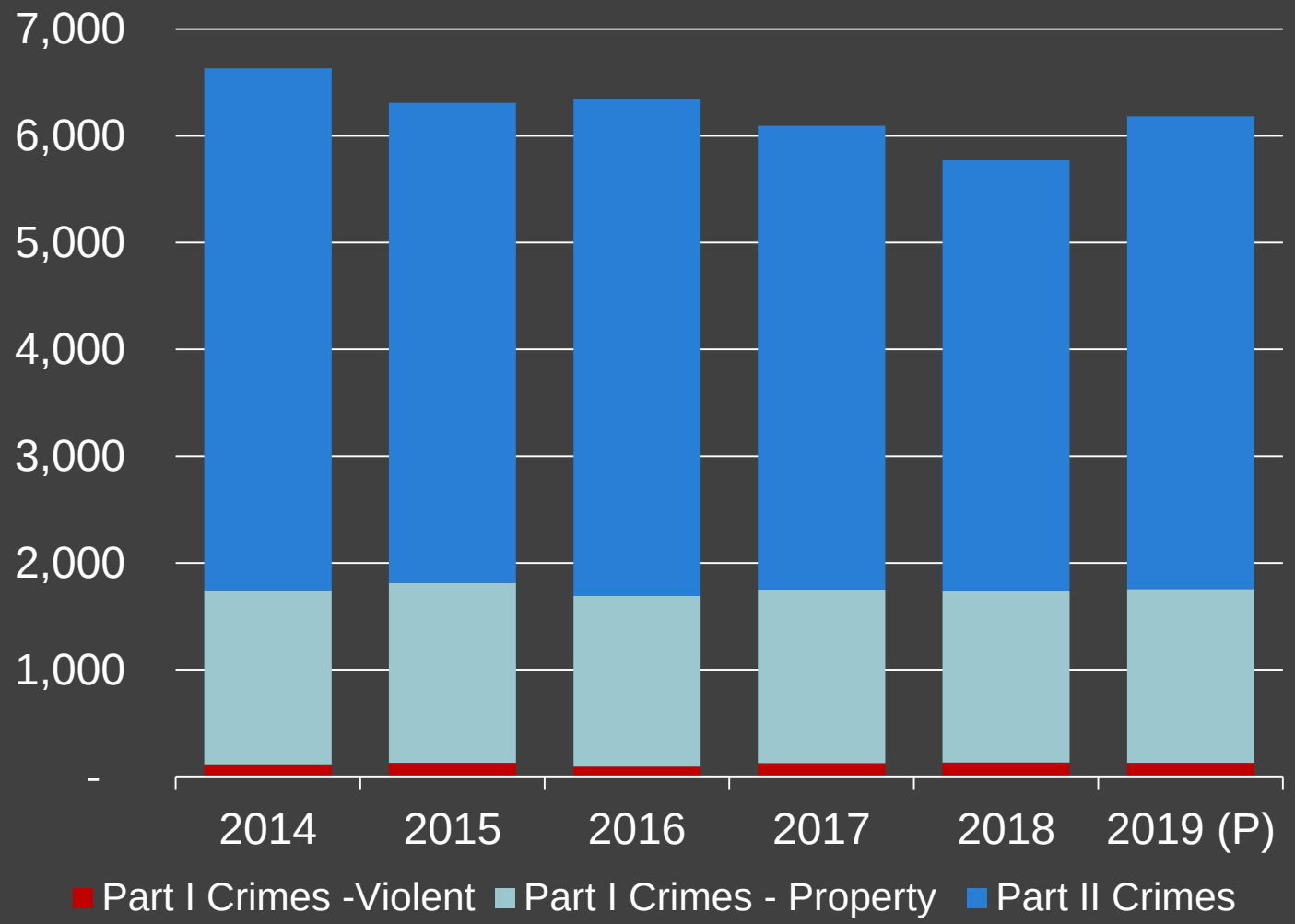
2020 Expenditures

4-Person Strategic patrol unit: $362K

- Response team comprised of four uniformed patrol officers
- Provides flexibility to respond to current trends and future concerns in proactive, data-driven, and targeted manner
- Areas of focus:
  - Addressing consistent service call types associated with mental health, drug abuse, high-theft location, hotel/motel calls
  - Handling revoked FOID Card compliance issues
  - Addressing increasing call response times by supplementing patrol officers
  - Providing visibility in neighborhoods based on public concerns (e.g. traffic and parking complaints)

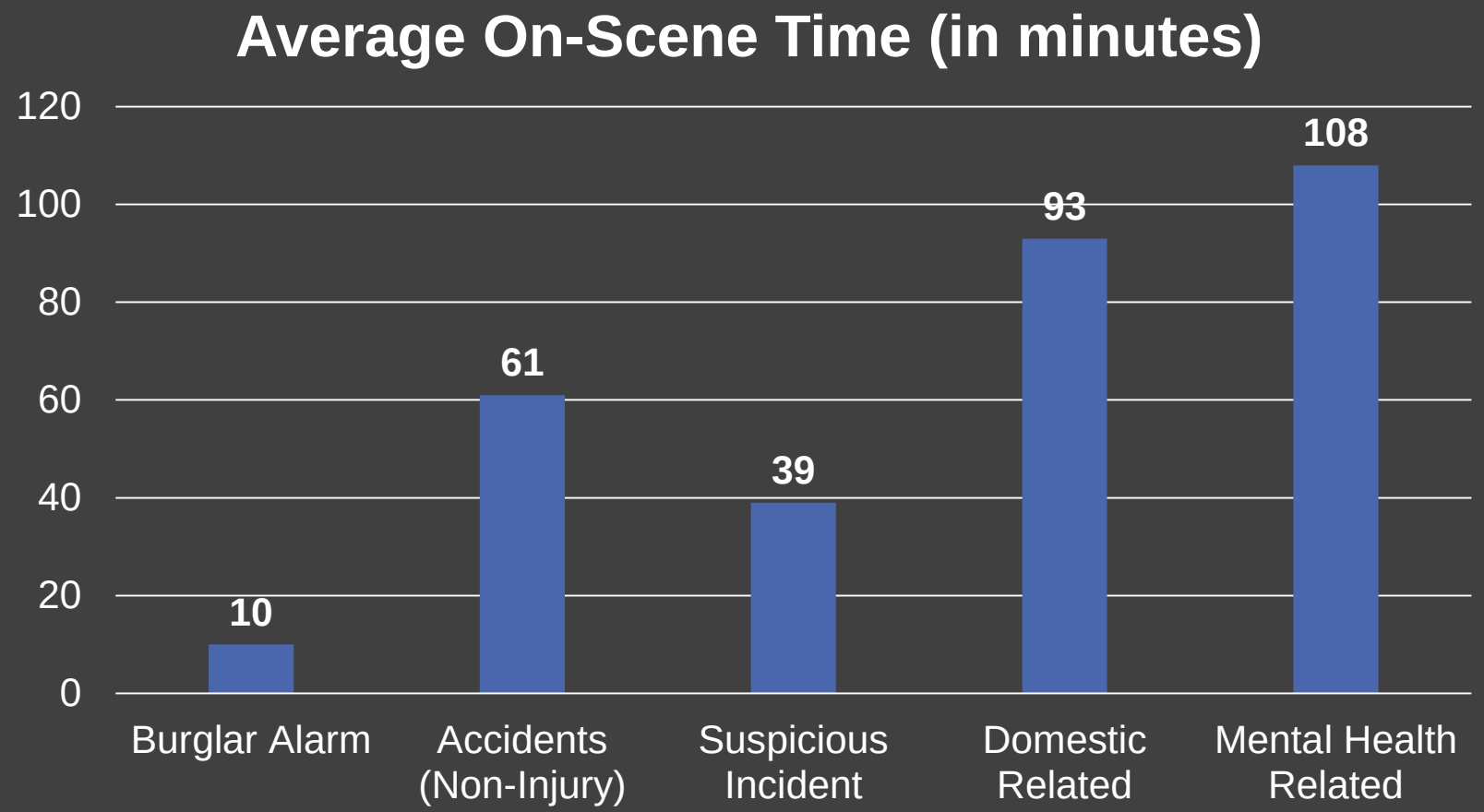
Performance Indicators

Crime Statistics and Response Times



- Department experiencing declining call response times
  - 5-minute response times down 5.2% since 2017

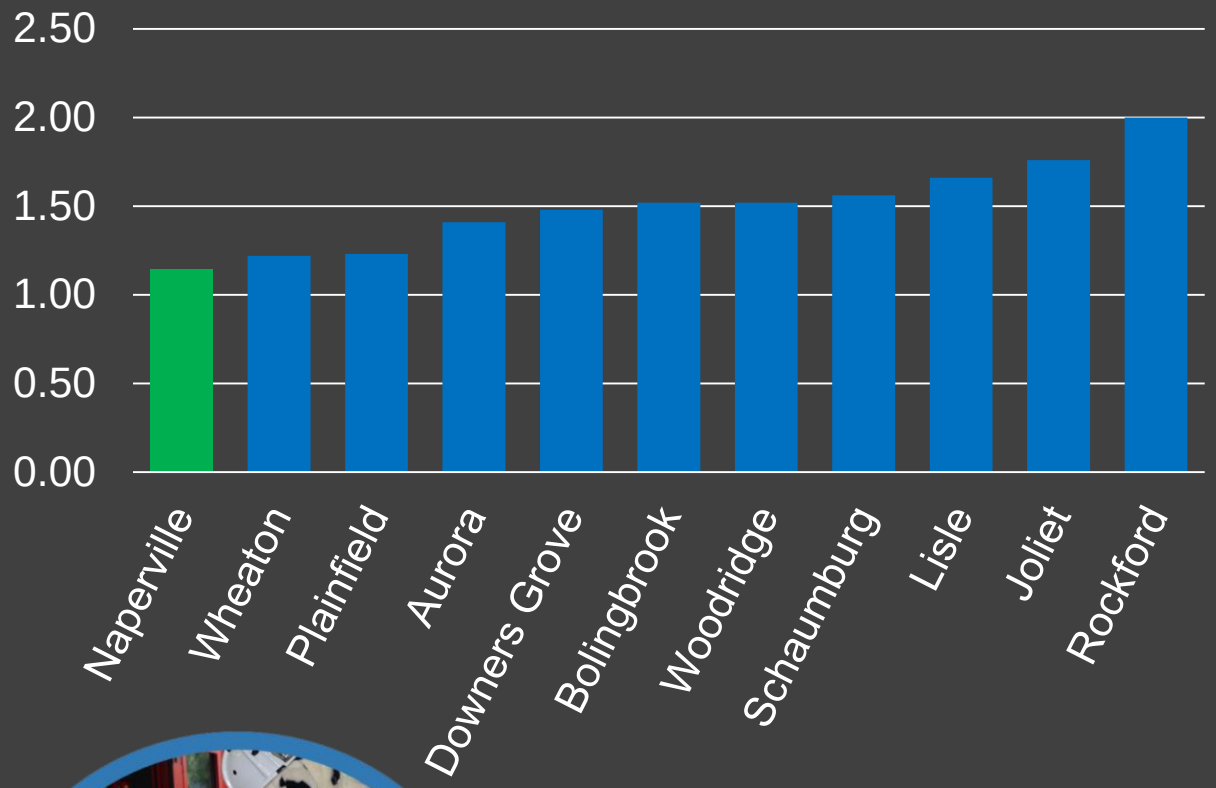
Mental Health Calls	
2013-2017 Average	**661**
2018	**971**
2019 Projected	**865**



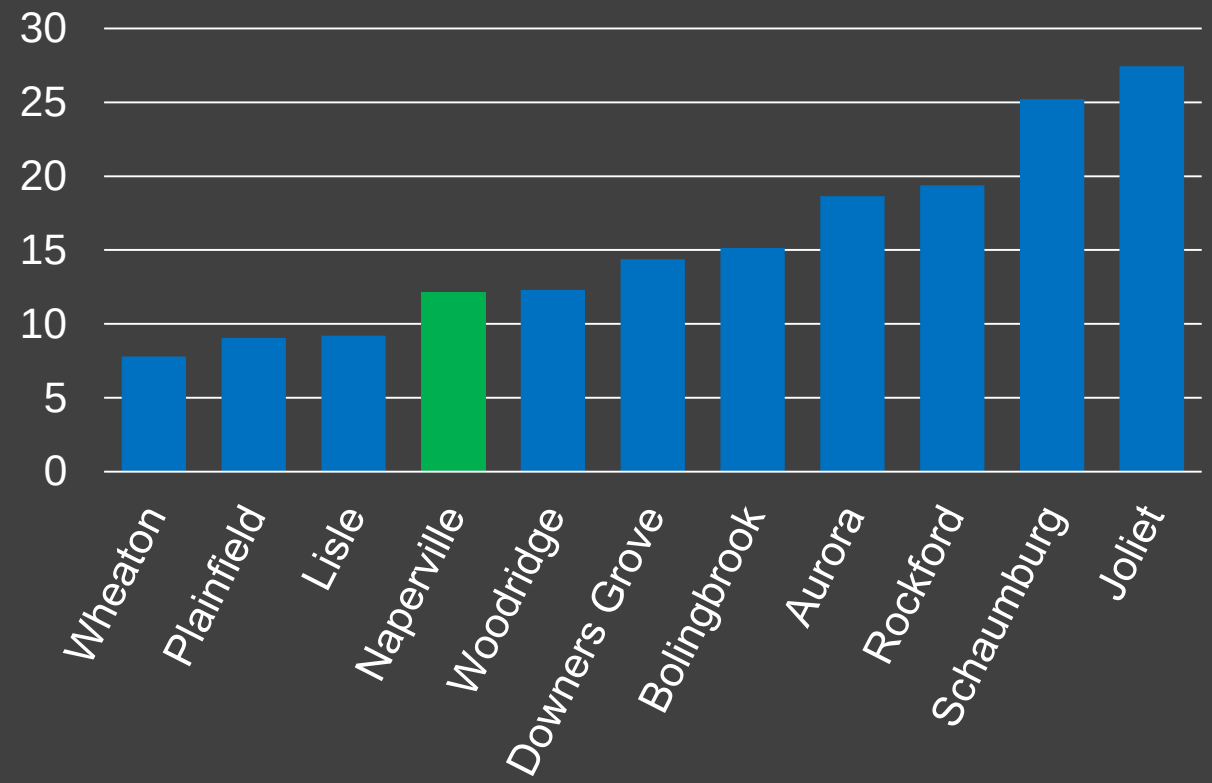
Performance Indicators

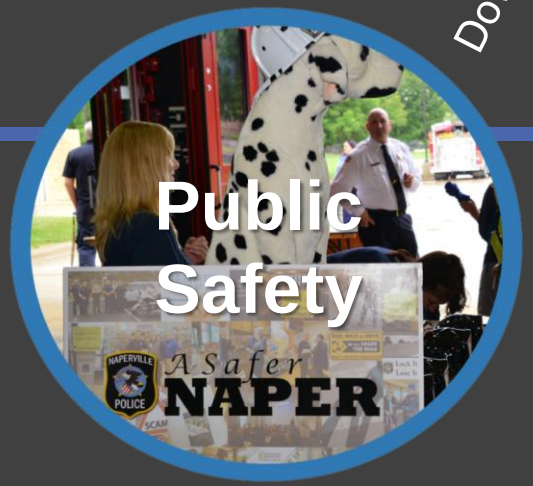
- Mental health calls utilize from 3 to 10 individuals
- All other call types utilize 1 to 2
- Area that Strategic Patrol Unit seeks to address

Sworn Officers Per 1,000 Residents



Crimes Per 1,000 Residents





Officers and Crimes Per 1,000 Residents

- City has the lowest number of officers among comparable communities
- Requested strategic patrol unit continues proactive policing efforts, furthers public safety goals

2020 Expenditures

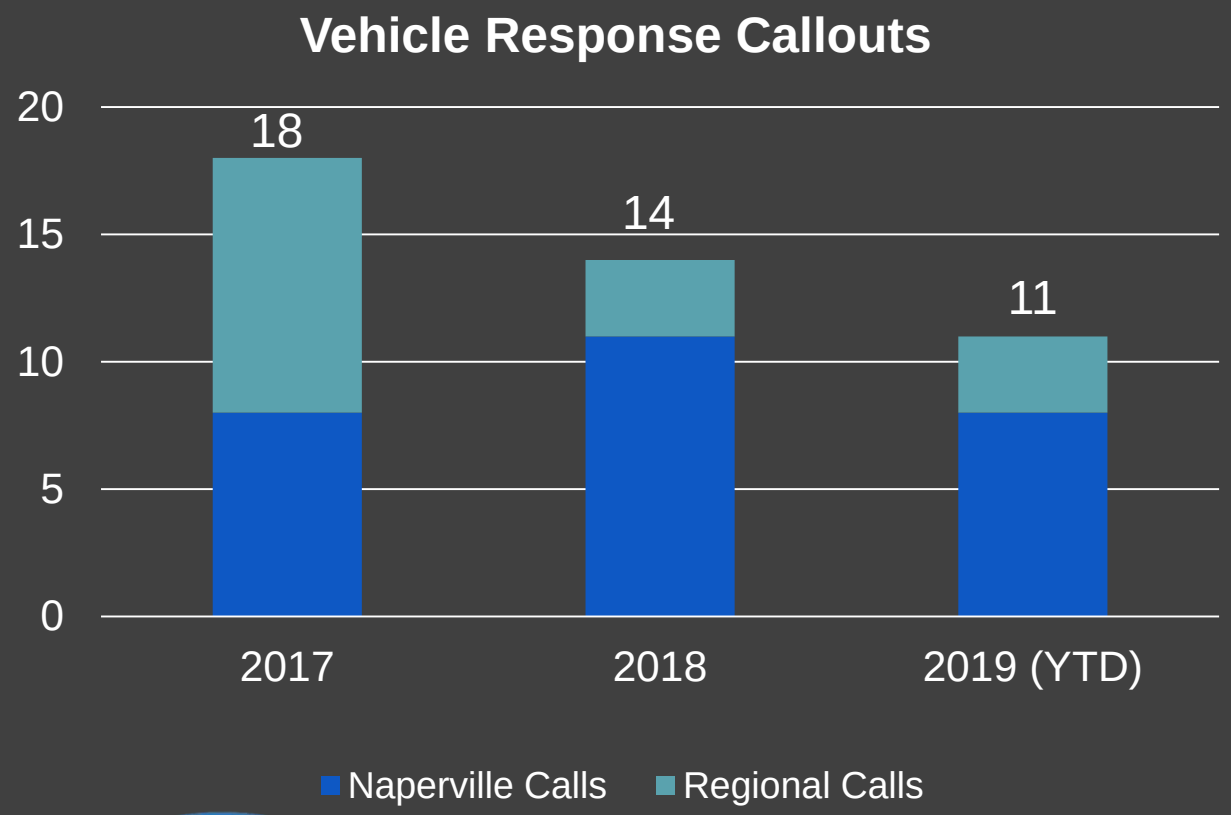
TECHNOLOGY

- Public Safety Communication
  - NextGen 911 Upgrade: $1M
    - Provides voice and location, text, photo, video 9-1-1 capabilities
    - $300K grant received
  - Radio System: $728K
    - Upgrade to mission critical communication system
    - Enhance system redundancy and improve functionality

2020 Expenditures

OPERATIONS

- Vehicle Replacement
  - *Fire: $2.24M*
    - Ladder truck replacement: $1.3M
    - Pumper Truck: $630K
    - Annual ambulance replacement: $240K
  - *Police: $886K*
    - 10 replacement units
      - Patrol – 7 Units: $332K
      - Traffic/Investigation – 3 Units: $108K
    - 1 new unit for Investigations
    - 2 new units for Patrol
    - 1 new Armored Rescue Vehicle



- Reduce and control the impact of high-risk situation outcomes to the public and officers
- Prevent risks for the community and officers responding to complex situations
- Assist in rescue and relief efforts in the event of a disruptive incident
- Vehicle capable of withstanding severe natural disasters

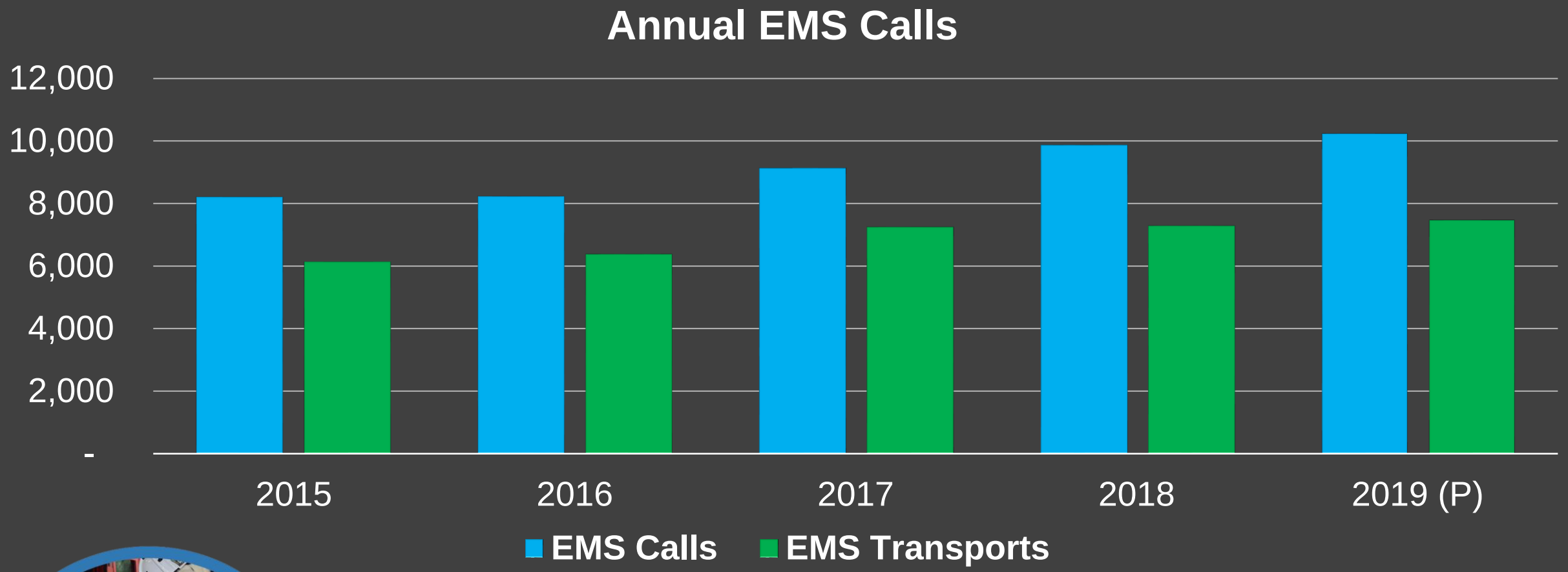
Armored Rescue Vehicle: $315K

- Tactical response to calls for high risk incidents involving NPD Special Response Team
- Currently utilize shared ILEAS vehicle

2020 Revenues

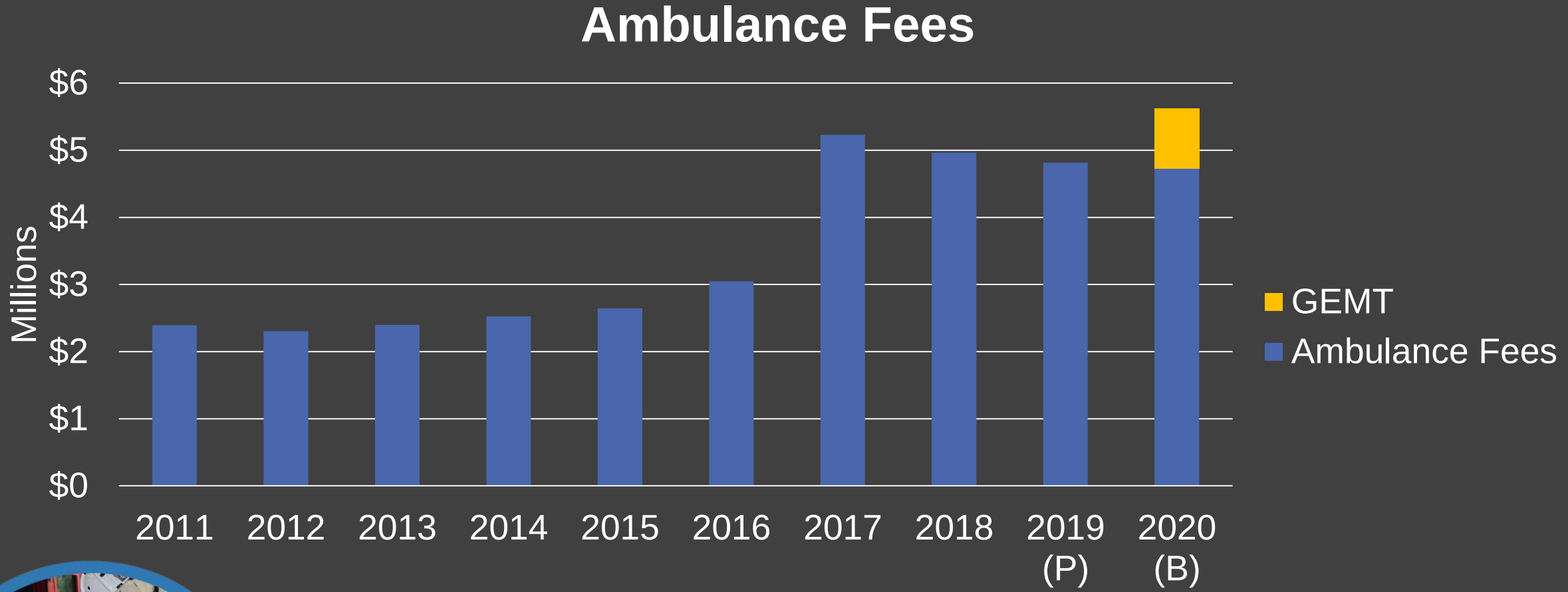
Grants & Agreements

- Emergency Preparedness Training: $200K
  - $1.3 million FEMA grant in conjunction with Aurora
  - $200K of revenues for overtime expenses
- SAFER Grants: $387K in 2020
  - Maintain existing firefighter staffing levels
  - $944K total over 3 years
- STEP Grants: $52K in 2020
  - Traffic Safety initiatives



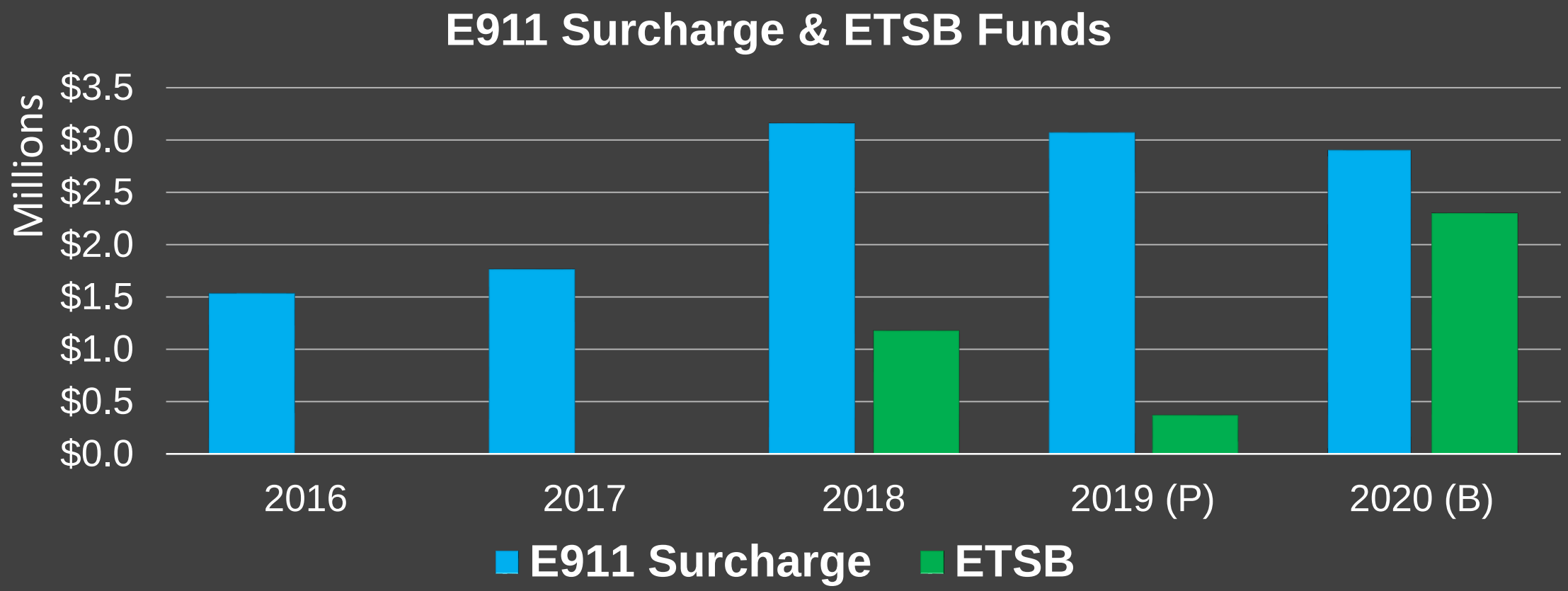
Ambulance Billing Fee

- 2019 budget: $4.60M
- 2019 projection: $4.82M
- 2020 Proposed: $5.63M
- Increase of $1M or 22.3%



Ground Emergency Medical Transport

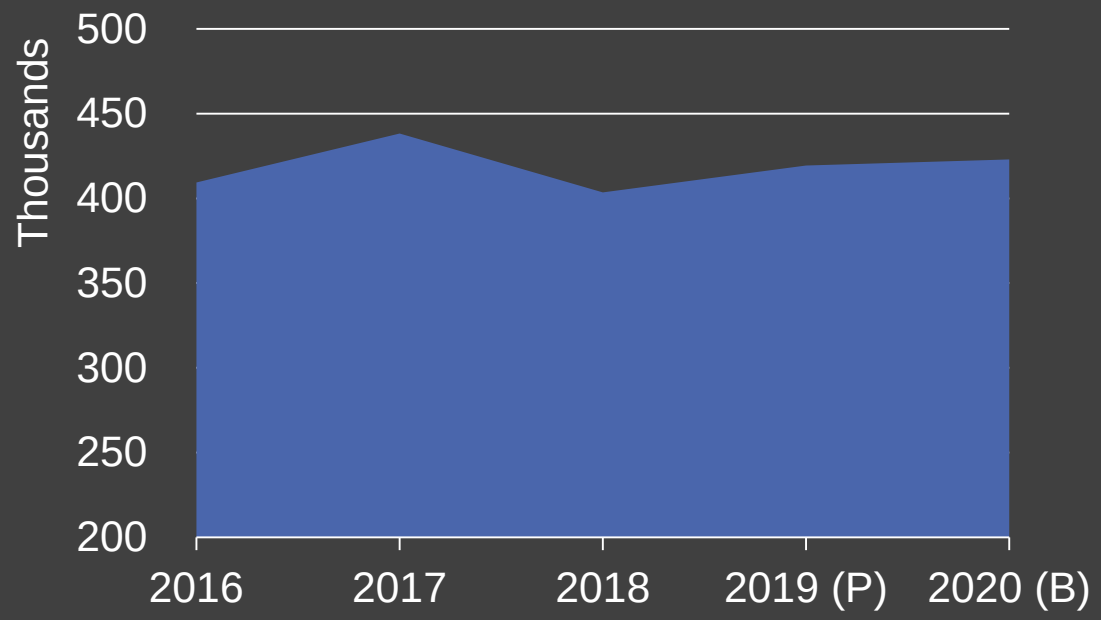
- Increased Medicaid Payments for Medical Transport
- Revenues shared with the Illinois Dept of Health & Family Services
- Anticipated an additional $900K in ambulance revenues



E911 Surcharge & ETSB Funds

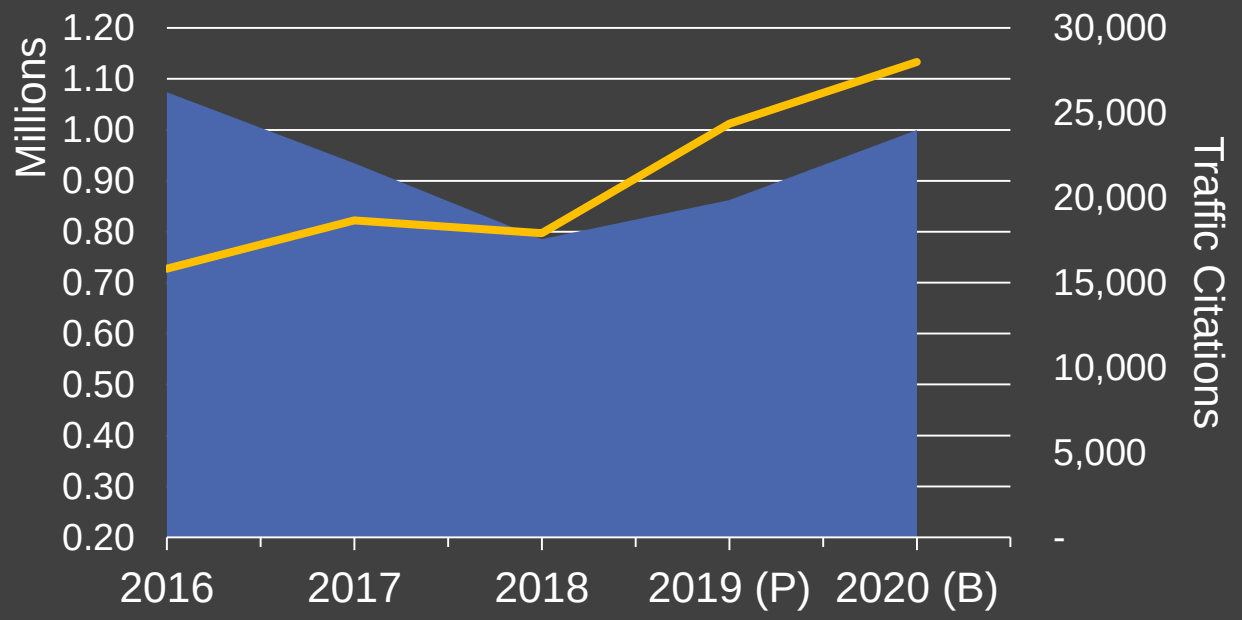
- Charge on landline, wireless phone service to support Dispatch operations
- E911: all funds transfer to General Fund to support PD Communications costs
- ETSB: pass-through funds collected on behalf of Aurora and North Aurora
- ETSB funds held by the State in 2019 are anticipated to be distributed in 2020

Parking Fines



- 2019 projected $419K
- 2020 budgeted $423K
- Fines vary based on violation

Traffic Fines



- 2019 projected $862K
- 2020 budgeted $1M
- Processed and distributed by the county

Fines and Fees for Public Safety

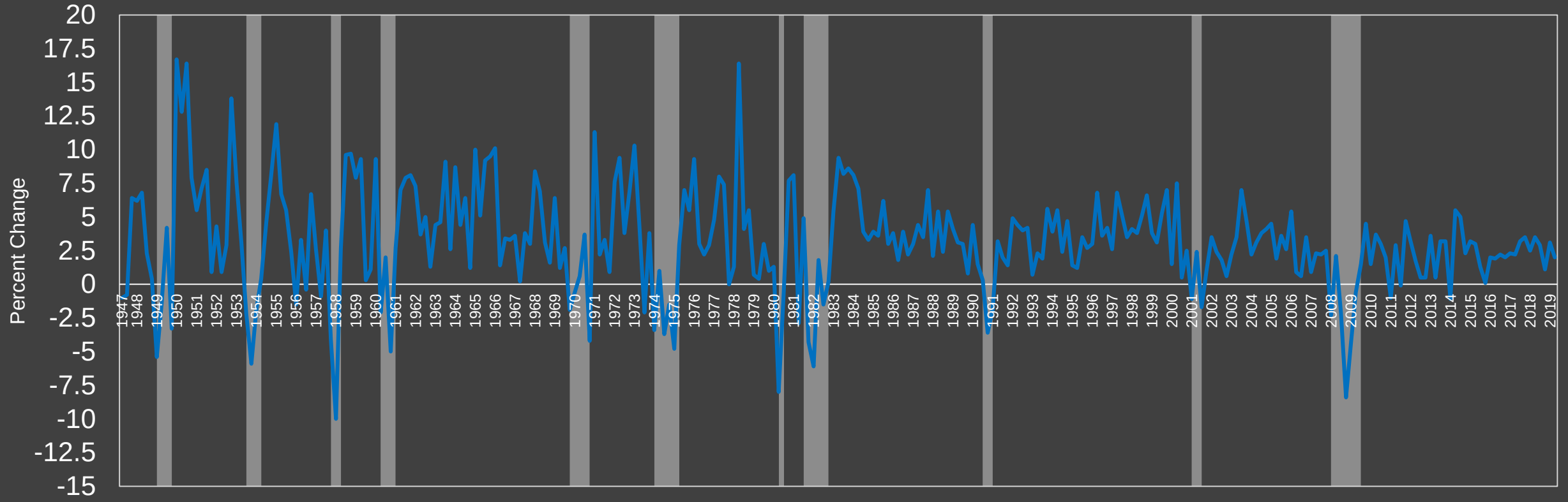
Financial Stability

Naperville will be financially stable and maintain a AAA bond rating

Related City Goals

- In order to provide services that ensure a high quality of life for our residents through fiscal management and financial stability, by 2023 the City will:
  - actively seek to reduce its debt by 25 percent; and
  - increase its reserves to 25 percent.

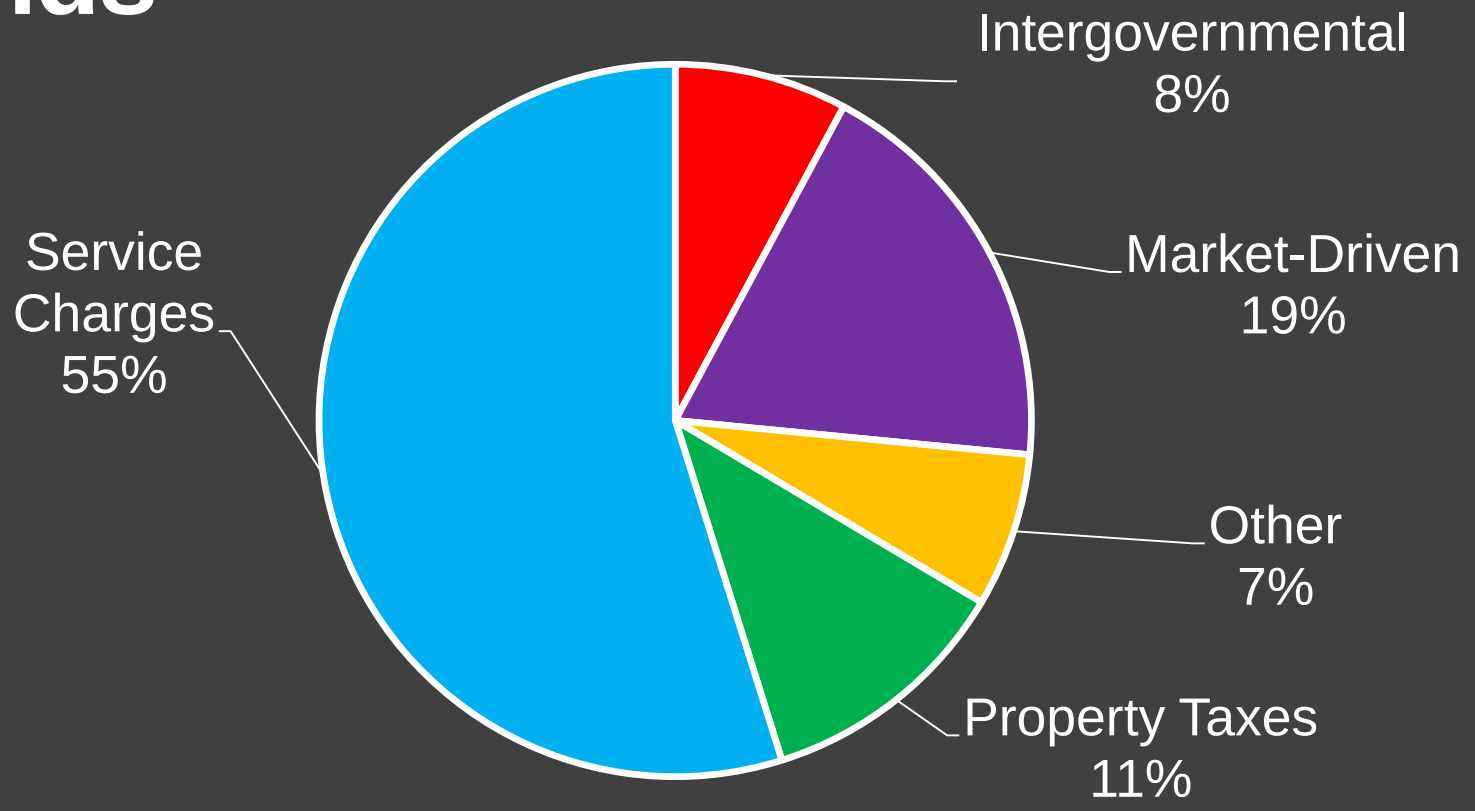
Gross Domestic Product (GDP) Percent Change (1947 to Now)



Economic Conditions

- Relatively stable 2% growth since end of recession in mid-2009
- Prior recessions vary in length and severity
- While the City cannot control the national economy, we can control how we react and prepare for potential recessions

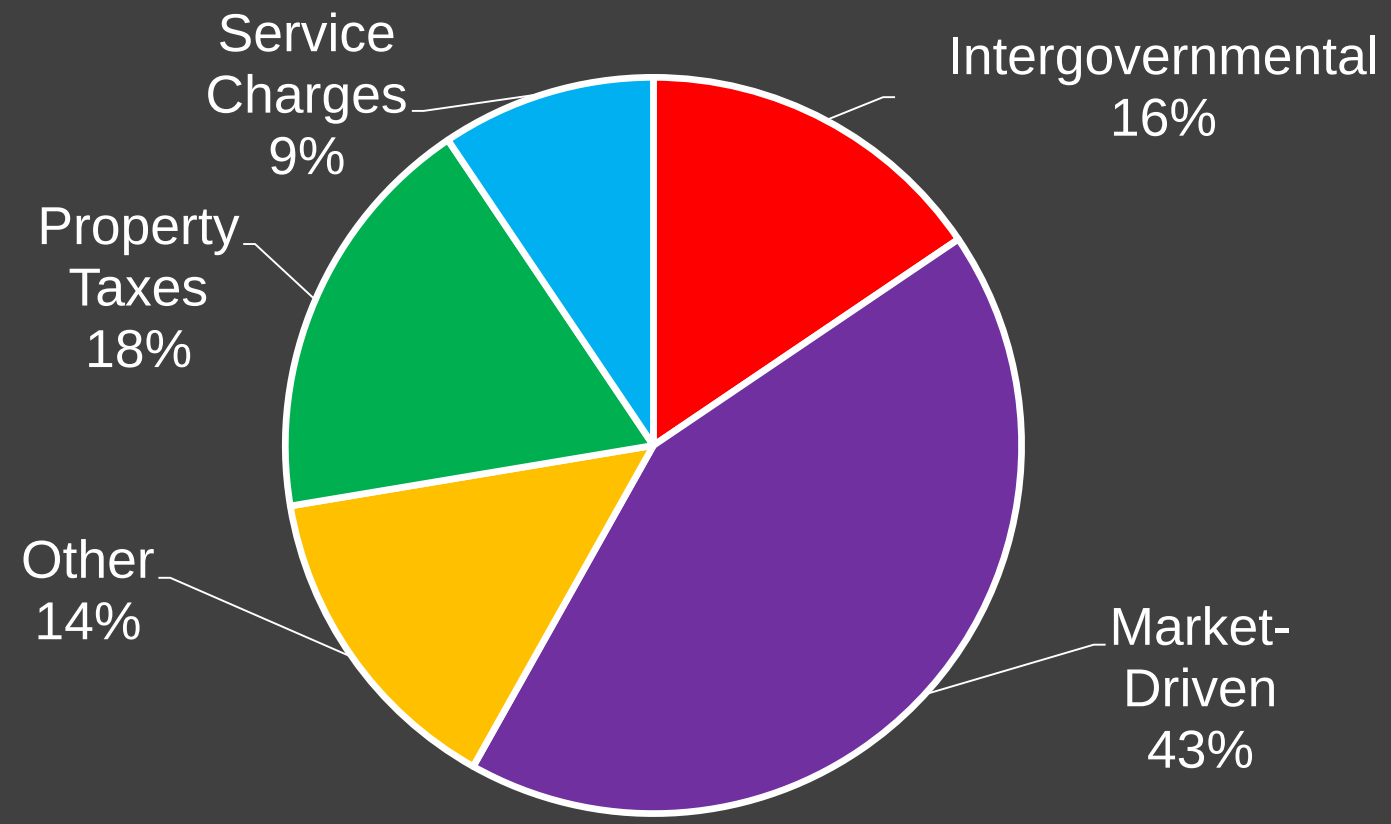
All City Funds



How We Fund City Services

- ***Service Charges:*** electric and water charges, refuse collection
- ***Market-Driven:*** food and beverage tax, sales tax, real estate transfer tax
- ***Intergovernmental:*** income tax, motor fuel tax, local use tax
- ***Other:*** interfund transfers, bond issuance

City Funds Minus Utilities/Special Funds



Revenue Diversification

- Balanced portfolio reduces risk to any one source during economic downturn
- Consistent revenue balance since 2016
- Evaluation of revenues based upon consistency, competitive advantage, service alignment, and diversification

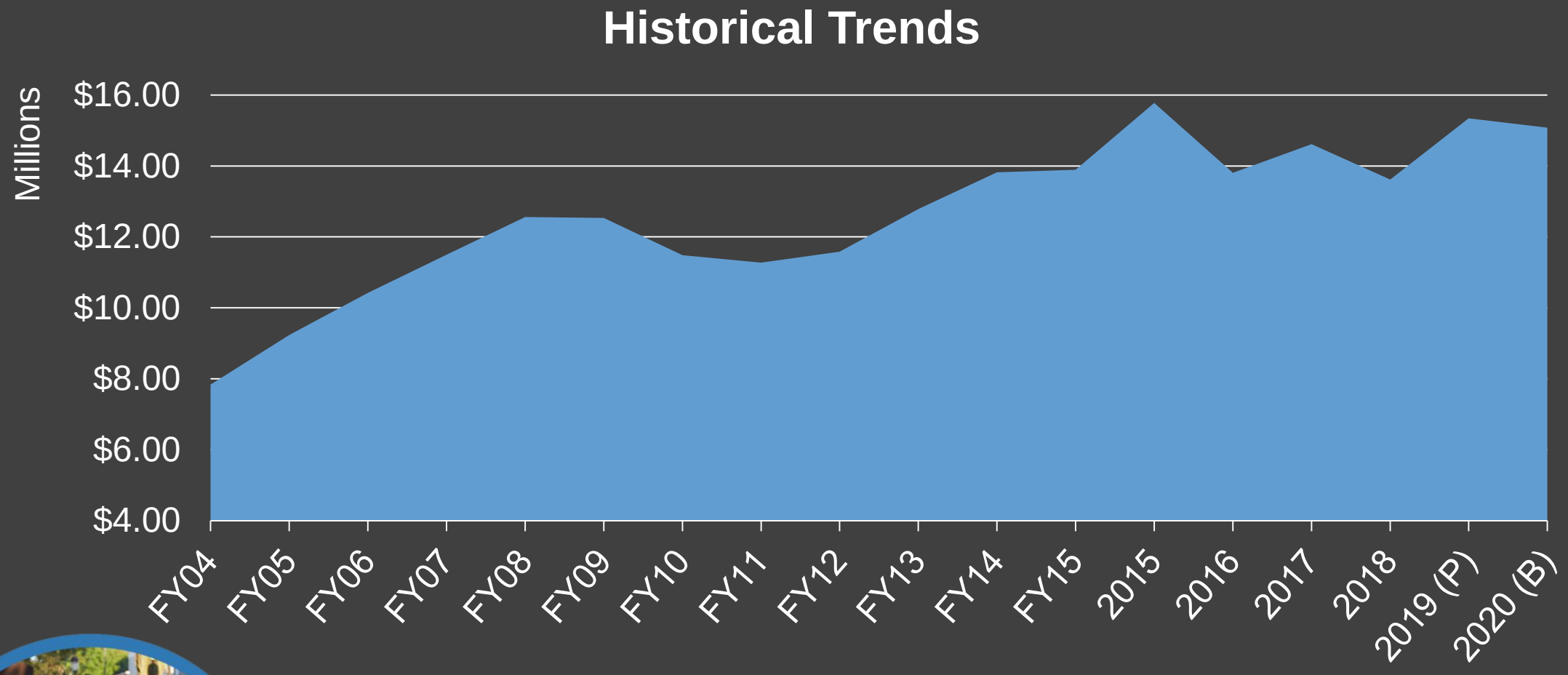
2020 Revenues

State shared revenues

- Income Tax up 15%
- Individual income tax rate: 4.95%
- Business income tax rate: 7%
- State providing announced cuts during previous administration; no anticipated cuts in 2020

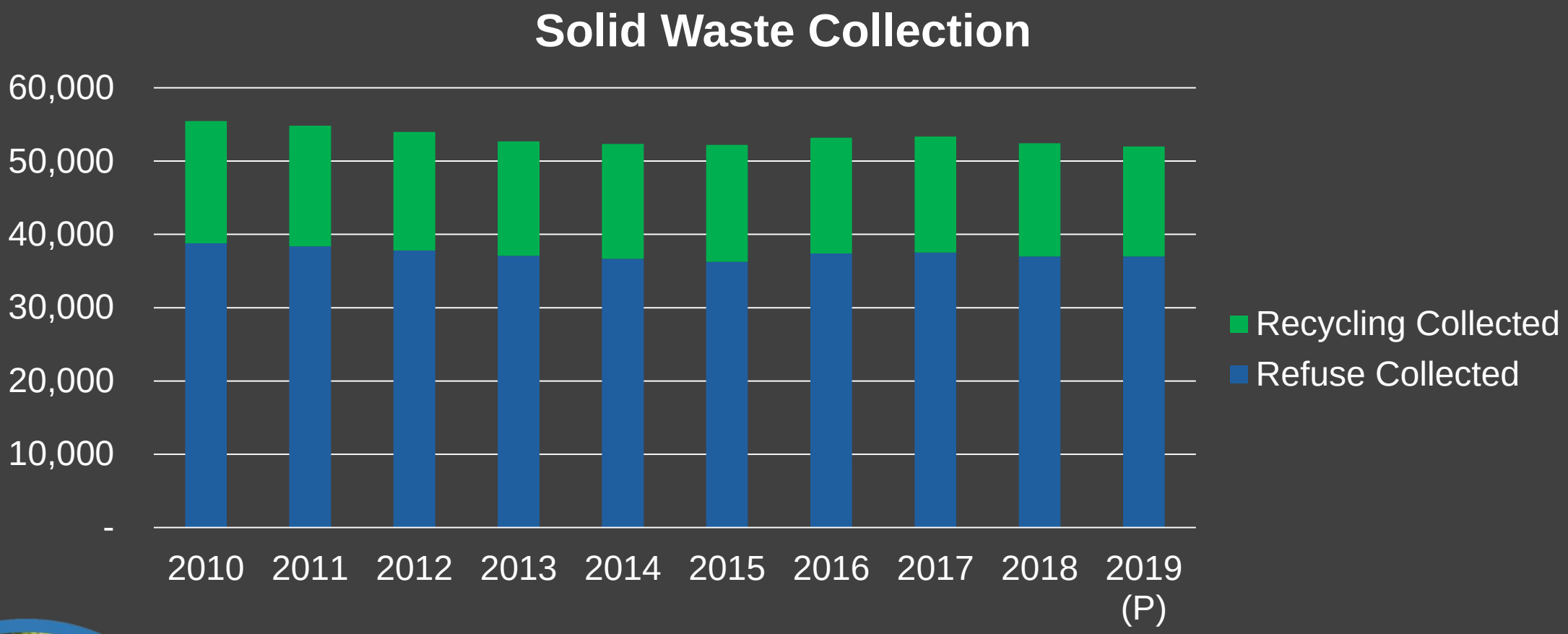
Cost of Service

- Adjustment of Electric Utility rates to balance cash and capital investment
- Conducting Water Utilities rate study to align present and future costs of water and wastewater utilities
- Creation of Solid Waste Fund for pass-through of refuse/recycling collection costs



State Income Tax

- 2019 budget: $13.98M; 2019 projection: $15.34M
- 2020 budget: $15.08M, $1.10M increase



Solid Waste Fund

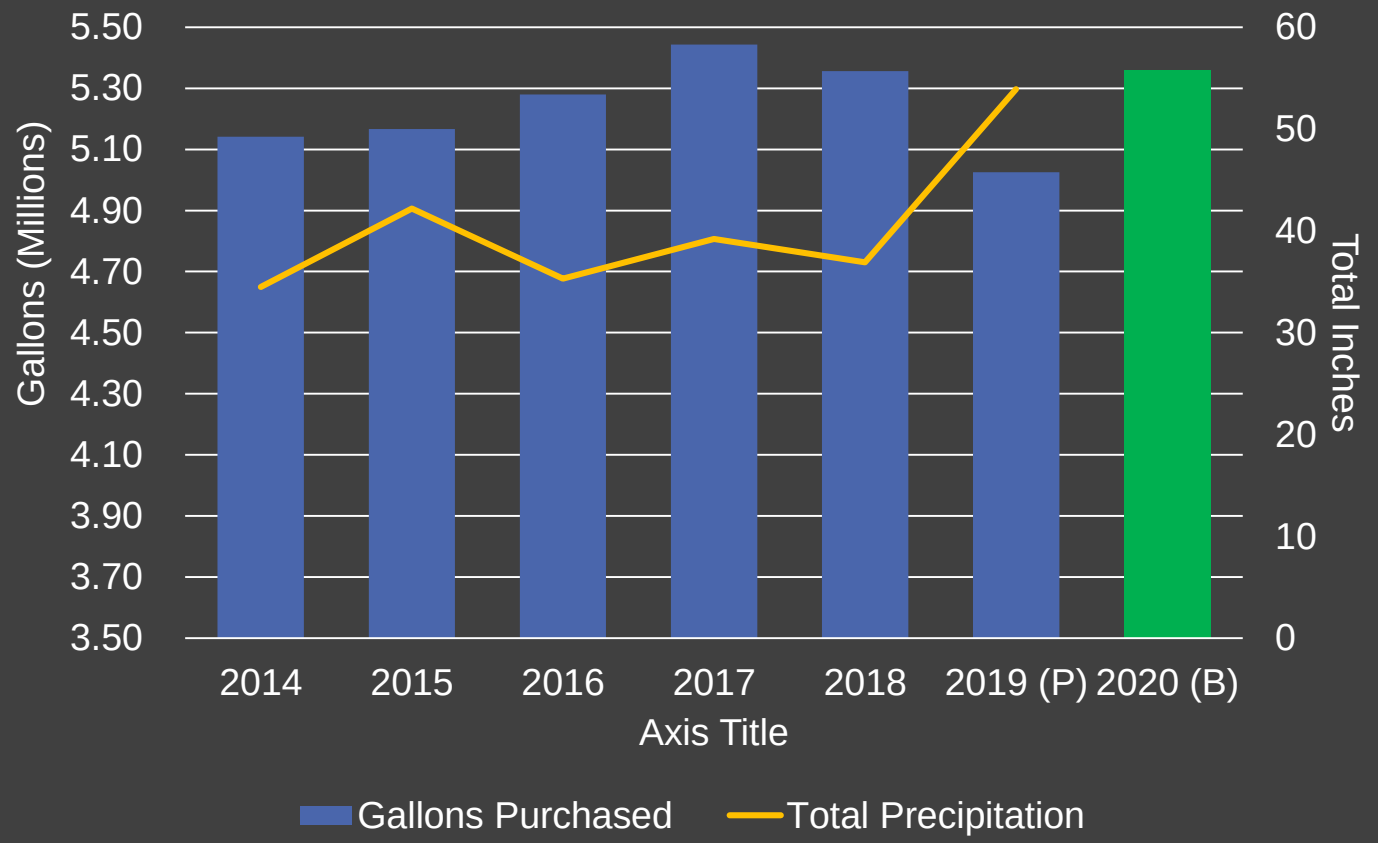
- Creation in 2020 of enterprise fund for refuse fees
- Aligns with other cost-of-service enterprise funds in City
- Current rate: $12.95 per household per month
- 2020 rate: $13.31 per household per month beginning in May

Solid Waste Fund

Other Solid Waste Services

- Current cost of residential programs
  - Leaf Collection: $1.53M
  - Brush Collection: $185K
  - Household Hazardous Waste: $78K
- Future opportunities for continued alignment of solid waste services with customers who receive service

	Gallons Purchased (1,000)	Water Purchased ($) millions
2014	5.14	$20.41
2015	5.17	$24.80
2016	5.28	$25.42
2017	5.44	$26.44
2018	5.36	$26.37
2019 (P)	5.02	$24.93
2020 (B)	5.36	$26.75



Water & Wastewater Funds

- 2020 budget based on average water purchased between 2016 and 2018
- Rate study planned for 2020; will leverage asset evaluation and capital program development planning in study process
- Wholesale rate passed through to City water customers; rate changes applied by DuPage Water Commission in May

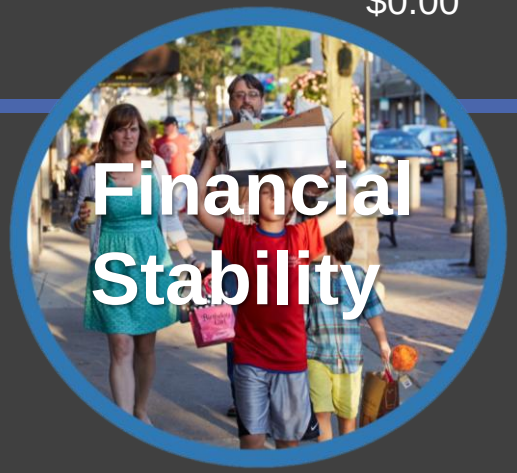
Surcharge Revenues

	Rate Model	Current Projections	Loan Repayment	Fund Balance
2016	-	-	$2.86M	$2.86M
2017	$276K	$167K	$2.86M	$5.88M
2018	$575K	$566K	$8.97M	$15.42M
2019 (P)	$1.08M	$1.24M	-	$16.66M
2020 (B)	$1.14M	$1.28M	-	$17.94M

Phosphorus Surcharge

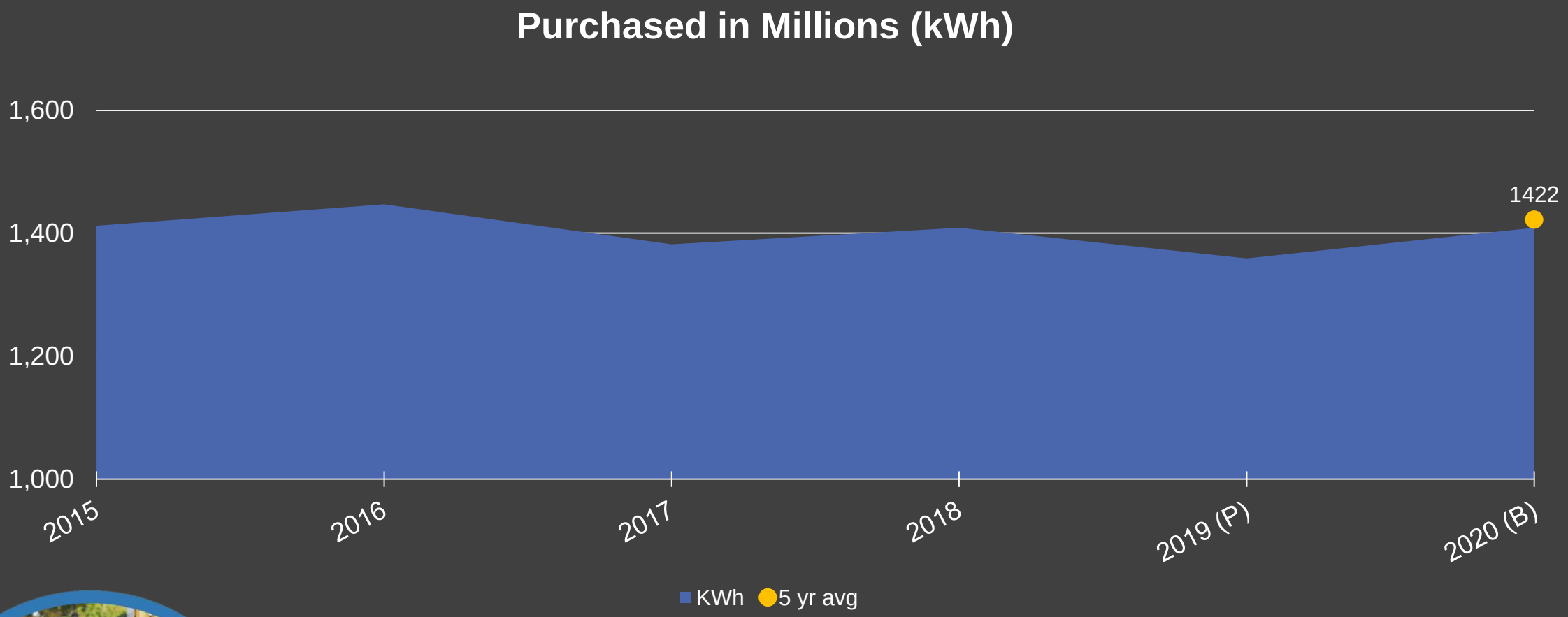
- Surcharge expires once collected funds equal half the cost of improvements
- Fund balance includes $14.69 repayment from Electric; paid in full in 2018
- FAB recommends funding AMI through available cash in Phosphorus Fund

Average Monthly Water/Wastewater Charge



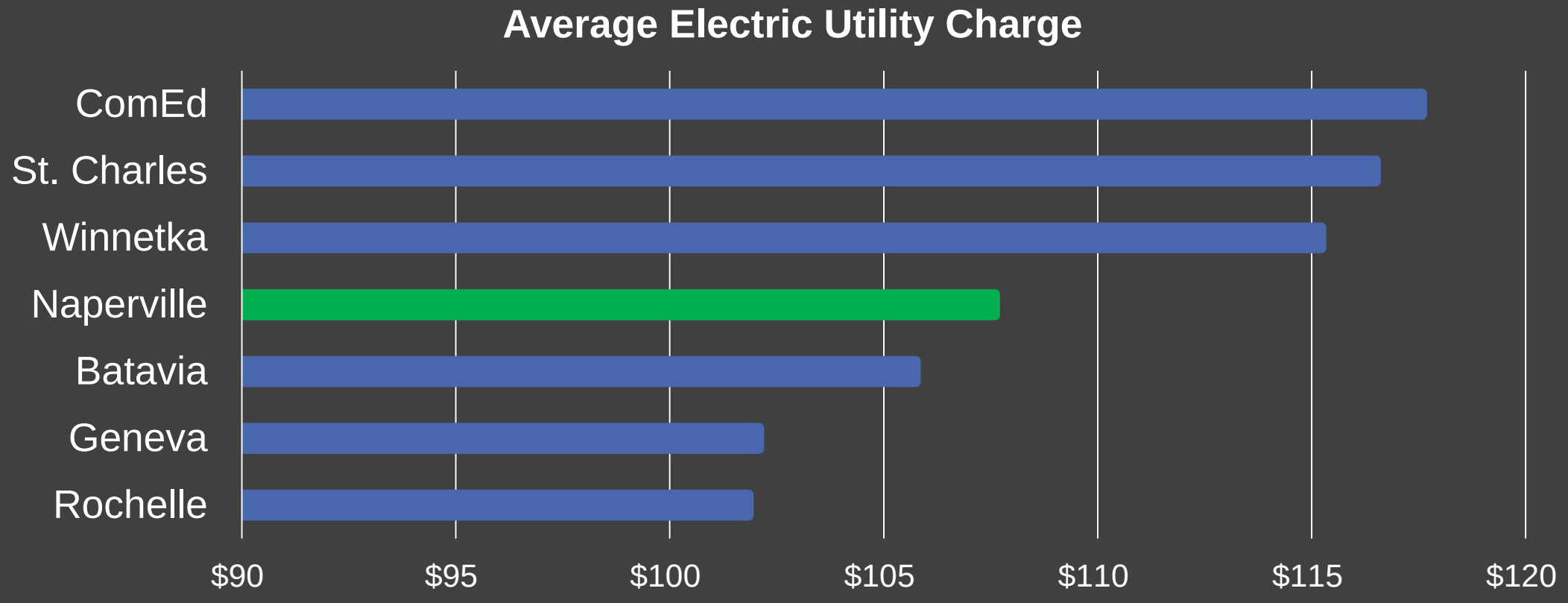
Average Water/Wastewater Bill

- Based on 750 CF (5,610 gallons) per month typical usage as of May 15, 2019
- Current rates established through 2021



Electric Utility Funds

- Second year of 3-year rate study
- Proposes 2% rate decrease each of the 3 years
- Budget at 5-year kWh average; 2020 budget comparable to 2018 actual purchase



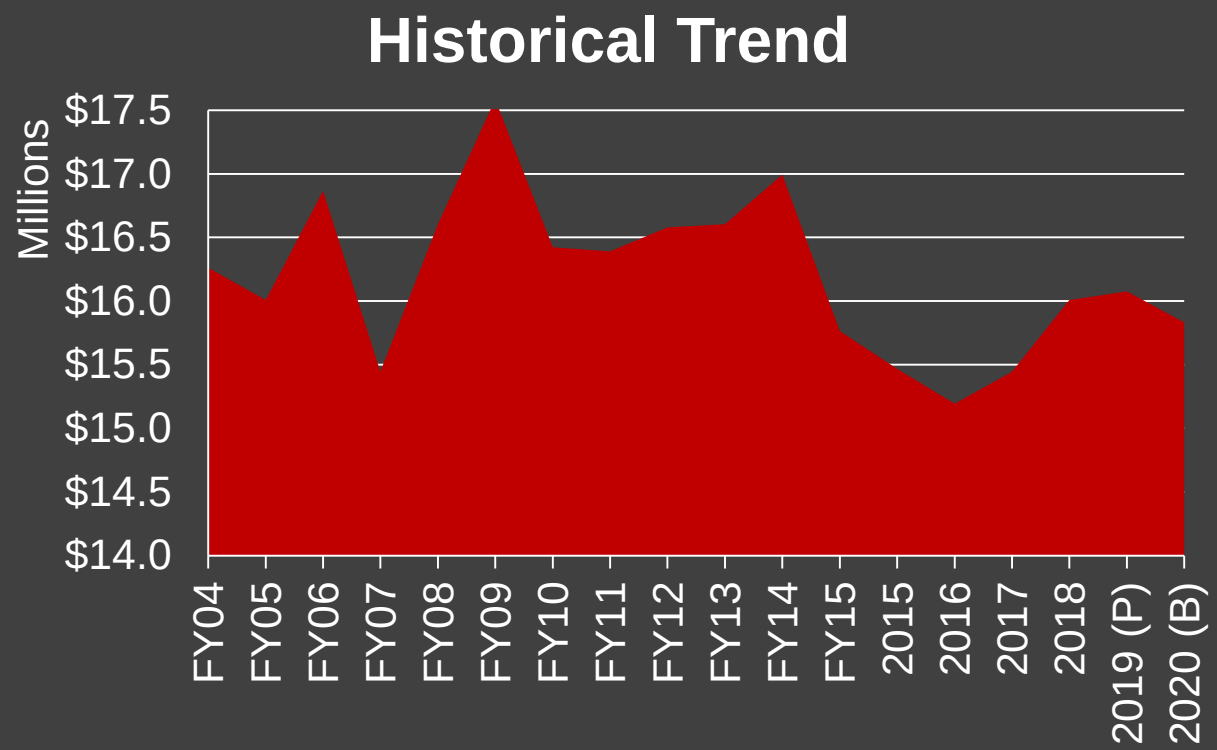
* PPA not included

Average Electric Bill

- Based on 844kWh residential consumption as of November 1, 2019

	2019 Budget	2020 Budget
Electric	$6.1	$6.1
Natural Gas	$3.5	$3.5
Telephone	$4.4	$4.4
Water	$1.8	$1.9

**In millions*



Utility Taxes

- Natural gas is highly variable due to weather conditions
- Telecommunications tax rate increased in fourth quarter of 2018 from 5% to 6%
- Telecommunications tax has been declining, but is starting to level off

2020 Expenditures

2020 Projected Market Salary Changes	
Data Source	**% Increase**
Salary.com/CompAnalyst	3.0%
World at Work	3% - 3.3%
SHRM	3.0%
Willis Towers Watson	2.9% - 3.1%
City of Naperville (Non-Union)	3.0%

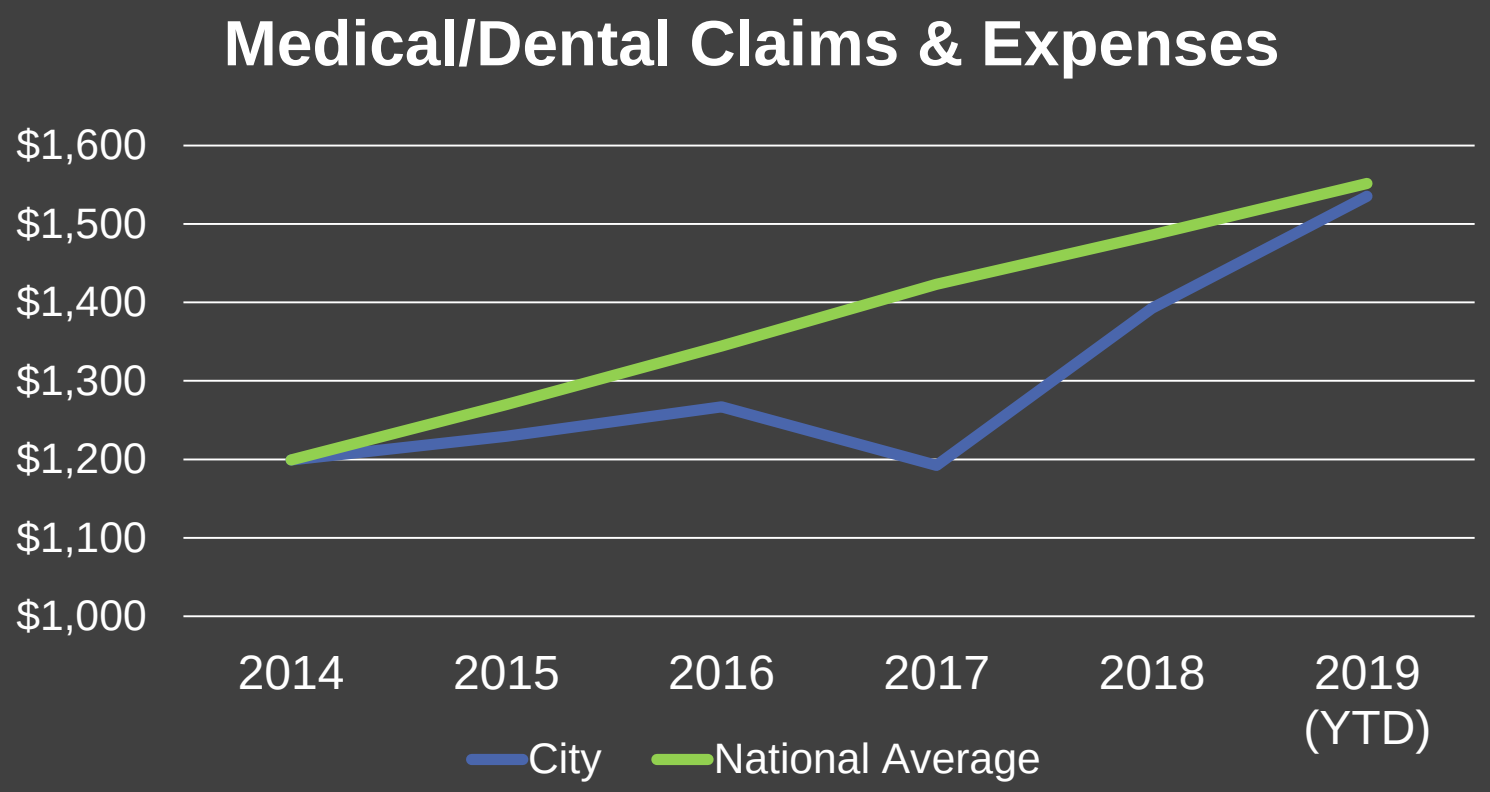
Personnel Costs

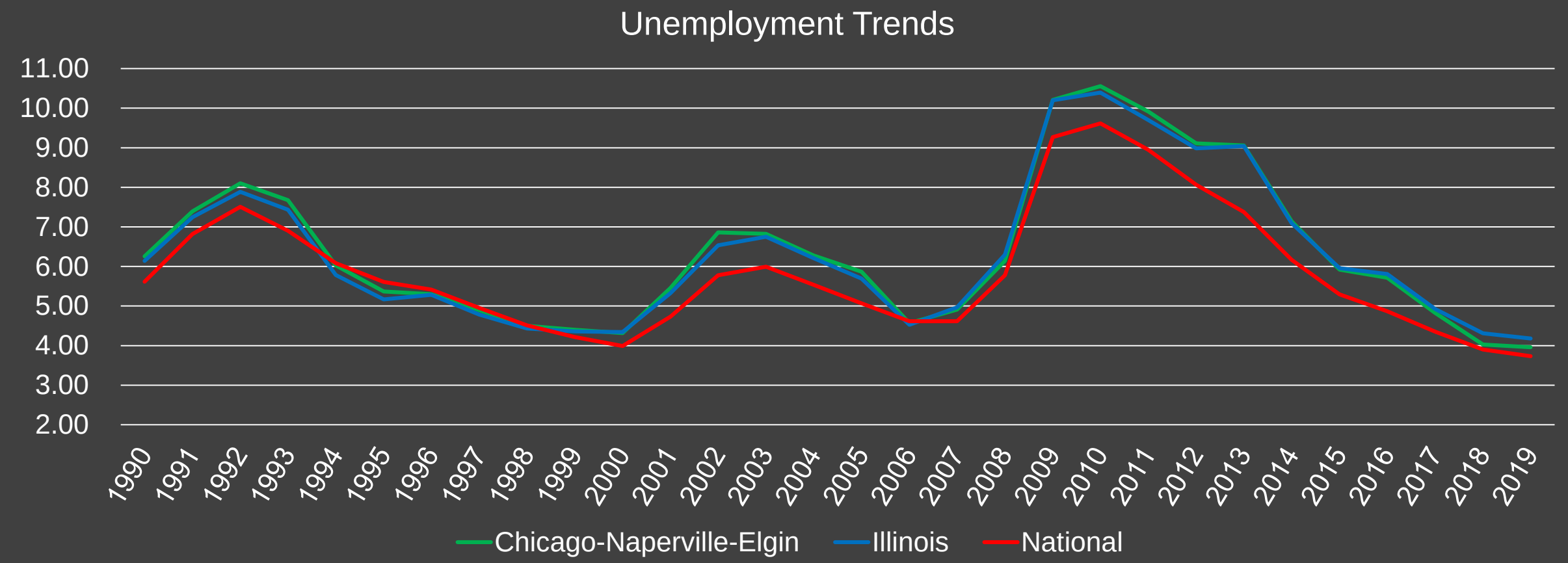
- Excludes new personnel requests
- $1.14M increase to budget
- Non-union merit pool of 3%

2020 Expenditures

Healthcare Costs

- Cost-Saving Measures
  - Moved to a new stop-loss carrier, which will help mitigate high claim expenses
  - Exploring new prescription drug program
- 15% increase in medical premiums





Recruiting/Retention Concerns

- Salaries & Benefits: Updated salary ranges in previous years; focus on market level & internal equity
- Time-Off Plan: Recommended to adjust PTO-11 plan to closer mirror older plans within the City and eliminate some inequities between staff
- Recruiting Challenges: Technical and specialized positions becoming difficult to fill

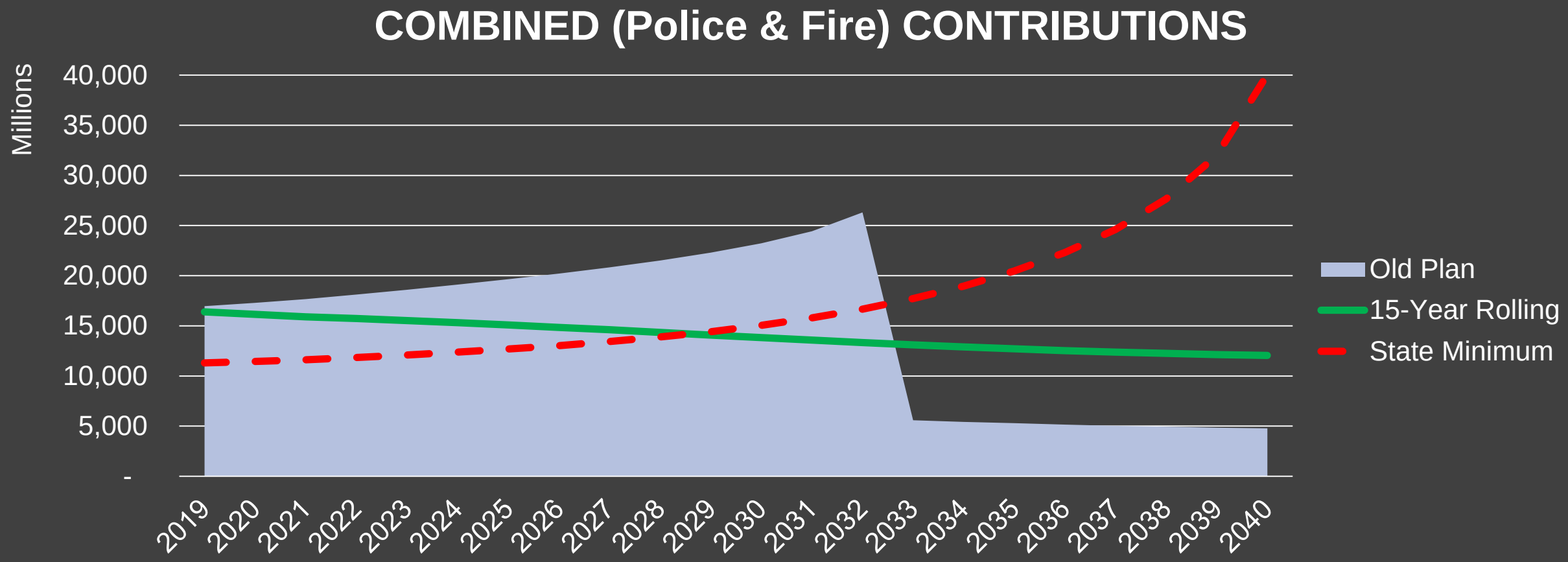
2020 Expenditures

Pensions

- Public Safety pensions: $966K increase
- IMRF: Rate increase to 11.05%
  - $1.15 million in incremental expenses
  - 86% funding ratio

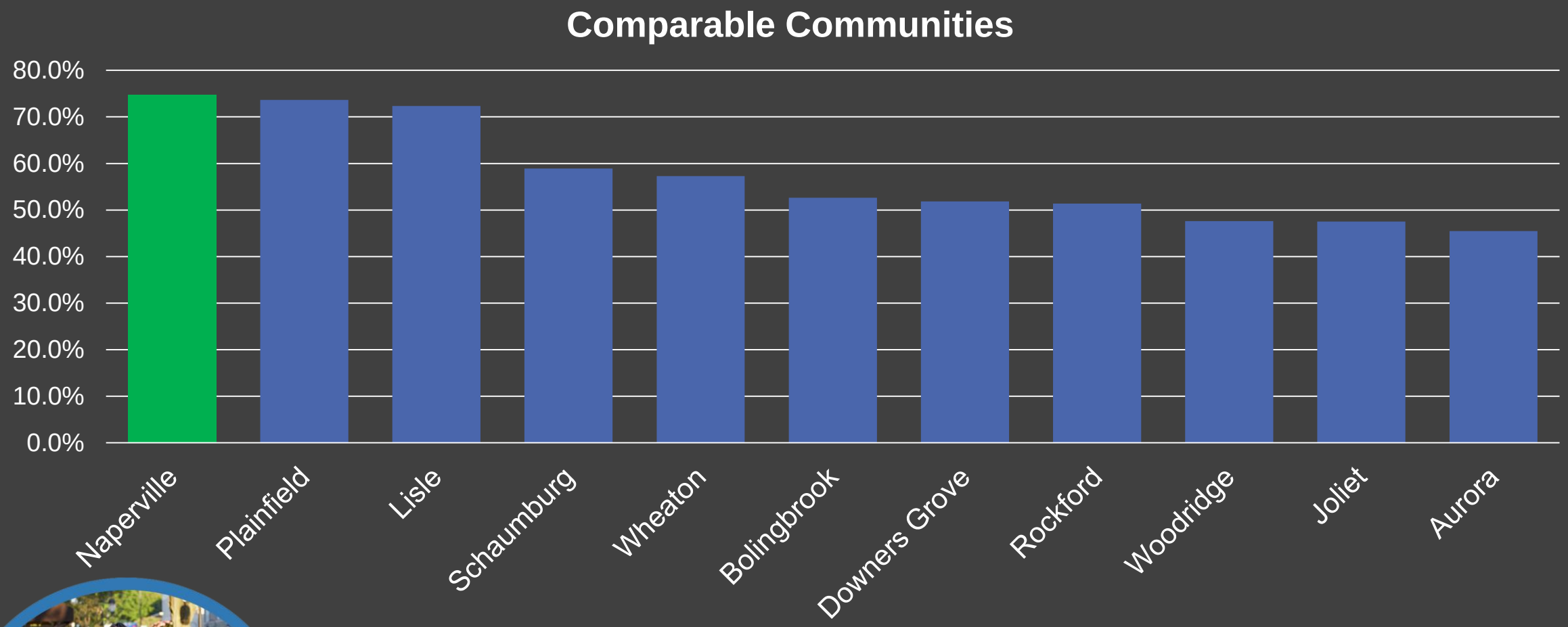
Long-Term Debt

- No bond issuance in 2019
- Debt reduction goal has led to decrease in debt service payments



Combined Public Safety Pension Contributions

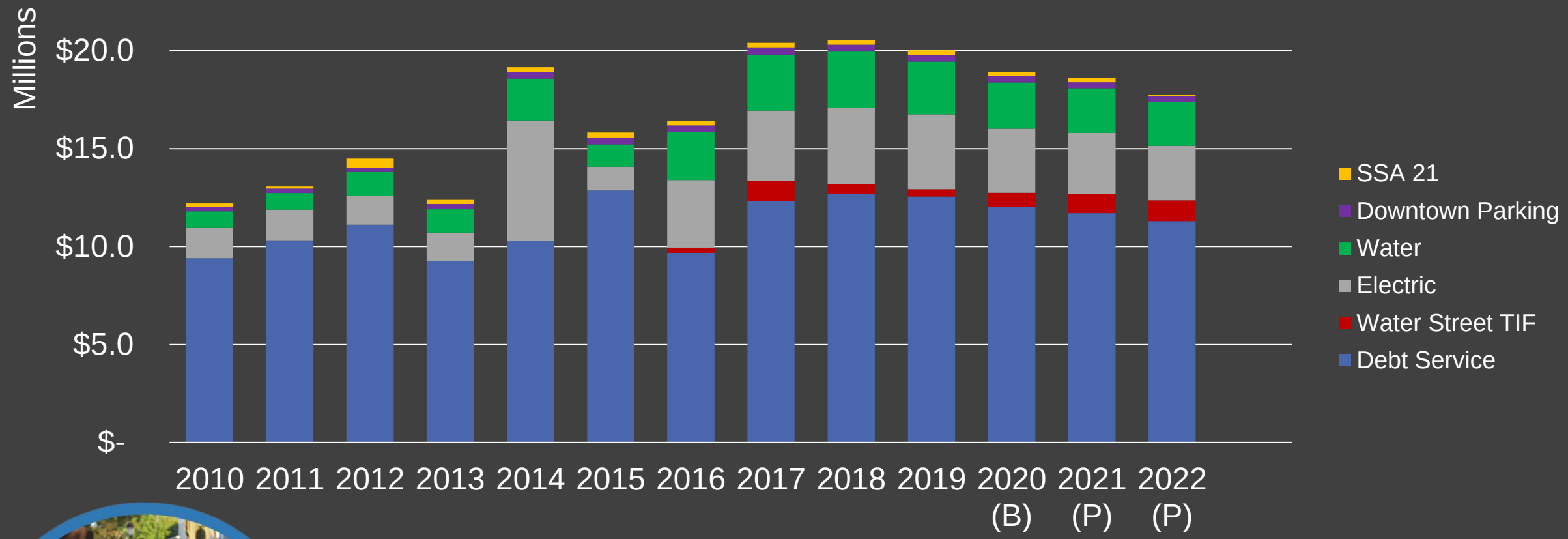
- Major assumptions include 100% funded by 2033 and 15-year rolling average
- Funding Levels:
  - Police = 74.8% of net pension liability
  - Fire = 71.8% of net pension liability



Pension Contributions

- Public Safety Pension
  - 7% increase in 2020; estimated $966K increase
  - Continue to have area's best funded pension programs at combined 73.2%
- IMRF: First increase in 6 years; increasing from 9.34% to 11.05%

Annual Debt Service Payments



Long-Term Debt

- 2020: $1.1M decrease in debt service across all funds; $531K in General Corporate
- Average 3.9% reduction in annual debt service through 2022
- No bond issuance in 2019 due to project savings and transfer from TIF

2020 Annual Operating Budget Overview

	Revenues	Expenditures	Margin
Maintenance & Operating Funds	391.13	400.11	(8.99)
Capital & Debt Service Funds	59.70	57.76	1.93
Special Funds	32.73	33.79	(1.07)
TOTAL	**$ 483.55**	**$ 491.67**	**($ 8.12)**

**in millions*

2020 Proposed Budget

	Revenues	Expenditures	Margin
General Fund	125.33	125.20	0.13
Electric Utility Funds	160.38	161.13	(0.75)
Water Utility Funds	68.77	76.57	(7.80)
Self Insurance Fund	27.36	27.16	0.20
Commuter Fund	2.43	3.20	(0.77)
Solid Waste Fund	6.86	6.86	-
TOTALS	**$ 391.13**	**$ 400.11**	**($ 8.99)**

**in millions*

Maintenance and Operating Funds

- Revenues: Increase of $16.82 million (4.5%) from 2019
- Expenses: Increase of $28.97 million (7.8%) from 2019

	Revenues	Expenditures	Margin
Capital Projects Fund	18.48	18.20	0.29
G.O. Bond Funds	13.61	13.66	(0.04)
Debt Service Fund	12.85	12.75	0.10
Motor Fuel Tax Fund	5.78	5.77	0.01
Road & Bridge Fund	3.04	3.04	-
S.S.A. 21 – Van Buren Deck	0.02	0.23	(0.21)
S.S.A. 23 – Naper Main	0.07	0.07	-
S.S.A. 25 – LaCrosse Traffic Signal	0.07	0.07	-
S.S.A. 30 – Downtown Streetscape	2.60	2.60	-
Water Street TIF Fund	0.39	0.28	0.11
Downtown Parking Fund	1.51	1.11	0.40
Phosphorus Fund	1.28	-	1.28
TOTALS	**$ 59.70**	**$ 57.76**	**$ 1.93**

**in millions*

Capital and Debt Service Funds

- Revenues: Increase of $10.80 million (22.1%) from 2019
- Expenses: Increase of $9.38 million (19.4%) from 2019

	Revenues	Expenditures	Margin
Naperville Library Funds ***(3 Funds)***	15.81	16.37	(0.56)
Naper Settlement Fund	3.86	4.04	(0.18)
Food & Beverage Fund	4.59	4.61	(0.02)
S.S.A. 26 – Downtown Maintenance	2.35	2.70	(0.35)
CDBG Fund	0.54	0.54	-
E-911 Surcharge Fund	2.91	2.90	0.01
ETSB Fund	2.32	2.30	0.02
Federal Forfeiture Fund	0.11	0.10	0.01
State Forfeiture Fund	0.19	0.18	0.01
Test Track Fund	0.06	0.06	-
TOTALS	**$ 32.73**	**$ 33.79**	**$ (1.07)**

**in millions*

Special Funds

- Revenues: Increase of $1.75 million (5.6%) from 2019
- Expenses: Increase of $1.92 million (6.0%) from 2019

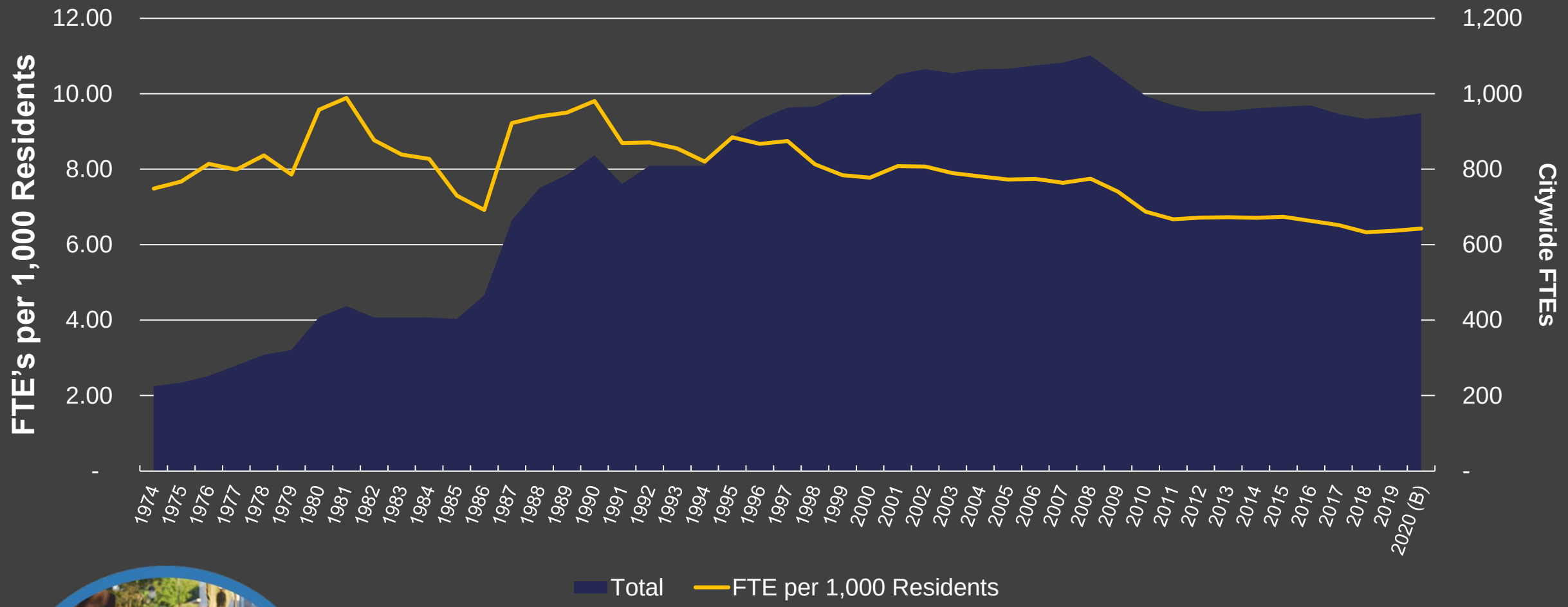
Police
- 4.0 Officers

Water Utility
1.0 Project Manager

Information Technology
- 1.0 Database Administrator
- 1.0 GIS Developer
- 1.0 PC Technician

FTE Changes

- Net increase of 8 FTEs in 2020
- IT assumes two current positions
  - 1.0 ERP Manager and 1.0 Project Manager
  - ERP Manager moves from CMO; Project Manager moves from Electric

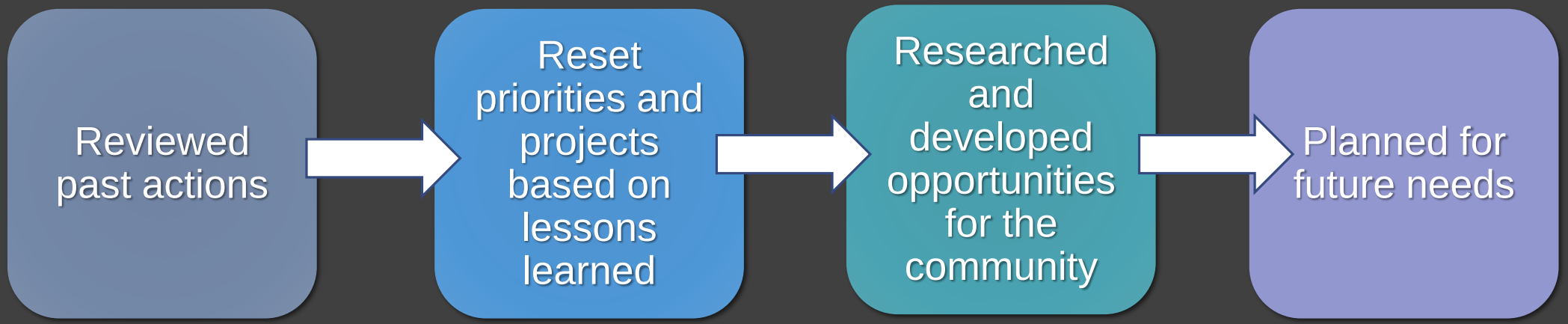


City FTE History

- 1970s: average 7.92 FTE's/1,000 residents with 34,000 population
- 2010s: average 6.63 FTE's/1,000 residents with 145,000 population

Refocusing Our Efforts

How staff prepared the 2020 budget:



2019's budget provided necessary resources that highlighted areas to improve or adjust, resource allocation needs, and long-term organizational impacts of ongoing technology implementations.

Principle #1

Pass a structurally balanced operating budget

- ✔ Operational budgets are balanced
- ✔ Planned cash drawdown for major capital investment

2020 Proposal - Achieved

Principle #2

Continuous improvement in the delivery of necessary and cost-effective services

- ✔ Budget requests tied to ends policies with supporting metrics
- ✔ Continued push for operational efficiencies

2020 Proposal – On Target

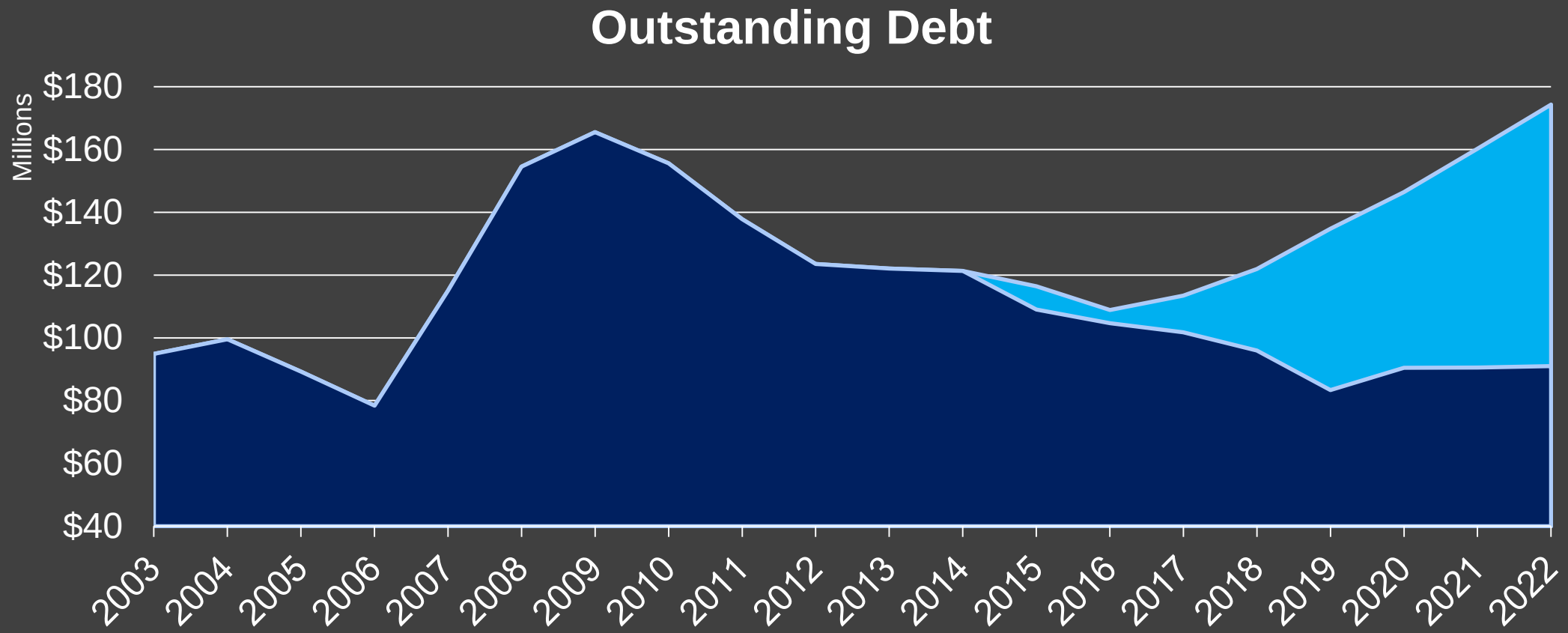
Principle #3

Increase reserves to 25% and reduce debt by 25% in next 8 years

- ✔ 25.4% projected debt reduction at end of 2020
- ✔ $31.33M projected fund balance (25%) at end of 2020

2020 Proposal – On Target

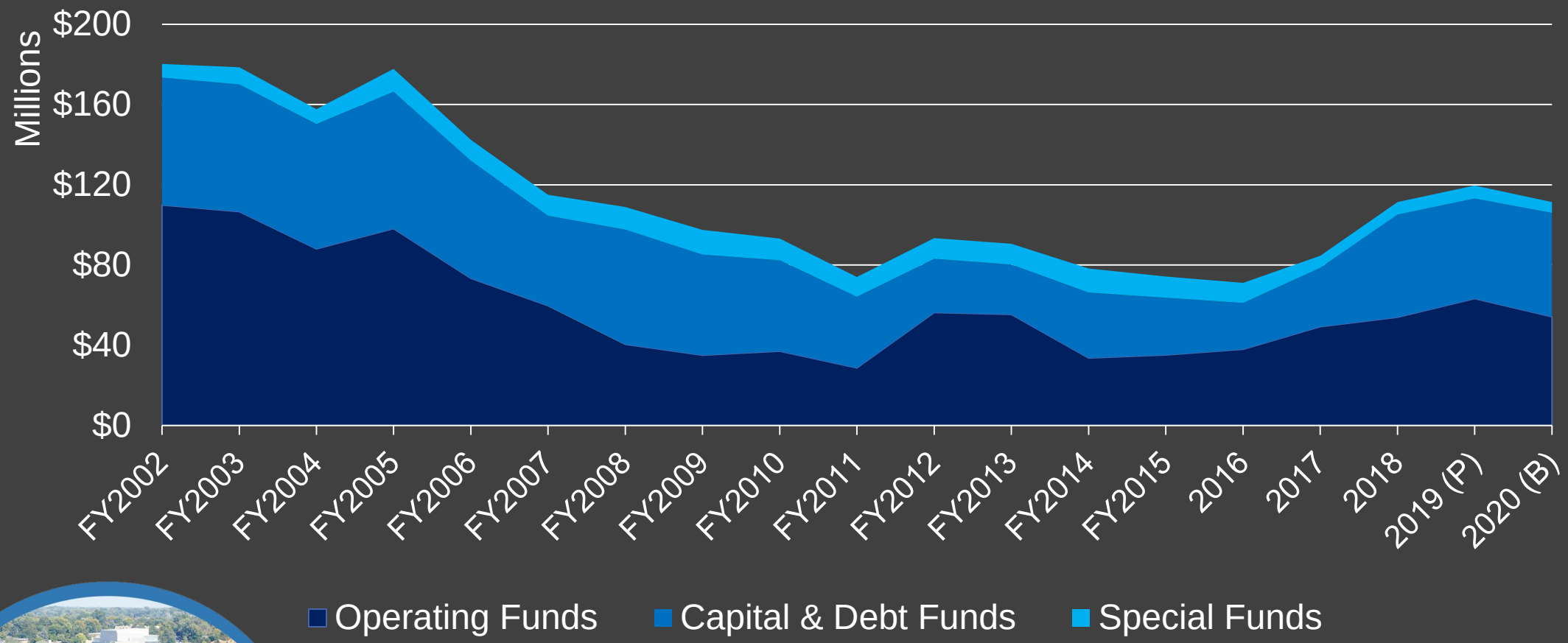
Financial Principles



Debt Reduction

- On track to reduce debt by 25% by 2022
- Yearly borrowing threshold of $8.25M
- Used $30.37M of Home Rule Sales Tax for debt reduction

Citywide Cash Reserves

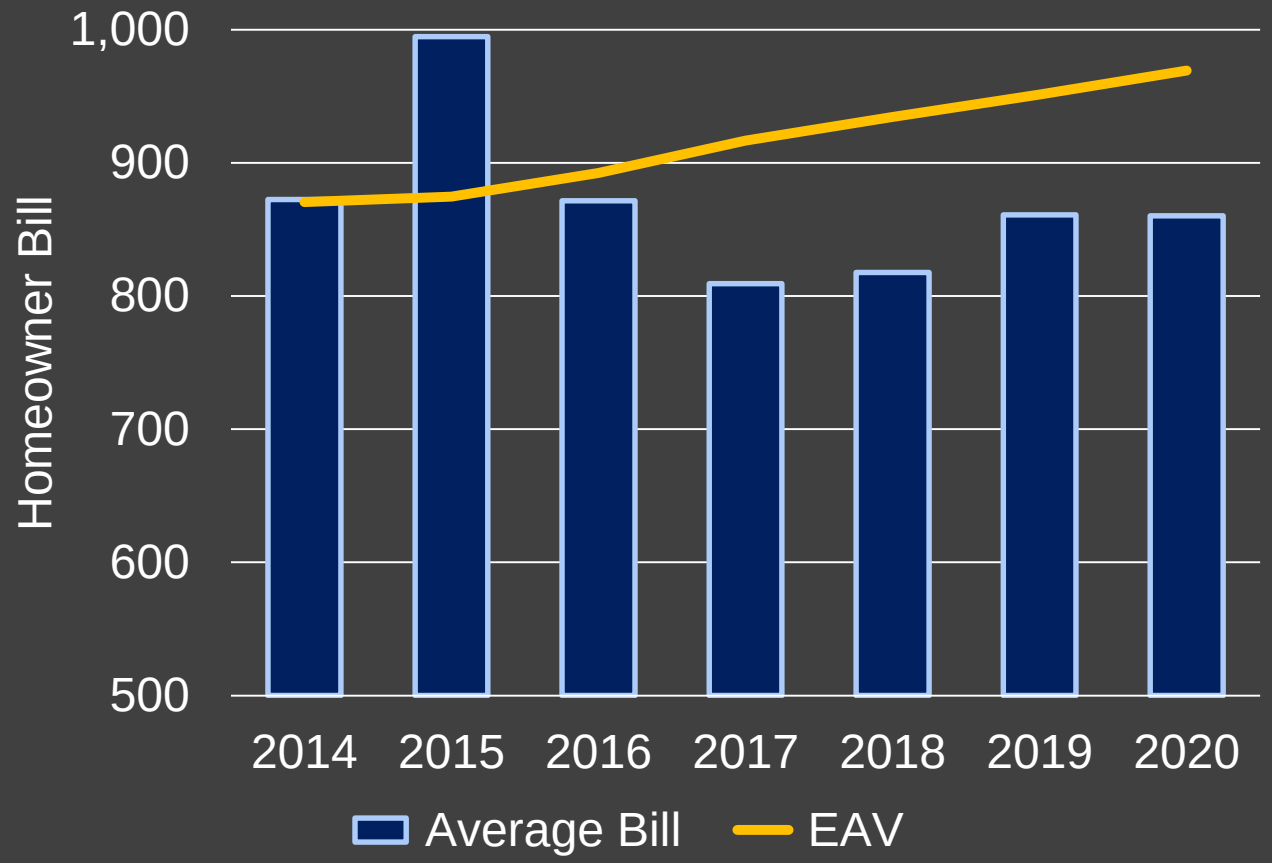


Cash Reserves

- On track to increase reserves to 25% by 2022
- Protects AAA bond rating and increases financial security
- Financial Advisory Board (FAB) finalizing citywide reserve policy

- **Tax rate would remain flat at 0.6870**
  - One of lowest rates in 50 years
  - City is taking advantage of EAV growth – property assessments determine how much an individual's bill would change

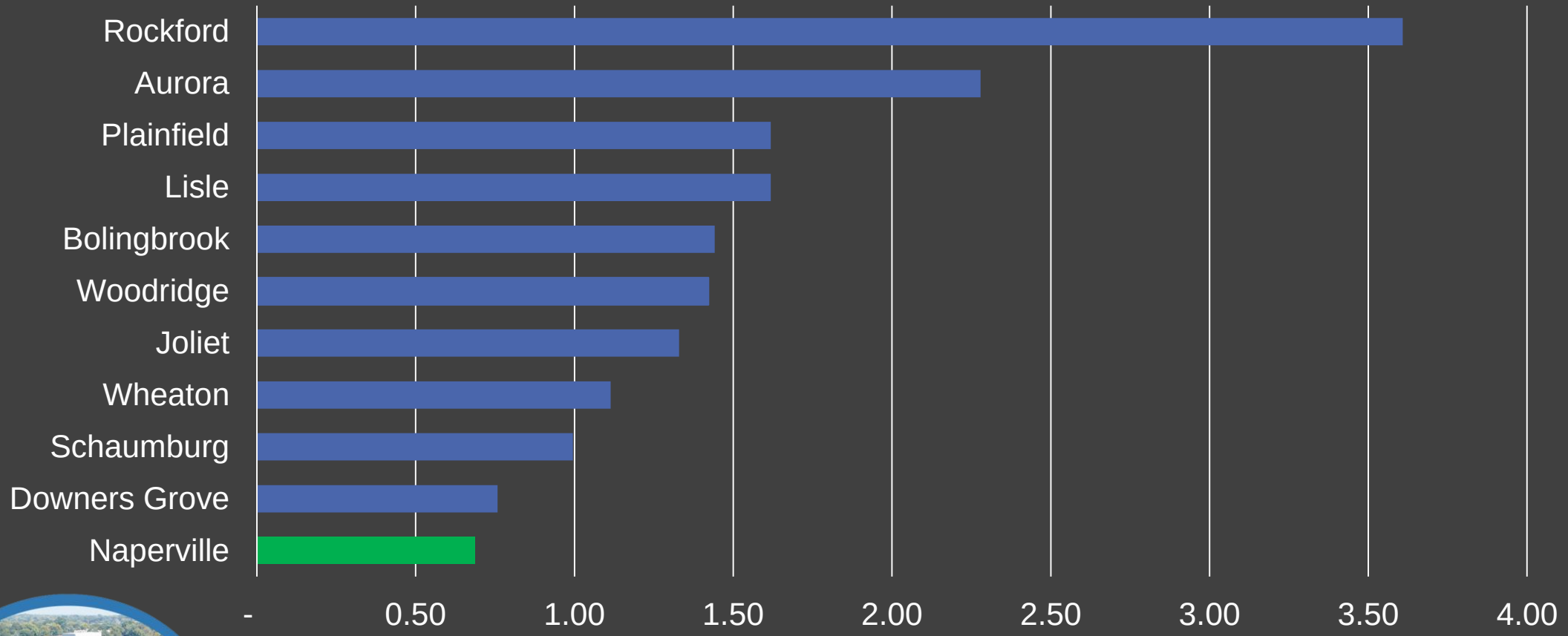
- **Average homeowner bill**
  - Since 2015, the average homeowner has seen a $135 decrease in the City portion of their property tax bill
  - 2020 bill projected to stay consistent with 2019 bill at $861



Property Taxes

- Funds pensions, debt, Library, Settlement and a portion of City operations
- 2020 budget year request: $1.9M increase
- $7.5 billion projected Equalized Assessed Valuation (EAV); 4% annual growth

Comparable Communities



Property Tax Comparison

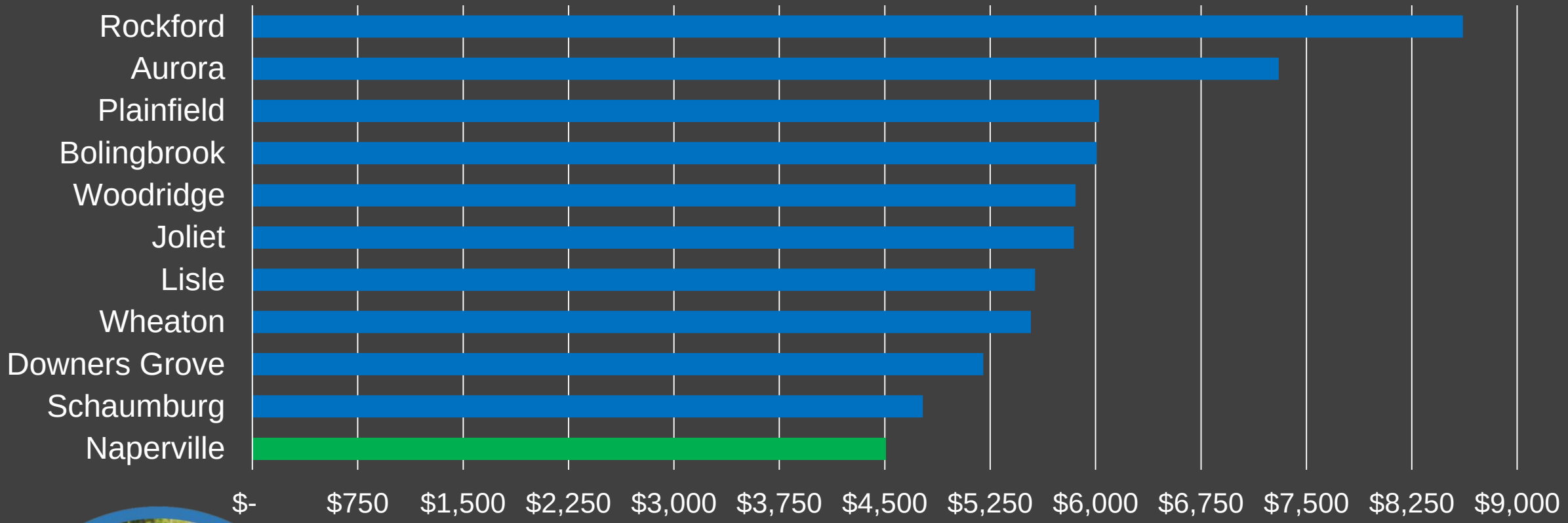
- Recommended rate of 0.6870 is being held flat
- Includes city services, library, and fire districts for comparison
- Average rate of comparable communities is 1.6184

Service Charge or Tax	Factors	Amount
Property Taxes	Home value of $409K	$861.22
Electric Charges	844 kWh use	$1,291.20
Water/Wastewater Charges	750 cubic feet/5,610 gallons	$944.88
Refuse Collection	65-gallon cart	$159.72
Yard Waste	2x bags for 39 weeks	$175.50
Motor Fuel Tax (State & Local)	1,130 gallons	$474.60
State Sales Tax	$37,378 eligible sales	$373.78
Home Rule Sales Tax	$23,346 eligible sales	$175.10
Food & Beverage Tax	$5,015 eligible sales	$50.15
Stormwater Charges	Varies	$ -
	TOTAL	**$4,506**

Household Cost of Living

- Overview of top 10 revenues for municipal services and utilities
- Used average consumer information based upon local, state, and federal data
- Used recurring annual costs, excluded one-time fees such as permits or transfer tax

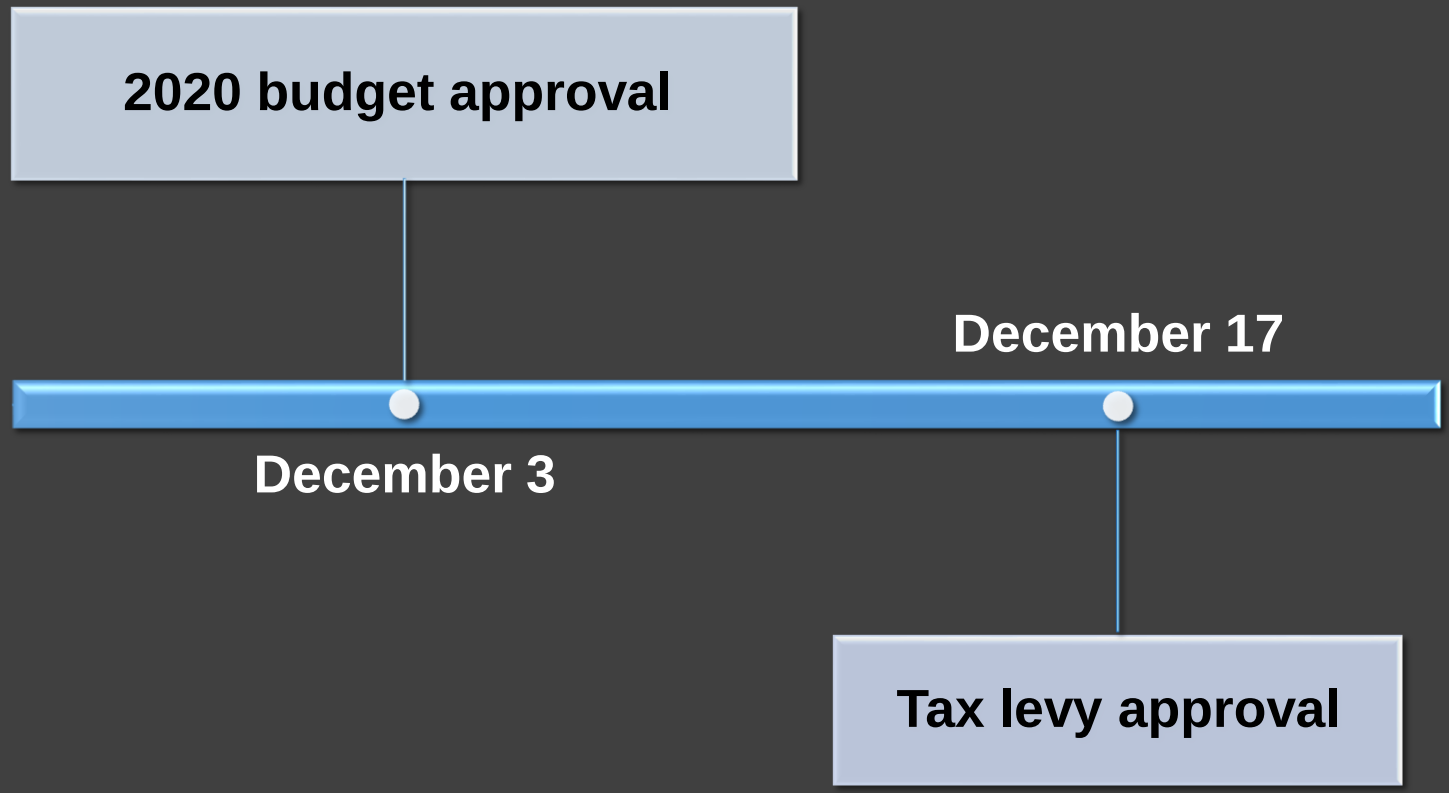
Comparable Communities

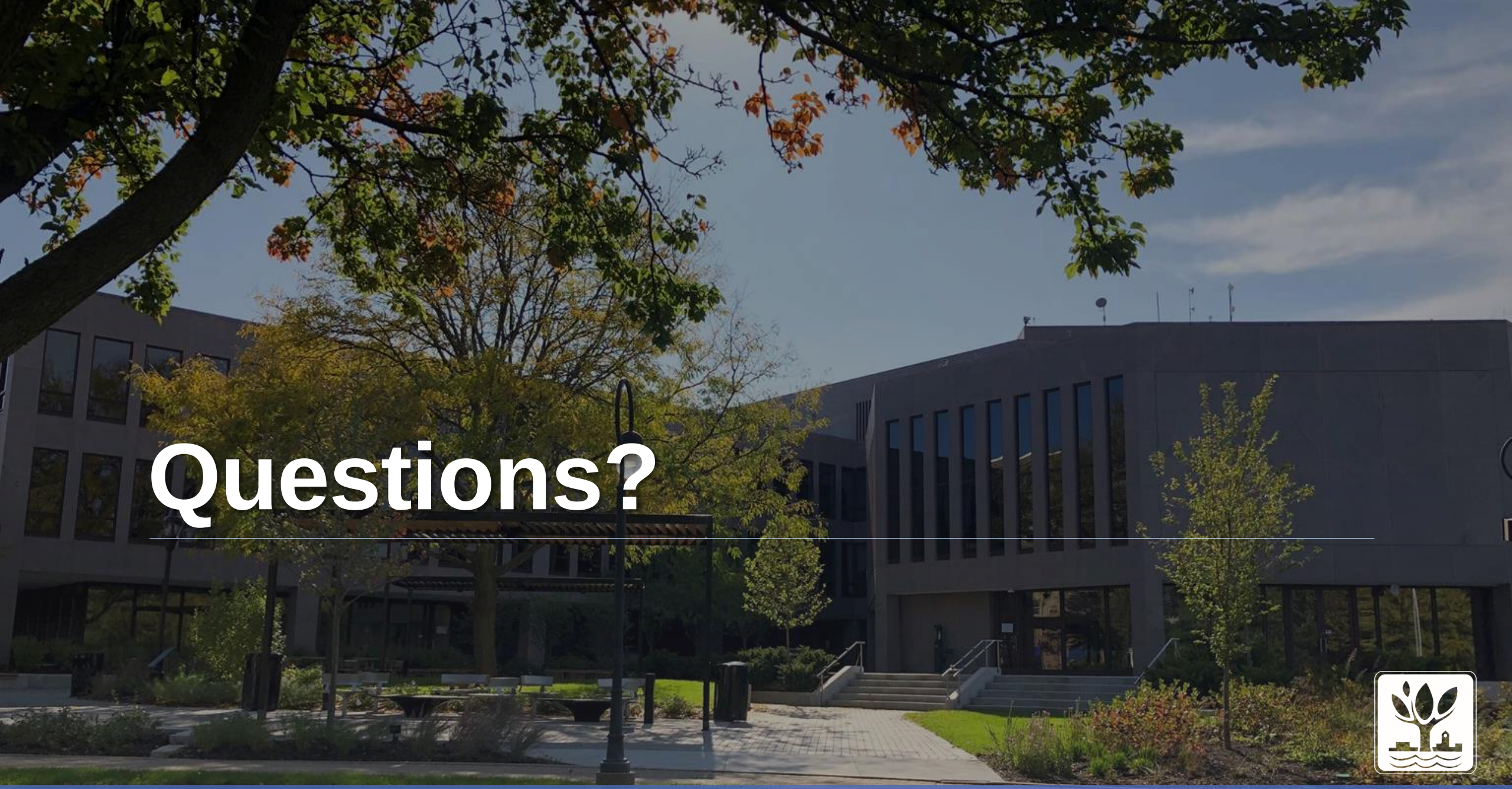


Household Cost of Living

- Lowest municipal tax and fee burden compared to surrounding communities
- Average tax and fees total $4,506 for municipal services and utilities

2020 Budget Process




Questions?