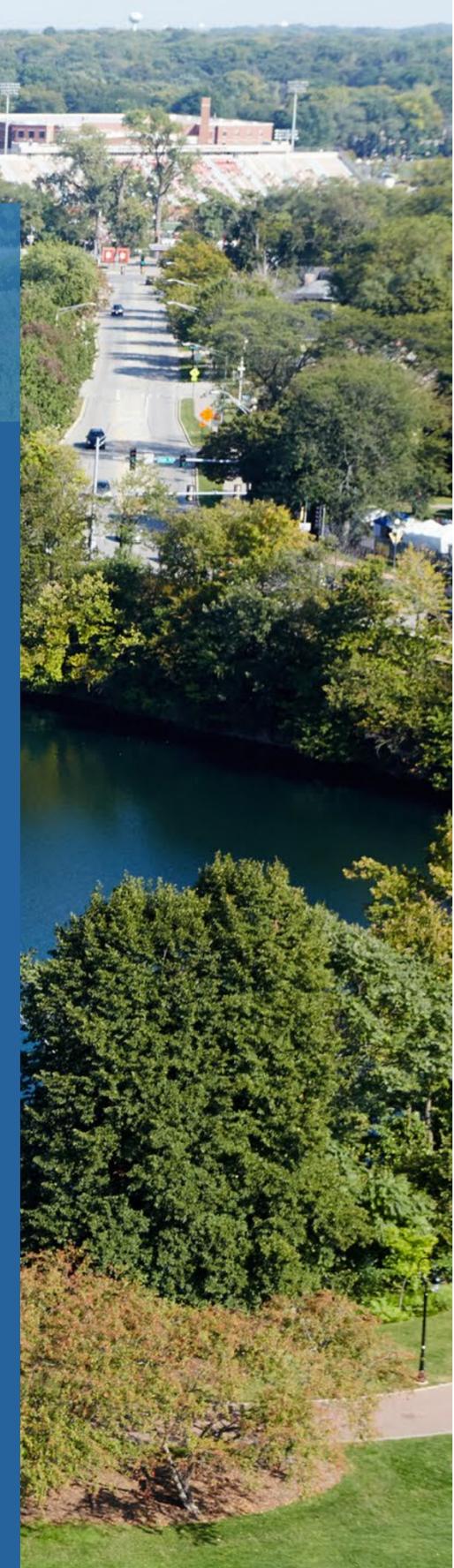


May Financial Update

CITY OF NAPERVILLE - MAY 19, 2020



Tonight's Discussion

- Current information
 - State directives, grant opportunities, IML projections
- Actions to date
- Expense reductions
- Revenue status
- Financial philosophies



Current Information

STAY-AT-HOME ORDER

- Extended through May
- Modifications: retail open for curbside pick-up, delivery

RESTORE ILLINOIS PLAN

- Five phases, four regions
- Naperville located in northeast region

FUNDING OPPORTUNITIES

- CARES Act Provider Relief Fund
 - \$82K to Fire, additional \$20K to come
- \$316K in CDBG funds
 - exploring potential small business program
- FEMA
- DuPage and Will counties



2020 budgeted: **\$25.79M**
Projected revenue loss: **\$3.23M**
Received to date: **\$9.99M**

IML Projections

LGDF: AT LEAST 15% DECREASE

MOTOR FUEL TAX: 15% DECREASE

- Reduced traffic, gas usage

**TRANSPORTATION RENEWAL FUND:
40% DECREASE**

- New source, projections not in 2020 budget
- No negative impact on planned expenses

LOCAL USE TAX: REMAIN FLAT

**PERSONAL PROPERTY REPLACEMENT
TAX: 30% DECREASE**

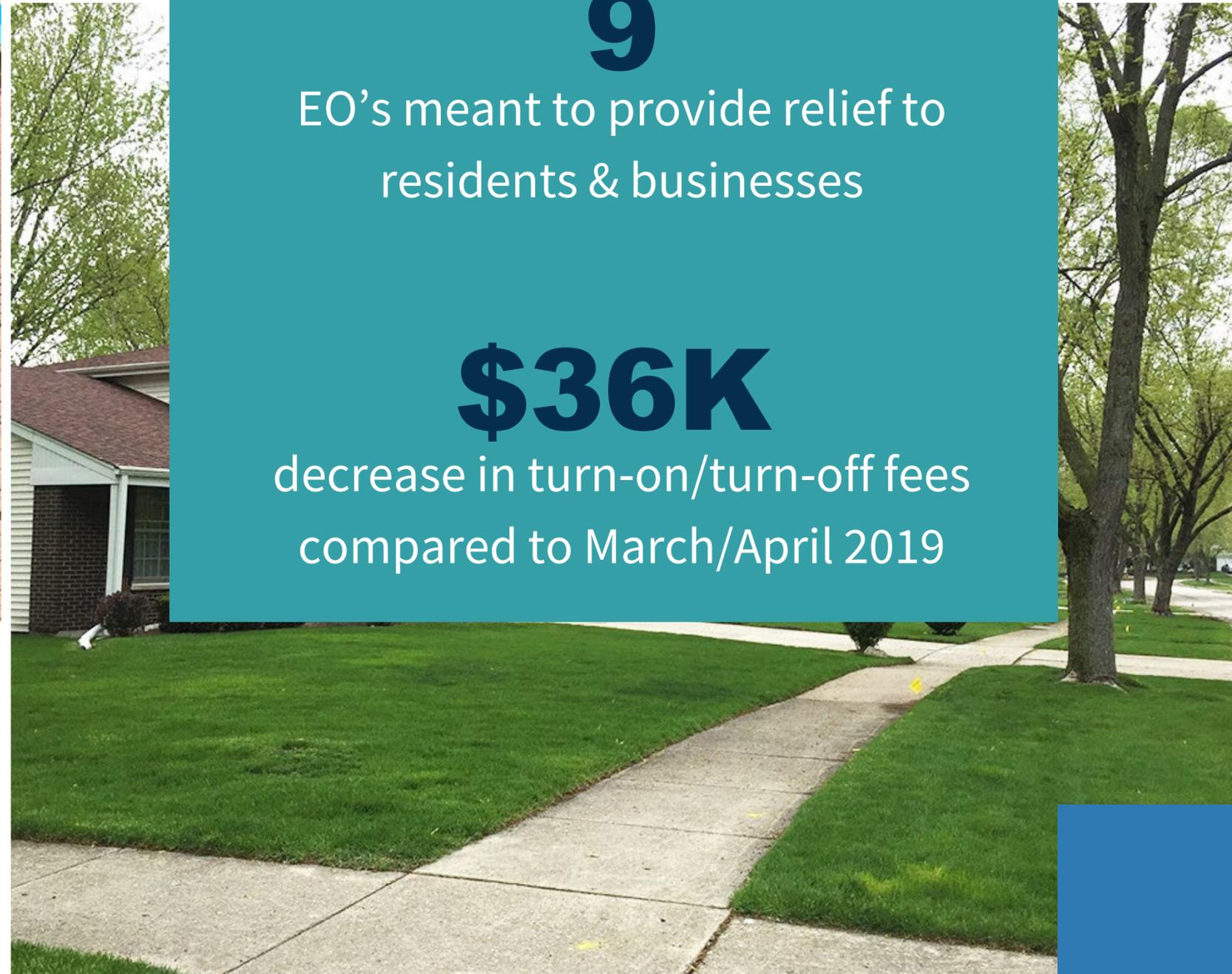
- Declining corporate tax
- One-time revenues

*Municipal FY21: April 1, 2020 – May 30, 2021



CIP Reduction

\$25M



Executive Orders

9

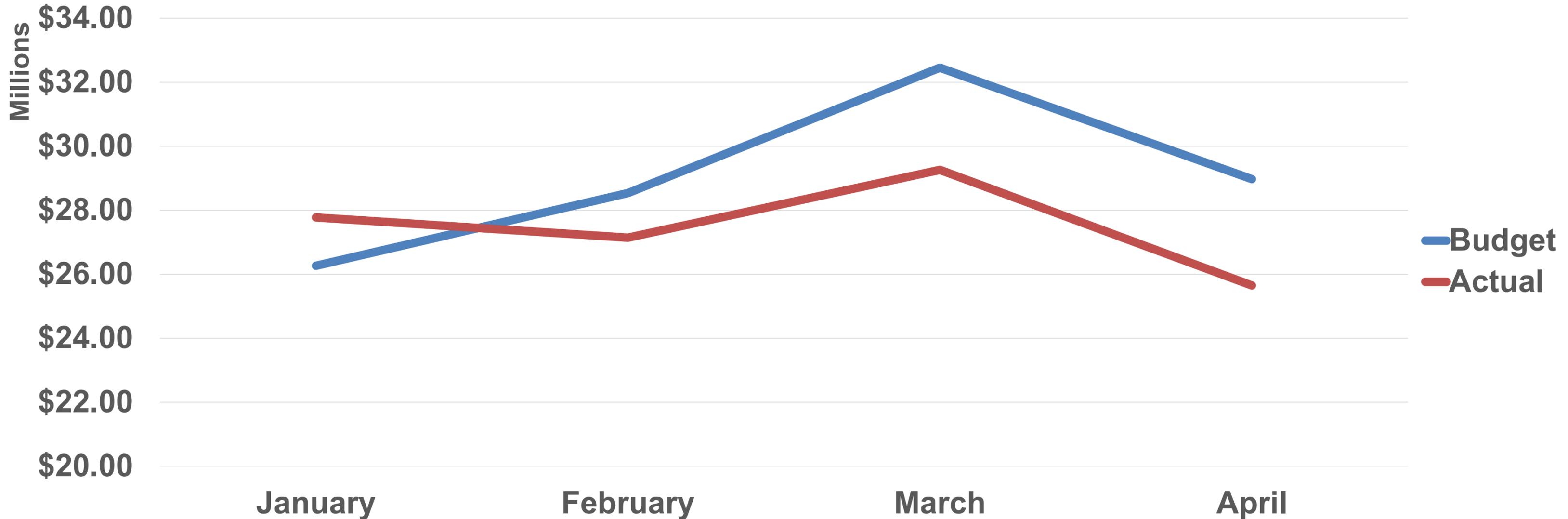
EO's meant to provide relief to residents & businesses

\$36K

decrease in turn-on/turn-off fees compared to March/April 2019

Actions to Date

YTD Expenses (All City Funds)

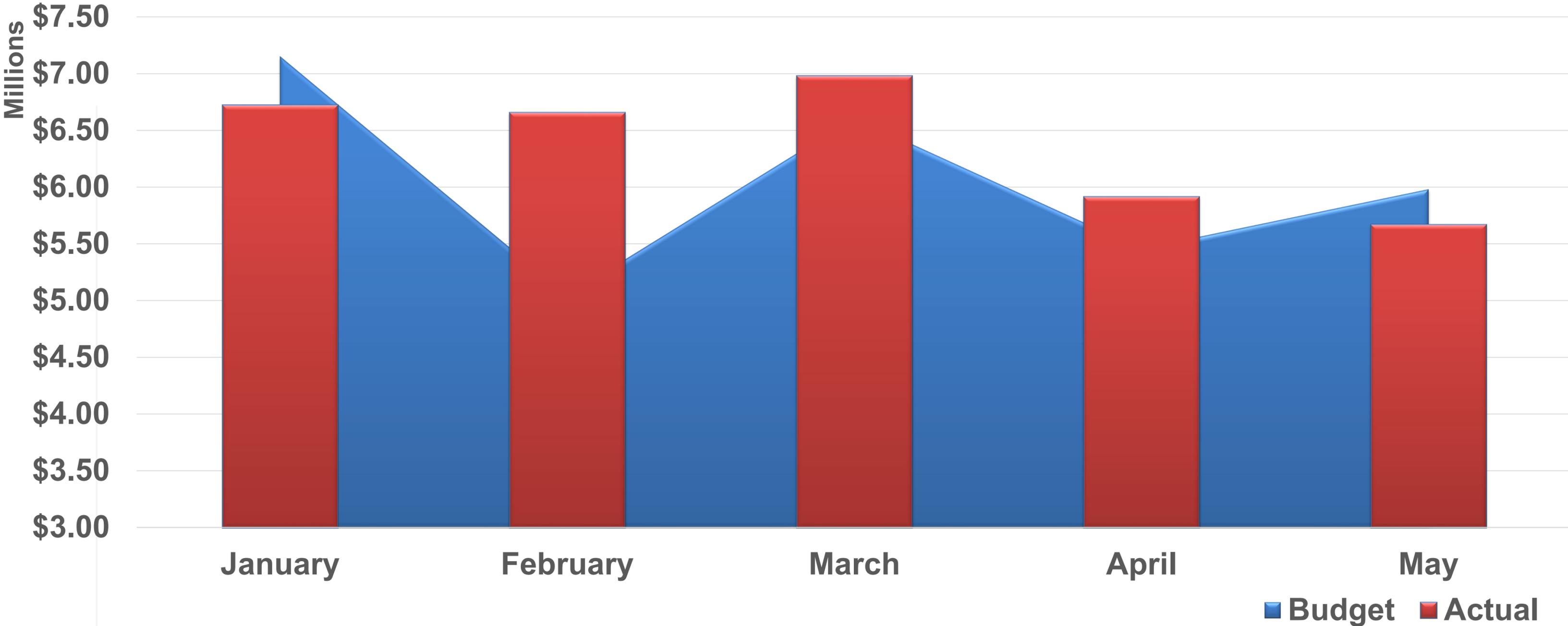


\$3.7M savings in various areas

- Healthcare, overtime, special events, purchased power, fuel, contractor costs, training and travel

**Expenditure
Reductions**

YTD State Shared Revenues

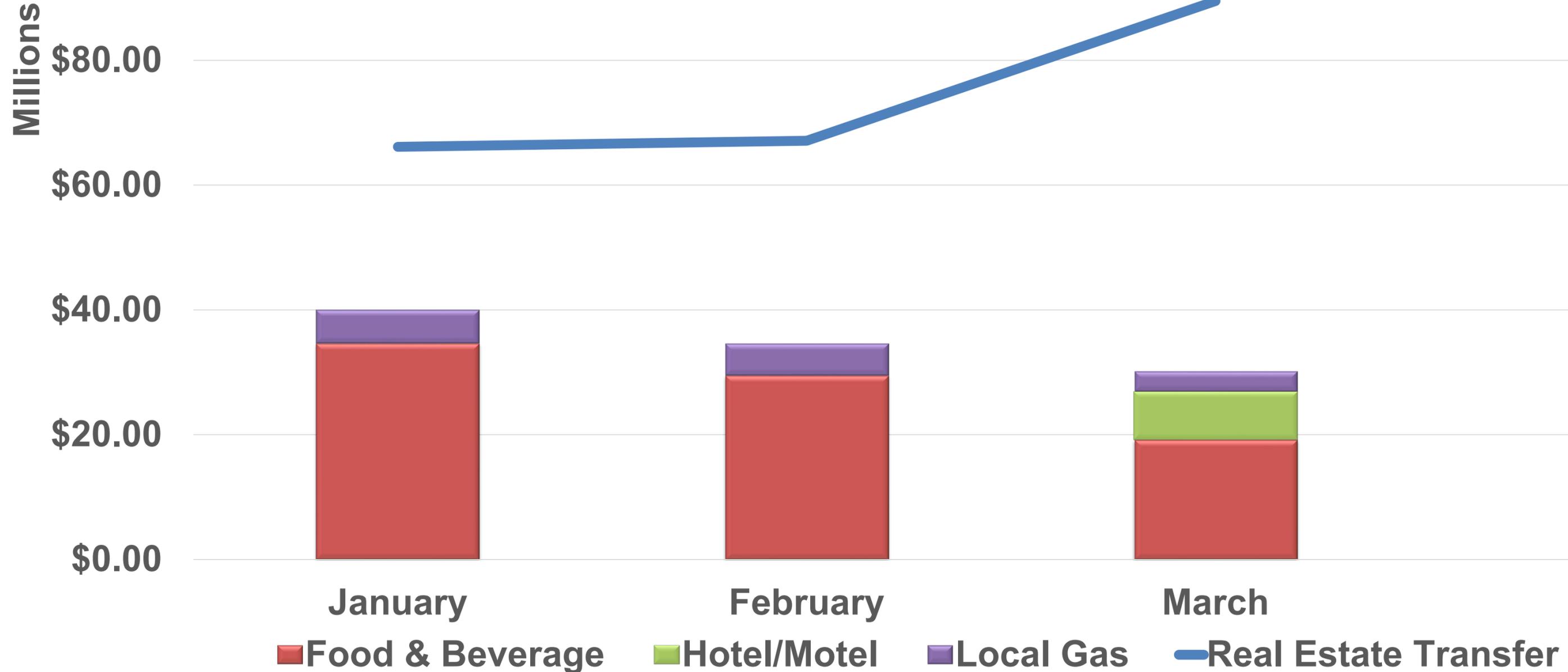


Post-COVID revenues not in until June

- State sales tax, state income tax, HRST, local use tax, state motor fuel tax
- Through April, projections outpaced by over \$2.2M – pre-pandemic conditions
- State distributions in May continue to trend positive except for income tax

State Revenues

Taxable Sales by Reporting Period



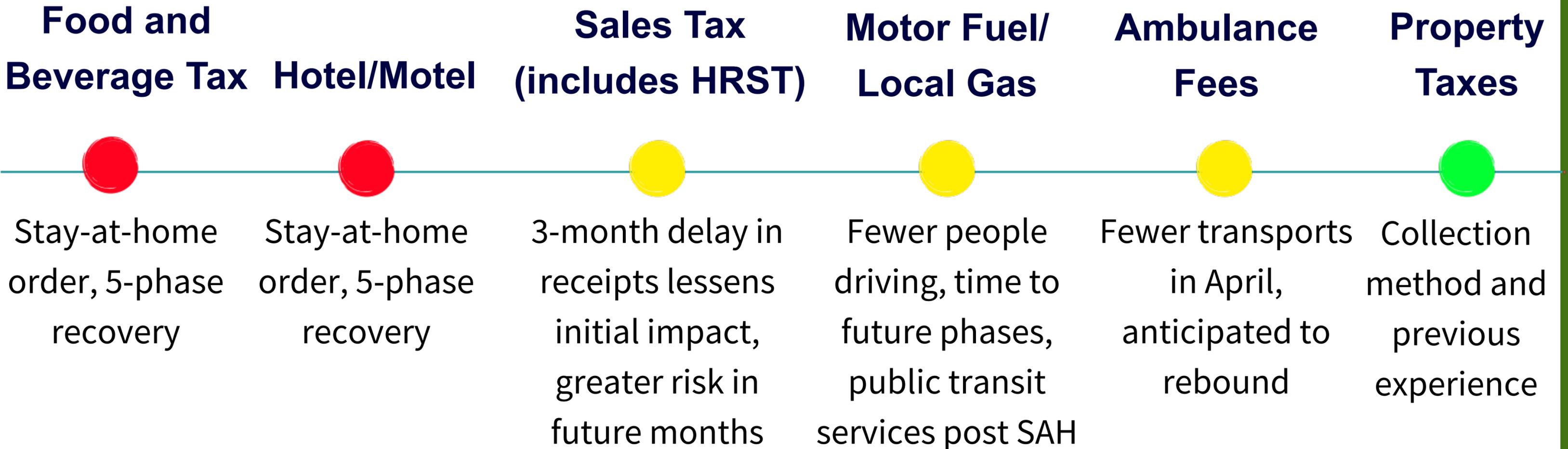
Decreases in receipts from F&B, Hotel/Motel, local gas tax

Lag time in receipts: April F&B, local gas tax later this month

Sales started declining in March, sharp drop in real estate transfer tax in April

**Local
Revenues**

Current Risk Levels - Revenues



High **Medium** **Low**

Financial Philosophies

REMOVE REVENUE RESTRICTIONS

- Certain revenues currently restricted for use
 - HRST, F&B
- Option to temporarily loosen or enact sunset clause
- Option to reallocate funds for different purposes
 - Reallocate to core services
 - Expand, create new programs

REDUCE NUMBER OF MAINTENANCE PROJECTS

- Higher costs in future years

OPPORTUNITY COST PROJECTS

- Higher costs in future years if City chooses not to take advantage of timing now
- Expected level of service in current environment

CONSIDER SUSPENDING FINANCIAL PRINCIPLES

- Use cash reserves
- Leverage borrowing power

Next Steps

INPUT ON PHILOSOPHIES

JUNE REPORT

- First state tax receipts post-COVID onset

ONLINE PUBLIC DASHBOARD



QUESTIONS?

