

CITY OF NAPERVILLE, ILLINOIS

2022

August Financial Report

AUGUST 16, 2022



TONIGHT'S AGENDA

2022 six-month budget overview

- Budget performance through the first two quarters
- State and local revenue highlights & expense considerations

2023 trend considerations

- Pandemic-influenced trends staff is closely monitoring

2022

Monthly Financial Reports



THIS MONTH'S TAKEAWAYS

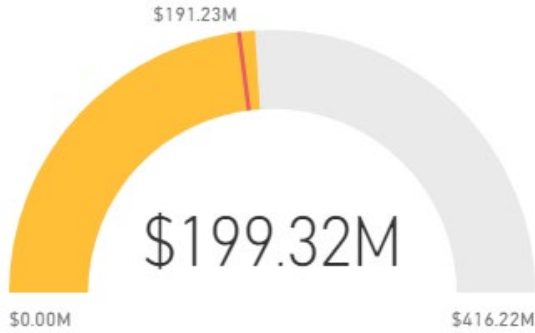
Despite concerns over inflation, the City's overall budget remains in line with expectations through the first six months of 2022 and continues to show positive revenue and expense trends.

While the City's financial performance to date is strong, changing economic, legislative, and social trends will have a stronger influence on the budget and the City's resources moving forward.

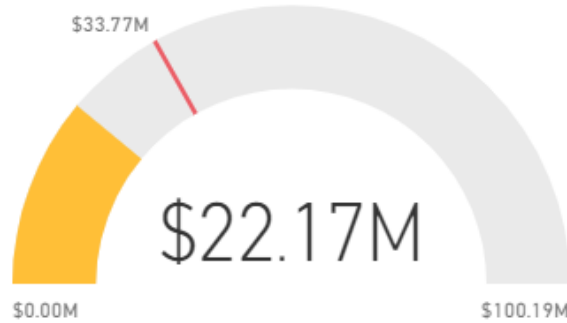
Q2 BUDGET SUMMARY

Revenues

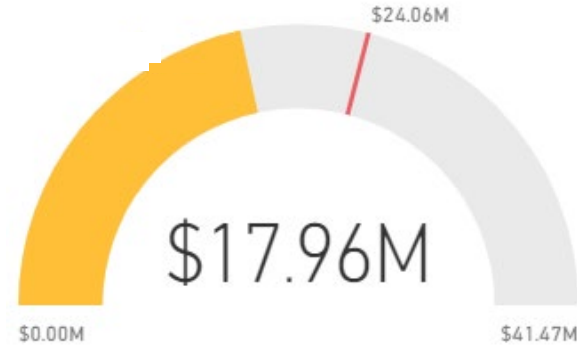
Maintenance & Operating Funds



Capital & Debt Service Funds

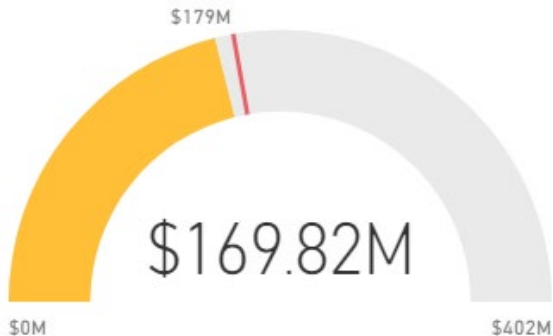


Special Funds

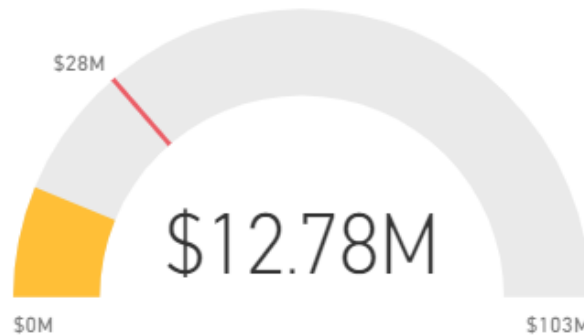


Expenses

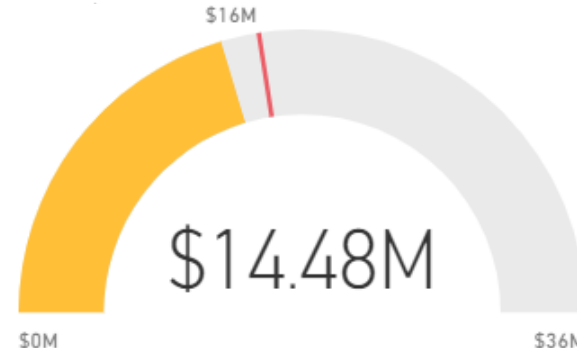
Maintenance & Operating Funds



Capital & Debt Service Funds



Special Funds



\$ in millions

NOTABLE REVENUE & EXPENSE TRENDS

Revenues	Analysis
State Shared (Sales, Home Rule Sales, Income, Motor Fuel, Local Use)	<ul style="list-style-type: none">• All revenues outperforming projections except for motor fuel, local use• Sales taxes benefiting from strong consumer spending, price inflation, additional taxes on online sales• Motor fuel likely impacted due to reduction in gas consumption
Local Taxes (Food & Beverage, Hotel/Motel, Real Estate Transfer)	<ul style="list-style-type: none">• Food & beverage June sales 10% higher than same period in 2019 – monitoring for any shifts in behavior due to inflation• Second quarter hotel/motel tax back to 2019 levels• Local gas tax remains weaker; expected due to higher gas prices and corresponding reduction in consumption
Expenses	Analysis
Inflationary Impacts	<ul style="list-style-type: none">• Fuel costs 26% higher than projected• Natural gas costs exceed projections by 60%• Credit card service fees 20% higher due to increased demand for electronic payments

2023 CONSIDERATIONS

Workforce shifts

- Continued employee movement based on post-pandemic expectations
- Naperville: increase in employee movement between departments and organizational departures

Economic impacts

- Supply chain issues & significant material lead times
 - Accelerated procurement requests
- Departments building resource-specific inflation amounts into 2023 requests

Regulatory demands

- Uptick in public safety & utility legislation -- associated resources & costs

Customer service expectations

- Continued push to offer services in multiple ways, especially online
- Significant, ongoing resource needs for implementation, maintenance & enhancements



20
23

QUESTIONS?

