



AGENDA ITEM

MEETING TYPE: Committee of the Whole

MEETING DATE: June 6, 2017

SUBJECT: Financial Forecast Fiscal Years 2019-2023 Discussion

ACTION REQUESTED:

Discuss and review the Financial Forecast

BOARD/COMMISSION REVIEW:

N/A

ACTION PREVIOUSLY TAKEN:

Date of Action	Meeting Type	Action Taken
N/A	N/A	N/A

DEPARTMENT: Finance

SUBMITTED BY: Mark G. Horton, Finance Director

FISCAL IMPACT:

None

BACKGROUND:

Staff creates a financial forecast to show the current trends in revenues and expenditures. The forecast is discussed with the Village Board. The Board was informed about the forecast at the budget workshop held in March.

DISCUSSION:

The Village Board and staff will review and discuss the forecast at this meeting. Overall, the forecast shows that the current revenue streams will not be sufficient to support the ongoing expenditures over the next five years and beyond.

RECOMMENDATION:

Discuss the forecast and provide staff with direction on having further detailed discussions on revenues and expenditures.

ATTACHMENTS:

-Financial Forecast

-IML Statutory Revenues

Financial Forecast

Agenda

- ❖ Background
- ❖ Fiscal years 2019 – 2023
- ❖ Assumptions
- ❖ Brief review of each accounting fund
- ❖ Issues identified
- ❖ Solutions

Financial Forecast

Background

➤ Budget workshop

- Discussed the forecast

➤ Strategic Plan Initiatives

- Review revenues
- Reduce reliance on sales tax
- Plan for mega projects
 - Wolfs Crossing, Water Source, Metra

➤ State of Illinois

- LGDF Reduction (income tax)
- Property Tax Freeze

➤ State of Retail

- Online shopping and impact on sales tax

Goal of Workshop

- Provide an Overview of Village Finances Now and Into the Future; and
- Build Consensus with the Village Board on How to Plan for our Fiscal Future.

Financial Forecast

Fiscal years 2019 – 2023

- ❖ Forecast based on fiscal year 2018 Village Budget
- ❖ Capital projects included
- ❖ Business as usual
 - staffing, service levels
- ❖ Trend- existing revenues will not support expenditures

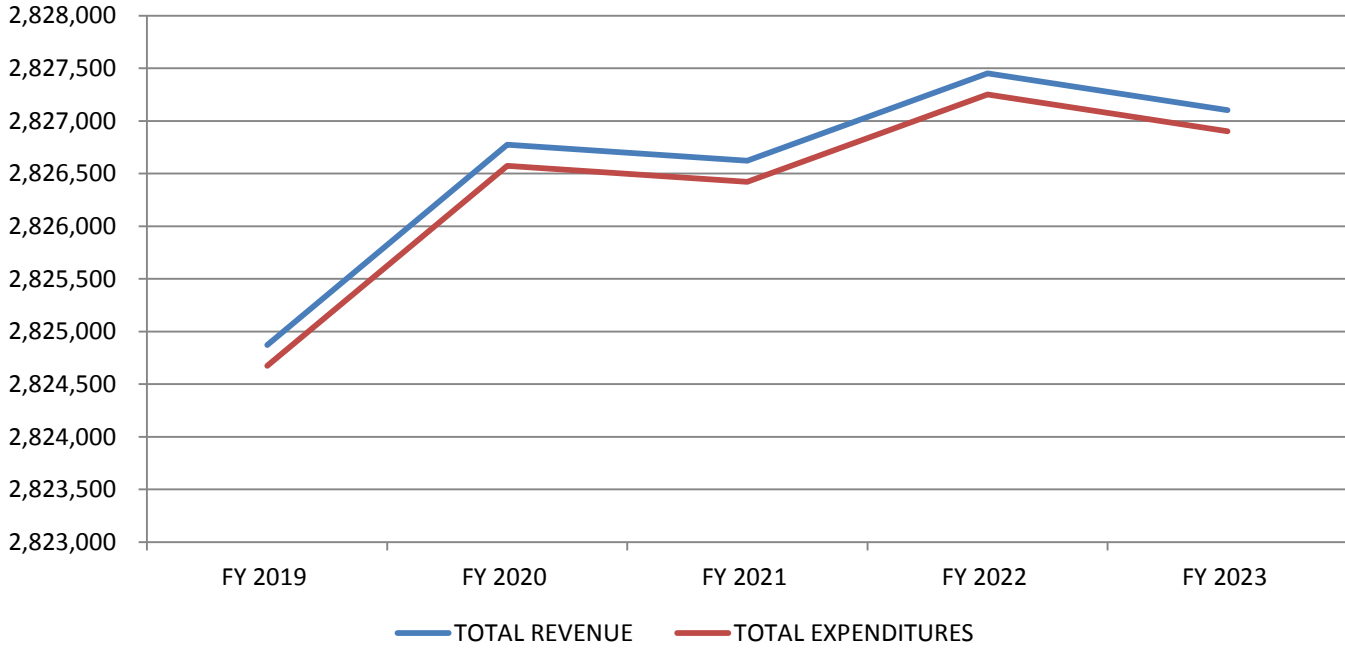
Financial Forecast

Assumptions

- ❖ Revenues estimated on historical trends/estimation techniques
- ❖ Expenditures/expenses based on actual known amounts/projections/trends
- ❖ Current Actuarial report used
- ❖ Calendar 2016 tax levy
- ❖ Current labor contracts

Financial Forecast

Debt Service Fund



Financial Forecast

DEBT SERVICE FUND (20)					
	Financial Forecast				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	69,581	69,781	69,981	70,181	70,381
<u>REVENUES</u>					
Transfer In - General Fund	1,139,973	1,152,873	1,168,573	1,161,802	1,174,452
Transfer In - MFT Fund	262,500	262,500	262,500	262,500	262,500
Transfer In- Capital Impr. Fund	1,422,200	1,411,200	1,395,350	1,402,950	1,389,950
Interest	200	200	200	200	200
TOTAL REVENUE	2,824,873	2,826,773	2,826,623	2,827,452	2,827,102

Financial Forecast

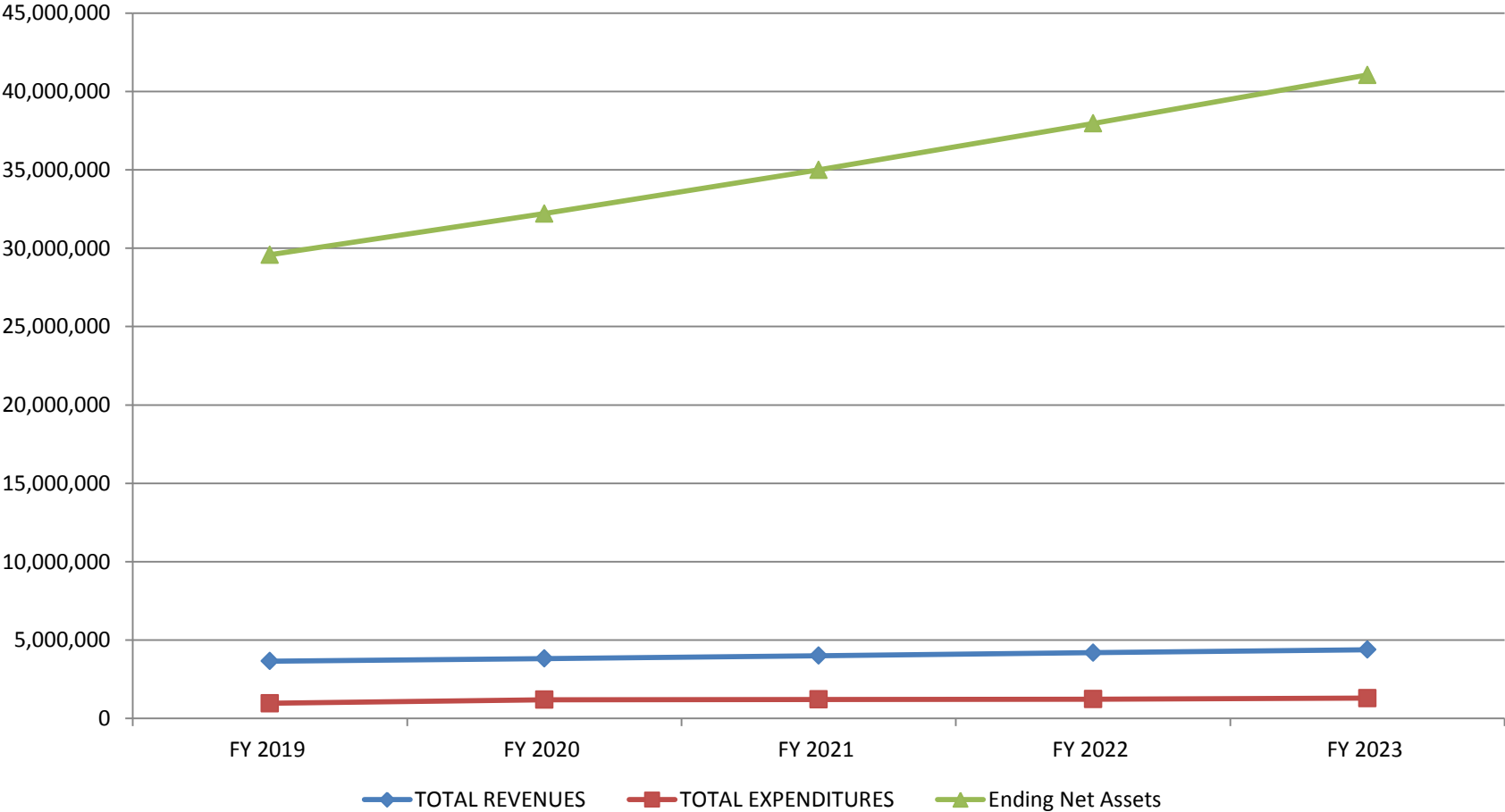
DEBT SERVICE FUND (20)					
	Financial Forecast				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<u>EXPENDITURES</u>					
Registrar/Paying Agent Fees	1,373	1,373	1,373	1,002	1,002
Debt Service-Principal	1,285,000	1,325,000	1,365,000	1,410,000	1,455,000
Debt Service-Interest	1,538,300	1,500,200	1,460,050	1,416,250	1,370,900
TOTAL EXPENDITURES	2,824,673	2,826,573	2,826,423	2,827,252	2,826,902
Revenues Over/Under Expenditures	200	200	200	200	200
Other Financing Source/Use					
Change in Fund Balance	200	200	200	200	200
Ending Fund Balance	69,781	69,981	70,181	70,381	70,581

Financial Forecast

GARBAGE COLLECTION FUND (08)					
	Financial Forecast				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Net Assets	519,562	520,274	520,988	521,704	522,422
<u>REVENUES</u>					
Charges for Services					
Disposal Fees	2,499,000	2,548,980	2,599,960	2,651,959	2,704,998
Waste Stickers and Bins	1,212	1,224	1,236	1,249	1,261
Total Charges for Services	2,500,212	2,550,204	2,601,196	2,653,208	2,706,259
Interest	500	500	500	500	500
TOTAL REVENUE	2,500,712	2,550,704	2,601,696	2,653,708	2,706,759
<u>EXPENSES</u>					
Professional Services					
Disposal Service	2,499,000	2,548,980	2,599,960	2,651,959	2,704,998
Waste Stickers and Bins	1,000	1,010	1,020	1,030	1,041
TOTAL EXPENSES	2,500,000	2,549,990	2,600,980	2,652,989	2,706,039
Revenues Over/Under Expenditures	712	714	716	718	721
Change in Fund Balance	712	714	716	718	721
Ending Net Assets	520,274	520,988	521,704	522,422	523,143

Financial Forecast

Police Pension Fund



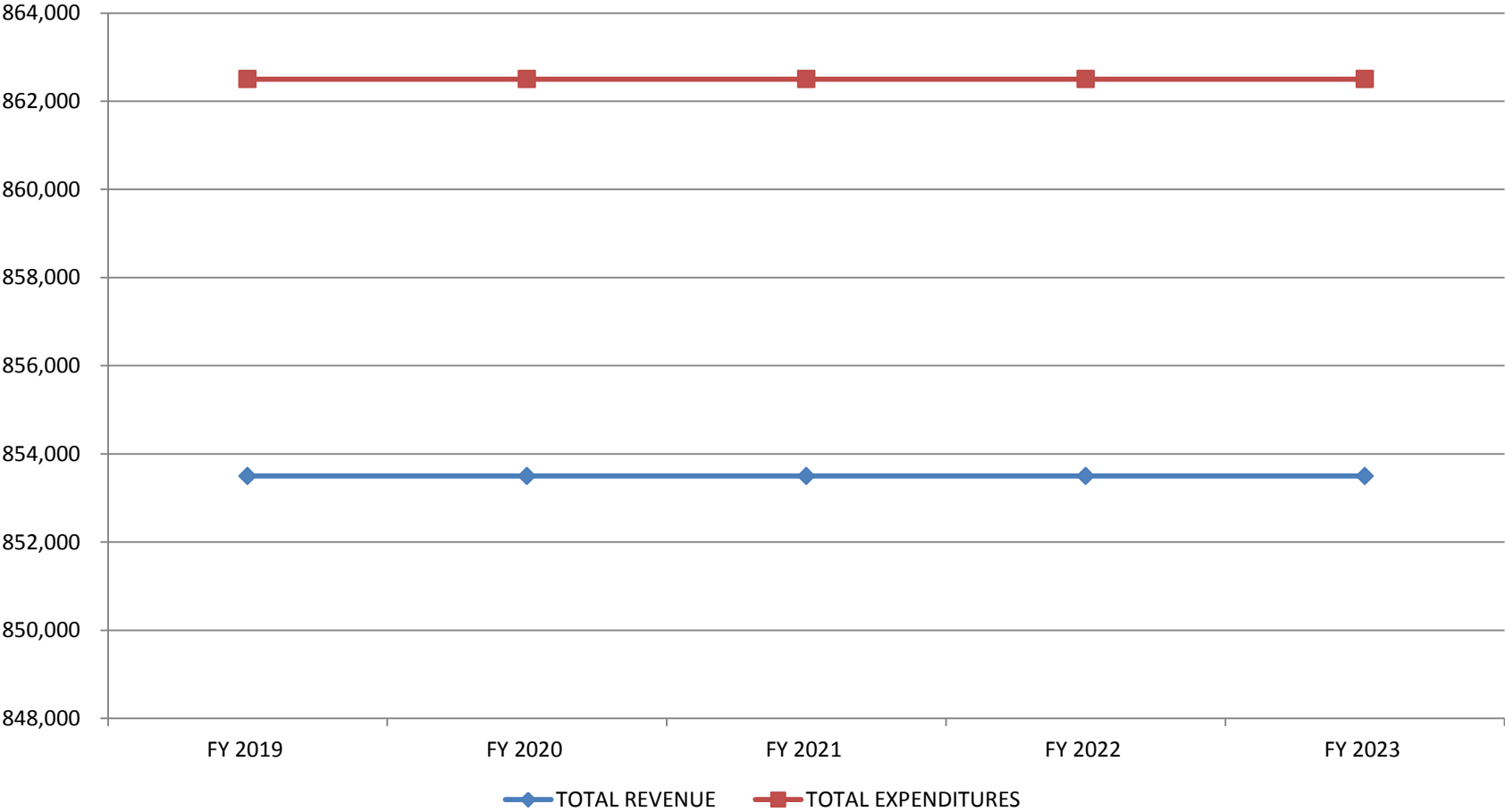
Financial Forecast

Police Pension Fund

	Financial Forecast				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Net Assets	26,894,671	29,578,609	32,208,055	34,997,434	37,954,803
<u>REVENUES</u>					
Employer Contribution					
Property Taxes	1,278,500	1,278,500	1,278,500	1,278,500	1,278,500
Village Contribution	191,500	265,000	342,175	423,209	508,294
Total Employer Contribution	1,470,000	1,543,500	1,620,675	1,701,709	1,786,794
Employee Contributions	465,255	488,518	512,944	538,591	565,520
Interest Income	250,000	250,000	250,000	250,000	250,000
TOTAL REVENUES	3,655,255	3,825,518	4,004,294	4,192,008	4,389,109
<u>EXPENDITURES</u>					
Benefits	862,823	1,078,932	1,089,274	1,100,000	1,150,000
Refunds	-	-	-	-	-
Legal Services	2,500	2,500	2,500	2,500	2,500
Accounting Expense	15,810	16,284	16,773	17,276	17,881
Investment Expense	80,684	88,736	96,624	104,992	113,864
Professional Development	4,000	4,120	4,244	4,371	4,502
Operating Supplies	5,500	5,500	5,500	5,500	5,500
TOTAL EXPENDITURES	971,317	1,196,072	1,214,915	1,234,639	1,294,247
Revenues Over/Under					
Expenditures	2,683,938	2,629,446	2,789,379	2,957,369	3,094,862
Change in Fund Balance	2,683,938	2,629,446	2,789,379	2,957,369	3,094,862
Ending Net Assets	29,578,609	32,208,055	34,997,434	37,954,803	41,049,665

Financial Forecast

Motor Fuel Tax Fund



Financial Forecast

Motor Fuel Tax Fund

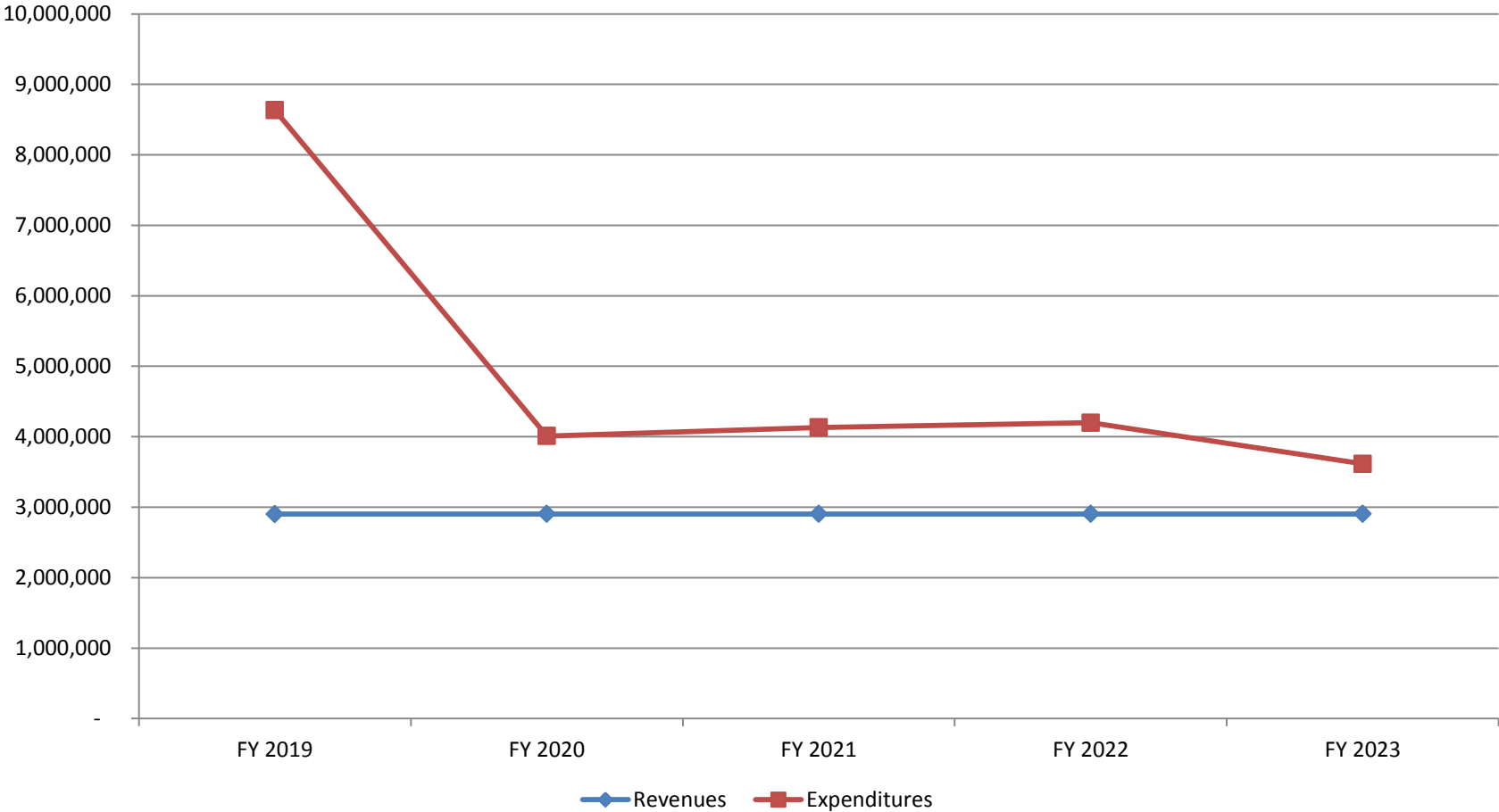
MOTOR FUEL TAX FUND (02)	<i>Financial Forecast</i>				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	612,415	603,415	594,415	585,415	576,415
<u>REVENUES</u>					
State Allotments	850,000	850,000	850,000	850,000	850,000
Other					
Interest Income	3,500	3,500	3,500	3,500	3,500
TOTAL REVENUE	853,500	853,500	853,500	853,500	853,500
<u>EXPENDITURES</u>					
Public Improvements	600,000	600,000	600,000	600,000	600,000
Transfer to Debt Service Fund	262,500	262,500	262,500	262,500	262,500
TOTAL EXPENDITURES	862,500	862,500	862,500	862,500	862,500
Revenues Over/Under Expenditures	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)
Other Financing Sources/(Uses)	0	0	0	0	0
Change in Fund Balance	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)
Ending Fund Balance	603,415	594,415	585,415	576,415	567,415

Financial Forecast

TAX INCREMENT FINANCING FUND (03)	<i>Financial Forecast</i>				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	84,736	55,136	25,740	(3,450)	(32,432)
<u>REVENUES</u>					
Property tax	20,400	20,604	20,810	21,018	21,228
Interest Income	500	500	500	500	500
TOTAL REVENUE	20,900	21,104	21,310	21,518	21,728
<u>EXPENDITURES</u>					
Professional Services	50,000	50,000	50,000	50,000	50,000
Communication	500	500	500	500	500
Public Improvements	0	0	0	0	0
TOTAL EXPENDITURES	50,500	50,500	50,500	50,500	50,500
Revenues Over/Under Expenditures	(29,600)	(29,396)	(29,190)	(28,982)	(28,772)
Other Financing Sources/(Uses)					
Change in Fund Balance	(29,600)	(29,396)	(29,190)	(28,982)	(28,772)
Ending Fund Balance	55,136	25,740	(3,450)	(32,432)	(61,203)

Financial Forecast

Capital Improvement Fund



Financial Forecast

Capital Improvement Fund

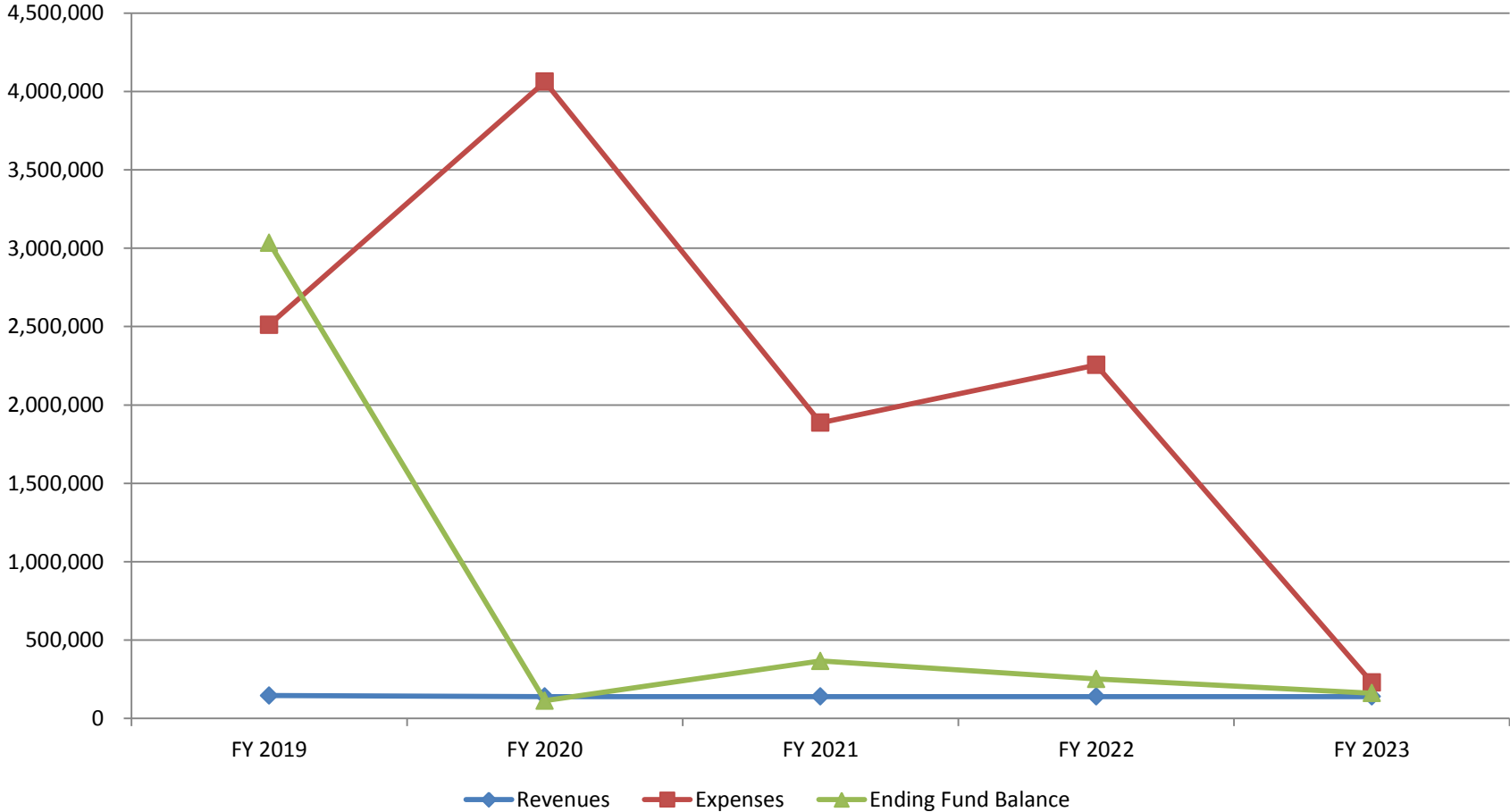
CAPITAL IMPROVEMENT FUND (06)					
	<i>Financial Forecast</i>				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	6,216,013	485,613	(620,587)	(1,848,837)	(3,143,587)
<u>REVENUES</u>					
Local Sales tax	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Charges for Service					
Impact Fees					
Grant Proceeds					
Interest	2,500	3,000	3,200	3,200	3,200
TOTAL REVENUE	2,902,500	2,903,000	2,903,200	2,903,200	2,903,200

Financial Forecast

CAPITAL IMPROVEMENT FUND (06)					
	<i>Financial Forecast</i>				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<u>EXPENDITURES</u>					
Professional Services					
Paying Agent Fees					
Capital Improvements					
Annual Road Program	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Bridge repairs	17,000	106,000	94,000	115,000	
US 30-Village Share (IDOT)		150,000			
Minkler Rd Bridge Repair	106,000	92,000	254,000		
Other Capital Outlay	118,000		163,100	455,000	
Police Facility (New)	4,700,000				
Rt 34 from W Village Limits to	169,700				
TOTAL EXPENDITURES	6,510,700	1,898,000	2,036,100	2,095,000	1,525,000
Revenues Over/Under					
Expenditures	(3,608,200)	1,005,000	867,100	808,200	1,378,200
Other Financing Source/Use					
Transfer to General Fund	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Transfer to Debt Service Fund	(1,422,200)	(1,411,200)	(1,395,350)	(1,402,950)	(1,389,950)
TOTAL	(2,122,200)	(2,111,200)	(2,095,350)	(2,102,950)	(2,089,950)
Ending Fund Balance	485,613	(620,587)	(1,848,837)	(3,143,587)	(3,855,337)

Financial Forecast

Water & Sewer Capital Fund



Financial Forecast

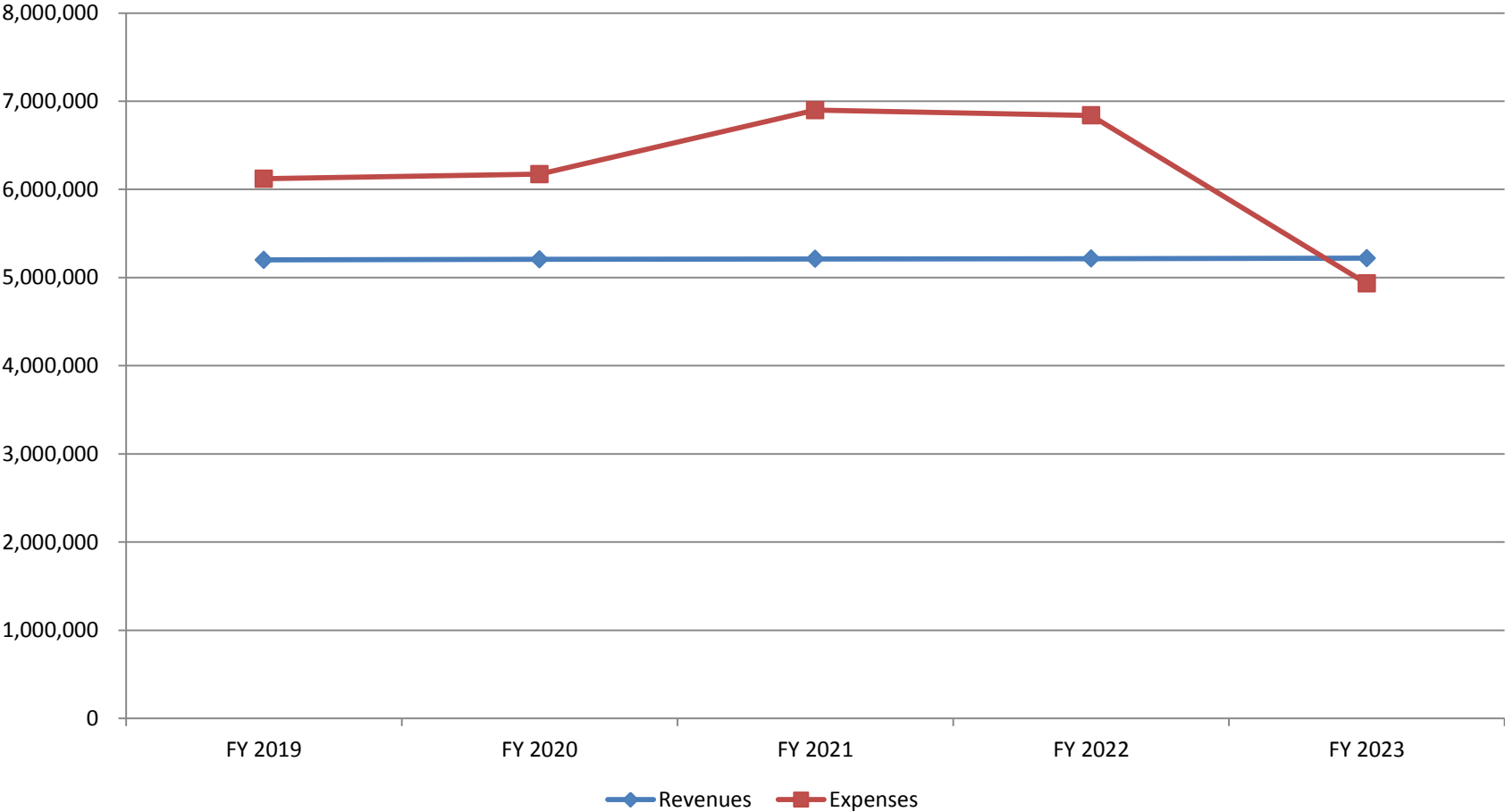
WATER & SEWER CAPITAL FUND (04)					
	Financial Forecast				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	4,399,421	3,034,421	112,921	366,421	251,421
<u>REVENUES</u>					
Charges for Service					
Meter Tap on Fees	110,000	110,000	110,000	110,000	110,000
MXU Fees	30,000	30,000	30,000	30,000	30,000
Total Charges for Service	140,000	140,000	140,000	140,000	140,000
Interest	6,000	0	0	0	0
TOTAL REVENUE	146,000	140,000	140,000	140,000	140,000

Financial Forecast

WATER & SEWER CAPITAL FUND (04)					
	Financial Forecast				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<u>EXPENDITURES</u>					
Water Meter Supplies					
Water Meters for New Homes & Commercial Development	50,000	50,000	50,000	50,000	50,000
Water Meter Replacements	100,000	100,000	100,000	100,000	100,000
Total Water Meter Supplies	150,000	150,000	150,000	150,000	150,000
Capital Improvements					
Utility System Improvements					
Generator Installation		49,300	400,000		
Sanitary Sewer Lining Program	125,000	80,000	80,000	80,000	80,000
Water Meter & Reader Replacement	1,200,000	1,200,000	1,200,000	1,200,000	
Water Tower Washing	625,000				
Water Plant Improvements	36,000	7,200	7,200		
Roof Replacement-Wells 3 & 6			49,300		
Utility System Improvements Total	2,361,000	3,911,500	1,736,500	2,105,000	80,000
Total Capital Improvements	2,361,000	3,911,500	1,736,500	2,105,000	80,000
TOTAL EXPENDITURES	2,511,000	4,061,500	1,886,500	2,255,000	230,000
Revenues Over/Under Expenditures	(2,365,000)	(3,921,500)	(1,746,500)	(2,115,000)	(90,000)
Other Financing Source/Use					
Transfer From Water & Sewer Fund	1,000,000	1,000,000	2,000,000	2,000,000	-
Ending Fund Balance	3,034,421	112,921	366,421	251,421	161,421

Financial Forecast

Water & Sewer Fund

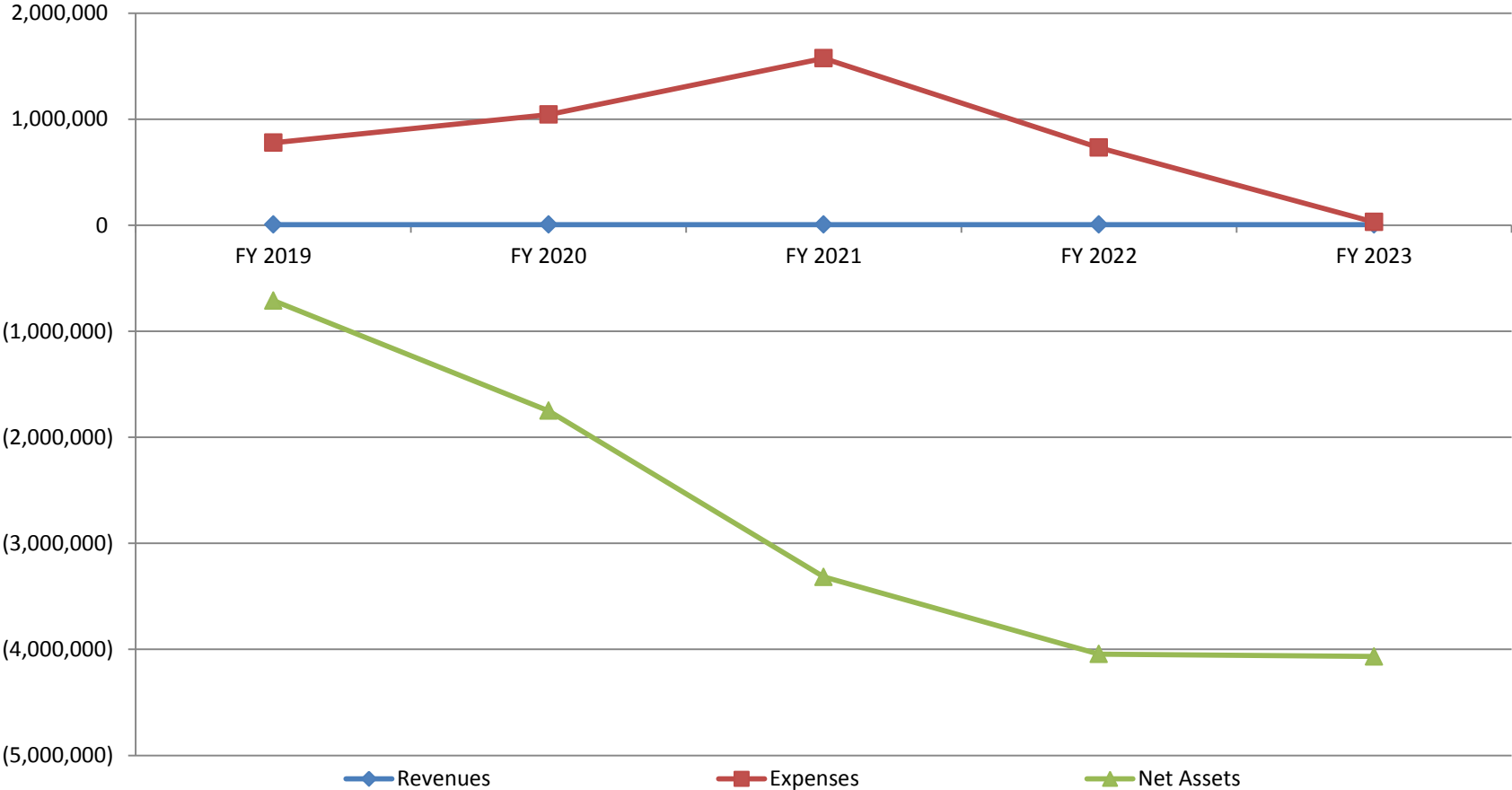


Financial Forecast

WATER AND SEWER FUND (05)					
FUND SUMMARY					
	Financial Forecast				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Unrestricted Net Assets	710,553	(208,764)	(1,175,038)	(2,863,709)	(4,487,959)
<u>REVENUES</u>					
Charges for Services	5,078,136	5,088,292	5,098,469	5,108,666	5,118,883
Permits	200	200	200	200	200
Grants	94,309	89,248	83,774	77,851	71,468
Interest	17,000	17,170	17,342	17,515	17,690
Donations/Contributions	11,000	11,000	11,000	11,000	11,000
Transfers In	0	0	0	0	0
Miscellaneous	0	0	0	0	0
TOTAL REVENUE	5,200,645	5,205,910	5,210,785	5,215,232	5,219,241
<u>EXPENSES</u>					
Personnel Services	1,222,718	1,262,147	1,306,514	1,354,434	1,404,859
Insurance and Benefits	473,677	495,494	519,733	544,134	570,622
Professional Services	104,457	105,364	105,852	106,673	107,608
Contractual Services	1,556,682	1,563,720	1,570,895	1,578,212	1,585,675
Communication	66,251	66,251	66,251	66,251	66,251
Professional Development	15,400	15,400	15,400	15,400	15,400
Operating Supplies	62,930	62,930	62,930	62,930	62,930
Debt Service	1,617,847	1,600,879	1,251,880	1,111,448	1,118,645
TOTAL EXPENSES	5,119,962	5,172,185	4,899,455	4,839,482	4,931,990
Change in Unrestricted Net Assets	80,683	33,725	311,330	375,750	287,252
Other Financing Source/Use					
Unrestricted Net Assets					
Transfer to Water & Sewer Capital	(1,000,000)	(1,000,000)	(2,000,000)	(2,000,000)	
Transfer to Vehicle Fund					
Total Other Financing Source/Use	(1,000,000)	(1,000,000)	(2,000,000)	(2,000,000)	0
Ending Unrestricted Net Assets	(208,764)	(1,175,038)	(2,863,709)	(4,487,959)	(4,200,708)
Amount per net asset policy	2,651,513	2,323,272	2,205,720	2,237,055	2,709,189
Flat fee per month needed to meet net asset policy	20.20	24.71	35.80	47.49	48.80

Financial Forecast

Vehicle Fund



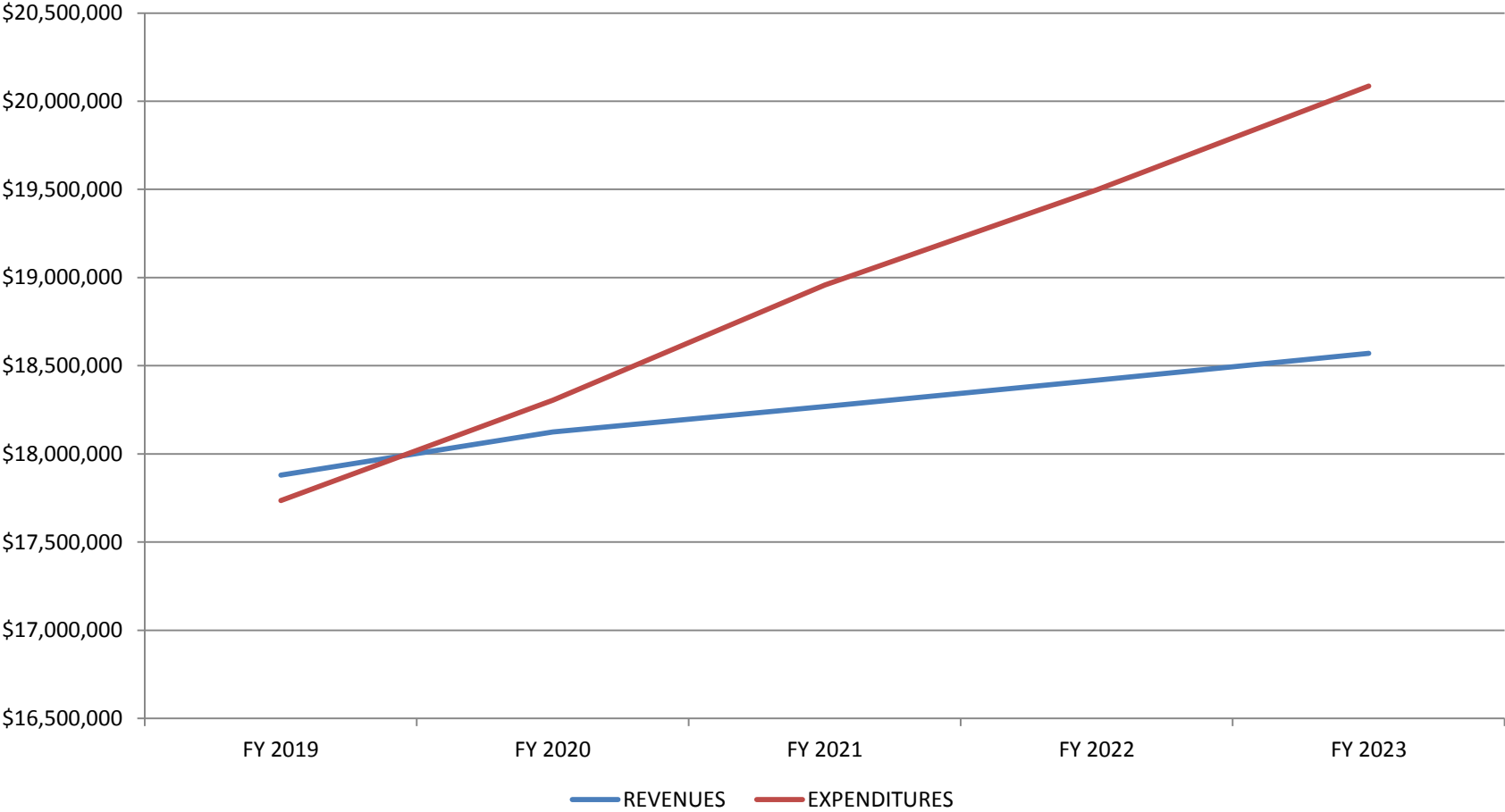
Financial Forecast

Vehicle Fund

VEHICLE FUND (11)						
		<i>Financial Forecast</i>				
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
		61,556	(711,724)	(1,749,839)	(3,318,241)	(4,045,087)
REVENUES						
Asset Sales		5,000	5,000	5,000	5,000	5,000
Interest		50	50	50	50	50
TOTAL REVENUE		5,050	5,050	5,050	5,050	5,050
EXPENDITURES						
General Fund Purchases						
Vehicle Purchase B&Z			27,040	27,970	28,809	29,555
Vehicle Purchase R&B		202,000	725,000	457,987	272,987	
Vehicle Purchase Police		340,830	291,125	416,495	406,600	
Equipment R&B		125,500		186,000	-	
Total General Funds		778,330	1,043,165	1,088,452	731,896	29,555
Water & Sewer Purchases						
Vehicle Purchase W&S				485,000		
Equipment W&S						
Total Water & Sewer		0	0	485,000	0	0
TOTAL EXPENDITURES		778,330	1,043,165	1,573,452	731,896	29,555
Revenues Over/Under Expenditures		(773,280)	(1,038,115)	(1,568,402)	(726,846)	(24,505)
Change in Fund Balance		(773,280)	(1,038,115)	(1,568,402)	(726,846)	(24,505)
Ending Net Assets		(711,724)	(1,749,839)	(3,318,241)	(4,045,087)	(4,069,592)

Financial Forecast

General Fund



Financial Forecast

GENERAL FUND FUND	<i>Financial Forecast</i>				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	7,026,792	7,171,375	6,991,862	6,303,404	5,224,462
<u>REVENUES</u>					
Taxes	14,939,250	15,159,229	15,280,040	15,403,718	15,530,299
Charges for Services	616,006	616,006	616,006	616,006	616,006
Licenses and Permits	585,786	597,502	609,452	621,641	634,074
Grants	50,000	50,000	50,000	50,000	50,000
Fines and Forfeitures	181,000	181,000	181,000	181,000	181,000
Franchise Fees	604,350	616,437	628,766	641,341	654,168
Donations/Contributions	179,000	179,000	179,000	179,000	179,000
Transfers In	700,000	700,000	700,000	700,000	700,000
Interest	20,000	20,000	20,000	20,000	20,000
Miscellaneous	5,100	5,100	5,100	5,100	5,100
TOTAL REVENUE	17,880,492	18,124,273	18,269,363	18,417,806	18,569,647

Financial Forecast

GENERAL FUND FUND	<i>Financial Forecast</i>				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<u>EXPENDITURES</u>					
General Corporate	1,428,381	1,499,397	1,571,137	1,593,614	1,634,210
Building and Zoning	755,887	785,204	815,804	847,692	880,982
Community Development	487,375	506,272	526,012	546,546	567,993
Road and Bridge	2,163,763	2,196,108	2,246,852	2,284,063	2,323,250
Community Relations	370,117	378,051	386,332	394,960	403,966
Economic Development	212,519	218,261	224,247	230,486	236,989
Finance	522,642	541,224	560,643	579,659	600,732
Technology	839,474	844,659	850,076	855,718	861,615
Police	9,815,777	10,181,739	10,608,146	11,002,208	11,401,214
Operating Expenditures	16,595,935	17,150,914	17,789,248	18,334,946	18,910,951
Revenues Over/Under Expenditures	1,284,557	973,359	480,115	82,860	(341,305)
Other Financing Sources/(Uses)	(1,139,973)	(1,152,873)	(1,168,573)	(1,161,802)	(1,174,452)
Change in Fund Balance	144,584	(179,514)	(688,458)	(1,078,942)	(1,515,757)
Ending Fund Balance	7,171,375	6,991,862	6,303,404	5,224,462	3,708,705

Financial Forecast

GENERAL FUND RE	<i>Financial Forecast</i>				
REVENUE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Property Taxes	1,388,500	1,388,500	1,388,500	1,388,500	1,388,500
Sales Taxes	6,130,500	6,161,153	6,191,958	6,222,918	6,254,033
Sales Tax Rebate	(337,000)	(235,000)	(235,000)	(235,000)	(235,000)
Local Sales Tax	2,142,000	2,195,550	2,250,439	2,306,700	2,364,367
Use Tax	830,250	851,006	872,281	894,088	916,441
Income Tax	3,030,000	3,060,300	3,090,903	3,121,812	3,153,030
Replacement Tax	8,000	8,000	8,000	8,000	8,000
Telecommunications	576,000	558,720	541,958	525,700	509,929
Utility Tax	1,016,000	1,016,000	1,016,000	1,016,000	1,016,000
Games Tax	80,000	80,000	80,000	80,000	80,000
Hotel/Motel Tax	75,000	75,000	75,000	75,000	75,000
Total Tax Revenues	14,939,250	15,159,229	15,280,040	15,403,718	15,530,299
Charges for Services	616,006	616,006	616,006	616,006	616,006
Licenses and Permits	585,786	597,502	609,452	621,641	634,074
Grants	50,000	50,000	50,000	50,000	50,000
Fines and Forfeitures	181,000	181,000	181,000	181,000	181,000
Franchise Fees	604,350	616,437	628,766	641,341	654,168
Donations/Contributions	179,000	179,000	179,000	179,000	179,000
Transfers In	700,000	700,000	700,000	700,000	700,000
Interest	20,000	20,000	20,000	20,000	20,000
Miscellaneous	5,100	5,100	5,100	5,100	5,100
TOTAL REVENUES	17,880,492	18,124,273	18,269,363	18,417,806	18,569,647

Financial Forecast

GENERAL FUND					
EXPENDITURES BY TYPE-AL	<i>Financial Forecast</i>				
EXPENDITURES	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personnel Services					
Salaries Full-Time	7,848,192	8,145,456	8,451,949	8,770,847	9,090,298
Salaries Part-Time	173,626	179,800	186,221	193,616	200,561
Overtime	402,055	418,137	434,863	452,257	470,347
Stipends	17,000	17,000	17,000	17,000	17,000
Total Personnel Services	8,440,873	8,760,393	9,090,033	9,433,720	9,778,206
Insurance and Benefits	4,051,432	4,247,002	4,501,334	4,712,703	4,939,273
Professional Services	810,723	826,146	842,712	821,430	825,305
Contractual Services	2,370,497	2,394,932	2,434,671	2,444,589	2,449,606
Communication	338,271	338,302	338,333	338,365	338,396
Professional Development	169,549	169,549	169,549	169,549	169,549
Operating Supplies	414,590	414,590	412,616	414,590	410,616
Capital Outlay	0	0	0	0	0
Total Operating Expenditures	16,595,935	17,150,914	17,789,248	18,334,946	18,910,951
Transfers	1,139,973	1,152,873	1,168,573	1,161,802	1,174,452
TOTAL EXPENDITURES	17,735,908	18,303,787	18,957,821	19,496,748	20,085,403

Financial Forecast

- Issues
 - Pension Fund; rising pension costs
 - MFT Fund; revenues
 - CIP Fund; revenues
 - Water & Sewer Capital Fund; revenues
 - Water & Sewer Fund; revenues
 - Vehicle Fund; no revenue source
 - General Fund; revenues

Financial Forecast

- Solutions
 - Increase revenues
 - Decrease/control expenditures
- What are we solving for?
 - Capital Improvement Fund- needs \$400,000 if \$700,000 transfer to General Fund eliminated beginning in FY 2022
 - Vehicle Fund – needs \$1.0 million from General Fund & \$500,000 from Water & Sewer Fund
 - General Fund – needs \$2.0 million, increasing to \$3.3 million by FY 2022

Financial Forecast

Expenditures

- Personnel
 - Maintain current staffing
 - Determine maximum pay for service
- Programs
 - Prioritize current services provided
 - Cost/ benefits of each service
- Capital
 - Easy to put off, eliminate
 - Long term effects
 - Pay as you go strategy
 - Uncertainty with residential development impact fees

Financial Forecast

Fiscal Year 2018 Potential Budget Reductions

General Fund

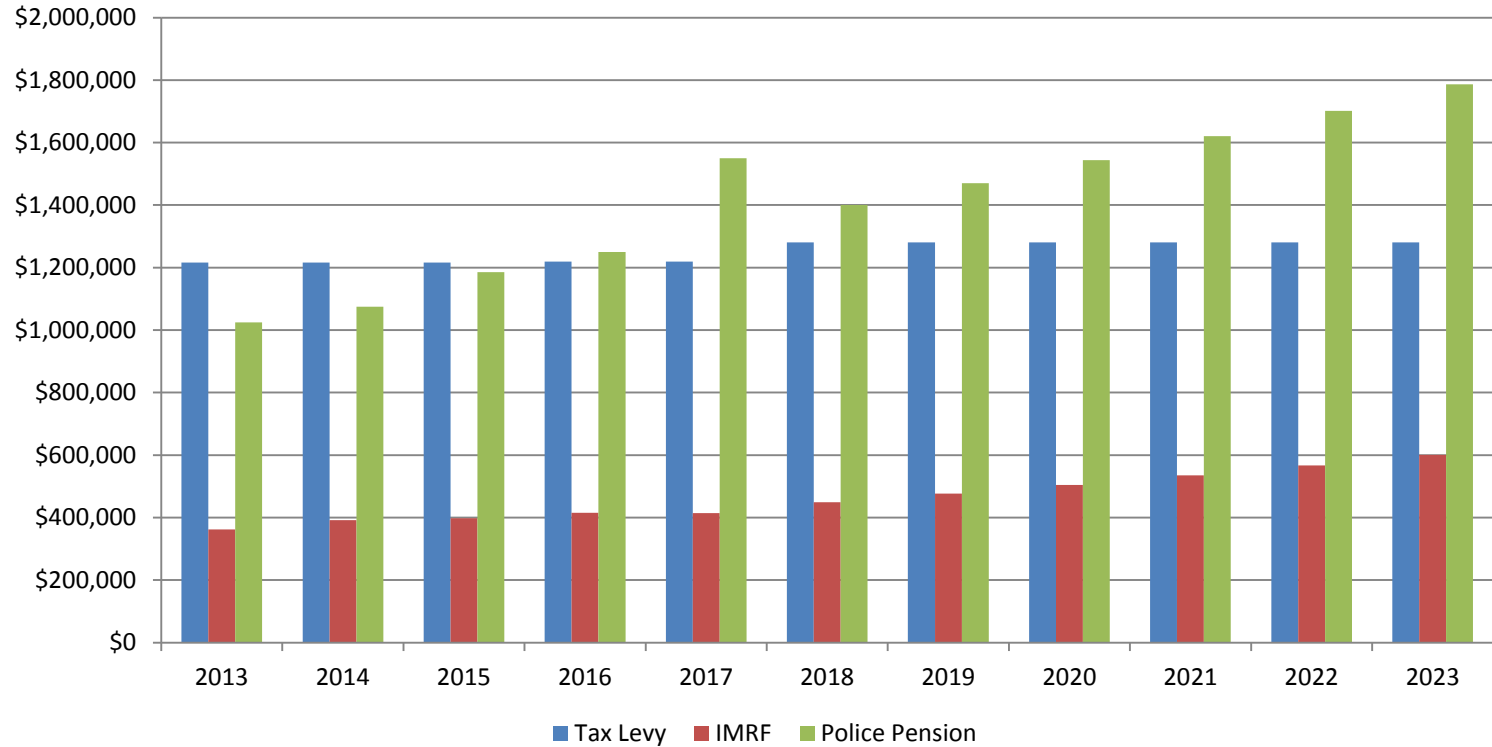
01-01-52-6760	Human Resource Prof. Services	\$ 20,000
01-01-54-6765	Postage	\$ 2,500
01-01-55-6566	Travel/training	\$ 21,000
01-05-52-6480	Engineering	\$ 6,000
01-05-53-6540	Mosquito control	\$ 113,500
01-05-53-6585	Uniform service	\$ 6,000
01-05-53-6795	Landscaping services	\$ 9,030
01-05-53-7350	Maint-Streets/Storm sewers	\$ 20,000
01-05-53-7375	Maint- Garage	\$ 5,000
01-05-53-7377	Maint-Pavement Marking	\$ 50,000
01-05-53-7844	Leaf removal expense	\$ 20,000
01-05-55-6566	Travel/training	\$ 750
01-05-55-6567	Meeting expense	\$ 250
01-05-56-7445	Tools	\$ 4,200
01-05-56-7465	Tree purchase	\$ 140,000
01-05-56-7883	Landscaping material	\$ 4,500
01-10-52-6460	Crime prevention	\$ 1,000
01-10-52-6705	Juvenile assistance	\$ 1,825
01-10-53-7325	Vehicle maintenance	\$ 2,000
01-10-53-7880	Uniform purchases	\$ 1,000
01-10-55-6566	Travel/training	\$ 5,000
01-10-56-6735	Gasoline	<u>\$ 10,000</u>
		\$ 443,555

Financial Forecast

- Revenues
 - Property tax
 - Increase for operating
 - Increase for pensions- 2016 levy \$1,848,675
 - Stop abating debt service levies- FY 19 \$1,139,973

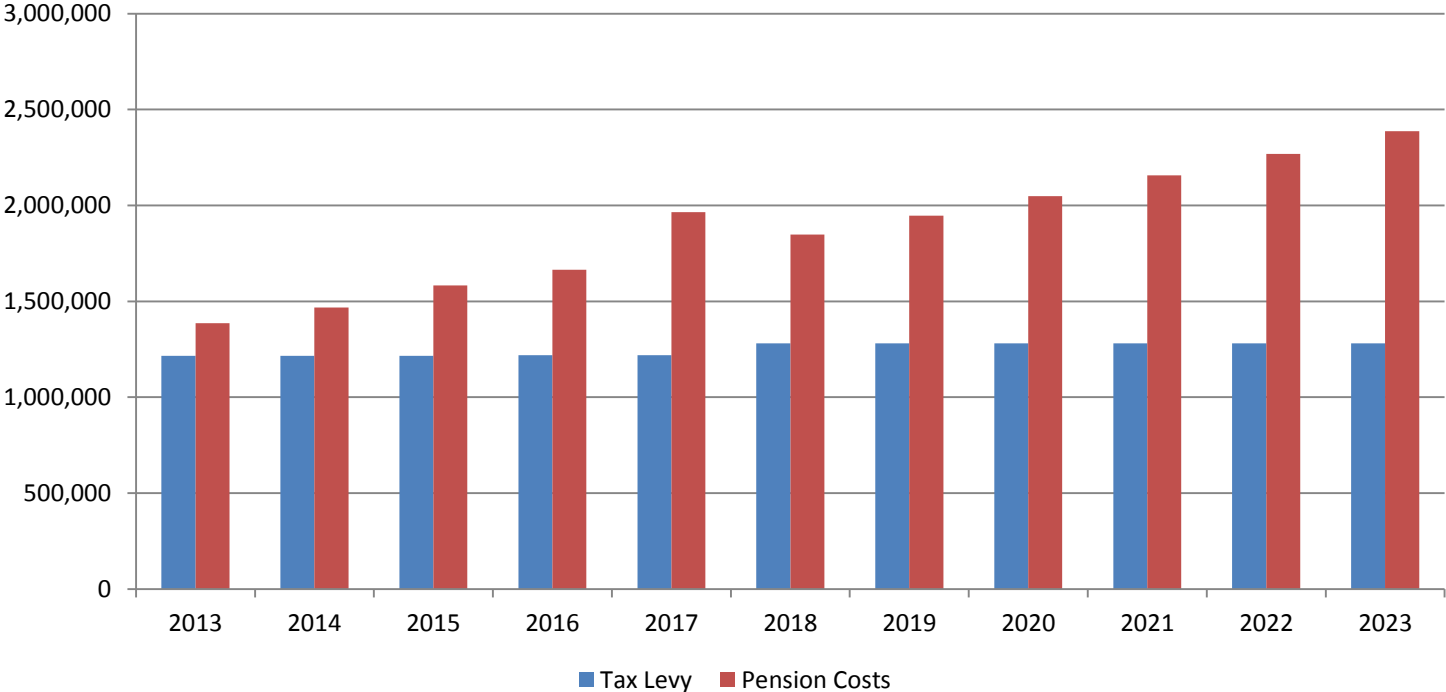
Financial Forecast

Tax Levy versus Pension Costs



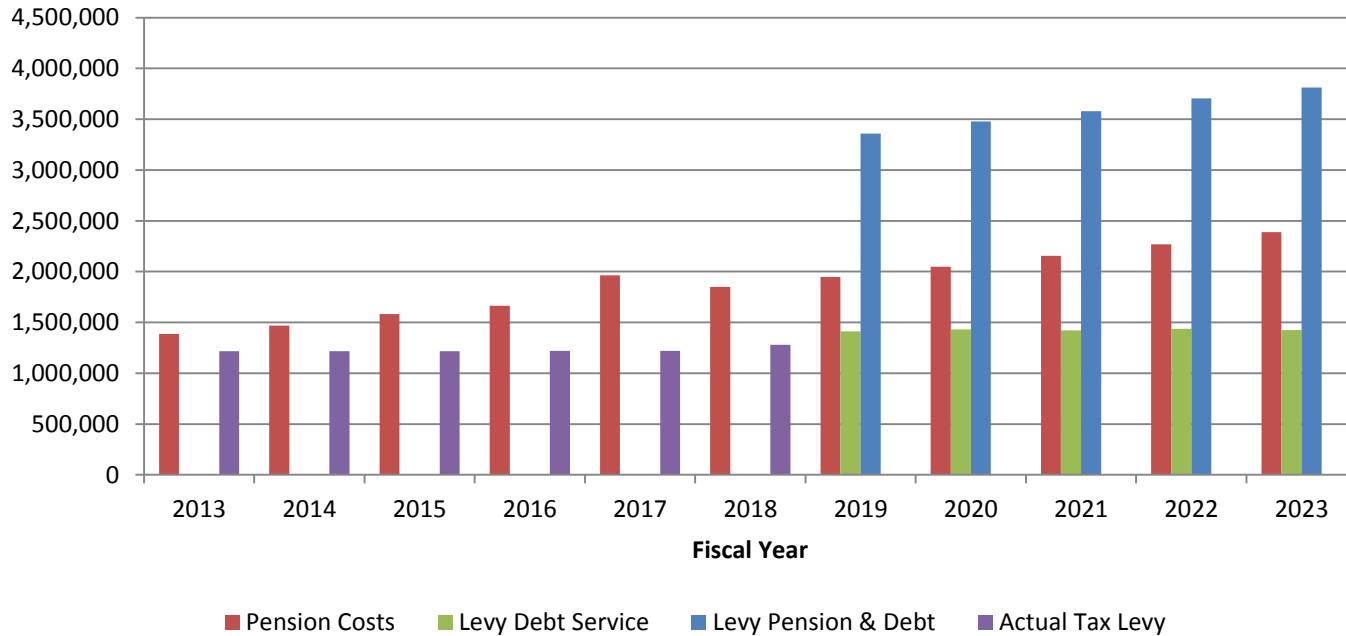
Financial Forecast

Tax Levy vs Total Pension Costs



Financial Forecast

Tax Levy for Debt & Total Pension Costs



Debt levy does not include the 2016 issuance for new PD

Financial Forecast

Property Tax Comparisons

	County	Median Value (2015)	Median Taxes
Montgomery	Kane	\$185,800	\$6,036.22
Montgomery	Kendall	\$185,800	\$6,680.19
Oswego	Kendall	\$224,100	\$7,769.62
New Lenox	Will	\$270,400	\$7,838.99
Batavia	Kane	\$274,700	\$8,437.15
Plainfield	Will	\$283,000	\$8,462.64
Naperville	DuPage	\$379,000	\$8,552.26
Yorkville	Kendall	\$232,600	\$8,644.89
Geneva	Kane	\$305,400	\$9,091.00
Sugar Grove	Kane	\$262,300	\$9,204.33
Naperville	Will	\$379,000	\$9,777.44

	County	Tax Rate (2015)	Taxes at \$224,100
Naperville	DuPage	0.067696	\$5,056.89
Naperville	Will	0.077394	\$5,781.33
New Lenox	Will	0.086971	\$6,496.73
Geneva	Kane	0.08930253	\$6,670.90
Plainfield	Will	0.08971	\$6,701.34
Batavia	Kane	0.0921422	\$6,883.02
Montgomery	Kane	0.09746316	\$7,280.50
Oswego	Kendall	0.104011	\$7,769.62
Sugar Grove	Kane	0.1052725	\$7,863.86
Montgomery	Kendall	0.107861	\$8,057.22
Yorkville	Kendall	0.111499	\$8,328.98

Financial Forecast

Property Tax Comparisons

	County	Village Median Taxes (2015)	Total Municipal Taxes (2015)
New Lenox	Will	\$378.56	\$948.02
Naperville	Will	\$617.01	\$1,019.76
Naperville	DuPage	\$617.14	\$1,020.77
Oswego	Kendall	\$115.11	\$1,033.03
Montgomery	Kendall	\$333.88	\$1,094.92
Yorkville	Kendall	\$526.84	\$1,115.47
Batavia	Kane	\$638.23	\$1,145.53
Montgomery	Kane	\$333.63	\$1,163.71
Geneva	Kane	\$721.32	\$1,263.86
Sugar Grove	Kane	\$532.55	\$1,376.00
Plainfield	Will	\$444.88	\$1,598.95

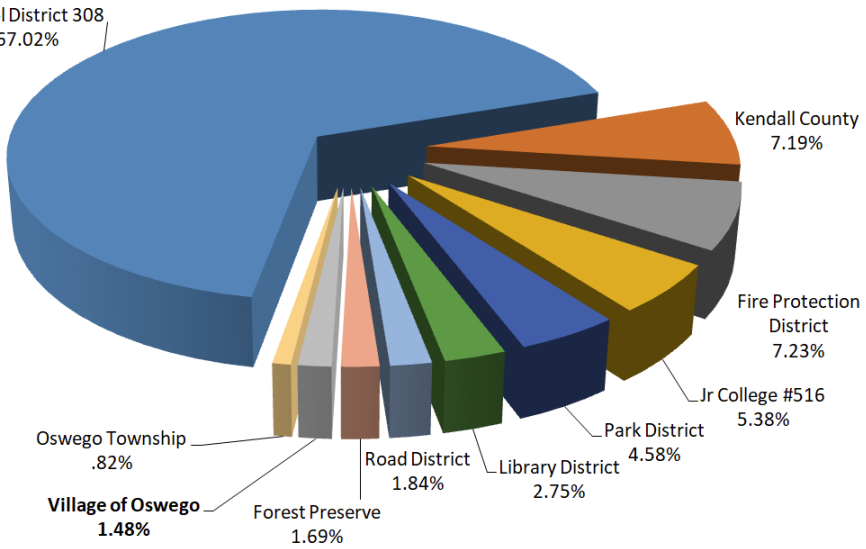
	County	Tax Rate (2015)	Village Rate (2015)	TOTAL Municipal % of Rate (2015)	TOTAL Municipal Rate (2015)
Naperville	Will	0.077394	0.004884	10.43%	0.008072
Naperville	DuPage	0.067696	0.004885	11.94%	0.00808
New Lenox	Will	0.086971	0.0042	12.09%	0.010518
Geneva	Kane	0.08930253	0.00708564	13.90%	0.01241509
Batavia	Kane	0.0921422	0.00697011	13.58%	0.0125103
Oswego	Kendall	0.104011	0.001541	13.30%	0.013829
Yorkville	Kendall	0.111499	0.006795	12.90%	0.014387
Sugar Grove	Kane	0.1052725	0.00609096	14.79%	0.01556616
Plainfield	Will	0.08971	0.004716	18.89%	0.01695
Montgomery	Kendall	0.107861	0.005391	16.39%	0.017679
Montgomery	Kane	0.09746316	0.005387	19.28%	0.01878975

Financial Forecast

Where do your Property Taxes go?



Property Tax Breakdown by Taxing District



School District 308
67.02%

Kendall County, 7.19%
 Fire Protection District, 7.23%
 Jr College #516, 5.38%
 Park District, 4.58%
 Library District, 2.75%
 Road District, 1.84%
 Forest Preserve, 1.69%
 Village of Oswego, 1.48%
 Oswego Township, 0.82%

Financial Forecast

Revenues

☐ Increase existing revenue sources

- Water & Sewer rates/capital charge- for FY 19 \$21/month
- General Fund
- Increase existing rates
- New revenue sources

☐ Increase existing rates

- Utility tax – electric and natural gas- Increase rate from 3% to 5% generates estimated \$300,000
- Hotel tax- \$25,000 per 1% (currently 3%)
- Charges for services- cover 100% of Village costs ?
- Permits
- Fines
- Grants

Revenues

New sources

- Revenue toolkit (see attached file)

- 31 property tax type revenue sources which do not require referenda; 20 of the 31 sources could be imposed by the Village
- 35 property tax type revenue sources which require referenda; all would require voter approval
- 12 non-property tax revenue sources; most widely used

Financial Forecast

Popular Locally Controlled Revenues

Administrative towing fees	Local sales tax	Residential water tax
Ambulance fees	Motor fuel tax	Sanitary sewer tax
Commuter parking fees	Natural gas utility tax	Sewer tap on fees
E-911 surcharge fee	Package liquor tax	Stormwater tax
Electric utility tax	Passenger vehicle sticker	Telecommunications tax
Entertainment tax	Places of eating tax	Water tap on fees
Food & beverage tax	Property tax	Yard waste collection fee
Garbage collection fee	Real estate transfer tax	Development Fees
Hotel/motel tax		

Financial Forecast

License/fee revenues

- Vehicle Stickers
- Business Registration
- Liquor Licenses
- Contractor Licenses
- Water/Sewer Connection Fees
- Cable Franchise Fees
- Building Permits
- Engineering Fees
- Plan Review Fees
- Escrow Development Fees
- Revenue Gap/Transition Fees

Financial Forecast

Service fees

- Contracted services (police services, snow plowing)
- Water/Sewer Collection Rates
- Resident / Non-Resident Rates
- False Alarm Fees; Can escalate fine based on # of occurrences
- School Liaison/DARE Reimbursements
- Sidewalk Replacement/Parkway Tree Cost Sharing

Financial Forecast

Other options

- Rent - facilities, right of Way, cell towers
- Property Sales, used Vehicles, right of way dispositions
- Advertising
- Grants/ TIF Districts/ CDAP Loan Programs/ County STP Funding, SSA's, SA's

Financial Forecast

- What to consider about new revenues
 - Diversification
 - Sensitivity
 - Efficiency
 - Acceptability
 - \$\$\$ amount
 - Progressive/regressive
 - Tax deductible
 - Payees
 - Administrative Burden

Financial Forecast

What to consider about new revenues

- What is the cost of administration of a new fee/charge/tax relative to revenue gains
- What effect does locally administered mean for current staff
- Effect on property tax, sales tax
- Does it help the ratio of elastic versus inelastic revenues

Revenues

☐ New sources

- What's feasible

- Local MFT tax, Amusement tax, Liquor tax, Food & Beverage tax
- Vehicle sticker
- Checkout bag tax
- Gaming terminal fee

Financial Forecast

- Motor Fuel Tax
 - Per gallon tax
 - No limiting rate
 - Use locally determined
 - Locally collected
 - Estimated 1% generates \$150,000

Financial Forecast

- Amusement & Entertainment Tax
 - Per item(ticket, game, venue) tax
 - No limiting rate
 - Use locally determined
 - Locally collected
 - Estimated 3% generates \$167,000

Financial Forecast

- Food & beverage tax
 - Unlimited tax rate
 - Generally on retail sale of prepared food/beverages
 - Beverages include served liquor and can include package liquor
 - Locally collected
 - Estimated \$500,000 new revenue

Financial Forecast

- Liquor Tax
 - Use locally determined
 - Locally collected
 - Estimated 1% generates \$80,000

- Vehicle Sticker/tax
 - Per vehicle tax
 - Locally collected
 - \$45 fee estimated to generate \$980,000

Financial Forecast

- Checkout Bag Tax
 - Per item tax
 - Use locally determined
 - Locally collected
 - Estimated 7% generates \$100,000, inclusive of vendors keeping 2%
 - Administration burden for staff- enforcement
 - Regressive in that annually should decrease unless population increases offset customers choosing to go green reductions

- Video Gaming Terminal Fee/Tax
 - Locally administered and enforced

Financial Forecast

- Hotel tax
 - Can have a rate in excess of 5%
 - Use is locally determined, i.e., does not have to be for tourism
 - Many communities designate for Chamber of Commerce or Tourism Bureaus
 - Locally collected
 - Can rebate collection costs
 - FY 2017 \$75,000; \$25,000 per 1%

Financial Forecast

Oswego Area Communities						
June, 2017						
Tax	Aurora	Montgomery	Oswego	Plainfield	Yorkville	Naperville
Home rule sales tax	1.25%	1.00%	1.25%	1.50%	1.00%	0.50%
Local fuel tax	\$0.04	none	none	\$0.04	none	\$0.04
Food & beverage tax	1.75%	none	none	none	none	1.00%
Liquor tax (retail)	2.75%	none	none	none	none	none
Utility tax-Gas	0.0%	5.0%	3.0%	5.0%	5.0%	5.0%
Gas use tax	\$0.01	none	\$0.02	\$0.05	none	\$0.04
Utility tax-electricity	3.0%	5.0%	3.0%	5.0%	5.0%	5.0%
Hotel/Motel tax	3.0%	none	3.0%	5.0%	3.0%	4.4%
Amusement tax	none	none	none	1.0%	3.0%	none
Kendall County	Aurora	Montgomery	Oswego	Plainfield	Yorkville	Naperville
TOTAL SALES TAX RATE *	8.50%	8.25%	8.50%	8.75%	8.25%	7.50%
* NOTE: Sales tax rate includes home rule/non-home rule rate, county rate.						
-Yorkville has two business district with a rate of 9.25 %						
and one district with an 8.75% rate.						
-Naperville downtown has a 1.5% F&B tax rate						

Financial Forecast

- Staff Seeks to Build Consensus with the Village Board on Planning our Fiscal Future.
- Timeline
 - Discussion and Direction on June 6, 2017
 - Further Research and Refinement
 - Return to Board with Additional Information on July 18