



# Village of Oswego

# Agenda

- Introduction
- Assumptions used
- Non – major funds
- Major funds
- Moving forward & questions



# Assumptions

## Business as usual

- no service reductions
- no new personnel
- maintain balanced budgets

## Growing community and tax base

- new business
- new residential
- increasing population

## Major capital projects on the horizon

- Alternative water source
- Metra
- Wolfs Crossing

## Revenues

- one new revenue source
- estimated with minimal growth

## Expenditures

- personnel costs per existing contracts
- 1% annual increase in operating costs



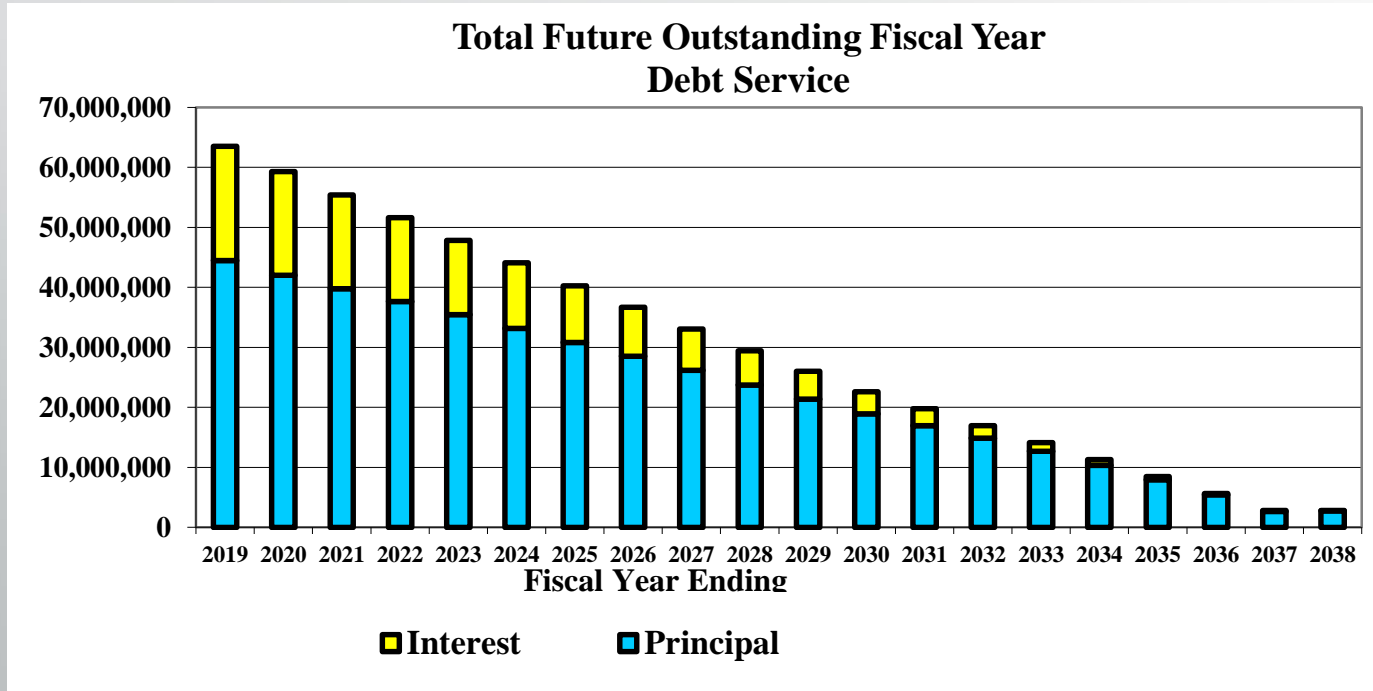
# Current Financial Reserves

## Village of Oswego Reserves

<b>FUND</b>	<b>Reserve Balance 4/30/2019</b>	<b>Fiscal Year 2020 Expenditures</b>	<b>Reserve as a % of Expenditures</b>	<b>Months of Coverage</b>
<b>Operating</b>				
General	11,261,314	18,883,559	60%	7.16
Water & sewer	2,106,664	6,837,867	31%	3.70
Garbage collection	546,223	2,533,885	22%	2.59
<b>Other funds</b>				
Debt service	69,469	2,826,407	2%	0.29
Tax increment financing	(2,253,830)	5,177,500	-44%	-5.22
<b>Capital</b>				
Motor fuel tax	1,437,024	1,062,500	135%	16.23
Capital improvement	5,747,784	5,853,270	98%	11.78
Water & sewer capital	6,342,891	4,933,400	129%	15.43
Vehicle	141,754	497,970	28%	3.42
<b>Pension</b>				
Police pension	31,949,415	1,193,312	2677%	321.28



# Non-Major Funds Village Debt



Fiscal Year	Principal	Interest	Total
2020	2,480,000	1,763,075	4,243,075
2021	2,205,000	1,690,975	3,895,975
2022	2,135,000	1,624,725	3,759,725
2023	2,210,000	1,560,525	3,770,525
2024	2,285,000	1,490,350	3,775,350
2025	2,370,000	1,419,850	3,789,850
2026	2,270,000	1,344,400	3,614,400
2027	2,350,000	1,271,300	3,621,300
2028	2,455,000	1,171,150	3,626,150
2029	2,335,000	1,066,500	3,401,500
2030	2,455,000	955,050	3,410,050
2031	1,990,000	837,900	2,827,900
2032	2,085,000	738,400	2,823,400
2033	2,190,000	634,150	2,824,150
2034	2,300,000	524,650	2,824,650
2035	2,415,000	409,650	2,824,650
2036	2,535,000	288,900	2,823,900
2037	2,665,000	162,150	2,827,150
2038	2,740,000	82,200	2,822,200
	<u>\$44,470,000</u>	<u>\$19,035,900</u>	<u>\$63,505,900</u>


## Principal

\$8.2 million supported from W/S

\$36.2 million supported from General

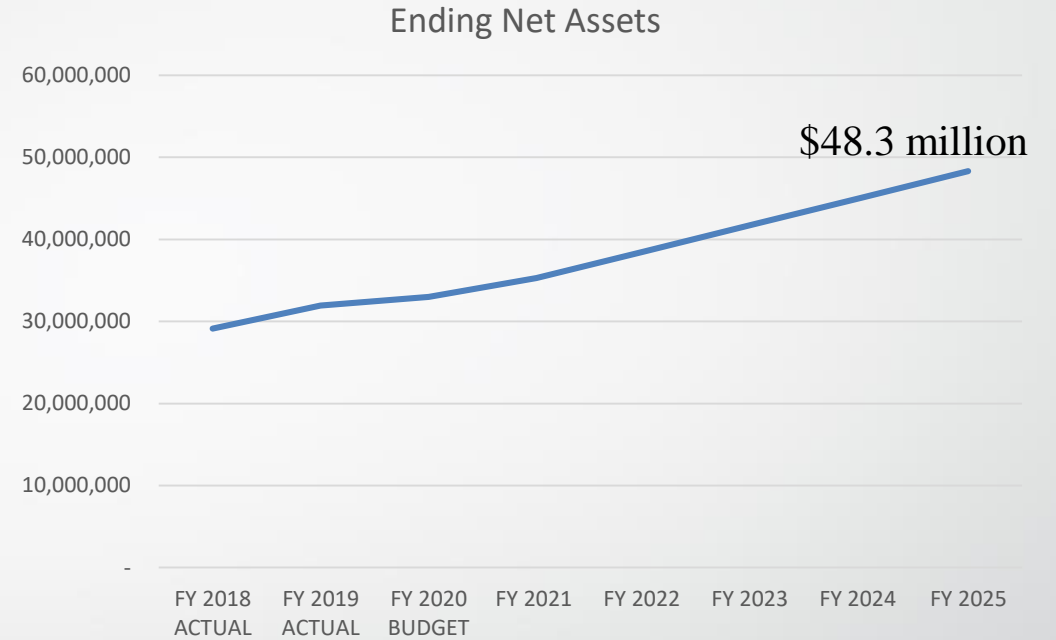
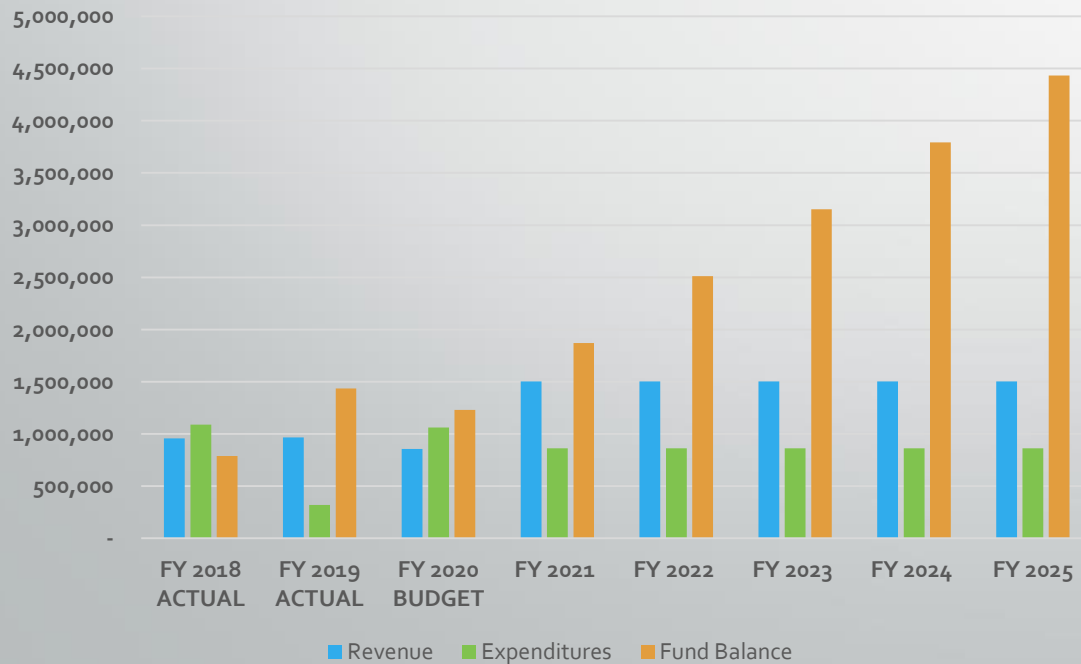
\$16 million more on the way

# Non-Major Funds

Police Pension Fund -   
 Vehicle Fund – average \$548,000 annual expenses next five years. Funded with local sales tax  
 Garbage Collection Fund – revenues match expenses  
 MFT Fund – new state tax (TRF), debt service till FY 28, restricted uses



MFT Fund Forecast



# Major Funds

## TIF Fund –

supported from existing sales tax revenues/water revenue developments under construction initial increment from development assumed for FY 23, FY 24

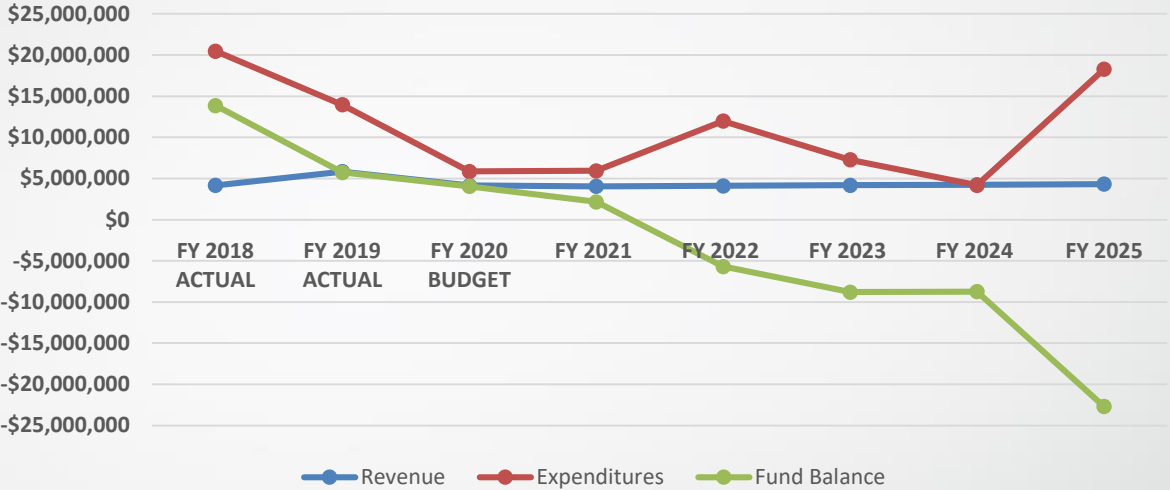
## Capital Improvement Fund -

annual revenue of \$4.1 million  
 \$48 million in identified expenditures next five years  
 \$5.7 million shortfall in FY 22

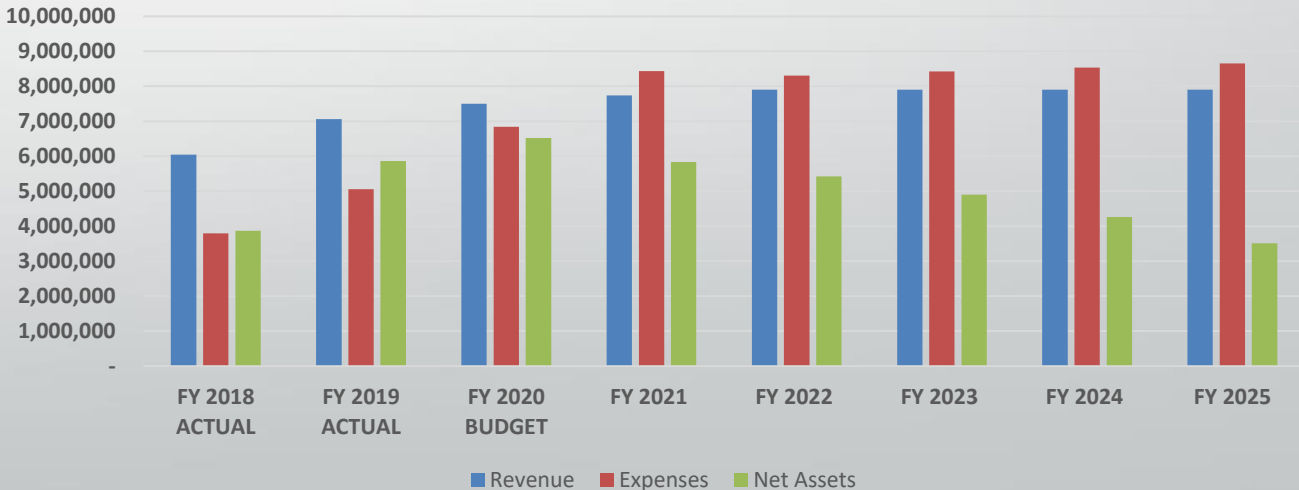
## Water & Sewer Fund –

average \$7.8 million in revenue next five years  
 average \$8.5 million next five years  
 \$3.5 million allocated to capital improvements  
 FY 25 reserve down to \$3.5 million

Capital Improvement Fund Forecast



Water & Sewer Fund Forecast



# Major Funds

## Water & Sewer Capital Fund

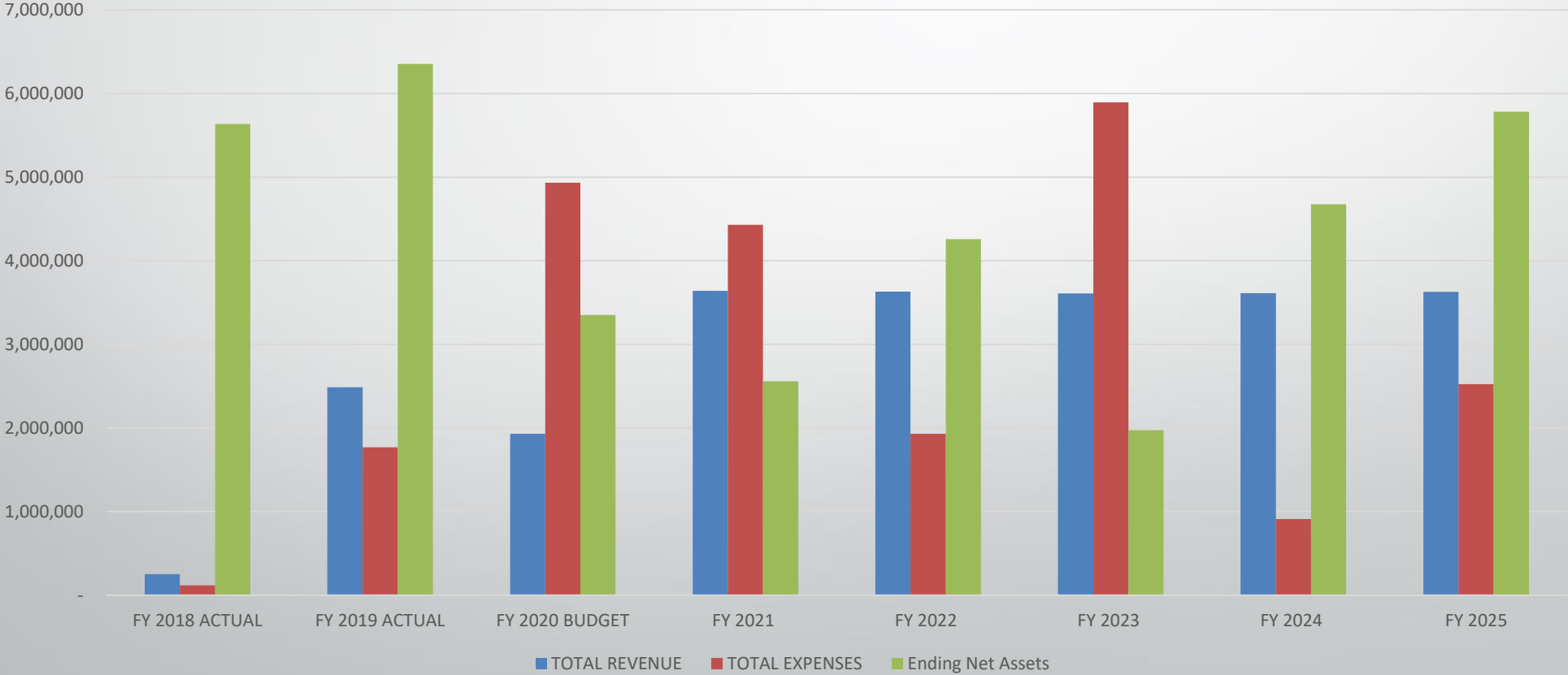
annual revenue of \$3.6 million - \$3.5

million from Water Fund

\$15.7 million slated for improvements

\$3.9 million average reserve

Water & Sewer Capital Fund

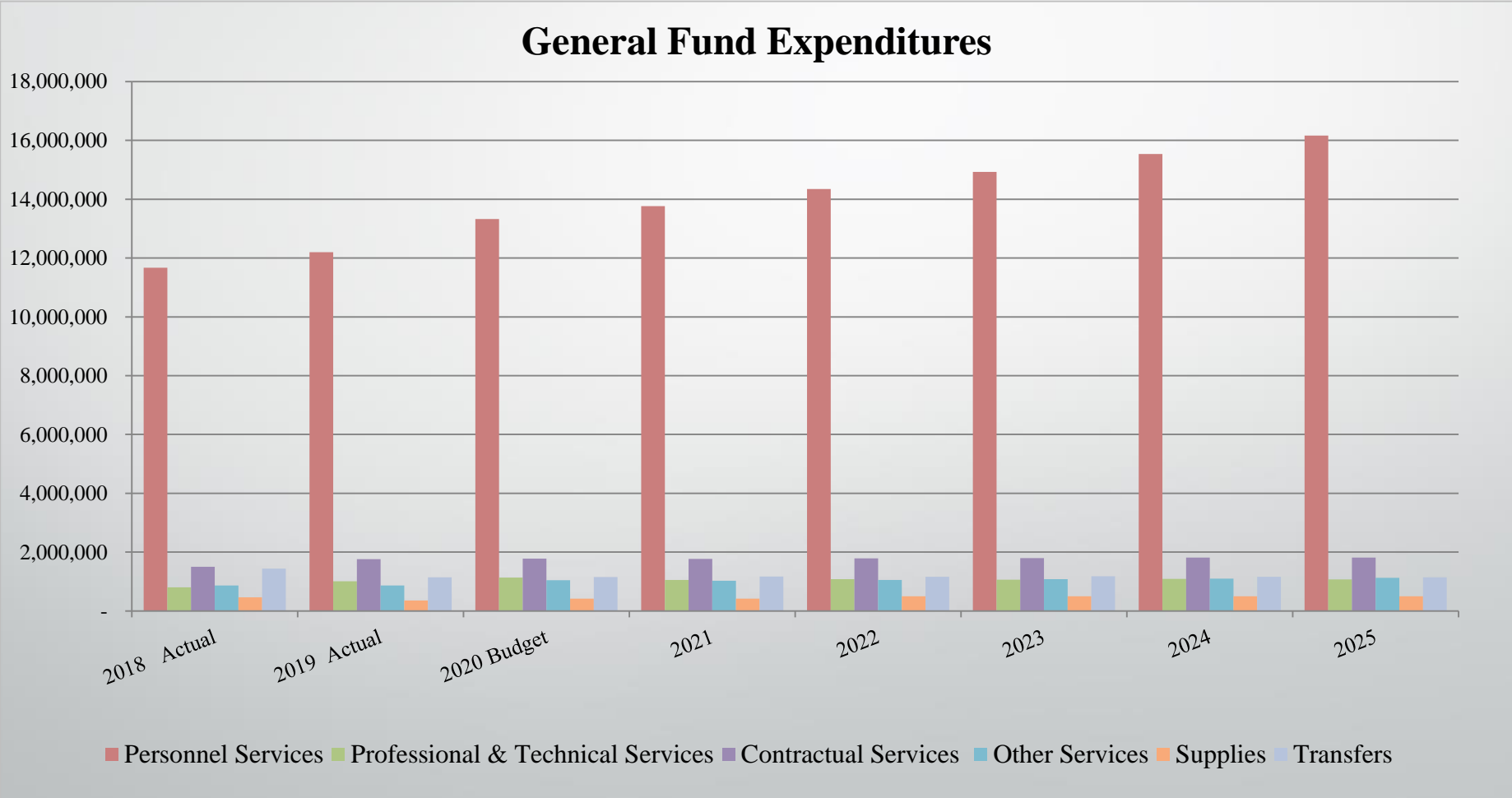




# Major Funds

## General Fund

expenditures average \$20.6 million  
FY 21 \$19.2 million increasing to \$21.8 million in FY 25  
personnel services costs rising from 72% in FY 21 to 74% in FY 25 of total expenditures  
personnel services rising \$600,000 annually



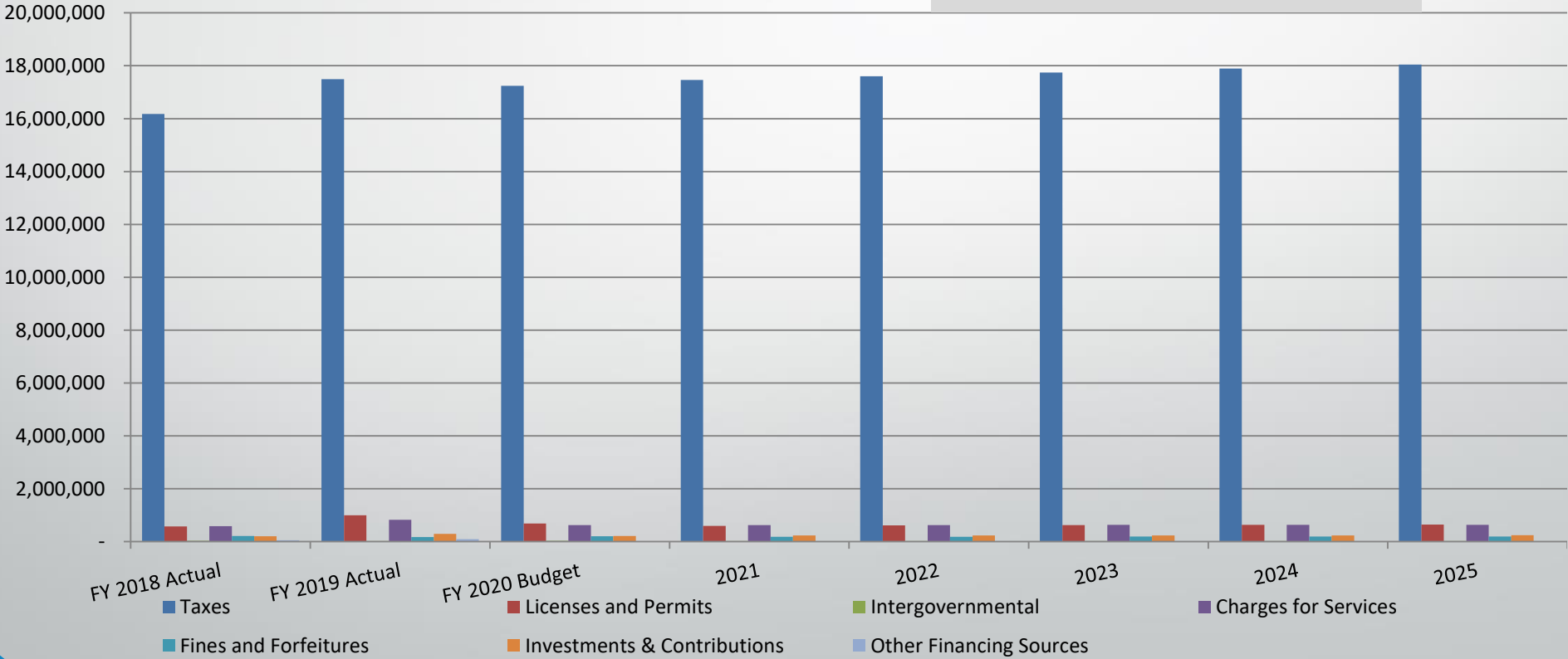
# Major Funds

## General Fund

total revenues increase from 19.1 to 19.8 million by FY 25  
tax revenues increasing from FY 21 \$17.5 to \$18 million by FY 25

### General Fund Revenues

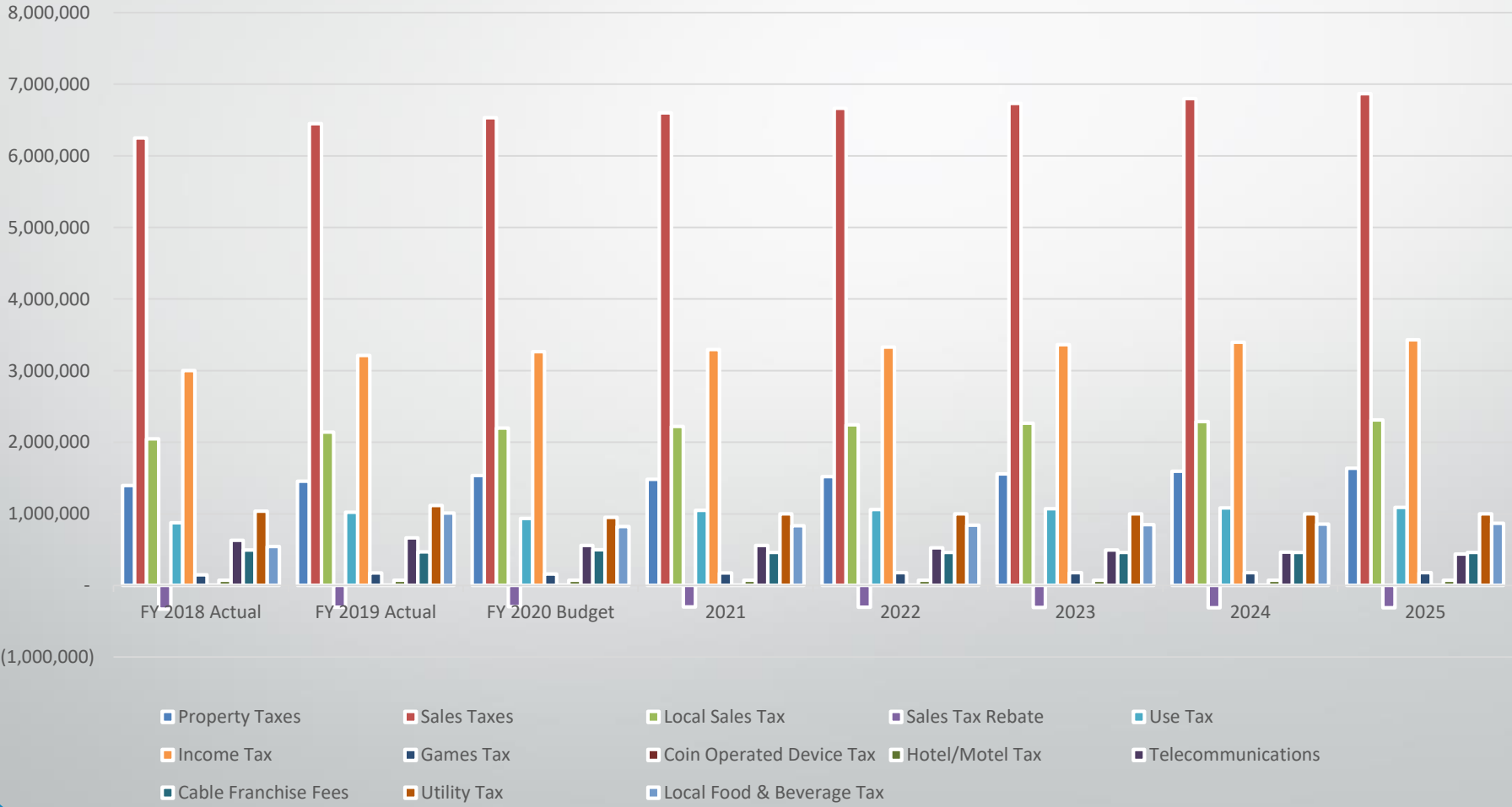
91% of revenue is some form of Tax Revenue



# Major Funds

## General Fund Revenues

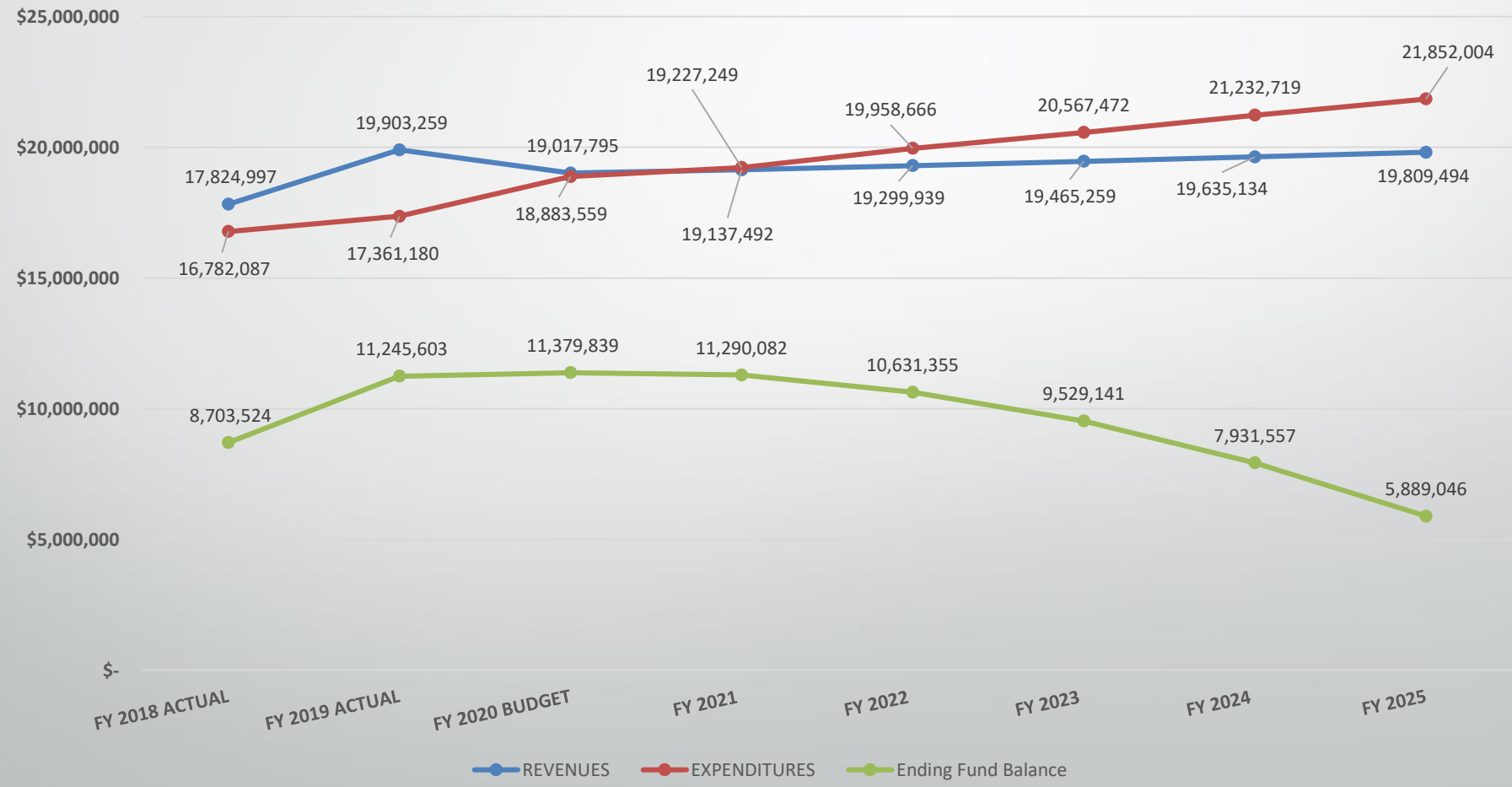
Sales tax is largest source, then Income tax, then Local Sales tax  
 Property tax is fourth greatest revenue source – 8% of total revenue  
 Sales, income, local, use taxes account for 83% of total revenue



# Major Funds

## General Fund

expenditures begin exceeding revenues in FY 21  
declining reserve balance to \$5.9 million in FY 25, 26% of estimated FY 26 expenditures, below policy level of 30%



# *Financial Forecast*

- What can we do to stay fiscally sound through FY 2025
  - maintain budgets within the constraints of annual revenues
  - analyze ways to control personnel costs/benefits
  - increase annual revenues/reduce expenditures
- Questions/discussion