

Village of Carol Stream

SPECIAL WORKSHOP MEETING

TUESDAY JANUARY 19, 2016

6:00 P.M.

GREGORY J. BIELAWSKI MUNICIPAL CENTER

**500 N. GARY AVENUE
CAROL STREAM, ILLINOIS 60188**

LOWER LEVEL TRAINING ROOM

AGENDA

1. CALL TO ORDER
2. ATTENDANCE
3. REVENUE PROJECTIONS: CURRENT FY16 & FY17
4. TOUR OF VILLAGE HALL
5. OTHER BUSINESS
6. ADJOURNMENT



Village of Carol Stream

FY 16/17

Budget Workshop #1

GENERAL FUND REVENUES

January 19, 2016



Agenda

GENERAL FUND REVENUES

- Historical Revenue Performance
- Current Year FY16 Revenues
 - Year-To-Date Performance
 - Year-End Projections
 - Review of Major Revenue Sources
- FY17 GF Revenue Projections
 - Revenue Outlook
- Next Steps

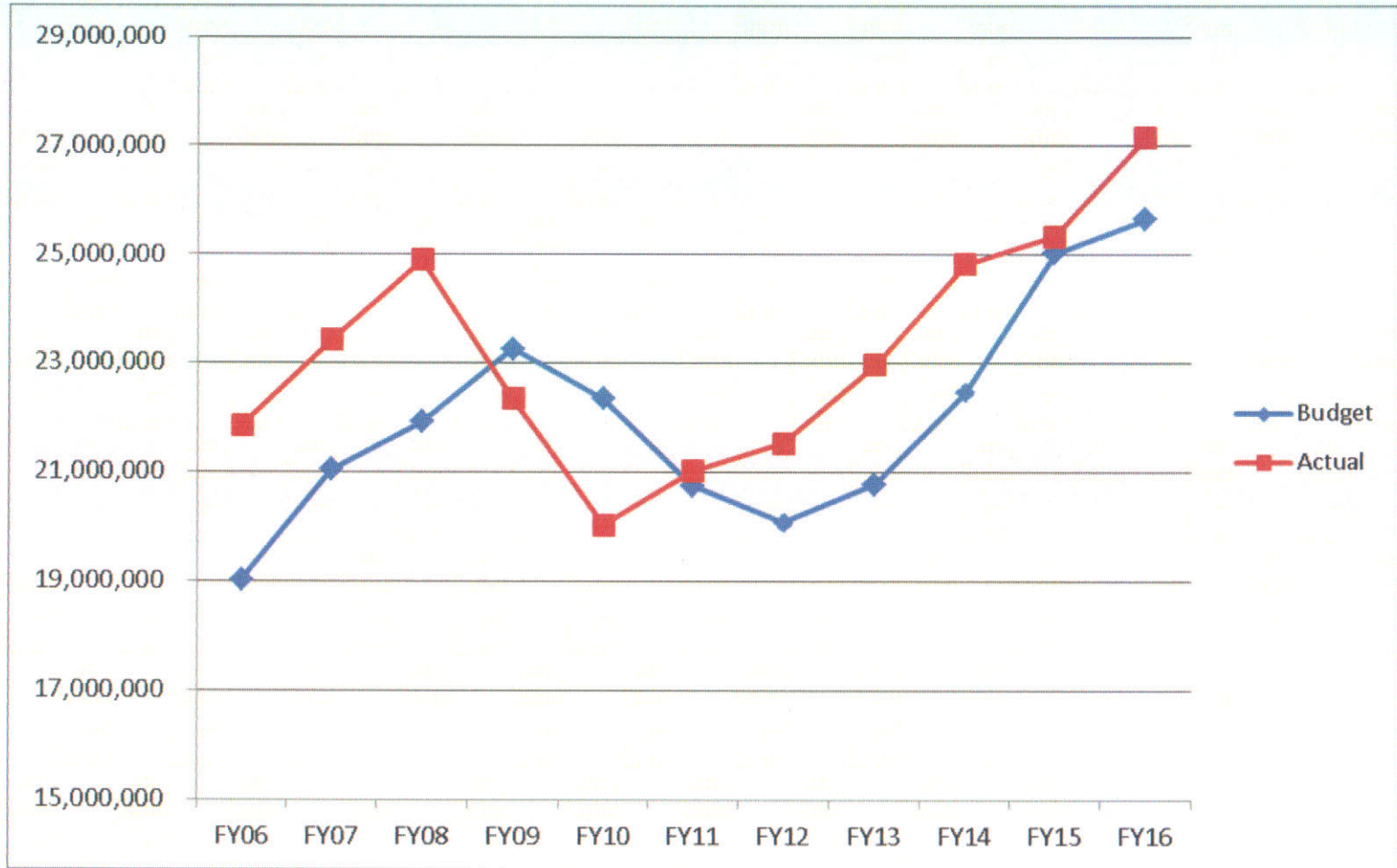


General Fund Historical Revenue Performance

Our emergence from the Great Recession has been accompanied by positive and sustained growth in overall revenues. This has largely been achieved through natural growth/economic development activities rather than through general tax increases.

FY11	+4.9%
FY12	+2.4%
FY13	+6.7%
FY14	+8.1%
FY15	+2.1%
FY16 est.	+7.1%

Village of Carol Stream General Fund Revenues – Budget vs Actual





Current Year FY16 Revenues

Through December 31, 2015, (2/3rds of the fiscal year) total General Fund Revenues have showed strong growth over the prior year FY15

- \$1.7 million or 11% ahead of May – Dec 2014 actual revenues.
- Tracking higher than original budget projections by 3% year to date.
- Largest gains from top two revenue sources.
 - Sales tax (+ \$642,000)
 - State Income Tax (+ \$336,000)

(This includes back taxes which were held by the State of Illinois for Video Gaming and Local Use Taxes which were paid to current in December).

General Fund Revenues FY16 Year-End Projections

	<u>FY15</u> <u>Actual</u>	<u>FY16</u> <u>Budget</u>	<u>FY16</u> <u>Estimate</u>	Over/ (Under) <u>FY15</u>	Over/ (Under) <u>Budget</u>
Sales Tax	\$ 6,581,838	\$ 6,710,000	\$ 7,160,000	\$ 578,162	\$ 450,000
State Income Tax	3,889,081	3,881,000	4,300,000	410,919	419,000
Home Rule Sales Tax	3,901,906	3,960,000	4,090,000	188,094	130,000
Utility Tax - Telecomm.	1,332,265	1,210,000	1,250,000	(82,265)	40,000
Utility Tax - Electricity	1,883,544	1,850,000	1,880,000	(3,544)	30,000
Natural Gas Use Tax	632,979	570,000	515,000	(117,979)	(55,000)
Real Estate Transfer Tax	717,571	680,000	835,000	117,429	155,000
Hotel Tax Receipts	310,575	323,000	345,000	34,425	22,000
Other Taxes	<u>1,294,066</u>	<u>1,295,500</u>	<u>1,381,000</u>	<u>86,934</u>	<u>85,500</u>
Total Taxes	20,543,825	20,479,500	21,756,000	1,212,175	1,276,500
Licenses and Permits	1,152,821	1,214,000	1,309,400	156,579	95,400
Grants	235,994	200,000	105,000	(130,994)	(95,000)
Charges for Services	1,366,884	1,593,500	1,705,200	338,316	111,700
Fines and Forfeitures	1,629,601	1,665,000	1,675,000	45,399	10,000
Interest Income	(265,377)	5,000	6,000	271,377	1,000
Miscellaneous Revenue	<u>681,093</u>	<u>525,000</u>	<u>599,400</u>	<u>(81,693)</u>	<u>74,400</u>
Total Revenues	\$ 25,344,841	\$ 25,682,000	\$ 27,156,000	1,811,159	1,474,000
	2.1%		7.1%	7.1%	5.7%



Review of Major Revenue Sources

Sales Taxes (combined 1% + .75 % Home Rule)

- Through December 31, 2015:
 - \$642,000 or 9.5% above May-Dec 2014.
- Assuming moderate growth through remainder of FY16, we should end the year \$766,000 or 7.3% above FY15 actual revenues.
- Growth coming from new large businesses as well as steady growth in existing core businesses.



Review of Major Revenue Sources

Sales Taxes (combined 1% + .75% Home Rule)

Analysis of top 80 businesses in Carol Stream:

- Compared revenue production from May-Dec 2015 vs 2014, excluding businesses opening and closing during that period.
- This group produces about 85% of all sales taxes.
- Median revenue growth at 6%.
- Businesses with revenue gains = 64%
- Businesses with revenue declines = 36%



Review of Major Revenue Sources

Sales Taxes (combined 1% + .75% Home Rule)

Looking to FY17

- General base growth of 6% assumed.
- Brings new revenue of approx. \$440,000 to FY17.
- Excludes impact of new major business as an off-set to loss of major business in Dec. 2015.
- Projection is conservative and does not incorporate current growth prospects.
- Great potential looking forward into FY17.

Review of Major Revenue Sources

Income Taxes

- Through December 31, 2015:
 - \$336,000 or 13.8% above May-Dec 2014.
- We anticipate ending FY16 10.6% ahead of FY15 or \$108 per capita (an all-time high).
- IML has hypothesized there were one-time gains in early FY16 that we should not expect to continue.
- FY17 projection has been dialed back to \$102 per capita, less than FY16 estimate but still a 4.4% increase over the FY16 budget amount.
- **No potential Springfield impacts (“sweeps”, formula changes, etc.) are built into projections.**

Review of Major Revenue Sources

Utility Taxes

- Telecommunications/Electricity/Natural Gas
- These are generally “non-growth” revenues with telecom generally declining each year as traditional land-line based telco. services decline.
- In total, these 3 revenues make up about 14% of General Fund revenues, so not insignificant.
- FY16 estimate projects a 5.3% decline over FY15 actual revenues. Prior year revenues were “polar vortex” which is not repeating in 2016 ... thus far.
- **Good news is that these in total are within budget expectations for the current year, so largely predicted.**
- Forecast for FY17 is generally flat for electric/natural gas with “typical” reduction for telecom

Review of Major Revenue Sources

Real Estate Transfer Tax

- Continued strong growth with improvement in the housing market.
 - May-Dec 2015 we have seen a 15% increase in the number of residential sales, with an increase in average home selling price of 2.5%.
- We continue to see a number of significant industrial property sales each year.
- We should reach our budget amount of \$680,000 by the end of January 2016, 23% above budget by April 2016.
- Projection for FY17 of \$810,000 is a 19% increase over FY16 budget, but still slightly below the FY16 estimate of \$835,000.
- 10 year **LOW = \$241K** (FY11) **HIGH = \$1,044K** (FY06)

Review of Major Revenue Sources

Hotel Taxes

- Combined growth through December = 13.7%
- Prior year growth FY14 to FY15 = 11.0%
- Using a more conservative 6.0% growth assumption for FY17.

Review of Major Revenue Sources

Other Taxes

Includes:

Local Use Tax (63% of total)

PPRT/Auto (10%)

Road & Bridge Tax (20)

Video Gaming Tax (7%)

- **Local Use Tax** drives most of this category. 15.3% growth FY15 to FY16 est. and 5.9% growth projected by **IML** in FY17. (Per capita State distribution.)
- **Video Gaming.** Starting to plateau at about \$150,000. Currently 47 terminals among 10 establishments. Modest growth assumed (5 terminals per year)

General Fund

FY17 Revenue Projections

	FY16 <u>Budget</u>	FY16 <u>Estimate</u>	FY17 <u>Projected</u>	FY17 Over/ (Under) FY16 Budget	FY17 Over/ (Under) FY16 Est.
Sales Tax	\$ 6,710,000	\$ 7,160,000	\$ 7,600,000	\$ 890,000	\$ 440,000
State Income Tax	3,881,000	4,300,000	4,050,000	169,000	(250,000)
Home Rule Sales Tax	3,960,000	4,090,000	4,332,000	372,000	242,000
Utility Tax - Telecomm.	1,210,000	1,250,000	1,190,000	(20,000)	(60,000)
Utility Tax - Electricity	1,850,000	1,880,000	1,870,000	20,000	(10,000)
Natural Gas Use Tax	570,000	515,000	570,000	-	55,000
Real Estate Transfer Tax	680,000	835,000	810,000	130,000	(25,000)
Hotel Tax Receipts	323,000	345,000	365,000	42,000	20,000
Other Taxes	<u>1,295,500</u>	<u>1,381,000</u>	<u>1,441,300</u>	<u>145,800</u>	<u>60,300</u>
Total Taxes	20,479,500	21,756,000	22,228,300	1,748,800	472,300
Licenses and Permits	1,214,000	1,309,400	1,318,900	104,900	9,500
Grants	200,000	105,000	105,000	(95,000)	-
Charges for Services	1,593,500	1,705,200	1,657,800	64,300	(47,400)
Fines and Forfeitures	1,665,000	1,675,000	1,737,000	72,000	62,000
Interest Income	5,000	6,000	15,000	10,000	9,000
Miscellaneous Revenue	<u>525,000</u>	<u>599,400</u>	<u>557,000</u>	<u>32,000</u>	<u>(42,400)</u>
Total Revenues	\$ 25,682,000	\$ 27,156,000	\$ 27,619,000	\$ 1,937,000	\$ 463,000

1.7%



General Fund FY17 Revenue Projections

- Total GF revenues for FY17 projected to increase by 1.7% over the FY16 estimated actual revenues (\$463,000).
- While on the face this appears to be a modest increase, the GF revenue base grew by 7.1% (\$1,811,000) in the current fiscal year (FY16 est. vs FY15 actual).
- This continues to be positive news for the operating side of the budget.



General Fund FY17 Revenue Projections

- Staff is currently working on developing and refining **expenditure** estimates for our current year FY16. Considering strong GF revenue performance in FY16, we are projecting that there will be an ample surplus by 4-30-16, sufficient to fund a full year of road program improvements in the Capital Projects Fund.
- General Fund departmental budget reviews are not complete at present, however, staff believes that the proposed FY17 GF budget can be balanced **without** the introduction of new major revenue sources.



General Fund FY17 Revenue Projections

Although preliminary indications suggest that no new major revenue sources are required in FY17, staff still intends on presenting analysis on alternate revenue options in response to the Village Board's top objectives of ensuring adequate staffing levels to support community services (#1) and establishing sufficient revenues to sustain identified core Village services (#2).

Next Steps

- Monday, February 1, 2016
 - 6:00 pm Special Village Board Workshop
 - **FY16/17 Draft Budget Presentation #2**
 - **CAPITAL IMPROVEMENT PROGRAM**
- Tuesday, February 16, 2016
 - 6:00 pm Special Village Board Workshop
 - **FY16/17 Draft Budget Presentation #3**
 - **GENERAL FUND**

Next Steps

- **Monday, March 7, 2016**
 - 6:00 pm Special Village Board Workshop
 - **FY16/17 Draft Budget Presentation #4**
 - **WATER & SEWER FUND**
 - **Water/Sewer rate recommendation for May 1, 2016**
 - **ALL OTHER FUNDS**
- **Monday, March 21, 2016**
 - 6:00 pm Special Village Board Workshop
 - **RESERVED (ONLY IF NEEDED)**

?QUESTIONS?

Village of Carol Stream
INTER-DEPARTMENTAL MEMO

TO: Mayor and Trustees

FROM: Robert Mellor, Assistant Village Manager *Rm*

DATE: January 12, 2016

RE: Tour of Village Hall

Next week Tuesday prior to the Village Board meeting on 1/19 staff will be leading the Village Board on a tour of the Village Hall to show some of the building office space and remodeling issues we have been discussing with the architect. While some of you have visited some of the back office areas of the Village Hall most have had limited exposure to these areas. The intent of this tour is to provide everyone a first-hand view of the building and allow you to personally see what staff feels are space and remodeling issues that need to be addressed.

The tour will cover the following areas and topics:

1. General Building Condition & Issues

- Current Building is undersized for current and proposed future compliment of employees
- Many of the existing work stations and furniture were not designed to accommodate use of current technology
- Interior Finishes - Floor coverings (carpet & tile), ceiling tiles, wall coverings & casework are old, worn & need updating
- Interiors and common areas are outdated and do not project a good image to the public and our employees (lobby, restrooms, kitchen)
- Offices and conference rooms are undersized - Most offices, conference rooms and other functional spaces are sized at the low end for modern municipal facilities. Based on current and future staffing and functions for Village government an efficient and Spartan sized facility would be approximately 54,000 SF. Our Municipal Center is 40,000 SF.
- There are workflow issues associated with location of departments in the building
- Electric supply issues including voltage spikes/drops that damage equipment
- HVAC – Heating & Cooling issues

2. Specific Department Issues

- Board Room – A/V Room and current production equipment issues and ability to accommodate future production needs
- Server rooms are undersized, not originally constructed to house sensitive computer equipment nor are they sufficiently cooled
- Under sized office and meeting room space in
 - Employee Relations
 - IT
 - Police
 - Board Conference Room
 - Other

3. Next Step – Presentation of various options by Williams Architects at workshop on 2/1/16

Tuesday's workshop will begin at 6:00 p.m. in the training room with a presentation on Village forecasted revenues. A light meal will be served. The tour will begin at approximately 6:30. Since we only have a limited amount of time for the tour before the start of the Board meeting we need to make sure we move at a pace that will allow us to get through the areas we feel are the most important for the Board to see.

Please let me know if there are specific areas you wish to see or if you have any questions.

Cc: Joseph E. Breinig, Village Manager
Executive Staff