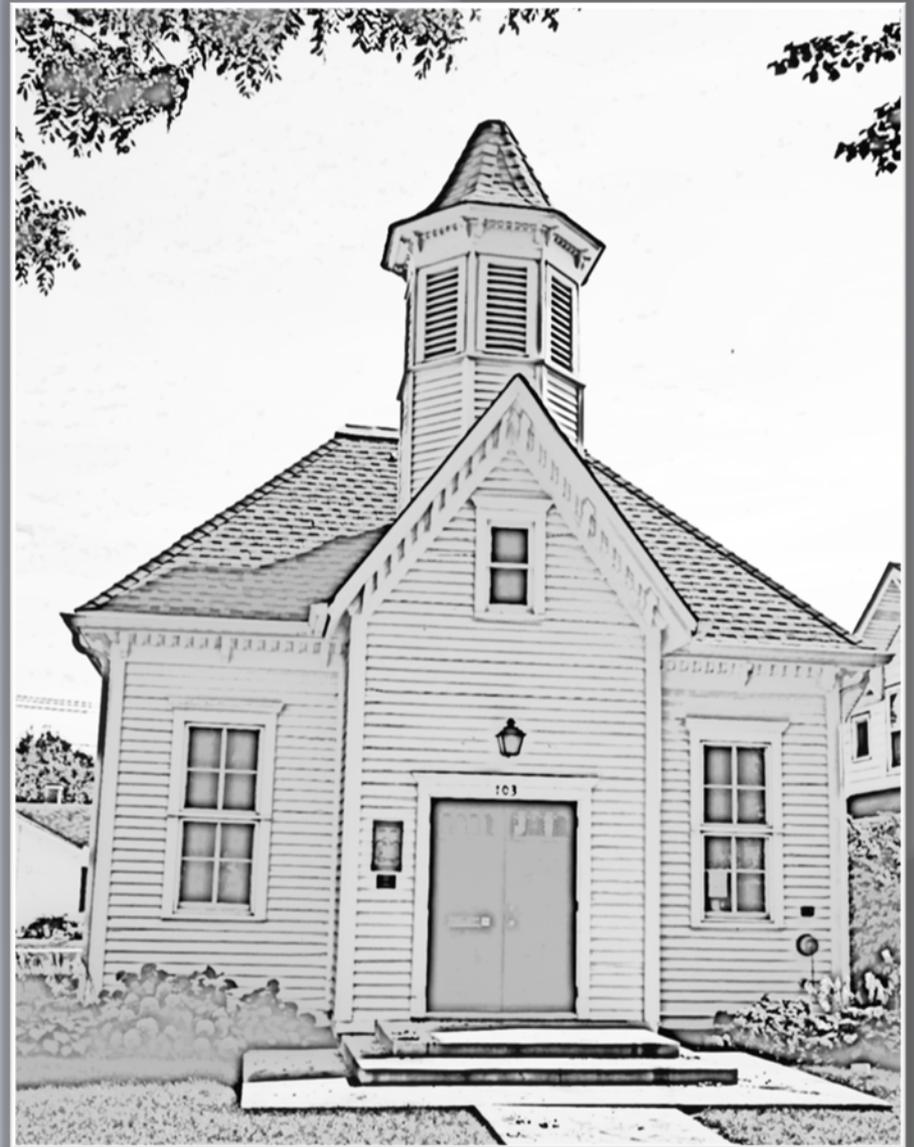


Village of Mount Prospect, Illinois

*2017 Proposed Budget
Overview Presentation*

Committee of the Whole

October 11, 2016



Proposed Budget Overview Presentation

- Items of note...
- Preliminary results for 2016
- Proposed budget for 2017
- Forecast budget for 2018
- Status of fund balance for General Fund
- Proposed 2016 property tax levy

Items of Note...

- General Fund surplus anticipated for 2016, \$830K
- Tax levy increase of 2.27%, lower than initially proposed
 - SAFER hires funded using current revenues
- Water/Sewer rate increase of 4.0%, no increase for Refuse Collection
- Abatement of tax levy for public safety pensions
 - Phase-in of levy increase of (19%/23%)
 - Planned to use GF reserves, now supported using current revenues
- Capital transfer to support mid-range capital projects

Items of Note...

- Budget document enhancements, *Initiatives* packet
- GFOA Distinguished Budget Award, 25th year
- S&P “AA+” rating reaffirmed
- Significant Progress – Strategic Planning Goals for Vision Attainment

Preliminary Results - 2016

Preliminary Results - 2016

- ⦿ Amended budget for revenues - \$115,052,508
 - No change from original 2016 budget
 - Expect adjustments with next amendment
- ⦿ Amended budget for expenditures - \$116,766,920
 - 3.7% increase from original 2016 budget
 - Carry-over from prior year primarily for capital projects

Preliminary Results - 2016

- Total estimated revenues - \$114,972,777
 - General Fund positive variance of \$1.8 million
 - Water and sewer, pension funds under budget
 - Water and sewer –water usage down
 - Pension funds – lower than expected returns
- Total estimated expenditures - \$117,164,148
 - 0.3% above amended 2016 budget
 - Payment related to Business District
 - Expenses under budget excluding this item

Amended Budget versus Estimate – 2016

Millions



REVENUES

- Positive variance in Sales and Income Taxes, Ambulance Transport Fees and Building Permits
- Negative variance in Investment Income (pensions), Telecom Fees and Charges for Service

EXPENDITURES

- Business District – payment as part of RDA, Downtown TIF
- Internal services for Vehicle Maintenance, Risk Management

Preliminary Results - 2016

- ⦿ General Fund surplus for 2016 - \$830,374
 - Revenues of \$51.4 million
 - Sales and income taxes, ambulance fees
 - Expenses of \$50.6 million
 - Slight variances throughout department budgets
 - Minimal carry-over from prior year
- ⦿ December 31 fund balance expected to be 33.9%
 - Policy level is 20% to 30%
 - Triggers for adjustments to tax levy, capital transfers

Proposed Budget – 2017

Proposed Budget – 2017

Revenues

- Total budgeted revenues - \$116.8 million
 - 1.6% increase from 2016 amended budget
- Increase expected in General Fund revenues
 - Total budgeted GF revenues - \$52.8 million
 - 6.4% growth from PY budget, 2.7% growth from 2016 estimates
- NOTE: Potential impact from State budget impasse
 - LGDF reductions
 - Property tax levy restrictions

Proposed Budget – 2017

Revenues

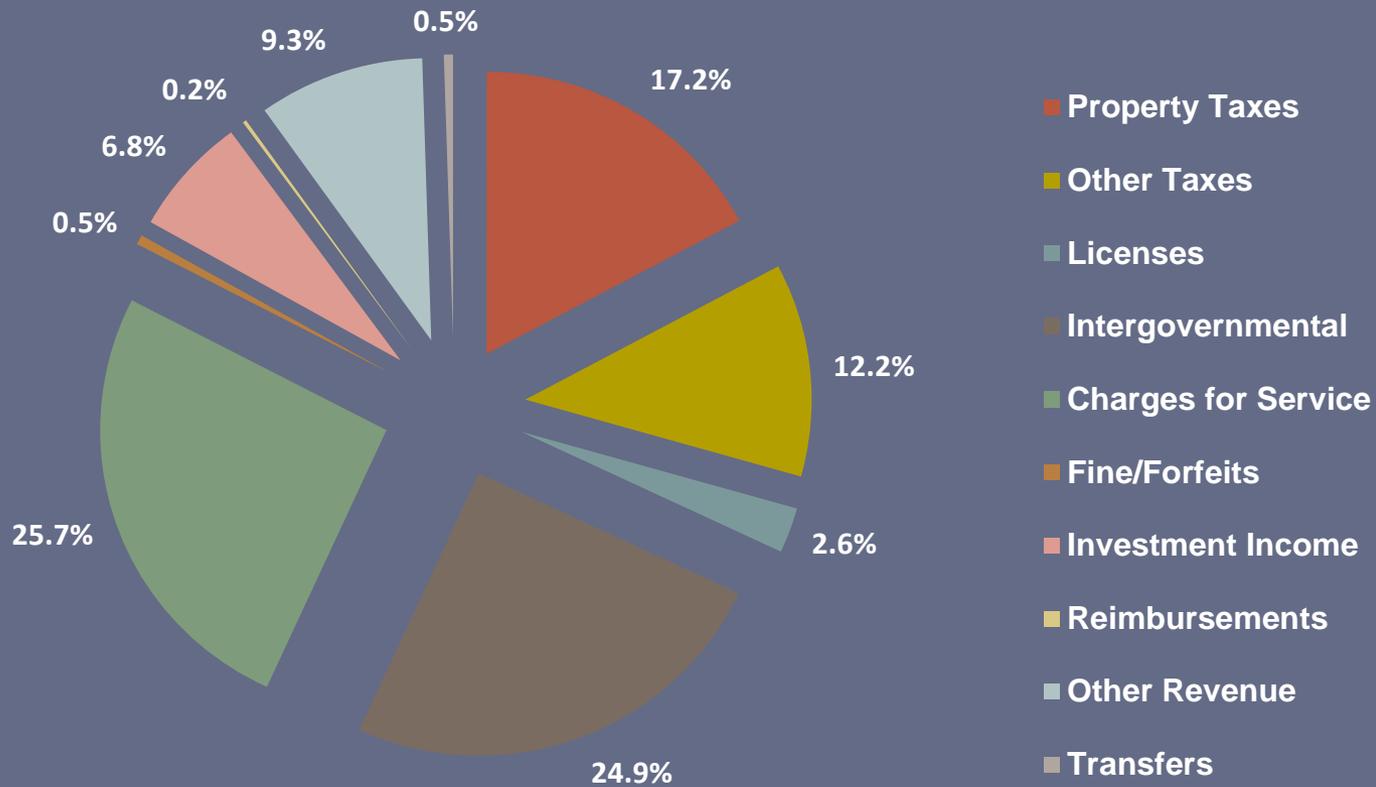
- ⊙ Property taxes collectively **decreasing 11.8%**
 - Includes corporate levy, special service area levy and township road & bridge
 - Corporate levy increase is 2.27%
 - Elimination of TIF incremental revenues
- ⊙ Intergovernmental revenues increasing 14.4%
 - Sales taxes, capturing growth
 - State income and use taxes also seeing growth
- ⊙ Charges for service decreasing 2.2%
 - Combined water/sewer rate increase of 4.0%, but on lower sales volume
 - No change in the direct charge for refuse, a \$15 increase had been anticipated

Proposed Budget – 2017

Revenues (detail found on pages 25-52)

Revenue Type	2016 Budget	2017 Budget	Increase (Decrease)	Percent Change
Property Taxes	22,784,200	20,092,000	(2,692,200)	(11.8%)
Other Taxes	14,198,368	14,236,092	37,724	0.3%
Licenses, Permits, & Fees	2,944,000	3,029,000	85,000	2.9%
Intergovernmental Revenue	25,413,467	29,074,644	3,661,177	14.4%
Charges for Services	30,766,533	30,074,981	(691,552)	(2.2%)
Fines and Forfeits	656,100	641,100	(15,000)	(2.3%)
Investment Income	8,485,500	7,925,100	(560,400)	(6.6%)
Reimbursements	194,500	240,500	46,000	23.7%
Other Revenue	9,609,840	10,924,005	1,314,165	13.7%
Total Re-Occurring Revenues	115,052,508	116,237,422	1,184,914	1.0%
Transfers/Other Financing Sources	-	600,000	600,000	-
Total Revenues & Other Financing Sources	115,052,508	116,837,422	1,784,914	1.6%

2017 Revenues and Other Sources



Proposed Budget – 2017

Expenditures

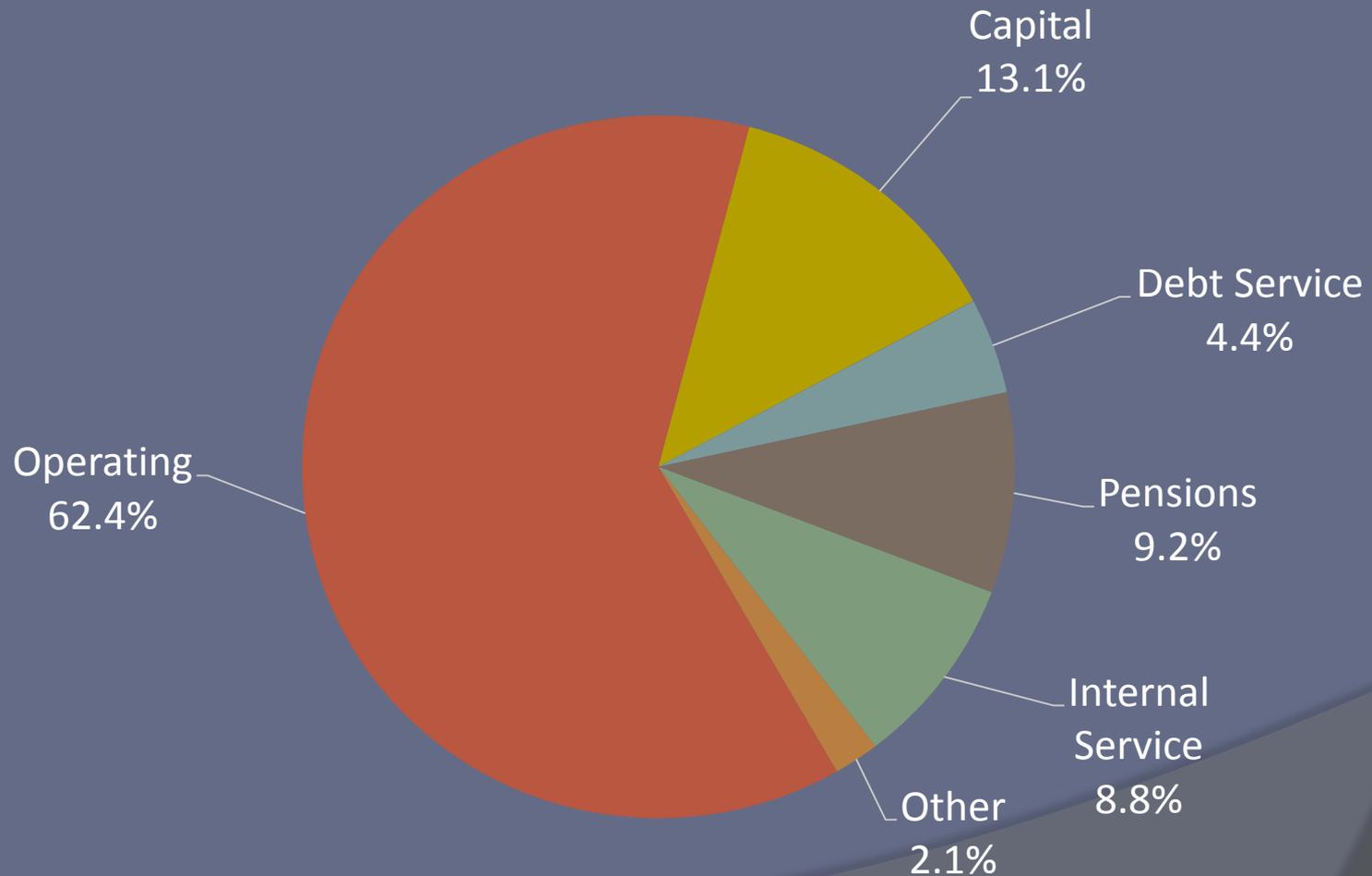
- Total proposed expenditures - \$112.1 million
 - 4.0% decrease from 2016 amended budget
- Operating budget - \$70.0 million
 - Increase of 2.4% from 2016 amended budget
 - Includes 2% adjustment for salaries
- Capital budget - \$14.7 million
 - Decrease of 34.2% from prior year
 - Expected completion of several large capital projects

Proposed Budget – 2017

Expenditures

Budget Category	Amount	% Change
Operating Budget	\$69,993,395	2.4%
Capital Budget	14,667,487	(34.2%)
Debt Service	4,922,013	(1.2%)
Pensions	10,334,501	5.7%
Internal Service	9,853,743	(3.6%)
Other (Business District)	1,721,000	56.9%
Interfund Transfers	600,000	-
Total Village Budget	\$112,092,139	(4.0%)

2017 Expenditures as Percent of Budget



Proposed Budget - 2017

- General Fund budget, as presented, is showing a slight surplus of \$185,085
 - Total budget \$52.6 million
 - 5.5% increase from 2016 amended budget
- Budget incorporates a 2.27% property tax increase for a total levy of \$18,727,573
 - Assumptions:
 - Public Safety Portion, no change
 - Debt Service, +0.4%, \$11,368
 - **Police Pension, +7.0%, \$223,622**
 - **Fire Pension, +7.0%, \$179,827**
 - **Abating pension levy with GF subsidy**

Forecast Budget - 2018

Forecast Budget - 2018

- ⦿ Forecast budget for revenues - \$118,374,687
 - 1.3% increase from proposed 2017 budget
 - Overall growth in revenues projected
- ⦿ Forecast budget for expenditures - \$115,291,054
 - 2.9% increase from proposed 2017 budget
 - No significant changes from 2017

Forecast Budget - 2018

- 2018 General Fund budget, as presented, reflects a slight deficit of \$23,556
 - Total revenues/expenses of \$53.8
 - Increase from prior year of 2.3%
- Used 2.0% inflation factor for commodities and salary adjustments
- First-run budget as starting point for future deliberations

General Fund – Fund Balance

Unassigned Fund Balance – General Fund

Unassigned Fund Balance	Amount	Percent
December 31, 2015	\$17,016,920	34.1%
2016 Operating Results	830,374	
December 31, 2016	\$17,847,294	33.9%
2017 Operating Results	185,085	
December 31, 2017	\$18,032,379	33.5%
2018 Operating Results	(23,556)	
December 31, 2018	\$18,008,823	32.5%

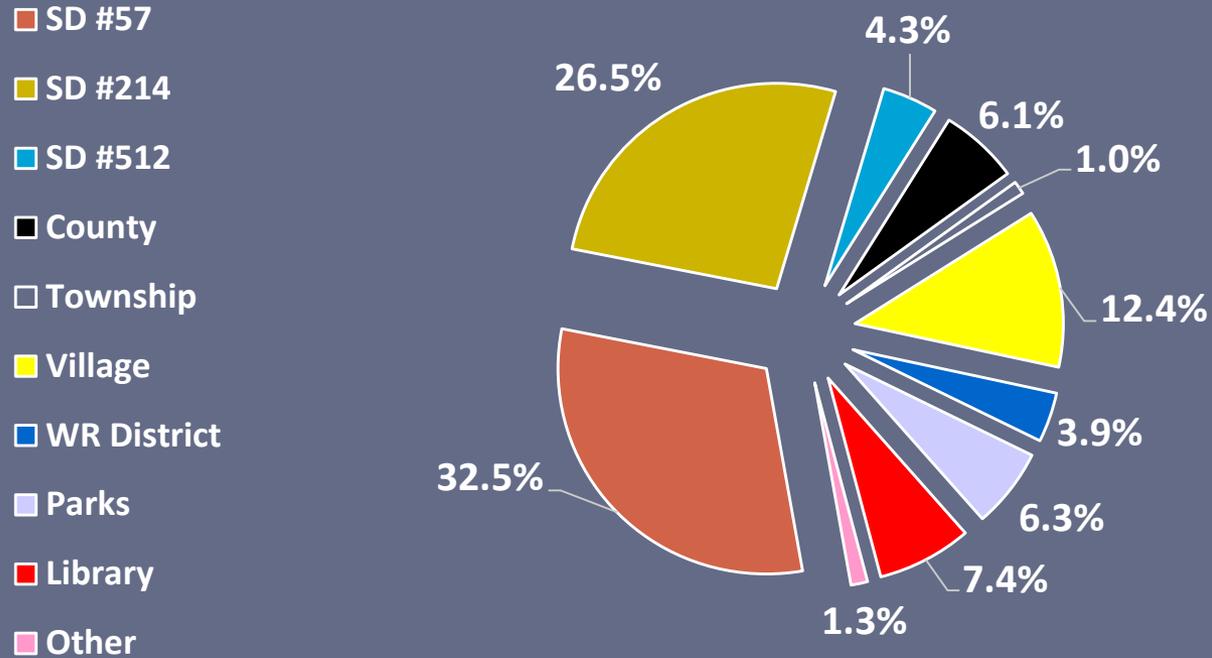
Proposed 2016 Property Tax Levy

Proposed 2016 Tax Levy

Purpose	'16 Levy
Police Protection	\$5,032,448
Fire Protection	5,209,928
Debt Service	2,318,583
Police Pension	3,418,122
Fire Pension	2,748,492
Total	\$18,727,573
2015 Levy	\$18,312,756
% Change	2.27%

Tax Bill For Home with an EAV of \$95,386

(Cook County Property Value of \$350,000)



2015 Tax Bill Paid in 2016	\$1,182
----------------------------	---------

2016 Tax Bill Paid in 2017	\$1,209
----------------------------	---------

QUESTIONS?