

**City of Joliet**  
**Mid-Year Budget**  
**Review**  
**August 2011**

Tom Thanas, City Manager

Ken Mihelich, Director of Management & Budget

Rachel Mayer, Finance Director

# JOLIET

## 2011 Budget Overview

### 3 Categories



**Maintenance & Operating**

**Recurring Revenues & Expenses**



**Capital Improvement Program**

**One-time Expenses**



**Grants & Special Funds**

**One-time Restricted Revenues & Expenses**



# 2011 Budget Overview

## General Funds

2011 Budget	\$207.6 million
Carryover	\$12.6 million
Adjusted Budget	\$220.2 million

2011 Budget  
\$292.8 m

## Enterprise Funds

2011 Budget	\$75.5 million
Carryover	\$6.9 million
Adjusted Budget	\$82.4 million

2011  
Adjusted  
Budget

## Other Funds

2011 Budget	\$9.6 million
Carryover	\$7.3 million
Adjusted Budget	\$16.9 million

\$319.5 m



# 2011 Budget Overview

## \*General Funds = \$ 220.2 million

Maintenance & Operating  
Grants & Other  
Capital Projects & Fund Balance

\* Includes Gaming Fund

## Enterprise Funds = \$ 82.4 million

Water & Sewer – Maintenance & Operating  
Water & Sewer – Capital & Other  
Parking – Maintenance & Operating  
Parking – Capital & Fund Balance

## Other Funds = \$ 16.9 million

Federal Block Grant  
2002/2005 G.O. Bond Debt Service  
Motor Fuel Tax Fund  
Special Services Areas  
TIF #2 – City Center



# General Funds Budget Overview

**Projected 2012 = \$ (27) million**

## Good News...

- Additional Income Tax Payments
- Savings in Payroll
- Gaming Revenue trending slightly better than budget
- Moderate Increase in Sales Tax receipts
- Savings in Overtime

## Challenges...

- Pension projections still increasing
- OPEB Obligations
- Rising Health Insurance Costs
- Revenue projections remain fairly flat for 2012
- Negotiated Salary Increases

**2011 Estimated Year End \$(5) m**

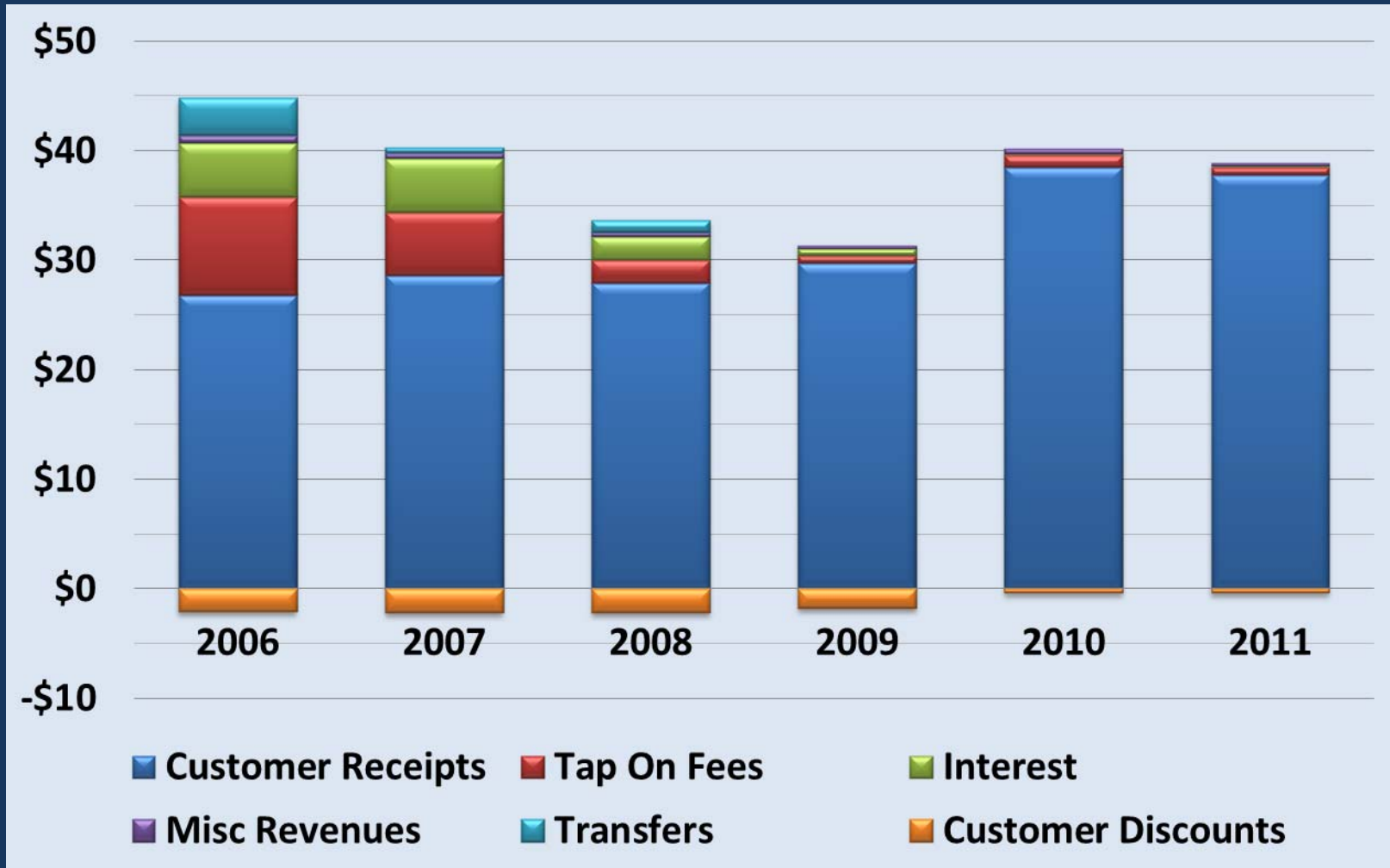
**2012 Projected \$(17) m**

**JOLIET**

# **Water & Sewer Funds**



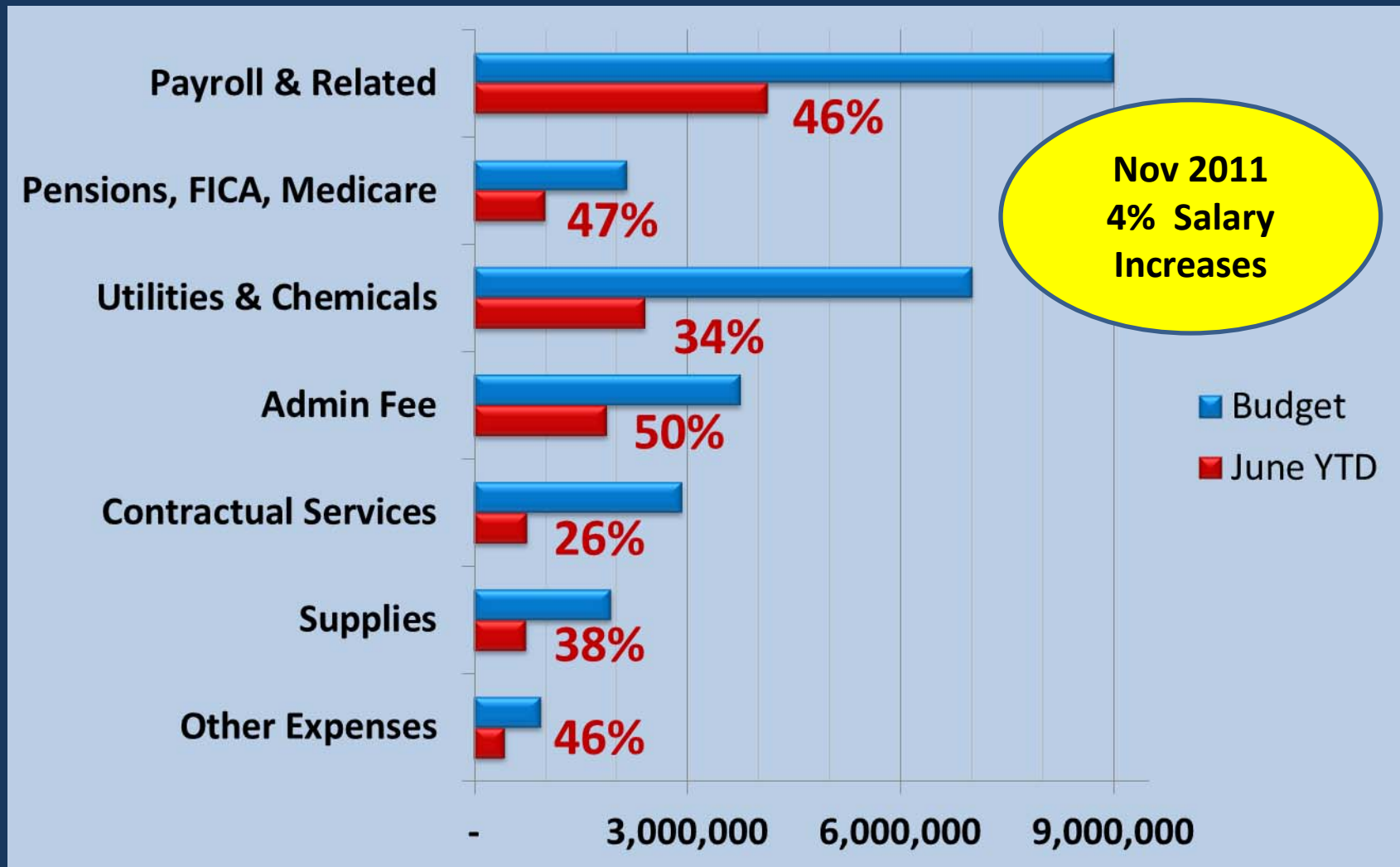
# Water & Sewer Funds Revenue History





# Water & Sewer Funds

## Maintenance & Operating Expenses





# Water & Sewer Funds

<b>2011</b>	<b>Budget</b>	<b>June YTD</b>
<b>Maintenance &amp; Operating</b>		
<b>Revenues</b>	<b>\$ 38.4 m</b>	<b>\$ 20.8 m</b>
<b>Expenses</b>	<b>\$ 27.7 m</b>	<b>\$ 11.3 m</b>
<b>Available for Capital Improvements</b>	<b>\$ 10.7 m</b>	<b>\$ 9.5 m</b>
<b>Capital Improvement Program</b>	<b>\$ 35.8 m</b>	<b>\$ 3.5 m</b>
<b>EPA Loans</b>		
<b>Black Road Lift Station</b>	<b>\$ 15.0 m</b>	<b>\$ 0</b>
<b>ESTP Outfall Project</b>	<b>\$ 2.0 m</b>	<b>\$ 0</b>



# Water & Sewer Funds Capital Projects

Eastside Sewage Treatment Plant Outfall Relocation-\$2m

**Black Road Force Main-\$15m**

**Rt. 6 Sewer Rehab-\$1.5m**

ESSTP Clarifier=\$740k

**CSO Elimination-\$56m**

Well 9D Rehab-\$800k

**Lift Station Upgrades-\$1.1m**

**Sewer Main Replacements \$500k**

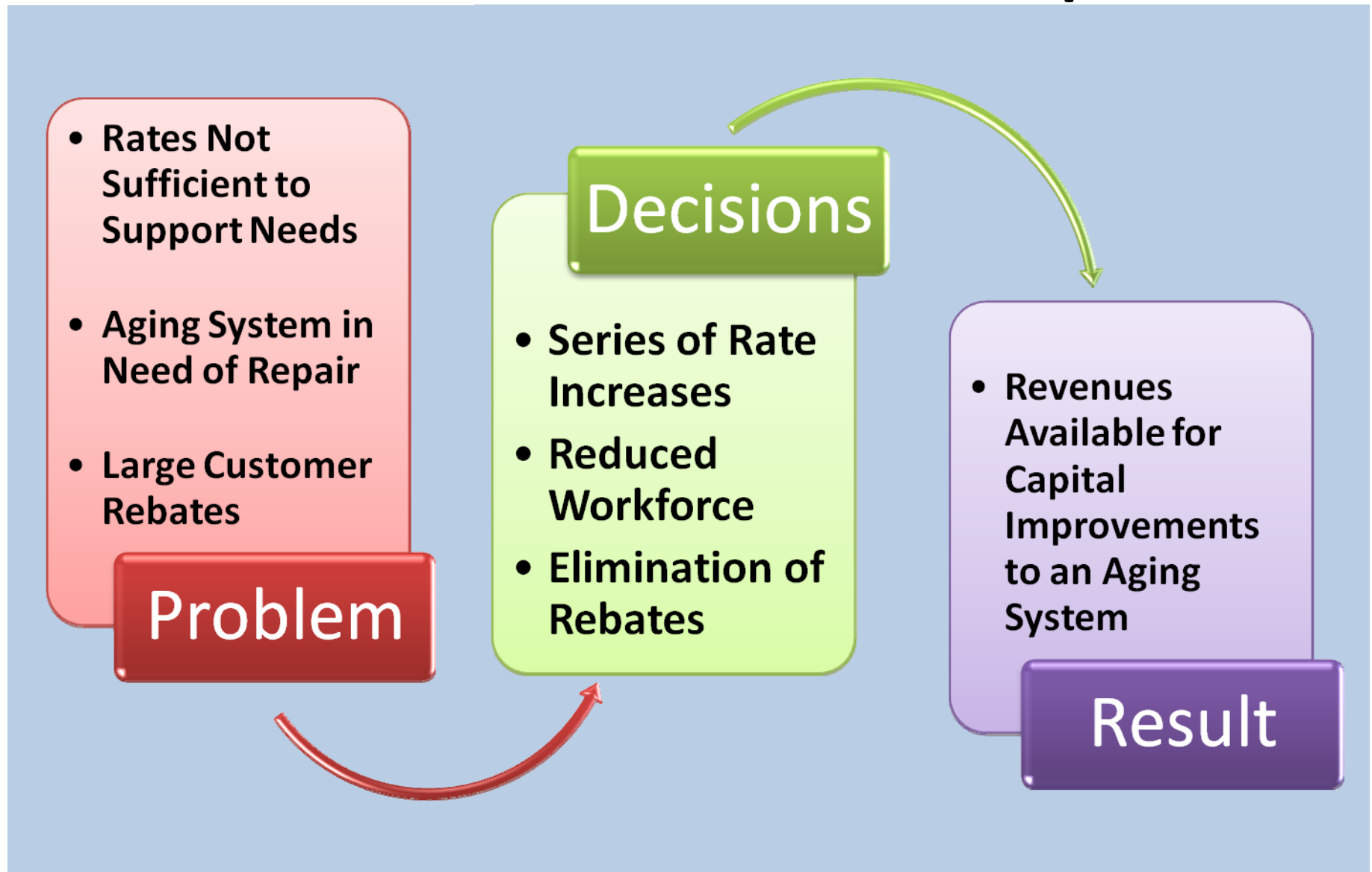
Replace ESSTP Blowers-\$1m

**Water Meter Replacements & Read System \$1m**

**Rock Run Interceptor-\$150k**

Well Rehab - \$1.5m

**Replace Sewer Reserve Digester-\$840k**



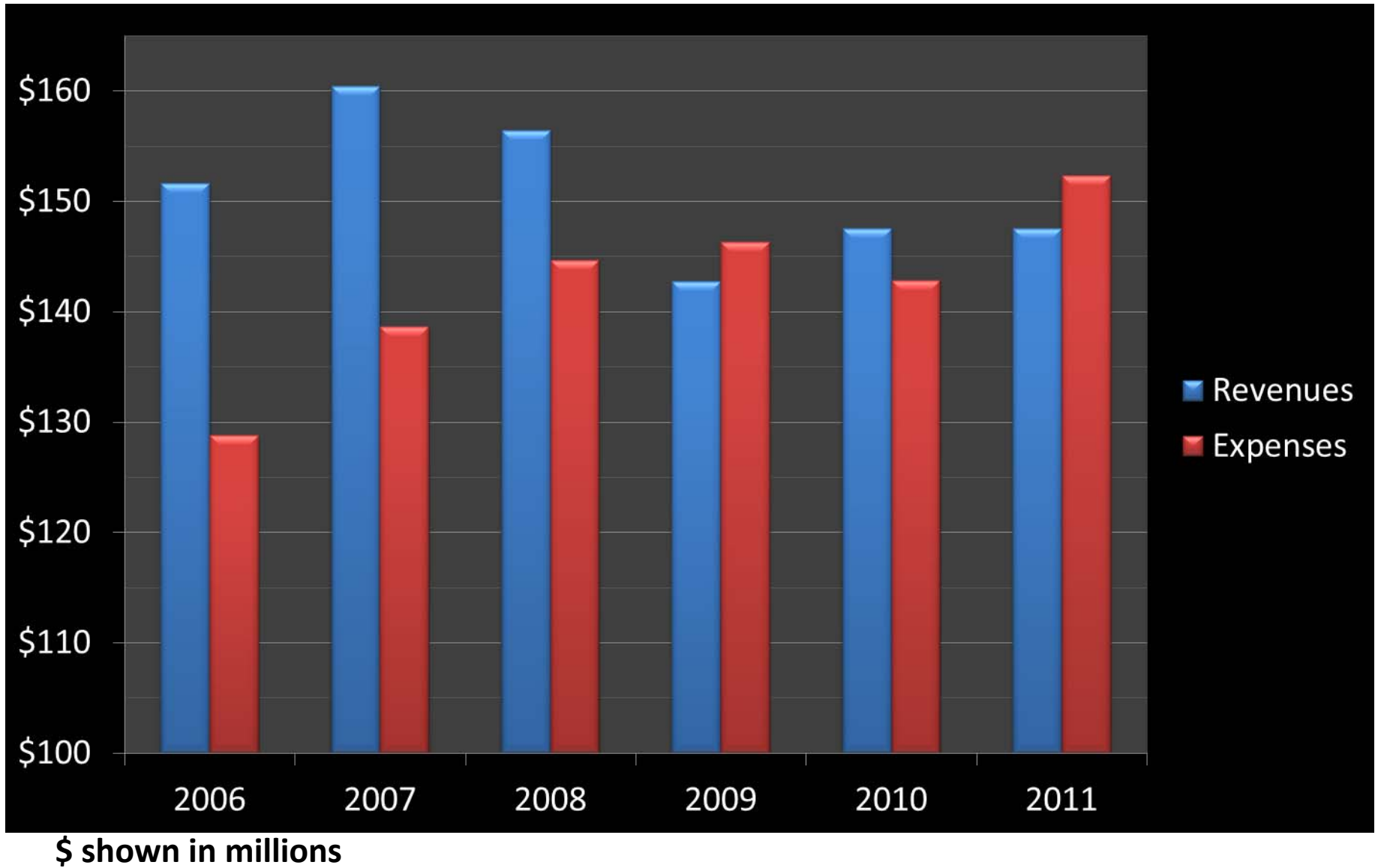
**JOLIET**

# General Funds



# General Funds

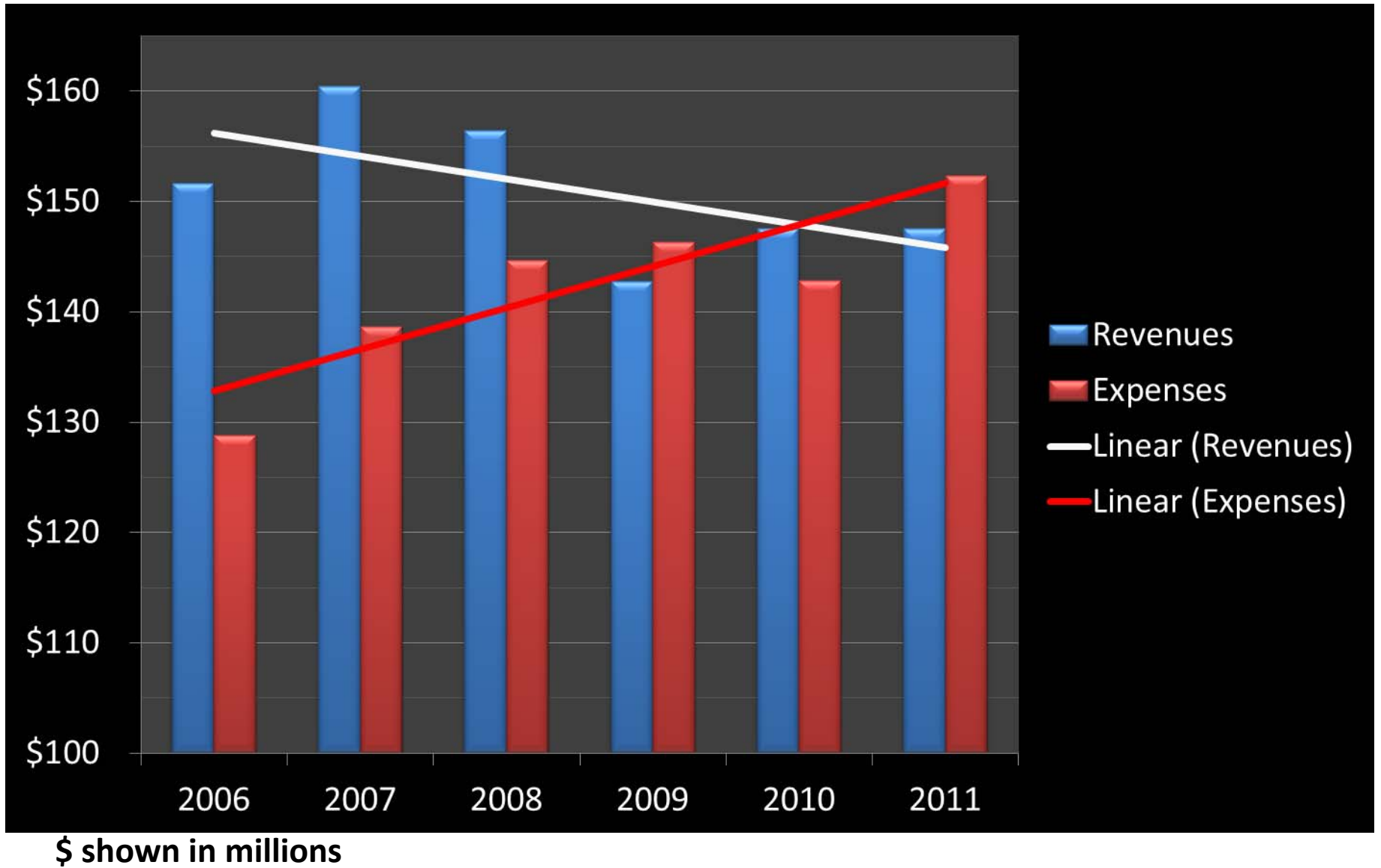
## Maintenance & Operating History





# General Funds

## Maintenance & Operating History

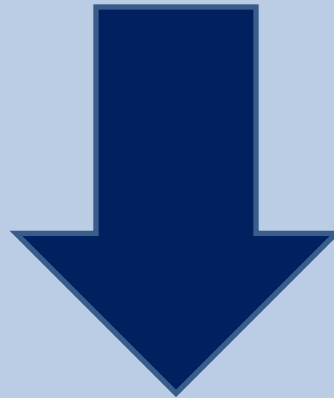


# JOLIET

## General Funds

Issue Today...

**Revenues**



**Expenses**



# General Funds Budget Summary

	2011 Budget	June YTD	2011 Estimated Year End
<b>Maintenance &amp; Operating</b>			
Revenues	\$ 142.3 m	\$ 75.1 m	\$ 147.5 m
Expenses	\$ 156.2 m	\$ 73.5 m	\$152.3 m
Surplus / (Deficit)	\$ (13.9) m	\$ 1.6 m	\$ (4.8) m

- Revenues slightly above budget projections

- Salary Increases in second half of year

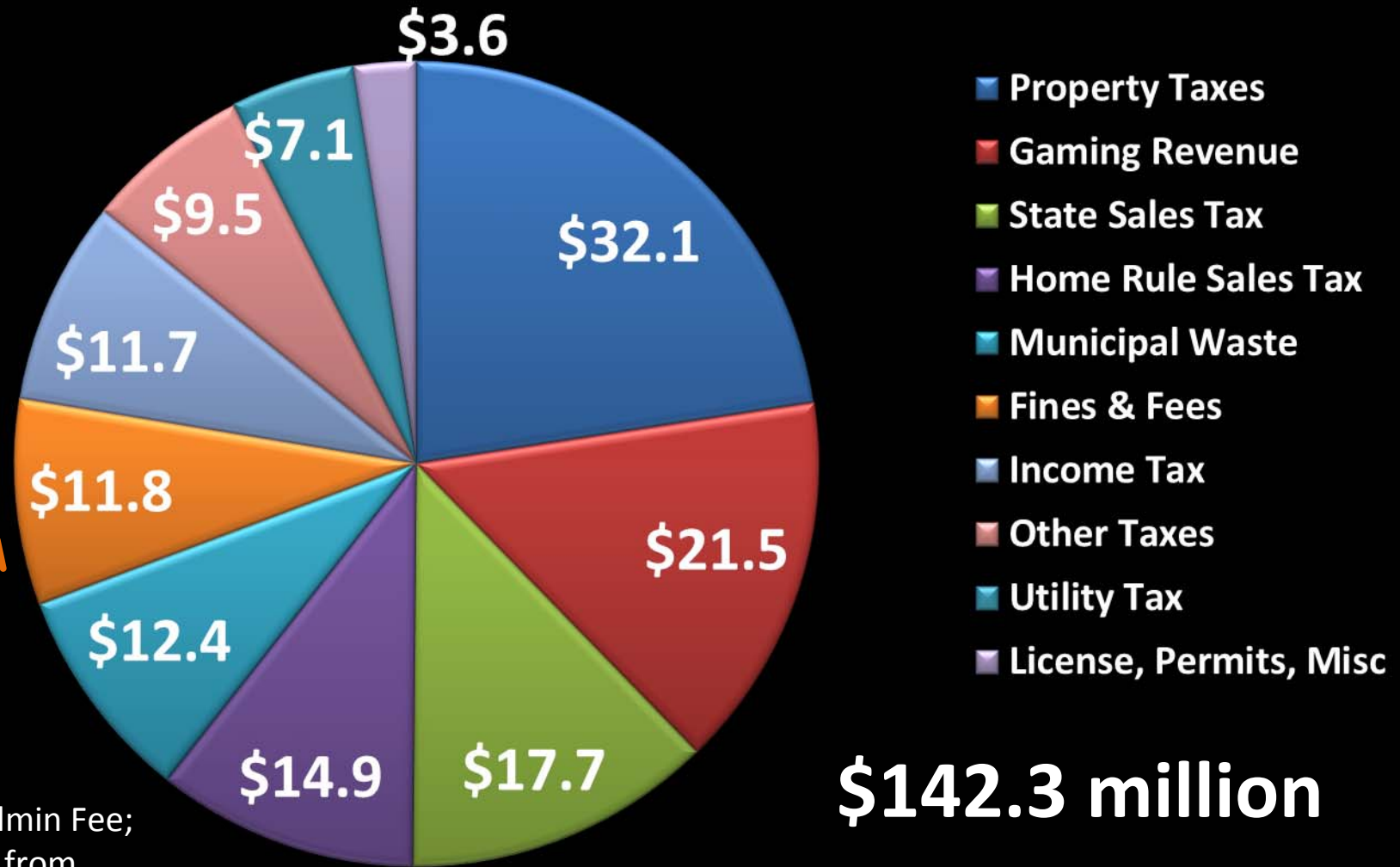
July 1<sup>st</sup> - Fire (Local 44) , Operating Engineers (Local 399), Police (FOP)

Nov 1<sup>st</sup> – AFSCME Union (Local 440)

# JOLIET

## 2011 Budgeted Revenues

### Maintenance & Operating



**\$142.3 million**

\$4m = Admin Fee;  
Transfer from  
Enterprise Funds

# JOLIET

## General Funds 2011 Budget

Regular Salaries \$65.1m  
Overtime \$5.5m  
Other Payroll Comp \$1.3m  
Retirement Payouts \$1.2m

**\$73.2 m**

Pensions \$27.8 m

Insurance \$24.7 m

Municipal Waste \$10.7

Utilities, Chemicals, Fuel \$ 5.6 m

Budgeted Revenues  
**\$ 142.3 million**

**TOTAL =**

**\$141.9 million**

**\$400 thousand FOR...**





# 2011 Budgeted Expenses

## Maintenance & Operating

Legal Claims \$1.0m  
Equipment Maintenance \$897k  
Snow Removal \$120k  
Vehicle Maintenance \$689k  
Building Maintenance \$216k  
Radio Maintenance \$184k  
Economic Rebate Programs \$670k  
Uniforms \$302k  
Phones/Cell Phones \$475k  
Motor Vehicle Supplies \$370k  
Office Supplies \$91k  
Rent \$86k  
Tree & Weed Removal \$338k  
Para-transit Bus Program \$160k  
Public Access TV \$118k  
Baseball Park \$331k  
IT Software Maintenance \$350k  
IT Maintenance Services \$318k  
IT Licenses \$181k  
Audit & Actuaries \$317k  
Legal Outside Services \$480k  
Ambulance Billing \$250k  
Boarding Prisoners \$15k  
Bridge Inspections \$22k  
Professional Service Contracts \$401k

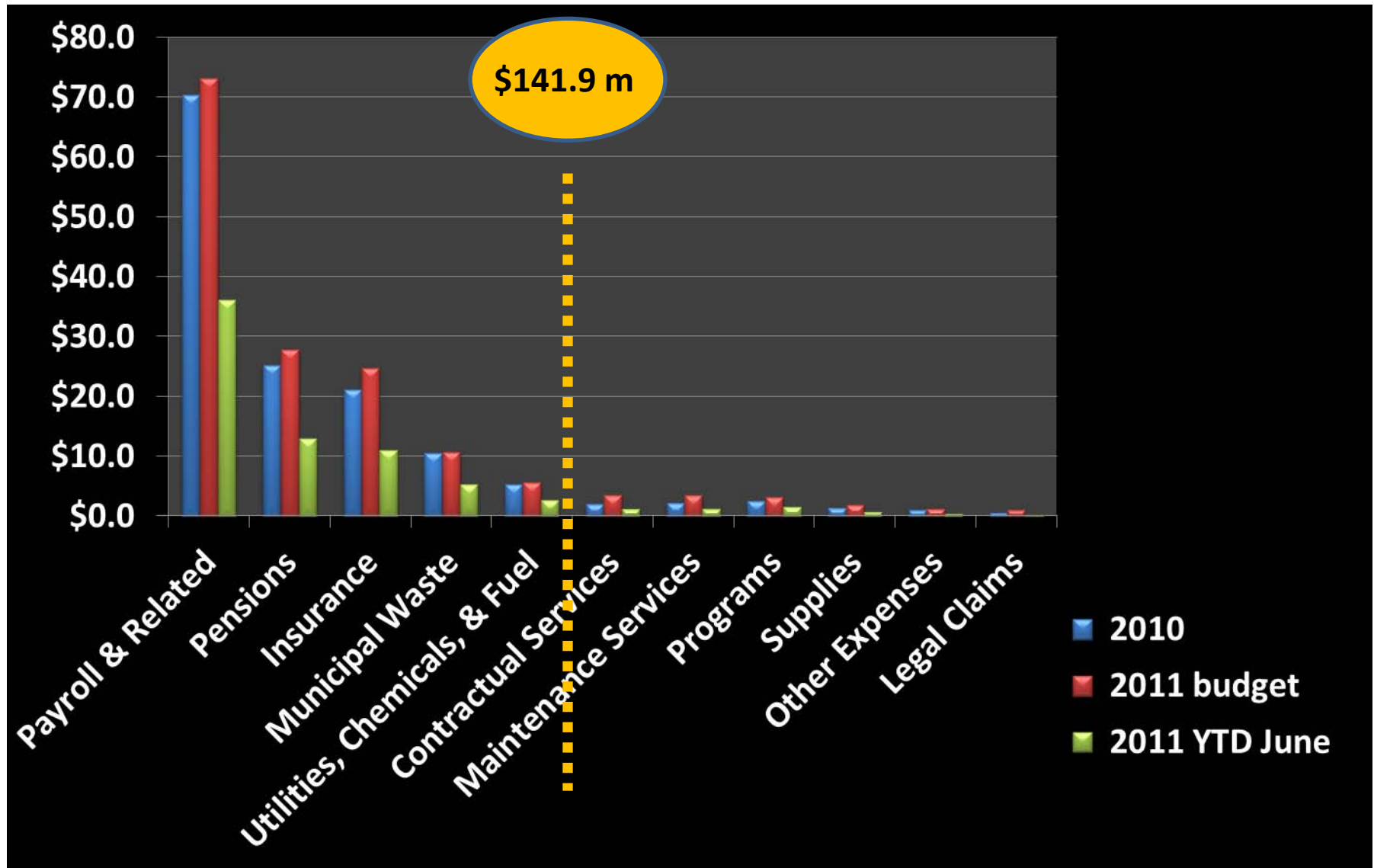
**\$14.3  
million**

Postage \$83k  
Program Development \$151k  
Tuition Reimbursement \$57k  
Subscriptions & Memberships \$132k  
Loan Payments \$199k  
Shop Supplies \$156k  
Street Repair Materials \$336k  
Training & Travel \$233k  
Supplies - Other \$286k  
Other Expenses \$457k  
Animal Control \$172k  
Public Notices \$133k  
Museum \$366k  
Park District \$173k  
Rialto \$700k  
G.I.S. Maintenance \$149k  
IT Hardware Maintenance \$452k  
Plainfield Library \$419k  
Economic Development \$150k  
HR & Payroll Services \$147k  
City Parks Maintenance \$247k  
Police Testing \$175k  
Printing Services \$133k  
Spring Creek Cleaning \$58k  
Mosquito Abatement \$295k



# 2011 Budgeted Expenses

## Maintenance & Operating





# General Funds

## Maintenance & Operating

Revenues	2011 Budget	2011 Estimated Year-End	2012 Projected
Property Taxes	\$ 32.1	\$ 32.4	\$ 32.4
Gaming Revenue	\$ 21.5	\$ 22.2	\$ 21.5
State Sales Tax	\$ 17.7	\$ 18.3	\$ 18.5
Home Rule Sales Tax	\$ 14.9	\$ 15.0	\$ 15.1
Municipal Waste	\$ 12.4	\$ 12.4	\$ 12.4
Fines & Fees	\$ 11.8	\$ 12.0	\$ 12.1
Income Tax	\$ 11.7	\$ 13.4	\$ 11.5
Other Taxes	\$ 9.5	\$ 9.7	\$ 9.9
Utility Taxes	\$ 7.1	\$ 6.8	\$ 6.8
Licenses, Permits, Misc.	\$ 3.6	\$ 5.3	\$ 5.3
<b>TOTAL</b>	<b>\$ 142.3</b>	<b>\$ 147.5</b>	<b>\$ 145.5</b>



# General Funds

## Maintenance & Operating

<b>Expenses</b>	<b>2011 Budget</b>	<b>2011 Estimated Year-End</b>	<b>2012 Projected</b>
Payroll & Related	\$ 73.2	\$ 72.5	\$ 74.6
Pensions, FICA, Medicare	\$ 27.8	\$ 27.7	\$ 32.8
Insurance	\$ 24.7	\$ 22.9	\$ 25.7
Municipal Waste	\$ 10.7	\$ 10.7	\$ 11.0
Utilities, Chemicals, Fuel	\$ 5.6	\$ 5.8	\$ 5.7
Contractual Services	\$ 3.5	\$ 3.1	\$ 3.1
Maintenance Contracts	\$ 3.4	\$ 3.2	\$ 3.2
Programs	\$ 3.2	\$ 3.1	\$ 3.1
Supplies	\$ 2.0	\$ 1.8	\$ 1.8
Other Expenses	\$ 1.2	\$ 1.1	\$ 1.1
Legal Claims	\$ 1.0	\$ 0.5	\$ 0.5
<b>TOTAL</b>	<b>\$ 156.2</b>	<b>\$ 152.3</b>	<b>\$ 162.3</b>



# General Funds

## Budget Summary

	2011 Budget	Estimated Year End	2012 Projected
Beginning Balance	\$ 27.2 m	\$ 27.2 m	\$ 14.9 m
Maintenance & Operating			
Revenues	\$ 142.3 m	\$ 147.5 m	\$ 145.5 m
Expenses	\$ 156.2 m	\$ 152.3 m	\$ 162.3 m
Surplus / (Deficit)	<b>\$ (13.9) m</b>	<b>\$ (4.8) m</b>	<b>\$ (16.8) m</b>
Subtotal	\$ 13.3 m	\$ 22.4 m	<b>\$ (1.9) m</b>
Capital Projects	\$ 7.5 m	\$ 7.5 m	
Ending Balance	\$ 5.8 m	\$ 14.9 m	

**Reduce  
Expenses**

**Balanced  
Budget**

**Generate  
New  
Revenues**



# General Funds

## Balancing Option Challenges

### Reduce Expenses

- Salaries, Pensions, Insurance, Garbage Pick-up, Utilities/Chemicals/Fuel account for **99.7%** of **Total Revenues**

### Generate New Revenues

- City does not set rate for Gaming Revenues, State Sales Tax, and State Income Tax totaling **\$50.9 million** or **35.7%** of Total Revenues
- Administrative Fee, Insurance Premiums, and Municipal Waste Revenues account for **\$17.8 million** in Revenues
- Remaining Revenues total **\$73.6 million**; Property Taxes account for **\$32.1 million**



# General Fund

## Reduce Expenses

### Full –Time Staff reduced by 15% since 2007

	2007	2011	Difference	%
Mayor & City Clerk’s Office	4	4		
Office of City Manager	13	10	(3)	(23)%
Management & Budget	79	64	(15)	(19)%
Community & Economic Development	43	29	(14)	(33)%
Legal Department	8	6	(2)	(25)%
Police Department	391	327	(64)	(16)%
Fire Department	216	210	(6)	(3)%
Public Works & Utilities	173	142	(31)	(18)%
<b>Totals</b>	<b>932</b>	<b>795</b>	<b>(137)</b>	<b>(15)%</b>



## **General Funds**

### **Generate New Revenues**

**Ambulance Fees - \$3.6m**

**Food & Beverage Tax - \$2.3m**

**Replacement Tax - \$2.1m**

**Out of State Use Tax - \$1.8m**

**Franchise Fees - \$1.6m**

**Hotel/Motel Tax - \$1.6m**

**Licenses & Permits - \$1.1m**

**Gasoline Tax - \$500k**

**Vehicle Sticker Fee**

**Lease Tax**



# General Fund

## Generate New Revenues

### What's Left...

#### Utility Tax @ \$7.1 m

Current Rates = Telecom 5%, Nicor & ComEd 2%  
Limit of 6% and 5%

Raise 1% = Telecom = \$800k; Nicor = \$400k; ComEd = \$ 1.0m;

\$ 100 Monthly  
ComEd Bill =  
\$1

#### Home Rule Sales Tax @ \$14.9 m

Current Rate = 1.25%

Oct 1<sup>st</sup> Changes to State, Jan 1<sup>st</sup> effective date

Raise in .25% Increments = \$2.98 million

\$ 200 BBQ Grill =  
50 cents

#### Property Taxes @ \$32.1 m

Increase 10% = \$3.2 million

Increase 20% = \$6.4 million

Increase 50% = \$16.1 million

\$150k FMV =  
\$ 50k EAV =  
\$ 57.90



## **General Funds Balancing Options**

### **Continue to Reduce Expenses**

**Management Reorganization**

**Review Expenses**

**Reduce Workforce**

**Utilize Outsourced Services**

**Privatization of Services**

**Contractual Adjustments**

**Cost Sharing w/other Communities & Organizations**

**Evaluate Work Rules**

### **Implement New Technologies**

**Create Efficiency**

**Increase Productivity**

**Automate Processes**



## **General Funds Balancing Options**

**Where do we go from here?**

**Stabilize Operating Budget**

**Develop long-term Strategies**

# Thank You

Tom Thanas, City Manager

Ken Mihelich, Director of Management & Budget

Rachel Mayer, Finance Director