



# **CITY OF JOLIET**

## **2010 Financial Review**

**Budget Message Briefing – November/December 2009**

**Presented By:**

**Mr. Thomas Thanas – City Manager**

**Mr. Kenneth Mihelich – Director Management & Budget**

**Mr. Hugh Brennan – Director of Finance**



# **CITY OF JOLIET**

## *Briefing Overview*

- ✓ **General Budget Discussion (Previous Session)**
- ✓ **Taxing Fund Expense Overview**
  - Detail By Fund/Department Review
- ✓ **Taxing Fund Revenue Overview**
  - Review Significant Revenue Items
  - Property Tax Analysis
- ✓ **Other Funds**
  - Gaming
  - Parking
  - Water & Sewer
- **Budget Summary & Staff Recommendation**



*November 16, 2009*  
**Budget Session**



# CITY OF JOLIET

## *Four Year Plan Summary – Nov 2008*

<u>TITLE</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>Revenues</u></b>				
Surplus/Deficit	25,346,352	11,594,246	(6,137,351)	(31,789,722)
Taxes/Permits/Fees	153,631,702	157,391,798	162,586,854	167,354,965
<b>Total Revenues</b>	<b>178,978,054</b>	<b>168,986,044</b>	<b>156,449,503</b>	<b>135,565,243</b>
<b><u>Expenses</u></b>				
Payroll W/ Overtime	76,118,741	80,685,865	85,527,017	90,658,638
Insurance	20,760,732	22,836,805	25,120,486	27,632,534
Pensions & Payments	25,296,059	29,090,468	33,454,038	38,472,144
Municipal Waste Contract	10,449,048	11,075,991	11,740,550	12,444,983
Remaining Operations	34,759,228	31,434,266	32,397,134	33,245,061
<b>Total Expenses</b>	<b>167,383,808</b>	<b>175,123,395</b>	<b>188,239,225</b>	<b>202,453,360</b>
<b>Four Year Plan Reserve</b>	<b>11,594,246</b>	<b>(6,137,351)</b>	<b>(31,789,722)</b>	<b>(66,888,117)</b>



# CITY OF JOLIET

## *2010 Four Year Plan Summary – Nov 2009*

<u>TITLE</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>				
Surplus/Deficit	29,149,343	19,415,413	5,332,195	(17,484,058)
Taxes/Permits/Fees	158,796,726	154,937,790	157,537,465	158,595,615
<b>Total Revenues</b>	<b>187,946,069</b>	<b>174,353,203</b>	<b>162,869,660</b>	<b>141,111,557</b>
<b>Expenses</b>				
Payroll W/ Overtime	70,400,716	75,560,551	78,836,161	78,836,161
Insurance	21,029,621	23,132,583	25,445,841	27,990,426
Pensions & Payments	26,649,143	30,646,514	35,243,492	40,530,015
Municipal Waste Contract	10,752,000	11,235,840	11,741,453	12,269,818
Remaining Operations	39,699,176	28,445,520	29,086,770	28,290,840
<b>Total Expenses</b>	<b>168,530,656</b>	<b>169,021,008</b>	<b>180,353,717</b>	<b>187,917,260</b>
<b>Four Year Plan Reserve</b>	<b>19,415,413</b>	<b>5,332,195</b>	<b>(17,484,057)</b>	<b>(46,805,703)</b>

**2012 Deficit Reduced From (\$66,888,117) to (\$17,484,057)**



# CITY OF JOLIET

## *Overall Budget Comparison*

<b>Fund Type</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>General Taxing Funds</b>	<b>178,978,054</b>	<b>187,946,069</b>	<b>8,968,015</b>
<b>Gaming Fund</b>	<b>29,064,983</b>	<b>28,779,529</b>	<b>(285,454)</b>
<b>Water &amp; Sewer Funds</b>	<b>42,248,404</b>	<b>50,592,002</b>	<b>8,343,598</b>
<b>Motor Fuel Fund</b>	<b>4,290,115</b>	<b>4,704,712</b>	<b>414,597</b>
<b>Parking Meter Fund</b>	<b>1,264,308</b>	<b>1,959,192</b>	<b>694,884</b>
<b>Other Funds</b>	<b>3,980,598</b>	<b>4,568,954</b>	<b>588,356</b>
<b>Total All Funds</b>	<b>259,826,462</b>	<b>278,550,458</b>	<b>18,723,996</b>



# CITY OF JOLIET

## *Taxing Funds – Expense Comparison*

<b>Title</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
<b>General Corp</b>	<b>71,992,936</b>	<b>84,915,869</b>	<b>12,922,933</b>
<b>Police Protection</b>	<b>37,986,375</b>	<b>34,927,697</b>	<b>(3,058,678)</b>
<b>Emergency Mgt</b>	<b>300,981</b>	<b>109,099</b>	<b>(191,882)</b>
<b>Vehicle Road &amp; Bridge</b>	<b>14,908,000</b>	<b>12,865,916</b>	<b>(2,042,084)</b>
<b>Street Lighting</b>	<b>3,250,000</b>	<b>3,100,000</b>	<b>(150,000)</b>
<b>Fire Potection</b>	<b>24,410,044</b>	<b>24,575,660</b>	<b>165,616</b>
<b>School Crossing</b>	<b>461,000</b>	<b>469,150</b>	<b>8,150</b>
<b>Bicentennial Park</b>	<b>372,659</b>	<b>333,535</b>	<b>(39,124)</b>
<b>Fire Pension</b>	<b>8,205,929</b>	<b>9,350,360</b>	<b>1,144,431</b>
<b>Police Pension</b>	<b>9,410,672</b>	<b>9,928,210</b>	<b>517,538</b>
<b>IL Municipal Retirement</b>	<b>7,679,458</b>	<b>7,370,573</b>	<b>(308,885)</b>
<b>Total Expenses</b>	<b>178,978,054</b>	<b>187,946,069</b>	<b>8,968,015</b>



# CITY OF JOLIET

## *General Corp – Expense Comparison*

<b>Title</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Mayor	806,317	576,444	<b>(229,873)</b>
City Manager	1,263,584	921,552	<b>(342,032)</b>
Management & Budget	2,655,113	4,555,293	1,900,180
Human Resources	2,242,933	0	<b>(2,242,933)</b>
Community & Economic Development	7,568,924	4,668,745	<b>(2,900,179)</b>
Legal	1,158,928	1,039,389	<b>(119,539)</b>
Municipal Waste	10,456,196	10,752,005	295,809
Retirement Payments	587,982	1,000,000	412,018
General Reserve	11,594,246	19,415,413	7,821,167
Disaster Recovery	3,500,000	3,500,000	0
Intermodal Development	1,625,000	5,269,201	3,644,201
Evergreen Terrace	0	3,477,353	3,477,353
Metra Commuter Parking	0	900,000	900,000
Special Accounts	28,533,713	28,840,474	306,761
<b>Total Expenses</b>	<b>71,992,936</b>	<b>84,915,869</b>	<b>12,922,933</b>



# CITY OF JOLIET

## *Estimating General Operating Reserve*

<b><u>Item Description</u></b>	<b><u>Amount</u></b>
<b>Beginning Balance Per 4-Year Business Plan</b>	<b>29,149,343</b>
<b>Disaster Recover Fund (2009 Carry Over)</b>	<b>(3,500,000)</b>
<b>Evergreen Terrace (2009 Carry Over)</b>	<b>(3,477,353)</b>
<b>Intermodal Development Fund (2009 Carry Over)</b>	<b>(3,644,201)</b>
<b>General Operating Reserve (2009 Carry Over)</b>	<b>18,527,789</b>
<b>Addition To General Operating Reserve     (2010 Fiscal year)</b>	<b><u>887,624</u></b>
<b>General Operating Reserve (2010 Budget)</b>	<b><u>19,415,413</u></b>

**General Operating Reserve Needed to Maintain Smooth Cash Operations**



# CITY OF JOLIET

## *How We Got To This Point*

<b><u>Factor Description</u></b>	<b><u>Amount</u></b>
<b>Sept 2008 Estimate of 2010 Ending Balance</b>	<b>(6,100,000)</b>
<b>Factors Contributing to 2010 Estimate</b>	
<b>Additional Transfer From Gaming (Suspended NIP)</b>	<b>4,000,000</b>
<b>Payroll Reduction to Date</b>	<b>7,900,000</b>
<b>Payroll Variances and Reduction in Force</b>	<b>3,200,000</b>
<b>Overtime Reductions</b>	<b>1,700,000</b>
<b>No Vehicle Purchases in 2010 Budget</b>	<b>2,500,000</b>
<b>Pension Expense Lower Than Projected</b>	<b>2,400,000</b>
<b>Savings From Lower Fuel Prices</b>	<b>900,000</b>
<b>Property Tax Increase</b>	<b>7,500,000</b>
<b>Health Insurance Adjustments</b>	<b>3,000,000</b>
<b>Decline in Other Revenues &amp; Other Factor</b>	<b><u>(7,600,000)</u></b>
<b>2010 Four Year Business Plan Estimated Balance</b>	<b>19,400,000</b>



# CITY OF JOLIET

## *Budget Reserve Summary*

<b><u>Item Description</u></b>	<b><u>Amount</u></b>
General Operating Reserve (2010 Budget)	19,415,413
General Corporate Contingency	600,000
General Corporate Revenue Reserve	1,900,000
Disaster Recover Fund (2009 Carry Over)	3,500,000
Evergreen Terrace (2009 Carry Over)	3,477,353
Intermodal Development Fund (2009 Carry Over)	3,644,201
Intermodal Development Fund (2010 Addition)	1,625,000
Legal Claims	660,000
<b>Total Taxing Fund Reserves</b>	<b><u>34,821,967</u></b>



# CITY OF JOLIET

## *What's Not In The Budget*

<b><u>Item Description</u></b>	<b><u>Amount</u></b>
<b>Vehicle Replacements</b>	<b>3,000,000</b>
<b>Neighborhood Infrastructure</b>	<b>4,000,000</b>
<b>Public Safety Communication System (Estimated at 4 Years of Contribution)</b>	<b>2,500,000</b>
<b>Downtown Development</b>	<b>2,500,000</b>
<b>Evergreen Terrace</b>	<b>1,500,000</b>
<b>Other Post-Employment Benefit Contribution</b>	<b><u>11,000,000</u></b>
<b>Total Unbudgeted Items</b>	<b>24,500,000</b>



# CITY OF JOLIET

## *City's Property Tax Estimate Calculation*

<b>Property Tax Body</b>	<b>2009 Levy (Paid 2010)</b>
<b>Will County EAV</b>	<b>3,017,874,484</b>
<b>Kendall County EAV</b>	<b>225,494,107</b>
<b>Total Joliet EAV</b>	<b>3,243,368,591</b>
<b>Tax Rate</b>	<b>1.3672</b>
<b>Total Est Property Tax</b>	<b>44,344,539</b>



# **CITY OF JOLIET**

## *Budget Savings Implemented*

- **Reduced Workforce**
  - **Hiring Freeze & Retirement Incentive**
  - **Realigned Personnel to Maintain Operations**
- **No Management Raises 2009 & 2010**
- **Health Care Restructure**
  - **Premiums/Deductibles/Working Spouse**
- **Reduction in Overtime**
- **Suspending NIP**



# **CITY OF JOLIET**

## *Budget Savings Implemented*

- **No Vehicle Replacements**
- **Collection Procedures**
  - **Notifications, Vehicle Towing, & Legal Actions**
- **Reduced Day-to-Day Ops Costs**
  - **Training, Office Supplies, Postage, Equipment, etc.**



# CITY OF JOLIET

## *Personnel Summary*

<u>DEPARTMENT</u>	Full Time	Vacant Full Time	Part Time	Vacant Part Time
Legislative Branch	4	1	13	-
Office of the City Mgr.	10	5	2	6
Management & Budget Dept.	71	9	20	-
Human Resources Dept.	-	-	-	-
Community & Economic Dev.	37	6	1	2
Legal Department	7	1	1	1
Police Department	346	43	54	3
Fire Department	210	6	3	-
Public Works	77	8	15	-
Public Utilities	80	6	12	3
<b>GRAND TOTAL</b>	<b>842</b>	<b>85</b>	<b>121</b>	<b>15</b>



# **CITY OF JOLIET**

## *Budget Enhancement Items Proposed*

- **Revenues**
  - **Increase In Property Taxes**
  - **Parking Transfer**
    - **Rate and Fee Increases Proposed**
- **Expenses**
  - **Payroll Variances in Considerations**
  - **Eliminate Specialized Leaf Pick-up**
  - **Eliminate Senior Citizen Electric Rebate**
  - **Convenience Fee for Credit Card Payments**



*November 23, 2009*  
**Budget Session**



# **GENERAL TAXING FUNDS EXPENSE OVERVIEW**



# CITY OF JOLIET

## *Mayor Expense Review*

**Pages Appendix B-1 to B-2**

<b>General Fund (001) Mayor - 0501-0504</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Payroll	578,542	547,810	(30,732)
Remaining Ops	227,775	28,634	(199,141)
<b>Total Expenses</b>	<b>806,317</b>	<b>576,444</b>	<b>(229,873)</b>

- **Payroll**
  - **Mayor & City Council – No Pay Raises**
  - **City Clerk’s Office & Mayor’s Secretary – No Pay Raises**
  - **Reduced Liquor Commission Employees’ Hours**
- **Remaining Ops**
  - **Suspended Mayor/Council At-Large 2010 NIP - \$165,000**



# CITY OF JOLIET

## *City Manager's Office Expense Review*

**Pages Appendix B-2 to B-3**

<b>General Fund (001) City Mgr - 1005-1008</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Payroll	719,684	599,074	(120,610)
Remaining Ops	368,900	322,478	(46,422)
<b>Total Expenses</b>	<b>1,088,584</b>	<b>921,552</b>	<b>(167,032)</b>

- **No Management Pay Raises**
- **Deputy City Manager's Office Vacant**
- **Created New Marketing and Communications Division**
  - **Incorporates Visitor Services, Front Desk, Public Information Office, and Council Liaison**
- **Total Vacancies – 10 Positions**



# CITY OF JOLIET

## *Management & Budget Expense Review*

Pages Appendix B-3 to B-10

<b>General Fund (001) Mgt &amp; Budget - 1509-1522 &amp; HR - 4069-4074</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Payroll	3,517,874	3,123,382	<b>(394,492)</b>
Remaining Ops	1,380,172	1,431,911	51,739
<b>Total Expenses</b>	<b>4,898,046</b>	<b>4,555,293</b>	<b>(342,753)</b>

- **Consolidated Management & Budget & Human Resources**
  - Overall Personnel Reduction – 7 Positions
  - Payroll Variances Still in Consideration
  - No Management Pay Raises
- Includes Approximately \$180,000 for New Payroll System
- Does Not Include Motor Maintenance Portion of Dept



# CITY OF JOLIET

## *Special Accounts Expense Review*

**Pages Appendix B-6 to B-7**

<b>General Fund (001) Special Accounts - 1519</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
<b>Payroll</b>	<b>1,087,982</b>	<b>1,500,000</b>	<b>412,018</b>
<b>Insurance</b>	<b>20,760,732</b>	<b>20,919,621</b>	<b>158,889</b>
<b>Remaining Ops</b>	<b>8,897,981</b>	<b>17,067,407</b>	<b>8,169,426</b>
<b>Four Year Plan Reserve</b>	<b>11,594,246</b>	<b>19,415,413</b>	<b>7,821,167</b>
<b>Total Expenses</b>	<b>42,340,941</b>	<b>58,902,441</b>	<b>16,561,500</b>

- **Remaining Ops Increases**
  - **Carry Over - \$7,121,554 For Future Investment**
    - **Intermodal Development Fund**
    - **Evergreen Terrace**
  - **Metra Commuter Park Grant - \$900,000**



# CITY OF JOLIET

## *Community & Economic Development Expense Review*

**Pages Appendix B-10 to B-12**

<b>General Fund (001) Community &amp; Economic Development - 4577-4582</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Payroll	2,595,948	2,043,936	(552,012)
Remaining Ops	4,972,976	2,624,809	(2,348,167)
<b>Total Expenses</b>	<b>7,568,924</b>	<b>4,668,745</b>	<b>(2,900,179)</b>

- Personnel Vacancies – 8 Positions
- Payroll Variances Still In Consideration
- No Management Raises
- HUD NSP Grant Accounts for \$2,053,842 of Decrease
- \$150,000 for Will County CED Moved to Special Accounts
- Significant Cuts in Beautification/Tree Maintenance



# CITY OF JOLIET

## *Legal Department Expense Review*

**Pages Appendix B-12 to B-13**

<b>General Fund (001) Legal - 5084</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Payroll	778,098	669,619	(108,479)
Remaining Ops	380,830	369,770	(11,060)
<b>Total Expenses</b>	<b>1,158,928</b>	<b>1,039,389</b>	<b>(119,539)</b>

- **Personnel Vacancies – 1 Position**
- **No Management Raises**



# CITY OF JOLIET

## *Other Accounts Expense Review*

**Page Appendix B-13**

<b>General Fund (001) Other Accounts - 5520, 5586, 5591</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Municipal Waste	10,449,048	10,752,000	302,952
Remaining Ops	3,682,148	3,500,005	<b>(182,143)</b>
<b>Total Expenses</b>	<b>14,131,196</b>	<b>14,252,005</b>	<b>120,809</b>

- **Municipal Waste**
  - Reflects Contractual Agreement for Rate Increase
- **Remaining Ops**
  - Includes \$3,500,000 for Disaster Recovery Fund
  - Block Grant Transfer Eliminated
  - Recycle Program Expenses Eliminated



# CITY OF JOLIET

## *Police Department Expense Review*

**Pages Appendix B-14 to B-17**

Police Protection (101)	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Taxing Funds)</b>			
Payroll	35,111,260	31,534,598	(3,576,662)
Remaining Ops	2,875,115	3,393,099	517,984
<b>Total Expenses</b>	<b>37,986,375</b>	<b>34,927,697</b>	<b>(3,058,678)</b>

- **Payroll**
  - **Reduction of 32 Sworn & 10 Non- Sworn**
  - **No Management Raises**
  - **Payroll Variances Still In Consideration**
- **Remaining Ops**
  - **Grants \$551,000 Greater In 2010 Than 2009**



# CITY OF JOLIET

## *Emergency Management Agency Expense Review*

**Page Appendix B-18**

Emergency Mgt Agency (102)	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Taxing Funds)</b>			
Payroll	58,659	45,249	(13,410)
Remaining Ops	242,322	63,850	(178,472)
<b>Total Expenses</b>	<b>300,981</b>	<b>109,099</b>	<b>(191,882)</b>

- **Sirens Included in 2009 Original Budget**



# CITY OF JOLIET

## *Vehicle Road & Bridge Expense Review*

Pages Appendix B-19 to B-23

<b>Vehicle Road &amp; Bridge (104)</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Payroll	8,917,037	7,841,069	<b>(1,075,968)</b>
Insurance	110,000	110,000	0
Remaining Ops	5,880,963	4,914,847	<b>(966,116)</b>
<b>Total Expenses</b>	<b>14,908,000</b>	<b>12,865,916</b>	<b>(2,042,084)</b>

- **Personnel Vacancies – 11 Positions**
  - 8 In Public Works
  - 3 In Motor Maintenance
- **Payroll Variances Still in Consideration**
- **Fuel Costs Projected to be \$830,000 Lower**
- **Budgeted Roadway Projects \$120,000 Lower**



# CITY OF JOLIET

## *Street Lighting Expense Review*

**Page Appendix B-24**

Street Lighting (107)	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Taxing Funds)</b>			
Payroll	0	0	0
Remaining Ops	3,250,000	3,100,000	<b>(150,000)</b>
<b>Total Expenses</b>	<b>3,250,000</b>	<b>3,100,000</b>	<b>(150,000)</b>



# CITY OF JOLIET

## *Fire Department Expense Review*

Pages Appendix B-28 to B-29

Fire Protection (114)	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Taxing Funds)</b>			
Payroll	23,415,191	21,793,875	(1,621,316)
Remaining Ops	994,853	2,781,785	1,786,932
<b>Total Expenses</b>	<b>24,410,044</b>	<b>24,575,660</b>	<b>165,616</b>

- **Payroll**
  - **Overtime Reduction of Approximately \$970,000**
  - **Payroll Variances Recently Approved**
  - **No Management Raises**
- **Remaining Ops**
  - **Includes \$1,760,000 for Replacement of Fire Station**
    - **\$1,160,000 of Stimulus Funds & \$600,000 City Match**



# CITY OF JOLIET

## *School Crossing Guard Expense Review*

**Page Appendix B-30**

<b>School Crossing Guards (115)</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Payroll	459,000	468,150	9,150
Remaining Ops	2,000	1,000	<b>(1,000)</b>
<b>Total Expenses</b>	<b>461,000</b>	<b>469,150</b>	<b>8,150</b>



# CITY OF JOLIET

## *Bicentennial Park Expense Review*

**Page Appendix B-30**

Bicentennial Park (116)	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Taxing Funds)</b>			
Payroll	244,949	233,954	(10,995)
Remaining Ops	127,710	99,581	(28,129)
<b>Total Expenses</b>	<b>372,659</b>	<b>333,535</b>	<b>(39,124)</b>

- **No Management Pay Raises**
- **After 2009 Budget Was Implemented Park Made Further Cuts and Held Them Steady in 2010**
- **2010 Remaining Ops Includes \$65,300 for Utilities**



# CITY OF JOLIET

## *Firemen's Pension Expense Review*

Page Appendix B-47

<b>Firemen's Pension (651)</b>	<b>2009 Original Budget</b>	<b>2010 City Mgr Recommends</b>	<b>Change 2010-2009</b>
<b>Expenses (Taxing Funds)</b>			
Payroll	0	0	0
Pension & Payments	8,205,929	9,350,360	1,144,431
<b>Total Expenses</b>	<b>8,205,929</b>	<b>9,350,360</b>	<b>1,144,431</b>

- **Recommended City Contribution Per Gabriel Roeder Smith & Company Report**
  - *“City of Joliet Firefighters’ Pension Fund - Annual Actuarial Valuation – For The Year Beginning January 1, 2009”* – Approved October 2009



# CITY OF JOLIET

## *Police Pension Expense Review*

**Page Appendix B-47**

Police Pension (652)	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Taxing Funds)</b>			
Payroll	0	0	0
Pension & Payments	9,410,672	9,928,210	517,538
<b>Total Expenses</b>	<b>9,410,672</b>	<b>9,928,210</b>	<b>517,538</b>

- **Recommended City Contribution Per Gabriel Roeder Smith & Company Report**
  - *“City of Joliet Police Officers’ Pension Fund - Annual Actuarial Valuation – For The Year Beginning January 1, 2009”* – Approved October 2009



# CITY OF JOLIET

## *IMRF, FICA & Medicare Expense Review*

**Page Appendix B-47**

IMRF, FICA/Medicare (654)	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Taxing Funds)</b>			
Payroll	0	0	0
Pension & Payments	7,679,458	7,370,573	<b>(308,885)</b>
<b>Total Expenses</b>	<b>7,679,458</b>	<b>7,370,573</b>	<b>(308,885)</b>

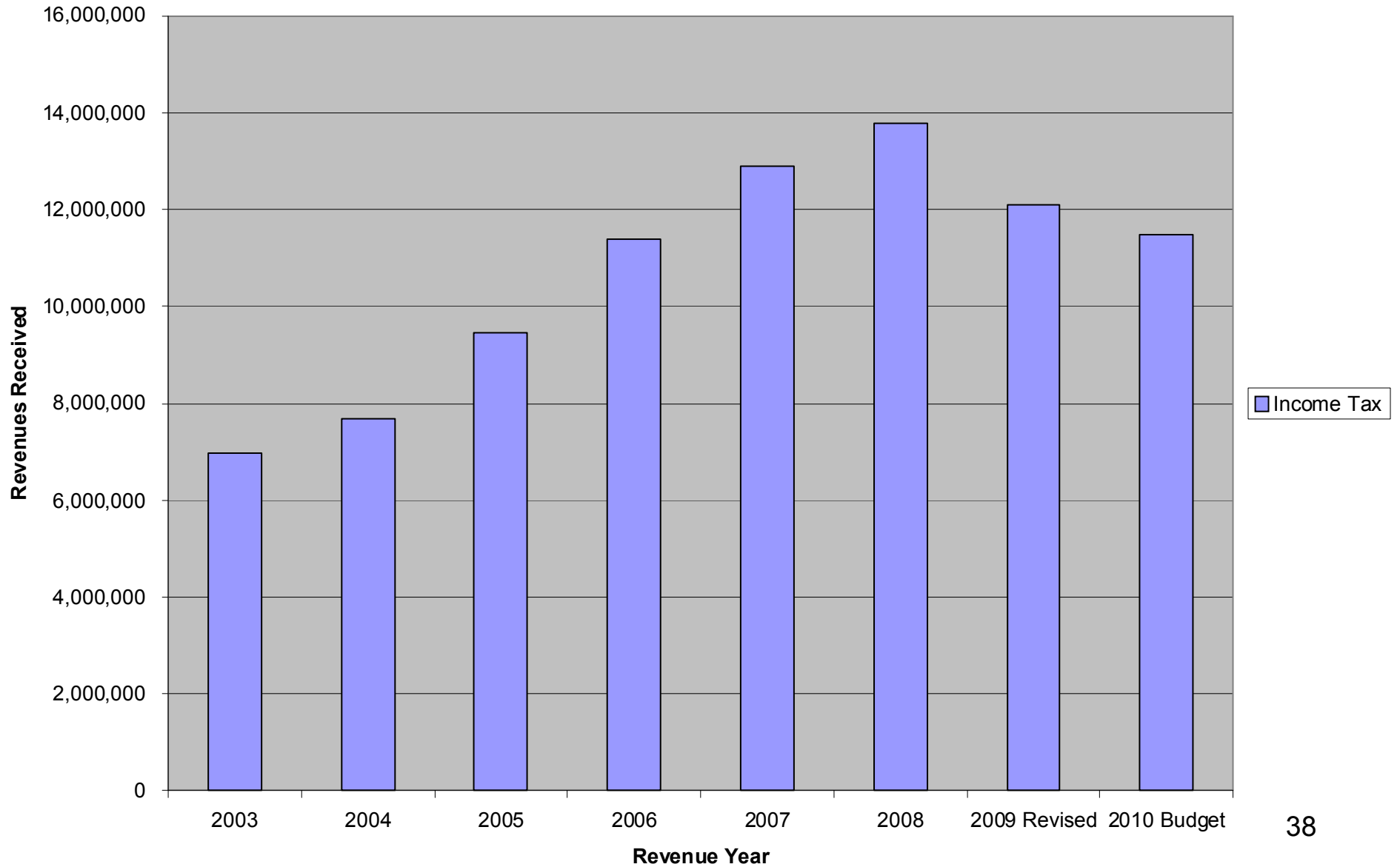
- **IMRF Employer Contribution Rate**
  - Increased From 13.48% in 2009 to 14.83% in 2010
- **Social Security & Medicare Rates Remained Constant**
- **Offset by Less Personnel & Wage Adjustments**
  - Payroll Variances Still In Consideration
  - No Management Pay Raises



# **GENERAL TAXING FUNDS REVENUE OVERVIEW**

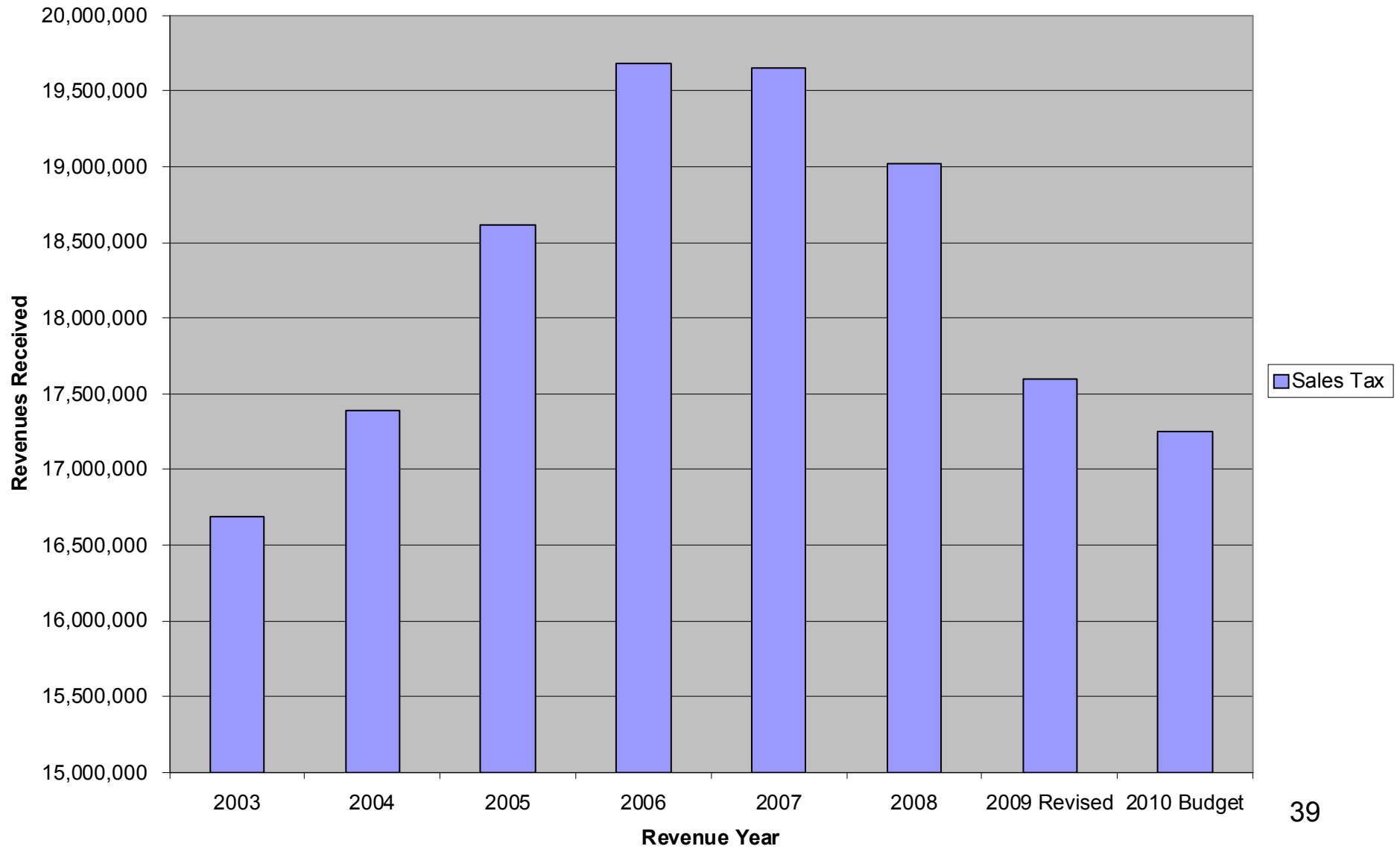


# History of State Income Tax



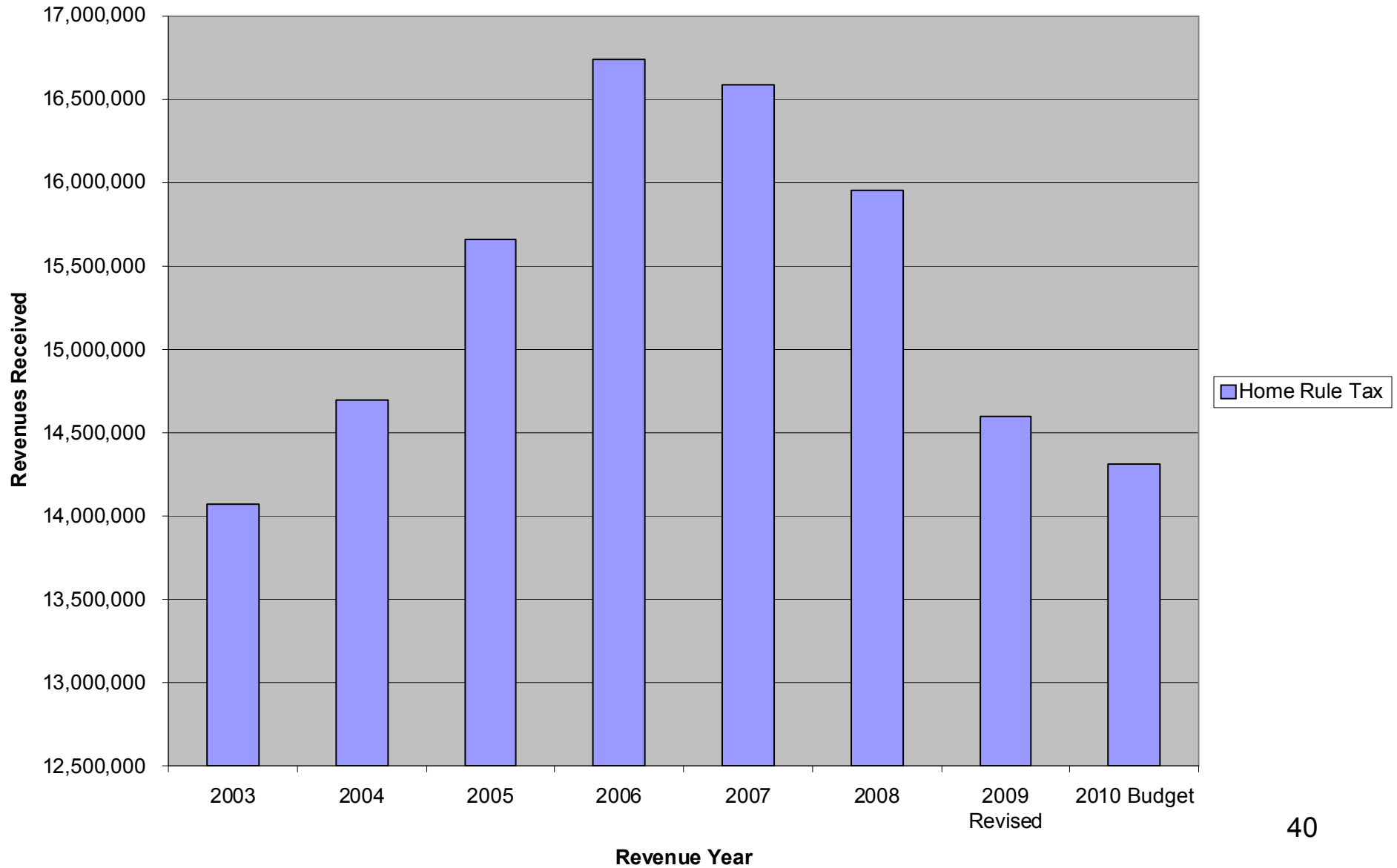


# History of Sales Tax



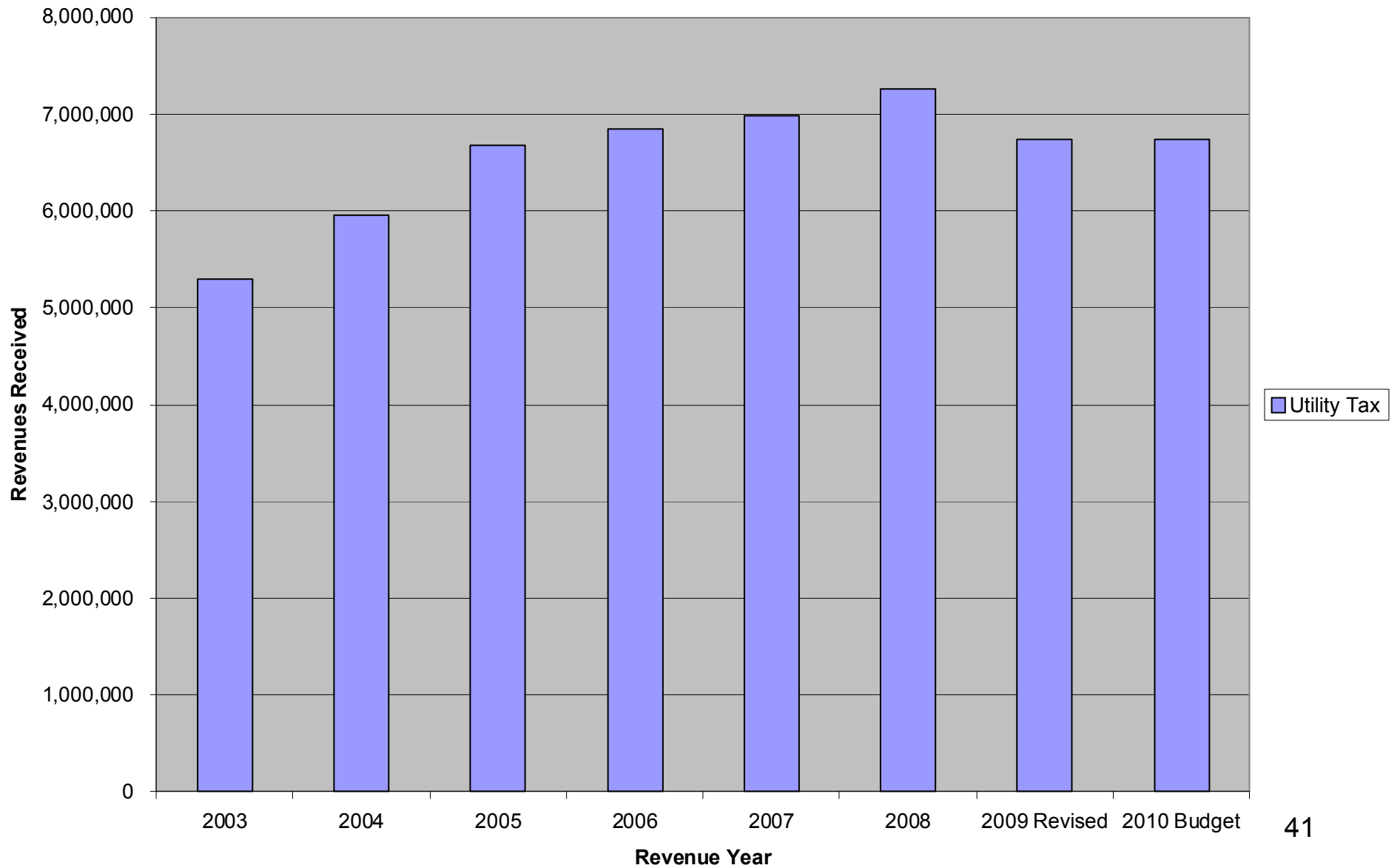


# History of Home Rule Sales Tax



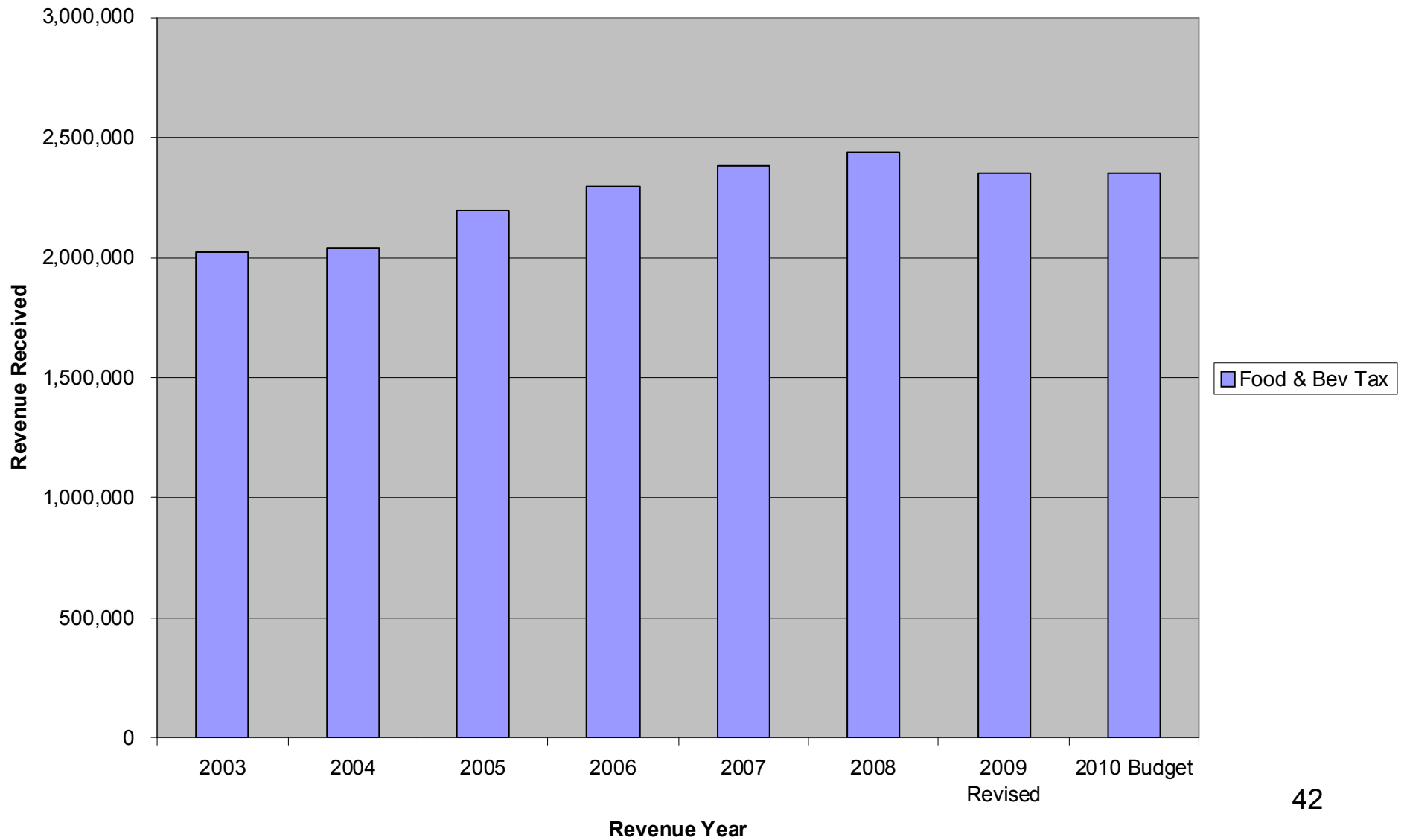


# History of Utility Tax



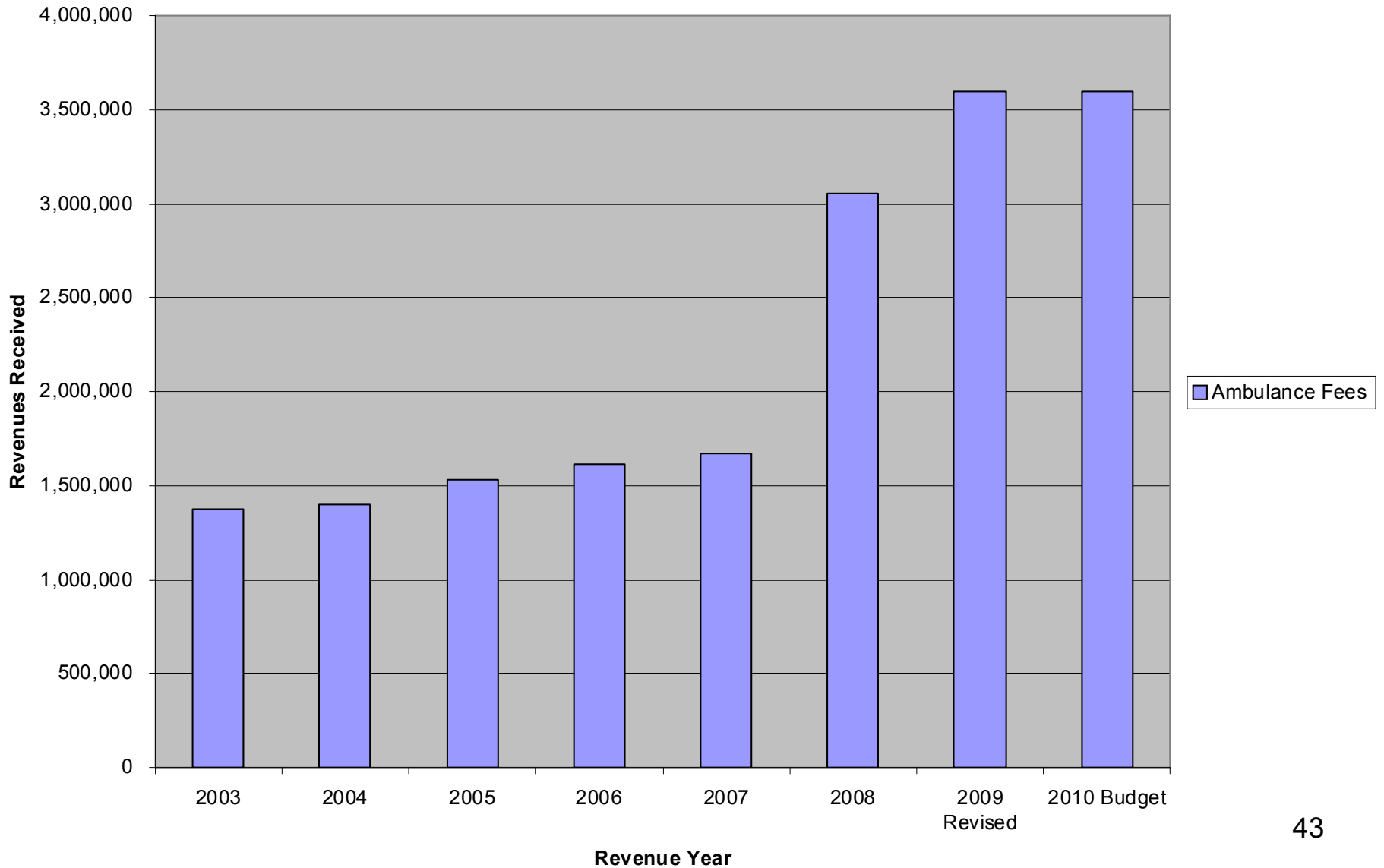


# History of Food & Beverage Tax



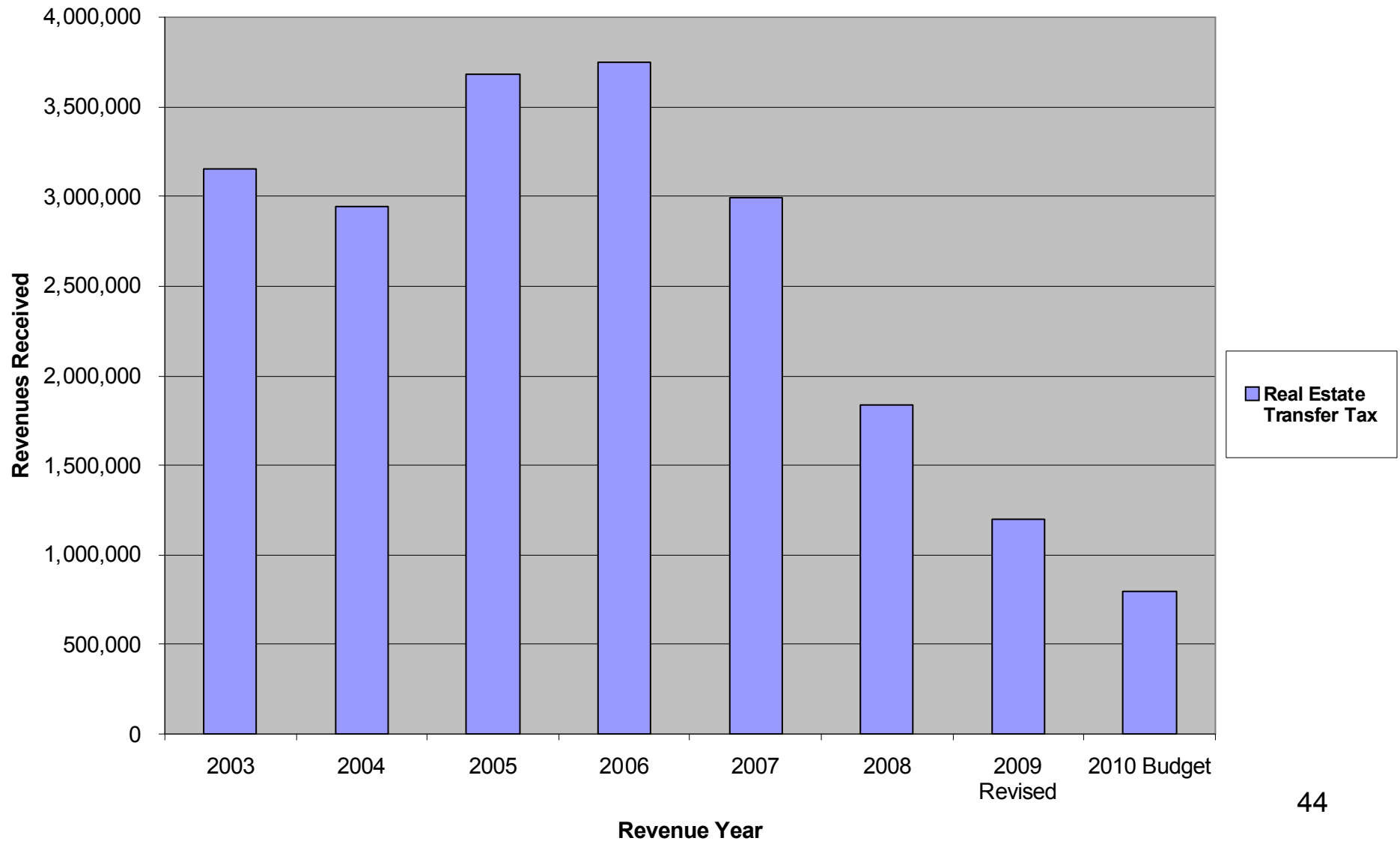


# History of Ambulance Fees



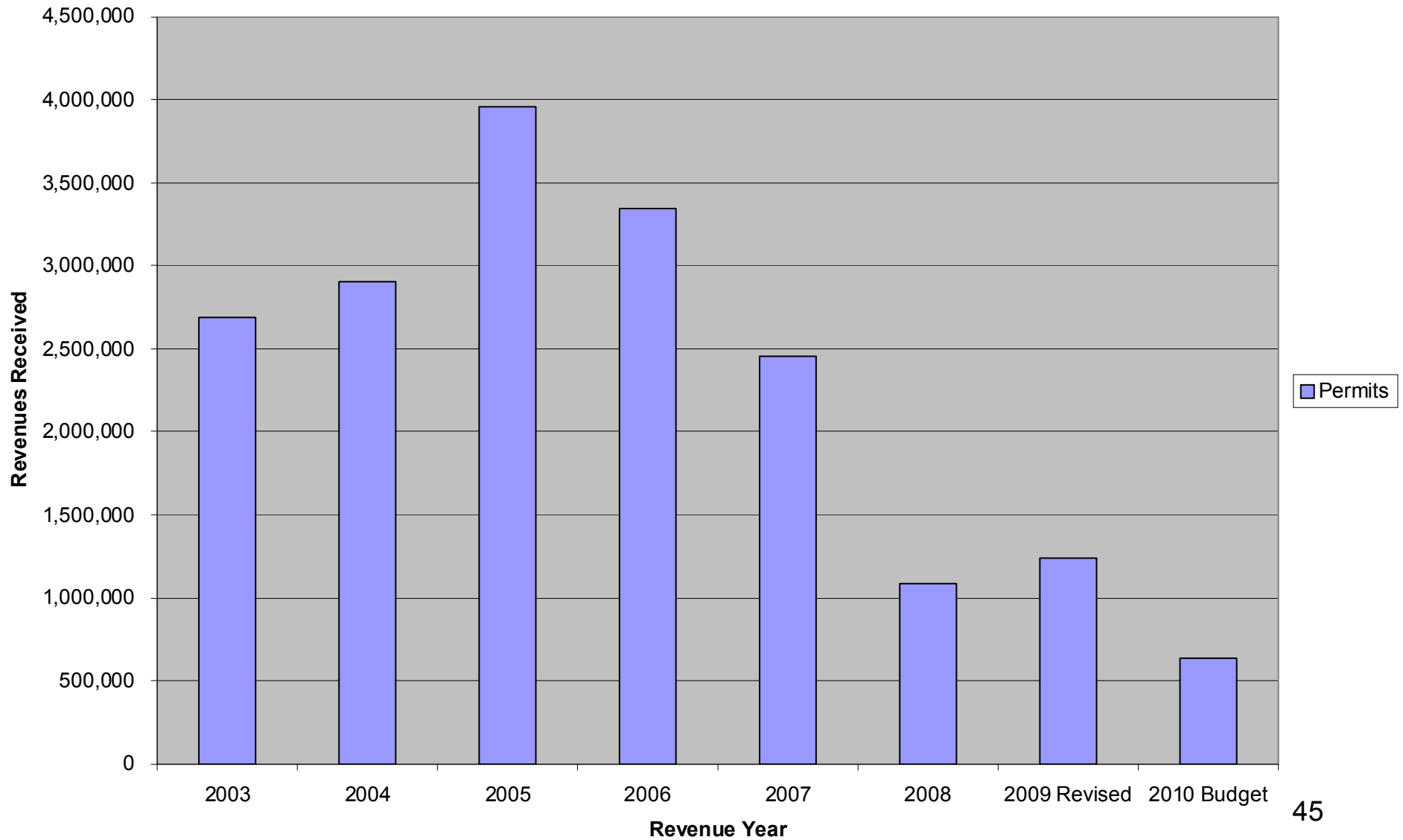


# History of Real Estate Transfer Tax



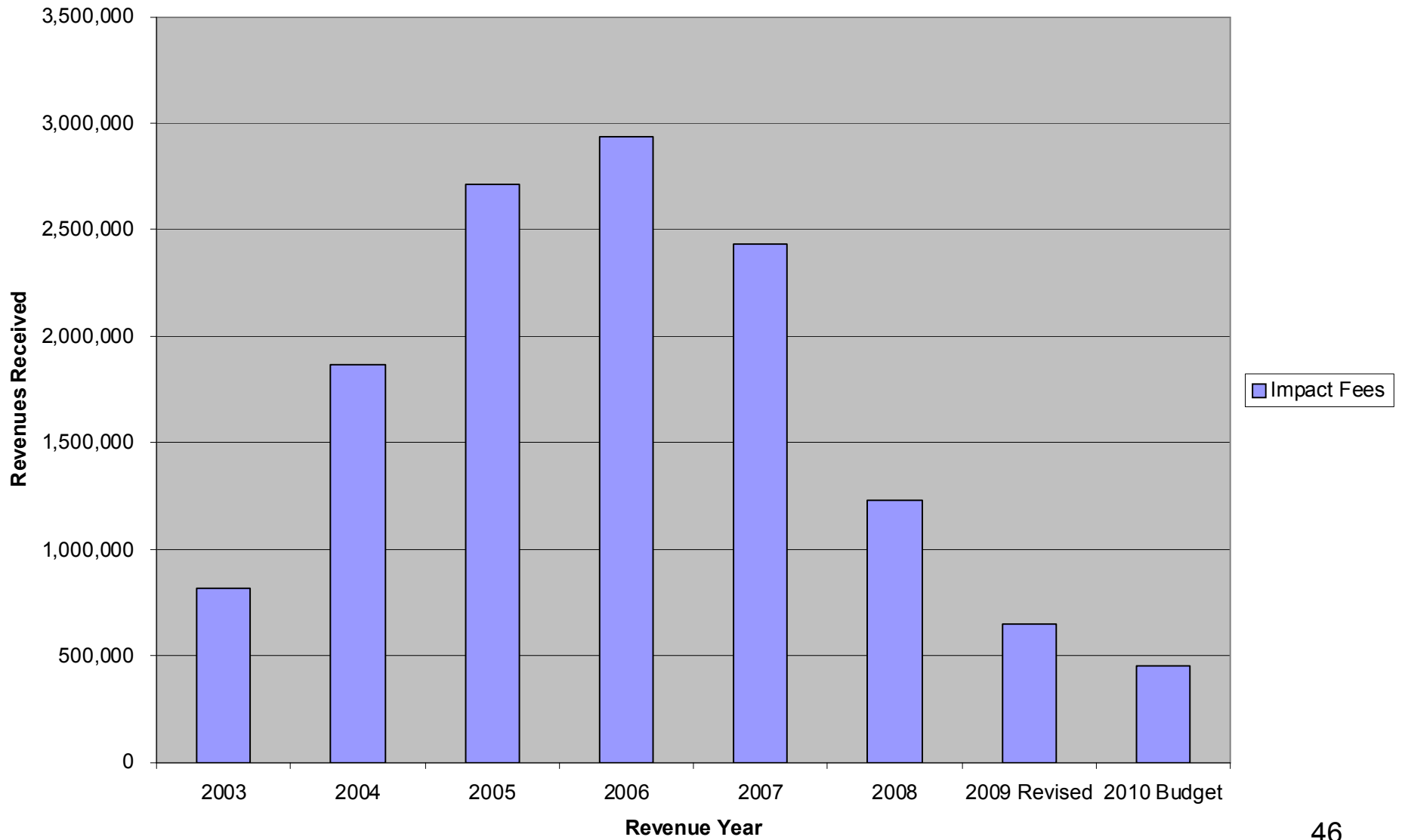


# History of Permit Revenues



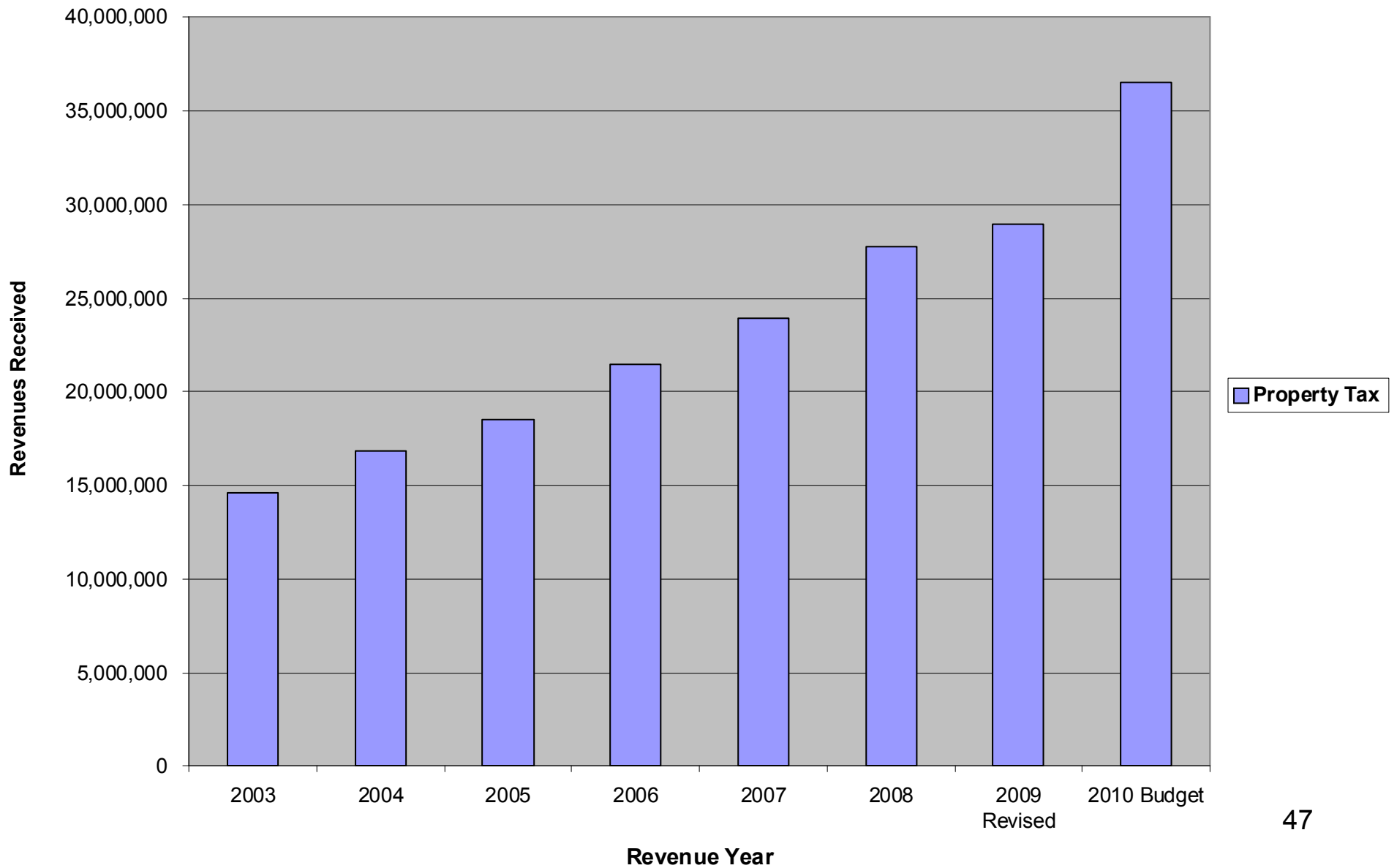


# History of Impact Fees



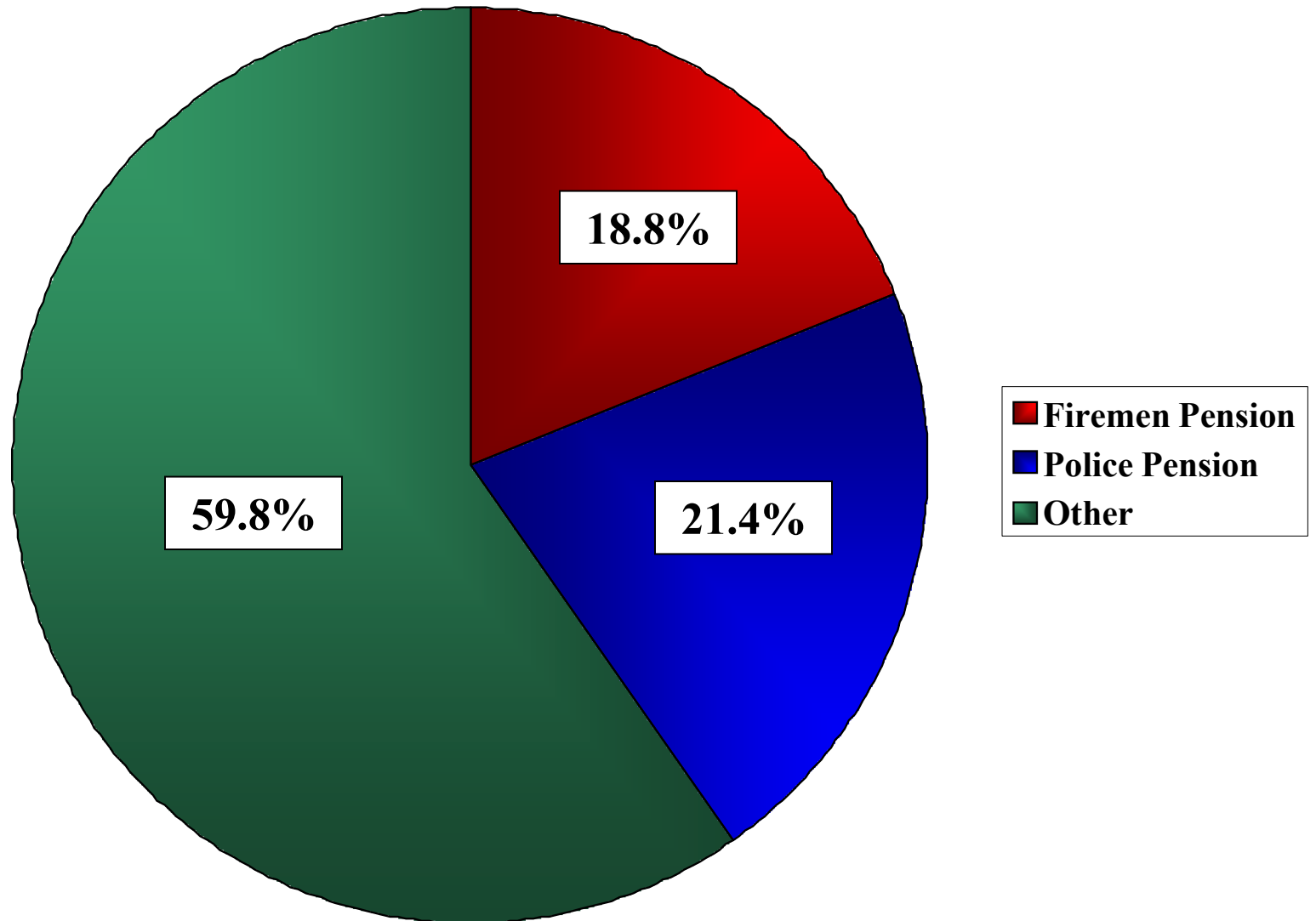


# History of Real Estate Taxes





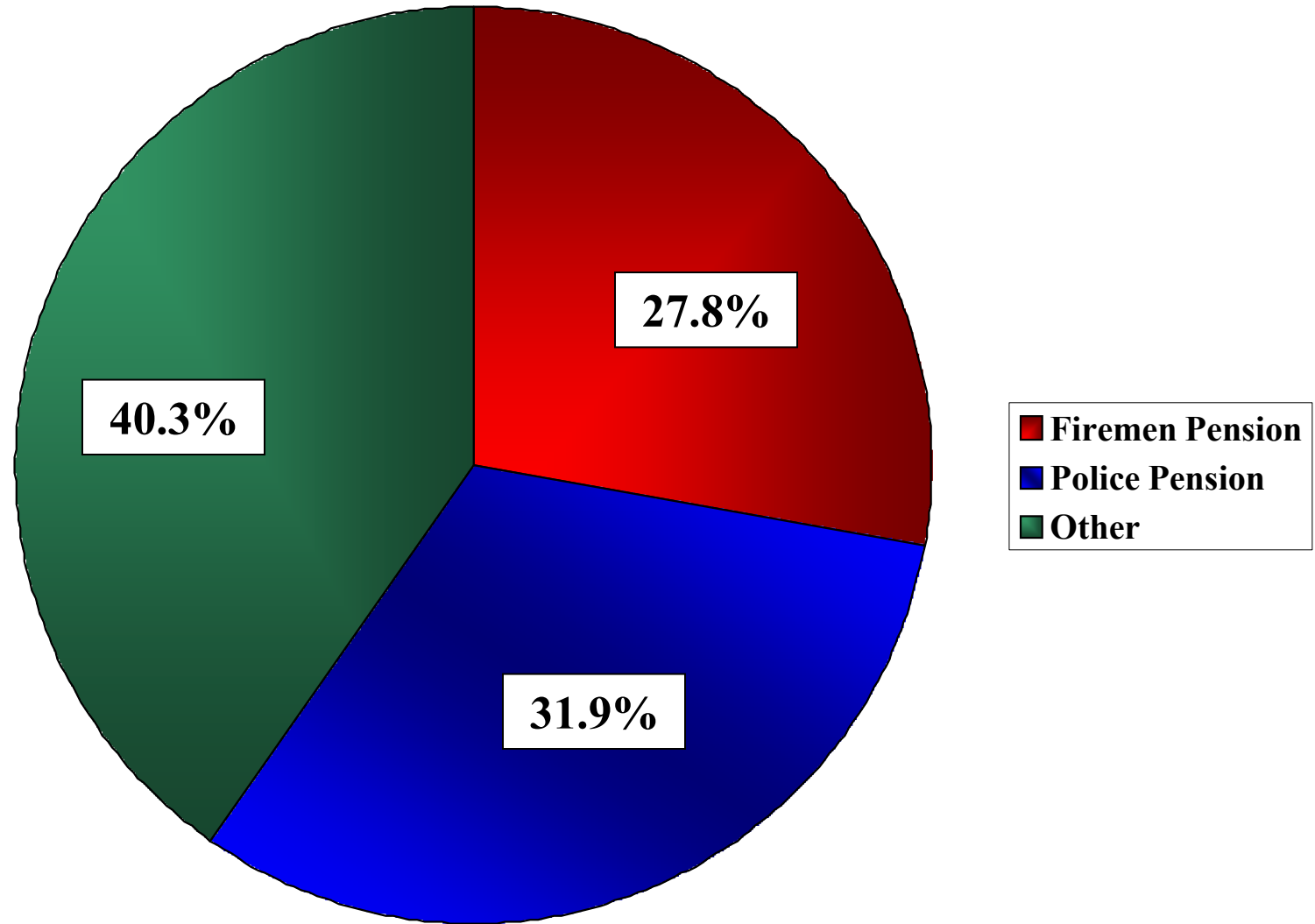
## 2003 Budget Year Property Tax Distribution Breakout\*



\* Excludes Library



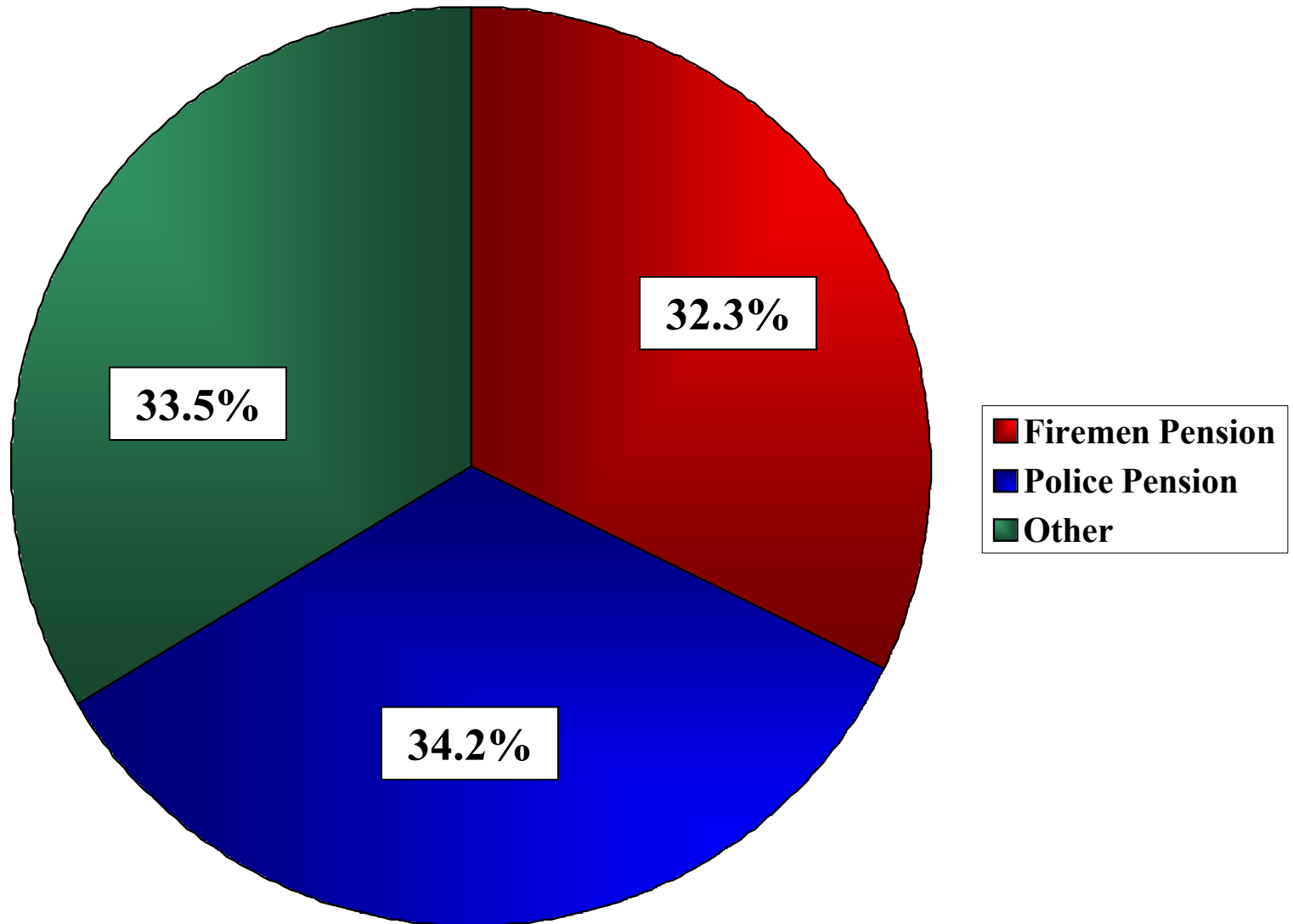
## 2009 Budget Year Property Tax Distribution Breakout \*



\* Excludes Library (Reflects Total Pension Liability)



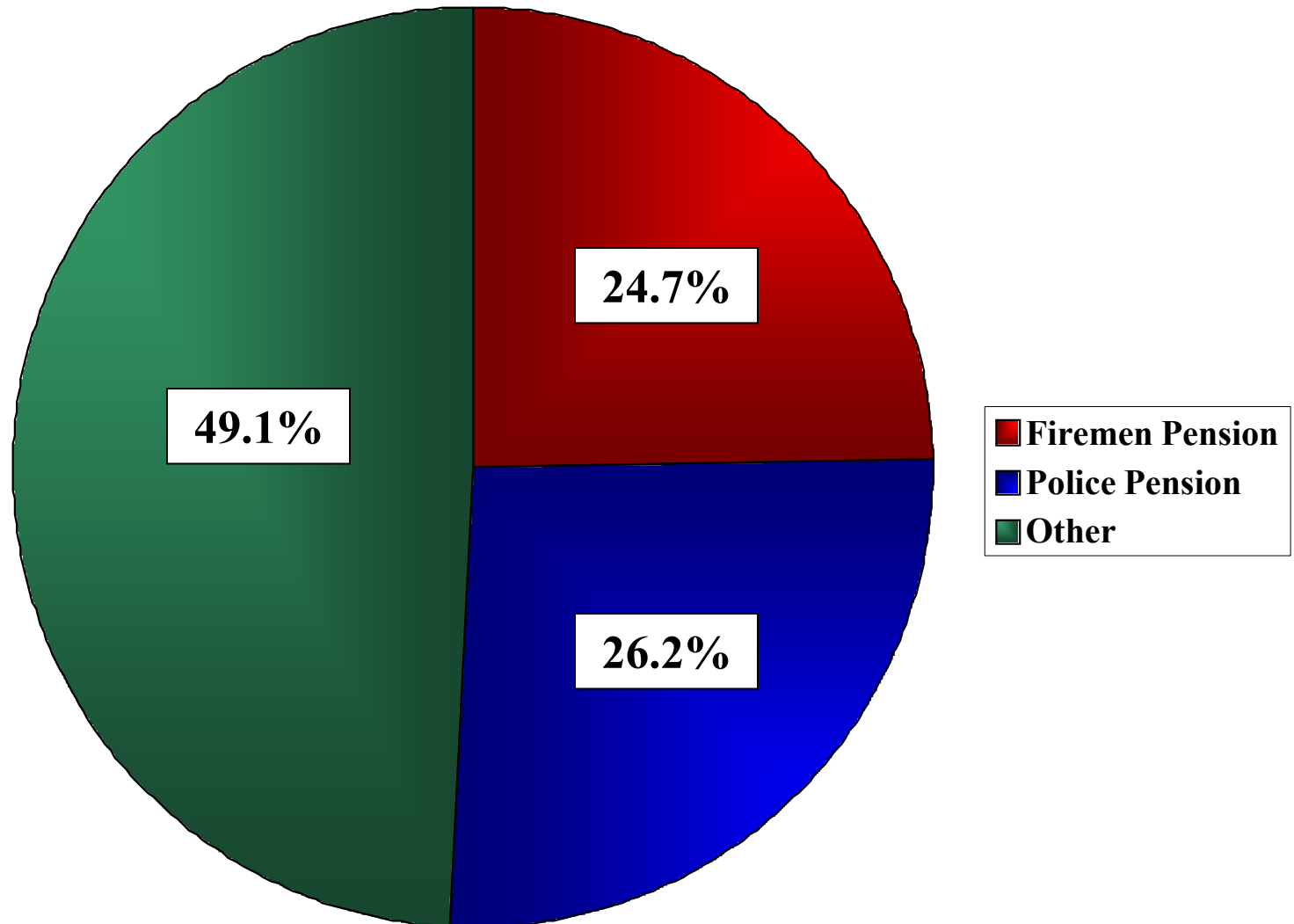
## 2010 Budget Year (Status Quo) Property Tax Distribution Breakout \*



\* Excludes Library



## 2010 Budget Year (Proposed) Property Tax Distribution Breakout \*



\* Excludes Library



# CITY OF JOLIET

## *City's Property Tax Rate Portion (Full Levy)*

<u>Property Tax Body</u>	<u>2008 Levy (Paid 2009)</u>	<u>Estimated 2009 Levy (Paid 2010)</u>	<u>Amount Changed</u>
City of Joliet	0.7907	1.0127	
City of Joliet Fire Protection	0.0957	0.0957	
City Joliet Pub Lib	0.1775	0.1775	
City of Joliet Debt	0.0000	0.0352	
<b>Joliet Combined Tax Rate</b>	<b>1.0639</b>	<b>1.3211</b>	<b>0.2572</b>
City Joliet Rd & Br (Township Portion)	0.0461	0.0461	
<b>Total Tax Rate</b>	<b>1.1100</b>	<b>1.3672</b>	<b>0.2572</b>



# CITY OF JOLIET – *(Full Levy)*

## *Property Tax Rate Increase Analysis (Joliet Township)*

<u><b>Taxing District</b></u>	<u><b>2008 Levy (Paid 2009)</b></u>	<u><b>Estimated 2009 Levy (Paid 2010)</b></u>	<u><b>Amount Changed</b></u>
Forest Preserve	0.1445	0.1445	
Will Co Building Commission	0.0191	0.0191	
Joliet Twp Town Funds	0.1586	0.1586	
Joliet Twp Road Funds	0.0462	0.0462	
School District 86	2.5429	2.5429	
High School District 204	1.8868	1.8868	
Comm College Dist 525	0.1896	0.1896	
City of Joliet Combined	1.0639	1.3211	0.2572
City Joliet Rd & Br	0.0461	0.0461	0.0000
Joliet Park District	0.2782	0.2782	
Will County	0.4751	0.4751	
<b>Total Taxing Rate</b>	<b>6.8510</b>	<b>7.1082</b>	<b>0.2572</b>
<u><b>City of Joliet Proportion</b></u>			
<b>Levied Tax Rate</b>	<b>1.1100</b>	<b>1.3672</b>	<b>0.2572</b>
<b>Percent of Tax Bill</b>	<b>16.20%</b>	<b>19.23%</b>	



# CITY OF JOLIET

## *Property Tax Rate Increase – Owner’s Impact Full Levy*

**\$100,000 Home = \$71.59 Increase**

<b>Tax Bill Calculation</b>	<b>Before Increase</b>	<b>After Increase</b>	<b>Change</b>
Fair Market Value of Home	\$100,000	\$100,000	
Assessed Valuation (1/3 FMV)	\$33,333	\$33,333	
Less: Homestead Exemption	<b>(\$5,500)</b>	<b>(\$5,500)</b>	
Net Value	\$27,833	\$27,833	
Proposed Tax Rate	<u>0.068510</u>	<u>0.071082</u>	
<b>Total Tax Bill</b>	<b>\$1,906.84</b>	<b>\$1,978.43</b>	<b>\$71.59</b>
<b>City of Joliet portion</b>			
Net Value	\$27,833	\$27,833	
Proposed Tax Rate	<u>0.011100</u>	<u>0.013672</u>	
<b>Joliet Portion of Tax Bill</b>	<b>\$308.95</b>	<b>\$380.54</b>	<b>\$71.59</b>
<b>Joliet Percent of Tax Bill</b>	<b>16.20%</b>	<b>19.23%</b>	



# CITY OF JOLIET

## *Property Tax Rate Increase – Owner’s Impact Full Levy*

**\$200,000 Home = \$157.34 Increase**

<u>Tax Bill Calculation</u>	<u>Before Increase</u>	<u>After Increase</u>	<u>Change</u>
Fair Market Value of Home	\$200,000	\$200,000	
Assessed Valuation (1/3 FMV)	\$66,667	\$66,667	
Less: Homestead Exemption	(\$5,500)	(\$5,500)	
Net Value	\$61,167	\$61,167	
Proposed Tax Rate	<u>0.068510</u>	<u>0.071082</u>	
<b>Total Tax Bill</b>	<u>\$4,190.55</u>	<u>\$4,347.87</u>	<b>\$157.32</b>
 <u>City of Joliet portion</u>			
Net Value	\$61,167	\$61,167	
Proposed Tax Rate	<u>0.011100</u>	<u>0.013672</u>	
<b>Joliet Portion of Tax Bill</b>	<u>\$678.95</u>	<u>\$836.29</u>	<b>\$157.34</b>
<b>Joliet Percent of Tax Bill</b>	16.20%	19.23%	



# CITY OF JOLIET

## *Property Tax Rate Increase – Owner’s Impact Full Levy*

**\$300,000 Home = \$243.06 Increase**

<b>Tax Bill Calculation</b>	<b>Before Increase</b>	<b>After Increase</b>	<b>Change</b>
Fair Market Value of Home	\$300,000	\$300,000	
Assessed Valuation (1/3 FMV)	\$100,000	\$100,000	
Less: Homestead Exemption	<b>(\$5,500)</b>	<b>(\$5,500)</b>	
Net Value	\$94,500	\$94,500	
Proposed Tax Rate	<u>0.068510</u>	<u>0.071082</u>	
<b>Total Tax Bill</b>	<b>\$6,474.20</b>	<b>\$6,717.25</b>	<b>\$243.05</b>
<b>City of Joliet portion</b>			
Net Value	\$94,500	\$94,500	
Proposed Tax Rate	<u>0.011100</u>	<u>0.013672</u>	
<b>Joliet Portion of Tax Bill</b>	<b>\$1,048.95</b>	<b>\$1,292.01</b>	<b>\$243.06</b>
<b>Joliet Percent of Tax Bill</b>	<b>16.20%</b>	<b>19.23%</b>	



# **CITY OF JOLIET**

## *Taxing Fund Summary*

- **2010 Budget Is Structurally Balanced**
  - Assumes Payroll Variances In Consideration
  - Assumes Property Tax Increase
  - Assumes New Parking Transfer
- **Structural Imbalances Still Exist In Future Years**
  - Reduces 2012 Projected Shortfall
    - Estimated Per 2009 Budget - **(\$66,888,117)**
    - Estimated Per 2010 Budget Proposal - **(\$17,484,057)**
  - Annual Expenses Still Exceed Annual Revenues
- **Efficiencies Will Be Explored & Implemented to Further Reduce Future Expenses**



*November 30, 2009*  
**Budget Session**



# CITY OF JOLIET

## *Other Revenue Consideration*

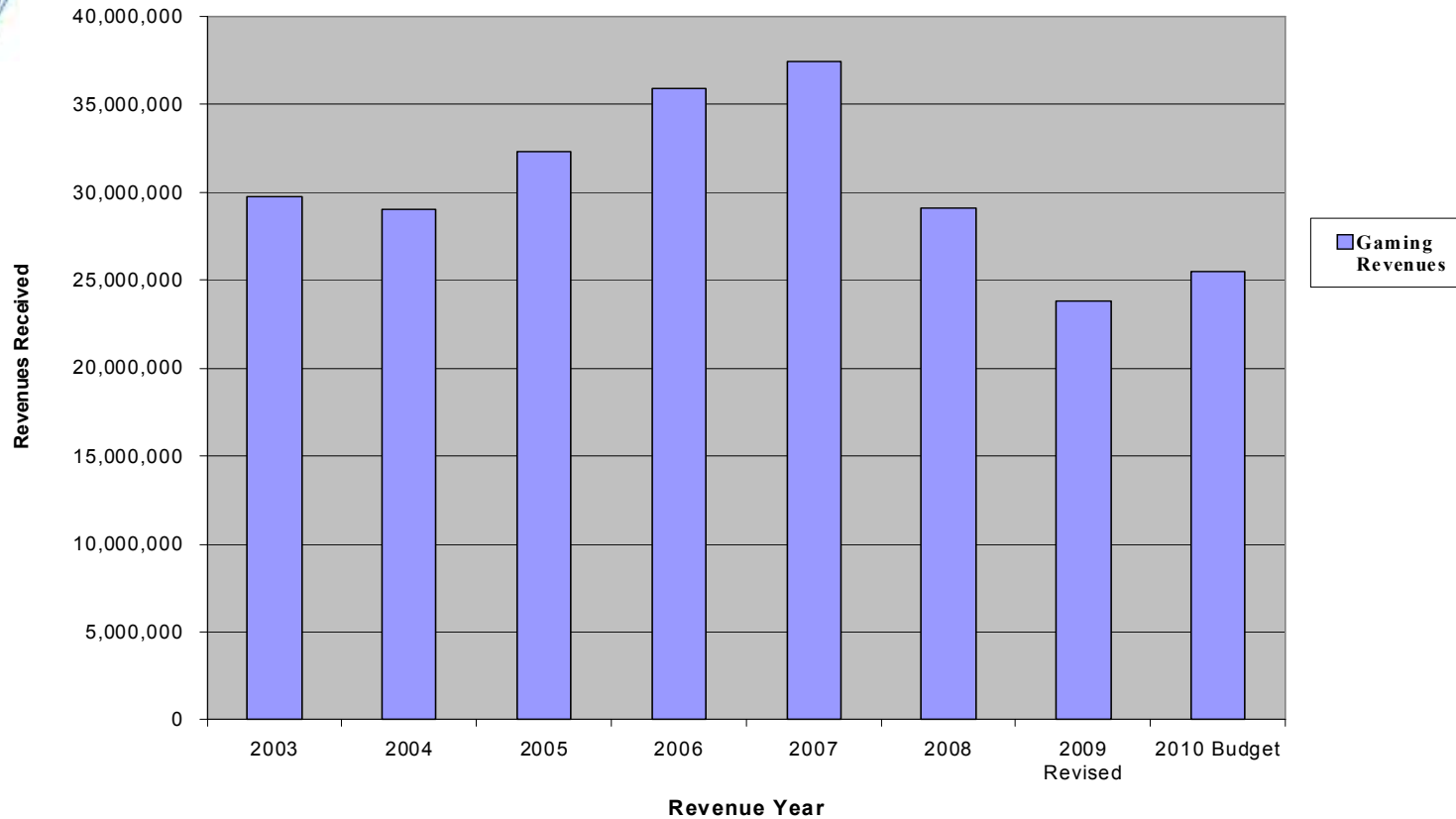
<b>Title</b>	<b>Action</b>	<b>Increase to Revenue</b>
<b>Vehicle Sticker</b>	<b>\$25 Sticker</b>	<b>1,325,000</b>
<b>Vehicle Sticker</b>	<b>\$35 Sticker</b>	<b>1,955,000</b>
<b>Vehicle Sticker</b>	<b>\$45 Sticker</b>	<b>2,585,000</b>
<b>Gasoline Tax</b>	<b>Move From \$0.01/Gallon to 1%/Gallon</b>	<b>275,000</b>
<b>Natural Gas Tax</b>	<b>From 2.06% to 5.15%</b>	<b>1,633,944</b>
<b>Electricity Tax</b>	<b>From .236 to .538</b>	<b>2,467,937</b>
<b>Telecom Tax</b>	<b>From 5% to 6%</b>	<b>889,442</b>
<b>H/R Sales Tax</b>	<b>Increase from 1.25% to 1.5%</b>	<b>2,861,600</b>
<b>Hotel/Motel Tax</b>	<b>Increase City Portion 7% to 8%</b>	<b>250,000</b>



# OTHER FUNDS



## History of Gaming Revenues



Gaming Fund (119)	Account Description	2010 City Mgr Recommends
<b>Expenses (Gaming Funds)</b>		
Remaining Ops	<b>GAMING TRANSFERS</b>	<b>25,470,817</b>
	<b>RESERVE FUND</b>	<b>2,308,712</b>
	<b>INFORMATION TECHNOLOGY</b>	<b>1,000,000</b>
Remaining Ops Total		<b>28,779,529</b>
Total Expenses		<b>28,779,529</b>



# CITY OF JOLIET

## *Parking Revenue Review*

**Page Appendix A-11 to A-12**

Parking (401)	General Account Description	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Revenues (Parking Funds)</b>				
<b>Parking</b>	Parking - Deck	460,000	568,000	108,000
	Parking - Lots	324,000	337,500	13,500
	Parking - Permits	25,000	23,000	(2,000)
	Parking - Street	225,000	645,482	420,482
	Fines	73,000	150,000	77,000
	Remaining Revenues	11,700	1,770	(9,930)
	Surplus/Deficit	145,608	233,440	87,832
<b>Parking Total</b>		<b>1,264,308</b>	<b>1,959,192</b>	<b>694,884</b>
<b>Total Revenues</b>		<b>1,264,308</b>	<b>1,959,192</b>	<b>694,884</b>



# CITY OF JOLIET

## *Parking Rate/Fee Proposal*

		Current Rates	Proposed Rates
<b>Parking Decks</b>	<b>Ottawa Street Deck Permit</b>	<b>\$25/Month</b>	<b>\$40/Month</b>
	<b>Scott Street Deck Permit</b>	<b>\$25/Month</b>	<b>\$40/Month</b>
<b>Parking Lots</b>	<b>Union Station Permits</b>	<b>\$18/Month</b>	<b>\$40/Month</b>
	<b>Union Station East Permit</b>	<b>\$18/Month</b>	<b>\$40/Month</b>
	<b>Union Station 12hr Meters</b>	<b>\$0.25/75 Min</b>	<b>\$0.25/Hr</b>
	<b>Lot Fines</b>	<b>\$10</b>	<b>\$50</b>
<b>Parking Meters</b>	<b>Hourly Parking Meters</b>	<b>\$0.25/hr</b>	
	<b>Parking Meter Zone A</b>		<b>\$1/Hr</b>
	<b>Parking Meter Zone B</b>		<b>\$0.50/Hr</b>
	<b>Meter Fines</b>	<b>\$3</b>	<b>\$15</b>



# CITY OF JOLIET

## *Parking Expense Review*

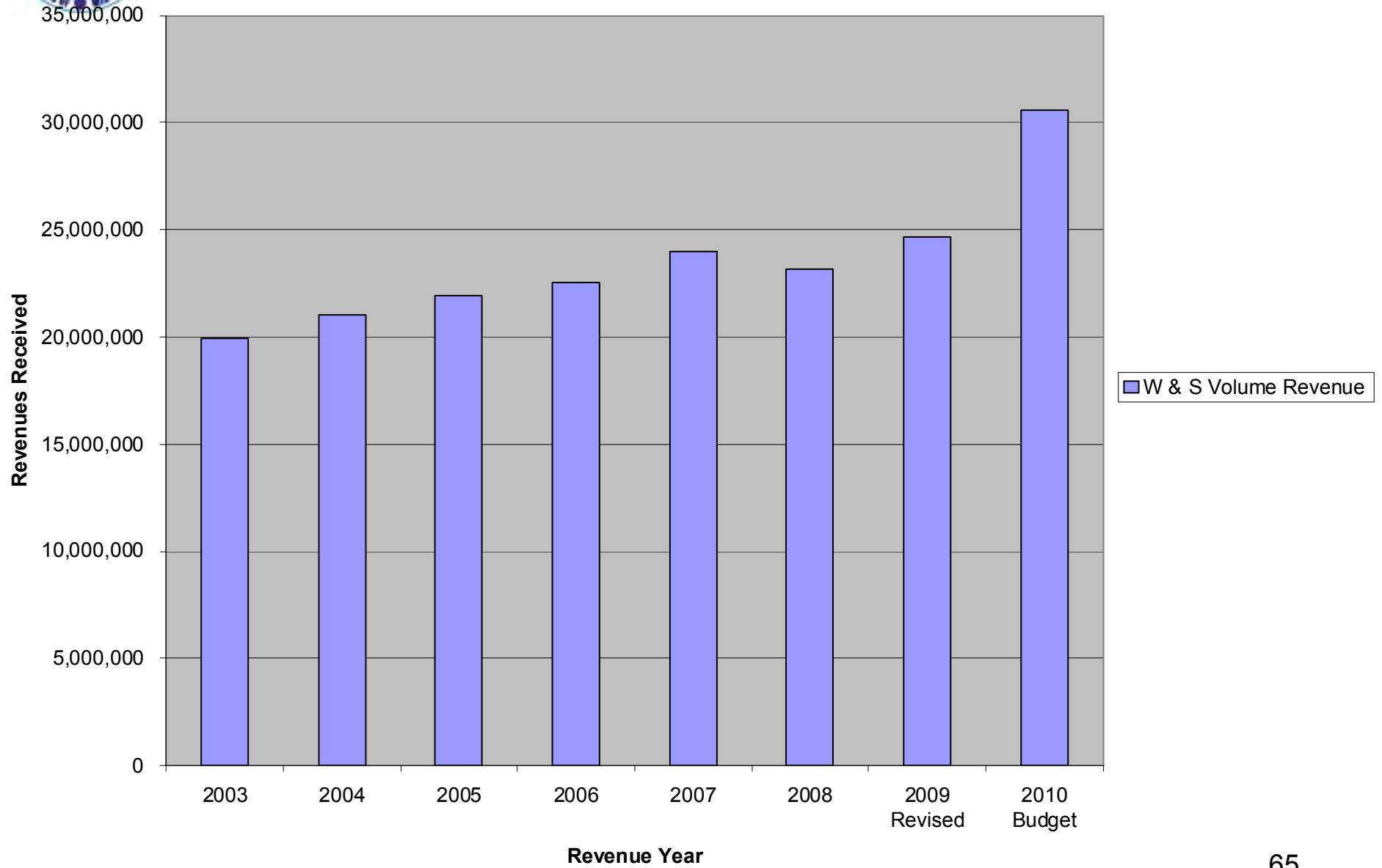
Page Appendix B-35 to B-36

Parking (401) - All Departments	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Parking Funds)</b>			
Payroll & Overtime	711,617	755,993	44,376
Insurance	35,000	30,000	(5,000)
Remaining Ops	517,691	1,173,199	655,508
<b>Total Expenses</b>	<b>1,264,308</b>	<b>1,959,192</b>	<b>694,884</b>

- **Remaining Ops**
  - **New Transfer to General Funds - \$433,305**
  - **Revenue Reserves Increased by \$288,032**
    - **For Capital Expenditures**

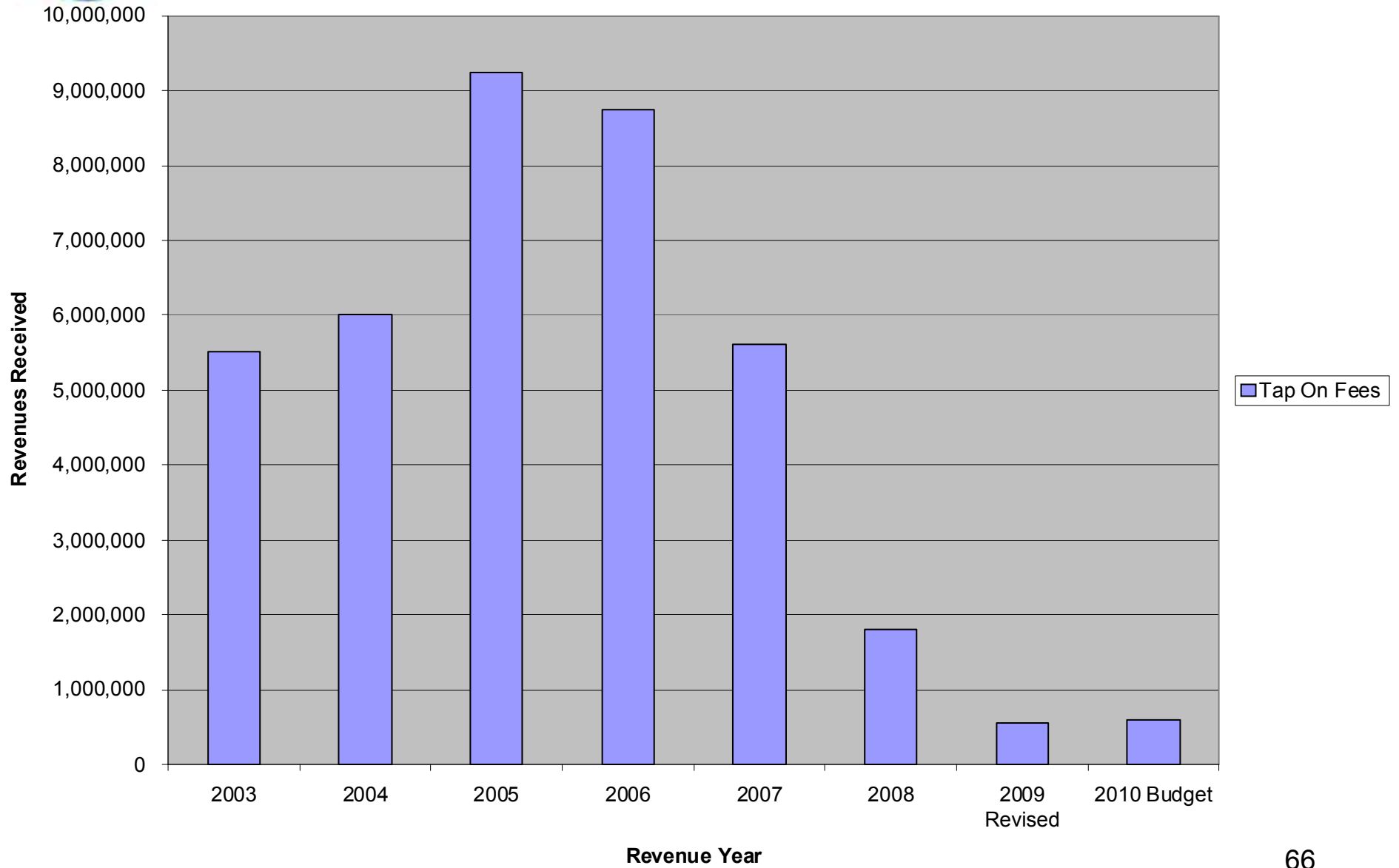


# History of Water & Sewer Volume Revenue



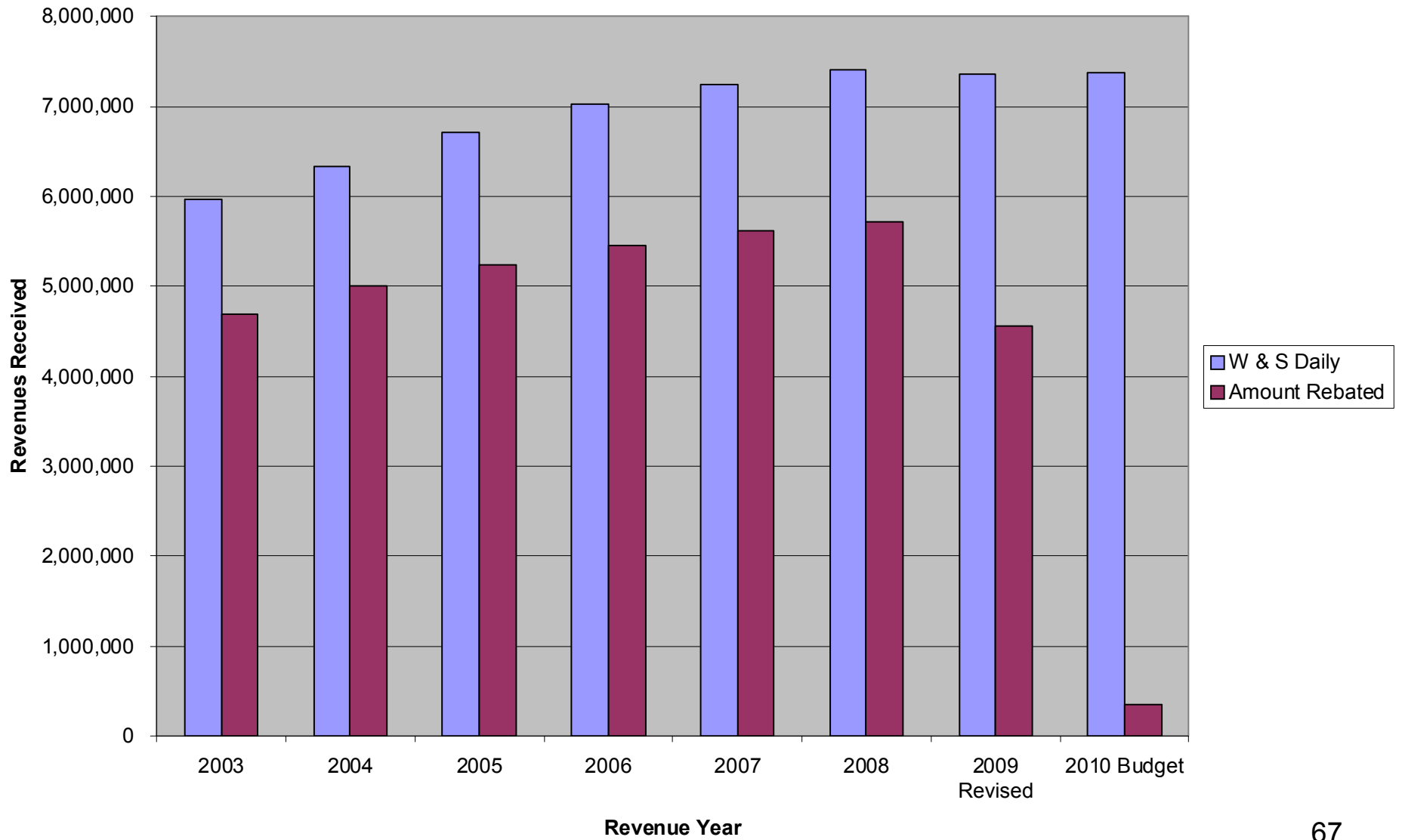


# History of Tap On Fees





## W&S Daily Charge Comparing Gross Revenues To Amount Rebated





# CITY OF JOLIET

## *Water & Sewer Expense Review*

Page Appendix B-39 to B-46

Water & Sewer (451 & 452) All Departments	2009 Original Budget	2010 City Mgr Recommends	Change 2010-2009
<b>Expenses (Water &amp; Sewer)</b>			
Payroll	8,991,198	9,009,856	18,658
Remaining Ops	33,257,206	41,582,146	8,324,940
<b>Total Expenses</b>	<b>42,248,404</b>	<b>50,592,002</b>	<b>8,343,598</b>

- **Payroll**
  - No management Raises
  - Personnel Summary – 6 Full Time Positions Vacant
- **Remaining Ops**
  - Increased Bond Reserve
  - Increased Improvement Projects



# **TAX LEVY**

*What-If Levy Reduced by \$3,000,000?*



# CITY OF JOLIET

## *City's Property Tax Rate Portion*

### *Reduce Levy by \$3,000,000*

<u>Property Tax Body</u>	<u>2008 Levy (Paid 2009)</u>	<u>Estimated 2009 Levy (Paid 2010)</u>	<u>Amount Changed</u>
City of Joliet	0.7907	0.9202	
City of Joliet Fire Protection	0.0957	0.0957	
City Joliet Pub Lib	0.1775	0.1775	
City of Joliet Debt	0.0000	0.0352	
<b>Joliet Combined Tax Rate</b>	<b>1.0639</b>	<b>1.2286</b>	<b>0.1647</b>
City Joliet Rd & Br (Township Portion)	0.0461	0.0461	
<b>Total Tax Rate</b>	<b>1.1100</b>	<b>1.2747</b>	<b>0.1647</b>



# CITY OF JOLIET – *(Less \$3M)*

## *Property Tax Rate Increase Analysis (Joliet Township)*

<u><b>Taxing District</b></u>	<u><b>2008 Levy (Paid 2009)</b></u>	<u><b>Estimated 2009 Levy (Paid 2010)</b></u>	<u><b>Amount Changed</b></u>
Forest Preserve	0.1445	0.1445	
Will Co Building Commission	0.0191	0.0191	
Joliet Twp Town Funds	0.1586	0.1586	
Joliet Twp Road Funds	0.0462	0.0462	
School District 86	2.5429	2.5429	
High School District 204	1.8868	1.8868	
Comm College Dist 525	0.1896	0.1896	
City of Joliet Combined	1.0639	1.2286	0.1647
City Joliet Rd & Br	0.0461	0.0461	0.0000
Joliet Park District	0.2782	0.2782	
Will County	0.4751	0.4751	
<b>Total Taxing Rate</b>	<b>6.8510</b>	<b>7.0157</b>	<b>0.1647</b>

### City of Joliet Proportion

<b>Levied Tax Rate</b>	<b>1.1100</b>	<b>1.2747</b>	<b>0.1647</b>
<b>Percent of Tax Bill</b>	<b>16.20%</b>	<b>18.17%</b>	



# CITY OF JOLIET

## *Property Tax Rate Increase – Owner’s Impact* *Reduce Levy by \$3,000,000*

**\$100,000 Home = \$45.84 Increase**

<b>Tax Bill Calculation</b>	<b>Before Increase</b>	<b>After Increase</b>	<b>Change</b>
Fair Market Value of Home	\$100,000	\$100,000	
Assessed Valuation (1/3 FMV)	\$33,333	\$33,333	
Less: Homestead Exemption	<b>(\$5,500)</b>	<b>(\$5,500)</b>	
Net Value	\$27,833	\$27,833	
Proposed Tax Rate	<u>0.068510</u>	<u>0.070157</u>	
<b>Total Tax Bill</b>	<u>\$1,906.84</u>	<u>\$1,952.68</u>	<b>\$45.84</b>
<b><u>City of Joliet portion</u></b>			
Net Value	\$27,833	\$27,833	
Proposed Tax Rate	<u>0.011100</u>	<u>0.012747</u>	
<b>Joliet Portion of Tax Bill</b>	<u>\$308.95</u>	<u>\$354.79</u>	<b>\$45.84</b>
<b>Joliet Percent of Tax Bill</b>	16.20%	18.17%	



# CITY OF JOLIET

## *Property Tax Rate Increase – Owner’s Impact* *Reduce Levy by \$3,000,000*

**\$200,000 Home = \$100.74 Increase**

<b>Tax Bill Calculation</b>	<b>Before Increase</b>	<b>After Increase</b>	<b>Change</b>
Fair Market Value of Home	\$200,000	\$200,000	
Assessed Valuation (1/3 FMV)	\$66,667	\$66,667	
Less: Homestead Exemption	<b>(\$5,500)</b>	<b>(\$5,500)</b>	
Net Value	\$61,167	\$61,167	
Proposed Tax Rate	<u>0.068510</u>	<u>0.070157</u>	
<b>Total Tax Bill</b>	<b>\$4,190.55</b>	<b>\$4,291.29</b>	<b>\$100.74</b>
<b><u>City of Joliet portion</u></b>			
Net Value	\$61,167	\$61,167	
Proposed Tax Rate	<u>0.011100</u>	<u>0.012747</u>	
<b>Joliet Portion of Tax Bill</b>	<b>\$678.95</b>	<b>\$779.69</b>	<b>\$100.74</b>
<b>Joliet Percent of Tax Bill</b>	<b>16.20%</b>	<b>18.17%</b>	



# CITY OF JOLIET

## *Property Tax Rate Increase – Owner’s Impact* *Reduce Levy by \$3,000,000*

**\$300,000 Home = \$155.64 Increase**

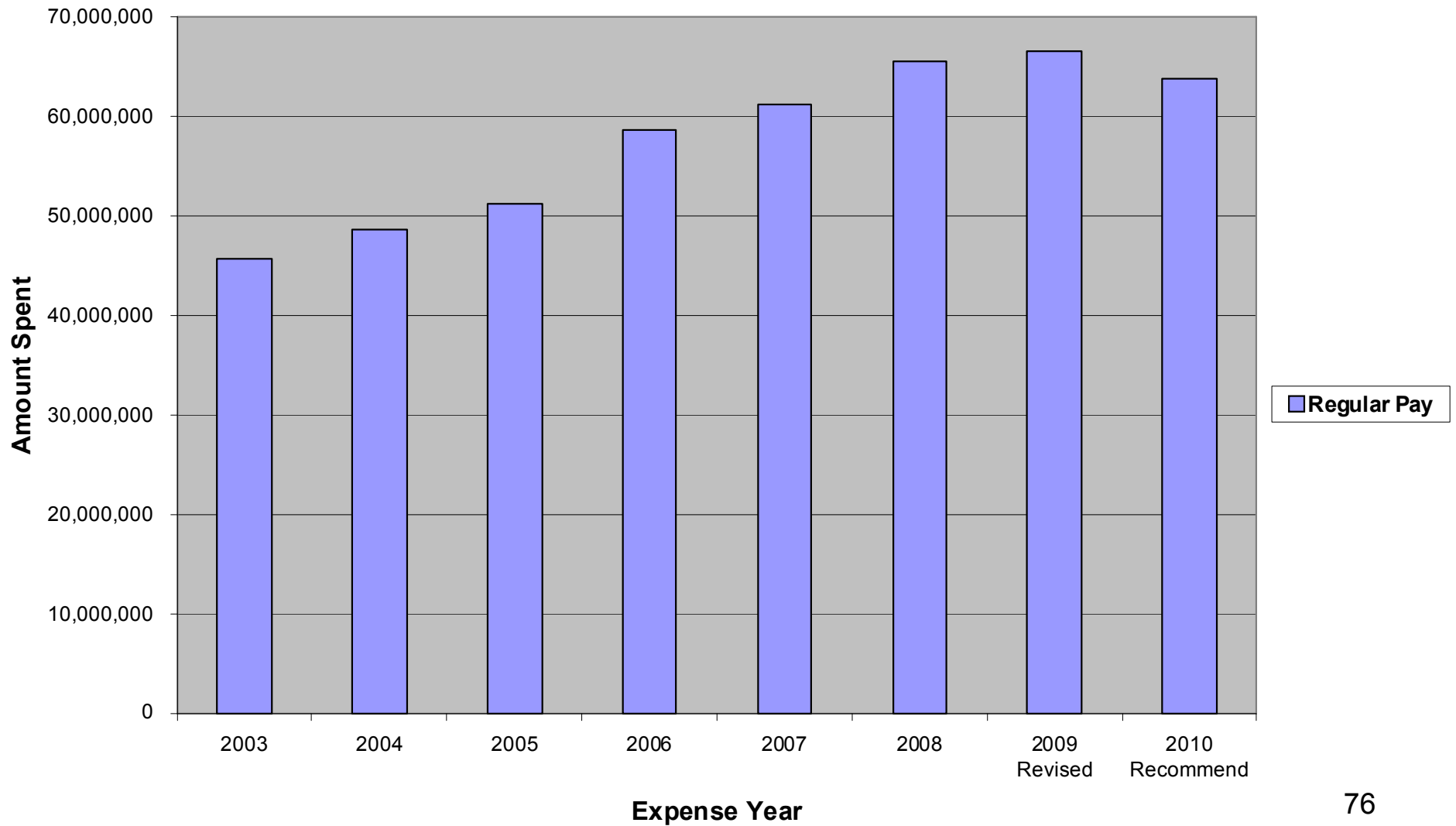
<b>Tax Bill Calculation</b>	<b>Before Increase</b>	<b>After Increase</b>	<b>Change</b>
Fair Market Value of Home	\$300,000	\$300,000	
Assessed Valuation (1/3 FMV)	\$100,000	\$100,000	
Less: Homestead Exemption	<b>(\$5,500)</b>	<b>(\$5,500)</b>	
Net Value	\$94,500	\$94,500	
Proposed Tax Rate	<u>0.068510</u>	<u>0.070157</u>	
<b>Total Tax Bill</b>	<u>\$6,474.20</u>	<u>\$6,629.84</u>	<b>\$155.64</b>
<b><u>City of Joliet portion</u></b>			
Net Value	\$94,500	\$94,500	
Proposed Tax Rate	<u>0.011100</u>	<u>0.012747</u>	
<b>Joliet Portion of Tax Bill</b>	<u>\$1,048.95</u>	<u>\$1,204.59</u>	<b>\$155.64</b>
<b>Joliet Percent of Tax Bill</b>	16.20%	18.17%	



# BACK UP CHARTS

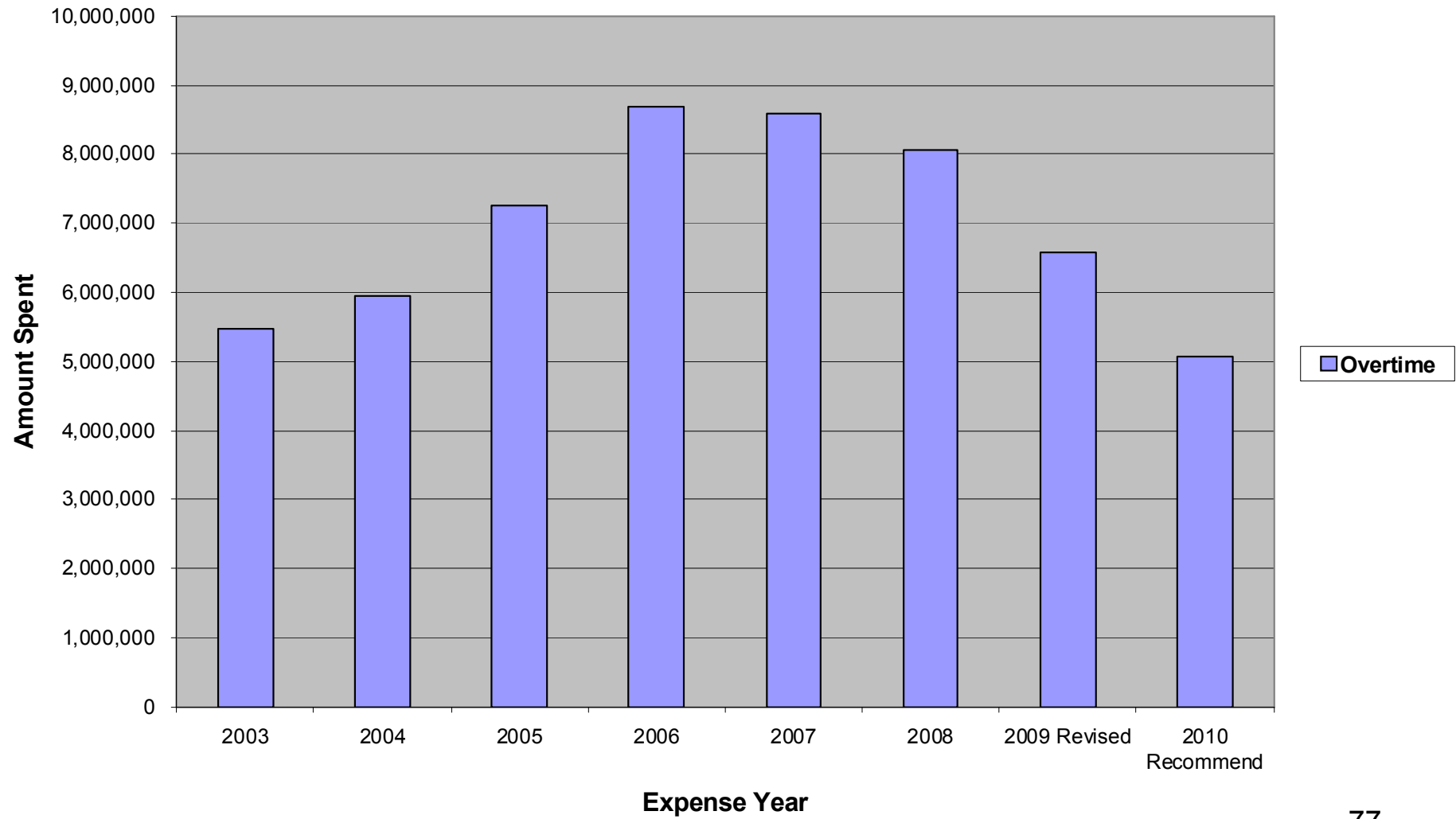


# History of Regular Payroll Expenses



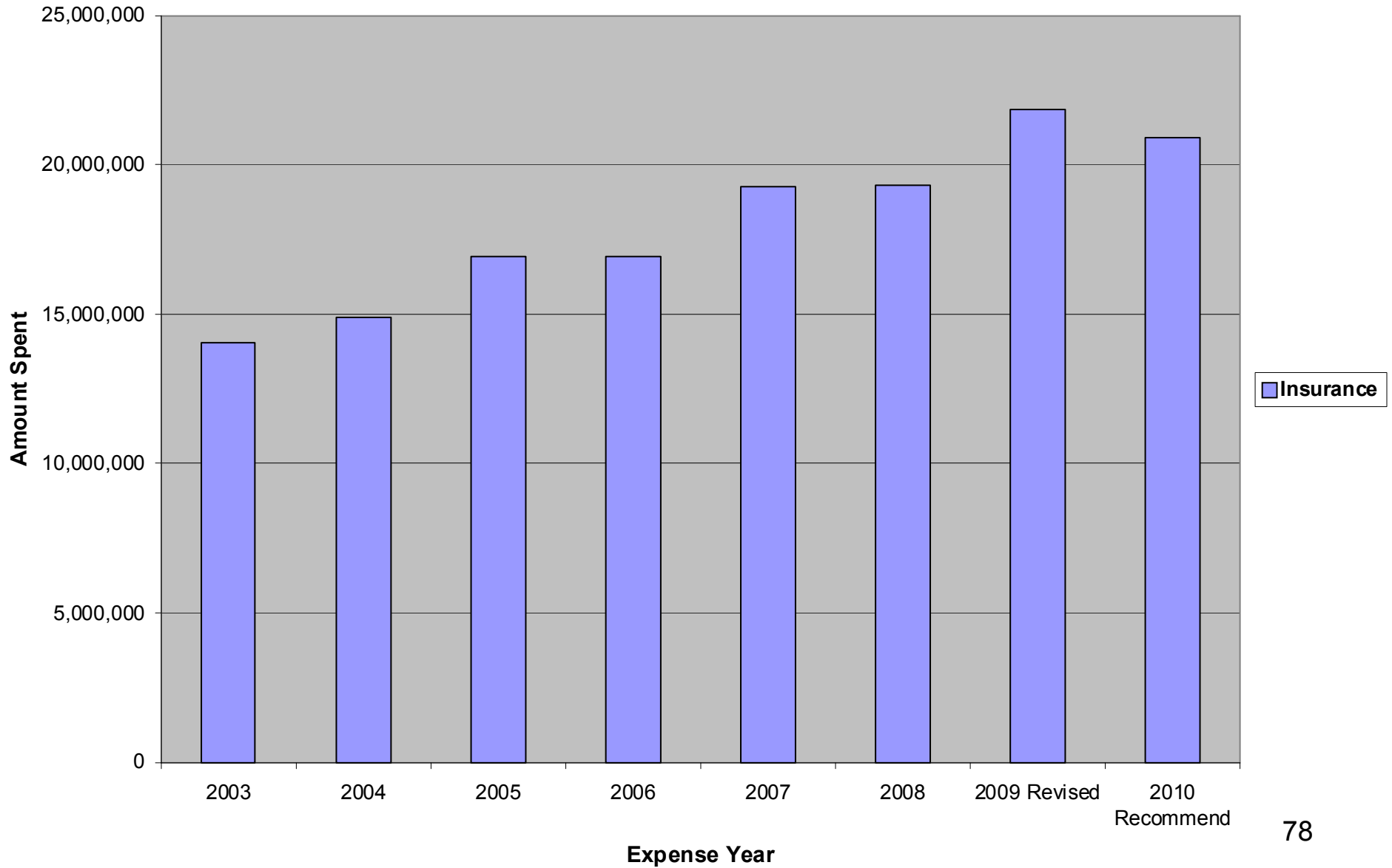


# History of Overtime Expense



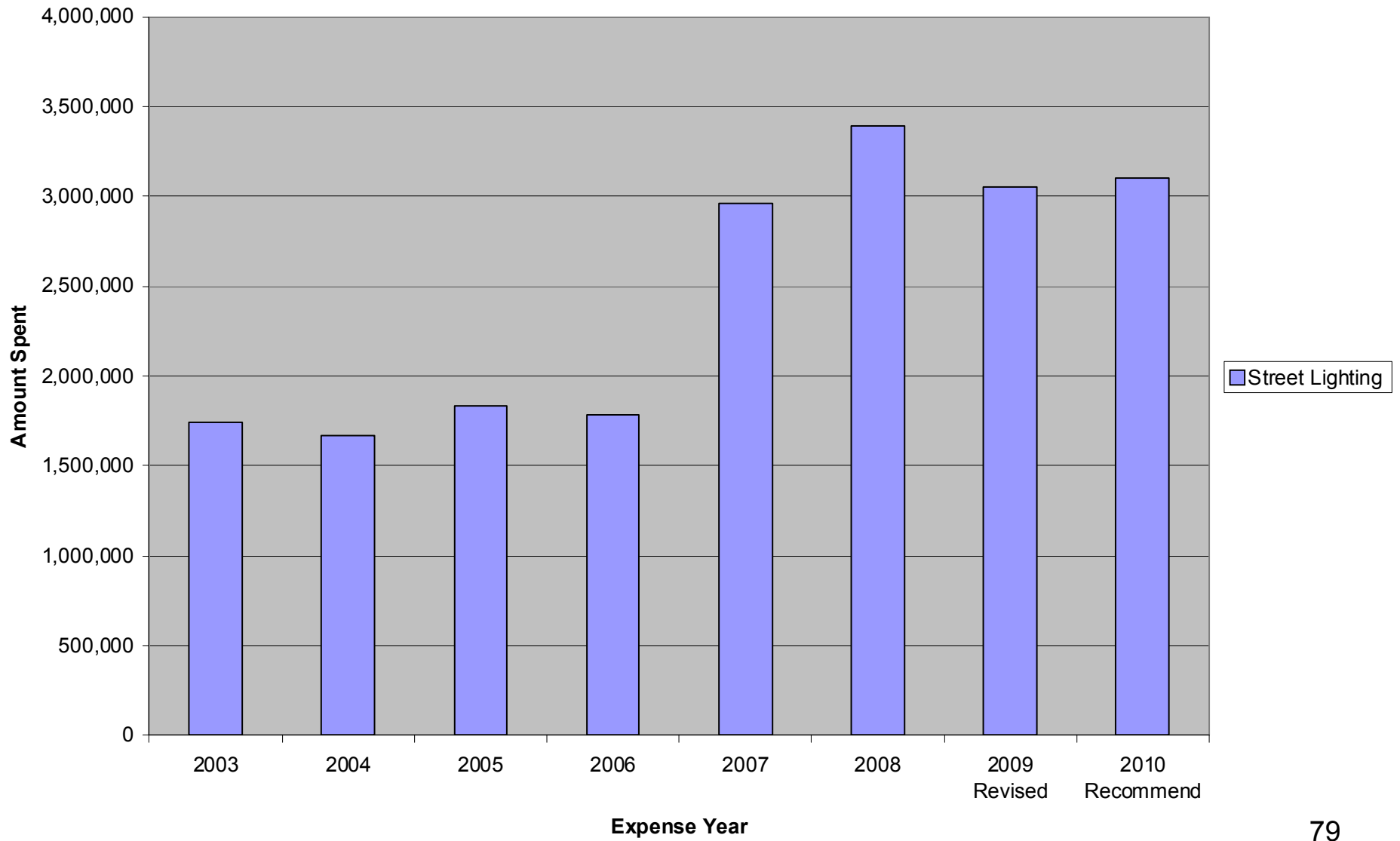


# History of Insurance Expenses



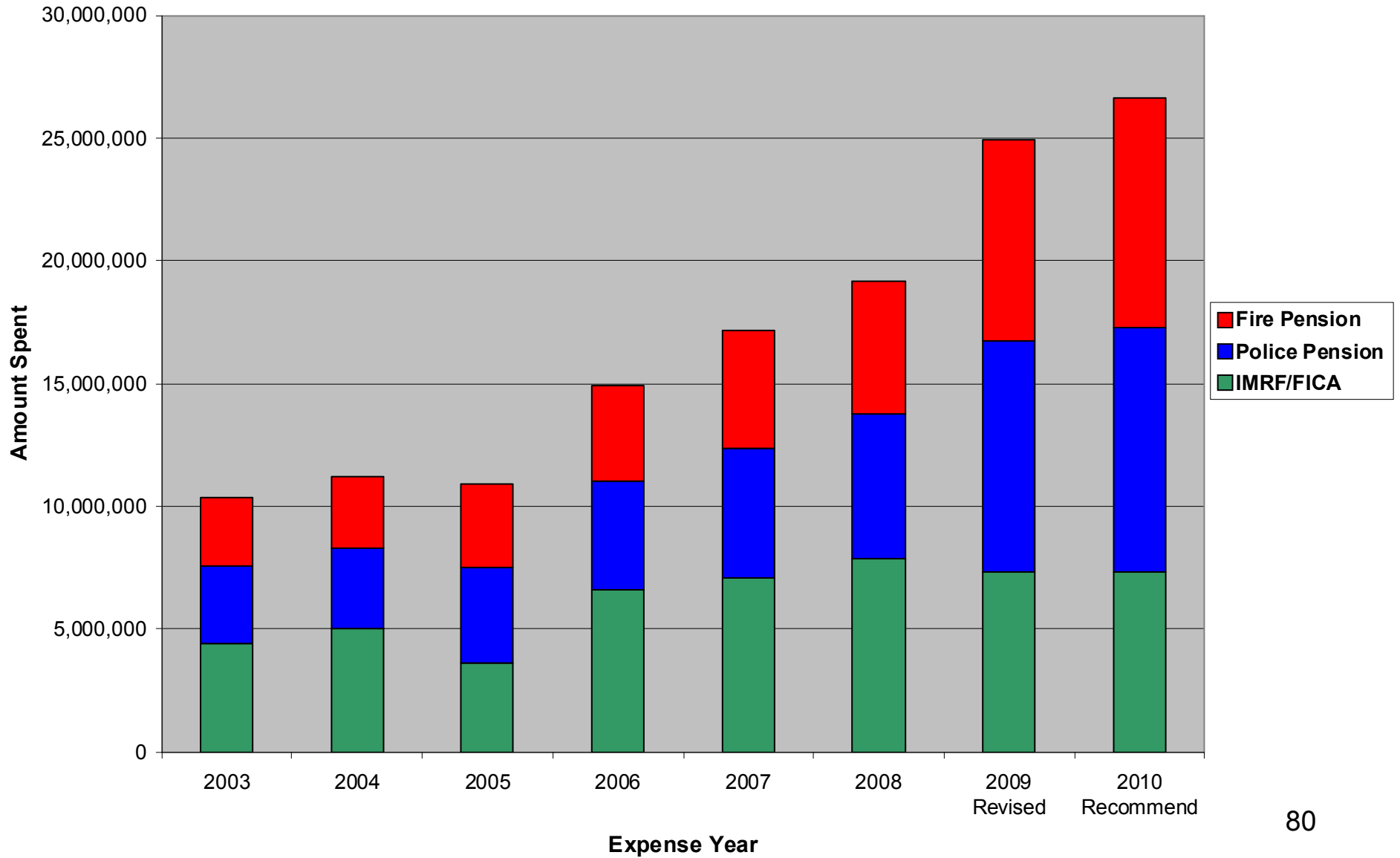


# History of Street Lighting Expenses





# History of Pension Expense





# **CITY OF JOLIET**

## *Questions About Revenue Enhancements*

- **Why Increase Property Taxes?**
  - **Expense Growth in Services to Community**
  - **Deductible Item on Fed & State Tax Returns**
- **Why Not Other Taxes or Fees?**
  - **New Fees Costly to Implement**
    - **Vehicle Stickers**
  - **Sales Tax Increase Hurts Economic Growth**
    - **Reduces Chances to Get New Businesses**
  - **Utility Tax Increases**
    - **Should Be For Capital Investment**



## Analysis of Police & Fire Pension Vs Taxes Levied *By Annual Amount*

