

# City of St. Charles FY16-17 Budget



Public Hearing  
April 4, 2016

# Agenda

- Recent Financial Trends
- General Fund
- Summary of Utility Funds
- Major Capital Projects
- Questions/Comments



Prudent financial decisions have resulted in a fiscally responsible St Charles

Structurally sound operations and results:

- Operational revenue streams rising
- Operational expenditures remain low historically and below revenue levels
- Sustained surpluses have led to healthy reserves in the General Fund



# Significantly Improved Utility Fund Performance

- Slow, Steady Approach to rate adjustments has worked:
  - Rate Structures Stabilized
  - Operating Deficits Eliminated
  - All Utilities' Reserves Positive



## ***Highlights of 2016-2017 Budget:***

### **\*\* Budget is Balanced \*\***

No tax increases proposed

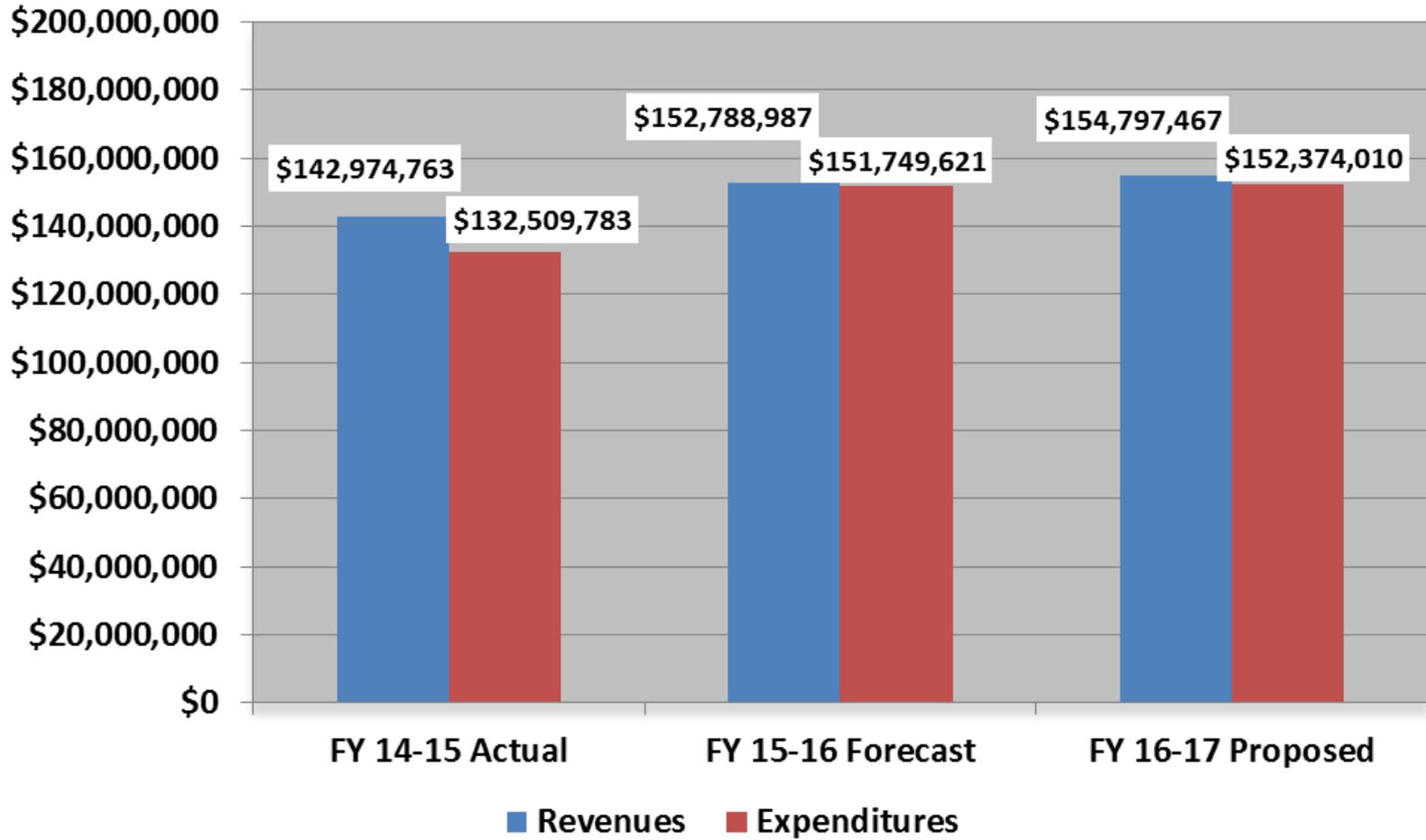
Staffing maintained at FY 2015-2016 level

Utility rate adjustments are proposed

- Smaller adjustments than projected last year
- EPA Assessment proposed
  - Environmental mandates imposed by State

# The City Budget

## Summary of All Funds (Excludes Transfers)

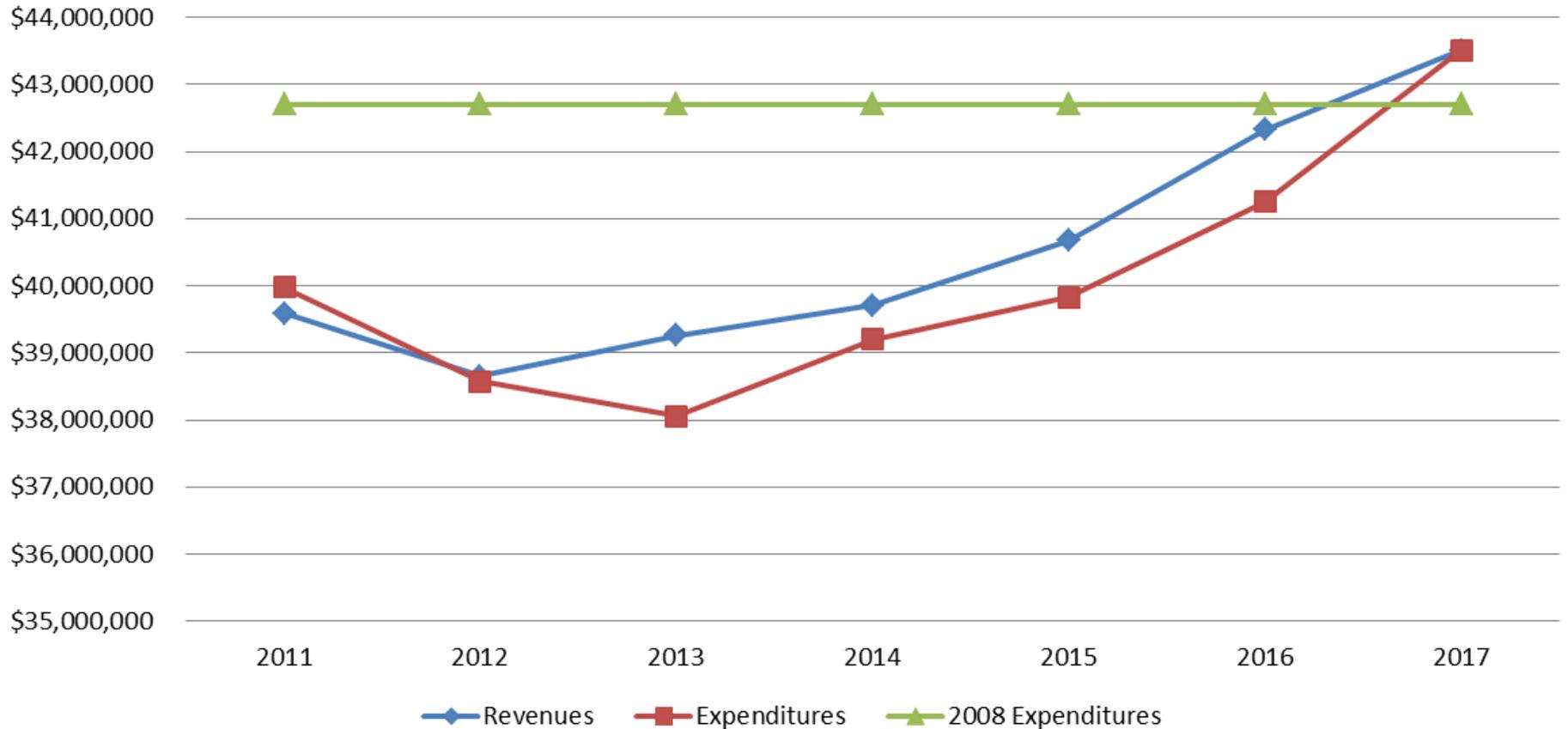


# City of St Charles



## General Fund

## General Fund Revenues and Expenditures 2011- 2017



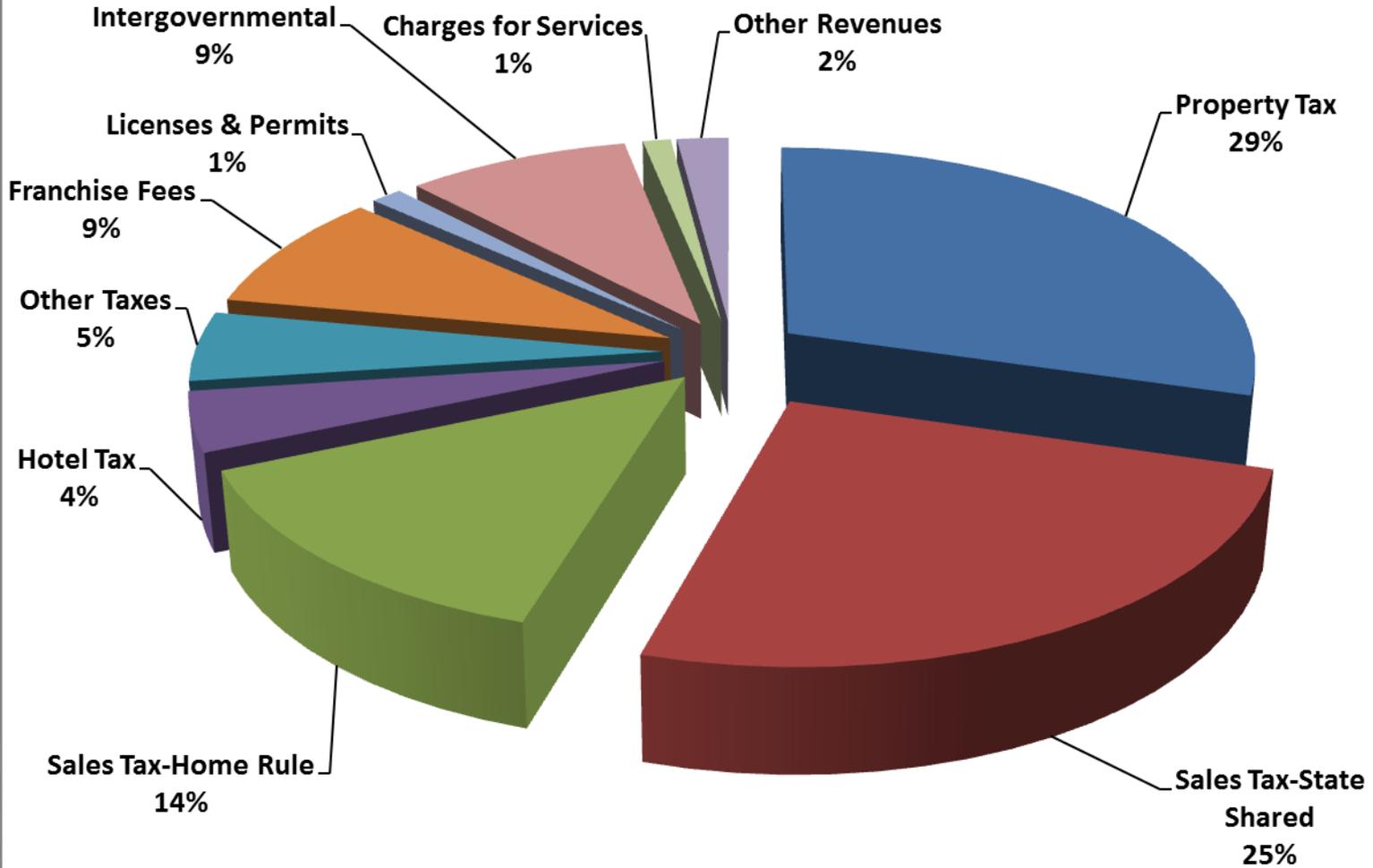
2011-2015 amounts are from the City's Comprehensive Annual Financial Report for the fiscal year ended April 30 as indicated.  
 2016 amounts based on February, 2016 projections  
 2017 amounts reflect proposed budget totals

# The General Fund

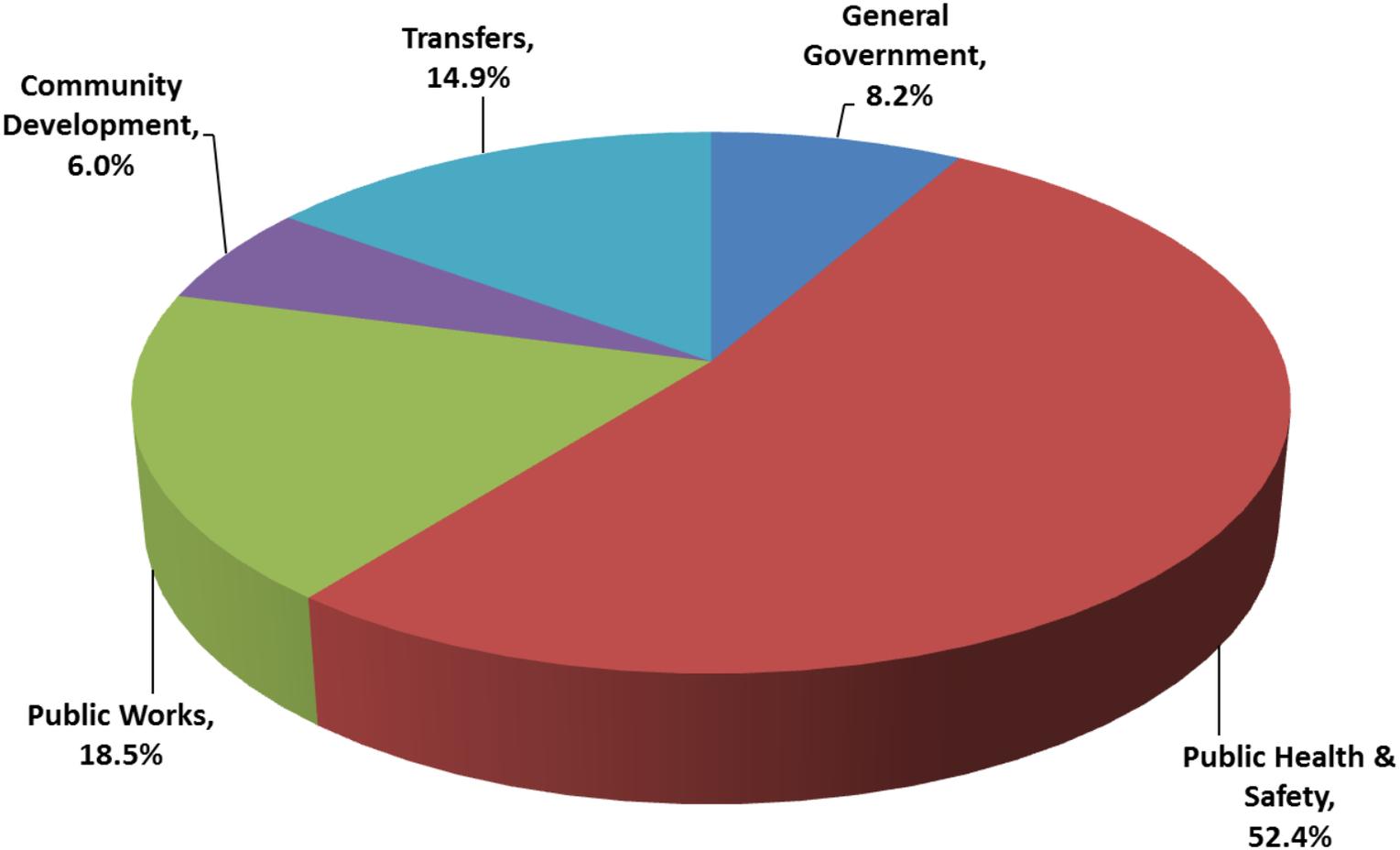
	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>
Revenues	\$ 42,160,390	\$ 43,130,323
Moline TIF Reimbursement	\$ 170,000	\$ 190,000
First Street Reimbursement	\$ -	\$ 77,687
<b>Total Revenues</b>	<b>\$ 42,330,390</b>	<b>\$ 43,398,010</b>
<b>Operating Expenditures</b>	<b>\$ 41,248,533</b>	<b>\$ 43,398,010</b>
<b>Surplus/(Deficit)</b>	<b>\$ 1,081,857</b>	<b>\$ -</b>
<b>End of Year Reserves</b>	<b>\$ 17,696,372</b>	<b>\$ 17,696,372</b>
<b>Reserve Percentage</b>	<b>43%</b>	<b>41%</b>



# General Fund Revenues FY 16/17 Budget



# General Fund Expenditures by Function FY 16/17 Budget



Total Budgeted Expenditures = \$43,398,010



# City of St Charles



## Utility Funds

# A quick look back:

## Ongoing challenges in financial performance:

- Revenues not covering expenses
- Operating deficits – Factors:
  - Consumption levels declining
  - Wholesale power cost increases
  - Federal and State mandated improvements
- Council directed long term corrective action
  - Annual Review of financial condition and performance – corresponding rate adjustments

# Utility Projections

	<b><i>Proposed Budget 2016-2017</i></b>				<b><i>Projected Totals 2015-2016</i></b>
	<b><i>Electric</i></b>	<b><i>Water</i></b>	<b><i>Sewer</i></b>	<b><i>Total</i></b>	
Revenue	\$ 65,709,470	\$ 6,470,314	\$11,585,672	\$ 83,765,456	\$ 86,286,158
Cost of Service	<u>\$ 63,854,697</u>	<u>\$ 6,463,406</u>	<u>\$11,543,416</u>	<u>\$ 81,861,519</u>	<u>\$ 85,674,030</u>
Surplus/(Deficit)	<u>\$ 1,854,773</u>	<u>\$ 6,908</u>	<u>\$ 42,256</u>	<u>\$ 1,903,937</u>	<u>\$ 612,128</u>
Reserves	<u>\$ 5,121,760</u>	<u>\$ 3,575,552</u>	<u>\$ 3,483,580</u>	<u>\$ 12,180,892</u>	<u>\$ 10,276,955</u>

<b><i>Annual Billings for "Average" Residential Customer</i></b>				<b><i>2015-2016 Total</i></b>
<b><i>Electric</i></b>	<b><i>Water</i></b>	<b><i>Sewer</i></b>	<b><i>Total</i></b>	
<u>\$ 1,287.52</u>	<u>\$ 468.39</u>	<u>\$ 705.86</u>	<u>\$ 2,461.77</u>	<u>\$ 2,329.11</u>



# EPA Assessment

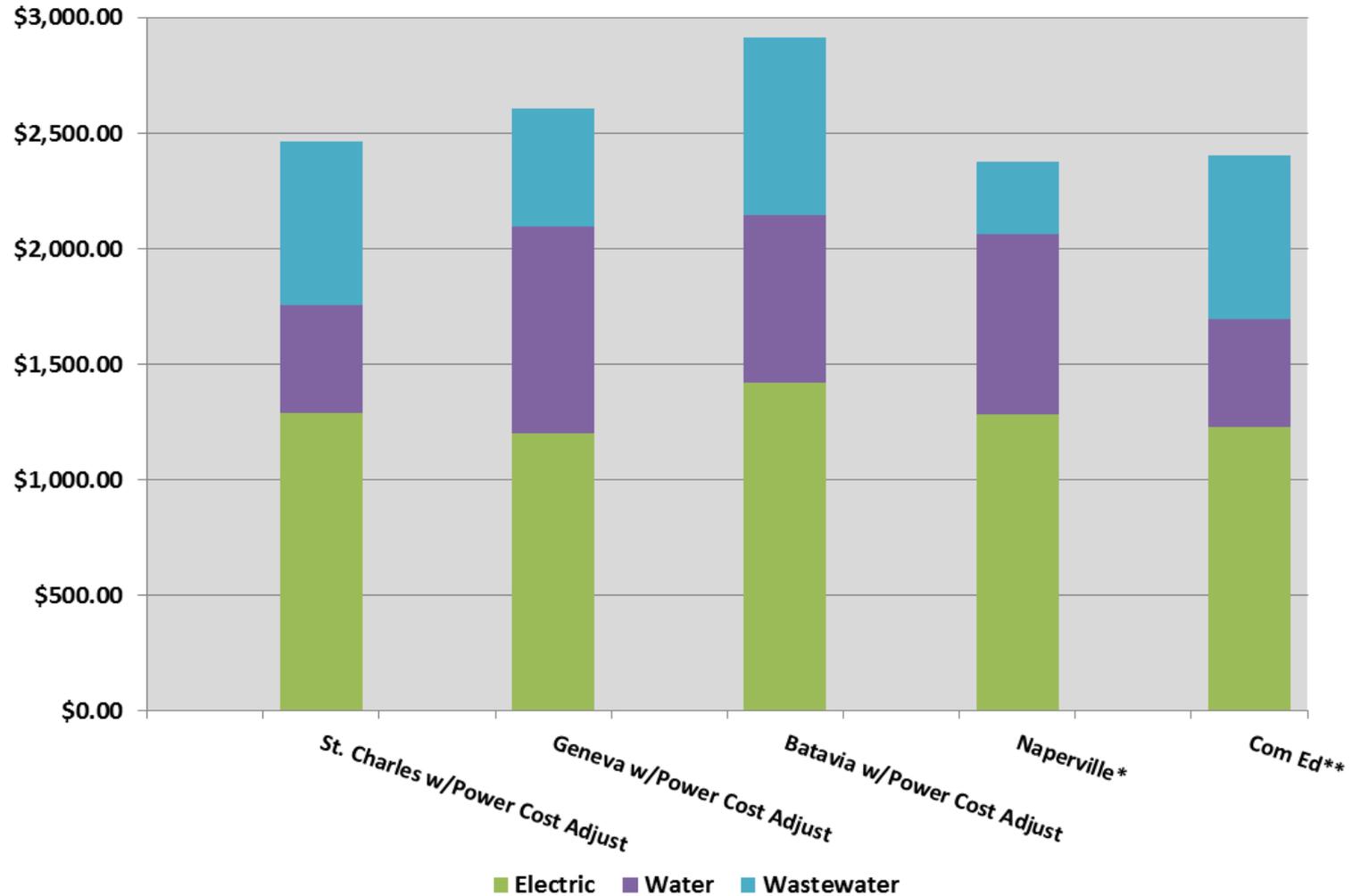
## Fixed Monthly Charge on Wastewater Bill

- Charge will finance projects necessary for compliance with environmental standards
  - Phosphorus discharge standards
- Begins at \$0.45 per month per account
- Increases over time dependent on project costs
- “Escrow” type of account
  - Revenues and expenditures tracked separately



# Utility Comparison

## Average Annual Utility Charges February 2016



# City of St Charles



## Capital Projects

# Significant Capital Improvements

- Police Facility
  - Design in FY 2017 Construction in FY 2018
- Seventh Avenue Creek Project
  - Continued property acquisition as available
  - Development of plans and project analysis
  - Construction projected FY's 2019 and 2020
- Rehabilitation of George's Sports
- First St Phase III Streetscaping Improvements



# Significant Capital Improvements

- Stuarts Crossing detention area restoration
- Roadway Improvements
  - Illinois Street bridge repairs
  - Resurfacing of:
    - Kautz Rd
    - Red Gate Rd
    - Riverside Drive
    - MFT Street Resurfacing Program

# Significant Capital Improvements

- Electric Substation Number 9 work
- Work Order, SCADA, and billing software
- Digester Improvements (Wastewater)
  - Multi Year project
  - Digesters at end of operational life
- Phosphorus removal engineering
  - Construction anticipated FY 2017-2018



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Questions & Comments?