

City of St. Charles FY14-15 Budget



Public Hearing Presentation

April 7, 2014



Agenda

- Recent Financial Performance
- Summary of All Funds
- General Fund
- Summary of Utility Funds
- Significant Capital Projects
- Staffing
- Next Steps
- Questions/Comments



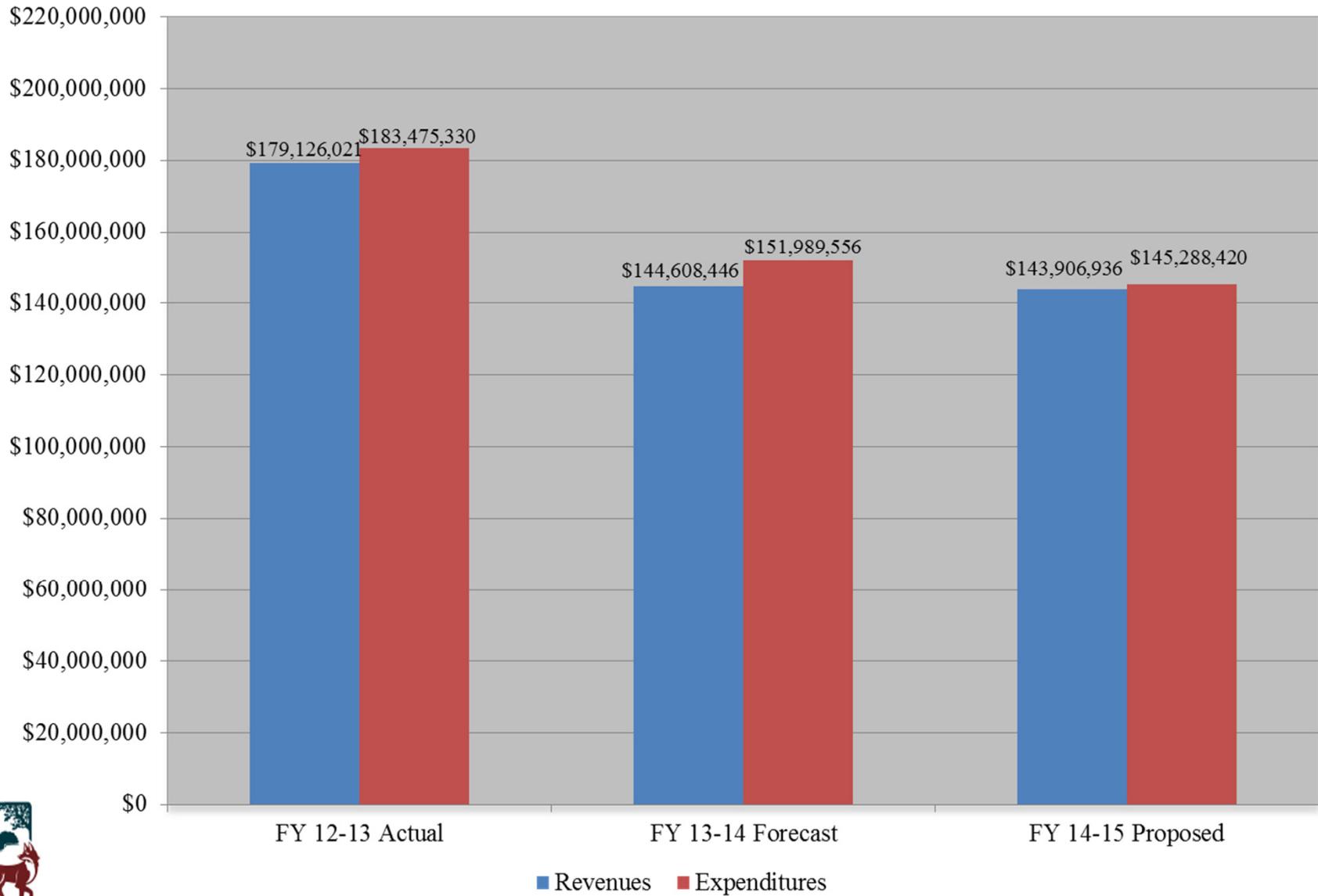
Strong and Sustained Financial Performance

Prudent Financial Decisions

- Revenues and expenses have been stable
 - Recovery continues slowly
- Living within our means
 - Expenditures below 2008 levels and in line with revenues
- Improving Utility Fund performance
 - Continued implementation of rate study
 - Rates remain lowest in Tri Cities



Summary of All Funds (Excludes Transfers)

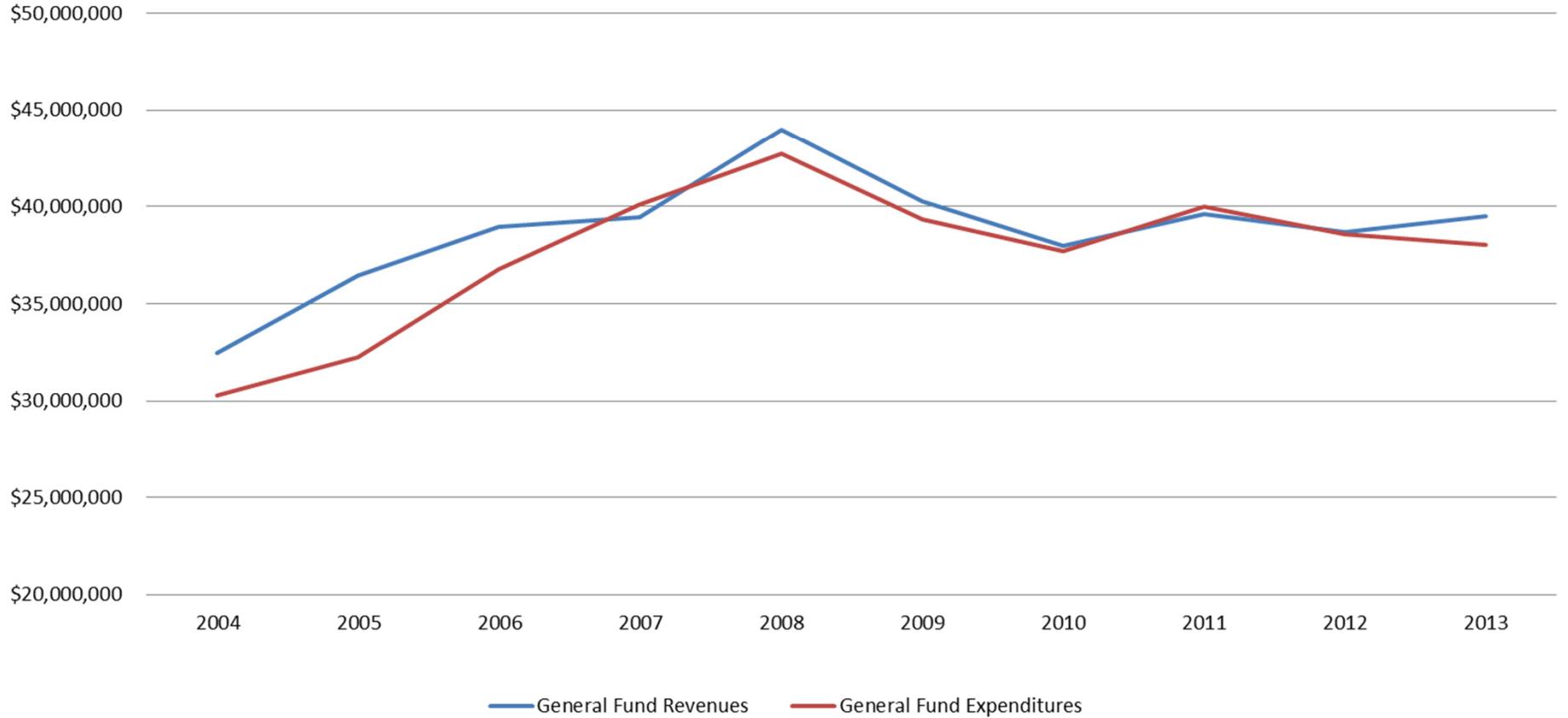


General Fund Highlights

- Budget is balanced
- No new taxes proposed
- No tax increases
- Programs and services maintained
- Prudent staffing changes
- Reserves well in excess of 25% policy
- Leaf and Yardwaste Program changes



General Fund Revenues and Expenditures Fiscal Years 2004 - 2013

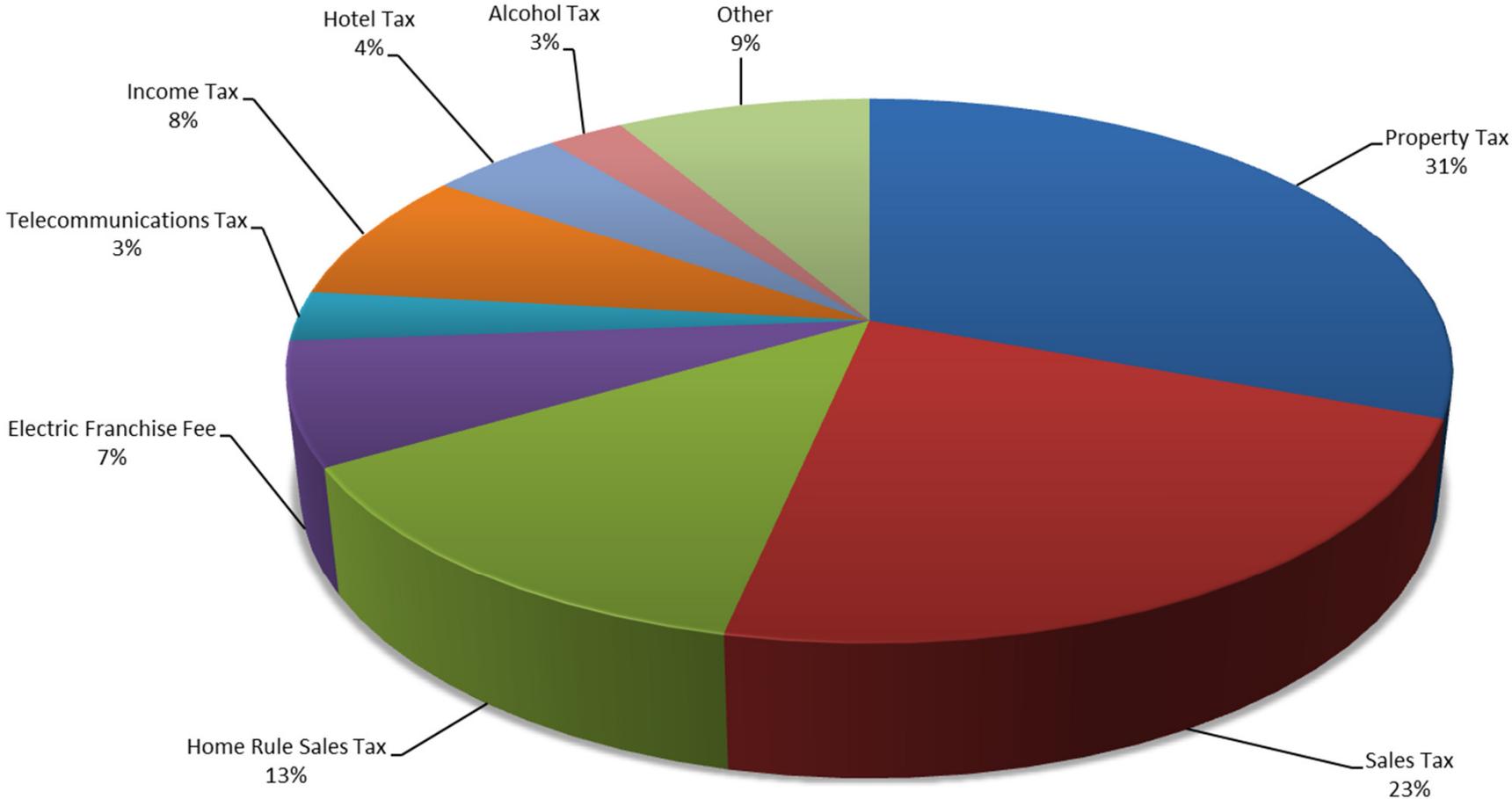


The General Fund by the Numbers

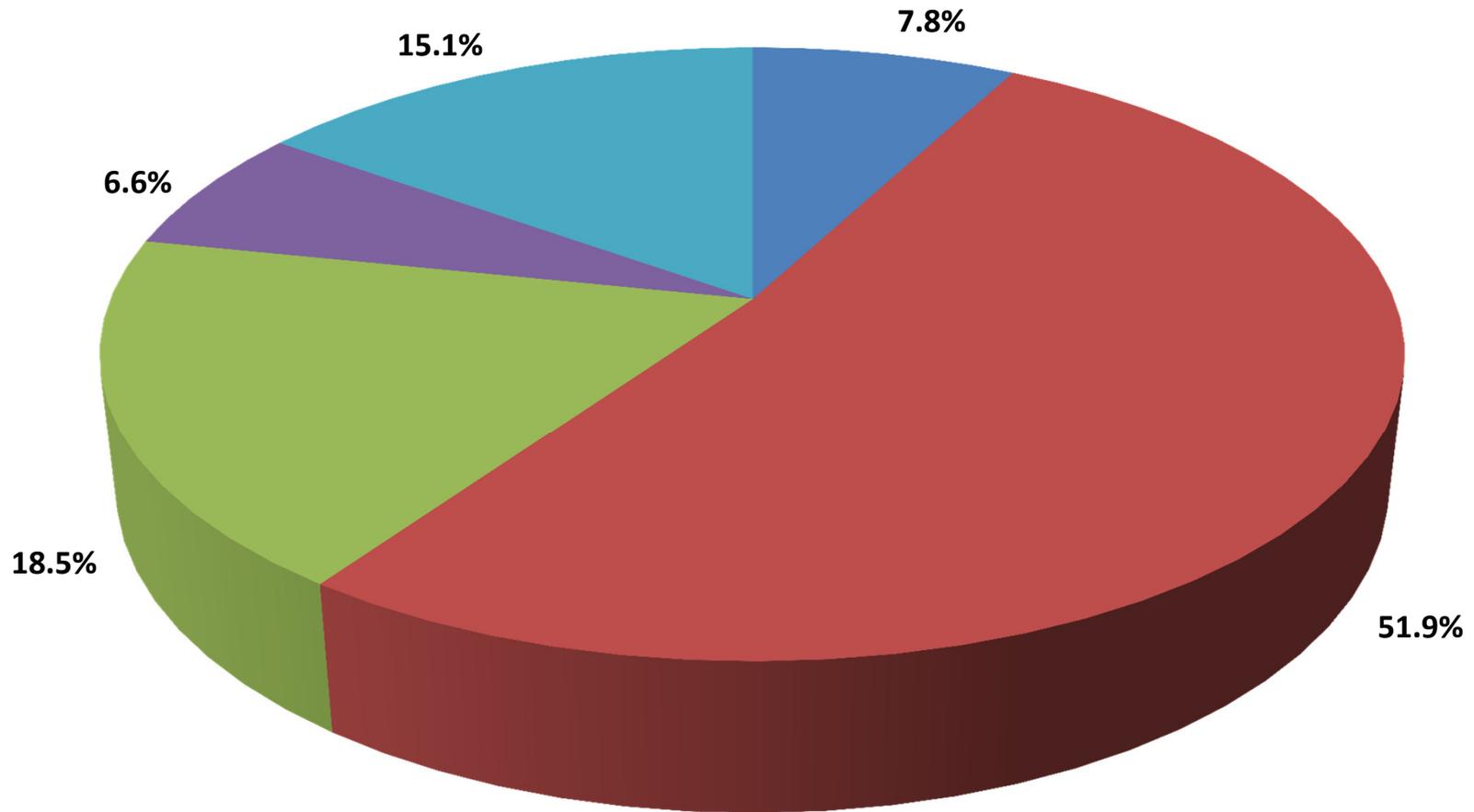
	Forecast <u>FY 2013-2014</u>	Budget <u>FY 2014-2015</u>
Revenue	\$ 39,875,071	\$ 40,854,096
Operating Expenditures	<u>\$ 40,451,236</u>	<u>\$ 41,772,331</u>
Surplus/(Deficit)	\$ (576,165)	\$ (918,235)
Reimbursements	<u>\$ 150,000</u>	<u>\$ 928,438</u>
Change in Reserve Level	<u>\$ (426,165)</u>	<u>\$ 10,203</u>
End of Year Reserves	<u><u>\$ 14,553,906</u></u>	<u><u>\$ 14,564,109</u></u>
Reserve Percentage	36%	35%



General Fund Revenues FY 2014-2015



General Fund Expenditures by Function



- General Government
- Public Health & Safety
- Public Works
- Community Development
- Transfers

Total Budgeted Expenditures = \$41,772,331



Significant Capital Improvements

General Infrastructure

- \$3.4 Million in total general infrastructure projects
 - Municipal Center Parking Lot Improvements*
 - Resurface Tyler Rd: Rte 64 to Kirk Rd*
 - Annual Street Resurfacing Program
- * Leveraging \$630,000 in grant revenue



Leaf and Yardwaste Program

- Kramer Tree Service serves the community
- Contract due for renewal in FY 14/15
- Anticipated Service Level
 - 3 leaf pickups
 - 7 brush pickups
- Estimated \$49.48 annually – 74 cent increase monthly (Lowest cost in Tri Cities)
- Contract renewal presented April 28



City of St Charles



Utility Funds

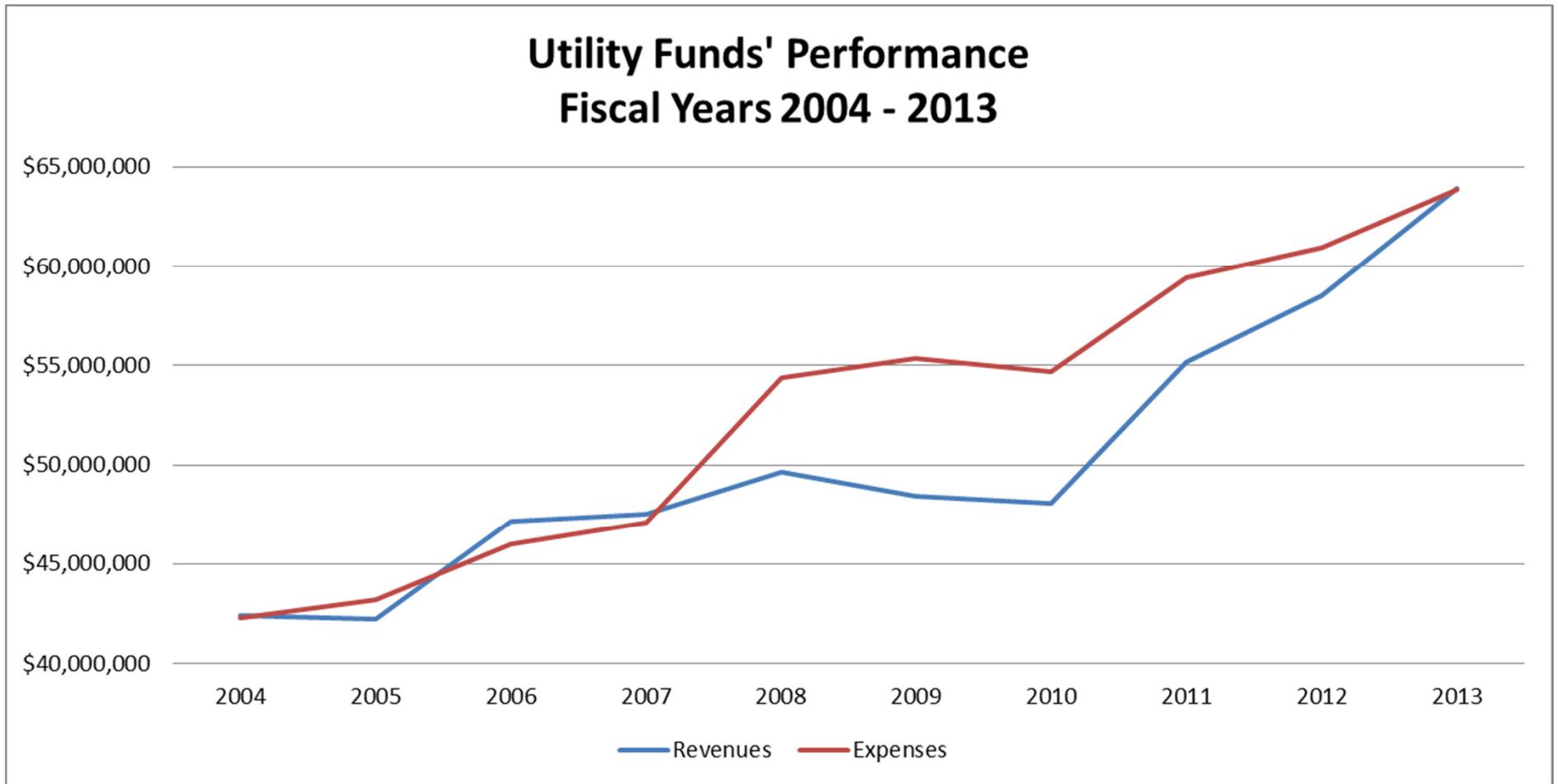
Utility Fund Trends:

Ongoing challenges in financial performance:

- Revenues not meeting projections nor matching expenses
 - Amount
 - Timing
- Consumption levels declining
- Operating deficits – Factors:
 - Wholesale power costs
 - Federal and State mandated improvements
 - City controlled costs stable



A quick look back...



Current Trends

- Deficits still occurring
- Water and Wastewater Funds using reserves to cover shortfalls
- Electric Fund reserves continue in a negative position
 - Operations subsidized by other funds
- Utility Funds continue to challenge although progress is being made
- Deficit margins narrowing because of adjustments made to date
 - Return to sustainability within 2-4 years



Utility Funds

	<i>Proposed Budget 2014-2015</i>				<i>Projected</i>
	<i>Electric</i>	<i>Water</i>	<i>Sewer</i>	<i>Total</i>	<i>Totals</i>
					<i>2013-2014</i>
Revenue	\$ 59,569,122	\$ 12,256,899	\$ 8,455,824	\$ 80,281,845	\$ 79,521,194
Cost of Service	<u>\$ 59,716,628</u>	<u>\$ 12,289,529</u>	<u>\$ 8,818,475</u>	<u>\$ 80,824,632</u>	<u>\$ 86,196,307</u>
Surplus/(Deficit)	\$ (147,506)	\$ (32,630)	\$ (362,651)	\$ (542,787)	\$ (6,675,113)
Reserves	<u>\$ (6,351,335)</u>	<u>\$ 2,455,702</u>	<u>\$ 2,282,084</u>	<u>\$ (1,613,549)</u>	<u>\$ (1,070,762)</u>

- Reflects continued rate structure adjustments
 - Power Cost Adjustment Factor (PCAF)
 - Non-Resident surcharge
- Projections demonstrate plan for sustainability



Recommended Rate Structure

Electric Fund (Residential)

- Monthly charge = \$15
- Non-summer rate = 10.5 cents/kwh
- Summer rate 11.1 cents/kwh

Water (All Customer Classes)

- Monthly charge = \$6.63
- Consumption = \$2.78 / 1000 gallons

Sewer (All Customer Classes)

- Monthly charge = \$14.10
- Volume charge = \$4.46



City of St Charles
Impact of Increases to "typical" Residential Customer (Monthly)

Yardwaste Fee	\$ 0.74
Refuse Sticker	0.13
Electric Fund	5.49
Water Fund	2.94
Wastewater Fund	<u>3.99</u>
 Total Monthly Impact	 <u><u>\$ 13.29</u></u>

Average Annual Utility Charges

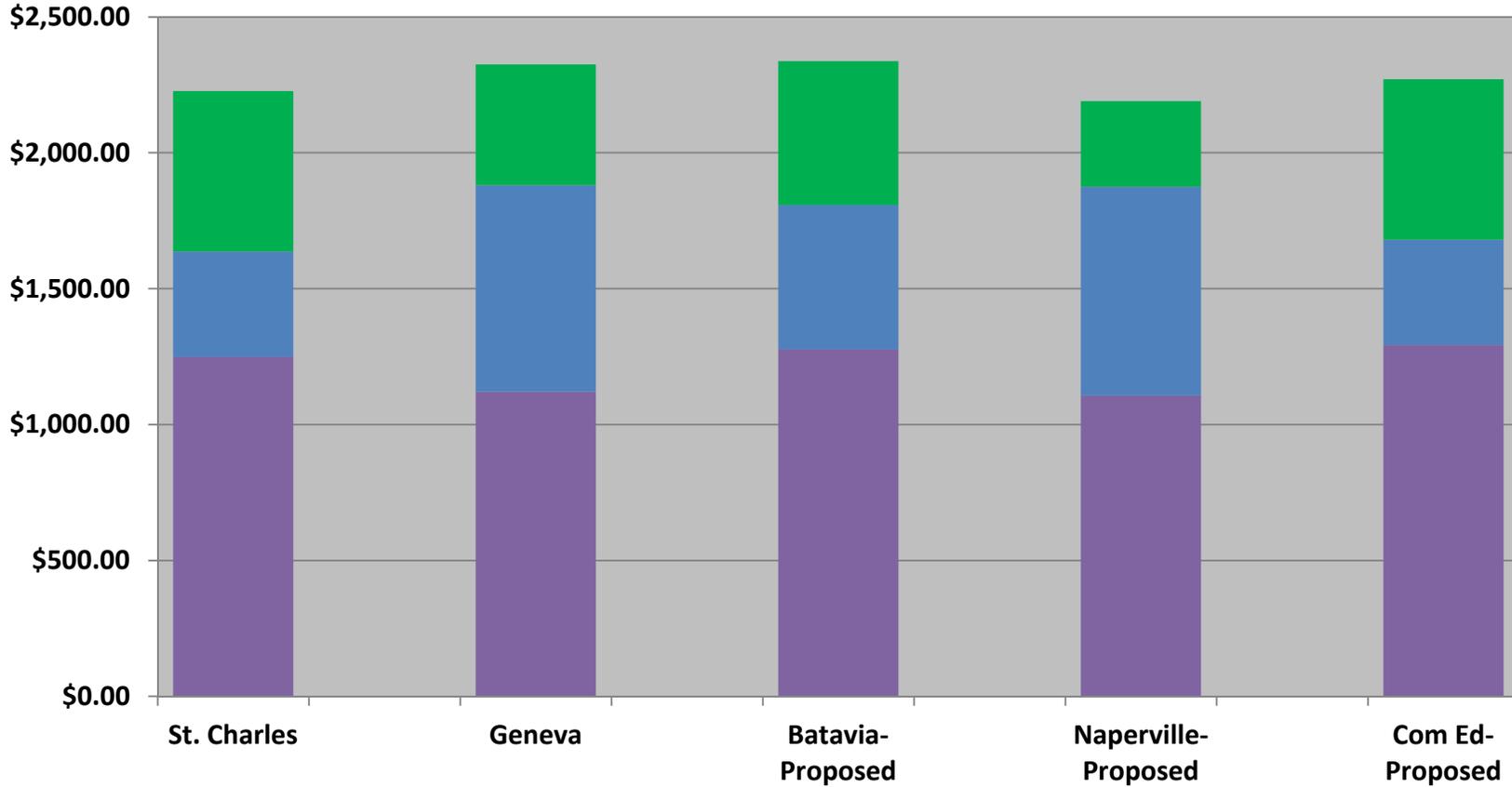
	<u>St. Charles</u>	Batavia- <u>Proposed</u>	<u>Geneva</u>	Naperville- <u>Proposed</u>	Com Ed- <u>Proposed</u>
Electric	\$1,249.50	\$1,276.33	\$1,120.86	\$1,106.29	\$1,292.88
Water	387.02	530.98	759.79	768.97	387.02
Sewer	<u>590.67</u>	<u>530.05</u>	<u>444.26</u>	<u>314.66</u>	<u>590.67</u>
	<u><u>\$2,227.19</u></u>	<u><u>\$2,337.36</u></u>	<u><u>\$2,324.91</u></u>	<u><u>\$2,189.92</u></u>	<u><u>\$2,270.57</u></u>

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Average Annual Utility Charges



■ Electric ■ Water ■ Wastewater



Significant Capital Improvements

Utilities

ILEPA Low Interest Loan Program

- Construction of Water Tower #3
- North 5th Avenue Water Main

Electric

- Circuit Improvements at Kirk Rd and Rte 64
- Substation 9 initial site preparation (Legacy Park)



Staffing Changes

- Staffing levels increasing slightly (2.1 FTE)
 - 1 FTE New Police Officer
 - 0.5 FTE GIS Technician (currently contracted)
 - 2.1 FTE Seasonal and summer intern
 - Cost effective alternative
 - 1.5 FTE reduction in positions through attrition
 - 3 PT positions removed
 - Currently unfilled



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Next Steps

- Budget Approval – April 21
- Presentation of Utility Rate Change Ordinances – April 28
- Presentation of Leaf and Brush Contract – April 28
- Fiscal Year Begins – May 1
- Utility Rate Changes Effective June 1





Questions & Comments?