

Village of Carol Stream

SPECIAL WORKSHOP MEETING

MONDAY, SEPTEMBER 30, 2019

9:00 A.M.

**GREGORY J. BIELAWSKI MUNICIPAL CENTER
500 N. GARY AVENUE
CAROL STREAM, ILLINOIS 60188**

BOARD ROOM

AGENDA

1. CALL TO ORDER
2. ATTENDANCE
3. PROPERTY TAX PUBLIC FORUM
4. OTHER BUSINESS
5. ADJOURNMENT



VILLAGE OF CAROL STREAM

Property Tax Public Forum

9:00 a.m. and 6:00 p.m.
September 30, 2019

9:00 a.m. October 6, 2019

Agenda

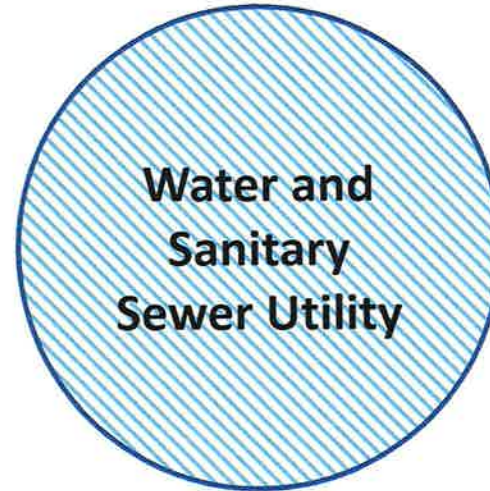
- I. Background
- II. Peer Comparison
- III. General Fund Revenues & Expenditures
- IV. Capital Improvement Program (CIP)
- V. Property Tax

Background

- The Village last imposed a property tax in the 1970's but it was discontinued due to developer-related revenues during the Village's rapid growth years.
- Current revenue sources are increasingly volatile due to:
 - Heavy reliance on Sales Tax
 - State cuts to Municipal Revenue (LGDF, PPRT, Sales Tax)
- Past Village Board Strategic Plans and Budget Workshops focused on greater stability for the funding of Village operations and capital improvements.

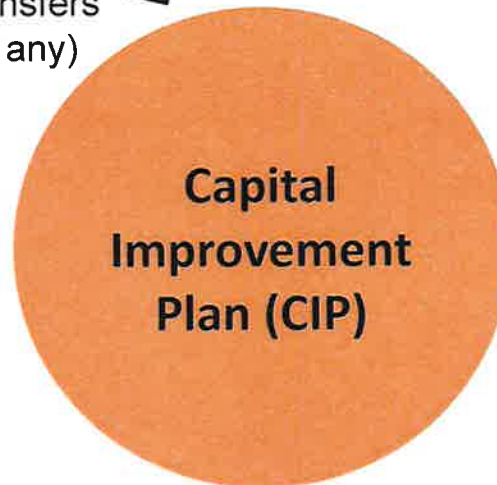
Background

- Public Safety
- Public Works
 - Snow Plowing
 - Parkway Trees
 - Mowing
 - Street Sweeping
 - Traffic Signs
 - Street Lights
- Community Dev.
- Engineering
- Support Services
 - Info. Technology
 - Finance
 - Human Resources
 - Administration



Supported by Water and Sewer Rates

Surplus Transfers (if any)



- Road Construction
- Storm Water System
- Major Public Facilities

Background

Recent Public Meeting Discussions:

1. August 5, 2019 - Presented an updated **Financial Profile and Peer Comparison** showing key financial metrics for Carol Stream compared to 10 municipal peer organizations.
2. August 19, 2019 - Presented **Current Revenue and Expenditure Trends and a Plan for Improving Long-term Financial Stability**. This included a discussion of sustaining Village operations (General Fund) and a review of Capital Improvement Plan funding levels if a property tax were implemented.

These presentations are available on the Village's web site.
Go to "News" and "Budget Update" on the home page.

Peer Comparison

- Selection criteria
 - Population, Footprint, Tax Value, Median Home Value, Median Household Income
 - Included in labor market comparisons
 - Often considered along with Carol Stream by new home buyers
- Ten peers selected

Addison

Bartlett

Bloomingtondale

Downers Grove

Glendale Heights

Hanover Park

Lombard

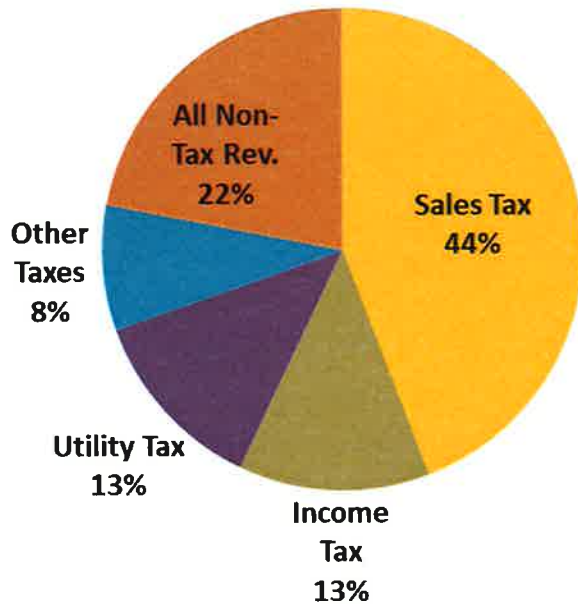
Streamwood

Wheaton

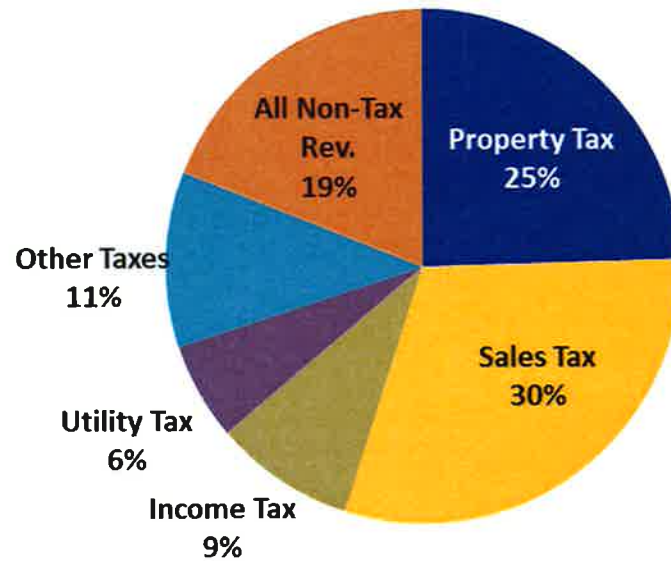
Woodridge

Governmental Fund Revenues by Type - 2018

Carol Stream



Peer Group

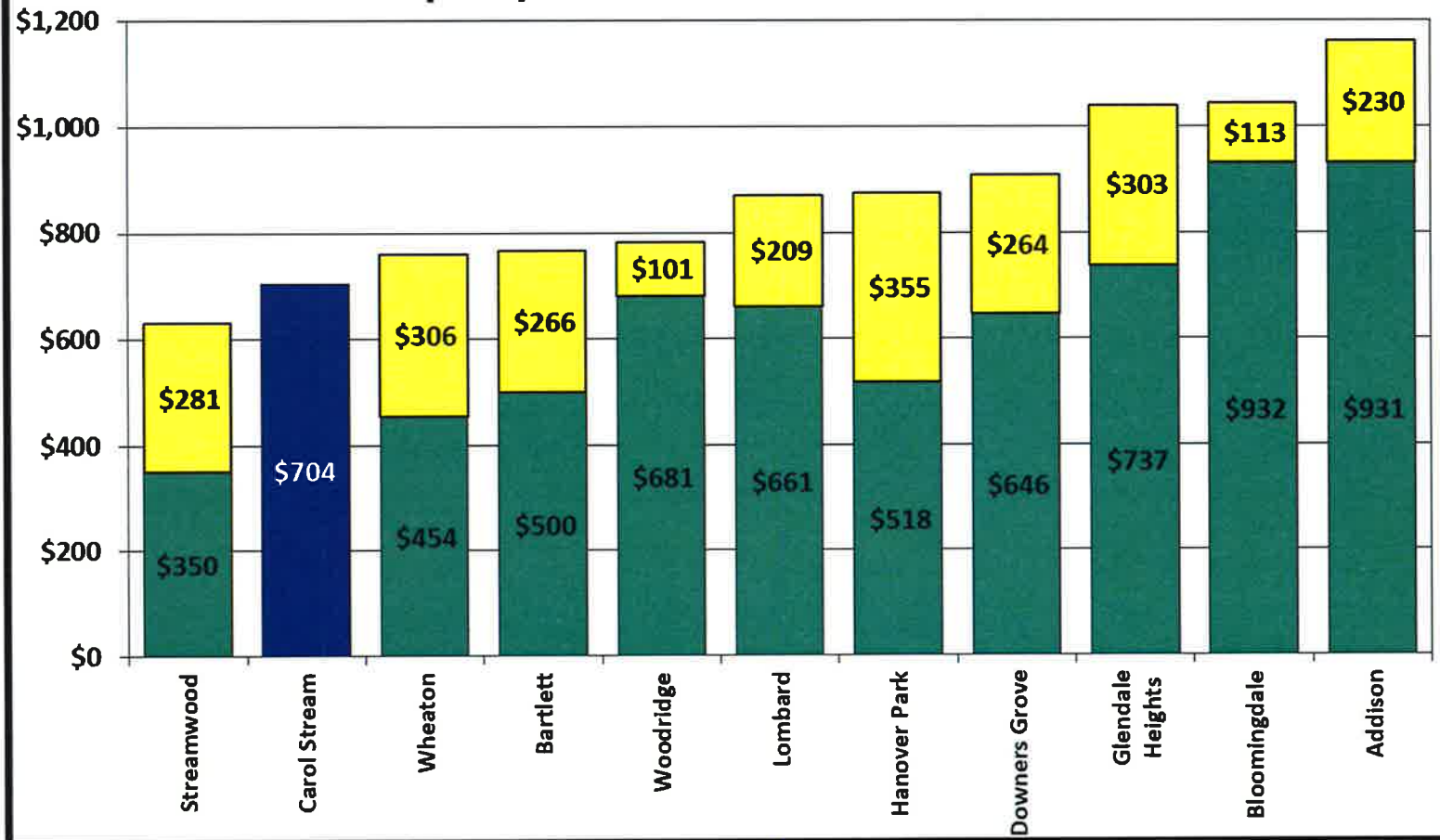


Source: Comprehensive Annual Financial Reports.

Other Taxes include such items as Hotel, Video Gaming, Food & Beverage, TIF, Real Estate Transfer, etc.

All Non-Tax Rev. includes such items as fines, charges for services, grants, licenses, permits, and interest income.

Governmental Fund Revenues per Capita Property Tax vs All Other Revenues - 2018



Source: Comprehensive Annual Financial Reports.



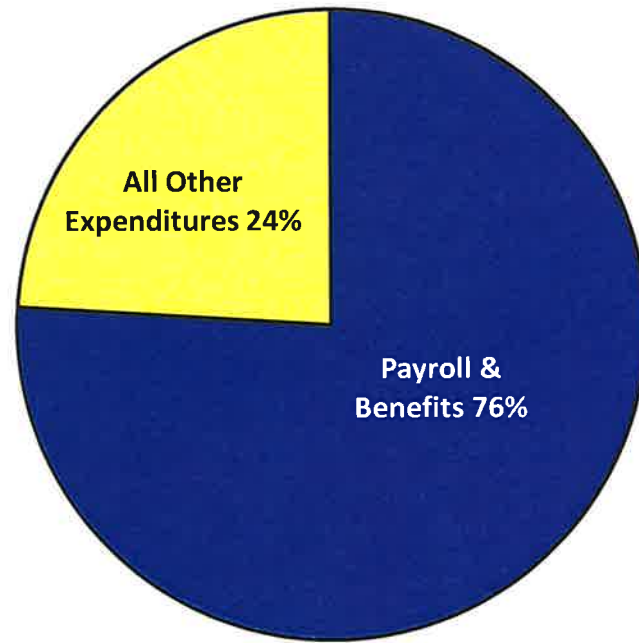
Annual Change in Sales Tax Collections

Calendar Year	DuPage County	Peer Group	Carol Stream
2018	2.0%	1.3%	-2.4%
2017	1.5%	1.7%	-6.6%
2016	2.2%	0.8%	8.8%
2015	2.6%	5.4%	11.2%
2014	4.2%	4.4%	6.7%
2013	6.1%	4.8%	17.9%
2012	3.3%	0.6%	3.4%
2011	4.5%	4.2%	1.6%
2010	4.6%	3.5%	2.1%
2009*	-9.9%	-8.1%	-13.7%

* Low point of Great Recession

(excludes home rule sales tax)

5 Year General Fund Expenditures



All Other Expenditures includes contractual services, commodities, and capital outlay.

Payroll & Benefits Expenditures

76%

Payroll & Benefits Category	Average Annual Increase*
Salaries	4.5%
Overtime	5.4%
FICA	4.8%
Health Benefits	0.2%
Work Comp./Unemployment	0.3%
IMRF Pension	2.6%
Police Pension Fund	<u>9.4%</u>
Total Payroll & Benefits	<u>4.5%</u>

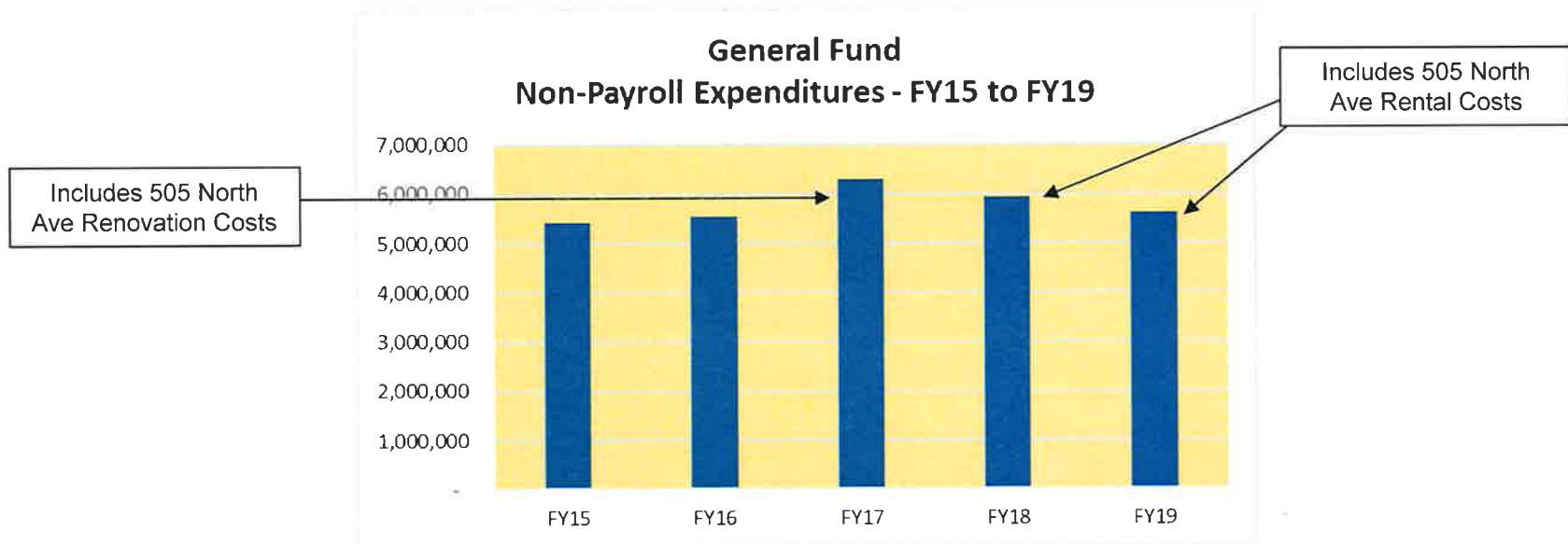
* Represents **average** annual increase each year for the last 5 years.

24%



Non-Payroll Costs

All other non-payroll costs include Contractual Services, Commodities, and Capital Outlay categories.

- Growth in non-payroll costs has been much slower (0.6% per year in each of the past 5 years) than payroll and benefit costs at 4.5% average per year.



5 Year Average Annual Growth in General Fund Revenues and Expenditures - FY14 to FY19

Payroll & Benefit Costs	+4.5%	
Non-Payroll Costs	+0.6%	
<hr/>		
Total General Fund Expenditures	+3.6%	
General Fund Revenues	+2.1%	

5 year average expenditure growth is outpacing revenue growth.

5 Year Capital Improvement Program (CIP)

- The 5 year CIP currently projects reserve will be depleted during the 3rd year (FY22) of the 5 year plan.
- This assumes no surplus transfers from the General Fund.
- The amount and availability of regular General Fund surpluses are not as reliable as in years' past. **There have been no transfers made in the last 2 years.**
- Without additional regular funding, the scope of capital infrastructure improvements will need to be cut back significantly.

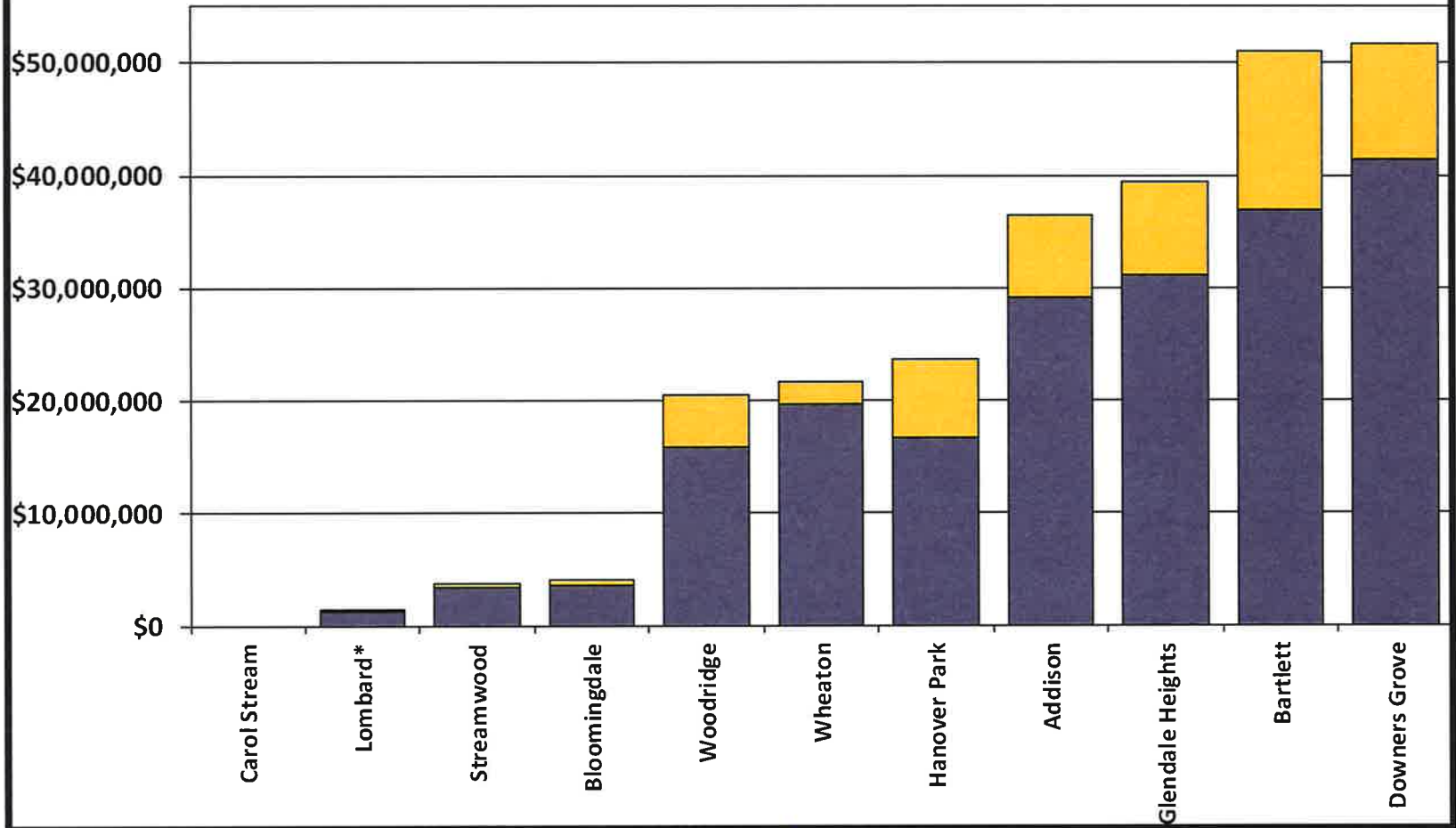
Projected Reserve Balances					
Fund	FY20	FY21	FY22	FY23	FY24
Capital Projects Fund	\$5,827,158	\$2,755,158	(\$2,359,842)	(\$6,154,842)	(\$9,609,842)
Motor Fuel Tax Fund	<u>2,813,954</u>	<u>872,954</u>	<u>1,841,954</u>	<u>2,806,954</u>	<u>3,767,954</u>
Total CIP	<u>\$8,641,112</u>	<u>\$3,628,112</u>	<u>(\$517,888)</u>	<u>(\$3,347,888)</u>	<u>(\$5,841,888)</u>

Capital Improvement Program Expenditures

- The CIP requires approximately \$5.6 million in regular annual funding per year over the next 5 years (net of programmed grant and other cost sharing funding).
- With \$2.5 million of current funding, this leaves a **shortfall of about \$3.1 million per year to adequately fund the program.**

5 Year CIP Program Expenditures, Revenues, and Funding Shortfall						
(in \$000's)	FY20	FY21	FY22	FY23	FY24	Total
CIP Expenses (net of grants)	\$4,955	\$7,213	\$6,247	\$4,880	\$4,544	\$27,839
Current Revenues	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>(12,500)</u>
Funding Shortfall	<u>\$2,455</u>	<u>\$4,713</u>	<u>\$3,747</u>	<u>\$2,380</u>	<u>\$2,044</u>	<u>\$15,339</u>
	Average Annual Expenditures					\$5,568
	Average Annual Funding Shortfall					\$3,068

General Obligation Debt to Maturity Governmental Activities - 2018



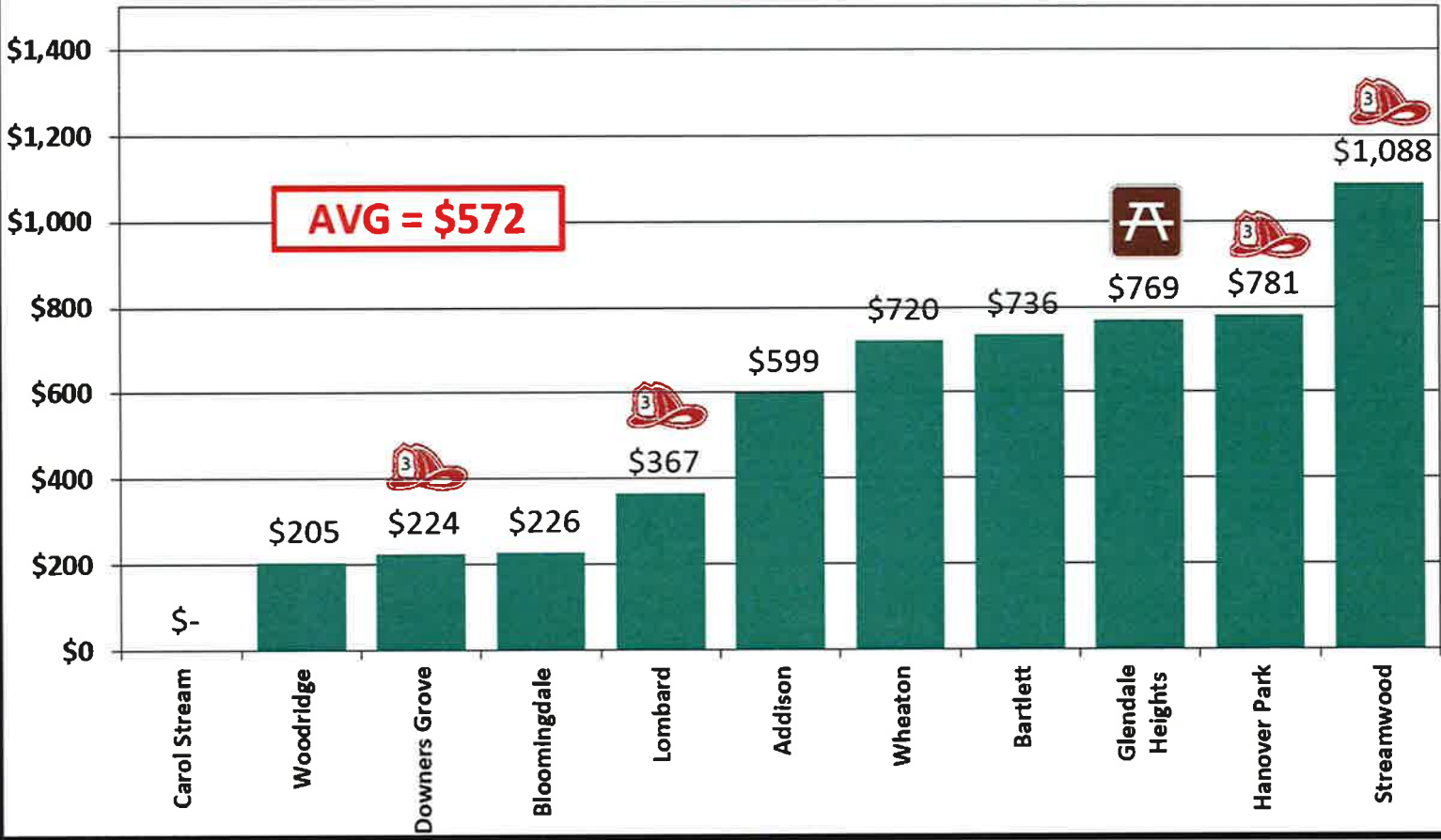
Source: Comprehensive Annual Financial Reports (CY2017/FY2018).

* Lombard uses Debt Certificates rather than G.O. Bonds.

Principal Expense
 Interest Expense

2018 Municipal Property Tax Bill (paid in 2019)

\$231,400 Median Home Market Value



Source: Comprehensive Annual Financial Reports/County Records.

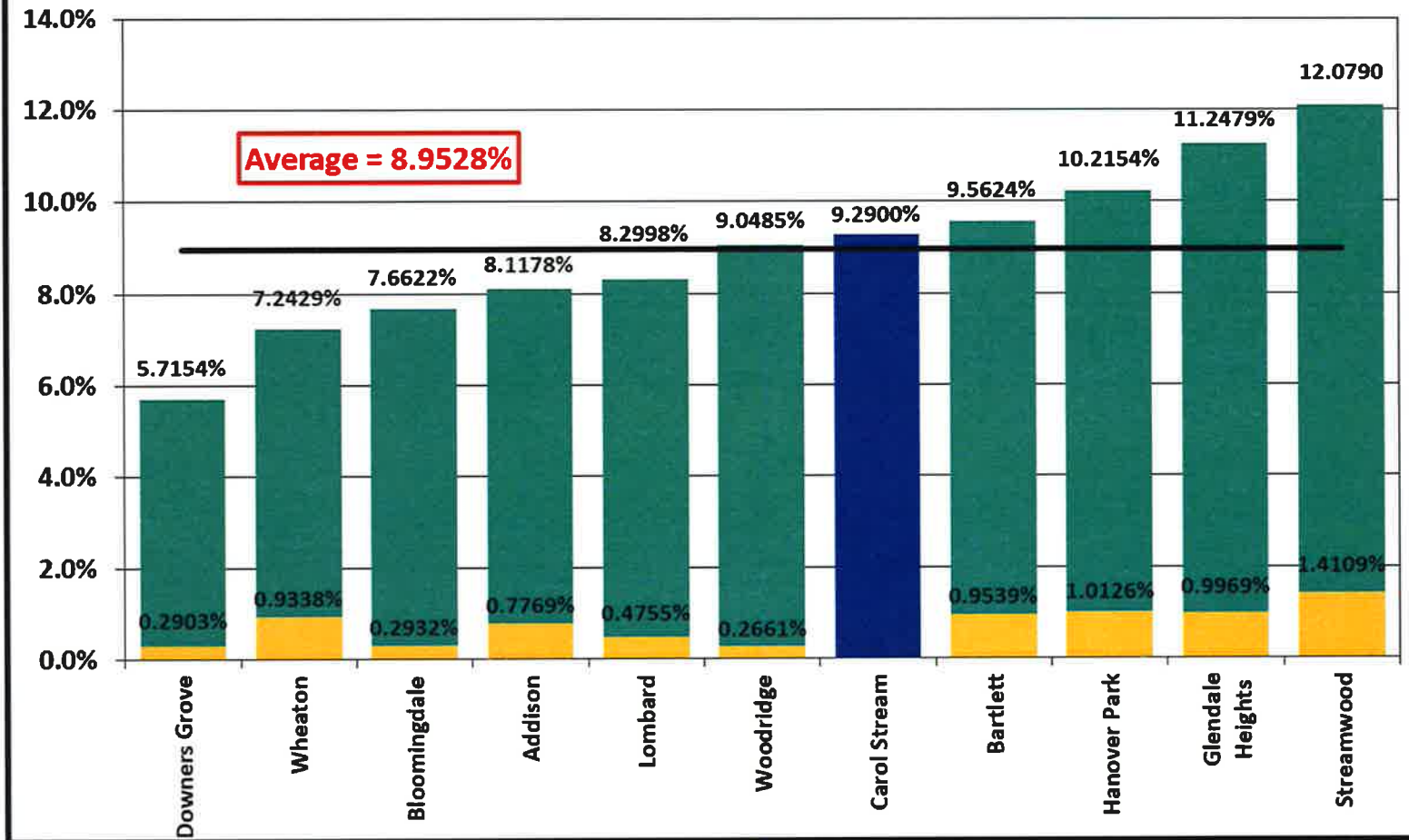


Fire-specific property taxes have been excluded from tax bill amount shown.



Excludes parks/recreation levy.

Total 2018 Community Property Tax Rate



Source: Comprehensive Annual Financial Reports / DuPage County Clerk

Rates used are for portion of municipality within DuPage County (Cook County for Streamwood).

Amounts in yellow indicate municipal tax rate. Amounts in green indicate all other taxing jurisdictions.

Estimated Property Tax Bill Impact For each \$1,000,000 Levied*

Property Market Value	Estimated Tax	
\$ 100,000	\$ 26.37	
150,000	39.56	
200,000	52.74	
231,400	61.03	Median Home Value
250,000	65.93	
300,000	79.12	
350,000	92.30	
400,000	105.49	
500,000	131.86	
1,000,000	263.72	
2,000,000	527.44	
3,000,000	791.16	
5,000,000	1,318.60	
10,000,000	2,637.21	

* Based on 2018 Carol Stream Equalized Assessed Property Values.

General 2019 Property Tax Levy Timeline

- September, 2019 Carol Stream Library Board considers their 2019 property tax request and forwards to Village.
- October, 2019 Village adopts a resolution recording the determination of the amounts of money estimated to be needed from the property tax. This would include both Library and Village estimate.
- November, 2019 A public hearing would be noticed and required prior to adoption of the combined Village/Library levy. Once public hearing is closed, the Board may approve the levy by ordinance later the same meeting.
- December, 2019 Levy must be filed in the DuPage County Clerk's Office no later than the last Tuesday in December.

QUESTIONS?

