

## 2015 Budget Presentation

Thank you for the opportunity to present the 2015 Proposed Budget to you this evening. When you include all of our Funds, we have a \$280 million dollar total budget! I want to thank Finance Director Jim Ghedotte and his staff for their work and dedication to preparation of this document. The 2015 proposed General Fund budget for the City of Joliet contains certain assumptions:

- There are no proposed increases in any tax or fee for residents.
- There is no projected increased revenue in any category.
- Gambling revenues from the casinos and video gaming are expected to be flat.
- Non-union personnel received a 2% wage increase in July 2014 and I am not proposing an increase for 2015. All negotiated union collective bargaining agreements provide a January 1, 2015, 2% wage increase to their members.
- Financial support for our promotional and cultural organizations, including the Rialto, Will County CED, City Center Partnership, the Historical Museum and the Heritage Corridor are proposed to continue at the same levels as 2014.

There are known additional expenses which include:

- \$150,000 employer tax for the Affordable Care Act.
- \$220,000 for repair of Silver Cross Stadium along with \$150,000 funding half the cost of a new scoreboard.
- \$250,000 for a Fiber Optic connection between Union Station and the Police Department for Multimodal security.
- Pension contributions will increase \$850,000.
- The General Fund will subsidize the Solid Waste Fund \$448,000.

I am recommending the following additional personnel:

- The SAFER grant ended November of 2014 and the cost of continuing employment of eight full time Fire Fighters is included in the proposed budget.
- Funding for 4 Maintenance Worker positions in the Roadway Division of Public Works dedicated to tree trimming along with start-up capital costs for equipment.
- The addition of a Sergeant position to coordinate all Police Department Training.
- Two part-time shuttle drivers to replace full time mechanics picking up and delivering vehicles to the City garage from the many off site City facilities.
- Two additional water department workers to create a third crew for water main break repairs.

One of our top priorities in the Strategic Plan was that the Budget Document be tied to Strategic Planning objectives. Therefore, the proposed budget includes funding for:

- ❖ A quarterly, 8 pages City Newsletter delivered to residents.
- ❖ Parkway Emerald Ash Replacement Program; including funding for tree removal and multi-year nursery growing/planting program.
- ❖ Continued funding for the Tyler/Munis financial software conversion and training along with utility management software.
- ❖ Retaining a consulting firm for an assessment of our organizational process and structure.
- ❖ Funding a Citywide resident Emergency Notification System.
- ❖ Purchase and implementation of a Fleet Maintenance software module.
- ❖ Continuation to fund the Engineering Design expenses to connect Chicago Street through what is now the Will County Courthouse parking lot.
- ❖ Evaluate all City buildings and facilities and develop a Citywide Facilities Maintenance Schedule

Other budget proposals include:

- \$4,301,550 for Capital Projects (an increase of \$301,550).
- \$150,000 funding of Frannie Fountain in Bi-Centennial Park.
- \$150,000 for intersection improvements on Jefferson at the Aldi development.
- Claims settlements are increased \$400,000 to \$900,000.

Issues on the long-term horizon:

- Funding of our portion of the cost to replace the rest of the platform roofing at Union Station (we have \$130,000 grant from the State for this project that must be complete in next 2 years).
- Fiber optics in the Downtown.
- Only half the requested fleet replacement is proposed to be funded.
- Implementation of the Camiros Downtown Development Plan.
- Implementation of a comprehensive Downtown Parking Plan.
- Personnel funding is an annual reoccurring expense that takes away funding of capital projects, vehicle replacement, employee training.
- If the General Fund continues to subsidize the Solid Waste expenses, fees will have to be upwardly adjusted or this negative operational expense will continue to be a burden to our General Fund undesignated fund balance in future years.



During the Strategic Planning process, it was decided that for long-term financial security, the City should strive for an undesignated fund balance of 2 months operating expenses or 16% of the total budget. The historical fund balance for prior fiscal years have been:

2012	22.90%
2013	30.00%
2014	24.74% (estimated)

There were requests exceeding \$12,000,000 in both capital and personnel from Departments. I am not recommending 90% of these requests and it will still require utilizing undesignated fund balance for 2015 in the amount of \$8,501,294 to present this balanced budget. At the end of 2015, this will give us a General Fund, undesignated Fund Balance of 20.83%.

I am confident that constant monitoring and diligent review of our expenditures throughout the fiscal year will help us be able to meet several objectives of our Strategic Plan and lay a foundation for continued growth in the City.

Under the Consent Agenda is approval to place the tentative 2015 annual budget on file for public inspection and schedule the Public Hearing for December 16, 2014 and place the necessary advertisements in the required newspapers.

I am asking that you to schedule a special meeting of the City Council either next Monday or Tuesday to review further details and discuss these budget proposals so that a final document can be prepared for your adoption at our next regular City Council meeting in December.