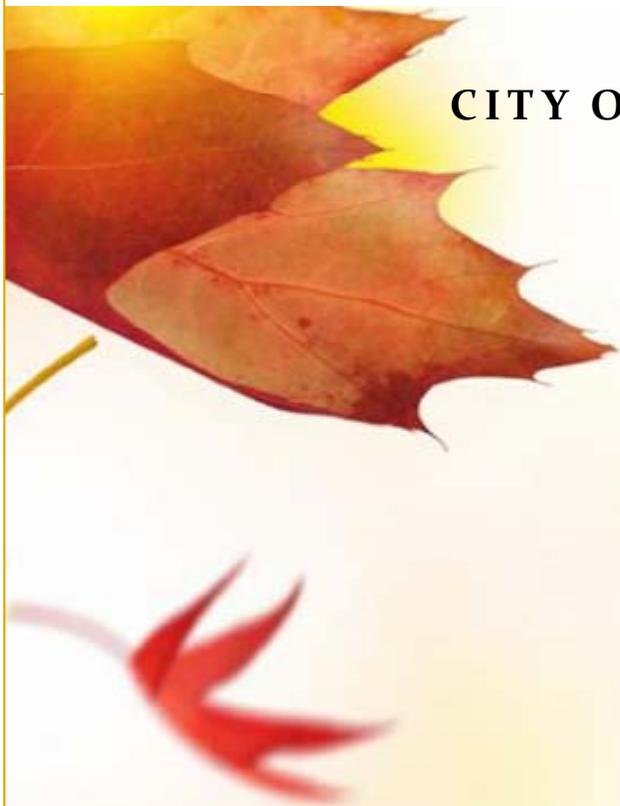


2015 Draft Budget



CITY OF BATAVIA



Changes Since Distribution

- TIF Budget 11-09
 - Art Sculptures for Donovan Bridge \$60,000
 - Redevelopment (\$50,000)
 - Misc. Contractual Exp (\$10,000)
- City Hall Debt Service
 - Corrected Est. 2014 Revenue to \$320,850
- Changed Matrix (iii)
 - Moved Operating Exp in TIF Fund to Capital
- Detail for new Street Non-MFT Fund
 - Did not print and will be added 11-7

Street Fund 43 Detail

6355 Contractual Services \$15,000

Studies/Testing non-MFT \$15,000

6382 Street Maint/Construction \$125,000

Sidewalk & Curb Replacement Program \$125,000

6474 Infrastructure Construction \$678,6710

Street share of Houston Street Reconstruction \$500,000

Wilson St Interconnect Batavia Ave/Main St \$40,000

(\$13,385 Grant Reimbursed)

Rt 25 & Rt 31 Pedestrian Crossing Design Eng \$29,998

(80/20 Grant Reimb)

Rt 25 & Rt 31 Pedestrian Crossing Construction \$40,286

(80/20 IDOT Contract - City 20% share)

Main St. & Deerpath Rd. Intersection Ph 1 Eng. \$68,326



Total Budget of \$102.3M



Capital Budget \$15.6M



Debt Payments \$4.3M

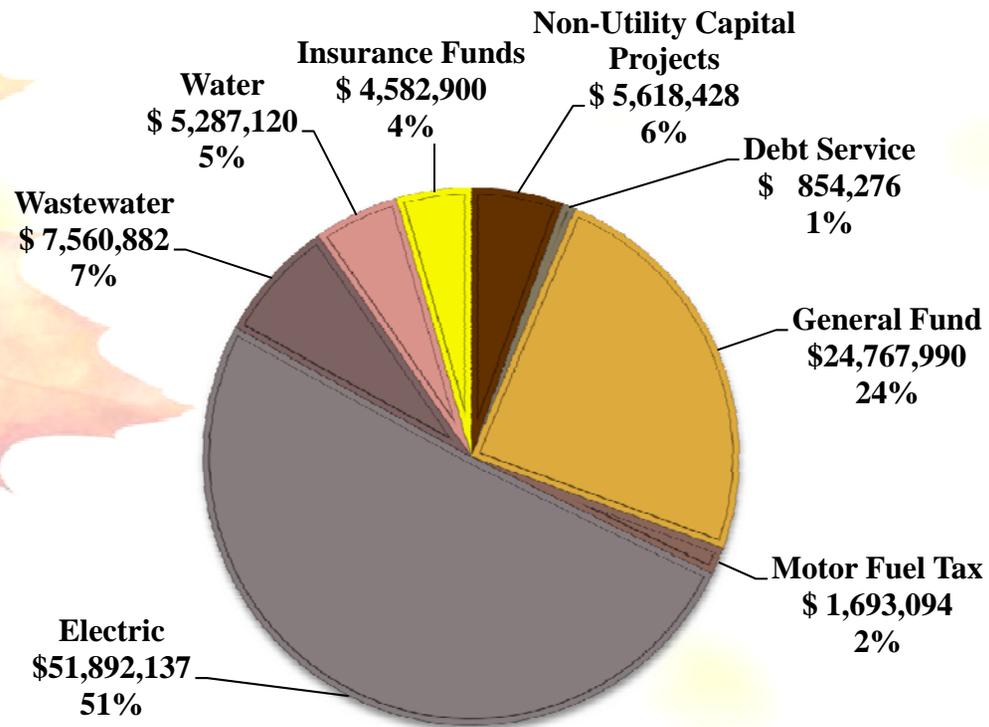


Operating Budget \$81.5M

Total Budget by Fund



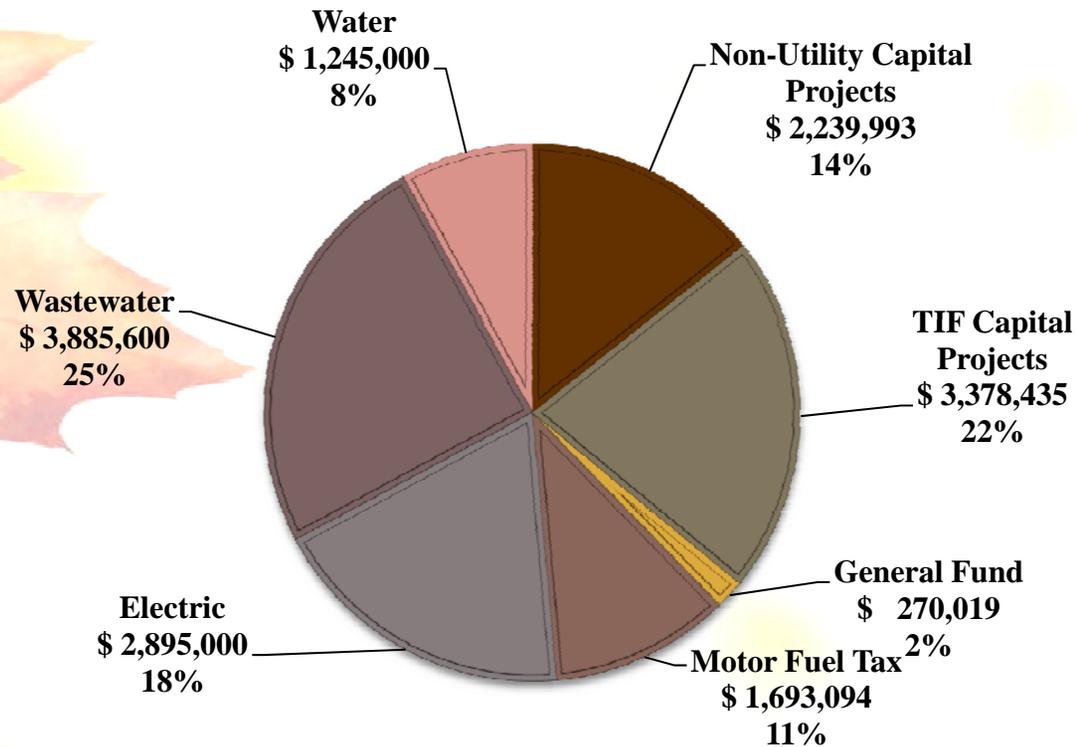
Total Budget \$102,256,827



Total Capital Budget by Fund



Total Budget \$15,607,141



2015 Summary Main Funds

	GF	Electric	Water	Sewer
Revenues [a]	24,769,280	51,388,445	4,553,434	7,084,645
Expenses [b]	24,767,990	51,892,137	5,287,120	7,560,882
<i>Surplus/(Deficit) [a-b]</i>	<i>1,290</i>	<i>(503,692)</i>	<i>(733,686)</i>	<i>(476,237)</i>
Capital/Other [c]	2,159,186	2,895,000	1,245,000	3,885,600
Operating Expenses [d] = [b-c]	22,608,804	48,997,137	4,042,120	3,675,282
Grants/Financing [e]	-	-	-	2,200,000
<i>Operating Surplus/(Deficit) [a - d - e]</i>	<i>2,160,476</i>	<i>2,391,308</i>	<i>511,314</i>	<i>1,209,363</i>
Reserves [f]	10,487,282	13,934,483	2,929,610	961,990
<i>Days Operation [f / d * 365]</i>	<i>169</i>	<i>104</i>	<i>265</i>	<i>96</i>



No New/Increased GF Revenue/Fees



Grant Funds of \$1.7M (MFT, TIF, Street)



Utility Rate Increases E6.5% ;W3%; S8%



Loan Funds: Sewer \$2.2M & TIF \$1.4M

2015 Key Points - Revenues

- No Increase to Property Tax Levy
- Decrease in Debt Service Levy
- Taxes Levied will be \$317K Less

	2014	2015
Real Estate Taxes - General	\$4,166,000	\$4,001,143
Real Estate Taxes - Police & Fire Pension	\$2,046,807	\$2,211,376
Road & Bridge/SSA	\$40,000	\$40,500
	<hr/>	<hr/>
	\$6,252,807	\$6,253,019
Debt Service Property Tax (Donovan Bridge)	\$148,125	\$150,826
Debt Service Property Tax (CH Final 2014)	\$320,850	\$0
	<hr/>	<hr/>
	\$468,975	\$150,826
Property Taxes Levied	\$6,721,782	\$6,403,845
TIF Tax Increment		
TIF # 1 Property Taxes	\$730,000	\$732,000
TIF #3 Property Taxes	\$297,000	\$297,885
	<hr/>	<hr/>
	\$1,027,000	\$1,029,885
Total Property Taxes Budgeted	\$7,748,782	\$7,433,730

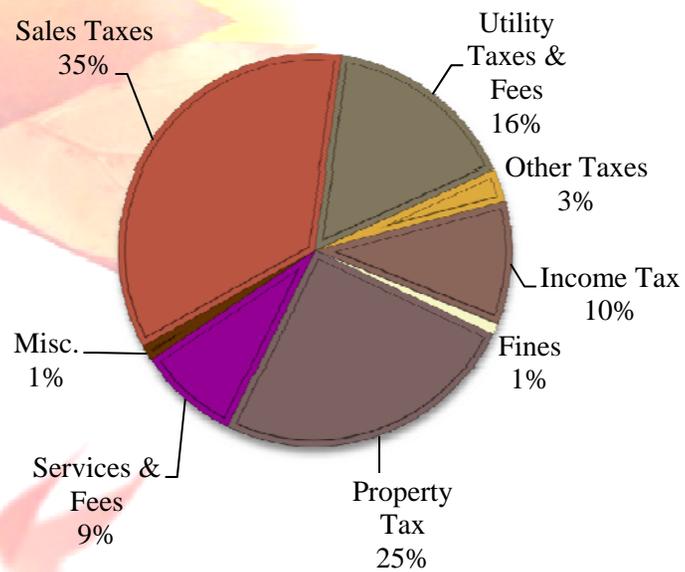
2015 Key Points - Expenditures

- Wages in All Funds are up 4.5% over 2014 Spending
- Wages in All Funds up 2.5% over 2014 Budget
 - Increase of 1 position in Administration
 - Current vacancies in HR, Fire, Electric
 - Maintain hours increase in Engineering
 - Continue contract position in Electric
 - 5 Union Contracts will be open at 1/01/15
- Benefits in All Funds are up 5.3% over 2014 Spending
- Benefits in All Funds are up 3.8% over 2014 Budget
 - Health Insurance up 6.2%
 - Police & Fire Pension up 8.0%, IMRF level

2015 General Fund

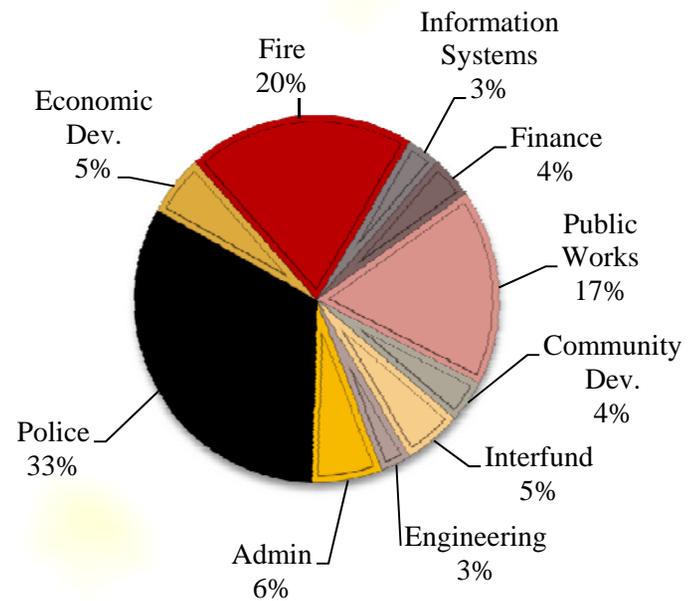
Where it Comes From

General Fund Revenues

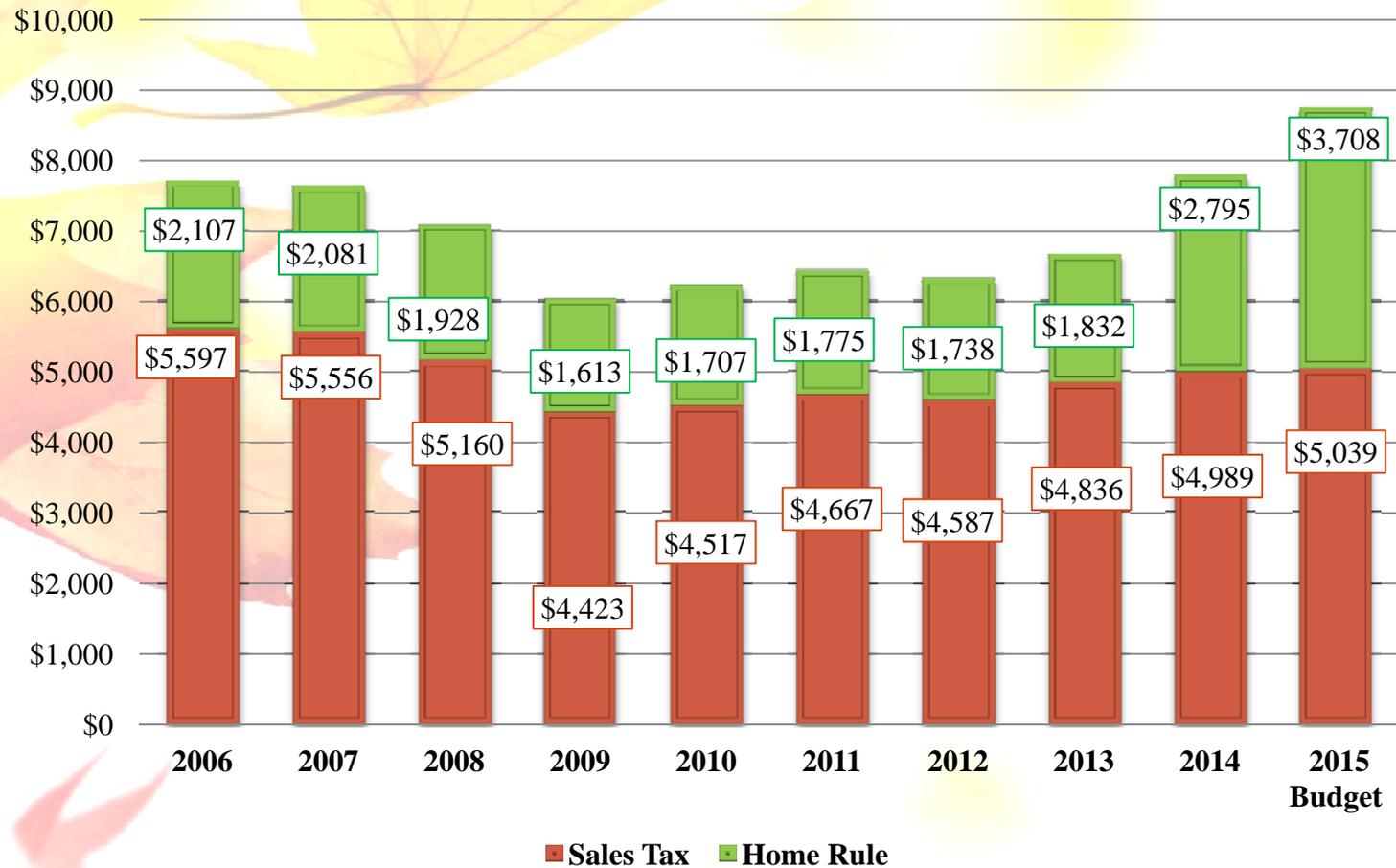


Where it Goes

General Fund Expenditures



Sales Tax (000's) 35% GF Revenue



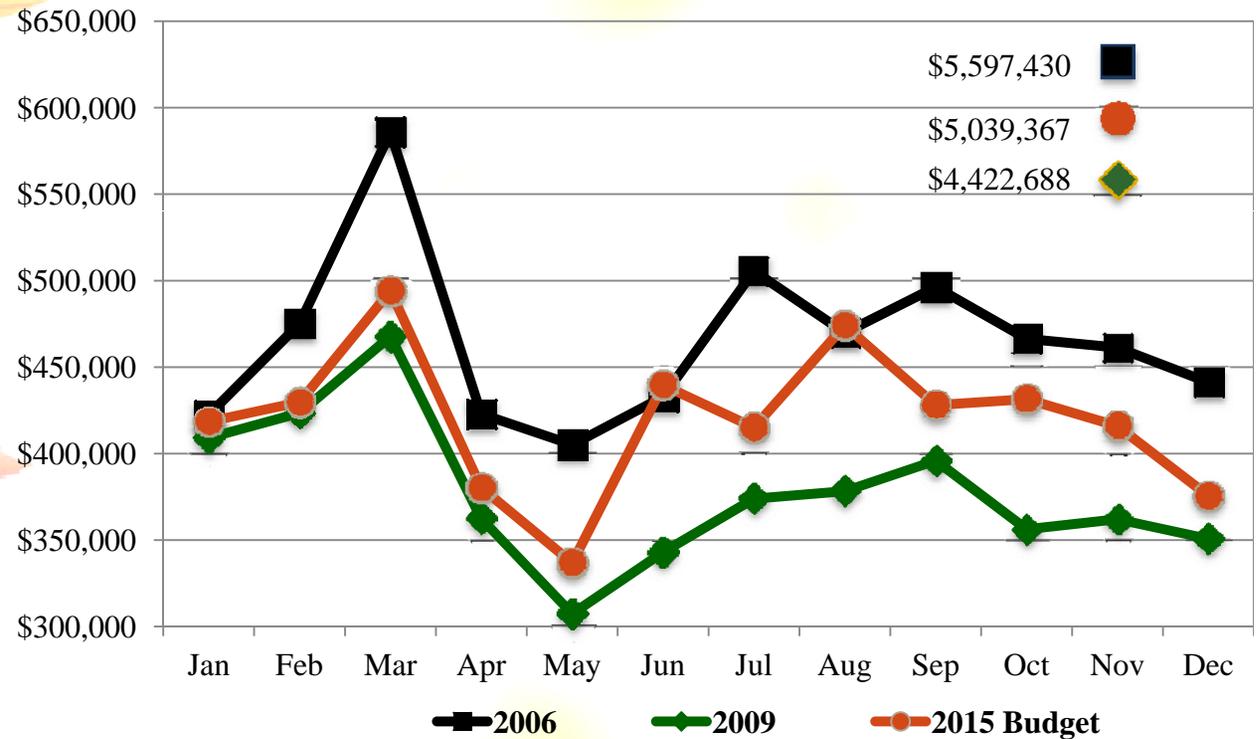
Sales Tax Comparison (no HR)

- 2014 Receipts are up 3.2%

- 2015 Budget + 1%

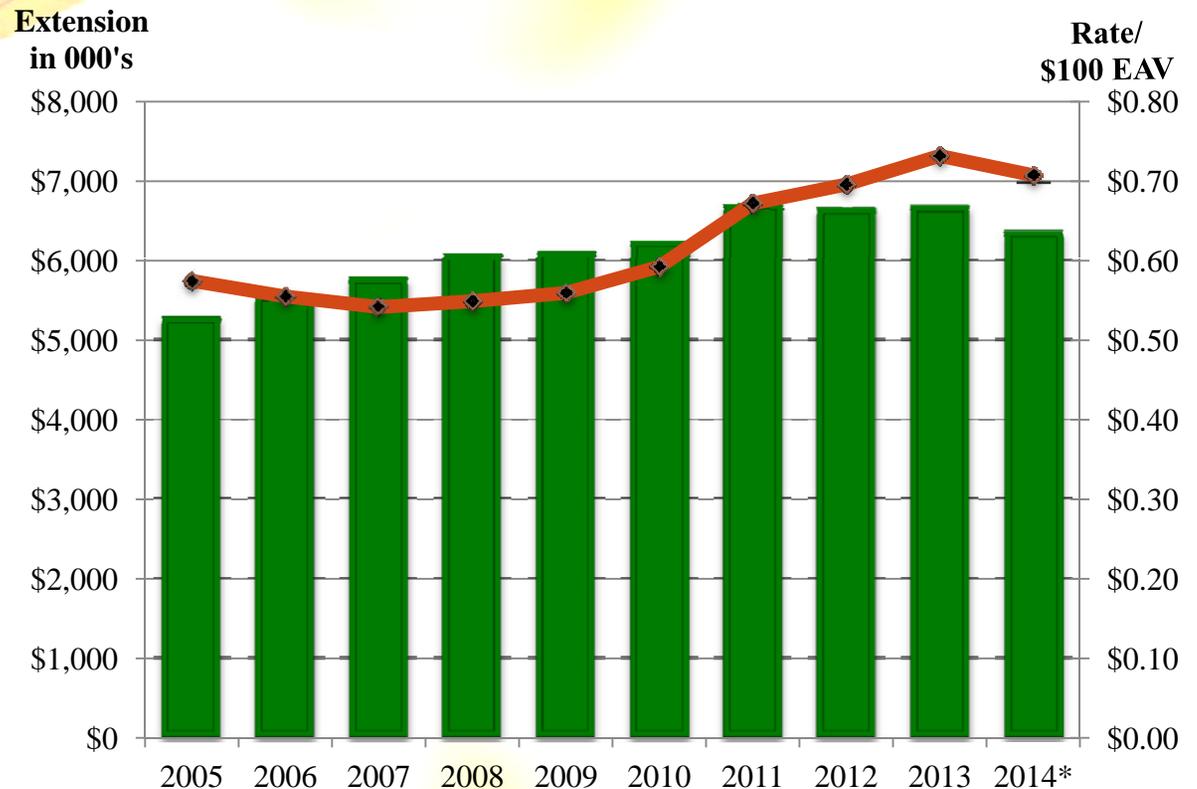
- 2006 was highest year at \$5.6M

- 2009 was lowest year at \$4.4M



Property Taxes by Levy Year – 25% GF Rev

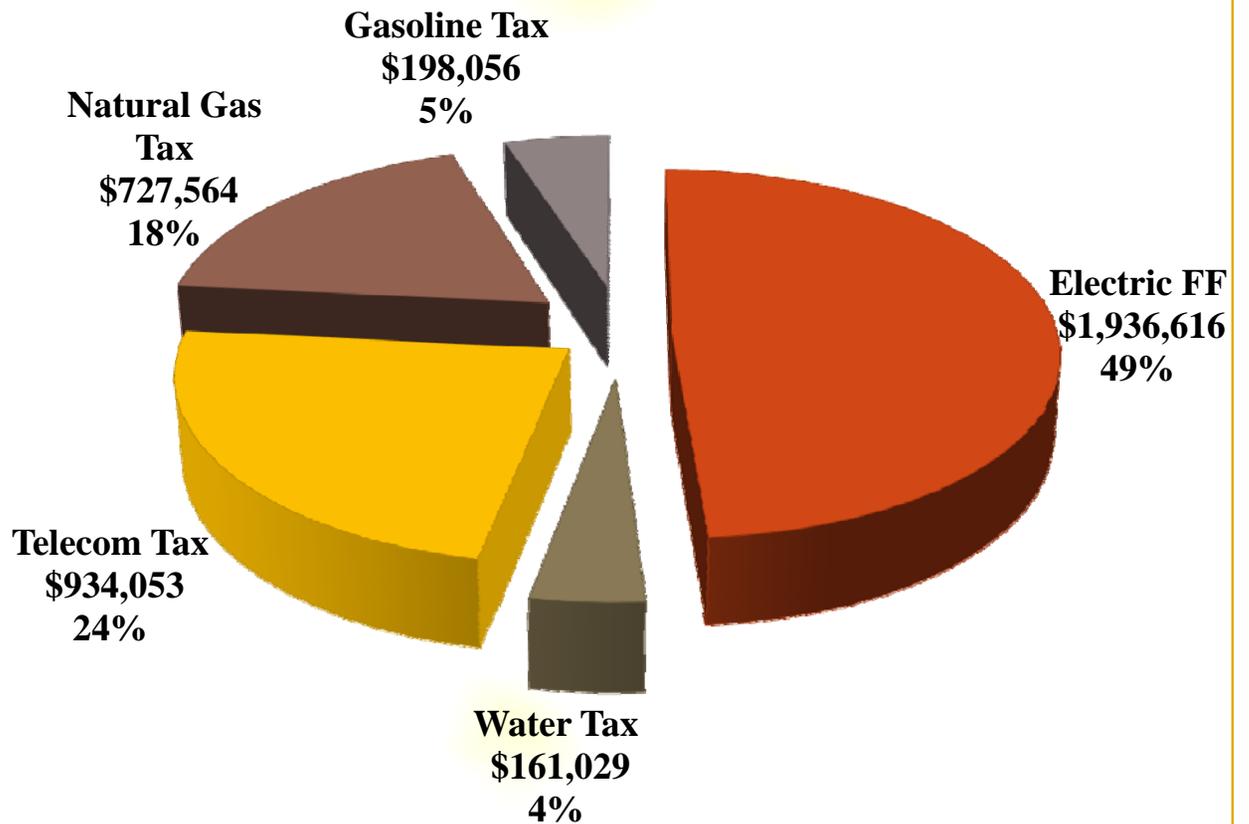
- Increases in the Extension from 2005-2010 are related to the increase in the CPI
- The Levy was increased in Levy Year 2011 (collection year 2012) for additional revenue
- The Levy for 2012-2015 remained level for the General Levy and decreased for debt service in 2014 (collected 2015)
- Batavia's Rate will likely be the lowest in the area for the 2014 Levy



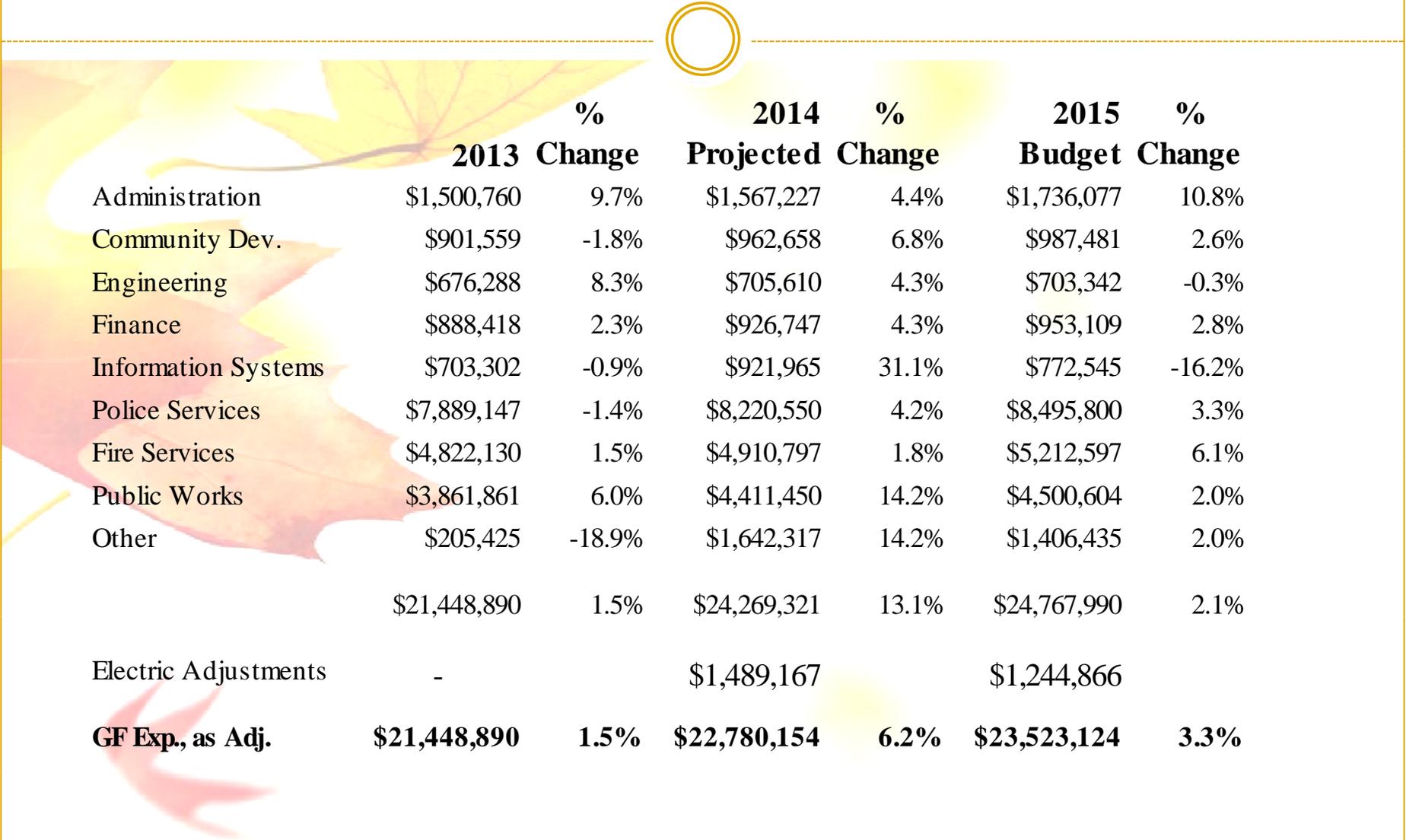
*Proposed 2015 Budget

Utility Tax by Type -16% GF Rev

- Natural Gas Use Tax
 - 3.5 cents per therm
- Gasoline Tax
 - 1 cent per gallon
- Electric Franchise Fee
 - 4% of Electric Charges
- Water Utility Tax
 - 4% of Water Charges
- Telecommunications Tax
 - 6% of Phone Charges

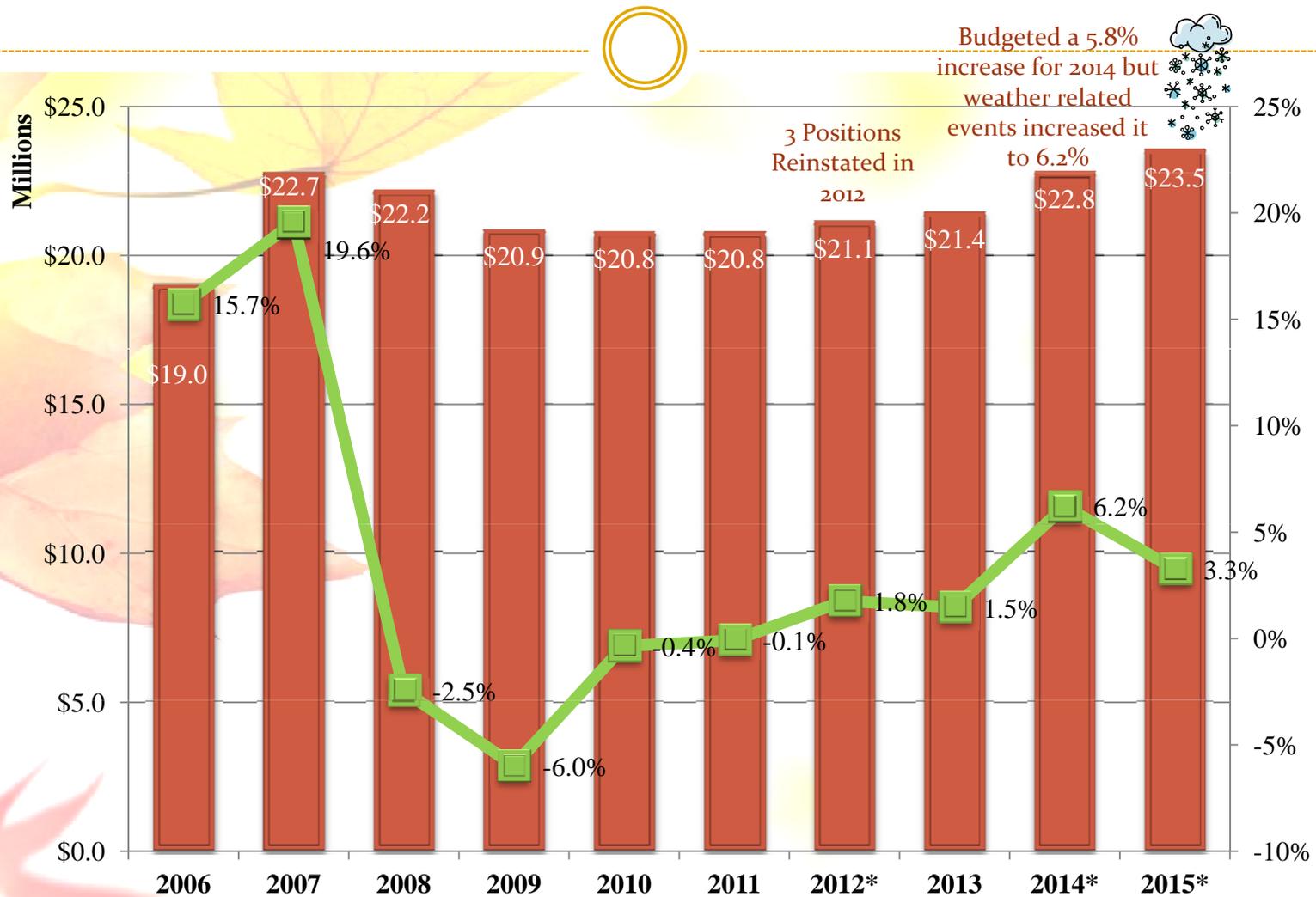


General Fund Expenditures by Department



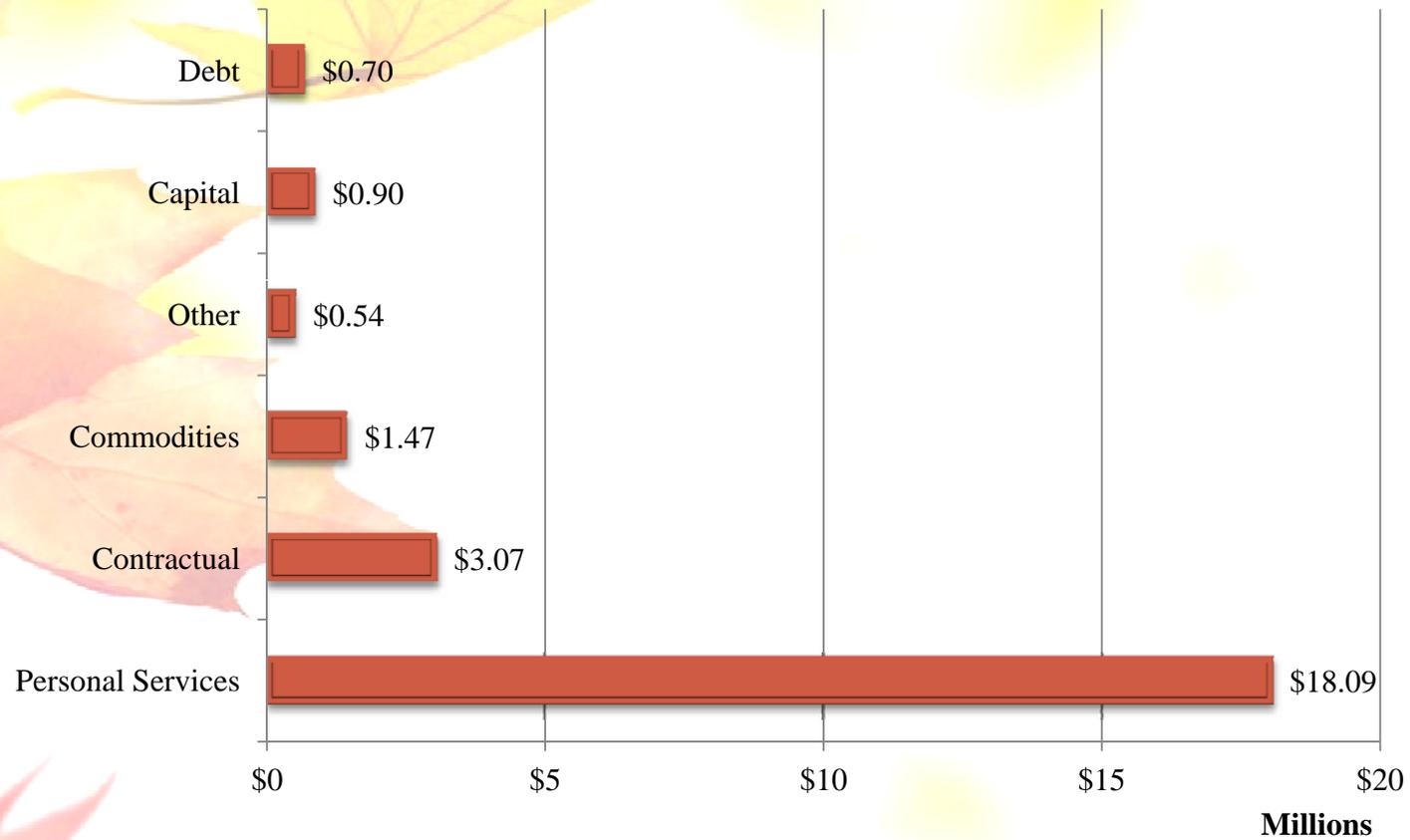
	2013	% Change	2014 Projected	% Change	2015 Budget	% Change
Administration	\$1,500,760	9.7%	\$1,567,227	4.4%	\$1,736,077	10.8%
Community Dev.	\$901,559	-1.8%	\$962,658	6.8%	\$987,481	2.6%
Engineering	\$676,288	8.3%	\$705,610	4.3%	\$703,342	-0.3%
Finance	\$888,418	2.3%	\$926,747	4.3%	\$953,109	2.8%
Information Systems	\$703,302	-0.9%	\$921,965	31.1%	\$772,545	-16.2%
Police Services	\$7,889,147	-1.4%	\$8,220,550	4.2%	\$8,495,800	3.3%
Fire Services	\$4,822,130	1.5%	\$4,910,797	1.8%	\$5,212,597	6.1%
Public Works	\$3,861,861	6.0%	\$4,411,450	14.2%	\$4,500,604	2.0%
Other	\$205,425	-18.9%	\$1,642,317	14.2%	\$1,406,435	2.0%
	\$21,448,890	1.5%	\$24,269,321	13.1%	\$24,767,990	2.1%
Electric Adjustments	-		\$1,489,167		\$1,244,866	
GF Exp., as Adj.	\$21,448,890	1.5%	\$22,780,154	6.2%	\$23,523,124	3.3%

GF Expenditures & % Change (ooo's)



*As adjusted for extra-ordinary expenditures

General Fund Expenditures by Type (ooo's)



General Fund Wages

	2012	2013	2014 Budget	2014 Projected	Budget 2015 Budget
Administration	\$638,155	\$619,237	\$614,662	\$566,839	\$685,984
Community Dev.	\$610,993	\$608,374	\$626,024	\$629,435	\$648,686
Engineering	\$425,409	\$454,637	\$460,957	\$474,087	\$467,079
Finance	\$518,232	\$535,306	\$544,803	\$545,909	\$562,900
Information Systems	\$263,311	\$276,700	\$288,586	\$288,586	\$288,841
Police Admin & Operations	\$4,247,218	\$4,333,592	\$4,511,000	\$4,396,000	\$4,536,966
Fire Services	\$2,501,814	\$2,577,080	\$2,616,904	\$2,575,000	\$2,714,332
Public Works	\$1,390,249	\$1,479,554	\$1,517,923	\$1,509,693	\$1,556,805
	\$10,595,381	\$10,884,480	\$11,180,859	\$10,985,549	\$11,461,593
% Change from Actual		2.7%		0.9%	4.3%
% Change from Budget			2.7%		2.5%

GF Expenditure Highlights



- New Position proposed in Administration
 - \$67K Wages; \$34K Potential Benefit Cost
- Structure change for HR/Administration
 - Savings of \$10K - \$15K
- Salt and De-icer
 - \$130K 2014 Original Budget; \$40K over 2014 Amended Budget
- Brush Program
 - \$41K over 2014; \$110K over 2013
- Downtown Snow Removal
 - \$70K 2015; \$77K 2014; \$14K 2013

GF Expenditure Highlights

- \$270K Capital Spending
 - Equipment \$157K
 - Vehicles \$113K
- \$625K Capital Transfers
 - Drainage \$80K
 - City Hall \$75K
 - Public Works \$270K
 - Fire \$200K

Economic Development Impact



		2014	2015	2016	2017	2018	2019	Total
ED GF Exp	10-22-6353	1,264,167	1,264,167	1,264,167	1,264,167	1,264,167	1,264,165	7,585,000
GF Neg Exp fr Elec	10-75-6628	-	(300,000)	(300,000)	(300,000)	-	-	(900,000)
Elec Share of ED Exp	21-64-6630		300,000	300,000	300,000			900,000
No Street Transfer	10-90-7018	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(3,000,000)
GF Advance		764,167	464,167	464,167	464,167	764,167	764,165	3,685,000
Total advance from General Fund for Business Retention 2015-2019								3,685,000
Electric Expense Advance for Business Retention 2015-2019								900,000
Payment in lieu of Street Program Transfer 2015-2019								<u>3,000,000</u>
Total of Economic Development Agreement								7,585,000
								2020-2028
Payment in lieu of Street Program Transfer 2015-2019								(3,000,000)
Reimbursement to Electric for ED Payment 2020-2028								(900,000)
GF repayment to Electric for ED Advance 2020-2028								900,000
Payment in lieu of Street Program Transfer 2020-2028								<u>(4,585,000)</u>
Funds fully Recovered								(7,585,000)

Home Rule Sales Tax Credits

Home Rule Sales Tax Credits to Electric	2014	2015	2016	2017	Total
Payments in Lieu of Taxes	732,000	750,000	750,000	750,000	2,982,000
General Administration	725,000	780,699	784,602	788,526	3,078,827
Adj. to Exp. Credit (to equal total Sales Tax)			(135,323)	(280,447)	(415,770)
Net Credit to Electric Expense	1,457,000	1,530,699	1,399,279	1,258,079	5,645,057
Projected HR Sales Tax 1/2 Cent Receipts	950,000	1,853,812	1,881,619	959,626	5,645,057
(Over)/Under Credit by Year	(507,000)	323,113	482,340	(298,453)	(0)

- Pilot Payment Adj. reduces GF Revenue and reduces Electric Operating Expenses
- General Admin Adj. increases GF Expenditures and reduces Electric Operating Expenses

General Fund 5-Year Projection

	2015	2016	2017	2018	2019
Revenues [a]	24,769,280	24,990,861	24,308,825	25,281,432	25,506,663
Expenses [b]	24,767,990	25,874,453	25,857,396	26,024,658	26,655,616
Surplus/(Deficit) [a-b]	1,290	(883,593)	(1,548,571)	(743,226)	(1,148,953)
Capital/Other [c]	2,159,186	2,186,028	2,208,323	2,242,665	2,223,493
Operating Expenses [d] = [b-c]	22,608,804	23,688,425	23,649,073	23,781,993	24,432,123
Operating Surplus/(Deficit) [a - d - e]	2,160,476	1,302,436	659,753	1,499,439	1,074,540
Reserves [f]	10,487,282	9,603,689	8,055,119	7,311,893	6,162,940
Days Operation [f / d * 365]	169	148	124	112	92

General Fund 5-Year Projection - Adjusted

- Impact of ED Payout – Advance of \$3.685M over six years
 - Changes Reserves (+3.685M) & Days Operation (+55 days)

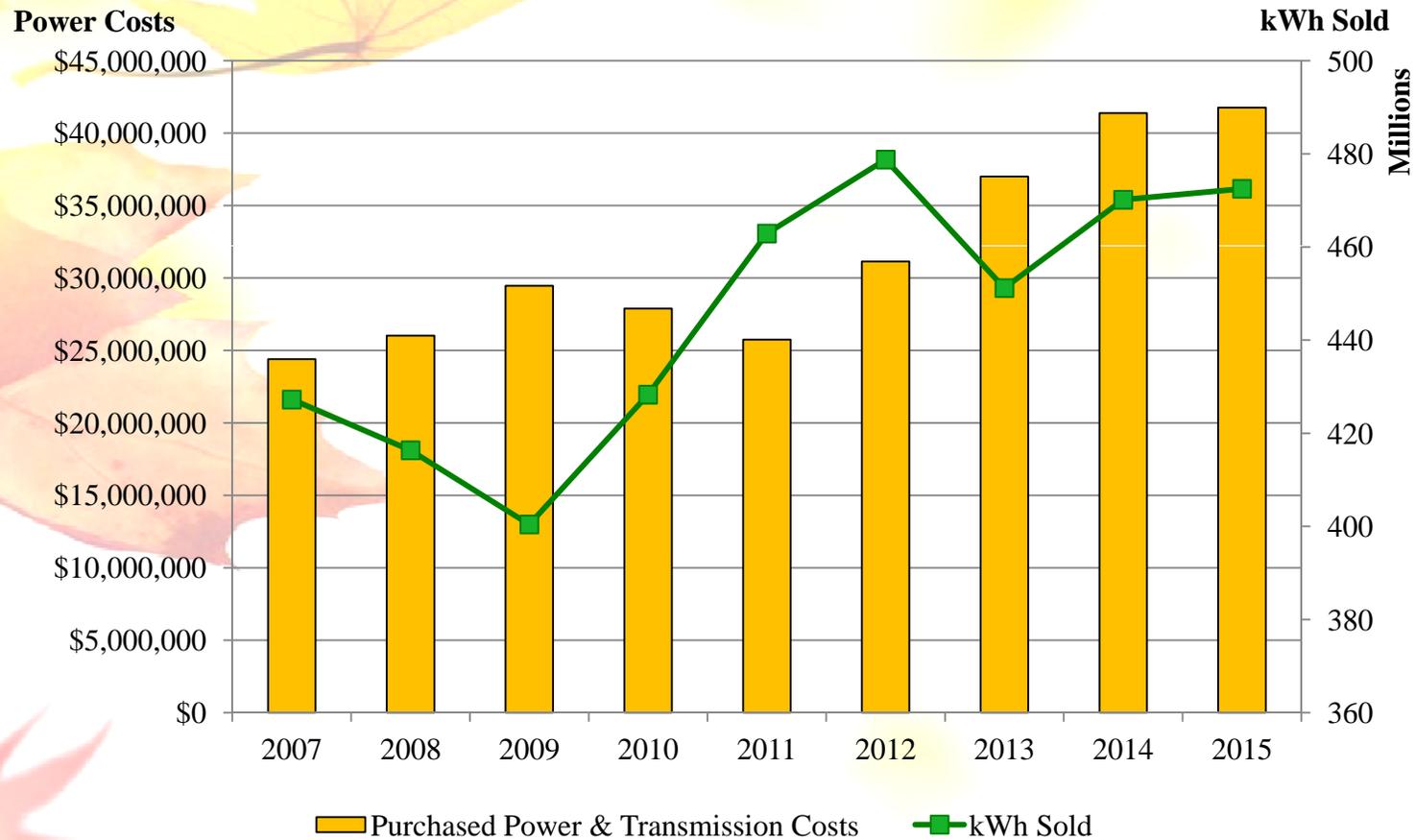
	2015	2016	2017	2018	2019
Revenues [a]	24,769,280	24,990,861	24,308,825	25,281,432	25,506,663
Expenses [b]	24,303,823	25,410,286	25,393,229	25,260,491	25,891,451
Surplus/(Deficit) [a-b]	465,457	(419,426)	(1,084,404)	20,941	(384,788)
Capital/Other [c]	1,695,019	1,721,861	1,744,156	1,478,498	1,459,328
Operating Expenses [d] = [b-c]	22,608,804	23,688,425	23,649,073	23,781,993	24,432,123
Operating Surplus/(Deficit) [a - d - e]	2,160,476	1,302,436	659,753	1,499,439	1,074,540
Reserves [f]	11,715,616	11,296,190	10,211,787	10,232,728	9,847,940
Days Operation [f / d * 365]	189	174	158	157	147

Electric Utility



- \$51.9 Total Budget
- \$2.9M Capital
 - T-Line: Fabyan Western, Colonial Village, Carlisle Rd.
- \$41.8M Power Related Costs
 - +\$378K over 2014; \$4.8M over 2013; \$10M over 2012
- \$5.5M Net Operating Costs
 - \$3.5M in Personnel Costs
 - \$135K Substation Maintenance
 - \$228K Professional Services (Eng, Legal)
- \$1.7M Debt Payments (138kV)

Purchased Power Costs & kWh Sold



Electric Utility



- Rate Increase Effective May 1, 2015
 - Residential – 6.5%
 - Small Commercial – 3%
 - Commercial – 6.5% energy; 7.5% demand
 - Industrial – 6% energy; 4.5% demand
- A Rate Study will be completed in 2015
 - Evaluating 2015 and beyond
 - Will review PPAF base to evaluate RSF use
 - Projecting full use of additional \$2M by year-end 2014

Electric Utility



- Reserves at Year-End 2015
 - \$8,214,954 Unrestricted
 - 61 Days
 - \$13,934,483 with O&M and Depreciation Reserve
 - 104 Days
- Projected Revenue Bond Coverage 2.56 (1.25 required)

Water Utility



- \$5.3M Total Budget
- \$1.3M Capital Budget
 - Maple Lane \$635K; West Wilson St. Loop \$115K; Batavia Ave \$90K
 - \$365K Chlorine Generator Improvements at WTP
- \$0.9M Debt Payments
- \$3.1M Operating Budget
 - \$0.9M Water Production
 - \$2.2M Water Distribution
- 3% Rate Increase
- 265 Days of Reserves

Wastewater Utility

- \$7.6M Total Budget
- \$3.9M Capital
 - \$3.2M WWTP Improvements (\$21M over 5 Years)
 - \$0.5M Sanitary Sewer Improvements
- \$0.9M Debt Payments
- \$2.8M Operations
- \$2.2M Loan Proceeds
- 8% Rate Increase
- 96 Days Operation

Capital Projects - TIF



- \$3.4M Total Budget
- \$2.2M Houston Streetscape (+\$0.5M Street Fund)
- \$450K Walgreens Project
- \$100K Art Stop Parking Lot
- \$40K Fox River Study
- \$300,000 for Façade, Other Grants & Development
- \$60K Bridge Sculptures

Street Projects (Funds 45, 43 & 18)



- \$114K Safe Routes to School – 100% Grant Funded
- \$ 819K Non-MFT Street Projects
 - \$500K Houston Street
 - Sidewalks \$125K
 - Pedestrian Crossing (1/2 TIF 1/2 Street \$140K total)
 - Main Street & Deerpath Road Intersection
- \$1.7M Motor Fuel Tax Projects
 - \$1.1M Street Program
 - \$0.5M Main Street Reconstruction Engineering
 - \$130K Crack Sealing & Pavement Preservation

Capital Projects - Other



- \$321K Drainage Projects
 - Mahoney Creek Eng \$63K; Kingsbury 28K; Stormwater Utility Study \$90K; Edwards/Raddant Basin \$30K (\$15K Recycling funds)
- \$565K City Hall Improvements
 - Windows \$250K; Security \$150K; Elevator \$125K
- \$385 Public Works Vehicles/Equip.
 - 2 Dump Trucks, 1 Pickup; Leaf Machine; Salt Brine Machine
- \$37K Fire Brush Pumper