

## **Q&A from City Council Workshop #1 and Workshop #2**

**Q: Provide two opinions regarding pension obligation requirements: 1) Moving pensions to a flat annual contribution, and 2) effect of moving to the 2011 state pension funding requirements, including rating agency discussions.**

A: Please see attached memo on Pension Funding and letter from the City's actuarial firm.

**Q: Provide a list of vehicles to be replaced in CY2018. Provide make/model, year, mileage, expected replacement unit, and lifetime maintenance costs (where applicable).**

A: Attached is the CY2018 Vehicle Replacement Listing which includes 47 units at a cost of \$3,909,950.

**Q: Provide the estimated property tax contributions from Naperville residents to Will County. Additionally, provide financial benefits received through Will County.**

A: The total Naperville EAV in Will County is \$2,198,685,179 and the direct will county rate is 0.6121; the building commission rate is 0.0026; and the forest preserve rate is 0.1944. As an estimate, Naperville residents contribute \$17.8 million to those 3 taxing bodies.

**Q: Provide follow up on DuPage Crime Commission funding opportunities.**

A: The DuPage Crime Commission provides funds to the Naperville Crimestoppers through monies received in Court. City staff is working with Crimestoppers and the DuPage Crime Commission to confirm that we are receiving our allocation of funds from DuPage County. In addition, we are pursuing flexibility in the use of these funds to support crucial Police Department programs, specifically the anti-drug and heroin addiction programs.

**Q: Provide an explanation of Police Department contractual obligations regarding floating holiday pay.**

A: Both the FOP Lodge # 42 collective bargaining agreement ("CBA") covering patrol officers and the MAP Ch. # 363 CBA covering sergeants have a provision that provides for payment of all holidays, including floating holidays, at one and one-half times the regular hourly rate. This has been an element of pay for these groups since at least the 1990's.

**Q: Please provide information on an Early Retirement Incentive (ERI)**

A: Please see attached memo on an Early Retirement Incentive.

**Q: Provide follow-up on Food and Beverage receipts and their usage of funding for public safety pensions.**

A: Receipts of the Food and Beverage tax are split with 25% of revenues going towards public safety pensions and the remainder utilized for SECA; Social Services; and Debt Service. The 25% for public safety pensions help to fulfill the City's total pension obligation and are not in addition to the City's required pension obligation.

**Q: What was the DuPage County Real Estate tax rate in 2017 (for 2016 bills)? What is the projected tax rate in 2018 (2017 tax bills) if the County holds the levy flat as advertised?**

A: The County's 2017 tax rate is made up of 7 components.

County Rate	.1110
County Pension	.0241
County Health Department	.0364
County Health Pension	.0133
County Forest Preserve	.1417
County Forest Preserve Pension	.0097
Airport Authority	.0176
<b>Total</b>	<b>.3538</b>

If the County only holds the County of DuPage levy (line 1) flat at .1110, that would reduce the total by roughly 3%, the estimated growth rate for the County EAV. This would create an estimated tax rate of 0.1077, or 0.0033 lower than 2017. Assuming the other items held a flat tax rate amount, the overall tax rate for all County line items would go 0.3505, a 0.9% decrease.

**Q: Provide Salt Comparison: Historical Usage and Usage per Event.**

A:

	CY08	CY09	CY10	CY11	CY12	CY13	CY14	CY15	CY16
<b>Event - Plow</b>	4	7	8	2	3	9	14	11	11
<b>Event - De-Ice</b>	12	23	31	33	12	28	21	18	18
<b>Tons of Salt</b>	7,595	22,594	14,178	11,006	8,539	20,677	14,462	13,266	10,908

**Q: Provide monetization of savings for the grapple truck.**

A: From an operational standpoint, it takes a 4 to 5-person crew with two trucks, a trailer, a tractor, and a chipper an average of 4 hours to remove a medium to large size tree. As witnessed by contractors who regularly use grapple trucks, it takes a 3 to 4-person crew with one additional bucket truck approximately 2 hours to remove the same size tree. This is a result of less cutting and the absence of having to feed the material through a chipper. There is a labor cost savings of \$420 per tree.

**Q: Provide the Historical Leakage Rate.**

A:

Non-Revenue Water as Percent by Volume of Water Supplied				
Reporting Year*	Total Metered DWC (Gals.)	Total Metered CON (Gals.)	Non-Revenue Water (Gals.)	Percent
2017	5,374,500,000	4,804,620,000	569,880,000	10.60%
2016	5,293,476,000	4,790,392,000	503,084,000	9.50%
2015	5,092,115,000	4,762,520,000	329,595,000	6.47%
2014	5,200,155,000	5,057,075,000	143,080,000	2.75%
2013	5,542,525,000	4,912,900,000	629,625,000	11.36%
Avg.	5,300,554,200	4,865,501,400	435,052,800	8.14%

**Q: Provide an explanation of Cash Reserve Policies and information on how we have drawn down cash historically.**

A: The Emergency Reserve Policy states, "In the absence of any prior events which resulted in usage of the Emergency Reserve, as of April 30<sup>th</sup> of each year the reserve requirement will continue to be calculated as 20% of the General Fund subsequent years' annual budgeted expenditures less inter-fund transfers (defined as the amount of internal service revenue and the police and fire pension property tax transfers)." It further states, "At any point in time up to one half of the Emergency Reserve balance available may be used to provide funding to support required city services. This restriction is to assure that there will always be some funds available should multiple emergency events occur before the Emergency Reserve balance is restored to the reserve requirement level. A super majority vote of City Council is required to override this restriction."

During Naperville's growth phase the City was able to build substantial cash reserves; by the end of 2002, the City's cash balances totaled nearly \$180 million. The City operated under a financial strategy that leveraged its cash balances to mitigate the impact of the recession on the residents and businesses within the community. For around 22 years, the City attained the highest credit rating of AAA while deliberately managing our finances to maintain a consistently low property tax rate and providing high quality services. In 2015, the City implemented the financial principles which sought to rebuild the City's cash reserves and create a structurally balanced budget.

**Q: Provide Impact of Christkindlmarket on Downtown Merchants.**

A: The receipts for the top nine downtown restaurants reflect a year over year decrease from \$87,814.05 in December 2015 to \$73,114.02 in December 2016. Overall, there has been a 10.2% decrease year over year for the month of December.