

# June Financial Update

CITY OF NAPERVILLE - JUNE 16, 2020





# Current Information

## **RESTORE ILLINOIS: PHASE 3**

- Retail stores re-opening
- Outdoor dining allowed

## **CIVIL UNREST**

- Additional expenses: police, fire, public works overtime
- Outdoor dining restricted first week of June; revenue impact

## **NATIONAL STATUS**

- Started recession in March
- Interest rates near zero through 2022
- Unemployment at 13%, estimated to fall to 9% by end-of-year

## **Sales tax receipts: 20% below projections**

- Lower than statewide year-over-year average at -14%; likely due to reduced auto sales

## **HRST revenues: 10% below projections**

- In line with year-over-year declines statewide at 19%

## **State income tax payments: declined 18%**

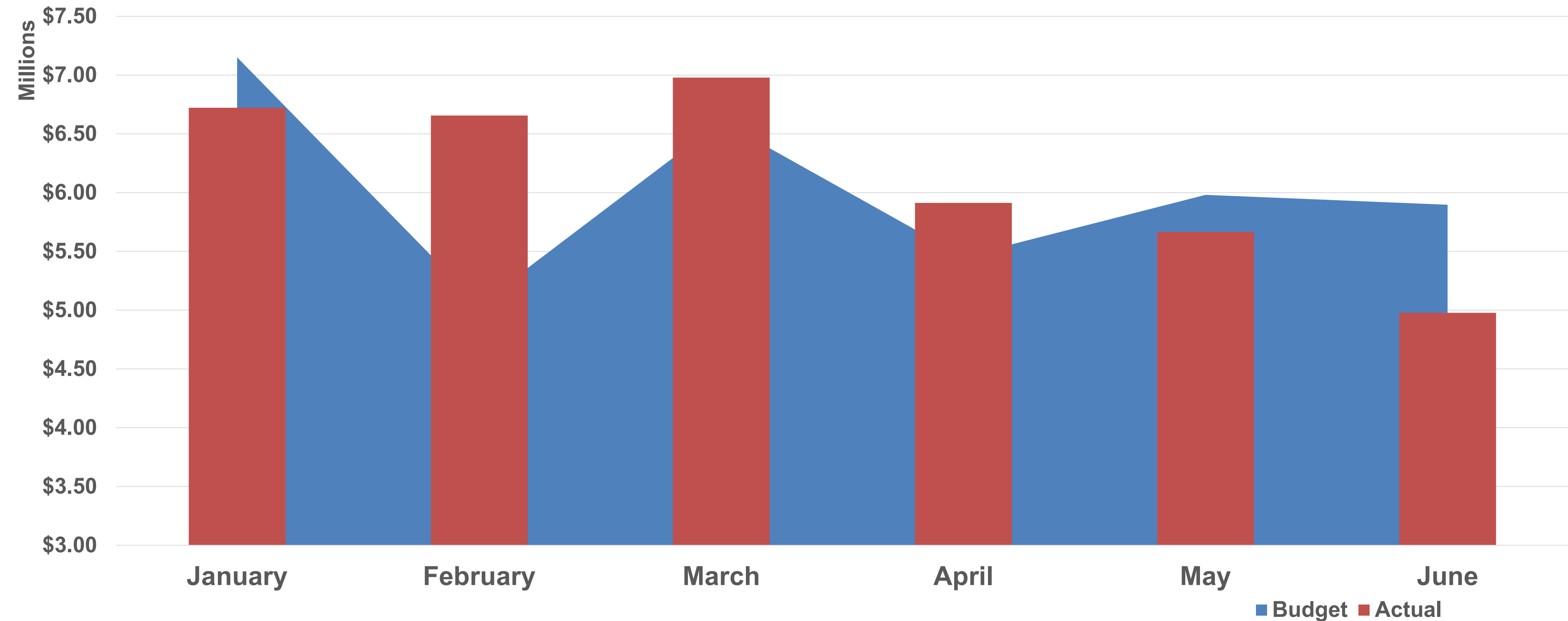
## **Motor fuel tax payment: 19% below projections**

## **IML Revised MFY21 Projections**

- Lesser decline in LGDF forecast:
  - 7.3% decline vs. original 15% decline
- Overall per-capita shared revenue forecast downward by 7.9%

# **June State Revenues**

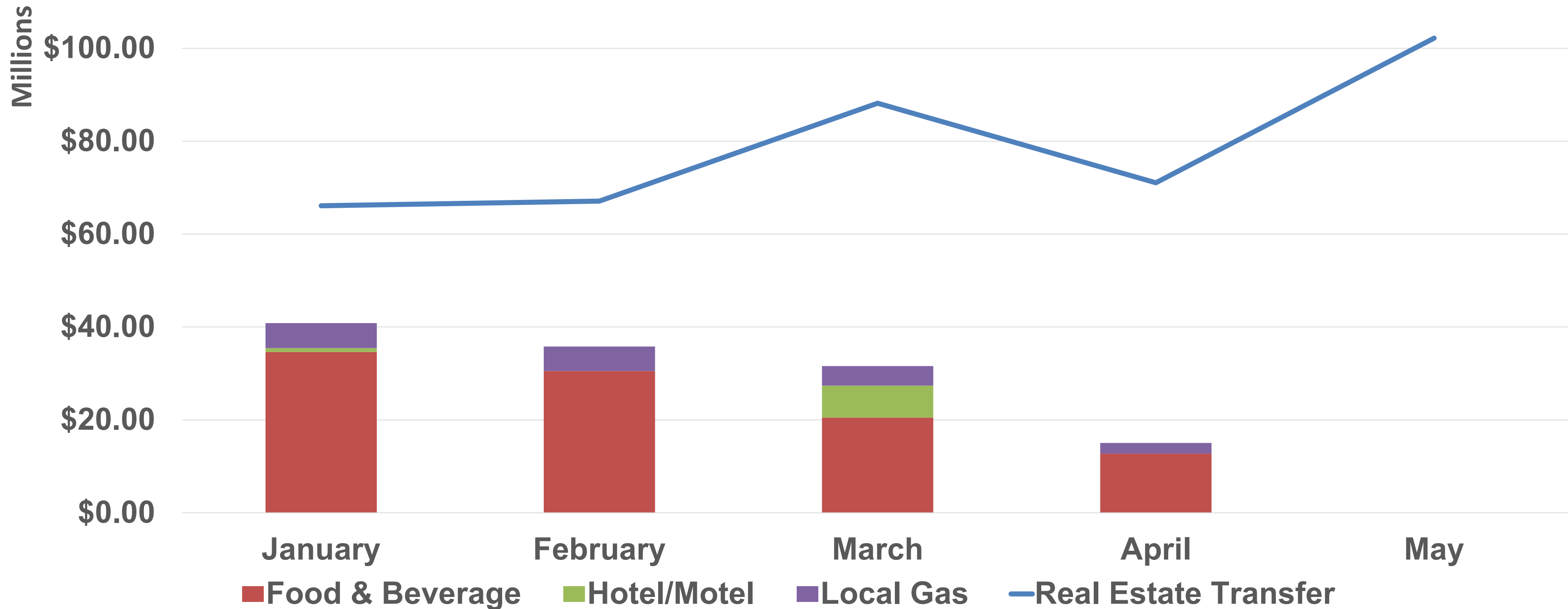
# YTD State Shared Revenues



- Decline accelerated in June as first post-COVID sales tax receipts received
- Stronger than projected 1<sup>st</sup> quarter reducing impact of declines in 2<sup>nd</sup> quarter
- July revenue expected to decline further and be most impacted month as sales tax will represent April, full month under stay-at-home order

**State  
Revenues**







# Taxable Sales by Reporting Period



- Food & beverage, local gas taxes experienced declines of 40% or more
- Real estate market showing strength in May after declining in April
- May receipts for food & beverage, local gas, and 2<sup>nd</sup> quarter hotel/motel taxes due mid-June

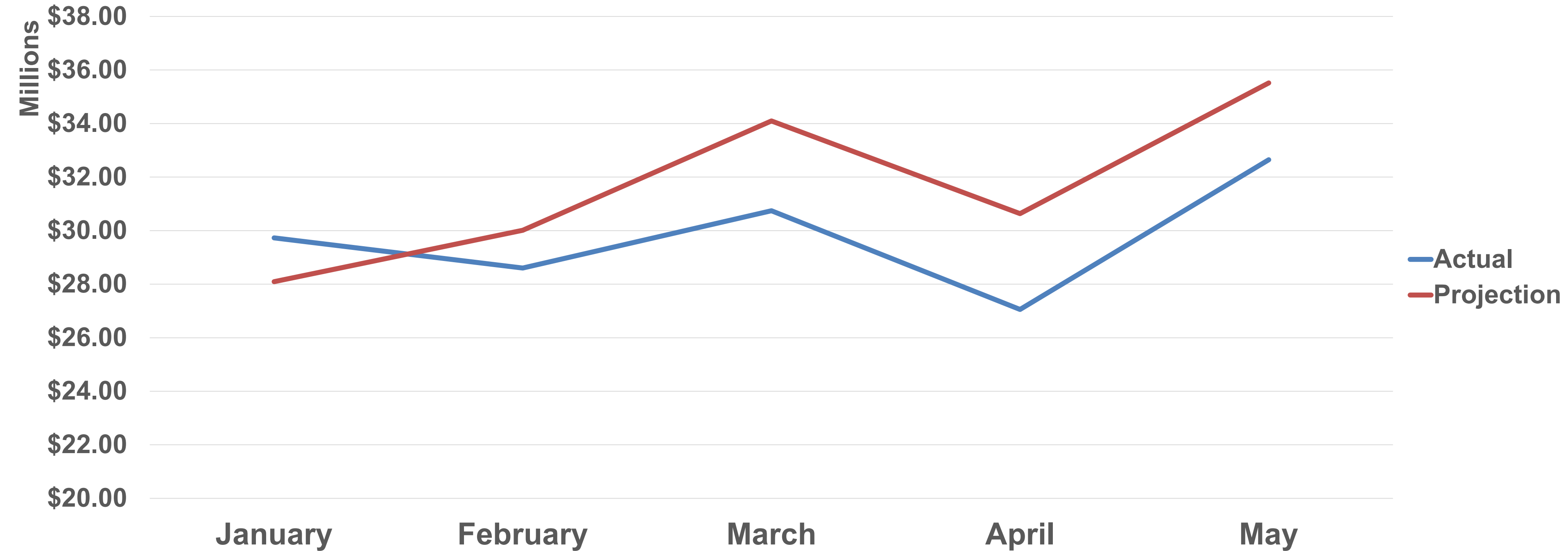
**Local  
Revenues**

# Areas of Risk - Revenues

<b>Food and Beverage</b>	<b>Hotel/Motel</b>	<b>State Sales &amp; Income</b>	<b>Motor Fuel/ Local Gas</b>	<b>Ambulance Fees</b>	<b>Property Taxes</b>
					
Restaurant/Bar restrictions remain in place during Phase 3	Business/leisure travel continues to be limited by stay-at-home order	June receipts show large declines, move to Phases 3 & 4 should mitigate	Travel continues to be impacted by stay-at-home order	Fewer transports in March/April, calls returning to normal in May/June	Collections in line with previous year

 **High**  **Medium**  **Low**

## YTD Expenses (All City Funds)



- Continue to trend below budget projections for May
- Expenses beginning to normalize in several areas, e.g. healthcare and overtime related to civil unrest
- Some expense reductions, (e.g. training/travel, special event costs, more sustainable)

# Expenses

# Funding Opportunities

## CARES ACT FUNDING

- DuPage County: \$161M federal allocation
- Agreed to reimburse DMMC member municipalities for COVID expenses 3/1 – 5/30
- Submitting for police and fire payroll costs, COVID-19 related services, purchases

## GRANT TEAM

- Identify and better coordinate requests
- Fire Department: pursuing FEMA grant

## COMMUNITY RECOVERY PROGRAMS

- Exploring recovery programs
  - Target both pandemic, June 1 civil unrest
- Provide specific relief, minimize administrative oversight, and plan for future financial impacts



# Next Steps

## ONLINE DASHBOARD: MID-SUMMER

## UPDATE PROJECTIONS

- Determine gaps, bring options to Council
- Recommendations based on financial philosophies from last month
  - E.g. using cash reserves, increased borrowing, expense reduction through project deferrals



A background image showing a cityscape with various buildings, trees, and a river. A large teal rectangle is overlaid in the center, containing the word 'QUESTIONS?'.

**QUESTIONS?**

