



# City of Naperville 2021 Budget Highlights

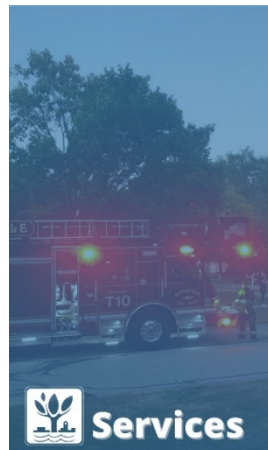
Each year, the City Council and City staff dedicate significant time envisioning how the municipality will operate, both in the short-term and into the future. As policy setters, the City Council's decisions regarding Naperville's finances set the tone for preparation and implementation of the City's annual operating budget and Capital Improvement Program (CIP). In 2020, these efforts took a more frequent, hands-on approach amid the global COVID-19 pandemic. Through monthly reporting and discussions, the Council provided staff with direction surrounding financial flexibility and developed tools essential to the 2021 budget development process.

***The City of Naperville's 2021 budget is recommended at \$507.26 million, an overall increase of 8.8% from the \$491.7 million 2020 budget.*** The 2021 budget envisions a future beyond the pandemic and is built around the four pillars that make Naperville a great place to live and do business – services, people, programs, and the local economy. By investing in these four pillars, Naperville aims to successfully navigate the financial impacts of the pandemic and position itself for rapid recovery and continued growth once the pandemic ends. The four pillars were developed to align with the City's ends policies, and where possible, the 2021 budget adheres to the City's financial principles. By incorporating an appropriate level of flexibility in key areas, staff developed a budget that continues to provide the high-quality services that our residents and business community have come to expect using our existing revenues and cash balances in select areas. The overall increase is driven largely by capital expenditures, wages, pensions, and healthcare, all of which are described in subsequent sections of this book.

The 2021 budget focuses on continued delivery of the City's core services, which are the driving force behind each of the City's departments. Fiscal constraints limited the City's ability to consider the expansion of services in 2021; however, continued investment in capital assets will allow for continuous improvement of service delivery now and into the future. The 2021 budget also addresses initiatives that may have been paused due to the pandemic's impact and is mindful of how projects, programs, and initiatives begun or planned for in the coming year may impact future resource needs from a budgetary perspective.

These highlights encompass the City's investment in our services, our people, our programs and our local economy in 2021.

## Services



In the context of the 2021 budget, services are defined as both tangible items, like electricity and water or permits, and intangible services provided to the community, such as brush and leaf pickup and public safety services. Staff classified services as both commodities and annual actions provided to the community as part of the City's inherent responsibility as a municipal government.

### Key Investments

The following key initiatives for 2021 focus on City services, excluding capital except where noted, and align with our Public Safety and High Performing Government ends policies.



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## *Public Safety*

- The Fire Department operating budget increased **\$1.34 million**, or 3.5%, from 2020.
  - Salaries and benefits, including pension increases, account for \$1.30 million of the total increase.
  - The department held non-personnel related expenses flat for 2021 without diminishing service levels.
- The Police Department operating budget increased **\$2.00 million**, or 4.0%, in 2021.
  - Salaries and benefits accounted for \$1.62 million of the increase.
  - The purchased services budget increased \$437,571, or 23.6%, due to increases in training costs resulting from changes to state reimbursements. The department also budgeted \$200,000 for professional services necessary to begin an upgrade of the City's computer-aided dispatch (CAD) system.

## *Public Works*

- Public works maintained a flat budget for 2021, with total expenses reduced by \$2,593.
  - The 2021 budget includes a **\$606,752 decrease** in costs for purchased salt. After experiencing a price increase of 111% in 2020, prices have since declined to below 2019 levels at **\$41.98/ton**.
  - The total cost for the 2021 leaf collection program stands at **\$1.73 million**, an increase of 7.6% from 2020. Additional support for this program was discussed in 2019 by the Council. The 2021 increase accounts for rising personnel and disposal costs, as well as capital outlay for the replacement of a leaf vacuum machine with a new front-end loader, a more versatile piece of equipment, at \$255,000.

## *Transportation, Engineering & Development*

- The operating budget for the Transportation, Engineering & Development (TED) business group increases by **\$2.49 million**, or 24.3% in 2021.
  - Salaries and benefits increase by \$380,630.
  - Architect and engineering services increases **\$2.58 million** and accounts for much of the department's budget increase. Those services are tied to the CIP.
  - TED is unique in that more than 80% of the total budget is associated with capital projects.

## *Public Utilities*

- The Electric Utility operating budget increased **\$3.62 million**, or 2.6%, for 2021.
  - Salaries and benefit-related costs remained flat.
  - An increased cost for purchased electricity accounts for the largest increase in the Electric budget at \$1.6 million. This increase is attributable to Illinois Municipal Electric Agency (IMEA) price increases related to generation and transmission of power.
  - Other notable increases include \$500,000 in warehouse inventory and \$450,000 in utility assistance, a one-time expenditure related to the COVID-19 pandemic.
- The Water and Wastewater Utilities operating budget decreased by **\$464,940**, or 1.0%, for 2021.



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- Salaries and benefits increased \$78,905.
  - Purchased water is budgeted at \$25.91 million, a decrease of \$3.1%. This decrease assumes a flat water rate and reduced consumption.
  - COVID-19 utility assistance is also budgeted in the Water Utility in the amount of \$50,000.
- Both the Electric and Water Utilities will undergo rate studies in 2021. These periodic reviews ensure that customer rates adequately support operation, maintenance, and capital re-investment in the utilities. Professional services to facilitate the rate studies are budgeted at **\$194,000** in 2021.

### *Support Services*

- Support services includes those departments that maintain smaller budgets than major operational departments on an individual basis and are therefore grouped together for the purposes of the budget. These departments provide valuable services to both internal and external stakeholders, providing operational departments with the technological, strategic, and background support that, in turn, allow those groups to serve the community well. Departments classified in this category include the City Clerk's Office, City Manager's Office, Finance, Human Resources, Information Technology, and Legal.
- Together, the budget for support services increases **\$2.68 million**, or 12.2%, in 2021.
  - Salaries and benefits account for \$794,895 of the total increase. This increase is the result of two positions moving from Electric to Finance and the City Manager's Office and Information Technology positions being fully staffed and funded in the 2021 budget.
  - Software and hardware maintenance, primarily in the Information Technology Department, accounts for **\$1.42 million** of the increase. Much of that increase, **\$884,000**, is attributed to annual maintenance costs for the City's enterprise resource planning (ERP) system transitioning from a capital cost to an operating cost.
  - Administrative service fees associated with electronic payment processing have increased **\$241,000** as those forms of payment have become more prevalent.
  - The City Manager's Office will lead a community engagement process and the development of strategic visioning for the City in 2021 at an initial cost of **\$85,000**. The pandemic forced the deferral of this initiative in 2020.
- In 2021, the City will transition City Dispatch from the Police Department to the Municipal Center, where it will operate under the Finance Department. City Dispatch is responsible for non-public safety call taking and dispatching for public works, public utilities and other City departments. City staff considered this transition beginning in 2019; however, the pandemic accelerated the process as the need to establish separation between PSAP and City Dispatch and the need for remote operating capability became apparent. This transition will facilitate the goal of establishing a citywide customer service center. For 2021, **\$50,000** is budgeted for upgrades to the new call center space in the Municipal Center. By 2022, all costs associated with City Dispatch will transition from the Police budget to the Finance budget.



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## Key Funding Sources

- Total **sales tax revenue** for 2021 is estimated at **\$33.36 million**. Staff has budgeted for a 7.0% decline from the 2020 budget, which equates to approximately \$2.50 million. This conservative estimate accounts for the ongoing economic impacts of the COVID-19 pandemic. Specifically, no clear trend around consumer spending has been established in the second half of 2020, and the pace of recovery in the broader economy remains unclear.
- **State income tax** revenues shared through the Local Government Distributive Fund (LGDF) are estimated at **\$13.57 million** for 2021. This represents a decline of \$1.52 million, or 10%, from the 2020 budget. This decline is based on Illinois Municipal League (IML) estimates for 2021.
- **Local use tax** proved to be the best performing revenue on a percentage basis in 2020 because of the growth in e-commerce and improved collections from out-of-state retailers. IML forecasts continue growth in this revenue source, which is reflected in a **\$1.22 million**, or 26.6%, increase in 2021. Illinois' 21st century sales tax legislation is fully implemented on January 1, 2021; IML anticipates that this legislation's impacts will ultimately shift dollars from local use tax to sales tax. However, the precise implications are still unknown.
- The City anticipates seeing continued increases in **ambulance billing revenues** in 2021 by **\$372,000**. The Fire Department will collect Ground Emergency Medical Transport (GEMT) supplemental funding for Medicaid eligible transport for the second consecutive year. Total ambulance billing revenue for 2021 is estimated at \$6.00 million.
- A programmed **2% electric rate decrease** will be implemented for customers in 2021. While the cost of purchased power through IMEA is increasing, the City's Purchased Power Adjustment (PPA) tool will be utilized to smooth variations between the customer rate and the cost of electricity.
- The average water customer will experience a **1.8% increase** in their bill for 2021 as part of the three-year rate increase developed through the 2018 rate study.

## People

In the context of the 2021 budget, the pillar of people addresses expenses related to personnel, such as salary and benefits and training, and the resources necessary to support the work the City's personnel perform. With people at the heart of the City's core values, Naperville's employees are proud to not just serve the community but serve it *well*.

## Key Investments

The following key initiatives for 2021 focus on the people who deliver services and the tools necessary for those people to accomplish the City's mission. These initiatives align with our High Performing Government and Public Safety ends policies.





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- In 2019, the City updated its mission statement to emphasize diversity, equity, and inclusiveness in the community. In furtherance of the updated mission statement, the City will dedicate new resources totaling **\$115,000** in 2021. Resources include salary and benefits for a Diversity, Equity & Inclusion Manager staff position and a small budget for startup initiatives. These efforts will focus on both internal and external stakeholders.
- Offering competitive compensation is a key component to attracting and retaining a highly skilled workforce. The budget recommendation includes a **2.00%** non-union wage adjustment and union adjustments based on collective bargaining agreements. Salaries and wages account for **\$2.47 million** of increases across all funds in the 2021 budget. Total full-time employee headcount remains flat from 2020, although several positions have been reclassified between departments.
- Healthcare costs remain a significant component of the City's annual budget. The City continues to actively manage its benefit plans to implement cost-saving opportunities, including some slight changes to existing plans starting in 2021. Small modifications to plan designs next year is projected to save approximately **\$437,000**. These changes are the latest efforts to reduce the impact of healthcare costs; in recent years, the City has eliminated the consumer driven health plan, added a generic preventative drug program and virtual visit option, and changed its dental plan. However, the City's medical and dental costs remain largely tied to claims, which are ultimately impacted by rising costs within the medical industry. Premiums in 2021 will increase **2.7%** for dental and **4.9%** for medical, totaling **\$920,000**.
- Actuarial required contribution levels for the City's public safety pension funds are increasing by **\$524,088**, or 7.2%, for Police and **\$544,021**, or 5.6%, for Fire. Although both funds exceeded their investment return target for 2019, legislative changes to Tier 2 benefits resulted in increases in the required funding for 2021.
- The City's IMRF contribution increased significantly in 2020 after IMRF experienced lower than expected investment returns the previous year and a change in the projected rate of return for future investments. The City's contribution rate decreases slightly for 2021, from 11.05% to 10.85%. The 2021 rate results in a much smaller increase of **\$77,000** for a total IMRF contribution of **\$6.48 million** across all funds.
- Workforce development relies on continuing education and training. Opportunities for employee education and training were severely limited by the pandemic in 2020. The 2021 budget continues to dedicate resources to this important function with an additional **\$124,000** budgeted.

### Key Funding Sources

- A flat property tax rate of 0.6871 is targeted for 2021. More than 55% of the City's portion of the property tax levy is dedicated to public safety and IMRF pension funding. These three components of the levy account for \$19.80 million in 2021. Property tax is discussed in greater detail later.





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## Programs



In the context of the 2021 budget, programs are defined as capital and infrastructure expenses, along with major projects and initiatives that span one or more years with a definitive end date. This contrasts with ongoing, annual programs and initiatives, which align more closely with the services pillar and, for the purposes of the 2021 budget, are discussed in that area.

### Key Investments

The following key initiatives for 2021 focus on City programs that enhance the community or improve the City's ability to deliver services. These initiatives align with our High Performing Government, Economic Development, Financial Stability and Public Safety ends policies.

### Transportation

- Staff will continue the long-term maintenance of local roads through the Maintenance Improvement Program (MIP). Staff recommends **\$12.0 million** for annual roadway projects, an increase of **\$500,000** from 2020.
- In addition, the City will embark on the design and construction of several significant capital roadway projects. These include beginning construction of North Aurora Road between Frontenac Road and Weston Ridge Drive at a 2020 cost of **\$6.3 million**, the North Aurora Underpass at the CN Railroad at **\$3.91 million** and acquiring land and completing final construction engineering for the Downtown Washington Street Bridge at a cost of **\$2.3 million**.

### Utilities

- In 2021, the City will begin implementing an automated metering infrastructure (AMI) system for the Water Utilities. This project includes the installation of meter modules for all customers and integration into the City's current communication system, meter data management system, and billing system. The implementation coordinates with the City's plan to integrate utility billing into the new ERP system and will parallel completion of the current manual meter reading contract. When completed, the AMI system will provide customers with greater access to information about their water usage and provide the City with data to better support its operational and capital planning. This investment is budgeted at **\$7 million** for 2021.
- Aging infrastructure in the Water and Wastewater Utilities is resulting in capital maintenance and replacement cost increases. For 2021, the Water Utilities identified **\$22.0 million** in capital improvement projects in addition to the AMI project. The 2021 CIP for the Water Utilities includes more than \$3.1 million in water main replacements in the Naperville Heights area, \$3.1 million in well improvements, \$5.9 million in sanitary sewer rehabilitation, and \$1.9 million in upgrades to the Springbrook facility.
- The Electric Utility's infrastructure investment projects maintain current utility assets in proper working order and includes maintenance work and updates to support existing infrastructure and add efficiencies. Electric will invest **\$11.6 million** in capital infrastructure



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in 2021. This will allow the Electric Utility to add resources to the cable replacement program, relay improvements, underground distribution automation, feeder additions, and fiber optic cable projects. This investment will allow the utility to complete planned and reactive work on its system to mitigate future risk of significant outages to customers.

## *Buildings & Facilities*

- 2021 will see continued re-investment in City facilities at a cost of **\$4.34 million** for 13 unique projects, including Municipal Center exterior restorations and interior improvements, partial Police Department roof replacement and full roof replacement at two Fire stations, joint repairs and sealant replacement at the Chicago Avenue and Van Buren parking facilities, fire station overhead door replacements, roof top air handler unit replacements at various facilities, and the Municipal Center front plaza and parking deck improvements.
- Structural repair and rehabilitation of Moser Tower is planned for 2021 at a cost of **\$1.7 million**.

## *Technology*

- Research and development of a body worn camera program in the Police Department will commence in 2021. Several high-profile events across the country led to peaceful protests and, in some cases, civil unrest in 2020. While Naperville continues its tradition of maintaining a highly professional police department, calls for reform and increased transparency across the profession have led the Police Department to begin the process of establishing a body worn camera program. This program will require significant up-front investment and ongoing costs associated with data storage, maintenance, and personnel necessary to operate a program. This initiative will begin in 2021, with **\$167,000** dedicated to program research and policy development necessary to launch a program in 2022.
- Work will continue on the implementation of major technology initiatives, including the Enterprise Resource Planning (ERP) system and Cityworks service request and work order management system, totaling **\$1.36 million** in 2021.
- The State of Illinois Emergency Telephone Systems Act mandated that every 9-1-1 system in Illinois must provide Next Generation 9-1-1 service by July 1, 2020. Due to the pandemic, the state extended that deadline to July 1, 2021. In 2021, **\$324,000** will be put towards this project to replace the 10-year-old phone equipment currently utilized by PSAP and City Dispatch. This project will replace existing phone equipment currently utilized by the Public Safety Answering Point center at both the main facility and the Backup Communications Center. The City has received a grant for \$330,124 to fund a portion of this project. Once completed, the City will incur annual maintenance costs of **\$75,000**.

## *Vehicles & Equipment*

- Replacement of vehicles and major equipment across all departments is budgeted at **\$4.12 million** in 2021. This is a reduction of \$3.11 million, or 43.0%, from 2020. The Fire Department (\$1.17 million) and Public Works (\$1.67 million) account for 70% of the vehicle



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replacement budget in 2021. Replacing aging fleet assets is recommended to maintain service levels and reduce future maintenance costs.

## Key Funding Sources

- The City began receiving additional **motor fuel tax (MFT)** dollars in 2020 as a result of Governor Pritzker's Rebuild Illinois plan, which doubled the MFT rate on July 1, 2019. This additional revenue offset the overall decline in fuel sales in 2020. Per IML projections, the City is estimated to earn \$39.40 per capita of incremental revenue from the MFT and Transportation Renewal Funds in 2021, which equates to **\$5.9 million**.
- Additionally, in 2020, the state began sharing bond proceeds with municipalities through the **Rebuild Illinois bond program**. Through this program, the City will receive **\$3.24 million** per year in 2020 through 2022.
- The City is projecting declines in **home rule sales tax (HRST)** in line with the decline in sales tax for a total budget of **\$13.06 million**. This represents a decline of 6.7%. HRST should benefit from application of local taxes to some online purchases in 2021, but the exact impact is not known yet. Based on City Council's amendment to the HRST ordinance in 2020, \$6.25 million is being allocated to the General Fund, \$5.90 million to capital projects, \$657,213 to offset the downtown food and beverage tax contribution to the Downtown Parking Fund, and \$250,000 to debt service.

## Local Economy

In the context of the 2021 budget, investing in our local economy encompasses initiatives and resources that drive the City's facilitation of development initiatives, economic development tools, and community assistance programs.

### Key Investments

The following key initiatives for 2021 focus on improving the vibrancy of the City's economic base, increasing sales tax, and filling vacant commercial space. These initiatives align with our Economic Development and Financial Stability ends policies.

- In furtherance of the Downtown 2030 Plan and Downtown Streetscape Design Standards, the City will complete streetscape improvements along portions of Jefferson and Main in 2021 at a cost of **\$3.22 million**. Work will include new sidewalks, curbs, and parkway features that will enhance the Downtown Central Business District. Included in the streetscape project are electric, water, and sewer upgrades.
- The City will maintain its relationship with the Naperville Development Partnership (NDP) in pursuit of initiatives aligning with the City's economic development ends policy. The City's contribution to NDP for 2020 is proposed at **\$762,250**, flat from 2020.
- Understanding the economic challenges facing the community because of the COVID-19 pandemic, the 2021 budget includes **\$500,000** in utility assistance for residential and







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commercial utility customers. The City suspended utility disconnections in March of 2020 and the number of delinquent utility accounts has risen throughout the year. The City will investigate potential partnerships with organizations already offering utility assistance.

- The City will continue facilitating construction and occupancy processes for residential and commercial developments, such as Costco, Tru by Hilton, River Main, Wagner Farms, and Lincoln at Citygate. In 2021, the TED business group has budgeted an additional **\$53,500** in temporary and overtime pay to assist with these efforts.
- Development of EnerGov software, a component of the City's ERP implementation noted under the Programs pillar, will be an area of focus in 2021. EnerGov will facilitate the online permitting process.
- The local economy benefits from the many special events that take place throughout the year in Naperville. While the ability to host large gatherings in 2021 remains unclear, the City continues to allocate **\$1.10 million** towards the Special Events and Cultural Amenities (SECA) grant program.

## Key Funding Sources

- The pandemic's impact on the hospitality industry has been severe, particularly with respect to business and leisure travel. Given the uncertainty that remains, **hotel and motel tax** is estimated to remain under pressure in 2021. Staff estimates revenue at \$1.92 million, a decline of 43.7%. That revenue is further reduced through four existing tax rebate agreements, with net revenue estimated at **\$1.12 million** for 2021.
- Similarly, the City's **food and beverage tax**, which has long been one of the City's best performing revenues, is projected to decline approximately 10% from the 2020 budget to \$4.71 million in 2021. Food and beverage funds are utilized to fund the SECA grant program and social services, as well as a portion of police and fire pensions, debt service, and downtown parking.
- 2020 marked the first year of adult-use recreational cannabis sales in Illinois. Naperville received a small amount of **state shared revenue** in 2020, projected to be \$90,000 by year-end, from sales occurring across the state. The first recreational dispensary opened for business in Naperville in October 2020, and two additional locations are approved and plan to operate in 2021. The City will collect a 3% local tax on recreational cannabis sales, which is estimated to result in **\$1.00 million** in new revenue in 2021.

## Financial Principles

In 2015, the City implemented three financial principles that guide financial decisions and align with the City's ends policy of financial stability. These principles were developed to promote long-term financial success of the community. The following principles were adopted:

- *Principle 1* – The City will pass a structurally balanced operating budget annually;
- *Principle 2* – The City commits to continuous improvement in the delivery of necessary and cost-effective services; and



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- *Principle 3* – The City will actively seek to increase its reserves to 25% and reduce its debt by 25% in the next eight years.

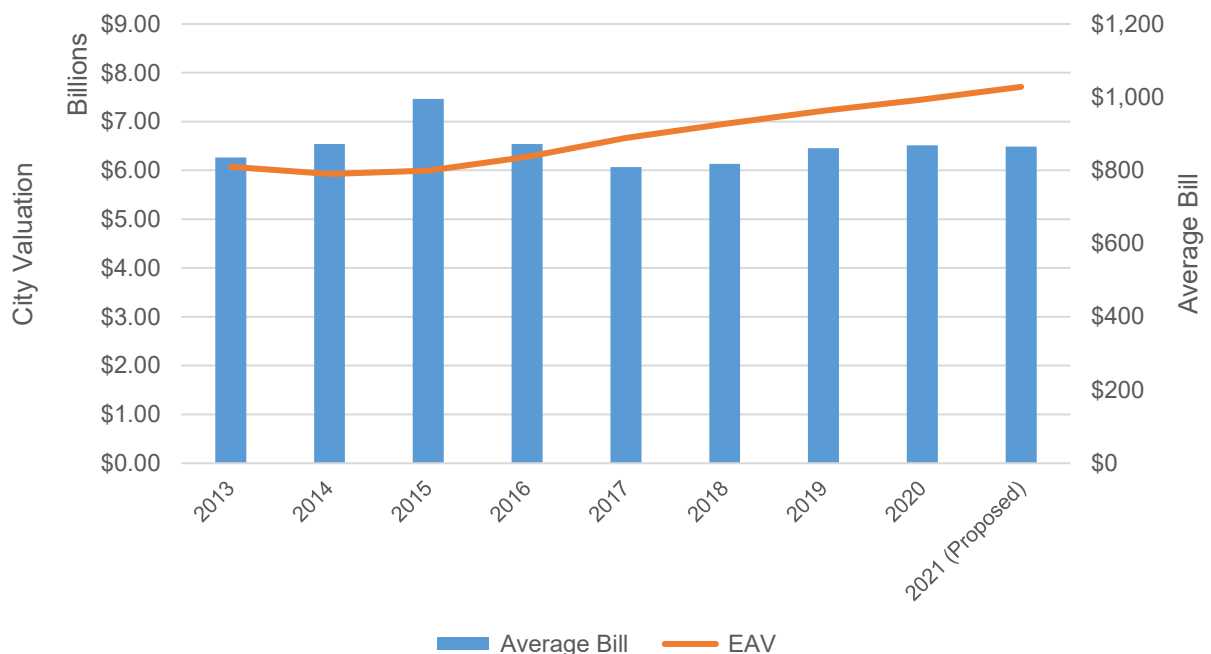
While the City had made significant progress each year towards aligning with these principles, the unforeseen challenges presented by the COVID-19 pandemic forced the City to be more flexible in its approach to its finances. The 2021 budget proposal makes every effort to continue aligning with these principles.

To measure this alignment, staff reviews three key items: property taxes, debt reduction, and cash reserves.

### Property Taxes

Property taxes primarily fund long-term obligations of the City, such as public safety pensions, IMRF pensions, and debt service payments. Property taxes are also the predominate funding source for Naperville Public Library and Naper Settlement operations.

In 2020, the City targeted a tax rate of 0.6870 for the 2019 property tax levy. The final EAV fell short of the preliminary 4% growth estimate resulting in a final tax extension rate of 0.6937. The 2020 property tax extension totaled \$51.69 million. Using a 3.5% EAV growth factor for 2021 would increase the City's valuation to \$7.71 billion. The average home value in Naperville has remained consistent, currently estimated at \$410,000. The 2021 budget recommendation includes the assumption of maintaining a flat property tax rate, allowing the City to take advantage of incremental EAV growth throughout Naperville, including new development. The targeted 0.6871 rate combined with EAV growth equates to **\$1.30 million** of incremental revenues for 2021. The chart below indicates the City's overall valuation compared to the average homeowner bill.



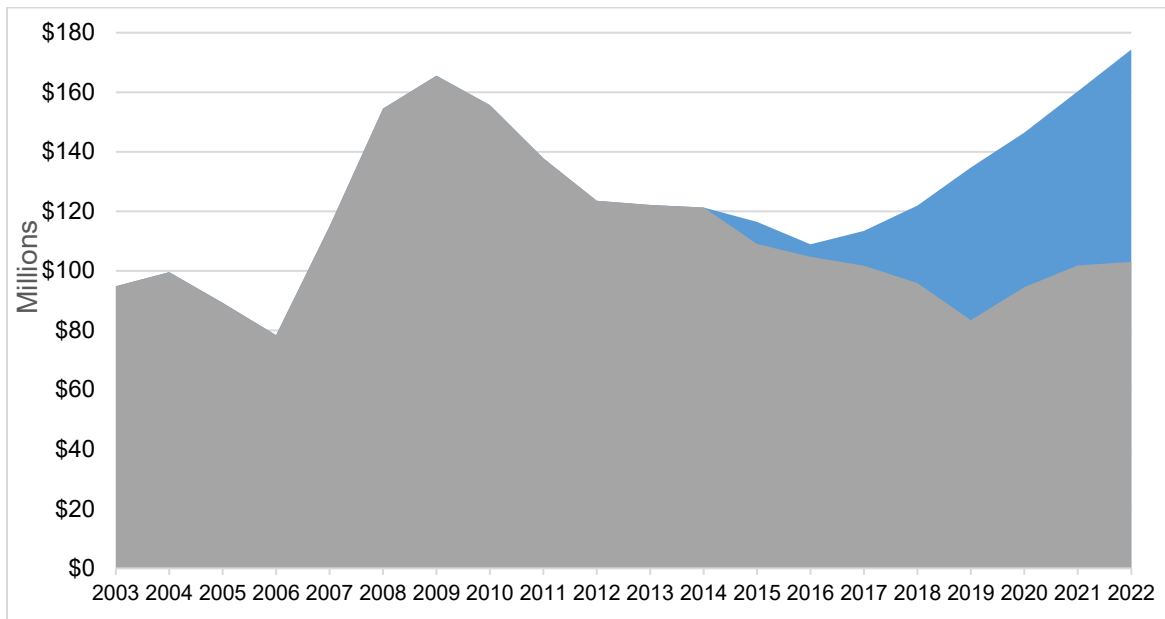


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### **Debt Reduction**

At the end of 2014, the City of Naperville had \$121.3 million in general obligation debt directly funded through property taxes. The City's goal for 25% debt reduction is \$90.9 million at the end of 2022. Among the conversations that took place around the City's financial response to the COVID-19 pandemic was whether the City should issue debt at higher than anticipated levels given the low interest rate environment. The Council approved \$15.90 million in new debt in 2020. The City recommends **\$13.3 million** of borrowing in the 2021 budget. At the end of 2021, the period funded by this budget, the City is projected to have \$102.34 million in outstanding debt, a 15.6% reduction.

The chart below focuses on the debt reduction component of the City's third financial principle and shows total governmental debt (excluding utility and other funds) through 2022, eight years after 2015, when the principles were adopted. The gray area shows the City's projected debt. The next section in blue denotes what the City's total debt would have been if a home rule sales tax had not been implemented to drive down debt and reduce capital borrowing.



### **Cash Reserves**

Financial Principle 3 states the City will actively seek to increase reserves to 25% over eight years. The policy was implemented because during the City's growth phase substantial cash reserves were built, and by the end of 2002, cash balances totaled nearly \$180 million. As growth began to slow and the 2008 recession struck, revenues started to decline, and maintenance needs increased. Over the next decade, the City operated under a financial strategy that leveraged cash balances to mitigate the impact of the recession on residents and businesses. In 2015, it was determined this was unsustainable and City Council implemented the cash reserve principle.

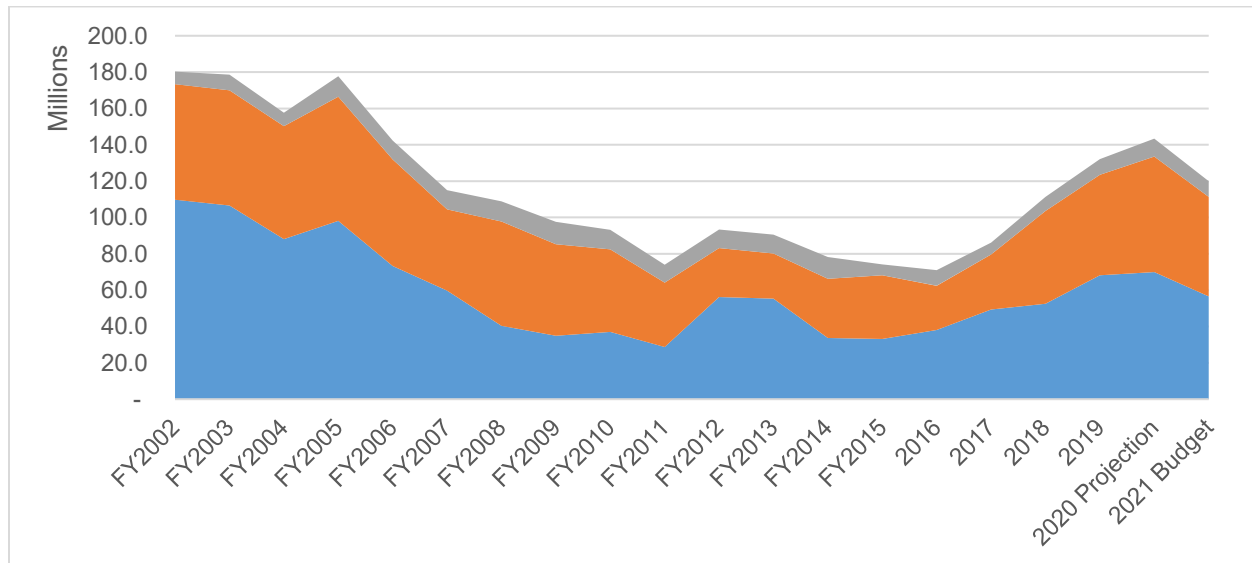
The intent of this long-term goal included reversing historical drawdowns of cash, protection against a potential downgrade of the City's AAA bond rating, and security in the event of financial



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hardship. The City ended 2019 with \$34.19 million in General Fund balance, approximately 27.9% of the 2019 actual general fund expenditures of \$122.24 million.

Staff continues to make strides towards cash stabilization through aligning costs of services with the appropriate revenue stream. The chart below indicates historical cash balances. The visible decline in 2021 cash balances on the chart is attributable to unfunded capital projects in the Water Fund, a portion of which will likely be funded through a bond issuance.



### Summary

Over the past five years, the City has strengthened its financial position by adhering to the financial principles put in place by Council in 2015. Over that period, the City has increased cash reserves and reduced debt while focusing on its high level of service delivery. Council's prior development of the financial principles and willingness to explore alternate financial options that were not envisioned at the beginning of 2020 has let the City develop a measured financial response, which has allowed the City to navigate the financial impacts of the COVID-19 pandemic far better than many municipalities.

A need to return to initiatives delayed by the pandemic in 2020, along with continuing to deliver on Naperville's core services, has resulted in a 2021 budget that continues Naperville's legacy of service excellence in a responsible fashion. Understanding that the pandemic's trajectory will continue to influence recovery on a national, state, and local level, the 2021 budget, while only spanning the course of one calendar year, was truly crafted with multi-year longevity and flexibility in mind. The 2021 budget responsibly sets the stage for future years of recovery and growth through initial allocations towards multi-year projects, understanding that these investments will require future resources and allocations to reasonably sustain them. Revenues are conservatively estimated in deference to the continued uncertainty around the pandemic. However, the 2021 budget also envisions a post-pandemic future where Naperville is poised to respond nimbly to the recovery and growth opportunities that await. The budget delivers on this mindset, as well as the three financial principles that continue to serve as guideposts even throughout the course of the pandemic.