

Services

People



The

2021

Annual Operating Budget and
Capital Improvement Program

Workshop #1 - October 26, 2020

Programs

Local Economy

Workshop Overview

- **2021 budget development overview**
 - Investing in Naperville
- **Budget Area of Focus #1 - Our Services**
 - Key investments and funding sources
- **Budget Area of Focus # 2 - Our People**
 - Key investments and funding sources





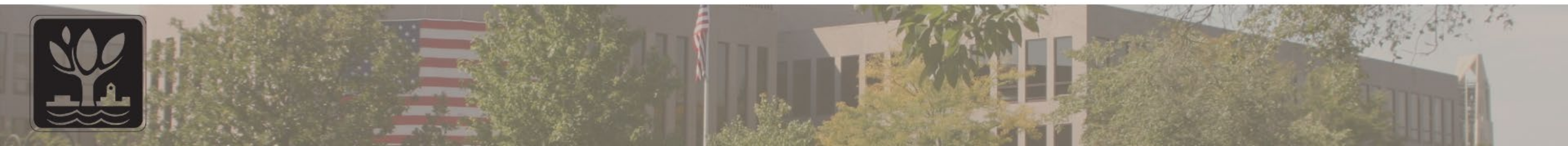
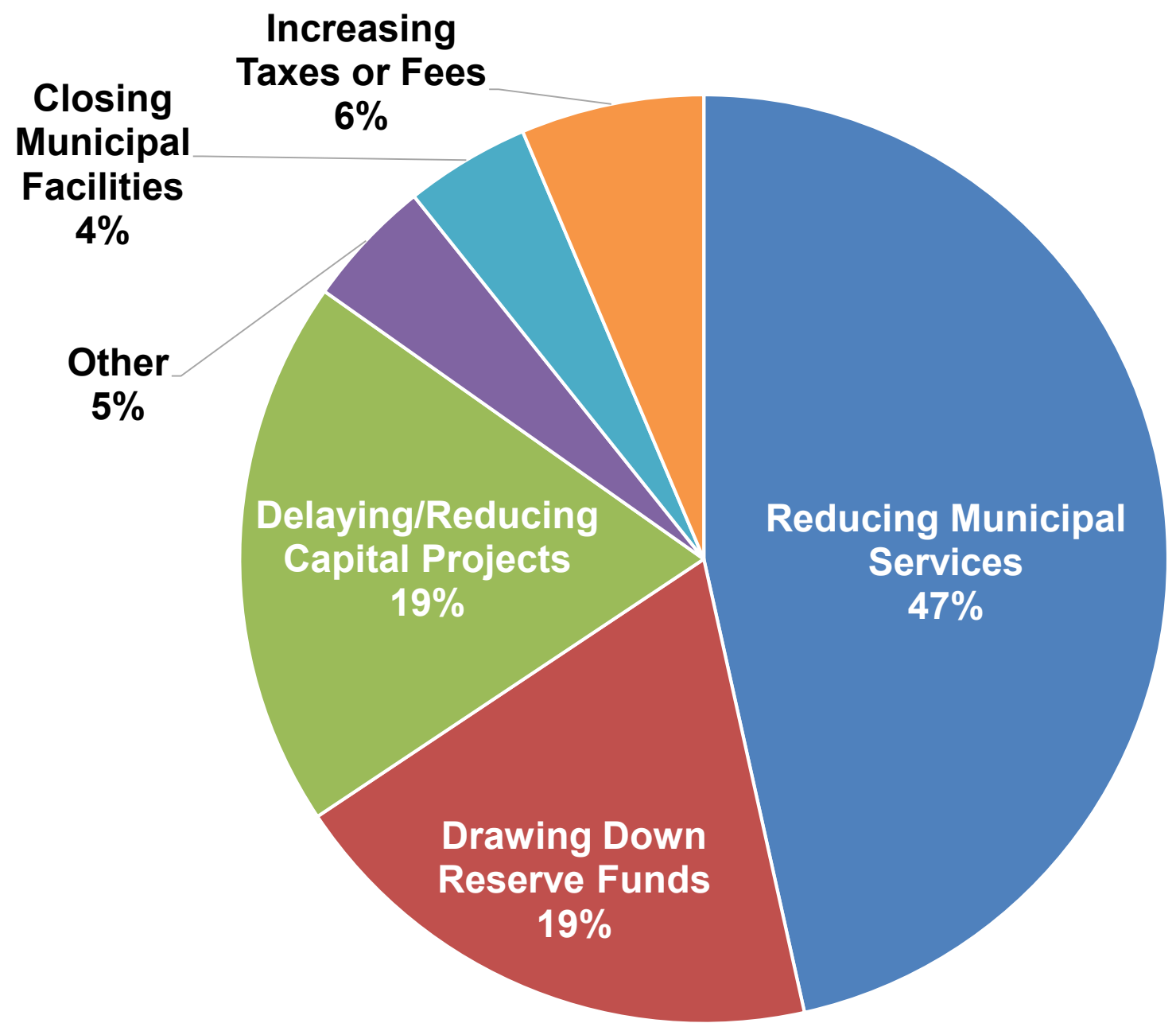
CITY OF NAPERVILLE MISSION STATEMENT

To provide services that ensure a high quality of life, sound fiscal management, and a dynamic business environment, while creating an inclusive community that values diversity.

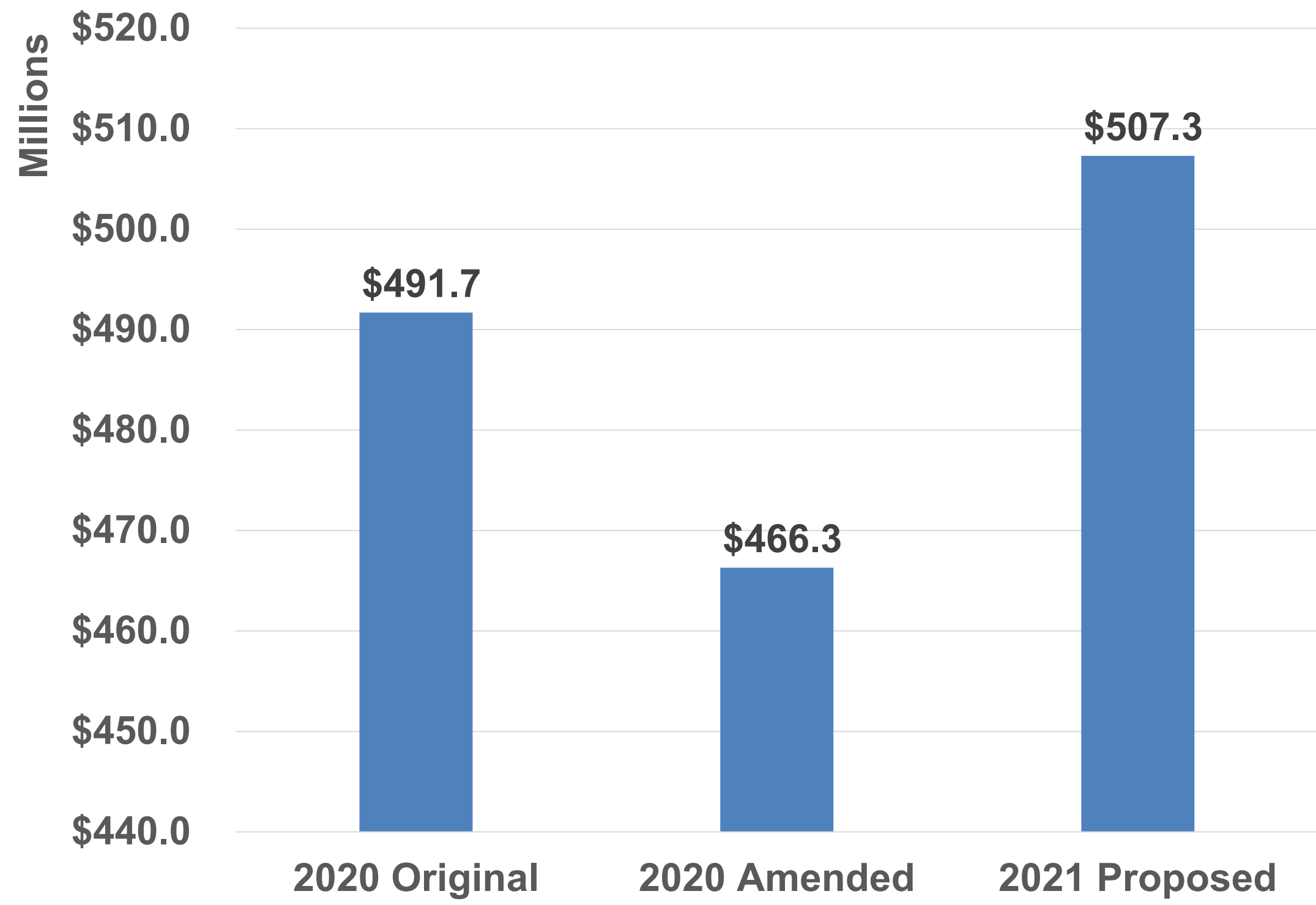
Naperville's Financial Response

- **Monthly analysis and reporting to Council**
 - Began May 2020; focus on revenues, expenses, areas of risk
- **Strategic discussions on financial philosophies**
 - Provided flexibility for service maintenance
 - Amended HRST, F&B tax use capabilities through 2021
- **City services maintained throughout 2020**
 - Certain services *enhanced* in response to pandemic
 - TED – electronic building permit applications, virtual building inspections
 - Finance/IT – online payment for certain taxes

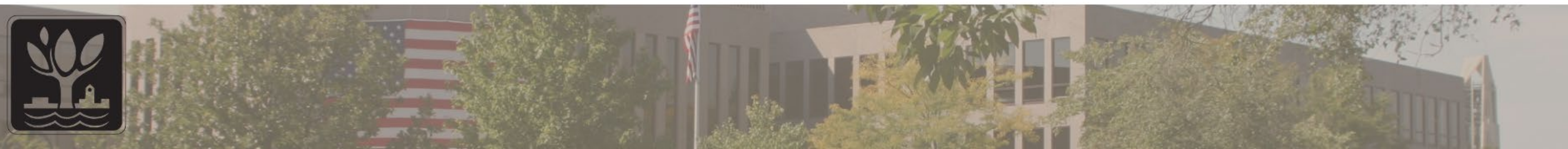
COVID-19 Municipal Responses July 2020 IML Survey



2021 Annual Budget and Capital Improvement Program



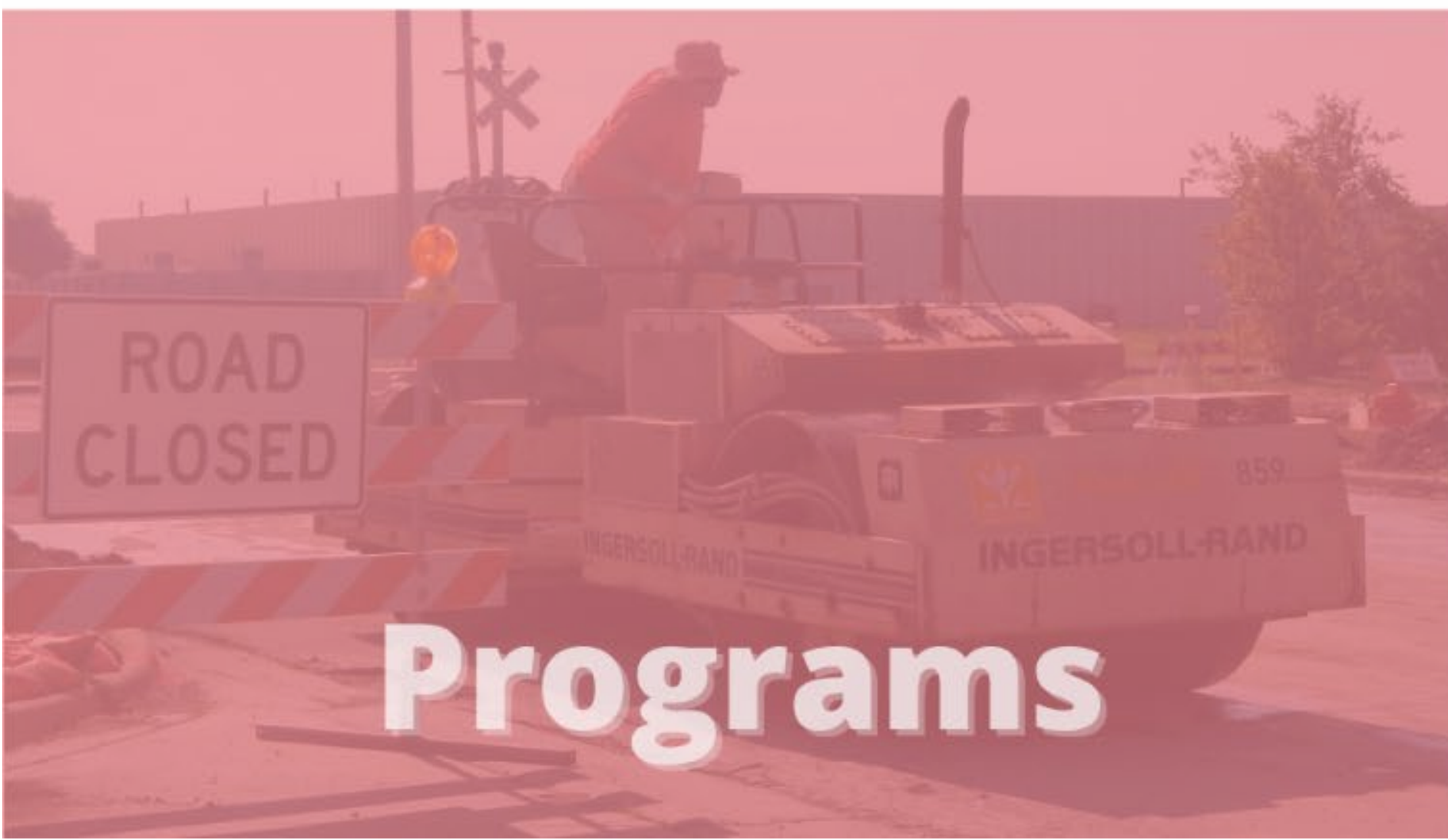
- **2021 budget: \$507.3 million**
 - 8.8% increase over 2020 amended budget
 - 3.2% increase over 2020 original budget
 - Increase centered around capital expenses, wages, pensions, and healthcare
- **Budget Development**
 - Department level requests – August
 - Finance Department review – September
 - Removed \$524K
 - City Manager’s Office Review - September
 - Removed \$4.36M



Road to Recovery

Continuation of Efforts

- Delayed initiatives moving forward in 2021
 - Community engagement and strategic visioning: \$85K
 - Next Gen 9-1-1: \$324K
 - Downtown Streetscape: \$3.2M
- Current climate makes long-term planning even more critical
- Budget includes initial funding for projects that will require future year investment
 - Research/policy development to launch body worn camera program: \$167K
 - Diversity, Equity & Inclusion Manager and startup for DEI program: \$115K
 - Ongoing ERP and Cityworks implementation: \$1.36M





Services

2020 Accomplishments

Pandemic Response

MULTI-DEPARTMENTAL EFFORT

- Support Services (internal departments) provided critical backbone for operational departments during pandemic
 - IT – increased use of virtual services
 - Communications – pandemic-related communications
 - Legal – executive orders
 - HR – facilitated virtual recruitment efforts

Continued Service Efforts

- **Police** – CALEA reaccreditation, enhanced officer training/equipment for DUI due to cannabis legalization
- **Fire** – sixth ambulance implementation, leveraging federal funds to recover the cost of EMS services (GEMT), community risk reduction initiatives
- **Finance** – facilitate online invoice payment and local tax payment, online utility bill payment plans
- **TED** – electronic plan submittal

Performance Indicators - Fire

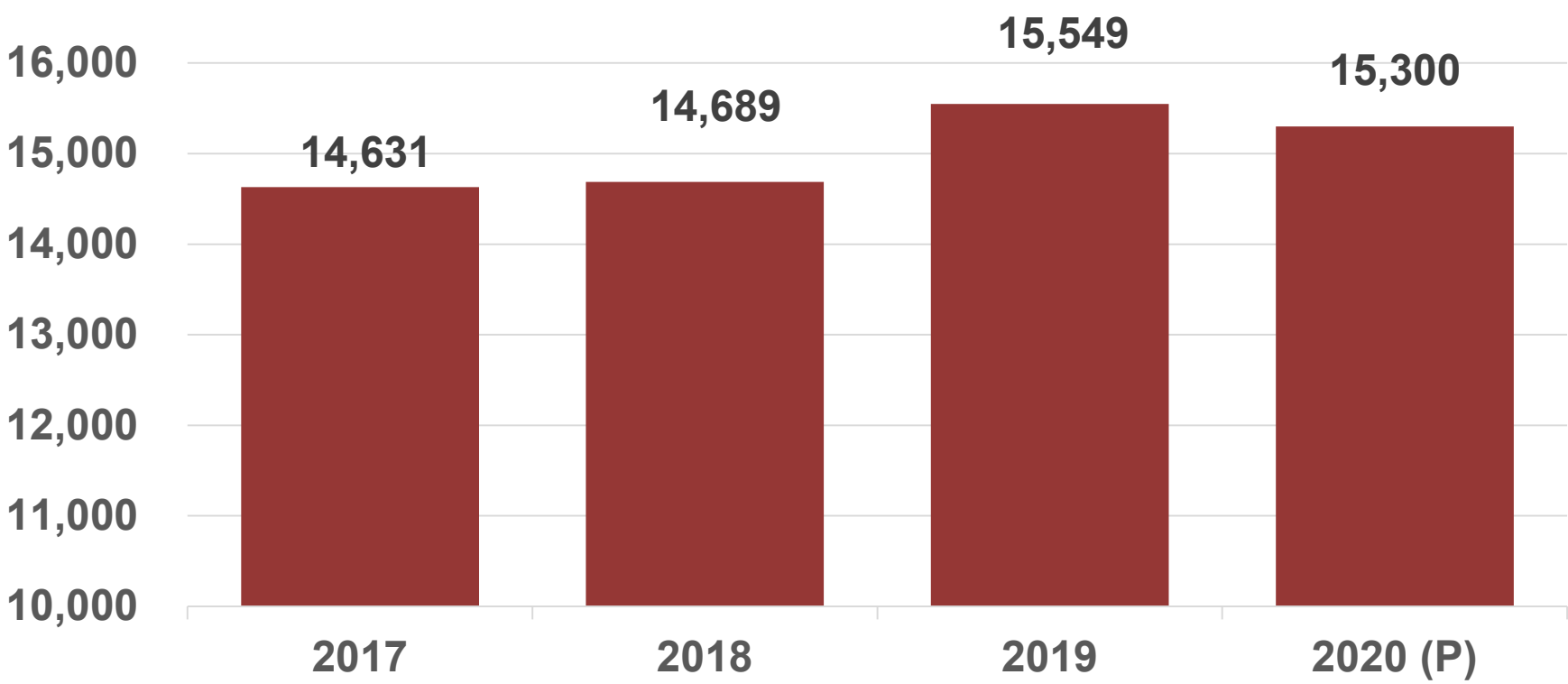
- Continued on-time emergency response to incidents and calls for services throughout pandemic
- Call volume expected to return to normal and possibly increase in 2021

Call Volume & Response

CALL RESPONSE WITHIN 6 MINUTES

2018	2019	2020
85.7%	86.1%	85.0%

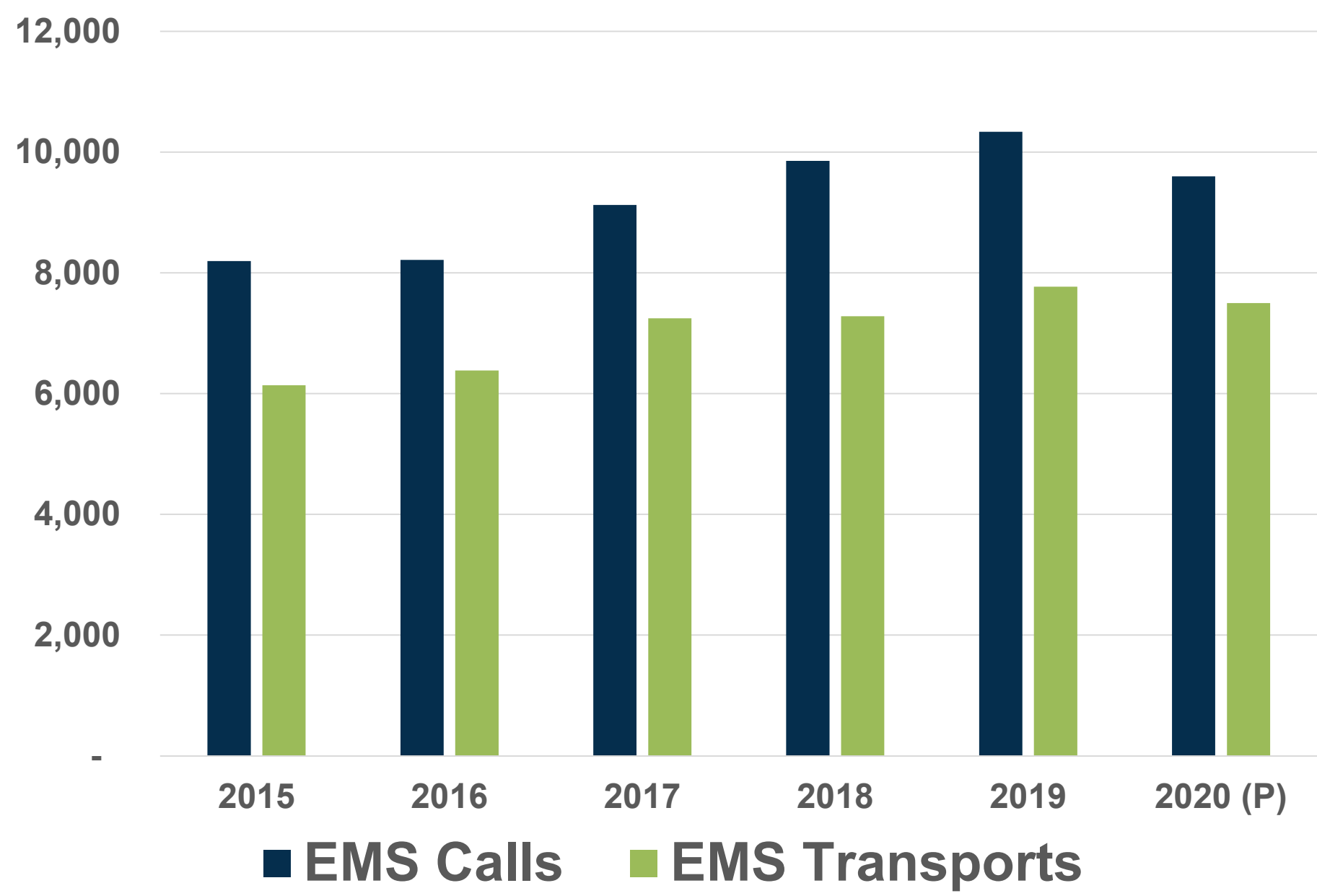
Fire/EMS Call Volume



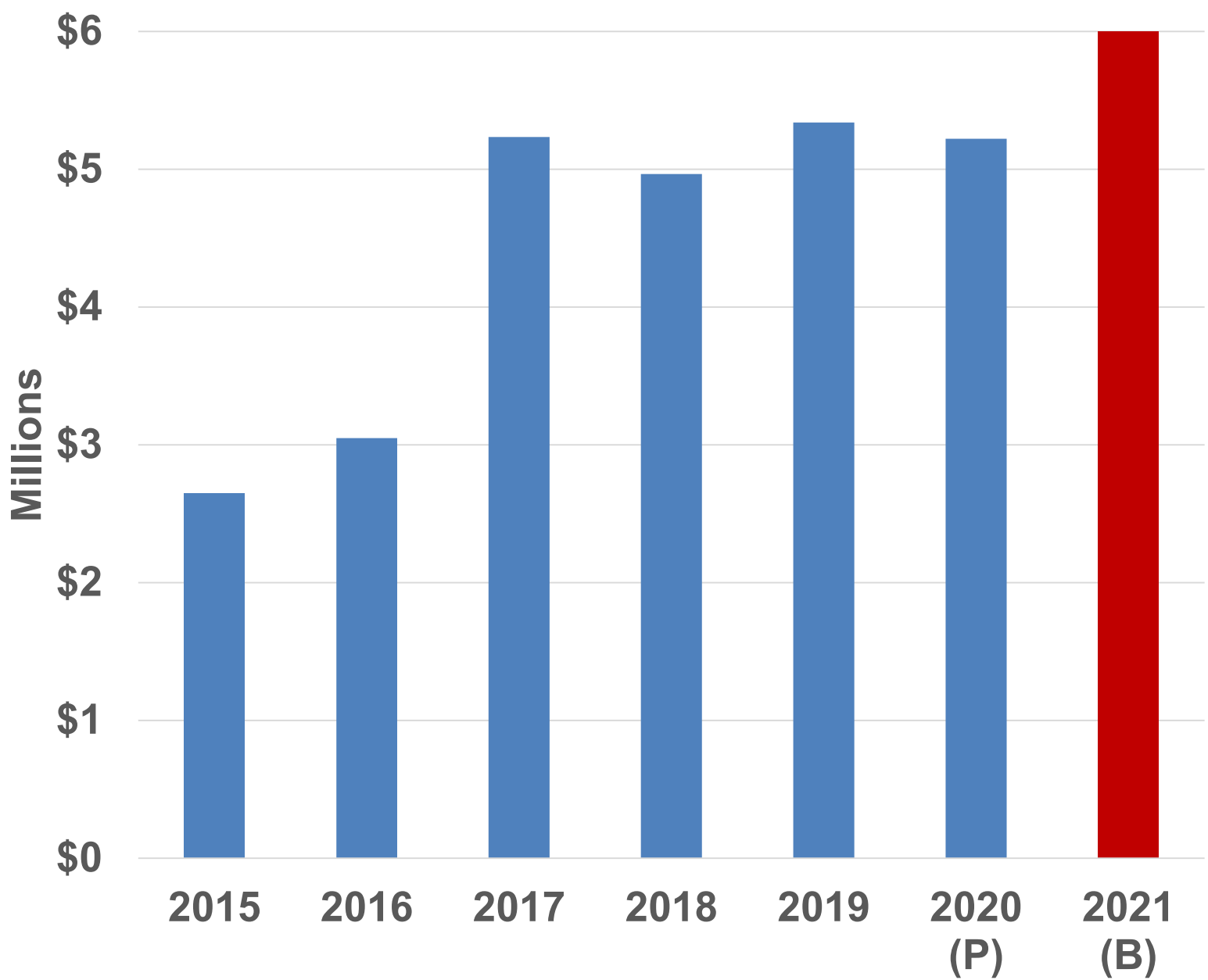
Services

Ambulance Billing Fee

Annual EMS Calls



Ambulance Fees



- 2020 projected: \$5.22M
- 2021 budget: \$6.0M
- Continued alignment of cost to service provided
- Second year of GEMT collections

Services

Strategic Response Unit

- 4-person patrol unit
 - Emphasis on traffic enforcement in 2020
- Generated numerous arrests:
 - Narcotics, warrants, DUIs, alcohol, child endangerment
- Continued use of crime analytics to identify targeted areas to address
- Increased communication and public education to targeted areas, including HOAs and hotels/motels

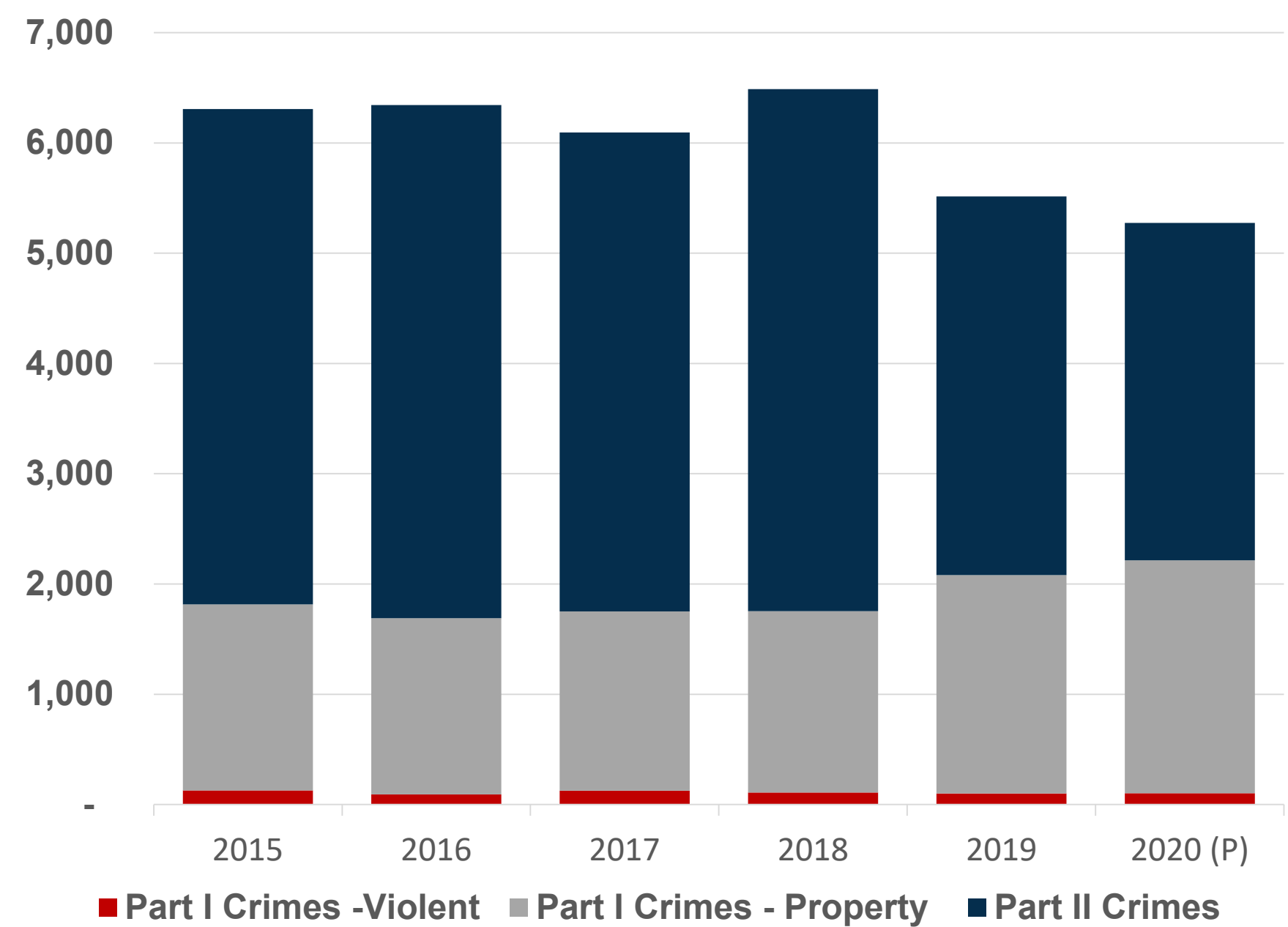
SRU Activity Since July 2020



Services

Performance Indicators - Police

Crime Statistics

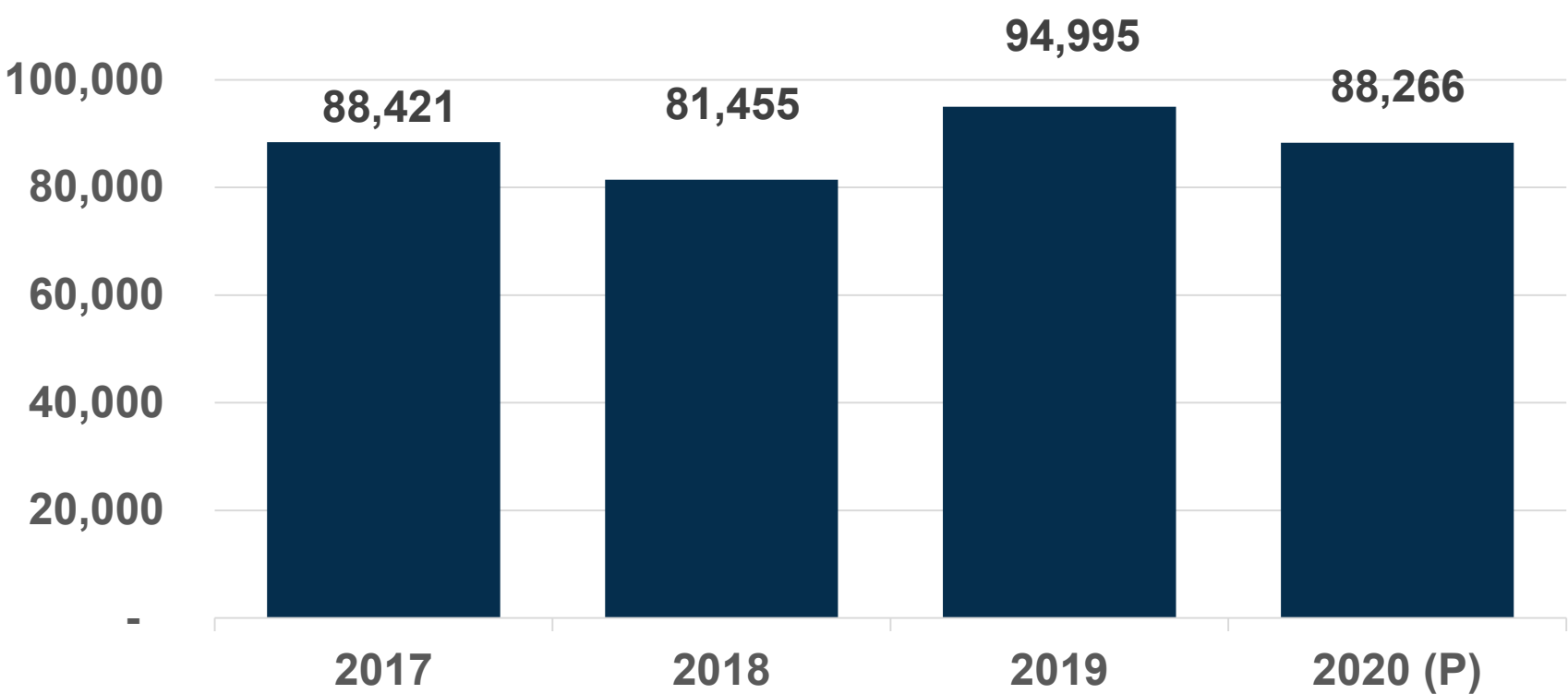


Call Volume & Response

CALL RESPONSE UNDER 5 MINUTES

2018	2019	2020
65%	62%	64%

Police/911 Call Volume

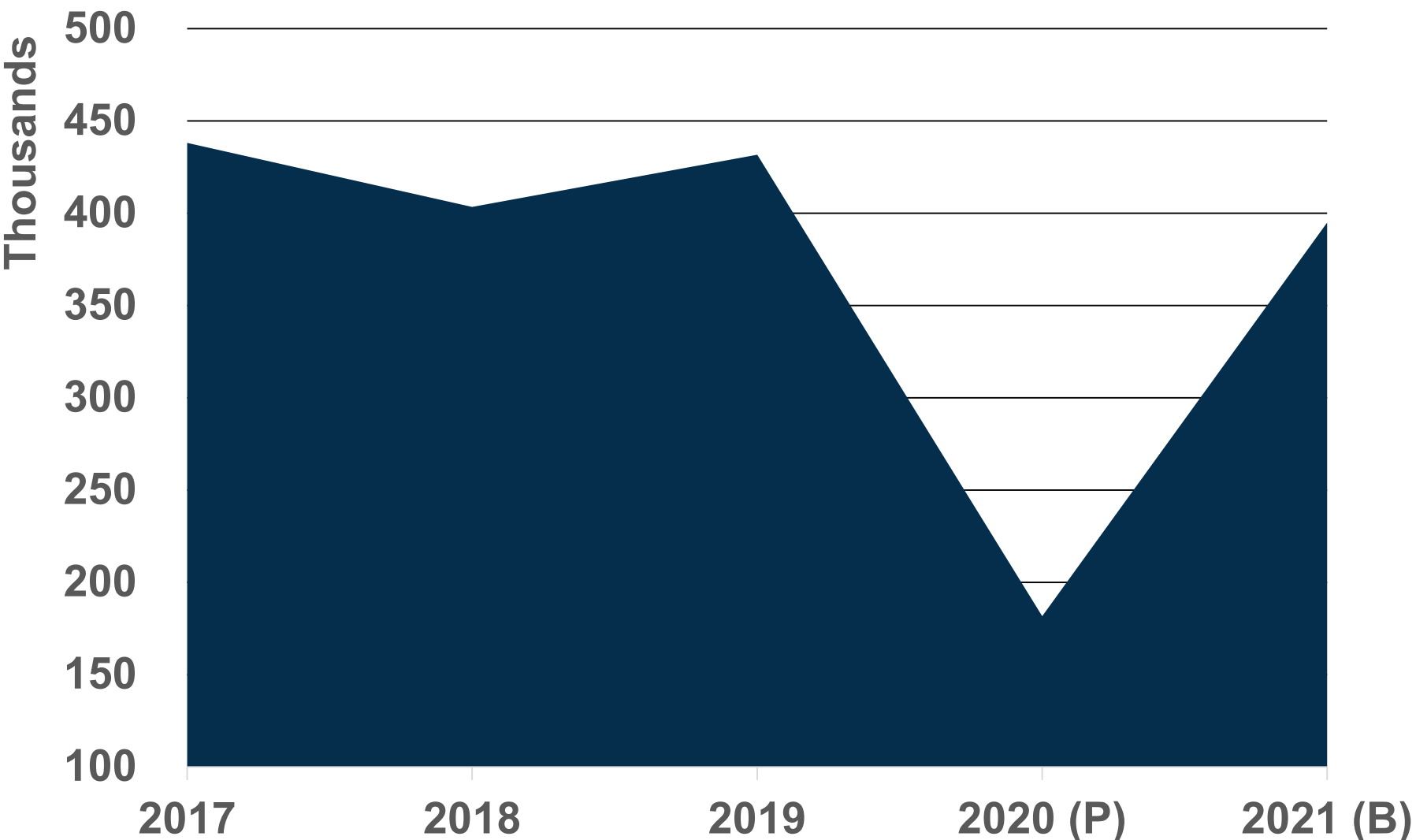


- Consistently ranked among the nation's safest cities
- Internationally accredited department
- Utilizing call for services and crime data for strategic deployment of resources

Services

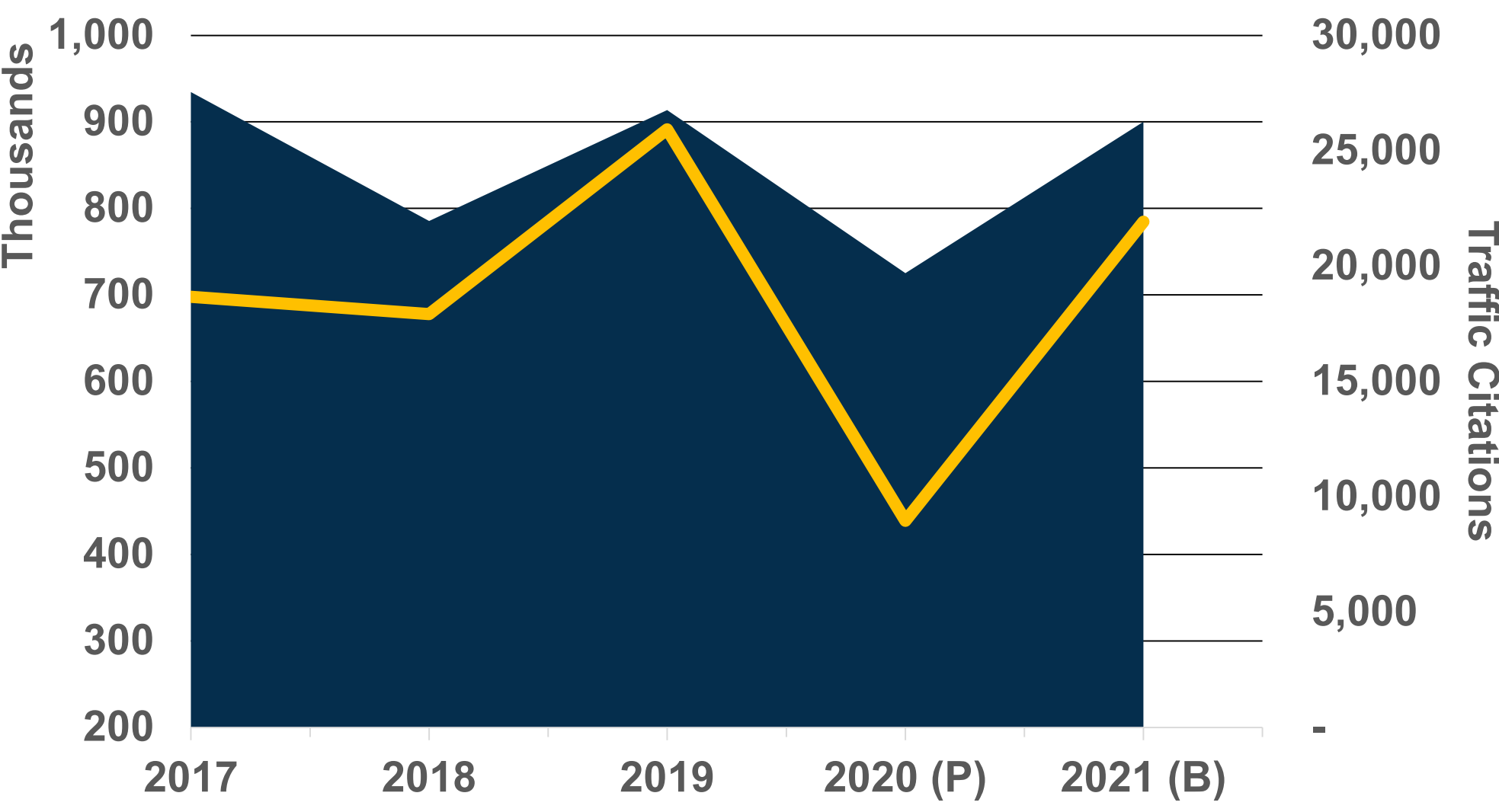
Public Safety Fines & Fees

Parking Fines



2020 projection: \$181K
2021 budgeted: \$395K

Traffic Fines



2020 projection: \$725K
2021 budgeted: \$900K

- Fines vary based on violation
- COVID-related decline in 2020; lesser decline in 2021
- Enforcement is not revenue-driven

Services

2021 Key Initiatives

- **Relocate City Dispatch to Municipal Center:\$50K**
 - Housed in Finance Department
 - Precursor to customer service call center
- **CAD Upgrade Professional Services: \$200K**
 - Necessary to begin upgrade of system at Police Department

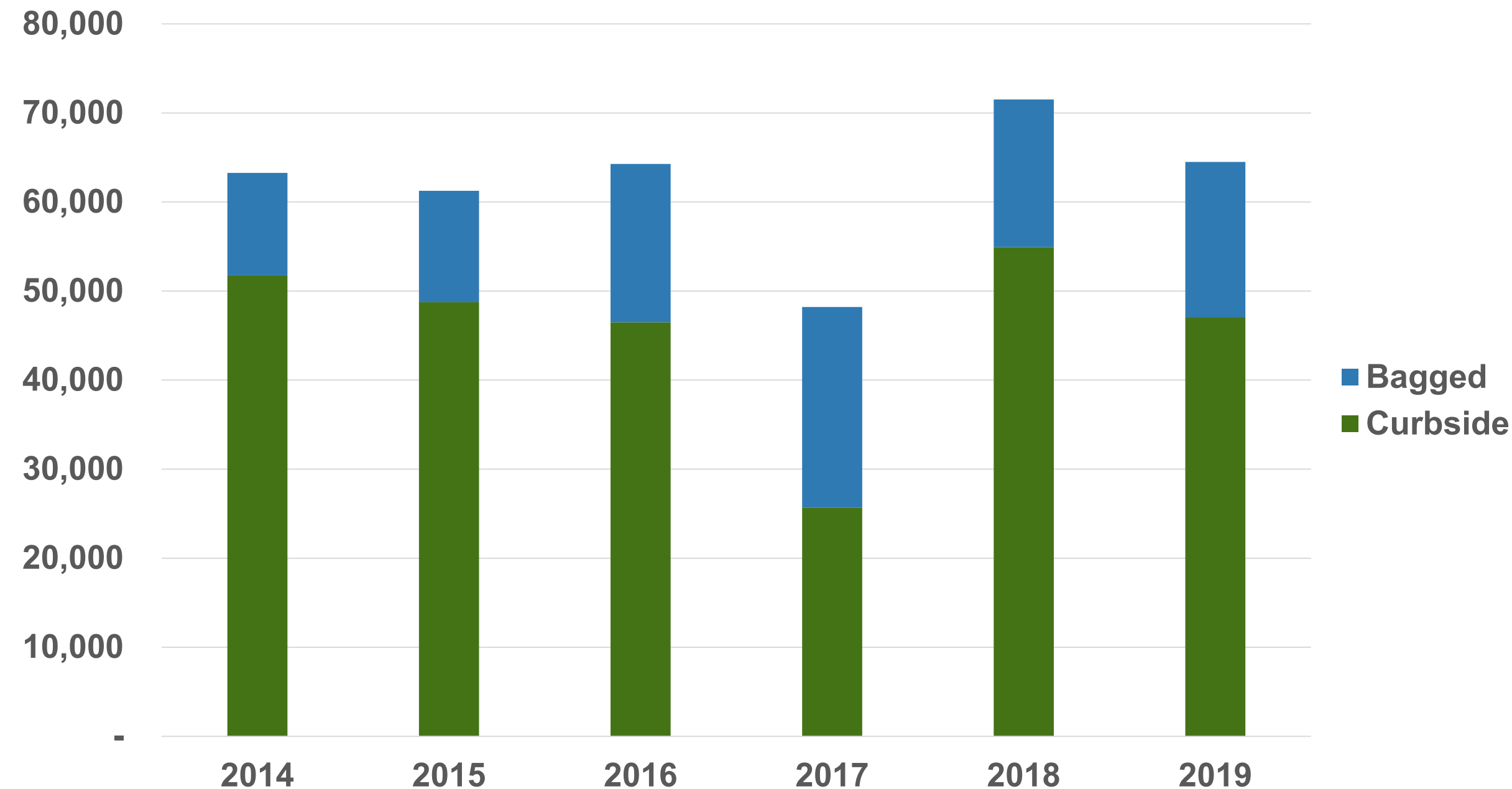


- Actively participate in local and national discussions on police reform
- Continue training programs on implicit/explicit bias, crisis intervention, and de-escalation tactics
- Follow up on Community Risk Reduction initiatives such as reducing calls associated with preventable risks in the senior population

Leaf Collection Program

- 2020 budget: \$1.53 million
- 2021 budget: \$1.73 million, 7.6% increase
- Incremental cost increases for labor, disposal, and equipment replacement

Leaves Collected (Cubic Yards)

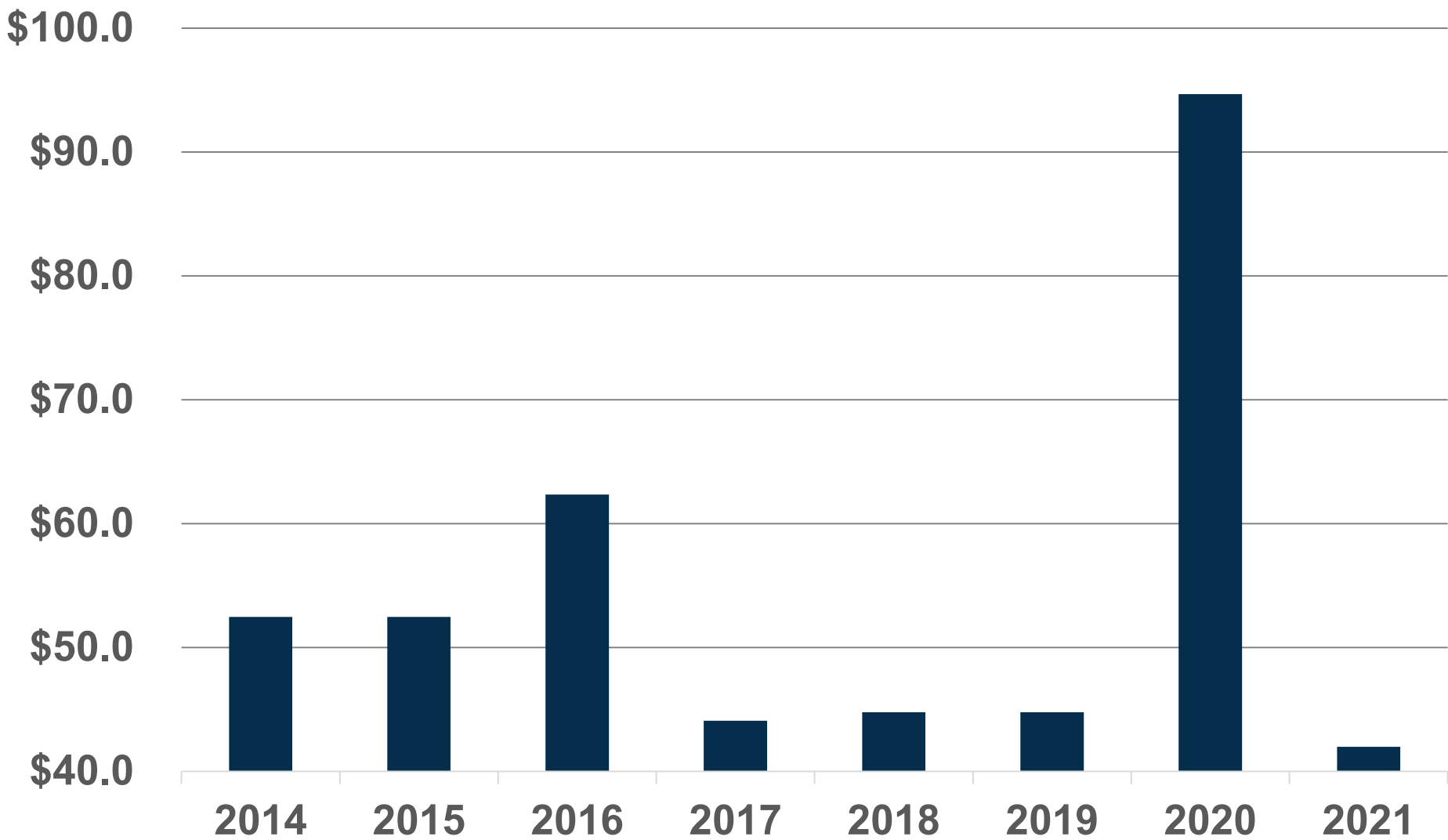


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Winter Operations

	Winter 17-18	Winter 18-19	Winter 19-20	10-Year Average
Plow Events	18	8	6	14
De-Icing Events	21	25	10	20
Snowfall (Inches)	37.34	36.35	24.47	35
Tons of Salt	14,134	14,223	8,607	14,000

Historical Salt Price per Ton

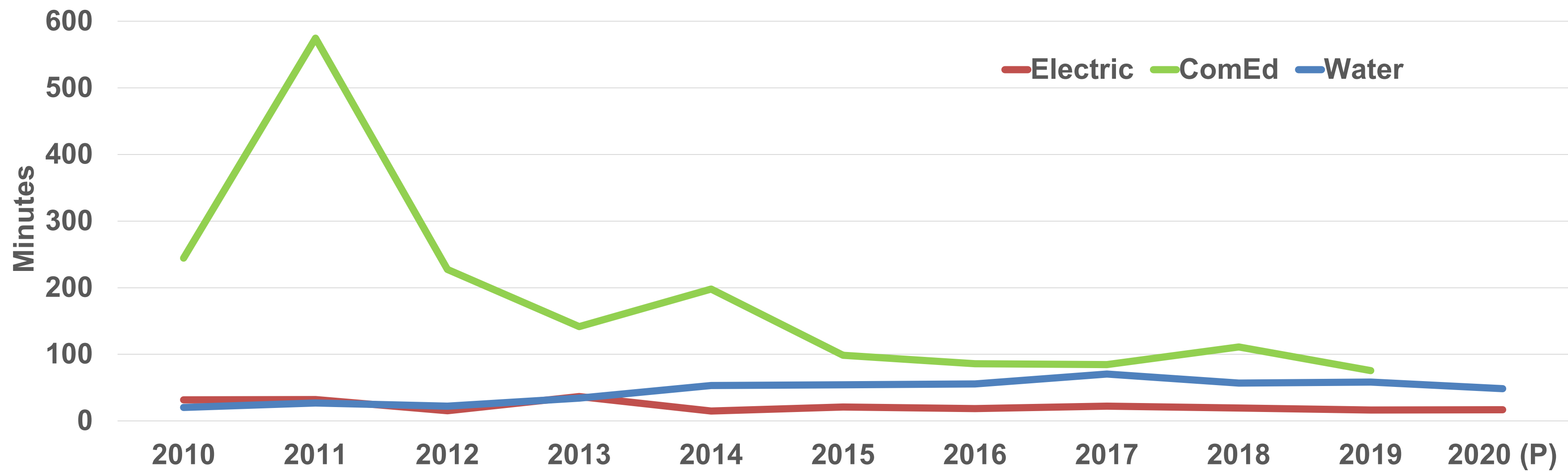


- Salt prices down after 111% spike in 2020
 - 2020: \$94.67 per ton
 - 2021: \$41.98 per ton
- Total budget reduced \$606,752

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Public Utilities' Performance

System Reliability



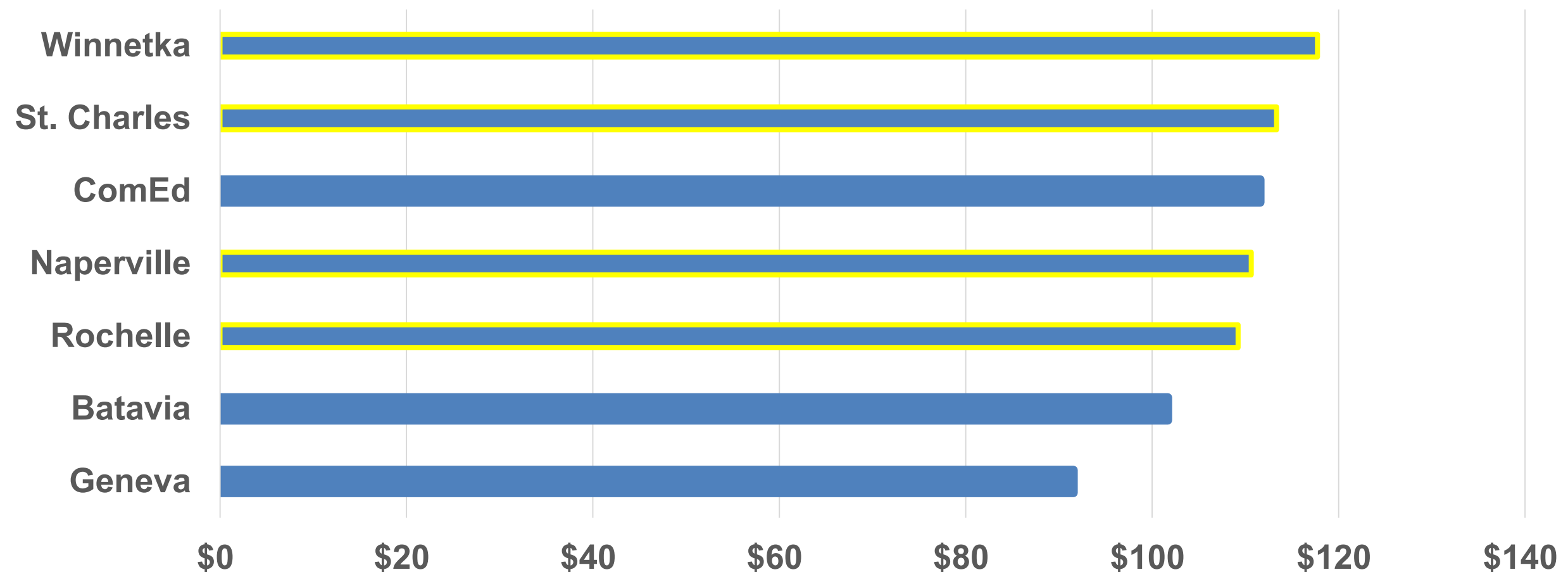
- SAIDI index: system reliability measure
- Average number of minutes that a customer is without service
- Electric Utility: met developer/customer timelines during pandemic, provided customer focused systems (Empower dashboard)

Services

Electric Utility Rate Study

- 2021 last year on existing 2018 rate study: 2% decrease
- IMEA projecting purchased power 7.9% higher than 2018 rate study estimate
 - Purchased Power Adjustment (PPA) will account for variations between rate/actual electric costs
- New rate study: \$100K
 - Spans next three years
 - Ensures rates support operation, maintenance, and capital re-investment

Average Electric Utility Charge



Services

Water and Wastewater Utility

- Purchased water totaled \$20.70M through September, nearly identical to 2018
- Transitioning to AMI system
 - Will be discussed in second workshop
- Voluntary Lead Line Replacement Program
 - 50 lines removed since 2016
 - \$131K in total rebates issued to customers
 - 344 remain in service

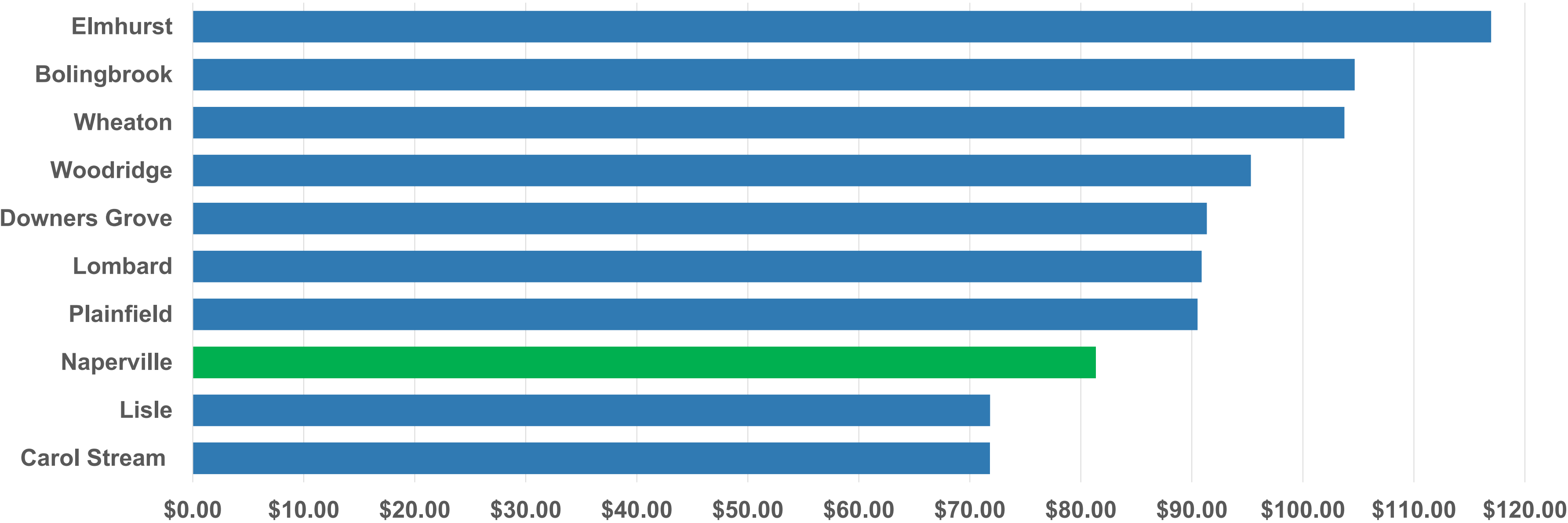
	Gallons Purchased (1,000)	Water Purchased (\$) millions
2015	5.17	\$24.80
2016	5.28	\$25.42
2017	5.44	\$26.44
2018	5.36	\$26.37
2019	4.93	\$24.46
2020 (P)	5.14	\$25.55
2021 (B)	5.21	\$25.91



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Water Utility Rate Study

Average Monthly Water/Wastewater Charge



- Low rates compared to local communities on Lake Michigan water
- New rate study: \$94K
 - Three-year rate structure begins in 2022

Services

Support Services

- Essential components to operational services
- \$2.68M increase, 12.2%
 - IT resources shifting from capital to maintenance: \$884K
 - Two positions reallocated from Electric

Finance

City Clerk

City Manager's Office – Communications

Legal

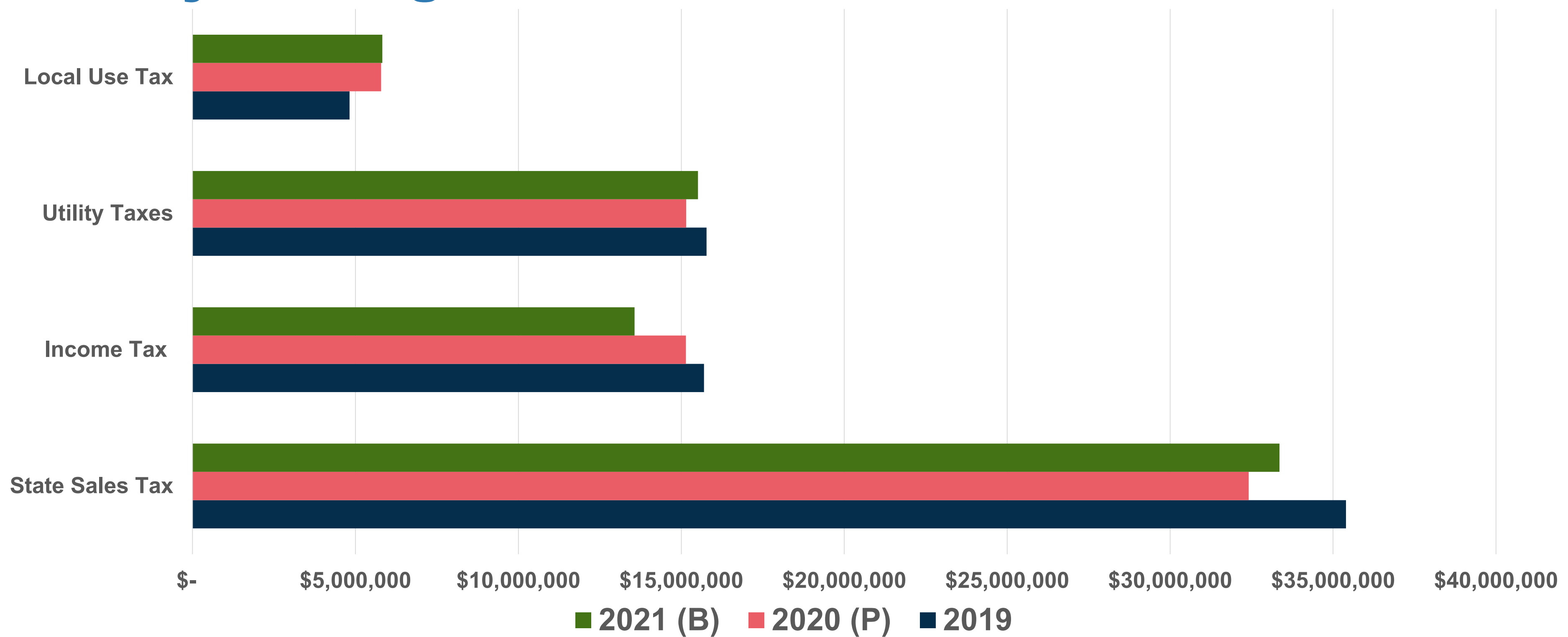
Human Resources

Information Technology



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Primary Funding Sources

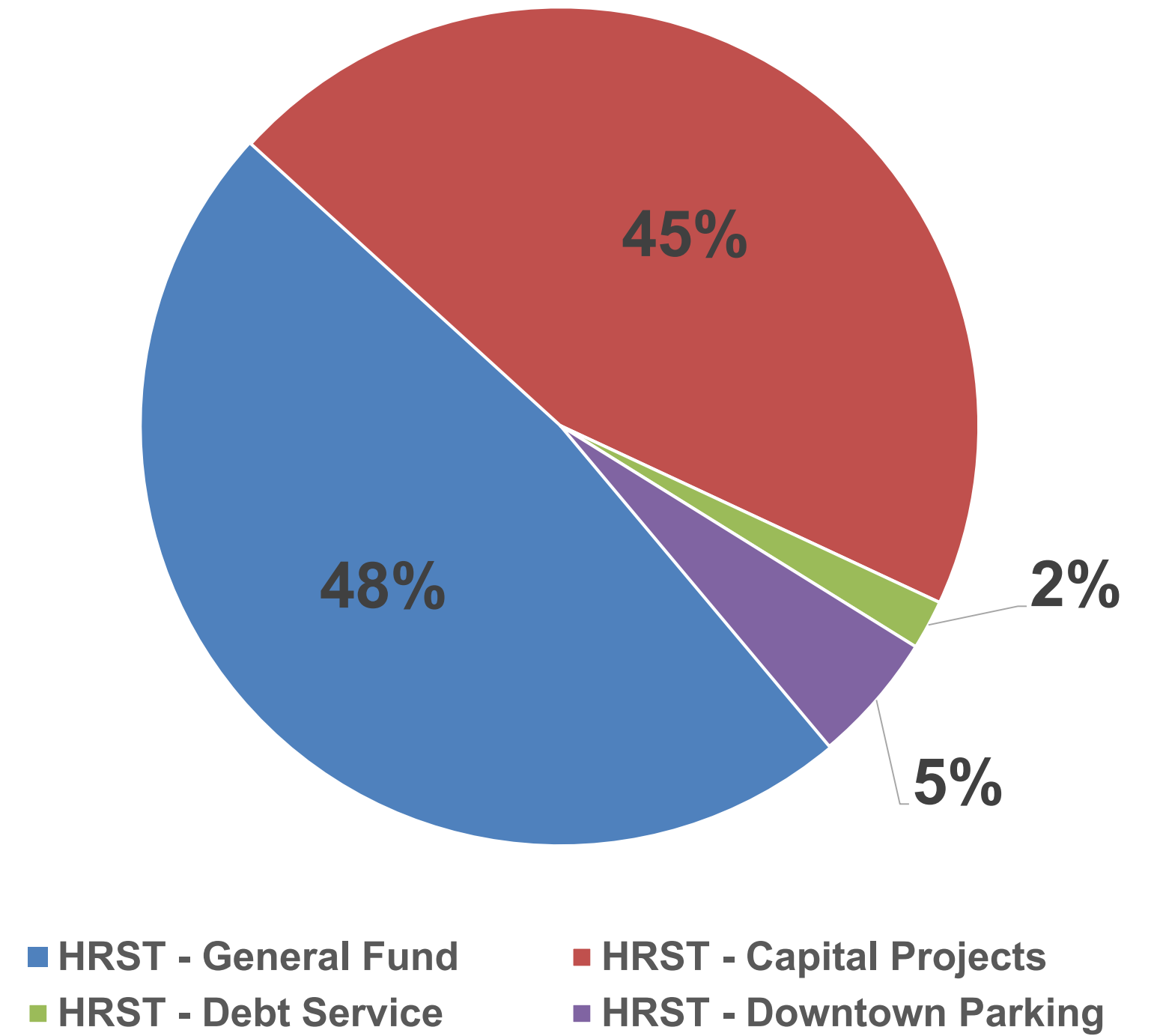


- Local Use Tax: \$5.82 million, 26% increase
- Utility Taxes: \$15.51M, 2% decrease
- Income Tax: \$13.57M, 10% decrease
- State Sales Tax: \$33.36M, 7% decrease

Services

Home Rule Sales Tax

- 2021 Estimate - \$13.0M
 - 6.8% decrease from 2020 budget
 - Location-based taxation of online purchases
- \$6.25M allocated to General Fund in 2021
 - Temporary removal of use restrictions



Services

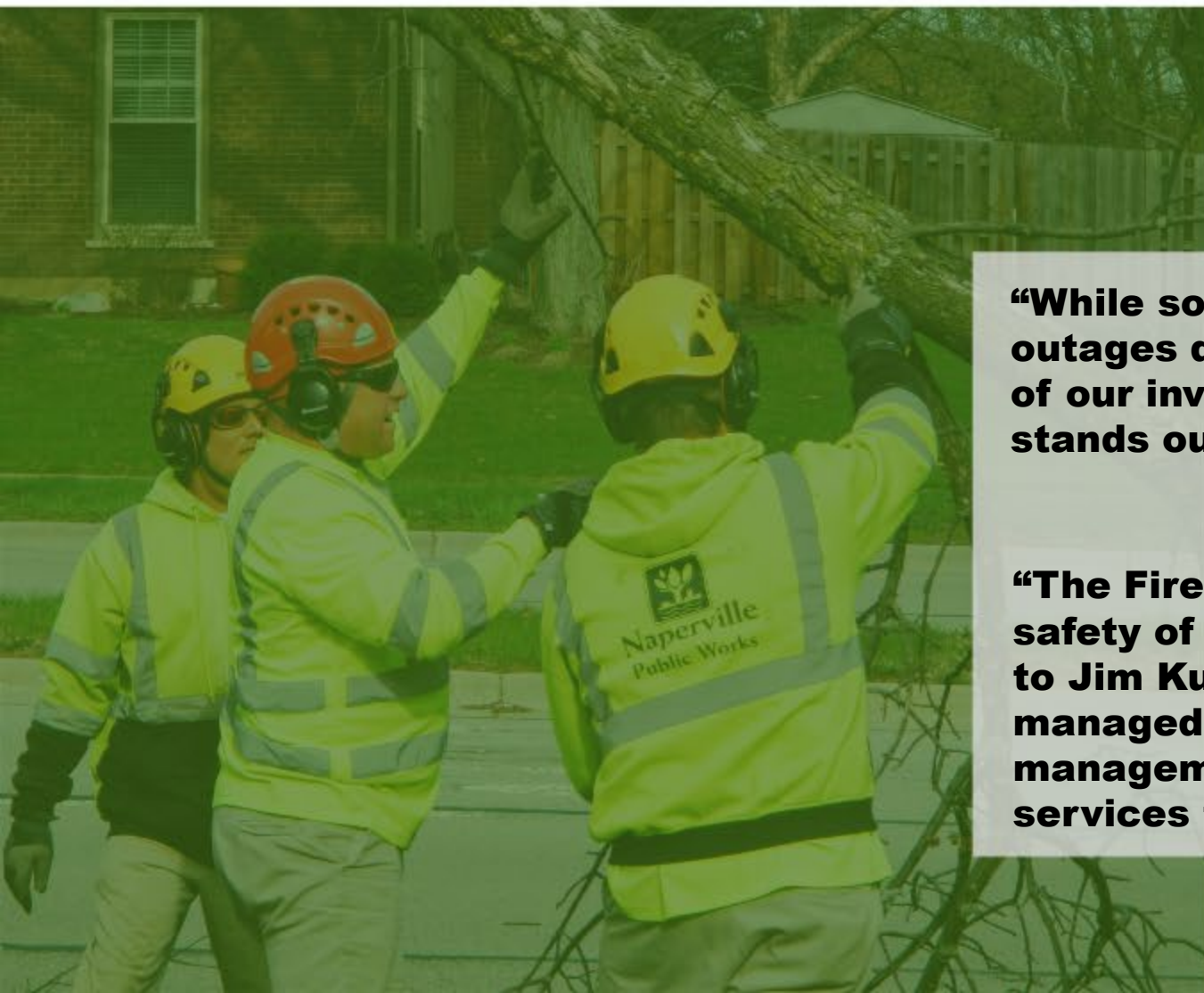


People



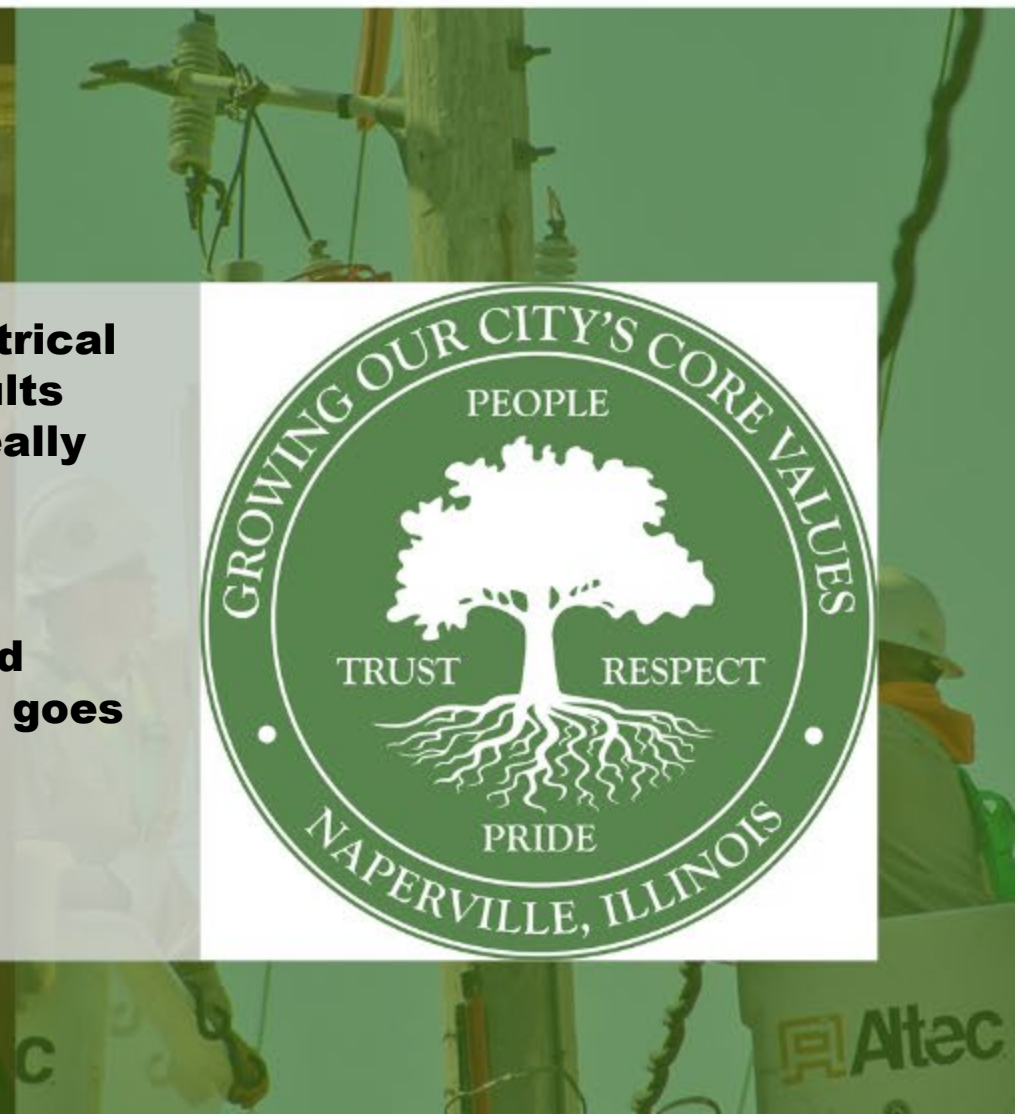
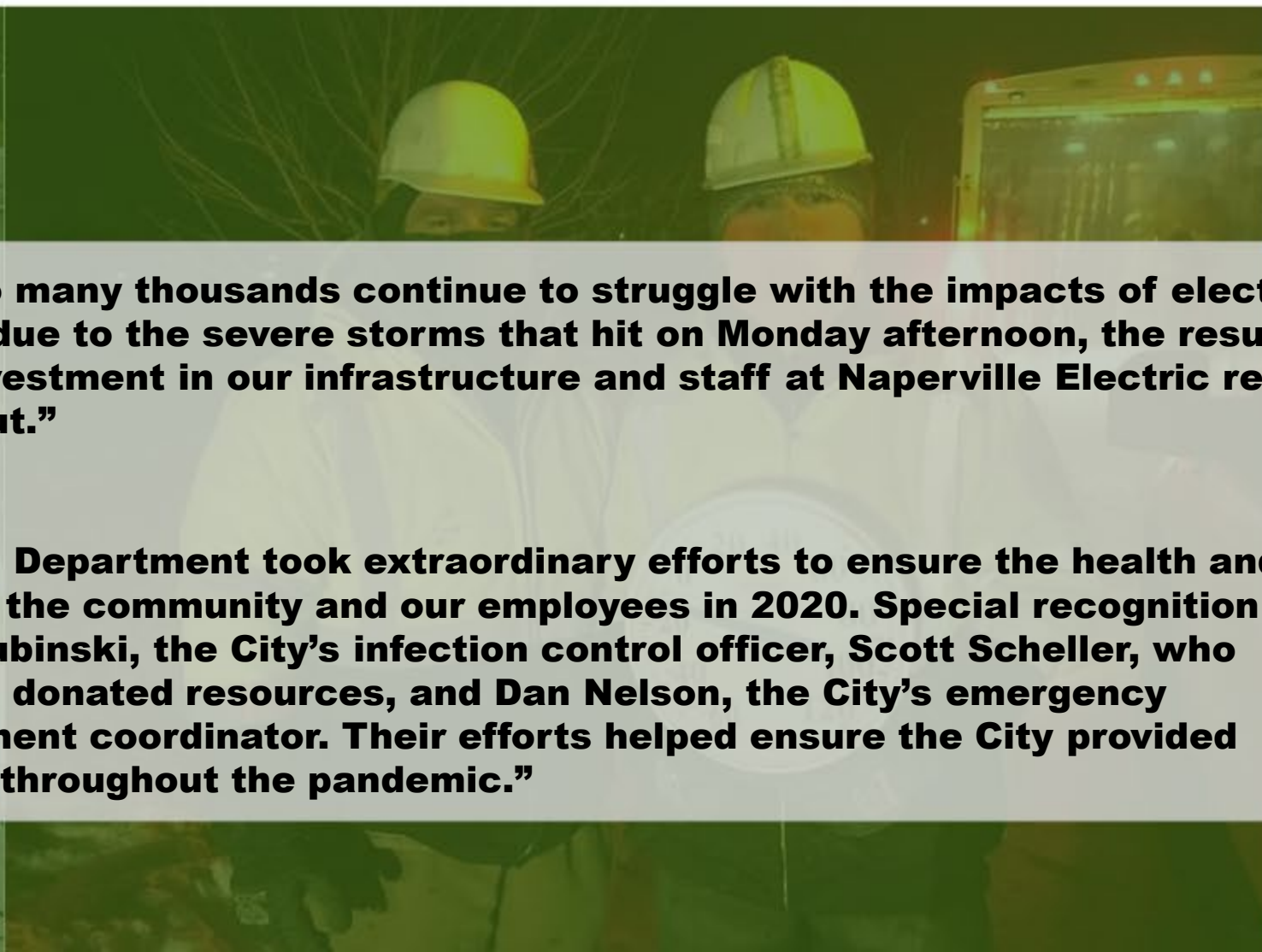
“I’m writing to express how grateful we are for the Police Department’s service. You are important and treasured. You give us confidence that we are safe, and you will always be there and stand by during the best and worst of times. Our heartfelt appreciation to your hard work and devotion. You have a hard job. We are thankful and notice.”

“Thank you for the outstanding service provided by the Water Department team. Chad visited an elderly neighbor’s home to evaluate concerns regarding water usage and was very patient, polite and professional.”



“While so many thousands continue to struggle with the impacts of electrical outages due to the severe storms that hit on Monday afternoon, the results of our investment in our infrastructure and staff at Naperville Electric really stands out.”

“The Fire Department took extraordinary efforts to ensure the health and safety of the community and our employees in 2020. Special recognition goes to Jim Kubinski, the City’s infection control officer, Scott Scheller, who managed donated resources, and Dan Nelson, the City’s emergency management coordinator. Their efforts helped ensure the City provided services throughout the pandemic.”



2020 Accomplishments

Navigated COVID-19 Environment

- Provided necessary equipment and training
- Transitioned employees to remote work
- Provided technology to remain effective

Recruitment

- Implemented lateral transfer process to supplement police hiring
- Utilized online resources to maintain HR recruitment and onboarding process

Collective Bargaining

- Finalized 5-year agreement with IAFF

Training

- Continued focus on mental health training
 - Increased CIT trained first responders to 186
- Added focus on cyber security training

2021 Key Initiatives

Personnel

- **Establish Diversity, Equity & Inclusion Program**
 - \$115K budgeted for approved DEI Manager and startup expenses

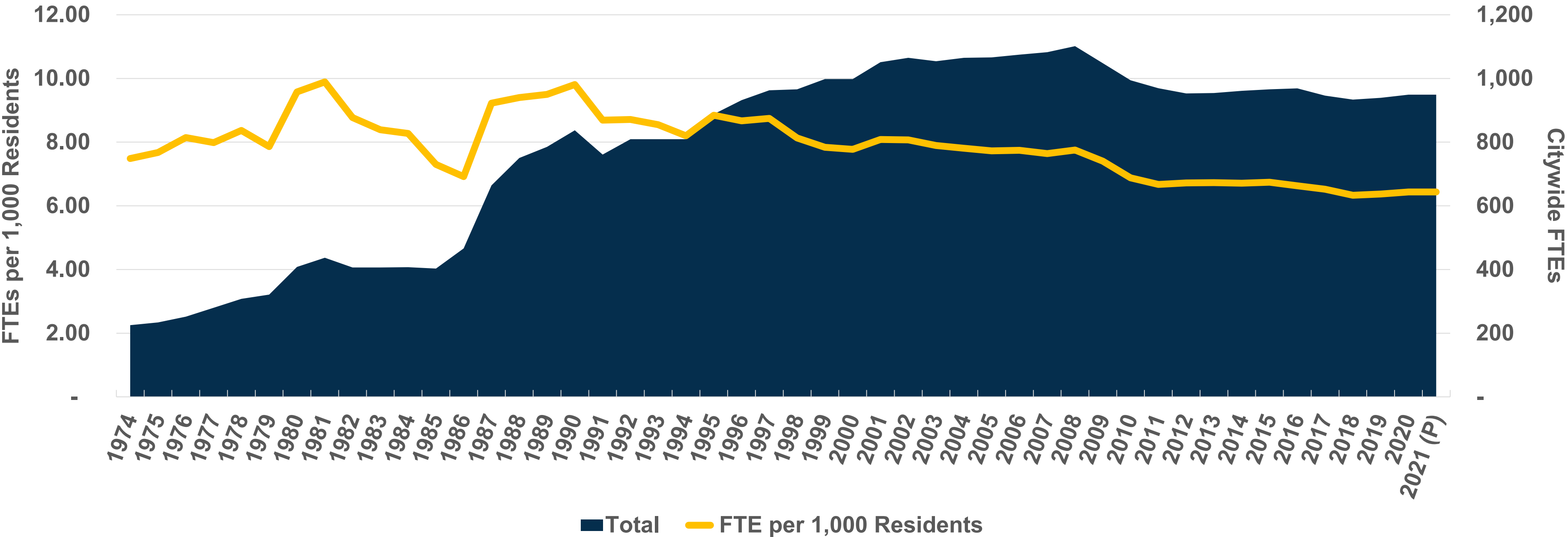
Training

- **Police Personnel Training: \$437K**
 - Due to increased costs resulting from changes to state reimbursement program
- Utilize Fire Academy to produce training programs to help offset operational costs
- Continue utilizing the Emerging Leadership Program to prepare future leaders of the organization

Citywide FTE History

- 1980s – 1990s: averaged 8.67 FTEs per 1,000 residents
- 2021: 6.44 FTEs per 1,000 residents

FTEs per 1,000 residents
remains at historic low



Personnel Costs

- \$2.47M increase across all funds
- Union increases according to contract
- Non-union merit pool increase of 2%
- **No new personnel requests included**

2021 Projected Market Salary Changes

Data Source	% Increase
Salary.com/CompAnalyst	2.6%
World at Work	2.9%
PublicSalary.com	2% – 3%
Willis Towers Watson	2.8%
City of Naperville (Non-Union)	2%

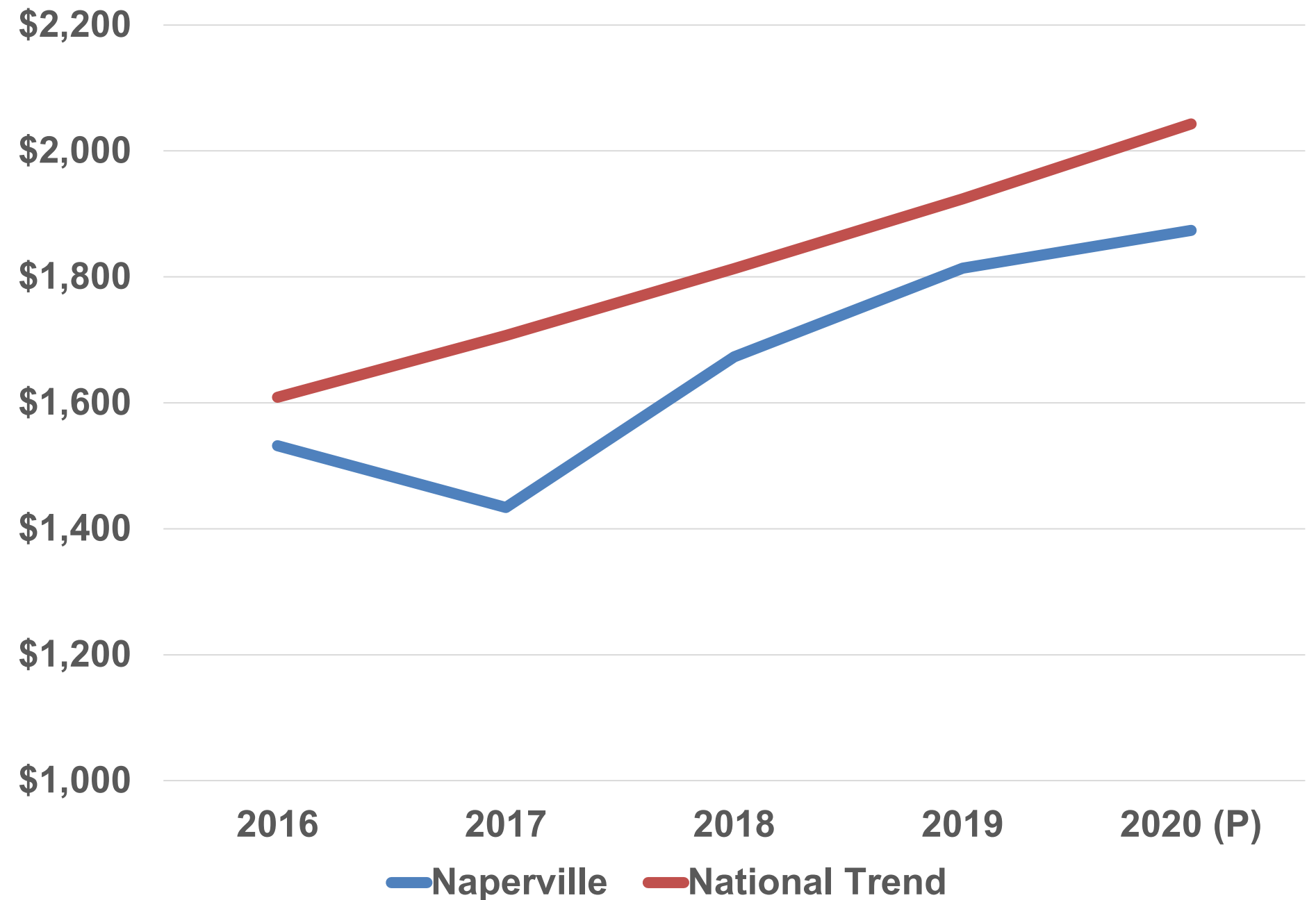


People

Healthcare Costs

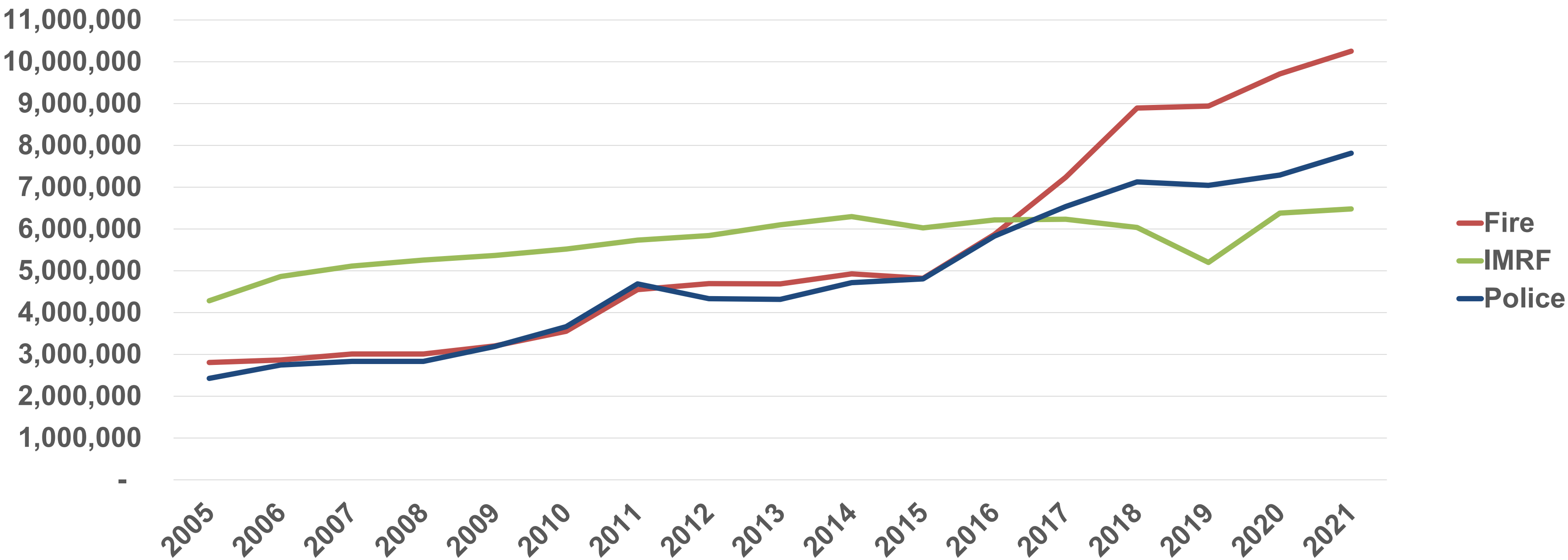
- Projected at \$19.65M in 2021
 - Premiums increasing 4.9% over current rates
 - Adjusted plan design to save projected \$437K
- Anticipating \$18.74M in total expenses in 2020
 - Down 4.6% from 2020 budget
- Overall medical expenses still projecting below national trends

**Healthcare Expenses
(Price Per Employee Per Month)**



People

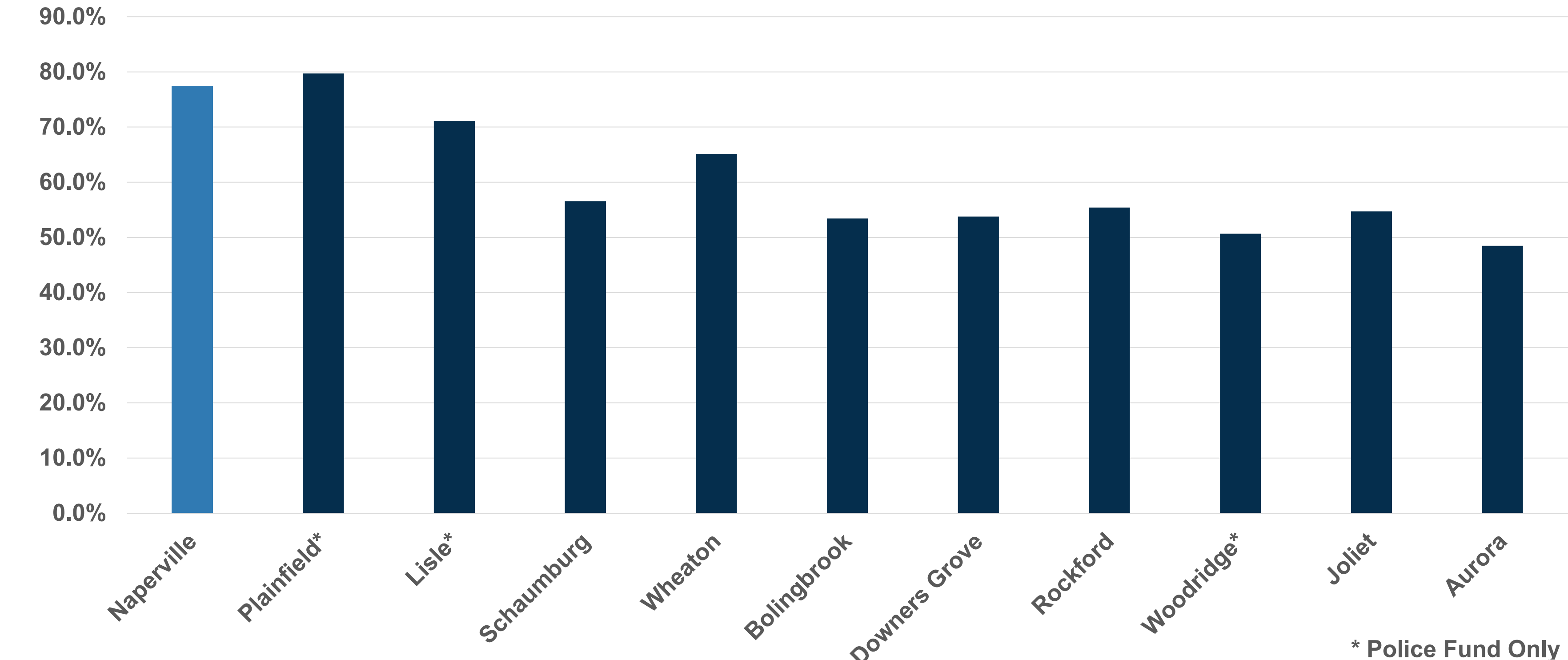
Annual Pension Contributions



- Fire contribution: \$10.26M, 5.6% increase
- Police contribution: \$7.81M, 7.2% increase
- 2021 IMRF contribution: \$6.48M, 1.2% increase

People

Comparable Communities

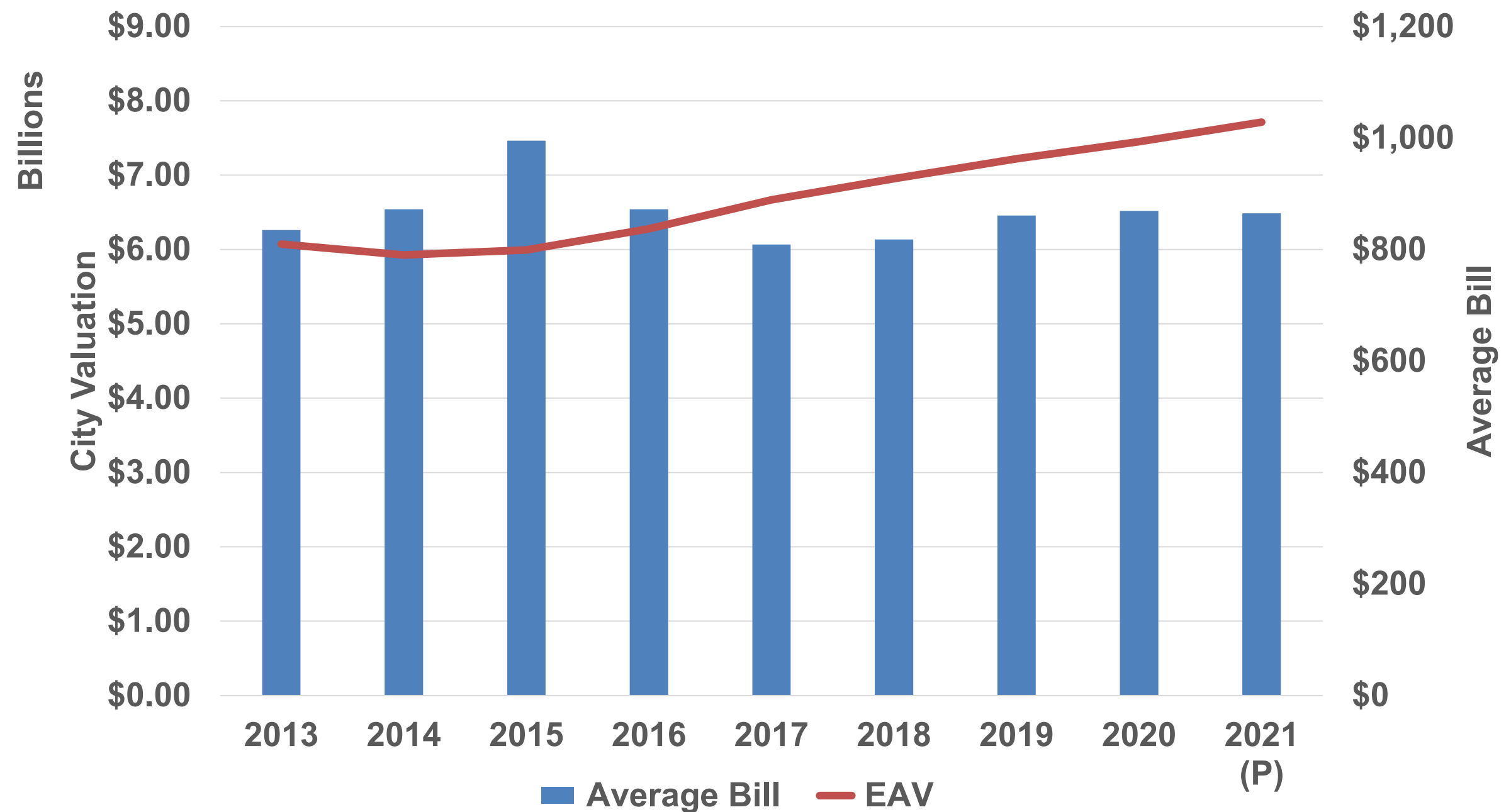


- Current funding levels: Fire – 75.8%; Police – 79.2%
- Combined Fire/Police pension funding at 77.4%
- Highest among comparable communities with both Fire and Police funds

People

Property Tax

- More than 55% funds pension contributions
- Levy includes \$19.8 million for Fire, Police & IMRF pensions
- Levy targets **flat rate** of 0.6871
- Full discussion of property tax takes place in third workshop



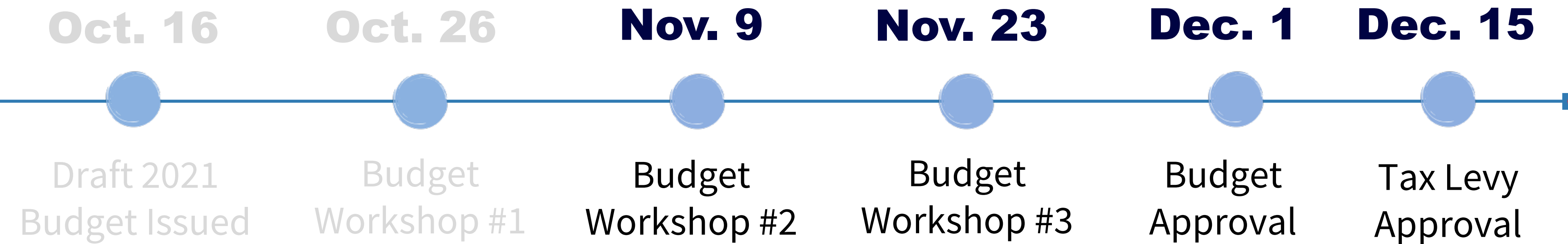
People

Next Workshop

- **Budget Area of Focus #3 – Our Programs**
 - Key investments and funding sources
- **Budget Area of Focus #4 - Our Local Economy**
 - Key investments and funding sources
- **Naperville Public Library**
- **Naper Settlement**



2021 Budget Timeline





Questions?

