

Legislation Text

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FINANCIAL ADVISORY BOARD AGENDA ITEM**ACTION REQUESTED:**

Receive the 2020 Annual Operating Budget

DEPARTMENT: Finance Department

SUBMITTED BY: Erik Hallgren, Budget Manager

BOARD/COMMISSION REVIEW:

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BACKGROUND:

Formal preparation for the budget began in August with departments developing and submitting their operating budget and capital improvement program (CIP) recommendations. Two rounds of reviews followed; first with the Finance Department and the other a cross-departmental review with the City Manager's Office. These assessments reviewed operational changes, discussed objectives and analyzed recommendations. All changes made during the review process were integrated into the proposed budget document.

There will be a series of budget workshops for City Council review the 2020 proposed budget submission:

- Workshop #1 - October 29
- Workshop #2 - November 18

Legal Process

Pursuant to the Illinois Compiled Statutes, the following budgetary milestones must be met before the final approval of the City's budget and property tax levy. Below are those steps with the anticipated 2020 dates:

- November 5 - Make tentative annual budget available for public inspection. Publish for a public hearing. Estimate the amount of taxes to be levied at least 20 days prior to approval.
- November 17 - Publish notification in the newspaper of the Public Hearing on the Tentative Budget
- December 3 - Hold hearing on tentative annual budget; pass ordinance approving annual budget.
- December 8 - Publish notification in the newspaper of Truth-in-Taxation hearing not less than 7 days and no more than 14 days prior to date of the Truth-in-Taxation hearing.
- December 17 - Hold Truth-in-Taxation hearing; adopt property tax levies.

DISCUSSION:

The City of Naperville's 2020 operating budget is recommended at \$491.7 million, an overall increase of 8.9% from the \$451.4 million 2019 budget. The City's mission statement, ends policies and financial principles are primary guiding influences in the budget development process. The 2020 budget recommendation continues to align with the City's three financial principles, as the budget is structurally balanced, reduces the City's debt, and increases cash reserves.

The 2020 Annual Operating Budget book can be found online on the City's Annual Budget Report and Audit webpage and through the following link:

<https://www.naperville.il.us/globalassets/media/finance-documents/budget-audit-reports/2020proposedbudget.pdf>

Attached is the 2020 Budget Submittal Letter, the 2020 Budget Highlights, and the 2020 Revenue and Expenditure Summary.