Budget In Brief
December 8, 2016
Strategic Priorities

• Economic Development
  • Attract and Retain Businesses and Jobs

• Public Safety and Quality of Life
  • Preserve High Levels of Public Safety and Quality of Life

• Municipal Service Delivery
  • Provide Efficient, Innovative, Transparent and Accountable Delivery of Government Services
High-priority capital projects, as reflected in the city’s Capital Improvement Plan, will be funded.

City staff members will generally receive salary increases of 2% to 2.5%, depending upon their employee/collective bargaining group.

The city was able to negotiate the transition of the last of its employee groups to healthcare plans that require employees to contribute a percentage of the applicable premium, rather than a percentage of their salaries, for group medical insurance. The percentage-of-premium approach ensures that employees, as well as the city government, maintain an interest in containing medical insurance costs.

The city will, once again, contribute to all Pension funds the full amount of the employer contribution determined pursuant to state guidelines.
<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Total</td>
<td>$421.7</td>
<td>$410.0</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior-Year Carryovers</td>
<td>(37.8)</td>
<td>(39.8)</td>
</tr>
<tr>
<td>Net Total</td>
<td>$383.9</td>
<td>$370.2</td>
</tr>
</tbody>
</table>
Transportation Projects

- Neighborhood Street Rehabilitation Program: $5.7 million
- Arterial Road Resurfacing: $2.8 million
- Eola Road – Montgomery Road to 87th Street: $2.8 million
- Ohio Street Bridge: $2.1 million
- Station Boulevard: $1.2 million
- Lake Street Improvements: $825,000
- Right of Way Improvement Program: $500,000
- Bridge Rehabilitation: $400,000
- Sullivan Road Roundabout: $400,000
- Farnsworth Bridge Pedestrian Improvements: $385,000
Transportation Projects

Engineering

- East New York Street (Segment III): $1.4 million
- Eola Road – Wolf’s Crossing to US Route 30: $950,000
- Montgomery Road Bridge: $200,000
- Farnsworth Bridges near Indian Trail: $100,000
Water and Sewer Projects

- Long-Term Control Plan Improvements: $7.7 mil (IEPA Revolving Loan Fund)
- Sanitary Sewer Evaluation & Replacement: $3.6 mil
- Watermain Evaluation, Repair, & Replacement: $3.1 mil
• Enterprise Resource Platform – Public Safety: $5.7 mil
• Optical Fiber Infrastructure: $750,000
Major Vehicle Replacement

• Fire Engine: $920,000
• Ambulance $250,000
• Police Marked Vehicles (7): $309,000
• W&S Maintenance Dump Truck: $330,000
• W&S Maintenance Crew Cab: $175,000
New Full-Time Staff Positions

- Deputy Police Chief
- Manager of Emergency Communications
- GIS Technician
<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$363.8</td>
<td>$372.6</td>
</tr>
</tbody>
</table>
NEARLY $500,000,000 IN VALUATION OF BUILDING PERMITS

ECONOMIC GROWTH IN AURORA
A RECORD-BREAKING YEAR!

Issued Building Permits by Year

2015 YTD (w/out '14 roofing spike)

Increase year over year
NEW OR EXPANDED BUSINESSES

- Advocate Dreyer Medical
- Goodwill
- Napleton Valley Hyundai
- Panera
- PPG Industries
- Rush Copley Hospital Extension
- Shorr Packaging
- SwimLabs
- The Patio
- Victory Packaging
### NEARLY $500,000,000 IN VALUATION OF BUILDING PERMITS

#### VALUE OF SOME NEW CONSTRUCTION

<table>
<thead>
<tr>
<th>Project</th>
<th>Value</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plaza on New York</td>
<td>$84,249,862</td>
<td>303,298 sf</td>
</tr>
<tr>
<td>Rush Copley</td>
<td>$29,390,004</td>
<td>50,822 sf</td>
</tr>
<tr>
<td>CPO expansion</td>
<td>$18,048,000</td>
<td>270,723 sf</td>
</tr>
<tr>
<td>Dreyer Medical</td>
<td>$13,715,164</td>
<td>75,720 sf</td>
</tr>
<tr>
<td>Victory Packaging</td>
<td>$9,500,000</td>
<td>275,442 sf</td>
</tr>
<tr>
<td>Pannatoni Spec</td>
<td>$8,548,000</td>
<td>238,604 sf</td>
</tr>
<tr>
<td>Shorr Packaging</td>
<td>$7,887,903</td>
<td>242,732 sf</td>
</tr>
</tbody>
</table>
SALES TAX REVENUES (in millions)

State-Shared Sales Tax
Home-Rule Sales Tax
GAMING TAX REVENUES
(in millions)

Gaming revenue over time, with a peak in 2007 and a decline thereafter.
<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$41.1</td>
<td>$42.3</td>
</tr>
<tr>
<td>Debt Service</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Pensions</td>
<td>24.4</td>
<td>24.1</td>
</tr>
<tr>
<td>Total</td>
<td>$69.5</td>
<td>$70.4</td>
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</table>
AURORA’S MOST SUCCESSFUL TIF:

1989 – Unusable wetland generated $25,000 annually in property tax revenue.

2013 – The developed area generates more than $9.6 million in property tax revenue annually!

A 38,500% INCREASE!
In 2013, TIF #2 generated $1.9 million in new tax revenue for the City of Aurora.

- General Fund & Debt Service (65%): $1,235,000
- Pensions (35%): $665,000
OPERATIONAL PROPERTY TAX REVENUES (BY TAX PAYMENT YEAR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$48,618,265</td>
</tr>
<tr>
<td>2010</td>
<td>$44,906,690</td>
</tr>
<tr>
<td>2011</td>
<td>$42,247,295</td>
</tr>
<tr>
<td>2012</td>
<td>$41,786,226</td>
</tr>
<tr>
<td>2013</td>
<td>$41,962,956</td>
</tr>
<tr>
<td>2014</td>
<td>$41,089,864</td>
</tr>
<tr>
<td>2015</td>
<td>$41,101,388</td>
</tr>
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</table>
Under Illinois law, property taxes are the primary means of funding local governments. Property taxes are developed from two components: the taxes levied by each local government taxing district, and the relative value of each taxable parcel in the boundaries of each taxing district.

Simply put, the Illinois property tax system divides up each local government taxing district’s property tax levy over all parcels in the district, based on each parcel’s proportionate assessed value as a percentage of the aggregate assessed property value in the district.
Less than $2* of every $10 tax dollars paid goes to the City of Aurora.

*On Average
Q: In what ways is the state impacting local tax bills?

A:

• Police and fire pension enhancements mandated by the state over time:
  o Annual increases from 2% to 3%.
  o Compounding of annual increases.
  o Survivor receives 100% of pensioner benefit.
PUBLIC SAFETY PENSION LEVIES

$9,893,031
$20,783,900
$34,000,000
$71,000,000
$0
$10,000,000
$20,000,000
$30,000,000
$40,000,000
$50,000,000
$60,000,000
$70,000,000
$80,000,000

2005
2015
2025*
2040*

$9,893,031
$20,783,900
$34,000,000
$71,000,000
Q: In what ways is the state impacting local tax bills?

A:
2. State finances in general: Illinois has the worst credit in America.

3. Because the State of Illinois is last in the nation in providing state funds for public schools.
A: In what ways is the state impacting local tax bills?

4. Illinois’ 2015-2016 budget, as originally proposed, would have reduced the municipal portion of income taxes revenues by 50%. In Aurora, a 50% reduction would amount to a nearly $10 million cut.
Municipal Motor Fuel Tax
HISTORICAL GAMING TAX REVENUES

- 2000-2004: $70,886,645
- 2010-2014: $45,475,696

Decrease: -34%
TOTAL LANE MILES RESURFACED

- 2000-2004: 222
- 2005-2009: 227
- 2010-2014: 273

+20% increase in total lane miles resurfaced.
Revenue Sources Considered

• Property Taxes
• General Sales Taxes
• Vehicle Stickers
• Municipal Motor Fuel Tax
Research Findings

• MMFT rates in the area range between $0.01 and $0.07 per gallon.

• The most common MMFT rate among surveyed cities was $0.04.

• 4 out of the 5 home rule municipalities that border Aurora currently have a MMFT, including: Batavia, Naperville, Plainfield and Warrenville.

• 3 of the 4 cities listed above have a MMFT rate of $.04.
Benefits of Municipal Motor Fuel Tax

• Revenue collected from visitors and commuters, not just residents.

• Expected to generate $3.2 million in revenue so that streets can be maintained at current levels.

• 100% of the revenue generate will be used for the maintainance and improvement of Aurora roads.
Impact without the Municipal Motor Fuel Tax

• The 2016 budget for neighborhood street resurfacing will be reduced from $5.7 million to $2.5 million.

• Continued reductions in funding would result in poor pavement conditions.
  • With current spending, the pavement condition index has remained relatively stable.

• Continued reduction in funding would result in higher future roadway maintenance costs.