

City of Naperville

Priorities Plan Update

October 2022

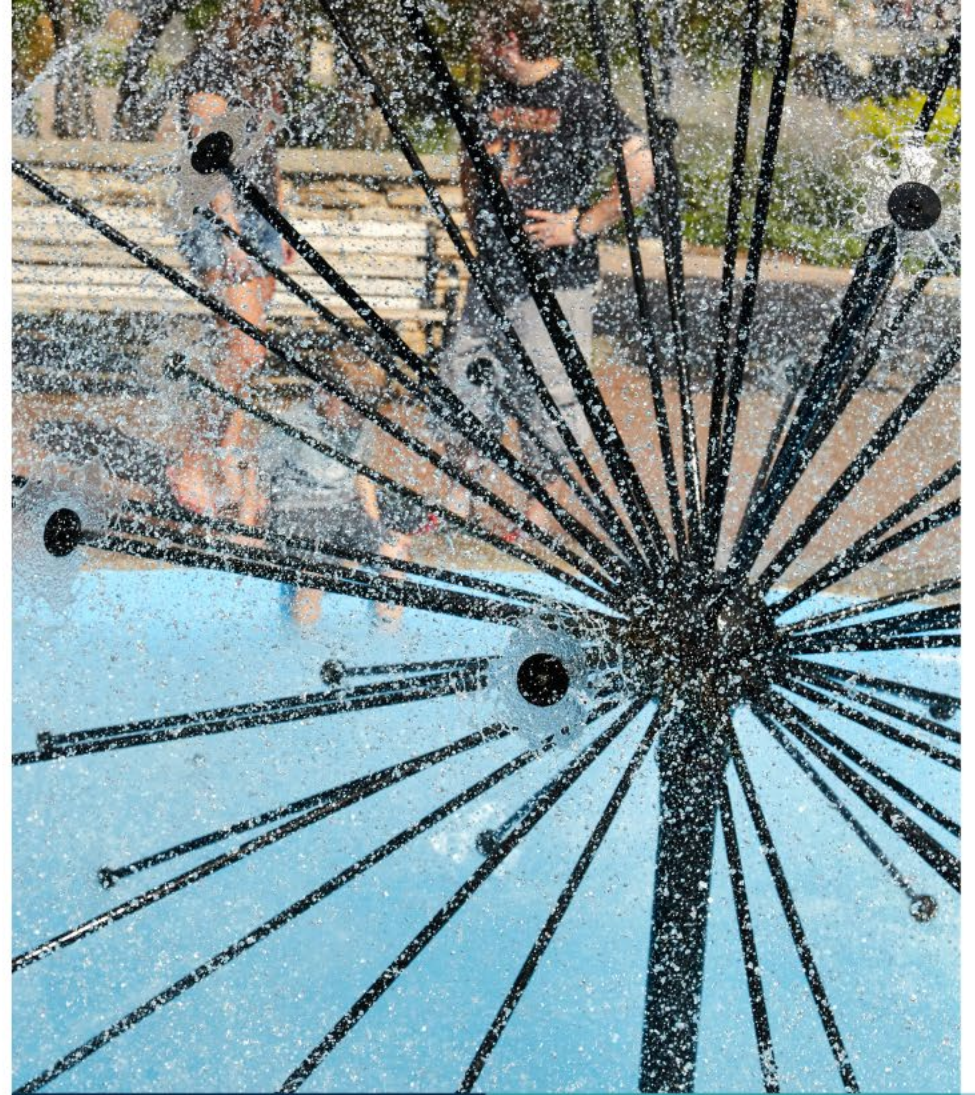


Tonight's Discussion

1 Overview of five priorities

- 2** In-depth focus:
- Financial Stability & Economy
 - Infrastructure & Utilities
 - Housing Choice

3 Moving into 2023 with the Priorities Plan



Priorities Overview



Public Safety

Provide a safe and secure community for all Naperville residents and businesses

ON TRACK

- **Police:** 405 community education & crime prevention presentations to date in 2022
- **Police:** fully implemented body-worn cameras; anticipate new in-car cameras delivered & installed by end of year
- **Fire:** 90 individuals assisted by Community Risk Reduction Team to date in 2022
- **Fire:** 3 more captains applied for Fire Officer Designation; dept. holding officer development course in October



Sustainability

Work within City government and community partners to act sustainably and make Naperville more resilient

MONITORING

- Sustainability specialist hired in September
- Electric lawn equipment rebate pilot program launched in August; full funding allocated in 3 days
- Continue to collect input & partner internally (Emerging Leaders) and externally (NEST) & through new initiative-focused working groups



Infrastructure & Utilities

Provide infrastructure, electric service, and water/wastewater services that are reliable and safe, contributing to quality of life and economic development

MONITORING



Financial Stability & Economy

Promote development of the local economy and be a good steward of city tax revenues

ON TRACK



Housing Choice

Support housing and neighborhoods for all stages of life

MONITORING



Financial Stability & Economy

Priority Goals - Overview

Priority Goal

Status

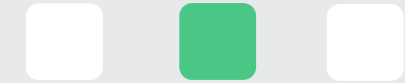
Financial Principles:

Principle No. 1: *The City will pass a structurally balanced operating budget annually.*

Principle No. 2: *The City commits to continuous improvement in the delivery of necessary and cost-effective services.*

Principle No. 3: *The City will actively seek to increase its reserves to 25% and reduce its debt by 25% by the end of 2022.*

Maintain flexibility while seeking redevelopment options in order to fully utilize Naperville's developed commercial properties.



Not started



Ongoing



Complete - part of operating procedures

Stability through Strategic Flexibility

ON TRACK

Principle No. 1: The City will pass a structurally balanced operating budget annually.

ON TRACK

Principle No. 2: The City commits to continuous improvement in the delivery of necessary and cost-effective services.

ON TRACK

Principle No. 3: The City will actively seek to increase its reserves to 25% and reduce its debt by 25% by the end of 2022.

32.8% debt reduction
27.6% cash reserves

Naperville leverages economic incentives in specific instances to help attract development – and spur re-development.

- Recent re-developments: Amazon Fresh stores (95th St. & East Ogden), LA Fitness, East Ogden corridor, Mall of India, Market Meadows
- Economic incentives leveraged in specific instances when they provide value
 - Six incentives currently in place
 - Costco, Hotel Arista, Embassy Suites, Marriott, Hotel Indigo, Main Street Promenade East
 - \$1.5M total rebate annually across all agreements

Costco (Ogden Ave.)

\$5.5M incentive payable through rebate of state tax/HRST over 15 yrs.

Est. incentive payback within 5 yrs.

Hotel Indigo

Sales in first half of '22 exceeded same time in '19 by 20%

Overall strength of Water Street evident in 2021 reassessment – able to fully pay TIF debt service prior to TIF expiration

2023 Considerations

- **Four trends will influence** Naperville's budget requests for 2023
 - **Workforce shifts** – recruitment and retention
 - **Economic impacts** – supply chain issues, material lead times, inflation
 - **Regulatory demands** – uptick in public safety & utility legislation, resulting in additional resource needs and associated costs
 - **Customer service expectations** – continued push for online services, which requires significant, ongoing resources for technology implementation, maintenance, enhancements & secure decommissioning
- While the City's financial performance to date is strong, these trends will have a stronger influence on next year's budget requests
 - Additional personnel
 - Strategically planned procurements
 - Investments and resources for long-term technology projects

Key Takeaways

ON TRACK



The financial principles and Council's financial flexibility have led the City to a place of financial stability over the past eight years.



Staff will begin exploring potential financial parameters that can build upon the principles.



Flexibility and adequate resources will be critical to moving 2023 projects, programs, and priorities forward.



Infrastructure & Utilities

Priority Goal

Status

Update

Strategically invest in the City's aged infrastructure to help facilitate business retention and expansion



- Downtown Streetscape
- Washington Street Bridge
- East Ogden Avenue corridor

Develop and implement a water utility capital plan that maintains the City's high service levels while ensuring regulatory compliance with all IEPA and EPA mandates



- Expansion of water main replacement program to 3 miles per year
- Implementation in the coming years of Naperville's largest-ever capital program to update and expand capacity at the Springbrook Water Reclamation Center

Develop and implement programs that will improve utility load factor and reduce system peaks



- Demand management system exploration
- Expansion of commercial demand response program
- Conservation Voltage Reduction (CVR) being utilized in demand response mode to reduce system peaks



Not started



Ongoing



Complete - part of operating procedures

Capital Considerations

The same trends that will impact the 2023 budget also impact Naperville's capital program, which is a key way the City advances this priority.

Economic Impacts

- Inflation & supply chain issues impacted project timelines and material deliveries throughout 2022 – anticipated to continue

Regulatory Demands

- Electric – Clean Energy Jobs Act (CEJA)
- Public Safety – Body-camera program, Community Emergency Services and Supports Act (CESSA)
- Water Utilities - USEPA and IEPA mandates

Workforce shifts

- Capital projects require internal & external employee resources to effectively achieve
- Projects impacted by external workforce events - summer 2022 quarry strike

All of these have future financial impacts and considerations.

Financial flexibility + long-term funding strategies provide **financial stability** and move our **infrastructure & utilities** forward.

Key Takeaways

MONITORING



We continue to reinvest in both seen (key community locations) and unseen (buried utility assets) infrastructure.



Adequate resources and global economic issues continue to impact the ability to plan and execute capital programs.



Just like with the financial stability & economy priority, flexibility and adequate resources will be critical to moving 2023 infrastructure and utility projects, programs, and priorities forward.



Housing Choice

Priority Goal

Status

Update

Leverage publicly owned land to address housing choice



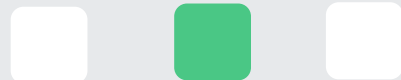
- Gorman and Co. selected to develop senior/IDD housing on city-owned land at 103rd Street/Route 59
- Major business terms unanimously agreed upon
- Gorman finalizing applications to pursue outside funding for project

Develop plan for Naturally Occurring Affordable Housing



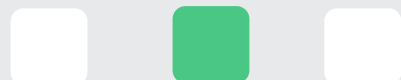
- Incorporated into Naperville Housing Action Plan & Affordable Housing Work Plan
- Actions taken as a result of these plans included vacant, city-owned land inventory & inclusionary zoning ordinance study

Establish a revolving rehabilitation loan program targeted toward low-income seniors



- Issued RFP this year for nonprofit subrecipient to manage Single Family-Home Repair Program – one proposal received
- Rebid due to HUD request; no further bids were received
- Waiting on HUD approval following staff's written request

Consider options for a voluntary inclusionary zoning ordinance



- Numerous discussions at HRFHC and PZC levels throughout 2022
- Discussed as part of Oct. 4 City Council agenda



Not started



Ongoing






Complete - part of operating procedures

Key Takeaways



MONITORING

-  Short-term effort: receive approval from HUD on subrecipient to manage Single Family-Home Repair Program
-  Short-term effort: continue to work with Gorman & Co on senior/IDD development
-  Staff will continue to seek Council input and direction to further the conversation around this priority.

Bridge through 2023

“Not to, but through”



Naperville, Illinois
PRIORITIES PLAN 2021

All of the goals and priorities outlined in the Priorities Plan are ongoing and long-term in nature

2023 consideration:

- Community outreach – Citizen Survey

Staff will continue working on goals associated with all five priorities throughout the coming year

- Progress updates: spring and fall 2023

Priorities Plan Update

Questions and Discussion
