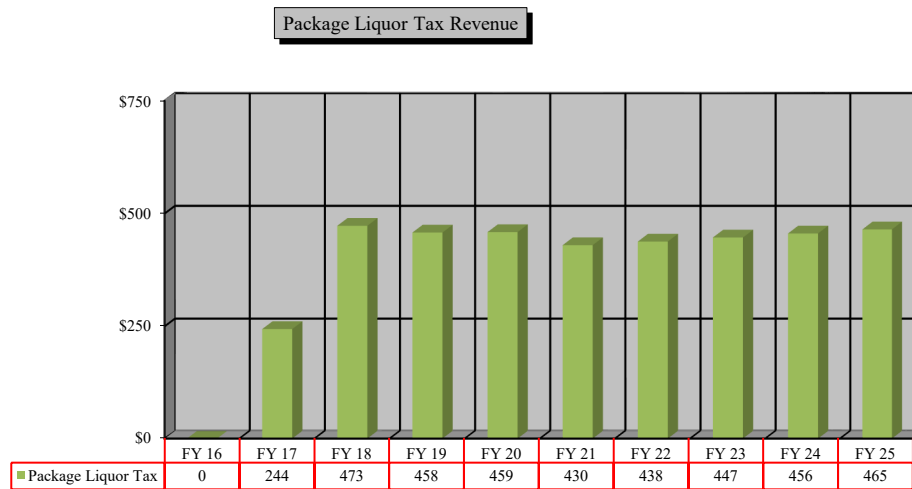


MAJOR REVENUE SOURCES

Descriptions, Projection Assumptions and Trends

9. **Package Liquor Tax:** Package Liquor and F&B Tax Fund 4% on the gross receipts of the sale of packaged liquor within the city.

On June 15, 2016, the City Council passed an ordinance instituting a 4% tax on the sales of package liquor throughout the municipality. Revenues for FY 2018 – FY 2022 were generated using a 2% annual increase.



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Package Liquor Tax	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Estimated Actual FY 2020
Revenue Amount	-0-	244,104	472,744	458,306	459,031
\$ Increase (Decrease) from Prior Year	-0-	244,104	228,640	(14,438)	725
% Increase (Decrease) from Prior Year	0.0%	N/A	93.7%	(3.1%)	0.2%
	Budgeted FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Revenue Amount	429,539	438,130	446,892	455,830	464,947
\$ Increase (Decrease) from Prior Year	(29,492)	8,591	8,762	8,938	9,117
% Increase (Decrease) from Prior Year	(6.4%)	2.0%	2.0%	2.0%	2.0%

MAJOR REVENUE SOURCES

Descriptions, Projection Assumptions and Trends

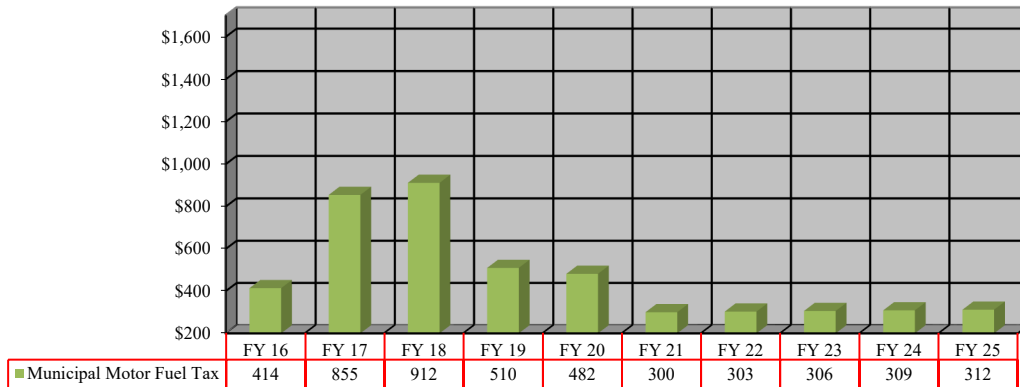
10. **Municipal Motor Fuel Tax:** Local Improvement Fund \$.07/gallon of motor fuels.

capital improvements to streets sidewalks and storm sewers.

Originally implemented at a rate of \$.01/gallon in February of 1986 and revised in April of 1992 to \$.02/gallon and again in April of 2005 to \$.03/gallon the Municipal Motor Fuel tax proceeds are used for

The tax was increased to \$.07/gallon in June of 2016 to further fund capital improvements. The increased tax will be collected beginning in July 2016.

Municipal Motor Fuel Tax



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Municipal Motor Fuel Tax Revenue	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Estimated Actual FY 2020
Revenue Amount	414,216	854,667	911,823	509,754	482,037
\$ Increase (Decrease) from Prior Year	3,078	440,451	57,156	(402,069)	(27,717)
% Increase (Decrease) from Prior Year	1.0%	106.0%	6.7%	(44.1%)	(5.4%)
	Budgeted FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Revenue Amount	300,000	303,000	306,030	309,090	312,181
\$ Increase (Decrease) from Prior Year	(182,037)	3,000	3,030	3,060	3,091
% Increase (Decrease) from Prior Year	(37.8%)	1.0%	1.0%	1.0%	1.0%

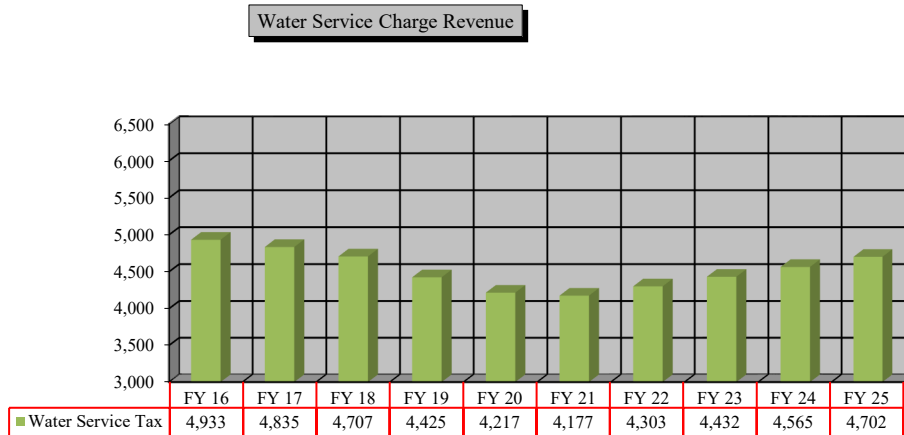
MAJOR REVENUE SOURCES

Descriptions, Projection Assumptions and Trends

11. **Water Service Charges:** Waterworks and Sewerage Fund is an Enterprise Fund. During FY 2012 a consulting firm completed a study to determine necessary maintenance and improvement requirements to the City's water systems costs of the changes were estimated, determined and necessary rate increase were recommended and eventually implemented for the next 5 years. For residential customers a basic customer charge is \$3.24 per month in FY 2012 increasing to \$3.76 in FY 2016. The rate per 1,000 gallons is \$3.69 increasing to \$4.25 in FY 2016.

With the number of City residential customers remaining level from year to year the projected revenue increases are resulting from anticipated rate increases. Although the City sells most of its water to Southern Illinois University and three water districts, the growth in water consumption has actually began to decrease slightly in recent years.

The rate increase was proposed through 2016 future inflationary increases are projected to cover upcoming maintenance and improvements to the City's water system which is about 3.5% a year.



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Water Service Charge Revenue	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Estimated Actual FY 2020
Revenue Amount	4,933,491	4,834,667	4,706,794	4,425,468	4,217,456
\$ Increase (Decrease) from Prior Year	144,574	(98,824)	(127,873)	(281,326)	(208,012)
% Increase (Decrease) from Prior Year	3.0%	(2.0%)	(2.6%)	(6.0%)	(4.7%)
	Budgeted FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Revenue Amount	4,177,420	4,302,743	4,431,825	4,564,780	4,701,723
\$ Increase (Decrease) from Prior Year	(40,036)	125,323	129,082	132,955	136,943
% Increase (Decrease) from Prior Year	(0.9%)	3.0%	3.0%	3.0%	3.0%

MAJOR REVENUE SOURCES

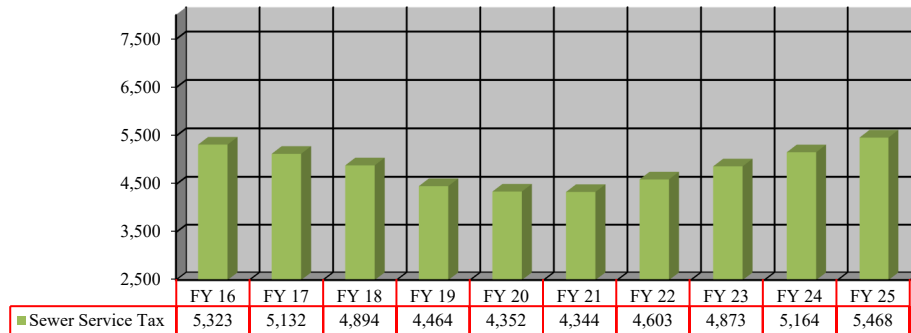
Descriptions, Projection Assumptions and Trends

12. **Sewer Service Charges:** Waterworks and Sewerage Fund, an Enterprise Fund, currently assesses a rate for sewerage usage of \$3.56 per 1,000 gallons of water consumption. This rate was increased effective July 1, 2010 for FY 2011 revenue.

During FY 2007, Southern Illinois University negotiated a credit for evaporation lost in the cooling towers on campus buildings. This resulted in a material loss of revenue in sewer service charge. The volume of sewerage services is expected to remain mostly stable through FY 2017.

During FY 2012, the consulting firm also completed a study to determine necessary maintenance and improvement requirements to the City's sewer systems. Costs of the changes were estimated; determined and necessary rate increases were recommended and eventually implemented for the next 5 years. The structure for sewer rates is pretty much the same. The basic customer charge is \$3.53 per month increasing to \$5.03 in FY 2016. The rate per 1,000 gallons is \$4.21 increasing to \$6.00 in FY 2016. Levels of increase are expected to continue through 2021 to cover maintenance and improvements which is about 3%.

Sewer Service Charge Revenue



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Sewer Service Charge Revenue	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Estimated Actual FY 2020
Revenue Amount	5,322,750	5,131,593	4,893,920	4,464,086	4,351,549
\$ Increase (Decrease) from Prior Year		338,016	(191,157)	(237,673)	(429,834)
% Increase (Decrease) from Prior Year		6.8%	(3.6%)	(4.6%)	(8.8%)
		Budgeted FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024
Revenue Amount		4,343,655	4,602,574	4,873,425	5,164,062
\$ Increase (Decrease) from Prior Year		(7,894)	258,919	270,851	290,637
% Increase (Decrease) from Prior Year		(0.2%)	6.0%	5.9%	6.0%
				Projected FY 2025	Projected FY 2025
Revenue Amount					5,468,390
\$ Increase (Decrease) from Prior Year					304,328
% Increase (Decrease) from Prior Year					5.9%

MAJOR REVENUE SOURCES

Descriptions, Projection Assumptions and Trends

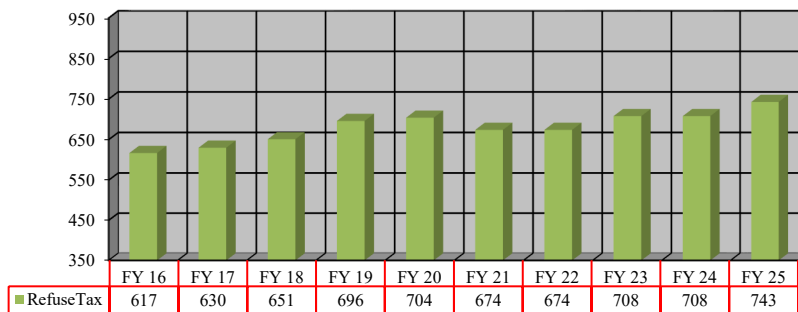
13. **City Customer Refuse Fees:** Solid Waste Management Fund, an Enterprise Fund, assesses a fee of \$12.00 per month per user for residential curbside refuse pickup.

Because of the continuing increases in the operating costs of providing refuse and recycling services, the fees were again increased. Effective July 1, 2008, the City Council approved an increase in the monthly refuse fee from \$7.25 to \$8.00. Further, the council approved additional increases from \$8.00 to \$8.75 per month effective May 1, 2009 and from \$8.75 to \$9.50 per month effective May 1, 2010.

During FY 2012, the City Code related to refuse: collections, procedures, rate inclusions (equipment fees) as well as rate increase schedules was thoroughly studied and amended where needed. The basic pick up fee was increased to \$11.00 moving to \$11.40 over the next 3 years.

During FY 2014, the basic pick up fee was increased from \$11.40 to \$12.00 over the next three years. Rate increases are projected to continue to cover cost, maintenance, and equipment improvements.

City Customer Refuse Fees Revenue



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City Customer Refuse Fees Revenue	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Estimated Actual FY 2020
Revenue Amount	617,454	630,288	651,278	695,675	703,665
\$ Increase (Decrease) from Prior Year	13,480	12,834	20,990	44,397	7,990
% Increase (Decrease) from Prior Year	2.2%	2.1%	3.3%	6.8%	1.1%
	Budgeted FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Revenue Amount	674,100	674,100	707,805	707,805	743,195
\$ Increase (Decrease) from Prior Year	(29,565)	0	33,705	0	35,390
% Increase (Decrease) from Prior Year	(4.2%)	0.0%	5.0%	0.0%	5.0%

MAJOR REVENUE SOURCES

Descriptions, Projection Assumptions and Trends

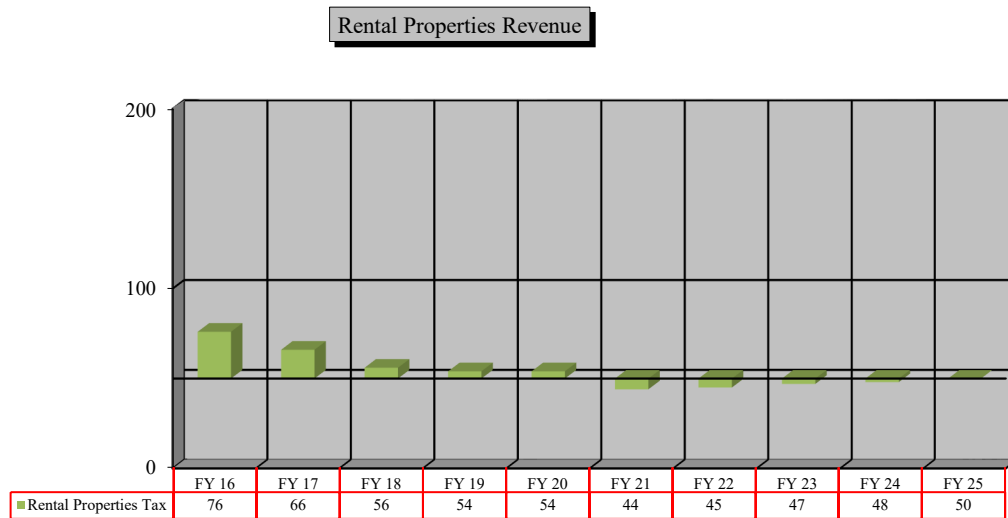
14. **Rental Revenues:** Rental Properties Fund: University City Complex and the Old ICRR Depot.

the buildings at the University City Complex will need to be installed in the near future.

In order to improve the profitability of the enterprise operation, rental rate increases for the current tenants began during FY 1999 and will continue through FY 2017. The projected rental rates have been researched and are found to be competitive in the not-for-profit tenant rental market.

The reason for the drop in FY 2011 and FY 2012 are the sale of one property and the demolition of another. In 2014, the state crime lab facility was vacated. In the future, the Municipal Rental Properties Division will be deemphasized and will eventually be rolled into the General Fund. At this time there are no prospective tenants for the vacancies. The City is looking for replacement tenants.

In order to make the buildings more marketable and in compliance with ADA standards, elevators in three of



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Rental Revenue	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Estimated Actual FY 2020
Revenue Amount	75,545	65,548	55,774	53,773	54,107
\$ Increase (Decrease) from Prior Year	(80,861)	(9,997)	(9,774)	(2,001)	334
% Increase (Decrease) from Prior Year	(51.7%)	(13.2%)	(14.9%)	(3.6%)	0.6%
	Budgeted FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
Revenue Amount	44,027	45,348	46,708	48,109	49,553
\$ Increase (Decrease) from Prior Year	(10,080)	1,321	1,360	1,401	1,444
% Increase (Decrease) from Prior Year	(18.6%)	3.0%	3.0%	3.0%	3.0%