

City of St. Charles Budget Plan 2016-2017

Reflections
Sculpture



Budget Summary

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Officers and Officials

As of April 1, 2016

Mayor
Raymond P. Rogina

City Administrator
Mark W. Koenen

City Council

Dan P. Stellato	Ward 1	William Turner	Ward 3
Ronald Silkaitis	Ward 1	Jo K. Krieger	Ward 4
Arthur Lemke	Ward 2	Steven Gangel	Ward 4
Rita Ann Payleitner	Ward 2	Maureen Lewis	Ward 5
Todd Bancroft	Ward 3	Ed Bessner	Ward 5

City Treasurer
Warren J. Drewes

City Clerk
Nancy Garrison

City Attorney
John McGuirk

Department Heads

Christopher A. Minick
Director of Finance

Peter Suhr
Director of Public Works

Rita Tungare
Director of Community & Economic Development

Joseph R. Schelstreet
Fire Chief

Larry Gunderson
Director of Information Systems

James Keegan
Police Chief

Denice Brogan
Acting Director of Human Resources

*Special thanks to Karen Muehlfelt
for her cover photo of the
Reflections sculpture*



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City of St. Charles Budget Message and Overview

During FY 15-16 the City adopted a new Strategic Plan. The strategic plan provides direction and navigation focusing on the City's mission, guiding principles, and goals. The Mayor and City Council have defined our course and the staff is ready to advance the new strategic plan. FY 16-17 will grow the success that we have initiated with the adopted strategic plan. Let's talk about the strategic plan.

Our new mission is easy to remember, only four words, but they are very powerful words:

Heritage – Community – Service – Opportunity

Our new Guiding Principles build on the important themes of the previous strategic plan:

Respect -We demonstrate integrity in our relationships and treat all people with dignity.

Engagement -We create a community where all have opportunities to participate, collaborate and to foster strategic interests.

Sense of Community -We ensure a safe and vibrant environment by valuing our heritage, cultural, economic and social diversity and provide for a sustainable setting for people to live, work, play, visit, shop and do business.

Accountability -We facilitate and encourage responsibility along with citizens for enhancing quality of life in the community.

Excellence -We partner with citizens to do our best in fulfilling service commitments.

So what does all of this “talk” really mean? Are the City's mission and guiding principles just words? It could be suggested that no one knows what either the mission or the guiding principles are and no one cares! Let's focus in on this. If the City of St Charles historically didn't have a mission and guiding principles, would we be in the financial position we are today? We would suggest emphatically, “NO”.

For the sake of discussion, let's consider the City's financial status. The City's financial position didn't happen by chance. Moody's Investors Service has granted our City with an Aa1 rating. The Aa1 rating is the second highest rating offered by a credit rating agency. The City's legacy of sound financial planning is built on limiting risk, efficiently providing services and advancing a healthy local economic environment. These actions are a reflection of very thoughtful strategic planning over our 180-year incorporation as a City.

Let's review the process undertaken to develop the strategic plan. As a result of about 14 months of work, including a review of the City's Priorities Survey, key stakeholder interviews, focus groups,



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workshops and other feedback processes, the City Council approved the strategic plan. We live in a City where citizens, both residents and corporate, look for engagement. The strategic plan process confirmed this. In fact, we believe there is collective recognition that through working together we can accomplish more. We understand we will not always agree. In fact “tension,” perhaps better known as constructive criticism, is just fine. However, with respectful interaction we can find the optimum solution. The City team then takes the all important step in accepting responsibility for advancing the solution.

Now, moving on to goals. The strategic plan included 41 goals. These goals were categorized into short and long-term, routine and complex. General themes for the goals include:

- Facilitating economic development
- Committing to capital funding and investment planning that is sustainable
- Developing a comprehensive City financial assessment that is independent of the State
- Willingness to be creative and take some risk
- Educating citizens on the value of local government
- Developing programs to protect neighborhoods and businesses

Strategically, these goals will ready the City of St Charles for the future. The efforts to develop the strategic plan during FY 15-16 readied the City for a bright FY 16-17...and beyond.

The budget proposal for FY 16-17 includes the following themes:

1. Holding the line on property taxes and minimizing General Fund fees and utility rates
2. Status quo on programs and services
3. Maintaining General Fund reserves in excess of the 25% policy, and most important
4. Presentation of a balanced budget

A summary of departmental activities is provided later in this document, but here is a “sneak preview”:

- + First Street—Phase III Site Development
- + South Tyler Road Reconstruction Project
- + Red Gate Road Resurfacing Project
- + Continued Study of the 7th Avenue Creek Flooding
- + Police Department Facility Locational Study and Design Development
- + Wastewater Treatment Facility Infrastructure Improvements



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City of St. Charles **Budget Message and Overview**

We are pleased to present the FY 2016-2017 budget. This plan is sensitive to an improving economy and recognizes that our future will be ever changing. The budget plan is also our best approach for navigating in a world where flexibility is key to responsiveness. Please consider the following details:

Major Revenue Sources

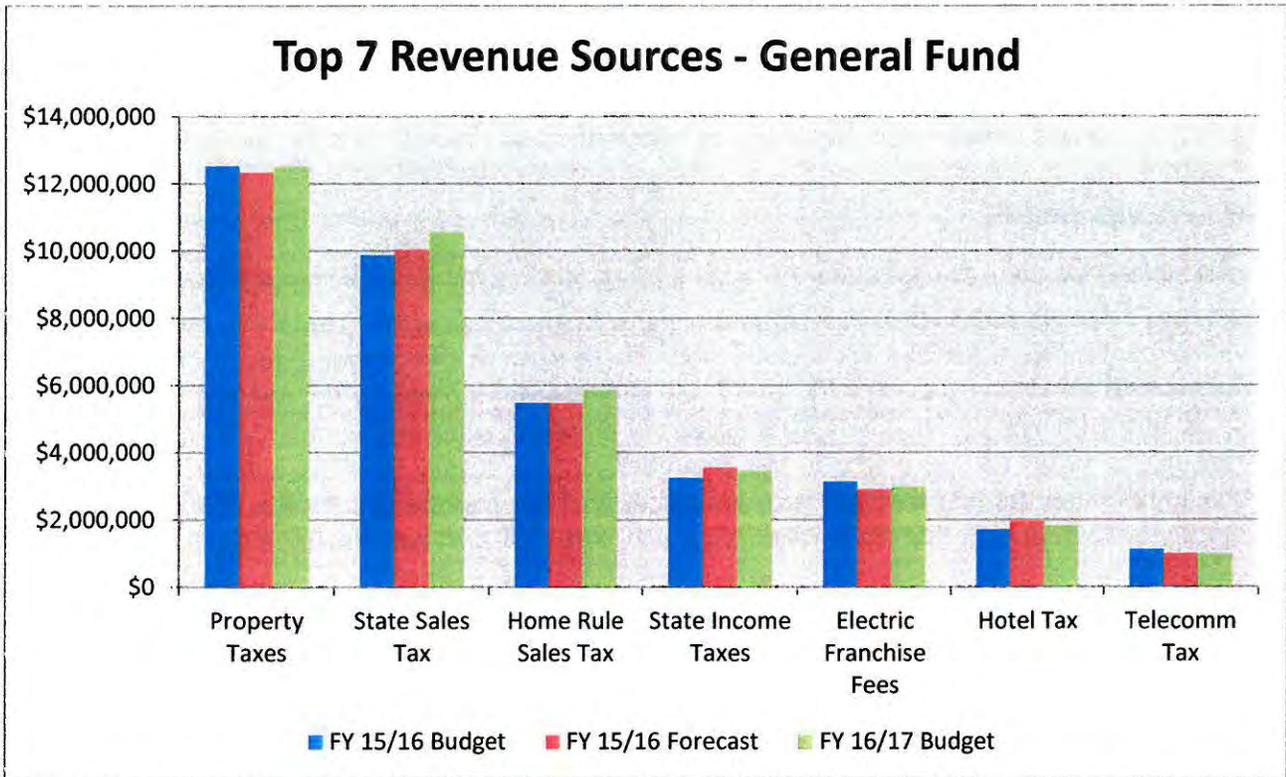
The City of St. Charles relies on seven (7) main sources of revenue to fund General Fund operations -- property tax, sales tax (state share and home rule portion), state income tax, hotel tax, electric franchise fees, telecommunication tax and the alcohol tax. These sources of revenue typically make up about 90% of General Fund revenue. For FY 16-17, the City estimates property tax revenue will essentially remain in line with FY 15-16. The City's equalized assessed value has declined, corresponding to a decrease in the value of real estate in the community. As a result, the City Council has made the decision to maintain the amount of money collected from the community via this source. This marks the eighth consecutive year that the amount of property tax collected has remained the same.

Top 10 Revenue Sources - General Fund				
	<u>15/16 Budget</u>	<u>15/16 Forecast</u>	<u>16/17 Budget</u>	<u>% Change (Budget vs. Forecast)</u>
Property Tax	\$12,534,572	\$ 12,352,793	\$ 12,522,749	1.4%
State Sales Tax	9,879,782	10,064,568	10,571,367	5.0%
Home Rule Sales Tax	5,492,269	5,495,985	5,876,728	6.9%
State Income Taxes	3,264,426	3,575,597	3,476,614	-2.8%
Electric Franchise Fee	3,144,460	2,929,631	3,019,224	3.1%
Hotel Tax	1,727,627	1,987,975	1,848,561	-7.0%
Telecommunication Tax	1,135,000	1,014,905	998,800	-1.6%
Alcohol Tax	1,055,312	1,072,491	1,092,248	1.8%
Licenses & Permits	517,043	589,290	533,318	-9.5%
Charges for Services	468,721	418,041	470,348	12.5%



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Sales tax (state share and home rule) makes up the largest source of General Fund revenue for the City.

The chart below depicts sales tax collections over the last six completed fiscal years. As illustrated, sales taxes have rebounded from the recession time period low in FY 09-10. The FY 16-17 budget includes a 5.0% and 6.9% projected increase in state and home rule sales tax, respectively, over the FY 15-16 forecasted revenue, as the City is anticipating continued growth in general economic activity, particularly in automotive sales.



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Sales Tax Collections - State and Home Rule Last 7 Completed Fiscal Years			
Fiscal Year	Collections	\$ Increase/ Decrease	% Increase/ Decrease
2008/2009	\$ 14,312,922		
2009/2010	13,951,369	\$ (361,553)	-2.5%
2010/2011	14,380,935	429,566	3.1%
2011/2012	15,135,809	754,874	5.2%
2012/2013	15,210,034	829,099	5.5%
2013/2014	15,423,167	1,042,232	6.9%
2014/2015	16,348,053	1,212,244	7.9%

Summary of All Funds

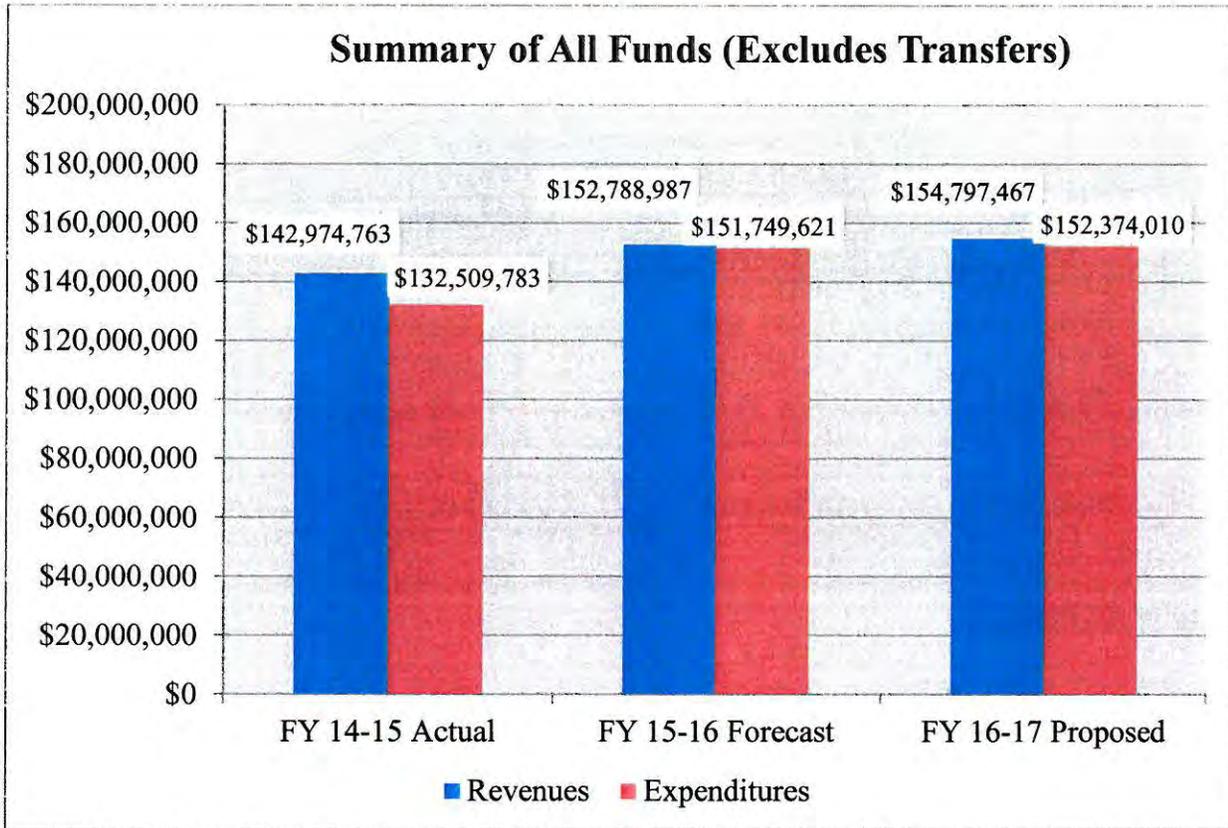
At the time the FY 15-16 budget was approved, it was projected that the City would have total revenue of \$150.0 million and expenditures of \$150.1 million (excluding transfers). The City expects to close FY 15-16 with \$152.8 million in revenue and \$151.8 million in expenditures (excluding transfers). The change from original budget to current forecast for revenues is primarily due to additional capital financing proceeds for both the Water Tower project as well as the N. 5th Ave Waterline Replacement project. The increase in expenditures is primarily due to uncompleted capital projects that were budgeted in a previous year and then carried forward to FY 15-16, including the Water Tower and N. 5th Ave Waterline Replacement projects. Both projects are anticipated to be completed in FY 15-16.

For FY 16-17, the City is projected to have \$154.8 million in revenue and \$152.4 million in expenditures for all funds, excluding inter-fund transfers. The largest funds are General, Electric, Water, and Wastewater. Combined, these funds represent 82.2% of the total budget, excluding transfers.



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The City’s largest source of revenue is fees and user charges which are collected from customers for utility services – water, sewer, and electricity. The largest source of non-user fee revenue is sales tax, followed by property tax revenue. The following table shows the total revenue to be received this year, broken down by source. The “Other” category includes items such as charges to other governments, fines and court fees, interest income, charges to other funds, sale of property, and other miscellaneous sources.



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REVENUE - ALL FUNDS (Excludes Transfers)				
	15/16 Budget	15/16 Forecast	16/17 Budget	% Change (Budget vs. Forecast)
Revenues:				
Property Tax	\$ 14,244,500	\$ 13,984,990	\$ 14,218,583	1.7%
Sales & Use Taxes	17,125,622	17,468,520	18,363,111	5.1%
Franchise Fees	3,819,235	3,612,068	3,703,904	2.5%
Hotel Tax	1,787,859	2,078,395	1,918,936	-7.7%
Other Taxes	2,269,812	2,140,811	2,168,234	1.3%
Charges for Services	76,225,018	74,237,504	79,549,532	7.2%
Licenses & Permits	517,043	601,102	533,318	-11.3%
Intergovernmental	4,996,548	5,181,343	4,948,636	-4.5%
Pension Contributions	3,671,996	3,671,996	4,301,197	17.1%
Financing Proceeds	8,829,500	14,097,894	7,999,000	-43.3%
Other	16,531,211	15,714,364	17,093,016	8.8%
Total	\$150,018,344	\$152,788,987	\$154,797,467	1.3%

The City's largest category of expenditures is for Public Utilities – such as electric, water, and sewer services. With regard to other, non-utility City services, Public Health & Safety (police and fire) make up the next largest portion of expenditures, followed by Public Works, and then General Government.

EXPENDITURES - ALL FUNDS (Excludes Transfers)				
	15/16 Budget	15/16 Forecast	16/17 Budget	% Change (Budget vs. Forecast)
Expenditures:				
General Government	\$ 21,347,642	\$ 19,474,863	\$ 20,777,280	6.7%
Public Health & Safety	27,809,304	27,182,063	28,130,441	3.5%
Public Works	16,302,708	17,044,787	19,027,468	11.6%
Public Utilities	80,110,819	84,260,301	81,343,158	-3.5%
Community Development	4,538,967	3,787,607	3,095,663	-18.3%
Total	\$ 150,109,440	\$ 151,749,621	\$ 152,374,010	0.4%

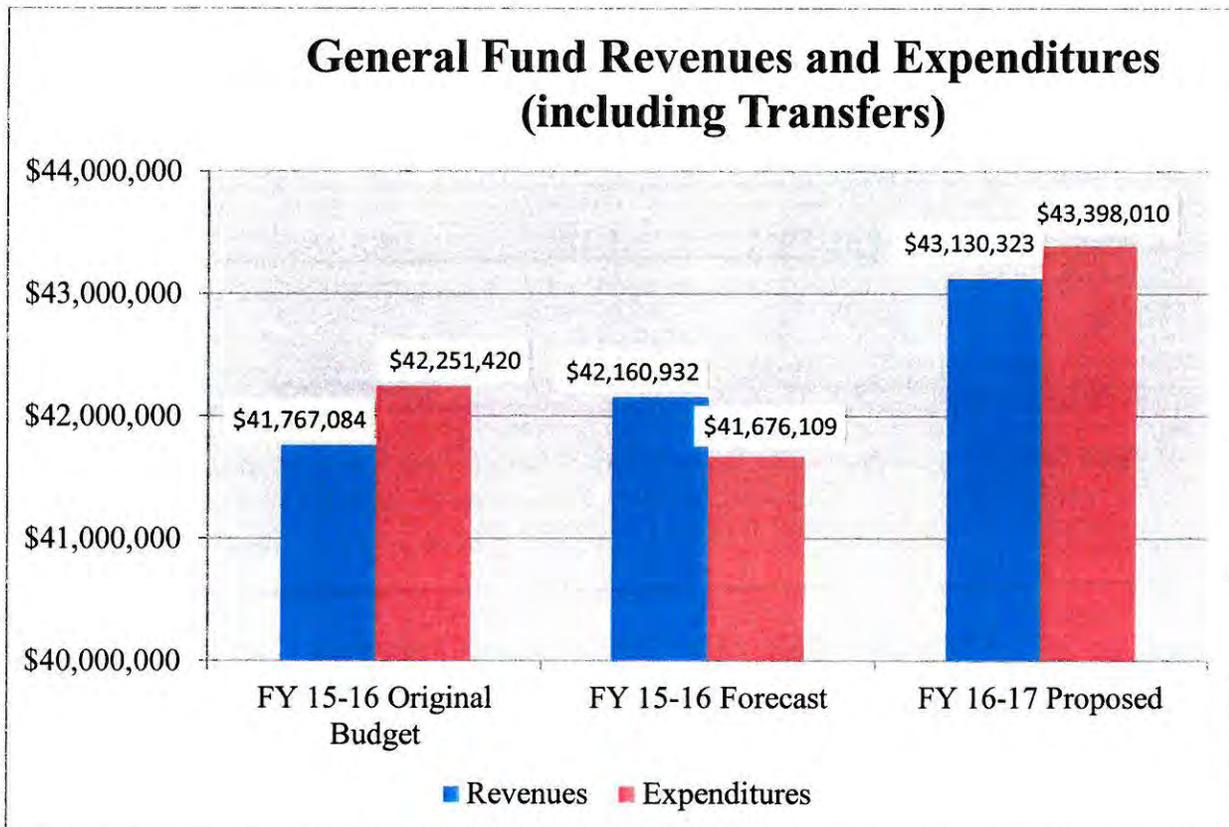


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Summary of General Fund

The City expects to close FY 15-16 with a surplus in the General Fund (the fund that accounts for the vast majority of the City's operations) of approximately \$484,000. This compares to a deficit of \$484,336 when the FY 15-16 budget was approved. The reason for the change between the budgeted deficit and the projected surplus is mainly due to sales tax revenues coming in higher than projected as well as overall expenses coming in below budget. Consistent with prior practice, certain specific contractual service projects that did not get underway this fiscal year will be pushed into FY 16-17.





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For FY 16-17, it is projected that revenue in the General Fund will be \$43.1 million or approximately 3.3% higher than what was budgeted for FY 15-16. Property tax revenues are projected to remain around the same amount budgeted in the previous year. This includes property taxes collected under the City levy as well as under the various Special Service Area (SSA) levies. For the 2015 tax levy, the City Council elected to keep the City's operating levy at \$12,055,000, the same level as the 2009 tax levy. For the 2015 tax levy, the EAV is estimated to be slightly higher than the EAV from the 2014 tax levy.

GENERAL FUND REVENUES (Includes Transfers)			
	<u>15/16 Budget</u>	<u>15/16 Forecast</u>	<u>16/17 Budget</u>
Property Tax	\$ 12,534,572	\$ 12,352,793	\$ 12,522,749
Sales & Use Taxes	16,056,851	16,335,041	17,272,923
Hotel Tax	1,727,627	1,987,975	1,848,561
Other Taxes	2,271,812	2,158,647	2,170,254
Franchise Fees	3,819,235	3,634,160	3,703,904
Licenses & Permits	517,043	589,290	533,318
Intergovernmental	3,531,148	3,827,760	3,747,786
Charges for Services	468,721	418,041	470,348
Other	840,075	805,306	860,480
	\$41,767,084	\$42,109,013	\$43,130,323

Sales and Use Taxes, Hotel Tax, and Intergovernmental Revenues are all expected to see increases, as compared to the FY 15-16 budget.

Expenditures (excluding transfers) in the General Fund for FY 16-17 are budgeted at \$36.9 million. This represents a 1.9% increase from the original FY 15-16 budget. The largest share of expenditures in this fund is for personnel and benefits for employees.



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Personal Services represents nearly two-thirds of the total expenditures of the General Fund. Employee wages make up 53% of operating expenses. Other significant personal service costs include pensions (\$5.1 million), health insurance (\$2.3 million), and workers compensation (\$1.0 million). The chart and tables below provide additional information regarding General Fund revenues and expenditures.

GENERAL FUND EXPENDITURES BY ACCOUNT TYPE (Includes Transfers)			
	<u>15/16 Budget</u>	<u>15/16 Forecast</u>	<u>16/17 Budget</u>
Personal Services	\$ 27,888,769	\$ 27,295,656	\$ 28,498,050
Other Operating	13,068,919	12,033,965	13,307,335
Allocations	(4,863,926)	(4,863,926)	(5,004,768)
Capital	141,245	177,299	126,800
Debt Retirement	4,586	4,586	4,586
Transfers - Debt Service	3,948,827	3,547,852	3,644,873
Transfers - Other	2,063,000	3,480,677	2,821,134
Total	\$ 42,251,420	\$ 41,676,109	\$ 43,398,010

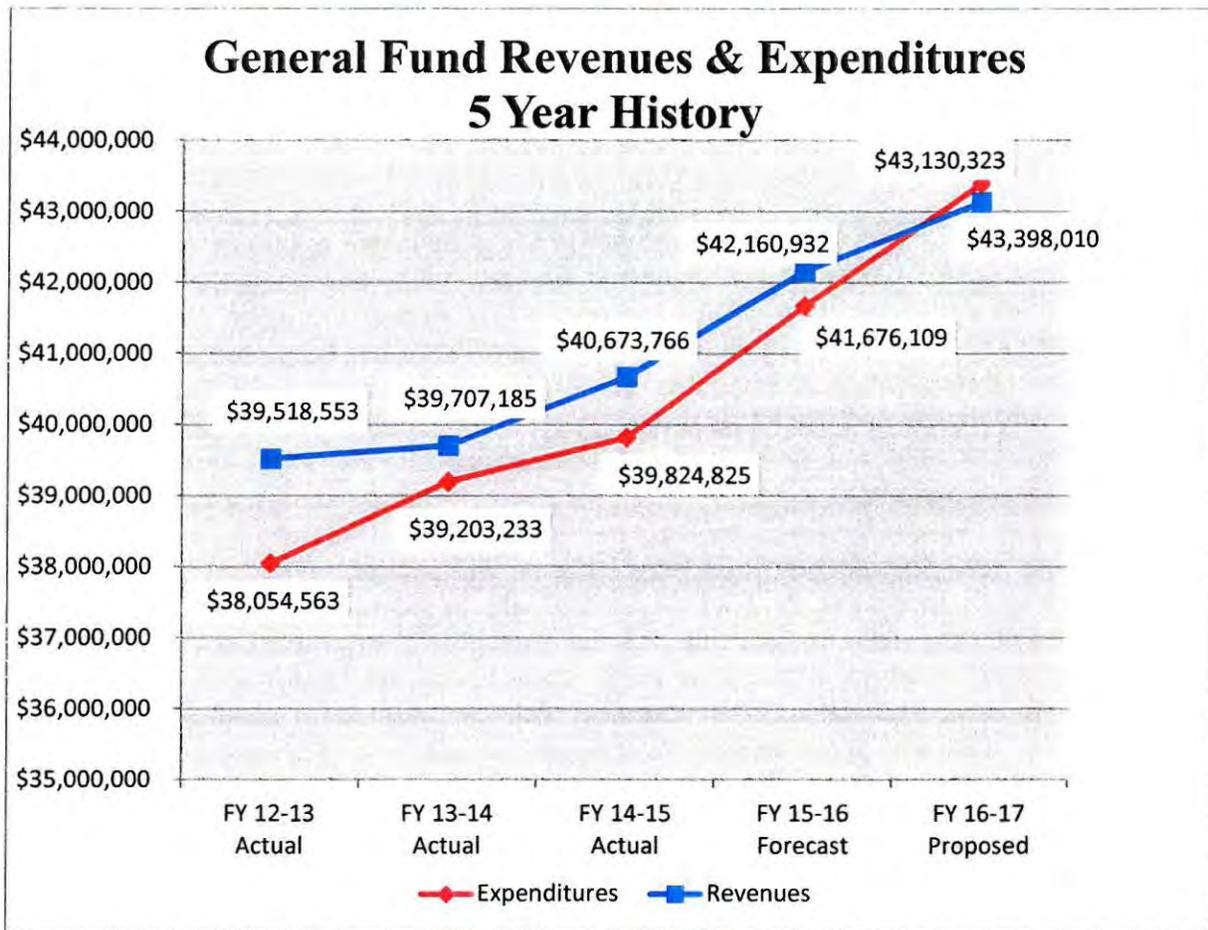
General Fund expenditures will increase in FY 16-17 due to increases in Personal Services (e.g. wages, benefits, training, and other employee-related expenses) and operating expenses (e.g. materials, commodities, and professional services).

GENERAL FUND EXPENDITURES BY FUNCTION (Includes Transfers)			
Expenditures:	<u>15/16 Budget</u>	<u>15/16 Forecast</u>	<u>16/17 Budget</u>
General Government	\$ 3,483,168	\$ 3,269,130	\$ 3,544,519
Public Health & Safety	22,002,241	21,305,332	22,759,423
Public Works	8,152,217	7,553,755	8,042,898
Community Development	2,601,967	2,519,363	2,585,163
Transfers	6,011,827	7,028,529	6,466,007
Total	\$ 42,251,420	\$ 41,676,109	\$ 43,398,010



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General Fund revenue and expenditures are expected to increase in FY 16-17 as compared with the FY 15-16 forecast.

Highlights of Departmental Activities

From an operational standpoint, the City of St. Charles will undertake several key initiatives in the upcoming fiscal year. Provided below are summaries of key departmental initiatives:



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PUBLIC WORKS DEPARTMENT

In FY15-16, the Public Works Department continued its focus on best value service delivery and infrastructure enhancement.

The Department's Public Services Division continued a sustainable approach for addressing the Emerald Ash Borer (EAB) infestation in City-owned ash trees, while reforesting the City-owned rights of way with a diverse cross section of tree species to help protect the urban forest from another devastating infestation. As the ash population has decreased, staff has been able to advance forestry maintenance efforts throughout the community. The division also continued to make improvements to publicly owned landscapes, parking lots and open spaces. In addition, the Public Services Division maintained an effective snow and ice program, utilizing sustainable anti-icing techniques to maintain the City's 179 miles of roadways.

During the coming fiscal year the Public Services Division will continue to remain focused on right of way maintenance in all sections of the City. Activities such as sidewalk and curb and gutter repairs, and asphalt and concrete roadway patching will be strategically prioritized with the Engineering Division. Concurrently, roadway maintenance work, storm sewer maintenance activities such as storm line flushing, televising and catch basin cleaning will be performed to advance the six-year maintenance cycle. This will allow department storm sewer staff to identify areas in need of repairs and provide important data on the condition of the system.

The Environmental Services Wastewater Division completed the rehabilitation and replacement of Royal Fox Lift Station II on Dunham Road improving reliability and service in the area. A Wastewater Facility Plan was completed, providing tools for addressing infrastructure and future budgeting and ensuring regulatory compliance. The Environmental Services Sanitary Sewer Division continued with the annual lining program to reduce inflow and infiltration of clear water into the sanitary sewer system.

The Environmental Services Wastewater Division will be initiating the first phase of a three-phase digester rehabilitation project to update and improve the 25-year-old facility. This is needed to update and improve reliability of the process and ensure Environmental Protection Agency (EPA) regulatory compliance. The design of a Phosphorus Removal process and facility for the Main Wastewater Treatment Plant will be completed in the upcoming year. This is required prior to construction of the facilities in the following fiscal year. The project is mandated by the EPA and is a condition of the EPA discharge permit for the plant. Upgrades and enhancements to the Supervisory Control and Data



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Acquisition (SCADA) system for the wastewater treatment process and lift stations will be made based on the results of an evaluation study.

The Water and Engineering Divisions completed the North 5th Avenue Water Main Replacement Project. This project involved the replacement of approximately 5,400 feet of water main on 5th Avenue (IL 25) and will improve reliability and service to customers in the area.

The Water Division will be completing construction of the new Red Gate Water Tower over the summer, with it being placed into service in September 2016. Upgrades to the SCADA system for well houses, water treatment processes, water towers and reservoirs will be made based on the results of an evaluation study. A Master Water Study will be performed in the upcoming year to assist with assessing infrastructure, future budgeting and future regulatory requirements.

During FY 15-16 the Electric Services Division continued to focus most of their resources on improving electric reliability with continued cable replacement, equipment replacement, overhead-to-underground projects, and overhead rebuilding programs. System reliability performance continues to be strong. While we haven't had a major storm since 2012, our efforts to improve our distribution and substation systems have resulted in fewer St. Charles equipment related outages. Other Division highlights include completion of the overhead-to-underground conversion in the North 2nd Avenue and North 3rd Avenue area and three Hendrix overhead cable installations in the SW quadrant. Engineering on the Legacy Park Substation, located in the vicinity of Kirk Road and Tyler Road, integrated with the IMEA solar plant, was completed and construction will occur in spring/summer of 2016. The Electric Services Meter & Communication Division continued to evaluate costs and benefits related to automated meter reading, should there be a desire to deploy a system in the near future.

For the FY 16-17 budget, the Electric Services Division continues to focus primarily on improving electric reliability. The utility has planned additional areas for overhead-to-underground conversions, areas for complete overhead system rebuilds, and continued efforts on cable and equipment replacement. The planned cable replacement area for this year is Hunt Club subdivision. The development of the Legacy Park Substation will continue with equipment purchases in preparation for commissioning in late 2017 or early 2018. The new station will add capacity in the southeast quadrant of the City.

The Public Works Engineering Division will continue to work on the 7th Avenue Creek and 7th Avenue Creek Tributary project. The work in FY 16-17 will include the development of an overall Master Plan, based on the concepts developed in FY 15-16 for the rehabilitation of the 7th Avenue Creek and a portion of the North tributary creek. This Master Plan will show what this area could look like in the



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future and will identify specific projects to help mitigate flooding in this area. In addition, this phase of the project will involve identifying individual project costs, a project phasing plan, alternative funding approaches, and strategies to deal with property acquisition. The development of the master plan will involve meetings among staff, key shareholders, elected officials, local businesses, and residents. The purpose of this phase will help to develop the overall rehabilitation project and will begin to look at long-term maintenance solutions for the creek.

As part of the City's commitment to maintaining public roadway infrastructure, the City applied for and received through the Kane County Council of Mayors a Federal Local Agency Functional Overlay (LAFO) grant in the amount of \$281,250 to assist with the costs of resurfacing Red Gate Road from Meadow View Drive to the western City limits. This work is expected to commence in June/July and be completed in August 2016.

The City will continue to maintain various other streets within our community using State Motor Fuel Tax funds. These improvements typically include roadway resurfacing, minor curb and gutter repairs and ADA sidewalk improvements. This work is scheduled to begin during the summer with completion in the fall of 2016.

Over the past several years, Public Works staff has realized a sharp increase in maintenance activities for the Police Facility, attributed to several interior and exterior deficiencies. In addition, Police management staff has identified several operational deficiencies attributed to the layout and space constraints of the Police facility. As a result, the City Council authorized a comprehensive study of the entire Police Facility and operations, which was completed in FY 15-16. The study included an Exterior and Interior Conditions Report, Air Quality/Environmental Review, Historical Preservation Study, Site Survey, Space Needs Assessment, Site & Building Appraisal, Master Plan/Concept Studies and Cost Estimates.

Based on the results of the comprehensive study, City Council directed staff to proceed with the design of a new Police Facility to be located on an alternative site from its current location. In FY 16-17, City Staff will continue to work with an architect to find an alternative site for the new facility, and develop design concepts to be approved by City Council. Finally, construction documents and specifications will be prepared for a project bid, to be followed with construction anticipated in FY 17-18.

INFORMATION SYSTEMS DEPARTMENT

FY 15-16 provided for the implementation of Laserfiche as the City's new document management system. The Laserfiche project implementation included the migration of nearly 60,000 electronic



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documents from the City's legacy systems. Also included in the implementation was development of workflows that leveraged integration with the Infor Lawson Enterprise Resource Planning (ERP) system. One workflow automated the entire accounts payable process—from invoice approval to vendor payment, reducing processing time by 80%.

The Laserfiche system will continue to be integrated with the City's core applications to provide easier and more direct access to related information. In FY 16-17, citizens will be able to access many documents directly from the City's website, eliminating duplicate content and increasing government transparency.

In FY 15-16, the application support team upgraded the Infor Lawson ERP system to Version 10, the most current version of this software. The upgrade included migrating existing application data, workflows, dashboards, and software customizations to a new virtual server environment. Infor Lawson Version 10 includes a new dashboard, employee self-service and enhanced reporting functionality.

In FY 15-16 the Information Systems and Finance departments worked together to define the requirements for a new utility billing system. In FY 16-17, the departments will partner again to plan for implementation of a new system to replace the legacy utility billing software. In FY 16-17 Information Systems staff will team with the Public Works Department to develop a comprehensive assessment of the requirements for an asset management system, with the plan to purchase and implement a new system later in the year.

In FY 15-16 the City implemented the Microsoft Exchange email, calendar and contact management system. Nearly 1.6 million email messages and calendar entries were successfully migrated from the City's legacy email system to Microsoft Exchange. Additionally, over 200 staff members were trained on the new software. The move to Exchange simplified email administration, leveraged the City's investment in Microsoft Office software, and enabled integration with many of the City's enterprise applications.

In FY 15-16 the City's website was refreshed with upgraded software, streamlined graphics and a mobile device-friendly design.

In FY 15-16 the Geographic Information Systems (GIS) Division assisted with selection of a new Computer-Aided Dispatch (CAD) system for Tri-Com Central Dispatch. In FY 16-17 the GIS Division will provide strategic support for implementation of the new CAD system.



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In FY 16-17 the Information Systems Department will lead the development of a comprehensive Strategic Technology Plan. The Strategic Technology Plan will identify the City's technology requirements and future needs gathered through interviews and workshops involving all levels of City staff and external stakeholders. The result will be a prioritized portfolio of technology projects that the City should undertake over the next several years, with a specific focus on initiatives that will support the City's strategic plan goals.

HUMAN RESOURCES DEPARTMENT

The Human Resources Department continues to take active fiscal responsibility in their areas of influence. The Department has worked collaboratively with city administration and other departments to improve processes and utilize resources more effectively, while respecting the heritage of the organization.

Keeping health care costs at a reasonable rate for both employees and the City continues to be an important focus. The Department team has worked diligently to address the ever changing regulatory requirements while continuing to contain costs. For FY 16-17, the City will only incur a 3.2% increase in health care costs, which is well below the national average. Our innovative wellness program, now called "Target Wellness," has been reinvented. The program encourages personal responsibility for employee health (and costs). Employees are able to lower premium costs by meeting health criteria for as many as 7 factors. A new Patient Care program will be added to our benefit offerings to encourage and incentivize employees to be engaged and knowledgeable health care consumers, while reducing costs.

Human Resources, along with the City's Wellness Team, continues to offer ample service opportunities for our employees to give back to the community. Our "Giving Friday" program raises money for local and national charities, the Giving Tree at the Holidays (benefitting St. Charles families, and the Elderday Center), and organized volunteer offerings like Feed my Starving Children, are just some of the avenues through which City employees share time and resources with our community.

In partnership with the Information Systems Department, we continue to find new ways to utilize technology to automate and streamline processes and provide better customer service. For example, Human Resource employees are scanning employee assessments and other files into the new Laserfiche program. This allows supervisors and employees easier availability to this information. Additionally, Department staff provided employees with many new Infor/Lawson self-serve features



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that they can access on-line at work and at home, increasing convenience for employees and their families, while increasing the efficiency in Human Resources Department.

New employee customer service excellence training, Employee Assistance Program (EAP) training for supervisors, Microsoft Office training for all employees, and interest-based bargaining training for the IAFF bargaining team were some of the many training opportunities offered on-site during FY 15-16. Looking ahead to FY 16-17, the Human Resources Department will work collaboratively among departments on implementing the updated Global Harmonized System (GHS) portion of the Occupational Safety and Health Administration (OSHA) Hazardous Communication (Hazcom) standard and a new on-site safety and wellness training program. All employees will attend a diversity, harassment and violence in the workplace refresher training, in addition to annually required technical and safety training.

The City of St. Charles continues to partner with the cities of Elgin and Batavia to provide cost effective personal and professional development programs through LEAD. By sharing resources among the three communities, LEAD's mission of "developing leaders through collaborative learning to build a stronger community," is accomplished. The practical outgrowth is increased soft-skill education of employees at all levels and increased networking and idea sharing among our three communities to improve services.

The Human Resource Department in FY 16-17 will continue to efficiently attract and retain an exceptional workforce by offering excellent benefits, professional training and development, and necessary resources, and by encouraging growth opportunity for all our employees. This is necessary for providing quality service to the community and keeping the City's budget in good health.

FIRE DEPARTMENT

The Fire Department eagerly looks forward to FY 16-17, as they will continue to focus on improving services, maximizing fiscal accountability and improving upon performance. The Annual Compliance Report was once again accepted by the Center for Public Safety Excellence and the Department's status as an accredited Fire Department was affirmed. During FY 15-16 the Department had the good fortune to be awarded an Insurance Services Office (ISO) Public Protection Class 1 rating. This rating is the highest possible classification for a Fire Department, with recognition to the Public Works Water Division, and it is utilized by many insurance companies as part of the process for determining property insurance ratings.



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In the effort to maximize partnership opportunities, the St. Charles Fire Department has long been a member of Tri City Ambulance. Tri City Ambulance was held up as a model of consolidation in the recently released final report of the Local Government Consolidation and Unfunded Mandates Task Force. The Task Force was directed by Illinois Lieutenant Governor Evelyn Sanguinetti. The member agencies, in order to further increase organizational efficiency and effectiveness through the sharing of resources, has undertaken the accreditation process through the Commission on Accreditation of Ambulance Services. This effort will be accomplished in the upcoming fiscal year.

The budget for FY 16-17 includes resources for the Fire Department to undertake the strategic planning process. The Center for Public Safety Excellence will be contracted to facilitate the Department's strategic plan and prepare the department for the challenges of the next several years. This plan will help to lead the Fire Department in providing for a stronger future, ready to tackle whatever challenges may come their way.

POLICE DEPARTMENT

During FY 15-16, the Police Department made organizational changes. These organizational changes have been incorporated in the FY 16-17 budget. In addition, the Administrative and Operations budgets were combined to create one budget for the Police Department for FY 16-17. This will result in better tracking of budget expenses. The largest increase in the FY 16-17 budget is for pension costs. This increase is directly attributable to an update to actuarial mortality tables. The remainder of the budget reflects a responsible consideration for operational needs.

The use of technology continues to grow at a rapid pace and will change how the Department does business. Smart phones and computers consistently are being used to plan, coordinate and memorialize criminal activity. We are proposing the purchase of software that will assist investigators with a forensic examination of these items to preserve evidence.

The Department is expanding the use of a social worker to help citizens who may be a victim of a crime. The increased cost, which is anticipated to be offset with a grant, will provide greater resources for the officers to make referrals for those in need.

The Department has partnered with the Finance Department to set up a replacement schedule to ensure specialized operational equipment is readily available for use. Equipment such as gas masks, ballistic shields, and portable breathalyzers will soon exceed the manufacturer service life. The budget now includes a schedule to update the equipment and spread the costs for the replacement over several fiscal years.



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The Police Department staff will maintain its current number of sworn officers. The recent change in the organizational structure reflects the merging of positions, resulting in a 0.5 net reduction in non-sworn positions. This savings is reflected in regular wages.

In preparation for future needs, the Department has budgeted in years beyond FY 16-17 for the replacement of our K9 dog. This is evaluated yearly as Aries, our current dog, enters his eighth year of service. The Police budget has also included the estimated costs for the implementation of squad and body cameras to keep pace with law enforcement trends. Finally, the Police Department team continues to work with the Public Works and Finance departments on options for a new station.

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

The City started experiencing increased interest from the development community in spring 2015, resulting in an increase in number of building permits and an uptick in construction activity throughout the year. This trend is expected to continue into 2017. The Department continues to find opportunities to improve efficiency, while remaining committed to the “one-stop shopping” approach for the City’s development interests.

In the coming year, the Planning Division will continue to be engaged with major projects identified as priorities in the City’s 2013 Comprehensive Plan:

- **Completion of the First Street Project Downtown:** In FY 15-16, the Planning Division administered the zoning entitlement process for Phase 3 of the First Street development, which is now under construction. As the project evolves during FY 16-17, the Planning Division will continue to be engaged with the developer in planning for future buildings and adjusting the development program to respond to market opportunities.
- **Redevelopment of the former St. Charles Mall site:** In FY 15-16, a Concept Plan was presented for Prairie Center, a proposed mixed use redevelopment of the former St. Charles Mall site, which has remained vacant for many years. Based on City and community feedback, department staff, led by the Planning Division, will be working with the property owner to refine the development plan, analyze its potential impact and shepherd the project through the City’s development review process.
- **Repositioning the Charlestowne Mall:** The Planning Division will continue to be engaged with The Quad project, which is the redevelopment of the Charlestowne Mall property. In FY 16-17, the developer will be proceeding with presenting updated and more detailed plans for the property, including new buildings and possible redevelopment of the mall building. The project received a recent boost with the news that Illinois-based Cooper’s Hawk Winery and



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Restaurants will be opening their 28th location on one of The Quad's outlots. Construction is scheduled to begin this summer with anticipated opening in summer of 2017.

The Planning Division will also be involved with continued discussions on the Lexington Club PUD, which is a redevelopment of the blighted former Applied Composites industrial property near downtown. During 2015, the developer initiated the process to have a new development plan approved for all single-family homes.

The Planning Division has been engaged in a year-long discussion with the Housing Commission, Plan Commission and City Council regarding the City's Inclusionary Housing Ordinance. The Ordinance has been suspended for a couple of years based on market conditions. A proposal has been advanced to reactivate the Ordinance in a more flexible form that is less onerous to the development community, but would still contribute to the City's affordable housing efforts. Pending Council direction, the new ordinance could be in place by FY 16-17.

The City will move forward with implementation of the "Homes for a Changing Region" Study by undertaking preliminary research on the establishment of a Community Land Trust. The Land Trust could be used to leverage the City's Housing Trust Fund to further affordable housing opportunities in the community. A joint feasibility study with Geneva and Batavia is planned during FY 16-17.

In FY 15-16, the City adopted Design Guidelines for the RT Traditional Residential Districts. These guidelines will protect the character of the City's older neighborhoods, which are seeing new investment through renovations, teardowns, and infill construction. The guidelines replace an informal consultation process that was established in 2006. Going forward, the City will continue to monitor the effectiveness of the new process and regulations. The City also amended the CBD-2 transitional zoning district around the downtown area by providing simpler regulations to encourage reinvestment for previously non-conforming properties.

The Economic Development Division continues its targeted and systematic efforts to meet its goals of coordinating development efforts, business retention and recruitment, marketing the City, and collaborating with local organizations. In January 2015, the City approved a Downtown Economic Incentive Program to encourage rehabilitation and investments in our older and historic downtown buildings serving both new and existing businesses. The City was able to leverage this grant to assist with the attraction of The Finery & Blacksmith Bar and Magnolia Bridal. This grant also assisted in the successful relocation of Isacco's Kitchen to First Street and the expansion of Bombshell 56. The City continues to encourage investment in our community through existing grant programs such as the Façade Improvement Program and the Corridor Improvement Program.



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The City is actively engaged in developing an advertising strategy to help promote the City to both external businesses and existing residents. The Economic Development Division will be seeking digital, print, as well as social media marketing opportunities.

The Economic Development Division will collaborate with the Chamber to organize a commercial Brokers Tour of vacant spaces in spring 2016. The event will allow an opportunity for brokers to network and share information about vacant spaces in an effort to market such properties.

During FY 15-16, the City was able to attract the Fox Valley Volkswagen dealership to St. Charles using a sales tax rebate incentive. The dealership will be remodeling the former DuPage Expo Center. The approved incentive is valued at \$1,500,000 over a 15-year period, including an \$800,000 upfront loan to help cover closing and construction costs.

The City is also proactively working to retain and assist existing businesses with expansion. During FY 15-16, the City approved a property tax rebate with a current corporate citizen, AJR Filtration, Inc. This rebate financially assisted with the construction of a new facility, located along Kirk Road adjacent to Division St., housing the expanded business. Additionally, this incentive helped retain 205 existing jobs in St. Charles with the company planning to add another 150 jobs in the next 3 years.

In FY 15-16, the Building & Code Enforcement Division, in conjunction with the Fire Department, initiated the process for reviewing and updating the building and life safety codes. The Building Board of Review had reviewed the 2015 codes and has made recommendations to reduce the number of local amendments to align the City's regulations more closely with the base codes. City Council adoption of the codes is anticipated by April 2016. Staff within the tri-cities of Geneva, Batavia and St. Charles has coordinated its efforts to adopt the 2015 International Residential Code.

With the Citywide migration to Outlook, our Building & Code Enforcement staff has moved to an electronic inspection scheduling process for improved efficiency. A code enforcement action plan has been initiated to enhance effectiveness of existing processes as well as communication and accountability of our code enforcement efforts.

In FY 16-17, we will initiate the process in conjunction with the Information Systems Department for a needs assessment of the current Cityview permit tracking system and explore products in the market for an integrated, comprehensive development tracking and project management system. The current Cityview system went live in April 2004 and has been modified to meet our needs a couple of times



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over the years. The interfacing capabilities of the current software with other City systems such as GIS and mobile computing are limited.

Building permits for residential and commercial development have slowly but surely been on the rise in 2016.

As we enter FY 16-17, a number of development prospects and opportunities continue to loom on the horizon. The Community & Economic Development Department is prepared and well-positioned to efficiently serve the community's development interests.

FINANCE DEPARTMENT

The Finance Department experienced a big boost in efficiency this past year with the implementation of Laserfiche, the City's new document management system solution. Accounts Payable was one of the first beneficiaries of this project, which was headed by the City's Information Systems (IS) Department. Accounts payable invoices are now scanned into our Lawson/Infor ERP software, using Laserfiche, and routed for approval through an automated workflow. The invoices are then filed and archived electronically within Laserfiche. Invoices and their corresponding purchase orders and checks are now available for viewing through the Laserfiche web application. As a result of implementing Laserfiche, invoice processing time has been reduced by almost 80%! In the months ahead, we will continue to work with IS to utilize Laserfiche's capabilities in other areas of our Lawson/Infor software.

The Finance Department also is working with our IS Department on an upgrade of our Lawson/Infor ERP software to Version 10. Although this is primarily a technology upgrade, it does include some software enhancements that will improve the user experience and increase functionality. The upgrade is currently scheduled to be completed by the end of May 2016.

In conjunction with the City's Risk Insurance Consultant, Assurance Agency, the Finance Department executed a marketing of the City's Risk Insurance and Workers Compensation Stop Loss insurance packages during FY 15-16. As a result of that process, coverage was placed with Travelers at a substantial cost savings. The City saved over \$95,000 compared to 2014 premiums without significant changes to coverage levels or deductibles. The switch to Travelers was effective December 1, 2015.

The City of St. Charles continues to reap the benefits of participating in the State of Illinois' Office of the Comptroller's Local Debt Recovery Program (LDR). This program allows local governments to submit debt owed to them (i.e., utility bill payments, parking tickets, booking fees, etc.) to the State for



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collection through state-issued disbursements, including income tax refunds, lottery winnings, vendor payments, etc. We have increased our efforts to ensure that all outstanding debt owed to the City is placed in the LDR program as soon as the requirements are met. To date, we have collected over \$92,000 in outstanding debt, with no out-of-pocket cost/commission to the City.

The Affordable Care Act (ACA) brought further challenges to the City. Complying with the ACA's new year-end reporting requirements involved hundreds of man hours from the IS Department, HR Department and Finance Department. Through the coordinated efforts of these departments, we were able to issue the new tax forms to all health care eligible employees by the original February 1, 2016 deadline.

Recently, the Finance Department received some great news. The City's Comprehensive Annual Financial Report for the fiscal year ended April 30, 2015, was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. This is the 30th year in a row that the City has received this prestigious award. The Finance Department continues to work diligently to ensure that this streak continues.

The Utility Billing Division has primarily been in a "maintain status quo" phase this past year. It is now in the second year of using a lockbox service for processing utility bill payments. A few recent enhancements have been made to the service, which has made processing even more efficient. The lockbox service has enabled staff to spend less time processing payments, and more time on other day-to-day duties, including assisting customers in-person and over-the-phone, as well as spending more time on other projects. The additional time also has allowed for further cross-training within the division. One small change that the Utility Billing Division is working on is the switching of its credit card processing company. This move to Card Connect will ultimately save the City approximately \$400 to \$500 a month in credit card fees. This switch should be fairly seamless and will not have an impact on City customers.

Recently, there has been some discussion of installing a payment kiosk at a separate location within the City, in order to provide customers another option to make payments during non-business hours. The payment kiosk could accept cash, check, or credit card payments. The Utility Billing office averages about 1,800 in-person customer payments, with more than half being paid in cash. A payment kiosk would give these customers another payment option. However, because there will be a cost associated with a payment kiosk, the prevailing thought was to put this on hold until more information could be obtained, possibly through a future resident survey, regarding the demand for other payment options.



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Looking ahead, the Utility Billing Division will be working with the Information Systems Department on the Document Management project. Utility Billing's goals for the project include the ability to scan documents, such as customer applications, as well as work orders and job orders. The purpose of this project is to enable scanning of documents, and linking those documents to the appropriate utility account for future reference, as necessary. Completion of this project would reduce the need for file space, reduce the time required to file and purge documents, reduce the time required to find documents that are needed during operations, and provide Utility Billing staff with needed information and documentation at their work stations.

During the next fiscal year, the Utility Billing division will begin the arduous process of replacing its 25-year-old "home grown" Utility Billing system. While the current system has many unique features that have been added over the years, it is an iSeries-based green screen program with very limited application support. We're excited at the challenge of finding a replacement software package that will improve current efficiency and functionality.

The Purchasing and Inventory Control Division staff continues to support all City departments, acquiring pricing and quotes for many non-stock purchases. This effort helps streamline purchasing of non-stock items, allowing City staff time for other projects. New items are added frequently to stock and a continued effort to remove obsolete items from stock for disposal is a high priority for this department.

Purchasing has worked diligently securing quotes on vehicle purchases for all departments, with around 25 total purchases in the last year. We are pleased that many of these purchases have been made through local vendors who competed successfully against the state and local cooperative contracts.

Inventory Control has been working diligently to meet OSHA's June 1, 2016 deadline for complying with the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) requirements. This new requirement changes the reporting and labeling of hazardous chemicals into a standard format that is utilized world-wide. Inventory Control staff have been updating Safety Data Sheets and instituting a labeling system for all departments within the City.

Inventory has also been working on an online photo project that will allow the end users of the Lawson/Infor system to access pictures of stocked inventory items. This project will make it easier for customers to get a better understanding of what these items are before requisitioning them.



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Auctioning obsolete City stock and property online has again proven to be a very practical and successful method of disposal, assuring a fair method of disposing City property. This process has netted over \$52,000 for the year, and counting.

Summary of Changes in Personnel

The largest single expense in the City's budget is for our people. We are a service organization and the cost of salaries, benefits, and other related personal services expenses make up approximately 66% of the City's General Fund budget.

The number of full-time equivalent positions (FTEs) budgeted for FY 16-17 stands at 269.25 (excluding elected officials, crossing guards, meter readers, and EMA personnel), roughly the same amount of FTE's budgeted in FY 15-16.

Full Time Equivalent (FTE) Employees by Department			
Department	Budgeted FY 15/16	Proposed FY 16/17	Net Change
City Administration	4.48	5.18	0.70
Information Systems	12.60	13.12	0.52
Human Resources	6.01	6.01	0.00
Finance	19.38	18.63	-0.75
Police	69.93	69.44	-0.49
Fire	49.64	49.64	0.00
Community & Economic Development	14.63	14.63	0.00
Public Works	92.45	92.60	0.15
Total FTE	269.12	269.25	0.13



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Capital Projects

The City will undertake \$19.1 million in capital projects in FY 16-17. Of this amount, \$8.5 million is budgeted for projects within the City's three major enterprise funds – Electric, Water, and Wastewater.

The City will continue its annual program of pavement rehabilitation and repair of City streets. This year, work will be completed on a number of streets, including:

- Fellows Street (4th Street to 10th Street)
- Kautz Road (IL Route 64 to Commerce Drive)
- Red Gate Road (Meadow View Drive to Tradition Boulevard)
- Riverside Ave (Cedar Avenue to Illinois Avenue)
- S. 15th Street (Howard Street to Indiana Street)

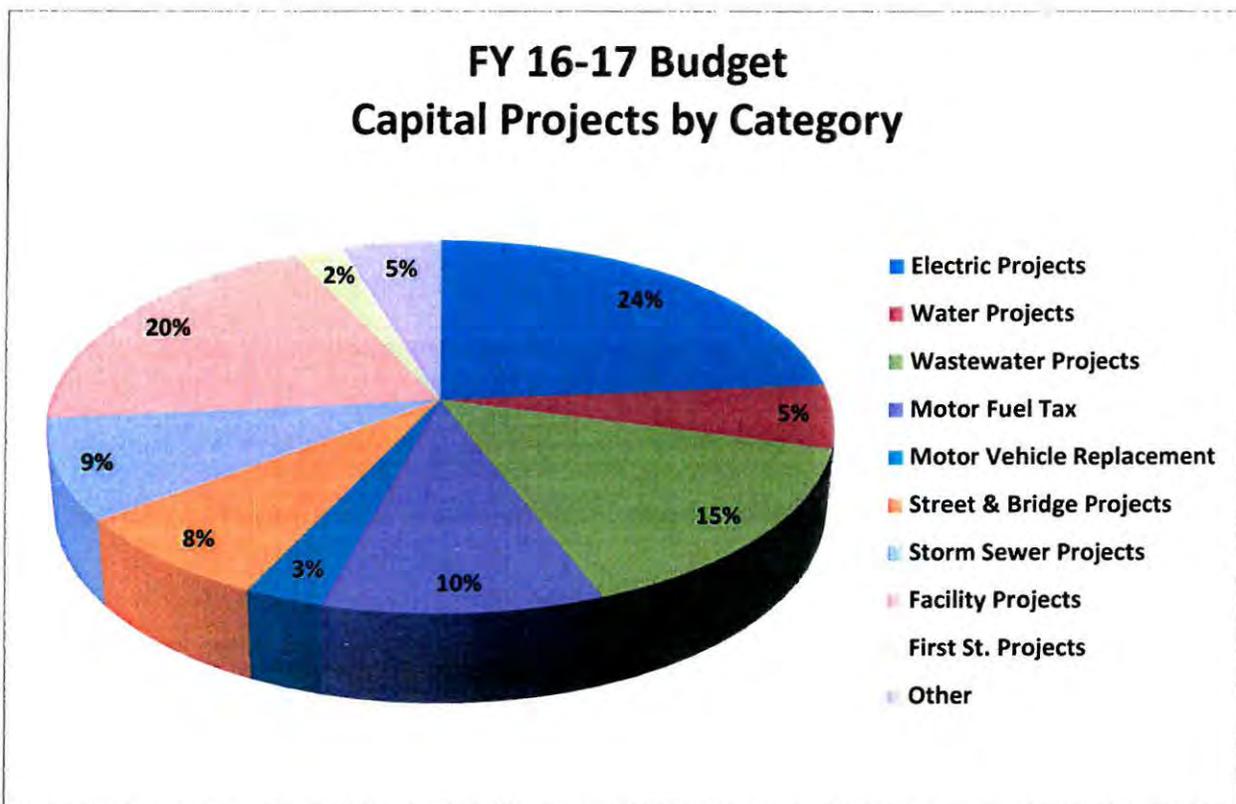
Further information on the City's roadway resurfacing projects can be found on pages VI-6 and VI-7 of the Capital Improvement section of the budget book.





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Significant capital projects (those costing \$500,000 or more) are as follows:

- Substation 9 Transformer and Supporting Equipment - \$1,100,000
- Duct to Substation 9 - \$520,000
- WWTP Digester Improvements - \$1,136,000
- Annual MFT Street Resurfacing Program - \$980,000
- Kautz Road Resurfacing - \$900,000
- 7th Ave Creek Improvements - \$960,000
- Police Station Design - \$1,500,000
- George's Sports Building Remodeling - \$1,800,000



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City of St. Charles Budget Message and Overview

The City of St. Charles will continue to pursue grant funding opportunities for its capital projects, when appropriate.

Debt Summary

In FY 16-17, it is anticipated the City will issue approximately \$8.0 million in new debt. The bonds will include:

- Substation 9 Transformer and Supporting Equipment - \$1,100,000
- Duct to Substation 9 - \$520,000
- WWTP Digester Improvements - \$1,136,000
- WWTP Phosphorus Removal Design Engineering - \$453,000
- Kautz Road Resurfacing - \$900,000
- 7th Ave Creek Improvements - \$590,000
- Illinois Street Bridge Repairs - \$699,000
- Police Station Design - \$1,500,000
- George's Sports Building Remodeling - \$1,800,000

FY 16-17 Debt Summary				
Fund	Current	New Issues	Retirements	Outstanding @ 4/30/17
General	\$ 42,172,395	\$ 4,790,000	\$ 3,017,922	\$ 43,944,473
TIF	29,700,000	-	1,225,000	28,475,000
Electric	7,776,281	1,620,000	739,606	8,656,675
Water	13,273,165	-	824,532	12,448,633
Wastewater	21,886,199	1,589,000	1,642,918	21,832,281
TOTAL	\$ 114,808,040	\$ 7,999,000	\$ 7,449,978	\$ 115,357,062



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Enterprise Funds Summary

The City's Enterprise Funds – so named because they operate much like separate business units or enterprises – are intended to be fully self-supporting, receive no tax support, and operate exclusively on the revenue generated from the rates paid by customers.

Utility Funds FY16/17 Budget			
	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
Revenues:			
User Charges	\$ 62,444,494	\$ 6,032,152	\$ 9,338,910
Other Operating Revenues	1,102,312	368,162	425,762
Capital Financing Proceeds	1,620,000	-	1,589,000
Transfers In	<u>315,664</u>	<u>-</u>	<u>-</u>
Total Revenues	65,482,470	6,400,314	11,353,672
Expenses:			
Personal Services	\$ 3,814,193	\$ 1,472,205	\$ 2,054,790
Other Operating	51,780,931	1,662,986	2,603,287
Allocations from Other Funds	1,971,701	896,012	1,332,164
Capital	4,546,600	1,057,300	2,875,000
Debt Retirement	1,233,082	1,204,716	2,379,086
Transfers Out	<u>498,429</u>	<u>159,416</u>	<u>303,692</u>
Total Expenses	63,844,936	6,452,635	11,548,019
Revenues Over/(Under) Expenses	<u>\$ 1,637,534</u>	<u>\$ (52,321)</u>	<u>\$ (194,347)</u>

Due to declining consumption levels and eroding financial performance of its three utilities, the City contracted with a nationwide consulting firm in late 2010 to conduct a comprehensive rate study. The rate study, which was accepted by the City Council on May 2, 2011, contained many suggestions for changes to the City's utility rate structure that would allow for long term financial sustainability of the City's utilities. Several of these changes were implemented beginning in the 2011-2012 fiscal year. Each year thereafter, in conjunction with the preparation of the annual budget, City staff updates the



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rate study recommendations and proposes a rate structure for the next fiscal year, taking into account the latest data regarding financial performance and reserve levels of each of the individual utilities.

After five fiscal years of rate adjustments, we are beginning to see the realization of some of the goals and suggestions as detailed in the rate study. In the Electric Fund, we are consistently generating surpluses and the reserves are anticipated to be in a positive position throughout the budget projection period. The rate structure will allow for much more moderate rate adjustments to keep pace with the City's anticipated changes in its wholesale power costs. Based on the current cost structure, these rate adjustments should allow for continued positive financial performance within the Electric utility.

During the Electric rate study, it was determined that the City will no longer need to charge different rates for summer and non-summer electric consumption. This is due to the production-based cost of wholesale power under the City's current power purchase contract. Therefore, in 2011-2012, the City began a long-term process of narrowing the gap between the summer and non-summer electric rates. This process concludes during the 2016-2017 fiscal year. Residential rates for summer and non-summer base consumption (below 1200 kwh in the summer months) will be 11.50 cents per kwh. Additionally, it was noted in the rate study that the City's fixed monthly service charge was not keeping pace with the City's fixed costs to run the Electric Utility.

The following changes are proposed to the Electric utility's residential rate structure for fiscal year 2016-2017:

- The monthly service charge will be increased from \$16.70 to \$17.50.
- The base residential rate for kwh consumed will be increased to 11.50 cents per kwh year round.
- During the summer months, a premium rate of 13.00 cents will be charged for kwh consumed in excess of 1,200

Targeted rate adjustments to address specific areas of concern within the utility are a relatively recent addition to the City's approach. Previously, annual rate increases typically happened "across the board" and applied to all rate, seasonal, and customer classes. It is anticipated that the resulting increase to a typical residential customer will be approximately \$2.23 per month. Rate changes for non-residential customers should approximate 2.50-3.00%, depending on each customer's electric consumption characteristics.

Rates also will be adjusted in the Water and Sewer utilities during FY 16-17. The City had historically followed a practice of utilizing non-rate revenues to subsidize the operations of these utilities.



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Therefore, the rate structure has been adjusted over time to realize the long term goal of providing adequate funding for the costs of water and sewer service to the City's utility customers.

For the water utility, changes to the rates for consumption and monthly service will occur on May 1. It is anticipated that these changes will result in an average monthly increase of \$3.58 for a typical residential customer. It is currently anticipated that the water utility's rate structure will stabilize within approximately three (3) fiscal years, based on anticipated needs of the utility and the current rate and cost structure. It is anticipated that the water utility will experience positive financial performance during that time frame.

Fiscal Year 2016-2017 will see fundamental changes in the rate structure for the wastewater utility. Currently, staff anticipates the need for many capital projects within the wastewater utility as many systems within the sewage treatment plant reach the end of their operational lives and the plant is upgraded to comply with new phosphorus standards, as promulgated by the Illinois Environmental Protection Agency (IEPA).

The IEPA has mandated more stringent removal of phosphorus from the effluent of the wastewater treatment plant discharged to the Fox River. The City has devised a plan to comply with those standards, but that compliance comes at a cost. In order to fund the equipment required for compliance with the new mandate, the City will be instituting an "EPA Compliance Assessment" that will be charged beginning in May and reflected on bills that customers receive in June. This assessment will appear as a separate line item on each customer's bill and consists of a fixed charge of \$.45 per customer per month. The assessment will be increased annually to finance the costs of IEPA mandated compliance. Additionally, rate changes will be made to the fixed monthly service and volumetric charges to continue the implementation of the recommendations outlined in the rate study.

The City will also be performing repair, maintenance and replacement work on the digester equipment at the wastewater treatment facility. These improvements are nearing the end of their operational lives and are in need of repair. In addition to improving the treatment processes as noted above, various improvements will be made to the wastewater collection system components, such as maintenance of lift stations and various improvements to prevent infiltration of groundwater and stormwater into the collection system. In all, staff currently anticipates approximately \$28.5 million in wastewater system and infrastructure improvements over the next five (5) fiscal years.

The goal of the utility rate study is to assure that the City's rate structure is adequate to finance the costs of providing utility service and also to assure that the rate structure matches the manner in which those costs are incurred. The proposed changes will help to meet that goal and also to assure that the

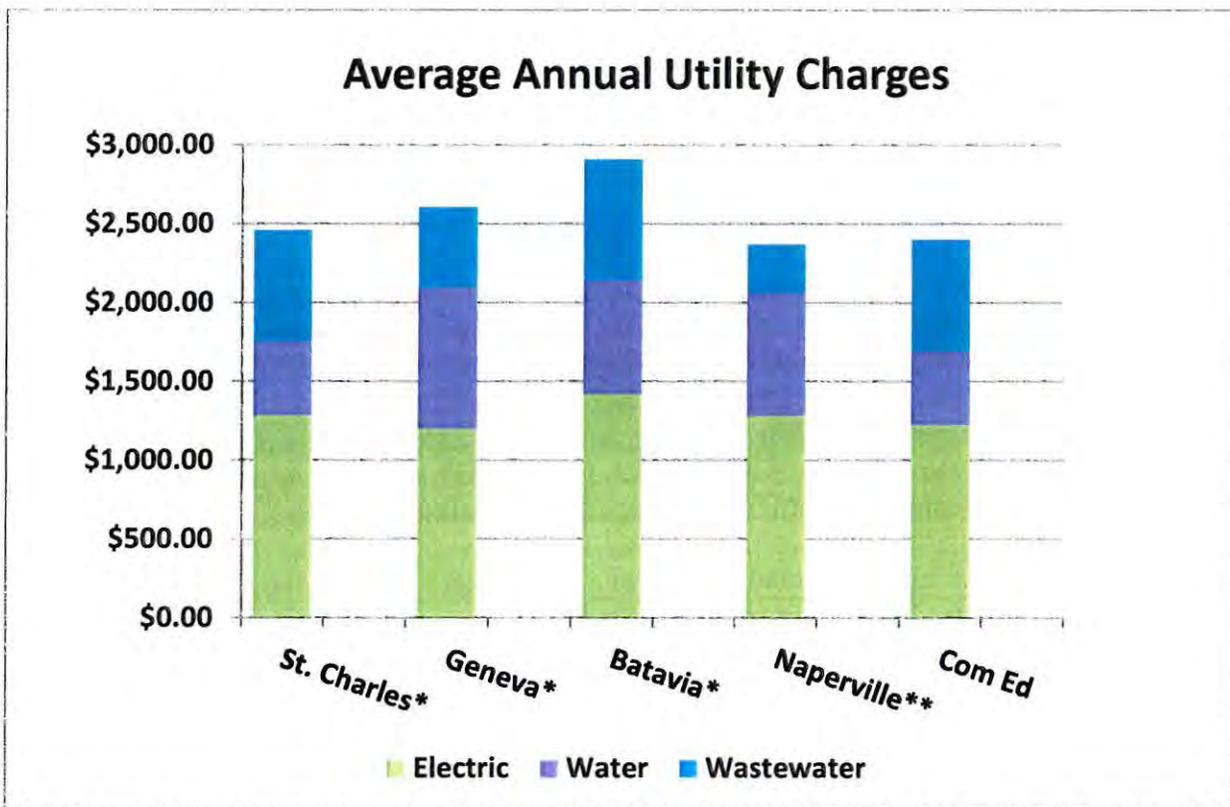


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utilities remain fully self-supporting, are funded entirely by rates paid by customers, and receive no tax revenue support. The second goal of the City’s rate structure is to assure that adequate resources exist to make necessary improvements and upgrades to the City’s utility infrastructure so that residents continue to receive the reliable, high quality utility service that they demand. An update to the 2011 rate study is budgeted within each of the three utility funds for the upcoming fiscal year to ensure that we are still on the right track when it comes to fulfilling the goals of the original rate study.

As shown on the chart below, even with these changes to the utility rate structure, the City’s proposed utility rates for FY 16-17 will result in lower annual utility charges than the utility charges at most other area communities.



* Includes base rates as well as a Power Cost Adjustment Factor for the most recent 12 months.

**Naperville will be implementing a Power Cost Adjustment Factor beginning February 2016.



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Conclusion

The City's FY16-17 budget allocates appropriate resources for all of the things that a great community should provide – quality services to meet a variety of needs, enhancements to infrastructure, investments in personnel, and support for community organizations. More importantly, the document reflects a balanced financial plan that fulfills our vision of a *City organization that maintains an optimal service delivery framework that balances resources with needs*, consistent with our new strategic plan.

The budget minimizes the burden by holding the line on property taxes and minimizing increases for service fees, maintains services, and enhances the physical infrastructure of the community to meet future needs. In formulating the plan, we have demonstrated characteristics of great organizations – creativity, patience, understanding, thoughtfulness, and determination - by making decisions that are best for the members of our community and our organization based on the framework of the strategic plan.

We want to thank all City departments for taking the time to closely scrutinize their budgets this year. We must also recognize the tremendous efforts of staff in the Finance Department who helped to facilitate the budget preparation. Julie Herr, Jill Ghiotto, Terry Barth, Kim Diehl, Lynn D'Avico, Alpa Patel, and Carylie Forte all worked diligently so that this document could be presented.

The proposed budget continues to sustain a very high level of service to the community. It maintains a service delivery framework that balances resources with needs. It reflects financial investments that are made based on the strategic priorities of the Mayor and City Council.

We submit this budget for the consideration of the City Council, and recommend its approval.

Raymond P. Rogina
Mayor

Mark Koenen
City Administrator

Christopher A. Minick
Director of Finance

Policies

How to Review this Plan II-2

Budget Process II-3

Budget Timeline II-4

Fund Balance Disclosure II-5

Policy Goals II-6

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How to Review This Plan

We hope we have developed a budget document that is easy for the lay reader to use, yet comprehensive for the experienced reader. Following is a brief description of the major sections of the budget along with page numbers.

Budget Summary

(Section I)

Here you will find a comprehensive review of the City's budget process and timeline.

Policies

(Section II)

This section lists general City policies. The planned implementation of these goals is also explained.

Financial Trends

(Section III)

This section is provided for financial analysis of community growth, comparative trends, revenue trends, expenditure trends, balance sheet trends and debt service trends.

Community Profile

(Section IV)

You will find useful statistics as well as some facts of interest on St. Charles.

Budget by Fund

(Section V)

There are two reports in Section V. The first report is a fund summary for the proposed budget year. It shows the total revenues and expenditures for each fund along with a projection of available fund balance. The second report is prefaced by a description of the City's funds and is followed by very detailed reports of revenues and expenditures by fund. It includes past history, history of fund balances/equity, fund descriptions and charts and graphs.

Capital Improvements

(Section VI)

Section VI of this plan is our Capital Improvements Plan. In this section we have a Capital Improvements Summary, which provides information to understanding capital spending by fund and department for the proposed budget year and the three following fiscal years. A detailed listing by department is also provided for each year.

Glossary

(Section VII)

Included in the glossary are common terms as well as many acronyms used throughout the budget book that are specific to the City.

Budget Process

Budgetary Controls

The City's budgetary operations are governed by the Budget Act as provided for in the Illinois Compiled Statutes and administered by the Director of Finance. Under the Budget Act no appropriation is required to be passed and an annual budget must be adopted prior to the year the funds will be expended. St. Charles' fiscal year begins May 1. The City adopts annual budgets for the General, Special Revenue, Debt Service, Enterprise, Internal Service, and Capital Projects Funds. Budget reports are run at various levels to allow for analysis, from very broad (by Fund) down to a detail object basis. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Review & Development

Each year in November or December, the Staff presents a "Mid-Year Budget Update" to the Government Operations Committee. During this review, the financial results of the first six months of the current fiscal year are reviewed. Staff then develops the parameters and objectives for the upcoming budget process during the late autumn and winter.

In November, Department Directors prepare their individual departmental budgets in conjunction with the parameters developed. The budgets are then entered into the budgeting and planning software by departmental staff. Typically, budgets must be entered by the middle of January. The budget data is compiled and budget meetings are held with the City Administrator and Finance Director and the individual Department Directors to discuss their initial requests. They review major operating changes, discuss objectives and review requests for capital expenditures. They also coordinate and combine requests and discuss thoughts on more efficient methods to accomplish the department's and City's objectives. Any unjustified items are eliminated from the budget at this time.

In early March, the City Administrator and Finance Director begin meeting individually with City Council members as necessary to present the budget and discuss concerns they may have. The budget is then revised based on the outcome of these meetings.

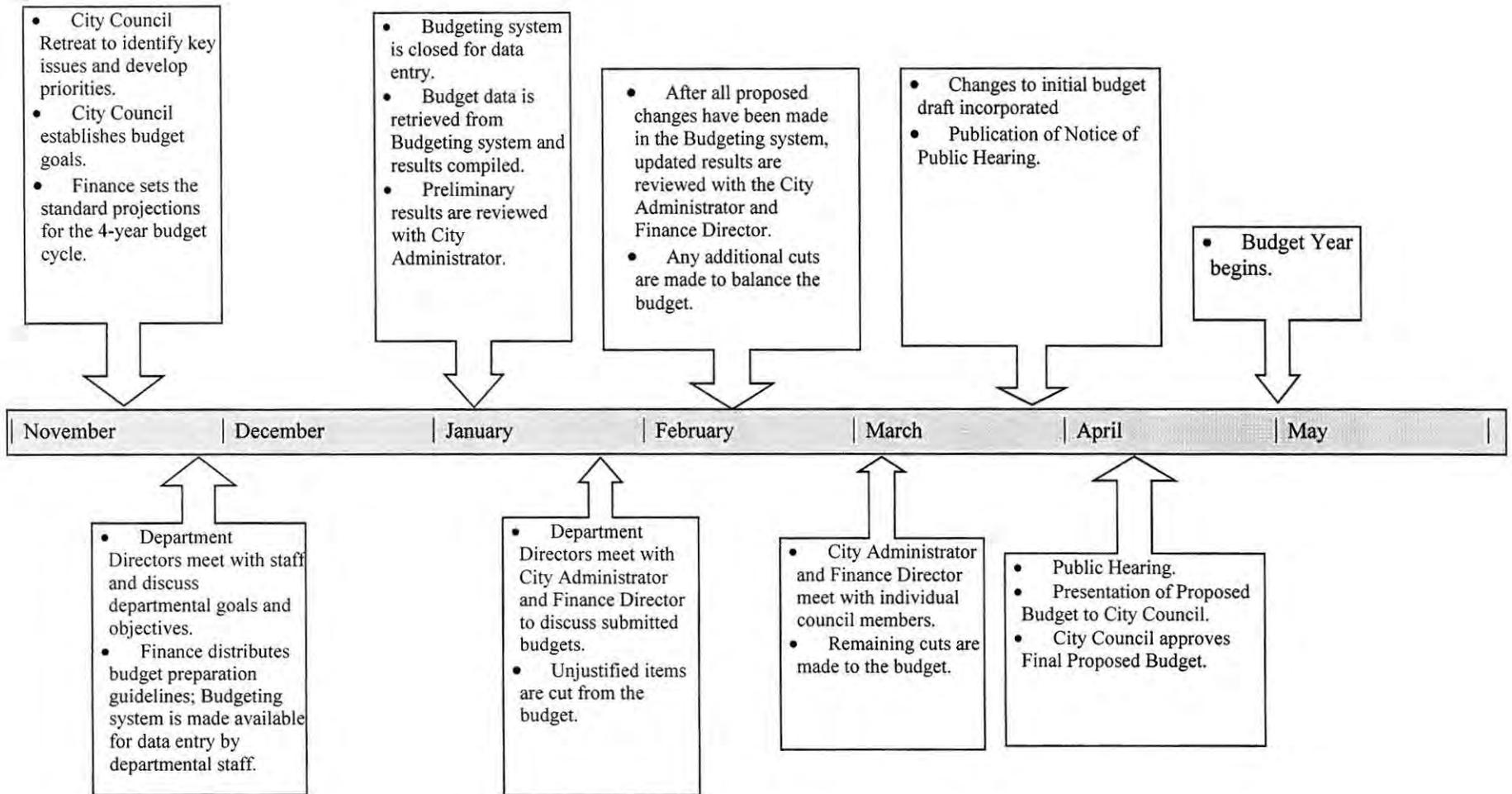
Adoption

The City must make the tentative budget available for public inspection at least ten days prior to passage, and notice of a public hearing must be published in a newspaper having general circulation at least one week prior to the hearing. After the public hearing is held, the budget may be further revised and passed without any further inspection, notice or hearing. St. Charles' budget is usually passed at the second Council meeting in April.

Revisions

After the budget is passed, a change may become necessary. The same guidelines are followed whether there is an increase, decrease or lateral line item transfer. A budget revision form is filled out listing the type of request and justification for the revision. The Finance Director must then approve the revision form. Revisions are presented to the City Council monthly and require a two-thirds vote of approval. No revision is made to increase the budget in the event funds are not available to effectuate the purpose of the revision.

Budget Timeline



Fund Balance Disclosures

Governmental Fund Balance Categorizations

Governmental funds' equity (difference between assets and liabilities) is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These categories and City Council action (if applicable) at April 30, 2016, in conjunction with the approval of the FY 16-17 budget, are described as follows:

Nonspendable Fund Balance

Represents fund balances which are either not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance

Represents fund balances which are constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or self-imposed by enabling legislation.

Committed Fund Balance

Represents fund balances that have self-imposed limitations put in place by formal action by the City Council. Formal actions include resolutions and ordinances approved by City Council.

Assigned Fund Balance

Represents fund balances that have limitations due to being earmarked for an intended use. Authority to assign fund balances is designated to City staff as disclosed in a later section.

Unassigned Fund Balance

Represents total General Fund balance in excess of nonspendable, restricted, committed and assigned fund balances. The categorization only applies to the General Fund. Unassigned fund balance is available and expendable for any General Fund purpose. Unassigned Fund Balance typically designates the "Reserve Level" of the General Fund. Deficit fund balances in any other governmental fund will also be reported as unassigned.

Governmental Fund Flow Assumptions

The City's flow assumptions are based on GASB 54 definitions. The City will spend the most restricted fund balances first, in the following order:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

This flow assumption allows the City to have the most financial flexibility.

Authority to Assign Governmental Fund Balances

In accordance with GASB 54, and by adoption of the FY 16-17 budget, the authority to determine assigned fund balances is conveyed to both the Finance Director and the City Administrator.

Policy Goals

Prior to May 1 of each year, the City Council adopts a formal budget for the upcoming fiscal year and estimates revenues and expenditures for three subsequent years. The following policy goals explain how the City arrives at the various decisions of “what” to include in its budget.

The City has four types of policies; *General, Operational, Debt, and Budgetary.*

General Policies

Policy goal: *Create an economic environment that will encourage businesses to locate in St. Charles and create opportunities for existing businesses.*

St. Charles has long been recognized as a desirable place to live and work. This is evidenced by the steady growth in population and sales tax revenue. It is important for the City to continue to develop an environment that will encourage economic development. Without meaningful economic development, and economic revitalization, property taxpayers will need to absorb more of the burden to support City services.

Implementation: The City is taking an operative role in its economic development. The Economic Development Division actively markets St. Charles to developers, retailers, and commercial realtors.. In an effort to keep in touch with the needs of local business, the Mayor, City Administrator, and Economic Development staff have been visiting various industries to listen to their input and learn more about their operations. Additionally, the City has passed an Economic Development Policy and recently has approved economic incentive packages for commercial and industrial entities within the City.

Policy goal: *Seek a ratio of equalized assessed value of two-thirds residential and one-third commercial /industrial.*

A community represents an ecological unit in many respects. Commercial businesses need customers, industrial businesses need workers, and residents rely on both. The balance among these elements will determine whether the community can remain viable over time. Therefore, it is important for the City to maintain the most optimum mix of residential and business segments.

Implementation: The City has maintained a balance of approximately 66% residential to 24% commercial and 10% industrial for the past ten years. It is anticipated that the next four years will maintain this ratio.

Policy goal: *Investment practices should have avoidance of risk as the primary objective. Secondly, practices should provide for the liquidity, diversification, and lastly, yield.*

Investment practices are driven by two countervailing principles and an investor must choose which controlling principle to use. Accepting a high risk generally means greater returns over the long run. However, the risk tolerance of a public agency is minimal and the first consideration must always be risk avoidance.

Implementation: The City maintains its own investment policy addressing these broad policy issues as well as other investment practices. In addition, the monthly Treasurer’s Report includes investment formation about terms, portfolio breakdown, and yields.

Budgetary Policies

Policy goal: Maintain available fund balance (working capital) of at least 25% of operating expenditures for the General Corporate Fund and 25-50% for enterprise funds.

In order to allow for seasonal variances and funding emergencies we have established a policy of always maintaining a working capital balance as described above. Available fund balance is defined as the difference between current assets, not including inventory (i.e. cash, investments, accounts receivable), and current liabilities (i.e. accounts payable, accruals, and contracts payable).

Implementation: The proposed budget will meet the above policy for the General Fund. Challenges have been encountered over the last several years in maintaining this policy over the long term for the City's utility enterprise funds. However, the City is making strides to rectify this situation by implementing a rate structure that incorporates the findings of a rate study that took place in April 2011. The FY 16-17 budget represents the sixth year in a row that these rate changes have been made. It is anticipated that the planned rate structure will return all of the utilities to a self-sustaining status and the reserve requirements for the enterprise funds will be realized over the long term.

Policy goal: Prepare an annual budget for the upcoming year and a projection of revenues and expenditures for three subsequent years.

The City needs to understand the impact of current budget decisions on future years. Operating expenditures could be increased to financially imprudent levels and appropriate capital requests deferred if the long-term implications of budget decisions are not clearly understood.

Implementation: The proposed budget is for a four-year period and includes estimates of all operating and non-operating revenues and expenditures. Projections of revenues and expenditures are typically conservative for analysis purposes. Staff has a demonstrated history of taking the steps necessary to provide for a balanced budget and matching expenditures to corresponding revenue streams.

Policy goal: The budget, to the extent practical, shall be prepared on a basis consistent with generally accepted accounting principles (GAAP).

The budget is prepared on a basis consistent with GAAP except for certain items that are adjusted on the City's accounting system at year-end. During the year, the City's accounting system is maintained on the same basis as the adopted budget. This enables departmental budgets to be easily monitored via accounting system reports on a monthly basis. The major differences between this budget and GAAP for governmental funds are: a) certain revenues and expenditures (e.g., compensated absences), are not recognized for budgetary purposes are accrued (GAAP); and b) self-insurance contributions are recognized as expenditures for budgetary purposes only.

Enterprise fund differences consist of the following: a) certain items (e.g., principal expenditures and capital outlay) are recorded as expenditures for budgetary purposes as opposed to adjustments of the appropriate balance sheet accounts (GAAP); and b) depreciation is recorded as an expense (GAAP) and not recognized for budgetary purposes.

Implementation: The proposed budget reflects the above method of accounting.

Policy goal: *Submit a budget annually to the City Council that is within the City's ability to pay.*

The City Council attempts to effectively review the budget in a short period of time. Through attendance at monthly committee meetings, the staff is well aware of council priorities and can prepare a budget within these priorities. In order to limit the Council's review to important policy issues, the staff shall submit a proposed balanced budget to the City Council. Upon submittal to the council, the budget can be changed in any manner desired by the Council.

Implementation: The proposed budget submitted to the City Council is within the City's ability to pay as the tables on pages V-3 through V-6 indicate.

Policy goal: *A monthly treasurer's report shall be submitted to the City Council that will include a consolidated balance sheet, summarized statement of revenues and expenditures, analysis of investments, and a narrative explaining any significant variances.*

It is difficult for the Council to review the City's financial activities in great detail; however it is imperative that they are made aware of any unusual occurrences throughout the year. The Treasurer's Report is the means by which this can be done.

Implementation: A monthly treasurer's report is provided with all of the reports indicated. Additionally staff presents an update of financial results at a committee meeting on a quarterly basis. Significant variations from expectations are discussed and analyzed for the Council's information.

Policy goal: *Estimate revenues and expenditures realistically taking into account those that have a high degree of elasticity.*

Revenues and expenditures should be estimated realistically, however, care must be taken to understand the changes that can occur because of unforeseen economic events.

Implementation: The budget plan followed this guideline. For example, connection fees and building permit revenue are estimated very conservatively. Additionally, in the past the City Council has directed Staff to evaluate and prioritize services and programs offered in response to anticipated revenues shortfalls caused by prevailing economic conditions at those times. In other words, the City has prioritized services and adjusted budgeted expenditure levels to equal anticipated revenue streams.

Operational Policies

Policy goal: Assess user fees wherever the cost of service can be logically associated with the user of a service and the implementation of a user fee is economically justified.

In line with the City's policy to maintain tax rates as low as possible, it shall assess user fees for those services which can be identified as benefiting a specific group of users. User fees will only be used where the cost to assess the fee is not economically excessive.

Implementation: This budget anticipates adjustments to the City's utility rate structure. Further changes to the utility rate structure will occur in future years to implement the results of the utility rate study on an ongoing basis. The City has also enacted a Power Cost Adjustment Factor (PCAF) charge to remove applicable elements of risk related to the generation price of wholesale electricity purchases. Any adjustments to the rate structure will seek to match the revenue stream to the amount and the method in which the utility incurs expenses.

Policy goal: Pay current operating expenses from current revenues.

Only revenues that will be annually available will fund ongoing expenses. Services will not be expanded beyond the City's level of current operating revenues.

Implementation: The proposed budget will meet the above policy. Staff has proposed a balanced budget for Fiscal Year 2016-2017 and will endeavor to take the steps necessary to present balanced budgets in future years.

Debt Policies

Policy goal: Confine long-term borrowing to a time period not to exceed the useful life of the equipment or project.

Extending financing beyond the useful life of a project is a clear sign of financial trouble and is indicative of an organization that is living beyond its means. Additionally, extending financing beyond the useful life of the asset violates IRS guidelines for tax exempt borrowing.

Implementation: The City has been financing improvements and equipment in accordance with the anticipated useful life of the asset acquired. Financing terms do not exceed the useful life of the assets acquired and the City remains conservative in determining estimated useful lives. In the recent past, the City has issued debt or certain portions of bond issues have been amortized over periods shorter than 20 years to reflect this policy.

Policy goal: The City will fully disclose information in its financial reports and official statements.

The attitude of full disclosure must pervade all financial reporting in order to maintain public trust, and the confidence of investors and rating agencies.

Implementation: This has always been our practice and is required by State and Federal law.

Policy goal: The City will restrict current activities to a point where all bond covenants will be met.

It is important to meet all obligations of the bond covenants, both from a moral and legal standpoint. Our ability to meet these covenants will also reflect on how rating agencies view the City.

Implementation: The City is currently meeting all bond covenants.

Policy goal: Debt service should not exceed 10% of operating expenditures for the General Corporate Fund and 15% for the enterprise funds.

The City has recognized a stated level of debt it believes can be managed. If the City approaches any amount beyond the established levels, then it could signal the City is “living beyond its means.”

Implementation: The City currently meets this standard for all funds except the Water Fund and Wastewater Fund. The City was able to take advantage of low interest loans available from the Illinois Environmental Protection Agency (IEPA) to address improvements necessitated by more stringent effluent compliance standards and aging infrastructure. These loans were pivotal in minimizing compliance costs for the utility. For FY 16-17, the Wastewater Fund’s debt service ratio is 23.2% of operating expenditures, and the Fund has adequate reserves to assist in debt service payments if necessary. In addition, the Water Fund has debt ratios that will exceed the debt policy goal in FY 16-17. This is primarily the result of additional debt service related to the financing of a third water tower as well as a major water line replacement in conjunction with previous debt issuances related to the construction of facilities to comply with mandated radium standards. Like the Wastewater Fund, the Water Fund has adequate reserves to assist in debt service payments if necessary.

Policy goal: *Capital expenditures of less than \$500,000 will not be financed.*

We have determined the City should be able to “pay as we go” for any capital item of less than \$500,000. Issuance and administrative costs, portions of which are fixed, added to the interest rate obligation, become excessive at levels below \$500,000.

Implementation: Although there may be financing proceeds of less than \$500,000, this is only the result of a continuation of projects that totaled more than \$500,000 but crossed fiscal years. When determining costs applicable to the project, the City will bond for related design, engineering and legal costs as applicable and if there is a greater chance than not that the project will proceed. In addition, the City will comply with IRS regulations for design, engineering, and legal cost thresholds if the debt is being issued on a tax exempt basis. The City remains committed to utilizing bond funds only for projects that exceed \$500,000 in total costs.

Financial Trends

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Comparisons and Trends

Financial Condition – “A local government’s ability to finance its services on a continuing basis.”

In order to prosper, municipalities must be keenly aware of their financial health. Local officials must monitor, analyze, and respond to changing environments in order to insure their municipality’s present and future viability. The City has demonstrated a history of recognizing and appropriately reacting to changing financial conditions to minimize adverse impacts to residents, services and programs.

Trend analysis allows the City of St. Charles to monitor changes and anticipate future problems. This section identifies the factors that affect financial condition and rationally arranges them to facilitate analysis and measurement. This information serves as a management tool by pulling together information from City documents and combining it with relevant economic and demographic data. The end result is a report based on a series of financial indicators that, when plotted over time, can be used to monitor changes in financial condition and alert City officials to future problems. This report contains indicators that are grouped together into seven categories:

Community Growth Trends – These indicators were developed to provide information about trends in the community that influence the financial performance of the City. A community that is growing will have certain pressures placed upon it, as well as the financial gains it may realize as a result of this growth.

Comparative Trends – This data compares the financial health of the City to its “comparable communities.” St. Charles competes with other municipalities for tax dollars. In addition, neighboring communities can place demands upon the City’s infrastructure.

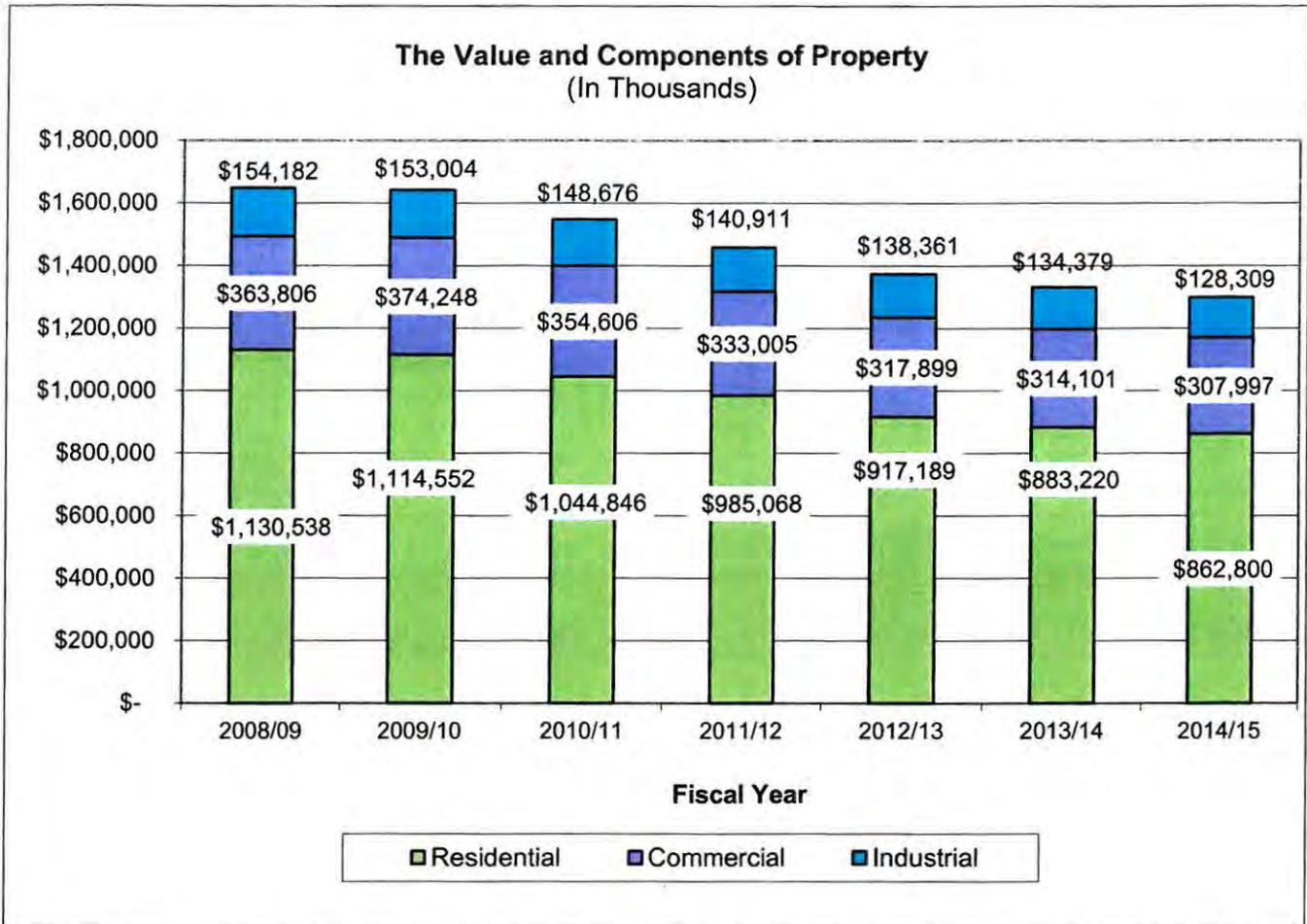
Revenue Trends – These revenue trends provide detailed analysis concerning the City’s property and sales tax base. In addition, any other significant revenue sources are included in this section.

Expenditure Trends – Understanding the City’s revenue trends only presents a portion of the City’s financial picture. Expenditure trends are analyzed in conjunction with revenue in order to understand the relationship between the two.

Enterprise Fund Trends – This information focuses on the City’s business-type activities, also known as enterprise funds. Business-type activities include electric, water, sewer, and refuse services. These trends evaluate revenues, expenditures, and fund balances. Enterprise fund operations are intended to be financed entirely by user charges for the utility service provided. They are not anticipated to be subsidized by tax revenue.

Debt Service Trends – Debt service trends provide an overview of the City’s debt picture by including charts that illustrate general obligation debt and overlapping debt from other jurisdictions. These indicators monitor how the City is fairing in both regards.

Community Growth Trends: Property



Residential property makes up approximately 66% of the City's total equalized assessed value, compared with 24% for commercial properties and 10% for industrial sites.

Indicator Description

Property in Illinois is assessed at 1/3 its fair market value, and the assessed value is the base for the property tax rate.

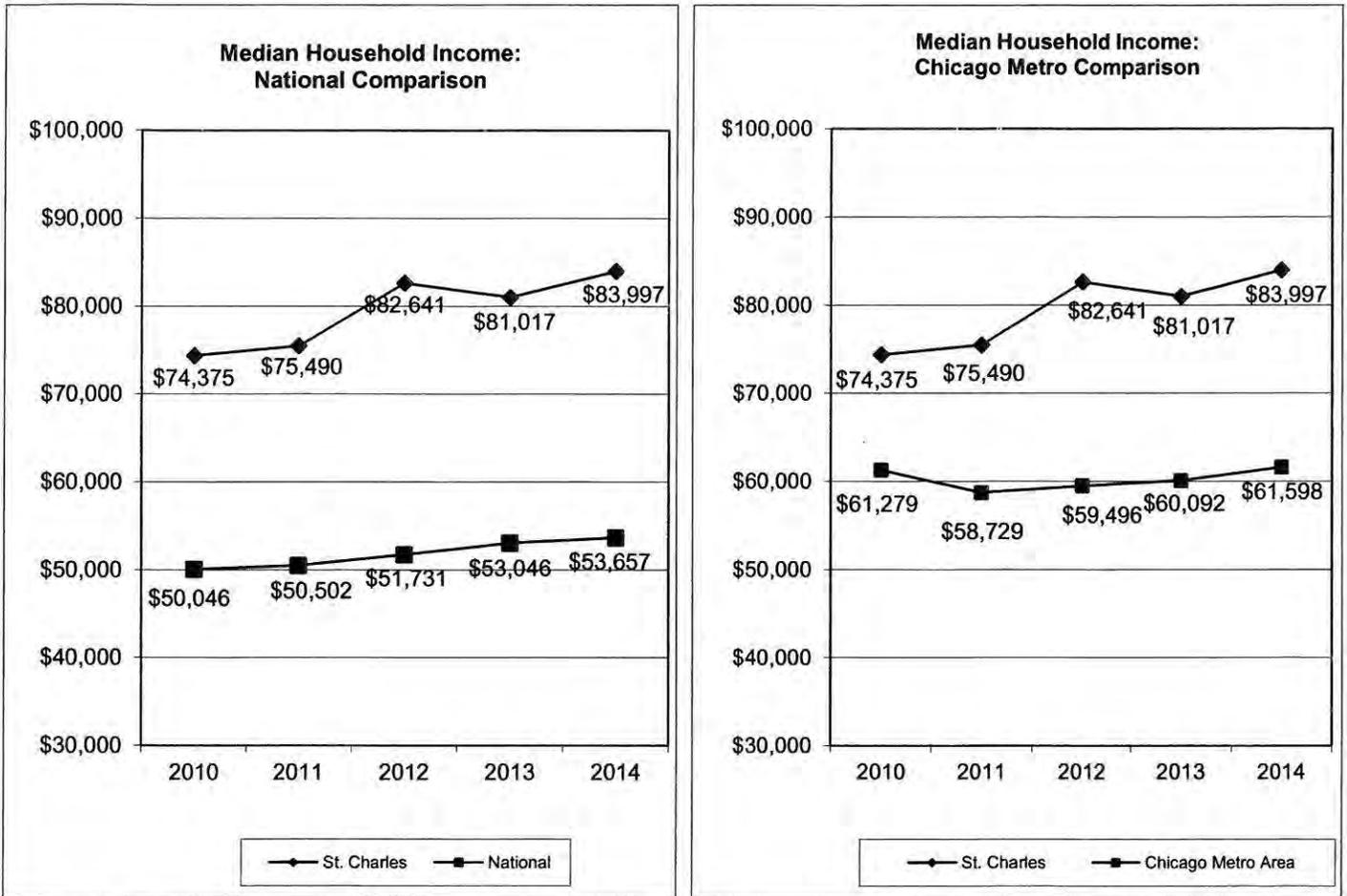
Trend Analysis

Assessed valuations for St. Charles have decreased approximately 21% for the period under review. The City has been able to maintain an appropriate balance between development types. Since 2008/2009, the City has witnessed varying changes in assessed property values in each area; residential values have decreased 24% as a result of the housing crisis that began in 2008 while commercial values and industrial values have each declined approximately 16% over that same period. For the 2015 levy, we anticipate a slight increase in property values as compared with the 2014 levy.

Traditionally, St. Charles has been able to maintain a well-diversified tax structure, since sales tax could be relied on as a major funding source. However, increased competition from neighboring communities for sales tax dollars increases the City's reliance on other revenue sources to maintain and enhance current services. The City should maintain a diversified tax and revenue structure for overall sustainability and continued financial health.

Source: St. Charles Comprehensive Annual Financial Report (CAFR)

Community Growth Trends: Income



The median income in St. Charles continues to rise and remains well above average when compared to national and regional estimates.

Indicator Description

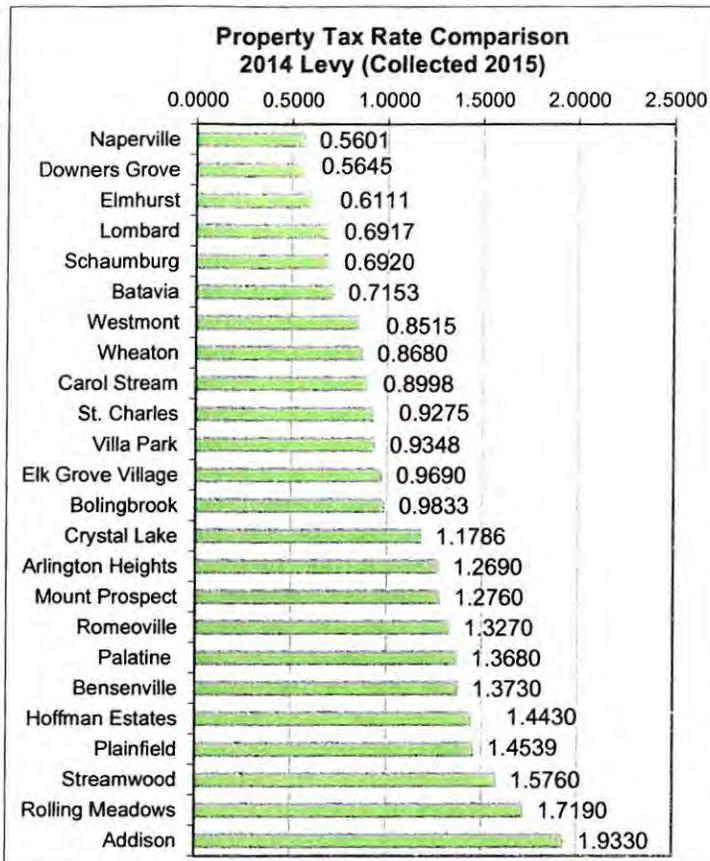
Median household income is one measure of a community's ability to pay taxes: in theory, the higher the household income, the greater the ability to pay taxes. Credit rating agencies use this indicator as one measure of a local government's ability to repay debt. These agencies compare income with per resident governmental expenditures to determine whether growth in income is keeping pace with growth in expenditures.

Trend Analysis

At approximately \$84,000, median household income for the City of St. Charles is considerably higher than the national average of \$53,657 (2014) and the Chicago Metro average of \$61,598, which provides for a stable tax base. St. Charles, nevertheless, has traditionally not relied exclusively on its residents for revenues. Sales, Hotel and Alcoholic Beverage tax revenues, which account for approximately 45% of General Fund revenue, apply to visitors as well as residents.

Source: U.S. Census Bureau and projections

Comparative Trends: Property Tax Rates



Among comparables, St. Charles maintains a steady property tax rate.

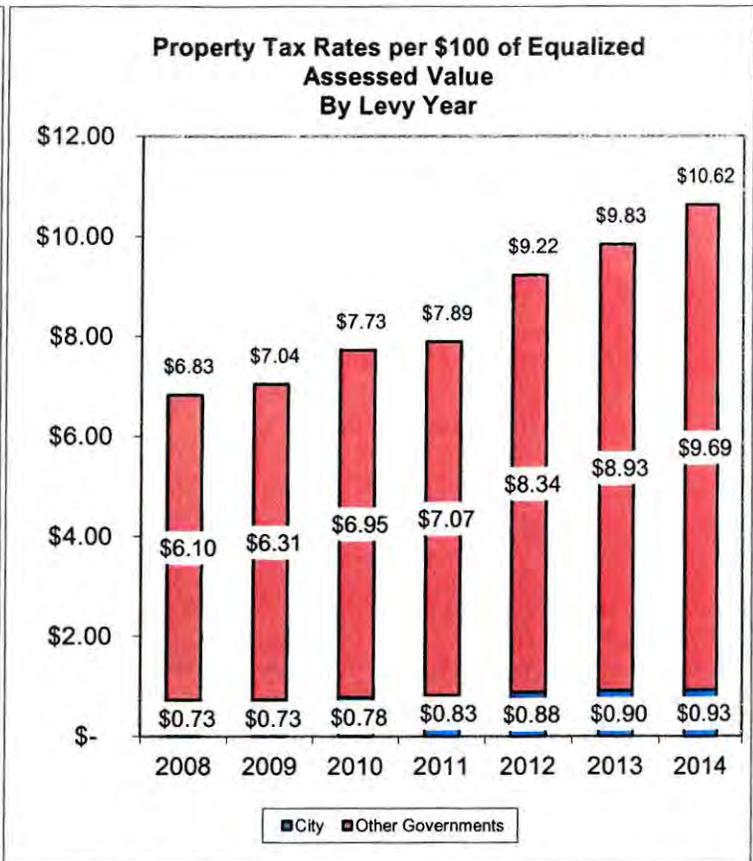
Indicator Description

The City maintains a policy of levying property taxes at a rate which keeps it comparable to neighboring communities. For comparison purposes, a community's fire protection district is included when a City does not provide its own fire service.

Trend Analysis

The City remains cognizant of the total local tax burden for residents and continues to diversify revenue sources to meet budgetary policy. In addition, the City continues to expand its commercial tax base in order to increase sales tax revenue, to carefully monitor whether user fees are offsetting costs, to aggressively collect all revenue owed, and to invest all funds in line with City investment policies. For FY 2016/2017, City Council has directed Staff to maintain a consistent operating property tax levy of approximately \$12,000,000 for the seventh consecutive year. This will have the impact of decreasing the tax rate to an estimated \$0.9109 when factoring in the anticipated increase in the City's taxable value (EAV) for the 2015 levy.

Source: St. Charles CAFR and survey of area communities



The City collects only about 8.7% of the total property taxes levied.

Indicator Description

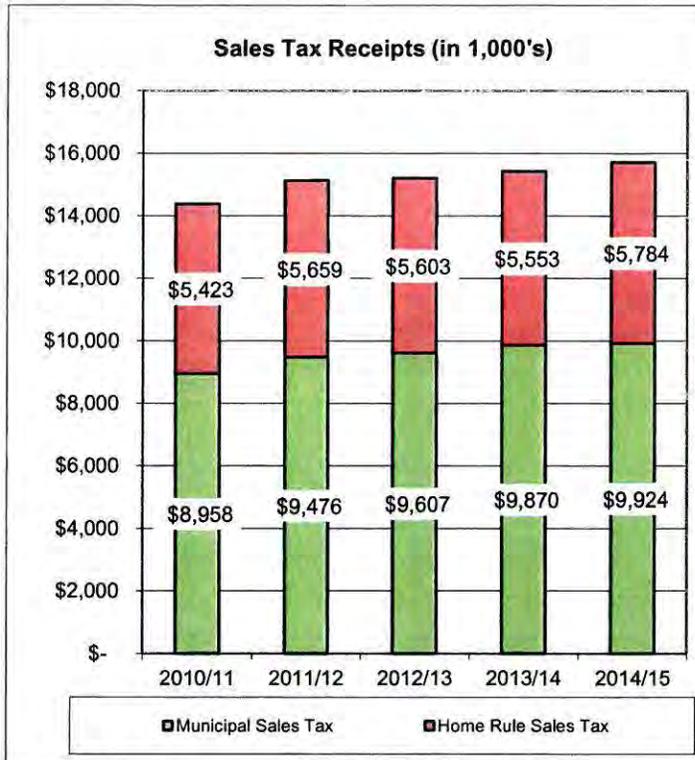
The above chart illustrates the City's portion of the property tax rate as compared to rates of overlapping governments (i.e.: County, school district, park district, library district, etc.). Decisions related to tax levies must take into consideration the total community tax rate, including all overlapping governmental units.

Trend Analysis

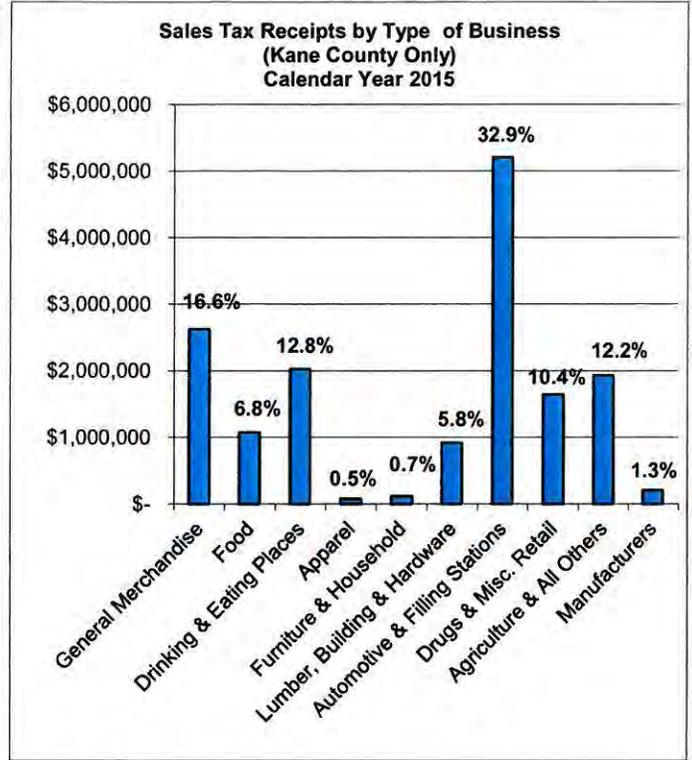
The City has been able to keep its rate relatively low during the period under consideration. Starting with the 2010 levy, the rates increased due to the declining EAV of the City. The City portion represents approximately 10% of a property's total tax bill.

Source: St. Charles CAFR

Revenue Trends: Sales Tax



Sales tax collections have shown modest increases over the last three years.



The City's sales tax base is diversified over many types of businesses.

Indicator Description

Sales tax is an elastic source of revenue, meaning it is highly dependent on local economic conditions. Fluctuations have occurred that have caused the City to diversify the sources of revenue it uses. An important aspect of sales tax is that a large portion of it is paid by non-residents.

Trend Analysis

The City approved a .25 percent home rule sales tax in 1996 and increased that tax by an additional .25 percent in 1997 and by .50 percent in 2004. The home rule sales tax is included in the above table and applies to all general merchandise, excluding groceries, pharmaceutical drugs, and titled vehicles. Fiscal year 2008 saw the first ever decline in sales tax revenue in the City. This reduction was primarily the result of recessionary economic conditions. Sales tax revenues have had steady growth over the last four years and that growth is expected to continue into fiscal year 2016-2017.

Indicator Description

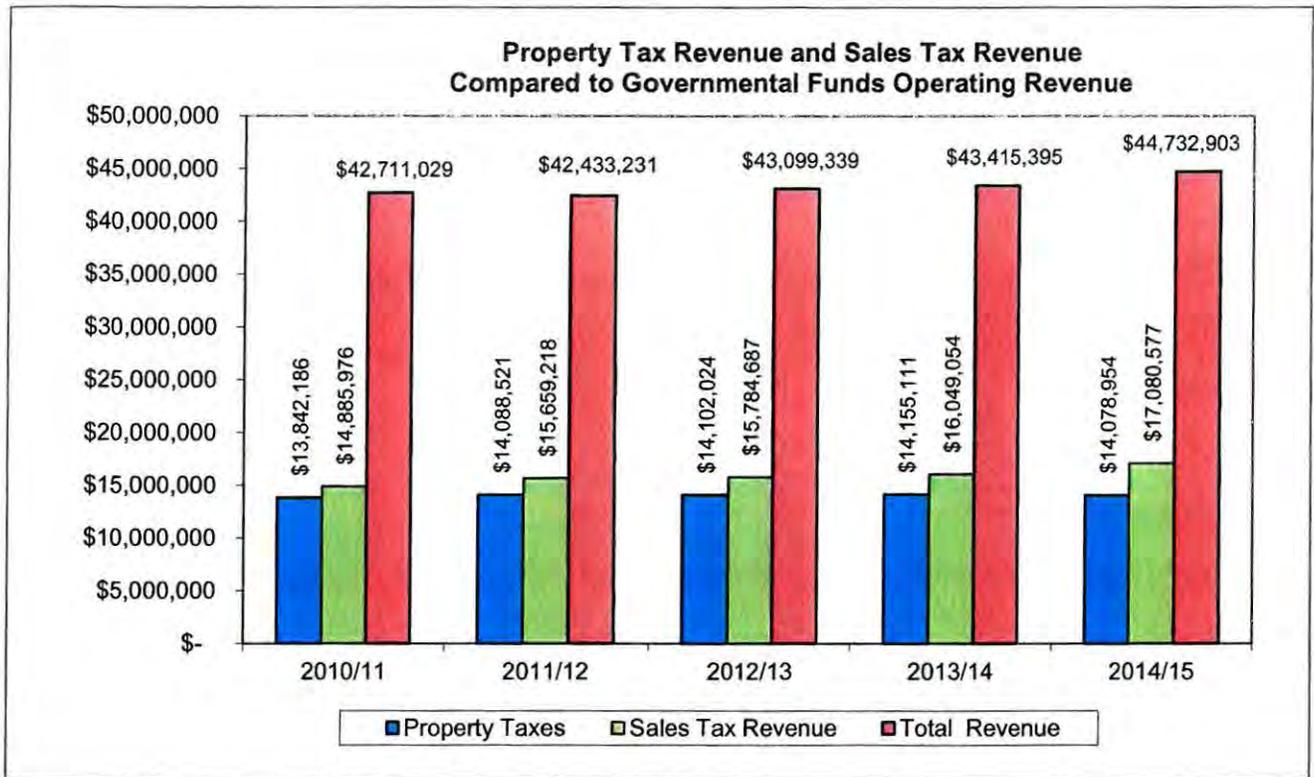
This table is presented to distinguish the sources of sales tax revenue received by the City (not including DuPage County). The information is given by calendar year, rather than fiscal year. Being aware of what percentage certain retail goods constitute of the whole can provide City officials with some sense of the diversity of the City's sales tax base and how well that diversity can withstand economic slowdowns.

Trend Analysis

The largest percentage of sales tax revenue for the City comes from automotive and filling stations, which includes businesses such as new and used car dealers, auto and home supply stores, gas and service stations, as well as automotive repair. The second largest category of revenue is general merchandise. The third largest is from drinking and eating places which demonstrates the City's reputation as a dining destination.

Source: Illinois Department of Revenue

Revenue Trends: Operating Revenue



The property tax is a more stable, reliable source of revenue.

Indicator Description

This indicator compares property tax revenue, including SSA and TIF property tax revenue, and sales tax revenue (includes state sales tax, home rule sales tax, municipal use tax, and state auto rental tax) to that of net operating revenues, which are revenues from the general fund, debt service funds, and special revenue funds. Capital projects fund revenue is not included. This graph highlights the degree of dependence on property taxes to fund services such as police, fire protection, and street repair.

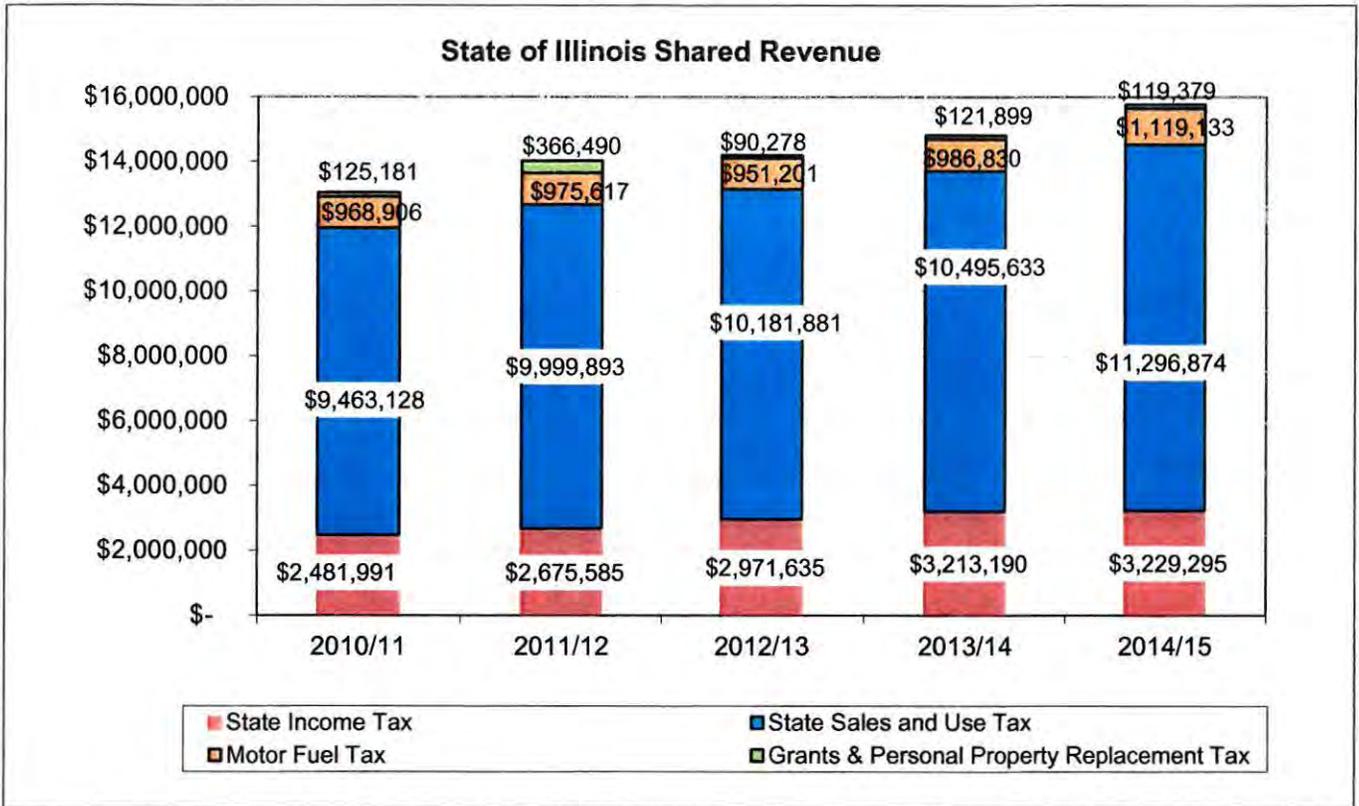
Trend Analysis

Property Tax as a percentage of governmental funds' operating revenue has generally remained stable over the last few fiscal years. The percentage has grown from 19.5% in 2001 to 31.5% in 2014/2015. The flat trend in the graph reflects the City's policy of keeping the property tax levy consistent over the last six fiscal years.

Prior to FY 11-12, the trend in sales tax reliance had been decreasing over the last few years. Sales tax remains the key revenue source for most of the City's core operations. In 2004, the percentage of sales taxes (42.5%) was the highest since 1997/98. However, in 2014/2015, the percentage stands at 38.2%. Sales taxes are often paid by non-residents and increase during healthy economic periods, making them a desirable source of revenue. On the other hand, having such a significant portion of operating revenue reliant on consumer purchases, means greater susceptibility to economic fluctuations. Other sources such as property taxes traditionally remain somewhat stable.

Source: St. Charles CAFR

Revenue Trends: Intergovernmental Revenues



The City's intergovernmental revenues are fairly stable, but increases typically result from a healthy and growing economy. These revenue sources declined in 2009/10 and 2010/11 due to the state of the economy.

Indicator Description

The above chart depicts numerous revenue sources that the City does not collect locally. Rather, they are administered by the State of Illinois and shared with local governments.

Trend Analysis

The recent recessionary trends had resulted in lower revenue levels for both the City of St Charles and the State of Illinois. This trend is reversing and we expect slowly increasing revenues over the near term. The State Income Tax and State portion of the Sales Tax are the most significant intergovernmental revenues. The income tax is based on a funding formula set by the State of Illinois, and the amount of revenue is impacted by the city's population as well as the economic health and income level in the state.

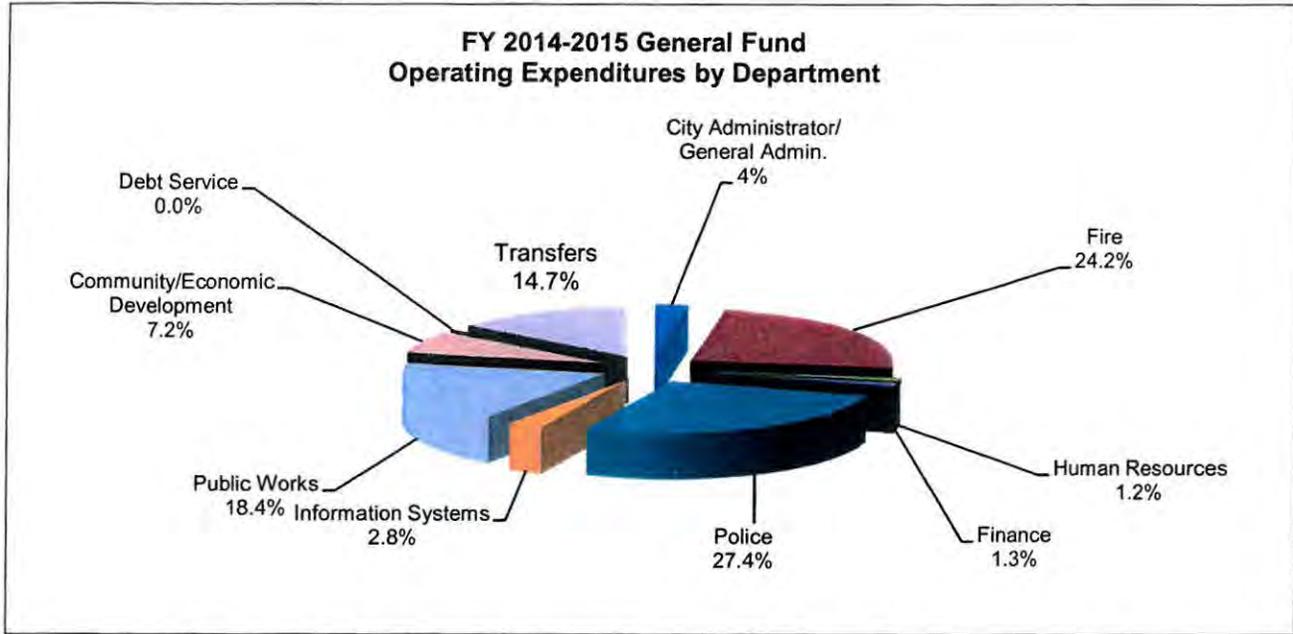
Motor Fuel Tax receipts are based on a per capita formula by the state. Revenue from this tax is used to fund maintenance and construction of City streets and rights-of-way.

Grant dollars can vary significantly from year to year, depending on the amount of funding available and the purposes it can be used for. Beginning in 2007/08, the City embarked on a major initiative to enhance grant funding in order to reduce reliance on local revenues. For example, nearly half of the cost of the Red Gate Road Bridge was funded with Federal and State grants.

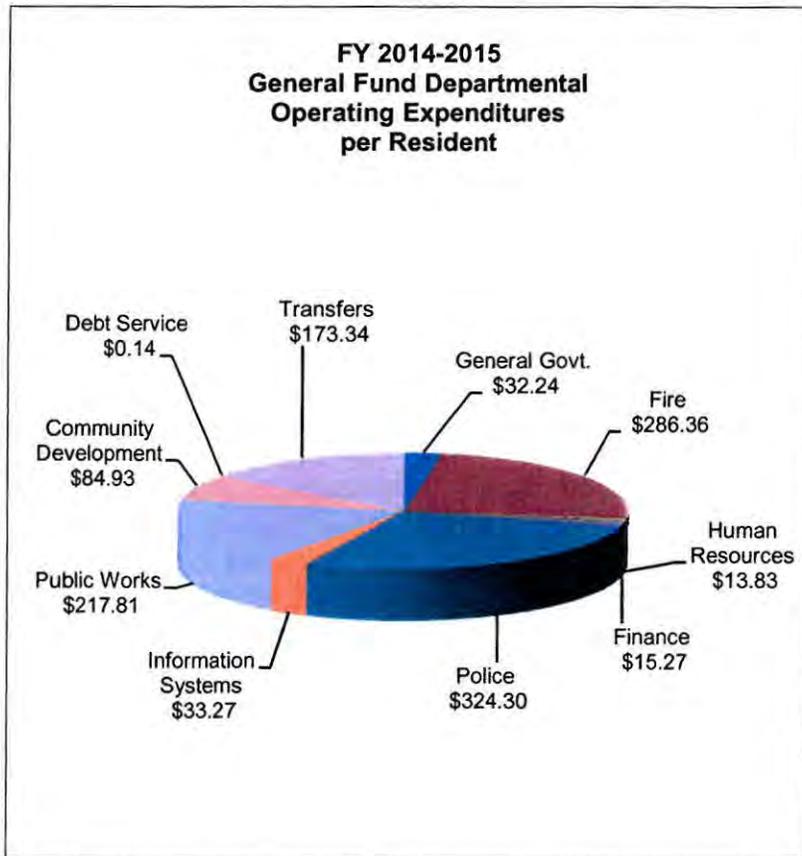
Over the last several years, various initiatives have surfaced in the legislature to limit or reduce the amount of revenue distributed to municipalities. Any reduction in these revenues would have an impact on the City's ability to provide a consistent level of services to its residents

Source: St. Charles CAFR

Expenditure Trends: Operating Expenditures



Approximately \$ 0.70 of each dollar spent goes to police, fire, and public works services.



Most operating expenditures are allocated to the areas of police, fire, and public works.

Indicator Description

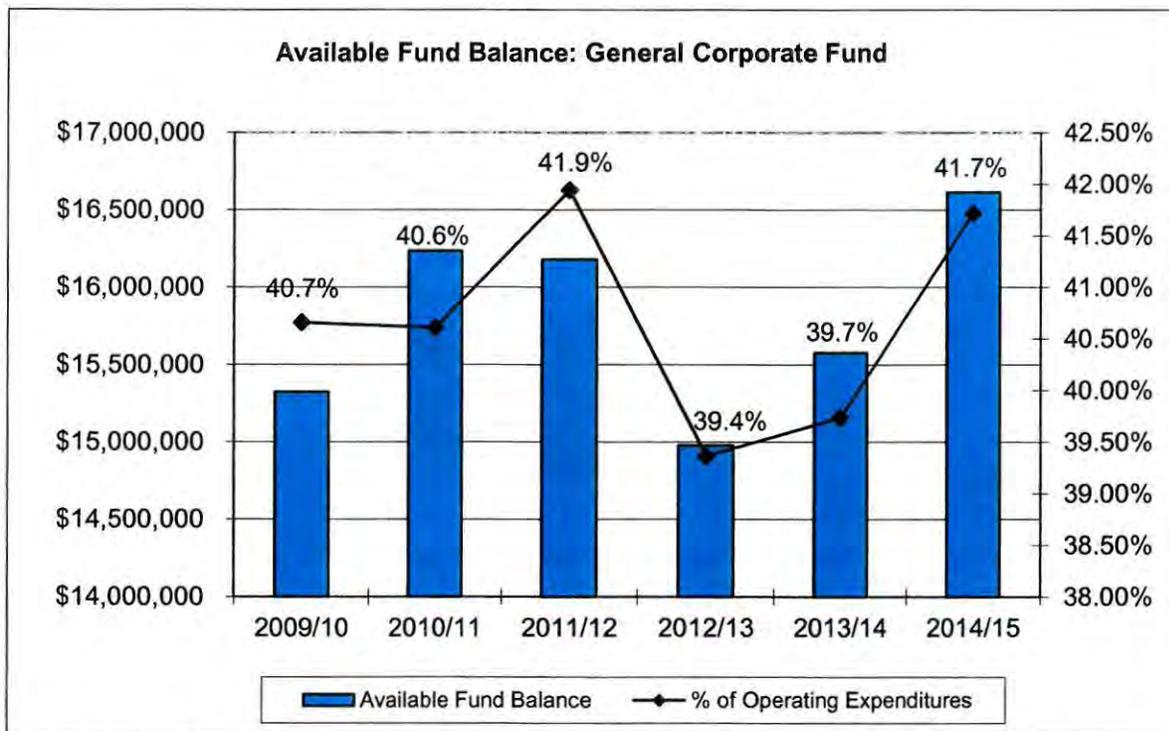
The first pie chart represents operating expenditures by each City department for the General Fund, including transfers. Additionally, the second chart displays operating expenditures per resident by City department, including transfers.

Trend Analysis

In fiscal year 2014/15, approximately \$1,181 was spent per resident in the provision of all City services. This reflects a 0.44% increase from the 2013/2014 level. The majority of the municipality's expenditures are for Public Works and Public Safety (Police and Fire). Expenditures per resident have been relatively stable and in line with revenue streams. The City must often expand services to meet increased demand and also keep pace with the often rising cost of goods and services.

Source: St. Charles CAFR

Expenditure Trends: Available Fund Balance



Available Fund Balance is a measure of financial stability (current assets less current liabilities less reserved fund balances).

Indicator Description

The size of the City's General Fund available balance can affect its ability to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without having to issue debt. Additionally, strong reserves can help to lower interest costs when the City does issue debt. The City's policy is to maintain a minimum available General Fund balance of 25% of operating expenditures, which was increased from 15% in 2004.

Trend Analysis

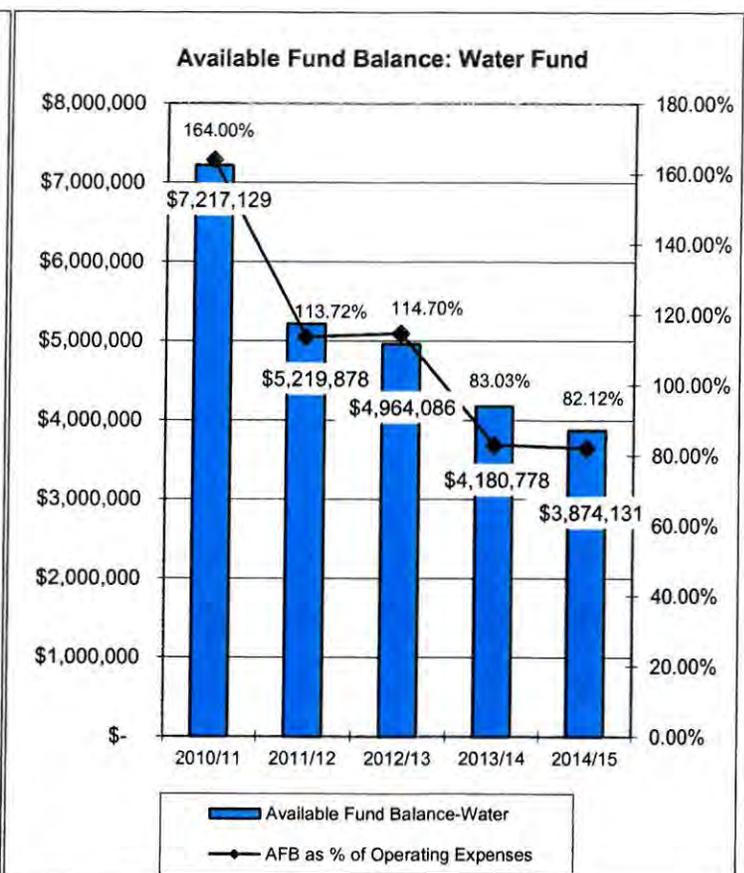
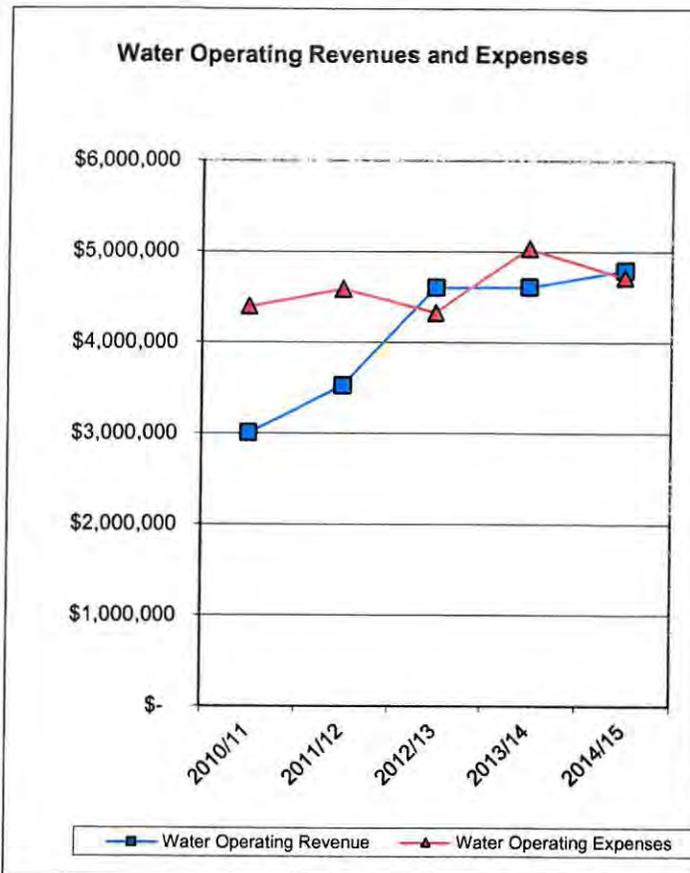
The City has consistently maintained well above the required 25% available General Fund balance of operating expenditures since the minimum increased in 2004. The available fund balance has continued to grow over the years, with the exception of 2012/2013, due to the City's General Fund loaning the Utility Funds \$1.9 million rather than issuing debt in the external market. Debt service payments (including interest at market rates) are being made by the utilities to the General Fund for the next 10 years as though the debt had been issued in the external market.

St. Charles still remains in a relatively strong economic position to handle unexpected costs or emergencies, such as the recessionary economic conditions the City and the nation as a whole have been facing in recent years.

The table reflects the City's policy of living within its means by matching expenditure levels to revenue streams. The City has a history of enacting balanced budgets. This strong financial performance and policy has meant that the City has not had to finance operations from its reserves over the last several fiscal years.

Source: St. Charles CAFR

Enterprise Fund Trends: Water



Over the last several years, the City has made an effort to bring revenues in line with Operating Expenses.

Fund balances remain well-above the City's policy level of 25%.

Indicator Description

This chart displays the amount of total revenue (primarily generated by user fees) and expenses (including depreciation) for the water fund. Rates for use of these services are set by calculating current operations as well as needs for future system expansions. In order for an enterprise fund to achieve self-sufficiency, revenues must match current levels of expenses.

Indicator Description

Since the water utility is a business-type activity of the City, the intent is to recover the cost of providing these services to the users of the system. In contrast to general governmental funds, enterprise funds such as the water fund are financed primarily through user-charges. The policy goal is to maintain an available fund balance (current assets-current liabilities) of at least 25% of operating expenses.

Trend Analysis

Water usage has remained fairly stable over the period represented, with the exception of a decrease in 2009/10 due to a cool and wet summer and 2012/2013 due to a significantly hot and dry summer. Revenues are increasing due to changes to the rate structure. The City completed a utility rate study in 2011. The study reflected that current revenues were not covering operating and capital expenses. Changes in the rate structure have been enacted in the past several years to provide self sufficiency of the fund in the long-term.

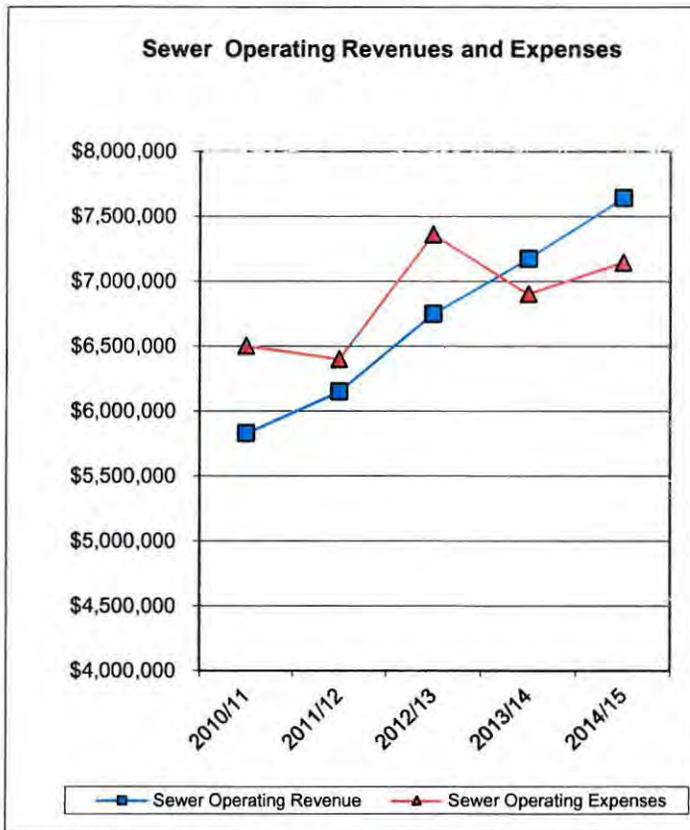
Trend Analysis

It is important that the City has been able to maintain a current ratio of available current assets well above the suggested policy level when compared to current liabilities. Such a practice allows the City to cope with mandates from the federal and state governments. The maintenance of the water infrastructure is a priority, so that these costs are not a burden to future system users. Recent changes to the City's utility rate structure will level out the downward trend by creating a financially stable rate structure.

Source: St. Charles CAFR

Source: St. Charles CAFR

Enterprise Fund Trends: Sewer



Over the last several years, the City has made an effort to bring revenues in line with Operating Expenses.

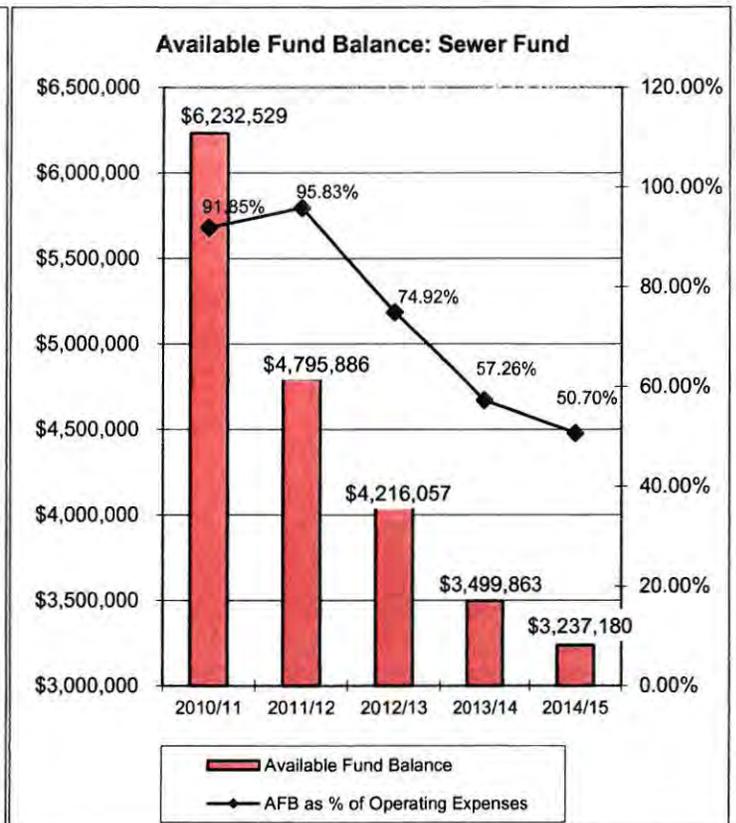
Indicator Description

This chart displays the amount of total revenue (primarily generated by user fees) and expenses (including depreciation) for the sewer fund. Rates for use of these services are set by calculating current operations as well as needs for future system expansions. In order for an enterprise fund to achieve self-sufficiency, revenues must match current levels of expenses.

Trend Analysis

Sewer usage, which is based on water usage, has remained fairly stable over the period represented, with the exception of a decrease in 2009/10 due to a cool and wet summer and 2012/13 due to a significantly hot and dry summer. Revenues are increasing due to changes to the rate structure. The City completed a utility rate study in 2011. The study reflected that current revenues were not covering operating and capital expenses. Changes in the rate structure have been enacted in the past several years to provide self sufficiency of the fund in the long-term.

Source: St. Charles CAFR



Fund balance in the Wastewater Fund has been declining but is expected to rebound over the next several years..

Indicator Description

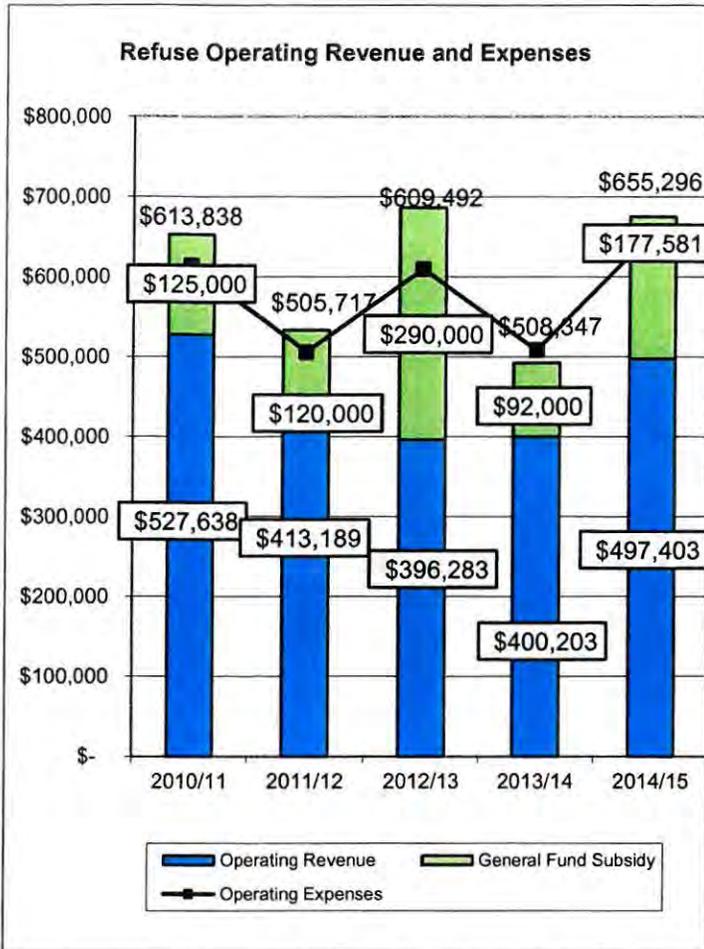
Since the sewer utility is a business-type activity of the City, the intent is to recover the cost of providing these services to the users of the system. In contrast to general governmental funds, enterprise funds, such as the sewer fund, are financed primarily through user-charges. The policy goal is to maintain an available fund balance (current assets-current liabilities) of at least 25% of operating expenses.

Trend Analysis

It is important that the City has been able to maintain a current ratio of available current assets well above the suggested policy level when compared to current liabilities. Such a practice allows the City to cope with mandates from the federal and state governments. The maintenance of the sewer infrastructure is a priority, so that these costs are not a burden to future system users. Recent changes to the City's utility rate structure will level out the downward trend by creating a financially stable rate structure.

Source: St. Charles CAFR

Enterprise Fund Trends: Refuse and Electric



Rates are set below operational needs, so a subsidy is required.

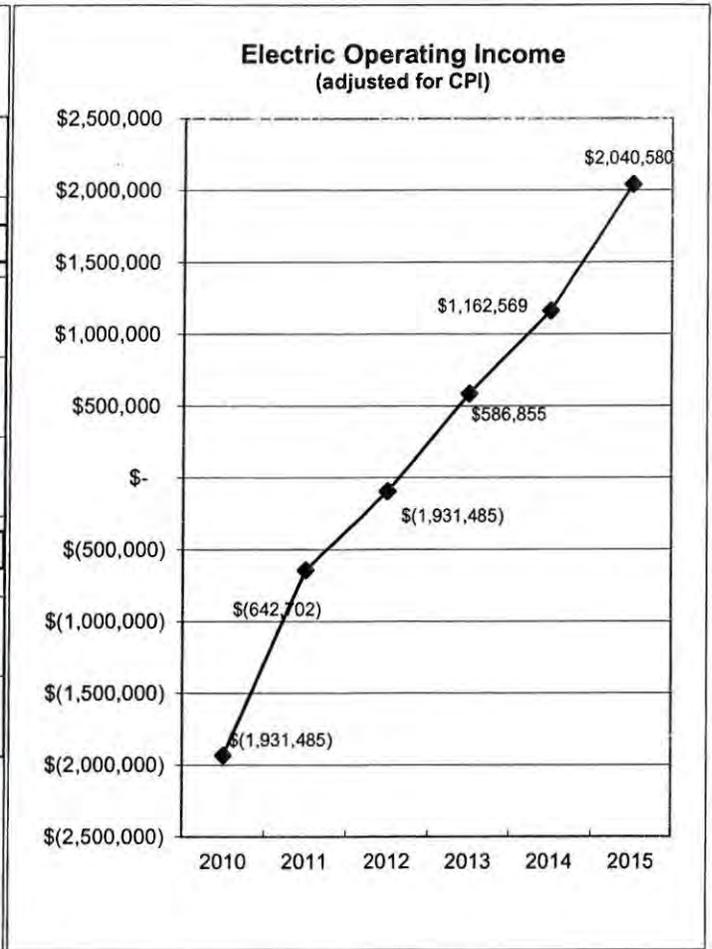
Indicator Description

The Refuse Fund is another enterprise, or business-type activity of the City. As such, it should be self-sufficient, supported by revenues from rates charged to users, but a policy decision allows for a subsidy from the General Fund to support refuse collection.

Trend Analysis

Historically, refuse fees were only charged to apartment residents, but in fiscal year 1998/99, the City began to charge homeowners for spring cleanup and brush pickup. Currently, residents are charged \$4.13 per month for these services. Though revenues have grown, the growth is not enough to support services, so user-fees are supported by transfers from the General Fund. The Spring Clean-up Program was reinstated on a bi-ennial basis in the FY 2012-2013 budget, increasing the General Fund subsidy. The FY 2016-2017 budgeted General Fund transfer is \$232,345.

Source: St. Charles CAFR



The electric enterprise's operating income increased in recent years in response to the implementation of the rate study undertaken in 2011.

Indicator Description

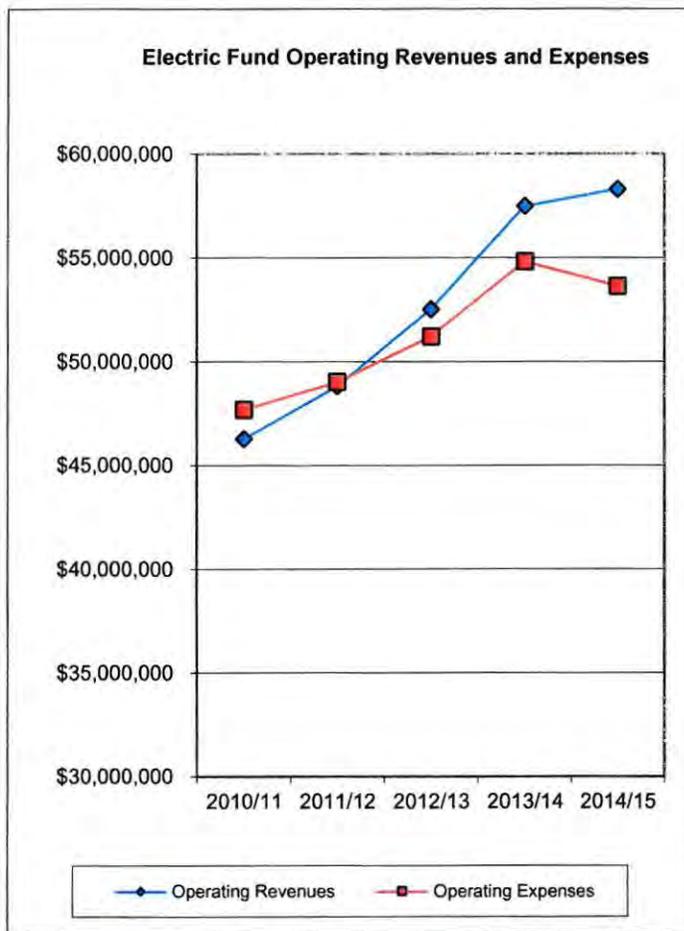
Since enterprise activities like electric are businesses run by government, they are unique. The typical business "bottom line" of profit or loss may not portray the most accurate picture of such a fund's long-run financial condition. This indicator looks at the total cost of providing the service (operating income)--before debt payments-- adjusted for the effects of inflation.

Trend Analysis

The Electric Fund's operating income was on a downward trend beginning in 2007. This trend can be attributed to higher wholesale power costs due to the City's change in electric supplier from ComEd to IMEA. The City completed a utility rate study during FY 11/12 to assure the financial viability of the electric utility. Several changes to the rate structure have been implemented to begin the long-term process of reversing the trend and returning the fund to a sustainable business model.

Source: St. Charles CAFR and Bureau of Labor Statistics

Enterprise Fund Trends: Electric



Recent rate structure changes have enabled operating revenues to exceed expenses.

Indicator Description

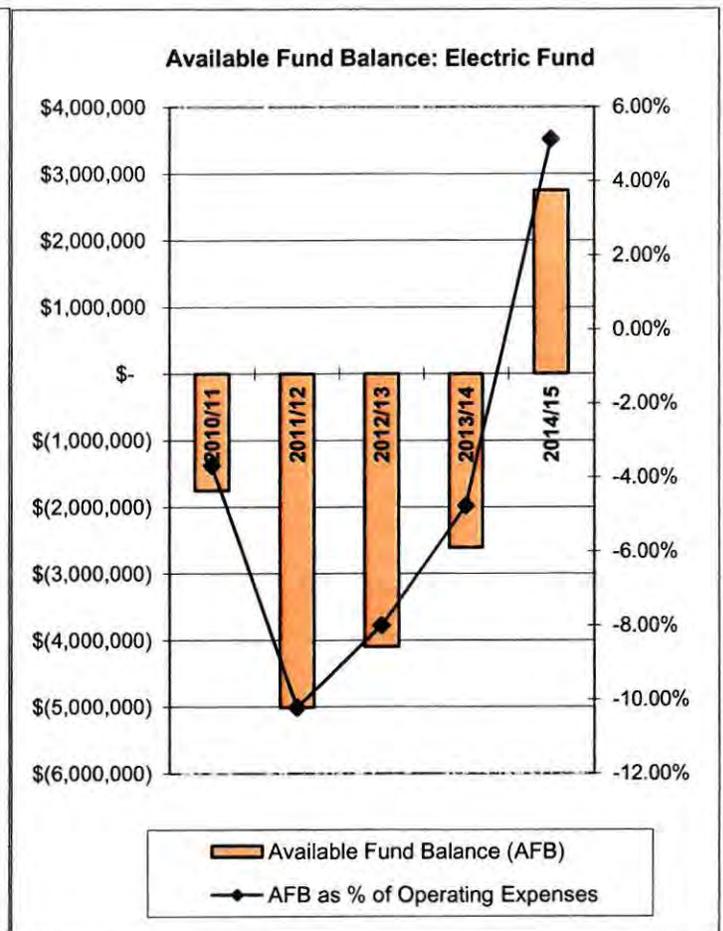
Above is an illustration of the operating revenues and expenses (including depreciation and less debt payments) for the electric enterprise fund—covering the last five years. The Electric Fund is intended to be self-sufficient as part of the City’s financial policy.

Trend Analysis

Prior to 2007/08, revenues (from user fees) collected exceeded expenses to maintain service and continue expansion. During that period, revenues increased at a higher rate than expenses. Beginning in 2007/08 and continuing into 2010/2011, expenses increased at a higher rate due to the costs of wholesale power purchases. Changes enacted in response to the rate study have helped reverse this trend in recent years.

The City continues to monitor this fund to ensure it is adequately funded by user-charges to recover the entire cost of providing these services.

Source: St. Charles CAFR



Increases in wholesale power costs and decreases in consumption levels have eroded reserve levels.

Indicator Description

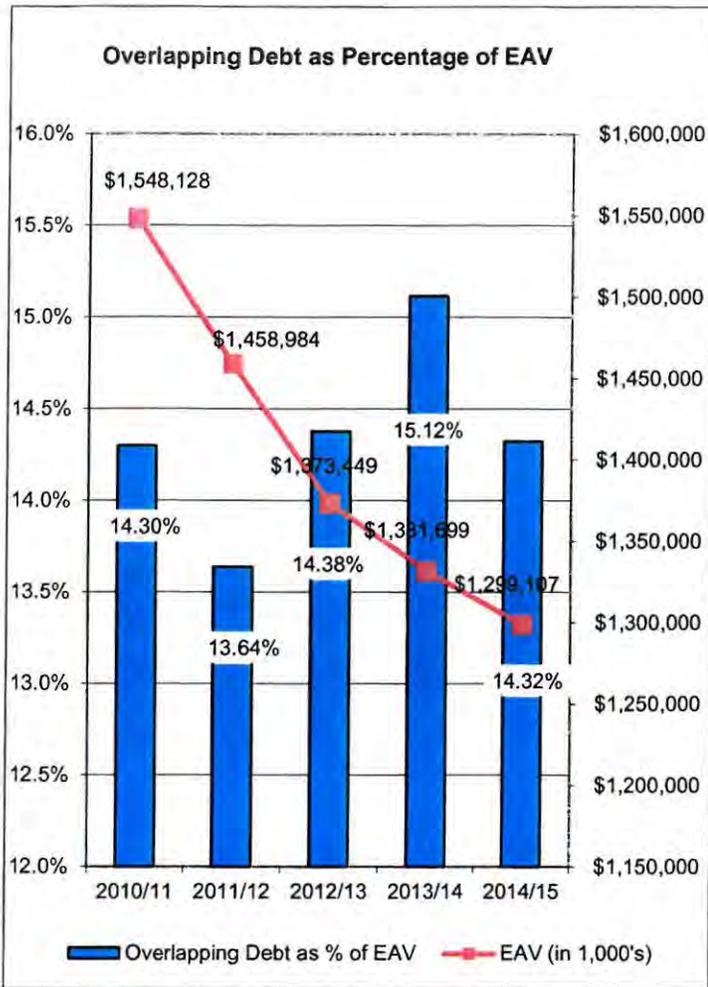
Cities often engage in business-type activities, where the intent is to recover the cost of providing goods or services to customers. The policy goal is to maintain an available fund balance of at least 25% of operating expenses. The City's five year trend projections reflect a plan to bring these reserve levels up to this minimum amount.

Trend Analysis

Two graphs in one are presented above (available fund balance as a percentage of operating expenses). Decreases in consumption levels and an outdated rate structure contributed to a decline in the available fund balance through 2011/2012. The City completed a rate study in 2011 and instituted several changes to the electric rate structure which have reversed the trend of declining reserves. Over the long term, the City's projected rate structure plan provides adequate recovery of the utility's costs in keeping with the "business focus" of an enterprise utility fund.

Source: St. Charles CAFR

Debt Service Trends: Debt Measures



Multiple governmental units, including the City, issued new debt during fiscal year 2014/2015.

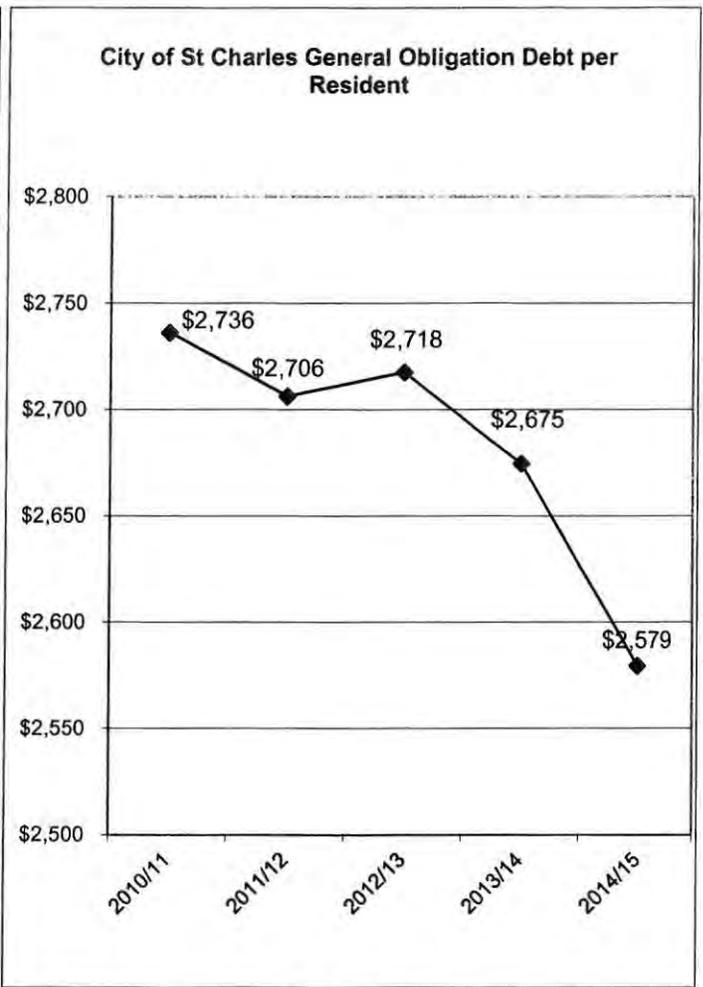
Indicator Description

Overlapping debt consists of the City's direct bonded debt and the debt of other governmental units that are within or overlap the City's boundaries (school districts, the park district, and the library district).

Trend Analysis

Growth in the area and replacement of aging infrastructure have resulted in debt issuance to meet operational needs. Both the City and the school district have issued debt over the last five years. When combined with lower property values due to economic conditions, this means that the overlapping debt will remain at a higher level until this debt is paid down and property values rebound.

Source: St. Charles CAFR



Undertaking large capital projects has increased debt per resident, however, that debt is well within acceptable parameters.

Indicator Description

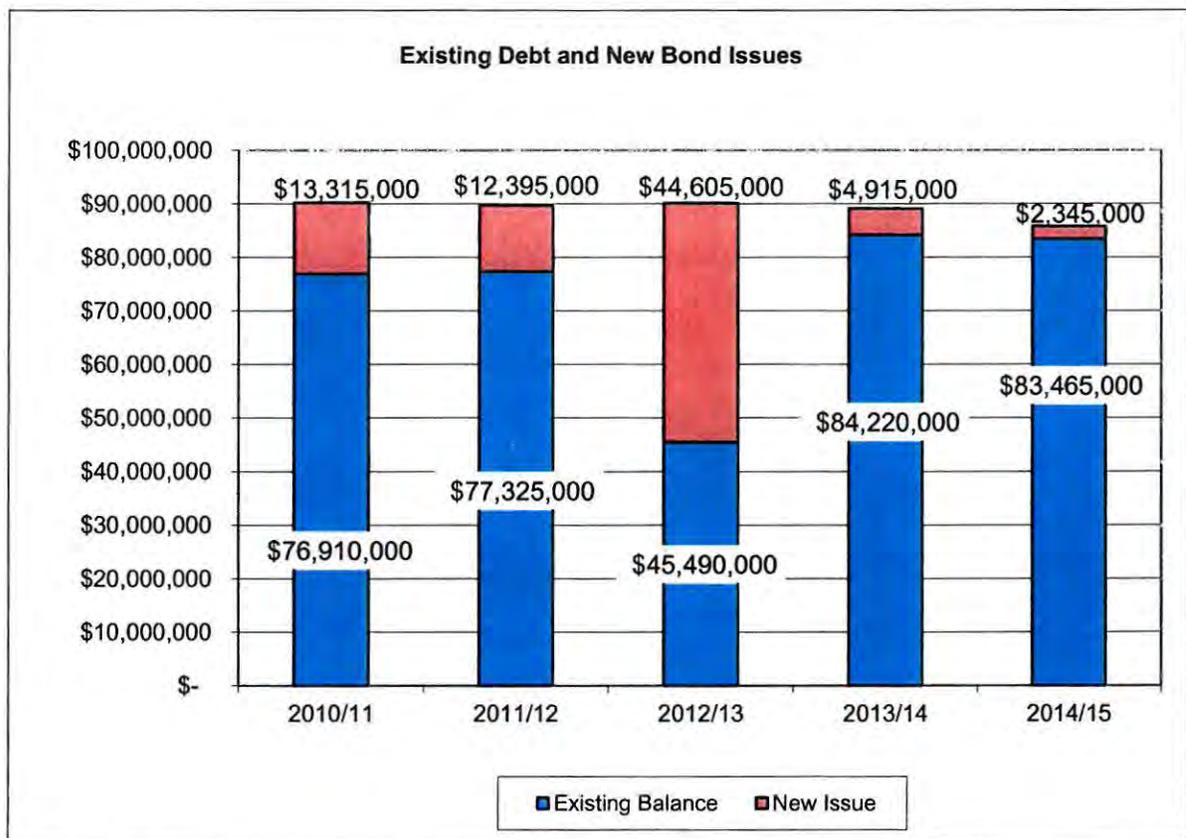
This illustration of long-term debt does not include the aforementioned overlapping jurisdictions.

Trend Analysis

Debt per capita had been increasing as the City incurred increasing amounts of debt for capital projects, economic development, and land acquisition. Large scale projects and renovations resulted in the increased debt per resident. However, recently the City has begun paying off some of the debt it had issued during its high growth period resulting in the decline reflected above. In contrast to many other units of local government, the City does not levy property taxes to finance its debt but pays for principal and interest from the general revenue stream.

Source: St. Charles CAFR

Debt Service Trends: Long Term Debt



Long term debt of the City increased over the last few years due to a number of capital and Economic Development projects. However, we expect retirements to exceed new issuances over the next few years.

Indicator Description

The above chart represents existing balances of General Obligation bond issuances, and subsequently, any additional debt issued, per year for the last five years. The amount of bond issues varies drastically by number and types of projects the funds will be applied to. The balance of existing debt has remained somewhat consistent over the last few fiscal years. During 2012/13, debt related to the First Street development was refinanced. This refinancing is the reason for the appearance of a significant increase in the "New Issue" debt for the 2012/13 fiscal year.

Trend Analysis

Following is a list of projects corresponding to new bond issues in the five-year period presented:

- 2011/12: ERP System, Road Reconstruction projects, Wastewater Improvements, Refunding Bonds
- 2012/13: EAB Tree Program, Red Gate Bridge and related Water/Electric Improvements, First St. Restructuring Bonds
- 2013/14: Property purchase, Municipal Bldg Improvements, Electrical System Improvements and Lift Station Replacement
- 2014/15: City Hall Parking Lot Improvements, Tyler Rd (Il 64 to Kirk Rd) Improvements, Electrical System Improvements

In addition to new projects, the City has taken advantage of the historically low interest rates by refinancing many of its bond issues. Since 2009, the City has refinanced its debt in a manner that will reduce interest costs by \$2.85 million through 2025.

Community Profile

<u>History</u>	<u>IV - 3</u>
<u>Demographics</u>	<u>IV - 3</u>
<u>Public Health & Safety</u>	<u>IV - 6</u>
<u>Public Works</u>	<u>IV - 8</u>
<u>Water & Wastewater Utilities</u>	<u>IV - 9</u>
<u>Education</u>	<u>IV - 10</u>
<u>Transportation</u>	<u>IV - 11</u>
<u>Property Construction and Sales</u>	<u>IV - 11</u>
<u>Property Taxes</u>	<u>IV - 12</u>

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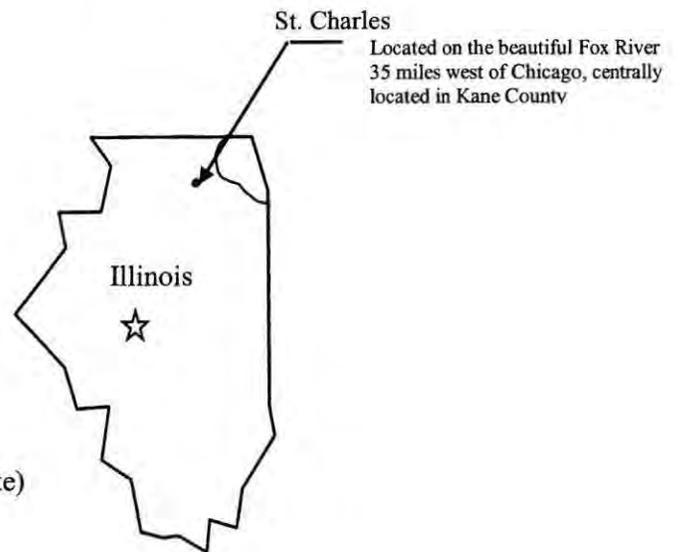
COMMUNITY PROFILE

St. Charles - The Early Years

The first settlers of St. Charles arrived in 1833 and built the first log cabin in 1834. They were attracted to the area because of the Fox River, which was a source of waterpower. The first industries in town were lumber mills, gristmills, and carding mills, all powered by water wheels near the dam.

Illinois Facts:

Capital:	Springfield
State Bird:	Cardinal
State Tree:	White Oak
State Flower:	Violet
State Song:	Illinois
State Animal:	White-tailed Deer
Nicknames:	The Prairie State and The Land of Lincoln
State Motto:	“State sovereignty National union”
Population:	12,859,995 (2015 Estimate)
Rank:	5 th
Date of Statehood:	12/3/1818
Sequence:	21 st



The first mayor of St. Charles, James K. Lewis, was elected in 1875. At that time there were 3 wards with 6 aldermen. Our current Mayor, Raymond Rogina, was elected and sworn in to office May 1, 2013. He served on the St. Charles City Council as Alderman of Ward Three for two years. An ordinance passed in May of 1996 changed the City Council structure from 7 wards with 14 aldermen to 5 wards with 10 aldermen. The elected officials and appointed officials are listed in the front of the budget document.

Demographics

Population:

The City's population has a significant financial consequence. For instance, motor fuel taxes and Illinois income taxes are distributed on a per capita basis. The count used for these purposes must be an official census certified by the Bureau of Census. Since 1985, St. Charles has contracted seven special censuses in order to gain a larger share of the revenue distributed by the state based on population. The State's population grew less than 1% from 1980 to 1990, while St. Charles population from 1980 to 1990 increased 19% (17,492 in 1980 and 22,620 in 1990). The year 2000 census results put the City at population of 28,054. In 2003 the City conducted a special census, which increased our population to 31,834. The 2010 census resulted in St. Charles population of 32,974. In 2014 the City's estimated



population is 33,267. The City's population is projected to be 33,533 in the year 2019. The following is a history of population counts, actual and estimated.

	Per Census	Interim Estimate
2007/08	-	31,804
2008/09	-	32,276
2009/10	32,974	-
2010/11	32,974	-
2011/12	-	33,153
2012/13	-	33,327
2013/14	-	33,264
2014/15	-	33,267

Data Source: *City's website.*

Age Distribution:

An important demographic characteristic relates to the age distribution of the City's population. An age profile is used by the City and other agencies in targeting services. St. Charles, similar to the national trend, has shown an upward trend in its median age from a 1970 level of 27.5 years to 37.91 years in 2012, the last year of available data. We expect this trend to continue through the next decade.

Racial Composition:

White	29,540
African American	830
American Indian, Eskimo, or Aleut	67
Asian or Pacific Islander	1,099
Other Race Alone (of any race)	<u>1,731</u>
2013 Estimate Population	Total 33,267

Unemployment Rates:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
St. Charles	3.8%	3.7%	4.9%	7.7%	8.7%	9.0%	7.1%	7.7%	5.7%	5.0%
Illinois	5.2%	5.3%	7.2%	11.3%	9.3%	10.0%	8.7%	9.6%	6.2%	5.9%
United States	5.0%	4.9%	8.1%	10.4%	9.6%	8.3%	7.8%	7.4%	6.3%	5.3%

Data Source: *www.bls.gov/*

Top Employers in St. Charles

No. of Employees	Employer	Product or Service
1,426	St. Charles School District 303	Education K-12
750	Omron Electronics	Automotive relays and controls
620	R. R. Donnelly & Sons Co	Business Form Printing
475	System Sensor	Mfg. Commercial Detectors & fire Equipment
350	Armour – Eckrich Meats LLC	Sausage & Salami Processing
325	Pheasant Run Resort	Hotel and Conference center (golf course)
270	Jewel-Osco Stores	Grocery Store
235	City of St. Charles	Municipal government
225	Do Paco, Inc	Paperboard Carton
210	Dukane Corporation	Manufacture Sound & Communication Equipment

There are a vast number of employers with 200 or less employees in manufacturing, health care and retail. City residents have a wide variety of occupations. The following table categorizes occupations for the employed residents 16 years of age and older for the City, Kane County, DuPage County and the State of Illinois.

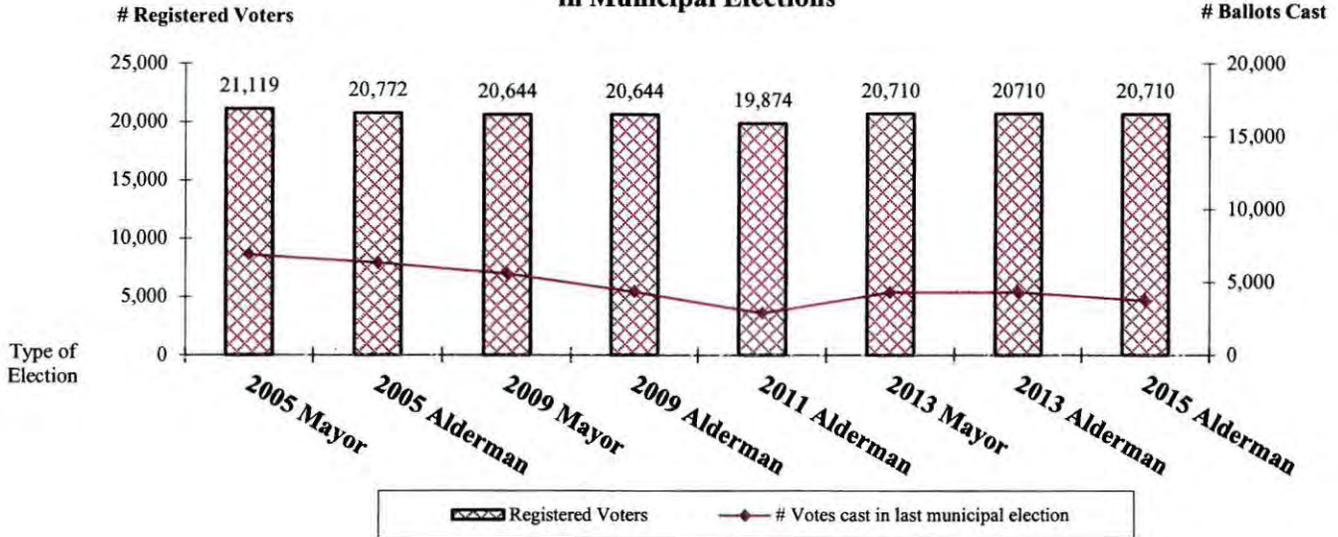


Occupational Categories

<u>Occupational Category</u>	<u>City of St. Charles</u>	<u>Kane County</u>	<u>DuPage County</u>	<u>State of Illinois</u>
Managerial professional & related occupations	45.0%	32.6%	44.3%	36.2%
Service occupations	12.0	16.4	13.2	17.5
Sales and office occupations	31.4	26.5	26.7	24.9
Construction, extraction, and maintenance	3.0	7.5	5.3	7.3
Production, transportation and material moving	<u>8.6</u>	<u>17.0</u>	<u>10.5</u>	<u>14.1</u>
TOTALS	100.0%	100.0%	100.0%	100.0%

Elections

History of Votes Cast in Municipal Elections



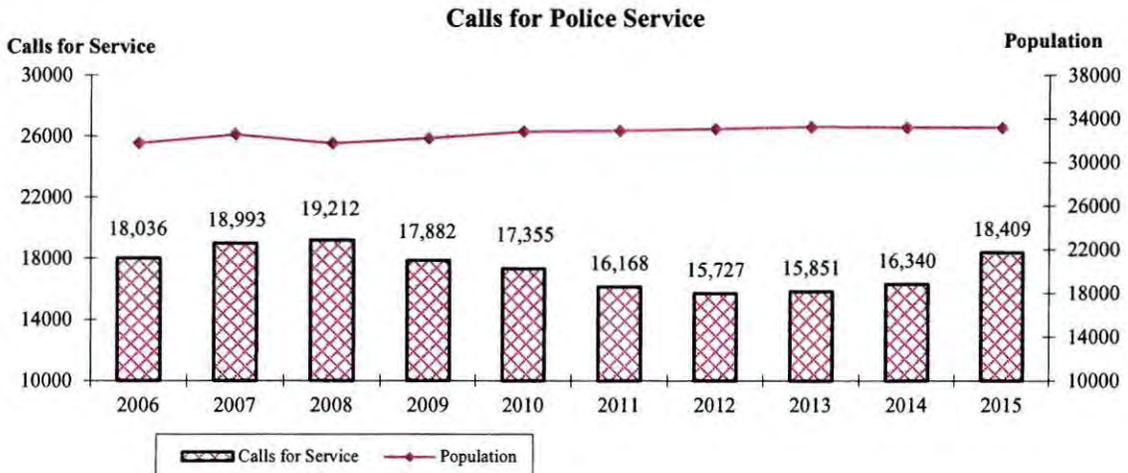
Data Source: Kane County Clerk.

Public Health & Safety

Police Protection:

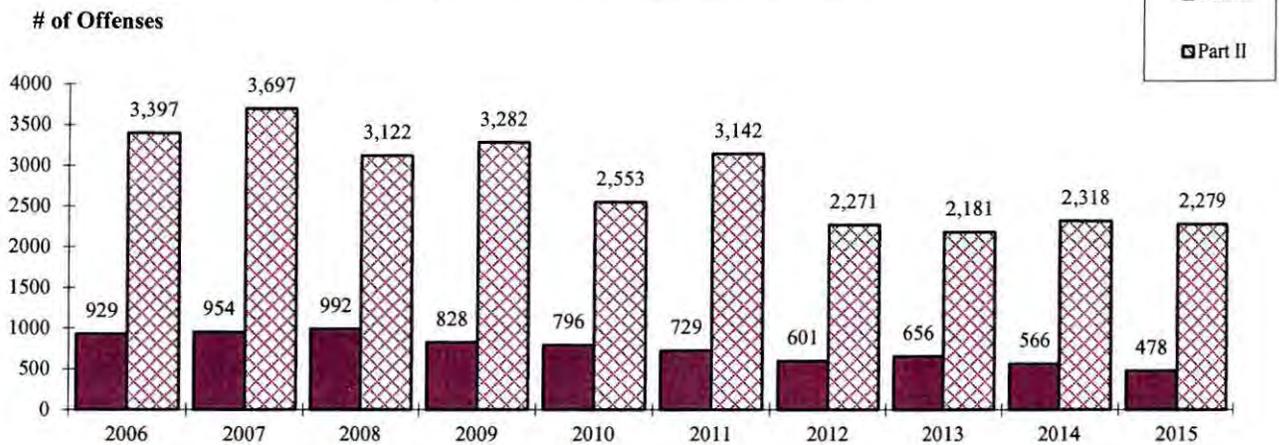
Number of sworn officers -

Chief	1
Deputy Chiefs	1
Section Commanders	3
Sergeants	6
Detectives	6
Patrol Officers	32
<u>K-9</u>	<u>1</u>
	50



The City has experienced an increase in calls for police service over the last few years.

Comparison of Part I and Part II Crimes



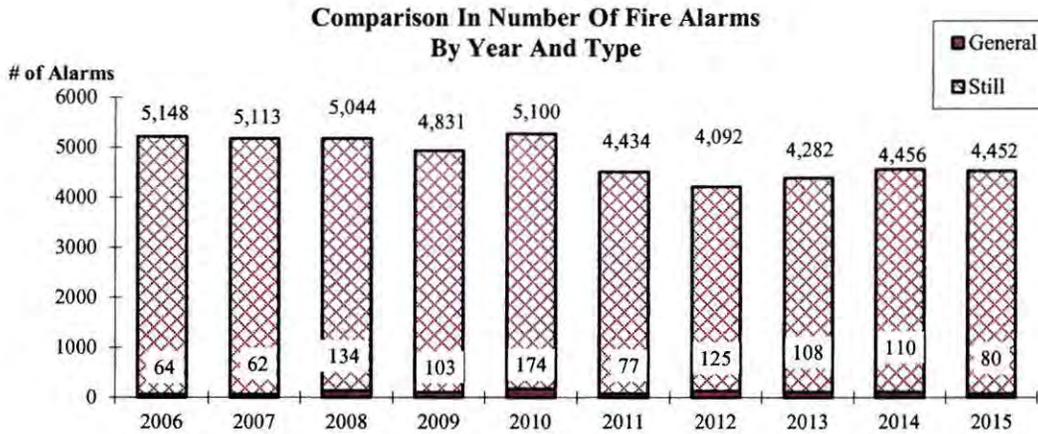
Part I and Part II crime categories are a national standard used to identify types of crime. Part I are generally more serious crimes involving a weapon such as armed robbery, whereas Part II crimes would be theft or battery committed with one's body. The FBI originally set these standards. The relationship between Part I and Part II crimes has remained steady over the last ten years. The majority of Part I crimes above relate to burglary and the majority of Part II crimes are for battery, theft and criminal damage to property.

Data Source: Annual Report-Police Dept.

Fire Protection:

Number of Fire Stations	3	
# of Full-Time Firefighters	Chief	1
	Asst. Chiefs	2
	Battalion Chiefs	3
	Captains	3
	Lieutenants	11
	<u>Firefighters</u>	<u>26</u>
		46
 # of EMA Personnel	 19	

St. Charles residents are serviced by an enhanced 911 system, which means the caller's name and address are brought up automatically on the dispatcher's screen. The St. Charles 911 system also services the deaf community with a TDD (telecommunications device for the deaf).



General alarms indicate a structure fire. The majority of alarms are still alarms. These are calls for odor investigation, smoke etc. and emergency medical calls.

In the United States, fire kills about 5,000 people a year and causes injury to another 30,000. St. Charles building codes now require interconnected AC wired smoke detectors in each bedroom, one in the vicinity of each bedroom, and one on each floor, including the basement.

Data Source: Annual report – Fire Dept

Public Works

Street miles maintained (center line miles*)	
Residential	131.5
Industrial	10.9
County	5.7
State	<u>18.2</u>
Total	166.3
# of Snow Routes	19

*The City of St. Charles made a change to the tabulation of their maintained street miles. In the past, the City included compounding distance for multi-lane roads. The City's new calculations simplify that process by calculating the actual distance of the road center line, regardless of lane size.

Lester and Dellora Norris designed and built the Arcada Theater in 1926 at a cost of \$500,000. The theater housed vaudeville acts and movies. Stars who performed included George Burns and Gracie Allen, Edgar Bergen and Charlie McCarthy, Olivia de Havilland, the John Phillip Sousa Band, Vincent Price, Lee Remick, and Maria Von Trapp. The theater was recently restored to its historic charm.



Water and Wastewater Utilities

Water	
Storage Capacity	4,200,000
Gallon Capacity per day	
Outer-pressure	9,390,000
Inner pressure	3,600,000
# of Wells	7
Maximum Day Consumption	5,730,000
Wastewater (East and West Plants)	
Gallons of wastewater – daily flow	5,310,356

Water Pumped vs. Billed FY 14/15 In Thousands of Gallons

	Gallons Pumped	Gallons Billed	Difference	% of Difference
May	131,086	110,664	20,422	15.58%
June	132,769	113,825	18,944	14.27%
July	147,899	124,951	22,948	15.52%
August	147,055	124,966	22,089	15.02%
September	122,990	106,662	16,328	13.28%
October	114,153	100,128	14,025	12.29%
November	104,966	89,891	15,075	14.36%
December	107,418	92,073	15,345	14.29%
January	110,390	92,083	18,307	16.58%
February	89,361	82,477	6,884	7.70%
March	100,054	94,952	5,102	5.10%
April	105,835	91,775	14,060	13.28%
Total	1,413,976	1,224,447	189,529	13.40%

Water Saving Tips:

- A leaky toilet can use as much as 50,000 gallons of water in just one month!
- By installing a shower flow controller you can save 4,000 gallons of heated water during a year
- St. Charles residents' sewer bills are based on actual water charges. The sewer charge is capped at 130% of the residents' January, February, and March water usage average.
- Residents can water their lawns and wash their cars without additional sewer charges because of the sewer cap.

Data Source: *Public Works-Fact Sheet*

Electric Utilities

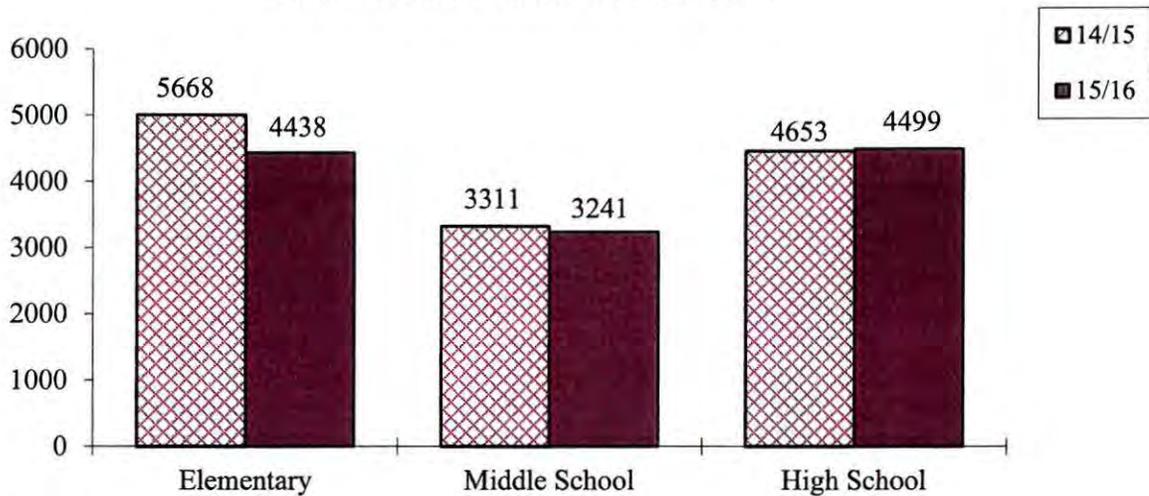
Number of Substations	8
Number of Customers	13,262
Average monthly kWh billed	43,799,630
Total KWh billed 2014/2015	525,595,564

Education

Number of public schools:

Elementary	12
Middle School	3
High School	2
Special Education	1

Enrollment in St. Charles Public Schools



Data Source: www.d303.org

Recreation and Cultural

Parks	64	Libraries	1
Park acreage	1,500	Books owned	296,500
Recreation centers	2	Registered patrons	28,323
Park District pools	2	Churches	12
Public Golf Courses	3	Community Centers	3
Miniature Golf Courses	1	Restaurants	117
Annual Park District Programs	1,700	Banquet Facilities	6
Cultural Arts Center	1	Hotel/Motel Rooms	2,402
Financial Institutions	18	Conference Center	1

Data Source: *Parks Facilities*

Transportation

Major Roads and Highways: East-West Tollway (I-88); and the Northwest Tollway (I-90)

Airports: Chicago's O'Hare International (20 miles northeast); Midway Airport (35 miles southeast); and a local airport for business commuters – Dupage Airport (Eastern border of St Charles-5 min.)

Average commute: Chicago Loop 60 to 65 minutes by car or rail; East-West Research and Development Corridor (Naperville) 15 to 20 minutes.

Rail: Geneva Metra Station, Union Pacific West Line (1.5 miles south)

Property Construction and Sales

Building Permits:



Fiscal Year	New Commercial Construction		New Business Construction		New Residential Construction		Total Building Permits**	
	# of Permits	Value	# of Permits	Value	# of Permits*	Value	# of Permits	Value
2003/2004	1	580,000	11	16,940,000	315	49,522,109	1,870	105,941,733
2004/2005	2	1,460,000	14	11,899,500	168	35,890,014	2,116	97,315,718
2005/2006	4	4,707,204	13	26,905,350	83	22,352,839	1,732	85,875,594
2006/2007	2	1,550,000	7	7,616,000	114	28,891,316	1,828	84,613,179
2007/2008	5	3,805,000	10	13,990,000	58	15,814,030	1,667	61,901,772
2008/2009	2	2,308,000	10	37,357,000	24	10,036,214	1,851	83,659,729
2009/2010	1	1,100,000	4	2,950,000	7	2,722,690	1,683	51,923,958
2010/2011	-	---	1	5,000,000	8	1,910,000	1,872	39,464,013
2011/2012	-	---	3	5,700,000	11	2,515,775	1,700	42,486,962
2012/2013	-	---	1	824,000	24	4,716,101	1,805	39,246,875
2013/2014	-	---	2	2,489,083	35	8,314,796	1,832	40,274,648
2014/2015	1	1,100,000	3	1,785,000	22	6,120,084	1,835	43,652,518

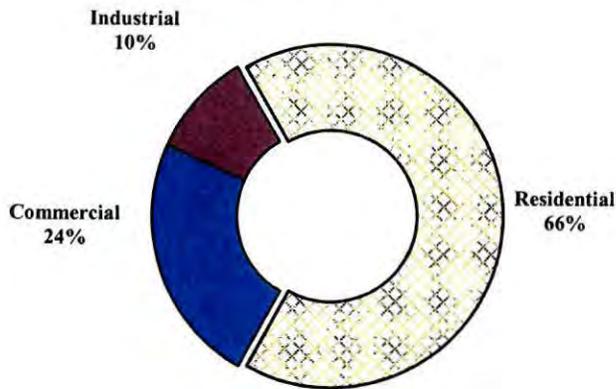
* This total is all residential dwelling units not number of permits.

** Total permits issued include new construction, alterations, additions and repairs.

Data Source: *Building & Code Enforcement Dept*

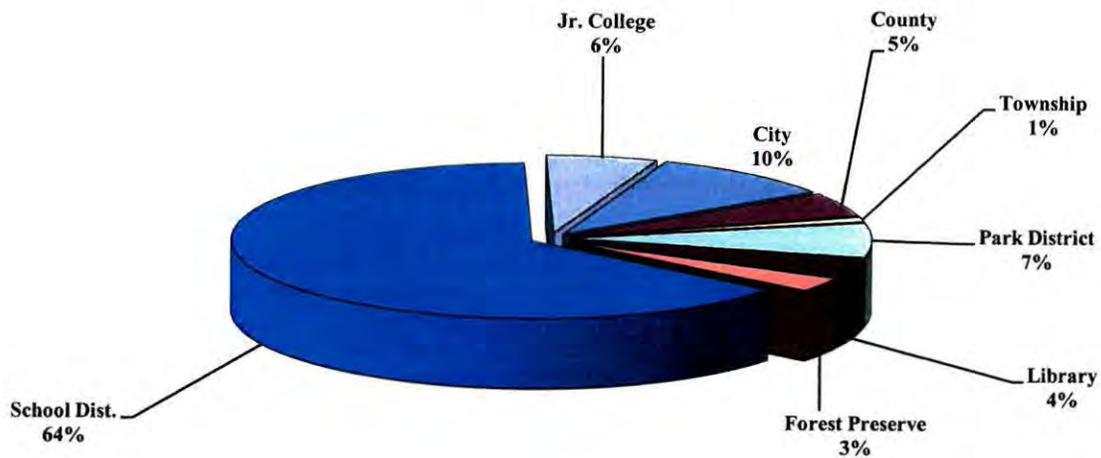
Property Taxes

**Land Use
Based on 2014 EAV**



As the chart shows, 66% of land use in St. Charles is for residential. The mix in St. Charles allows for convenient shopping, as well as an industrial and commercial base that provides taxes and employment opportunities.

**Property Tax Allocation
2014 Collected in 2015**



**2014 (Levy Year)
Typical Total Tax Rate**

City	\$0.9275
County	.4684
Forest Preserve	.3126
Township	.1396
Cemetery	.0165
Park District	.6634
Library	.3486
School District # 303	6.1340
Junior College # 509	.6076
	\$9.6182

Property taxes only account for 10.0% of total revenues for the City. General fund property taxes account for 30.7% of general fund revenues. That includes funding for the police and fire pensions. Taxes to fund general City services only amount to 24.0% of general fund revenues.



**2014 Municipal Property Tax Rate Comparison
In Same Local Area**

	<u>Municipal Tax Rate</u>	<u>Estimate City * Property Tax</u>
St. Charles	0.9275	\$ 895
Aurora	2.2635	2,184
Batavia	0.7152	690
Elgin	2.3718	2,289
Geneva	0.7454	719

* Based on \$300,000 property value.

2014 Top 10 Property Tax Payers

<u>Taxpayer</u>	2014 Assessed Valuation
Q Center LLC.	\$15,772,649
AMLI at St. Charles	12,765,390
St Charles Country Club	5,434,984
Ashford St Charles LLC	5,186,702
Meijer Stores Limited Partnership	5,178,331
Delnor Community Residential Living	5,154,496
Slate Main St Holdings LLC	4,987,235
R R Donnelly & Sons Co.,	4,986,101
Costco Wholesale Corp	4,935,365
Fox Run Ltd Partnership	4,295,253

Data Source: Kane County Clerk

Sales Tax Rates:

The local sales tax rate is 8.0% (includes a 1% home rule tax)*

*Qualifying goods, drugs, medical at 1.25%. Titled vehicles are taxed at 7.0%; add 1.0% Chicago Home Rule Tax if a vehicle bought in St. Charles is registered in Chicago.

The City's website is www.stcharlesil.gov. St. Charles has worked hard to provide a wealth of useful information to the internet user. We monitor and update information often. Agendas for all City related meetings are updated weekly. Other information on the web includes: job openings and how to apply, City newsletters, a listing of aldermen with a ward map, council committees, the budget-in-brief, the City mission statement and a brief description of each service area, construction information, 160 years of history, and a complete listing of E-mail addresses within the City.

Budget Reports by Fund

<u>Projected Available Fund Balance</u>	<u>V - 2</u>
<u>Revenues and Expenditures by Fund Type</u>	<u>V - 8</u>
<u>Description of Funds</u>	<u>V - 9</u>
<u>Revenues and Expenditures All Funds</u>	<u>V - 12</u>

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Fund Reports

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements into three broad fund categories and seven generic fund types as shown in the second report, Revenues and Expenditures by Fund and Fund Type.

Fund Summary

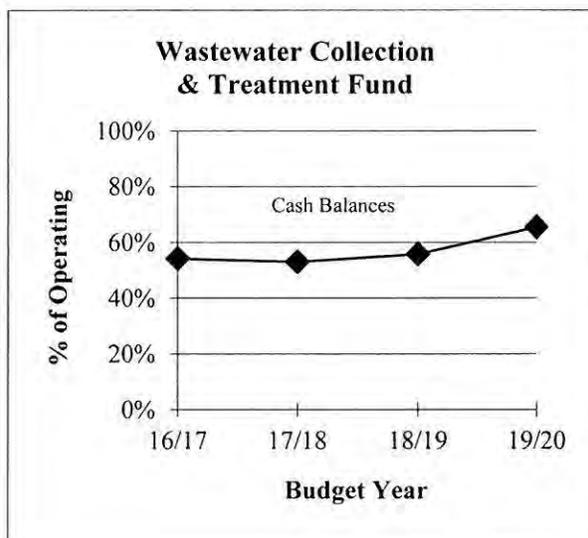
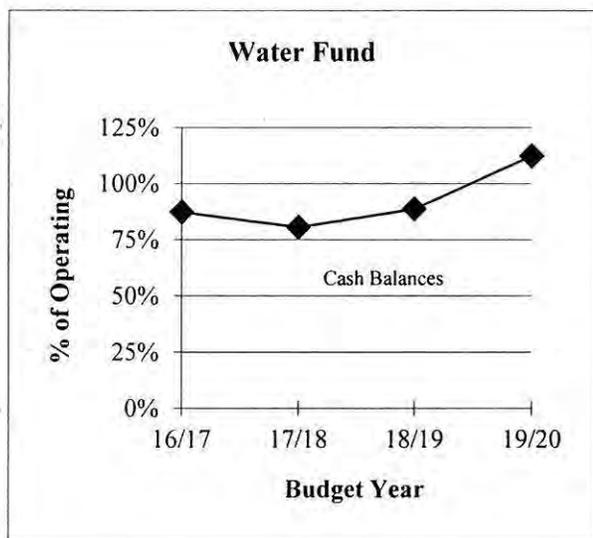
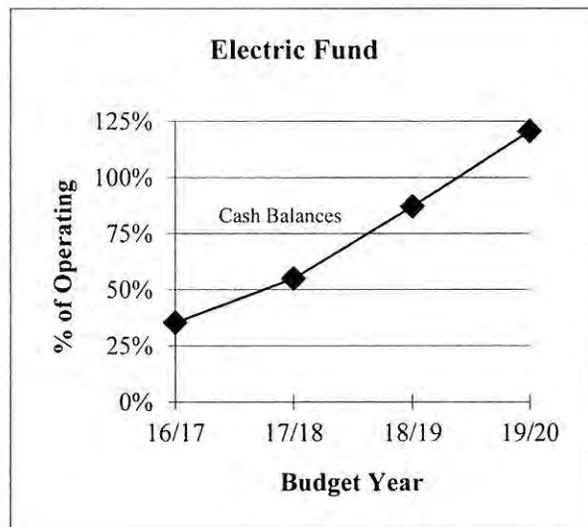
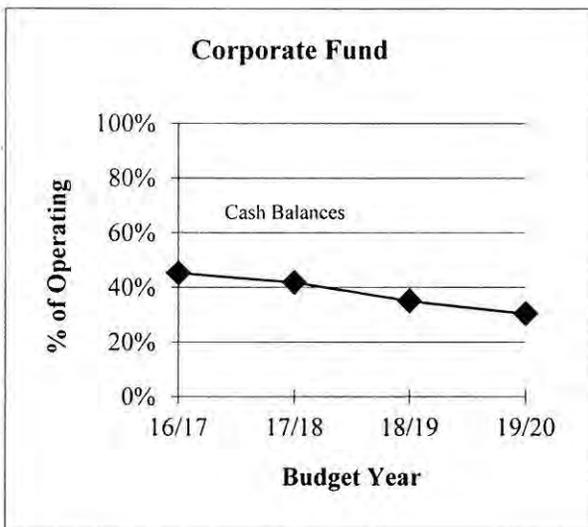
Projected Available

Fund Balance

This report is a broad summary of each fund. Since the City must maintain the integrity of its various funds, this report provides the reader with a perspective of each fund's financial position at the beginning of the fiscal year, the level of activity during the period, and what resources will be available at the end of each period.

Available Cash Balances As a % of Operating Expenditures/Expenses 16/17 - 19/20

The City's policy is to try to maintain an available fund balance of at least 25% of operating expenditures for the corporate fund and 25% to 50% of expenses for the enterprise funds. It is important to try to maintain this level of reserves in order to provide for unforeseen events. It also provides a "cushion" for transition through cyclical changes and has been instrumental in helping the City address recent economic conditions. The analysis for the electric fund does not include wholesale power costs in operating expenses because the "cushion" is to allow for unanticipated fluctuations in operating costs.



Fund Summary for Fiscal Year 2016/2017
Projected Available Fund Balance

Fund	Projected Available Fund Balance 5/1/16	Estimated Revenue	Proposed Expenditure	In	Transfers Out	Projected Available Fund Balance 4/30/17
Corporate	\$16,902,433	\$42,940,323	\$36,932,003	\$190,000	\$6,466,007	\$16,634,746
Electric	3,266,987	65,166,806	63,346,507	315,664	498,429	4,904,521
Water	3,568,644	6,400,314	6,293,219		159,416	3,516,323
Sewer	3,441,324	11,353,672	11,244,327		303,692	3,246,977
Refuse	458,436	510,975	747,320	232,345		454,436
TIF Districts	218,626	1,761,215	0		1,512,353	467,488
Motor Fuel Tax	2,006,469	847,600	1,950,407			903,662
Police Pension	31,209,474	3,574,262	2,516,948			32,266,788
Fire Pension	34,791,848	2,885,935	1,479,050			36,198,733
Capital Projects	2,960,979	5,235,522	7,757,250	2,274,789	569,663	2,144,377
Debt Service	2,139,243	1,061,025	7,488,466	6,498,426		2,210,228
ISF-Inventory	0	4,189,801	3,995,431			194,370
ISF-Vehicles	3,901,777	2,922,005	2,115,613			4,708,169
ISF-Health Insurance	3,082,693	4,315,149	4,933,093			2,464,749
ISF-Liability & W/C	2,761,860	1,011,800	985,271	60,000		2,848,389
ISF-Communications	547,028	404,265	459,105		61,664	430,524
ISF-IT Equipment	675,750	216,798	130,000			762,548
Totals	\$111,933,571	\$154,797,467	\$152,374,010	\$9,571,224	\$9,571,224	\$114,357,028

Fund Summary for Fiscal Year 2017/18
Projected Available Fund Balance

Fund	Projected Available Fund Balance 5/1/17	Estimated Revenue	Proposed Expenditure	In	Transfers Out	Projected Available Fund Balance 4/30/18
Corporate	\$16,634,746	\$43,477,488	\$37,715,835	\$195,000	\$6,900,467	\$15,690,932
Electric	4,904,521	68,055,369	65,209,819	319,635	499,869	7,569,837
Water	3,516,323	7,685,935	7,709,654		159,509	3,333,095
Sewer	3,246,977	17,862,100	17,533,565		304,175	3,271,337
Refuse	454,436	520,975	636,980	112,005		450,436
TIF Districts	467,488	1,797,865	0		1,248,290	1,017,063
Motor Fuel Tax	903,662	847,600	980,000			771,262
Police Pension	32,266,788	3,621,830	2,531,904			33,356,714
Fire Pension	36,198,733	2,932,789	1,517,738			37,613,784
Capital Projects	2,144,377	17,782,206	20,868,608	2,782,063	571,035	1,269,003
Debt Service	2,210,228	1,082,243	7,346,352	6,336,306		2,282,425
ISF-Inventory	194,370	4,218,966	3,988,971			424,365
ISF-Vehicles	4,708,169	3,022,085	2,421,780			5,308,474
ISF-Health Insurance	2,464,749	4,723,800	5,131,917			2,056,632
ISF-Liability & W/C	2,848,389	1,074,742	1,017,972			2,905,159
ISF-Communications	430,524	389,749	327,782		61,664	430,827
ISF-IT Equipment	762,548	216,798	100,000			879,346
Totals	\$114,357,028	\$179,312,540	\$175,038,877	\$9,745,009	\$9,745,009	\$118,630,691

Fund Summary for Fiscal Year 2018/2019
Projected Available Fund Balance

Fund	Projected Available Fund Balance 5/1/18	Estimated Revenue	Proposed Expenditure	Transfers		Projected Available Fund Balance 4/30/19
				In	Out	
Corporate	\$15,690,932	\$44,154,950	\$39,050,634	\$200,000	\$7,360,310	\$13,634,938
Electric	7,569,837	70,508,502	65,696,142	323,440	417,079	12,288,558
Water	3,333,095	8,877,550	8,273,895		131,176	3,805,574
Sewer	3,271,337	14,607,161	14,057,505		250,585	3,570,408
Refuse	450,436	530,975	777,700	242,725		446,436
TIF Districts	1,017,063	1,835,060	0		907,040	1,945,083
Motor Fuel Tax	771,262	847,600	980,000			638,862
Police Pension	33,356,714	3,670,814	2,599,636			34,427,892
Fire Pension	37,613,784	2,981,059	1,557,564			39,037,279
Capital Projects	1,269,003	8,943,619	11,547,725	2,840,467	569,417	935,947
Debt Service	2,282,425	1,103,885	7,121,849	6,090,639		2,355,100
ISF-Inventory	424,365	4,247,120	4,070,251			601,234
ISF-Vehicles	5,308,474	3,053,427	3,277,684			5,084,217
ISF-Health Insurance	2,056,632	4,928,216	5,315,713			1,669,135
ISF-Liability & W/C	2,905,159	1,105,293	1,045,888			2,964,564
ISF-Communications	430,827	458,936	530,891		61,664	297,208
ISF-IT Equipment	879,346	216,798	100,000			996,144
Totals	\$118,630,691	\$172,070,965	\$166,003,077	\$9,697,271	\$9,697,271	\$124,698,579

Fund Summary for Fiscal Year 2019/2020
Projected Available Fund Balance

Fund	Projected Available Fund Balance 5/1/19	Estimated Revenue	Proposed Expenditure	In	Transfers Out	Projected Available Fund Balance 4/30/20
Corporate	\$13,634,938	\$44,873,888	\$39,792,655	\$205,000	\$6,886,777	\$12,034,394
Electric	12,288,558	73,481,363	68,231,320	327,255	423,374	17,442,482
Water	3,805,574	7,684,670	6,400,956		132,952	4,956,336
Sewer	3,570,408	15,417,241	14,410,290		254,190	4,323,169
Refuse	446,436	540,975	662,536	117,561		442,436
TIF Districts	1,945,083	1,884,014	0		908,025	2,921,072
Motor Fuel Tax	638,862	847,600	980,000			506,462
Police Pension	34,427,892	3,721,298	2,669,408			35,479,782
Fire Pension	39,037,279	3,030,775	1,598,624			40,469,430
Capital Projects	935,947	5,673,400	6,917,067	1,907,228	574,096	1,025,412
Debt Service	2,355,100	1,125,959	7,737,236	6,684,034		2,427,857
ISF-Inventory	601,234	4,272,167	4,095,592			777,809
ISF-Vehicles	5,084,217	3,143,459	3,374,493			4,853,183
ISF-Health Insurance	1,669,135	5,056,801	5,492,605			1,233,331
ISF-Liability & W/C	2,964,564	1,129,188	1,075,216			3,018,536
ISF-Communications	297,208	765,344	894,029		61,664	106,859
ISF-IT Equipment	996,144	216,798	100,000			1,112,942
Totals	\$124,698,579	\$172,864,940	\$164,432,027	\$9,241,078	\$9,241,078	\$133,131,492

Revenues and Expenditures

by

Fund and Fund Type

The following report is presented by Fund and Fund Type. A description of the City's funds and fund structure is provided. Each fund of the City is described and analyzed along with graphic representation if appropriate. Two years of history, the proposed budget, and a three year projection are provided.

Description of Funds and Fund Types

For accounting purposes, a state or local government is not treated as a single, integral entity. Rather, a government is viewed instead as a collection of smaller, separate entities known as “funds”. The Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards (Codification)*, Section 1300, defines a fund as:

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

All of the funds used by a government must be classified into one of seven “fund types”. Four of these fund types are used to account for a state or local government’s “governmental-type” activities and are known as “governmental funds”. Two of these fund types are used to account for a government’s “business-type” activities and are known as “proprietary funds”. Finally, the seventh fund type is reserved for government’s “fiduciary activities”.

Governmental Funds

Four fund types are used to account for governmental-type activities. These are the general fund, special revenue funds, debt service funds, and capital project funds.

General Corporate Fund

The General Corporate Fund is used to account for most of the day-to-day operations of the City, which are financed from property taxes and other general revenues. Activities financed by the General Fund include those of line and staff departments within the City except for activities of the Enterprise Funds. There only can be one general fund.

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government and which therefore cannot be diverted to other uses. The City has the following special revenue funds:

TIF Funds – used to account for incremental revenue collected to cover debt service for Tax Increment Financing (TIF) districts.

Motor Fuel Tax – underwrites the cost of various street and bridge improvements subject to the approval of the State of Illinois. Revenues for this program are disbursed to municipalities on a per-capita basis based on fuel sales within the State of Illinois.

Debt Service Funds

The Debt Service Funds are used to account for the payment of interest and principal on general and special obligation debts other than those payable from special assessments and debt issued for and serviced by a governmental enterprise.

Capital Project Funds

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital equipment and facilities by the City except those financed by the Special Assessment, Enterprise and Internal Service Funds.

Proprietary Funds

Two fund types are used to account for a government's business-type activities (activities that receive a significant portion of their funding through user fees). These are the enterprise funds and the internal service funds.

Enterprise Funds

Electric, Water and Sewer Funds are used to account for the acquisition, operation and maintenance of City-owned electric, water and sewer facilities and services which are entirely or predominantly self-supported by user charges. The operations of these funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises. Also included in the enterprise funds is the refuse fund. This fund, however, receives some support from the General Fund in the form of an inter-fund transfer.

Internal Service Funds

Internal Service Funds are used by state and local governments to account for the financing of goods and services provided by one department or agency to other departments or agencies, and to other governments, on a cost-reimbursement basis.

Inventory Control Fund – used to account for the acquisition and temporary storage of materials and supplies inventory that is provided to the various City funds.

Motor Vehicle Replacement Fund – used to account for the maintenance and replacement of all existing motor vehicles and motorized equipment for governmental funds. Vehicle replacements for electric, water and sewer are budgeted in the appropriate enterprise fund. Vehicle replacement for inventory control is budgeted in the inventory control internal service fund.

Self-Insurance Funds – used to account for self-insurance activity related to health, worker's compensation and property/casualty/crime. Self-insurance activity for electric, water and sewer are accounted for in the appropriate enterprise fund. Self-insurance for inventory control is budgeted in the inventory control internal service fund.

Communication Fund – used to account for communications infrastructure costs that are provided to the various City funds.

IT Equipment Fund – used to account for costs associated with the replacement of all computer equipment, software and copiers for governmental funds.

Fiduciary Funds

These funds are used when a government holds or manages financial resources in an agent or fiduciary capacity. This single fund type is sub-divided into two “sub-fund types” to account for various types of fiduciary obligations. These are pension trust funds and agency funds.

Pension Trust Funds

Pension trust funds are used to manage pension plans.

Police and Firefighter’s Pension – provides for payment of retirement benefits. Funding comes from investment income, property tax, City contributions and employee contributions.

Agency Funds

Trust funds typically involve some degree of financial management. Agency funds are used when the government plays a more limited role by just collecting funds on behalf of some third party.

Special Assessment – this fund accounts for the collection of special assessment payments from property owners and the subsequent payment to bondholders. This fund has a balance due to special assessment bondholders and is not a budgeted fund.

Summary of Revenues and Expenditures (Expenses) All Funds

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected-----		
				FY 17/18	FY 18/19	FY 19/20
<u>Revenues</u>						
14,109,182	13,984,990	Property Taxes	14,218,583	14,258,598	14,299,798	14,352,276
17,080,577	17,468,520	Sales & Use Taxes	18,363,111	18,749,504	19,197,633	19,671,348
1,062,211	1,067,695	Liquor Tax	1,092,248	1,125,015	1,158,203	1,192,370
3,485,932	3,612,068	Franchise Fees	3,703,904	3,814,079	3,946,318	4,062,741
1,834,358	2,078,395	Hotel Occupation Tax	1,918,936	1,965,854	2,013,574	2,062,843
72,067	71,304	Admission Tax	77,186	77,186	77,186	77,186
1,037,563	1,001,812	Telecommunications Fee	998,800	948,860	901,417	856,346
476,399	601,102	Licenses & Permits	533,318	536,536	539,690	542,883
154,966	278,399	Connection Fees	159,473	165,473	174,473	174,473
71,005,244	73,251,490	User Charges	78,681,684	82,154,522	86,294,582	89,726,895
3,612,922	4,366,540	Intergovernmental Revenue	4,104,036	5,169,080	4,479,177	4,848,111
1,119,133	814,803	Motor Fuel Tax	844,600	844,600	844,600	844,600
283,574	544,023	Reimbursement for Improvements	397,500	500	500	1,000,500
359,550	441,991	Reimbursement for Services	470,348	395,047	390,887	394,346
3,648,115	3,671,996	Pension Contributions	4,301,197	4,330,848	4,361,385	4,392,849
384,991	384,089	Fines & Court Fees	417,056	422,678	426,456	430,270
3,045,366	2,171,401	Investment Income	2,378,472	2,430,864	2,481,436	2,535,884
3,216,778	3,391,901	Charges to Other Funds	4,271,714	4,397,940	4,455,685	4,569,380
2,251,889	2,361,570	Sale of Property	3,000,000	3,000,000	3,000,000	3,000,000
4,002,589	1,875,537	Miscellaneous Revenue	1,556,352	1,502,714	1,535,556	1,563,950
5,177,478	5,251,467	Insurance Premiums	5,309,949	5,781,342	6,016,109	6,168,589
5,553,879	14,097,894	Capital Financing Proceeds	7,999,000	27,241,300	15,476,300	10,397,100
142,974,763	152,788,987	Sub-Total	154,797,467	179,312,540	172,070,965	172,864,940
9,584,222	13,228,273	Transfers In	9,571,224	9,745,009	9,697,271	9,241,078
152,558,985	166,017,260	Total	164,368,691	189,057,549	181,768,236	182,106,018
<u>Expenditures/Expenses</u>						
19,636,902	19,474,863	General Government	20,777,280	21,026,595	21,076,944	22,090,813
25,319,907	27,182,063	Public Health and Safety	28,130,441	28,494,070	30,048,593	30,124,121
12,344,852	17,044,787	Public Works	19,027,468	31,643,143	23,337,635	19,754,394
72,354,452	84,260,301	Public Utilities	81,343,158	90,780,820	88,558,433	89,936,595
2,853,670	3,787,607	Community Development	3,095,663	3,094,249	2,981,472	2,526,104
132,509,783	151,749,621	Sub-Total	152,374,010	175,038,877	166,003,077	164,432,027
9,584,222	13,228,273	Transfers Out	9,571,224	9,745,009	9,697,271	9,241,078
142,094,005	164,977,894	Total	161,945,234	184,783,886	175,700,348	173,673,105
10,464,980	1,039,366	Excess (Deficiency) of Revenues over Expenditures/Expenses	2,423,457	4,273,663	6,067,888	8,432,913

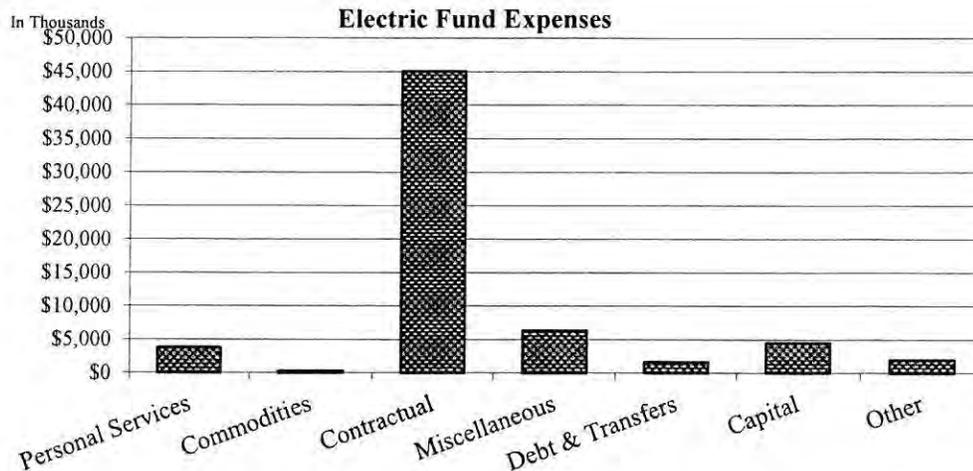
General Corporate Fund - This fund is used to account for most of the current day to day operations of the City which are financed through property taxes and other general revenues. Activities financed by the general fund include those of staff within the City, such as Police, Fire, Public Works Administration and Central Support.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected----- FY 17/18	FY 18/19	FY 19/20
Revenues						
12,413,312	12,352,793	Property Taxes	12,522,749	12,526,869	12,531,020	12,535,203
15,954,886	16,413,829	Sales & Use Taxes	17,272,923	17,637,805	18,064,145	18,515,489
1,062,211	1,067,695	Liquor Tax	1,092,248	1,125,015	1,158,203	1,192,370
3,485,932	3,612,068	Franchise Fees	3,703,904	3,814,079	3,946,318	4,062,741
72,067	71,304	Admissions Taxes	77,186	77,186	77,186	77,186
1,768,106	2,010,258	Hotel Occupation Tax	1,848,561	1,894,775	1,942,144	1,990,698
1,037,563	1,001,812	Telecommunications Fee	998,800	948,860	901,417	856,346
476,399	601,102	Licenses & Permits	533,318	536,536	539,690	542,883
3,506,789	3,781,183	Intergovernmental Revenue	3,747,786	3,853,124	3,943,696	4,054,870
359,550	441,991	Reimbursement for Services	470,348	395,047	390,887	394,346
384,991	384,089	Fines & Court Fees	417,056	422,678	426,456	430,270
(46,706)	109,358	Investment Income	135,654	125,557	113,591	101,047
198,666	128,450	Miscellaneous Revenue	119,790	119,957	120,197	120,439
0	185,000	Transfers In	190,000	195,000	200,000	205,000
40,673,766	42,160,932	Total	43,130,323	43,672,488	44,354,950	45,078,888
Expenditures						
General Government						
3,974,872	4,211,422	Personal Services	4,435,288	4,636,295	4,855,804	5,068,679
2,015,299	1,971,852	Other Operating	2,110,701	2,037,961	2,077,915	2,060,801
(2,910,144)	(2,976,278)	Allocations to Other Funds	(3,060,420)	(3,150,073)	(3,227,676)	(3,291,516)
67,177	62,134	Capital	58,950	41,200	41,200	41,200
3,147,204	3,269,130	Sub-Total	3,544,519	3,565,383	3,747,243	3,879,164
Public Health and Safety						
17,067,736	17,821,236	Personal Services	18,739,327	19,157,022	19,902,217	20,094,199
3,651,630	3,400,051	Other Operating	3,954,096	3,985,426	4,075,633	4,162,346
116,106	84,045	Capital	66,000	78,000	52,000	76,120
20,835,472	21,305,332	Sub-Total	22,759,423	23,220,448	24,029,850	24,332,665
Public Works						
3,570,058	3,661,712	Personal Services	3,636,262	3,843,469	4,015,504	4,181,005
5,148,966	5,380,381	Other Operating	5,965,424	6,205,706	6,376,511	6,542,887
(1,474,980)	(1,519,224)	Allocations to Other Funds	(1,564,824)	(1,603,956)	(1,636,032)	(1,668,756)
1,688	26,300	Capital	1,450	950	0	0
4,586	4,586	Debt Retirement	4,586	4,586	4,586	4,586
7,250,318	7,553,755	Sub-Total	8,042,898	8,450,755	8,760,569	9,059,722
Community Development						
1,539,934	1,601,286	Personal Services	1,687,173	1,778,603	1,859,545	1,944,691
1,641,883	1,281,681	Other Operating	1,277,114	1,089,662	1,050,219	981,161
(357,732)	(368,424)	Allocations to Other Funds	(379,524)	(389,016)	(396,792)	(404,748)
1,129	4,820	Capital	400	0	0	0
2,825,214	2,519,363	Sub-Total	2,585,163	2,479,249	2,512,972	2,521,104
Transfers						
4,188,917	3,547,852	Transfers Out - Debt Service	3,644,873	3,748,427	4,015,342	4,596,396
1,577,700	3,480,677	Transfers Out - Other	2,821,134	3,152,040	3,344,968	2,290,381
5,766,617	7,028,529	Sub-Total	6,466,007	6,900,467	7,360,310	6,886,777
39,824,825	41,676,109	Total	43,398,010	44,616,302	46,410,944	46,679,432
Excess (Deficiency) of Revenues over Expenditures						
848,941	484,823	Beginning Fund Balance	(267,687)	(943,814)	(2,055,994)	(1,600,544)
24,331,611	25,180,552	Adjustment to Fund Balance	25,665,375	25,397,688	24,453,874	22,397,880
0	0	Ending Fund Balance	0	0	0	0
25,180,552	25,665,375		25,397,688	24,453,874	22,397,880	20,797,336

Electric Fund - The electric fund is used to account for the acquisition, operation, and maintenance of City-owned electric power facilities. This fund is self-supported by user charges. The operations for this fund are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises. There are 8 electric substations in the City that serve approximately 13,262 residential and 2,296 commercial customers.

<u>Actual</u> FY 14/15	<u>Estimate</u> FY 15/16		<u>Proposed</u> FY 16/17	<u>-----Projected-----</u>		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
71,120	100,598	Connection Fees	54,500	54,500	54,500	54,500
57,856,615	59,120,252	User Charges	62,444,494	64,584,222	67,174,045	69,435,541
30,228	32,064	Property Taxes	35,000	35,245	35,597	35,953
(4,045)	3,793	Investment Income	2,000	2,020	2,040	2,061
283,574	544,023	Reimbursements for Improvements	397,500	500	500	1,000,500
2,289,640	849,437	Miscellaneous Revenue	613,312	628,882	641,820	652,808
1,239,115	2,100,000	Capital Financing Proceeds	1,620,000	2,750,000	2,600,000	2,300,000
314,320	285,164	Transfers In	315,664	319,635	323,440	327,255
62,080,567	63,035,331	Total	65,482,470	68,375,004	70,831,942	73,808,618
		Expenses				
		Public Utilities				
3,483,268	3,858,729	Personal Services	3,814,193	3,664,320	3,627,930	3,786,802
47,348,542	48,129,150	Other Operating	51,780,931	52,641,624	53,843,961	54,897,990
1,868,268	1,925,471	Allocations from Other Funds	1,971,701	2,025,436	2,071,684	2,112,868
2,028,431	5,429,900	Capital	4,546,600	5,460,000	4,950,000	6,220,240
1,068,926	1,059,610	Debt Retirement	1,233,082	1,418,439	1,202,567	1,213,420
55,797,435	60,402,860	Sub-Total	63,346,507	65,209,819	65,696,142	68,231,320
420,734	501,318	Transfers Out - Debt Service	498,429	499,869	417,079	423,374
24,260	0	Transfers Out - Other	0	0	0	0
444,994	501,318	Sub-Total	498,429	499,869	417,079	423,374
56,242,429	60,904,178	Total	63,844,936	65,709,688	66,113,221	68,654,694
5,838,138	2,131,153	Excess (Deficiency) of Revenues over Expenses	1,637,534	2,665,316	4,718,721	5,153,924
50,422,449	56,366,694	Beginning Net Assets	58,497,847	60,135,381	62,800,697	67,519,418
106,107	0	Net Fixed Asset/Debt Adjustments	0	0	0	0
56,366,694	58,497,847	Ending Net Assets	60,135,381	62,800,697	67,519,418	72,673,342

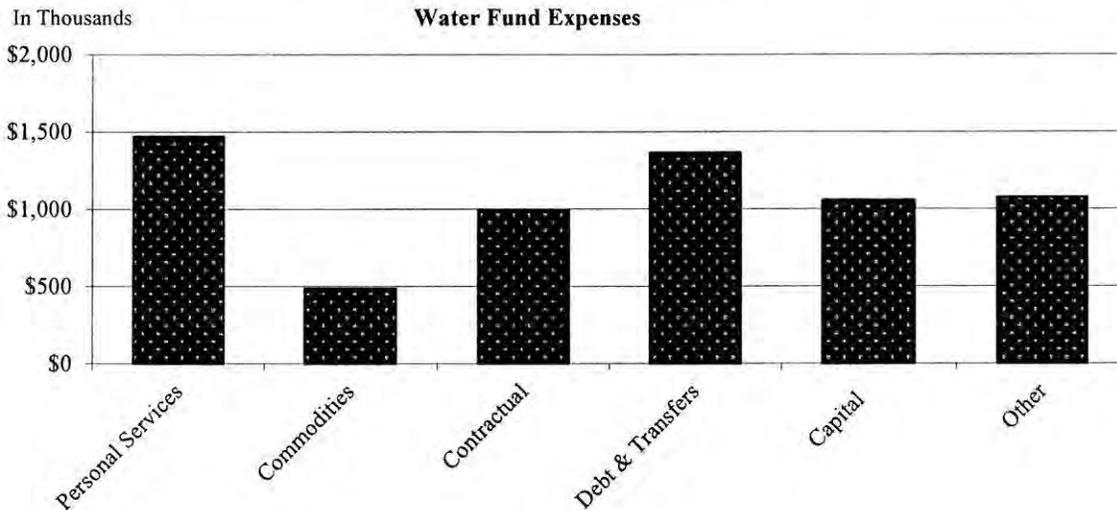
Electric service is supported almost entirely through user charges. Shown below is a graph of expenses for the electric fund budgeted for FY 16/17. The City entered into a contract to buy electric power from IMEA starting in June 2007. It constitutes approximately 79% of operating costs. Due to increasing wholesale power costs, a rate increase is proposed in each of the next 4 years.



Water Fund - The water fund is used to account for the acquisition, operation, and maintenance of City-owned water facilities. These facilities are self-supported by user charges. The operations of this fund are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises. The City has 7 wells with an average daily pumpage of 4,200,000 gallons.

<u>Actual</u> FY 14/15	<u>Estimate</u> FY 15/16		<u>Proposed</u> FY 16/17	<u>-----Projected-----</u>		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
33,400	73,431	Connection Fees	48,932	48,932	48,932	48,932
4,766,012	5,170,036	User Charges	6,032,152	6,635,352	7,298,871	7,298,888
(15,515)	35,062	Investment Income	31,500	31,575	31,654	31,736
303,768	334,142	Miscellaneous Revenue	287,730	295,076	300,093	305,114
1,112,557	6,066,394	Capital Financing Proceeds	0	675,000	1,198,000	0
6,200,222	11,679,065	Total	6,400,314	7,685,935	8,877,550	7,684,670
		Expenses				
		Public Utilities				
1,349,699	1,406,154	Personal Services	1,472,205	1,532,881	1,598,913	1,662,152
1,490,009	1,524,753	Other Operating	1,662,986	1,686,650	1,751,516	1,793,197
838,212	863,981	Allocations from Other Funds	896,012	920,792	942,428	961,112
1,937,324	7,220,147	Capital	1,057,300	2,180,838	2,502,238	497,825
836,009	934,499	Debt Retirement	1,204,716	1,388,493	1,478,800	1,486,670
6,451,253	11,949,534	Sub-Total	6,293,219	7,709,654	8,273,895	6,400,956
147,956	157,548	Transfers Out - Debt Service	159,416	159,509	131,176	132,952
6,599,209	12,107,082	Total	6,452,635	7,869,163	8,405,071	6,533,908
		Excess (Deficiency) of				
(398,987)	(428,017)	Revenues over Expenses	(52,321)	(183,228)	472,479	1,150,762
20,324,796	20,167,121	Beginning Net Assets	19,739,104	19,686,783	19,503,555	19,976,034
241,312	0	Net Fixed Asset/Debt Adjustments	0	0	0	0
20,167,121	19,739,104	Ending Net Assets	19,686,783	19,503,555	19,976,034	21,126,796

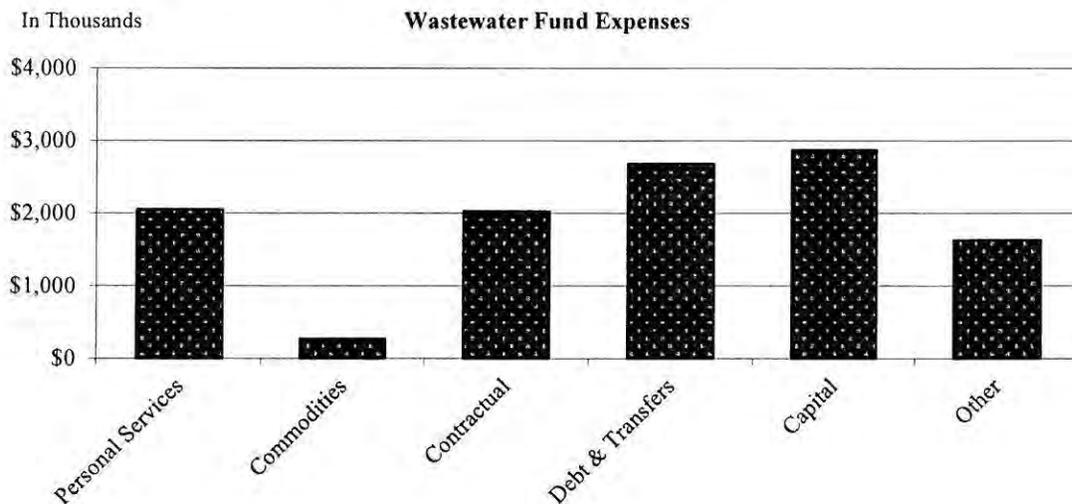
Shown below are the expenditures for the budget year 16/17. Rate increases are proposed for the next four fiscal years.



Wastewater Fund - The wastewater fund is used to account for the acquisition, operation, and maintenance of City-owned wastewater facilities. This includes sewage treatment and sanitary sewers. The fund is self-supported by user charges. The operations of this fund are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises. There is an average daily flow of 5,310,000 of wastewater with a capacity of 9,700,000.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected-----		
				FY 17/18	FY 18/19	FY 19/20
Revenues						
50,446	104,370	Connection Fees	56,041	62,041	71,041	71,041
7,584,505	8,147,655	User Charges	9,338,910	10,074,845	10,882,790	11,737,472
(5,510)	6,201	Investment Income	6,000	6,120	6,242	6,492
23,959	25,743	Intergovernmental Revenue	25,000	26,250	27,562	28,941
621,913	386,220	Miscellaneous	338,721	352,844	365,526	376,195
1,996,066	2,520,000	Capital Financing Proceeds	1,589,000	7,340,000	3,254,000	3,197,100
10,271,379	11,190,189	Total	11,353,672	17,862,100	14,607,161	15,417,241
Expenses						
Public Utilities						
1,951,689	2,098,221	Personal Services	2,054,790	2,120,399	2,218,231	2,308,966
2,444,765	2,763,855	Other Operating	2,603,287	2,680,609	2,779,880	2,872,390
1,257,276	1,291,051	Allocations from Other Funds	1,332,164	1,368,548	1,402,076	1,429,964
2,295,126	3,314,681	Capital	2,875,000	8,853,504	5,091,350	5,231,220
1,862,977	2,162,122	Debt Retirement	2,379,086	2,510,505	2,565,968	2,567,750
9,811,833	11,629,930	Sub-Total	11,244,327	17,533,565	14,057,505	14,410,290
270,845	304,434	Transfers Out - Debt Service	303,692	304,175	250,585	254,190
270,845	304,434	Sub-Total	303,692	304,175	250,585	254,190
10,082,678	11,934,364	Total	11,548,019	17,837,740	14,308,090	14,664,480
Excess (Deficiency) of						
188,701	(744,175)	Revenues over Expenses	(194,347)	24,360	299,071	752,761
28,942,851	28,985,190	Beginning Net Assets	28,241,015	28,046,668	28,071,028	28,370,099
(146,362)	0	Net Fixed Asset/Debt Adjustments	0	0	0	0
28,985,190	28,241,015	Ending Net Assets	28,046,668	28,071,028	28,370,099	29,122,860

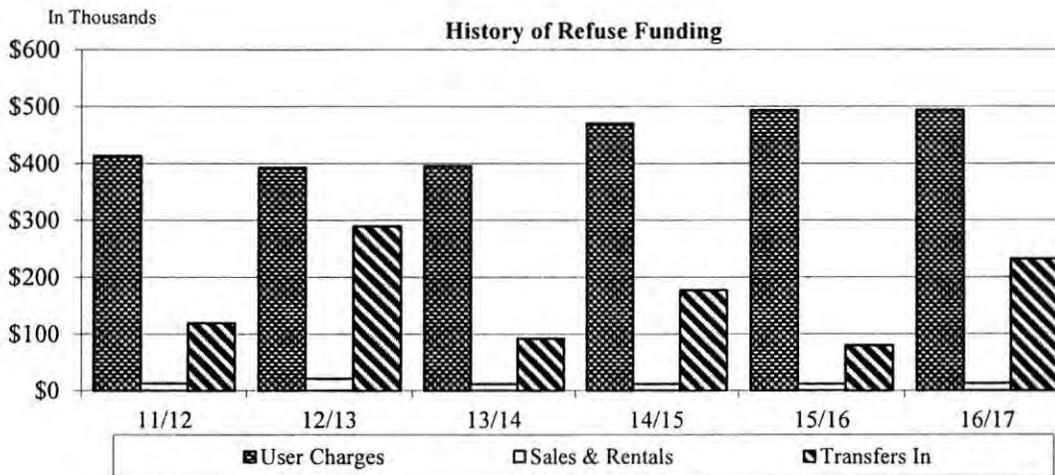
Shown below is a graph of the expenditures for the wastewater fund for budget year 16/17. The wastewater fund has outstanding debt in the amount of \$21,886,200. \$18,264,088 of this is on the EPA projects. Rate increases are projected for each of the next four fiscal years.



Refuse Fund - The refuse fund is an enterprise fund used to account for the City's refuse disposal program. The fund is supported through user charges, a portion of refuse bag sales, rental income and operating transfers from the general fund. Various programs are run through the refuse fund including brush pickup and leaf pickup. The budget reflects a biennial schedule for the Spring Clean-up Program. Additionally an increase to the Yard Waste Fee is scheduled for FY 16/17. St. Charles encourages recycling.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected-----		
				FY 17/18	FY 18/19	FY 19/20
Revenues						
471,208	483,907	User Charges	495,000	505,000	515,000	525,000
419	334	Investment Income	575	575	575	575
6,600	6,600	Rental Income	6,600	6,600	6,600	6,600
63,174	7,633	Miscellaneous	8,800	8,800	8,800	8,800
177,581	0	Transfers In	232,345	112,005	242,725	117,561
718,982	498,474	Total	743,320	632,980	773,700	658,536
Expenses						
		Public Health and Safety				
572,460	491,344	Other Operating	654,496	541,132	680,016	562,980
82,836	85,791	Allocations from Other Funds	92,824	95,848	97,684	99,556
655,296	577,135	Total	747,320	636,980	777,700	662,536
Excess (Deficiency) of						
63,686	(78,661)	Revenues over Expenses	(4,000)	(4,000)	(4,000)	(4,000)
473,411	537,097	Beginning Net Assets	458,436	454,436	450,436	446,436
537,097	458,436	Ending Net Assets	454,436	450,436	446,436	442,436

The refuse fund has been supported in past years from interfund transfers from the corporate fund. The graphs below show the change in revenue sources over the last five years compared to the projected year.



TIF Districts - TIF funds were established to account for revitalization to downtown business districts and industrial areas of St. Charles. Included in this group is the Hotel Baker, Moline Foundry, St. Charles Mall, First Street Development, St. Charles Manufacturing, Lexington Club Development and Central Downtown.

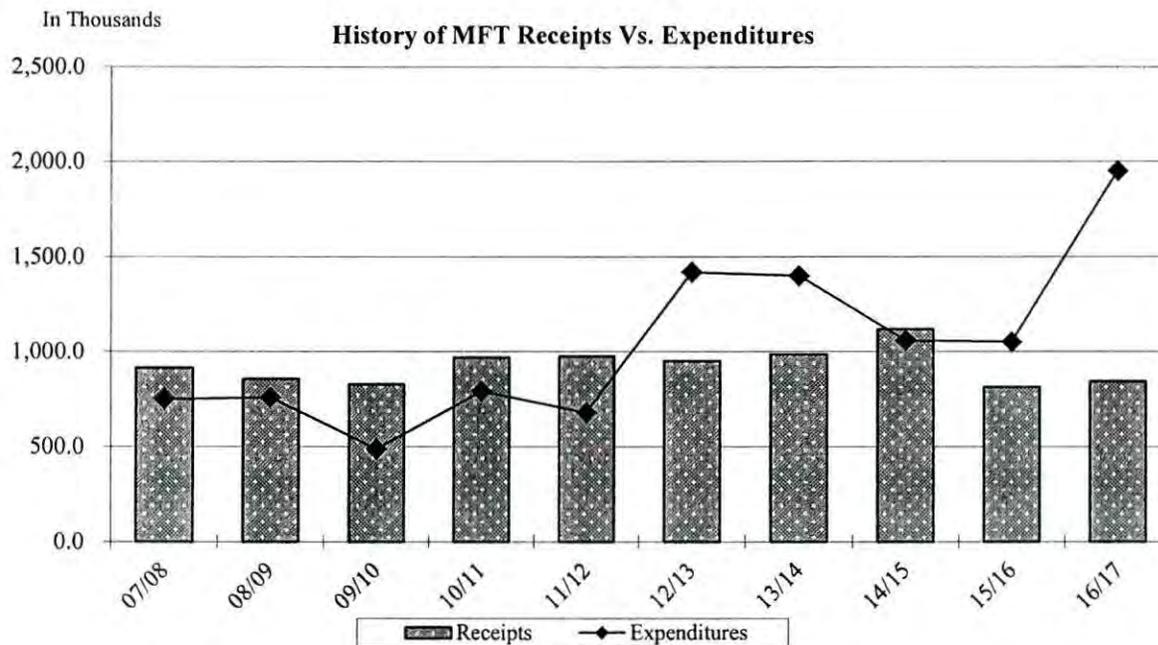
Actual FY 14/15	Estimate FY 15/16		-----Projected-----			
			Proposed FY 16/17	FY 17/18	FY 18/19	FY 19/20
Revenues						
164,880	168,514	Property Taxes - Hotel Baker TIF	170,200	171,901	172,752	174,480
516,226	522,712	Property Taxes - Moline TIF	527,938	533,217	535,857	541,216
149,977	123,641	Property Taxes - Mall TIF	123,641	123,641	123,641	123,641
628,527	586,302	Property Taxes - First Street TIF	500,739	500,739	500,739	500,739
201,486	194,847	Property Taxes - St. Charles Mfg. TIF	195,821	196,800	196,800	197,784
4,546	4,117	Property Taxes - Lexington Club TIF	4,138	4,158	4,158	4,179
0	0	Property Taxes - Downtown TIF	138,357	166,028	199,234	239,081
35,903	34,576	Sales & Use Taxes	29,313	29,606	29,753	30,050
66,252	68,137	Hotel Occupation Tax	70,375	71,079	71,430	72,145
459	464	Investment Income	693	696	696	699
618,583	0	Transfers In	0	0	0	0
2,386,839	1,703,310	Total	1,761,215	1,797,865	1,835,060	1,884,014
Expenditures						
Community Development						
263	0	Other Operating	0	0	0	0
263	0	Sub-Total	0	0	0	0
Transfers						
376,713	260,594	Transfers Out - Hotel Baker TIF	269,968	0	0	0
334,388	341,775	Transfers Out - Moline TIF	336,325	341,250	0	0
222,900	123,654	Transfers Out - Mall TIF	123,669	123,669	123,669	123,669
1,065,235	578,323	Transfers Out - First Street TIF	500,945	500,946	500,946	500,947
322,525	194,867	Transfers Out - St. Charles Mfg. TIF	195,884	196,863	196,863	197,847
0	0	Transfers Out - Downtown TIF	85,562	85,562	85,562	85,562
2,321,761	1,499,213	Sub-Total	1,512,353	1,248,290	907,040	908,025
2,322,024	1,499,213	Total	1,512,353	1,248,290	907,040	908,025
64,815	204,097	Excess (Deficiency) of Revenues over Expenditures	248,862	549,575	928,020	975,989
(3,640,987)	(3,576,172)	Beginning Fund Balance	(3,372,075)	(3,123,213)	(2,573,638)	(1,645,618)
0	0	Adjustment to Fund Balance	0	0	0	0
(3,576,172)	(3,372,075)	Ending Fund Balance	(3,123,213)	(2,573,638)	(1,645,618)	(669,629)

At this time the City has established seven TIF districts for the Hotel Baker, the Moline Foundry, the St. Charles Mall, the First Street Development, St. Charles Manufacturing, Lexington Club Development and Central Downtown. A TIF - Tax Increment Financing District - is established to encourage redevelopment of a deteriorating area. The City has issued bonds and improved the infrastructure in these areas. Property tax collections from the TIF are utilized to make principal and interest payments on these bonds. The Lexington Club TIF will be a "pay as you go" District with payments made to the developer only to the extent that incremental revenues are received up to the maximum reimbursement specified. There are no payments to the Lexington Club TIF currently budgeted. The most recent TIF, the Central Downtown TIF, includes a portion of downtown that formerly was part of the First Street Development TIF. Infrastructure improvements for the Central Downtown TIF will be paid from prior First Street Development TIF bonds as well as other revenue sources of the City. It is currently anticipated that no new debt will be issued for this new TIF.

Motor Fuel Tax Fund - This fund was set up to underwrite the cost of major street and bridge improvements. These improvements are subject to approval by the State of Illinois. The State periodically provides grant funding for a portion of the costs of selected projects. Revenue sources in this fund are state grants and the portion of motor fuel tax that the City receives from the state. This money is based on per capita data from an official census.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected-----		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
1,119,133	814,803	Motor Fuel Tax	844,600	844,600	844,600	844,600
12,571	2,900	Investment Income	3,000	3,000	3,000	3,000
1,131,704	817,703	Total	847,600	847,600	847,600	847,600
		Expenditures				
		Public Works				
1,058,647	1,051,074	Capital	1,950,407	980,000	980,000	980,000
1,058,647	1,051,074	Total	1,950,407	980,000	980,000	980,000
		Excess (Deficiency) of				
73,057	(233,371)	Revenues over Expenditures	(1,102,807)	(132,400)	(132,400)	(132,400)
2,166,783	2,239,840	Beginning Fund Balance	2,006,469	903,662	771,262	638,862
0	0	Adjustment to Fund Balance	0	0	0	0
2,239,840	2,006,469	Ending Fund Balance	903,662	771,262	638,862	506,462

The amount of motor fuel tax distributed is based on a per capita amount determined by the state. The amount per capita for FY 16/17 is projected to be \$25.90. This revenue stream is also influenced by overall gasoline consumption in the state.



Police Pension Fund - This fund provides for retirement and disability payments for St. Charles police officers. Funding comes from investment income, property taxes and employee contributions. The amount that the City contributes is determined by an annual independent actuarial study. Benefits are set by Illinois state statutes.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected-----		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
1,624,201	1,010,412	Investment Income	1,080,500	1,112,916	1,146,300	1,180,704
1,495,524	1,557,000	Contributions from City	1,988,762	1,988,762	1,988,762	1,988,762
479,600	489,996	Contributions from Members	505,000	520,152	535,752	551,832
3,599,325	3,057,408	Total	3,574,262	3,621,830	3,670,814	3,721,298
		Expenses				
		Public Health and Safety				
2,074,361	2,240,847	Personal Services	2,321,148	2,330,016	2,391,504	2,454,864
175,613	182,259	Other Operating	195,800	201,888	208,132	214,544
2,249,974	2,423,106	Total	2,516,948	2,531,904	2,599,636	2,669,408
1,349,351	634,302	Excess (Deficiency) of Revenues over Expenses	1,057,314	1,089,926	1,071,178	1,051,890
29,225,821	30,575,172	Beginning Fund Balance Reserved for Retirement Obligations	31,209,474	32,266,788	33,356,714	34,427,892
30,575,172	31,209,474	Ending Fund Balance Reserved for Retirement Obligations	32,266,788	33,356,714	34,427,892	35,479,782

The following table is an analysis of the dollar amounts of net assets available for benefits, pension benefit obligation and unfunded pension benefit obligation. Employees contribute 9.91% of their base salary to the plan. The City finances the plan as determined by an enrolled actuary. The City levies property taxes to fund this obligation. In accordance with GASB 27, the taxes are collected in the City's general fund and are then shown as an expense in the general fund with a corresponding revenue in the pension fund.

Analysis of Police Pension Funding Progress						
Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2010	\$ 23,519,175	\$ 38,049,970	61.81%	\$ 14,530,795	\$ 4,048,323	358.93%
2011	26,127,210	40,279,564	64.86%	14,152,354	4,212,817	335.94%
2012	26,017,546	43,676,412	59.57%	17,658,866	4,287,075	411.91%
2013	27,960,859	47,088,115	59.38%	19,127,256	4,611,030	414.82%
2014	29,225,821	49,615,714	58.90%	20,389,893	4,625,146	440.85%
2015	30,575,172	57,111,059	53.54%	26,535,887	4,875,741	544.24%

Fire Pension Fund - This fund provides for retirement and disability payments for St. Charles Firefighters. Funding comes from investment income, property taxes and employee contributions. The amount that the City levies is determined by an annual independent actuarial study. Benefits are set by Illinois state statutes.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected-----		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
1,490,704	965,496	Investment Income	1,078,500	1,110,855	1,144,188	1,178,520
1,229,574	1,175,000	Contributions from City	1,324,135	1,324,135	1,324,135	1,324,135
443,417	450,000	Contributions from Members	483,300	497,799	512,736	528,120
3,163,695	2,590,496	Total	2,885,935	2,932,789	2,981,059	3,030,775
		Expenses				
		Public Health and Safety				
1,059,041	1,257,288	Personal Services	1,294,950	1,327,924	1,361,880	1,396,812
218,167	199,238	Other Operating	184,100	189,814	195,684	201,812
1,277,208	1,456,526	Total	1,479,050	1,517,738	1,557,564	1,598,624
		Excess (Deficiency) of Revenues over Expenses	1,406,885	1,415,051	1,423,495	1,432,151
		Beginning Fund Balance Reserved for Retirement Obligations	34,791,848	36,198,733	37,613,784	39,037,279
		Ending Fund Balance Reserved for Retirement Obligations	36,198,733	37,613,784	39,037,279	40,469,430

The following table is an analysis of the dollar amounts of net assets available for benefits, pension benefit obligation and unfunded pension obligation. Employees contribute 9.455% of their base salary to the plan. The City finances the plan as determined by an enrolled actuary. The City levies property taxes to fund this obligation. In accordance with GASB 27, the taxes are collected in the City's general fund and are then shown as an expense in the general fund with a corresponding revenue in the pension fund.

**Analysis of Fire Pension
Funding Progress**

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2010	\$ 22,478,824	\$ 28,088,702	80.03%	\$ 5,609,878	\$ 4,080,399	137.48%
2011	26,118,295	30,718,257	85.03%	4,599,962	4,237,873	108.54%
2012	26,693,970	33,418,008	79.88%	6,724,038	4,182,533	160.76%
2013	29,326,481	39,465,546	74.31%	10,139,065	4,288,510	236.42%
2014	31,771,391	40,404,628	78.63%	8,633,237	4,391,347	196.60%
2015	33,657,878	44,751,003	75.21%	11,093,125	4,627,091	239.74%

Capital Project Funds - These funds account for all resources used for the acquisition and/or construction of capital equipment and facilities by the City, except those financed by enterprise or internal service funds.

Capital Levy Fund - This fund accounts for projects partially financed by a 5 cent property tax levy.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected-----		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
(21,016)	8,700	Investment Income	10,600	7,500	4,000	4,000
662,255	466,734	Transfers In - Property Tax	654,461	654,461	654,461	654,461
641,239	475,434	Total	665,061	661,961	658,461	658,461
		Expenditures				
		Public Works				
1,744	711	Capital	0	0	0	0
1,744	711	Sub-Total	0	0	0	0
570,385	352,319	Transfers Out - Debt Service	569,663	571,035	569,417	574,096
572,129	353,030	Total	569,663	571,035	569,417	574,096
		Excess (Deficiency) of Revenue over Expenditures	95,398	90,926	89,044	84,365
716,024	785,134	Beginning Fund Balance	907,538	1,002,936	1,093,862	1,182,906
785,134	907,538	Ending Fund Balance	1,002,936	1,093,862	1,182,906	1,267,271

Capital Projects Fund - To account for various capital equipment purchases and capital projects for General Fund departments of the City, including Police, Fire, Information Services and Public Services.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected-----		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
82,174	559,614	Intergovernmental Revenue	331,250	1,289,706	507,919	764,300
4,091	4,522	Investment Income	4,500	4,700	4,900	5,100
0	0	Miscellaneous Revenue	95,172	0	0	0
1,206,141	3,411,500	Capital Financing Proceeds	4,790,000	16,476,300	8,424,300	4,900,000
305,209	1,769,786	Transfers In	1,620,328	2,127,602	2,186,006	1,252,767
1,597,615	5,745,422	Total	6,841,250	19,898,308	11,123,125	6,922,167
		Expenditures				
		General Government				
0	24,800	Other Operating	100,500	43,500	96,000	16,000
185,644	484,695	Capital	105,000	337,500	85,000	200,000
185,644	509,495	Sub-Total	205,500	381,000	181,000	216,000
		Public Health & Safety				
39,960	535,386	Capital	139,000	101,000	103,000	71,000
39,960	535,386	Sub-Total	139,000	101,000	103,000	71,000
		Public Works				
37,602	0	Other Operating	0	0	0	0
2,229,144	5,369,558	Capital	6,907,250	19,776,608	10,834,225	6,630,067
2,266,746	5,369,558	Sub-Total	6,907,250	19,776,608	10,834,225	6,630,067
		Community Development				
0	0	Capital	65,000	65,000	0	0
0	0	Sub-Total	65,000	65,000	0	0
0	491,341	Transfers Out - Debt Service	0	0	0	0
2,492,350	6,905,780	Total	7,316,750	20,323,608	11,118,225	6,917,067
		Excess (Deficiency) of Revenue over Expenditures	(475,500)	(425,300)	4,900	5,100
2,704,034	1,809,299	Beginning Fund Balance	648,941	173,441	(251,859)	(246,959)
1,809,299	648,941	Ending Fund Balance	173,441	(251,859)	(246,959)	(241,859)

First Street (TIF 4) Capital Project - First Street is a multi-use development consisting of residential, commercial and retail, as well as two parking garages. The parking deck and a mixed use building opened in FY 2008-2009. Future Development phases were delayed due to economic conditions. The City adjusted the boundaries of this TIF during FY 2014-2015 to remove the undeveloped parcels from the First Street TIF and incorporate them into the Central Downtown TIF.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected----- FY 17/18	FY 18/19	FY 19/20
		Revenues				
5,051	0	Investment Income	0	0	0	0
5,051	0	Total	0	0	0	0
		Expenditures				
0	1,609,020	Transfers Out - Other	0	0	0	0
0	1,609,020	Total	0	0	0	0
5,051	(1,609,020)	Excess (Deficiency) of Revenue over Expenditures	0	0	0	0
1,603,969	1,609,020	Beginning Fund Balance	0	0	0	0
1,609,020	0	Ending Fund Balance	0	0	0	0

Central Downtown (TIF 7) Capital Project - The City's most recent TIF was created as part of its continuing efforts to promote the revitalization of key under-utilized properties within the downtown area. This TIF district includes an area formerly included in the First Street TIF boundaries. It also includes areas to the east of the Fox River as well as properties north of Main St. This fund accounts for the City funded improvements to this area, including a new parking deck (as provided for in the Redevelopment Agreement), as well as streetscape and riverwalk improvements.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected----- FY 17/18	FY 18/19	FY 19/20
		Revenues				
0	3,896	Investment Income	4,000	4,000	2,500	0
0	2,659,677	Transfers In	0	0	0	0
0	2,663,573	Total	4,000	4,000	2,500	0
		Expenditures				
		Community Development				
0	0	Other Operating	7,500	9,500	0	0
0	1,259,073	Capital	433,000	535,500	429,500	0
0	1,259,073	Sub-Total	440,500	545,000	429,500	0
0	0	Transfers Out - Debt Service	0	0	0	0
0	1,259,073	Total	440,500	545,000	429,500	0
0	1,404,500	Excess (Deficiency) of Revenue over Expenditures	(436,500)	(541,000)	(427,000)	0
0	0	Beginning Fund Balance	1,404,500	968,000	427,000	0
0	1,404,500	Ending Fund Balance	968,000	427,000	0	0

Debt Service Funds - Debt service funds are used to account for the payment of principal and interest on general obligation debts other than that payable from special assessments and debt issued for and serviced by a governmental enterprise.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected----- FY 17/18	FY 18/19	FY 19/20
		Revenues				
1,089,788	1,020,115	Sales & Use Taxes	1,060,875	1,082,093	1,103,735	1,125,809
113	99	Investment Income	150	150	150	150
7,302,014	7,159,025	Transfers In	6,498,426	6,336,306	6,090,639	6,684,034
8,391,915	8,179,239	Total	7,559,451	7,418,549	7,194,524	7,809,993
		Expenditures				
		General Government				
4,188	4,188	Other Operating	4,100	4,203	4,287	4,372
8,343,149	8,125,574	Debt Retirement	7,484,366	7,342,149	7,117,562	7,732,864
8,347,337	8,129,762	Total	7,488,466	7,346,352	7,121,849	7,737,236
		Excess (Deficiency) of				
44,578	49,477	Revenues over Expenditure	70,985	72,197	72,675	72,757
		Beginning Fund Balance				
2,045,188	2,089,766	Reserved for Debt Service	2,139,243	2,210,228	2,282,425	2,355,100
		Ending Fund Balance				
2,089,766	2,139,243	Reserved for Debt Service	2,210,228	2,282,425	2,355,100	2,427,857

Internal Service Funds (ISF) - The remaining funds to follow are called Internal Service Funds. These are used to finance and account for services and/or commodities furnished by a designated fund or department to other funds or departments within the city.

ISF - Inventory - This fund is used to account for the acquisition of materials and supplies inventory that is provided to the various city funds on a cost reimbursement basis. The City has a centralized inventory of approximately \$3 million administered by the Finance Department.

Actual FY 14/15	Estimate FY 15/16		Proposed FY 16/17	-----Projected----- FY 17/18	FY 18/19	FY 19/20
		Revenues				
2,251,889	2,329,119	Items for Resale	3,000,000	3,000,000	3,000,000	3,000,000
(114)	(69)	Investment Income	0	0	0	0
20,163	20,204	Miscellaneous Revenue	24,613	25,711	26,468	27,107
1,066,418	719,248	Charges to Other Funds	1,165,188	1,193,255	1,220,652	1,245,060
3,338,356	3,068,502	Total	4,189,801	4,218,966	4,247,120	4,272,167
		Expenses				
		General Government				
414,093	445,654	Personal Services	494,122	561,773	584,664	611,425
2,347,734	2,290,139	Other Operating	3,115,689	3,117,106	3,119,795	3,122,075
303,240	294,432	Allocations from Other Funds	300,120	310,092	315,792	322,092
5,637	38,277	Capital	85,500	0	50,000	40,000
3,070,704	3,068,502	Total	3,995,431	3,988,971	4,070,251	4,095,592
		Excess (Deficiency) of				
267,652	0	Revenues over Expenses	194,370	229,995	176,869	176,575
3,378,477	3,643,250	Beginning Net Assets	3,643,250	3,837,620	4,067,615	4,244,484
(2,879)	0	Net Fixed Assets Adjustments	0	0	0	0
3,643,250	3,643,250	Ending Net Assets	3,837,620	4,067,615	4,244,484	4,421,059

ISF - Vehicles - This fund is used to account for the maintenance and replacement of motor vehicles in the general fund. The general fund pays for the use and depreciation of the vehicles owned on an annual basis and when the vehicle needs to be replaced it is purchased from this fund. This fund also includes the fleet management department. Their services are charged back to the respective fund or department using their services.

<u>Actual</u> FY 14/15	<u>Estimate</u> FY 15/16		<u>Proposed</u> FY 16/17	<u>-----Projected-----</u>		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
985,987	1,044,655	Vehicle Replacement	1,235,695	1,271,886	1,309,162	1,347,677
9,568	2,823	Investment Income	3,000	3,200	3,400	3,600
1,164,373	1,398,277	Charges to Other Funds	1,654,433	1,716,401	1,709,473	1,760,245
0	32,451	Sale of Fixed Assets	0	0	0	0
127,724	23,601	Miscellaneous	28,877	30,598	31,392	31,937
2,287,652	2,501,807	Total	2,922,005	3,022,085	3,053,427	3,143,459
		Expenses				
		General Government				
24,142	0	Capital	0	0	0	0
24,142	0	Sub-Total	0	0	0	0
		Public Health and Safety				
79,308	678,509	Capital	158,700	156,000	650,843	459,888
79,308	678,509	Sub-Total	158,700	156,000	650,843	459,888
		Public Works				
528,965	587,204	Personal Services	649,797	687,425	719,255	748,456
705,045	699,350	Other Operating	647,141	659,834	678,782	694,525
267,684	274,104	Allocations from Other Funds	278,975	286,021	291,804	297,624
112,702	1,407,277	Capital	381,000	632,500	903,000	1,174,000
1,614,396	2,967,935	Sub-Total	1,956,913	2,265,780	2,592,841	2,914,605
		Community Development				
0	0	Capital	0	0	34,000	0
0	0	Sub-Total	0	0	34,000	0
1,717,846	3,646,444	Total	2,115,613	2,421,780	3,277,684	3,374,493
569,806	(1,144,637)	Excess (Deficiency) of Revenues over Expenses	806,392	600,305	(224,257)	(231,034)
7,653,759	7,837,448	Beginning Net Assets	6,692,811	7,499,203	8,099,508	7,875,251
(386,117)	0	Net Fixed Assets Adjustments	0	0	0	0
7,837,448	6,692,811	Ending Net Assets	7,499,203	8,099,508	7,875,251	7,644,217

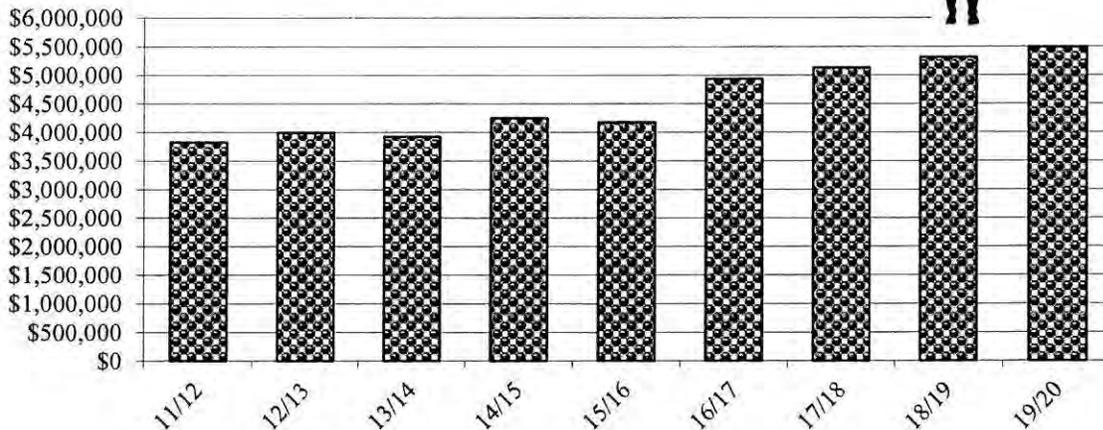


ISF - Health Insurance - The City is self-insured and this fund accounts for the activity of the City's health insurance costs for all funds. Individual funds and departments are charged based on their employee counts.

Actual FY 14/15	Estimate FY 15/16		Proposed			
			FY 16/17	FY 17/18	FY 18/19	FY 19/20
		Revenues				
(2,358)	5,080	Investment Income	5,200	5,200	5,200	5,000
4,184,870	4,251,467	Insurance Premiums	4,309,949	4,718,600	4,923,016	5,051,801
0	30	Miscellaneous	0	0	0	0
0	0	Transfers In	0	0	0	0
4,182,512	4,256,577	Total	4,315,149	4,723,800	4,928,216	5,056,801
		Expenses				
		General Government				
4,150,600	3,753,412	Other Operating	4,823,365	5,019,441	5,200,993	5,375,593
103,428	106,536	Allocations from Other Funds	109,728	112,476	114,720	117,012
4,254,028	3,859,948	Sub-Total	4,933,093	5,131,917	5,315,713	5,492,605
0	320,000	Transfers Out - Other	0	0	0	0
4,254,028	4,179,948	Total	4,933,093	5,131,917	5,315,713	5,492,605
		Excess(Deficiency)of				
(71,516)	76,629	Revenues over Expenses	(617,944)	(408,117)	(387,497)	(435,804)
3,077,580	3,006,064	Net Fixed Assets Adjustments	3,082,693	2,464,749	2,056,632	1,669,135
3,006,064	3,082,693	Ending Net Assets	2,464,749	2,056,632	1,669,135	1,233,331

The chart below shows the City's past, present and projected insurance costs. (The projected costs take into account extreme claim costs.) These costs represent the City's expenditures for the medical and dental insurance claims and administrative costs. The City has taken many cost saving measures over the years. For 2016, the new Target Wellness program will replace the Healthy program with new health factors, new targets, new values and more possible credits off employee's health insurance premiums. (Those on the single coverage \$1,500 core plan receive the target wellness program amount on their paycheck as there is no premium). Tobacco and non-tobacco rates will continue, as well as a surcharge for spouses that have access to other medical plans. We also now have four coverage tiers (Employee, EE + Spouse, EE + Children and Family) and an 80/20 co-insurance. Besides the \$1,500 deductible single coverage plan with no premium cost to employees, the City offers two other PPO buy-up plans with \$500 and \$750 deductibles. Also new is a free Patient Care benefit to help navigate the health care system. Patient Care Advocates can answer benefit questions, research physicians/facilities, resolve claims and billing issues, assist with referrals and prior authorizations, and compare costs/quality between providers. A Patient Care Advocate can also comparison shop for health care services and if the lower cost provider is chosen there is a cash incentive to the employee/dependent.

History and Projection of Health Insurance Funding

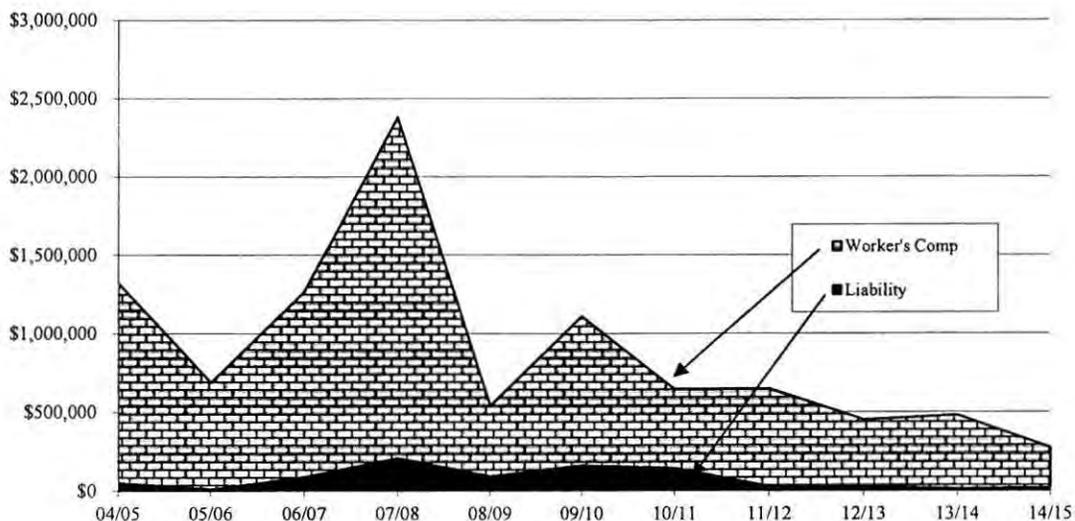


ISF - Workers Compensation/Liability - This fund accounts for the self-insurance activity related to workers compensation insurance and liability insurance for property, casualty and crime for governmental service funds. All enterprise activity is accounted for in the appropriate proprietary fund.

Actual FY 14/15	Estimate FY 15/16		Proposed			
			FY 16/17	FY 17/18	FY 18/19	FY 19/20
		Revenues				
(7,320)	11,637	Investment Income	11,800	12,000	12,200	12,400
992,608	1,000,000	Insurance Premiums	1,000,000	1,062,742	1,093,093	1,116,788
143,878	76,911	Miscellaneous	0	0	0	0
180,000	120,000	Transfers In	60,000	0	0	0
1,309,166	1,208,548	Total	1,071,800	1,074,742	1,105,293	1,129,188
		Expenses				
		General Government				
501,879	490,220	Other Operating	469,375	501,800	529,500	558,600
10,272	10,584	Allocations from Other Funds	10,896	11,172	11,388	11,616
512,151	500,804	Sub-Total	480,271	512,972	540,888	570,216
		Public Health and Safety				
182,689	206,069	Other Operating	330,000	330,000	330,000	330,000
182,689	206,069	Sub-Total	330,000	330,000	330,000	330,000
		Public Works				
153,001	101,754	Other Operating	170,000	170,000	170,000	170,000
153,001	101,754	Sub-Total	170,000	170,000	170,000	170,000
		Community Development				
28,193	9,171	Other Operating	5,000	5,000	5,000	5,000
28,193	9,171	Sub-Total	5,000	5,000	5,000	5,000
0	320,000	Transfers Out - Other	0	0	0	0
876,034	1,137,798	Total	985,271	1,017,972	1,045,888	1,075,216
433,132	70,750	Excess(Deficiency)of Revenues over Expenses	86,529	56,770	59,405	53,972
2,257,978	2,691,110	Beginning Net Assets	2,761,860	2,848,389	2,905,159	2,964,564
2,691,110	2,761,860	Ending Net Assets	2,848,389	2,905,159	2,964,564	3,018,536

The data displayed in the graph below shows the relationship between workers compensation claims and general liability claims. This information was provided to us by our insurance company. The totals for each year may not match the actual dollars paid out in that year due to the fact that they put the payout in the year the claim occurred not the year paid. This graph also depicts total insurance claims including enterprise funds accounted for in proprietary accounts. Due to concerted loss control efforts the City has seen a significant decline in worker's compensation and liability claims paid.

History of Workers Compensation and Liability Insurance



ISF - Communications - The Communications Utility operates the City's fiber system and other communications equipment to provide services to all City departments. These services are reimbursed by means of an internal service fund chargeback to City departments. The services provided to all users include the telephone hook ups and Wide Area Network computer connections. Services provided to select user groups are things like the keyscan door/gate opening systems, communication connectivity for SCADA equipment, security camera installations, public works radio system, and cable TV installations.

<u>Actual</u> FY 14/15	<u>Estimate</u> FY 15/16		<u>Proposed</u> FY 16/17	<u>-----Projected-----</u>		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
326,904	329,640	User Charges	371,128	355,103	423,876	729,994
773	329	Investment Income	400	400	400	400
227,063	42,309	Miscellaneous Revenue	32,737	34,246	34,660	34,950
24,260	0	Transfers In	0	0	0	0
579,000	372,278	Total	404,265	389,749	458,936	765,344
		Expenses				
		General Government				
95,692	0	Capital	0	0	0	0
95,692	0	Sub-Total	0	0	0	0
		Public Utilities				
145,147	136,714	Personal Services	177,551	186,956	205,026	201,209
68,908	79,257	Other Operating	101,806	108,166	102,941	109,844
11,640	11,976	Allocations from Other Funds	12,348	12,660	12,924	13,176
68,236	50,030	Capital	167,400	20,000	210,000	569,800
293,931	277,977	Sub-Total	459,105	327,782	530,891	894,029
61,664	644,551	Transfers Out - Other	61,664	61,664	61,664	61,664
451,287	922,528	Total	520,769	389,446	592,555	955,693
127,713	(550,250)	Excess(Deficiency)of Revenues over Expenses	(116,504)	303	(133,619)	(190,349)
931,640	1,097,278	Beginning Net Assets	547,028	430,524	430,827	297,208
37,925	0	Net Fixed Asset/Debt Adjustments	0	0	0	0
1,097,278	547,028	Ending Net Assets	430,524	430,827	297,208	106,859

ISF - IT Equipment - This fund is used to account for the maintenance and replacement of IT equipment and copiers in the general fund.

<u>Actual</u> FY 14/15	<u>Estimate</u> FY 15/16		<u>Proposed</u> FY 16/17	<u>-----Projected-----</u>		
				FY 17/18	FY 18/19	FY 19/20
		Revenues				
0	364	Investment Income	400	400	400	400
0	229,721	Charges to Other Funds	216,398	216,398	216,398	216,398
0	582,887	Transfers In	0	0	0	0
0	812,972	Total	216,798	216,798	216,798	216,798
		Expenses				
		General Government				
0	137,222	Capital	130,000	100,000	100,000	100,000
0	137,222	Total	130,000	100,000	100,000	100,000
0	675,750	Excess (Deficiency) of Revenues over Expenses	86,798	116,798	116,798	116,798
0	0	Beginning Net Assets	675,750	762,548	879,346	996,144
0	675,750	Ending Net Assets	762,548	879,346	996,144	1,112,942

Capital Improvements Plan

Capital Improvements - Major Project Requests VI - 2

Capital Improvements Detail VI - 9

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Project Request
FY 16-17

Project Name *7th Avenue Creek Rehabilitation Project
(Master Plan Phase)*

Estimated Total Cost of Project

\$960,000 (Engineers Estimate)

Project Description

1. Location

7th Avenue Creek from Tyler Road to the Fox River including a section of the North Tributary Creek from the convergence of the two creeks north towards the UPRR culvert crossing.

2. Work to be Performed

The project will include the development of an overall Master Plan, based on the concepts developed in FY15/16 for the rehabilitation of the 7th Avenue Creek and a portion of the North tributary creek. This Master Plan will show what this area could look like in the future and will identify specific projects to help mitigate flooding in this area. In addition, this phase of the project will involve individual project costs, a project phasing plan, alternative funding, and strategies to deal with property acquisition. The development of the master plan will involve meetings among staff, key share holders, elected officials, local businesses, and residents. The purpose of this phase will help to develop the overall rehabilitation projects and will begin to look at long term maintenance solutions for the creek.

3. Reason for Work

As part of the City's commitment to improving and reducing, when possible, known flooding issues, staff will begin developing a comprehensive Master Plan to improve the known flooding concerns along the 7th Avenue Creek, and more specifically, near the convergence of the 7th Avenue and North tributary creeks. During the major flood event in 2008, and in subsequent large rainfall events, residents and local business along the creeks have experienced repetitive flooding issues. Staff has been working closely with FEMA, IDNR/OWR, and the County to update the Flood Insurance Rating Maps (FIRM's) for this area of land to improve the understanding of the actual flood plain limits. This newly developed flood insurance study prepared by FEMA will be utilized to develop the long term improvements in this area. The development of this Master Plan phase will also allow staff to investigate any potential property buy-out possibilities that may be required as part of the overall rehabilitation project.

4. Impact on Budget

The development of this phase will allow staff to pursue more robust grants to aid in design and construction activities.

Project Request

FY 16/17

Project Name *Electric Distribution System Reliability Project*

Estimated Total Cost of Project

\$1,253,000 Total For Multiple Projects

Project Description

1. Location

Various projects to improve reliability on overhead and underground systems: Focused overhead system improvements in the southwest quadrant of the City in an area bounded by 8th Street to Pine Street and Cutler St. to Gray St.; Underground cable replacement in the Hunt Club Subdivision; Overhead to underground conversions of electric facilities on Fellows from 5th to 6th Street, behind the McDonalds on West Main, Oak Street and 8th Courth, and an area bounded by Iroquois Ave, 2nd Ave, North Ave, and 5th Ave.

2. Work to be Performed

The Electric Utility Distribution System Reliability effort is a priority based process aimed at directing funds to the parts of the system that have the greatest impact on reducing outages. The distribution system budget includes projects to replace aging overhead, convert some areas from overhead to underground, replace and inject cables to reduce cable faults, replace aging switchgear & transformers, and extend circuits to reinforce other circuits.

3. Reason for Work

System Reliability is one of the three major missions of the Electric Services group, with Safety and Cost Effectiveness being the other two. We use field inspections and past outage statistics to prioritize projects to both fix previous problem areas and proactively avoid future outages. Our reliability statistics have been trending very positively since this process has been refined into the system that we have today.

4. Impact on Budget

The distribution equipment and projects will all create benefits well into the future. The Finance Department uses both cash from revenue and bonding strategies to fund these capital projects.

Project Request

FY 16/17

Project Name *Legacy Electric Substation (Sub 9) Development*

Estimated Total Cost of Project

\$1,620,000 (Phase 3 of 4 in FY17/18) \$730,000 (FY18/19)
--

Project Description

1. Location

Legacy Industrial Park - East of 840 and 860 Equity Drive

2. Work to be Performed

Phase 3 procurement of the substation transformer, breakers, bus, control building, switchgear, and 35kV cable to feed the new station.

3. Reason for Work

The Electric Utility purchased the land from the developer in the mid 2000's to address long standing needs for additional capacity in the southeast quadrant of the City. While two-thirds of our load is on the east side of the river, only three of our six substations are east of the river. Over the last decade, a number of planning efforts related to "Normal minus One" (N-1) contingencies have been completed. N-1 Contingency planning involves developing a restoration solution for all customers given the loss of any one element of the utility system. These efforts include distribution line upgrades, load transfers, local distribution center additions, and capacitor installations. The relatively low cost options to provide for N-1 contingencies have been exhausted. A number of the circuits in the southeast quadrant do not have N-1 restoration solutions during hot weather. The new station and the three new circuits will solve many difficult N-1 contingencies, and will split the load on three heavily loaded circuits from Dukane Drive Substation.

4. Impact on Budget

The substation will provide service to the City for many decades. The four year project costs are planned to be bonded.

Project Request
FY 16-17

Project Name *Wastewater Phosphorus Removal Project -
Design Engineering*

Estimated Total Cost of Project

\$453,000

Project Description

1. Location

Main Wastewater Treatment Plant

2. Work to be Performed

The design engineering phase of the phosphorus removal project that will be constructed in FY17/18 needs to be completed in FY16/17.

3. Reason for Work

The current EPA discharge permit for the Main Wastewater Treatment Plant has a special condition that requires the City to remove phosphorus in the wastewater. The condition has a compliance schedule that requires construction of the project to begin in May of 2017 and to be completed in June of 2018. The total cost of the project is \$7,370,000 and involves construction and modification of the existing treatment facility and includes design and construction engineering. Therefore, design engineering needs to begin in FY16/17.

4. Impact on Budget

Project cost is \$453,000 at budget time for design engineering phase. This project will be funded with an IEPA Low Interest Loan.

Project Request

FY 16-17

Project Name *Roadway Resurfacing Projects*

Estimated Total Cost of Project

\$2,005,000 (Engineers Estimate)

Project Description

1. Location

Ash Street (Horne Street to North End)
Fellows Street (4th Street to 10th Street)
Highgate Course (Entire Roadway)
Highgate Court (Highgate Course to end)
Industrial Drive (Production Drive to 500' N. of Production Drive)
Kautz Road (IL Route 64 to Commerce Drive)
Pine Street (Horne Street to Mosedale Street)
Red Gate Road (Meadow View Drive to Tradition Boulevard)
Riverside Drive (Cedar Avenue to Illinois Avenue)
S. 6th Street (Fellows Street to Horne Street)
S. 15th Street (Howard Street to Indiana Street)
Van Buren Avenue (North End to South End)

2. Work to be Performed

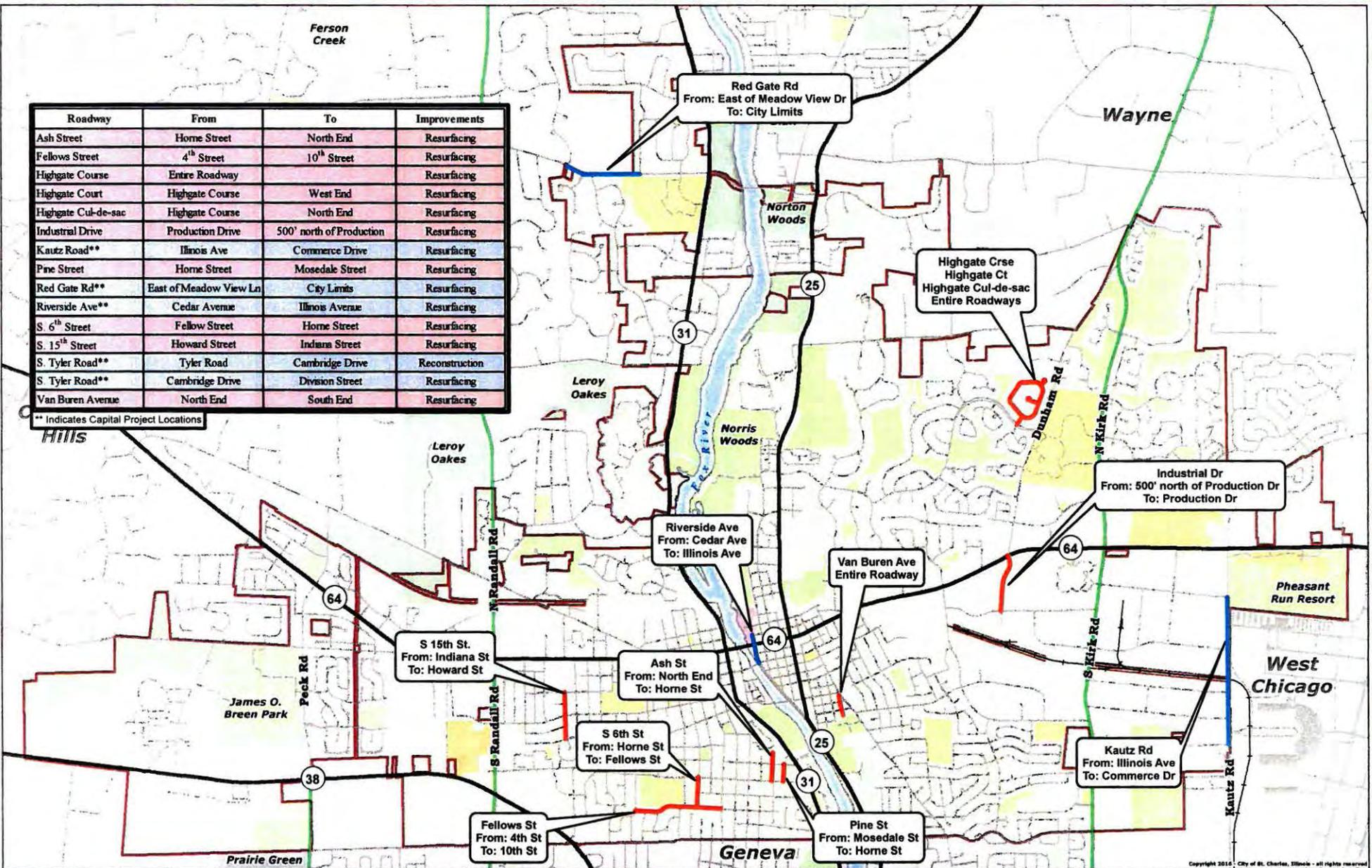
The project will include removal of the top layer of pavement surface and replacement with a new smooth driving surface, repairs to sidewalks and curbs, utility repairs, pavement marking and landscape restoration.

3. Reason for Work

As part of the City's commitment to maintaining 166 miles of public roadway infrastructure, the City completes annual roadway resurfacing to provide a smooth driving surface and to extend the life of the pavement.

4. Impact on Budget

The City applied for and received, thru the Kane County Council of Mayors, a Federal Local Agency Functional Overlay (LAFO) grant for the amount of \$281,250 for the Red Gate Road Resurfacing Project. Motor Fuel Tax funds in the amount of \$1,477,000 will be used for this project, with the remaining project costs expected to be funded with a bond issue.



Publication Date: February 29th, 2016
 Data Source: City of St. Charles, Illinois
 Projection: Transverse Mercator
 Coordinate System: Illinois State Plane East
 North American Datum 1983
 Scale: 0 0.125 0.25 0.5 Miles
 UTM Zone: 18T

— Capital Project — MFT Project

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Project Request

FY 16-17

Project Name *Police Facility Design*

Estimated Total Cost of Project

\$1,500,000

Project Description

1. Location

Police Facility

2. Work to be Performed

Professional Architectural Services including Design, Construction Documents, Bidding & Negotiations, and Construction Services related to a new Police Facility.

3. Reason for Work

Over the past several years, City staff has realized a sharp increase in maintenance activities for the Police Facility, attributed to several interior & exterior deficiencies. In addition, Police management staff have identified several operational deficiencies attributed to the layout and space constraints of their facility. Recognizing these, the City Council authorized a comprehensive study of the entire Police facility and operations, which was completed in FY15/16. The study included an Exterior & Interior Conditions Report, Air Quality/Environmental Review, Historical Preservation Study, Site Survey, Space Needs Assessment, Site & Building Appraisal, Master Plan/Concept Studies and Cost Estimates.

Based on the results of the comprehensive study, City Council directed staff to proceed with the Design of a new Police Facility to be located on an alternative site from its current location. In FY16/17, City staff will continue to work with FGM Architects to find a alternative site for the new facility, develop design concepts to be approved by City Council, prepare construction documents & specifications and bid the project in anticipation of construction in FY17/18.

4. Impact on Budget

The Police Station will provide service to the City for many decades (anticipated 50-year solution). Most likely any Capital Projects that are a result of the design phase will be bonded.

FY 16/17 Capital Budget

FY 16/17 FY 17/18 FY 18/19 FY 19/20

General Fund

			\$	52,950	\$	41,200	\$	41,200	\$	41,200
100200-Information Systems										
100200	56004	IS1002 : GIS Hardware		2,000		10,000		10,000		10,000
100200	56004	IS1003 : UPS Replacements		5,000		5,000		5,000		5,000
100200	56004	IS1004 : Wireless Access Point		5,000		5,000		5,000		5,000
100200	56004	IS1005 : Disaster Recovery Hdw For Ntwk		19,000		9,000		9,000		9,000
100200	56004	IS1008 : Memory/Processor Upgrades		12,000		2,000		2,000		2,000
100200	56004	IS1009 : Network Cards and Drives		2,000		2,000		2,000		2,000
100200	56004	IS1012 : Switch Replacements		2,500		2,500		2,500		2,500
100200	56004	IS1015 : Audio Visual Equipment		4,250		4,500		4,500		4,500
100200	56004	IS1017 : Tablet PCs for Pilots		1,200		1,200		1,200		1,200
				2,500		-		-		-
100210-Human Resources										
100210	56004	HR1000 : Computer Additions (Intern)		2,500		-		-		-
100220-Accounting				1,500		-		-		-
100220	56003	FN1001 : Repl Office Furnishings		1,500		-		-		-
100222-Utility Billing				2,000		-		-		-
100222	56004	FN1003 : Scanners for Document Mgmt		2,000		-		-		-
100300-Police				2,000		2,000		-		-
100300	56004	PD3000 : Computer Related Equipment Additions		2,000		2,000		-		-
100300	56099	Range Remediation		-		-		-		-
100400-Fire Admin				5,500		-		-		-
100400	56004	FD4021 : iPads for FH Inspector		5,500		-		-		-
100401-Fire Operations				57,000		62,800		52,000		76,120
100401	56002	FD4101 : Replace of Fire Hose/Fittings		12,000		13,000		12,000		12,000
100401	56002	FD4102 : Replace of Hurst Rescue Equip		-		1,800		-		18,000
100401	56002	FD4104 : Rescue and Safety Equipment		5,000		8,000		8,000		8,000
100401	56002	FD4105 : SCBA Replacements		6,000		-		-		4,000
100401	56002	FD4106 : Repair of Fire Training tower		2,500		-		-		-
100401	56002	FD4107 : Replacement of nozzles and ada		4,000		7,000		5,000		4,000
100401	56003	FD4100 : Station Furniture Bedding and Appliances		6,000		9,000		6,000		6,120
100401	56099	FD4103 : Radio Equipment Replacement		12,000		12,000		10,000		15,000
100401	56099	FD4109 : Technical rescue supplies and		3,000		5,000		3,000		5,000
100401	56099	FD4110 : Monitoring equipment		3,000		3,000		4,000		4,000
100401	56099	FD4111 : Pager replacements		3,500		4,000		4,000		-
100402-Fire EMA				1,500		13,200		-		-
100402	56099	FD4800 : Portable Radio Replacements		-		3,200		-		-
100402	56099	FD4804 : Radio Repeaters		-		10,000		-		-
100402	56099	FD4809 : Flood Lights		1,500		-		-		-
100500-PW Admin & Engineering				500		-		-		-
100500	56004	PW5000 : Ipad for Admin		500		-		-		-
100510-Public Services				950		950		-		-
100510	56004	PS5000 : IPAD		950		950		-		-
100600-Planning Services				200		-		-		-
100600	56004	CD6030 : Extra monitor for Rita		200		-		-		-
100603-Bldg & Code Enforcement				-		-		-		-
100603	56099	CD6033 : Permit Tracking System		-		-		-		-
100650-Economic Development				200		-		-		-
100650	56004	CD6030 : Computer Additions (2nd monitor-Matt)		200		-		-		-
Total General Fund				\$ 126,800		\$ 120,150		\$ 93,200		\$ 117,320

ELECTRIC FUND

200520-Electric Administration				278,900		75,000		-		-
200520	56004	EL1004 : Surface Pro SCADA IVR machines (3)		3,900		-		-		-
200520	56301 Software	11002 : Work Order Project		75,000		75,000		-		-
200520	56301 Software	EL1003 : Utility Billing Software Replc (40%)		200,000		-		-		-
200521-Electric Operations				4,267,700		5,385,000		4,950,000		6,090,240
200521	56001	EL2002 : Replace 1730 Ford F550		-		65,000		-		-
200521	56001	EL2006 : Repl 1734 2004 Aerial		187,000		-		-		-
200521	56001	EL2007 : Repl 1799 2007 IHC 4300 Digger		-		190,000		-		-
200521	56001	EL2008 : Repl 1902 2009 IHC 7400 SFA		-		-		281,000		-
200521	56001	EL2011 : Repl 1982 2005 Ford F350 SD		40,000		-		-		-
200521	56001	EL2012 : Repl 2158 2003 Sullair 185-H		-		-		-		28,000
200521	56001	EL2013 : Repl 2184 2006 Altec DB35		-		-		-		120,000
200521	56001	EL2021 : Repl 1709 2006 Kobelco Mini Excavator		-		-		42,000		-
200521	56001	EL2024 : Repl 1785 2011 Ford F550 Dump		-		-		-		71,000
200521	56002	EL2016 : Electric Line Trailer Replacements		-		12,000		12,000		12,240
200521	56002	EL2025 : Three Reel Trailer Replacement		41,000		-		-		-
200521	56004	Surface Pro - SCADA & IVR (2) Trial		2,200		-		-		-
200521	56101	EL2015 : PW Facility Parking Lot Improve-Electric		15,000		15,000		15,000		15,000
200521	56200	EL2018 : Cable storage shed		210,000		-		-		-
200521	56203	Dunham Rd Upgrade Engineering		-		-		-		100,000

FY 16/17 Capital Budget

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200521	56203	East Side Upgrades Sub 7 or Sub 9	-	-	400,000	800,000
200521	56203	LDC #3 - Pheasant Run	-	-	900,000	-
200521	56203	Split 12kv Circuits at Sub 3 Engineering	-	-	-	100,000
200521	56203	Sub 6 Generator Replacement	18,500	-	-	-
200521	56203	Sub 9 - Transformer and supporting equip	1,100,000	450,000	-	-
200521	56203	Substation Capital Unplanned Failures	30,000	30,000	30,000	30,000
200521	56203	Substation TR replacement - Age or Condition	-	800,000	-	-
200521	56204	2nd 35kV line into LDC2	-	-	1,000,000	-
200521	56204	Duct to Sub 9	520,000	-	-	-
200521	56204	Feed into LDC3 - Pheasant Run	-	220,000	-	-
200521	56204	New 35kV Feed to East Side - Engineering	-	-	300,000	-
200521	56204	New 35kV feed to East Side - Construction	-	-	-	1,500,000
200521	56204	Place Duct in Kautz Road during Construction	-	-	-	-
200521	56204	Replace L13155-unjacketed XLPE 345mil	-	1,500,000	-	-
200521	56205	Pheasant Run Redevelopment (Reimb)	-	-	-	1,000,000
200521	56205	New Developments: Corporate Reserves (Reimb)	150,000	-	-	-
200521	56205	New Developments: Metro Storage (Reimb)	70,000	-	-	-
200521	56205	New Developments: The Reserve (Reimb)	127,000	-	-	-
200521	56205	Emergent Reimbursable Projects (Reimb)	50,000	-	-	-
200521	56206	513 Relief	-	250,000	-	-
200521	56206	Automation of 12kV lines	-	-	-	500,000
200521	56206	Cable Replacement/Reinforcement	300,000	300,000	300,000	300,000
200521	56206	Complete Woodward link west of Randall	-	90,000	-	-
200521	56206	Extend LDC1 Circuit north to 514 and 715	40,000	190,000	-	-
200521	56206	Finish Duct to Dean St	-	-	-	125,000
200521	56206	Inject Hunt Club	130,000	-	-	-
200521	56206	Inject Next Subdivision	-	80,000	80,000	80,000
200521	56206	Leaking and failed transformer replacements	100,000	100,000	120,000	120,000
200521	56206	O to U - 514 behind Amli - Kirk to Tyler	-	-	250,000	-
200521	56206	Overhead System Replacements	100,000	100,000	100,000	100,000
200521	56206	Power Factor Correction Equipment	13,000	13,000	13,000	45,000
200521	56206	Reconductor 316 along Tracks Cedar to Tyler	-	-	-	200,000
200521	56206	Rotted SWGR Replacements	50,000	50,000	50,000	50,000
200521	56206	Station Exit Cable Replacement	120,000	150,000	300,000	300,000
200521	56206	Storm Hardening-Residential OVHD to UG	400,000	100,000	100,000	100,000
200521	56206	Sub 9 Circuits outside of Station	-	280,000	250,000	-
200521	56206	Unplanned Underground Equip Failures-Historical	300,000	300,000	300,000	300,000
200521	56207	New Service Work	36,000	40,000	42,000	44,000
200521	56208	First Street - Phase 3	58,000	-	-	-
200521	56208	Southgate/Fox Chase Replacements	15,000	15,000	15,000	-
200521	56208	Unplanned Concrete Pole Replacements	10,000	10,000	10,000	10,000
200521	56208	Unplanned Streetlight Replacements	35,000	35,000	40,000	40,000
200522-Electric Meter			-	-	-	130,000
200522	56001	EL9007 : Repl 2009 Ford F550 XL Aerial	-	-	-	130,000
Total Electric Fund			\$ 4,546,600	\$ 5,460,000	\$ 4,950,000	\$ 6,220,240

Funding:

Cash Projects	\$ 2,302,600	\$ 2,455,000	\$ 2,027,000	\$ 2,571,240
Developer Funded	397,000	-	-	1,000,000
Bonded Projects	1,620,000	2,750,000	2,600,000	2,300,000
Prior Bonded Projects	-	-	-	-
Replacement Reserves	227,000	255,000	323,000	349,000
Total Funding	\$ 4,546,600	\$ 5,460,000	\$ 4,950,000	\$ 6,220,240

WATER FUND

210540-Water Administration			225,000	75,000	-	-
210540	56301	Software	11002 : Work Order Project	75,000	75,000	-
210540	56301	Software	WA1003 : Utility Billing Software Replc (30%)	150,000	-	-
210541-Water Operations			797,300	2,070,838	2,502,238	497,825
210541	56001	Veh	WA5025 : Vehicle #1724 - 6 Wheel Dump FY 17/18	-	180,000	-
210541	56001	Veh	WA5026 : Repl 1740 2003 Ford 550	-	65,000	-
210541	56001	Veh	WA5042 : Repl 2011 JD Skidsteer (split w/Sewer)	-	-	28,125
210541	56002	Equip	WA2017 : SCADA Enhancements-Emer Ops Ctr	25,000	-	-
210541	56002	Equip	WA5004 : SCADA Upgrade/Replacement	200,000	-	-
210541	56004	Equip	Analog to Digital Conversion Program for SCADA	5,000	5,000	5,000
210541	56150	DE	WA2013 : Convert Well #11 to Hypo - DE	-	12,000	-
210541	56209	Const	WA2013 : Convert Well #11 to Hypo	-	-	50,000
210541	56209	Const	WA2014 : Convert Well #9 to Hypo	-	50,000	-
210541	56150	DE	WA2019 : Well #8 Plant Bypass	-	-	14,000
210541	56160	CE	WA2019 : Well #8 Plant Bypass	-	-	14,000
210541	56209	Const	WA2019 : Well #8 Plant Bypass	-	-	120,000
210541	56150	DE	WA2022 : Well #8 Generator	-	-	13,200

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210541	56160	CE	WA2022 : Well #8 Generator	-	-	-	13,200
210541	56209	Const	WA2022 : Well #8 Generator	-	-	-	110,000
210541	56150	DE	WA2023 : Well #4 Conversion to Pitless Adapter	-	25,000	-	-
210541	56209	Const	WA2023 : Well #4 Conversion to Pitless Adapter	-	-	100,000	-
210541	56209	Const	WA2031 : Well #4 Preventive Maintenance	-	-	185,000	-
210541	56209	Const	WA2033 : Well #8 Booster Station VFDs	35,000	-	-	-
210541	56209	Const	WA2034 : Well #7 Media Replacement	-	140,000	-	-
210541	56150	DE	WA2036 : Convert Well #7 to Hypo	-	8,000	-	-
210541	56209	Const	WA2036 : Convert Well #7 to Hypo	-	-	50,000	-
210541	56209	Const	WA2037 : Convert Well #8 to Hypo	-	80,000	-	-
210541	56209	Const	WA2038 : Well #7 Preventative Maint	-	30,000	-	-
210541	56209	Const	WA2039 : Well #11 Preventative Maint	-	-	30,000	-
210541	56150	DE	WA2040 : Well#8 Electrical Eval-Voltage	-	-	25,000	-
210541	56150	DE	WA5008 : W Main to 17th St Parking Lot	-	-	-	-
210541	56160	CE	WA5008 : W Main to 17th St Parking Lot	-	-	-	-
210541	56101	Const	WA5008 : W Main to 17th St Parking Lot	-	-	-	-
210541	56150	Study	WA5010 : 2nd and Delnor Ave Imp Study	12,500	-	-	-
210541	56150	DE	WA5010 : 2nd and Delnor Avenue Imp	-	57,000	-	-
210541	56160	CE	WA5010 : 2nd and Delnor Avenue Imp	-	-	57,000	-
210541	56101	Const	WA5010 : 2nd and Delnor Avenue Imp	-	-	567,000	-
210541	56150	DE	WA5012 : McGrath Water Main Improvement	25,000	-	-	-
210541	56101	Const	WA5012 : McGrath Water Main Improvement	-	75,000	-	-
210541	56170	Study	WA5013 : 10 Year Master Study	120,000	-	-	-
210541	56101	Const	WA5019 : Water MFT Repairs Contrib	160,000	125,000	125,000	125,000
210541	56101	Const	WA5030 : 38th Ave Reconstruction CMD Phs 2	-	32,500	-	-
210541	56101	Const	WA5031 : 37th Ave Reconstruction CMD Phs 3	-	32,500	-	-
210541	56101	Const	WA5032 : Ohio Ave Resurfacing CMD Phs 4	-	13,550	-	-
210541	56101	Const	WA5033 : Concrete Program-Aintree Rd-Water	-	-	3,000	-
210541	56101	Const	WA5034 : PW Facility Parking Lot Improvements	15,000	15,000	15,000	15,000
210541	56150	DE	WA5037 : S 5th Ave (Rte 25)	-	32,288	-	-
210541	56160	CE	WA5037 : S 5th Ave (Rte 25)	-	-	32,288	-
210541	56101	Const	WA5037 : S 5th Ave (Rt 25)-5th to 6th	-	-	358,750	-
210541	56150	DE	WA5043 : Tyler Rd Watermain	25,000	-	-	-
210541	56160	CE	WA5043 : Tyler Rd Watermain	-	25,000	-	-
210541	56101	Const	WA5043 : Tyler Rd Watermain	-	250,000	-	-
210541	56101	Const	WA5049 : Supplemental St Rehab/Resurf	-	36,000	48,000	60,000
210541	56101	Const	WA5050 : Kautz Rd Reconstruct/Resurface	1,800	-	-	-
210541	56101	Const	WA5052 : S. 7th Ave (Main to Division)	-	-	-	7,500
210541	56101	Const	WA5053 : S 14th St Resurf (Prairie-IL38)	-	5,000	-	-
210541	56150	DE	WA5056 : Production Drive Resurfacing	-	52,000	-	-
210541	56160	CE	WA5056 : Production Drive Resurfacing	-	-	52,000	-
210541	56101	Const	WA5056 : Production Drive Resurfacing	-	-	522,000	-
210541	56101	Const	WA5057 : S. 6th Watermain (Horne/McKinley)	138,000	-	-	-
210541	56170	Study	WA5058 : Rear Yard Utility Conversion Study	-	50,000	-	-
210541	56101	Const	WA5059 : Valve Vault Repl Rt 31/Prairie	35,000	-	-	-
210541	56211	Const	WA2010 : 10th St Tower Painting	-	-	250,000	-
210541	56211	Const	WA2011 : Campton Hills Tower Painting	-	675,000	-	-
210542-Water Meter				35,000	35,000	-	-
210542	56001		WA7001 : Repl 1801 2003 E350 Van	-	35,000	-	-
210542	56001		WA7002 : Repl 1802 2003 E350 Van	35,000	-	-	-

Total Water Fund

\$ 1,057,300 \$ 2,180,838 \$ 2,502,238 \$ 497,825

Funding:

Cash Projects	\$ 1,022,300	\$ 1,225,838	\$ 1,304,238	\$ 469,700
Bonded Projects	-	675,000	1,198,000	-
Prior Bonded Projects	-	-	-	-
Replacement Reserves	35,000	280,000	-	28,125
Total Funding	\$ 1,057,300	\$ 2,180,838	\$ 2,502,238	\$ 497,825

WASTEWATER FUND

220550-Wastewater Administration				225,000	75,000	-	-
220550	56301	Software	11002 : Work Order Project	75,000	75,000	-	-
220550	56301	Software	WW1003 : Utility Billing Software Replc (30%)	150,000	-	-	-
220551-Wastewater Plant Operations				1,939,000	7,442,704	3,853,760	4,414,520
220551	56001	Veh	WW2018 : Repl 1875 2009 Ford Escape	-	26,004	-	-
220551	56001	Veh	WW2028 : Repl 1765 2011 INT 7400	-	-	-	130,000
220551	56001	Veh	WW2029 : Repl 1879 2009 Ford F550 4x2	-	-	-	62,000
220551	56150	DE	WW2014 : Digester Operation Improve	69,750	422,000	-	-
220551	56160	CE	WW2014 : Digester Operation Improve	69,750	-	212,900	209,100
220551	56200	Const	WW2014 : Digester Operation Improve	996,500	-	3,041,100	2,988,000
220551	56002	Equip	WW2016 : SCADA Enhancements	175,000	-	-	-

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220551	56002 Equip	WW2020 : Return Activated Sludge Pumps (3)	40,000	40,000	-	-
220551	56002 Equip	WW2022 : Boiler Oilers (6)	15,000	-	-	-
220551	56150 DE	WW2023 : Phosphorus Removal	453,000	-	-	-
220551	56160 CE	WW2023 : Phosphorus Removal	-	453,000	-	-
220551	56200 Const	WW2023 : Phosphorus Removal	-	6,465,000	-	-
220551	56150 DE	WW2025 : Primary Clarifier Rehabilitation	-	-	-	34,300
220551	56200 Const	WW2027 : Excess Flow Filtration	-	-	-	-
220551	56150 DE	WW4000 : West Plant Expansion Phase IIIA	-	-	-	-
220551	56002 Equip	WW5003 : Lift Station Rehabilitation Program	-	-	-	-
220551	56150 DE	WW5004 : Riverside Lift Station Replacement	-	-	-	352,600
220551	56160 CE	WW5004 : Riverside Lift Station Replacement	-	-	-	-
220551	56200 Const	WW5004 : Riverside Lift Station Replacement	-	-	-	-
220551	56150 DE	WW5005 : 7th & Division Lift Station Replacement	-	36,700	-	-
220551	56160 CE	WW5005 : 7th & Division Lift Station Replacement	-	-	36,700	-
220551	56200 Const	WW5005 : 7th & Division Lift Station Replacement	-	-	523,860	-
220551	56150 DE	WW5006 : Country Club Lift Station Replacement	-	-	39,200	-
220551	56160 CE	WW5006 : Country Club Lift Station Replacement	-	-	-	39,200
220551	56200 Const	WW5006 : Country Club Lift Station Replacement	-	-	-	599,320
220551	56002 Equip	WW5007 : Eastside Lift Station Generator Replaceml	120,000	-	-	-
220552-Wastewater Collections			711,000	1,335,800	1,237,590	816,700
220552	56001 Veh	WW6012 : Vehicle #1753 1-Ton Utility	-	45,000	-	-
220552	56001 Veh	WW6018 : Repl 1778 2000 Mini Excavator	87,000	-	-	-
220552	56001 Veh	WW6019 : Repl 1881 2004 IHC 7400 6x4	145,000	-	-	-
220552	56001 Veh	WW6021 : Repl 1761 2009 Ford F550	-	75,800	-	-
220552	56001 Veh	WW6022 : Repl 1864 2009 Ford F550	-	67,500	-	-
220552	56001 Veh	WW6052 : Repl 1760 2011 JD Skidsteer (split w/Wtr)	-	-	-	40,000
220552	56002 Equip	WW6003 : Trailer Pumps	52,000	52,000	-	-
220552	56002 Equip	WW6015 : Sanitary Sewer Flow Metering	20,000	25,000	25,000	25,000
220552	56101 Land	WW6008 : Sanitary Sewer MFT Funds	120,000	125,000	125,000	125,000
220552	56150 DE	WW6016 : Dunham Rd Force Main	-	-	-	-
220552	56160 CE	WW6016 : Dunham Road Force Main	-	50,000	-	-
220552	56101 Const	WW6016 : Dunham Rd Force Main	-	500,000	-	-
220552	56101 Const	WW6023 : 38th Ave Reconstruction CMD Phs 2	-	12,000	-	-
220552	56101 Const	WW6024 : 37th Ave Reconstruction CMD Phs 3	-	600	-	-
220552	56101 Const	WW6025 : Ohio Ave Resurfacing CMD Phs 4	-	5,450	-	-
220552	56101 Const	WW6026 : Aintree Road Reconstruction	-	-	15,750	-
220552	56101 Const	WW6027 : 9th and Adams	-	59,200	-	-
220552	56150 Study	WW6028 : Second and Delnor Ave Imp	12,500	-	-	-
220552	56160 DE	WW6028 : Second and Delnor Ave Imp	-	40,000	-	-
220552	56160 CE	WW6028 : Second and Delnor Ave Imp	-	-	40,000	-
220552	56101 Const	WW6028 : Second and Delnor Avenue	-	-	400,000	-
220552	56101 Const	WW6030 : PW Facility Parking Lot Improvements	15,000	15,000	15,000	15,000
220552	56150 DE	WW6031 : Dunham & Royal St George	-	-	3,195	-
220552	56160 CE	WW6031 : Dunham & Royal St George	-	-	3,195	-
220552	56101 Const	WW6031 : Dunham & Royal St George	-	-	35,500	-
220552	56101 Const	WW6032 : North 3rd Ave & Delnor Glen Subdivision	-	-	-	12,700
220552	56101 Const	WW6038 : Fairview Dr Sewer-Phase 2	-	-	-	-
220552	56150 DE	WW6040 : Siphon Rehab Program-Wildrose	12,500	-	-	-
220552	56160 CE	WW6040 : Siphon Rehab Program-Wildrose	12,500	-	-	-
220552	56101 Const	WW6040 : Siphon Rehab Program-Wildrose	125,000	-	-	-
220552	56101 Const	WW6041 : Supplemental Street Rehab/Resu	-	36,000	48,000	60,000
220552	56101 Const	WW6042 : Kautz Rd Resurfacing	4,500	-	-	-
220552	56101 Const	WW6044 : S. 7th Ave (Main to Division)	-	-	-	14,000
220552	56101 Const	WW6045 : S 14th St Resurf (Prairie-IL38)	-	2,250	-	-
220552	56101 Const	WW6048 : Production Drive Resurfacing	-	-	1,950	-
220552	56170 Study	WW6049 : Rita/Nicholas Street Reconstruction	30,000	-	-	-
220552	56170 Study	WW6050 : Rear Yard Utility Conversion Study	-	50,000	-	-
220552	56150 Flow Monitoring	WW6051 : CMOM (Cap/Mgmt/Op/Maint) Prgm	75,000	75,000	75,000	75,000
220552	56150 SSES	WW6051 : CMOM (Cap/Mgmt/Op/Maint) Prgm	-	100,000	100,000	100,000
220552	56101 Const	WW6051 : CMOM (Cap/Mgmt/Op/Maint) Prgm	-	-	350,000	350,000

Total Wastewater Fund

\$ 2,875,000 \$ 8,853,504 \$ 5,091,350 \$ 5,231,220

Funding:

Cash Projects	\$ 1,054,000	\$ 1,299,200	\$ 1,837,350	\$ 1,802,120
Bonded Projects	1,589,000	7,340,000	3,254,000	3,197,100
Prior Bonded Projects	-	-	-	-
Replacement Reserves	232,000	214,304	-	232,000
Total Funding	\$ 2,875,000	\$ 8,853,504	\$ 5,091,350	\$ 5,231,220

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Motor Fuel Tax

350500-Motor Fuel Tax			1,950,407	980,000	980,000	980,000
350500	56101	MF1000 : Annual Resurfacing Program	980,000	980,000	980,000	980,000
350500	56101	MF1001 : IL64 Contract 62195	126,972	-	-	-
350500	56101	MF1002 : IL64 Contract 62410	282,685	-	-	-
350500	56101	Const CP5063 : Kautz Rd Resurfacing	467,000	-	-	-
350500	56160	CE CP5048 : Red Gate Road Resurface	12,500	-	-	-
350500	56101	Const CP5048 : Red Gate Road Resurface	81,250	-	-	-
Total Motor Fuel Tax			\$ 1,950,407	\$ 980,000	\$ 980,000	\$ 980,000

TIF #7 - Central Downtown Cap Project

507663-TIF #7 Central Downtown Cap Proj			433,000	535,500	429,500	-
507663	56101	FS039 : Phase 3-Temporary Sidewalk	25,000	-	-	-
507663	56160	1st Street-Streetscape Const Obs - Bldg 1+Deck	23,000	-	-	-
507663	56101	FS040 : Phase 3, Bldg 1 Streetscape Improvements	300,000	-	-	-
507663	56160	1st Street-Streetscape Const Obs - Bldg 2	-	23,000	-	-
507663	56101	FS040 : Phase 3, Bldg 2 Streetscape Improvements	-	200,000	-	-
507663	56160	1st Street-Streetscape Const Obs - Bldg 3	-	-	17,000	-
507663	56101	FS040 : Phase 3, Bldg 3 Streetscape Improvements	-	-	100,000	-
507663	56150	1st Street-Riverwalk & Plaza Design	25,000	-	-	-
507663	56101	1st Street-Riverwalk & Plaza Construction	-	300,000	300,000	-
507663	56160	1st Street-Riverwalk & Plaza Const Obs	-	12,500	12,500	-
507663	56200	First St Parking Deck-Add'l Capital Items	60,000	-	-	-
Total TIF #7 - Central Downtown Cap Project			\$ 433,000	\$ 535,500	\$ 429,500	\$ -

Transfer from Capital Improvement Levy	\$ 262,015	\$ 83,427	\$ 85,045	
Transfer From General Fund	\$ 170,985	\$ 452,073	\$ 344,455	\$ -

Capital Projects Fund

513200-Capital Projects-IS			205,500	381,000	181,000	216,000
513200	56301	Software 11002 : Work Order Project	75,000	75,000	-	-
513200	54256	Consult CP2003 : Project Management Software	-	7,500	-	-
513200	56301	Software CP2003 : Project Management Software	-	7,500	-	-
513200	56301	Software CP2005 : Lawson Upgrade to V10	-	-	-	200,000
513200	54256	Consult CP2007 : Survey Monumentation	16,000	16,000	16,000	16,000
513200	54256	Consult CP2008 : Strategic Technology Plan Development	60,000	-	-	-
513200	54256	Consult CP2009 : Information Technology Security Assess	24,500	-	-	-
513200	54256	Consult CP2010 : Network Infrastructure Redevelopment	-	20,000	-	-
513200	56004	Equip CP2010 : Network Infrastructure Redevelopment	-	170,000	-	-
513200	56301	Software CP2010 : Network Infrastructure Redevelopment	-	10,000	-	-
513200	54256	Consult CP2011 : Website Redesign	-	-	80,000	-
513200	56301	Software CP2011 : Website Redesign	-	-	40,000	-
513200	56004	Equip IS1011 : Telephone Replacements	30,000	30,000	-	-
513200	56301	Software IS1024 : File Sharing	-	45,000	45,000	-
513300-Capital Projects-Police			85,000	65,000	35,000	35,000
513300	56002	CP3008 : Radio Replacement	10,000	10,000	10,000	10,000
513300	56002	CP3013 : In-Car & Body Cameras	25,000	25,000	25,000	25,000
513300	56003	CP3007 : Furniture Replacement (4 Years)	10,000	10,000	-	-
513300	56099	CP3009 : Replace K-9 Officer	-	20,000	-	-
513300	56101	CP3012 : Range Remediation	40,000	-	-	-
513400-Capital Projects-Fire			54,000	36,000	68,000	36,000
513400	56002	CP4003 : Air Cascade/Compressor	-	-	32,000	-
513400	56099	CP4004 : Replace 1993 Dive Trailer	18,000	-	-	-
513400	56099	CP4009 : SCBA Replacement Reserve	36,000	36,000	36,000	36,000
513500-Capital Projects-Street/Bridge			1,484,750	2,914,908	5,410,525	1,865,067
513500	56002	Equip CP5600 : Snow Control Equipment	5,000	20,000	20,000	20,000
513500	56002	Equip CP5602 : ATV w/Plow and Snowblower	70,000	-	-	-
513500	56099	Structure CP5055 : IDOT Gravel Bin & Cover	40,000	-	-	-
513500	56150	DE CP5003 : City Hall Parking Lot Improvement	-	-	-	-
513500	56160	CE CP5003 : City Hall Parking Lot Improvement	-	-	-	-
513500	56101	Const CP5003 : City Hall Parking Lot Improvement	-	-	-	-
513500	56150	DE CP5013 : Traffic Signal Peck/Campton	-	30,000	-	-
513500	56160	CE CP5013 : Traffic Signal Peck/Campton	-	-	30,000	-
513500	56208	Const CP5013 : Campton/Peck Traffic Signals	-	-	300,000	-
513500	56170	Eng Svcs CP5016 : General Testing Services	51,000	51,000	51,000	51,000
513500	56170	Eng Svcs CP5017 : Street Rating Evaluation	-	60,000	-	-
513500	56160	CE CP5030 : Campton Hills Rd Resurface	-	75,000	-	-

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513500	56101	Const	CP5030 : Campton Hills Road Resurface	-	625,000	-	-
513500	56101	Const	CP5032 : Aintree Rd Resurfacing	-	-	-	-
513500	56101	Const	CP5034 : 38th Ave Resurfacing-CMD 2	-	225,000	-	-
513500	56101	Const	CP5035 : 37th Ave Resurfacing-CMD 3	-	235,000	-	-
513500	56160	CE	CP5036 : Ohio Ave Resurfacing CMD 4	-	78,045	-	-
513500	56101	Const	CP5036 : Ohio Ave Resurfacing-CMD 4	-	650,363	-	-
513500	56101	Const	CP5037 : Main St Bridge Alcove Repairs	-	75,000	-	75,000
513500	56160	CE	CP5038 : Illinois Bridge Repairs	42,000	-	-	-
513500	56200	Const	CP5038 : Illinois Bridge Repairs	425,000	-	-	-
513500	56150	DE	CP5039 : Piano Factory Bridge Repairs	-	-	-	200,000
513500	56150	Concept	CP5040 : Second & Delnor Ave Imp	12,500	-	-	-
513500	56150	DE	CP5040 : Second & Delnor Ave Imp	-	58,300	-	-
513500	56160	CE	CP5040 : Second & Delnor Ave Imp	-	-	58,300	-
513500	56101	Const	CP5040 : Second & Delnor Ave Imp	-	-	583,000	-
513500	56101	Const	CP5042 : Retroreflectivity Sign Program	-	-	-	-
513500	56150	Concept	CP5043 : Main St Streetscape Concept Plan	-	60,000	-	-
513500	56150	DE	CP5043 : Main St Streetscape DE	-	-	60,000	-
513500	56101	Const	CP5043 : Main St Streetscape (7th Ave to 7th St)	-	-	-	500,000
513500	56160	CE	CP5048 : Red Gate Road Resurface	37,500	-	-	-
513500	56101	Const	CP5048 : Red Gate Road Resurface	243,750	-	-	-
513500	56160	CE	CP5051 : S 14th St Resurface (Prairie to IL38)	-	31,200	-	-
513500	56101	Const	CP5051 : S 14th St Resurface (Prairie to IL38)	-	260,000	-	-
513500	56150	DE	CP5054 : Fox River Retaining Wall Repl (Phs 2-DE)	-	300,000	-	-
513500	56160	CE	CP5054 : Fox River Retaining Wall Repl	-	-	340,000	-
513500	56101	Const	CP5054 : Fox River Retaining Wall Repl	-	-	2,400,000	-
513500	56101	Const	CP5063 : Kautz Rd Resurfacing	433,000	-	-	-
513500	56101	Const	CP5068 : Supplemental St Rehab/Resurfacing	-	-	-	-
513500	56160	CE	CP5070 : S. 7th Avenue (Main St. to Division St)	-	-	-	109,186
513500	56101	Const	CP5070 : S. 7th Avenue (Main St. to Division St)	-	-	-	909,881
513500	56160	CE	CP5071 : Production Dr Resurfacing (Tyler to Kirk)	-	-	72,560	-
513500	56101	Const	CP5071 : Production Dr Resurfacing (Tyler to Kirk)	-	-	604,665	-
513500	56150	DE	CP5072 : Patricia Road Reconstruction	-	53,000	-	-
513500	56160	CE	CP5072 : Patricia Road Reconstruction	-	-	53,000	-
513500	56101	Const	CP5072 : Patricia Road Reconstruction	-	-	530,000	-
513500	56150	DE	CP5073 : Rita/Nicholas Reconstruction	-	28,000	-	-
513500	56160	CE	CP5073 : Rita/Nicholas Reconstruction	-	-	28,000	-
513500	56101	Const	CP5073 : Rita/Nicholas Reconstruction	-	-	280,000	-
513500	56101	Const	CP5074 : Riverside Dr Resurf (Cedar to Illinois)	125,000	-	-	-

513501-Capital Projects-Storm				1,667,500	1,786,700	5,173,700	4,690,000
513501	56101	Const	CP5700 : MFT Storm Contribution	125,000	125,000	125,000	125,000
513501	56100	Land	CP5704 : 7th Ave Creek Improvements:	-	-	-	-
513501	56100	Land	----Property Buyout Program	-	-	-	-
513501	56100	Land	----Property Acquisition	500,000	-	-	-
513501	56100	Land	----Demolition	90,000	-	-	-
513501	56150	DE	CP5704 : 7th Ave Creek Improvements (DE)	-	400,000	400,000	400,000
513501	56150	DE	----Develop Master Plan	120,000	-	-	-
513501	56150	DE	----Project Cost & Phasing Plan	100,000	-	-	-
513501	56150	DE	----Watershed Master Plan	100,000	-	-	-
513501	56150	DE	----Funding Analysis	50,000	-	-	-
513501	56150	DE	----Public Outreach	-	-	-	-
513501	56160	CE	CP5704 : 7th Ave Creek Improvements	-	-	400,000	400,000
513501	56101	Const	CP5704 : 7th Ave Creek Improvements	-	-	3,600,000	3,600,000
513501	56150	DE	CP5711 : Dean St Creek Storm Sewer Imp	-	-	-	-
513501	56101	Const	CP5711 : Dean St Creek Culvert Repairs	-	-	-	-
513501	56150	DE	CP5712 : Walnut St Storm Sewer Replacement	-	-	-	-
513501	56150	DE	CP5715 : North 9th St Culvert Replacement	-	-	-	-
513501	56101	Const	CP5715 : North 9th St Culvert Replacement	-	-	-	-
513501	56101	Const	CP5719 : McKinley St Bypass	-	-	-	-
513501	56101	Const	CP5720 : Weber Rd Storm Sewer Install	-	-	-	-
513501	56101	Const	CP5721 : Sump Line Invest & Relo	-	-	-	-
513501	56150	Study	CP5723 : Second and Delnor Imp Concept/Study	12,500	-	-	-
513501	56150	DE	CP5723 : Second & Delnor Ave Storm Sewer Rehab	-	5,700	-	-
513501	56160	CE	CP5723 : Second & Delnor Ave Storm Sewer Rehab	-	-	5,700	-
513501	56101	Const	CP5723 : Second & Delnor Ave Storm Sewer Rehab	-	-	57,000	-
513501	56150	DE	CP5726 : N 17th St Storm Sewer Modification	-	36,000	-	-
513501	56160	CE	CP5726 : N 17th St Storm Sewer Modification	-	-	36,000	-
513501	56101	Const	CP5726 : N 17th St Storm Sewer Modification	-	-	400,000	-
513501	56160	CE	CP5731 : Basin 106c Shoreline	20,000	-	-	-
513501	56101	Const	CP5731 : Basin 106c Shoreline	350,000	-	-	-
513501	56150	DE	CP5732 : 1336 IL 31 Culvert Extens & Sidewalk Imp	75,000	-	-	-
513501	56160	CE	CP5732 : 1336 IL 31 Culvert Extens & Sidewalk Imp	-	55,000	-	-
513501	56101	Const	CP5732 : 1336 IL 31 Culvert Extens & Sidewalk Imp	-	550,000	-	-

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801300	56001	MV3045 : Repl 1990 2014 Dodge Charger	-	39,000	-	-
801400-Motor Vehicle-Fire					515,843	112,888
801400	56001	MV4012 : Replace Seagrave Rescue Squad	-	-	515,843	-
801400	56001	MV4200 : Repl 1750 1999 Dodge 4WD	-	-	-	56,444
801400	56001	MV4201 : Repl 1812 1998 Dodge 3500	-	-	-	56,444
801510-Motor Vehicle-PS-Const Svcs			321,000	534,000	903,000	1,113,000
801510	56001	MV5005 : Repl 1944: Whirlwind Sweeper Yr2002	-	-	-	250,000
801510	56001	MV5007 : Repl 1701 2005 IHC 7400 Dump	180,000	-	-	-
801510	56001	MV5009 : Repl 1746 F-550 4x2	-	-	56,000	-
801510	56001	MV5010 : Repl 1797 2007 IHC 7400 4x2	-	170,000	-	-
801510	56001	MV5011 : Repl 1798 2007 IHC 7400 4x2	-	170,000	-	-
801510	56001	MV5013 : Repl 1818 2004 Ford F550	72,000	-	-	-
801510	56001	MV5014 : Repl 1819 2004 Gehl Skidsteer	-	-	56,000	-
801510	56001	MV5015 : Repl 1821 2007 Ford F550 V8	69,000	-	-	-
801510	56001	MV5016 : Repl 1865 2000 Cat Loader	-	55,000	-	-
801510	56001	MV5022 : Repl 1941 2007 IHC 7400 SFA 6x4	-	-	-	170,000
801510	56001	MV5023 : Repl 1943 2007 IHC 7400 SFA 6x4	-	-	-	170,000
801510	56001	MV5024 : Repl 1956 2008 Ford F550 V8	-	69,000	-	-
801510	56001	MV5027 : Repl 1860 2009 IHC 7400 4x2	-	-	168,000	-
801510	56001	MV5028 : Repl 1700 2008 Ford F350 SD	-	-	46,000	-
801510	56001	MV5029 : Repl 1703 2008 Ford F350 SD	-	-	33,000	-
801510	56001	MV5031 : Repl 1788 2008 Caterpillar Endloader	-	-	144,000	-
801510	56001	MV5032 : Repl 1825 2009 IHC 7400 6x4	-	-	190,000	-
801510	56001	MV5033 : Repl 1828 2009 IHC 7400 4x2	-	-	168,000	-
801510	56001	MV5034 : Repl 1775 2011 Ford F550 Dump	-	-	-	92,000
801510	56001	MV5035 : Repl 1793 2011 IHC 7400 6x4	-	-	-	175,000
801510	56001	MV5037 : Repl 1871 2009 Case 435 Skidsteer	-	-	-	58,000
801510	56001	MV5038 : Repl 1873 2009 Case 435 Skidsteer	-	-	-	48,000
801510	56001	MV5702 : Tv Trailer #2172	-	-	-	150,000
801510	56001	MV5704 : Repl 1713 2008 Ford F350SD	-	-	42,000	-
801510	56001	MV5705 : New Flushing Trailer	-	70,000	-	-
801511-Motor Vehicle-PS-Special Svcs				35,000		61,000
801511	56001	MV5801 : Repl 1889 Ford 7700 1/2 4Wh Dr	-	35,000	-	-
801511	56001	MV5802 : Repl 1743 2006 Ford F350	-	-	-	61,000
801512-Fleet Services			60,000	63,500		
801512	56001	FL5002 : Repl 1832 2007 Ford F550	-	63,500	-	-
801512	56002	FL5005 : Mobile Column Lifts for Fleet	60,000	-	-	-
801512	56004	Cummins Diagnostic Tool	-	-	-	-
801512	56004	Ford Diagnostic Tool	-	-	-	-
801600-Motor Vehicle-Comm Develop					34,000	
801600	56001	MV6003 : Repl 1725 2008 Ford Escape	-	-	34,000	-
Total Motor Vehicle Replacement Fund			\$ 539,700	\$ 788,500	\$ 1,587,843	\$ 1,633,888

Communications Fund

804530-Communications-Fiber			167,400	20,000	210,000	569,800
804530	56002	CO3004 : PW Facility Key Scan	5,000	-	-	-
804530	56002	CO3022 : Replace Splice Trailer #2010	-	-	16,000	-
804530	56002	CO3023 : Replace Splice Machine	-	-	20,000	-
804530	56002	CO3033 : Fire Panel Replacement-City Hall	37,200	-	-	-
804530	56002	CO3034 : Cell Signal PW Garage	18,000	-	-	-
804530	56002	CO3035 : PW Radio Replacement	-	-	80,000	-
804530	56213	CO3000 : River Crossing Fiber	20,000	-	-	-
804530	56213	CO3001 : Sub 8 to Sub 2 Fiber Connect	-	-	-	30,000
804530	56213	CO3027 : D303 Redundancy	-	-	-	300,000
804530	56213	CO3028 : Garage to Sub 5 Fiber Repl	-	-	94,000	-
804530	56213	CO3036 : Sub 2 to North High School	-	-	-	145,800
804530	56213	CO3037 : Sub 3 to LDC 2	-	-	-	94,000
804530	56213	CO3038 : Sub 5 to Sub 9	-	-	-	-
804530	56213	CO3039 : City Hall Key Scan-CVB	7,200	20,000	-	-
804530	56301	CO3025 : Fiber Mapping Software	80,000	-	-	-
Total Communications Fund			\$ 167,400	\$ 20,000	\$ 210,000	\$ 569,800

Computer Replacement Fund

805200-Communications-Info Systems			130,000	100,000	100,000	100,000
805200	56003	CO2000 : Computer Replacement Purchases	100,000	100,000	100,000	100,000
805200	56301	CO2003 : Software Replacement Purchases	30,000	-	-	-
Total Computer Replacement Fund			\$ 130,000	\$ 100,000	\$ 100,000	\$ 100,000

GRAND TOTAL-CAPITAL

\$ 19,228,457 \$ 39,362,100 \$ 27,112,356 \$ 22,307,360

Glossary

Abatement - A partial or complete cancellation of a levy imposed by the City. Abatements usually apply to tax levies, special assessments and service charges.

Accountability - The condition, quality, fact or instance of being obliged to reckon or report for actions or outcomes.

Accrual basis of accounting – A method of accounting that recognizes financial transactions when they occur regardless of the time of the intake of cash.

Activity – A specific service performed by a component unit of a governmental organization that is responsible for a function, such as police, is an activity of the public safety function.

Agency Fund - A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

Annexation - The incorporation of land into an existing city with a resulting change in the boundaries of that city.

Appropriation - A specific amount of money authorized by City Council to make expenditures and incur obligations for specific purposes, frequently used interchangeably with "expenditures."

Assessed Value - A valuation set upon real estate or other property by the Township Property Appraiser as a basis for levying taxes.

Asset allocation – The process to determine which types of investments are to be included in the composition of an overall investment portfolio.

Audit - A systematic collection of sufficient, competent evidential matter needed to attest to the fairness of the presentation of the City's financial statements. The audit tests the City's accounting system to determine whether the internal accounting controls are both available and being used.

Available Fund Balance - That portion of fund balance collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Balance Sheet - That portion of the City's financial statement that discloses the assets, liabilities, reserves and balances of a specific governmental fund as of a specific date.

Basis of Accounting - A term used when revenues, expenditures, expenses, transfers, assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on the cash, modified accrual or the accrual method.

Basis of budgeting – A method used to determine the recognition of Revenues and Expenditures for the budgetary process.

Benchmarking - Comparing one's own performance to that of their past performance or to that of comparable communities.

Bond - A written promise to pay a specified sum of money, called face value or principal, at a specified date in the future, called maturity date, together with periodic interest at a specified rate.

Bond Refinancing - The payoff and re-issuance of bonds, to obtain better interest rates and or bond conditions.

Bottom Line - This is a common expression, most often used in private industry that refers to the profitability of a particular organization or entity.

Budget - A comprehensive financial plan of operations which attempts to allocate limited revenues among competing expenditure requirements for a given time period.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Budget Revision - A change to the adopted budget as authorized by the City Council.

Business-type activities – One of two classes of activities reported on government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

CALEA - Commission on Accreditation of Law Enforcement Agencies.

Capital Budget - The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

Capital Equipment - Equipment with a value in excess of \$20,000 and an expected life of more than five years such as automobiles, data processing equipment and furniture.

Capital Improvements - Charges for the acquisition at the delivered price including transportation costs, of equipment, land, buildings, or improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$25,000 and a useful life expectancy of at least two years.

Capital Improvement Project - An undertaking that has a specific objective, can be easily distinguishable from other work being performed, has a definite beginning and end, does not occur annually, and has a total cost in excess of \$100,000.

Capital Outlay - Expenditures that result in the acquisition of or addition to fixed assets.

Capital Projects Fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Cash basis of accounting – Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

Cash Management - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the balance of the highest interest and return, liquidity, and minimal risk with these temporary cash balances.

Charges for Service - User charges for services provided by the City to those specifically benefiting from those services.

Commodities - Items which, after use, are consumed or show material change in or an appreciable impairment of their physical condition, and which generally have limited value and are characterized by rapid depreciation.

Comparable Communities - Those communities, as designated by council, which contain some of the same characteristics as St. Charles. Comparative communities can be used as a "yardstick" in which to measure the policies and procedures of St. Charles.

Comprehensive Plan - An official public document adopted by a local government as a policy guide to decisions about the physical development of the community. It is a general long-range physical plan.

Constituent - One represented politically or in business; a voter; client.

Contingency - The appropriation of reserve funds for future allocation in the event specific budget allotments have expired and additional funds are needed.

Covenant - An agreement entered into by two or more parties. A covenant is entered into when a local government issues a bond. The terms of the bond issue must be clearly stated in the covenant.

Debt - A financial obligation resulting from the borrowing of money. Debts of government include bonds, notes, and land contracts.

Debt Ratio - Ratios that provide a measure of assessing debt load and ability to repay debt, which play a part in the determination of credit ratings. They are used to evaluate the City's debt position over time and against its own standards and policies.

Debt Service - The payment of principal and interest on borrowed funds.

Debt Service Funds - Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deficit - The excess of expenditures or expenses over revenues or income during a single accounting period.

Department - An organizational unit responsible for carrying out a major governmental function, such as Finance or Public Works.

Depreciation - The decrease in value of physical assets due to use and the passage of time.

Discretionary Income - Income that is not specifically allocated for an expense and or income that allows for a certain level of "freedom" on how that money may be spent.

Elasticity - Increasing or diminishing readily in response to a changing stimulus. Sales taxes are very elastic because the amount of taxes collected increases with sales and decreases when sales are low. The stimulus is the economy, which has a direct effect on the purchasing power of citizens, which translates into sales tax revenues.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Enterprise Fund - Used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the costs of providing goods or services are financed or recovered

primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Equalized Assessed Value - The value of property resulting from the multiplication of the assessed value by an equalization factor to make all property in Illinois equal one-third of its market value.

Equalization Factor - A factor determined by the State which when applied to the counties' assessed value will cause all property to equal one-third of its market value.

Expenditures - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental transfers.

Expenses - Charges incurred, whether paid or unpaid, resulting from the delivery of goods or services.

Facade - The front, visible part, or most conspicuous component of a building. St. Charles has implemented a facade improvement program for its downtown businesses, in an effort to revitalize the area.

Fiduciary Funds - Funds that are used when a government holds or manages financial resources in an agent or fiduciary capacity.

Fiscal Policies - The City's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year (FY) - Any consecutive twelve-month period designated as the budget year. The City's budget year begins May 1, and ends April 30 of the following calendar year.

Fixed Assets - Assets of a long-term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.

Franchise Fee - A fee paid by public service businesses for use of City streets, alleys and property in providing their services to the citizens of a community. Services requiring franchises include telephone, natural gas and cable television.

Full Time Equivalent (FTE) - A standardized unit of measure used to determine the equivalent number of full-time employees. It is calculated by dividing the total hours actually worked or planned for a job class (regular and overtime) by a standard number of hours a full-time employee would work for the job class.

Fund - Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, residual equities, revenues, and expenditures, or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance - The fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues to expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.

Generally Accepted Accounting Principles - Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

General Fund - The general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

General Obligation Bonds - Those bonds that are backed by the "full faith and credit" of a municipality. The taxing power of local government is pledged in the covenant of one of these bond issues.

Goal - A long-range desirable development attained by objectives designed to implement a strategy.

Governmental Fund Types - Funds that account for a government's "governmental-type" activities. These funds are the general fund, special revenue funds, debt service funds and capital project funds.

Grant - Contributions or gifts of cash or other assets from another government to be used for a specified purpose, activity, or facility. Grants may be classified as either categorical or block, depending on the amount of discretion allowed the grantee.

Home Rule Municipality - A home rule unit may exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to regulate for the protection of public health, safety, morals and welfare; to license; to tax; and to incur debt, unless preempted by the State of Illinois. A municipality is granted powers under home-rule if their population reaches 25,000 or by referendum.

Improvements - The necessary changes to a parcel(s) of land that is required for its future development. These often include modifications of the roadways, water and sewer mains, and the parcels' capacity for electricity.

IMRF - Illinois Municipal Retirement Fund. Retirement system established for municipal employees of the state.

Income - A term used in proprietary fund type accounting to represent: (1) revenues; or (2) the excess of revenues over expenses.

Infrastructure - The permanent foundation or essential elements of a municipality. Roadways are a component of a local government's infrastructure.

Installment Contract - A financing method whereby the City contracts with a vendor to pay for equipment, an improvement, or construction over a period of time not to exceed ten years. The contractor makes an assignment of the rights to payment to a financial institution in return for payment of the original contracted price.

Interfund Transfer - Payment from one fund to another fund primarily for work or services provided.

Intergovernmental Revenues - Revenues from other governments in the form of grants, entitlement, shared revenues, or payments in lieu of taxes.

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis.

Investment - The placing of money, capital, or other resources to gain a profit, as in interest.

LEADS - Law Enforcement Agency Data System is a system used as a nationwide tool to track criminal activity, such as warrants for arrest and missing persons.

Levy - (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by the City.

Liability - Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

Line Item - A specific item or group of similar items defined by detail in a unique account in the financial records. Revenue and expenditure justifications are reviewed, anticipated and appropriated at this level.

Liquidity - The amount of cash and easily sold securities a local government has at one time.

Millage - The tax rate on real property based on \$1.00 per \$1,000 of assessed property value.

Mobile Data Terminals (MDT) - Mobile Data Terminals are terminals that will allow police officers instant access from the squad cars to the National Crime Information Center. This will allow the officer to immediately check on stolen property or check a warrant.

Modified Accrual Accounting - A basis of accounting in which revenues are recorded when collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period, and expenditures are recognized when the related liability is incurred. Governmental fund types utilize this basis of accounting.

MFT - Motor Fuel Tax is a tax on fuel consumption. Distribution of the tax collected is based on population. There are also state-funded programs for street resurfacing, curb and gutter work and storm sewer work.

Net Income - Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers-in over operating expenses, non-operating expenses, and operating transfers-out.

Non-operating Expenditures - The costs of government services which are not directly attributable to a specific City program or operation. Examples include debt service obligations and contributions to Human Service organizations.

Non-operating Revenues - The incomes received by the government, which are not directly attributable to providing a service. An example would be interest on investments.

Objective - Something to be accomplished in specific, well-defined, and measurable terms and is achievable within a specific time frame.

Operating Budget - A financial plan that presents proposed expenditures for the fiscal year and estimates of revenue to finance them.

Part I Offenses - According to the Uniform Crime Report of the Federal Bureau of Investigation, these offenses include murder, manslaughter, rape, robbery, assault, and property crimes of burglary, larceny-theft, motor vehicle theft, and arson.

Part II Offenses - These are all criminal offenses that are not categorized as a Part I offense.

Performance Budget - A budget that focuses on activities rather than line items. Work load and unit cost data are collected in order to assess the efficiency of services.

Performance Indicators - Specific quantitative and qualitative measures of work performed as an objective of the department.

Portfolio - A compilation of investments held by an entity.

Privatization - The transfer of services from the public sector to the private sector in an attempt to save tax dollars. This has been done to varying degrees and levels of success across the country.

Private Sector - Business owned and operated by private individuals, as opposed to government-owned operations.

Public Sector - The policies and procedures as conducted by local governments, states and the federal government. The majority of these activities are financed through tax levies.

Program - An organized set of related work activities within a bureau of a department, which are directed toward a common purpose or goal and represent a well-defined use of City resources. Each City department usually is responsible for a number of related service programs.

Program Budget - A budget that structures budget choices and information in terms of "programs and their related" work activities, (i.e., repairing roads, treating water, etc.). A program budget provides information on what each program is committed to accomplish in the long run (goals) and in the short run (objectives), and measures the degree of achievement of program objectives (performance measures).

Property Tax - A tax levied on the assessed value of real property (also known as "ad valorem taxes").

Proprietary Fund Types - The classification used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The Generally Accepted Accounting Principles (GAAP) used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position. However, where the Governmental Accounting Standards Board (GASB) has issued pronouncements applicable to those entities and activities, they should be guided by these pronouncements.

Referendum - The submission of a proposed public measure or law, which has been passed upon by legislature or convention, to a vote of the people for ratification or rejection.

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of a specific, defined activity or facility which can be public, quasi-public, or private.

Retained Earnings - An equity account reflecting the accumulated earnings of the City's proprietary funds.

Revenues - Funds that the government receives as income. It includes such items as tax receipts, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

SCADA - Supervisory Control and Data Acquisition. Computer controlled system operation and information in regards to the city's electrical and water system.

SEA Reporting - Service Efforts and Accomplishments Reporting. This is a highly structured form of performance reporting as developed by the Governmental Accounting Standards Board (GASB).

Special Assessment Bond - Bonds payable by property owners to defray the cost of a specific capital improvement deemed to benefit primarily those properties. Each property is responsible for an amount determined to be equal to the benefit received.

Special Revenue Funds - Funds used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Special Service Area Bond - Bonds payable by property owners to defray the cost of a capital improvement or City services above those typically provided deemed to benefit primarily those properties. Each property owner is responsible for an amount equal to the value of their property compared to all others.

Tax Levy - The total amount to be raised by general property taxes for operating and debt service purposes.

Tax Rate - The amount of tax levied for each \$100 of assessed valuation.

Tax Increment Finance District (TIF) - A special district established to revitalize a degenerating parcel of land/building funded through incremental property taxes.

Trust and Agency Funds - Funds used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Unearned revenue - Specific type of deferred revenue that does not involve the application of the availability criterion, and therefore applies equally to both accrual and modified accrual financial statements.

User Fees - A fee charged for receipt of a public service to the party who benefits from the service

Working Capital - This term generally refers to current assets minus current liabilities. Some organizations may exclude certain current assets (e.g. inventory) from this general formula.

Yield - The yield on a fixed-income security is its current rate until maturity, based on its face value, its current market price and any interest coupons.