City of St. Charles
Budget Plan FY 2015-2016

Celebrating Municipal Building's 75th Anniversary

Budget Summary

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Officers and Officials
As of April 1, 2015

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	James E. Martin	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

Rita Tungare
Director of Community & Economic Development

Margaret A. Forster
Director of Information Systems

Kathy A. Lamkin
Director of Human Resources

Peter Suhr
Director of Public Works

Joseph R. Schelstreet
Fire Chief

James Keegan
Police Chief

City of St. Charles
Budget Message and Overview

Fiscal Year 2014-2015 was the year where hope and reality collided. The City saw an economy with a little less tarnish and we heard from a business community that spoke about there being a light at the "end of this economic downturn." Mayor Rogina and the City Council took steps to ready the City for future opportunities. These steps were built on hope that with encouragement from municipal government, business growth would become reality. Let's take a look at FY 14-15 and see where hope, brought about with government incentives, provided for business investment in our City.

1. Construction was initiated this past summer on the Charlestowne Mall, now known as The Quad of St. Charles. This investment in The Quad was in part the result of a November 2013 sales tax reimbursement agreement between the City and Krausz Company.
2. Agreement in late winter 2015 between the developers and the City for First Street Phase III (property at the northeast corner of Illinois and First streets), set the stage for three years of construction activities in downtown St. Charles providing for a mix-use development.
3. Initiation of a downtown building incentive program in the fall of 2014, providing for re-investment in historic structures in need of updates to meet 2015 life safety and building codes was established. This created the environment to stimulate growth in the heart of our community.
4. Establishment of a Central Downtown TIF District, generally bounded by First St. on the west, 3rd Ave on the east, Indiana Ave on the south and IL 64 and Cedar Ave on the north. This creates an environment for re-investment in our downtown, providing for new business and redevelopment.

FY 14-15 is also known for the year of significant events that made the community stand tall. Let's recall these events:

1. The City welcomed a new Chief of Police. James Keegan joined the City mid-summer from a neighboring suburban community where he was the Chief. Chief Keegan now works in the community he calls home.
2. Peter Suhr was appointed the Director of Public Works following a year-long probationary period as the acting director.
3. The Fire Department Emergency Management Division received accreditation from the Illinois Emergency Management Agency.
4. Joseph Schelstreet was designated Chief Fire Officer by the Center of Public Safety Excellence.
5. The City of St. Charles was awarded "Municipality of the Year" from the Illinois Municipal Electric Association.
6. The City adopted the policy study, "Homes for a Changing Region" for use in future residential planning.
7. The City trained all staff on the National Incident Management System (NIMS) to be prepared and readied for emergency situations.

8. The City initiated a study to determine the alternative solutions along the 7th Avenue Creek addressing private and public property damage due to flooding.
9. Moody's Investor's Service re-affirmed the City's Aa1 bond rating.

In light of FY 14-15 success and anticipated hope for the future FY 15-16, the next budget year may challenge the City. Recent initiatives from the Governor's office regarding state funding changes would impact the City's budget. The City in FY 14-15 received approximately $3.1 million from the State of Illinois pursuant to a long standing practice of the State sharing income tax dollars with municipalities. The Governor's office is presently asking the legislature to reduce by 50% the sharing of state income tax to municipalities. The projection of a 50% reduction in FY 15-16 income tax dollars to the City is approximately $1.6 million. This loss represents a 4% loss in revenue. For your information, $1.6 million translates into an equivalent 13.5% property tax increase. Now we are not suggesting a property tax increase is the solution. What we are saying is a $1.6 million loss in the Local Government Distributive Fund (LGDF), from the perspective of the property tax, gives insight into the magnitude and significance of this revenue loss to the City's budget.

So what is a reasonable response to a loss of $1.6 million of revenue in FY 15-16? This reduction in the City's share of income tax dollars would demand the Mayor and City Council take steps to consider program and services changes or financial adjustments to enhance or create new revenue streams. It is unlikely a single line item of the budget will resolve the financial imbalance. It will be necessary to take a long and hard look at what we want to adjust and thoughtfully implement change. The bottom line is the City provides valuable services to citizens. Our goal needs to consider how services can be maintained or recalibrated to create the environment we enjoy today. The reality is when the State decides what their financial plan is, we will need to re-prioritize service and project goals for FY 15-16, and perhaps for future years. Acknowledging that the FY 15-16 General Fund expenses are less today than what was present for FY 2008, is recognizing that we will need to be creative and willing to look at revenue alternatives or new service approaches.

The budget proposal for FY 15-16, independent of financial impacts due to State government, includes the following themes:

1. Holding the line on taxes and General Fund fees;
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 the following is a "sneak preview":

- First Street Parking Deck—Phase III site

- South Tyler Road Reconstruction Project
- Peck Road Resurfacing
- Norton Creek Stabilization (Woods of Fox Glen Subdivision)
- Employee Enhanced Training in Emergency Management
- City Strategic Plan finalization

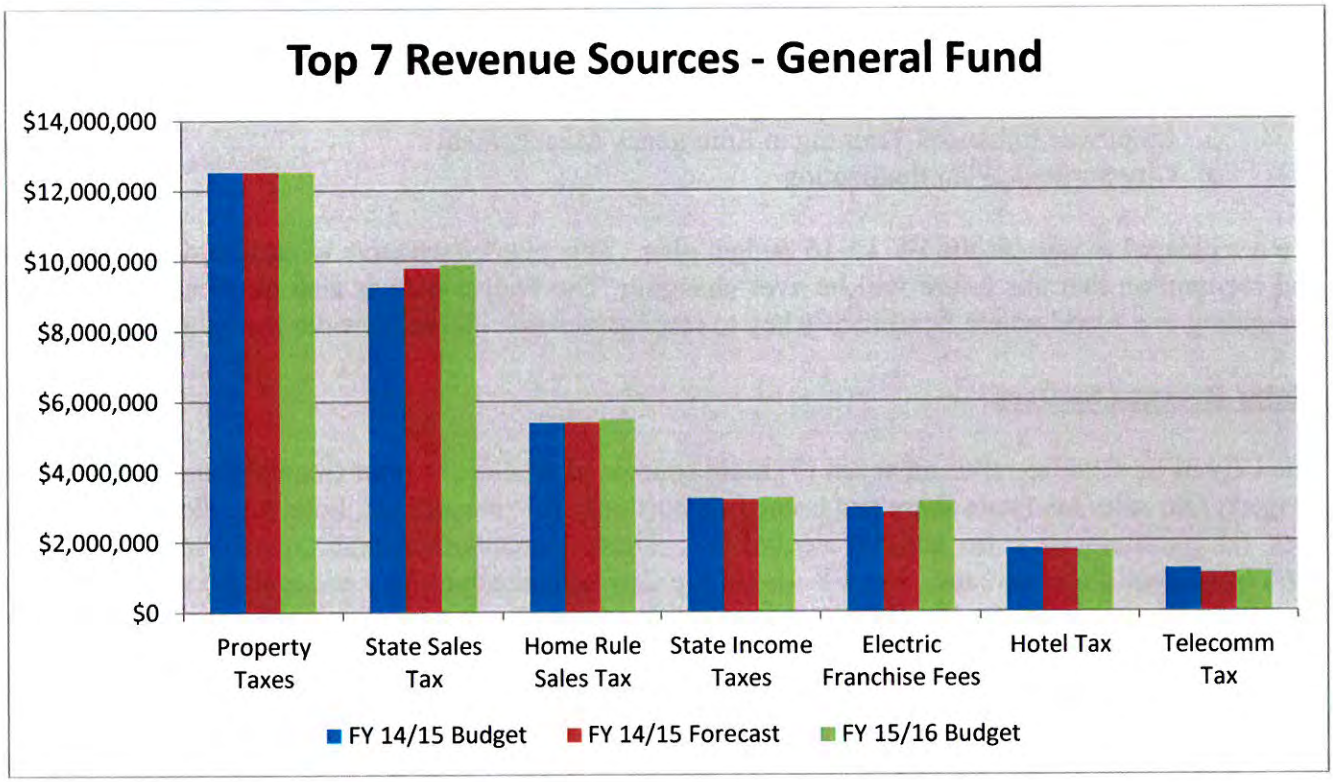
We are pleased to present the FY 15-16 budget plan. This plan is sensitive to an improving economy and recognition that our future will be ever changing. The budget plan is also our best approach for navigating in a world where flexibility is key to responsiveness. Please consider the details below:

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 15-16, the City estimates property tax revenue will essentially remain in line with FY 14-15. 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 seventh consecutive year that the amount of property tax collected has remained the same.

Top 10 Revenue Sources - General Fund

	14/15 Budget	14/15 Forecast	15/16 Budget	% Change (Budget vs. Forecast)
Property Tax	$12,536,731	$12,536,731	$12,534,572	0.0%
State Sales Tax	9,706,435	9,790,427	9,879,782	0.9%
Home Rule Sales Tax	5,868,280	5,400,223	5,492,269	1.7%
State Income Taxes	3,229,620	3,204,534	3,264,426	1.9%
Electric Franchise Fee	2,966,472	2,824,825	3,144,460	11.3%
Hotel Tax	1,795,056	1,762,737	1,727,627	-2.0%
Telecommunication Tax	1,212,591	1,085,394	1,135,000	4.6%
Alcohol Tax	1,031,770	1,061,768	1,055,312	-0.6%
Licenses & Permits	525,398	470,313	517,043	9.9%
Charges for Services	464,486	363,552	468,721	28.9%



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 15-16 budget includes a projected modest increase in state and home rule sales tax over the FY 14-15 forecasted revenue as the City is anticipating continued modest growth in general economic activity.

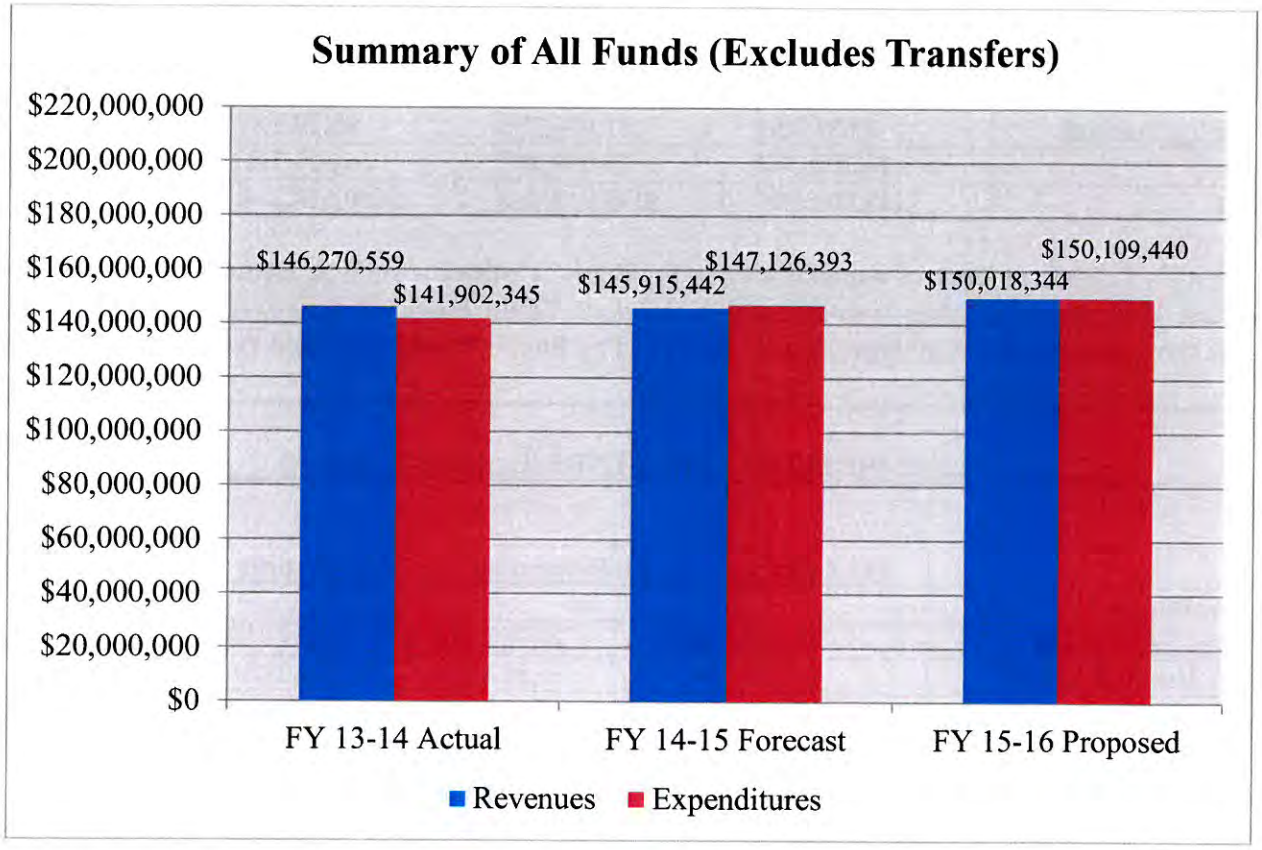
Sales Tax Collections - State and Home Rule
Last 6 Completed Fiscal Years

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	5.8%
2013-2014	$ 15,423,167	$ 287,358	1.9%

Summary of All Funds

At the time the FY 14-15 budget was approved, it was projected that the City would have total revenue of $143.9 million and expenditures of $145.3 million (excluding transfers). The City expects to close FY 14-15 with $145.9 million in revenue and $147.1 million in expenditures (excluding transfers). The change from original budget to current forecast for revenues is primarily due to additional capital financing proceeds for the Water Tower project as well as for the Biosolids Building 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 14-15. One example is the Biosolids Building Project within the Wastewater Fund that was completed in FY 14-15.

For FY 15-16, the City is projected to have $150.0 million in revenue and $150.1 million in expenditures for all funds, excluding inter-fund transfers. The largest funds are General, Electric, Water, and Wastewater. Combined, these funds represent 78.6% of the total budget.



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.

REVENUE - ALL FUNDS (Excludes Transfers)				
	14/15 Budget	14/15 Forecast	15/16 Budget	% Change (Budget vs. Forecast)
Revenues:				
Property Tax	$ 14,270,571	$ 14,275,117	$ 14,244,500	0%
Sales & Use Taxes	16,339,716	16,951,568	17,125,622	1%
Franchise Fees	3,606,972	3,496,656	3,819,235	9%
Hotel Tax	1,847,967	1,825,443	1,787,859	-2%
Other Taxes	2,324,861	2,221,198	2,269,812	2%
Charges for Services	71,344,339	71,201,025	76,225,018	7%
Licenses & Permits	525,398	470,313	517,043	10%
Intergovernmental	5,064,959	4,756,155	4,996,548	5%
Pension Contributions	3,650,999	3,657,198	3,671,996	0%
Financing Proceeds	8,635,066	11,006,276	8,829,500	-20%
Other	16,296,088	16,054,493	16,531,211	3%
Total	**$143,906,936**	**$145,915,442**	**$150,018,344**	**3%**

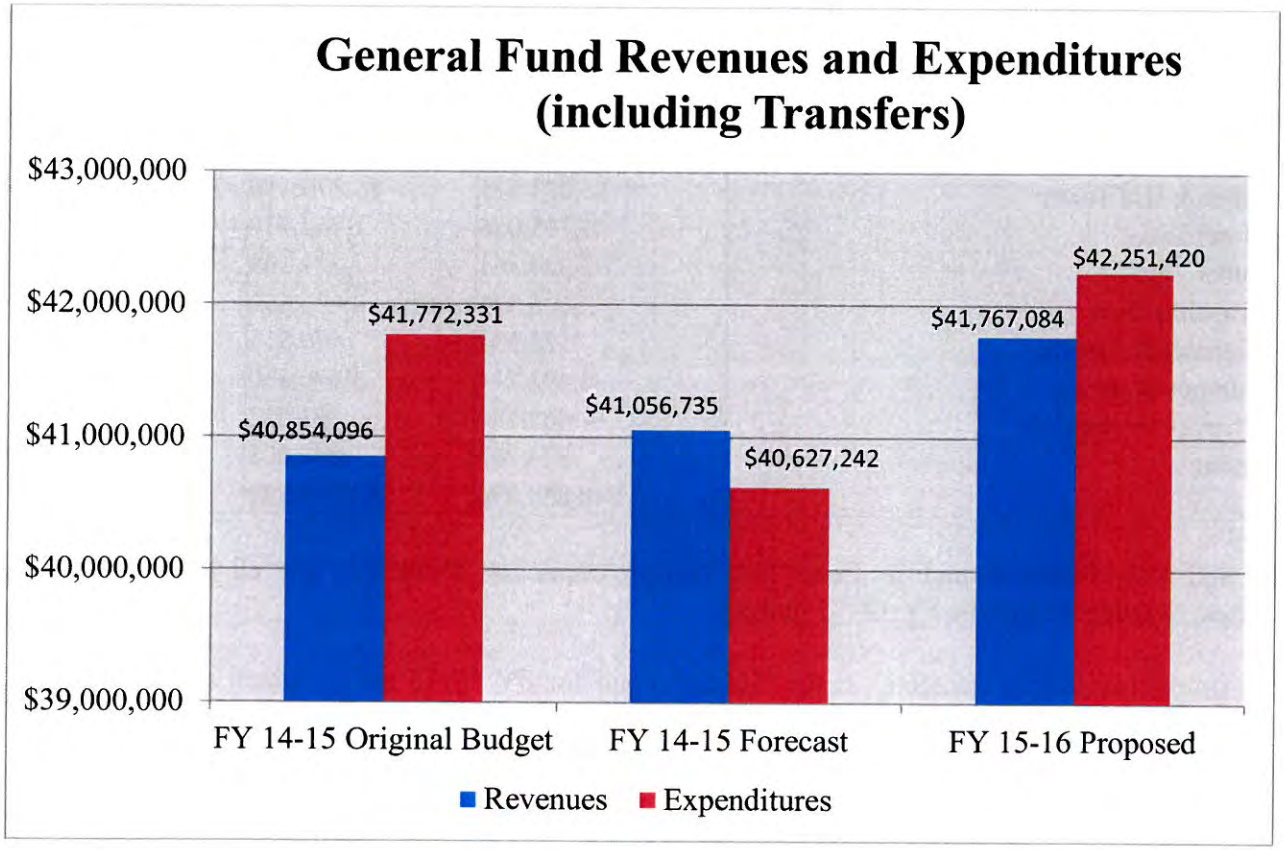
The City's largest category of expenditures is for Public Utilities – such as electric, water, and sewer services. With regard to other, non-utility City services, Public Health & Safety (police and fire) make up the next largest portion of expenditures, followed by Public Works, and then General Government.

EXPENDITURES - ALL FUNDS (Excludes Transfers)				
	14/15 Budget	14/15 Forecast	15/16 Budget	% Change (Budget vs. Forecast)
Expenditures:				
General Government	$ 20,852,150	$ 20,365,386	$ 21,347,642	5%
Public Health & Safety	26,386,774	25,867,026	27,809,304	8%
Public Works	15,068,709	15,420,994	16,302,708	6%
Public Utilities	80,207,906	82,743,922	80,110,819	-3%
Community Development	2,772,881	2,729,065	4,538,967	77%
Total	**$ 145,288,420**	**$ 147,126,393**	**$ 150,109,440**	**2%**

The 77% increase in the Community Development category is due to the capital budget for the First St. Phase III parking deck to be constructed in FY15/16.

Summary of General Fund

The City expects to close FY 14-15 with a surplus in the General Fund (the fund that accounts for the vast majority of the City's operations) of approximately $429,000. This compares to a deficit of $918,235 when the FY 14-15 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. However, the projected surplus may be somewhat misleading as certain specific contractual service projects that did not get underway this fiscal year may be pushed into FY 15-16.



For FY 15-16, it is projected that revenue in the General Fund will be $41.8 million or approximately 2.2% higher than what was budgeted for FY 14-15. Property tax revenues are projected to remain the same from the 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 2014 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. However, SSA property tax collections are expected to decrease due to the decline in the City's Equalized Assessed Valuation (EAV). For the 2014 tax levy, the EAV is estimated to decrease by approximately 3%.

GENERAL FUND REVENUES (Includes Transfers)

	14/15 Budget	14/15 Forecast	15/16 Budget
Property Tax	$ 12,536,731	$ 12,536,731	$ 12,534,572
Sales & Use Taxes	15,283,515	15,879,116	16,056,851
Hotel Tax	1,795,056	1,762,737	1,727,627
Other Taxes	2,324,861	2,221,198	2,271,812
Franchise Fees	3,606,972	3,496,656	3,819,235
Licenses & Permits	525,398	470,313	517,043
Intergovernmental	3,492,714	3,476,830	3,531,148
Charges for Services	464,486	363,552	468,721
Other	824,363	849,608	840,075
	$40,854,096	**$41,056,741**	**$41,767,084**

Sales and Use Taxes, Franchise Fees, and Intergovernmental Revenues are all expected to see increases, as compared to the FY 14-15 budget.

Expenditures (excluding transfers) in the General Fund for FY 15-16 are budgeted at $36.2 million. This represents a 2.24% increase from the original FY 14-15 budget. The largest share of expenditures in this fund is for personnel and benefits for employees.

Personal Services represents nearly two-thirds of the total expenditures of the General Fund. Employee wages make up 54% of operating expenses. Other significant personal service costs include pensions ($4.4 million), health insurance ($2.2 million), and workers compensation ($1.0 million). The chart and tables below provide additional information regarding General Fund revenues and expenditures.

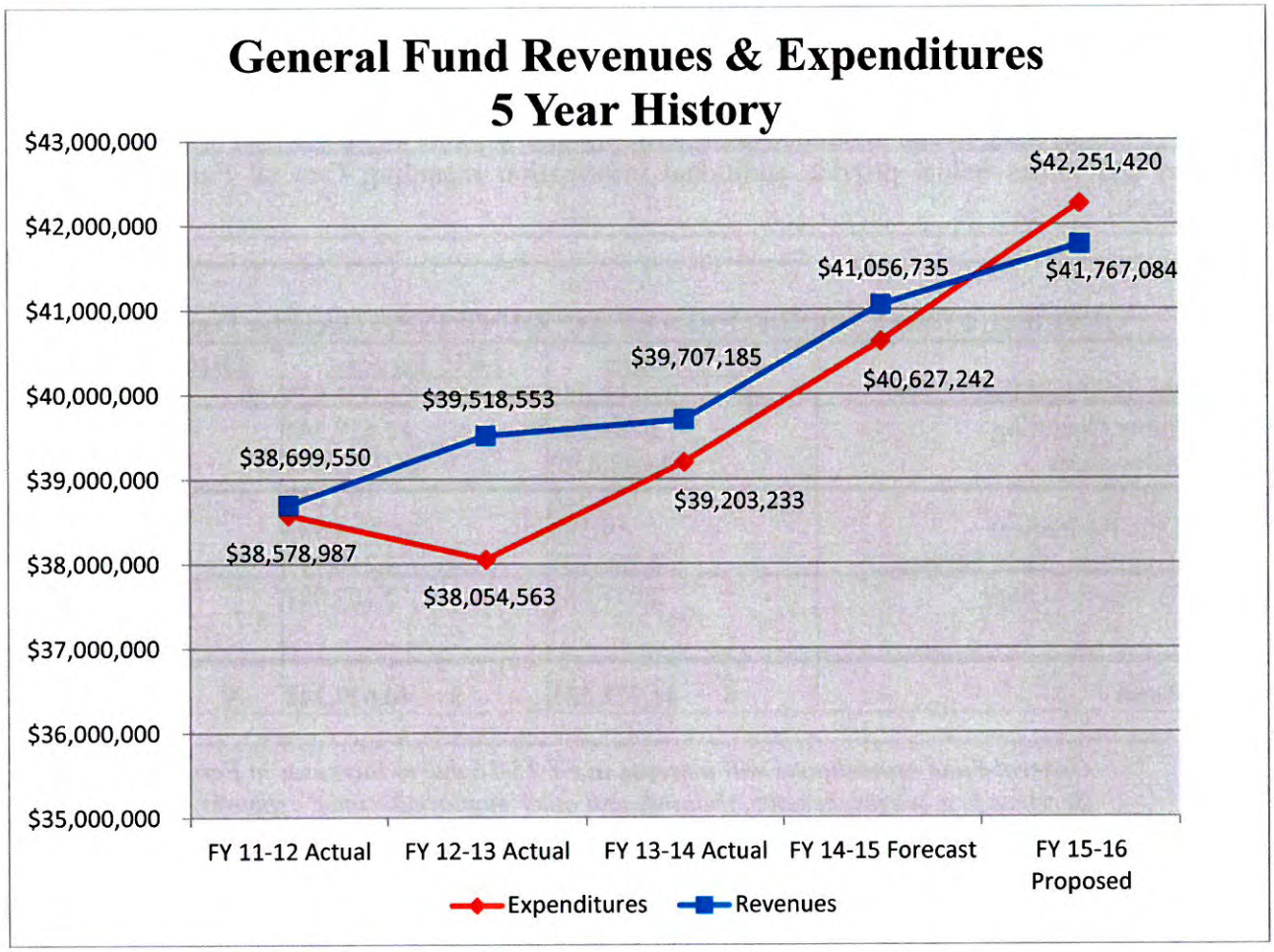
GENERAL FUND EXPENDITURES BY ACCOUNT TYPE (Includes Transfers)

	14/15 Budget	14/15 Forecast	15/16 Budget
Personal Services	$ 27,195,635	$ 26,387,929	$ 27,888,769
Other Operating	12,833,561	12,427,345	13,068,919
Allocations	(4,742,856)	(4,742,843)	(4,863,926)
Capital	153,528	192,348	141,245
Debt Retirement	4,585	4,585	4,586
Transfers - Debt Service	4,250,797	4,250,797	3,948,827
Transfers - Other	2,077,081	2,107,081	2,063,000
Total	**$ 41,772,331**	**$ 40,627,242**	**$ 42,251,420**

General Fund expenditures will increase in FY 15-16 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:	14/15 Budget	14/15 Forecast	15/16 Budget
General Government	$ 3,251,741	$ 3,220,046	$ 3,483,168
Public Health & Safety	21,694,327	21,076,828	22,002,241
Public Works	7,730,508	7,437,459	8,152,217
Community Development	2,767,877	2,535,031	2,601,967
Transfers	6,327,878	6,357,878	6,011,827
Total	**$ 41,772,331**	**$ 40,627,242**	**$ 42,251,420**



General Fund revenue and expenditures are expected to increase in FY 15-16 as compared with the FY 14-15 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:

CITY ADMINISTRATOR'S OFFICE

The key activity being advanced in FY 15-16 is completion of the City's strategic plan. This effort was initiated late in 2014 and will be concluded in 2015. The purpose of the plan is to define a vision

and the strategic course for City direction. All departments and City work will operate based on this strategic plan; just as magnetic north was the guide for early explorers.

Communication with citizens will continue to be a priority in 2015/16. The City is working to provide customers with information in real time, when they search for it. The City's webpage will continue to be a primary element of providing timely, and where possible, 24/7 information.

The City Administrator's Office will continue to seek opportunities to boost economic development. There is evidence of an improved economy and St. Charles is ready to leverage these interests to promote new economic growth. As importantly, the City stands tall in supporting the retail, commercial and industrial businesses in the community today, with a stable environment for business growth.

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

With the recent restructuring of the Community & Economic Development Department, the focus has been on integrating the City's Economic Development functions with the Planning, Development Engineering and Building & Code Enforcement divisions to find opportunities to improve efficiency and service levels to the community. The staff remains committed to providing the "one-stop shopping" approach for the City's development interests.

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. This downtown building improvement program will assist existing and new businesses with updates to their buildings, satisfying life safety and building codes of record in 2015. The City continues to encourage investment in our community through existing grant programs such as the Façade Improvement Program and the Corridor Improvement Program. During this fiscal year, the City appropriated funding and partnered with the Downtown St. Charles Partnership for a Branding Initiative that will help define the image of downtown St. Charles as a vibrant and unique destination.

The Economic Development Division will be working with the Chamber of Commerce to coordinate a Developer's breakfast in fall 2015. The main objective of this event will be to allow an opportunity for brokers and developers to network through the sharing of information and ideas about available properties and development opportunities in St. Charles.

The Community & Economic Development Department continues to work with Krausz Company, the new owner of Charlestowne Mall (now known as the Quad St. Charles), to implement the vision for repositioning the mall and attracting new tenants. In FY 14-15, the City entered into a sales tax incentive agreement with the new owner, predicated upon an increase in the sales tax revenue with no

risk to the City. Construction on utility and site work commenced in 2014 and we anticipate construction activity to continue in FY 15-16 towards a targeted opening date in fall 2016.

The City's Comprehensive Plan adopted in FY 13-14 acknowledges that the initial phases of the First Street mixed-use project have contributed positively to the energy and appearance of our downtown and reaffirms the City's long-term vision to complete the remaining phases of the project. In FY 14-15, the developer for the First Street project brought forth a proposal for Phase 3 of the development, which is the vacant riverfront property at the northeast corner of Illinois and First streets. The Community & Economic Development staff teamed with key City staff and focused on negotiating the terms of a redevelopment agreement as well as facilitating the development review process for this significant downtown redevelopment project. The City Council approved Phase 3 during the first quarter of 2015. Construction on Phase 3 is anticipated to advance in 2015. Pursuant to City Council action and direction, the Community & Economic Development staff stands ready in the upcoming fiscal year to continue to execute the City's vision in this public-private partnership.

In FY 14-15, with direction from City Council, Community & Economic Development Department staff engaged a consultant and initiated a process to restructure the First Street TIF District and create a new downtown TIF District. This was done in response to the effect of the downturn of the economy on the First Street project which resulted in a loss in TIF revenues. The City's redevelopment strategy shifts undeveloped properties from the First Street TIF to the new Downtown TIF. This adjustment allows the City to assist in the redevelopment of specific properties within a recalibrated timetable, thereby increasing the likelihood of success.

In January 2015, the Planning Division concluded the process for adoption of a new 20 year boundary agreement between the City of Geneva and the City of St. Charles. In FY 2014-15, the Planning Division also delivered a multi-jurisdictional housing study "Homes for a Changing Region" to the City Council for adoption as an official housing policy to guide our housing needs for the future. This was a collaborative effort between Geneva, Batavia, North Aurora and St. Charles with technical assistance from the Chicago Metropolitan Agency for Planning and Kane County, at no cost to the municipalities. The Housing Commission and staff will initiate implementation of the recommendations from this study in the upcoming fiscal year. The Planning Division will also initiate work with the Plan Commission to assess the effectiveness of current regulations and practices as they apply to residential teardowns and in-fills within the traditional St. Charles neighborhoods.

In FY 14-15, the City proactively amended the Zoning Code to regulate medical cannabis dispensaries and cultivation centers in response to the State Act signed into effect by Governor Quinn in 2013.

The Historic Preservation Commission anticipates in FY 15-16 consideration of a proposal to develop Historic Landmarks online tours. This application will further the Commission's objective of educating the public and promoting the historic landmarks and structures within the community.

In 2014, the Active River Project Task Force was formed, comprised of members from the Park District, Kane County Forest Preserve, the City of St. Charles and the River Corridor Foundation. The Development Engineering Division and Public Works Department represent the City on this Task

Force to supplement their efforts in recognizing the river as an asset, and exploring recreational and economic opportunities for the community, while enhancing the ecology of the river. The work of this Task Force will continue during FY 15-16.

In FY 15-16, the Building and Code Enforcement Division will be working toward an update of the City's building and fire codes, in light of the updated 2015 International codes. The division will also initiate the process for doing a "needs" assessment of the current permit & project tracking system and exploring other products to determine if an upgrade of the existing system or investment in a new system is warranted in FY 16-17.

As we enter FY 15-16, there are quite a few development prospects and opportunities looming on the horizon. The Community & Economic Development Department is well-positioned to efficiently serve the community's development interests.

FINANCE DEPARTMENT

The Finance Department continues to review current business practices and procedures to investigate how further efficiencies can be gained by utilizing our Infor/Lawson ERP software's full capabilities. A recent example of a change in our business practice was the moving of our alcohol tax database from a separately maintained database to our Infor/Lawson program. Infor/Lawson is now used to track alcohol tax payments, by business, as well as to track the issue of the alcohol license. This has not only eliminated duplicate data entry, but also serves as a control in that we are collecting alcohol tax from all of our alcohol tax license holders.

The City of St. Charles was one of the first local government entities to participate 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 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 $66,000 in outstanding debt, with no out-of-pocket cost/commission to the City.

As we move ahead to FY 15-16, the Finance Department will be collaborating with the IS Department on several projects, including the Document Management project and the upgrade of our Infor/Lawson software to the next version. The Document Management project will have a significant impact on Accounts Payable functions due to the scanning of all invoices and related documentation, as well as

incorporating automated approval workflows. The Document Management project will also impact Utility Billing, with the focus on scanning and attaching all utility applications, job orders, and work orders to individual utility accounts. The other major project in collaboration with IS is the upgrade of our Infor/Lawson software to Version 10. Version 10 includes software enhancements as well as technical and performance upgrades that will improve the user experience and increase functionality.

In January 2015, the Utility Billing division went live with a new lockbox service for processing utility bill payments. 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. The additional time also has allowed for further cross-training within the division.

Looking forward, 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 our twenty-five year-old "home grown" Utility Billing system. While our current system has many unique features that have been added over the years, it is an iSeries-based green screen program that only two people within our IS department can support. Finding a replacement software package that will provide us with even more functionality than we have today, as well as improving efficiency, is a challenge we look forward to embracing.

The Purchasing and Inventory Control division has continued the effort to accumulate obsolete city equipment for the online auction services. This program has been very successful, assuring a fair method of disposing City property.

The Purchasing and Inventory Control division worked with the Public Works Department to upgrade and improve new plow equipment for new snowplow trucks. This collaborative effort will result in greater efficiency when plowing, regulating salt use and using digital technology to operate plow apparatus. Finally, this division continues to promote their assistance with departments with non-stock purchases. This effort helps streamline purchasing of non-stock items, allowing City staff time for other projects. New items are added to stock frequently and a continued effort to remove obsolete items from stock for disposal is a high priority for this department.

FIRE DEPARTMENT

As we enter FY 15-16, the Fire Department will continue to focus on improving public safety, maximizing fiscal accountability and improving upon transparency. As an accredited Fire Department, we are constantly seeking ways to improve our performance. The Center for Public Safety Excellence accepted the Department Annual Compliance Report where we documented our performance and we were open to the constructive review of a third-party agency. We have also submitted documentation to the Insurance Services Office (ISO) and had a sight visit to confirm our exemplary Public Protection

Class 2 rating. This rating is utilized by many insurance companies as part of the process for determining property insurance ratings and is a method in which the Fire Department can help to keep insurance rates low for residential and business citizens.

Emergency Management Agency (EMA), a division of the Fire Department, has been accredited by the Illinois Emergency Management Agency (IEMA). This two-year process ensures that public safety is improved by the adoption of significant disaster planning and the holding of exercises to practice implementing the plans. The City of St. Charles has also received the status of Storm Ready Community, as designated by the National Weather Service. Additionally, we continue to strive to attain accredited status from the Commission on Accreditation of Ambulance Services (CAAS) for our ambulance services. Accredited status means that we are working to ensure that all members of the community receive the very best level of service that can be provided.

In order to increase fiscal responsibility through the sharing of resources, the Fire Department has increased partnerships with our neighboring communities through the Fox Valley Joint Operations Group. This team-oriented organization exists to facilitate joint training sessions and the understanding of available resources. No City can afford to provide enough equipment and personnel to respond to every emergency that arises. By cooperating with our neighbors, we do not need to duplicate purchases of expensive specialized equipment while still maximizing service for community protection.

A renewed effort to increase transparency is being undertaken in FY 15-16 with the updating of the format of the Annual Report. New methods of reporting information will also be entertained with the utilization of the website to provide timely and accurate information that is not only desired by the community but is also easily understandable.

HUMAN RESOURCES DEPARTMENT

The Human Resources Department (HR) continues to take active fiscal responsibility in their areas of influence. They have worked collaboratively with peer city departments and among neighboring communities this year to improve processes and utilize resources more effectively. Keeping health care costs at a reasonable rate for both employees and the taxpayer is of primary concern. To ensure that we

are offering the best health care plan and utilizing city resources to the utmost, we engaged in a 6-month RFP process for our health and welfare brokerage consultant. We interviewed six reputable companies and conducted second interviews with three of them, choosing the health insurance consultant that could best meet the City's needs and provide a proactive approach to the changing health care climate. As a result of this process, we are confident that the City of St. Charles is obtaining expert advice for keeping our health care costs as low as possible, while still providing a competitive plan.

Additionally, for FY 2015-16, the city will only incur a 3.9% increase in health care costs, which is well below the national average. Our innovative "Healthy" program encourages personal responsibility for employee health (and costs). Employees that meet health criteria in body weight, blood pressure, and cholesterol, and those who exercise regularly and do not use tobacco, have lower premium costs.

Another important area of influence in HR is employee safety training. In conjunction with the St. Charles Fire Department, HR was influential in making sure that all of our employees received the required National Incident Management System (NIMS) training so that our workforce is well-prepared to assist in emergency situations the City might encounter. We also reviewed every position's safety requirements (as determined by IDOL) and moved our system for tracking and recording the safety training into the training modules in Infor/Lawson, HRIS management system. This will be a time-saver and meets the goal of more fully utilizing the capabilities of Infor/Lawson software. In the same vein, each City Department is now equipped with a "grab and go" bag that contains essential safety information and a flash drive with essential documents, in the event that our key sources of storing information would be disturbed in an emergency.

In partnership with the Information Systems Department, we implemented new process flow procedures for new hires so that key information is automated, eliminating many procedures that used to require individual communication. We provided employees with many new Infor/Lawson software self-serve features. Employees may now access personnel information on-line at work and at home, increasing convenience for employees and efficiency in HR.

HR and Finance worked together on streamlining the hiring and payroll procedures so that there are appropriate checks and balances without duplication of effort.

The City of St. Charles continues to partner with the cities of Elgin and Batavia to provide 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, increased networking, and idea sharing among the three communities to improve services.

HR recognizes that when our City departments collaborate to streamline processes and offer excellent benefits, training, and resources to employees, we are doing our part to keep the city's budget in good health.

INFORMATION SYSTEMS DEPARTMENT

FY 14-15 saw the selection of Laserfiche Rio as the City's new document management system. Implementation is currently in progress and will continue into FY 15-16. The system will integrate with several of the City's core applications to provide easier and more direct access to supporting documentation. This application also will allow citizens to access some documents directly, eliminating duplication on the website. The system also provides electronic forms and associated workflows in order to route selected documents for review or approval.

The application support team continued to expand on the Lawson Enterprise Resource Planning (ERP) system, incorporating City license management and alcohol tax management into the application. In the coming year, new dashboard, employee self-service, and reporting functions will be added. The ERP also will be upgraded to the current generally available version in FY 15-16.

In FY 15-16 Information Systems worked with Finance to implement and support lockbox payment processing. In FY 15-16, the City will begin the search for a new system to replace its legacy utility billing system. In the meantime disaster recovery and high availability functions were implemented in FY 15-16 to protect the server running the current utility billing applications. A new email, calendar, and contact management system will be implemented in FY 15-16. The City will move to a Microsoft Exchange environment leveraging the investment in our Microsoft Office enterprise agreement. The move to Microsoft Exchange will simplify email administration, offer a user-friendly environment, and create the opportunity for out-of-the-box interface with other enterprise applications.

The technical team completed its implementation of disaster recovery and high availability functionality for the network in FY 14-15, and they will also be performing a number of network infrastructure enhancements throughout FY 15-16. The wireless network infrastructure will be upgraded allowing for centralized management of the nearly 50 wireless access points throughout the City. This will allow for changes to be managed and propagated from a central location, saving both time and money. One third of the City's Cisco IP telephones will be upgraded in FY 15-16 with the remainder being upgraded in the following two fiscal years. The new phones will increase the bandwidth capacity from 100MB to 1000MB and leverage the high speed switches that were upgraded in FY 13-14. The voicemail system also will undergo an upgrade in FY 15-16.

The City's website will get a facelift in the coming year, providing a cleaner look, simplified maintenance, and more content. Members of the Information Systems team will continue to be involved in the selection and implementation of the Tri-Com CAD system.

POLICE DEPARTMENT

The Police Department remains committed to fiscal responsibility through a comprehensive review of service needs and capabilities, while at the same time maximizing internal and external resources to improve efficiency and effectiveness.

In FY 14-15, the Police Department made several one-time purchases related to technological needs, legal mandates and opportunities. Many software and hardware upgrades were required for continued operational efficiency and are intended to last for several years. Consequent to the planned longevity of these upgrades, our technology budget for FY 15-16 was significantly reduced.

Also during FY 14-15, the Police Department budgeted for a storage building to be constructed at our Public Safety Training Facility. The building cost was to be offset by funds previously bequeathed to the Police Department. Since that time, the City has received grant approval for the range building through the State of Illinois Department of Commerce and Economic Opportunity. The bequeathed funds will be combined with the grant award to construct a building capable of serving our needs well into the future.

The Police Department has partnered with the Finance Department to initiate a fund reserve for a public safety radio replacement. In approximately seven years, law enforcement agencies across the country will be moved to a dedicated public safety frequency spectrum, while the current UHF band will be put up for public auction by the Federal Government. This means that our entire radio infrastructure will have to change, necessitating the need for a change in equipment. Although all grant and cost-sharing opportunities will be researched and exhausted, this change will most likely still result in a significant City expenditure of funds.

Lastly, the FY 15-16 budget includes two additional sworn officer positions, anticipating current police staff leaving the Department who are pension eligible. In the next 1-5 years, 33% of our sworn staff will be pension eligible. Due to police academy and field training requirements, it takes approximately nine months from the date of hire for a police officer to be certified for solo patrol duties. It takes 18 months in total for an officer to successfully pass their probationary period and then become a permanent member of the Department. We are adding new officers to stay ahead of the anticipated attrition rate while taking into account the time it takes to add a fully trained officer to our workforce.

PUBLIC WORKS DEPARTMENT

In FY14-15, 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 Right of Ways with a diverse cross section of tree species to help protect the urban forest from another devastating infestation. The division is continuing 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 repairs, curb and gutter repairs, and asphalt and concrete roadway patching will be a high priority. Concurrently with roadway maintenance work are storm sewer maintenance activities such as storm line flushing, televising and catch basin cleaning. 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 Department's Environmental Services Wastewater Division completed construction on the new Biosolids and Operations Building at the Main Waste Water Treatment Plant. This project was funded with an Illinois Environmental Protection Agency (IEPA) low-interest loan. In addition to the main plant construction work, the Environmental Services Wastewater Division completed the rehabilitation and replacement of Royal Fox Lift Station I on Dunham Road at Royal Fox Drive.

The Environmental Services Sanitary Sewer Division completed a rehabilitation and improvement project of the Illinois Street siphon which is critical infrastructure under the Fox River at Illinois Street.

The City was issued a new EPA Discharge Permit in 2014 for the Eastside Wastewater Treatment Plant. A condition of this permit requires a Phosphorus Removal Feasibility Report and ultimately construction of phosphorus removal facilities. In the FY 15-16 budget a Wastewater Facility Plan and Phosphorus Removal Feasibility Report are included. This document will be a tool for future budgeting and for ensuring regulatory compliance. The Environmental Services Wastewater Division has a digester rehabilitation project budgeted in the upcoming year to update and improve the 25 year-old facility. Additionally, two other programs, a sanitary sewer flow monitoring program and Supervisory Control and Data Acquisition (SCADA) improvements, are included in the FY 15-16 budget.

The Environmental Services Water Division completed design of converting from chlorine gas to liquid hypochlorite at several well houses and installed Supervisory Control and Data Acquisition (SCADA) improvements at the Oak Street Well. These SCADA improvements will assist with controlling operations and provide a second SCADA location in the system.

The Environmental Services Water Division will be initiating construction of a new water tower at the intersection of Red Gate Road and IL 26. The tower was recommended in the current 10-year master plan and is also recommended by the Illinois Environmental Protection Agency (IEPA). The tower will provide additional storage for the system, assist with meeting peak water demand capacity and allow for maintenance of the water system. This project will start in April 2015 and projected completion is August 2016.

In addition, the Environmental Services Water Division and Public Works Engineering Division will be working cooperatively on the North 5th Avenue Water Main Replacement Project. This project involves the replacement of approximately 5,400 feet of water main on 5th Avenue (Rt.25). This section of water main has a history of breaks due to water main age and corrosive soil conditions that exist in this area. The project will improve reliability to customers and provide redundant service by creating a loop in the area. This work will begin in April 2015 and will be completed by September 2015.

During FY 14-15 the Electric Services Division focused most of their resources on improving electric reliability with continued cable replacement, equipment replacement, and overhead rebuilding programs. System reliability performance was strong over the past 12 months. The replacement of a failed transformer at the City Hall substation was completed, bringing that station back to full strength. The Electric Services Meter & Communication Division continued an aggressive program to improve meter accuracy by replacing old meters. More accurate meters for some of the largest water users have resulted in considerable reductions in monthly unbilled water.

For the FY 15-16 budget, the Electric Services Division is again focused 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 development of the Legacy Park Substation, located in the vicinity of Kirk Road and Tyler Road, will continue with mass grading construction on the site. The new station will add capacity in the southeast quadrant of the City. Additionally, the utility will be replacing a substation transformer at Prairie Street Substation after diagnostic testing and outside evaluation. The unit was built in 1979, and is beyond its planned useful life.

The Public Works Engineering Division completed the construction activities to rehabilitate the existing parking lot located between the Municipal Center and the Police Department in November 2014. This project included the expansion of the green space along the river, the relocation of City monuments within the construction zone, new storm and water improvements, improved lighting, replacement of the parking lot, and enhanced vegetation.

The Public Works Engineering Division completed the resurfacing of Tyler Road from Main Street to Kirk Road in September 2014. This project was partially funded with a Local Agency Functional Overlay (LAFO) grant received from the Kane County Council of Mayors valued at $500,000.

The Public Works Engineering Division will continue to work on finalizing the study for the 7th Avenue Creek and 7th Avenue Creek Tributary to identify viable and cost effective improvements and potential funding sources to minimize flooding impacts in this area. The outcome of this study will be used to develop an implementation and phasing plan. The study is scheduled to be complete in summer 2015.

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 $500,000 to assist with the costs of resurfacing Peck Road from IL Route 38 to south of Dean Street. This work is expected to commence in July 2015 and be completed in October 2015.

In addition to the resurfacing of Peck Road, the City will continue to maintain various other streets within our community using State Motor Fuel Tax funds. These improvements typically include roadway resurfacing, curb and gutter repairs and ADA sidewalk improvements. This work is scheduled to begin in the summer of 2015 with completion in the fall of 2015.

The Public Works Department and Police Department will be working cooperatively to complete an Architectural Study of the Police Department Facility, which began late in FY14/15. There have been several building deficiencies and operational concerns identified over the past several years which prompted an Existing Conditions Report, Needs Assessment Study and Site/Master Plan Study. The Police and Public Works Departments will work jointly with consulting architects to develop solutions for both building and operational concerns. The Architectural Study will be complete by fall of 2015.

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 15-16 stands at 269.21 (excluding elected officials, crossing guards, meter readers, and EMA personnel). This represents an increase of approximately 4.75 FTEs from the FY 14-15 budget.

Full Time Equivalent (FTE) Employees by Department

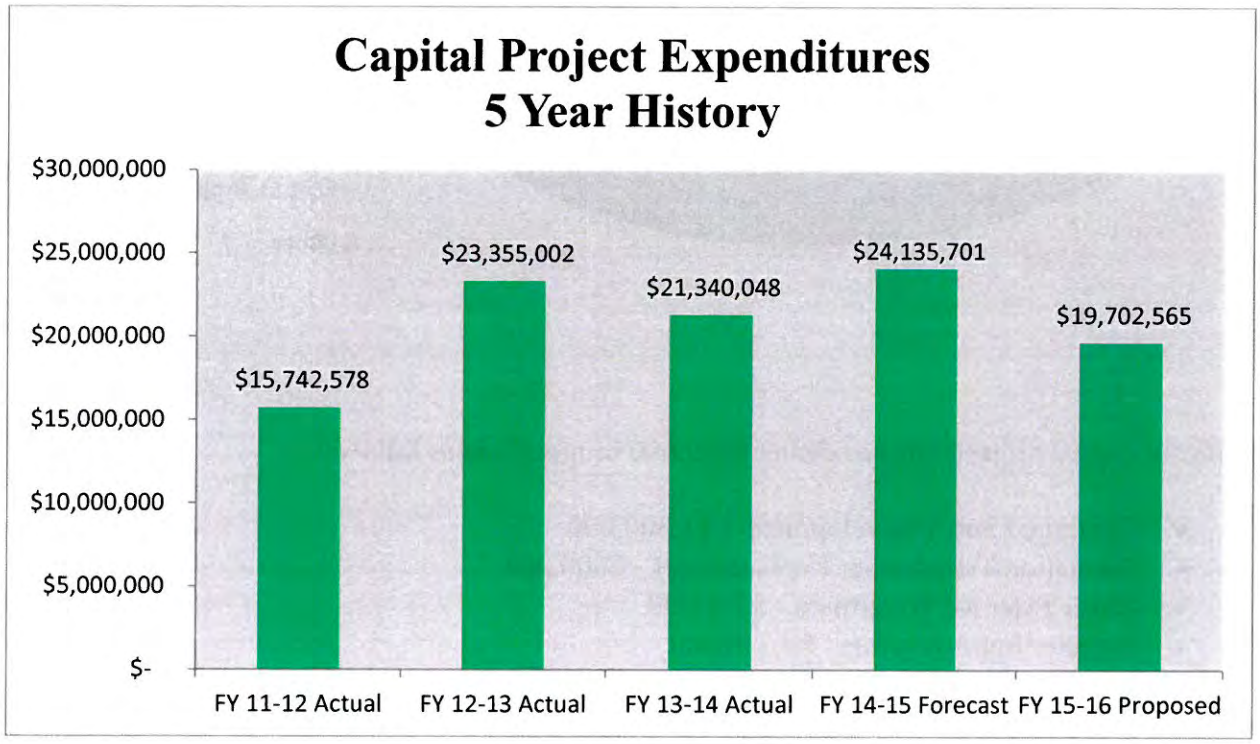
Department	Budgeted FY 14/15	Proposed FY 15/16	Net Change
City Administration	4.23	4.48	0.25
Information Systems	11.97	12.60	0.63
Human Resources	5.83	6.01	0.18
Finance	18.25	18.25	0.00
Police	67.31	69.45	2.14
Fire	48.00	49.64	1.64
Community & Economic Development	14.73	14.73	0.00
Public Works	94.14	94.05	-0.09
Total FTE	**264.46**	**269.21**	**4.75**

Capital Projects

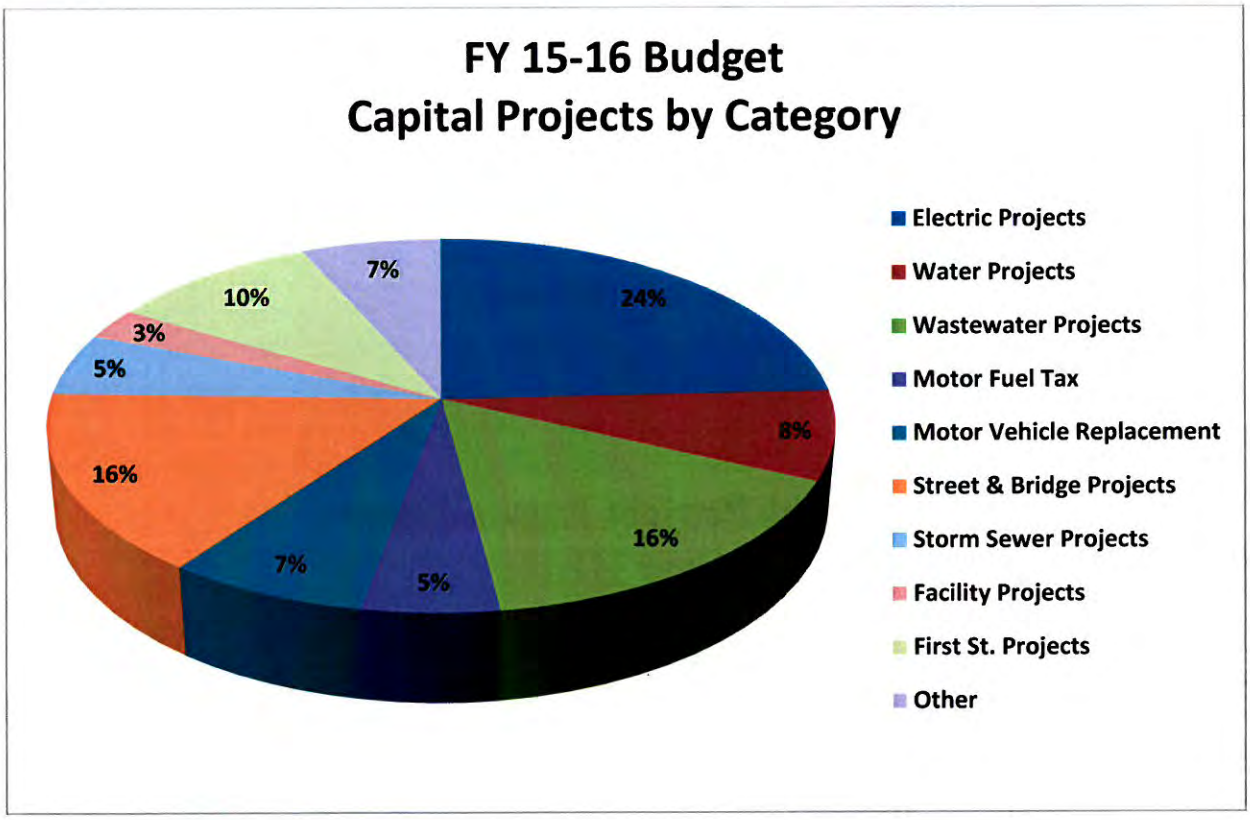
The City will undertake $19.7 million in capital projects in FY 15-16. Of this amount, $9.4 million is budgeted for projects within the City's three major enterprise funds – Electric, Water, and Wastewater.

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:

- Greenwood Lane from Oxmoor Court to North End of Red Gate Park
- N. Tyler Rd from E. Main Street to Allen Lane
- Dukane Drive from Stone Drive to Kirk Road
- S. 10th Avenue from South Avenue to Indiana Avenue
- Walnut Avenue from S. 2nd Avenue to S. 5th Avenue
- S. 8th Street from Oak Street to Indiana Street



Capital project expenditures are expected to decrease by approximately 18.4% in FY 15-16 as compared to the FY 14-15 forecast.



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

- Continued Sub 9 Development - $1,300,000
- Substation Transformer Replacements - $600,000
- North Tyler Rd Watermain - $648,000
- Digester Improvements - $2,250,000
- Annual MFT Street Resurfacing Program - $980,000
- Parking Garage – First St Phase 3 - $1,932,000
- Peck Road Resurfacing - $764,500
- S. Tyler Rd Reconstruct - $1,705,000
- Fox Glen Norton Creek Stream Stability - $695,000

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

Debt Summary

In FY 15-16, it is anticipated the City will issue approximately $8.8 million in new debt. The bonds will include:

- Continued Sub 9 Development - $1,300,000
- Substation Transformer Replacements - $600,000
- North Tyler Rd Watermain - $648,000
- Digester Improvements - $2,250,000
- Peck Road Resurfacing (Net of $500,000 LAFO Grant) - $264,500
- S. Tyler Rd Reconstruct - $1,705,000
- Fox Glen Norton Creek Stream Stability - $695,000

FY 15-16 Debt Summary

Fund	Current	New Issues	Retirements	Outstanding @ 4/30/16
General	$ 46,436,582	$ 3,411,500	$ 4,552,929	$ 45,295,153
TIF	30,855,000	-	1,155,000	29,700,000
Electric	8,503,120	2,100,000	754,904	9,848,216
Water	10,096,850	798,000	618,774	10,276,076
Wastewater	22,552,451	2,520,000	1,598,172	23,474,279
TOTAL	**$ 118,444,003**	**$ 8,829,500**	**$ 8,679,779**	**$ 118,593,724**

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 FY15/16 Budget			
	Electric	Water	Wastewater
Revenues:			
User Charges	$ 60,782,843	$ 5,483,701	$ 8,493,905
Other Operating Revenues	1,020,204	367,020	442,077
Capital Financing Proceeds	2,100,000	798,000	2,520,000
Transfers In	285,164	-	-
Total Revenues	64,188,211	6,648,721	11,455,982
Expenses:			
Personal Services	$ 3,795,651	$ 1,447,063	$ 2,037,182
Other Operating	50,473,926	1,548,035	2,883,062
Allocations from Other Funds	1,925,471	863,981	1,291,051
Capital	4,791,250	1,521,850	3,128,450
Debt Retirement	1,059,610	934,499	2,087,920
Transfers Out	497,246	161,619	304,435
Total Expenses	62,543,154	6,477,047	11,732,100
Revenues Over/(Under) Expenses	**$ 1,645,057**	**$ 171,674**	**$ (276,118)**

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 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.

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 is continuing for the 2015-2016 budget year. Additionally, it has been noted that the City's fixed monthly service charge is no longer keeping pace with the City's fixed costs to run the Electric Utility. This places the financial health of the utility in jeopardy during prolonged periods of

decreased consumption, as have been experienced recently. Because of these two primary factors, the following changes to the electric rate structure are proposed for FY 15-16:

- The monthly service charge will be increased from $15.00 to $16.70.
- Non-summer energy consumption charges will be changed from 10.50 cents per kwh of consumption to 11.20 cents per kwh.
- An increase in the residential rate for kwh consumed from $0.1110 to $0.1145 per kwh during the summer months for the first 1,200 kwh. Usage over 1,200 kwh will be billed at $0.1245.

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 $6.02 per month.

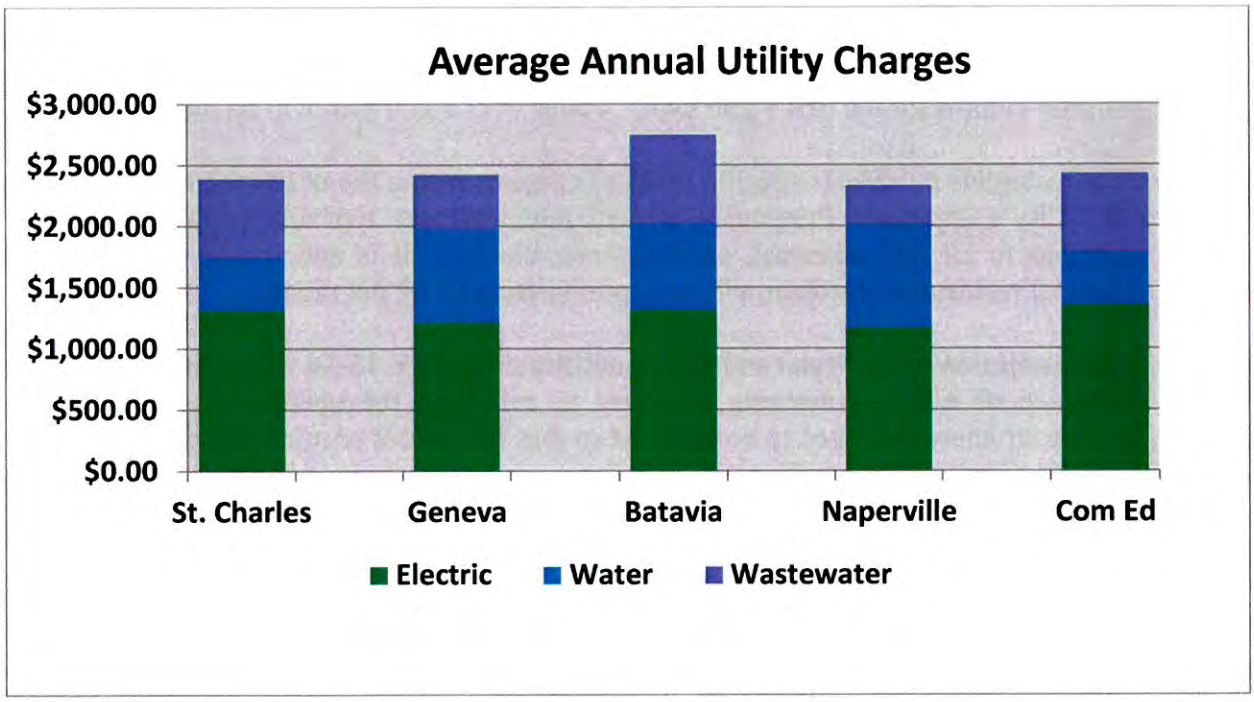
Rates also will be adjusted in the Water and Sewer utilities during FY 15-16. The City had historically followed a practice of utilizing non-rate revenues to subsidize the operations of these utilities. Therefore, the rate structure will need to be adjusted so that it provides adequate funding for water 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 $3.23 for a typical residential customer.

The Sewer Fund will see an adjustment of the monthly sewer treatment volume charge and an increase to the monthly service charge on May 1. It is anticipated that these changes will result in an average monthly increase of approximately $4.33 to the average residential customer's sewer bill.

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 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 15-16 will result in lower annual utility charges than the utility charges at most other area communities.



Conclusion

The City's FY 15-16 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.*

The budget minimizes the burden by holding the line on taxes and 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.

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, Pat Matejovsky 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 Funds
(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 assists with 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.

Appendix
(Section VII)

We have incorporated charts, graphs and tables throughout the budget. There is additional information, however, that some readers may find useful that we have included in the appendix.

Glossary
(Section VIII)

Included in the glossary are common terms as well as many acronyms used throughout the budget 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.

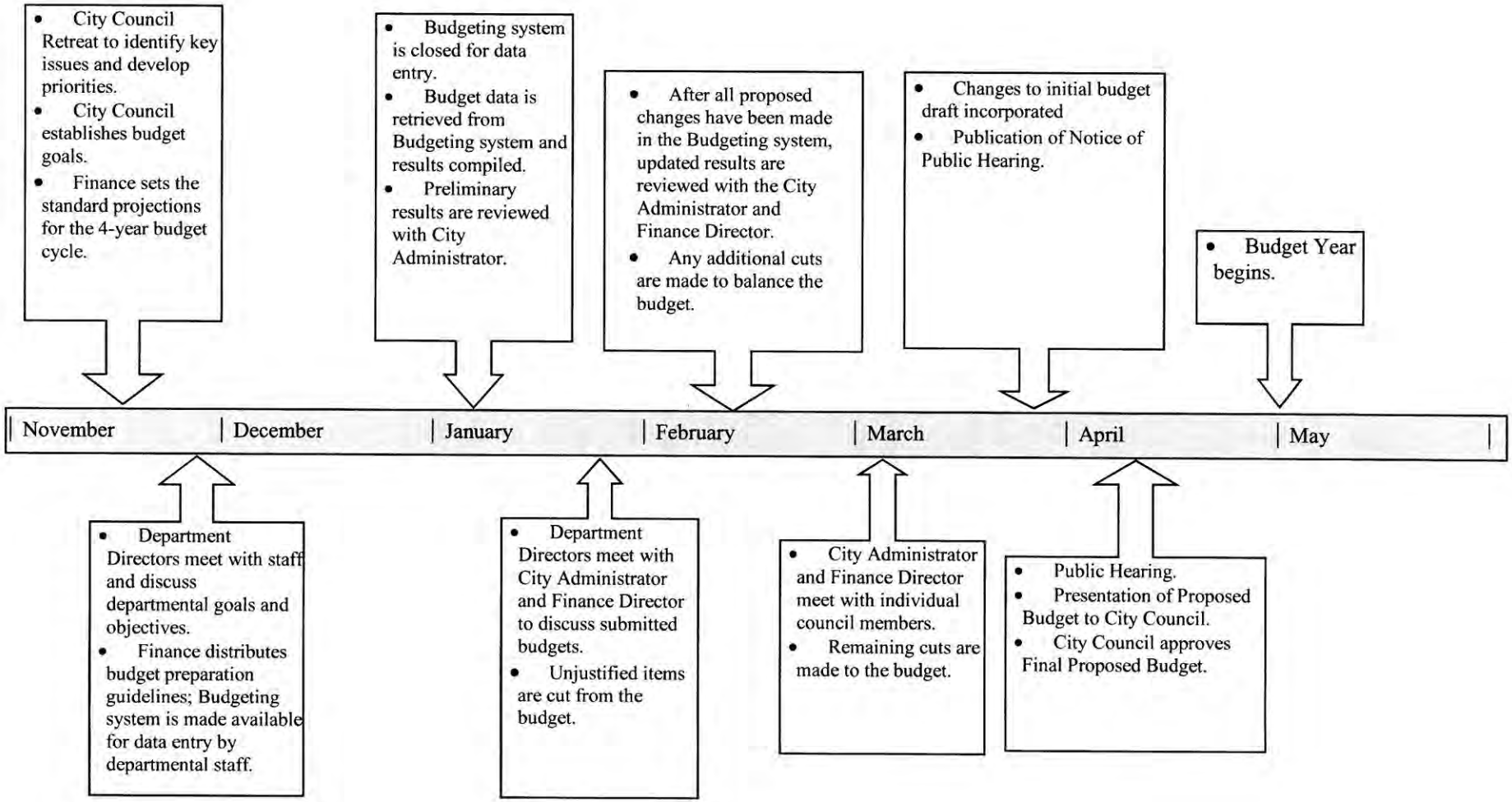
Adoption

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, 2014, in conjunction with the approval of the FY 14-15 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.

Govenmental Fund Flow Assumptions

The City's flow assumptions are stated in the FY 14-15 budget document to allow for implementation of GASB 54 in FY 11-12. The 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

The City's determination of authority to assign fund balances is stated in the FY 14-15 budget document to allow for implementation of GASB 54 in FY 11-12. 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. Secondarily, 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 15-16 budget represents the fifth 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 2015-2016 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 15-16, the Wastewater Fund's debt service ratio is 20.4% 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 beginning in FY 15-16. 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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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.

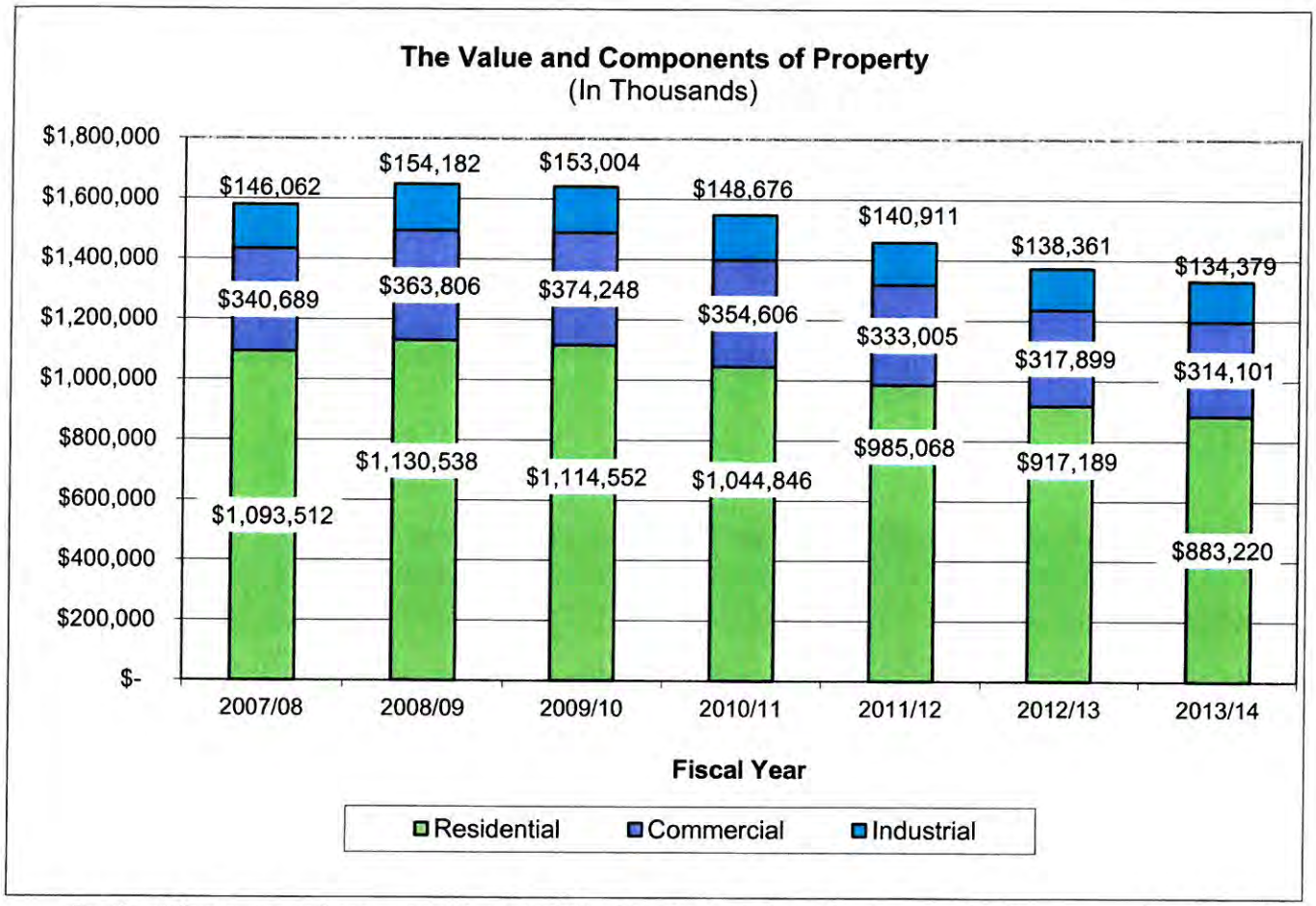
Revenue Trends – These revenue trends provide detailed analysis concerning the City's property and sales tax base. In addition, any other significant revenue sources are included in this section.

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.

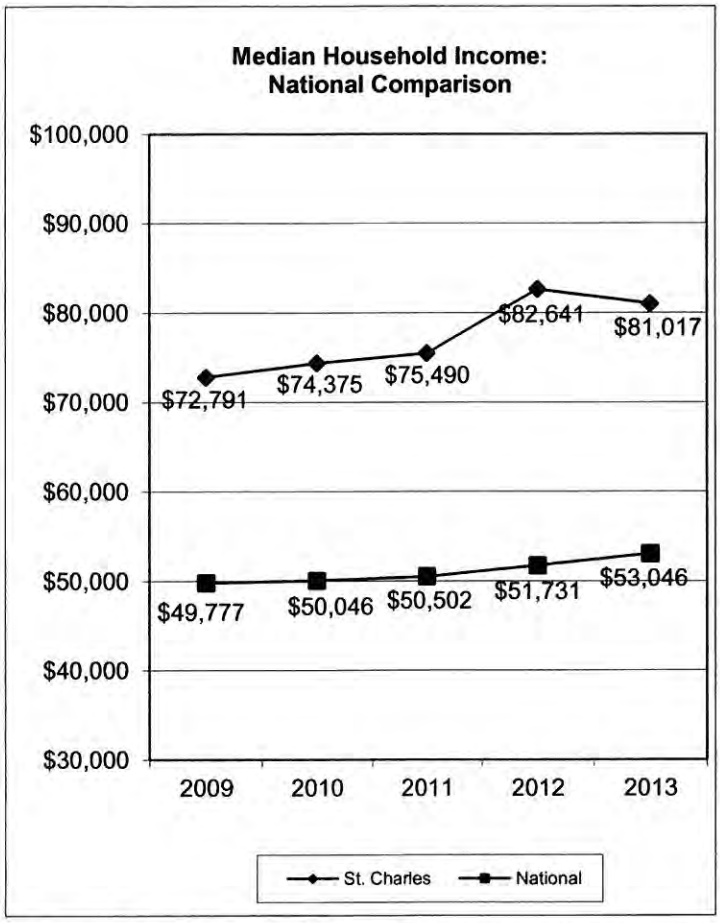
Trend Analysis

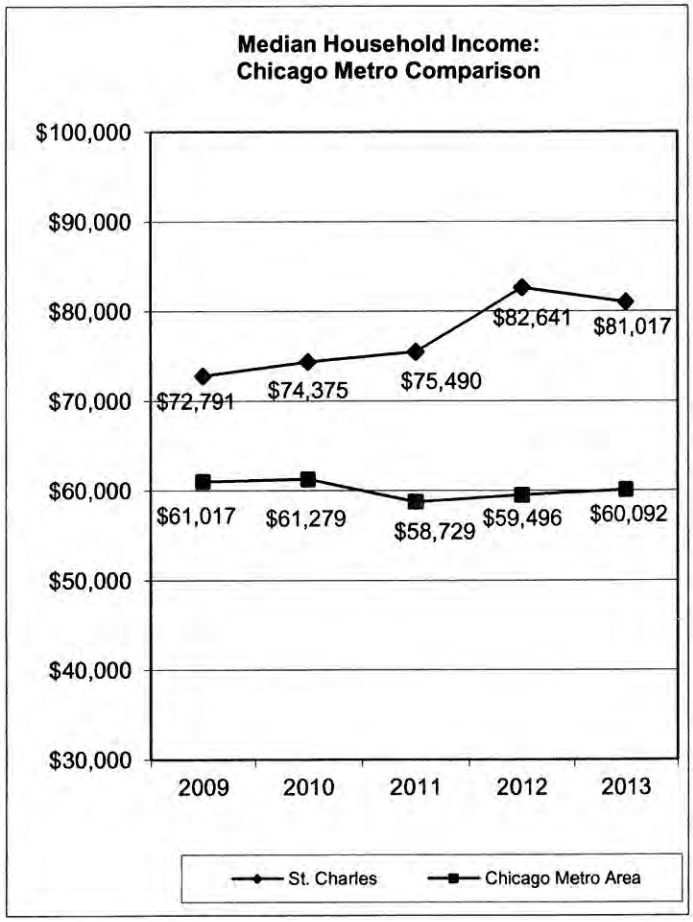
Assessed valuations for St. Charles have decreased approximately 16% for the period under review. The City has been able to maintain an appropriate balance between development types. Since 2007/2008, the City has witnessed varying changes in assessed property values in each area; residential values have decreased 19% as a result of the housing crisis that began in 2008 while commercial values and industrial values have each declined approximatley 8% over that same period. For the 2014 levy, we anticipate a decline in property values of approximately 3.0% due to generally prevailing economic conditions.

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

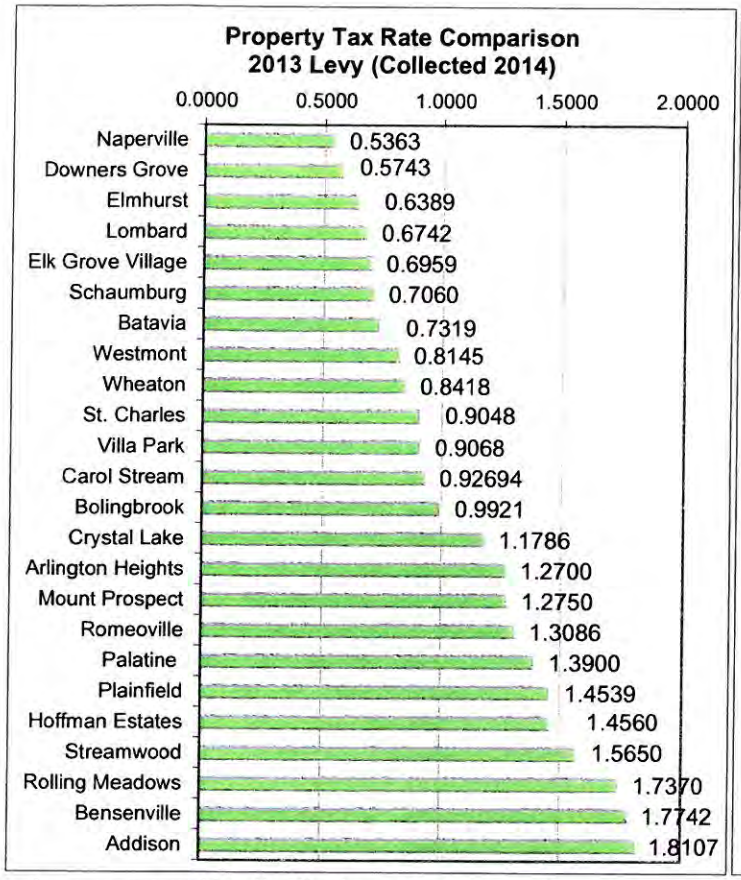
Median household income is one measure of a community's ability to pay taxes: in theory, the higher the household income, the greater the ability to pay taxes. Credit rating agencies use this indicator as one measure of a local government's ability to repay debt. These agencies compare income with per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

Trend Analysis

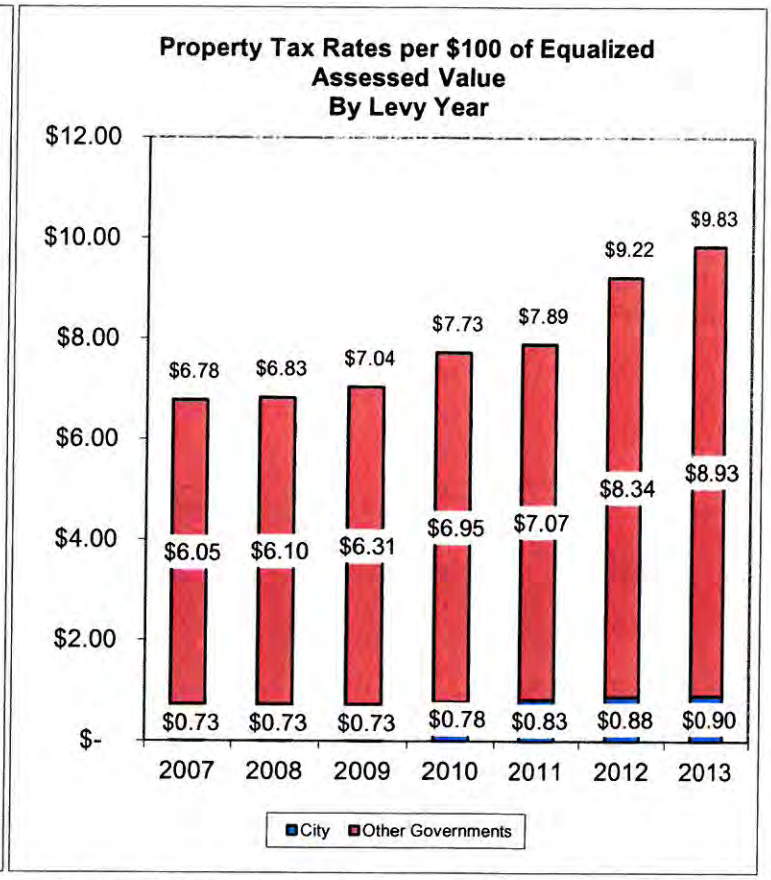
At approximately $81,000, median household income for the City of St. Charles is considerably higher than the national average of $53,046 (2013) and the Chicago Metro average of $60,092, which provides for a stable tax base. St. Charles, nevertheless, has traditionally not relied exclusively on its residents for revenues. Sales, Hotel and Alcoholic Beverage tax revenues, which account for approximately 43% 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.



The City collects only about 9% of the total property taxes levied.

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 2015/2016, 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 increasing the tax rate to an estimated $0.9275 when factoring in the anticipated decline in the City's taxable value (EAV) for the 2014 levy.

Source: St. Charles CAFR and survey of area communities

Indicator Description

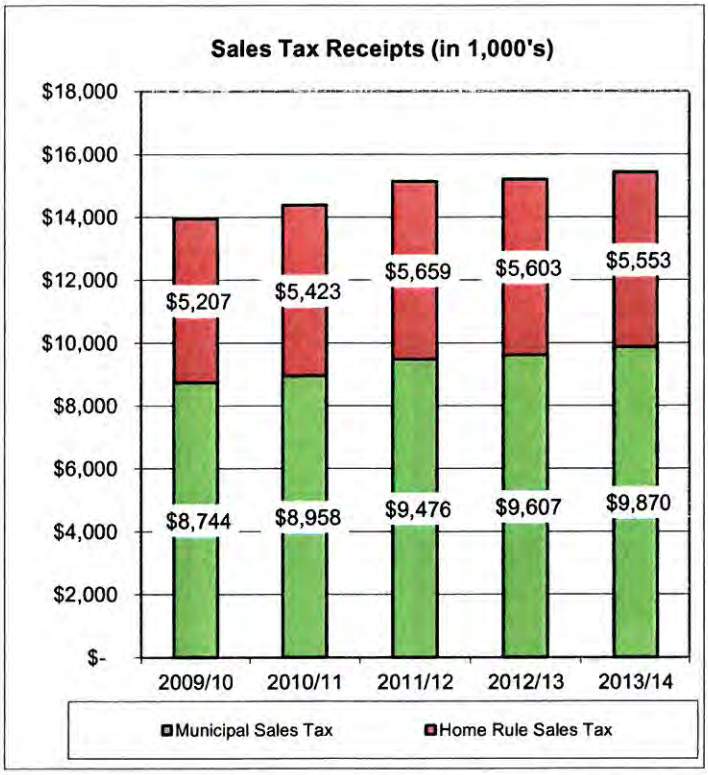
The above chart illustrates the City's portion of the property tax rate as compared to rates of overlapping governments (i.e.: County, school district, park district, library district, etc.). Decisions related to tax levies must take into consideration the total community tax rate, including all overlapping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

Trend Analysis

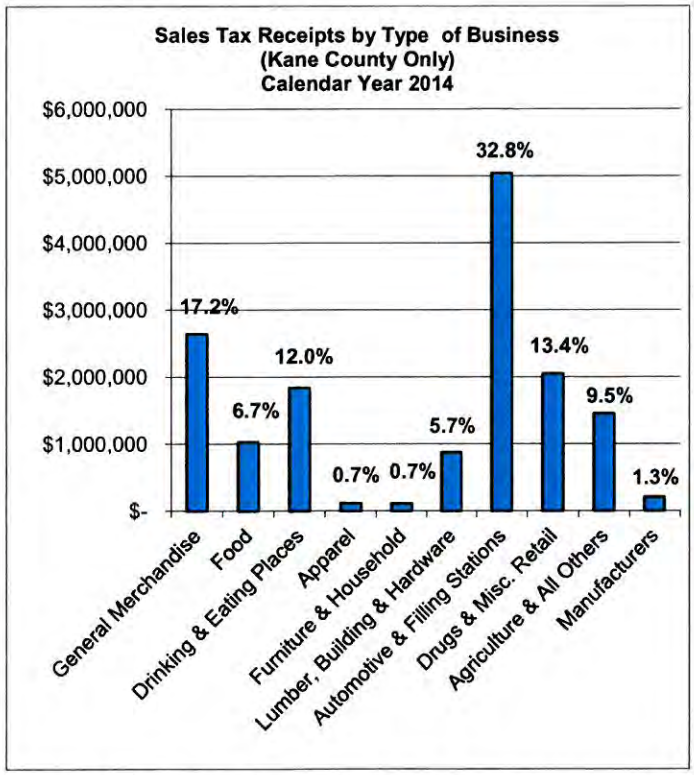
The City has been able to keep its rate relatively low during the period under consideration. Starting with the 2010 levy, the rates increased due to the declining EAV of the City. The City receives approximately 9% of a property's total tax bill.

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 modest increases over the last three years in comparison to the three proceeding fiscal years.

Indicator Description

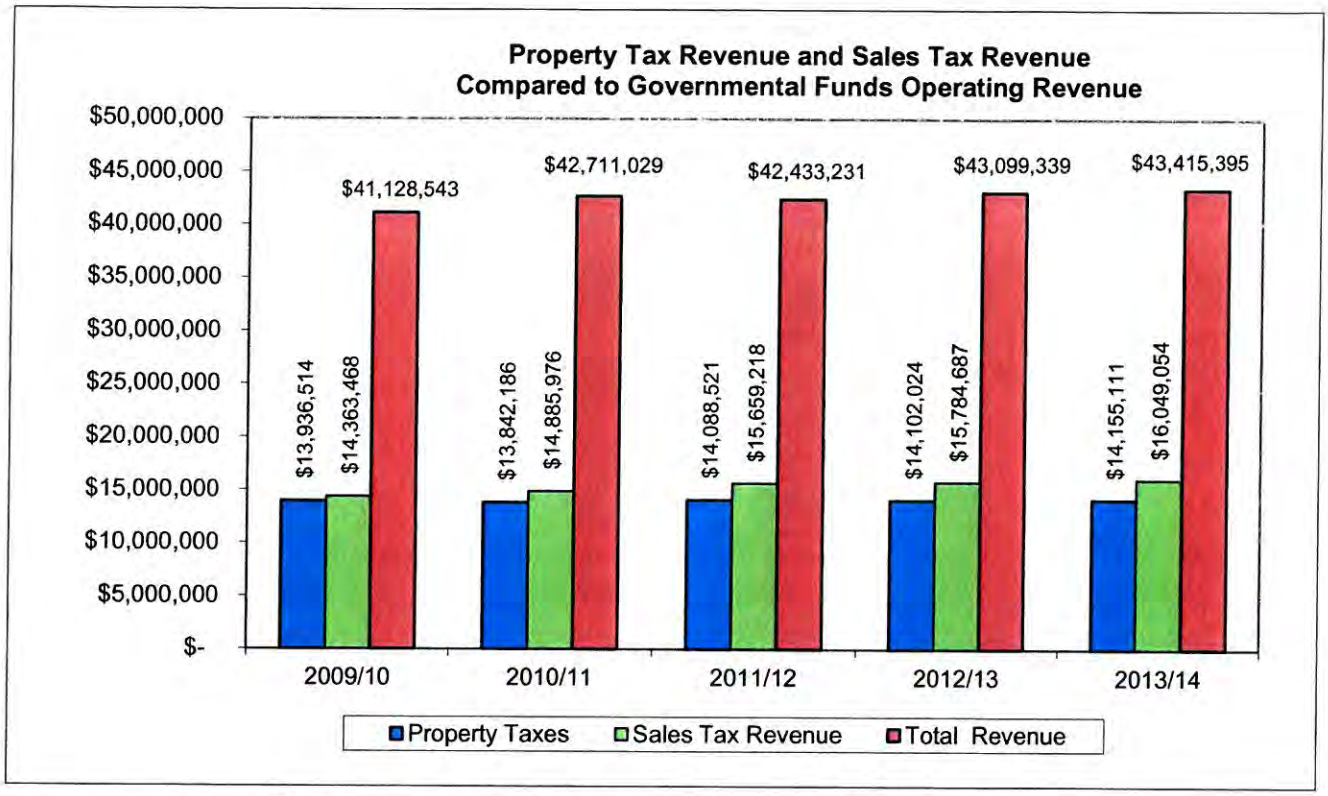
This table is presented to distinguish the sources of sales tax revenue received by the City (not including DuPage County). The information is given by calendar year, rather than fiscal year. Being aware of what percentage certain retail goods constitute of the whole can provide City officials with some 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 drugs and miscellaneous retail. The City also receives signficant sales tax revenues from drinking and eating places which demonstrates its 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.

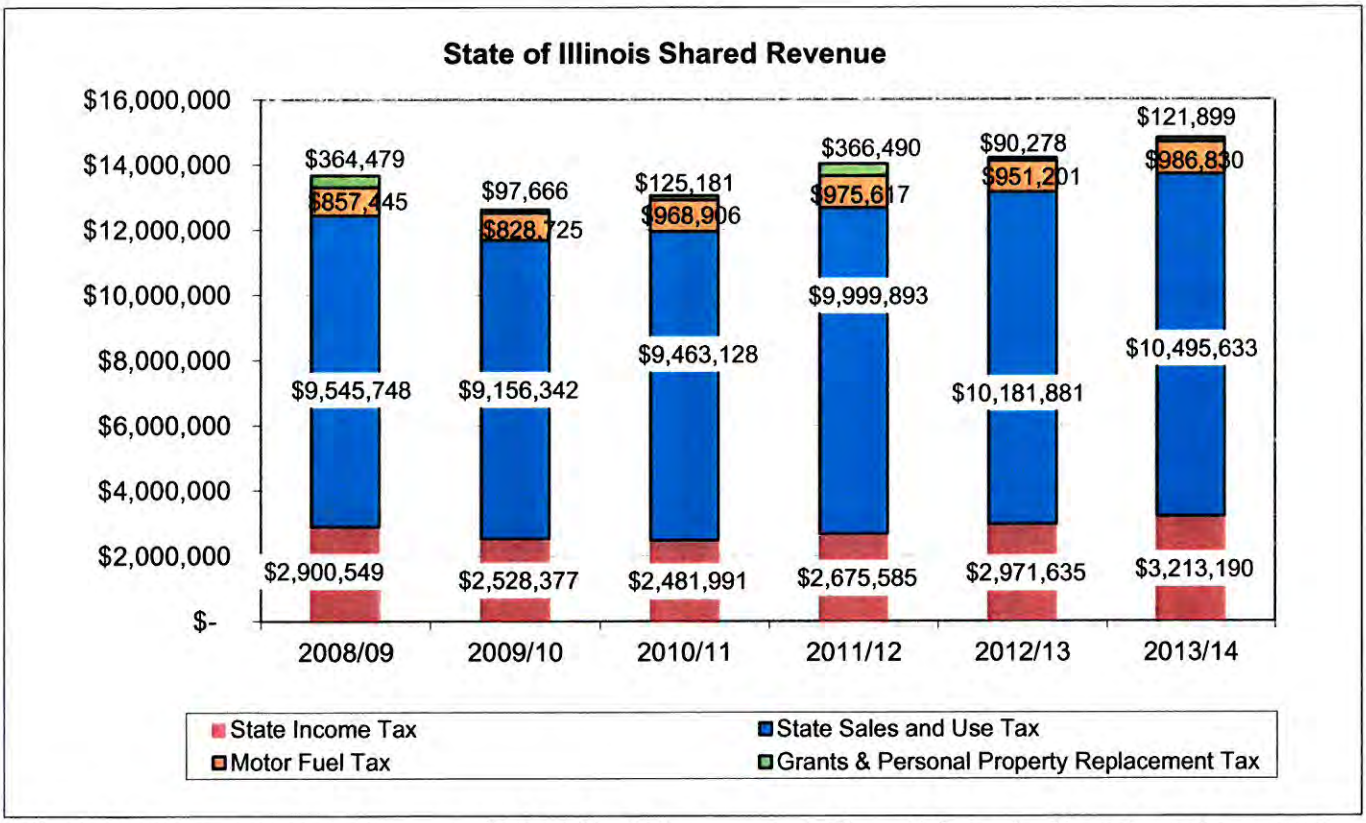
Trend Analysis

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 32.6% in 2013/2014. 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 2013/2014, the percentage stands at 37.0%. 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.

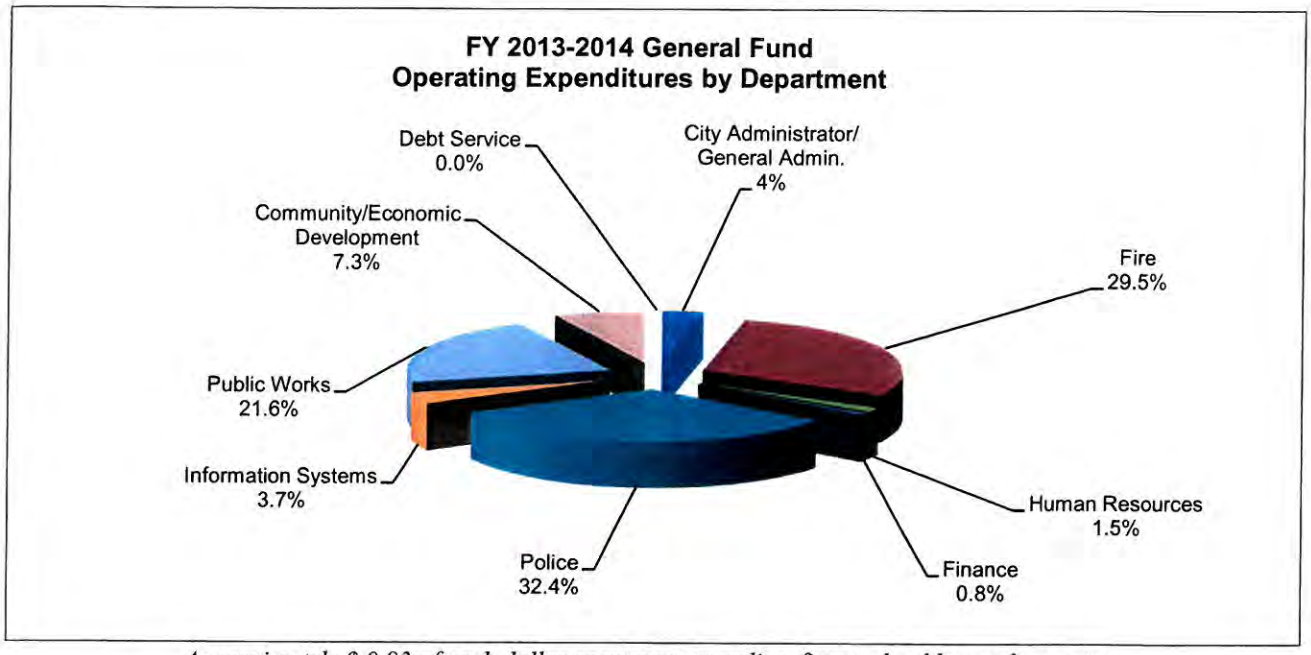
Motor Fuel Tax receipts are based on a per capita formula by the state. Revenue from this tax is used to fund maintenance and construction of City streets and rights-of-way.

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.

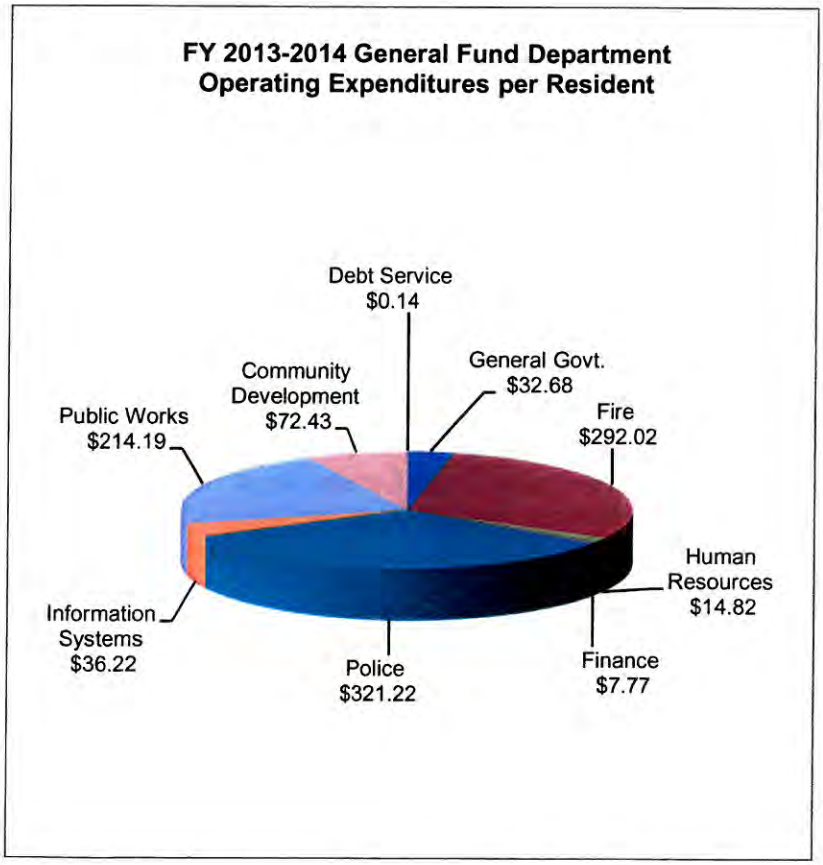
Over the last several years, various initiatives have surfaced in the legislature to limit or reduce the amount of revenue distributed to municipalities. Any reduction in these revenues would have an impact on the City's ability to provide a consistent level of services to its residents. Most recently, a reduction in Income Tax distrbibutions of 50% was proposed by the Governor. If enacted during FY 13/14, the resulting reduction in revenue would have totaled $1.6 million for that year.

Source: St. Charles CAFR

Expenditure Trends: Operating Expenditures



Approximately $ 0.83 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

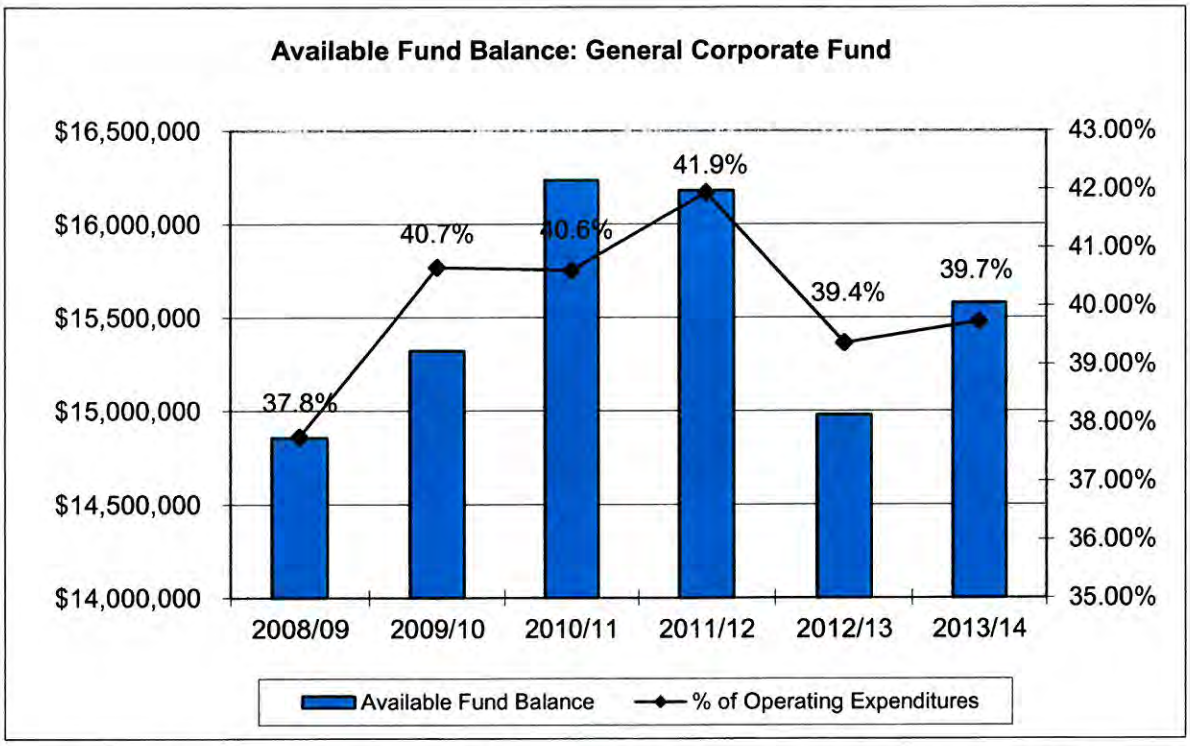
The first pie chart represents operating expenditures by each City department for the General Fund. Additionally, the second chart displays operating expenditures per resident by City department.

Trend Analysis

In fiscal year 2013/14, approximately $986 was spent per resident in the provision of all City services. This reflects a 0.92% decrease from the 2012/2013 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

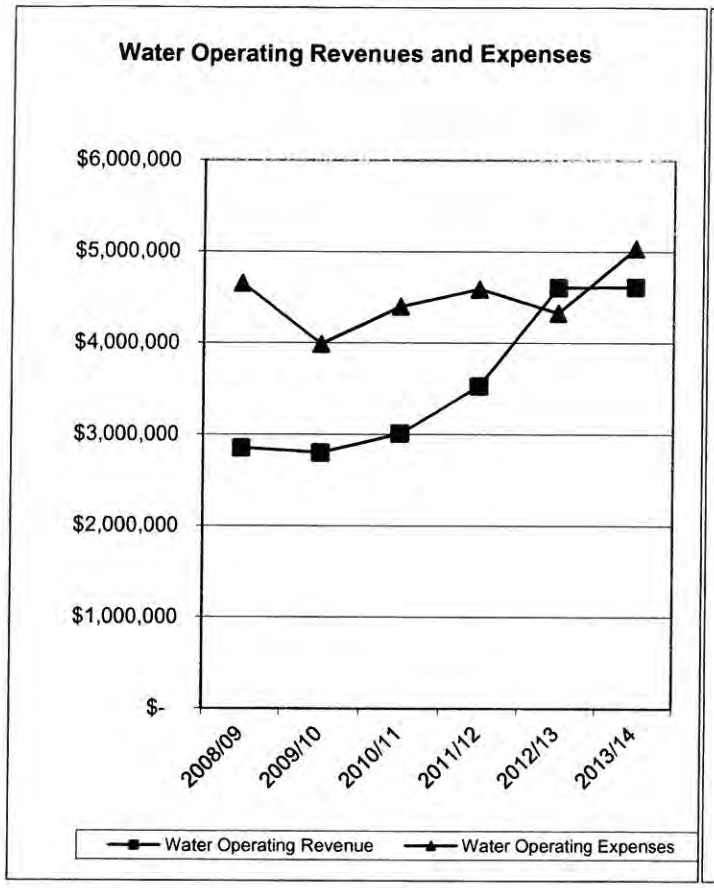
The City has consistently maintained well above the required 25% available General Fund balance of operating expenditures since the minimum increased in 2004. The available fund balance has continued to grow over the years, with the exception of 2012/2013, due to the City's General Fund loaning the Utility 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.

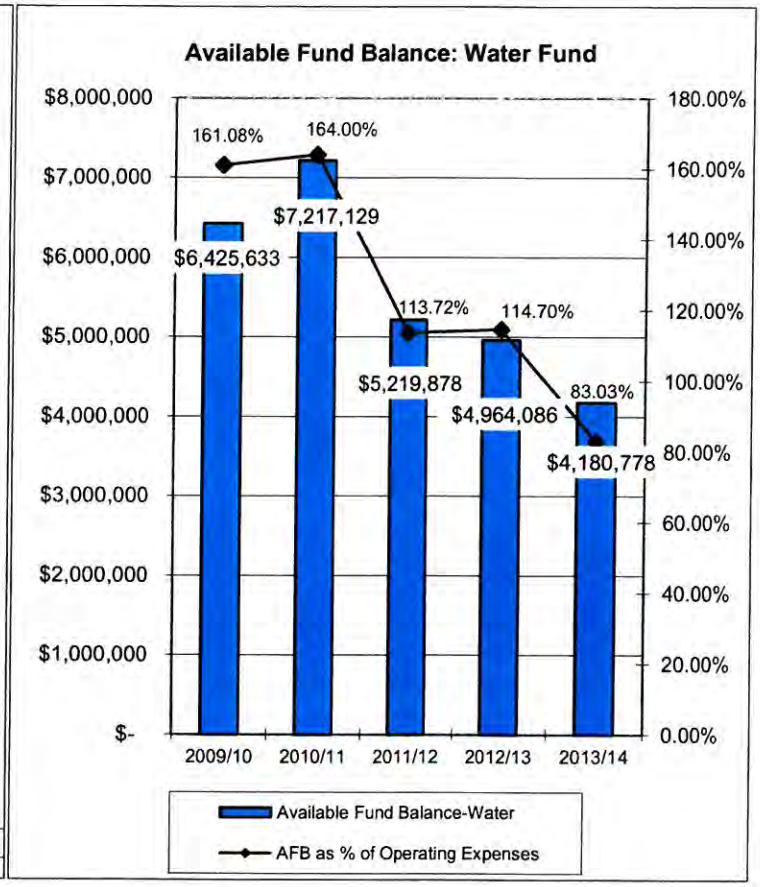
The table reflects the City's policy of living within its means by matching expenditure levels to revenue streams. The City has a history of enacting balanced budgets. This strong financial performance and policy has meant that the City has not had to finance operations from its reserves over the last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

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.

Source: St. Charles CAFR

Indicator Description

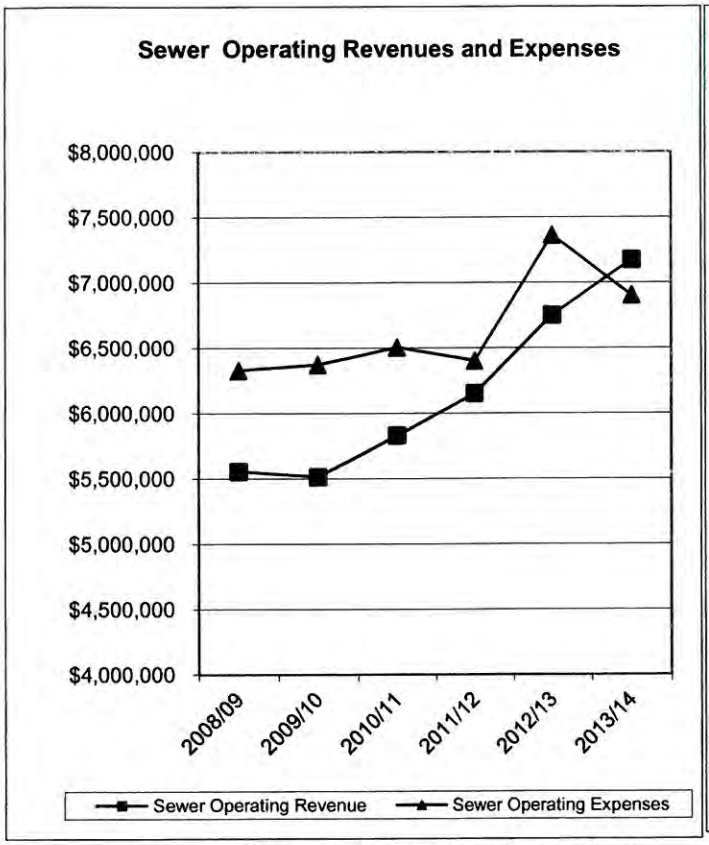
Since the water utility is a business-type activity of the City, the intent is to recover the cost of providing these services to the users of the system. In contrast to general governmental funds, enterprise funds such as the water fund are financed primarily through user-charges. The policy goal is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

Trend Analysis

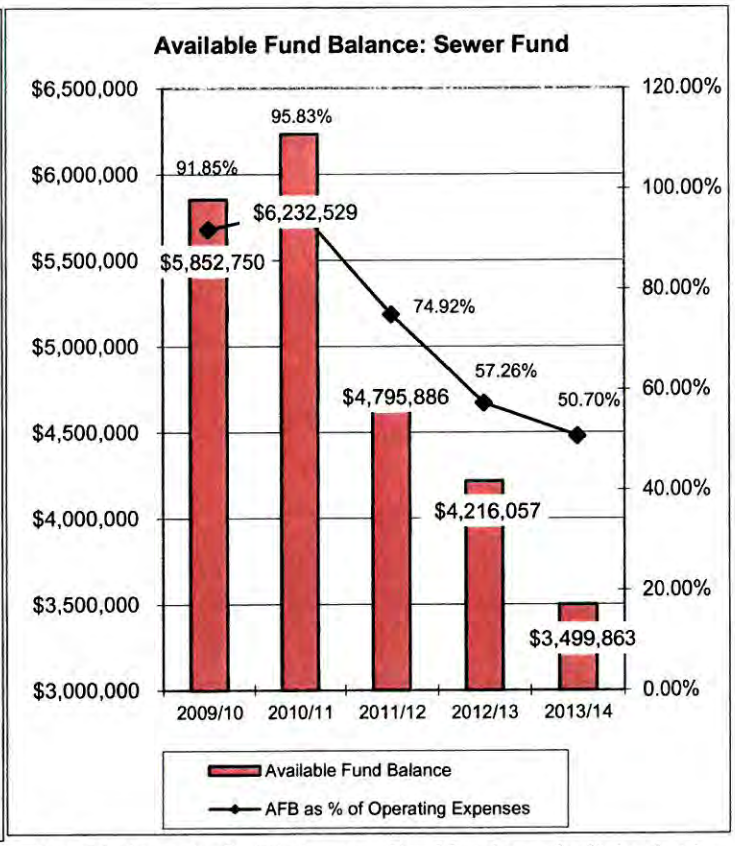
It is important that the City has been able to maintain a current ratio of available current assets well above the suggested policy level when compared to current liabilities. Such a practice allows the City to cope with mandates from the federal and state governments. The maintenance of the water infrastructure 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

Enterprise Fund Trends: Sewer



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



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

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

Indicator Description

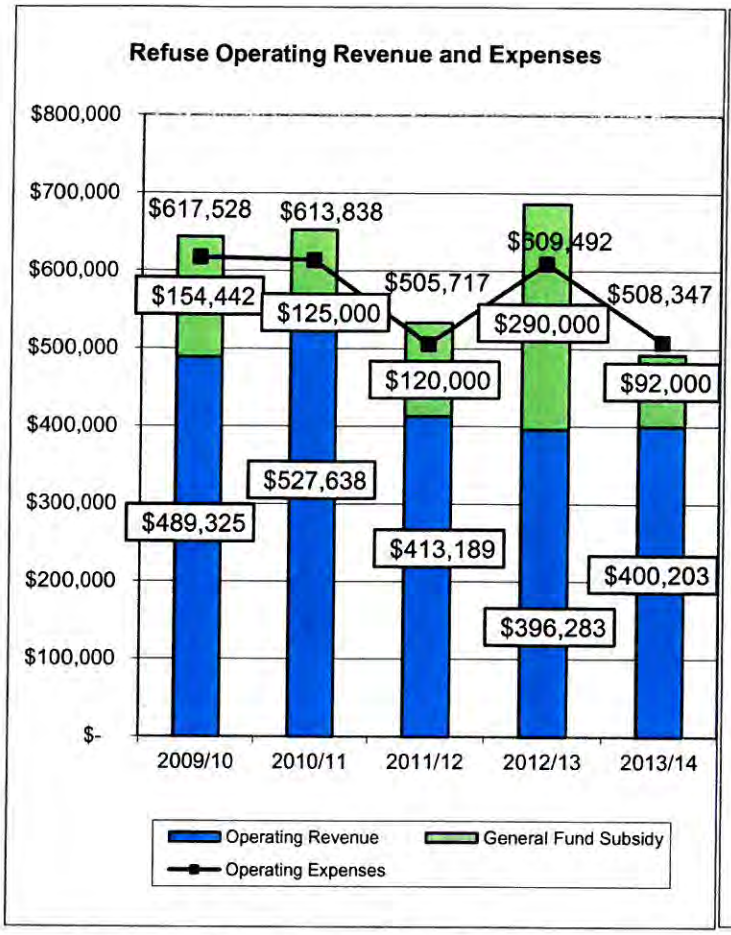
Since the sewer utility is a business-type activity of the City, the intent is to recover the cost of providing these services to the users of the system. In contrast to general governmental funds, enterprise funds, such as the sewer fund, are financed primarily through user-charges. The policy goal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

Trend Analysis

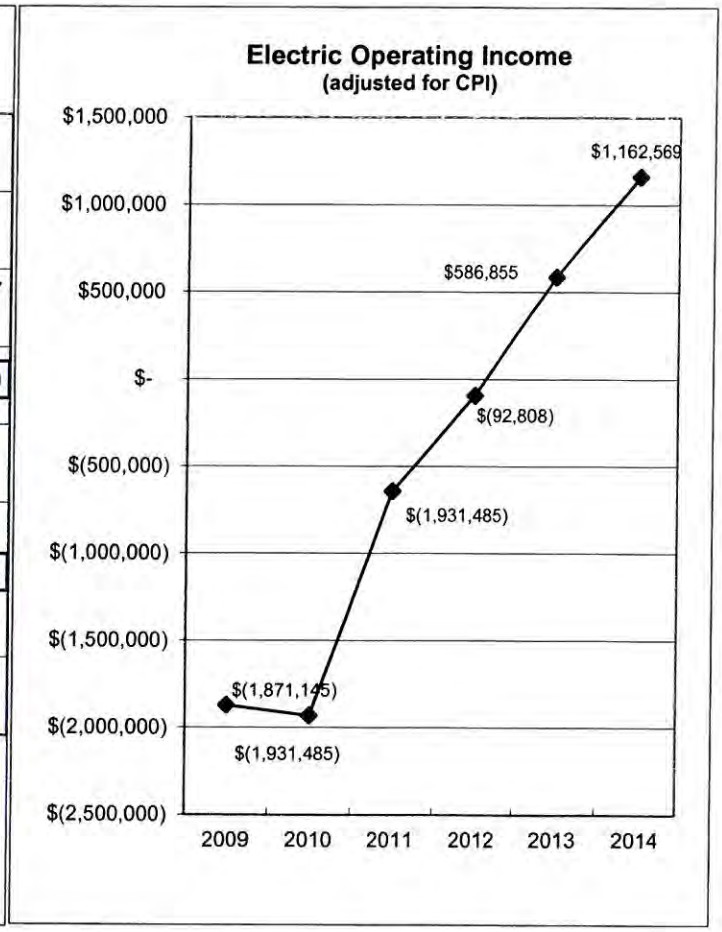
It is important that the City has been able to maintain a current ratio of available current assets well above the suggested policy level when compared to current liabilities. Such a practice allows the City to cope with mandates from the federal and state governments. The maintenance of the sewer infrastructure 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.



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

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 $4.05 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, therefore the increase in the General Fund subsidy. The FY 2015-2016 budgeted General Fund transfer is $79,816.

Source: St. Charles CAFR

Indicator Description

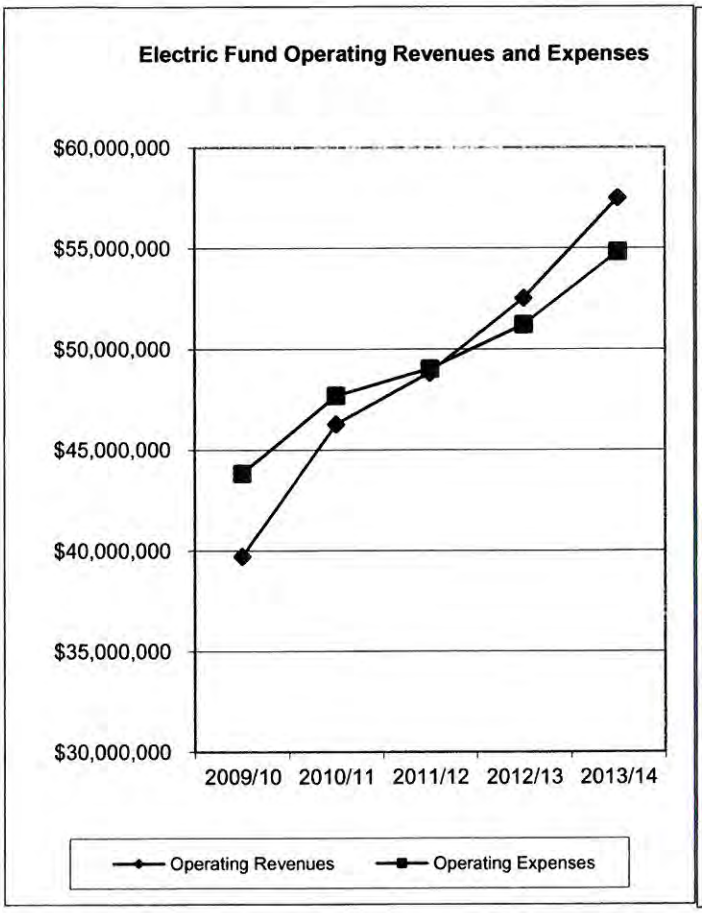
Since enterprise activities like electric are businesses run by government, they are unique. The typical business "bottom line" of profit or loss may not portray the most accurate picture of such a fund's long-run financial condition. This indicator looks at the total cost of providing the service (operating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

Trend Analysis

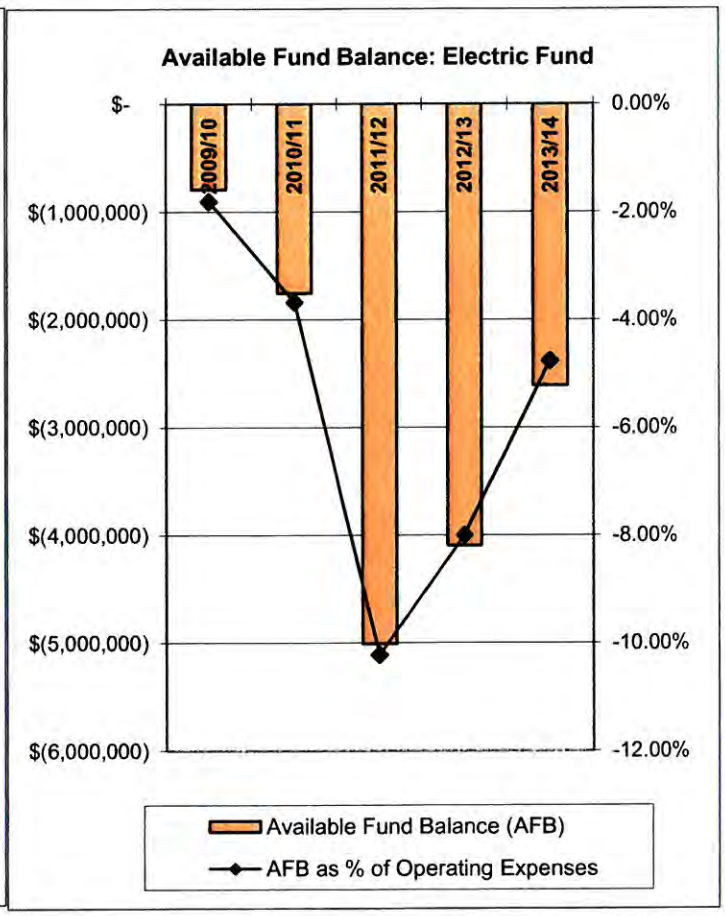
The Electric Fund's operating income was on a downward trend beginning in 2007. This trend can be attributed to higher wholesale power costs due to the City's change in electric supplier from ComEd to IMEA. The City completed a utility rate study during FY 11/12 to assure the financial viability of the 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.



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

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. Unlike the Refuse Fund, 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

Indicator Description

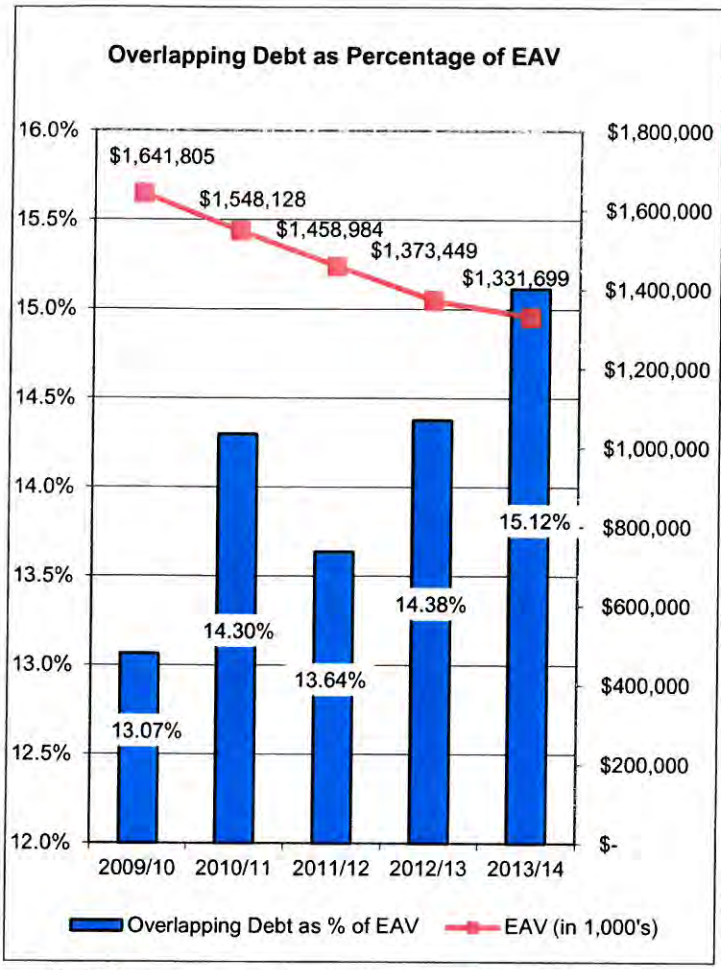
Cities often engage in business-type activities, where the intent is to recover the cost of providing goods or services to customers. The policy goal is to maintain an available fund balance of at least 25% of operating expenses. The City's five year trend projections reflect a plan to bring these reserve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

Trend Analysis

Two graphs in one are presented above (available fund balance and operating expenses as a percentage of available fund balance). Decreases in consumption levels and an outdated rate structure have 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 2013/2014.

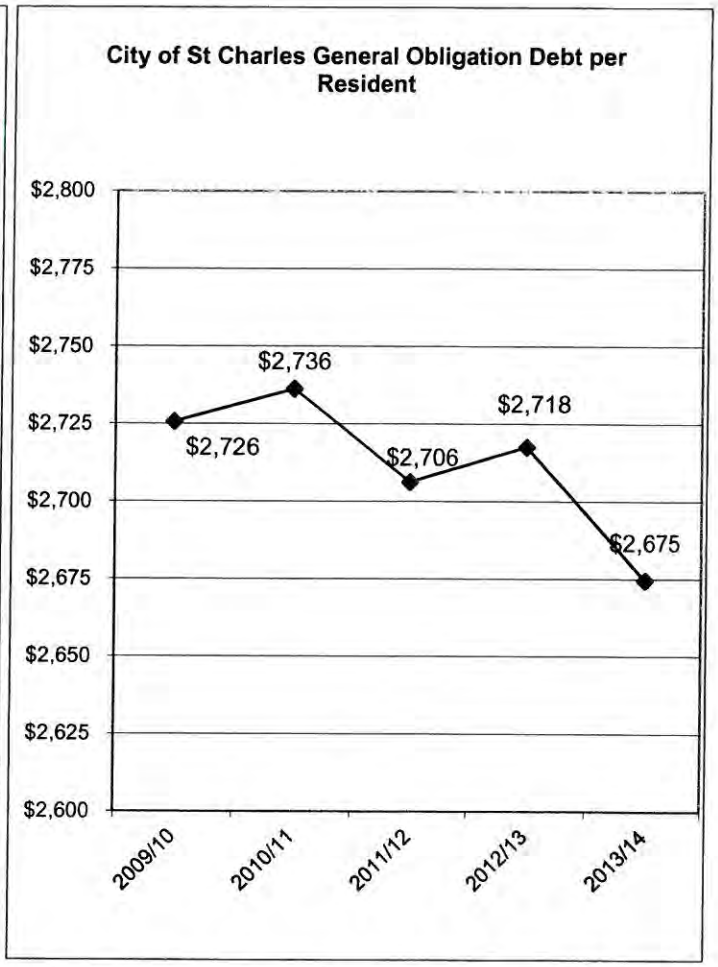
Indicator Description

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

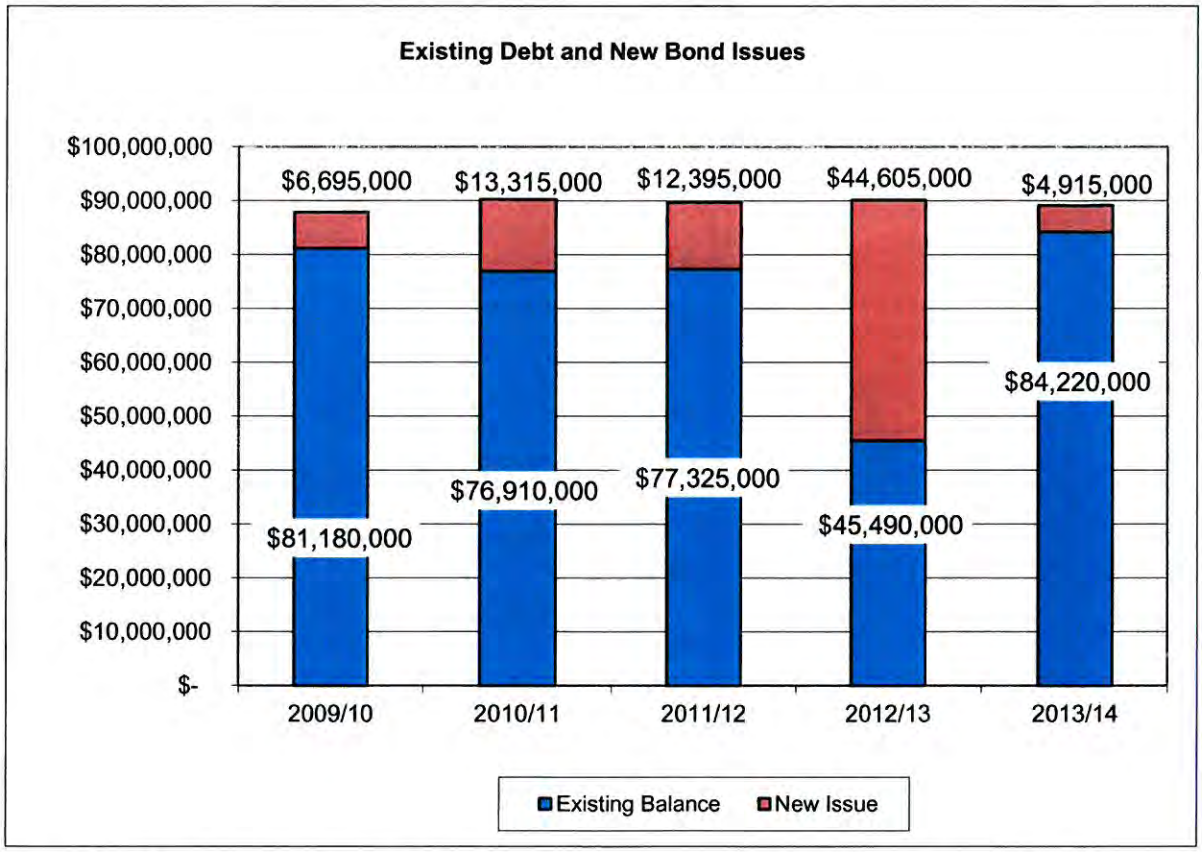
This illustration of long-term debt does not include the aforementioned overlapping jurisdictions.

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 resutling 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. Howver, 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:

- 2009/10: IL 64 Water & Wastewater Improvements, Electric Projects Refunding Bond Issue
- 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

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.

Source: St. Charles CAFR

Community Profile

History	IV - 3
Demographics	IV - 3
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Public Works	IV - 8
Water & Wastewater Utilities	IV - 9
Education	IV - 10
Transportation	IV - 11
Property Construction and Sales	IV - 11
Property Taxes	IV - 12

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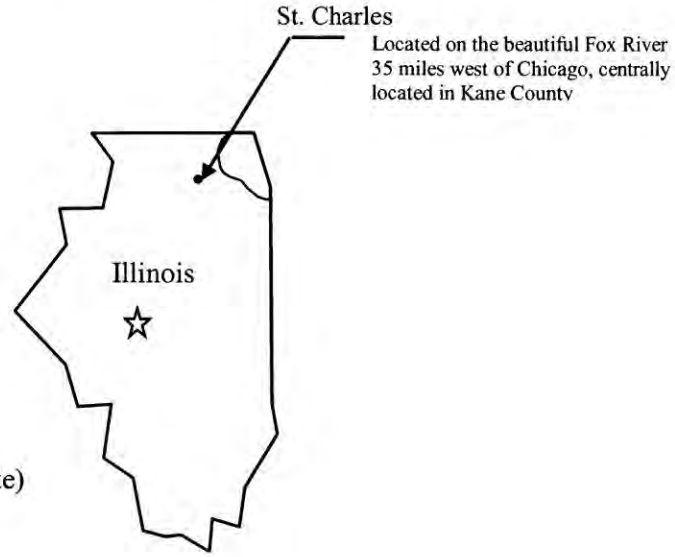
COMMUNITY PROFILE

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:	12,880,580 (2014 Estimate)
Rank:	5th
Date of Statehood:	12/3/1818
Sequence:	21st



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 33,264. The City's population is projected to be 34,694 in the year 2017. The following is a history of population counts, actual and estimated.

	Per Census	Interim Estimate
2006/07	-	32,609
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

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		29,538
African American		831
American Indian, Eskimo, or Aleut		67
Asian or Pacific Islander		1,098
Other Race Alone (of any race)		1,730
2013 Estimate Population	Total	33,264

Unemployment Rates:

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
St. Charles	5.3%	3.8%	3.7%	4.9%	7.7%	8.7%	9.0%	7.1%	7.7%	5.7%
Illinois	5.2%	5.2%	5.3%	7.2%	11.3%	9.3%	10.0%	8.7%	9.6%	6.2%
United States	4.8%	5.0%	4.9%	8.1%	10.4%	9.6%	8.3%	7.8%	7.4%	6.3%

Data Source: *www.bls.gov/*

Top Employers in St. Charles

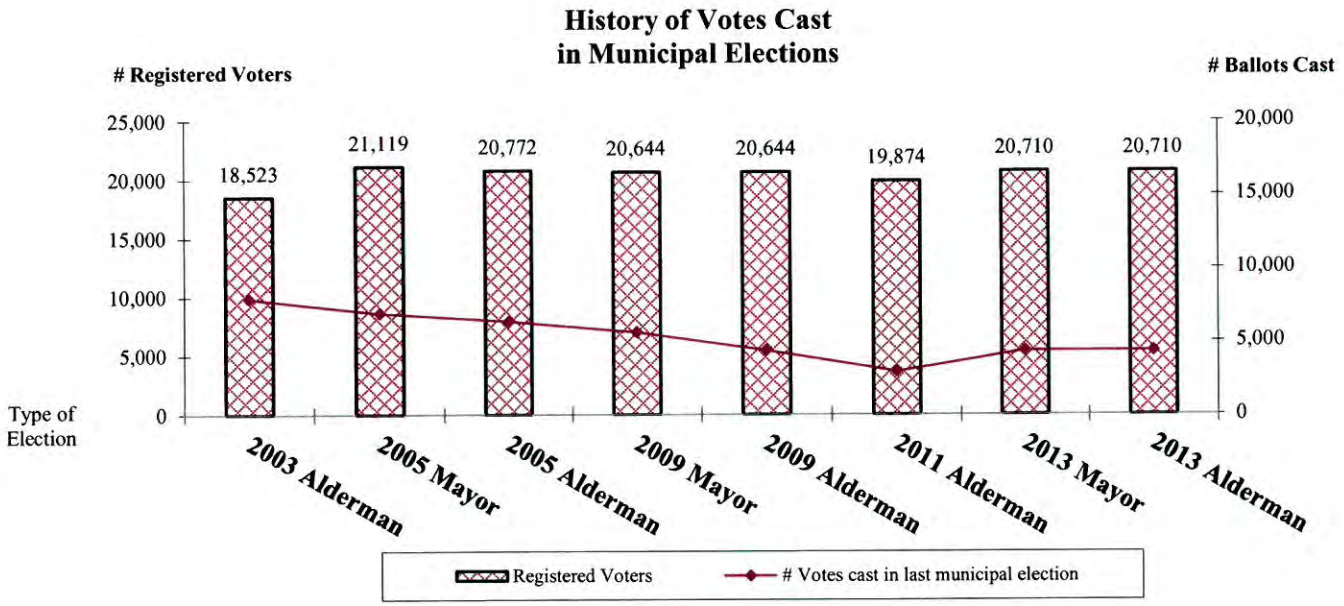
No. of Employees	Employer	Product or Service
1,426	St. Charles School District 303	Education K-12
750	Omron Electronics	Automotive relays and controls
620	R. R. Donnelly & Sons Co	Business Form Printing
475	System Sensor	Mfg. Commercial Detectors & fire Equipment
350	Armour – Eckrich Meats LLC	Sausage & Salami Processing
300	Pheasant Run Resort	Hotel and Conference center (golf course)
270	Jewel-Osco Stores	Grocery Store
250	Coca-Cola Bottling Co.,	Soft Drink Bottling & Distribution
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

Occupational Category	City of St. Charles	Kane County	DuPage County	State of Illinois
Managerial professional & related occupations	46.1%	33.9%	43.6%	36.2%
Service occupations	14.1	15.5	12.9	17.2
Sales and office occupations	28.5	26.9	27.5	25.4
Construction, extraction, and maintenance	2.9	7.6	5.9	7.6
Production, transportation and material moving	8.4	16.1	10.1	13.6
TOTALS	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Elections

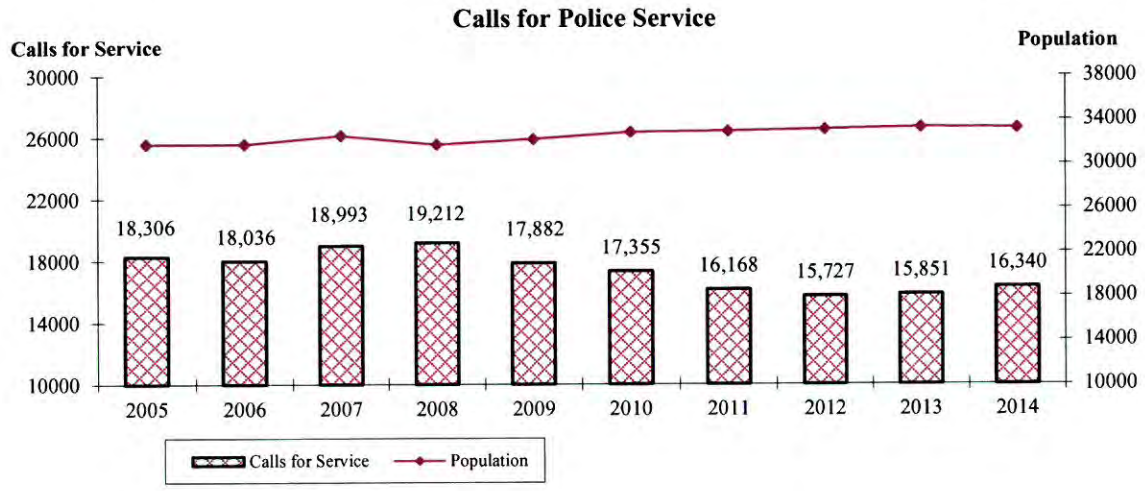


Data Source: *Kane County Clerk.*

Public Health & Safety

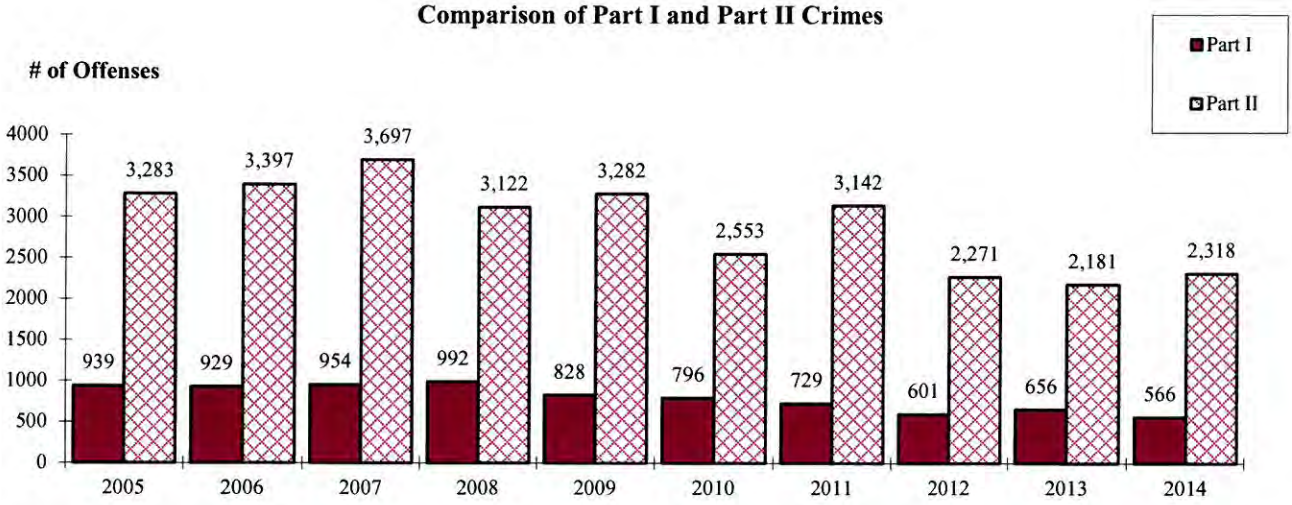
Police Protection:

Number of sworn officers -	Chief	1
	Deputy Chiefs	2
	Section Commanders	2
	Sergeants	6
	Detectives	6
	Patrol Officers	33
	K-9	1
		51



The City has experienced a steady decrease in calls for police service over the last several years.

Comparison of Part I and Part II Crimes



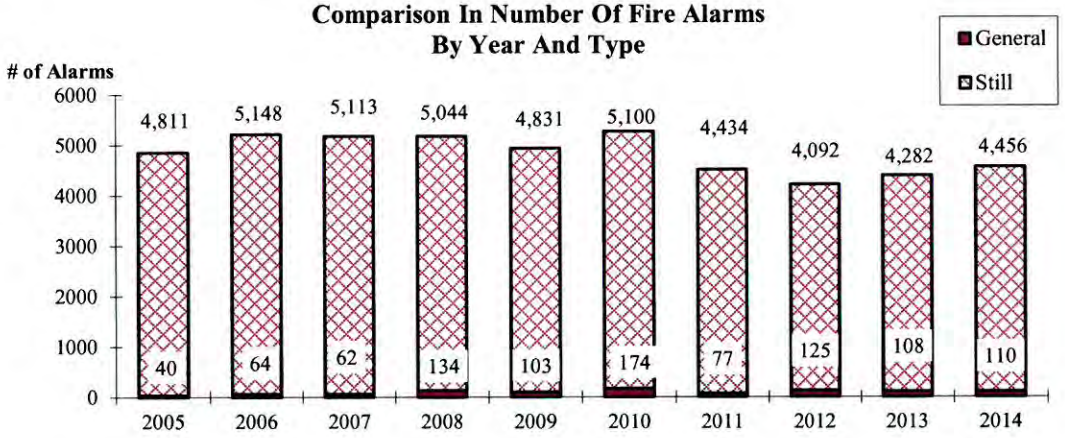
Part I and Part II crime categories are a national standard used to identify types of crime. Part I are generally more serious crimes involving a weapon such as armed robbery, whereas Part II crimes would be theft or battery committed with one's body. The FBI originally set these standards. The relationship 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	2
	Lieutenants	10
	Firefighters	27
		45
# of EMA Personnel		20

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		18.2
	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	
Average Daily Pumpage	4,153,000
Gallon Capacity per day	
Outer-pressure	9,390,000
Inner pressure	3,600,000
# of Wells	7
Maximum Day Consumption	5,853,000
Wastewater (East and West Plants)	
Gallons of wastewater – daily flow	4,827,771

Water Pumped vs. Billed
FY 13/14
In Thousands of Gallons

	Gallons Pumped	Gallons Billed	Difference	% of Difference
May	132,350	117,256	15,094	11.40%
June	133,694	119,602	14,092	10.54%
July	153,637	136,134	17,503	11.39%
August	163,576	140,478	23,098	14.12%
September	139,848	124,587	15,261	10.91%
October	124,716	106,949	17,767	14.25%
November	105,356	91,764	13,592	12.90%
December	110,797	95,229	15,568	14.05%
January	117,317	96,406	20,911	17.82%
February	109,182	87,460	21,722	19.90%
March	115,015	97,085	17,930	15.59%
April	110,208	95,749	14,459	13.12%
Total	**1,515,696**	**1,308,699**	**206,997**	**13.66%**

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.

Data Source: *Public Works-Fact Sheet*

Electric Utilities

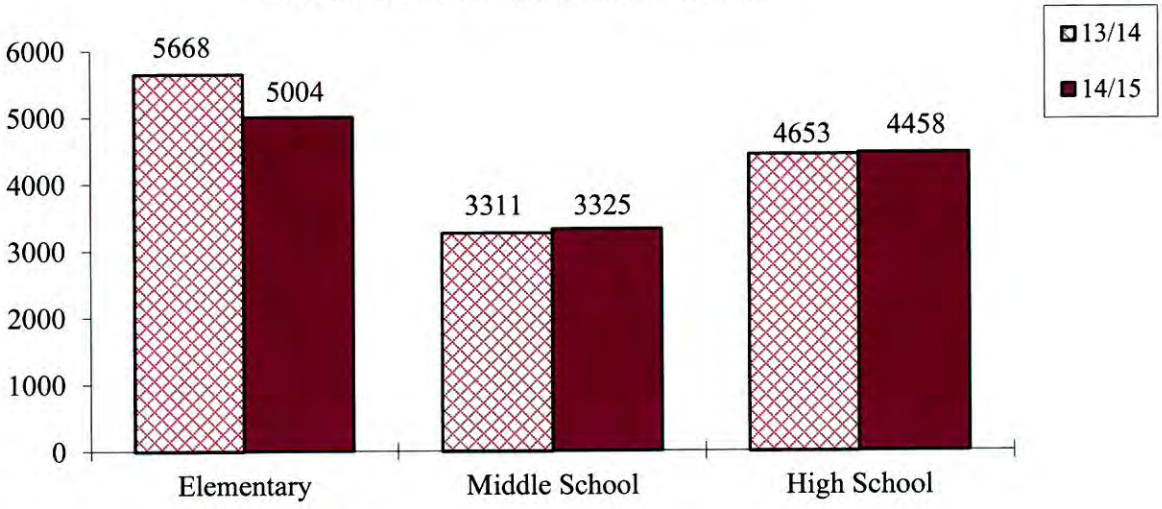
Number of Substations	8
Number of Customers	13,242
Average monthly kWh billed	44,557,070
Total KWh billed 2013/2014	534,684,840

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	62
Park acreage	1,600
Recreation centers	2
Park District pools	2
Public Golf Courses	3
Miniature Golf Courses	1
Annual Park District Programs	1,700
Cultural Arts Center	1
Financial Institutions	18

Libraries	1
Books owned	296,500
Registered patrons	28,323
Churches	12
Community Centers	3
Restaurants	117
Banquet Facilities	6
Hotel/Motel Rooms	2,402
Conference Center	2

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:

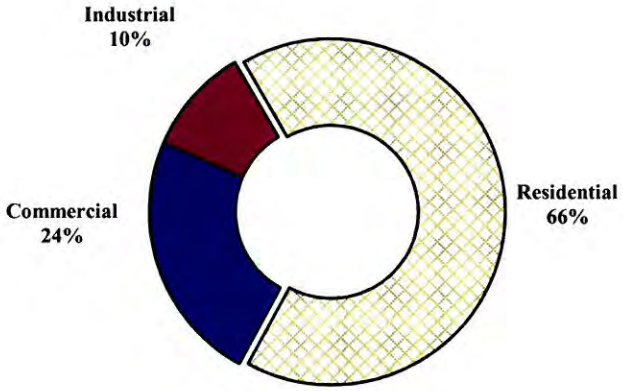
Fiscal Year	New Commercial Construction # of Permits	New Commercial Construction Value	New Business Construction # of Permits	New Business Construction Value	New Residential Construction # of Permits*	New Residential Construction Value	Total Building Permits** #of Permits	Total Building Permits** Value
2002/2003	7	5,534,505	15	19,268,000	533	68,639,874	1,375	21,365,771
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

* 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*

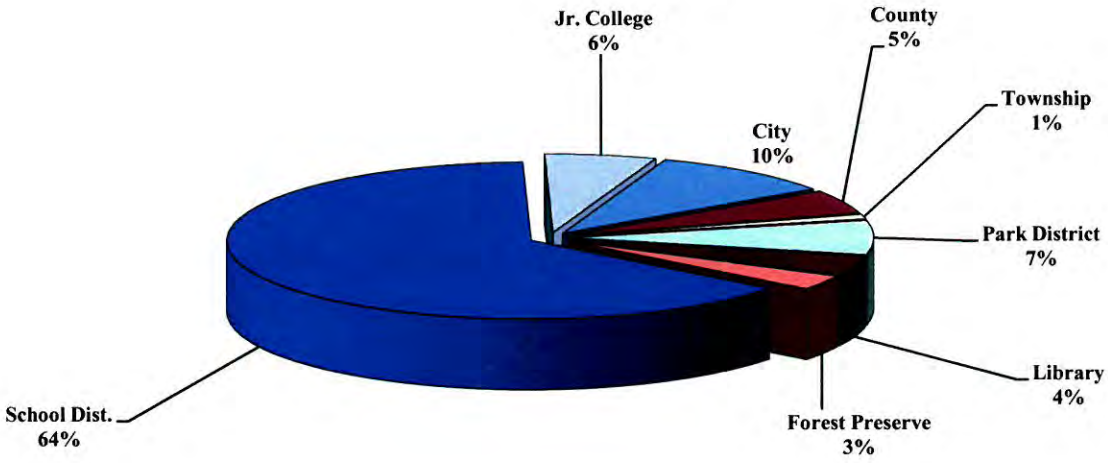
Property Taxes

Land Use
Based on 2013 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
2013 Collected in 2014



2013 (Levy Year)
Typical Total Tax Rate

City	$0.9048
County	.4623
Forest Preserve	.3038
Township	.1350
Cemetery	.0160
Park District	.6407
Library	.3354
School District # 303	5.8846
Junior College # 509	.5707
	$9.2533

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.

2013 Municipal Property Tax Rate Comparison
In Same Local Area

	Municipal Tax Rate	Estimate City * Property Tax
St. Charles	**0.9048**	**$ 873**
Aurora	2.1406	2,066
Batavia	0.7319	706
Elgin	2.1670	2,091
Geneva	0.7262	701

* Based on $300,000 property value.

2013 Top 10 Property Tax Payers

Taxpayer	2013 Assessed Valuation
Q Center LLC.	$15,624,821
AMLI at St. Charles	12,198,780
St Charles Country Club	5,571,622
Meijer Stores Limited Partnership	5,284,067
Delnor Community Residential Living	5,211,596
R R Donnelly & Sons Co.,	5,025,677
Costco Wholesale Corp	5,022,203
East Main Street Holding	4,999,498
American Small Business LLC	4,985,154
Ashford St Charles LLC	4,408,765

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

Projected Available Fund Balance	V – 2
Revenues and Expenditures by Fund Type	V – 8
Description of Funds	V – 9
Revenues and Expenditures All Funds	V - 12

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

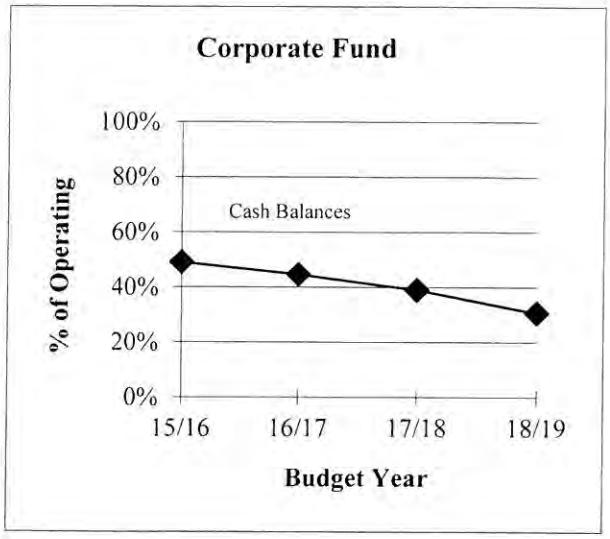
Projected Available

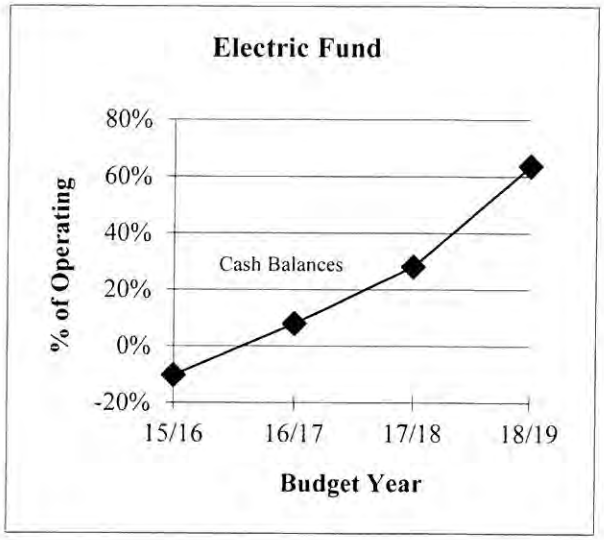
Fund Balance

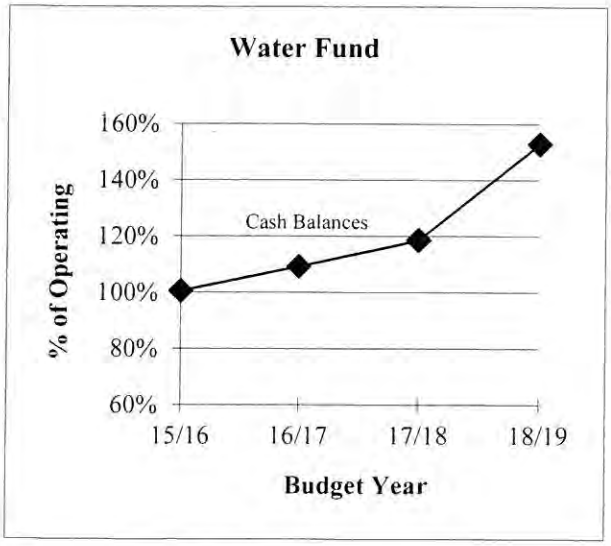
This report is a broad summary of each fund. Since the City must maintain the integrity of its various funds, this report provides the reader with a perspective of each fund's financial position at the beginning of the fiscal year, the level of activity during the period, and what resources will be available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

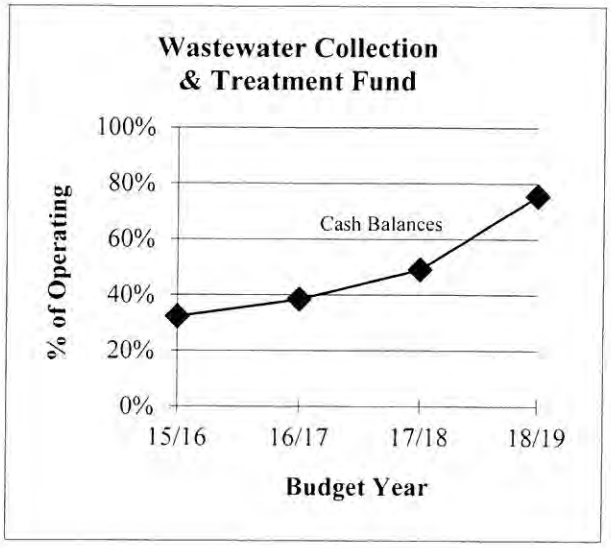
Available Cash Balances
As a % of Operating Expenditures/Expenses
15/16 - 18/19

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 2015/2016
Projected Available Fund Balance

Fund	Projected Available Fund Balance 5/1/15	Estimated Revenue	Proposed Expenditure	Transfers In	Transfers Out	Projected Available Fund Balance 4/30/16
Corporate	$18,189,485	$41,582,084	$36,239,593	$185,000	$6,011,827	$17,705,149
Electric	(3,051,138)	63,903,047	62,045,908	285,164	497,246	(1,406,081)
Water	3,707,508	6,648,721	6,315,428		161,619	3,879,182
Sewer	2,281,853	11,455,982	11,427,665		304,435	2,005,735
Refuse	517,743	513,719	593,535	79,816		517,743
TIF Districts	0	1,772,431	0		1,587,705	184,726
Motor Fuel Tax	1,504,401	863,000	980,000			1,387,401
Police Pension	30,051,672	3,057,408	2,400,192			30,708,888
Fire Pension	33,698,112	2,590,496	1,359,456			34,929,152
Capital Projects	3,216,215	4,012,000	7,558,450	2,279,684	843,662	1,105,787
Debt Service	2,110,708	1,035,000	8,129,674	7,158,494		2,174,528
ISF-Inventory	0	4,053,550	3,845,330			208,220
ISF-Vehicles	4,529,880	2,608,972	2,950,871			4,187,981
ISF-Health Insurance	3,012,508	4,353,200	4,763,936		320,000	2,281,772
ISF-Liability & W/C	1,956,485	1,014,800	1,047,584	120,000	320,000	1,723,701
ISF-Communications	868,236	553,934	451,818		61,664	908,688
Totals	**$102,593,668**	**$150,018,344**	**$150,109,440**	**$10,108,158**	**$10,108,158**	**$102,502,572**

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

Fund	Projected Available Fund Balance 5/1/16	Estimated Revenue	Proposed Expenditure	Transfers In	Transfers Out	Projected Available Fund Balance 4/30/17
Corporate	$17,705,149	$42,142,813	$36,941,412	$190,000	$6,676,451	$16,420,099
Electric	(1,406,081)	67,647,771	64,908,277	290,664	496,729	1,127,348
Water	3,879,182	7,290,679	6,721,765		161,116	4,286,980
Sewer	2,005,735	11,412,569	10,810,448		303,692	2,304,164
Refuse	517,743	526,431	715,553	189,122		517,743
TIF Districts	184,726	1,790,305	0		1,594,213	380,818
Motor Fuel Tax	1,387,401	863,000	980,000			1,270,401
Police Pension	30,708,888	3,180,258	2,491,764			31,397,382
Fire Pension	34,929,152	2,691,726	1,394,400			36,226,478
Capital Projects	1,105,787	12,120,161	13,882,461	2,488,200	569,663	1,262,024
Debt Service	2,174,528	1,045,000	7,519,447	6,524,542		2,224,623
ISF-Inventory	208,220	4,086,276	3,874,150			420,346
ISF-Vehicles	4,187,981	2,670,028	2,454,202			4,403,807
ISF-Health Insurance	2,281,772	4,713,115	4,943,228	60,500		2,112,159
ISF-Liability & W/C	1,723,701	1,080,388	1,073,396	120,500		1,851,193
ISF-Communications	908,688	850,741	769,907		61,664	927,858
Totals	**$102,502,572**	**$164,111,261**	**$159,480,410**	**$9,863,528**	**$9,863,528**	**$107,133,423**

Fund Summary for Fiscal Year 2017/2018
Projected Available Fund Balance

Fund	Projected Available Fund Balance 5/1/17	Estimated Revenue	Proposed Expenditure	Transfers In	Transfers Out	Projected Available Fund Balance 4/30/18
Corporate	$16,420,099	$42,741,988	$38,356,316	$195,000	$6,113,580	$14,887,191
Electric	1,127,348	71,177,772	68,055,074	296,389	498,125	4,048,310
Water	4,286,980	8,151,063	7,501,418		161,254	4,775,371
Sewer	2,304,164	11,143,322	10,111,417		304,175	3,031,894
Refuse	517,743	539,446	627,098	87,651		517,742
TIF Districts	380,818	1,835,675	0		1,371,895	844,598
Motor Fuel Tax	1,270,401	863,000	980,000			1,153,401
Police Pension	31,397,382	3,308,357	2,558,165			32,147,574
Fire Pension	36,226,478	2,797,142	1,430,333			37,593,287
Capital Projects	1,262,024	6,498,787	7,167,487	1,393,000	571,035	1,415,289
Debt Service	2,224,623	1,055,000	8,000,599	6,985,688		2,264,712
ISF-Inventory	420,346	4,117,292	3,961,174			576,464
ISF-Vehicles	4,403,807	2,747,648	2,028,719			5,122,736
ISF-Health Insurance	2,112,159	5,169,709	5,133,215	62,000		2,210,653
ISF-Liability & W/C	1,851,193	1,141,484	1,101,681	62,000		1,952,996
ISF-Communications	927,858	496,847	394,483		61,664	968,558
Totals	**$107,133,423**	**$163,784,532**	**$157,407,179**	**$9,081,728**	**$9,081,728**	**$113,510,776**

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

Fund	Projected Available Fund Balance 5/1/18	Estimated Revenue	Proposed Expenditure	Transfers In	Transfers Out	Projected Available Fund Balance 4/30/19
Corporate	$14,887,191	$43,361,101	$39,418,298	$200,000	$6,994,027	$12,035,967
Electric	4,048,310	77,067,201	71,515,843	301,088	415,289	9,485,467
Water	4,775,371	8,311,113	6,578,662		132,966	6,374,856
Sewer	3,031,894	11,352,976	9,328,204		250,585	4,806,081
Refuse	517,742	550,257	749,636	89,400		407,763
TIF Districts	844,598	1,889,540	0		1,069,253	1,664,885
Motor Fuel Tax	1,153,401	863,060	980,000			1,036,461
Police Pension	32,147,574	3,441,934	2,626,588			32,962,920
Fire Pension	37,593,287	2,906,962	1,467,376			39,032,873
Capital Projects	1,415,289	624,492	1,560,152	1,673,752	569,417	1,583,964
Debt Service	2,264,712	1,076,100	8,137,036	7,100,961		2,304,737
ISF-Inventory	576,464	4,204,368	3,927,892			852,940
ISF-Vehicles	5,122,736	2,820,710	3,608,879			4,334,567
ISF-Health Insurance	2,210,653	5,404,450	5,319,711	64,000		2,359,392
ISF-Liability & W/C	1,952,996	1,170,426	1,114,692	64,000		2,072,730
ISF-Communications	968,558	566,915	501,776		61,664	972,033
Totals	**$113,510,776**	**$165,611,605**	**$156,834,745**	**$9,493,201**	**$9,493,201**	**$122,287,636**

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 and other users for 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 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
14,184,390	14,275,117	Property Taxes	14,244,500	14,256,846	14,303,095	14,362,938
16,049,054	16,951,568	Sales & Use Taxes	17,125,622	17,434,237	17,746,586	18,074,003
995,618	1,061,768	Liquor Tax	1,055,312	1,076,418	1,097,947	1,119,906
3,400,525	3,496,656	Franchise Fees	3,819,235	3,952,239	4,091,048	4,240,090
1,685,830	1,825,443	Hotel Occupation Tax	1,787,859	1,823,014	1,858,866	1,895,736
71,712	73,041	Admission Tax	79,500	79,500	79,500	79,500
1,040,496	1,085,394	Telecommunications Fee	1,135,000	1,129,325	1,123,679	1,118,060
483,624	470,313	Licenses & Permits	517,043	517,419	518,061	524,586
246,124	119,018	Connection Fees	162,483	192,980	180,505	181,652
69,395,749	70,577,993	User Charges	75,534,797	80,620,561	85,182,340	90,348,526
3,798,827	3,619,949	Intergovernmental Revenue	4,136,548	4,191,000	4,174,613	3,764,938
986,830	1,136,206	Motor Fuel Tax	860,000	860,000	860,000	860,000
325,853	259,480	Reimbursement for Improvements	221,500	1,500	1,500	1,532
321,813	363,552	Reimbursement for Services	468,721	474,597	502,270	516,940
3,244,176	3,657,198	Pension Contributions	3,671,996	3,836,796	4,009,279	4,189,796
414,253	386,067	Fines & Court Fees	433,975	440,862	447,295	455,883
4,003,345	2,802,811	Investment Income	2,157,946	2,228,458	2,280,806	2,338,018
2,973,049	3,101,820	Charges to Other Funds	3,639,489	3,729,254	3,835,097	3,933,694
2,584,519	2,445,250	Sale of Property	3,000,000	3,000,000	3,000,000	3,060,000
3,615,203	2,019,113	Miscellaneous Revenue	1,788,818	1,884,655	1,933,037	1,978,967
5,850,302	5,181,409	Insurance Premiums	5,348,500	5,756,239	6,277,021	6,543,514
10,599,267	11,006,276	Capital Financing Proceeds	8,829,500	16,625,361	10,281,987	6,023,326
146,270,559	145,915,442	Sub-Total	150,018,344	164,111,261	163,784,532	165,611,605
9,845,640	9,664,444	Transfers In	10,108,158	9,863,528	9,081,728	9,493,201
156,116,199	**155,579,886**	**Total**	**160,126,502**	**173,974,789**	**172,866,260**	**175,104,806**
		Expenditures/Expenses				
19,347,940	20,365,386	General Government	21,347,642	20,675,510	21,601,729	22,141,417
24,674,577	25,867,026	Public Health and Safety	27,809,304	27,872,195	28,610,634	30,136,422
17,124,134	15,420,994	Public Works	16,302,708	25,239,021	18,561,280	14,073,887
78,277,382	82,743,922	Public Utilities	80,110,819	83,080,397	85,962,392	87,824,485
2,478,312	2,729,065	Community Development	4,538,967	2,613,287	2,671,144	2,658,534
141,902,345	147,126,393	Sub-Total	150,109,440	159,480,410	157,407,179	156,834,745
9,845,640	9,664,444	Transfers Out	10,108,158	9,863,528	9,081,728	9,493,201
151,747,985	**156,790,837**	**Total**	**160,217,598**	**169,343,938**	**166,488,907**	**166,327,946**
4,368,214	**(1,210,951)**	**Excess (Deficiency) of Revenues over Expenditures/Expenses**	**(91,096)**	**4,630,851**	**6,377,353**	**8,776,860**

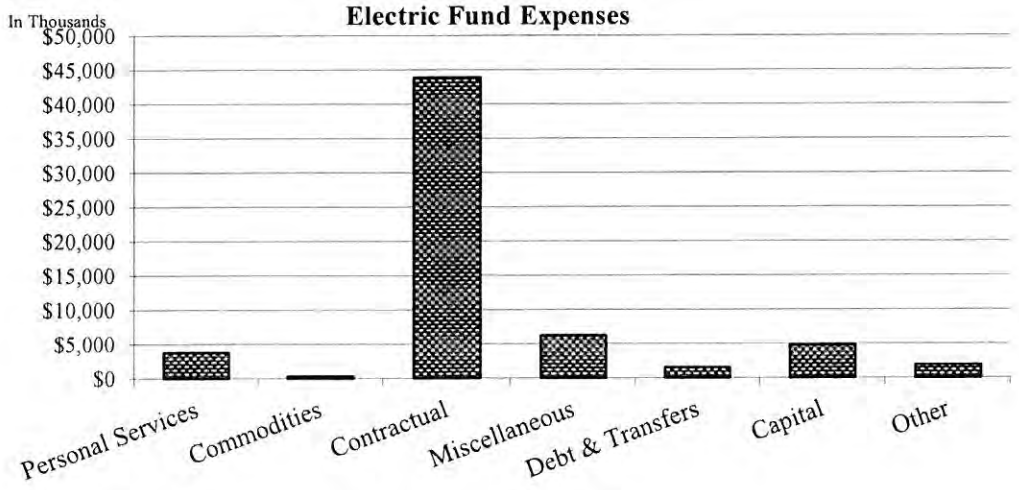
General Corporate Fund - This fund is used to account for most of the current day to day operations of the City which are financed through property taxes and other general revenues. Activities financed by the general fund include those of staff within the City, such as Police, Fire, Public Works Administration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

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
12,463,916	12,536,731	Property Taxes	12,534,572	12,529,346	12,530,196	12,536,931
14,982,790	15,879,116	Sales & Use Taxes	16,056,851	16,355,127	16,657,136	16,962,935
995,618	1,061,768	Liquor Tax	1,055,312	1,076,418	1,097,947	1,119,906
3,400,525	3,496,656	Franchise Fees	3,819,235	3,952,239	4,091,048	4,240,090
71,712	73,041	Admissions Taxes	79,500	79,500	79,500	79,500
1,630,810	1,762,737	Hotel Occupation Tax	1,727,627	1,762,180	1,797,423	1,833,372
1,040,496	1,085,394	Telecommunications Fee	1,135,000	1,129,325	1,123,679	1,118,060
483,624	470,313	Licenses & Permits	517,043	517,419	518,061	524,586
3,563,683	3,476,830	Intergovernmental Revenue	3,531,148	3,600,200	3,670,863	3,743,268
321,813	363,552	Reimbursement for Services	468,721	474,597	502,270	516,940
414,253	386,067	Fines & Court Fees	433,975	440,862	447,295	455,883
82,084	99,540	Investment Income	95,300	93,100	88,900	85,005
255,861	184,990	Miscellaneous Revenue	127,800	132,500	137,670	144,625
0	180,000	Transfers In	185,000	190,000	195,000	200,000
39,707,185	41,056,735	Total	41,767,084	42,332,813	42,936,988	43,561,101
		Expenditures				
		General Government				
4,133,602	4,035,222	Personal Services	4,278,647	4,456,896	4,666,567	4,884,518
1,769,361	2,028,635	Other Operating	2,118,949	1,999,061	2,116,278	2,119,599
(3,034,512)	(2,910,131)	Allocations to Other Funds	(2,976,278)	(3,027,418)	(3,117,035)	(3,194,671)
165,117	66,320	Capital	61,850	61,750	40,500	40,000
3,033,568	3,220,046	Sub-Total	3,483,168	3,490,289	3,706,310	3,849,446
		Public Health and Safety				
16,622,777	17,185,127	Personal Services	18,170,540	18,652,277	19,411,270	20,056,246
3,599,610	3,768,838	Other Operating	3,759,426	3,958,201	4,046,543	4,141,900
108,392	122,863	Capital	72,275	61,000	100,200	66,500
20,330,779	21,076,828	Sub-Total	22,002,241	22,671,478	23,558,013	24,264,646
		Public Works				
3,801,566	3,619,475	Personal Services	3,796,209	3,928,821	4,094,530	4,223,131
4,730,967	5,286,549	Other Operating	5,868,346	5,785,211	5,916,407	6,048,224
(1,432,044)	(1,474,980)	Allocations to Other Funds	(1,519,224)	(1,564,824)	(1,603,947)	(1,636,032)
557	1,830	Capital	2,300	0	0	0
4,586	4,585	Debt Retirement	4,586	22,150	18,859	15,449
7,105,632	7,437,459	Sub-Total	8,152,217	8,171,358	8,425,849	8,650,772
		Community Development				
1,563,729	1,548,105	Personal Services	1,643,373	1,713,597	1,799,951	1,877,095
1,179,821	1,343,323	Other Operating	1,322,198	1,273,434	1,255,205	1,173,131
(347,280)	(357,732)	Allocations to Other Funds	(368,424)	(379,524)	(389,012)	(396,792)
5,141	1,335	Capital	4,820	780	0	0
2,401,411	2,535,031	Sub-Total	2,601,967	2,608,287	2,666,144	2,653,434
		Transfers				
3,883,447	4,250,797	Transfers Out - Debt Service	3,948,827	3,589,129	4,274,204	4,863,451
2,448,396	2,107,081	Transfers Out - Other	2,063,000	3,087,322	1,839,376	2,130,576
6,331,843	6,357,878	Sub-Total	6,011,827	6,676,451	6,113,580	6,994,027
39,203,233	40,627,242	Total	42,251,420	43,617,863	44,469,896	46,412,325
503,952	**429,493**	**Excess (Deficiency) of Revenues over Expenditures**	**(484,336)**	**(1,285,050)**	**(1,532,908)**	**(2,851,224)**
23,827,659	24,331,611	Beginning Fund Balance	24,761,104	24,276,768	22,991,718	21,458,810
24,331,611	**24,761,104**	**Ending Fund Balance**	**24,276,768**	**22,991,718**	**21,458,810**	**18,607,586**

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 13,248 residential and 2,146 commercial customers.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
103,993	66,136	Connection Fees	54,500	54,500	54,500	54,500
57,003,635	57,437,468	User Charges	60,782,843	64,324,397	67,885,235	71,505,867
29,278	30,669	Property Taxes	32,063	32,705	33,686	34,366
(1,481)	261	Investment Income	200	200	200	200
325,853	258,536	Reimbursements for Improvements	220,500	500	500	508
1,285,341	732,285	Miscellaneous Revenue	712,941	735,469	753,651	771,760
625,273	1,239,115	Capital Financing Proceeds	2,100,000	2,500,000	2,450,000	4,700,000
336,607	279,664	Transfers In	285,164	290,664	296,389	301,088
59,708,499	60,044,134	Total	64,188,211	67,938,435	71,474,161	77,368,289
		Expenses				
		Public Utilities				
3,167,507	3,461,177	Personal Services	3,795,651	3,960,942	4,148,489	4,321,286
48,132,456	47,740,077	Other Operating	50,473,926	52,641,933	54,683,058	57,026,586
1,879,812	1,868,272	Allocations from Other Funds	1,925,471	1,958,710	2,012,429	2,058,684
2,982,162	3,758,385	Capital	4,791,250	5,114,000	5,793,000	6,907,000
1,109,857	1,099,551	Debt Retirement	1,059,610	1,232,692	1,418,098	1,202,287
57,271,794	57,927,462	Sub-Total	62,045,908	64,908,277	68,055,074	71,515,843
426,139	524,945	Transfers Out - Debt Service	497,246	496,729	498,125	415,289
0	24,260	Transfers Out - Other	0	0	0	0
426,139	549,205	Sub-Total	497,246	496,729	498,125	415,289
57,697,933	58,476,667	Total	62,543,154	65,405,006	68,553,199	71,931,132
2,010,566	**1,567,467**	**Excess (Deficiency) of Revenues over Expenses**	**1,645,057**	**2,533,429**	**2,920,962**	**5,437,157**
47,326,831	50,422,449	Beginning Net Assets	51,989,916	53,634,973	56,168,402	59,089,364
992,002	0	Fixed Assets Adjustments	0	0	0	0
93,050	0	Debt Service Adjustments	0	0	0	0
50,422,449	**51,989,916**	**Ending Net Assets**	**53,634,973**	**56,168,402**	**59,089,364**	**64,526,521**

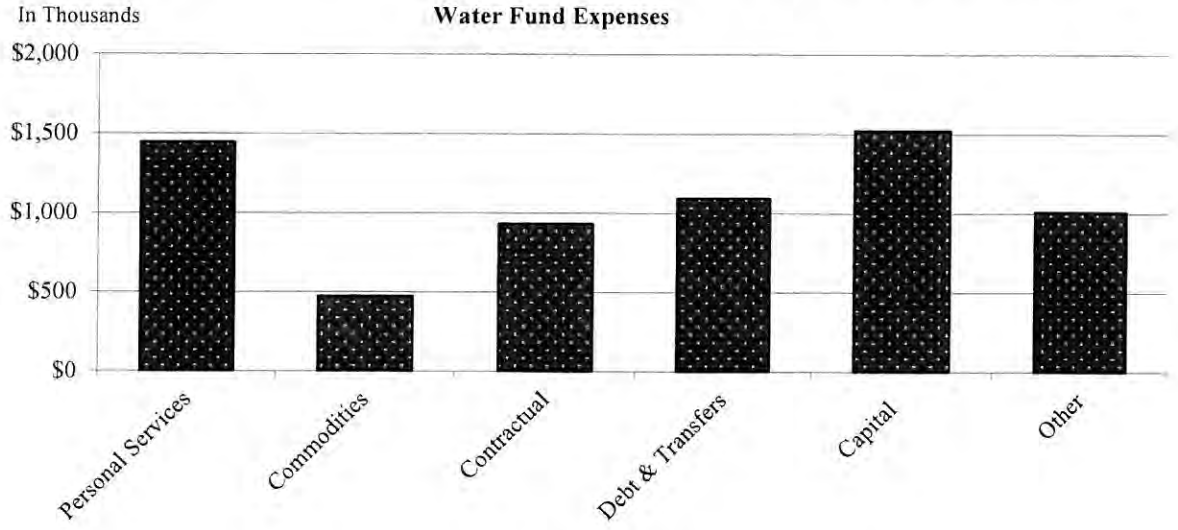
Electric service is supported almost entirely through user charges. Shown below is a graph of expenses for the electric fund budgeted for FY 15/16. The City entered into a contract to buy electric power from IMEA starting in June 2007. It constitutes approximately 79% of operating costs. Due to increasing 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 4,153,000 gallons.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
52,620	24,939	Connection Fees	48,932	64,150	57,400	57,897
4,586,895	4,749,087	User Charges	5,483,701	6,032,051	6,635,261	7,298,765
21,161	35,530	Investment Income	35,000	35,000	35,000	35,506
950,881	299,814	Miscellaneous Revenue	283,088	290,478	298,402	305,619
109,432	6,802,000	Capital Financing Proceeds	798,000	869,000	1,125,000	613,326
5,720,989	11,911,370	Total	6,648,721	7,290,679	8,151,063	8,311,113
		Expenses				
		Public Utilities				
1,513,163	1,381,156	Personal Services	1,447,063	1,493,234	1,549,515	1,597,641
1,600,230	1,448,361	Other Operating	1,548,035	1,543,358	1,563,214	1,639,191
855,480	838,207	Allocations from Other Funds	863,981	888,017	912,764	934,424
1,634,686	8,693,239	Capital	1,521,850	1,592,050	2,087,100	928,326
821,310	842,623	Debt Retirement	934,499	1,205,106	1,388,825	1,479,080
6,424,869	13,203,586	Sub-Total	6,315,428	6,721,765	7,501,418	6,578,662
149,749	171,640	Transfers Out - Debt Service	161,619	161,116	161,254	132,966
6,574,618	13,375,226	Total	6,477,047	6,882,881	7,662,672	6,711,628
(853,629)	**(1,463,856)**	**Excess (Deficiency) of Revenues over Expenses**	**171,674**	**407,798**	**488,391**	**1,599,485**
20,304,911	20,324,796	Beginning Net Assets	18,860,940	19,032,614	19,440,412	19,928,803
407,474	0	Fixed Assets Adjustments	0	0	0	0
466,040	0	Debt Service Adjustments	0	0	0	0
20,324,796	**18,860,940**	**Ending Net Assets**	**19,032,614**	**19,440,412**	**19,928,803**	**21,528,288**

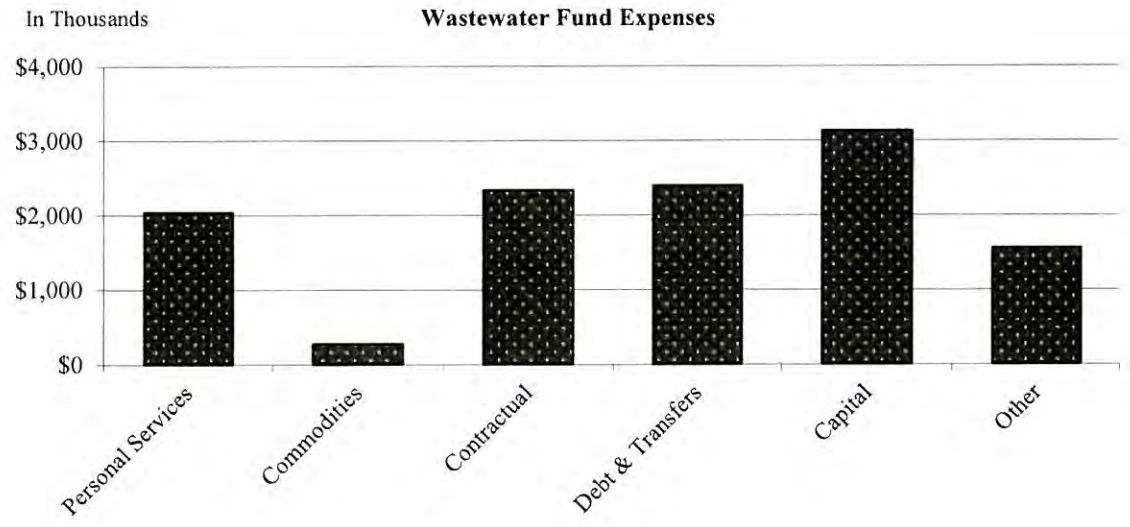
Shown below are the expenditures for the budget year 15/16. Rate increases are proposed for the next four fiscal years.



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 4,800,000 of wastewater with a capacity of 9,700,000.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
89,511	27,943	Connection Fees	59,051	74,330	68,605	69,255
7,123,296	7,567,491	User Charges	8,493,905	9,181,344	9,921,610	10,723,646
10,278	5,417	Investment Income	6,000	6,120	6,180	6,310
138,865	23,959	Intergovernmental Revenue	20,400	20,800	21,250	21,670
0	944	Reimbursements for Improvements	1,000	1,000	1,000	1,024
323,844	343,490	Miscellaneous	355,626	376,875	389,677	401,071
6,173,901	1,759,020	Capital Financing Proceeds	2,520,000	1,752,100	735,000	130,000
13,859,695	9,728,264	Total	11,455,982	11,412,569	11,143,322	11,352,976
		Expenses				
		Public Utilities				
1,931,847	1,928,709	Personal Services	2,037,182	2,112,131	2,183,235	2,246,680
2,188,507	2,407,412	Other Operating	2,883,062	2,558,888	2,632,438	2,732,201
1,261,860	1,257,275	Allocations from Other Funds	1,291,051	1,324,158	1,360,545	1,394,075
7,388,293	3,454,363	Capital	3,128,450	2,540,800	1,529,300	493,890
1,537,498	2,186,577	Debt Retirement	2,087,920	2,274,471	2,405,899	2,461,358
14,308,005	11,234,336	Sub-Total	11,427,665	10,810,448	10,111,417	9,328,204
274,305	322,950	Transfers Out - Debt Service	304,435	303,692	304,175	250,585
274,305	322,950	Sub-Total	304,435	303,692	304,175	250,585
14,582,310	11,557,286	Total	11,732,100	11,114,140	10,415,592	9,578,789
(722,615)	**(1,829,022)**	**Excess (Deficiency) of Revenues over Expenses**	**(276,118)**	**298,429**	**727,730**	**1,774,187**
29,119,776	28,942,851	Beginning Net Assets	27,113,829	26,837,711	27,136,140	27,863,870
5,584,843	0	Fixed Assets Adjustments	0	0	0	0
(5,039,153)	0	Debt Service Adjustments	0	0	0	0
28,942,851	**27,113,829**	**Ending Net Assets**	**26,837,711**	**27,136,140**	**27,863,870**	**29,638,057**

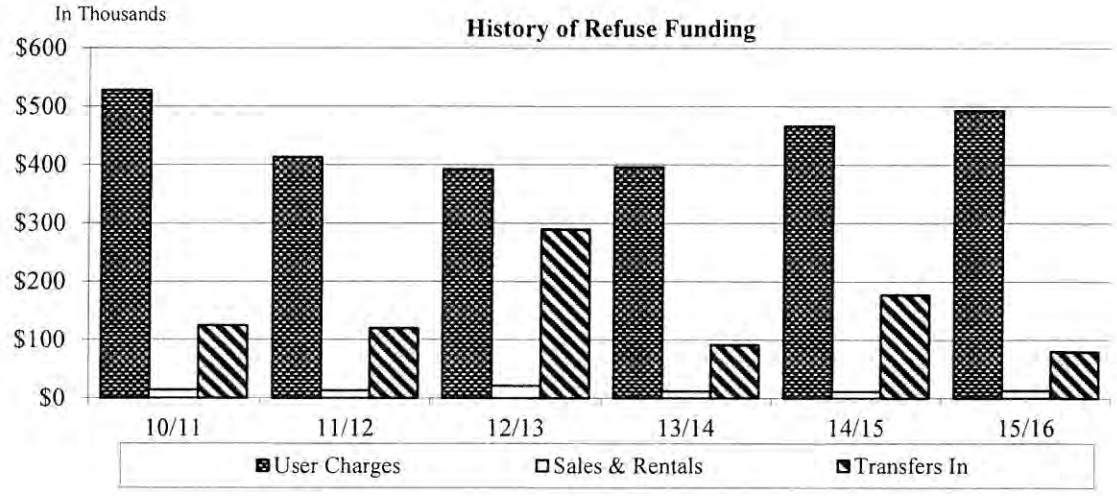
Shown below is a graph of the expenditures for the wastewater fund for budget year 15/16. The wastewater fund has outstanding debt in the amount of $22,837,627. $19,016,982 of this is on the EPA projects. Rate increases are projected for each of the next four fiscal years.



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 proposed for FY 15/16. St. Charles encourages recycling.

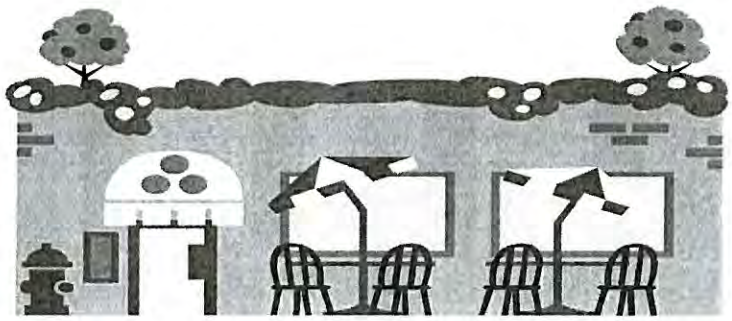
Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	----------Projected---------- FY 16/17	FY 17/18	FY 18/19
		Revenues				
396,032	466,720	User Charges	493,544	506,131	519,021	529,404
512	394	Investment Income	575	600	625	636
6,600	6,600	Rental Income	6,600	6,600	6,600	6,732
13,996	58,132	Miscellaneous	13,000	13,100	13,200	13,485
92,000	177,581	Transfers In	79,816	189,122	87,651	89,400
509,140	709,427	Total	593,535	715,553	627,097	639,657
		Expenses				
		Public Health and Safety				
419,223	582,264	Other Operating	507,744	626,731	535,241	655,952
89,124	82,831	Allocations from Other Funds	85,791	88,822	91,857	93,684
508,347	665,095	Total	593,535	715,553	627,098	749,636
793	**44,332**	**Excess (Deficiency) of Revenues over Expenses**	**0**	**0**	**(1)**	**(109,979)**
472,618	473,411	Beginning Net Assets	517,743	517,743	517,743	517,742
0	0	Fixed Assets Adjustments	0	0	0	0
473,411	**517,743**	**Ending Net Assets**	**517,743**	**517,743**	**517,742**	**407,763**

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 and Lexington Club Development.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
178,962	180,752	Property Taxes - Hotel Baker TIF	166,529	168,194	169,876	172,424
486,353	491,217	Property Taxes - Moline TIF	521,388	526,602	531,868	539,846
167,342	167,342	Property Taxes - Mall TIF	149,977	151,477	152,992	155,286
652,937	656,202	Property Taxes - First Street TIF	631,670	637,986	669,886	703,380
205,602	207,658	Property Taxes - St. Charles Mfg. TIF	203,501	205,536	207,591	210,705
0	4,546	Property Taxes - Lexington Club TIF	4,800	5,000	7,000	10,000
30,696	32,999	Sales & Use Taxes	33,771	34,110	34,450	34,968
55,020	62,706	Hotel Occupation Tax	60,232	60,834	61,443	62,364
569	447	Investment Income	563	566	569	567
1,777,481	1,803,869	Total	1,772,431	1,790,305	1,835,675	1,889,540
		Expenditures				
		Community Development				
2,213	263	Other Operating	0	0	0	0
2,213	263	Sub-Total	0	0	0	0
		Transfers				
359,410	264,928	Transfers Out - Hotel Baker TIF	260,594	263,199	0	0
336,156	334,388	Transfers Out - Moline TIF	341,775	336,325	341,250	0
222,400	167,378	Transfers Out - Mall TIF	150,000	151,000	153,000	155,000
653,047	656,325	Transfers Out - First Street TIF	631,794	638,112	670,012	703,506
316,925	207,702	Transfers Out - St. Charles Mfg. TIF	203,542	205,577	207,633	210,747
1,887,938	1,630,721	Sub-Total	1,587,705	1,594,213	1,371,895	1,069,253
1,890,151	1,630,984	Total	1,587,705	1,594,213	1,371,895	1,069,253
(112,670)	**172,885**	**Excess (Deficiency) of Revenues over Expenditures**	**184,726**	**196,092**	**463,780**	**820,287**
(3,528,315)	(3,640,985)	Beginning Fund Balance	(3,468,100)	(3,283,374)	(3,087,282)	(2,623,502)
(3,640,985)	**(3,468,100)**	**Ending Fund Balance**	**(3,283,374)**	**(3,087,282)**	**(2,623,502)**	**(1,803,215)**

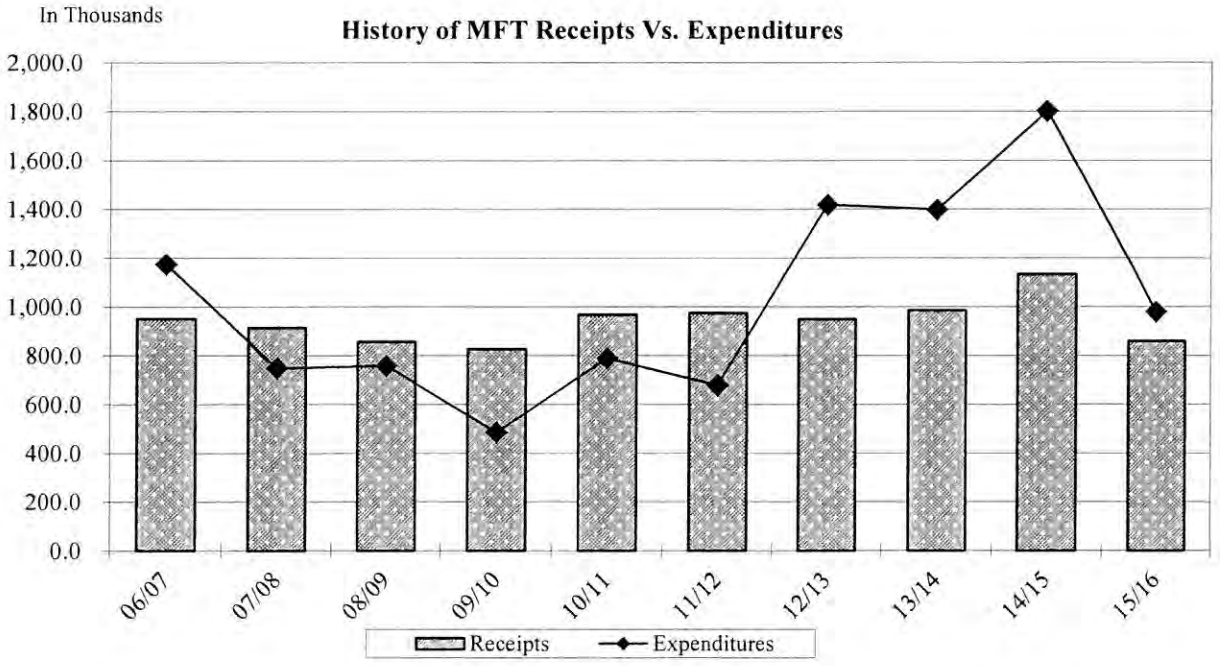


At this time the City has established six TIF districts for the Hotel Baker, the Moline Foundry, the St. Charles Mall, the First Street Development, St. Charles Manufacturing and Lexington Club Development. A TIF - Tax Increment Financing District - is established to encourage redevelopment of a deteriorating 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, the newest 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. The TIF contemplates reimbursement to the developer for three purposes related to the Lexington Club development: demolition, site earthwork preparation, and environmental remediation. There are no payments to the Lexington Club TIF currently budgeted.

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. Some of these projects are reimbursed by the State. 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 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
986,830	1,136,206	Motor Fuel Tax	860,000	860,000	860,000	860,000
7,016	3,332	Investment Income	3,000	3,000	3,000	3,060
993,846	1,139,538	Total	863,000	863,000	863,000	863,060
		Expenditures				
		Public Works				
1,399,328	1,801,920	Capital	980,000	980,000	980,000	980,000
1,399,328	1,801,920	Total	980,000	980,000	980,000	980,000
(405,482)	**(662,382)**	**Excess (Deficiency) of Revenues over Expenditures**	**(117,000)**	**(117,000)**	**(117,000)**	**(116,940)**
2,572,265	2,166,783	Beginning Fund Balance	1,504,401	1,387,401	1,270,401	1,153,401
2,166,783	**1,504,401**	**Ending Fund Balance**	**1,387,401**	**1,270,401**	**1,153,401**	**1,036,461**

The amount of motor fuel tax distributed is based on a per capita amount determined by the state. The amount per capita has grown from $14.45 in 1984 to $23.80 projected for FY 15/16. 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 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
1,629,805	1,124,369	Investment Income	1,010,412	1,040,712	1,071,924	1,104,072
1,317,164	1,495,524	Contributions from City	1,557,000	1,634,850	1,716,593	1,802,422
458,352	483,491	Contributions from Members	489,996	504,696	519,840	535,440
3,405,321	3,103,384	Total	3,057,408	3,180,258	3,308,357	3,441,934
		Expenses				
		Public Health and Safety				
1,882,720	2,046,376	Personal Services	2,133,888	2,217,456	2,275,644	2,335,596
257,640	231,156	Other Operating	266,304	274,308	282,521	290,992
2,140,360	2,277,532	Total	2,400,192	2,491,764	2,558,165	2,626,588
1,264,961	**825,852**	**Excess (Deficiency) of Revenues over Expenses**	**657,216**	**688,494**	**750,192**	**815,346**
27,960,859	29,225,820	Beginning Fund Balance Reserved for Retirement Obligations	30,051,672	30,708,888	31,397,382	32,147,574
29,225,820	**30,051,672**	**Ending Fund Balance Reserved for Retirement Obligations**	**30,708,888**	**31,397,382**	**32,147,574**	**32,962,920**

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 Accrued 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)
2009	$ 20,229,933	$ 37,767,555	53.56%	$ 17,537,622	$ 4,359,694	402.27%
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%

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 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
2,208,336	1,494,933	Investment Income	965,496	994,476	1,024,296	1,055,028
998,068	1,229,574	Contributions from City	1,175,000	1,233,750	1,295,438	1,360,210
470,592	448,609	Contributions from Members	450,000	463,500	477,408	491,724
3,676,996	3,173,116	Total	2,590,496	2,691,726	2,797,142	2,906,962
		Expenses				
		Public Health and Safety				
1,065,466	1,044,916	Personal Services	1,105,356	1,132,656	1,160,760	1,189,716
166,620	201,479	Other Operating	254,100	261,744	269,573	277,660
1,232,086	1,246,395	Total	1,359,456	1,394,400	1,430,333	1,467,376
2,444,910	**1,926,721**	**Excess (Deficiency) of Revenues over Expenses**	**1,231,040**	**1,297,326**	**1,366,809**	**1,439,586**
29,326,481	31,771,391	Beginning Fund Balance Reserved for Retirement Obligations	33,698,112	34,929,152	36,226,478	37,593,287
31,771,391	**33,698,112**	**Ending Fund Balance Reserved for Retirement Obligations**	**34,929,152**	**36,226,478**	**37,593,287**	**39,032,873**

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)
2009	$ 18,461,621	$ 26,293,219	70.21%	$ 7,831,598	$ 4,260,854	183.80%
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%

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.

Red Gate Bridge Capital Project - This fund accounts for the design and construction costs of the Red Gate Bridge which was completed in May 2013. Construction was financed through state and federal grants and a bond issue supported by a 5 cent property tax.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
9,511	10,402	Investment Income	4,000	2,000	0	0
683,074	680,000	Transfers In - Property Tax	466,734	680,000	680,000	693,600
692,585	690,402	Total	470,734	682,000	680,000	693,600
		Expenditures				
		Public Works				
6,472	0	Other Operating	0	0	0	0
728,266	7,769	Capital	0	0	0	0
734,738	7,769	Sub-Total	0	0	0	0
328,812	570,386	Transfers Out - Debt Service	352,320	569,663	571,035	569,417
1,063,550	578,155	Total	352,320	569,663	571,035	569,417
(370,965)	**112,247**	**Excess (Deficiency) of Revenue over Expenditures**	**118,414**	**112,337**	**108,965**	**124,183**
1,086,991	716,026	Beginning Fund Balance	828,273	946,687	1,059,024	1,167,989
716,026	**828,273**	**Ending Fund Balance**	**946,687**	**1,059,024**	**1,167,989**	**1,292,172**

Engineering Capital Projects - To account for various engineering and general infrastructure projects that were previously budgeted through the General Fund, such as road projects, traffic signal construction, the riverwalk and landscaping.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
96,279	119,160	Intergovernmental Revenue	585,000	570,000	482,500	0
7,885	7,669	Investment Income	8,500	8,900	9,300	9,492
417,127	0	Miscellaneous Revenue	0	35,000	35,000	35,000
3,690,661	1,206,141	Capital Financing Proceeds	3,411,500	11,504,261	5,971,987	580,000
1,219,500	851,500	Transfers In	1,322,950	1,808,200	713,000	980,152
5,431,452	2,184,470	Total	5,327,950	13,926,361	7,211,787	1,604,644
		Expenditures				
		General Government				
20,725	523,036	Capital	452,950	150,000	105,000	200,000
20,725	523,036	Sub-Total	452,950	150,000	105,000	200,000
		Public Health & Safety				
67,945	85,500	Capital	524,000	58,000	20,000	32,000
67,945	85,500	Sub-Total	524,000	58,000	20,000	32,000
		Public Works				
64,725	37,602	Other Operating	0	0	0	0
5,832,569	3,452,523	Capital	4,649,500	13,674,461	7,042,487	1,328,152
5,897,294	3,490,125	Sub-Total	4,649,500	13,674,461	7,042,487	1,328,152
0	0	Transfers Out - Debt Service	491,342	0	0	0
5,985,964	4,098,661	Total	6,117,792	13,882,461	7,167,487	1,560,152
(554,512)	**(1,914,191)**	**Excess (Deficiency) of Revenue over Expenditures**	**(789,842)**	**43,900**	**44,300**	**44,492**
3,258,545	2,704,033	Beginning Fund Balance	789,842	0	43,900	88,200
2,704,033	**789,842**	**Ending Fund Balance**	**0**	**43,900**	**88,200**	**132,692**

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 first parking deck and a mixed use building opened in FY 08-09. Future Development phases have been delayed due to economic conditions. The City anticipates that construction will resume in the near future.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
6,286	5,186	Investment Income	3,000	0	0	0
0	0	Transfers In	490,000	0	0	0
6,286	5,186	Total	493,000	0	0	0
		Expenditures				
		Community Development				
11,056	11,056	Other Operating	0	0	0	0
0	159,100	Capital	1,932,000	0	0	0
0	0	Debt Retirement	0	0	0	0
11,056	170,156	Sub-Total	1,932,000	0	0	0
385,190	0	Transfers Out - Debt Service	0	0	0	0
396,246	170,156	Total	1,932,000	0	0	0
(389,960)	**(164,970)**	**Excess (Deficiency) of Revenue over Expenditures**	**(1,439,000)**	**0**	**0**	**0**
1,993,930	1,603,970	Beginning Fund Balance	1,439,000	0	0	0
1,603,970	**1,439,000**	**Ending Fund Balance**	**0**	**0**	**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 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
1,035,568	1,039,453	Sales & Use Taxes	1,035,000	1,045,000	1,055,000	1,076,100
116	99	Investment Income	0	0	0	0
7,335,580	7,291,439	Transfers In	7,158,494	6,524,542	6,985,688	7,100,961
8,371,264	8,330,991	Total	8,193,494	7,569,542	8,040,688	8,177,061
		Expenditures				
		General Government				
8,639	4,188	Other Operating	4,100	4,100	4,203	4,287
8,330,549	8,261,282	Debt Retirement	8,125,574	7,515,347	7,996,396	8,132,749
8,339,188	8,265,470	Total	8,129,674	7,519,447	8,000,599	8,137,036
32,076	**65,521**	**Excess (Deficiency) of Revenues over Expenditure**	**63,820**	**50,095**	**40,089**	**40,025**
		Beginning Fund Balance				
2,013,111	2,045,187	Reserved for Debt Service	2,110,708	2,174,528	2,224,623	2,264,712
		Ending Fund Balance				
2,045,187	**2,110,708**	**Reserved for Debt Service**	**2,174,528**	**2,224,623**	**2,264,712**	**2,304,737**

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 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
2,511,682	2,414,971	Items for Resale	3,000,000	3,000,000	3,000,000	3,060,000
(274)	(52)	Investment Income	0	0	0	0
27,322	20,163	Miscellaneous Revenue	20,204	21,117	22,089	22,716
820,251	782,173	Charges to Other Funds	1,033,346	1,065,159	1,095,203	1,121,652
3,358,981	3,217,255	Total	4,053,550	4,086,276	4,117,292	4,204,368
		Expenses				
		General Government				
418,499	410,903	Personal Services	453,665	466,668	486,696	500,243
2,601,063	2,517,609	Other Operating	3,097,233	3,107,365	3,109,389	3,111,857
344,352	303,236	Allocations from Other Funds	294,432	300,117	310,089	315,792
4,157	6,219	Capital	0	0	55,000	0
3,368,071	3,237,967	Total	3,845,330	3,874,150	3,961,174	3,927,892
(9,090)	**(20,712)**	**Excess (Deficiency) of Revenues over Expenses**	**208,220**	**212,126**	**156,118**	**276,476**
3,390,446	3,378,477	Beginning Net Assets	3,357,765	3,565,985	3,778,111	3,934,229
(2,879)	0	Fixed Assets Adjustments	0	0	0	0
3,378,477	**3,357,765**	**Ending Net Assets**	**3,565,985**	**3,778,111**	**3,934,229**	**4,210,705**

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.

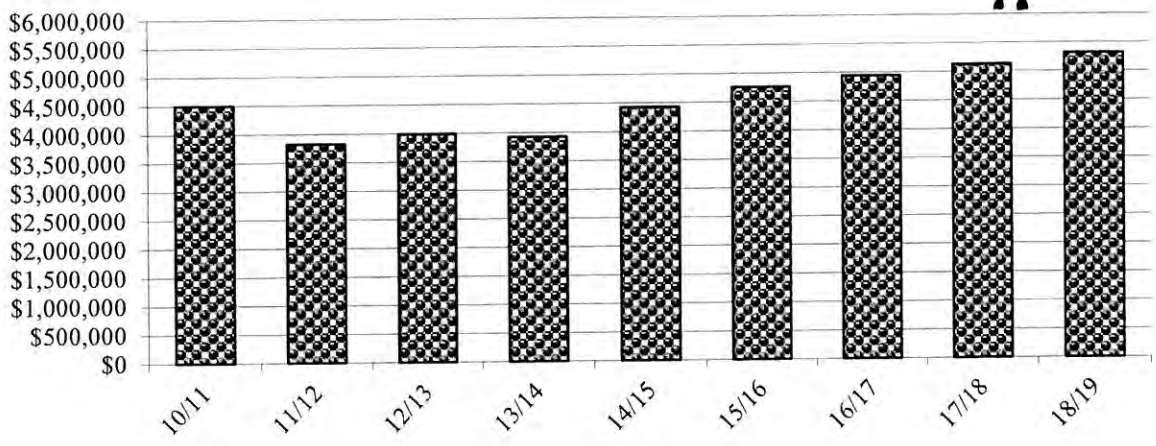
Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
949,190	985,987	Vehicle Replacement	1,044,655	1,075,289	1,106,843	1,139,342
7,536	3,221	Investment Income	5,500	5,600	5,700	5,820
1,177,336	1,307,388	Charges to Other Funds	1,535,216	1,562,534	1,606,779	1,646,428
72,837	30,279	Sale of Fixed Assets	0	0	0	0
91,561	24,762	Miscellaneous	23,601	26,605	28,326	29,120
0	0	Transfers In	0	0	0	0
2,298,460	2,351,637	Total	2,608,972	2,670,028	2,747,648	2,820,710
		Expenses				
		General Government				
0	25,000	Capital	0	0	0	0
0	25,000	Sub-Total	0	0	0	0
		Public Health and Safety				
347,242	152,069	Capital	599,880	211,000	86,275	664,820
347,242	152,069	Sub-Total	599,880	211,000	86,275	664,820
		Public Works				
600,447	571,038	Personal Services	686,673	713,322	741,233	763,875
820,470	771,255	Other Operating	587,214	600,610	614,197	628,380
261,516	267,682	Allocations from Other Funds	274,104	278,970	286,014	291,804
254,052	637,422	Capital	803,000	650,300	301,000	1,260,000
1,936,485	2,247,397	Sub-Total	2,350,991	2,243,202	1,942,444	2,944,059
		Community Development				
70,824	0	Capital	0	0	0	0
70,824	0	Sub-Total	0	0	0	0
0	0	Transfers Out - Debt Service	0	0	0	0
2,354,551	2,424,466	Total	2,950,871	2,454,202	2,028,719	3,608,879
(56,091)	**(72,829)**	**Excess (Deficiency) of Revenues over Expenses**	**(341,899)**	**215,826**	**718,929**	**(788,169)**
7,650,189	7,653,759	Beginning Net Assets	7,580,930	7,239,031	7,454,857	8,173,786
59,661	0	Fixed Asset Adjustments	0	0	0	0
7,653,759	**7,580,930**	**Ending Net Assets**	**7,239,031**	**7,454,857**	**8,173,786**	**7,385,617**

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 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
4,975	4,665	Investment Income	4,500	13,482	12,036	10,631
4,742,770	4,188,801	Insurance Premiums	4,348,500	4,699,433	5,157,473	5,393,615
64	0	Miscellaneous	200	200	200	204
0	0	Transfers In	0	60,500	62,000	64,000
4,747,809	4,193,466	Total	4,353,200	4,773,615	5,231,709	5,468,450
		Expenses				
		General Government				
3,826,233	4,321,709	Other Operating	4,657,400	4,833,500	5,020,744	5,204,991
100,428	103,428	Allocations from Other Funds	106,536	109,728	112,471	114,720
3,926,661	4,425,137	Sub-Total	4,763,936	4,943,228	5,133,215	5,319,711
0	0	Transfers Out - Other	320,000	0	0	0
3,926,661	4,425,137	Total	5,083,936	4,943,228	5,133,215	5,319,711
821,148	**(231,671)**	**Excess(Deficiency)of Revenues over Expenses**	**(730,736)**	**(169,613)**	**98,494**	**148,739**
2,256,433	3,077,581	Beginning Net Assets	2,845,910	2,115,174	1,945,561	2,044,055
3,077,581	**2,845,910**	**Ending Net Assets**	**2,115,174**	**1,945,561**	**2,044,055**	**2,192,794**

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, some of which include: 1) 1992 - Employees that elected family coverage shared in the cost of that plan through paying premiums and a Flexible Spending Account was added to allow employees to pay their premium pre-tax; 2) 1995 - The City implemented a voluntary healthy program assigning reduced premium costs for those that met recommended levels for blood pressure, cholesterol, weight and healthy lifestyle choices such as regular exercise and no tobacco use. (Those on the single coverage $1,500 core plan receive the healthy program amount on their paycheck as their is not a premium); 3) 2013 - The City instituted tobacco and non-tobacco premium rates as well as a surcharge for spouses that have access to other medical plans; 4) 2014 - Tobacco and non-tobacco rates continue as well as a "basic" and "optimum" level for the healthy program, offering greater incentives for optimum health. We also added a new tier to our prescription plan for more expensive and rarely used medications. Besides the $1,500 deductible single coverage plan with no premium cost to employees the City offers two other PPO buy-up plans with single and family coverage employee premiums with $500 and $750 deductibles.

History and Projection of Health Insurance Funding

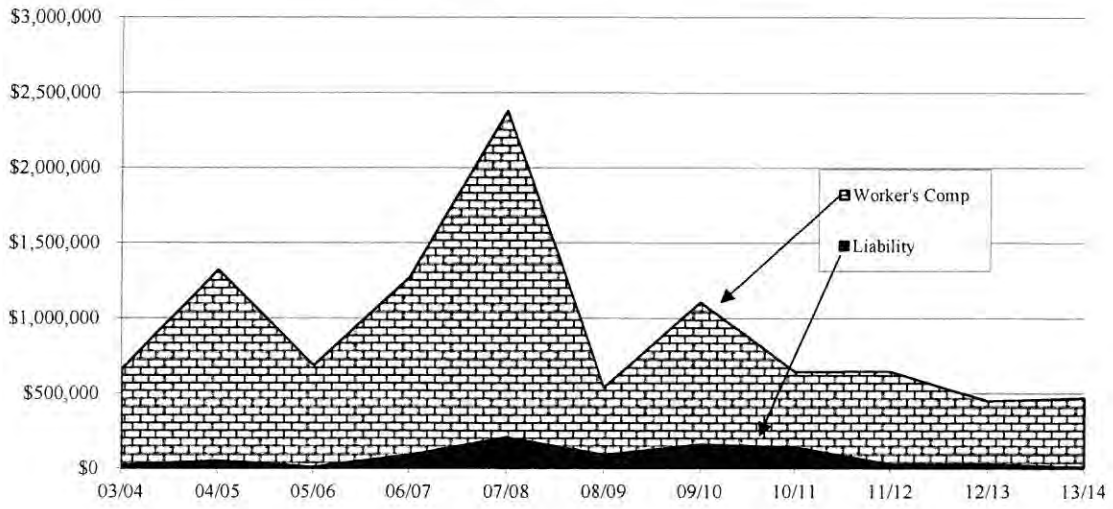


ISF - Workers Compensation/Liability - This fund accounts for the self-insurance activity related to workers compensation insurance and liability insurance for property, casualty and crime for governmental service funds. All enterprise activity is accounted for in the appropriate proprietary fund.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
7,927	6,673	Investment Income	14,800	23,582	21,936	20,527
1,107,532	992,608	Insurance Premiums	1,000,000	1,056,806	1,119,548	1,149,899
66,519	148,086	Miscellaneous	0	0	0	0
178,879	180,000	Transfers In	120,000	120,500	62,000	64,000
1,360,857	1,327,367	Total	1,134,800	1,200,888	1,203,484	1,234,426
		Expenses				
		General Government				
457,952	496,226	Other Operating	532,000	557,500	584,263	595,944
9,972	10,272	Allocations from Other Funds	10,584	10,896	11,168	11,388
467,924	506,498	Sub-Total	542,584	568,396	595,431	607,332
		Public Health and Safety				
47,818	363,607	Other Operating	330,000	330,000	330,750	331,356
47,818	363,607	Sub-Total	330,000	330,000	330,750	331,356
		Public Works				
50,657	436,324	Other Operating	170,000	170,000	170,500	170,904
50,657	436,324	Sub-Total	170,000	170,000	170,500	170,904
		Community Development				
(4,979)	23,878	Other Operating	5,000	5,000	5,000	5,100
(4,979)	23,878	Sub-Total	5,000	5,000	5,000	5,100
0	0	Transfers Out - Other	320,000	0	0	0
561,420	1,330,307	Total	1,367,584	1,073,396	1,101,681	1,114,692
799,437	**(2,940)**	**Excess(Deficiency)of Revenues over Expenses**	**(232,784)**	**127,492**	**101,803**	**119,734**
1,458,541	2,257,978	Beginning Net Assets	2,255,038	2,022,254	2,149,746	2,251,549
2,257,978	**2,255,038**	**Ending Net Assets**	**2,022,254**	**2,149,746**	**2,251,549**	**2,371,283**

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. Computer and copier replacements for corporate are now accounted for in the Communications Fund.

Actual FY 13/14	Estimate FY 14/15		Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19
		Revenues				
285,891	357,227	User Charges	280,804	576,638	221,213	290,844
1,103	725	Investment Income	1,100	1,120	1,140	1,164
26,272	26,272	Charges to Other Funds	26,272	26,272	26,272	26,272
176,087	200,791	Miscellaneous Revenue	245,758	246,711	248,222	248,635
0	24,260	Transfers In	0	0	0	0
489,353	609,275	Total	553,934	850,741	496,847	566,915
		Expenses				
		General Government				
0	0	Other Operating	0	0	0	0
191,803	162,232	Capital	130,000	130,000	100,000	100,000
191,803	162,232	Sub-Total	130,000	130,000	100,000	100,000
		Public Utilities				
153,698	138,646	Personal Services	161,907	177,361	177,036	180,652
64,608	73,196	Other Operating	99,495	99,698	100,490	102,400
11,292	11,640	Allocations from Other Funds	11,976	12,348	12,657	12,924
43,116	155,056	Capital	48,440	350,500	4,300	105,800
272,714	378,538	Sub-Total	321,818	639,907	294,483	401,776
61,664	61,664	Transfers Out - Other	61,664	61,664	61,664	61,664
526,181	602,434	Total	513,482	831,571	456,147	563,440
(36,828)	**6,841**	**Excess(Deficiency)of Revenues over Expenses**	**40,452**	**19,170**	**40,700**	**3,475**
930,543	931,640	Beginning Net Assets	938,481	978,933	998,103	1,038,803
(23,739)	0	Fixed Asset Adjustments	0	0	0	0
61,664	0	Debt Service Adjustments	0	0	0	0
931,640	**938,481**	**Ending Net Assets**	**978,933**	**998,103**	**1,038,803**	**1,042,278**

Capital Improvements Plan

Capital Improvements - Major Project Requests	VI - 2
Capital Improvements Detail	VI - 9

Project Request

FY 15-16

Project Name ***Police Station Study***

Estimated Total Cost of Project

$350,000

Project Description

1. Location

Police Department - 211 North Riverside Ave.

2. Work to be Performed

Architectural Study including Existing Conditions Report, Needs Assessment and Master Plan Study

3. Reason for Work

Over the years, City Staff has conducted regular maintenance activities for the facility. Several years ago, it became evident that our "regular" maintenance activities were becoming more frequent, complex and expensive, resulting in "capital" projects including the likes of roof replacements, window replacements, mechanical system upgrades and masonry repairs. Therefore, staff completed an Exterior Conditions Assessment in February 2013 to help prioritize repair needs and budget considerations.

The buildings, in general, are in fair condition; however, some significant improvements are needed to maintain weather control, comfort for staff and current codes. Even though there are several contributing building deficiency factors relating to the need for the proposed studies, the most significant factor relates to the operations of the Police Department. The floor plan and layout of the Police facility has been created through years of adapting one space to the next, while separate buildings were literally joined together. There are several long, narrow, dark and stale corridors that link one space to another, which creates an inefficient working environment. Divisions within the Department are isolated from one another causing difficulties in communication and staffing needs. There are several other operational needs that should be considered in our study, including but not limited to, storage, meeting rooms, adjacencies, communications, CALEA standards, public safety, security, community outreach and image, to name a few.

Recognizing the fairly immediate need for several capital maintenance projects (which exceed $1,000,000), and in recognition of substantial operational deficiencies, City Staff is moving forward with a proposed Architectural Needs Assessment Analysis and Master Plan Study to help us determine the most appropriate path moving forward.

4. Impact on Budget

The Police Station will provide service to the City for many decades. Most likely any Capital Projects that are a result of the Study will be bonded.

Project Request

FY 1-15

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

Estimated Total Cost of Project

$1,300,000 (Phase 2 of 4- FY 15/16) $4,850,000 (Total)

Project Description

1. Location

Legacy Industrial Park - East of 840 and 860 Equity Drive

2. Work to be Performed

Phase 2 includes completion of mass grading, drainage work, civil work and construction of a fence around the site. It also includes a transmission duct crossing of Kirk Road at Tyler.

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.

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 15-16

Project Name ***Wastewater Treatment - Anaerobic Digester***

Estimated Total Cost of Project

$2,200,000

Project Description

1. Location

Main Wastewater Treatement Plant

2. Work to be Performed

Rehabilitation and improvements, upgrades of the mixing system of piping and valves, SCADA and electrical controls and panels, boilers and heat exchangers. Staff and the engineer will investigate potential use of methane produced by the process for use with heat exchangers.

3. Reason for Work

The anaerobic digesters are over 25 years old and are in need of rehabiliation to ensure reliable operations and to meet regulatory requirements. These units stabilize the biosolids produced at the treatment plant so they can be beneficially reused on farmland for fertilizer. The material is rarely disposed of in landfills.

4. Impact on Budget

The project cost is estimated at $2,200,000 including construction engineering. Staff will apply for an IEPA Low Interest Loan which will save the City significant interest rate costs.

Project Request

FY 15-16

Project Name ***N. 5th Ave. Water Main***

Estimated Total Cost of Project

$2,911,750

Project Description

1. Location

North 5th Avenue from Main Street to the Q Center.

2. Work to be Performed

Replacement of approximately 5,400 feet of watermain on 5th Avenue (Rt.25). Also included in the project are Delnor and Iroquois Avenues.

3. Reason for Work

This section of watermain has a history of breaks impacting residents and businesses in the area including a medical and assisted living facility. These breaks are due to watermain age and corrosive soil conditions that exist in this area. The watermain in this stretch varies in age from 40 to 80 years old.

The project will improve reliability to customers and provide redundant service by creating a loop in the area. It will also upgrade the current 8" watermain to 12" to better meet future demand. The replacement main will be HDPE, which is resistant to the soil conditions and will be installed by directional drilling under the road, which will reduce road closures.

4. Impact on Budget

Project cost is $2,911,750 at budget time.including construction engineering. This project will be funded with an IEPA Low Interest Loan at an interest rate of 1.99 %.

Project Request

FY 15-16

Project Name ***Red Gate Water Tower***

Estimated Total Cost of Project

$3,970,000

Project Description

1. Location

Red Gate Road and Route 25

2. Work to be Performed

Construction of a 1,500,000 gallon water tower at the corner of Red Gate Road and Route 25. The site will be evaluated and graded to accomodate construction and placement of a tower and access road from Route 25.

3. Reason for Work

This project is recommended in the 10-Year Master Study. The additional elevated tower will reduce pressure swings and surges, address pressure issues in the outer service area, provide for storage redundancy, assist with meeting peak water demand capacity and allow for complete and proper maintenance of the existing water towers. Additional water storage was also recommended by the Illinois Environmental Protection Agency (IEPA) during an inspection in 2011.

4. Impact on Budget

The project cost is estimated at $3,970,000, which includes construction engineering. The project will be funded by an IEPA Low Interest Loan which will reduce interest costs for the City.

Project Request

FY 15-16

Project Name ***Peck Rd Resurfacing Project***

Estimated Total Cost of Project

$758,430 (Engineers Estimate)

Project Description

1. Location

Proposed section of Peck Road for resurfacing is located between Illinois Route 38 to south of Dean Street.

2. Work to be Performed

The project will include the grinding and resurfacing of the existing asphalt roadway between Illinois Route 38 to south of Dean Street. This project will include, as needed, the replacement of concrete curbing, driveway aprons, public sidewalk, erosion protection, striping, and landscaping.

3. Reason for Work

As part of the City's commitment to maintaining public roadway infrastructure, 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 $500,000. Due to the heavier than normal volume of traffic on this section of roadway, this section of roadway is due for the replacement of the top layer of asphalt and the refreshing of the striping. Included with this work will also be general maintenance repairs to the existing curbing, public sidewalks, and driveway aprons in the parkway on an as-needed basis.

4. Impact on Budget

The funds to complete the project include $500,000 in federal Local Agency Functional Overlay (LAFO) grant dollars. The remainder is expected to be funded with a bond issue.

Project Request

FY 15-16

Project Name ***7th Avenue Creek Rehabilitation Project (Concept Phase)***

Estimated Total Cost of Project

$125,000 (Engineers Estimate)

Project Description

1. Location

Concept development of the 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 investigation and development of various concepts for the rehabilitation of the 7th Avenue creek and a portion of the North tributary creek. This phase of the project will involve the development of various concepts of what the improved river corridor and surrounding area could look like. The development of the concepts will involve meetings with staff, key share holders, 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, and more specifically, near the convergence of the two creeks.

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 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 last 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 improve the Flood Insurance Rating Maps (FIRM's) for this area to improve the understanding of the actual flood plain limits. This newly developed flood insurance study prepared by FEMA will become utilized to develop the long-term improvements in this area. The development of this concept 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.

FY 15/16 Capital Budget			FY 15-16	FY 16-17	FY 17-18	FY 18/19
General Fund						
100111-Community & Public Affairs			**$ 150**	**$ -**	**$ -**	**$ -**
100111	56004	CA1001 : C&PA Computer Equipment Additions	150	-	-	-
100200-Information Systems			**57,200**	**60,250**	**40,500**	**40,000**
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	25,000	25,000	5,000	5,000
100200	56004	IS1005 : Disaster Recovery Hdw For Ntwk	9,000	9,000	9,000	9,000
100200	56004	IS1008 : Memory/Processor Upgrades	2,000	2,000	2,000	2,000
100200	56004	IS1009 : Network Cards and Drives	2,000	2,000	2,000	2,000
100200	56004	IS1011 : Telephone Parts/Equipment	-	-	-	5,000
100200	56004	IS1012 : Switch Replacements	2,000	2,000	2,000	2,000
100200	56004	IS1015 : Audio Visual Equipment	4,000	4,250	4,500	-
100200	56004	IS1017 : Tablet PCs for Pilots	1,000	1,000	1,000	-
100200	56004	IS1018 : Internet Link Balancer	5,200	-	-	-
100200	56004	IS1021 : Keyscan Access at Substations	-	-	-	-
100220-Accounting			**3,500**	**1,500**	**-**	**-**
100220	56003	FN1001 : Repl Office Furnishings	1,500	1,500	-	-
100220	56004	FN1003 : Scanners for Document Mgmt	2,000	-	-	-
100222-Utility Billing			**1,000**	**-**	**-**	**-**
100222	56004	FN1003 : Scanners for Document Mgmt	1,000	-	-	-
100300-Police Admin			**2,000**	**-**	**-**	**-**
100300	56002	PD3004 : PD Building Cameras	-	-	-	-
100300	56004	PD3000 : New Monitors	2,000	-	-	-
100301-Police Operations			**-**	**-**	**-**	**-**
100301	56002	PD3005 : Replacement Gator & Trailer	-	-	-	-
100401-Fire Operations			**56,500**	**61,000**	**87,000**	**66,500**
100401	56002	FD4101 : Replace of Fire Hose/Fittings	15,000	12,000	15,000	12,000
100401	56002	FD4102 : Replace of Hurst Rescue Equip	15,000	-	20,000	-
100401	56002	FD4104 : Rescue and Safety Equipment	-	5,000	8,000	5,000
100401	56002	FD4105 : SCBA Replacements	-	6,000	4,000	4,000
100401	56002	FD4106 : Repair of Fire Training tower	-	2,500	-	2,500
100401	56002	FD4107 : Replacement of nozzles and ada	6,000	4,000	6,000	4,000
100401	56002	FD4108 : Replacement of portable genera	6,000	-	-	6,000
100401	56003	FD4100 : Station Furniture Bedding and Appliances	6,000	6,000	9,000	6,000
100401	56099	FD4103 : Radio Equipment Replacement	-	15,000	15,000	16,000
100401	56099	FD4109 : Technical rescue supplies and	1,000	3,000	3,000	3,000
100401	56099	FD4110 : Monitoring equipment	4,000	4,000	3,000	4,000
100401	56099	FD4111 : Pager replacements	3,500	3,500	4,000	4,000
100402-Fire EMA			**13,775**	**-**	**13,200**	**-**
100402	56099	FD4800 : Portable Radio Replacements	-	-	3,200	-
100402	56099	FD4804 : Radio Repeaters	-	-	10,000	-
100402	56099	FD4807 : Upgrade EOC	13,775	-	-	-
100510-Public Services			**2,300**	**-**	**-**	**-**
100510	56004	PS5000 : IPAD	800	-	-	-
100510	56004	PS5000 : Laptop	1,500	-	-	-
100603-Bldg & Code Enforcement			**3,540**	**780**	**-**	**-**
100603	56003	CD6032: Replace Admin Chairs	1,200	-	-	-
100603	56099	CD6031: Tablet(s) & access. (3)	2,340	780	-	-
100604-Development Engineering			**850**	**-**	**-**	**-**
100604	56004	CD6041 : IPAD, Accessories & Software	850	-	-	-
100650-Economic Development			**430**	**-**	**-**	**-**
100650	56003	CD6501 : Stand up Desk	430	-	-	-
Total General Fund			**$ 141,245**	**$ 123,530**	**$ 140,700**	**$ 106,500**
ELECTRIC FUND						
200520-Electric Administration			**221,250**	**75,000**	**75,000**	**-**
200520	56004	CP5064 : Plotter/Scanner for PW Admin	5,000	-	-	-
200520	56301	11002 : Work Order Project	16,250	75,000	75,000	-
200520	56301	EL1003 : Utility Billing Software Replc (40%)	200,000	-	-	-
200521-Electric Operations			**4,537,000**	**4,999,000**	**5,718,000**	**6,907,000**
200521	56001	EL2001 : Replace 1910 Chevy Impala	-	-	24,000	-
200521	56001	EL2002 : Replace 1730 Ford F550	-	65,000	-	-
200521	56001	EL2006 : Repl 1734 2004 Aerial	165,000	-	-	-

FY 15/16 Capital Budget			FY 15-16	FY 16-17	FY 17-18	FY 18/19
200521	56001	EL2007 : Repl 1799 2007 IHC 4300 Digger	-	-	190,000	-
200521	56001	EL2008 : Repl 1902 2009 IHC 7400 SFA	-	-	280,000	-
200521	56001	EL2010 : Repl 1924 2005 IHC 4300 Aerial	-	-	160,000	-
200521	56001	EL2011 : Repl 1982 2005 Ford F350 SD	-	-	-	55,000
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	56002	EL2016 : Electric Line Trailer Replacements	10,000	25,000	12,000	12,000
200521	56101	EL2015 : PW Facility Parking Lot Improve-Electric	15,000	15,000	-	-
200521	56200	EL2018 : Cable storage shed	120,000	-	-	-
200521	56203	12kV Main Breaker Installation at Sub 3	60,000	-	-	-
200521	56203	Dunham Rd Upgrade Engineering	-	-	100,000	-
200521	56203	Dunham Rd Upgrade Const	-	-	-	800,000
200521	56203	LDC #3 - Pheasant Run	-	-	-	900,000
200521	56203	OSI System Upgrades	130,000	-	-	-
200521	56203	Redundant SCADA network switches	10,000	10,000	10,000	-
200521	56203	Split 12kv Circuits at Sub 3 Engineering	-	-	100,000	-
200521	56203	Split 12kV Circuits at Sub 3 Construction	-	-	-	700,000
200521	56203	Sub 9 Site preparation	300,000	-	-	-
200521	56203	Sub 9 - Transformer and supporting equip	-	1,500,000	750,000	-
200521	56203	Substation Capital Unplanned Failures	30,000	30,000	30,000	30,000
200521	56203	Substation TR replacement - 6T1/3T3	600,000	-	-	800,000
200521	56204	2nd 35kV line into LDC2	-	-	-	1,000,000
200521	56204	Duct to Sub 9	1,000,000	1,000,000	-	-
200521	56204	Replace L13155-unjacketed XLPE 345mil	-	-	1,500,000	-
200521	56205	First Street Development	155,000	-	-	-
200521	56206	513 Relief	-	250,000	-	-
200521	56206	Automation of 12kV lines	-	-	-	500,000
200521	56206	Cable Replacement/Reinforcement	226,000	400,000	500,000	500,000
200521	56206	Extend LDC1 Circuit north to 514 and 715	220,000	-	-	-
200521	56206	Finish Duct to Dean St	-	-	125,000	-
200521	56206	Inject Charlemange	70,000	-	-	-
200521	56206	Inject Hunt Club	-	100,000	-	-
200521	56206	Inject Next Subdivision	-	-	80,000	80,000
200521	56206	Leaking and failed transformer replacements	100,000	100,000	100,000	120,000
200521	56206	O to U - 514 behind Amli - Kirk to Tyler	-	-	-	250,000
200521	56206	Overhead System Replacements	286,000	400,000	400,000	300,000
200521	56206	Power Factor Correction Equipment	12,000	45,000	12,000	45,000
200521	56206	Reconductor 316 along Tracks Cedar to Tyler	-	-	200,000	-
200521	56206	Rotted SWGR Replacements	70,000	50,000	50,000	50,000
200521	56206	Station Exit Cable Replacement	378,000	400,000	600,000	300,000
200521	56206	Storm Hardening-Residential OVHD to UG	100,000	100,000	100,000	-
200521	56206	Unplanned Underground Equipt Failures-Historical	170,000	300,000	300,000	300,000
200521	56206	Upgrade 224 Wildrose to Red Gate	230,000	-	-	-
200521	56207	New Service Work	35,000	44,000	45,000	45,000
200521	56208	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			**33,000**	**40,000**	-	-
200522	56001	EL9000 : Replc 1938 Ford F350 Pick-Up	-	40,000	-	-
200522	56001	EL9001 : Replace 1981 Chevy G2500	33,000	-	-	-
Total Electric Fund			**$ 4,791,250**	**$ 5,114,000**	**$ 5,793,000**	**$ 6,907,000**
		Funding:				
		Cash Projects	**2,338,250**	**2,389,000**	**2,689,000**	**2,082,000**
		Developer Funded	**155,000**	-	-	-
		Bonded Projects	**2,100,000**	**2,500,000**	**2,450,000**	**4,700,000**
		Prior Bonded Projects	-	-	-	-
		Replacement Reserves	198,000	225,000	654,000	125,000
		Total Funding	**$ 4,791,250**	**$ 5,114,000**	**$ 5,793,000**	**$ 6,907,000**
WATER FUND						
210540-Water Administration			**$ 171,250**	**$ 75,000**	**$ 75,000**	**$ -**
210540	56004	CP5064 : Plotter/Scanner for PW Admin	5,000	-	-	-
210540	56301	11002 : Work Order Project	16,250	75,000	75,000	-
210540	56301	WA1003 : Utility Billing Software Replc (30%)	150,000	-	-	-

FY 15/16 Capital Budget

			FY 15-16	FY 16-17	FY 17-18	FY 18/19
210541-Water Operations			**1,350,600**	**1,472,550**	**1,967,600**	**928,326**
210541	56001	WA5023 : Repl 1940 2003 Ford F350	65,000	-	-	-
210541	56001	WA5025 : Vehicle #1724 - 6 Wheel Dump	-	-	150,000	-
210541	56001	WA5026 : Repl 1740 2003 Ford 550	-	-	-	65,000
210541	56002	WA2004 : Well #13 Media Replacement	100,000	-	-	-
210541	56002	WA2017 : SCADA Enhancements-Emer Ops Ctr	-	25,000	-	-
210541	56002	WA5004 : SCADA Upgrade/Replacement	-	200,000	-	-
210541	56002	WA5047 : Generator w/Utility Trailer	18,500	-	-	-
210541	56002	WA5048 : Hydrant Seat Impact Remover	12,000	-	-	-
210541	56150 DE	WA5006 : 9th St (Lexington) Water Main	8,550	-	-	-
210541	56101 Const	WA5006 : 9th St (Lexington) Water Main	95,000	-	-	-
210541	56160 CE	WA5006 : 9th St (Lexington) Water Main	8,550	-	-	-
210541	56150 DE	WA5008 : W Main to 17th St Parking Lot	-	31,500	-	-
210541	56101 Const	WA5008 : W Main to 17th St Parking Lot	-	349,850	-	-
210541	56160 CE	WA5008 : W Main to 17th St Parking Lot	-	31,500	-	-
210541	56101 Const	WA5010 : N. 2nd Ave to Delnor Ave	-	210,900	-	-
210541	56101 Const	WA5012 : McGrath Water Main Improvement	-	75,000	-	-
210541	56101 Const	WA5019 : Water MFT Repairs Contrib	85,000	115,000	115,000	-
210541	56101 Const	WA5030 : CMD Road Rehab-Phs 2-Water	-	-	13,100	-
210541	56101 Const	WA5031 : CMD Road Rehab-Phs 3-Water	-	-	9,500	-
210541	56101 Const	WA5032 : CMD Road Rehab-Phs 4-Water	-	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	-
210541	56150 DE	WA5037 : S 5th Ave (Rte 25)	-	-	-	32,288
210541	56101 Const	WA5037 : S 5th Ave (Rt 25)-5th to 6th	-	-	-	358,750
210541	56160 CE	WA5037 : S 5th Ave (Rte 25)	-	-	-	32,288
210541	56150 DE	WA5038 : Fairview Dr (Phase 1-Study)	15,000	-	-	-
210541	56101 Const	WA5038 : Fairview Dr Waterline-Phase 1	-	-	200,000	-
210541	56101 Const	WA5039 : Fairview Dr Waterline-Phase 2	-	-	-	190,000
210541	56150 DE	WA5043 : Tyler Rd Watermain	-	20,250	-	-
210541	56101 Const	WA5043 : Tyler Rd Watermain	-	225,000	-	-
210541	56150 DE	WA5046 : North Tyler Rd Watermain	54,000	-	-	-
210541	56101 Const	WA5046 : North Tyler Rd Watermain	540,000	-	-	-
210541	56160 CE	WA5046 : North Tyler Rd Watermain	54,000	-	-	-
210541	56150 DE	WA2013 : Convert Well #11 to Hypo - DE	-	12,000	-	-
210541	56209 Const	WA2013 : Convert Well #11 to Hypo	-	-	50,000	-
210541	56150 DE	WA2014 : Convert Well #9 to Hypo - DE	8,000	-	-	-
210541	56209 Const	WA2014 : Convert Well #9 to Hypo	-	50,000	-	-
210541	56150 DE	WA2019 : Well #8 Plant Design Revisions	-	20,000	-	-
210541	56209 Const	WA2019 : Well #8 Plant Design Revisions	-	-	120,000	-
210541	56150 DE	WA2022 : Well #8 Generator	-	15,000	-	-
210541	56209 Const	WA2022 : Well #8 Generator	-	-	110,000	-
210541	56150 DE	WA2023 : Well #4 Demo/Improvements	-	25,000	-	-
210541	56170	WA2032 : Wells 9 & 11 Chlorine / Ammonia Study	15,000	-	-	-
210541	56170	WA5013 : 10 Year Master Study	-	-	120,000	-
210541	56200	WA2024 : Well #9 Roof Replacement	55,000	-	-	-
210541	56200	WA2025 : Well #8 Roof Replacement	95,000	-	-	-
210541	56209	WA2021 : Convert Well #13 to Hypo	72,000	-	-	-
210541	56209	WA2031 : Well #4 Preventive Maintenance	-	-	-	250,000
210541	56209	WA2033 : Well #8 Booster Station VFDs	35,000	35,000	-	-
210541	56209	WA2034 : Well #7 Media Replacement	-	-	140,000	-
210541	56211	WA2010 : 10th St Tower Painting	-	-	250,000	-
210541	56211	WA2011 : Campton Hills Tower Maint Eng	-	-	675,000	-
210542-Water Meter			-	**44,500**	**44,500**	-
210542	56001	WA7001 : Replace 1801: 2003 Ford Van	-	44,500	-	-
210542	56001	WA7002 : Replace 1802: 2003 Ford Van	-	-	44,500	-
Total Water Fund			**$ 1,521,850**	**$ 1,592,050**	**$ 2,087,100**	**$ 928,326**

Funding:				
Cash Projects	**658,850**	**675,550**	**767,600**	**250,000**
Bonded Projects	**798,000**	**872,000**	**1,125,000**	**613,326**
Prior Bonded Projects	-	-	-	-
Replacement Reserves	65,000	44,500	194,500	65,000
Total Funding	**$ 1,521,850**	**$ 1,592,050**	**$ 2,087,100**	**$ 928,326**

FY 15/16 Capital Budget			FY 15-16	FY 16-17	FY 17-18	FY 18/19
WASTEWATER FUND						
220550-Wastewater Administration			**$ 171,250**	**$ 75,000**	**$ 75,000**	**$ -**
220550	56004	CP5064 : Plotter/Scanner for PW Admin	5,000	-	-	-
220550	56301	11002 : Work Order Project	16,250	75,000	75,000	-
220550	56301	WW1003 : Utility Billing Software Replc (30%)	150,000	-	-	-
220551-Wastewater Plant Operations			**2,445,000**	**1,730,000**	**216,000**	**100,000**
220551	56001	WW2018 : Repl 1875 2009 Ford Escape	-	-	26,000	-
220551	56002	WW2016 : SCADA Enhancements	-	175,000	-	-
220551	56002	WW2019 : Sludge Storage Tank Mixer	60,000	-	-	-
220551	56002	WW2020 : Return Activated Sludge Pumps (3)	-	40,000	40,000	-
220551	56002	WW2022 : Boiler Oilers (6)	15,000	15,000	-	-
220551	56002	WW5003 : Lift Station Rehabilitation Program	-	100,000	150,000	100,000
220551	56150 DE	WW2023 : Phosphorus Removal	120,000	-	-	-
220551	56200 Const	WW2023 : Phosphorus Removal	-	1,300,000	-	-
220551	56160 CE	WW2023 : Phosphorus Removal	-	100,000	-	-
220551	56150 DE	WW2014 : Digester Operation Improve	125,000	-	-	-
220551	56200 Const	WW2014 : Digester Operation Improve	2,000,000	-	-	-
220551	56160 CE	WW2014 : Digester Operation Improve	125,000	-	-	-
220552-Wastewater Collections			**512,200**	**735,800**	**1,238,300**	**393,890**
220552	56001	WW6012 : Vehicle #1753 1-Ton Utility	-	-	55,000	-
220552	56001	WW6013 : Repl Vactor (split w/Storm)	279,000	-	-	-
220552	56001	WW6018 : Repl 1778 2000 Mini Excavator	-	-	-	87,000
220552	56001	WW6019 : Repl 1881 2004 IHC 7400 6x4	-	145,000	-	-
220552	56001	WW6021 : Repl 1761 2009 Ford F550	-	-	75,800	-
220552	56001	WW6022 : Repl 1864 2009 Ford F550	-	-	67,500	-
220552	56002	WW6003 : 4 Trashpump#2142Replacement	50,000	50,000	50,000	-
220552	56002	WW6015 : Sanitary Sewer Flow Metering	20,000	20,000	20,000	20,000
220552	56101 Const	WW6008 : Sanitary Sewer MFT Funds	130,000	115,000	115,000	115,000
220552	56150 DE	WW6016 : Dunham Road Force Main DE	-	50,000	-	-
220552	56101 Const	WW6016 : Dunham Rd Force Main	-	-	500,000	-
220552	56160 CE	WW6016 : Dunham Rd Force Main	-	-	50,000	-
220552	56101 Const	WW6023 : CMD Road Rehab-Phs 2-WW	-	-	5,000	-
220552	56101 Const	WW6025 : CMD Road Rehab-Phs 4-WW	-	5,450	-	-
220552	56101 Const	WW6026 : Concrete Program-Aintree Rd-WW	-	15,750	-	-
220552	56101 Const	WW6028 : N 2nd Ave to Delnor	-	280,900	-	-
220552	56150 DE	WW6029 : AMLII-Kirk & Illinois	3,200	-	-	-
220552	56101 Const	WW6029 : AMLII-Kirk & Illinois	-	35,500	-	-
220552	56160 CE	WW6029 : AMLII-Kirk & Illinois	-	3,200	-	-
220552	56101 Const	WW6030 : PW Facility Parking Lot Improvements	15,000	15,000	-	-
220552	56150 DE	WW6031 : Dunham & Royal St George	-	-	-	3,195
220552	56101 Const	WW6031 : Dunham & Royal St George	-	-	-	35,500
220552	56160 CE	WW6031 : Dunham & Royal St George	-	-	-	3,195
220552	56150 DE	WW6037 : Fairview Dr (Phase 1-Study)	15,000	-	-	-
220552	56101 Const	WW6037 : Fairview Dr Sewer-Phase 1	-	-	180,000	-
220552	56101 Const	WW6038 : Fairview Dr Sewer-Phase 2	-	-	-	130,000
220552	56150 DE	WW6040 : Siphon Rehab Program-Wildrose	-	-	10,000	-
220552	56101 Const	WW6040 : Siphon Rehab Program-Wildrose	-	-	100,000	-
220552	56160 CE	WW6040 : Siphon Rehab Program-Wildrose	-	-	10,000	-
Total Wastewater Fund			**$ 3,128,450**	**$ 2,540,800**	**$ 1,529,300**	**$ 493,890**
		Funding:				
		Cash Projects	**329,450**	**643,700**	**570,000**	**276,890**
		Bonded Projects	**2,520,000**	**1,752,100**	**735,000**	**130,000**
		Prior Bonded Projects	**-**	**-**	**-**	**-**
		Replacement Reserves	**279,000**	**145,000**	**224,300**	**87,000**
		Total Funding	**$ 3,128,450**	**$ 2,540,800**	**$ 1,529,300**	**$ 493,890**
Motor Fuel Tax						
350500-Motor Fuel Tax			**980,000**	**980,000**	**980,000**	**980,000**
350500	56101	MF1000 : Annual Resurfacing Program	980,000	980,000	980,000	980,000
Total Motor Fuel Tax			**$ 980,000**	**$ 980,000**	**$ 980,000**	**$ 980,000**
First Street Capital Projects						
503661-First St Capital Projects			**1,932,000**	**-**	**-**	**-**

FY 15/16 Capital Budget			FY 15-16	FY 16-17	FY 17-18	FY 18/19
503661	56200	Phase 3 Parking Garage	1,932,000	-	-	-
Total First St Capital Projects			**$ 1,932,000**	**$ -**	**$ -**	**$ -**
Capital Projects Fund						
513200-Capital Projects-IS			**$ 452,950**	**$ 150,000**	**$ 105,000**	**$ 200,000**
513200	56004	CP2004: Voicemail Server Upgrade	7,500	-	-	-
513200	56004 Hardware	CP2005: Lawson Upgrade to V10	7,000	-	-	-
513200	56301 Software	CP2005: Lawson Upgrade to V10	145,000	-	-	200,000
513200	56004	CP2302 : Fiber Patch Cable Cleanup Project	9,500	-	-	-
513200	56004	IS1011 : Telephone Replacements	30,000	30,000	30,000	-
513200	56004 Hardware	CP2300 : Lotus Notes Migration to Outlook	10,800	-	-	-
513200	56301 Software	CP2300 : Lotus Notes Migration to Outlook	145,900	-	-	-
513200	56004 Hardware	CP2315 : Solar Winds Network Monitoring	2,000	-	-	-
513200	56301 Software	CP2315 : Solar Winds Network Monitoring	10,000	-	-	-
513200	56004	Survey Monumentation	24,000	-	-	-
513200	56301	11002 : Work Order Project	16,250	75,000	75,000	-
513200	56301	IS1023 : Document Management	25,000	-	-	-
513200	56301	IS1024 : File Sharing	-	45,000	-	-
513200	56301	IS1026 : Voicemail Software Upgrade	20,000	-	-	-
513300-Capital Projects-Police			**120,000**	**40,000**	**20,000**	**-**
513300	56002	CP3008 : Radio Replacement (4 Year)	10,000	10,000	10,000	-
513300	56002	CP3010 : Cameras for Downtown (DCEO Grant)	10,000	-	-	-
513300	56002	CP3011 : Replacement Gator & Trailer	15,000	-	-	-
513300	56003	CP3007 : Furniture Replacement (4 Year)	10,000	10,000	10,000	-
513300	56099	CP3009 : Replace K-9 Officer	-	20,000	-	-
513300	56200	CP3006 : Police Range Building	75,000	-	-	-
513400-Capital Projects-Fire			**404,000**	**18,000**	**-**	**32,000**
513400	56002	CP4002 : Hose Washer	14,000	-	-	-
513400	56002	CP4003 : Air Cascade/Compressor	-	-	-	32,000
513400	56099	CP4009 : SCBA Replacements	390,000	-	-	-
513400	56099	CP4004 : Dive Trailer	-	18,000	-	-
513500-Capital Projects-Street/Bridge			**3,057,500**	**9,991,536**	**5,896,487**	**678,152**
513500	56002	CP5061 : Total Patcher Equipment	60,000	-	-	-
513500	56002	CP5600 : Snow Control Equipment	20,000	20,000	20,000	20,000
513500	56004	CP5064 : Plotter/Scanner for PW Admin (split)	5,000	-	-	-
513500	56150 DE	CP5003 : City Hall Parking Improvem	-	30,000	-	-
513500	56101 Const	CP5003 : City Hall Parking Lot Improvem	-	-	300,000	-
513500	56160 CE	CP5003 : City Hall Parking Lot Improvem	-	-	27,000	-
513500	56150 DE	CP5012 : Riverside Streetscape - Main t	-	40,000	-	-
513500	56101 Const	CP5012 : Riverside Streetscape - Main t	-	-	400,000	-
513500	56150 DE	CP5030 : Campton Hills Rd Resurface	-	-	-	-
513500	56101 Const	CP5030 : Campton Hills Rd Resurface	-	1,415,000	-	-
513500	56160 CE	CP5030 : Campton Hills Road Reconstruction	-	127,350	-	-
513500	56101 Const	CP5032 : Concrete Program-Aintree Rd	-	994,400	-	-
513500	56150 DE	CP5033 : Fairview Dr (Phase 1-Study)	-	-	-	-
513500	56150 DE	CP5033 : Fairview Dr (Phase 1 DE)	-	32,000	-	-
513500	56150 DE	CP5033 : Fairview Dr (Phase 2 DE)	-	38,000	-	-
513500	56101 Const	CP5033 : Fairview Dr - Phase 1	-	-	320,000	-
513500	56101 Const	CP50xx : Fairview Dr - Phase 2	-	-	-	380,000
513500	56101 Const	CP5034 : CMD Road Rehabilitation Phase 2	-	-	876,417	-
513500	56101 Const	CP5035 : CMD Road Rehabilitation Phase 3	-	-	483,870	-
513500	56101 Const	CP5036 : CMD Road Rehabilitation Phase 4	-	1,513,714	-	-
513500	56160 CE	CP5036 : CMD Road Rehabilitation Phase 4	-	136,234	-	-
513500	56101 Const	CP5037 : Main St Bridge Alcove Repairs	50,000	-	-	-
513500	56150 DE	CP5038 : Illinois Bridge Repairs (Phase 1-Study)	32,000	-	-	-
513500	56150 DE	CP5038 : Illinois Bridge Repairs (Phase 2-DE)	-	20,000	-	-
513500	56150 Study	CP5039 : Piano Factory Bridge Repairs (Study)	20,000	-	-	-
513500	56150 DE	CP5039 : Piano Factory Bridge Repairs (DE)	-	200,000	-	-
513500	56200 Const	CP5039 : Piano Factory Bridge Repairs	-	-	1,400,000	-
513500	56160 CE	CP5039 : Piano Factory Bridge Repairs	-	-	140,000	-
513500	56101 Const	CP5040 : Second & Delnor Ave Street Reconstruction	-	334,638	-	-
513500	56150 DE	CP5041 : State St Creek Parking Lot Imp	-	-	-	127,152
513500	56101 Const	CP5042 : Retroflectivity Sign Program	-	50,000	-	-
513500	56150 DE	CP5043 : Main St Streetscape (7th to 7th)	-	60,000	-	-
513500	56101 Const	CP5043 : 7th Ave to 7th St Streetscape	-	-	-	-

FY 15/16 Capital Budget			FY 15-16	FY 16-17	FY 17-18	FY 18/19
513500	56101 Const	CP5048 : Red Gate Road Resurface	-	500,000	-	-
513500	56160 CE	CP5048 : Red Gate Road Resurface	-	60,000	-	-
513500	56101 Const	CP5049 : Division St Resurface (7th to Kirk)	-	-	510,000	-
513500	56160 CE	CP5049 : Division St Resurface (7th to Kirk)	-	-	61,200	-
513500	56101 Const	CP5050 : Peck Rd Resurface	682,500	-	-	-
513500	56160 CE	CP5050 : Peck Rd Resurface	82,000	-	-	-
513500	56101 Const	CP5051 : S 14th St Resurface (Prairie to IL38)	-	260,000	-	-
513500	56160 CE	CP5051 : S 14th St Resurface (Prairie to IL38)	-	31,200	-	-
513500	56101 Const	CP5052 : S Tyler Rd Reconstruct	1,550,000	-	-	-
513500	56160 CE	CP5052 : S Tyler Rd Reconstruct	155,000	-	-	-
513500	56150 Study	CP5054 : Fox River Retaining Wall (Phase 1-Study)	-	-	-	-
513500	56150 DE	CP5054 : Fox River Retaining Wall Repl (Phs 2-DE)	300,000	-	-	-
513500	56101 Const	CP5054 : Fox River Retaining Wall Repl	-	2,400,000	-	-
513500	56160 CE	CP5054 : Fox River Retaining Wall Repl	-	240,000	-	-
513500	56101 Const	CP5062 : Kautz Rd Maintenance	25,000	-	-	-
513500	56101 Const	CP5063 : Kautz Rd Reconstruction	-	1,000,000	1,000,000	-
513500	56101	CP5065 : Milestone Row Parking Imp	-	-	-	-
513500	56101	CP5067 : First St Lot 8 Parking Lot	25,000	-	-	-
513500	56101	CP5068 : Phase 3, Bldg 1 Streetscape Impr	-	378,000	-	-
513500	56101	CP5069 : Phase 3, Bldg 2 Streetscape Impr	-	-	157,000	-
513500	56101	CP5070 : Phase 3, Bldg 3 Streetscape Impr	-	-	-	100,000
513500	56170	CP5016 : General Testing Services	51,000	51,000	51,000	51,000
513500	56170	CP5017 : Street Rating Evaluation	-	60,000	-	-
513500	56170	CP5041 : State St Creek Parking Lot Rehab Project	-	-	150,000	-
513500	56170	CP5066 : Illinois St. Traffic Analysis	-	-	-	-
513501-Capital Projects-Storm			**1,062,000**	**1,957,925**	**1,146,000**	**375,000**
513501	56101 Const	CP5700 : MFT Storm Contribution : MFT Storm Contri	145,000	125,000	125,000	125,000
513501	56101 Const	CP5703 : FoxGlen Norton Cr Stream Stabi	695,000	-	-	-
513501	56150 DE	CP5704 : 7th Ave Creek Improvements (DE)	125,000	125,000	-	-
513501	56101 Const	CP5704 : 7th Ave Creek Improvements	-	-	-	-
513501	56160 CE	CP5704 : 7th Ave Creek Improvements	-	-	-	-
513501	56150 DE	CP5711 : Dean St Creek Culvert Repairs	-	-	100,000	-
513501	56101 Const	CP5711 : Dean St Creek Culvert Repairs	-	-	-	200,000
513501	56101 Const	CP5712 : Walnut St Storm Sewer Replacement	-	150,000	150,000	-
513501	56101 Const	CP5715 : North 9th St Culvert Replacement	-	150,000	-	-
513501	56101 Const	CP5717 : Misc Storm Sewer Lining	-	-	-	-
513501	56101 Const	CP5719 : McKinley St Bypass	-	350,000	-	-
513501	56101 Const	CP5720 : Weber Rd Storm Sewer Install	-	-	250,000	-
513501	56101 Const	CP5721 : Sump Line Invest & Relo	-	50,000	50,000	50,000
513501	56101 Const	CP5723 : Second & Delnor Ave Storm Rehab	-	56,925	-	-
513501	56150 DE	CP5726 : N 17th St Storm Sewer Modification	-	36,000	-	-
513501	56101 Const	CP5726 : N 17th St Storm Sewer Modification	-	-	400,000	-
513501	56160 CE	CP5726 : N 17th St Storm Sewer Modification	-	-	36,000	-
513501	56150 DE	CP5727 : State St Creek Outfall Project	45,000	-	-	-
513501	56101 Const	CP5727 : State St Creek Outfall Project	-	450,000	-	-
513501	56160 CE	CP5727 : State St Creek Outfall Project	-	45,000	-	-
513501	56150 DE	CP5731 : Basin 106c Shoreline	30,000	-	-	-
513501	56101 Const	CP5731 : Basin 106c Shoreline	-	300,000	-	-
513501	56160 CE	CP5731 : Basin 106c Shoreline	-	20,000	-	-
513501	56150	CP5732 : 1336 IL Rt 31 Culvert	22,000	-	-	-
513501	56170	CP5706 : Watershed Masterplan	-	100,000	-	-
513501	56170	CP5728 : Culvert Inspection Report	-	-	35,000	-
513511-Capital Projects-Special Svcs			**530,000**	**1,725,000**	**-**	**275,000**
513511	56002	CP5826 : Public Works Fitness Room	-	50,000	-	-
513511	56170	CP5806 : Facilities Peventative Maint	-	50,000	-	-
513511	56150 DE	CP5810 : Police Station Ext Weather Tightening Project	350,000	-	-	-
513511	56200 Const	CP5810 : Police Station Ext Weather Tightening Project	-	1,200,000	-	-
513511	56200	CP5814 : PW Maint Garage Roof Replacement	35,000	350,000	-	-
513511	56200	CP5816 : IDOT Facility Roof Repairs	-	-	-	200,000
513511	56200	CP5818 : Parking Garage Repairs	-	75,000	-	75,000
513511	56200	CP5820 : George's Sports Remodeling	65,000	-	-	-
513511	56200	CP5822 : City Hall Elevator Modernization	60,000	-	-	-
513511	56200	CP5827 : Fire Station 2 Renovations	20,000	-	-	-
Total Capital Projects Fund			**$ 5,626,450**	**$ 13,882,461**	**$ 7,167,487**	**$ 1,560,152**

FY 15/16 Capital Budget			FY 15-16	FY 16-17	FY 17-18	FY 18/19
		Funding:				
		Bonded Projects	**3,411,500**	**11,504,261**	**5,971,987**	**580,000**
		Prior Bonded Projects	**152,000**	**-**	**-**	**-**
		Grants	**585,000**	**570,000**	**482,500**	**-**
		Internal Borrowing	**640,000**	**-**	**-**	**-**
		Prior Year Project Funds	**155,000**	**-**	**-**	**-**
		Transfer From General Fund	**682,950**	**1,808,200**	**713,000**	**980,152**
		Total Funding	**5,626,450**	**13,882,461**	**7,167,487**	**1,560,152**
Inventory			**-**	**-**	**55,000**	**-**
800223	56001	IN2001 : Repl 1960 F350 SDuty	-	-	55,000	-
Total Inventory Fund			**$ -**	**$ -**	**$ 55,000**	**$ -**
Motor Vehicle Replacement						
801300-Motor Vehicle-Police			**147,000**	**211,000**	**36,000**	**149,000**
801300	56001	MV3002 : Repl 1789 PD 11 2004 Crowne	-	-	36,000	-
801300	56001	MV3014 : Repl 1806 PD 46 04 GMC Van	32,000	-	-	-
801300	56001	MV3015 : Repl 1931 PD 06 2008 CrownVic	-	-	-	34,000
801300	56001	MV3017 : Repl 1718 PD 22 2010 Crown Vic	35,000	-	-	-
801300	56001	MV3021 : Repl 1702 PD 26 2010 Crown Vic	-	35,000	-	-
801300	56001	MV3022 : Repl 1712 PD 32 2010 Crown Vic	-	36,000	-	-
801300	56001	MV3029 : Repl 1842 2011 Crown Vic (23)	35,000	-	-	-
801300	56001	MV3030 : Repl 1790 2012 Charger	-	35,000	-	-
801300	56001	MV3031 : Repl 1777 2012 Charger (25)	-	35,000	-	-
801300	56001	MV3032 : Repl 1780 2012 Charger (29)	-	35,000	-	-
801300	56001	MV3033 : Repl 1774 2012 Charger (33)	-	35,000	-	-
801300	56001	MV3034 : Repl 1841 2011 Crown Vic (44)	-	-	-	35,000
801300	56001	MV3035 : Repl 1870 2012 Chevy Tahoe (20)	45,000	-	-	-
801300	56001	MV3036 : Repl 1869 2011 Chevy Tahoe (41)	-	-	-	45,000
801300	56001	MV3037 : Repl 1834 2011 Crown Vic (28)	-	-	-	35,000
801400-Motor Vehicle-Fire			**452,880**	**-**	**50,275**	**515,820**
801400	56001	MV4006 : Replacement Of Car 111 (Chief)	43,087	-	-	-
801400	56001	MV4008 : Replace Ford F550	-	-	50,275	-
801400	56001	MV4009 : Replace Pumper 105	409,793	-	-	-
801400	56001	MV4012 : Replace Seagrave Rescue Squad	-	-	-	515,820
801510-Motor Vehicle-PS-Const Svcs			**751,000**	**615,300**	**301,000**	**1,260,000**
801510	56001	MV5003 : Repl 1715 3-Ton W/Plow&Spred	140,000	-	-	-
801510	56001	MV5004 : Repl 1716 Dump W/Plow-Spred	95,000	-	-	-
801510	56001	MV5007 : Repl 1701 2005 IHC 7400 Dump	-	150,000	-	-
801510	56001	MV5008 : Repl 1723 2005 IHC 7400 Dump	150,000	-	-	-
801510	56001	MV5009 : Repl 1746 F-550 4x2	-	-	-	56,000
801510	56001	MV5010 : Repl 1797 2007 IHC 7400 4x2	-	150,000	-	-
801510	56001	MV5011 : Repl 1798 2007 IHC 7400 4x2	-	150,000	-	-
801510	56001	MV5012 : Repl 1804 2004 Ford F350 FWD	35,000	-	-	-
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	-	46,100	-	-
801510	56001	MV5016 : Repl 1865 2000 Cat Loader	-	-	55,000	-
801510	56001	MV5017 : Repl 1886 2005 IHC	185,000	-	-	-
801510	56001	MV5022 : Repl 1941 2007 IHC 7400 SFA 6x4	-	-	-	175,000
801510	56001	MV5023 : Repl 1943 2007 IHC 7400 SFA 6x4	-	-	-	175,000
801510	56001	MV5024 : Repl 1956 2008 Ford F550 V8	-	47,200	-	-
801510	56001	MV5027 : Repl 1860 2009 IHC 7400 4x2	-	-	190,000	-
801510	56001	MV5028 : Repl 1700 2008 Ford F350 SD	-	-	-	46,000
801510	56001	MV5029 : Repl 1703 2008 Ford F350 SD	-	-	-	32,600
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	-	-	-	180,000
801510	56001	MV5702 : Tv Trailer #2172	-	-	-	150,000
801510	56001	MV5703 : Repl Vactor (split w/Wastewater)	146,000	-	-	-
801510	56001	MV5704 : Repl 1713 2008 Ford F350SD	-	-	-	41,400
801510	56001	MV5705 : New Flushing Trailer	-	-	-	70,000
801511-Motor Vehicle-PS-Special Svcs			**52,000**	**35,000**	**-**	**-**
801511	56001	MV5801 : Repl 1889 Ford 7700 1/2 4Wh Dr	-	35,000	-	-
801511	56001	MV5803 : Repl 1858 Ford Dump F350	52,000	-	-	-

FY 15/16 Capital Budget			FY 15-16	FY 16-17	FY 17-18	FY 18/19
Total Motor Vehicle Replacement Fund			**$ 1,402,880**	**$ 861,300**	**$ 387,275**	**$ 1,924,820**
Communications Fund						
804200-Communications-Info Systems			**130,000**	**130,000**	**100,000**	**-**
804200	56004	CO2000 : Computer Replacement Purchases	100,000	100,000	100,000	-
804200	56301	CO2003 : Computer Replacement Purchases	30,000	30,000	-	-
804530-Communications-Fiber			**48,440**	**350,500**	**4,300**	**105,800**
804530	56002	CO3004 : PW Facility Key Scan	4,300	5,000	-	-
804530	56002	CO3005 : Police Dept Key Scan	-	5,500	4,300	4,300
804530	56002	CO3022 : Replace Splice Trailer #2010	-	-	-	15,500
804530	56002	CO3023 : Replace Splice Machine	-	-	-	20,000
804530	56002	CO3026 : PWG Training Room Upgrade	6,000	-	-	-
804530	56002	CO3030 : Overhead Paging System-City Wide	22,640	20,000	-	-
804530	56002	CO3031 : Install Panic Buttons	3,700	-	-	-
804530	56002	CO3032 : Keyscan Access at Substations	8,000	-	-	-
804530	56031	CO3000 : River Crossing Fiber	-	20,000	-	-
804530	56031	CO3001 : Sub 8 to Sub 2 Fiber Connect	-	-	-	20,000
804530	56031	CO3027 : D303 Redundancy	-	300,000	-	-
804530	56031	CO3028 : Garage to Sub 5 Fiber Repl	-	-	-	46,000
804530	56031	CO3029 : Red Gate Water Tower	3,800	-	-	-
Total Communications Fund			**$ 178,440**	**$ 480,500**	**$ 104,300**	**$ 105,800**
		Communication & Motor Vehicle Reserves	**-**	**-**	**-**	**66,000**
		GRAND TOTAL-CAPITAL	**$ 19,702,565**	**$ 25,574,641**	**$ 18,244,162**	**$ 13,006,488**

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 black, 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.