

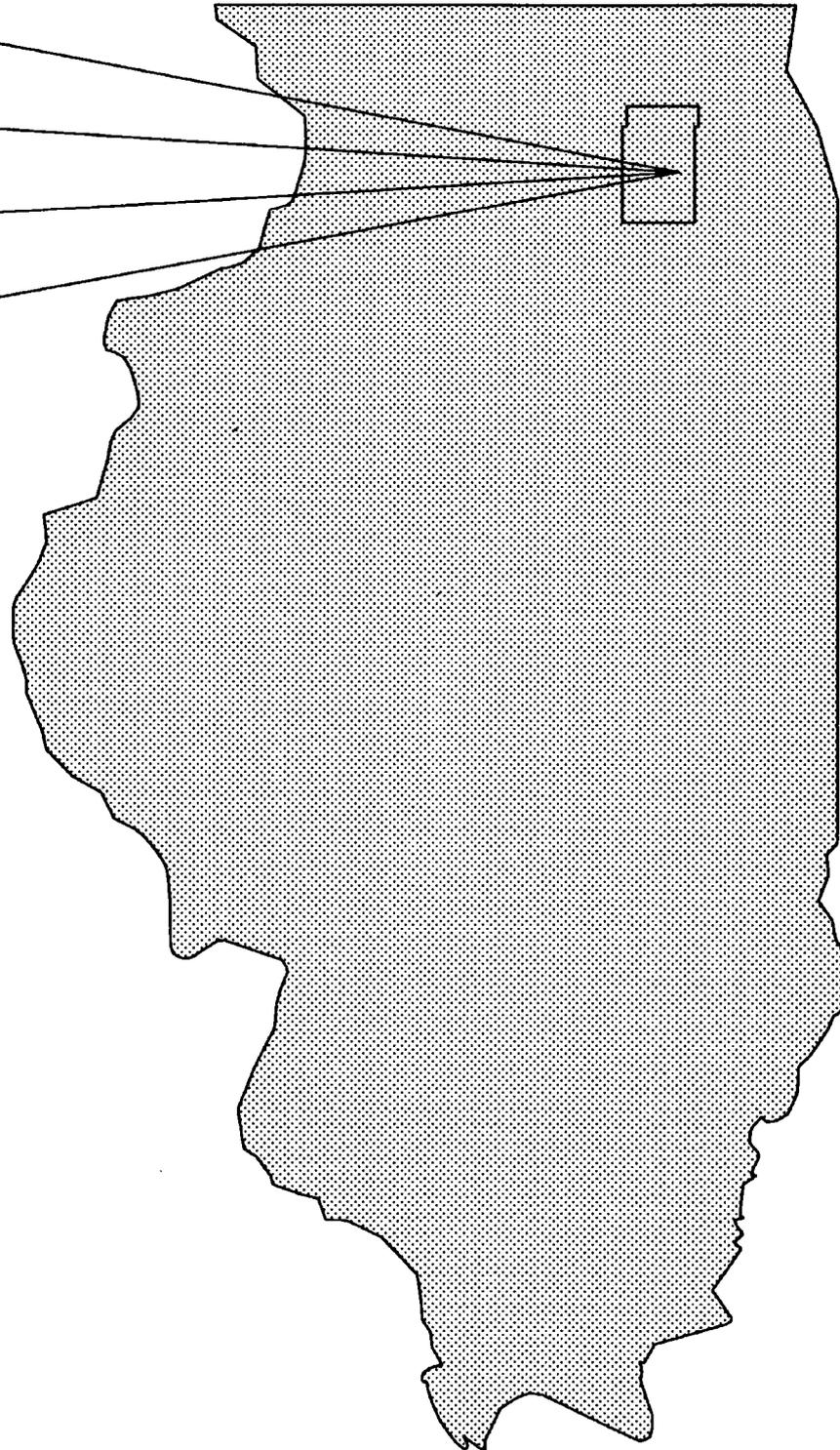
City of St. Charles Budget Plan FY 2013-2014



BUDGET SUMMARY



ST. CHARLES
SINCE 1834



Budget Summary

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Officers and Officials

As of April 1, 2013

Mayor
Donald P. Dewitte

City Administrator
Brian Townsend

City Council

Dan P. Stellato	Ward 1	William Turner	Ward 3
Jon Monken	Ward 1	Jo K. Krieger	Ward 4
Clifford X. Carrignan	Ward 2	James E. Martin	Ward 4
Rita Ann Payleitner	Ward 2	Maureen Lewis	Ward 5
Raymond Rogina	Ward 3	Ed Bessner	Ward 5

City Treasurer
Warren J. Drewes

City Clerk
Nancy Garrison

City Attorney
Gerald M. Gorski

Department Heads

Christopher A. Minick
Director of Finance

Mark Koenen
Director of Public Works

Rita Tungare
Director of Community Development

Joseph R. Schelstreet
Acting Fire Chief

Margaret A. Forster
Director of Information Systems

James E. Lamkin
Police Chief

Kathy A. Livernois
Director of Human Resources

Chris Aiston
Director of Economic Development



Budget Message and Overview

con·nec·tion

/kə'nekSHən/

Noun

1. A relationship in which a person, thing, or idea is linked or associated with something else.
2. The action of linking one thing with another.

St. Charles is all about making connections...literally and figuratively.

St. Charles has always been known as a friendly community that is characterized by collaboration, quality services, and interagency cooperation. The City of St. Charles continues to bolster that reputation by engaging in programs, activities, and projects that improve connections in the community. Some examples from the past year include:

- ✓ Participation in the Integrated Emergency Management Course (IEMC) with multiple local and regional agencies to prepare for emergencies and short-term recovery.
- ✓ Monthly intergovernmental meetings are held with representatives from Kane County, St. Charles Park District, St. Charles Library District, St. Charles School District #303, St. Charles Township, and City of St. Charles to discuss issues of importance and key initiatives.
- ✓ *Small Acts, Big Impacts* is a series that was developed to highlight the value that City employees bring to effective local government and to make St. Charles a great community.
- ✓ *St. Charles Connect*, a new mobile application, was implemented to provide residents and businesses with a new way to obtain services from the City directly from their mobile phones.
- ✓ Completion of the Bob Leonard River Walk project along the Fox River, which includes stabilization of the west shoreline and development of a bicycle/pedestrian path that stretches from Illinois Street to the Prairie Street bridge.



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- ✓ Completion of the long-awaited Red Gate Bridge, providing the fourth river crossing in the City's bridge inventory.

As we close FY12-13 and look ahead to FY13-14, the City's financial operations remain sound, supported by solid operating reserves, a demonstrated history of reacting to budgetary challenges, and strong leadership. For the past several years, the City of St. Charles has taken careful steps to restrain spending and implement prudent reductions in expenditures. The vision of the City's strategic plan - a City organization that maintains an optimal service delivery framework that balances resources with needs - is being fulfilled. That will be a continued area of emphasis in FY13-14.

The adoption of the FY13-14 budget represents a carefully crafted financial plan. The purpose of this budget message is to provide an overview of the plan that has been compiled over the past several months as City departments have prepared for the next four fiscal years.

St. Charles is a community that is admired for the quality of service that we provide. We are also an organization that is respected for our proactive preparation and our resourceful response.

Before introducing the FY13-14 budget, let's review some of the key achievements from FY12-13. These accomplishments mark our progress in connecting with the community and constructing a successful future for our City. Some examples include:

- ❑ The City's Comprehensive Annual Financial Report was recognized with the "Excellence in Financial Reporting" Award by the Government Finance Officers Association. This marks the 27th year in a row that St. Charles has been recognized.
- ❑ Construction commenced on the new bio-solids treatment removal facility to improve waste water treatment processes and improve the quality of water discharged to the Fox River.
- ❑ The reconstruction and widening of East Main Street began in April and is on target for a Summer, 2013 completion. The project will reconstruct, widen, and resurface Illinois Route 64 (Main Street/North Avenue) from 7th Avenue near the St. Charles Library to Route 59 in West Chicago. In addition to the roadwork, street lighting, retaining walls, and sidewalks will be installed.
- ❑ The construction of the expanded intersection at West Main Street and Oak Street was completed, including widening the intersection to 5 lanes (2 through lanes in each direction, right turn lanes, and a center turn lane) and a traffic signal.



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- ❑ The City has made substantial progress on updating the Comprehensive land-use plan, the City's official Land Use and Development Policy Guide. The plan is intended to be referenced when annexing property, changing zoning, reviewing development and redevelopment projects, and identifying public infrastructure improvements. Hundreds of stakeholders have participated in the process to date.
- ❑ The 3rd annual St. Charles Restaurant Week was held in February. The event was a great success with over 25 St. Charles restaurants participating in the City-initiated and organized promotion.
- ❑ An electronics recycling program was implemented to allow St. Charles residents to dispose of electronic items such as computers, televisions, DVD players, printers, and power, which were banned from landfills in Illinois as of January 1, 2012.
- ❑ The number of calls for service for the St. Charles Police Department in 2012 was the lowest it's been in 11 years. Police responded to 15,727 calls for service in 2012, a 3% decline from 2011 and 18% lower than 2008.
- ❑ Moody's Investors Service recognized the City's fiscal management in affirming the City's outstanding Aa1 bond rating.

These accomplishments are a testament to the City's on-going efforts to fulfill the mission of preserving our heritage, fostering opportunity, building community, and enhancing quality of life for all.

St. Charles works collaboratively, creatively, and openly to identify the best ways to serve the people of St. Charles. It is these traits that allow St. Charles to be a community that is admired for the quality of service that we provide.

Introduction

The budget for FY13-14 has 3 main themes:

1. Holding the line on taxes and fees
2. Maintaining current programs and services at their current levels while pursuing continued efficiencies and enhancements
3. Enhancing the physical infrastructure of the community to meet future needs, including the construction of the Red Gate Bridge and reconstruction of East Main Street.

A summary of departmental activities is provided later in this document, but to provide a glimpse, the City will:



Budget Message and Overview

- ❑ Complete a new Comprehensive Land Use Plan.
- ❑ Complete the Fire Department accreditation process.
- ❑ Rehabilitate utility infrastructure in accordance with the City's 10-year plan
- ❑ Complete the reconstruction of East Main Street/IL Route 64
- ❑ Update the City's 5-year strategic plan. The current plan is expected to close in 2014 and a refresh or update will be necessary in 2013-14.
- ❑ City-wide customer service training for all employees to ensure that there is clear understanding of expectations in handling things "the St. Charles way."
- ❑ Enhance the City's Emergency Operations Center at Century Station to expand capabilities and functionality.

The proposed budget for FY13-14 is balanced. We are pleased to present a budget that continues to sustain an exceptional level of service to the community while simultaneously minimizing the tax burden. The proposed budget also reflects financial investments that are made based on the strategic priorities of the Mayor and City Council.

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, and telecommunication tax. These sources of revenue make up about 90% of General Fund revenue. For FY13-14, the City estimates a slight decrease in property tax revenue as compared to FY12-13. 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 fifth consecutive year that the amount of property tax collected has remained the same.

Revenue from state and home rule sales taxes are estimated to increase 6.6% and 10.1% respectively over what is projected to be collected in FY12-13. Hotel tax, electric franchise fees, telecommunication taxes and alcohol tax will also see increases over projected amounts.



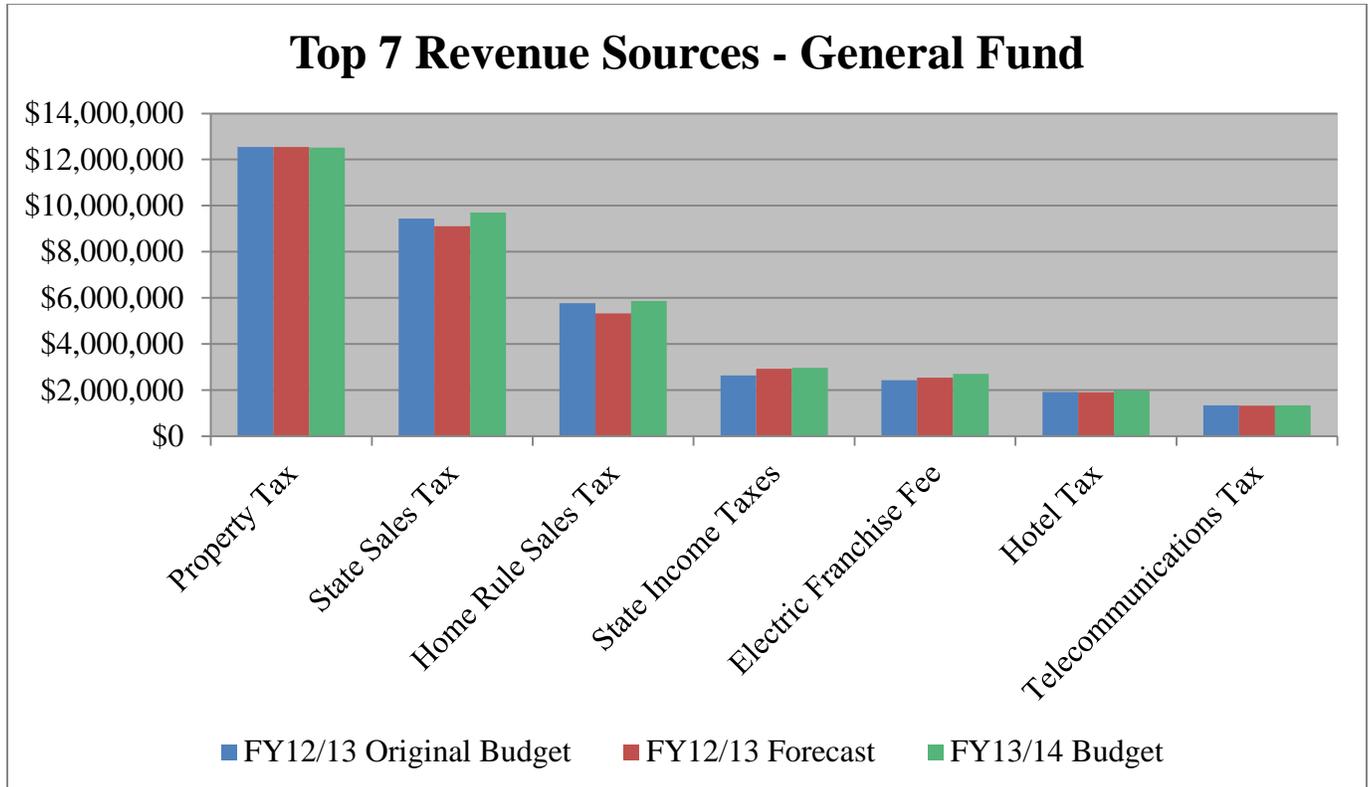
Budget Message and Overview

Top 10 Revenue Sources - General Fund				
	<u>12/13 Budget</u>	<u>12/13 Forecast</u>	<u>13/14 Budget</u>	<u>% Change (Budget vs. Forecast)</u>
Property Tax	\$12,551,106	\$12,551,106	\$12,523,916	-0.2%
State Sales Tax	\$9,442,583	\$9,104,279	\$9,706,435	6.6%
Home Rule Sales Tax	\$5,775,525	\$5,328,176	\$5,868,280	10.1%
State Income Taxes	\$2,637,920	\$2,931,285	\$2,969,293	2.8%
Electric Franchise Fee	\$2,434,417	\$2,541,621	\$2,708,291	6.6%
Hotel Tax	\$1,920,000	\$1,902,572	\$1,994,475	4.8%
Telecommunication Tax	\$1,340,000	\$1,332,886	\$1,340,000	0.5%
Alcohol Tax	\$962,800	\$1,014,071	\$1,025,868	1.2%
Charges for Services	\$620,789	\$485,670	\$480,311	-1.0%
Licenses & Permits	\$434,930	\$439,362	\$479,576	9.0%

As mentioned above, sales tax makes up a significant part of General Fund revenue. From calendar year 2007 to 2012, total sales tax revenue has declined \$0.5 million or 3.44%. However, since the low point in sales tax revenue experienced in calendar 2009, sales taxes have been modestly increasing. In addition, when comparing 2012 calendar year to 2011, total sales tax collections increased by 3.4%, the third consecutive year with an increase. The FY13-14 budget includes a projected increase in state and home rule sales tax over the FY12-13 forecasted revenue as the City is expecting sales tax collections will continue to show strong improvement in the upcoming fiscal year.



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

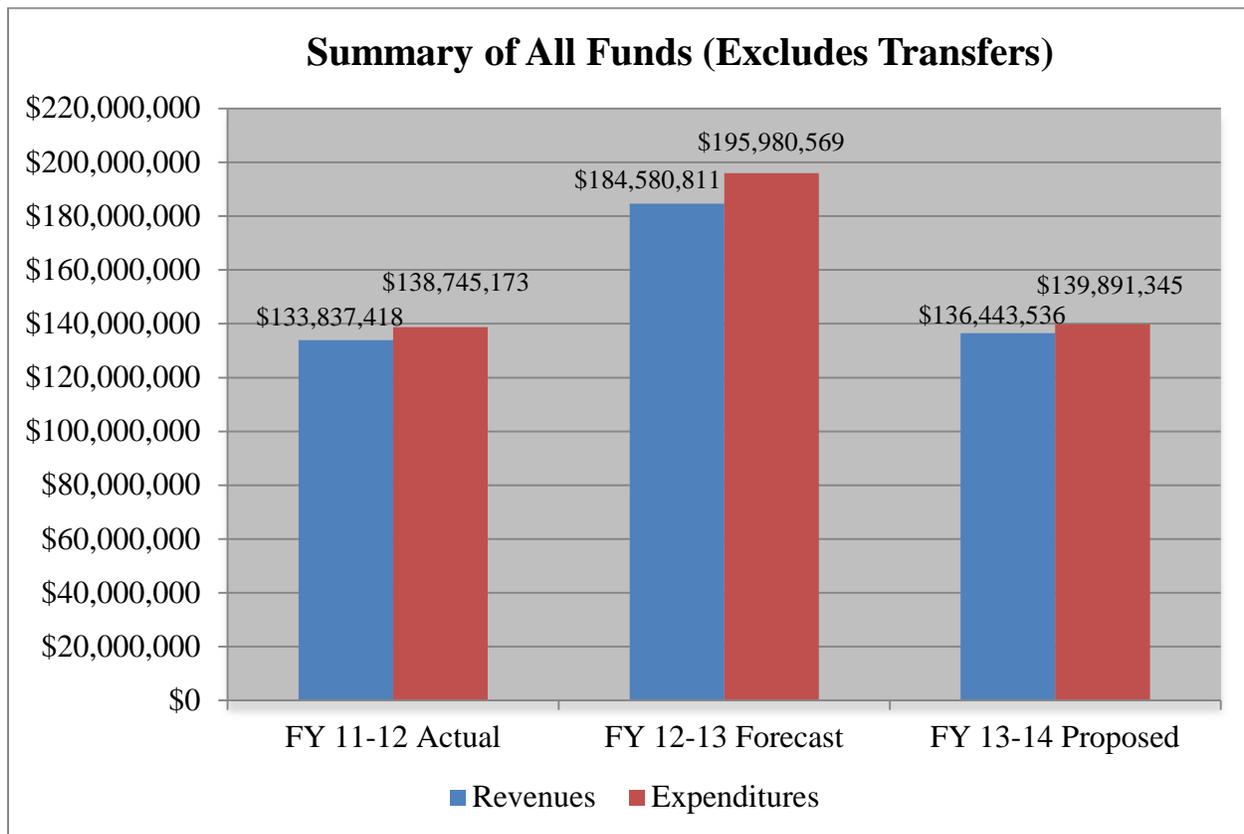
Summary of All Funds

At the time the FY12-13 budget was approved, it was projected that the City would have revenue of \$156.0 million and expenditures of \$164.8 million (including transfers). The City expects to close FY12-13 with \$194.8 million in revenue and \$206.2 million in expenditures (including transfers). The change from original budget to current forecast for expenditures is primarily due to the refunding of outstanding debt that was not anticipated in the original budget as well as uncompleted capital projects that were budgeted in a previous year and then carried forward to FY12-13.



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For FY13-14, the City is projected to have \$145.9 million in revenue and \$149.3 million in expenditures for all funds, including inter-fund transfers. The largest funds are General, Electric, Water, and Sewer. Combined, these funds represent 77% of the total budget.



Expenditures for all funds are expected to exceed revenue from all funds.

The City’s largest source of revenue is fees and user charges, 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 table on the following page 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, insurance premiums, and other miscellaneous sources.



Budget Message and Overview

REVENUE - ALL FUNDS (Excludes Transfers)				
	<u>12/13 Budget</u>	<u>12/13 Forecast</u>	<u>13/14 Budget</u>	<u>% Change (Budget vs. Forecast)</u>
Revenues:				
Property Tax	\$ 14,190,305	\$ 14,190,305	\$ 14,191,377	0%
Sales & Use Taxes	16,550,734	16,037,076	17,200,176	7%
Franchise Fees	3,019,417	3,158,561	3,313,291	5%
Hotel Tax	1,984,110	1,962,324	2,058,841	5%
Other Taxes	2,408,300	2,436,141	2,445,868	0%
Charges for Services	62,652,271	64,754,429	67,270,868	4%
Licenses & Permits	434,930	439,362	479,576	9%
Intergovernmental	3,918,558	4,312,758	4,529,760	5%
Pension Contributions	3,085,144	3,080,442	3,231,588	5%
Financing Proceeds	20,535,944	58,131,526	4,701,000	-92%
Other	17,046,409	16,077,887	17,021,191	6%
Total	\$ 145,826,122	\$ 184,580,811	\$ 136,443,536	-26%

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)				
	<u>12/13 Budget</u>	<u>12/13 Forecast</u>	<u>13/14 Budget</u>	<u>% Change (Budget vs. Forecast)</u>
Expenditures:				
General Government	\$ 20,750,207	\$ 57,169,437	\$ 20,122,935	-65%
Public Health & Safety	25,576,800	25,089,027	25,668,310	2%
Public Works	25,295,622	24,217,223	17,917,672	-26%
Public Utilities	80,241,741	80,968,908	73,624,793	-9%
Community Development	2,764,343	8,335,974	2,507,635	-70%
Total	\$ 54,628,713	\$ 195,780,569	\$ 39,841,345	-29%



Budget Message and Overview

Summary of General Fund

The City expects to close FY12-13 with a surplus in the General Fund (the fund that accounts for the vast majority of the City’s operations) of approximately \$548,000. This surplus can be attributed to savings as a result of the milder winter experienced this year. This compares to a projected deficit of \$724,560 when the FY12-13 budget was approved.

For FY13-14, it is projected that revenue in the General Fund will be \$41.2 million or approximately 1.31% higher than what was budgeted for FY12-13. Property tax revenues are projected to decrease by 0.22% 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 2012 tax levy, the City Council elected to keep the property tax dollars collected for the City’s operating levy the same as the 2011 City tax levy. This marks the fifth consecutive year that the levy has stayed at that amount. However, SSA property tax collections are expected to decrease due to the decline in the City’s Equalized Assessed Valuation (EAV).

GENERAL FUND REVENUES (Includes Transfers)			
	<u>12/13 Budget</u>	<u>12/13 Forecast</u>	<u>13/14 Budget</u>
Property Tax	\$ 12,551,106	\$ 12,551,106	\$ 12,523,916
Sales & Use Taxes	15,794,358	14,982,866	16,140,932
Hotel Tax	1,920,000	1,902,572	1,994,475
Other Taxes	2,408,300	2,436,141	2,445,868
Franchise Fees	3,019,417	3,158,561	3,313,291
Licenses & Permits	434,930	439,362	479,576
Intergovernmental	2,933,381	3,198,496	3,210,515
Charges for Services	620,789	485,670	480,311
Financing Proceeds	0	0	0
Other	1,007,461	893,851	635,196
	\$ 40,689,742	\$ 40,048,625	\$ 41,224,080

Sales & Use Taxes, Hotel Tax, Franchise Fees and Licenses & Permits are all expected to see increases as compared to the FY 12-13 budget. It should be noted that the FY12-13 budget did include a one-time revenue source, a “rebate” to the General Fund from the Health Insurance Fund in the amount of \$250,000.

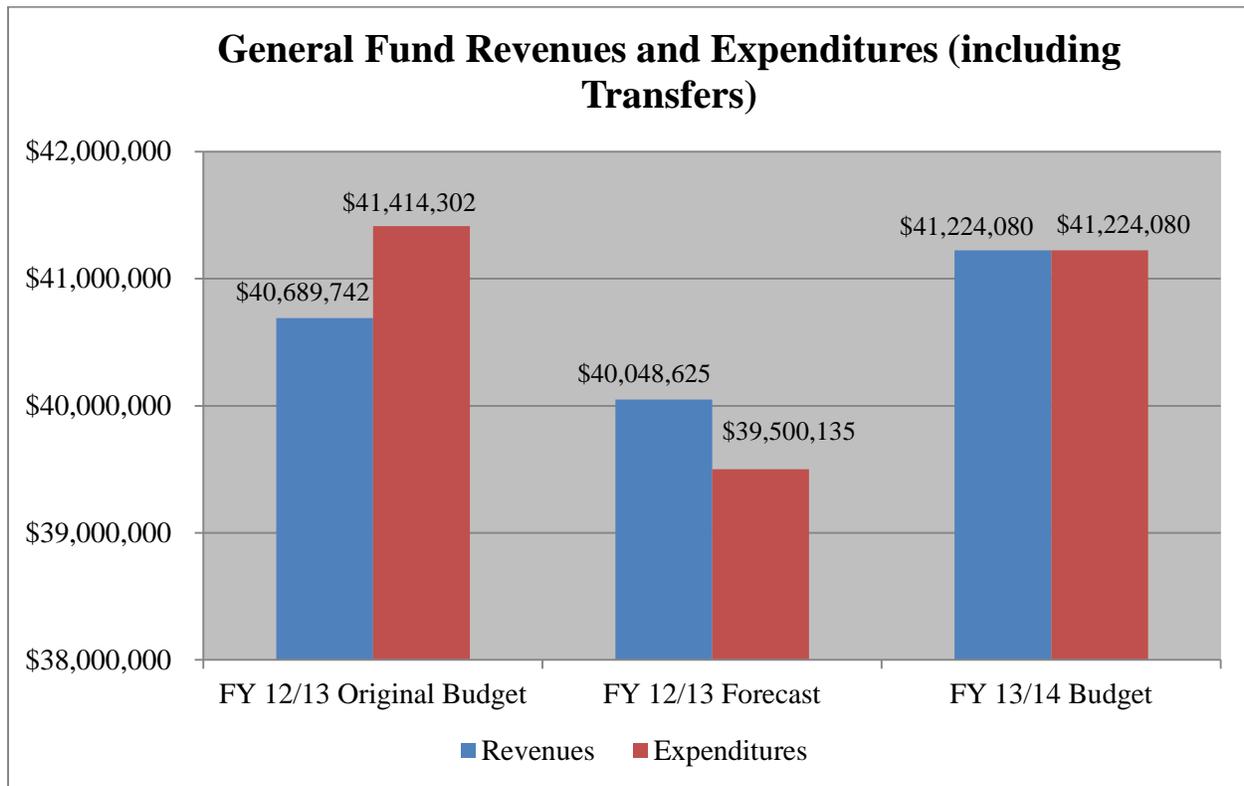


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Expenditures (excluding transfers) in the General Fund for FY13-14 are expected to be \$34.7 million. This represents a 0.18% increase from the original FY12-13 budget. The largest share of expenditures in this fund is for personnel and benefits for 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 (\$3.4 million), health insurance (\$2.6 million), and workers compensation (\$1.1 million).

The chart and tables below provide additional information regarding General Fund revenues and expenditures.



The General Fund budget is balanced for FY 13/14.



Budget Message and Overview

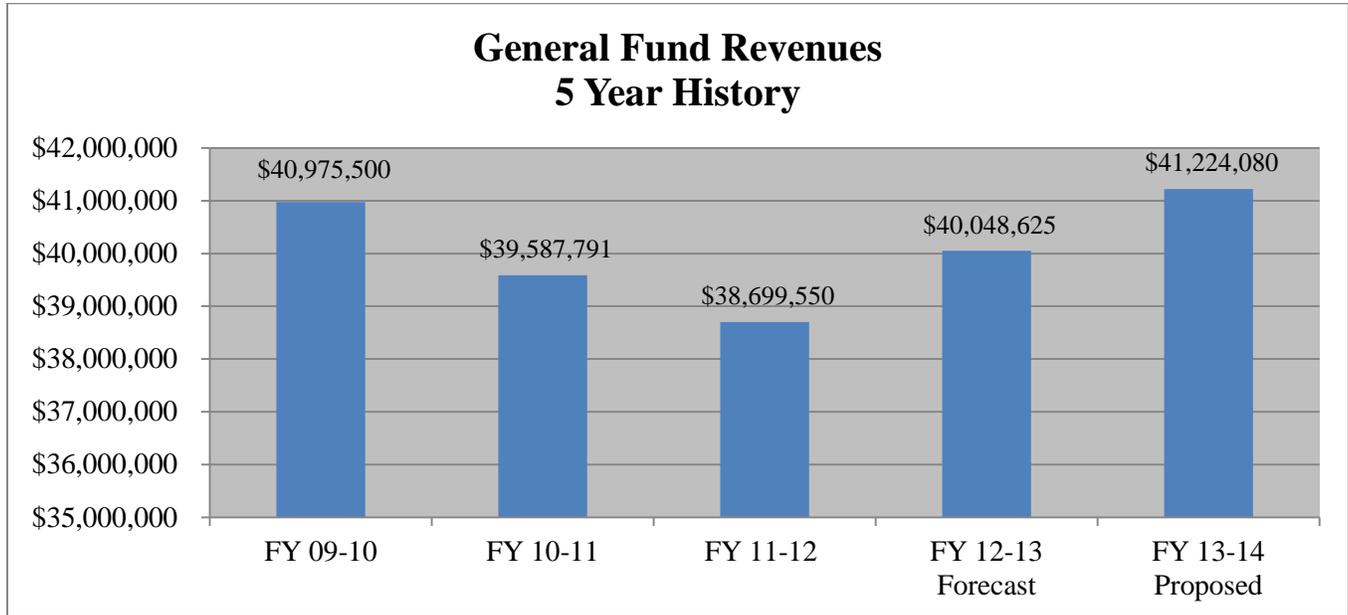
GENERAL FUND EXPENDITURES BY ACCOUNT TYPE (Includes Transfers)			
	<u>12/13 Budget</u>	<u>12/13 Forecast</u>	<u>13/14 Budget</u>
Personal Services	\$ 26,481,227	\$ 25,678,931	\$ 26,748,716
Other Operating	12,715,838	11,484,054	12,590,097
Allocations	(4,925,583)	(4,925,583)	(4,813,836)
Capital	373,179	493,843	181,806
Debt Retirement	4,584	4,584	4,585
Transfers - Debt Service	4,454,811	4,454,811	4,118,040
Transfers - Other	2,310,246	2,309,491	2,394,672
Total	\$ 41,414,302	\$ 39,500,135	\$ 41,224,080

General Fund expenditures will increase in FY13-14 due to increases in Personal Services (e.g. wages, benefits, training, and other employee-related expenses) and operating expenses (e.g. materials, commodities, and professional services).

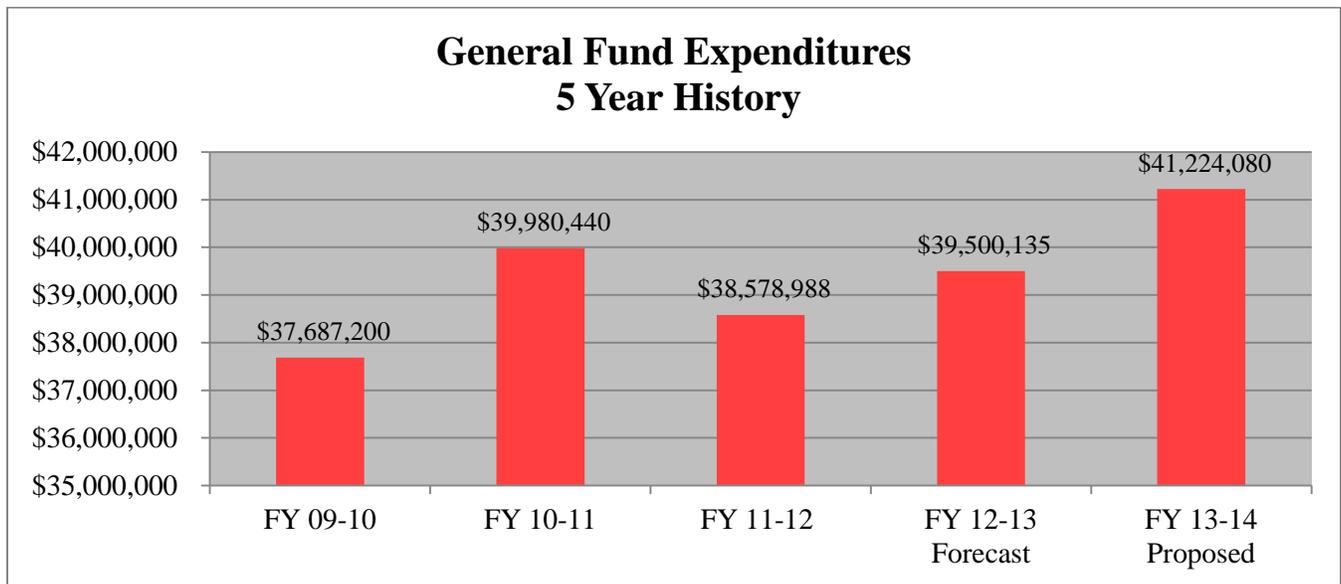
GENERAL FUND EXPENDITURES BY FUNCTION (Includes Transfers)			
Expenditures:	<u>12/13 Budget</u>	<u>12/13 Forecast</u>	<u>13/14 Budget</u>
General Government	\$ 3,169,778	\$ 2,851,356	\$ 3,117,600
Public Health & Safety	20,862,368	20,270,206	21,076,372
Public Works	7,876,756	6,915,846	8,031,761
Community Development	2,740,343	2,698,425	2,485,635
Transfers	6,765,057	6,764,302	6,512,712
Total	\$ 41,414,302	\$ 39,500,135	\$ 41,224,080



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General Fund revenue and expenditures are expected to increase in FY 13-14 as compared with the FY 12-13 forecast.





Budget Message and Overview

Highlights of Departmental Activities

From an operational standpoint, the City of St. Charles will undertake several key initiatives. Provided below are summaries of key departmental initiatives for FY13-14:

City Administrator's Office

The most important initiative for FY13-14 will be the orientation of a new Mayor and any new City Council members. The City Administrator's Office will provide support, education, and assistance with the transition.

As part of this process, the City Administrator will facilitate an update for the City's 5-year strategic plan. The current plan is expected to close in 2014 and a refresh or update will be necessary in 2013-14.

The City Administrator's Office will continue to oversee the implementation of the ideas that were borne of the St. Charles Sustainability Initiative (SSI). These ideas are critical to the City's financial sustainability and ensuring that we maintain our commitment to the community.

Communications and Public Affairs will continue to work on enhancing communication and outreach. This includes web-site enhancements, improved publications, and education for City staff and officials.

The City Administrator's Office will also conduct a resident survey. In 2013, the City will work with National Resource Center, Inc. to conduct the National Citizen Survey. This survey instrument is utilized by communities in Illinois as well as other states. The data gathered will allow the City to gain insight regarding how it is meeting the needs of residents. It will also allow St. Charles to compare its results with other communities of similar size and consistency.

Community Development

In FY13-14, the Community Development Department will implement initiatives outlined in the department's business plan. Departmental initiatives and core services remain closely aligned with our mission of responding to community needs through thoughtful, orderly planning and regulation of development within St. Charles.

The Planning Division continues work on the Comprehensive Plan project. The Comprehensive Plan is the official roadmap that establishes policies for future development and redevelopment of the community. Several workshops and public outreach efforts took place in FY11-12 and FY12-13 to obtain community input during development of the plan. Additionally, City staff and the consultant



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facilitated a special visioning process in summer of 2012 to explore future potential and develop options for redevelopment of the Charlestowne Mall.

The Task Force made a recommendation on a draft plan in December 2012 and the Plan Commission has recommended adoption in March 2013.

The Development Engineering Division staff continues to monitor and pursue completion of improvements for in-progress residential subdivisions to ensure the safety and comfort of residents. Street improvements in the Artesian Springs subdivision were completed in FY 12-13 with funds secured from the Letter of Credit. Through a Land Improvement Agreement, staff has secured a commitment from the developer for completion of street and storm sewer improvements for Phase 1 of the Reserves of St. Charles subdivision in summer of 2013.

In 2013, the Community Development Department will work with the Corridor Improvement Commission to re-establish the Corridor Improvement Program after a brief hiatus. The program will look to expand the criteria for grant eligibility to encourage greater participation from St. Charles-based businesses.

Economic Development

The Economic Development Department will explore the creation of an “Economic Development Roundtable Group.” As conceived, this Roundtable Group will be comprised of one City of St. Charles official and local business owners/C-Level executives and serve as an advisory board to assist the City of St. Charles in accomplishing economic development objectives. The group will work as a team to share information between the City and local area businesses and undertake specific tasks, including but not limited to:

- developing strategies to attract new and retain existing manufacturing and research & development businesses;
- addressing the need to revitalize and expand the City’s East and West Gateway commercial corridors;
- serve the City Plan Commission and City Council in an advisory capacity on broad economic development issues and policies; and
- develop findings and recommendations on the above-listed matters.

At this time, it is expected that the Roundtable Group will transition into becoming a formal Economic Development Advisory Commission in the future.



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With City Council approval, an East Gateway Business District will be established to create a self-funding, economic development tool to attract new and assist existing business enterprises located within its boundaries. For the past several years, the area in question has underperformed in the market place and has experienced both economic and physical depreciation. If put in place, there is tremendous potential to use this new tool to turn the area in the right direction, benefitting the area business community, as well as enhancing opportunities for providing additional commercial products and services to the local, city-wide and area-wide consumer markets.

As proposed, the "Shop St. Charles Challenge" is a program to promote independent businesses within the community. By providing one resident each month with a \$100 rebate, this will be a low-cost marketing effort to draw attention to our businesses, while encouraging sales at such establishments.

Finance

The Finance Department's major initiative for the year was the implementation of the second phase of the Enterprise Resource Planning (ERP) Project. This phase involved the migration of the City's Payroll and HR systems to a Windows-based platform. This phase was completed in February 2013. Both Human Resources and Payroll functions are now fully integrated with the Lawson/Infor FinPro software, the first phase of our ERP Project.

The Lawson/Infor FinPro System, as well as our new Lawson/Infor Budgeting and Planning (LBP) system, has provided numerous opportunities to improve accounting policies, business practices, and interdepartmental access to financial and accounting data. As we look ahead to FY13-14, Finance Department staff will conduct "visioning" sessions with all departments of the City to determine the appropriate level and type of financial reporting necessary to maximize the capabilities of the Lawson/Infor system. The outcome will be a list of financial reporting solutions to provide the necessary reports and information.

During FY12-13, the City became one of the first local government agencies to participate in the Illinois Comptroller's Local Debt Recovery Program. This new program allows government agencies to submit debt owed to them through the State's program. If a debtor "match" exists in the State's program, the State will then withhold the debt owed from any state disbursement, including income tax refunds. To date, over \$28,000 has been collected through this program. Finance staff will continue to look at ways to expand this program in the next fiscal year.

Beginning May 1, 2013, the Finance Department will perform the accounting function for the City's Police Pension Fund. This process involves the processing of monthly pension payments, investment tracking, as well as monthly and year-end financial reporting. Previously, the Police Pension Fund had



Budget Message and Overview

utilized the services of an outside accounting firm to accomplish this function. This change is being undertaken with the cooperation of the Police Pension Fund in an effort to minimize administrative costs. While the City will be performing the accounting function, ultimate decision making authority for investments, benefits, and administration of the Fund will continue to be vested in the Fund's Board of Trustees. The Finance Department already performs the accounting work and related reporting for the Fire Pension Fund.

Finance Department staff will continue its work with other City departments to develop a 10-Year Capital Improvement Plan for general governmental infrastructure. It is anticipated that this project will be completed in the late fall of 2013. Implementation of this plan will better allow the City to identify and plan for funding and financing for major capital projects and equipment expenditures.

In September 2012, Utility Billing implemented the acceptance of credit cards both at the counter and online with significant assistance from the Information Systems Department. During the coming year, it is anticipated that the Finance Department will evaluate the acceptance of credit card payments for other purposes.

During FY13-14, Utility Billing staff will investigate potential technological enhancements to cash receipts and receipts processing. It is anticipated that potential enhancements will accelerate ultimate cash collection and decrease "float" time as well as decrease checks returned by the bank as uncollectible. Staff will also evaluate the potential of allowing advertising on monthly resident utility bills as a revenue enhancement.

Utility Billing will work with Information Systems to scan documents such as customer applications, 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. This 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 station. Utility Bills are currently available as PDF's at Utility Billing staff's work station and this improvement has been very successful. In addition, response time to customer inquiries has been enhanced through this automated process.

The Purchasing Division continues to prepare and solicit formal bids, Request for Proposals (RFP) and Request for Quotations (RFQ) and Open Market pricing on behalf of City departments. Recent updates to the City's purchasing ordinances better reflect the current process and staff will be making changes to the standardized purchasing documents to reflect the changes. Bids are now being placed on the City's website with the goal of publishing future RFP's and RFQ's there as well.



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Inventory Control has adapted well to the new financial software and continues to streamline the physical inventory where needed by using cycle counts and reviewing obsolete inventory. Items identified for disposal due to obsolescence are now auctioned via an online web site to streamline removal and maximize proceeds. In addition, productivity enhancements continue as a result of automated processes.

Purchasing continues to conduct and manage the City's online auction for disposal of City property. The online auction has maximized revenue into the City's General Fund by utilizing the power of the internet to solicit more bids for purchase of surplus equipment than possible in a localized auction process.

Future initiatives include continuing to improve the efficiency of the division. Additionally, staff will be undertaking a pilot program to determine if tablet computing devices can further minimize the time required to process and fill orders from the stockroom floor. If successful, use of this program would allow for further productivity enhancements.

Fire

In FY13-14 the Fire Department will continue to concentrate on maximizing internal efficiencies and upgrading technologies. As the department enters the new fiscal year, preparations are being made for the culmination of a 2-year self-assessment process intended to achieve full accreditation from the Commission on Fire Accreditation International. The final step involves the assignment of a site team. This team, chosen by the Center for Public Safety Excellence, will visit the Fire Department and conduct an in-depth examination of internal policies and procedures over a period of several days. A successful review will result in the awarding of accredited status at the August 2013 meeting of the Commission. This year, the meeting will be held in Chicago during the Fire Rescue International Conference.

The Fire Department is upgrading available technology primarily through the implementation of a 2-year capital improvement plan intended to increase the capabilities of the Emergency Management Agency (EMA). The investment will be made in the Emergency Operations Center (EOC) and will significantly enhance communications and operational capacities. The EOC serves to ensure the continuity of government and the provision of essential services during times of severe weather or other extreme conditions.

Additionally in FY13-14, the department will continue with the implementation of the tablet computer initiative. This program places tablet computers in the emergency response vehicles at a significantly reduced cost over the previous use of ruggedized laptop computers. Advances in GIS technology have allowed these devices to offer not only increased computing capability, but also enhanced portability. Future plans include their use with units in the field for regular fire inspections, pre-fire planning, and emergency preparedness.



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Human Resources

The mission of the Human Resources department is to hire and develop quality people, to foster an environment of total wellness, and to support the vision and guiding principles of the City of St. Charles. Our accomplishments during this past year, and our initiatives moving forward, both contribute to and are guided by this mission.

Since quality employees are foundational to serving our community, and competitive compensation is a key in attracting and retaining employees, Human Resources completed a comprehensive study of our non-union compensation. This involved updating all non-union position descriptions, analyzing comparable community salary data, assessing the City's grade ranges, and identifying and addressing issues of compression and internal equity. The City Council has affirmed our conclusion that our non-union compensation structure is appropriately competitive, fair, and fiscally responsible.

Fostering an environment of wellness includes focusing on providing a safe working environment. The number of workers' compensation claims continues to decrease yearly (from 49 claims last year to 42 claims this past year). Ongoing education, safety programs, and tenacity in following up with claims has contributed to this. Additionally, HR continues to implement the recommendations from a City-wide safety and facility audit. This year, the City implemented ongoing ergonomic assessments for all workstation employees and bi-annual safety inspections of all departments.

The City's vision of maintaining an optimal service delivery framework that balances resources with needs is imperative when faced with the ongoing changes of the mandated health care reform laws. Human Resources has balanced complying with health care reform mandates - such as covering dependents up to age 26, increased wellness care at 100%, and adding eight more preventive services for women - with cost saving measures such as instituting a tobacco use surcharge and carving out the prescription coverage provider. Due diligence in this regard enabled the City to offer a health care plan with no increases for the first time in several years. Throughout this next year we will continue our proactive approach to determining the impact of health care reform laws on our employees and the City's budget.

The City has three collective bargaining agreements that will expire in 2013. Those agreements are with the Metropolitan Alliance of Police (police officers), Metropolitan Alliance of Police (police sergeants), and Associated Firefighters of Illinois (firefighters, fire lieutenants, fire captains). The Human Resources Department will lead the process to negotiate successor agreements in an honest, fair, and collaborative fashion.



Budget Message and Overview

In FY13-14, the Human Resources Department will organize a city-wide customer service training opportunity for all employees. The City has added many new employees over the past several years. We want to make sure that new employees understand expectations and handle things "the St. Charles way."

The training will focus on why it is important to provide good customer service, especially in a government entity where the typical roles of consumer and provider are different than what you would find in the private sector where multiple companies may be competing for the customers loyalty. It will also provide techniques that employees can utilize to deal with difficult customers, particularly those who may have a negative impression of government and government employees.

Information Systems

Last year, Information Systems (IS) completed a number of improvements throughout the City. Working in conjunction with Human Resources and Finance departments, IS consolidated the Payroll and HR systems with the Finance and Procurement systems onto a common platform adding new functionality to the existing system in the process. In the coming year, IS will leverage these changes by expanding reporting capability and adding workflow and inquiry options that will provide staff with additional information, allowing them to performing their jobs more effectively.

Citizens and visitors can access information and services on their portable devices using the new *St. Charles Connect* mobile app. IS will continue its focus on developing and extending sites and applications that make it easier for online visitors to interact and conduct business with the City across a growing variety of Web-connected devices. This includes adapting City websites to optimize them for more screen sizes and device types and expanding the features of internal collaboration tools like the City iNet.

In 2012, the Geographic Information Systems (GIS) Division rolled out a new version of the Precision GIS user interface that provides faster response time and enhanced features. The Police Department now utilizes a Digital Roll Call system, developed by GIS, that allows employees to view crime patterns and share information among shifts.

The Electric and GIS Divisions joined forces to implement a new electric modeling system that gives engineers additional tools with which to manage the utility. In FY13-14 GIS will be redeveloping the *My Neighborhood* application to take advantage of newer technologies, working with Community Development and the Electric Division to create digital plan submittal standards, and integrating preplan information into the GIS to make it available to public safety personnel on mobile devices in the field.

During FY13-14, IS will continue its emphasis on the use of mobile devices in the workplace. GIS worked with several Public Works divisions to deliver solutions using consumer grade tablets instead of



Budget Message and Overview

more expensive laptops to facilitate inspections for sewers, streets, and the electric utility and to provide a mechanism for capturing data in the field and updating it into the GIS. In the coming year, IS will be exploring more opportunities to leverage this new technology in other departments and divisions.

In addition to assisting with the deployment of mobile devices, IS completed upgrades to the City's voicemail and IP telephone systems. Rounding out the anticipated changes for the new fiscal year will be upgrades to the City's current document management system to a more user-friendly and robust application. The new system will not only provide the functionality inherent in the old system, but will allow us to broaden the scope of what can be stored in the system and provide integration points with other applications and with the Internet.

Police

The Police Department intends to address several technology items in the coming year.

After several months of testing, the ability to produce and print traffic citations electronically will be advancing. Funds are budgeted to add printers to additional squad cars.

In the interest of monitoring neighborhood traffic volume and speeds, an additional speed monitoring device is budgeted. This new technology is web-based and mobile to assist where the need arises.

To fulfill the City's goals of becoming more environmentally-conscious, the Police Department will deploy power flares. These are battery-operated flares instead of the traditional strike and light type that emit smoke and fumes.

Other equipment that is being updated in FY13-14 are Automated External Defibrillator (AED) units, radar units, and security cameras around the Police Department facility. In the area of evidence processing and collection, a forensic light source and a new pass-through locker system is planned.

Other technology items include:

- a thermal imaging camera to assist in identifying and apprehending those involved in criminal acts.
- a license plate reader to enhance enforcement and investigation of those involved in criminal activity.

All of these are investments will facilitate public safety throughout the City by improving the efficiency and effectiveness of police operations.



Budget Message and Overview

Finally, the Police Department will work with staff from Public Works to conduct a facilities analysis and space-needs assessment. The purpose of this work will be to determine if continued investment in the capital repair and replacement of the current Police Department facility is a wise use of resources, or if other alternatives should be pursued to maximize the effectiveness of the department.

Public Works

In FY12-13, the Public Works Department continued its focus on best value service delivery and infrastructure enhancement.

The Public Services Group continued a sustainable approach for addressing the Emerald Ash Borer (EAB) infestation in ash trees. The City removed over 1,700 ash trees and focused on replanting the trees that have been removed within the framework of a policy that is budget-sensitive and respectful of the City's urban forest. In addition, considering the mild winter from last year, the Public Services Group realized substantial savings for salt purchase this year while maintaining an effective snow and ice program.

The Environmental Services Group started demolition and construction of the new main waste water treatment plant bio-solids building. The project is being funded by users, with assistance from an Illinois Environmental Protection Agency (IEPA) low-interest loan. In addition to the main plant replacement, the Environmental Services Group budgeted for the design, rehabilitation, and replacement of the Royal Fox Lift Station II. This lift station is approximately 25 years old and at the end of its useful life. The integrity of the structures and equipment are key to maintaining service and protecting the environment.

The Electric Services Group focused on improving electric reliability with continued cable replacement, switchgear replacement, and overhead rebuilding programs. The utility equipment performed according to plan during the extreme heat of July 2012, and was challenged during major storms on July 1 and August 4, 2012. A substation transformer at Dunham Road was replaced after proactive testing determined the health of the old unit was failing.

The Engineering Group monitored construction progress along Illinois Route 64/East Main Street from 7th Avenue to the eastern City limits. The Illinois Department of Transportation (IDOT) roadway improvement project includes upgrading the City water main system. Work in 2013 will focus on the north side of East Main Street. The roadway improvement project will include roadway widening in specified locations, installation of new center turn lane, grinding and resurfacing, new curb and sidewalks, replacement of utility infrastructure, new street lights, and traffic signal improvements. The project is planned to be substantially complete in August 2013.



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The main contract for the Red Gate Bridge construction began in late spring of 2012 and focused primarily on the roadway, bridge installation, water main installation, and electrical upgrades. Work on the bridge and roadway was substantially complete in December 2012. The completion of the pedestrian boardwalk and final restoration will be the focus of the work in 2013. This project is expected to be completed by June 2013 and is currently on time and on budget.

In conjunction with the on-going Red Gate Bridge project the Engineering group will lead the installation of a new traffic signal and extended right turn lane at the intersection of Red Gate Road and St. Charles North High School. This project will be implemented as part of a collaborative effort between the City and School District 303 and will focus on improving the safety of vehicular and pedestrian traffic. Work is expected to begin in May and be completed prior to school commencing in August 2013.

FY13-14 will be marked by continued Public Works emphasis on projects necessary to improve the efficiency and operability of the City infrastructure. These important projects will serve the community for many years into the future.

The Environmental Services Group has budgeted for the design, rehabilitation, and replacement of Royal Fox Lift Station I. This project was identified as part of a conditions assessment completed on the two Royal Fox Lift Stations performed. The lift station is approximately 25 years old and at the end of its useful life. In addition to this work, the waste water division has budgeted for a Lift Station Assessment Program that will assess the mid-size and smaller lift stations throughout the collection system. The group is also initiating two other programs – an assessment of the west side treatment plant and a sanitary sewer flow monitoring program.

The Water Division will commence design engineering for a new water tower to be constructed in a future year. The tower is recommended in the current 10-year master plan and is also recommended by the Illinois Environmental Protection Agency (IEPA). The tower - to be located adjacent to the intersection of IL 25 and Red Gate Road - will provide additional storage for the system, assist with meeting peak water demand capacity and allow for maintenance of the water system. In the upcoming year, the division will initiate Supervisory Control and Data Acquisition (SCADA) improvements. These improvements will assist with controlling operations and provide a second location in the system in the event of emergencies or power outages.

The Electric Services Group will complete the installation of a second Local Distribution Center (LDC) substation near the Red Gate Road Bridge. The project will complete a connection that will significantly improve reliability between the circuits on the east and west sides of the Fox River. Improvements on the circuit on the west side of the river will allow the utility to better use the new station and further improve reliability in the area. In addition, the Electric Division continues programs to reinforce our infrastructure with our cable, switchgear, and overhead programs.



Budget Message and Overview

As you can see from all of these projects, there is a great deal planned for FY13-14 to improve the quality of our community and our organization.

Summary of Changes in Personnel

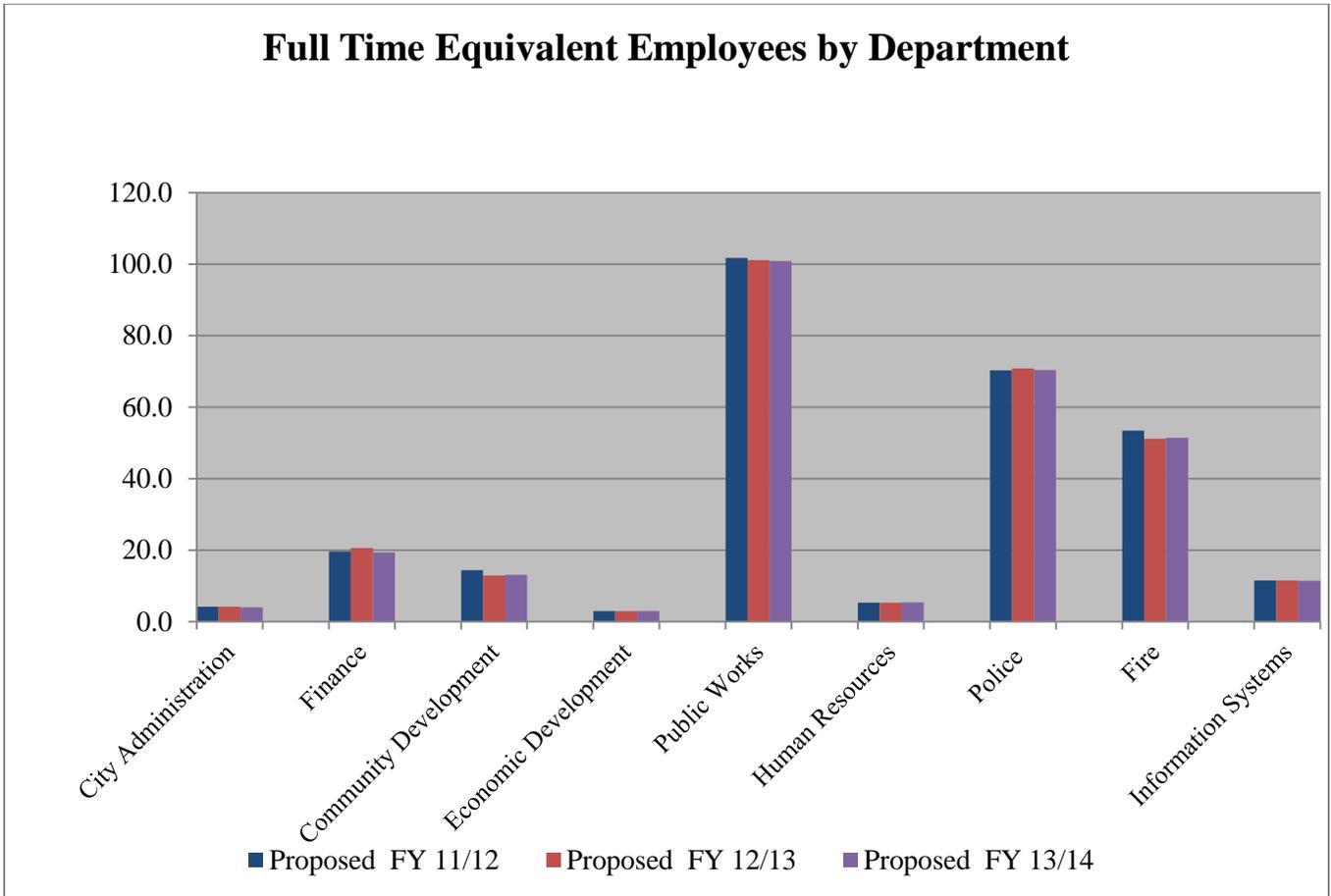
The largest single expense in the City's budget is for our people. We are a service organization and the cost of salaries, benefits, and other related personal services expenses make up approximately 65% of the City's General Fund and 68% of operating expenses.

The number of full-time equivalent positions (FTEs) for FY13-14 has been reduced to 279. This represents a reduction of approximately 2 FTEs from the FY12-13 budget. The full-time equivalents are determined by calculating the total number of projected hours budgeted within each department and dividing that by 2,080 hours (40 hours/week multiplied by 52 weeks/year).

Full Time Equivalent Employees by Department			
Department	Proposed FY 12/13	Net Change FY 12/13	Proposed FY 13/14
City Administration	4.2	-0.1	4.1
Finance	20.6	-1.2	19.4
Community Development	13.0	0.2	13.2
Economic Development	3.0	0.0	3.0
Public Works	101.1	-0.3	100.8
Human Resources	5.4	0.1	5.5
Police	70.8	-0.4	70.4
Fire	51.2	0.3	51.5
Information Systems	11.6	-0.1	11.5
Total FTE	280.9	-1.6	279.3



Budget Message and Overview



Staffing at the City has been reduced over the recent years in response to the declining economy and greater efficiency in the delivery of services and programs.

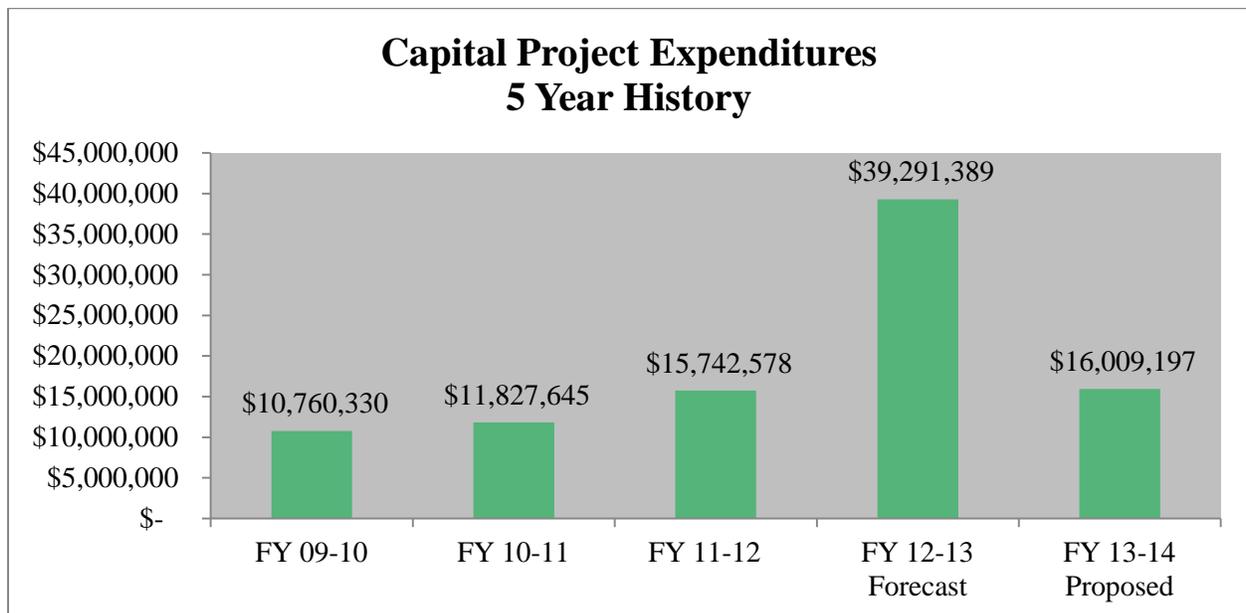


Budget Message and Overview

Capital Projects

The City will undertake \$16 million in capital projects in FY13-14. Of this amount, \$7 million is budgeted for projects within the City’s three major enterprise funds – electric, water, and waste water.

Capital projects will continue, with emphasis on projects that have been started in prior fiscal years, including the Red Gate Bridge project, the reconstruction of East Main Street, and the construction of a new Waste Water Bio-solids facility.



Capital project expenditures are expected to decrease by approximately 59.0% in FY13-14 as compared to the FY 12-13 forecast.

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

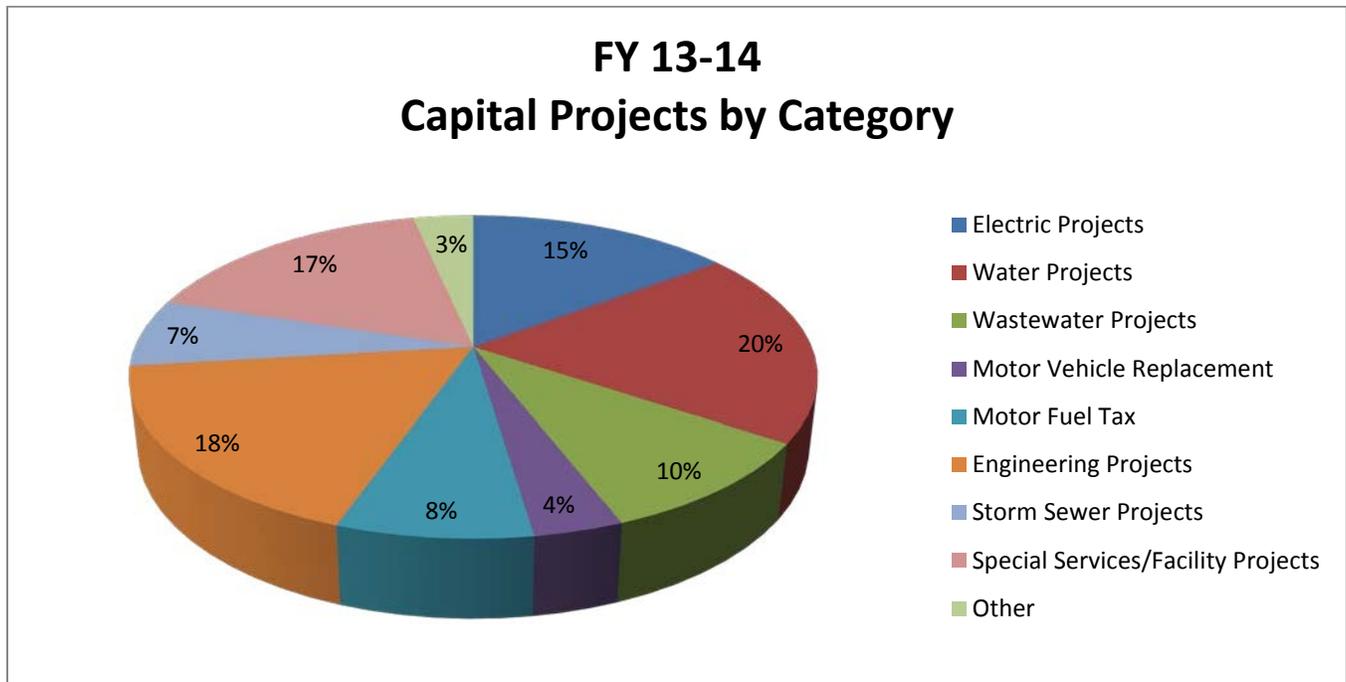
- Allen Lane from East End to N. Tyler Road
- Independence Avenue from Madison Avenue to N. Tyler Road
- Concord Court from Independence Avenue to cul-de-sac
- S. 4th Avenue from Indiana Avenue to Illinois Avenue and Ohio Avenue to Indiana Avenue



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- S. 5th Street from McKinley Street to Horne Street
- S. 7th Street from Oak Street to Fellows Street
- Post Road from Allen Lane to Wing Lane
- Wing Lane from N. Tyler Road to Allen Lane
- Williams Avenue from Midway Avenue to Ronzheimer Avenue

The City's Enterprise Funds (Electric, Water, and Waste Water) will also see continued investment in capital infrastructure into FY13-14. These include the Waste Water Bio-solids Facility, water and sewer improvements along Illinois Route 64/East Main Street, and water and electrical crossings of the Fox River in conjunction with the Red Gate Bridge project.



The other category includes projects of less than \$300,000 each in the areas of communications, central support services, police, fire, fleet, and streets.

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

- Municipal Building Improvements - \$1.5 million
- Fox River water main crossing at Red Gate Bridge – \$1.5 million



Budget Message and Overview

- \$1 million for property acquisition, demolition and parking lot construction at the former site of the VFW on North 3rd Street
- Annual Street Resurfacing Program - \$966,000
- Removal of Emerald Ash Borer Trees - \$872,000
- Tyler Road Drainage - \$700,000
- North 5th Avenue Water Main - \$684,000
- Red Gate Bridge & North High School Traffic Signal - \$650,000

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

Debt Summary

In FY13-14, it is anticipated the City will issue approximately \$4.7 million in new debt. The bonds will include:

- \$1.5 million for Municipal Building Improvements
- \$1 million for property acquisition, demolition and parking lot construction at the former site of the VFW on North 3rd Street
- \$700,000 for drainage improvements at Tyler Road
- \$600,000 for Electric distribution projects
- \$600,000 million for lift station replacement
- \$300,000 for street improvement projects

FY 13-14 Debt Summary				
Fund	Current	New Issues	Retirements	Outstanding @ 4/30/14
General	\$ 50,655,425	\$ 3,524,000	\$ 3,897,911	\$ 50,281,514
TIF	\$ 30,010,000		\$ 990,000	\$ 29,020,000
Electric	\$ 7,263,472	\$ 627,000	\$ 762,984	\$ 7,127,488
Water	\$ 11,068,541		\$ 436,250	\$ 10,632,291
Wastewater	\$ 16,245,226	\$ 550,000	\$ 1,134,746	\$ 15,874,164
TOTAL	\$ 115,456,348	\$ 4,701,000	\$ 7,221,891	\$ 112,935,457

As of April 30, 2014, total debt outstanding will be reduced by more than \$2.5 million or approximately 2%.



Budget Message and Overview

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.

Due to declining consumption levels and recent financial performance of its utilities, the City contracted with RW Beck, a firm with nationwide expertise, to perform a comprehensive rate study of all its utilities. This rate study was concluded during April 2011 and accepted by the City Council on May 2, 2011. RW Beck made many suggestions for changes to the City's utility rate structure. The goal of the rate study was to design a rate structure that would allow for long term financial sustainability of the City's utility enterprises. Several of these changes were implemented in the 2011-2012 fiscal year. City staff updates the rate study recommendations on an annual basis and proposes a rate structure for the next fiscal year taking into account the latest data regarding financial performance of each of the individual utilities.

During the performance of 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 possible because of 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 2013-2014 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 13-14:

- The monthly service charge will be increased from \$10.00 to \$13.00.
- Non-summer energy consumption charges will be changed from 9.13 cents per kwh of consumption to 9.85 cents per kwh.
- A decrease in the residential rate for kwh consumed from \$0.110 to \$0.109 per kwh during the summer months.
- A Power Cost Adjustment Factor (PCAF) will be implemented in October.

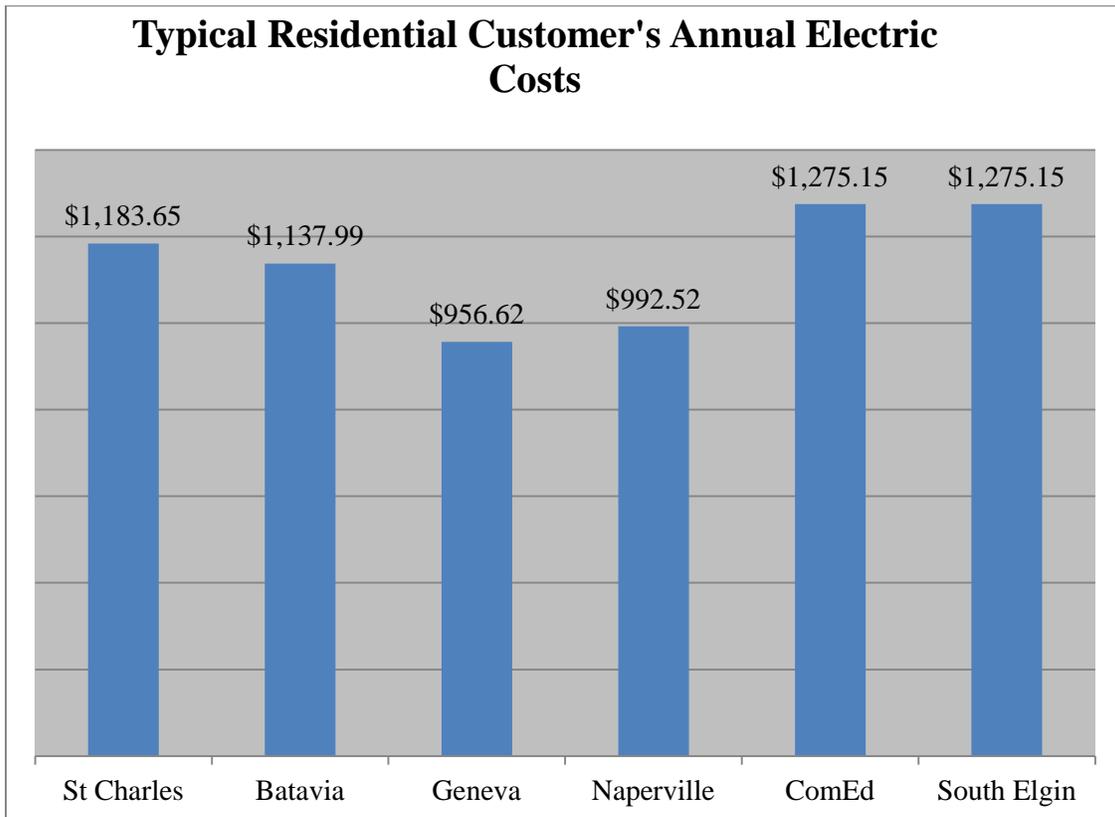


Budget Message and Overview

- A Non-Resident Surcharge will be imposed for individuals who receive utility service at locations outside of the City limits.

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 \$5.52 per month.





Budget Message and Overview

Rates will also be adjusted in the Water and Sewer utilities during FY13-14. 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 the rate structure provides adequate funding to provide 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 \$2.67 for a typical residential customer.

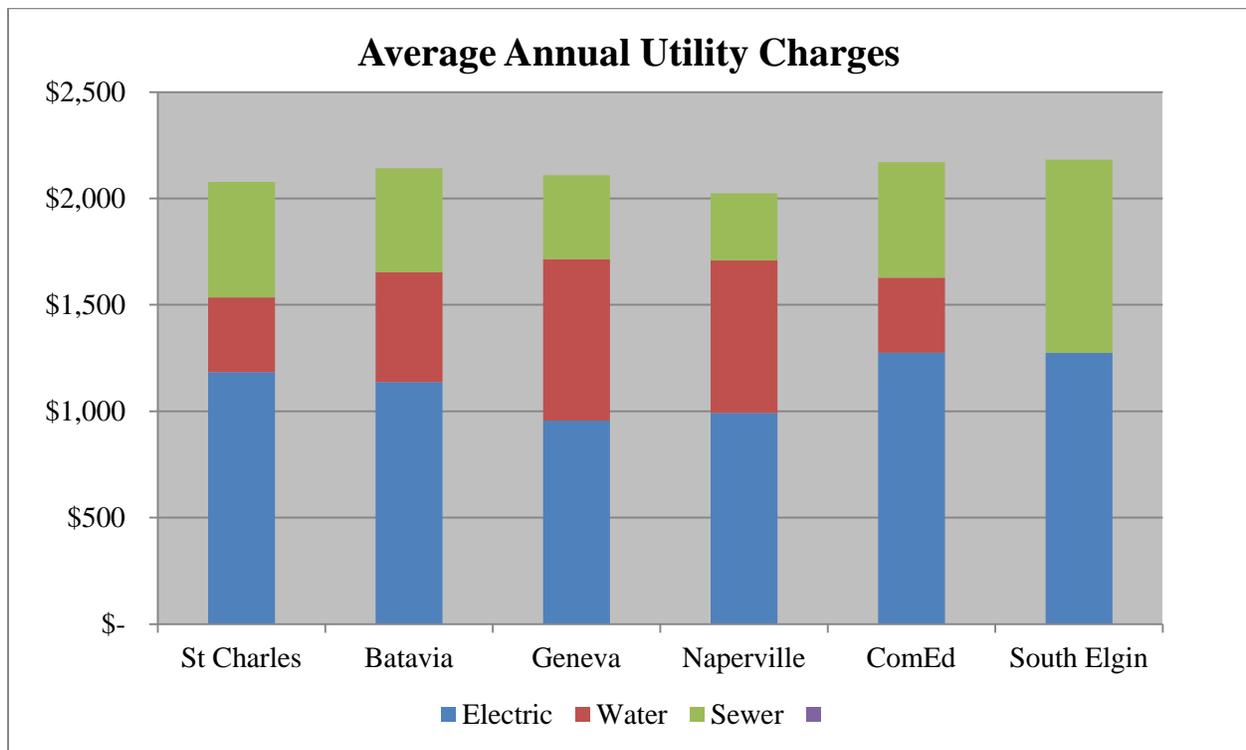
The Sewer Fund will see an adjustment of the monthly sewer treatment volume charge and an increase to the monthly service charge on May 1. It is anticipated that these changes will result in an average monthly increase of approximately \$2.85 to the average residential customer's sewer bill.

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.

As shown on the chart on the next page, even with these changes to the utility rate structure, the City's proposed utility rates for FY 13-14 will result in lower annual utility charges than the utility charges at most other area communities.



Budget Message and Overview



The annual cost of St. Charles utility services is competitive with other comparable utilities in the area. Please note that the Sewer charge shown for South Elgin represents a combined water & sewer charge.



Budget Message and Overview

Conclusion

The City's FY13-14 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, and Pat Matejovsky 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.

Donald P. DeWitte
Mayor

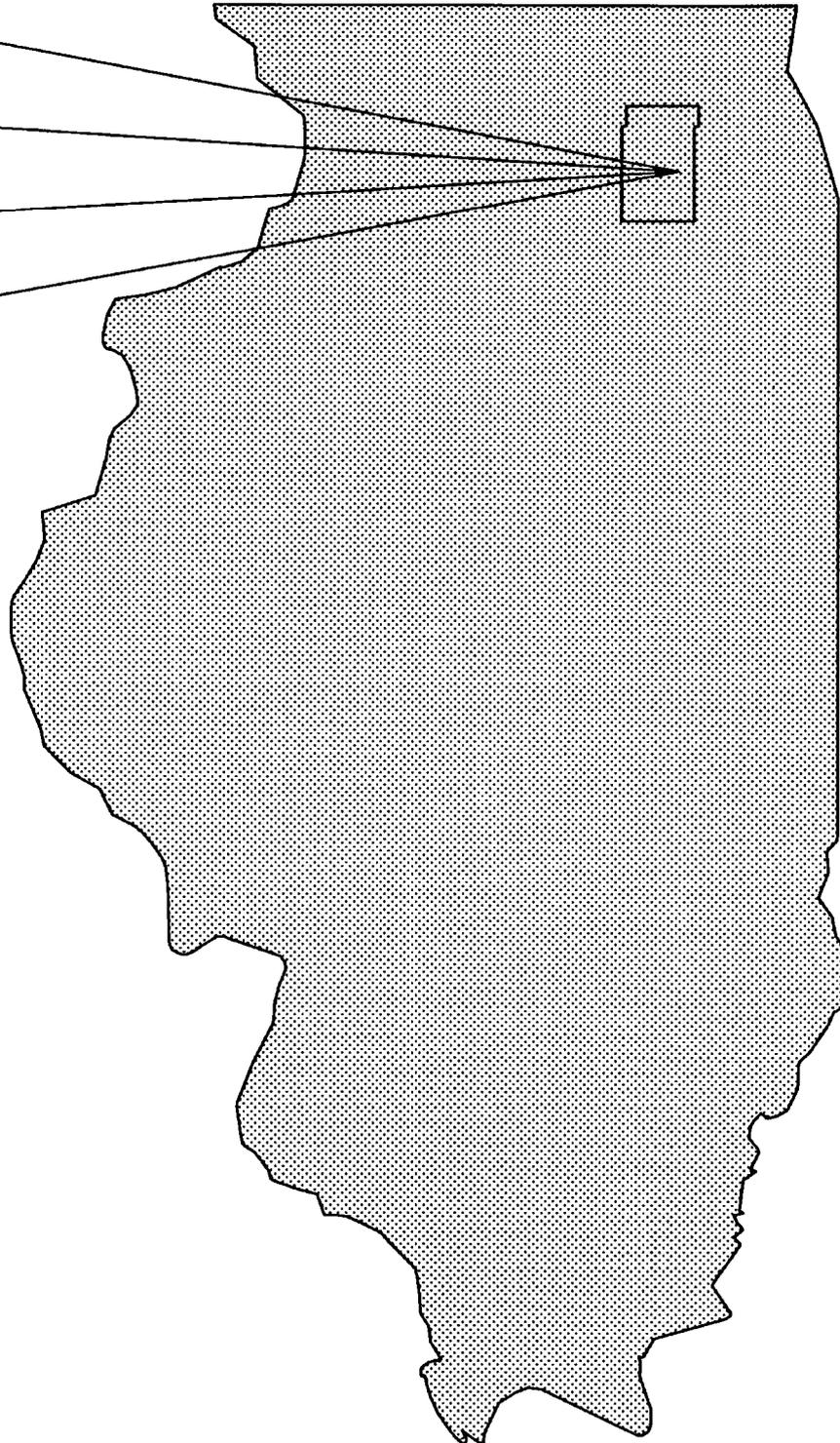
Brian A. Townsend
City Administrator

Christopher A. Minick
Director of Finance

POLICIES



ST. CHARLES
SINCE 1834



Policies

How to Review this Plan II-2

Budget Process II-3

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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.

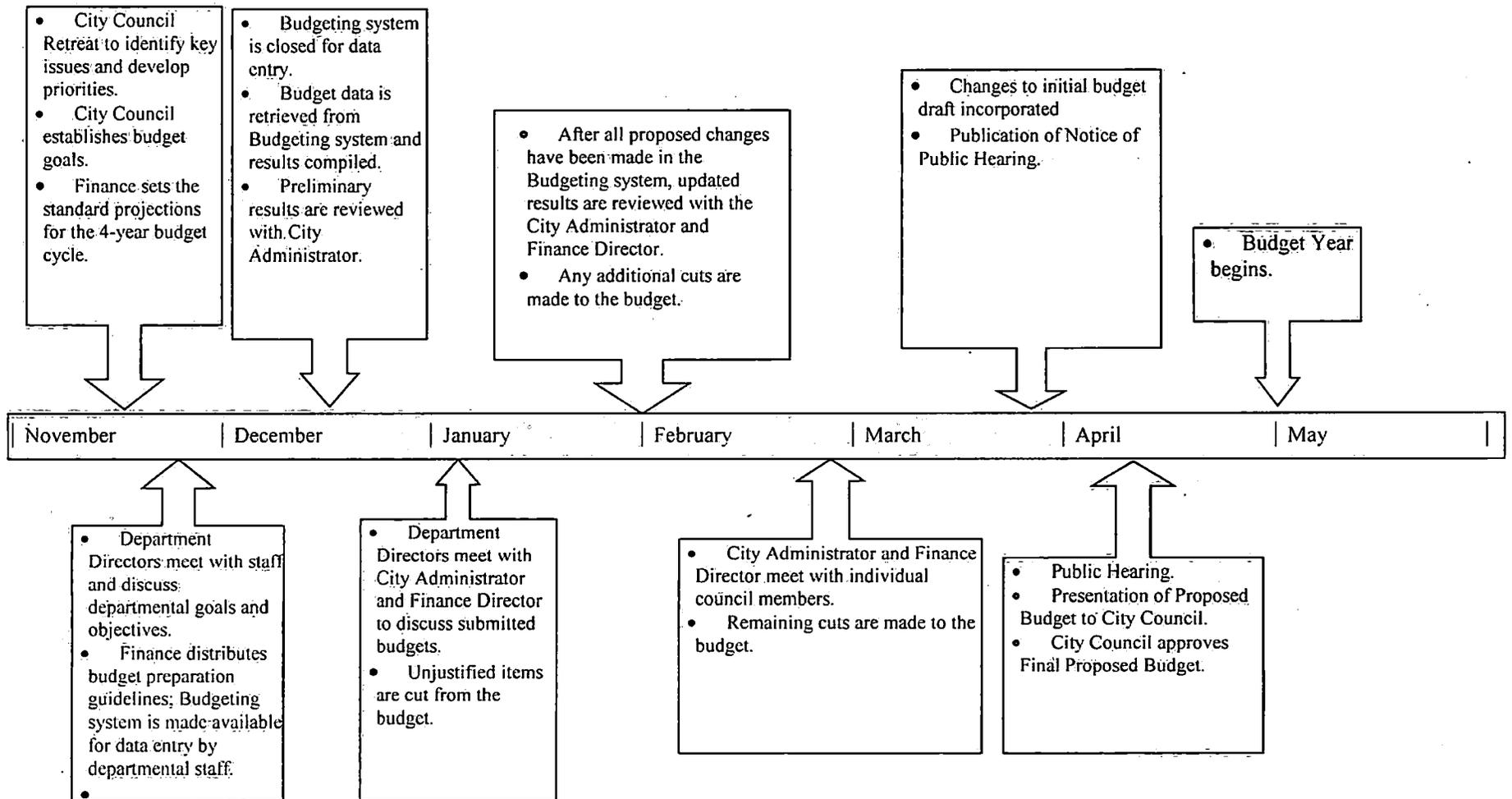
Adoption

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, 2013, in conjunction with the approval of the FY 13-14 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. Deficit fund balances in any other governmental fund will also be reported as unassigned.

Governmental Fund Flow Assumptions

The City's flow assumptions are stated in the FY 13-14 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 13-14 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 Department actively markets St. Charles to developers, retailers, and commercial realtors. It was realized that the downtown area lacked adequate parking and the City's first parking deck was completed. In an effort to keep in touch with the needs of local business, the Mayor, City Administrator, and Director of Economic Development 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.

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 65% residential to 23% commercial and 10% industrial for the past ten years. It is anticipated that the next four years will maintain this ratio.

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

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

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

Budgetary Policies

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

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

Implementation: The proposed budget will meet the above policy for the General Fund. Challenges have been encountered and are anticipated in maintaining this policy over the long term for the City's utility enterprise funds. For this reason, the City contracted with RW Beck and Company to complete a utility rate study which was completed in April 2011. The City is implementing a rate structure that incorporates the findings of the rate study. 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 principals (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 monthly 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 shall also seek 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 2013-2014 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 lives of the assets acquired.

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.

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 Wastewater Fund. The City was able to take advantage of low interest loans available from the Illinois Environmental Protection Agency to address improvements necessitated by more stringent effluent compliance standards and aging infrastructure. These loans were pivotal in minimizing compliance costs for the utility. The Wastewater Fund’s debt service ratio is 20.3% of operating expenditures, and the 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.

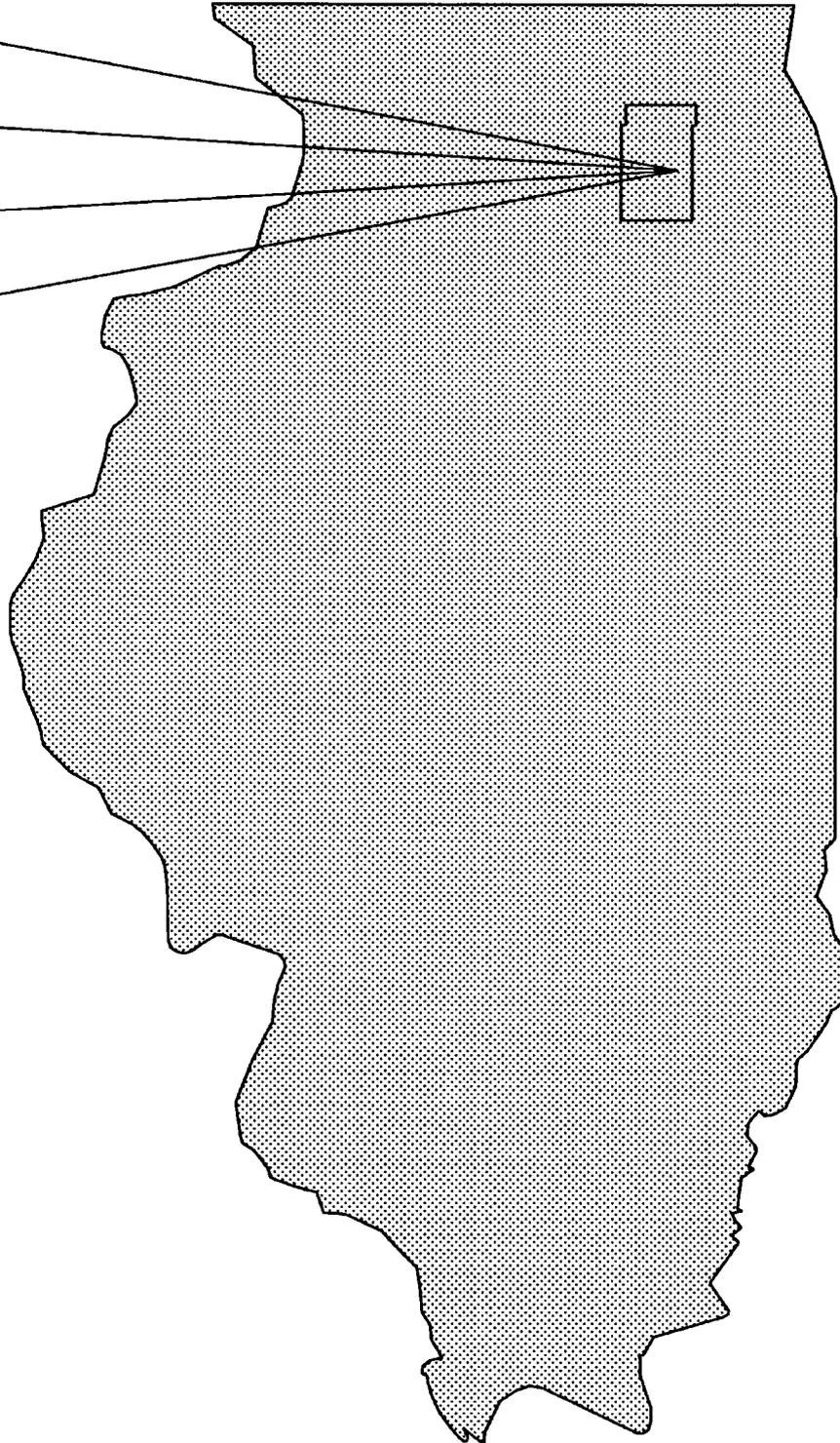
Implementation: Although there may be financing proceeds of less than \$500,000, this is only the result of a continuation of projects that totaled more than \$500,000 but crossed fiscal years.

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FINANCIAL TRENDS



ST. CHARLES
SINCE 1834



Financial Trends

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Comparisons and Trends

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

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

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

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.

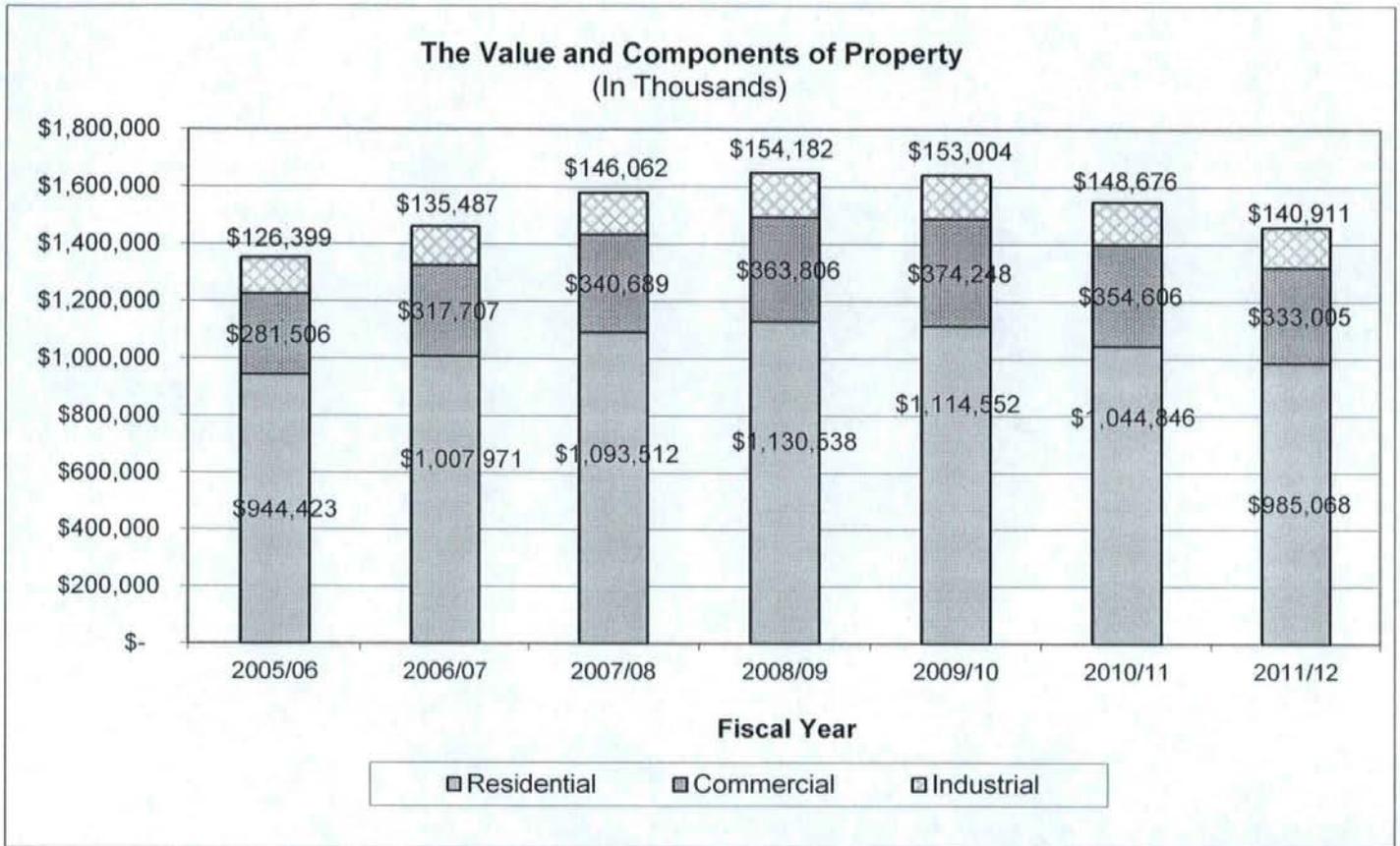
Revenue Trends – These revenue trends provide detailed analysis concerning the City’s property and sales tax base. In addition, any other significant revenue sources are included in this section.

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 67% of the City's total equalized assessed value, compared with 23% 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.

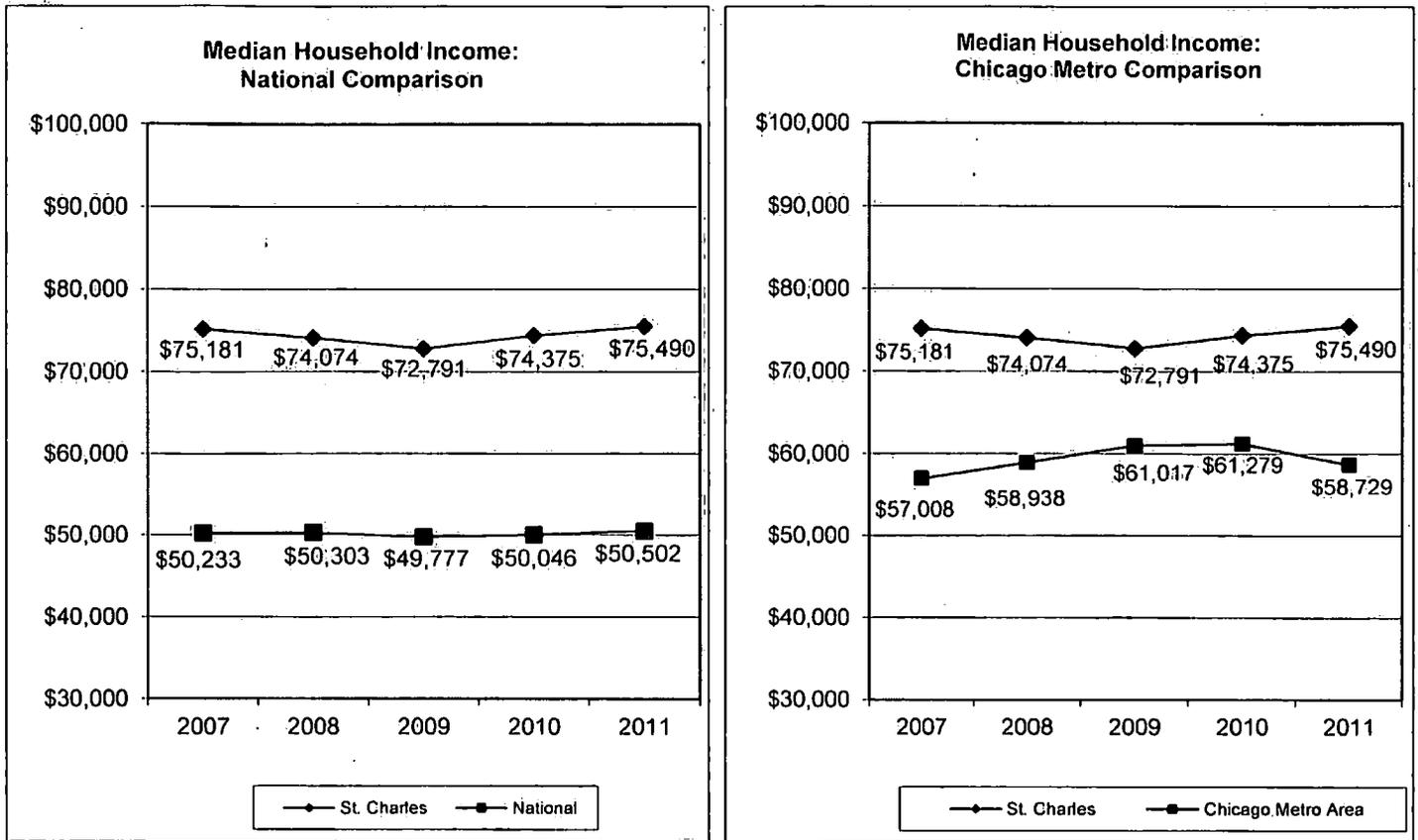
Trend Analysis

Assessed valuations for St. Charles have increased by approximately 7.89 % for the period under review. The City has also been able to maintain an appropriate balance between development types. Since 2005/2006, the City has witnessed increasing assessed property values in each area; residential (4.3%), commercial (18.3%), and industrial (11.4%) even though the recent trend in valuations has been a decline. For the 2012 levy, we anticipate a decline in property values of approximately 5.2% 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

Median household income for the City of St. Charles is considerably higher than the national average of \$50,502 (2011) and 29% higher than the Chicago Metro average of \$58,729, 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 44% of General Fund revenue, apply to visitors as well as residents.

Source: U.S. Census Bureau and projections

Comparative Trends: Utility Rate Comparison

Tri-City Utility Rate Comparison 2013						
		St. Charles		Geneva		Batavia
Electric	\$	1,183.65	\$	956.62	\$	1,137.99
Water	\$	351.91	\$	758.14	\$	515.67
Sewer	\$	542.79	\$	393.96	\$	489.08
TOTAL	\$	2,078.35	\$	2,108.72	\$	2,142.74

The rates used were reported within the ordinances of St. Charles, Geneva and Batavia as of May 1, 2013 based on 1,000 kwh of electricity and 11,000 g. of water usage per summer month and 700 kwh and 7,000 g. usage per winter month

Indicator Description

This chart shows the total amount of money a typical household would pay for public utilities as of May 1, 2013. It incorporates rate increases proposed with the FY 13-14 budget. The public utilities are operated as businesses and financed by user charges. Private businesses consider utility costs when making decisions on the location for their facilities. It is therefore important to be competitive with neighboring jurisdictions.

Trend Analysis

Overall, the City's utilities are very competitive with those of Batavia and Geneva. A resident of St. Charles pays less in total for these three utility services. While St. Charles residents pay more than Geneva's for sewer services, the City has invested those additional funds into the system to improve its efficiency and prolong its life. The recent rate increases in Batavia have since brought their sewer costs in line with St. Charles.

St. Charles' and Batavia's long term power contracts terminated in 2007, as Geneva's did in 2005. The ability to secure affordable wholesale power has impacted electric rates. In 2007, Geneva and Batavia added a "purchased power adjustment factor" (PPAF)¹ on all of their customers' electric bills which reflects market changes. St. Charles is proposing the implementation of a power cost adjustment factor in conjunction with the implementation of the FY 13-14 budget. St. Charles has been proactive in planning for future electricity cost and joined the Illinois Municipal Electric Agency (IMEA) to manage our power cost in an efficient manner. The City's wholesale power purchases contract is based on IMEA's costs to produce and provide power to the City of St. Charles. It should be noted that regulatory changes which increase electrical power generation or transmission and distribution costs will have an impact on the rates charged for electricity.

¹ In Geneva, the PPAF is called a Power Cost Adjustment Factor (PCAF).

Source: City utility rate survey and City Ordinances

Comparative Trends: Tri-City Comparison

Tri-City Household Comparison				
Annual Municipal Service Tax Burden 2012-2013				
	Usage per Month/Value	St. Charles	Geneva	Batavia
Electric Franchise Fee	1000/700 kwh ¹	\$ 55.87	\$ 23.90	\$ 39.97
Gas Utility Tax	\$63.00	\$ -	\$ 37.67	\$ 32.05
Telecommunications Tax	\$75.00	\$ 45.00	\$ 54.00	\$ 54.00
Water Utility Tax	11,000/7,000g	\$ -	\$ 43.12	\$ 24.52
Yard Waste Fee	Varies	\$ 40.80	\$ 48.60	\$ 36.00
Property Tax ²	\$300,000 home	\$ 776.44	\$ 623.72	\$ 648.52
Additional Local Sales Tax	\$470	\$ 56.42	\$ 28.21	\$ 28.21
Total Annual Taxes/Fees		\$ 974.53	\$ 859.23	\$ 863.27

Indicator Description

This chart shows the total amount of money a typical household would pay for general governmental services if it were located in St. Charles, Batavia, or Geneva. The comparison makes certain assumptions about consumption levels and patterns and then applies the rates and fees to the hypothetical home in each of the three cities. This way, one can compare the costs associated with municipal service in each municipality in an accurate manner.

Trend Analysis

As the chart indicates, the City of St. Charles is slightly above Batavia and Geneva in terms of cost for city services. In the past, St. Charles was able to maintain a property tax rate lower than surrounding communities. Area communities have imposed taxes on utility service to finance operations that the City funds from the property tax revenue stream. The City has maintained a consistent property tax levy for five consecutive years. Several factors lead to the need for the current levies including various capital projects and support for local mental health agencies.

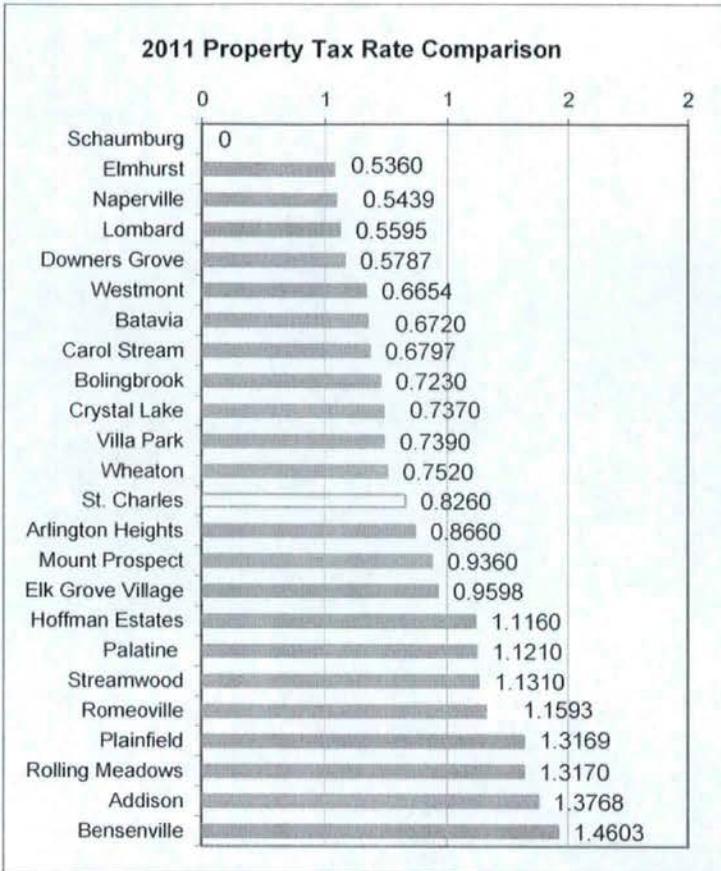
St. Charles does not levy a tax on natural gas or a water utility franchise fee, as both Geneva and Batavia do. As a non-home rule community, Geneva is subject to property tax caps and cannot assess a local sales tax without referendum approval.

1 Based on 1000kwh of electricity and 11,000 g. of water usage per summer month and 700 kwh and 7,000 g. per winter month.

2 A portion of the St. Charles property tax rate (\$0.05) is dedicated to the construction of the Red Gate Road Bridge.

Source: City utility rate and tax rate survey; projections based on census data for consumer spending

Comparative Trends: Property Tax Rates



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

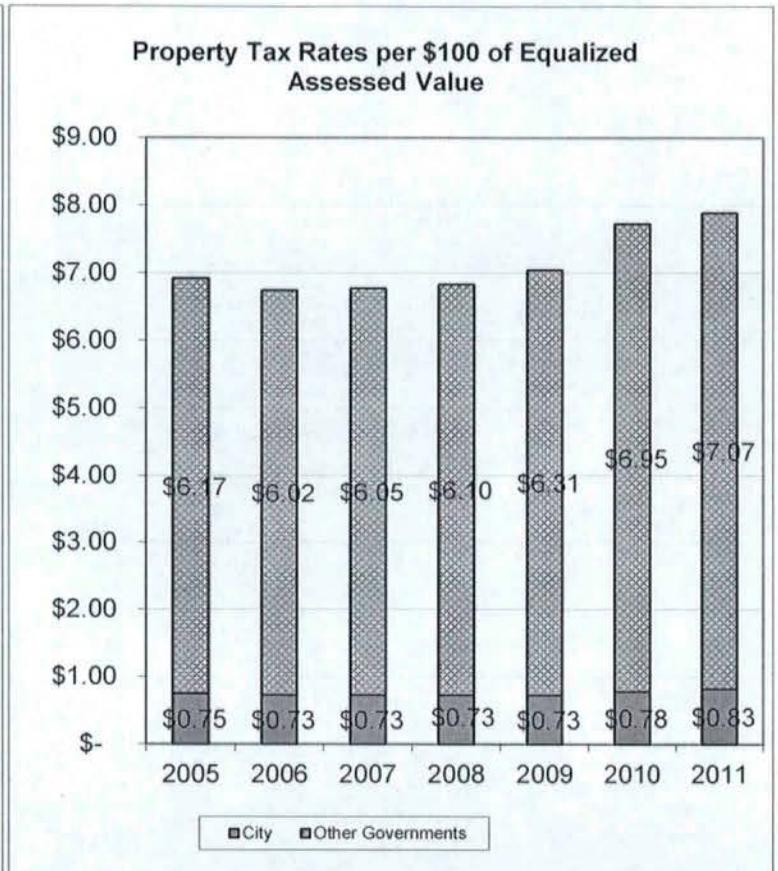
Indicator Description

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

Trend Analysis

The City remains cognizant of the total local tax burden for residents and continues to diversify revenue sources to meet budgetary policy. In addition, the City continues to expand its commercial tax base in order to increase sales tax revenue, carefully monitor whether user fees are offsetting costs, aggressively collects all revenue owed, and invests all funds in line with City investment policies. For FY 2013/2014, City Council has directed Staff to maintain a consistent operating property tax levy of approximately \$12,000,000 for the fifth consecutive year. This will have the impact of increasing the tax rate to an estimated \$.8774 when factoring in the anticipated 5.2% decline in the City's taxable value (EAV) for the 2012 levy.

Source: St. Charles CAFR and survey of area communities



The City collects only about 11% of the total property taxes levied.

Indicator Description

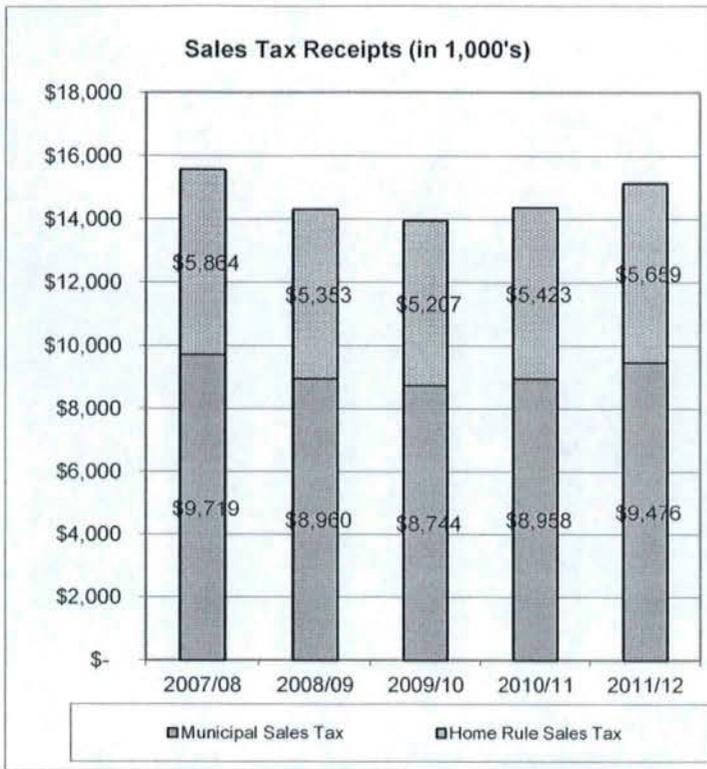
The above chart illustrates the City's portion of the property tax rate as compared to rates of overlapping governments (i.e.: County, school district, park district, library district, etc.). Decisions related to tax levies must take into consideration the total community tax rate including all overlapping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

Trend Analysis

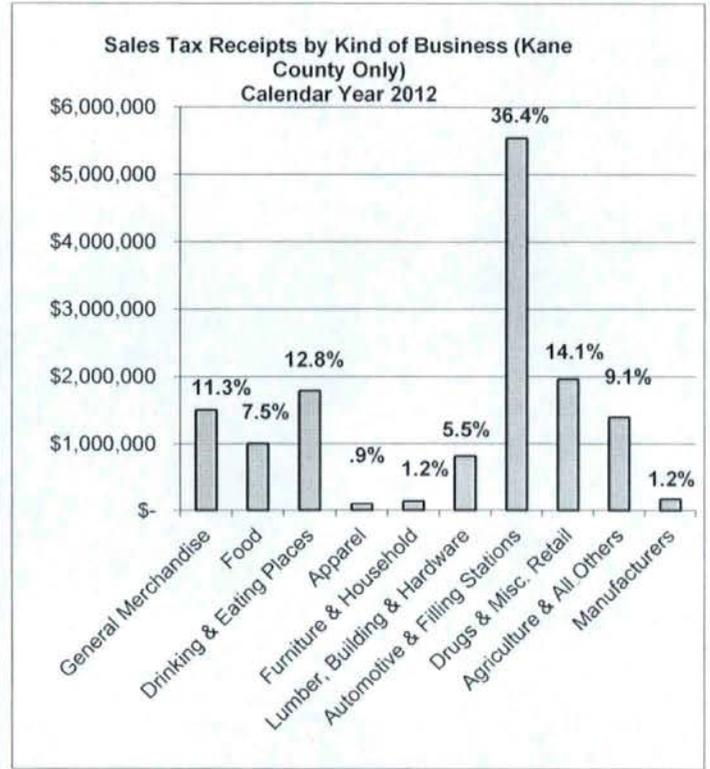
The City has been able to keep its rate relatively low during the period under consideration. In 2002 through 2005, the tax rate did increase in order to adjust to increased competition for sales tax dollars, as well as to fund major initiatives. For the 2010 and 2011 levies, the rates increased due to the declining EAV of the City. The City receives 11% 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 two 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 increase 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 two years.

Indicator Description

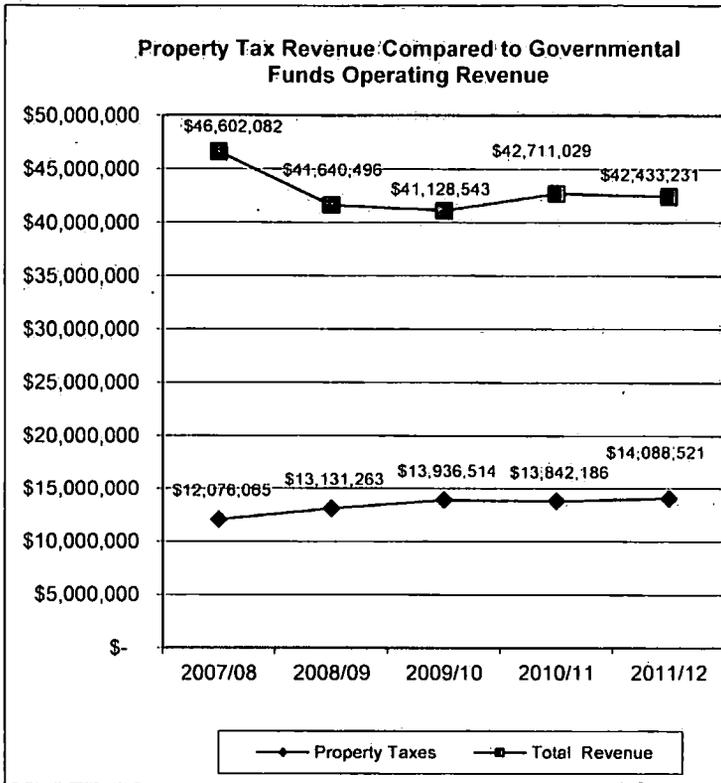
This table is presented to distinguish the sources of sales tax revenue received by the City (not including DuPage County). The information is given by calendar year, rather than fiscal year. Being aware of what percentage certain retail goods constitute of the whole can provide City officials with some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

Trend Analysis

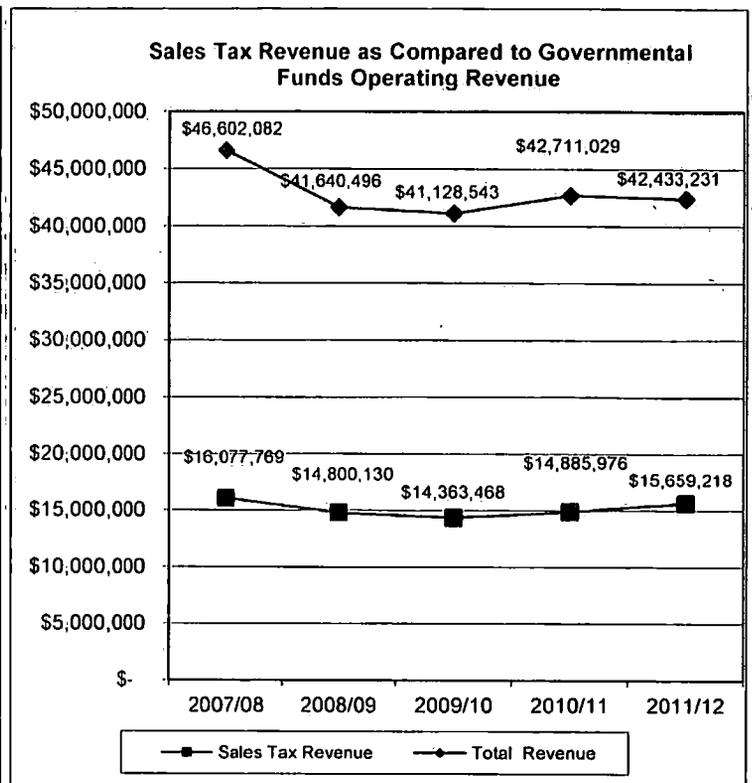
The largest percentage of sales tax revenue for the City comes from automotive and filling stations, which includes businesses such as new and used car dealers, auto and home supply stores, gas and service stations, as well as automotive repair. The second largest category of revenue is drugs and miscellaneous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

Source: Illinois Department of Revenue

Revenue Trends: Operating Revenue



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



Almost 35% of operating revenue comes from sales tax receipts.

Indicator Description

This indicator compares property tax revenue 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 is generally remaining stable over the last few fiscal years. The percentage has grown from 19.5% in 2001 to 33% in 2012. The flat trend in the graph reflects the City's policy of keeping the property tax levy consistent over the last five fiscal years.

Source: St. Charles CAFR

Indicator Description

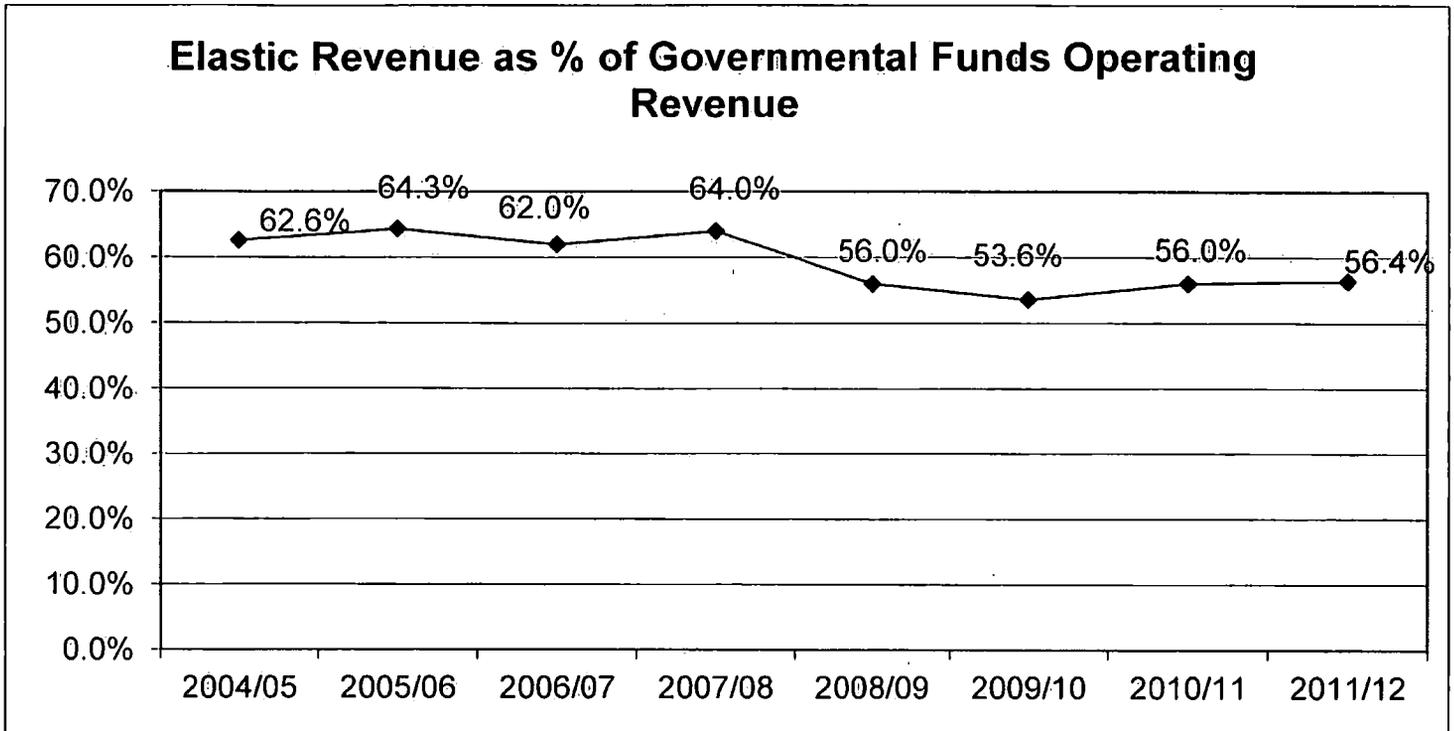
This indicator compares sales tax revenue to that of net operating revenues, which are revenues that are available for general governmental functions, such as police and fire protection and street repair.

Trend Analysis

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 2011/2012, the percentage stands at 36.9%. 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: Elastic Revenues



In past years, the percentage was over 70% and after a period of decline, elastic revenue dependency is again increasing.

Indicator Description

Elastic revenues are considered to be responsive to changes in the economy. Elastic governmental fund revenues for the City include: sales and use taxes, telecommunications tax, franchise fees, hotel tax, motor fuel tax, licenses and permits, interest on investments, and income taxes. The property tax is a good example of an inelastic revenue. During strong economic conditions, elastic revenues will increase-- paralleling business growth.

A balance between elastic and inelastic revenues mitigates the effects of economic growth or decline. During inflation, it is desirable to have a high percentage of elastic revenues, since inflation pushes up revenue yield-- thereby keeping pace with the higher prices the City must pay. If the percentage of elastic revenues declines during inflation, the government becomes more vulnerable, since revenue yields do not match the increasing price of services to the City.

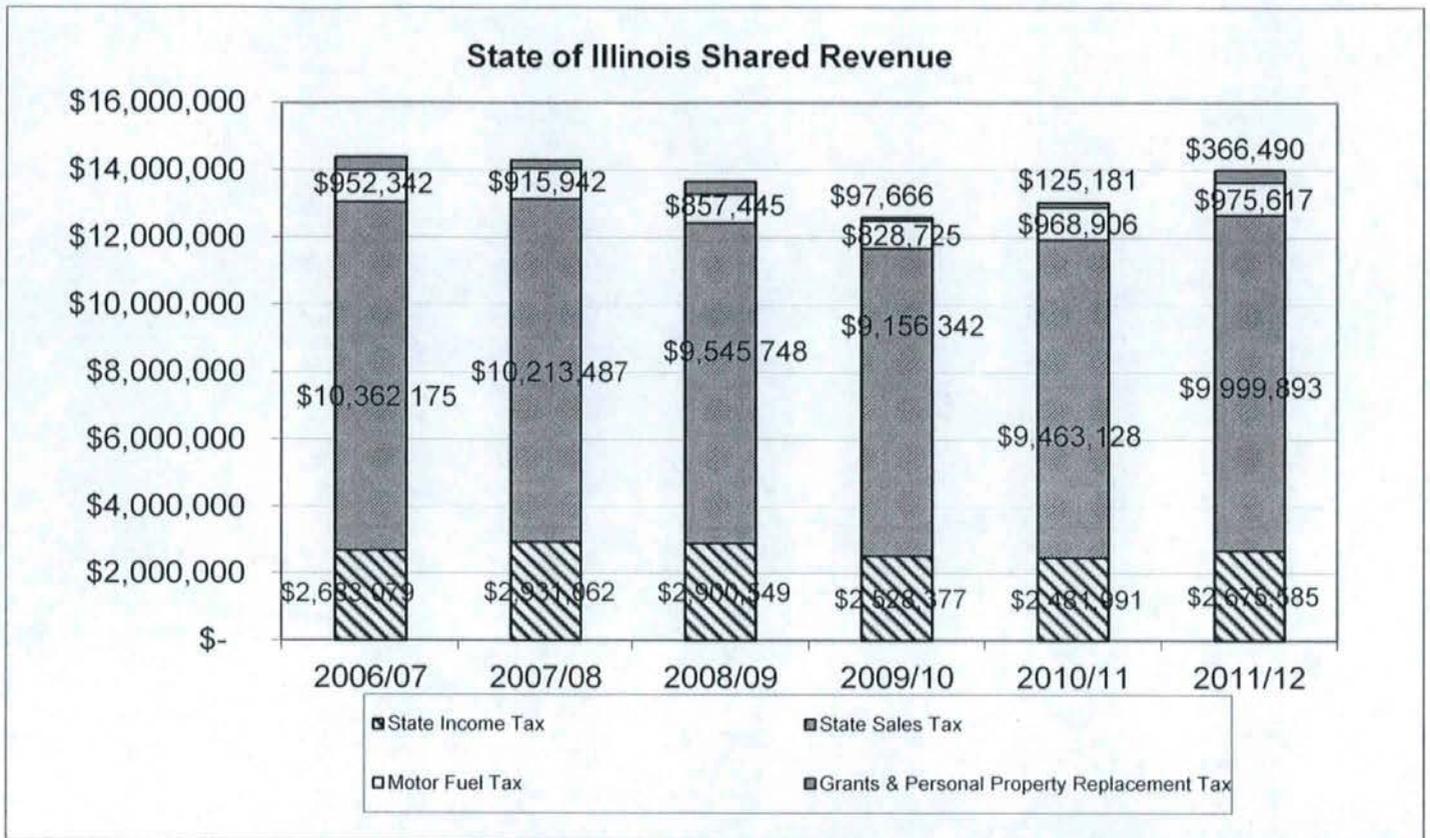
Trend Analysis

As the graph indicates, governmental funds are still largely funded by elastic tax revenues. Although sales and use taxes are considered elastic sources, these revenue streams have historically performed well. Traditionally, the City has been able to depend on its strong diversity of businesses which creates a solid sales tax base for its operating revenues.

In 1995/96, elastic revenues were over 74% of governmental funds operating revenues. Over the last 16 years, this percentage had dropped significantly. During 2010/2011, the City introduced a 2% tax on alcoholic beverages. This new revenue source has helped this recent trend. Elastic Revenue sources currently provide 56.4% of Governmental Funds' Operating Revenues.

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 2008/09 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

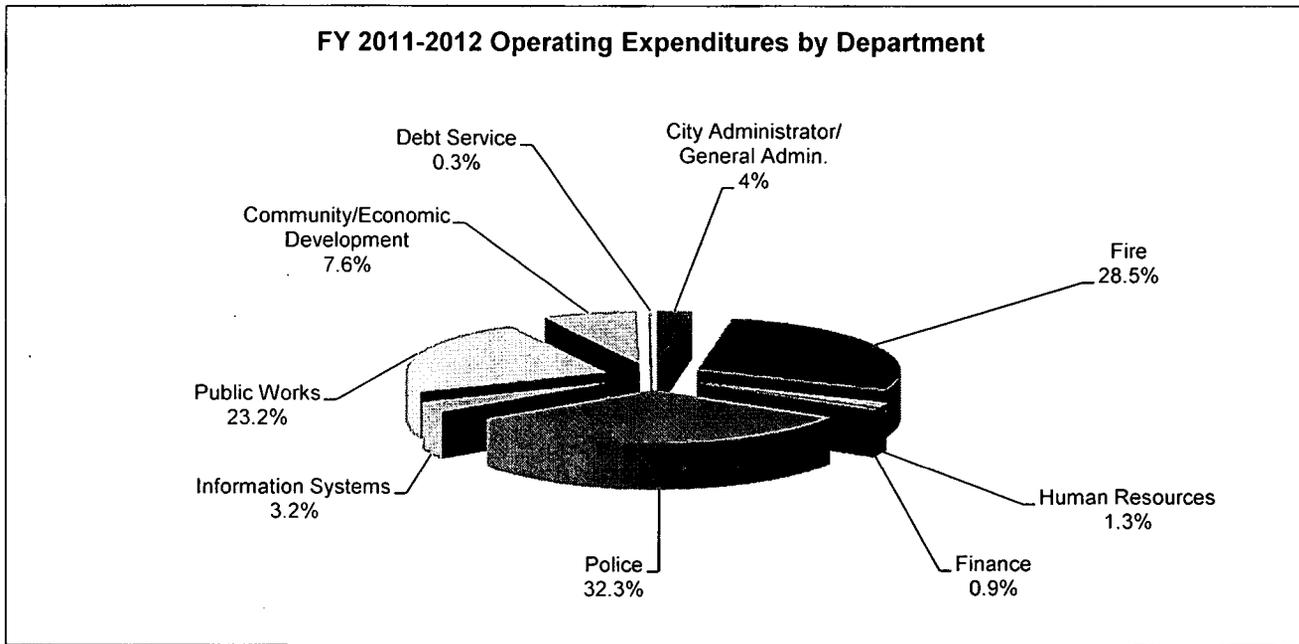
As is reflected, with the exception of grants, the intergovernmental revenues have been relatively stable, up until fiscal year 2008/09. The recent recessionary trends had resulted in lower revenue levels for both the City of St Charles and the State of Illinois. This trend is reversing and we expect 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.

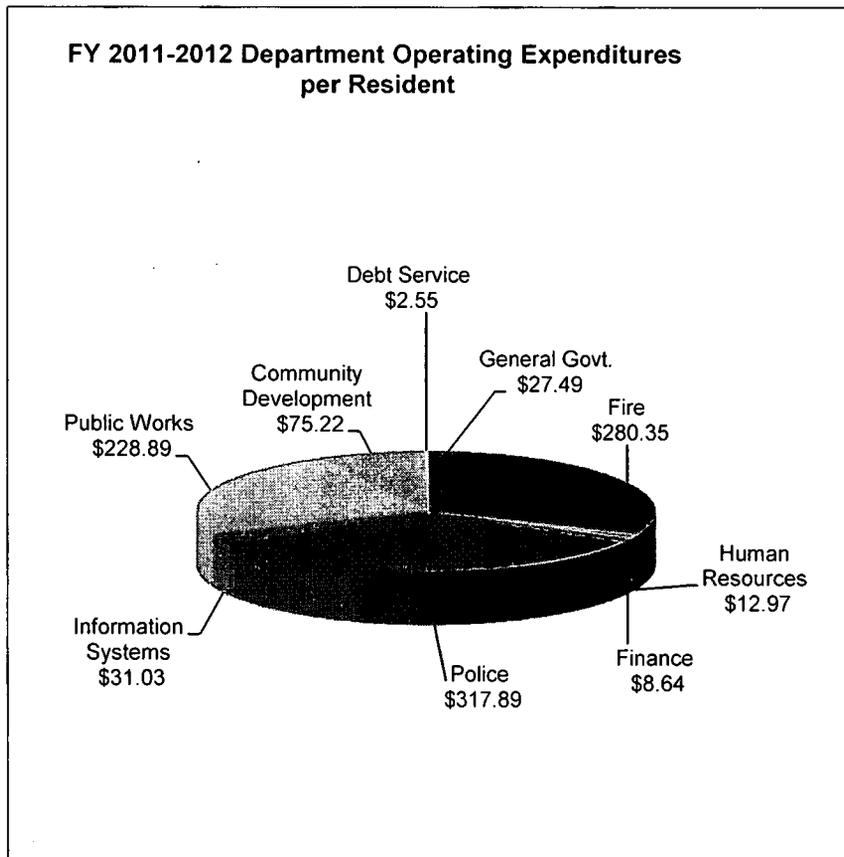
Monies received from grants are only displayed for the past four fiscal years. Grant dollars can vary significantly from year to year, depending on the amount of funding available and the purposes it can be used for. Beginning in 2007/08, the City embarked on a major initiative to enhance grant funding in order to reduce reliance on local revenues. Nearly half of the cost of the Red Gate Road Bridge is being 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.

Expenditure Trends: Operating Expenditures



Approximately \$ 0.84 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

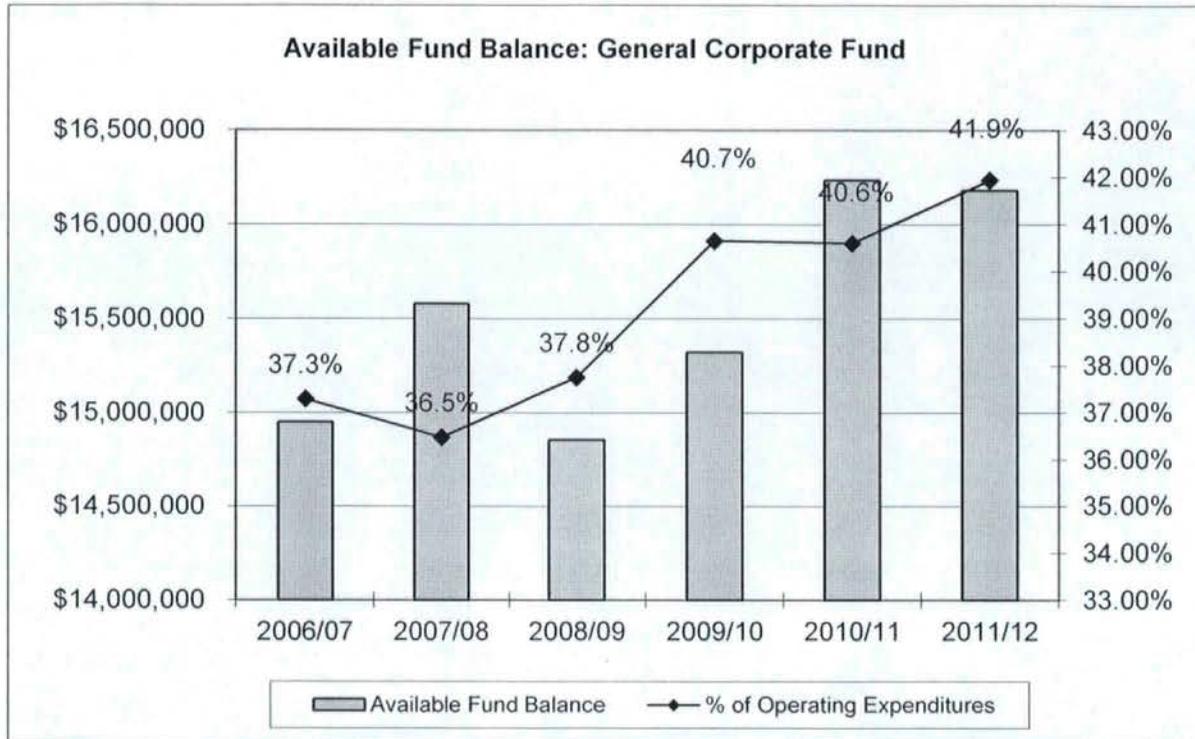
The first pie chart represents operating expenditures by each City department for the General Governmental funds (less Capital Projects). Additionally, the second chart displays operating expenditures per resident by City Department in St. Charles.

Trend Analysis

In fiscal year 2011/12, approximately \$930 was spent per resident in the provision of services for General Government, Public Safety, Public Works, and Community Development. This reflects an increase of 4.5% from the 2009/2010 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. 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. 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.

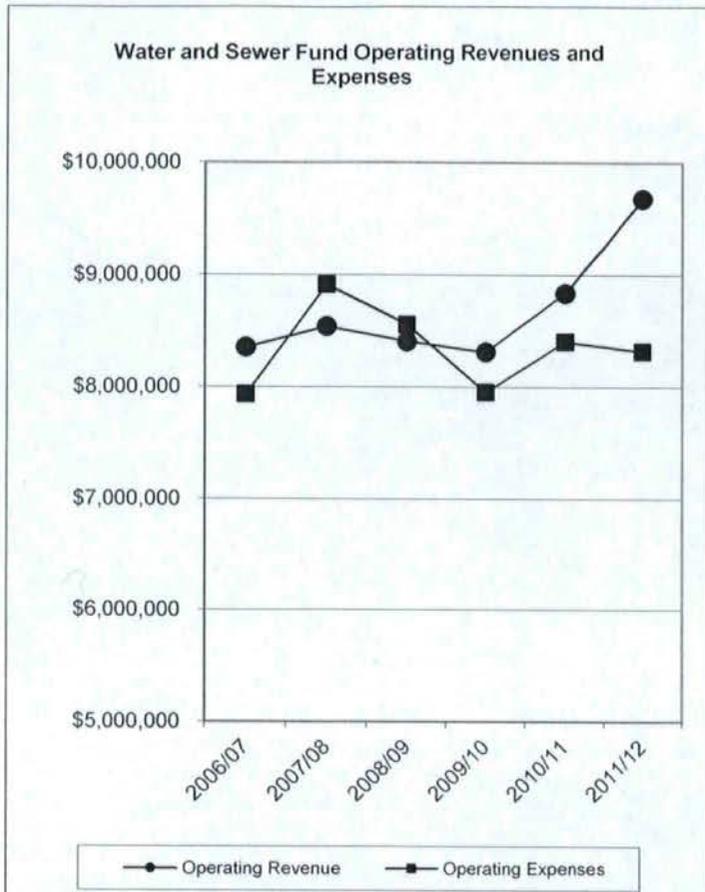
Trend Analysis

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 a decrease in 2008/09. 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 the 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 and Sewer



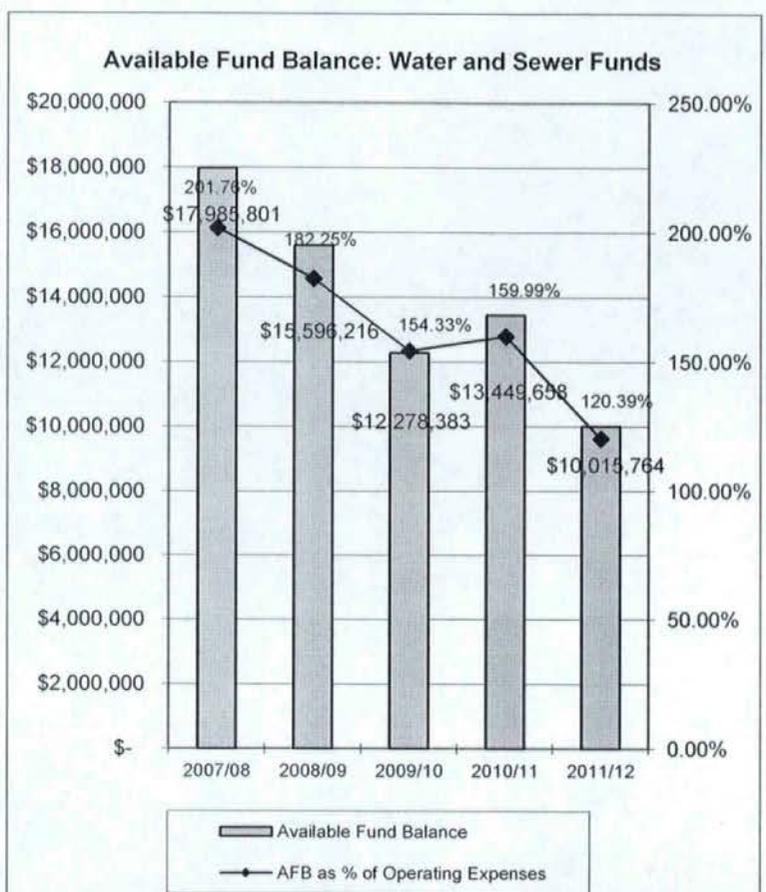
Revenues are stable, but expenses go up with mandates, operations, and major maintenance projects.

Indicator Description

This chart displays the amount of total revenue (primarily generated by user fees) and expenses (excluding depreciation) for both the water and sewer funds. 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 and sewer usage have remained fairly stable over the period represented, with the exception of a decrease in 2008/09 due to a cool and wet 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. The trend continues to show rising expenses for both funds, as these services are affected by environmental mandates as well as rising operational costs. The significant increase in operating expenses from 2006/07 to 2007/08 is a result of major sewer lining maintenance projects.



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

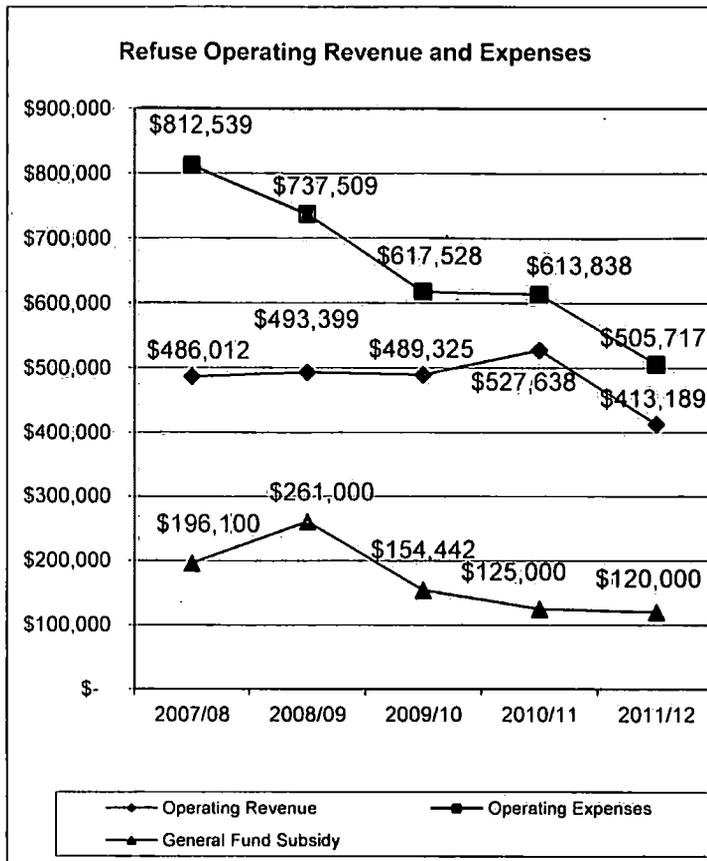
Indicator Description

Since water and sewer funds are 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 these are financed primarily through user-charges. The policy goal is to maintain an available fund balance 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 and 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.

Enterprise Fund Trends: Refuse and Electric



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

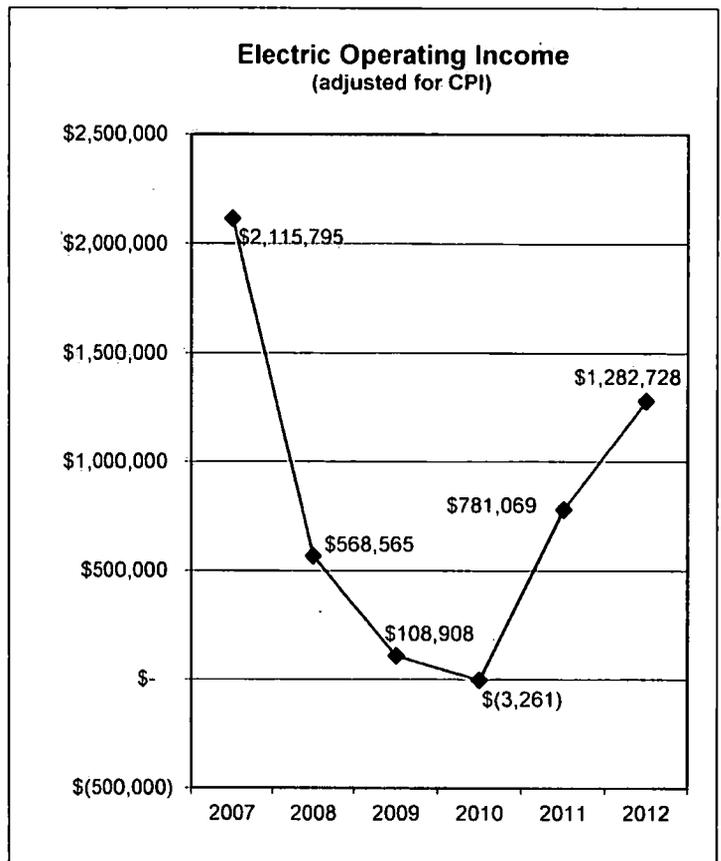
Indicator Description

The Refuse Fund is another enterprise, or business-type activity of the City. As such, it should be self-sufficiently 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 \$3.40 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. For FY 2009/2010, the General Fund transfer was reduced by \$125,000 to reflect the elimination of the Spring Clean-up Program. The Spring Clean-up was reinstated in the FY 2012-2013 budget and going forward will be a biennial expense. The FY 2013-2014 budgeted General Fund transfer is \$92,000.

Source: St. Charles CAFR



The electric enterprise's operating income decreased over the last three fiscal years due to increases in wholesale power costs.

Indicator Description

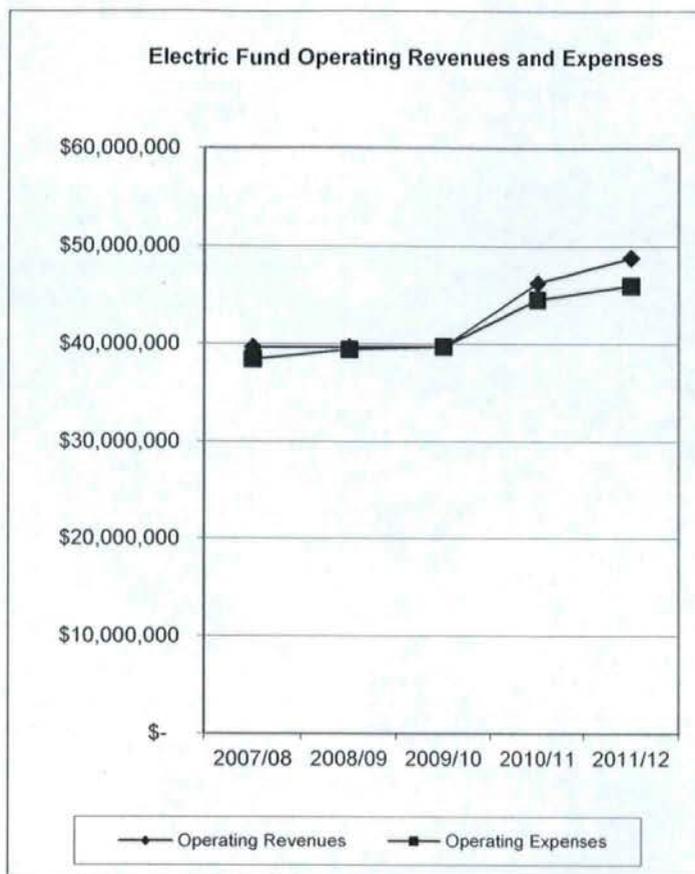
Since enterprise activities like electric are businesses run by government, they are unique. The typical business "bottom line" of profit or loss may not portray the most accurate picture of such a fund's long-run financial condition. This indicator looks at the total cost of providing the service (operating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

Trend Analysis

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

Source: St. Charles CAFR and Bureau of Labor Statistics

Enterprise Fund Trends: Electric



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

Indicator Description

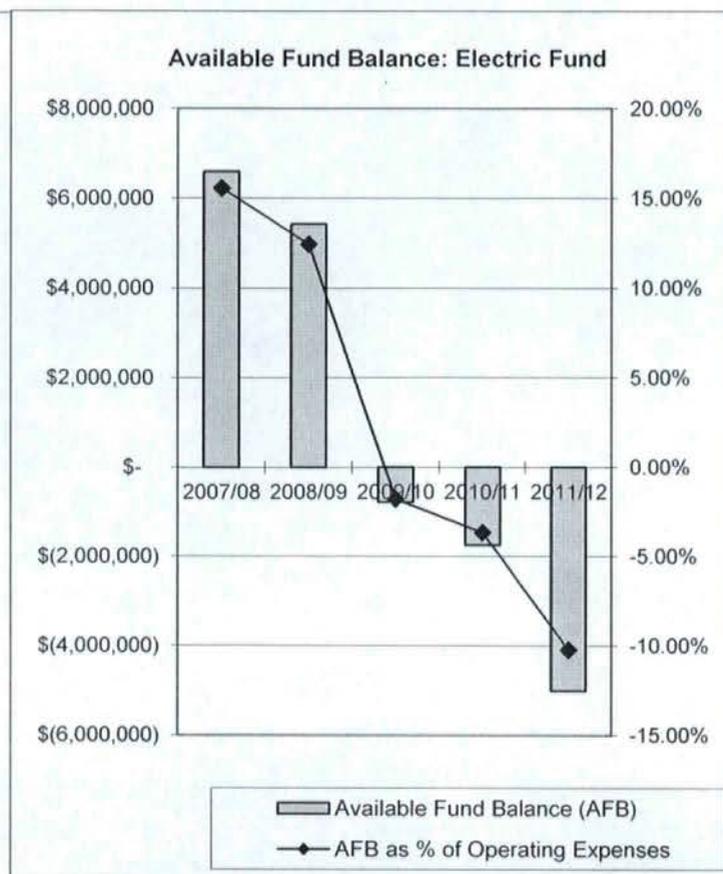
Above is an illustration of the operating revenues and expenses (less depreciation and debt payments) for the electric enterprise fund—covering the last five years. Unlike the Refuse Fund, the Electric Fund is intended to be self-sufficient as part of the City's financial policy.

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.

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

Source: St. Charles CAFR



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

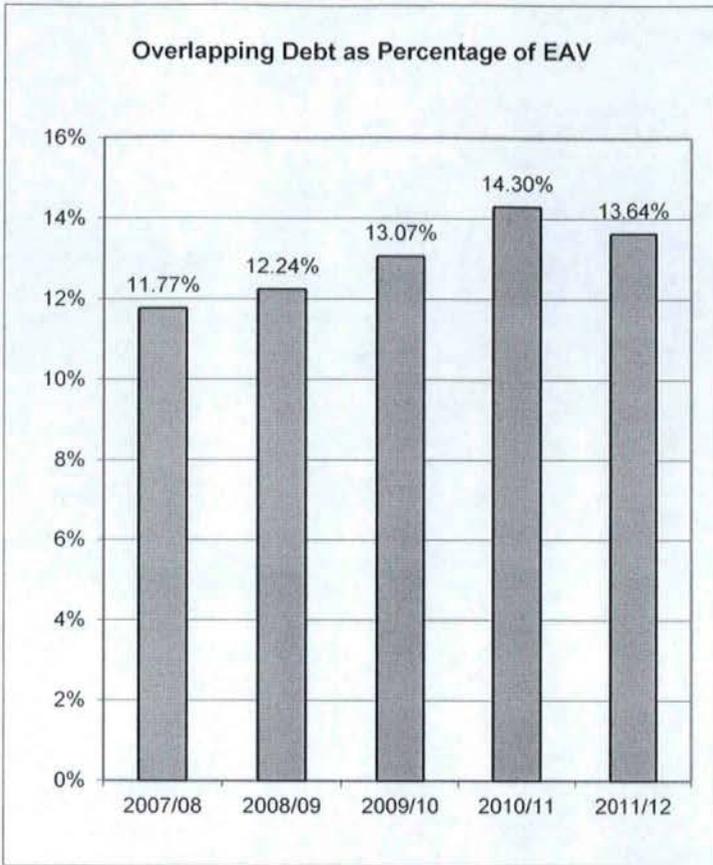
Indicator Description

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

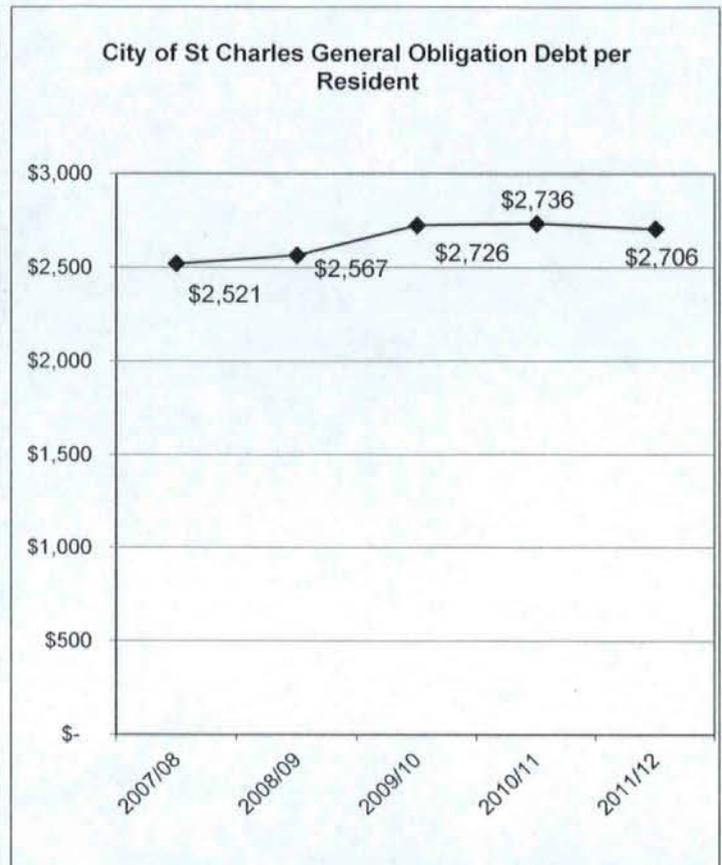
Trend Analysis

Two graphs in one are presented above (available fund balance and operating expenses as a percentage of available fund balance). For several years the available fund balance exceeded a prudent amount to manage emergency needs. In response, we decreased the available fund balance by limiting rate increases below the increases in wholesale power costs. However, decreases in consumption levels have contributed to an even sharper decline in the available fund balance. The City completed a rate study in 2011 and instituted several changes to the electric rate structure to assure that over the long term, the City's rate structure provides adequate recovery of the utility's costs in keeping with the "business focus" of an enterprise utility fund.

Debt Service Trends: Debt Measures



Multiple governmental units, including the City, issued new debt during fiscal year 2011/2012.



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

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 has resulted in debt issuance to meet additional 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

Indicator Description

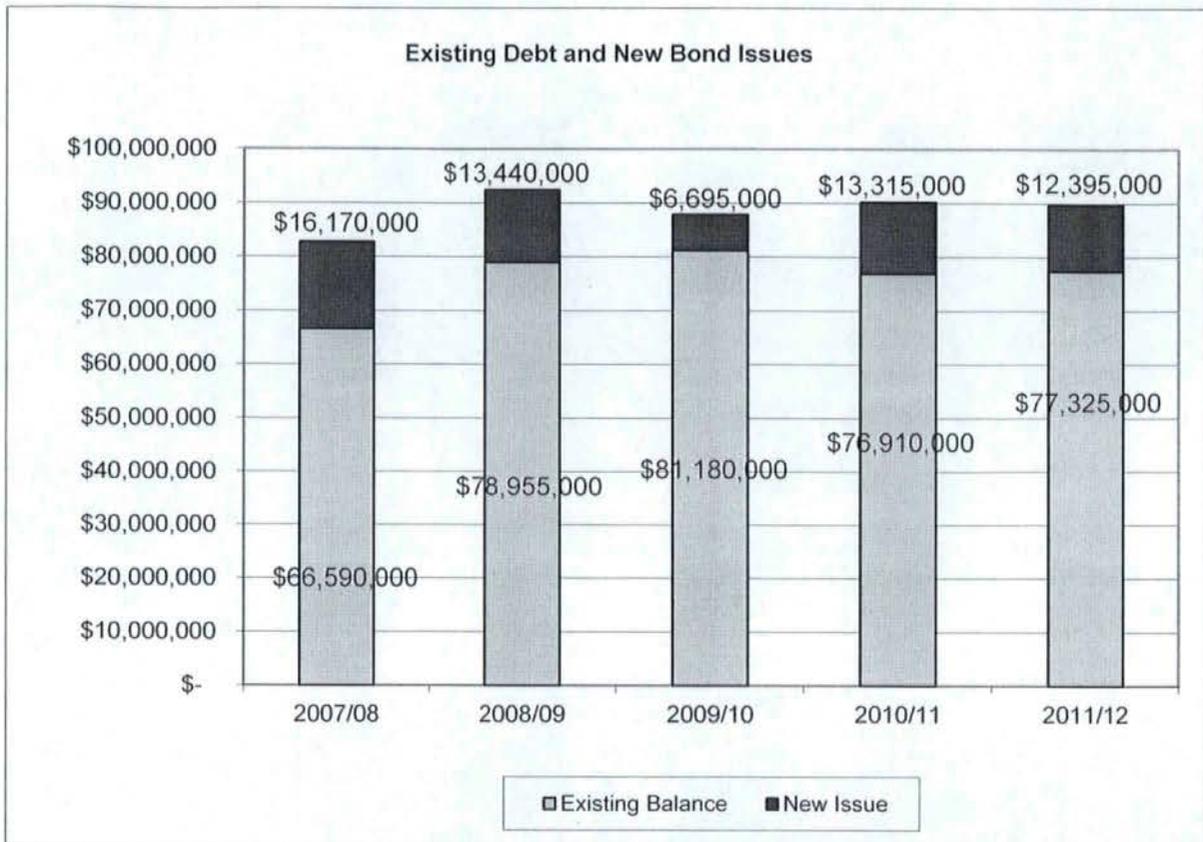
This illustration of long-term debt does not include the aforementioned overlapping jurisdictions.

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. As the population growth slows, even a slight increase in issued debt will account for a larger amount per resident. 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.

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.

Trend Analysis

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

- 2007/08: First Street TIF District and Water capital projects
- 2008/09: Riverwall Project, Fire Station #1 Project, Electric Projects and Ladder Truck Purchase
- 2009/10: IL 64 Water & Wastewater Improvements, Electric Projects Refunding Bond Issue
- 2011/12: ERP System, Road Reconstruction projects, Wastewater Improvements, Refunding Bonds

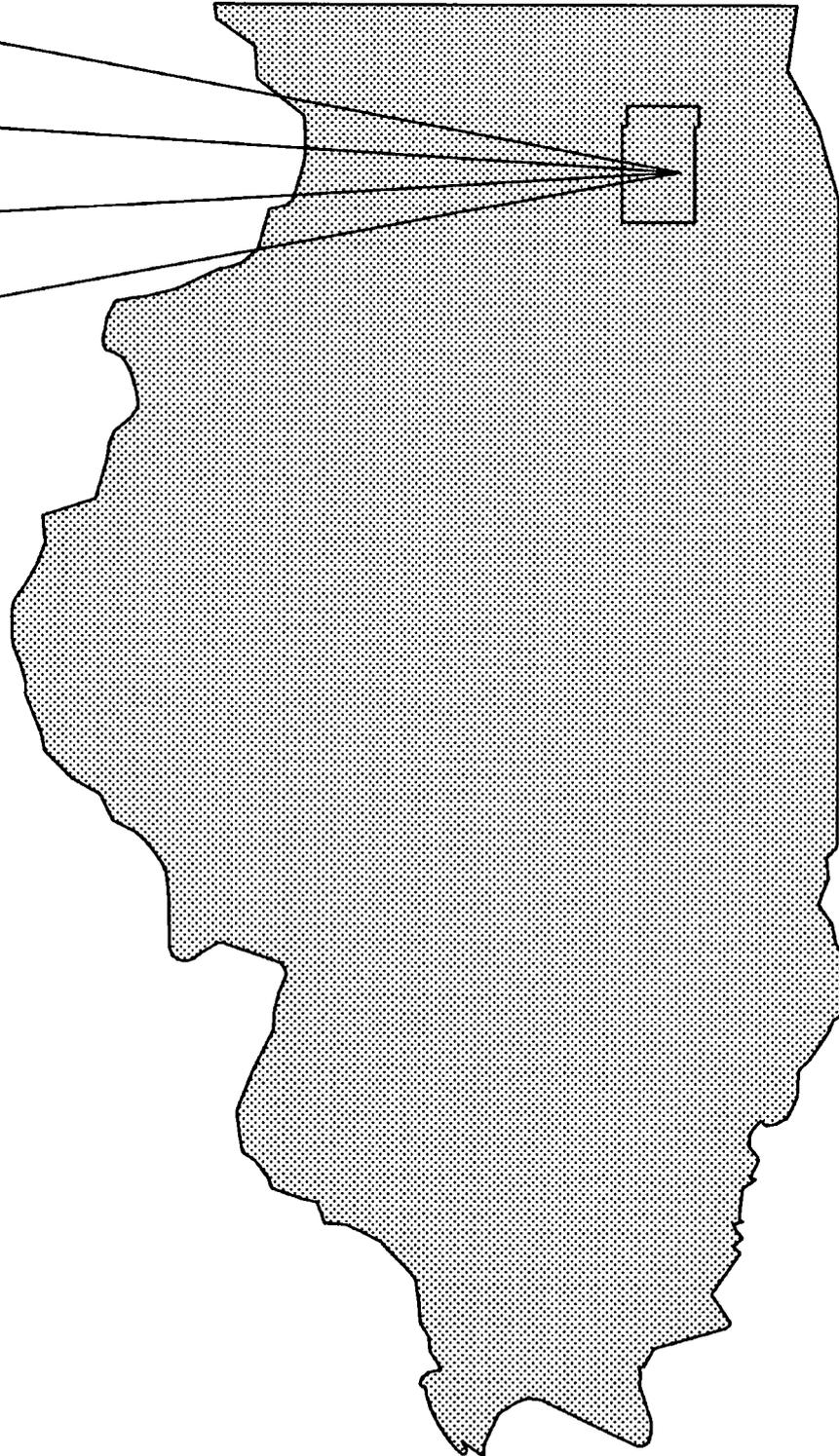
In addition to new projects, the City has taken advantage of the historically low interest rates by refinancing many of its bond issues. Since 2009, the City has refinanced its debt in a manner that will reduce interest costs by \$2.850 million through 2025.

Source: St. Charles CAFR

COMMUNITY PROFILE



ST. CHARLES
SINCE 1834



Community Profile

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

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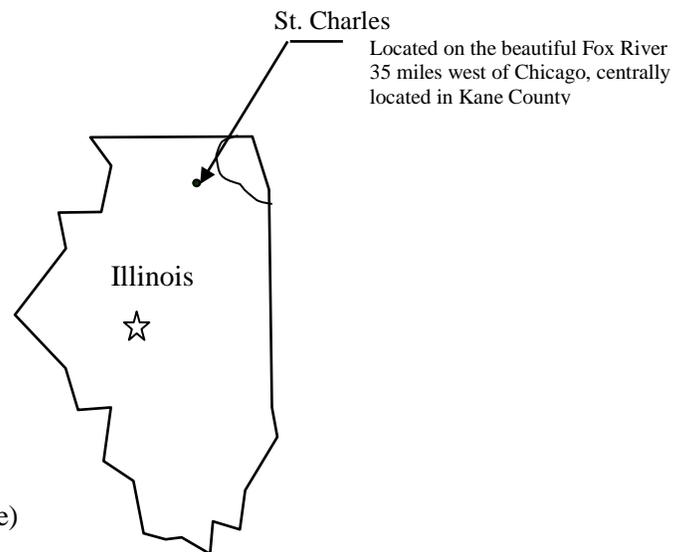
COMMUNITY PROFILE

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 (Official) The Inland Empire (Unofficial)
State Motto:	“State sovereignty national union”
Population:	12,875,255 (2012 Estimate)
Rank:	5 th
Date of Statehood:	12/3/1818
Sequence:	21 st



The first mayor of St. Charles, James K. Lewis, was elected in 1875. At that time there were 3 wards with 6 aldermen. Our current Mayor, Donald P. DeWitte, was elected and sworn in to office May 1, 2005 and reelected to his second term in 2009. He previously served 12 years as an alderman. 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 2012 the City’s estimate



population is 33,153. 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
2001/02		-	29,595
2002/03	Special Census	31,834	-
2003/04		31,834	-
2006/07		-	32,609
2007/08		-	31,804
2008/09			32,276
2009/10		32,974	
2010/11		32,974	
2011/12			33,153

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	29,189
African American	869
American Indian, Eskimo, or Aleut	65
Asian or Pacific Islander	1,164
Other Race Alone (of any race)	<u>1,866</u>

2012 Estimate Population Total 33,153

Unemployment Rates:

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
St. Charles	6.8%	7.2%	5.3%	3.8%	3.7%	4.9%	7.7%	8.7%	9.0%	7.1%
Illinois	6.3%	5.8%	5.2%	5.2%	5.3%	7.2%	11.3%	9.3%	10.0%	8.7%
United States	6.5%	5.4%	4.8%	5.0%	4.9%	8.1%	10.4%	9.6%	8.3%	7.8%

Data Source: www.bls.gov/

Top Employers in St. Charles

No. of Employees	Employer	Product or Service
1,720	St. Charles School District 303	Education K-12
450	System Sensor	Mfg. Commercial Detectors & fire Equipment
425	R. R. Donnelly & Sons Co	Business Form Printing
400	Omron Electronics	Automotive relays and controls
350	Pheasant Run Resort	Hotel and Conference center (golf course)
350	Armour – Eckrich Meats LLC	Sausage & Salami Processing
300	City of St. Charles	Municipal government
300	St. Charles Park District	Park District Facilities
300	Perfect Plastic Printing	Manufacturing Company
250	Coca-Cola Bottling Co.,	Soft Drink Bottling & Distribution
250	Power Packaging	Juice Bottling and Contract Packaging
220	Illinois Youth Center	State of Illinois youth correctional facility

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

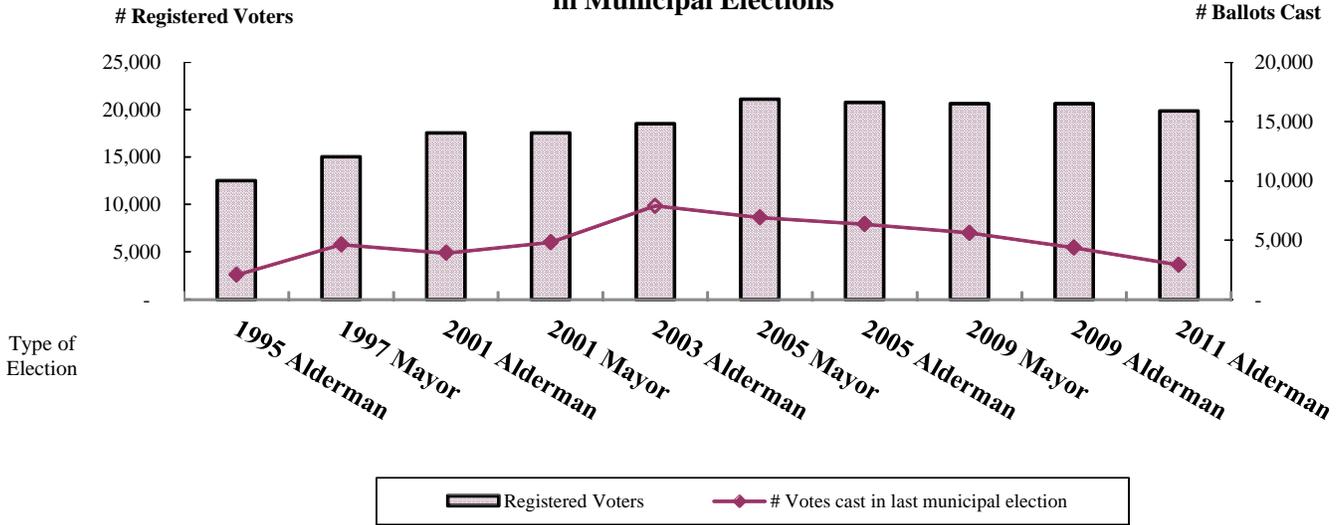


Occupational Categories

<u>Occupational Category</u>	<u>City of St. Charles</u>	<u>Kane County</u>	<u>DuPage County</u>	<u>State of Illinois</u>
Managerial professional & related occupations	42.8%	32.3%	43.7%	34.2%
Service occupations	9.8	12.4	9.4	13.9
Sales and office occupations	31.8	27.8	30.2	27.6
Farming, fishing and forestry occupations	0.1	0.3	0.1	0.3
Construction, extraction, and maintenance	6.6	8.9	6.5	8.2
Production, transportation and material moving	<u>8.9</u>	<u>18.3</u>	<u>10.1</u>	<u>15.8</u>
TOTALS	100.0%	100.0%	100.0%	100.0%

Elections

History of Votes Cast in Municipal Elections



The chart above shows a higher turnout when there is a mayoral election. The number of votes cast to registered voters is very low.

Data Source: Kane County Clerk.

Public Health & Safety

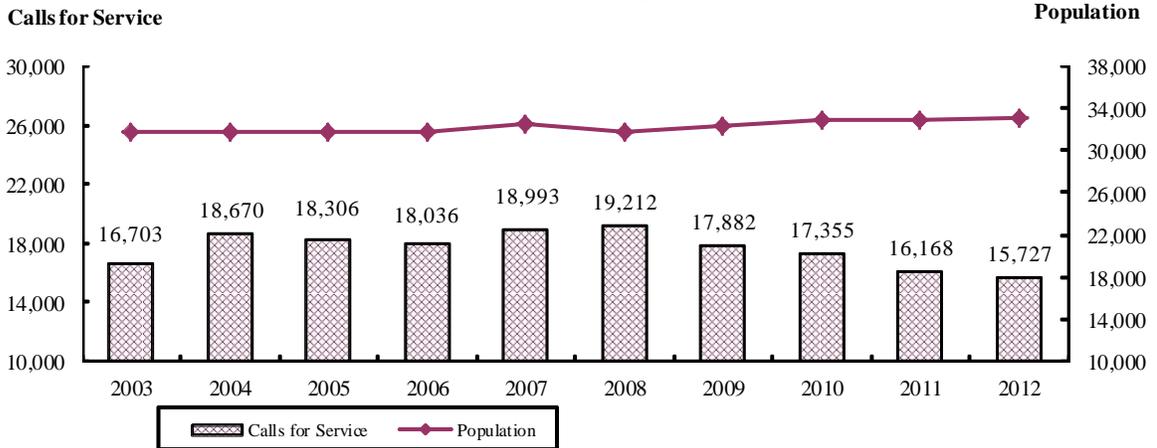
Police Protection:



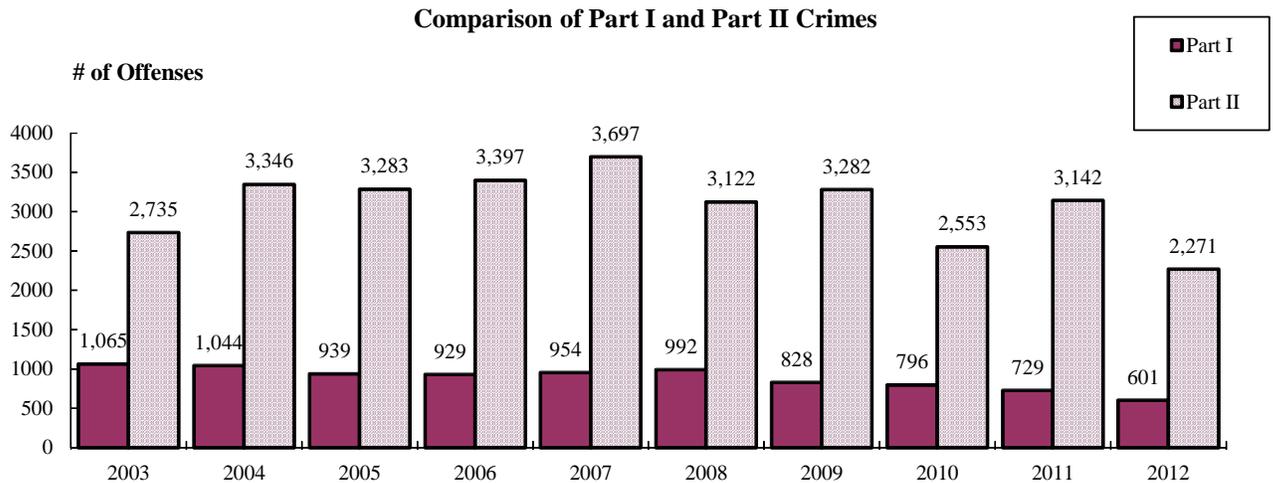
Number of sworn officers -

Chief	1
Deputy Chiefs	2
Section Commanders	2
Sergeants	6
Detectives	7
Patrol Officers	33
<u>K-9</u>	<u>1</u>
	52

Calls for Police Service



Calls for police service have historically increased as population increases. However, St. Charles experienced a decrease in calls in 2012.



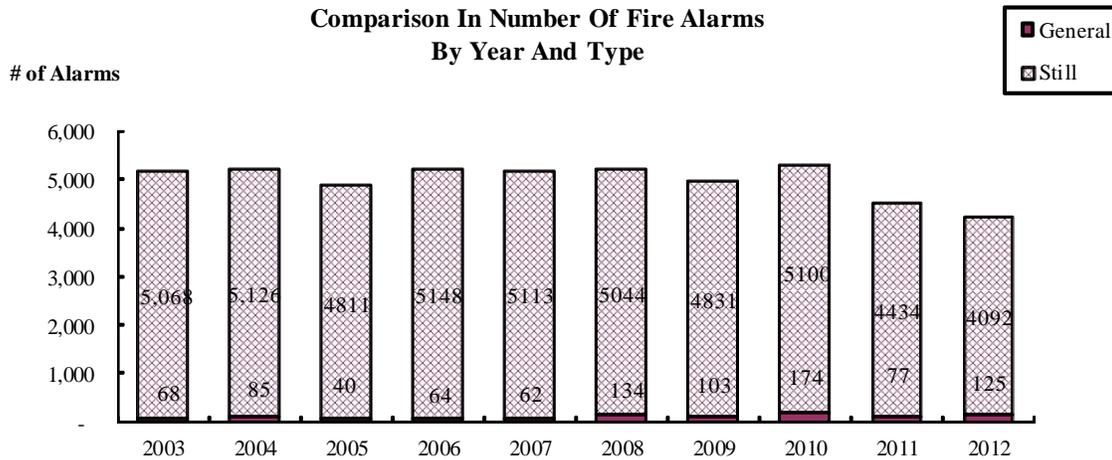
Part I and Part II crime categories are a national standard used to identify types of crime. Part I are generally more serious crimes involving a weapon such as armed robbery, whereas Part II crimes would be theft or battery committed with one's body. The FBI originally set these standards. The relationship 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	1
Battalion Chiefs	3
Captains	3
Lieutenants	10
Firefighters	27
	45
# of EMA Personnel	19

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



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

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

Data Source: Annual report – Fire Dept

Public Works

Street miles maintained (all paved)	
Residential	131.5
Industrial	11.9
County	9.5
State	<u>26.7</u>
Total	179.6
# of Snow Routes	19

Lester and Dellora Norris designed and built the Arcade 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 DeHavilland, 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	12,990,000
Average daily pumpage	3,947,500
Gallon Capacity per day	
Outer-pressure	9,390,000
Inner pressure	3,600,000
# of Wells	7
Maximum Day Consumption	9,741,000
Wastewater (East and West Plants)	
Gallons of wastewater – daily flow	4,235,221

Water Pumped vs. Billed FY 11/12

In Thousands of Gallons

	Gallons Pumped	Gallons Billed	Difference	% of Difference
May	119,653	112,287	7,366	6.16%
June	132,372	126,427	5,945	4.49%
July	168,907	168,480	427	0.25%
August	140,151	113,176	26,975	19.25%
September	130,326	120,157	10,169	7.80%
October	117,393	108,977	8,416	7.17%
November	104,578	95,158	9,420	9.01%
December	106,281	95,317	10,964	10.32%
January	106,653	97,223	9,430	8.84%
February	100,638	88,963	11,675	11.60%
March	105,992	96,240	9,752	9.20%
April	111,475	95,806	15,669	14.06%
Total	1,444,419	1,318,211	126,208	8.74%

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*

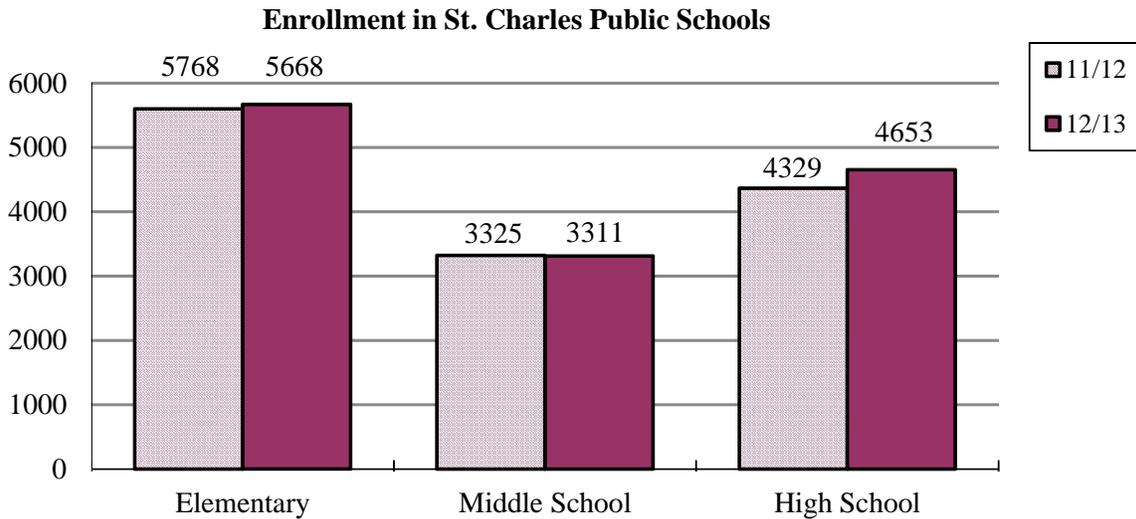
Electric Utilities

Number of Substations	7
Number of Customers	13,199
Average monthly kWh billed	45,313,025
Total KWh billed 2011/2012	543,756,300

Education

Number of public schools:

Elementary	12
Middle School	3
High School	2
Special Education	1



Data Source: www.d303.org

Recreation and Cultural

Parks	61	Libraries	1
Park acreage	1,400	Books owned	395,173
Recreation centers	2	Registered patrons	55,092
Park District pools	2	Churches	20
Public Golf Courses	3	Community Centers	3
Miniature Golf Courses	1	Restaurants	96
Annual Park District Programs	1,600	Banquet Facilities	5
Cultural Arts Center	1	Hotel/Motel Rooms	1,361
Financial Institutions	18	Conference Center	2

Data Source: *Parks Facilities*

Transportation

Major Roads and Highways: East-West Toll way (I-88); and the North-West Toll way (I-90)

Airports: Chicago's O'Hare International (50 min); Midway Airport (1 Hr.); and a local airport for business commuters – Dupage Airport (5 min)

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

Property Construction and Sales

Building Permits:



Fiscal Year	New Commercial Construction		New Business Construction		New Residential Construction		Total Building Permits**	
	# of Permits	Value	# of Permits	Value	# of Permits*	Value	#of Permits	Value
2000/2001	8	3,000,000	8	17,548,000	580	66,431,630	1,921	118,333,227
2001/2002	7	5,780,000	21	28,044,192	441	28,117,192	1,618	93,749,090
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

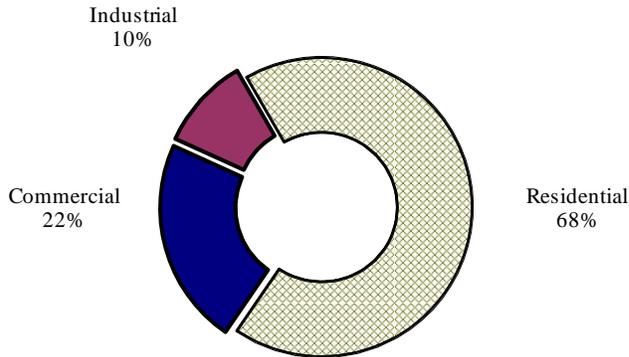
* This total is all residential dwelling units not number of permits.

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

Data Source: Building & Code Enforcement Dept

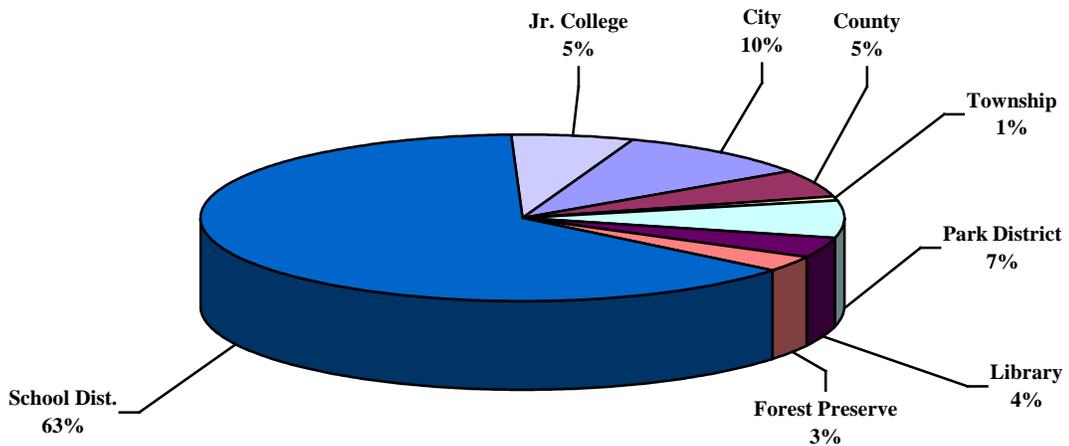
Property Taxes

**Land Use
Based on 2011 EAV**



As the chart shows, 68% 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
2011 Collected in 2012**



**2011 (Levy Year)
Typical Total Tax Rate**

City	\$0.8260
County	.3990
Forest Preserve	.2609
Township	.1163
Cemetery	.0138
Park District	.5526
Library	.2874
School District # 303	5.0175
Junior College # 509	<u>.4454</u>
	\$7.9189

Property taxes only account for 10.4% of total revenues for the City. General fund property taxes account for 30.4% of general fund revenues. That includes funding for the police and fire pensions. Taxes to fund general City services only amount to 24.7% of general fund revenues.



**2011 Municipal Property Tax Rate Comparison
In Same Local Area**

<u>Municipality</u>	<u>Municipal Tax Rate</u>	<u>Estimate City * Property Tax</u>
St. Charles	0.8260	\$ 797
Aurora	1.7644	1,703
Batavia	0.6720	648
Elgin	1.9835	1,914
Geneva	0.6463	624

* Based on \$300,000 property value.

2011 Top 10 Property Tax Payers

<u>Taxpayer</u>	<u>2011 Assessed Valuation</u>
Arthur Anderson & Co.	\$14,998,499
AMLI at St. Charles	12,042,158
Main Street Commons	6,709,527
St Charles Country Club	5,738,461
Meijer Stores Limited Partnership	5,721,399
Costco Wholesale Corp	5,351,643
Delnor Community Residential Living	5,099,074
American Small Business LLC	5,073,008
Covington Court Apartments	4,534,705
Target Corp	4,517,498

Data Source: Kane County Clerk office

Sales Tax Rates:

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

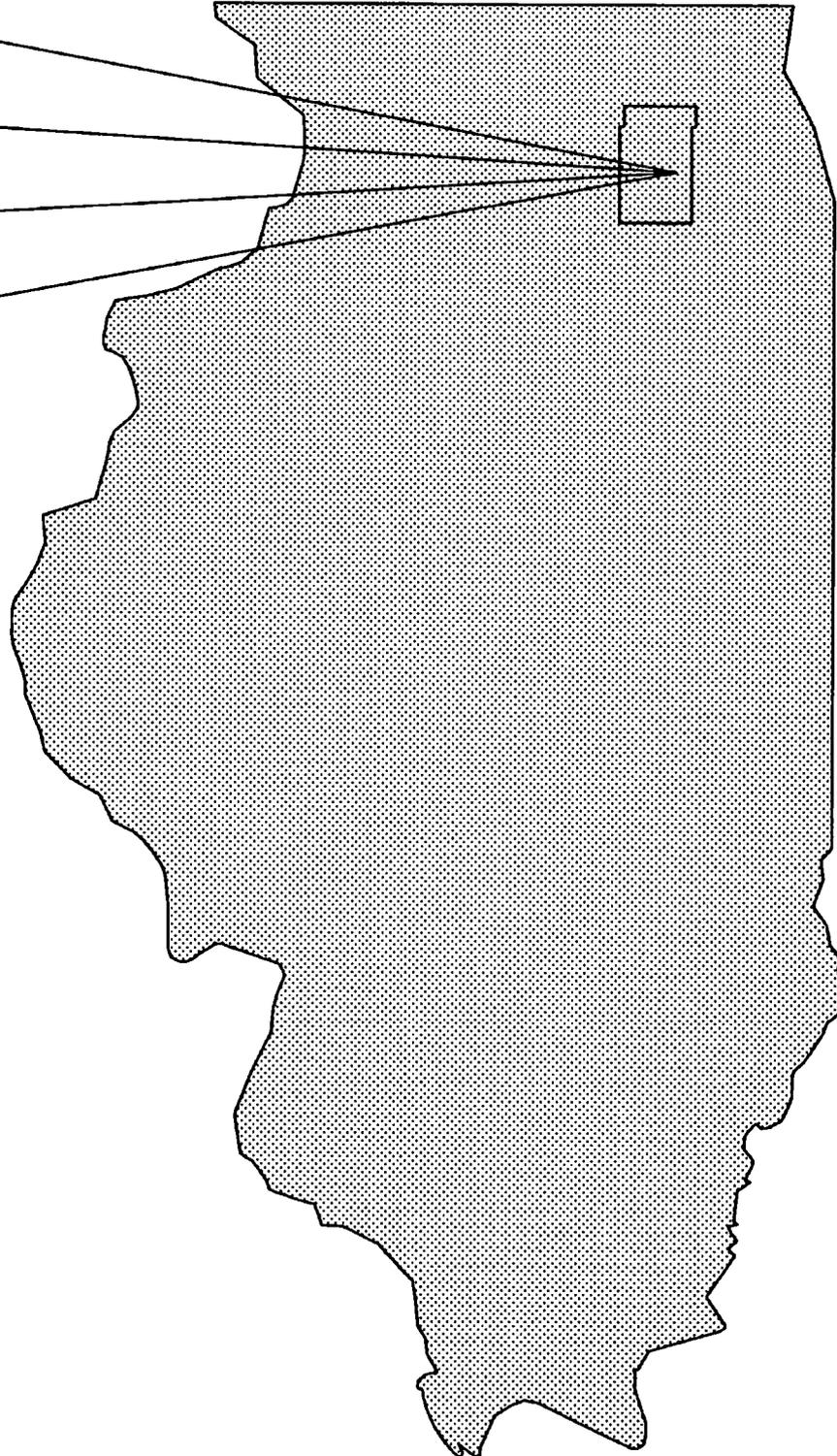
*Qualifying goods, drugs, medical at 1.25%. Titled vehicles are taxed at 7.0%; add 1.0% Chicago Home Rule Tax if a vehicle bought in St. Charles is registered in Chicago.

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 BY FUND



ST. CHARLES
SINCE 1834



Budget Reports by Fund

<u>Projected Available Fund Balance</u>	V - 2
<u>Revenues and Expenditures by Fund Type</u>	V - 8
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Fund Reports

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

Fund Summary

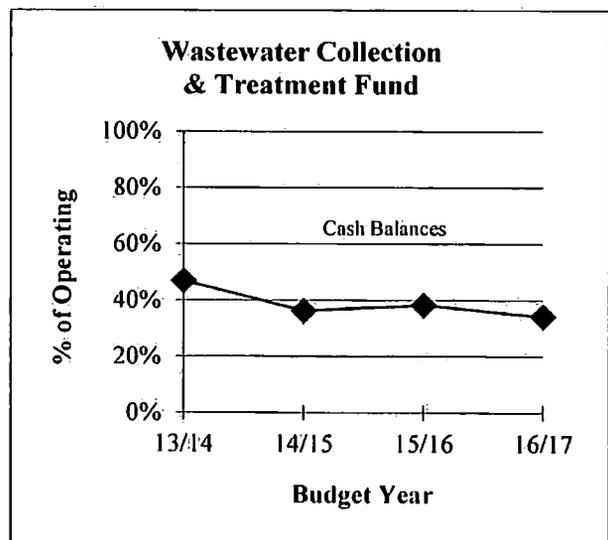
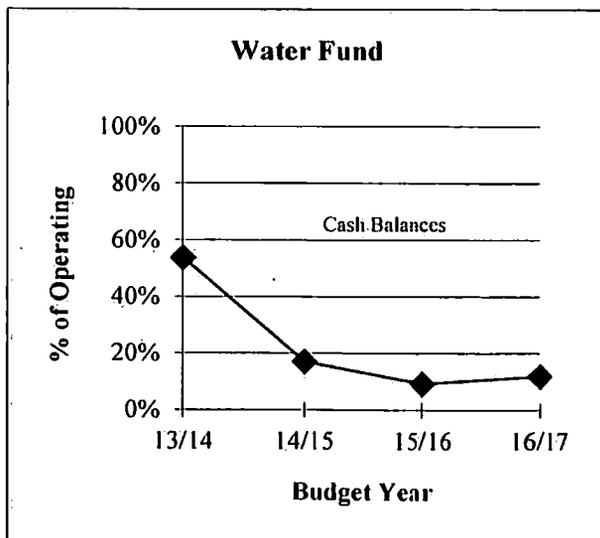
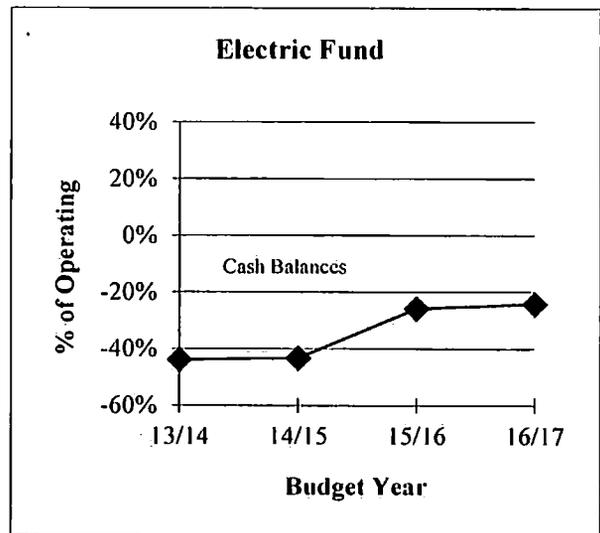
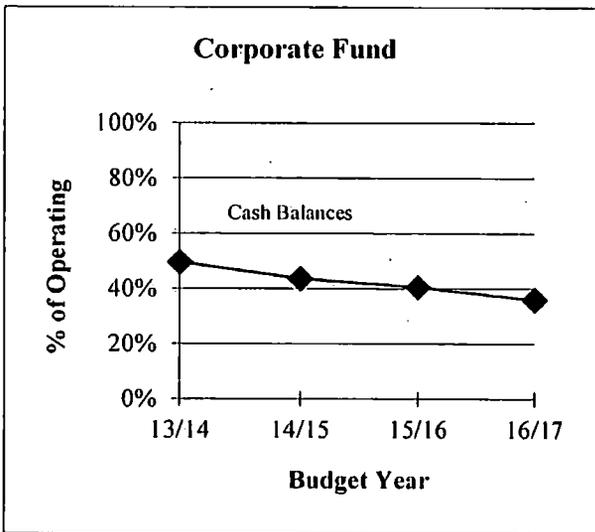
Projected Available

Fund Balance

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

Available Cash Balances As a % of Operating Expenditures/Expenses 13/14 - 16/17

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 2013/2014
Projected Available Fund Balance**

Fund	Projected Available Fund Balance 5/1/13	Estimated Revenue	Proposed Expenditure	Transfers		Projected Available Fund Balance 4/30/14
				In	Out	
Corporate	\$17,127,642	\$41,224,080	\$34,711,368		\$6,512,712	\$17,127,642
Electric	(4,407,942)	55,439,796	56,421,064	273,878	426,139	(5,541,471)
Water	4,732,036	5,573,508	7,996,132		149,749	2,159,663
Sewer	3,627,984	8,167,061	8,839,818		274,305	2,680,922
Refuse	324,401	408,480	499,798	92,000		325,083
TIF Districts	169,745	1,738,639	0		1,660,940	247,444
Motor Fuel Tax	2,462,666	973,245	1,240,126			2,195,785
Police Pension	26,337,018	2,559,300	2,169,862			26,726,456
Fire Pension	27,648,805	2,119,688	1,211,778			28,556,715
Capital Projects	4,795,167	3,882,500	6,645,060	1,911,579	328,812	3,615,374
Debt Service	1,940,328	1,025,000	7,904,466	6,957,985		2,018,847
ISF-Inventory	0	4,118,522	3,906,999			211,523
ISF-Vehicles	4,466,584	2,813,388	2,233,225			5,046,747
ISF-Health Insurance	2,217,231	4,779,746	4,543,512			2,453,465
ISF-Liability & W/C	900,698	1,119,533	1,023,972	178,879		1,175,138
ISF-Communications	810,966	501,050	544,165		61,664	706,187
Totals	\$93,153,329	\$136,443,536	\$139,891,345	\$9,414,321	\$9,414,321	\$89,705,520

Fund Summary for Fiscal Year 2014/2015
Projected Available Fund Balance

Fund	Projected Available Fund Balance 5/1/14	Estimated Revenue	Proposed Expenditure	In	Transfers Out	Projected Available Fund Balance 4/30/15
Corporate	\$17,127,642	\$41,673,254	\$36,303,932		\$6,733,958	\$15,763,006
Electric	(5,541,471)	58,852,982	58,805,669	279,664	420,734	(5,635,228)
Water	2,159,663	7,288,580	8,588,539		147,956	711,748
Sewer	2,680,922	8,273,639	8,562,943		270,845	2,120,773
Refuse	325,083	419,830	604,034	185,000		325,879
TIF Districts	247,444	1,768,901	0		1,639,996	376,349
Motor Fuel Tax	2,195,785	974,245	1,768,328			1,401,702
Police Pension	26,726,456	2,599,316	2,226,097			27,099,675
Fire Pension	28,556,715	2,151,344	1,242,265			29,465,794
Capital Projects	3,615,374	1,827,066	4,129,817	2,300,500	790,535	2,822,588
Debt Service	2,018,847	1,044,000	8,083,886	7,120,524		2,099,485
ISF-Inventory	211,523	4,253,837	4,055,041			410,319
ISF-Vehicles	5,046,747	2,894,819	2,603,047			5,338,519
ISF-Health Insurance	2,453,465	5,014,622	4,751,678			2,716,409
ISF-Liability & W/C	1,175,138	1,175,347	1,052,912	180,000		1,477,573
ISF-Communications	706,187	435,598	431,864		61,664	648,257
Totals	\$89,705,520	\$140,647,380	\$143,210,052	\$10,065,688	\$10,065,688	\$87,142,848

Fund Summary for Fiscal Year 2015/2016
Projected Available Fund Balance

Fund	Projected Available Fund Balance 5/1/15	Estimated Revenue	Proposed Expenditure	In	Transfers Out	Projected Available Fund Balance 4/30/16
Corporate	\$15,763,006	\$42,126,962	\$37,061,019		\$5,875,119	\$14,953,830
Electric	(5,635,228)	63,568,507	61,331,859	285,164	390,141	(3,503,557)
Water	711,748	6,614,092	6,794,953		137,277	393,610
Sewer	2,120,773	10,793,553	10,338,054		250,882	2,325,390
Refuse	325,879	432,180	528,852	97,000		326,207
TIF Districts	376,349	1,801,217	0		1,672,716	504,850
Motor Fuel Tax	1,401,702	836,500	966,408			1,271,794
Police Pension	27,099,675	2,640,644	2,284,623			27,455,696
Fire Pension	29,465,794	2,186,468	1,273,659			30,378,603
Capital Projects	2,822,588	160,500	1,130,000	1,670,000	769,359	2,753,729
Debt Service	2,099,485	1,065,000	7,903,210	6,922,994		2,184,269
ISF-Inventory	410,319	4,393,143	4,183,841			619,621
ISF-Vehicles	5,338,519	2,990,168	2,998,300			5,330,387
ISF-Health Insurance	2,716,409	5,289,912	4,977,886			3,028,435
ISF-Liability & W/C	1,477,573	1,247,496	1,083,589	182,000		1,823,480
ISF-Communications	648,257	453,188	448,774		61,664	591,007
Totals	\$87,142,848	\$146,599,530	\$143,305,027	\$9,157,158	\$9,157,158	\$90,437,351

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

Fund.	Projected Available Fund Balance 5/1/16	Estimated Revenue	Proposed Expenditure	Transfers		Projected Available Fund Balance 4/30/17
				In	Out	
Corporate	\$14,953,830	\$42,738,562	\$38,584,953		\$5,266,207	\$13,841,232
Electric	(3,503,557)	64,897,242	64,613,174	290,664	386,729	(3,315,554)
Water	393,610	6,503,902	6,230,416		136,116	530,980
Sewer	2,325,390	9,697,423	9,633,812		248,692	2,140,309
Refuse	326,207	444,768	638,600	194,000		326,375
TIF Districts	504,850	1,838,468	0		1,720,286	623,032
Motor Fuel Tax	1,271,794	836,500	966,408			1,141,886
Police Pension	27,455,696	2,699,014	2,344,918			27,809,792
Fire Pension	30,378,603	2,241,991	1,306,018			31,314,576
Capital Projects	2,753,729	1,661,000	2,851,000	1,891,000	753,451	2,701,278
Debt Service	2,184,269	1,085,000	7,016,420	6,012,481		2,265,330
ISF-Inventory	619,621	4,537,511	4,325,244			831,888
ISF-Vehicles	5,330,387	3,093,988	2,107,275			6,317,100
ISF-Health Insurance	3,028,435	5,674,708	5,204,578			3,498,565
ISF-Liability & W/C	1,823,480	1,333,785	1,108,551	185,000		2,233,714
ISF-Communications	591,007	428,352	415,270		61,664	542,425
Totals	\$90,437,351	\$149,712,214	\$147,346,637	\$8,573,145	\$8,573,145	\$92,802,928

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.

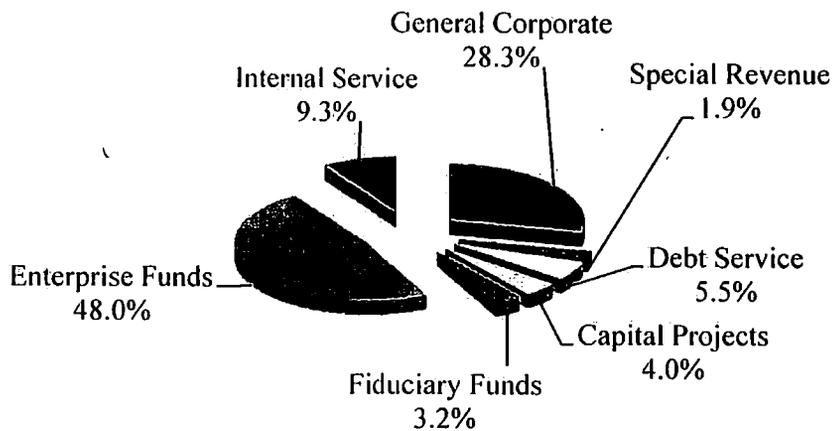
Budget Summary by Fund Type Proposed Budget Year 2013/14

	General Corporate	Special Revenue	Debt Service	Capital Projects	Fiduciary Fund Types	Enterprise Funds	Internal Service	Total (Memorandum Only)
Revenues:								
Property Taxes	\$ 12,523,916	\$ 1,638,183	\$ -	\$ -	\$ -	\$ 29,278	\$ -	\$ 14,191,377
Sales & Use Taxes	16,140,932	34,244	1,025,000	-	-	-	-	17,200,176
Franchise Fees	3,313,291	-	-	-	-	-	-	3,313,291
Hotel Tax	1,994,475	64,366	-	-	-	-	-	2,058,841
Liquor Tax	1,025,868	-	-	-	-	-	-	1,025,868
Admission Tax	80,000	-	-	-	-	-	-	80,000
Telecommunications Tax	1,340,000	-	-	-	-	-	-	1,340,000
Licenses & Permits	479,576	-	-	-	-	-	-	479,576
Connection Fees	-	-	-	-	-	160,525	-	160,525
User Charges	-	-	-	-	-	66,286,866	296,891	66,583,757
Intergovernmental Revenue	3,210,515	-	-	349,000	-	-	-	3,559,515
Motor Fuel Tax	-	970,245	-	-	-	-	-	970,245
Reimbursement for Improvements	-	-	-	-	-	3,300	-	3,300
Reimbursement for Services	480,311	-	-	-	-	-	-	480,311
Pension Contributions	-	-	-	-	3,231,588	-	-	3,231,588
Fines & Court Fees	442,200	-	-	-	-	-	-	442,200
Interest Income	89,752	4,846	-	9,500	1,447,400	39,450	23,787	1,614,735
Charges to Other Funds	-	-	-	-	-	-	3,900,526	3,900,526
Sale of Property	-	-	-	-	-	-	2,987,804	2,987,804
Insurance Premiums	-	-	-	-	-	-	5,885,579	5,885,579
Financing Proceeds	-	-	-	3,524,000	-	1,177,000	-	4,701,000
Miscellaneous Revenue	103,244	-	-	-	-	1,892,426	237,652	2,233,322
Transfers In	-	-	6,957,985	1,911,579	-	365,878	178,879	9,414,321
Total Revenues	\$ 41,224,080	\$ 2,711,884	\$ 7,982,985	\$ 5,794,079	\$ 4,678,988	\$ 69,954,723	\$ 13,511,118	\$ 145,857,857
Expenditures/Expenses:								
General Government	\$ 3,117,600	\$ -	\$ 7,904,466	\$ -	\$ -	\$ -	\$ 9,100,869	\$ 20,122,935
Public Health and Safety	21,076,372	-	-	69,500	3,381,640	499,798	641,000	25,668,310
Public Works	8,031,761	1,240,126	-	6,575,560	-	-	2,120,225	17,967,672
Public Utilities	-	-	-	-	-	73,257,014	367,779	73,624,793
Community Development	2,485,635	-	-	-	-	-	22,000	2,507,635
Transfers Out	6,512,712	1,660,940	-	328,812	-	850,193	61,664	9,414,321
Total Expenditures	\$ 41,224,080	\$ 2,901,066	\$ 7,904,466	\$ 6,973,872	\$ 3,381,640	\$ 74,607,005	\$ 12,313,537	\$ 149,305,666
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ (189,182)	\$ 78,519	\$ (1,179,793)	\$ 1,297,348	\$ (4,652,282)	\$ 1,197,581	\$ (3,447,809)
Beginning Fund Balance/ Net Assets	\$ 22,912,159	\$ (187,221)	\$ 1,940,328	\$ 2,837,860	\$ 53,985,823	\$ 94,512,398	\$ 14,952,573	\$ 190,953,920
Ending Fund Balance/ Net Assets	\$ 22,912,159	\$ (376,403)	\$ 2,018,847	\$ 1,658,067	\$ 55,283,171	\$ 89,860,116	\$ 16,150,154	\$ 187,506,111

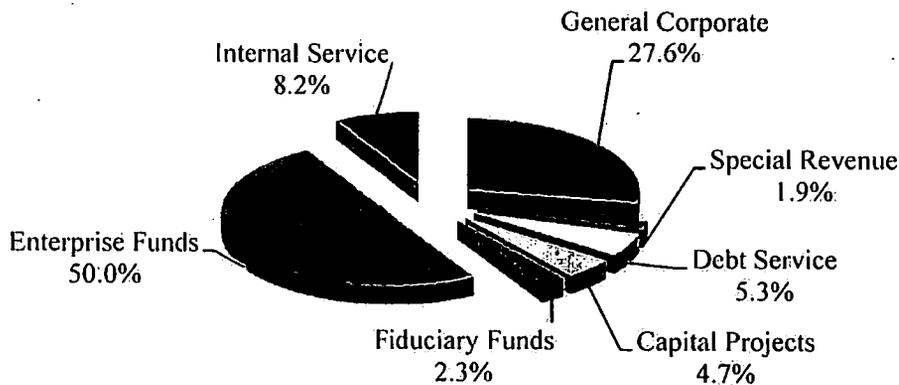
Revenues and Expenditures by Fund Type Proposed Budget Year 2013/14

The following graphs depict the relationship of the City's revenues and expenditures/expenses by fund type. The graphs do include interfund transfers. The General Corporate fund is used to account for general City services which include general administration, economic and community development, streets, planning, and police and fire protection. Special Revenue funds are used to segregate funds for activities financed through separate taxes. Internal Service funds such as inventory control, are used to service other funds. As shown, the largest funds of the City are Enterprise funds. These funds are used to account for the City's "business type" activities. They include the City's electric, water and wastewater utilities, as well as refuse services. Please refer to the following pages for a description of the City's funds and fund types.

Revenues - All Fund Types



Expenditures - All Fund Types



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 can only 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 of materials and supplies inventory that is provided to the various City funds.

Motor Vehicle Replacement Fund – used to account for the 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-divide 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 when governments 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 11/12	Estimate FY 12/13		Proposed FY 13/14	-----Projected-----		
				FY 14/15	FY 15/16	FY 16/17
		Revenues				
14,113,923	14,190,305	Property Taxes	14,191,377	14,215,641	14,243,879	14,403,788
15,659,218	16,037,076	Sales & Use Taxes	17,200,176	17,468,711	17,743,644	18,022,196
977,452	1,014,071	Liquor Tax	1,025,868	1,046,010	1,066,710	1,087,825
2,910,646	3,158,561	Franchise Fees	3,313,291	3,414,131	3,518,350	3,626,063
1,807,919	1,962,324	Hotel Occupation Tax	2,058,841	2,072,690	2,093,542	2,124,645
76,215	87,174	Admission Tax	80,000	80,800	81,608	82,424
1,289,388	1,332,886	Telecommunications Tax	1,340,000	1,353,400	1,366,934	1,380,603
444,857	439,362	Licenses & Permits	479,576	489,539	494,347	499,204
173,852	147,553	Connection Fees	160,525	214,850	227,050	229,250
58,396,435	63,823,769	User Charges	66,583,757	70,656,115	75,491,569	80,080,304
3,314,464	3,336,709	Intergovernmental Revenue	3,559,515	4,476,688	3,286,158	3,347,527
975,720	976,049	Motor Fuel Tax	970,245	971,245	834,000	834,000
567,781	245,619	Reimbursement for Improvements	3,300	3,350	3,400	3,450
563,430	485,670	Reimbursement for Services	480,311	480,971	471,794	459,238
3,331,685	3,080,442	Pension Contributions	3,231,588	3,259,828	3,291,556	3,359,405
415,922	427,878	Fines & Court Fees	442,200	446,622	451,087	455,597
433,602	1,447,351	Investment Income	1,614,735	1,678,296	1,722,193	1,768,439
3,778,247	3,183,005	Charges to Other Funds	3,900,526	4,024,380	4,163,472	4,312,578
3,258,048	2,357,144	Sale of Property	2,987,804	3,077,000	3,169,000	3,264,000
2,138,692	2,772,760	Miscellaneous Revenue	2,233,322	1,630,578	1,682,129	1,729,285
5,917,742	5,943,577	Insurance Premiums	5,885,579	6,175,469	6,522,108	6,992,393
13,292,180	58,131,526	Capital Financing Proceeds	4,701,000	3,411,066	4,675,000	1,650,000
133,837,418	184,580,811	Sub-Total	136,443,536	140,647,380	146,599,530	149,712,214
8,572,410	10,197,049	Transfers In	9,414,321	10,065,688	9,157,158	8,573,145
142,409,828	194,777,860	Total	145,857,857	150,713,068	155,756,688	158,285,359
		Expenditures/Expenses				
26,386,666	57,169,437	General Government	20,122,935	20,977,646	21,311,360	20,902,546
24,830,115	25,089,027	Public Health and Safety	25,668,310	26,297,606	27,264,376	27,767,453
15,685,768	24,217,223	Public Works	17,967,672	16,733,660	13,286,169	15,137,466
69,226,460	80,968,908	Public Utilities	73,624,793	76,224,629	78,756,254	80,760,286
2,616,164	8,535,974	Community Development	2,507,635	2,976,511	2,686,868	2,778,886
138,745,173	195,980,569	Sub-Total	139,891,345	143,210,052	143,305,027	147,346,637
8,572,410	10,197,049	Transfers Out	9,414,321	10,065,688	9,157,158	8,573,145
147,317,583	206,177,618	Total	149,305,666	153,275,740	152,462,185	155,919,782
(4,907,755)	(11,399,758)	Excess (Deficiency) of Revenues over Expenditures/Expenses	(3,447,809)	(2,562,672)	3,294,503	2,365,577

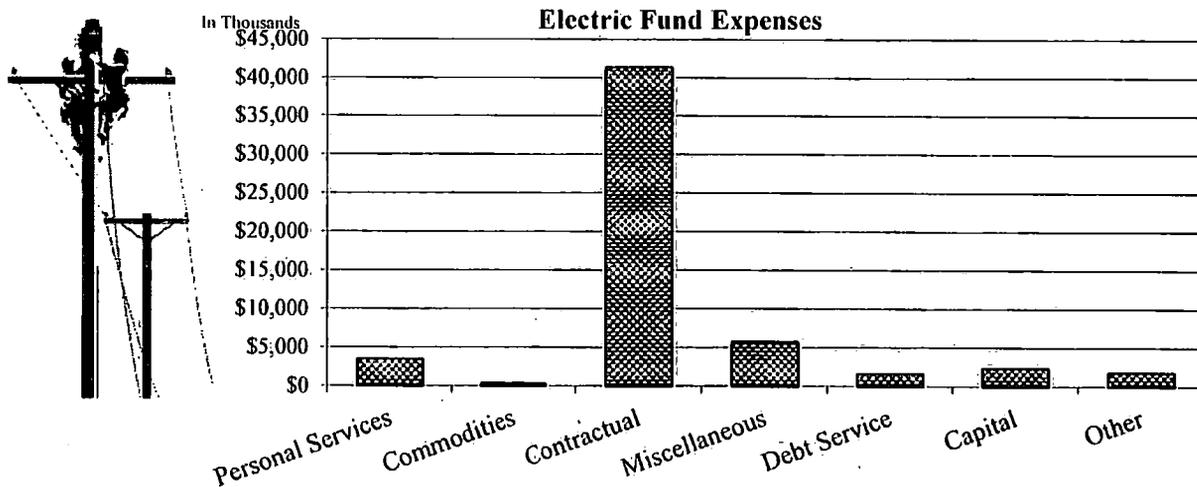
General Corporate Fund - This fund is used to account for most of the current day to day operations of the City which are financed through property taxes and other general revenues. Activities financed by the general fund include those of staff within the City, such as Police, Fire, Public Works Administration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

Actual FY 11/12	Estimate FY 12/13		Proposed	Projected		
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
		Revenues				
12,474,765	12,551,106	Property Taxes	12,523,916	12,518,915	12,516,339	12,640,229
14,607,339	14,982,866	Sales & Use Taxes	16,140,932	16,390,124	16,643,539	16,901,564
977,452	1,014,071	Liquor Tax	1,025,868	1,046,010	1,066,710	1,087,825
2,910,646	3,158,561	Franchise Fees	3,313,291	3,414,131	3,518,350	3,626,063
76,215	87,174	Admissions Taxes	80,000	80,800	81,608	82,424
1,749,895	1,902,572	Hotel Occupation Tax	1,994,475	2,007,680	2,027,557	2,057,670
1,289,388	1,332,886	Telecommunications Tax	1,340,000	1,353,400	1,366,934	1,380,603
444,857	439,362	Licenses & Permits	479,576	489,539	494,347	499,204
2,971,087	3,198,496	Intergovernmental Revenue	3,210,515	3,240,688	3,286,158	3,347,527
563,430	485,670	Reimbursement for Services	480,311	480,971	471,794	459,238
415,922	427,878	Fines & Court Fees	442,200	446,622	451,087	455,597
75,364	71,520	Investment Income	89,752	106,883	104,072	101,166
143,190	146,463	Miscellaneous Revenue	103,244	97,491	98,467	99,452
0	250,000	Transfers In	0	0	0	0
38,699,550	40,048,625	Total	41,224,080	41,673,254	42,126,962	42,738,562
		Expenditures				
		General Government				
4,012,194	3,922,310	Personal Services	4,172,865	4,349,136	4,570,027	4,848,243
2,035,138	1,879,503	Other Operating	1,909,747	2,040,239	2,053,397	2,083,740
(2,950,080)	(3,038,533)	Allocations to Other Funds	(3,034,512)	(3,129,132)	(3,223,476)	(3,320,616)
32,752	88,076	Capital	69,500	79,500	65,500	54,000
3,130,004	2,851,356	Sub-Total	3,117,600	3,339,743	3,465,448	3,665,367
		Public Health and Safety				
16,211,807	16,413,530	Personal Services	16,774,788	17,247,531	17,781,048	18,516,696
3,970,035	3,682,292	Other Operating	4,198,234	4,136,879	4,224,814	4,326,221
285,411	174,384	Capital	103,350	94,300	59,500	55,000
20,467,253	20,270,206	Sub-Total	21,076,372	21,478,710	22,065,362	22,897,917
		Public Works				
3,763,011	3,624,854	Personal Services	4,013,284	4,166,419	4,360,656	4,578,969
5,342,799	4,839,306	Other Operating	5,436,980	5,803,719	5,987,822	6,214,266
(1,535,424)	(1,581,458)	Allocations to Other Funds	(1,432,044)	(1,474,980)	(1,519,224)	(1,564,824)
17,857	28,560	Capital	8,956	9,225	9,502	9,787
16,785	4,584	Debt Retirement	4,585	4,585	4,585	4,585
7,605,028	6,915,846	Sub-Total	8,031,761	8,508,968	8,843,341	9,242,783
		Community Development				
1,811,111	1,718,238	Personal Services	1,787,779	1,877,758	1,971,205	2,086,549
737,670	1,082,956	Other Operating	1,045,136	1,456,485	1,084,087	1,071,861
(296,724)	(305,592)	Allocations to Other Funds	(347,280)	(357,732)	(368,424)	(379,524)
241,877	202,823	Capital	0	0	0	0
2,493,934	2,698,425	Sub-Total	2,485,635	2,976,511	2,686,868	2,778,886
		Transfers				
3,340,984	4,454,811	Transfers Out - Debt Service	4,118,040	3,850,458	3,702,619	2,767,207
1,541,784	2,309,491	Transfers Out - Other	2,394,672	2,883,500	2,172,500	2,499,000
4,882,768	6,764,302	Sub-Total	6,512,712	6,733,958	5,875,119	5,266,207
38,578,987	39,500,135	Total	41,224,080	43,037,890	42,936,138	43,851,160
		Excess (Deficiency) of				
120,563	548,490	Revenues over Expenditures	0	(1,364,636)	(809,176)	(1,112,598)
22,243,106	22,363,669	Beginning Fund Balance	22,912,159	22,912,159	21,547,523	20,738,347
22,363,669	22,912,159	Ending Fund Balance	22,912,159	21,547,523	20,738,347	19,625,749

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 7 electric substations in the City that serve approximately 13,191 residential and 2,167 commercial customers.

Actual FY 11/12	Estimate FY 12/13		Proposed FY 13/14	-----Projected----- FY 14/15	FY 15/16	FY 16/17
Revenues						
63,581	50,635	Connection Fees	59,305	67,400	69,400	71,400
48,099,305	51,837,276	User Charges	54,107,924	57,161,179	60,766,403	64,129,635
25,402	30,400	Property Taxes	29,278	29,278	29,278	29,571
1,436	(2,633)	Investment Income	1,000	1,500	1,500	2,000
553,784	244,280	Reimbursements for Improvements	800	800	800	800
786,670	793,880	Miscellaneous Revenue	614,489	632,825	651,126	663,836
0	2,077,022	Capital Financing Proceeds	627,000	960,000	2,050,000	0
278,437	267,994	Transfers In	273,878	279,664	285,164	290,664
49,808,615	55,298,854	Total	55,713,674	59,132,646	63,853,671	65,187,906
Expenses						
Public Utilities						
3,382,052	3,189,122	Personal Services	3,512,106	3,652,037	3,791,919	3,810,211
43,185,804	44,930,745	Other Operating	47,476,190	49,187,121	50,812,516	52,182,967
1,816,512	1,870,908	Allocations from Other Funds	1,879,812	1,936,176	1,994,256	2,054,112
3,345,406	3,828,859	Capital	2,359,500	2,860,000	3,590,000	5,260,000
1,211,424	1,063,615	Debt Retirement	1,193,456	1,170,335	1,143,168	1,305,884
52,941,198	54,883,249	Sub-Total	56,421,064	58,805,669	61,331,859	64,613,174
357,922	381,891	Transfers Out - Debt Service	426,139	420,734	390,141	386,729
357,922	381,891	Sub-Total	426,139	420,734	390,141	386,729
53,299,120	55,265,140	Total	56,847,203	59,226,403	61,722,000	64,999,903
Excess (Deficiency) of						
(3,490,505)	33,714	Revenues over Expenses	(1,133,529)	(93,757)	2,131,671	188,003
Beginning Net Assets						
48,436,905	46,595,422	Fixed Assets Adjustments	46,629,136	45,495,607	45,401,850	47,533,521
844,756	0	Debt Service Adjustments	0	0	0	0
804,266	0	Ending Net Assets	45,495,607	45,401,850	47,533,521	47,721,524

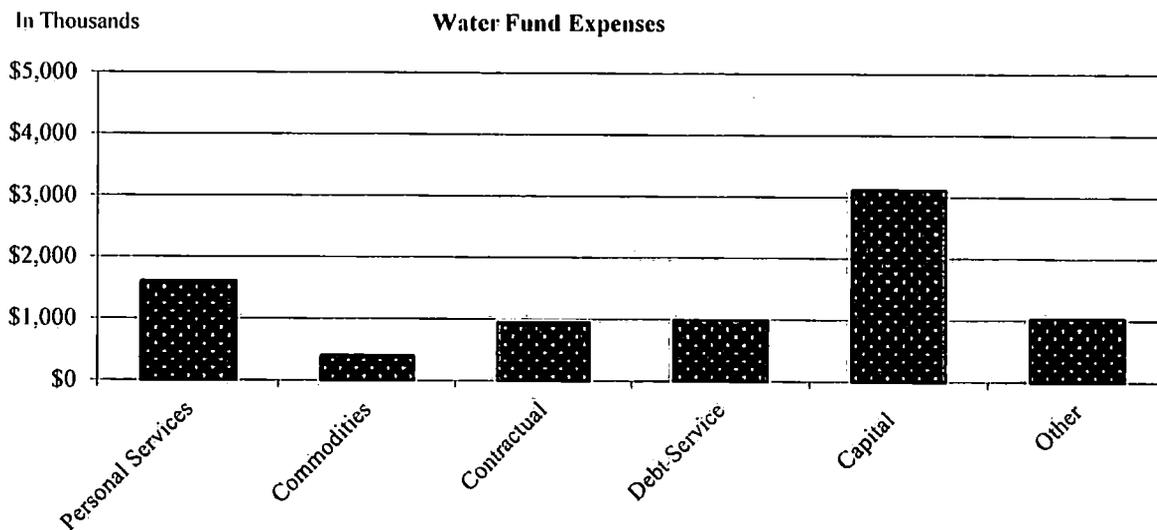
Electric service is supported almost entirely through user charges. Shown below is a graph of expenses for the electric fund budgeted for FY 13/14. The City entered into a contract to buy electric power from IMEA starting in June 2007. It constitutes approximately 79% of operating costs. Due to increasing 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 3,900,000 gallons.

Actual FY 11/12	Estimate FY 12/13		Proposed FY 13/14	Projected FY 14/15	Projected FY 15/16	Projected FY 16/17
		Revenues				
33,270	37,216	Connection Fees	38,100	60,250	65,250	65,250
3,502,786	4,630,230	User Charges	4,563,107	5,019,418	5,521,360	6,073,496
21,272	22,886	Investment Income	18,950	19,225	19,500	19,900
11,364	110	Reimbursements for Improvements	0	0	0	0
453,689	339,197	Miscellaneous Revenue	953,351	319,687	332,982	345,256
1,786,876	1,103,665	Capital Financing Proceeds	0	1,870,000	675,000	0
0	0	Transfers In	0	0	0	0
5,809,257	6,133,304	Total	5,573,508	7,288,580	6,614,092	6,503,902
		Expenses				
		Public Utilities				
1,402,710	1,453,102	Personal Services	1,604,878	1,674,782	1,748,335	1,838,368
1,554,312	1,345,473	Other Operating	1,558,874	1,604,204	1,550,666	1,657,278
820,428	845,025	Allocations from Other Funds	855,480	881,160	907,572	934,824
2,846,479	2,841,201	Capital	3,129,619	3,571,683	1,590,500	747,850
580,343	710,927	Debt Retirement	847,281	856,710	997,880	1,052,096
7,204,272	7,195,728	Sub-Total	7,996,132	8,588,539	6,794,953	6,230,416
121,360	135,088	Transfers Out - Debt Service	149,749	147,956	137,277	136,116
7,325,632	7,330,816	Total	8,145,881	8,736,495	6,932,230	6,366,532
(1,516,375)	(1,197,512)	Excess (Deficiency) of Revenues over Expenses	(2,572,373)	(1,447,915)	(318,138)	137,370
21,281,833	20,233,596	Beginning Net Assets	19,036,084	16,463,711	15,015,796	14,697,658
1,876,984	0	Fixed Assets Adjustments	0	0	0	0
(1,408,846)	0	Debt Service Adjustments	0	0	0	0
20,233,596	19,036,084	Ending Net Assets	16,463,711	15,015,796	14,697,658	14,835,028

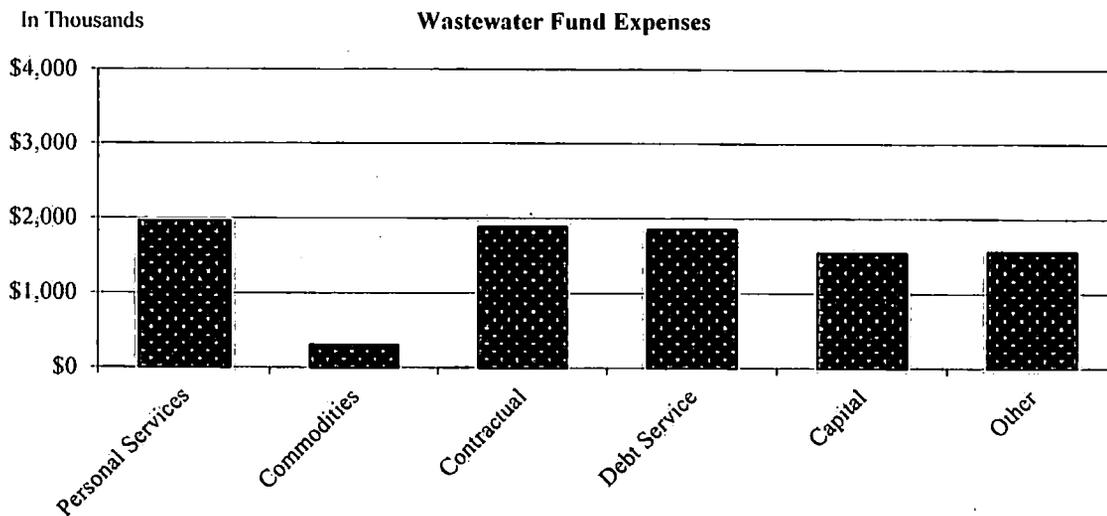
Shown below are the expenditures for the budget year 13/14. Rate increases are proposed for the next four fiscal years.



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 6,200,000 of wastewater with a capacity of 9,700,000.

Actual FY 11/12	Estimate FY 12/13		Proposed FY 13/14	Projected FY 14/15	Projected FY 15/16	Projected FY 16/17
		Revenues				
77,001	59,702	Connection Fees	63,120	87,200	92,400	92,600
6,131,400	6,663,008	User Charges	7,221,835	7,839,680	8,539,015	9,225,697
17,912	17,038	Investment Income	18,700	19,250	19,800	20,350
2,633	1,229	Reimbursements for Improvements	2,500	2,550	2,600	2,650
456,006	313,104	Miscellaneous	310,906	324,959	339,738	356,126
860,220	9,869,685	Capital Financing Proceeds	550,000	0	1,800,000	0
7,545,172	16,923,766	Total	8,167,061	8,273,639	10,793,553	9,697,423
		Expenses				
		Public Utilities				
1,822,280	1,875,957	Personal Services	1,960,167	2,046,637	2,139,927	2,255,540
1,953,217	2,439,189	Other Operating	2,495,670	2,491,681	2,597,979	2,617,131
1,214,916	1,251,308	Allocations from Other Funds	1,261,860	1,299,732	1,338,732	1,378,920
2,198,263	11,505,144	Capital	1,547,350	1,055,900	2,595,400	1,575,000
1,697,314	1,554,485	Debt Retirement	1,574,771	1,668,993	1,666,016	1,807,221
8,885,990	18,626,083	Sub-Total	8,839,818	8,562,943	10,338,054	9,633,812
230,276	246,093	Transfers Out - Debt Service	274,305	270,845	250,882	248,692
45,900	0	Transfers Out - Other	0	0	0	0
276,176	246,093	Sub-Total	274,305	270,845	250,882	248,692
9,162,166	18,872,176	Total	9,114,123	8,833,788	10,588,936	9,882,504
		Excess (Deficiency) of				
(1,616,994)	(1,948,410)	Revenues over Expenses	(947,062)	(560,149)	204,617	(185,081)
31,138,048	30,422,956	Beginning Net Assets	28,474,546	27,527,484	26,967,335	27,171,952
495,669	0	Fixed Assets Adjustments	0	0	0	0
406,233	0	Debt Service Adjustments	0	0	0	0
30,422,956	28,474,546	Ending Net Assets	27,527,484	26,967,335	27,171,952	26,986,871

Shown below is a graph of the expenditures for the wastewater fund for budget year 13/14. The wastewater fund has outstanding debt in the amount of \$16,458,910. \$12,722,793 of this is on the EPA projects. Rate increases are projected for each of the next four fiscal years.

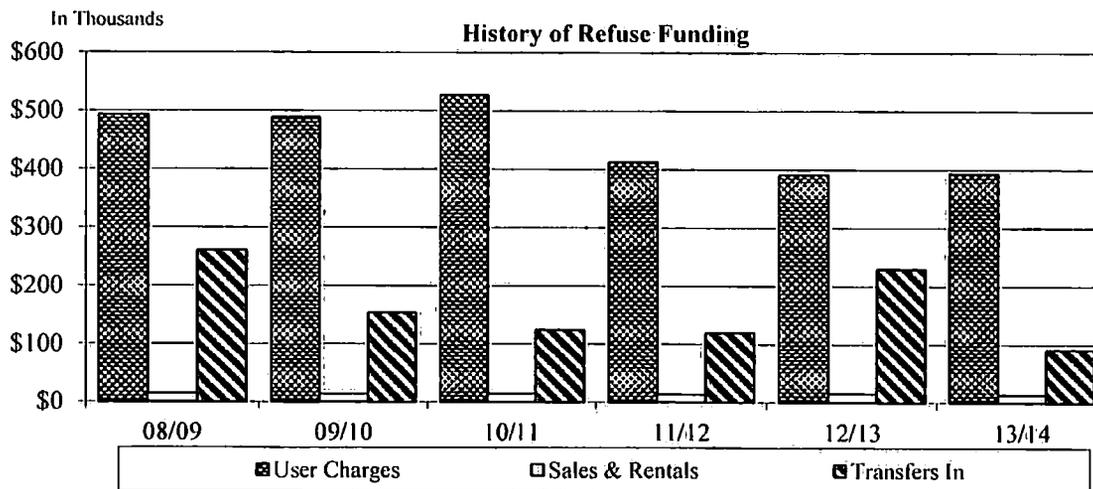


Refuse Fund - The refuse fund is an enterprise fund used to account for the City's refuse disposal program. The fund is supported through user charges, a portion of refuse bag sales, rental income and operating transfers from the general fund. Various programs are run through the refuse fund including brush pickup and leaf pickup. The budget reflects a biennial schedule for the Spring Clean-up Program. Additionally no increase to the Refuse Fee is proposed for FY 13/14. St. Charles encourages recycling.



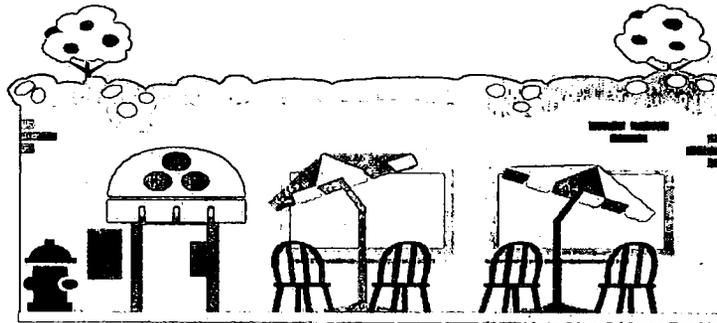
Actual FY 11/12	Estimate FY 12/13		Proposed			
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
Revenues						
413,189	391,773	User Charges	394,000	405,200	417,400	429,838
475	848	Investment Income	800	850	900	950
5,080	5,930	Rental Income	5,080	5,080	5,080	5,080
12,960	15,871	Miscellaneous	8,600	8,700	8,800	8,900
120,000	230,000	Transfers In	92,000	185,000	97,000	194,000
551,704	644,422	Total	500,480	604,830	529,180	638,768
Expenses						
		Public Health and Safety				
418,458	561,939	Other Operating	410,674	512,210	434,268	541,184
84,540	87,081	Allocations from Other Funds	89,124	91,824	94,584	97,416
502,998	649,020	Total	499,798	604,034	528,852	638,600
Excess (Deficiency) of						
48,706	(4,598)	Revenues over Expenses	682	796	328	168
331,244	377,230	Beginning Net Assets	372,632	373,314	374,110	374,438
(2,720)	0	Fixed Assets Adjustments	0	0	0	0
377,230	372,632	Ending Net Assets	373,314	374,110	374,438	374,606

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 and St. Charles Manufacturing.

Actual FY 11/12	Estimate FY 12/13		Proposed			
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
		Revenues				
170,997	169,287	Property Taxes - Hotel Baker TIF	172,520	174,245	176,859	179,512
436,881	432,512	Property Taxes - Moline TIF	460,630	465,236	469,888	476,937
184,979	183,129	Property Taxes - Mall TIF	167,878	169,557	171,252	173,821
607,178	612,287	Property Taxes - First Street TIF	644,155	663,480	683,384	703,886
213,721	211,584	Property Taxes - St. Charles Mfg. TIF	193,000	194,930	196,879	199,832
32,260	34,210	Sales & Use Taxes	34,244	34,587	35,105	35,632
58,024	59,752	Hotel Occupation Tax	64,366	65,010	65,985	66,975
662	1,834	Investment Income	1,846	1,856	1,865	1,873
1,704,702	1,704,595	Total	1,738,639	1,768,901	1,801,217	1,838,468
		Expenditures				
		Transfers				
341,503	355,252	Transfers Out - Hotel Baker TIF	305,494	274,212	278,323	282,493
329,638	339,338	Transfers Out - Moline TIF	336,156	334,388	341,776	336,326
215,885	183,207	Transfers Out - Mall TIF	167,951	169,631	171,326	184,050
1,139,373	717,827	Transfers Out - First Street TIF	658,231	666,727	684,303	704,811
344,250	211,632	Transfers Out - St. Charles Mfg. TIF	193,108	195,038	196,988	212,606
2,370,649	1,807,256	Total	1,660,940	1,639,996	1,672,716	1,720,286
		Excess (Deficiency) of				
(665,947)	(102,661)	Revenues over Expenditures	77,699	128,905	128,501	118,182
(1,881,279)	(2,547,226)	Beginning Fund Balance	(2,649,887)	(2,572,188)	(2,443,283)	(2,314,782)
(2,547,226)	(2,649,887)	Ending Fund Balance	(2,572,188)	(2,443,283)	(2,314,782)	(2,196,600)

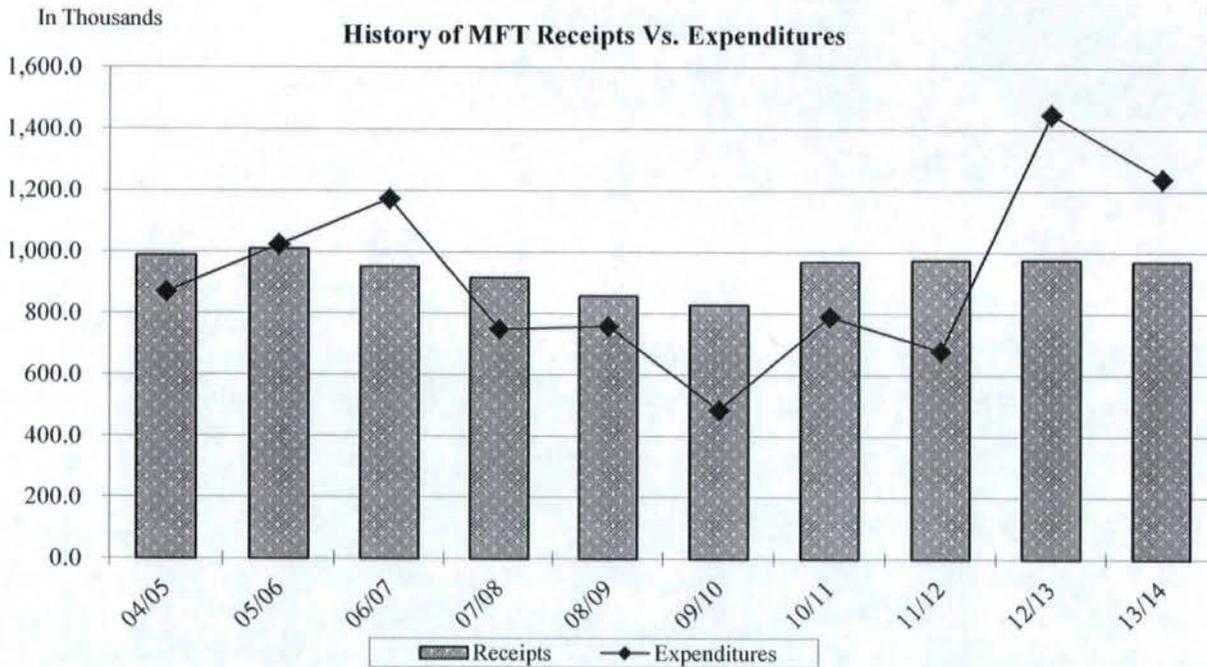


At this time the City has established five TIF districts for the Hotel Baker, the Moline Foundry, the St. Charles Mall, the First Street Development and St. Charles Manufacturing. A TIF - Tax Increment Financing District - is established to encourage redevelopment of a deteriorating area. The City has 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. During FY 12/13 a sixth TIF District was approved for the Lexington Club development. This 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.

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 11/12	Estimate FY 12/13		Proposed FY 13/14	-----Projected-----		
				FY 14/15	FY 15/16	FY 16/17
		Revenues				
975,720	976,049	Motor Fuel Tax	970,245	971,245	834,000	834,000
7,378	2,102	Investment Income	3,000	3,000	2,500	2,500
983,098	978,151	Total	973,245	974,245	836,500	836,500
		Expenditures				
		Public Works				
		Capital	1,240,126	1,768,328	966,408	966,408
678,677	1,449,960	Total	1,240,126	1,768,328	966,408	966,408
		Excess (Deficiency) of				
304,421	(471,809)	Revenues over Expenditures	(266,881)	(794,083)	(129,908)	(129,908)
2,630,054	2,934,475	Beginning Fund Balance	2,462,666	2,195,785	1,401,702	1,271,794
2,934,475	2,462,666	Ending Fund Balance	2,195,785	1,401,702	1,271,794	1,141,886

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 \$23.50 projected for FY 13-14. 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.

Actual FY 11/12	Estimate FY 12/13		Proposed			
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
		Revenues				
117,605	703,305	Investment Income	776,200	799,488	823,476	848,160
1,356,539	1,226,047	Contributions from City	1,325,000	1,325,000	1,325,000	1,338,250
479,575	432,000	Contributions from Members	458,100	474,828	492,168	512,604
1,953,719	2,361,352	Total	2,559,300	2,599,316	2,640,644	2,699,014
		Expenses				
		Public Health and Safety				
1,809,181	1,821,380	Personal Services	1,923,112	1,971,936	2,022,840	2,075,280
254,202	220,500	Other Operating	246,750	254,161	261,783	269,638
2,063,383	2,041,880	Total	2,169,862	2,226,097	2,284,623	2,344,918
(109,664)	319,472	Excess (Deficiency) of Revenues over Expenses	389,438	373,219	356,021	354,096
26,127,210	26,017,546	Beginning Fund Balance Reserved for Retirement Obligations	26,337,018	26,726,456	27,099,675	27,455,696
26,017,546	26,337,018	Ending Fund Balance Reserved for Retirement Obligations	26,726,456	27,099,675	27,455,696	27,809,792

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 has historically financed the plan as actuarially 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	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll	
						(4) / (5)	(4) / (5)
April 30, 2007	\$ 23,064,224	\$ 34,460,854	66.93%	\$ 11,396,630	\$ 3,992,817	285.43%	
2008	23,161,216	35,954,632	64.42%	12,793,416	4,196,313	304.87%	
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%	

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.

Actual FY 11/12	Estimate FY 12/13		Proposed FY 13/14	-----Projected-----		
				FY 14/15	FY 15/16	FY 16/17
		Revenues				
129,321	576,000	Investment Income	671,200	691,344	712,080	733,440
1,089,212	986,731	Contributions from City	1,004,000	1,004,000	1,004,000	1,021,963
406,359	435,664	Contributions from Members	444,488	456,000	470,388	486,588
1,624,892	1,998,395	Total	2,119,688	2,151,344	2,186,468	2,241,991
		Expenses				
		Public Health and Safety				
837,578	871,560	Personal Services	993,778	1,017,720	1,042,380	1,067,796
211,639	172,000	Other Operating	218,000	224,545	231,279	238,222
1,049,217	1,043,560	Total	1,211,778	1,242,265	1,273,659	1,306,018
575,675	954,835	Excess (Deficiency) of Revenues over Expenses	907,910	909,079	912,809	935,973
26,118,295	26,693,970	Beginning Fund Balance Reserved for Retirement Obligations	27,648,805	28,556,715	29,465,794	30,378,603
26,693,970	27,648,805	Ending Fund Balance Reserved for Retirement Obligations	28,556,715	29,465,794	30,378,603	31,314,576

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 has historically financed the plan as actuarially 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 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)
2007	\$ 18,513,335	\$ 21,119,695	87.66%	\$ 2,606,360	\$ 3,798,607	68.61%
2008	19,935,936	24,126,380	82.63%	4,190,444	4,325,654	96.87%
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%

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 - The roadway portion of the bridge opened to vehicle traffic in FY 2012/13. Construction was financed through state and federal grants and a bond issue supported by a .5 cent property tax.

Actual FY 11/12	Estimate FY 12/13		Proposed	Projected		
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
		Revenues				
14,181	5,283	Investment Income	0	0	0	0
1,000	0	Miscellaneous Revenue	0	0	0	0
0	4,923,391	Capital Financing Proceeds	0	0	0	0
768,802	739,416	Transfers In - Property Tax	692,079	690,000	690,000	690,000
783,983	5,668,090	Total	692,079	690,000	690,000	690,000
		Expenditures				
		Public Works				
164,846	118,352	Other Operating	0	0	0	0
3,224,442	8,901,320	Capital	0	0	0	0
3,389,288	9,019,672	Sub-Total	0	0	0	0
0	0	Transfers Out - Debt Service	328,812	563,062	559,462	564,062
3,389,288	9,019,672	Total	328,812	563,062	559,462	564,062
(2,605,305)	(3,351,582)	Excess (Deficiency) of Revenue over Expenditures	363,267	126,938	130,538	125,938
6,865,474	4,260,169	Beginning Fund Balance	908,587	1,271,854	1,398,792	1,529,330
4,260,169	908,587	Ending Fund Balance	1,271,854	1,398,792	1,529,330	1,655,268

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 11/12	Estimate FY 12/13		Proposed	Projected		
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
		Revenues				
343,377	138,213	Intergovernmental Revenue	349,000	1,236,000	0	0
5,974	9,238	Investment Income	9,500	10,000	10,500	11,000
0	903,781	Miscellaneous Revenue	0	0	0	0
4,170,347	2,731,287	Capital Financing Proceeds	3,524,000	581,066	150,000	1,650,000
281,208	965,200	Transfers In	1,219,500	1,610,500	980,000	1,201,000
4,800,906	4,747,719	Total	5,102,000	3,437,566	1,140,500	2,862,000
		Expenditures				
		General Government				
303,317	481,546	Capital	0	80,000	90,000	0
303,317	481,546	Sub-Total	0	80,000	90,000	0
		Public Health & Safety				
0	136,017	Capital	69,500	215,500	190,000	0
0	136,017	Sub-Total	69,500	215,500	190,000	0
		Public Works				
51,262	31,287	Other Operating	0	0	0	0
1,748,503	5,096,596	Capital	6,575,560	3,834,317	850,000	2,851,000
1,799,765	5,127,883	Sub-Total	6,575,560	3,834,317	850,000	2,851,000
		Community Development				
0	236,000	Capital	0	0	0	0
0	236,000	Sub-Total	0	0	0	0
2,103,082	5,981,446	Total	6,645,060	4,129,817	1,130,000	2,851,000
2,697,824	(1,233,727)	Excess (Deficiency) of Revenue over Expenditures	(1,543,060)	(692,251)	10,500	11,000
771,214	3,469,038	Beginning Fund Balance	2,235,311	692,251	0	10,500
3,469,038	2,235,311	Ending Fund Balance	692,251	0	10,500	21,500

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 11/12	Estimate FY 12/13		Proposed FY 13/14	Projected		
				FY 14/15	FY 15/16	FY 16/17
		Revenues				
20,538	19,979	Investment Income	0	0	0	0
21,000	0	Miscellaneous Revenue	0	0	0	0
41,538	19,979	Total	0	0	0	0
		Expenditures				
		Community Development				
132,883	70,108	Other Operating	0	0	0	0
12,269	16,000	Capital	0	0	0	0
0	5,490,000	Debt Retirement	0	0	0	0
145,152	5,576,108	Sub-Total	0	0	0	0
0	0	Transfers Out - Debt Service	0	227,473	209,897	189,389
145,152	5,576,108	Total	0	227,473	209,897	189,389
		Excess (Deficiency) of				
(103,614)	(5,556,129)	Revenue over Expenditures	0	(227,473)	(209,897)	(189,389)
7,589,016	7,485,402	Beginning Fund Balance	1,929,273	1,929,273	1,701,800	1,491,903
7,485,402	1,929,273	Ending Fund Balance	1,929,273	1,701,800	1,491,903	1,302,514

Public Works Garage Capital Project - The garage renovation project was completed in FY 07-08. Residual funds were used for debt payments during FY 11-12 and FY 12-13.

Actual FY 11/12	Estimate FY 12/13		Proposed FY 13/14	Projected		
				FY 14/15	FY 15/16	FY 16/17
		Revenues				
1,893	292	Investment Income	0	0	0	0
1,893	292	Total	0	0	0	0
		Expenditures				
500,000	550,755	Transfers Out	0	0	0	0
500,000	550,755	Total	0	0	0	0
		Excess (Deficiency) of				
(498,107)	(550,463)	Revenue over Expenditures	0	0	0	0
1,048,570	550,463	Beginning Fund Balance	0	0	0	0
550,463	0	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. The increased need for financing is due in part to major city renovations and a desire to revitalize certain areas of the City.

Actual FY 11/12	Estimate FY 12/13		Proposed FY 13/14	-----Projected----- FY 14/15	FY 15/16	FY 16/17
		Revenues				
1,019,619	1,020,000	Sales & Use Taxes	1,025,000	1,044,000	1,065,000	1,085,000
102	95	Investment Income	0	0	0	0
6,474,737	37,426,476	Financing Proceeds/Refunded Debt	0	0	0	0
6,923,063	7,575,139	Transfers In	6,957,985	7,120,524	6,922,994	6,012,481
14,417,521	46,021,710	Total	7,982,985	8,164,524	7,987,994	7,097,481
		Expenditures				
		General Government				
97,417	282,989	Other Operating	4,100	4,100	4,100	4,100
14,241,477	45,639,338	Debt Retirement/Refunded	7,900,366	8,079,786	7,899,110	7,012,320
14,338,894	45,922,327	Total	7,904,466	8,083,886	7,903,210	7,016,420
78,627	99,383	Excess (Deficiency) of				
		Revenues over Expenditure	78,519	80,638	84,784	81,061
		Beginning Fund Balance				
1,762,318	1,840,945	Reserved for Debt Service	1,940,328	2,018,847	2,099,485	2,184,269
		Ending Fund Balance				
1,840,945	1,940,328	Reserved for Debt Service	2,018,847	2,099,485	2,184,269	2,265,330

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 11/12	Estimate FY 12/13		Proposed FY 13/14	-----Projected----- FY 14/15	FY 15/16	FY 16/17
		Revenues				
3,121,098	2,339,474	Items for Resale	2,987,804	3,077,000	3,169,000	3,264,000
(547)	(366)	Investment Income	0	0	0	0
29,749	27,117	Miscellaneous Revenue	27,036	28,984	30,413	32,032
1,063,965	668,310	Charges to Other Funds	1,103,682	1,147,853	1,193,730	1,241,479
4,214,265	3,034,535	Total	4,118,522	4,253,837	4,393,143	4,537,511
		Expenses				
		General Government				
514,563	425,650	Personal Services	473,947	515,410	539,607	570,283
3,164,510	2,369,490	Other Operating	3,087,950	3,180,645	3,274,052	3,373,997
360,372	371,181	Allocations from Other Funds	344,352	358,236	369,432	380,964
2,814	4,167	Capital	750	750	750	0
4,042,259	3,170,488	Total	3,906,999	4,055,041	4,183,841	4,325,244
172,006	(135,953)	Excess (Deficiency) of				
		Revenues over Expenses	211,523	198,796	209,302	212,267
2,949,357	3,118,484	Beginning Net Assets	2,982,531	3,194,054	3,392,850	3,602,152
(2,879)	0	Fixed Assets Adjustments	0	0	0	0
3,118,484	2,982,531	Ending Net Assets	3,194,054	3,392,850	3,602,152	3,814,419

ISF - Vehicles - This fund is used to account for the 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 11/12	Estimate FY 12/13		Proposed	-----Projected-----		
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
		Revenues				
1,041,412	1,091,996	Vehicle Replacement	949,190	976,953	1,005,550	1,035,005
7,622	6,409	Investment Income	8,487	8,500	8,500	8,500
1,646,598	1,396,427	Charges to Other Funds	1,821,382	1,873,302	1,937,920	2,009,822
136,950	17,670	Sale of Fixed Assets	0	0	0	0
47,425	34,208	Miscellaneous	34,329	36,064	38,198	40,661
45,900	0	Transfers In	0	0	0	0
2,925,907	2,546,710	Total	2,813,388	2,894,819	2,990,168	3,093,988
		Expenses				
		Public Health and Safety				
165,437	492,638	Capital	311,000	201,000	591,880	250,000
165,437	492,638	Sub-Total	311,000	201,000	591,880	250,000
		Public Works				
716,382	653,805	Personal Services	752,175	786,762	823,692	868,395
475,403	518,184	Other Operating	602,534	616,409	635,976	655,924
367,056	378,058	Allocations from Other Funds	261,516	269,376	277,452	285,756
399,755	79,012	Capital	284,000	729,500	669,300	47,200
1,958,596	1,629,059	Sub-Total	1,900,225	2,402,047	2,406,420	1,857,275
		Community Development				
0	24,000	Capital	22,000	0	0	0
0	24,000	Sub-Total	22,000	0	0	0
1,871	0	Transfers Out - Debt Service	0	0	0	0
2,125,904	2,145,697	Total	2,233,225	2,603,047	2,998,300	2,107,275
800,003	401,013	Excess (Deficiency) of Revenues over Expenses	580,163	291,772	(8,132)	986,713
6,677,926	7,399,647	Beginning Net Assets	7,800,660	8,380,823	8,672,595	8,664,463
(78,282)	0	Fixed Asset Adjustments	0	0	0	0
7,399,647	7,800,660	Ending Net Assets	8,380,823	8,672,595	8,664,463	9,651,176



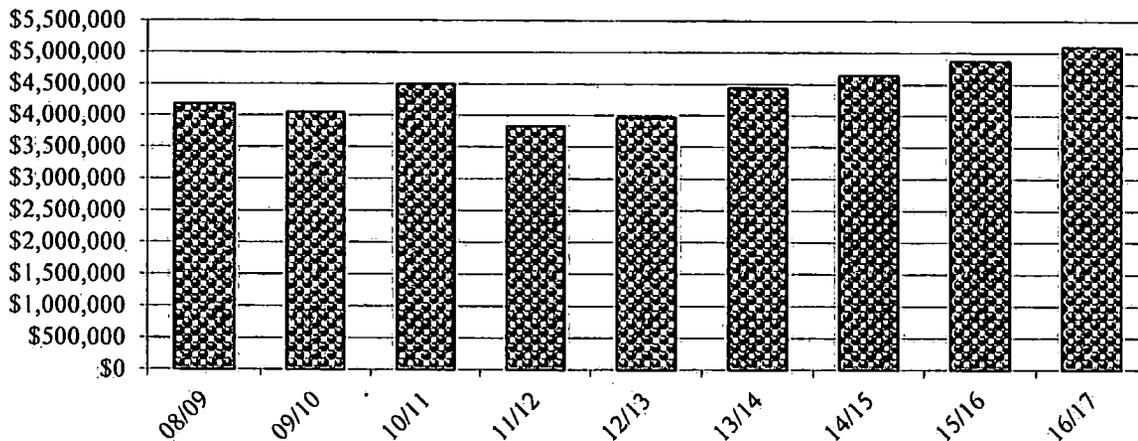
ISF - Health Insurance - The City is self-insured and this fund accounts for the activity of the City's health insurance costs for all funds. Individual funds and departments are charged based on their employee counts.

Actual FY 11/12	Estimate FY 12/13		Proposed			
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
		Revenues				
4,231	1,521	Investment Income	1,500	1,800	2,100	2,400
4,811,732	4,818,302	Insurance Premiums	4,778,046	5,012,622	5,287,612	5,672,108
10	30	Miscellaneous	200	200	200	200
4,815,973	4,819,853	Total	4,779,746	5,014,622	5,289,912	5,674,708
		Expenses				
		General Government				
3,825,083	3,969,469	Other Operating	4,443,084	4,648,250	4,871,350	5,094,850
97,116	100,026	Allocations from Other Funds	100,428	103,428	106,536	109,728
3,922,199	4,069,495	Sub-Total	4,543,512	4,751,678	4,977,886	5,204,578
0	250,000	Transfers Out - Other	0	0	0	0
3,922,199	4,319,495	Total	4,543,512	4,751,678	4,977,886	5,204,578
		Excess(Deficiency)of				
893,774	500,358	Revenues over Expenses	236,234	262,944	312,026	470,130
925,218	1,818,992	Beginning Net Assets	2,319,350	2,555,584	2,818,528	3,130,554
1,818,992	2,319,350	Ending Net Assets	2,555,584	2,818,528	3,130,554	3,600,684

As the chart below shows the City's insurance costs have risen considerably over past years. These costs include insurance claims and premiums for excess insurance. In order to defray some costs, the City started sharing the cost of family coverage with employees in 1992. A cafeteria plan was implemented that allows the employee to pay their portion of the premium pre-tax. Starting in 1995 the City also implemented a healthy program which encourages good health and a healthful lifestyle. Those who meet certain health criteria such as low blood pressure or cholesterol levels are offered discounted family coverage. A rebate is given for those with single coverage because single coverage is still offered at no cost to the employee. In FY 13/14, the City will still offer a health care plan to City employees at no charge. In addition they have the option to purchase a plan with a lower deductible. Tobacco and non-tobacco users will also have different base premium rates.



History and Projection of Health Insurance Funding

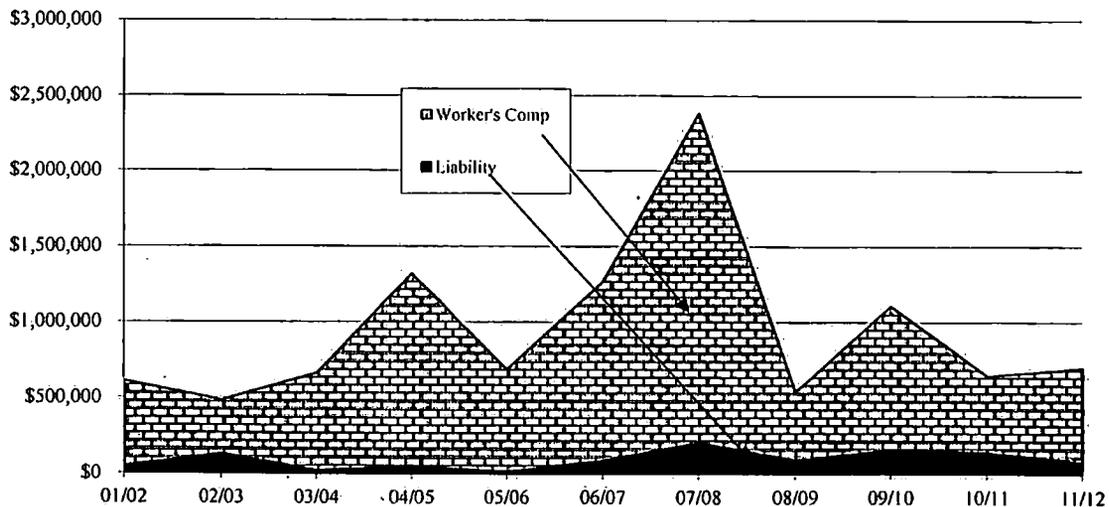


ISF - Workers Compensation/Liability - This fund accounts for the self-insurance activity related to workers compensation insurance and liability insurance for property, casualty and crime for governmental service funds. All enterprise activity is accounted for in the appropriate proprietary fund.

Actual FY 11/12	Estimate FY 12/13		Proposed FY 13/14	Projected FY 14/15	Projected FY 15/16	Projected FY 16/17
		Revenues				
6,925	10,463	Investment Income	12,000	12,500	13,000	13,500
1,106,010	1,125,275	Insurance Premiums	1,107,533	1,162,847	1,234,496	1,320,285
3,330	15,060	Miscellaneous	0	0	0	0
155,000	169,300	Transfers In	178,879	180,000	182,000	185,000
1,271,265	1,320,098	Total	1,298,412	1,355,347	1,429,496	1,518,785
		Expenses				
		General Government				
410,954	520,775	Other Operating	464,000	492,640	523,005	547,655
9,528	9,800	Allocations from Other Funds	9,972	10,272	10,584	10,896
420,482	530,575	Sub-Total	473,972	502,912	533,589	558,551
		Public Health and Safety				
581,827	455,706	Other Operating	330,000	330,000	330,000	330,000
581,827	455,706	Sub-Total	330,000	330,000	330,000	330,000
		Public Works				
254,414	74,803	Other Operating	220,000	220,000	220,000	220,000
254,414	74,803	Sub-Total	220,000	220,000	220,000	220,000
		Community Development				
(22,922)	1,441	Other Operating	0	0	0	0
(22,922)	1,441	Sub-Total	0	0	0	0
1,233,801	1,062,525	Total	1,023,972	1,052,912	1,083,589	1,108,551
		Excess(Deficiency)of				
37,464	257,573	Revenues over Expenses	274,440	302,435	345,907	410,234
740,566	778,030	Beginning Net Assets	1,035,603	1,310,043	1,612,478	1,958,385
778,030	1,035,603	Ending Net Assets	1,310,043	1,612,478	1,958,385	2,368,619

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.

History of Workers Compensation and Liability Insurance



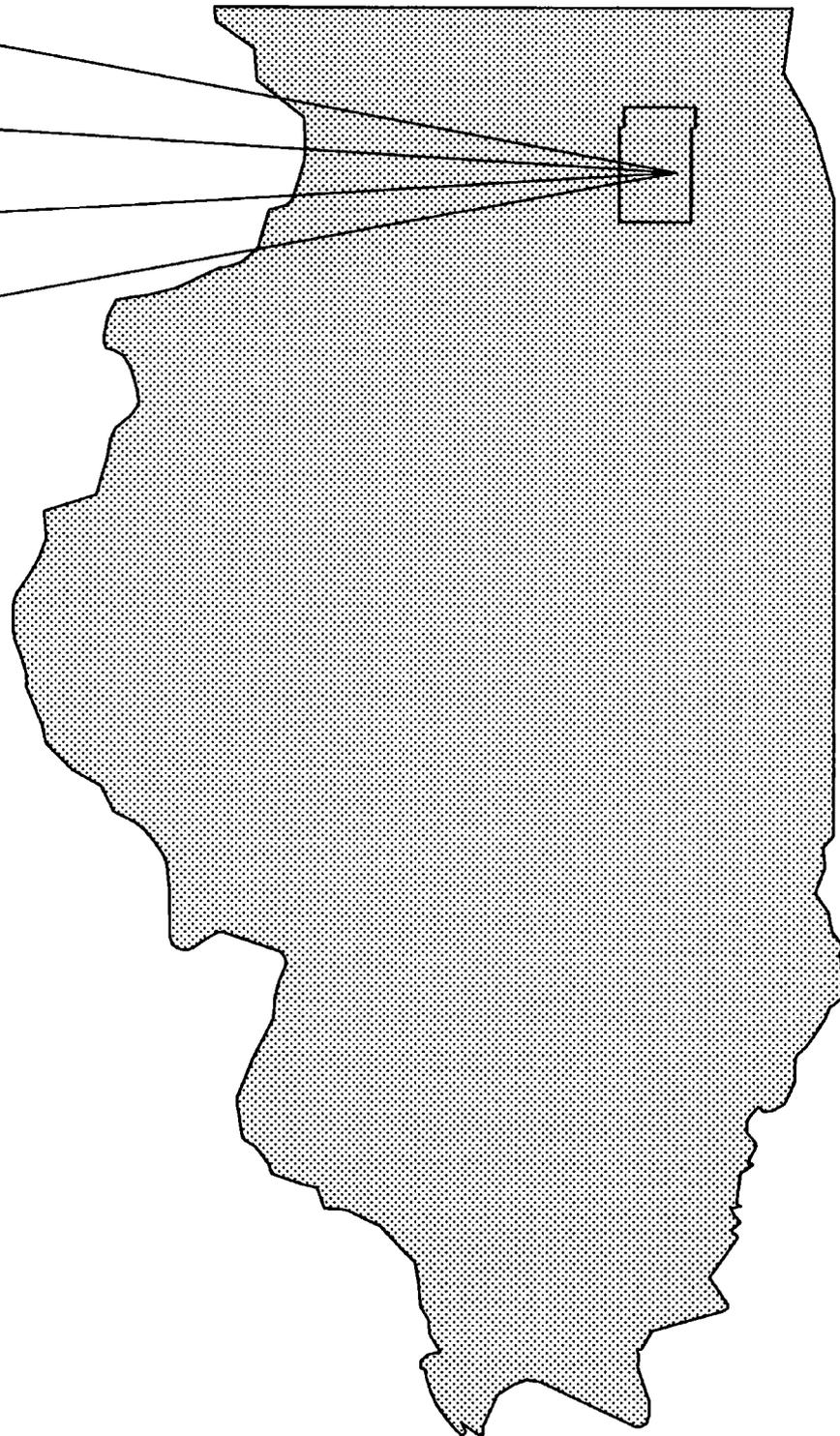
ISF - Communications - The Communications Utility operates the City's fiber system and other communications equipment to provide services to all City departments. These services are reimbursed by means of an internal service fund chargeback to City departments. The services provided to all users include 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 11/12	Estimate FY 12/13		Proposed	-----Projected-----		
			FY 13/14	FY 14/15	FY 15/16	FY 16/17
		Revenues				
249,755	301,482	User Charges	296,891	230,638	247,391	221,638
1,258	1,537	Investment/Income	1,800	2,100	2,400	2,700
26,272	26,272	Charges to Other Funds	26,272	26,272	26,272	26,272
178,583	178,119	Miscellaneous Revenue	176,087	176,588	177,125	177,742
455,868	507,410	Total	501,050	435,598	453,188	428,352
		Expenses				
		General Government				
0	0	Other Operating	0	0	0	0
229,511	143,650	Capital	176,386	164,386	157,386	132,386
229,511	143,650	Sub-Total	176,386	164,386	157,386	132,386
		Public Utilities				
114,798	124,173	Personal Services	155,135	148,349	155,595	163,972
58,631	82,786	Other Operating	89,752	91,489	94,517	96,564
11,760	12,116	Allocations from Other Funds	11,292	11,640	11,976	12,348
9,811	44,773	Capital	111,600	16,000	29,300	10,000
195,000	263,848	Sub-Total	367,779	267,478	291,388	282,884
61,664	61,664	Transfers Out - Other	61,664	61,664	61,664	61,664
486,175	469,162	Total	605,829	493,528	510,438	476,934
		Excess(Deficiency)of				
(30,307)	38,248	Revenues over Expenses	(104,779)	(57,930)	(57,250)	(48,582)
768,563	776,181	Beginning Net Assets	814,429	709,650	651,720	594,470
37,925	0	Fixed Asset Adjustments	0	0	0	0
776,181	814,429	Ending Net Assets	709,650	651,720	594,470	545,888

CAPITAL IMPROVEMENTS

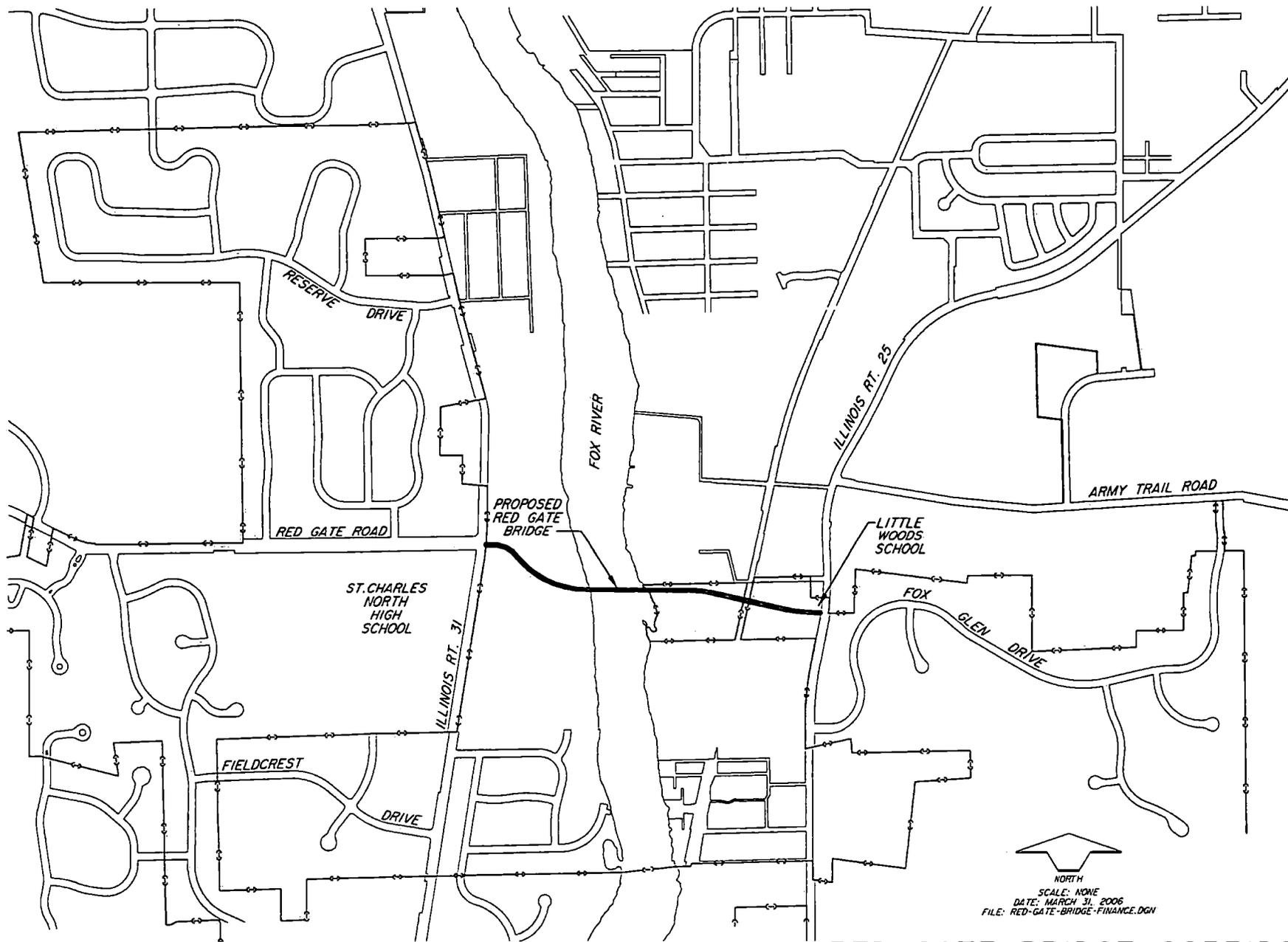


ST. CHARLES
SINCE 1834



Capital Improvements Plan

<u>Capital Improvements - Project Requests</u>	<u>VI - 3</u>
<u>Capital Improvements Detail</u>	<u>VI - 13</u>



NORTH
SCALE: NONE
DATE: MARCH 31, 2006
FILE: RED-GATE-BRIDGE-FINANCE.DGN

RED GATE BRIDGE CORRIDOR

Project Name *Red Gate Road Bridge*

Estimated Total Cost of Project

\$21,024,825 (Low Construction Bid Number)
--

Project Description:

1. Location

Red Gate Road extended easterly from IL Route 31 to IL Route 25.

2. Work to be Performed

Two (2)-lane bridge construction and adjoining roadway with bike/pedestrian accommodations.

3. Reason for Work

The City of St. Charles initiated the Phase One (I) Engineering Study in 2005. This study was completed in 2010 and was funded under an agreement with IDOT. Phase II design engineering began in fall of 2010 and was completed in 2011. The project is being constructed in two phases. The first phase of construction was released for bidding in late spring of 2011 and focused primarily on mass grading, clearing, and tree removals. The first phase was completed in March 2012. The second phase of construction was released for bidding in December 2011 and involved the construction of the new bridge, roadway, watermain extension, bike path, and final restoration. The contract was awarded by IDOT in March 2012. The new bridge and roadway was opened to public on December 15, 2012 with the completion of all restoration in the spring/summer of 2013. The project purpose and need will 1.) reduce the 2030 Average Daily Traffic (ADT) by 10% in downtown St. Charles, 2.) improve emergency service access (police, fire, and emergency medical) due to the addition of a Bridge Over the Fox River between South Elgin and St. Charles, and 3.) provide for another connection between the east and west sides of the developing Kane County urban corridor along the Fox River.

4. Impact on Budget

The funds to complete the project are estimated to include a total of \$14,023,025 in grants.

Project Request

FY 13-14

Project Name *IL 64 Roadway Improvements
(Dunham Rd. to IL 59)*

Estimated Total Cost of Project

\$597,581 (Low Construction Bid Number)

Project Description

1. Location

IDOT Project Limits: IL Route 64 from Dunham Road to IL 59

2. Work to be Performed

Roadway widening and resurfacing, water main installation, storm sewer upgrades, traffic signal improvements, and public sidewalk installation.

3. Reason for Work

The Illinois Department of Transportation (IDOT) is contracted for roadway and utility improvements along the IL Route 64 corridor between Dunham Road and IL 59. The City will be contributing to this project as it relates to the installation of a two sections of new 12-inch watermain, sidewalk enhancements, electrical improvements, road intersections to include signal interconnection, and highway lighting. All work being performed is considered general maintenance for IDOT. The construction project is expected to be completed by the late fall of 2013.

4. Impact on Budget

Per the approved IDOT agreement the City will be obligated to repay total expenses over the next three years estimated annually at the above amount.

Project Request

FY 13-14

Project Name *Red Gate Road and St. Charles North High School
Intersection Improvement Project*

Estimated Total Cost of Project

\$650,000 (Low Construction Bid Number)

Project Description

1. Location

Intersection of Red Gate Road and St. Charles North High School Entrance.

2. Work to be Performed

Roadway widening and resurfacing, installation of new traffic signal, public sidewalk improvements, installation of new traffic signal interconnect, and restoration work

3. Reason for Work

As part of collaboration between the City and School District 303, a study was performed to analyze various possibilities to improve traffic safety near the intersection of Red Gate Road and the St. Charles North High School entrance and improve vehicular conveyance along Red Gate Road. As a result of this study many options were proposed, the largest support from the school and the surrounding residents was for the installation of a new traffic signal and an extended eastbound right-turn lane. The new traffic signal and the right-turn lane is anticipated to define vehicular and pedestrian movements which would improve the overall safety of the intersection.

4. Impact on Budget

In an effort of collaboration the City and the School District agreed to jointly fund the traffic signal and extended right-turn lane work. The School District has agreed to contribute 50% of the construction activity costs with a not to exceed amount of \$250,000. The City has agreed to cover all other costs including design and permitting.

Project Request

FY 13-14

Project Name *Municipal Building Exterior Improvements Project*

Estimated Total Cost of Project

\$1,500,000

Project Description

1. Location

Municipal Building, 2 E. Main Street

2. Work to be Performed

The Municipal Building is scheduled to undergo a large exterior maintenance project this spring. Work to be performed includes new roofs, parapet caps, brick replacement, tuck-pointing, stone repair and window/ door replacement to provide a weather tight condition. Other work includes miscellaneous painting, caulking and cosmetic work directly related to the maintenance of the exterior shell of the building.

3. Reason for Work

The existing building dates back to 1892 with several additions being added over the years, the last one in 1995. Several construction projects over the years and yearly maintenance tasks have kept the building weather tight so far. However, due to normal wear of exterior building materials, the envelope has started to develop roof leaks, bricks have worn beyond repair in certain areas and windows are in need of replacement.

4. Impact on Budget

The project cost is estimated at \$1.5 million and is budgeted in FY13/14. The maintenance provided as part of this project will keep the building weather tight for the next 15 - 20 years with only general maintenance commitments each year. The City will realize a cost benefit by combining several small projects into a larger construction project.

Project Request

FY 13/14

Project Name *35kV Bus Improvement at Dunham Road Substation*

Estimated Total Cost of Project

\$176,000 Total

Project Description

1. Location

Kirk Road from Foxfield north to Dunham Road

2. Work to be Performed

Replacement of mainline cable in duct

3. Reason for Work

This is the final stage of a three year project to increase capacity and contingency options in the northeast quadrant of the city. The ability to use circuits 734 and 713 to back each other up was severely throttled by undersized cable on Foxfield and Kirk Road. The 80's vintage cable was in need of replacement. This work replaces the cable with larger cable capable of being used in outage situations. System design incorporating contingency planning is a core element of our engineering philosophy. By doing such, outages are restored via switching in a matter of minutes instead of repair of the failed circuit element, which could take hours or days.

4. Impact on Budget

The \$176,000 project includes cable and cable accessories costs. This is the final stage of a multi-year project in increase reliability in the northeast quadrant.

Project Request

FY 13/14

Project Name *Local Distribution Center (LDC) #2*

Estimated Total Cost of Project

\$627,000 Total

Project Description

1. Location

Red Gate Bridge & Red Gate Road south to Wildrose Springs

2. Work to be Performed

Complete cable installations from Route 25 to the new Local Distribution Center 2 (LDC2), and then across the bridge to Route 31. Begin new cable installation between Wildrose Springs and Red Gate.

3. Reason for Work

The 12kV overhead circuits that feed the northern reaches of the City on either side of the river are long, exposed lines from either City Hall Sub or North 12th St. Sub. They are a significant reliability risk in that they are radial fed, meaning they have no backup ties. When the lines are damaged by car accidents, storms, or trees, all customers north of the damage are out of power until the damage is repaired, typically many hours. We have no backup feed to use to restore power to the customers via isolation and switching. A single new source will provide needed backup to both of these heavily loaded circuits. Our Local Distribution Center (LDC) concept was recognized in the Transmission & Distribution World magazine in March 2012, and it is a great fit at this location. LDC2 will be almost exactly the same as the first LDC installation at 609 S. Kirk. This substation project will be associated with a distribution project to install the 12kV circuit tie. New cable from Red Gate to Wildrose will reduce dependency on the old overhead line on Route 31 and increase reliability. Linking Red Gate to Wildrose Springs with new cable will be a two-year project.

4. Impact on Budget

The total overall project cost of \$627,000 includes new cable installed across the bridge and work from Red Gate south toward Wildrose Springs. An additional \$210,000 is in the 14/15 budget for completion of the cable to Wildrose Springs.

Project Request

FY 13/14

Project Name *Critical Distribution Infrastructure Capital Replacement*

Estimated Total Cost of Project

\$810,000 Total

Project Description

1. Location

Various - as prioritized.

2. Work to be Performed

Use diagnostic testing and services to prioritize distribution infrastructure items estimated most at risk of failing. Perform cable injection, cable replacement, switchgear replacements, leaking transformer replacements, and pole replacements based on criteria such as: test results, age, previous reliability performance, and the reliability impact if the item were to fail.

3. Reason for Work

Utilizing outage statistics, there are two categories of equipment that have the most impact on electric reliability, underground cable and overhead/poles. Cable failures occur when their insulation is compromised causing them to fault. Overhead systems near their end of life are at risk of failure during storms. Utilizing test equipment, our Distribution Engineer has prioritized the subdivisions most in need of cable replacement. Cable injection has proven to be a cost effective way to restore the insulation and extend the life, with the added benefit of not having to dig holes in backyards. Where cable injection can't be used, we will install new pipe and cable. On the poles, the City hired a firm, Osmose, to test every wood pole in the City of St. Charles. Based on the test results and the impact on reliability if a pole were to break, the Electric Utility continues our multi-year program to eradicate bad poles. Through our inspection programs, a number of transformer and switchgear have been identified as high risk to fail.

4. Impact on Budget

The \$400,000 of cable replacement and \$175,000 of pole and overhead equipment replacement are critical infrastructure programs that have been assigned high priority status within our tight capital budget. Additionally, we are planning on \$65,000 of leaking transformer replacements and \$170,000 of rotted switchgear replacements. Other projects, deemed less critical, have been deferred to allow this level of funds to be allocated to critical infrastructure replacements.

Project Update
FY 13-14

Project Name *Main Treatment and Biosolids Building*

Estimated Total Cost of Project

\$8,500,000

Project Description

1. Location

Main Wastewater Treatment Plant, 1405 South 7th Avenue

2. Work to be Performed

Underground utility work and demolition of the old main treatment and sludge handling building began in December of 2012. As construction progresses and the new building is constructed, new equipment such as sludge pumps, dewatering systems and electrical panels will be installed. Other work areas in the building include a maintenance shop, records room, break room and supply room.

3. Reason for Work

The existing building dates back to the 1930's with several additions being added over the years, the last one in the 1970's. Due to the age and additions to the building, the structural integrity of the building is questionable for supporting new equipment which is large and heavy. Equipment in the building such as the motor control center is over thirty-five years old, the pumping and dewatering equipment is anywhere from thirteen to twenty years old and is past it's service life. Parts are not available and maintenance costs are increasing.

Due to several additions over the years, the building and the layout of equipment are not efficient for conveyence and handling of sludge and also creates a corrosive atmosphere in other occupied rooms in the building.

4. Impact on Budget

The project cost is estimated at \$8.5 million and was budgeted in FY12/13. The project received approval for an IEPA Low Interest Loan at an interest rate of 2.29% that will save additional monies in interest for the City.

Project Request
FY 13-14

Project Name *Royal Fox Lift Station Rehabilitation*

Estimated Total Cost of Project

\$530,000

Project Description

1. Location

Dunham Road

2. Work to be Performed

Lining and rehabilitation of the current structures. Replacement of hatches, pumps, motor control centers, installation of Supervisory Control and Data Acquisition (SCADA). Improve site accessibility and safety.

3. Reason for Work

A conditions assessment was performed on the two Royal Fox Lift Stations in early 2012. The assessment identified a number of deficiencies such as corrosion of the structure, hatches, valves and fittings. Also, the control systems are beyond their service life and are being maintained by components that are hard to obtain. The station should also be upgraded to connect with the utility's SCADA (Supervisory Control and Data Acquisition) to improve communication with updated technology.

4. Impact on Budget

The project cost is estimated at \$530,000 and is budgeted in FY13/14. As mentioned above the lift station is approximately twenty-five (25) years old. Replacement of pumps and motor control center will assist with electrical savings for the facility and increase reliability of station in serving the surrounding area and preventing sanitary back-ups.

Project Request
FY 14-15

Project Name *Red Gate Water Tower*

Estimated Total Cost of Project

\$1,870,000

Project Description

1. Location

Red Gate Road and Route 25

2. Work to be Performed

Construction of a 1,000,000 gallon water tower at the corner of Red Gate Road and Route 25. The site will be evaluated and graded to accommodate construction and placement of 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 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 \$1,870,000 which includes construction engineering. It is anticipated the project will be funded by an IEPA Low Interest Loan which will save additional monies in interest for the City.

FY 13/14 Capital Budget

**Budgeted
FY 13-14**

**Proposed
FY 14-15**

**Proposed
FY 15-16**

**Proposed
FY 16-17**

General Fund

100200-Information Systems	69,500	79,500	65,500	54,000
56004-0-Computer Equipment	69,500	79,500	65,500	54,000
IS1000 : Replace/Upgrade Network Server	5,000	13,000	13,000	5,000
IS1002 : GIS Hardware	2,000	5,000	7,000	10,000
IS1003 : UPS Replacements	2,000	13,000	5,000	5,000
IS1004 : Wireless Access Point	15,500	15,500	5,000	5,000
IS1005 : Disaster Recovery Hdw For Ntwk	19,000	9,000	9,000	9,000
IS1008 : Memory/Processor Upgrades	2,000	2,000	2,000	2,000
IS1009 : Network Cards and Drives	2,000	2,000	2,000	2,000
IS1011 : Telephone Parts/Equipment	5,000	5,000	-	5,000
IS1012 : Switch Replacements	6,000	6,000	20,000	6,000
IS1013 : Voicemail Server Replacement	6,500	-	-	-
IS1015 : Audio Visual Equipment	3,500	3,500	1,500	4,000
IS1017 : Tablet PCs for Pilots	1,000	1,000	1,000	1,000
IS1018 : Internet Link Balancer	-	4,500	-	-
100300-Police Admin	9,800	-	-	-
56004-0-Computer Equipment	9,800	-	-	-
PD3001 : In-Car Printers	9,800	-	-	-
100401-Fire Operations	60,000	60,000	59,500	55,000
56002-0-Machinery and Equipment	31,000	34,000	42,000	29,500
FD4101 : Replace of Fire Hose/Fittings	15,000	15,000	15,000	12,000
FD4102 : Replace of Hurst Rescue Equip	-	-	15,000	-
FD4104 : Rescue and Safety Equipment	10,000	10,000	-	5,000
FD4105 : SCBA Replacements	-	-	-	6,000
FD4106 : Repair of Fire Training tower	-	5,000	-	2,500
FD4107 : Replacement of nozzles and ada	6,000	4,000	6,000	4,000
FD4108 : Replacement of portable genera	-	-	6,000	-
56003-0-Office Furnishings and Equip	9,000	9,000	9,000	-
FD4100 : Station Furniture	9,000	9,000	9,000	-
56099-0-Other Capital	20,000	17,000	8,500	25,500
FD4103 : Radio Equipment Replacement	16,000	16,000	-	15,000
FD4109 : Technical rescue supplies and	-	1,000	1,000	3,000
FD4110 : Monitoring equipment	4,000	-	4,000	4,000
FD4111 : Pager replacements	-	-	3,500	3,500
100402-Fire EMA	33,550	34,300	-	-
56099-0-Other Capital	33,550	34,300	-	-
FD4800 : Portable Radio Replacements	-	2,500	-	-
FD4804 : Two Radio Repeaters, One fixed	6,000	-	-	-
FD4806 : New Base Radio for EOC	-	4,250	-	-
FD4807 : Upgrade EOC	27,550	27,550	-	-
100510-Construction Services	8,956	9,225	9,502	9,787
56002-0-Machinery and Equipment	8,956	9,225	9,502	9,787
PS5100 : Snow Plow Replace Blades	8,956	9,225	9,502	9,787
Total General Fund	181,806	183,025	134,502	118,787
Cash Projects	181,806	183,025	134,502	118,787

Electric Fund

200521-Electric Operations	2,315,500	2,860,000	3,555,000	5,260,000
56001-0-Motor Vehicles - Replacements	-	-	105,000	-
EL2001 : Replace 1910 Chevy Impala	-	-	25,000	-
EL2002 : Replace 1730 Ford F550	-	-	80,000	-
56002-0-Machinery and Equipment	10,000	10,000	10,000	10,000
EL2016 : Electric Line Trailer Replacements	10,000	10,000	10,000	10,000
56004-0-Computer Equipment	2,500	-	-	-
EL2017 : SCADA Map Display Screen	2,500	-	-	-

FY 13/14 Capital Budget	Budgeted FY 13-14	Proposed FY 14-15	Proposed FY 15-16	Proposed FY 16-17
56101-0-Land Improvements	15,000	15,000	15,000	15,000
EL2015 : PW Facility Parking Lot Imp-Electric	15,000	15,000	15,000	15,000
56203-0-Substation Capital Improvemnts	120,000	760,000	1,575,000	1,050,000
35kV Bus and Breaker at Dunham Road Sub	100,000	-	-	-
Dunham Rd Upgrade Const	-	-	1,000,000	1,000,000
Dunham Rd Upgrade Engineering	-	100,000	-	-
LDC Pheasant Run	-	-	550,000	-
OSI System Upgrades	-	10,000	25,000	-
Replace Substation Generator-Sub3	20,000	-	-	-
Split 12kv circuits at Sub 3	-	650,000	-	-
Split 12kv Circuits at Sub 3 Engineering	-	-	-	50,000
56204-0-Transmission Capital Improve	-	-	-	2,950,000
2nd 35kV line into LDC2	-	-	-	450,000
Duct to Sub 9	-	-	-	1,000,000
Replace L13155-unjacketed XLPE 345mil	-	-	-	1,500,000
56206-0-Distribution Capital Improve	2,103,000	1,995,000	1,790,000	1,175,000
Automation of 12kv lines	-	-	500,000	-
Cable Replacement/Reinforcement	400,000	600,000	400,000	500,000
Extend LDC1 Circuit north to 514 and 715	-	175,000	-	-
Finish Duct to Dean St	-	-	125,000	-
Leaking and failed transformer replacements	65,000	65,000	50,000	50,000
Overhead System Replacements	175,000	75,000	75,000	75,000
Phase 2- Cable upgrade-Foxfield up Kirk Rd	176,000	-	-	-
Power Factor Correction Equipment	200,000	200,000	200,000	100,000
Rotted SWGR Replacements	170,000	100,000	70,000	50,000
Storm Hardening- Overhead Spacer Cable	-	150,000	-	-
Storm Hardening-Residential OVHD to UG	-	150,000	100,000	100,000
Tie circuits across Red Gate Bridge	215,000	-	-	-
Unplanned Underground Equip Failures-Historical	260,000	270,000	270,000	300,000
Upgrade 224 Wildrose to Red Gate	412,000	210,000	-	-
Upgrade Cir 222 to 750Cu-Sub 2 to the first pole	30,000	-	-	-
56207-0-Services/Upgrades	35,000	35,000	35,000	35,000
New Service Work	35,000	35,000	35,000	35,000
56208-0-St. Light/Traffic Signal Capital	30,000	45,000	25,000	25,000
Concrete Pole Replacements	10,000	10,000	10,000	10,000
Municipal Parking Lot Lights	-	20,000	-	-
Unplanned Streetlight Replacements	20,000	15,000	15,000	15,000
200522-Electric Meter	44,000	-	35,000	-
56001-0-Motor Vehicles - Replacements	42,000	-	35,000	-
EL9000 : Replc 1938 Ford F350 Pick-Up	-	-	35,000	-
EL9002 : Replace 1776 F150 1/2 T Pickup	42,000	-	-	-
56002-0-Machinery and Equipment	2,000	-	-	-
EL9006 : Portable Radios	2,000	-	-	-
Total Electric Fund	2,359,500	2,860,000	3,590,000	5,260,000
Bonded Projects	627,000	960,000	2,050,000	3,950,000
Replacement Funded Capital	42,000	-	140,000	-
Cash Projects	1,690,500	1,900,000	1,400,000	1,310,000

FY 13/14 Capital Budget

**Budgeted
FY 13-14**

**Proposed
FY 14-15**

**Proposed
FY 15-16**

**Proposed
FY 16-17**

Water Fund

	Budgeted FY 13-14	Proposed FY 14-15	Proposed FY 15-16	Proposed FY 16-17
210541-Water Operations	3,129,619	3,527,183	1,546,000	747,850
56001-0-Motor Vehicles - Replacements	54,000	215,000	-	-
WA5023 : Replace 1940 Utility Truck 4Wd	-	65,000	-	-
WA5024 : Repl 1748 Utility Truck	54,000	-	-	-
WA5025 : Vehicle #1724 - 6 Wheel Dump	-	150,000	-	-
56002-0-Machinery and Equipment	125,000	-	320,000	25,000
WA2004 : Well #13 Media Replacement	100,000	-	-	-
WA2017 : SCADA Enhancements-Emer Ops Ctr	-	-	-	25,000
WA2018 : SCADA Enhancement-Well #13	25,000	-	-	-
WA2019 : Well #8 Plant Revisions Const.	-	-	120,000	-
WA5004 : SCADA Upgrade/Replacement	-	-	200,000	-
56101-0-Land Improvements	2,535,619	960,083	130,000	479,850
WA5001 : IL 64-Kirk Rd to Rte 59 (IDOT 62410)	106,000	196,000	-	-
WA5003 : IL 64-7th to Dunham (IDOT 62195)	315,619	325,183	-	-
WA5005 : Reserves Fox River Water Main	1,300,000	-	-	-
WA5006 : 9th St (Lexington) Water Main	-	95,000	-	-
WA5008 : W Main to 17th St Parking Lot	-	-	-	349,850
WA5010 : N. 2nd Ave to Delnor Ave	-	210,900	-	-
WA5019 : Water MFT Repairs Contrib	115,000	115,000	115,000	115,000
WA5033 : Concrete Program-Aintree Rd-Water	-	3,000	-	-
WA5034 : PW Facility Parking Lot Imp-Water	15,000	15,000	15,000	15,000
WA5035 : N 5th Ave Waterline	684,000	-	-	-
56150-0-Design Engineering - Capital	176,000	254,550	6,000	71,500
WA5001 : IL 64-Kirk Rd to Rte 59 (IDOT 62410)	-	61,000	-	-
WA5003 : IL 64-7th to Dunham (IDOT 62195)	-	144,000	-	-
WA2002 : Water System SCADA Evaluation	-	20,000	-	-
WA2013 : Convert Well #11 to Hypo - DE	5,000	-	-	-
WA2014 : Convert Well#9 to Hypo - DE	5,000	-	-	-
WA2015 : Convert Well #8 to Hypo - DE	-	6,000	-	-
WA2019 : Well #8 Plant Design Revisions	-	15,000	-	-
WA2020 : Structural Repair 3/4 Reservoir	6,000	-	-	-
WA2021 : Convert Wells #7 & #13 to Hypo	-	-	6,000	-
WA2022 : Well #8 Generator	-	-	-	15,000
WA2023 : Well #4 Demo/Improvements	-	-	-	25,000
WA5035 : N 5th Ave Waterline	160,000	-	-	-
WA5006 : 9th St (Lexington) Water Main	-	8,550	-	-
WA5008 : W Main to 17th St Parking Lot	-	-	-	31,500
56160-0-Construction Engineering - Capital	220,000	315,550	-	31,500
WA5001 : IL 64-Kirk Rd to Rte 59 (IDOT 62410)	-	41,000	-	-
WA5003 : IL 64-7th to Dunham (IDOT 62195)	-	96,000	-	-
WA5005 : Reserves Fox River Water Main	165,000	-	-	-
WA2007 : Elevated Water Tower #3	-	170,000	-	-
WA5006 : 9th St (Lexington) Water Main	-	8,550	-	-
WA5008 : W Main to 17th St Parking Lot	-	-	-	31,500
WA5035 : N 5th Ave Waterline	55,000	-	-	-
56200-0-Structures and Improvements	-	60,000	150,000	-
WA2020 : Structural Repair 3/4 Reservoir	-	60,000	-	-
WA2024 : Well #9 Roof Replacement	-	-	55,000	-
WA2025 : Well #8 Roof Replacement	-	-	95,000	-
56209-0-Wells	19,000	22,000	15,000	140,000
WA2013 : Convert Well #11 to Hypo	19,000	-	-	-
WA2014 : Convert Well #9 to Hypo	-	22,000	-	-
WA2015 : Convert Well #8 to Hypo	-	-	15,000	-
WA2021 : Convert Wells #7 & #13 to Hypo	-	-	-	30,000
WA2022 : Well #8 Generator	-	-	-	110,000

FY 13/14 Capital Budget

	Budgeted FY 13-14	Proposed FY 14-15	Proposed FY 15-16	Proposed FY 16-17
56211-0-District Reservoir & Standpipe	-	1,700,000	925,000	-
WA2007 : Elevated Water Tower #3	-	1,700,000	-	-
WA2010 : 10th St Tower Painting	-	-	250,000	-
WA2011 : Campton Hills Tower Maint Eng	-	-	675,000	-
210542-Water Meter	-	44,500	44,500	-
56001-0-Motor Vehicles - Replacements	-	44,500	44,500	-
WA7000 : Replace 1801: 2003 Ford Van	-	44,500	-	-
WA7001 : Replace 1802: 2003 Ford Van	-	-	44,500	-
Total Water Fund	3,129,619	3,571,683	1,590,500	747,850
Bonded Projects	-	1,870,000	675,000	-
Prior Bonded Projects/Escrow	1,886,619	863,183	-	-
Replacement Funded Capital	54,000	259,500	44,500	-
Cash Projects	1,189,000	579,000	871,000	747,850

Wastewater Fund

220551-Wastewater Plant Operations	1,063,100	510,000	2,125,000	875,000
56001-0-Motor Vehicles - Replacements	23,400	190,000	-	-
WW2004 : Replace 1953-Ford 3/4 ton P/U	-	40,000	-	-
WW2005 : Replace 1808 3 ton Dump	-	150,000	-	-
WW3000 : Repl #1738 Ford 1/2 ton P/U	23,400	-	-	-
56002-0-Machinery and Equipment	185,000	250,000	325,000	250,000
WW2009 : UVD Controller Replace	115,000	-	-	-
WW2015 : Aeration System Diffusers	70,000	-	-	-
WW2016 : SCADA Enhancements	-	-	175,000	-
WW5003 : Lift Station Rehabilitation Program	-	250,000	150,000	250,000
56150-0-Design Engineering - Capital	40,000	70,000	-	625,000
WW2014 : Digester Conditions Assessment	-	50,000	-	-
WW2016 : SCADA System Evaluation	-	20,000	-	-
WW4000 : West Plant Expansion	-	-	-	625,000
WW4002 : West Plant Assessment	20,000	-	-	-
WW5003 : Lift Station Assessment Program	20,000	-	-	-
56200-0-Structures and Improvements	814,700	-	1,800,000	-
WW2014 : Digester Operation Improve	-	-	1,800,000	-
WW5001 : Royal Fox I Lift Stat Repl	550,000	-	-	-
WW2003 : Biosolids Bldg. Project Contingency	264,700	-	-	-
220552-Wastewater Collections	484,250	545,900	470,400	700,000
56001-0-Motor Vehicles - Replacements	80,000	115,000	279,000	-
WW6006 : Repl 1733 Ford 550	-	60,000	-	-
WW6012 : Vehicle #1753 1-Ton Utility	-	55,000	-	-
WW6013 : Repl Vactor (split w/Storm)	-	-	279,000	-
WW6020 : Repl 1726 Jetter Trailer	80,000	-	-	-
56002-0-Machinery and Equipment	68,000	20,000	20,000	20,000
WW6003 : 4 Trashpump#2142Replacement	48,000	-	-	-
WW6015 : Sanitary Sewer Flow Metering	20,000	20,000	20,000	20,000
56101-0-Land Improvements	239,950	410,900	165,000	630,000
WW6002 : 213 S. 18th St Construction	35,000	-	-	-
WW6008 : Sanitary Sewer MFT Funds	115,000	115,000	115,000	115,000
WW6016 : Dunham Rd Force Main	-	-	-	500,000
WW6026 : Concrete Program-Aintree Rd-WW	15,750	-	-	-
WW6027 : 9th and Adams	59,200	-	-	-
WW6028 : N 2nd Ave to Delnor	-	280,900	-	-
WW6029 : AMLII-Kirk & Illinois	-	-	35,000	-
WW6030 : PW Facility Parking Lot Improvements	15,000	15,000	15,000	15,000
56150-0-Design Engineering - Capital	3,150	-	3,200	50,000
WW6002 : 213 S. 18th St Construction	3,150	-	-	-
WW6016 : Dunham Road Force Main DE	-	-	-	50,000

FY 13/14 Capital Budget

	Budgeted FY 13-14	Proposed FY 14-15	Proposed FY 15-16	Proposed FY 16-17
WW6029 : AMLII-Kirk & Illinois	-	-	3,200	-
56160-0-Construction Engineering - Capital	3,150	-	3,200	-
WW6002 : 213 S. 18th St Construction	3,150	-	-	-
WW6029 : AMLII-Kirk & Illinois	-	-	3,200	-
56200-0-Structures and Improvements	90,000	-	-	-
WW6009 : Vactor Rec Station	90,000	-	-	-
Total Wastewater Fund	1,547,350	1,055,900	2,595,400	1,575,000
Bonded Projects/IEPA	550,000	-	1,800,000	625,000
Prior Bonded Projects/IEPA	264,700	-	-	-
Replacement Funded Capital	80,000	305,000	279,000	-
Cash Projects	652,650	750,900	516,400	950,000

Motor Fuel Tax

350500-Motor Fuel Tax	1,240,126	1,768,328	966,408	966,408
56101-0-Land Improvements	1,240,126	1,348,421	966,408	966,408
MF1000 : Annual Resurfacing Program	966,408	966,408	966,408	966,408
MF1001 : IL64-7th to Dunham (62195)	273,718	282,013	-	-
MF1002 : 7th to Dunham (62410)	-	100,000	-	-
56150-0-Design Engineering - Capital	-	251,944	-	-
MF1001 : IL64-7th to Dunham (62195)	-	124,417	-	-
MF1002 : 7th to Dunham (62410)	-	127,527	-	-
56160-0-Construction Engineering - Capital	-	167,963	-	-
MF1001 : IL64-7th to Dunham (62195)	-	82,945	-	-
MF1002 : 7th to Dunham (62410)	-	85,018	-	-
Total Motor Fuel Tax	1,240,126	1,768,328	966,408	966,408

Capital Projects Fund

513200-Capital Projects-IS	-	80,000	90,000	-
56004-0-Computer Equipment	-	80,000	90,000	-
IS1007 : ISeries Upgrade	-	80,000	-	-
IS1011 : Telephone Parts/Equipment	-	-	90,000	-
513300-Capital Projects-Police	20,000	-	-	-
56170-0-Other Engineering Services - Capital	20,000	-	-	-
CP3004 : PD Facility Assessment	20,000	-	-	-
513400-Capital Projects-Fire	49,500	215,500	190,000	-
56002-0-Machinery and Equipment	14,500	15,500	-	-
CP4006 : Thermal Imaging Camera	14,500	15,500	-	-
56099-0-Other Capital	35,000	200,000	190,000	-
CP4007 : Replacement Of Air Boat	35,000	-	-	-
CP4009 : SCBA Replacements	-	200,000	190,000	-
513500-Capital Projects-Street/Bridge	2,823,560	2,911,129	340,000	491,000
56002-0-Machinery and Equipment	10,000	10,000	10,000	10,000
CP5600 : Brine Equipment	10,000	10,000	10,000	10,000
56100-0-Land	800,000	-	-	-
CP5047 : VFW Property Acquisition	800,000	-	-	-
56101-0-Land Improvements	1,863,560	2,629,129	230,000	320,000
CP5001 : Concrete Program	310,000	230,000	230,000	270,000
CP5002 : 7th to Dunham (62410)	280,560	289,063	-	-
CP5003 : City Hall Parking Lot Imp/Grants	-	800,000	-	-
CP5021 : Tyler Rd - From Rt.64 to Kirk/Grant	-	870,066	-	-
CP5022 : 15th Street Project/Grant	423,000	-	-	-
CP5032 : Concrete Program-Aintree Rd	-	440,000	-	-
CP5042 : Retroreflectivity Sign Program	-	-	-	50,000
CP5046 : RG/North HS/River Ridge Rd (D303 \$250+	650,000	-	-	-
CP5047 : VFW Demo & Parking Const	200,000	-	-	-
56160-0-Construction Engineering - Capital	49,000	121,000	49,000	50,000

FY 13/14 Capital Budget

	Budgeted FY 13-14	Proposed FY 14-15	Proposed FY 15-16	Proposed FY 16-17
CP5001 : Concrete Program	49,000	49,000	49,000	50,000
CP5003 : City Hall Parking Lot Improvem	-	72,000	-	-
56170-0-Other Engineering Services - Capital	51,000	51,000	51,000	111,000
CP5016 : General Testing Services	25,000	25,000	25,000	25,000
CP5017 : Street Rating Evaluation	-	-	-	60,000
CP5027 : PH Testing	26,000	26,000	26,000	26,000
56200-0-Structures and Improvements	50,000	100,000	-	-
CP5037 : Main St Bridge Alcove Repairs	50,000	-	-	-
CP5038 : Illinois Bridge Repairs	-	100,000	-	-
513501-Capital Projects-Storm	1,080,000	435,000	510,000	2,010,000
56101-0-Land Improvements	1,000,000	300,000	300,000	1,800,000
CP5705 : Tyler Rd Drainage	700,000	-	-	-
Storm Sewer Projects Annual Allocation	300,000	300,000	300,000	300,000
CP5700 : MFT Storm Contribution : MFT Storm Conti	-	-	-	-
CP5707 : Baker Church French Drain Install	-	-	-	-
CP5708 : Culvert Relining @ 7th Ave	-	-	-	-
CP5710 : N. 15th St Culvert Replacement	-	-	-	-
CP5711 : Dean St Creek Culvert Repairs	-	-	-	-
CP5712 : Walnut St Storm Sewer Replacement	-	-	-	-
CP5713 : Dean St & 11th St Culvert Lining	-	-	-	-
CP5714 : 7th Ave/State Ave Creek Culvert Replace	-	-	-	-
CP5715 : North 9th St Culvert Replacement	-	-	-	-
CP5716 : Fairview Drive-Phse 1 & 2 Storm	-	-	-	-
CP5717 : Misc Storm Sewer Lining	-	-	-	-
CP5718 : Woods of Fox Glen Creek	-	-	-	-
CP5719 : McKinley St Bypass	-	-	-	-
CP5721 : Sump Line Invest & Relo	-	-	-	-
CP5722 : John Deutsch Dr Culvert Replace	-	-	-	-
CP5723 : Second & Delnor Ave Storm Rehab	-	-	-	-
CP5724 : Northgate Riverbank Improve	-	-	-	1,500,000
56150-0-Design Engineering - Capital	60,000	135,000	210,000	60,000
Storm Sewer Projects Annual Allocation	60,000	60,000	60,000	60,000
CP5704: 7th Ave Creek Rehabilitation Project	-	-	-	-
CP5711 : Dean St Creek Culvert Repairs	-	-	-	-
CP5724 : Northgate Riverbank Improve	-	75,000	150,000	-
56160-0-Construction Engineering - Capital	-	-	-	150,000
CP5703 : FoxGlen Norton Cr Stream Stabi	-	-	-	-
CP5704: 7th Ave Creek Rehabilitation Project	-	-	-	-
CP5724 : Northgate Riverbank Improve	-	-	-	150,000
56170-0-Other Engineering Services - Capital	20,000	-	-	-
CP5703 : Fox Glen Norton Creek Streambank Stable	20,000	-	-	-
513511-Capital Projects-Special Svcs	2,672,000	488,188	-	350,000
56101-0-Land Improvements	872,000	413,188	-	-
CP5900 : EAB Tree Program	872,000	413,188	-	-
56170-0-Other Engineering Services - Capital	25,000	-	-	-
CP5806 : Facilities Preventative Maint Study	25,000	-	-	-
56200-0-Structures and Improvements	1,775,000	75,000	-	350,000
CP5803 : Fire Station 3 Roof Coating	70,000	-	-	-
CP5808 : Municipal Bldg Improvements	1,500,000	-	-	-
CP5809 : Century Station Soffit Repairs	45,000	-	-	-
CP5811 : Heritage Center Roof Coating	-	75,000	-	-
CP5814 : PW Maint Garage Replacement	-	-	-	350,000
CP5820 : George's Sports Remodeling	125,000	-	-	-
CP5821 : Police Mechanical Improvements	35,000	-	-	-
Total Capital Projects Fund	6,645,060	4,129,817	1,130,000	2,851,000
Bonded Projects	324,000	581,066	150,000	1,650,000

FY 13/14 Capital Budget

	Budgeted FY 13-14	Proposed FY 14-15	Proposed FY 15-16	Proposed FY 16-17
Bonded Projects (RGB Levy Excess)	3,200,000	-	-	-
Prior Bonded Projects	1,552,560	702,251	-	-
Grants/Contributions	349,000	1,236,000	-	-
Transfer from General Fund (IS)	-	80,000	90,000	-
Transfer from General Fund (Police)	20,000	-	-	-
Transfer from General Fund (Fire)	49,500	215,500	190,000	-
Transfer from General Fund (PW)	1,150,000	1,315,000	700,000	1,201,000
Total Bonded	3,524,000	581,066	150,000	1,650,000

Inventory

800223-Inventory	750	750	750	-
56004-0-Computer Equipment	750	750	750	-
IN2002 : iPads	750	750	750	-
Total Inventory	750	750	750	-

Motor Vehicle Replacement

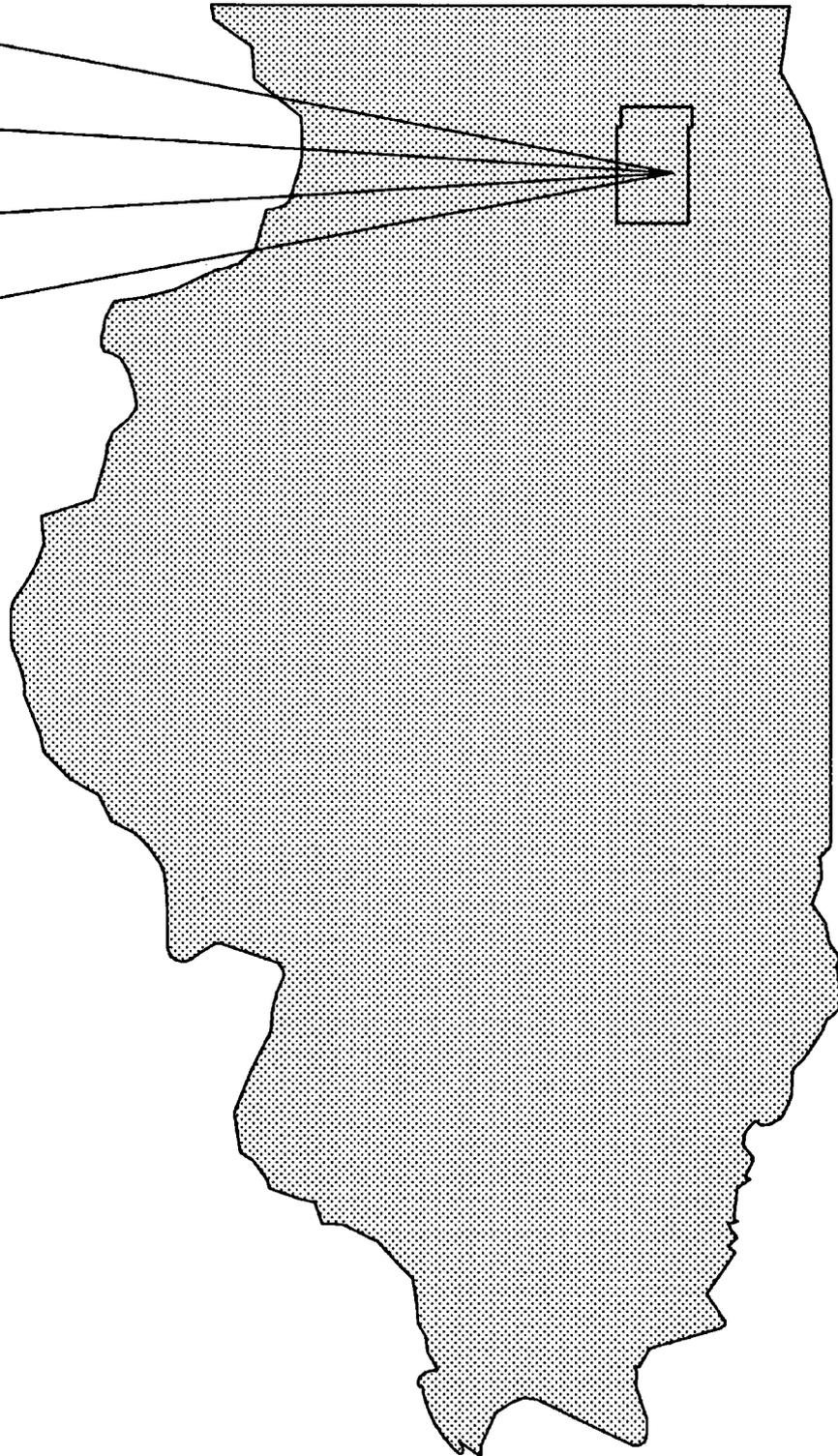
801300-Motor Vehicle-Police	211,000	201,000	139,000	250,000
56001-0-Motor Vehicles - Replacements	211,000	201,000	139,000	250,000
MV3001 : Repl 1745 PD 40 2004 Excursion	40,000	-	-	-
MV3002 : Repl 1789 PD 11 2004 Crowne	-	32,000	-	-
MV3007 : Repl 1975 PD 07 05 Impala-Inv	-	32,000	-	-
MV3009 : Repl 1721 PD 30 2008 Explorer	40,000	-	-	-
MV3011 : Repl 1741 PD 29 2009 Crown Vic	35,000	-	-	-
MV3013 : Repl 1755 PD 03 Explorer-Admin	32,000	-	-	-
MV3014 : Repl 1806 PD 46 04 GMC Van	-	32,000	-	-
MV3015 : Repl 1931 PD 06 2008 CrownVic	-	-	34,000	-
MV3016 : Repl 1768 PD 43 2009 Escape	-	-	35,000	-
MV3017 : Repl 1718 PD 22 2010 Crown Vic	-	35,000	-	-
MV3018 : Repl 1704 PD 27 2010 Crown Vic	-	35,000	-	-
MV3019 : Repl 1727 PD 31 2010 Dodge Chg	-	35,000	-	-
MV3020 : Repl 1769 Ford Ranger-Invest	32,000	-	-	-
MV3021 : Repl 1702 PD 26 2010 Crown Vic	-	-	35,000	-
MV3022 : Repl 1712 PD 32 2010 Crown Vic	-	-	35,000	-
MV3028 : Repl 1781 (repl for Acura)	32,000	-	-	-
MV3029 : Repl 1842 2011 Crown Vic (23)	-	-	-	35,000
MV3030 : Repl 1790 2012 Charger	-	-	-	35,000
MV3031 : Repl 1777 2012 Charger (25)	-	-	-	35,000
MV3032 : Repl 1780 2012 Charger (29)	-	-	-	35,000
MV3033 : Repl 1774 2012 Charger (33)	-	-	-	35,000
MV3034 : Repl 1841 2011 Crown Vic (44)	-	-	-	35,000
MV3035 : Repl 1870 2012 Chevy Tahoe (20)	-	-	-	40,000
801400-Motor Vehicle-Fire	100,000	-	452,880	-
56001-0-Motor Vehicles - Replacements	100,000	-	452,880	-
MV4004 : Replace Command 112-City 1952	50,000	-	-	-
MV4005 : Replace Command 113- City 1995	50,000	-	-	-
MV4006 : Replacement Of Car 111 (Chief)	-	-	43,087	-
MV4009 : Replace Pumper 105	-	-	409,793	-
801510-Motor Vehicle-PS-Const Svcs	256,000	584,500	669,300	47,200
56001-0-Motor Vehicles - Replacements	256,000	584,500	669,300	47,200
MV5002 : Repl 1996 Dump W/V-Box	-	128,000	-	-
MV5003 : Repl 1715 3-Ton W/Plow&Spred	-	116,500	-	-
MV5004 : Repl 1716 Dump W/Plow-Spred	-	70,000	-	-
MV5010 : Repl 1797 2007 IHC 7400 4x2	-	-	113,400	-
MV5011 : Repl 1798 2007 IHC 7400 4x2	-	-	113,400	-
MV5015 : Repl 1821 2007 Ford F550 V8	-	-	46,100	-
MV5018 : Repl 1888 1997 Morbark Chipper	42,000	-	-	-

FY 13/14 Capital Budget	Budgeted FY 13-14	Proposed FY 14-15	Proposed FY 15-16	Proposed FY 16-17
MV5021 : Repl 1925 2002 Cat Enloader	164,000	-	-	-
MV5022 : Repl 1941 2007 IHC 7400 SFA 6x4	-	-	122,700	-
MV5023 : Repl 1943 2007 IHC 7400 SFA 6x4	-	-	122,700	-
MV5024 : Repl 1956 2008 Ford F550 V8	-	-	-	47,200
MV5025: Repl 2000 2004 Stump Grinder	50,000	-	-	-
MV5701 : Repl 1863 2004 6 Wheel Dump Trk	-	125,000	-	-
MV5702 : Tv Trailer #2172	-	145,000	-	-
MV5703 : Repl Vactor (split w/Wastewater)	-	-	151,000	-
801511-Motor Vehicle-PS-Special Svcs	28,000	145,000	-	-
56001-0-Motor Vehicles - Replacements	28,000	145,000	-	-
MV5800 : Repl 1813 3/4 ton Pickup	28,000	-	-	-
MV5801 : Repl 1889 Ford 7700 1/2 4Wh Dr	-	35,000	-	-
MV5804 : Repl 1707 Ford 450/w Lift	-	110,000	-	-
801600-Motor Vehicle-Comm Develop	22,000	-	-	-
56001-0-Motor Vehicles - Replacements	22,000	-	-	-
MV6001 : Repl 1907; Sedan Admin	22,000	-	-	-
Total Motor Vehicle Replacement	617,000	930,500	1,261,180	297,200
Communications Fund				
804200-Communications-Info Systems	176,386	164,386	157,386	132,386
56003-0-Office Furnishings and Equip	44,000	32,000	25,000	-
CO1000 : Copier Replacement - IS	21,000	-	-	-
CO1002 : Copier Replace - Police IR3570	12,000	-	-	-
CO1003 : Copier Replace - Fire IR2270	11,000	-	-	-
CO1004 : Copier Replace - City Admin	-	32,000	-	-
CO1005 : Copier Replace - Police IR1023	-	-	2,000	-
CO1006 : Copier Replace - Police IR5065	-	-	21,000	-
CO1007 : Copier Replace - Police IR1023	-	-	2,000	-
56004-0-Computer Equipment	100,386	100,386	100,386	100,386
CO2000 : Computer Replacement Purchases	100,386	100,386	100,386	100,386
56301-0-Capitalized Software	32,000	32,000	32,000	32,000
CO2000 : Computer Replacement Purchases	32,000	32,000	32,000	32,000
804530-Communications-Fiber	111,600	16,000	29,300	10,000
56002-0-Machinery and Equipment	79,500	11,000	4,300	5,000
CO3003 : Fire Dept Key Scan	-	5,500	-	-
CO3004 : PW Facility Key Scan	4,300	-	4,300	5,000
CO3005 : Police Dept Key Scan	-	5,500	-	-
CO3015 : IDOT Garage Gate and Door	18,200	-	-	-
CO3019 : Keyscan Installation Biosolids	2,000	-	-	-
CO3020 : PD Video Surveillance System	55,000	-	-	-
56004-0-Computer Equipment	5,000	5,000	5,000	5,000
CO3011 : Switch Replacement	5,000	5,000	5,000	5,000
56213-0-Fiber Optic System	27,100	-	20,000	-
CO3000 : River Crossing Fiber	20,000	-	-	-
CO3001 : Sub 8 to Sub 2 Fiber Connect	-	-	20,000	-
CO3018 : Biosolids Bldg Fiber Install	7,100	-	-	-
Total Communications Fund	287,986	180,386	186,686	142,386
Total - All Capital	16,009,197	14,680,389	11,455,426	11,958,631

APPENDIX



ST. CHARLES
SINCE 1834



Appendix

<u>Debt Service Schedule</u>	<u>VII- 2</u>
<u>Employees Counts</u>	<u>VII- 3</u>
<u>Ratios of General Obligation Bonded Debt Outstanding</u>	<u>VII- 4</u>
<u>Ratios of Outstanding Debt by Type</u>	<u>VII- 5</u>
<u>Assessed Value and Actual Value of Taxable Property</u>	<u>VII- 6</u>

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Schedule of Existing and Planned Debt

<u>Fund</u>	<u>Original</u>		<u>Issue</u>	<u>FY 13/14</u>	<u>FY 14/15</u>	<u>FY 15/16</u>	<u>FY 16/17</u>
	<u>Principal</u>	<u>Term</u>					
Manion Property	1,050,000	10	2002	4,585	4,585	4,585	4,585
Total Corporate				4,585	4,585	4,585	4,585
2002 G. O. Bond- Little Woods Property	307,000	15	2002	23,186	-	-	-
2005 G. O. Bond- Public Works Garage	16,500,000	20	2005	812,000	832,000	-	-
2008 G. O. Bond- Fire Station, Truck/Riverwall	11,000,000	20	2008	936,086	933,386	935,256	934,856
2008 Revenue Bond - Costco	8,935,000	16	2008	939,282	959,262	976,116	999,840
2009 G. O. Bond- Refunding Issue	3,156,550	5	2009	572,527	266,861	-	-
2010 G. O. Bond- Refunding Issue	4,305,000	5	2010B	940,776	924,026	932,150	-
2011A G. O. Bond- Capital Projects	3,999,780	20	2011A	287,988	289,141	290,210	289,635
2011B G. O. Bond - Refunding Issue	97,968	5	2011B	3,026	26,256	26,414	26,244
2011C G. O. Bond - Refunding Issue	2,885,000	13	2011C	105,326	105,326	105,326	105,326
2012 G. O. Bond - EAB	2,500,000	10	2012	303,548	299,800	300,300	303,400
2012 G. O. Bond- Redgate Bridge Project	4,785,000	20	2012	328,812	327,600	324,000	328,600
2012B G. O. Bond - Refunding Issue	12,025,000	13	2012	751,584	706,100	1,535,200	1,521,300
2013 G. O. Bond - Engineering Projects	3,524,000	20	2013	-	259,302	259,302	259,302
2014 G. O. Bond - Engineering Projects	581,066	20	2014	-	-	43,708	43,708
2015 G. O. Bond - Engineering Projects	150,000	20	2015	-	-	-	11,531
2016 G. O. Bond - Engineering Projects	1,650,000	20	2016	-	-	-	-
Total Debt Service Funds*				6,004,141	5,929,060	5,727,982	4,823,742
Foundry Reconstruction TIF Project (Refunding)	2,325,000	8	2009	336,156	334,388	341,776	336,326
St. Charles Mall TIF Project (Refunding)	1,920,000	12	2010	222,400	222,900	218,250	222,050
St. Charles Manufacturing TIF Project (Refunding)	3,090,000	15	2011D	316,926	322,526	322,926	320,876
Hotel Baker TIF Project (Refunding)	2,615,000	11	2005B	319,182	-	-	-
Hotel Baker TIF Project (Refunding)	1,190,000	4	2012C	43,330	376,712	393,976	415,126
First Street Development TIF Project (Refunding)	22,355,000	25	2013A	658,231	894,200	894,200	894,200
Total TIF Funds				1,896,225	2,150,726	2,171,128	2,188,578
IEPA - Westside Treatment Plant Phase 1&2	7,097,533	20	2000	467,079	467,079	467,079	467,079
IEPA - NPDES Compliance	10,000,000	20	2004	651,073	651,073	651,073	651,073
IEPA - WW Plant Construction	1,898,185	20	2011	97,892	97,892	97,892	97,892
IEPA - Bio-Solids Project	9,595,815	20	2013	-	603,687	603,687	603,687
Sewer 2007B G.O. Bond Issue	2,000,000	20	2007B	145,420	147,276	143,946	145,616
Sewer 2010A G.O. Bond Issue	1,467,914	20	2010A	110,136	109,799	109,438	110,266
Sewer 2011A G.O. Bond Issue	860,220	20	2011A	61,936	62,185	62,414	62,291
Sewer 2013 G.O. Bond Issue	550,000	10	2013	-	67,810	67,810	67,810
Sewer 2015 G.O. Bond Issue	1,800,000	20	2015	-	-	-	138,377
Sewer 2013 Interfund Loan	550,000	10	2013	41,236	65,880	66,363	66,816
Water 2008B G.O. Bond Issue	1,830,000	20	2008B	133,966	136,078	137,986	134,686
Water 2010A G.O. Bond Issue	2,326,725	20	2010A	174,573	174,038	173,465	174,777
Water 2012 G.O. Bond Issue	815,000	20	2012	53,770	55,200	54,600	58,700
Water 2014 G.O. Bond Issue	1,870,000	20	2014	-	-	140,661	140,661
Water 2014 G.O. Bond Issue	675,000	20	2015	-	-	-	51,891
IEPA - Radium Removal Project	6,699,400	20	2011	348,420	348,420	348,420	348,420
Little Woods Property Agreement	913,776	8	2011	114,222	114,222	114,222	114,222
Water 2013 Interfund Loan	250,000	10	2013	22,330	28,750	28,526	28,738
Electric 2002 G. O. Bond Issue	4,583,000	15	2002	346,014	-	-	-
Electric 2008C G. O. Bond Issue	2,369,800	20	2008C	195,520	197,280	198,766	199,766
Electric 2009 G. O. Bond Refunding Issue	1,213,450	5	2009	220,093	102,589	-	-
Electric 2010A G. O. Bond Issue	3,295,361	20	2010A	247,247	246,493	245,679	247,539
Electric 2011B G. O. Bond Refunding Issue	1,462,032	6	2011B	45,174	391,844	394,186	391,656
Electric 2012 G. O. Bond Issue	935,000	20	2012A	62,940	63,826	63,126	67,076
Electric 2013 G. O. Bond Issue	627,000	20	2013	-	46,136	46,136	46,136
Electric 2014 G. O. Bond Issue	960,000	20	2014	-	-	72,211	72,211
Electric 2015 G. O. Bond Issue	2,050,000	20	2015	-	-	-	157,596
Electric 2013 Interfund Loan	1,100,000	10	2013	76,468	122,167	123,064	123,904
Total Enterprise Funds				3,615,509	4,299,724	4,410,750	4,768,886
Total Debt All Funds				11,520,460	12,384,095	12,314,445	11,785,791

*Debt service funded by transfers primarily from the General Corporate Fund.

Appendix
Full Time Equivalent Employees by Department

	Proposed FY 11/12	Proposed FY 12/13	Proposed FY 13/14	
City Administration	4.2	4.2	4.075	-0.1
Finance	19.7	20.6	19.432	-1.2
Community Development	14.4	13.0	13.156	0.2
Economic Development	3.0	3.0	3.000	0.0
Public Works	101.7	101.1	100.823	-0.3
Human Resources	5.4	5.4	5.475	0.1
Police	70.3	70.8	70.387	-0.4
Fire	53.5	51.2	51.470	0.3
Information Systems	11.6	11.6	11.500	-0.1
Total FTE:	283.8	280.9	279.318	-1.6

CITY OF ST. CHARLES, ILLINOIS

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available		Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
		In Debt	Service Fund			
2003	\$ 35,360,000	\$ 1,202,790	\$ 34,157,210	3.18%	\$ 1,101.85	
2004	37,875,000	1,204,198	36,670,802	3.10%	1,151.94	
2005	42,135,000	490,610	41,644,390	3.34%	1,268.64	
2006	56,485,000	13,478	56,471,522	4.18%	1,720.33	
2007	70,185,000	1,084,365	69,100,635	4.73%	2,105.06	
2008	82,760,000	1,979,011	80,780,989	5.11%	2,460.88	
2009	92,395,000	903,486	91,491,514	5.55%	2,834.66	
2010	87,875,000	2,335	87,872,665	5.35%	2,722.54	
2011	90,225,000	10,342	90,214,658	5.83%	2,735.93	
2012	89,720,000	13,673	89,706,327	6.15%	2,705.83	

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Assessed Value and Actual Value of Taxable Property on page 142 for property value data.

CITY OF ST. CHARLES, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Notes Payable	Revenue Bonds	General Obligation Bonds	Installment Notes Payable	Revenue Bonds			
2003	\$ 28,092,939	\$ 995,376	\$ -	\$ 7,267,061	\$ 9,622,276	\$ -	\$ 45,977,652	4.37%	\$ 1,483.15
2004	31,040,023	973,010	-	6,834,977	10,671,803	-	49,519,813	4.58%	1,555.56
2005	35,743,892	920,623	-	6,391,108	16,600,164	-	59,655,787	5.35%	1,817.33
2006	50,549,546	697,678	-	5,935,454	17,794,104	-	74,976,782	6.72%	2,284.07
2007	62,718,962	467,680	-	7,466,038	16,720,449	-	87,373,129	7.84%	2,661.71
2008	74,023,398	337,917	-	8,736,602	15,637,454	-	98,735,371	7.27%	3,007.84
2009	81,856,192	257,600	8,935,000	10,538,808	14,522,883	-	116,110,483	9.41%	3,597.42
2010	78,079,206	181,868	8,935,000	9,795,794	13,926,307	-	110,918,175	8.72%	3,436.55
2011	74,198,190	103,048	8,935,000	16,026,810	18,202,396	-	117,465,444	9.04%	3,562.37
2012	73,995,195	89,036	8,655,000	15,724,805	18,777,806	-	117,241,842	9.47%	3,536.39

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Demographic and Economic Information on page 152 for personal income and population data.

CITY OF ST. CHARLES, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2002	\$ 737,062,340	\$ 229,901,820	\$ 106,413,084	\$ 1,073,377,244	0.7489	\$ 3,220,131,732	33.333%
2003	824,930,416	250,380,336	107,284,531	1,182,595,283	0.7506	3,547,785,849	33.333%
2004	876,989,053	260,848,331	109,413,588	1,247,250,972	0.7490	3,741,752,916	33.333%
2005	944,422,898	281,505,774	126,398,861	1,352,327,533	0.7537	4,056,982,599	33.333%
2006	1,007,971,270	317,706,581	135,486,864	1,461,164,715	0.7314	4,383,494,145	33.333%
2007	1,093,511,982	340,689,027	146,061,935	1,580,262,944	0.7300	4,740,788,832	33.333%
2008	1,130,538,083	363,806,483	154,181,792	1,648,526,358	0.7300	4,945,579,074	33.333%
2009	1,114,552,074	374,248,479	153,004,247	1,641,804,800	0.7300	4,925,414,400	33.333%
2010	1,044,846,020	354,606,287	148,675,847	1,548,128,154	0.7785	4,644,384,462	33.333%
2011	985,067,950	333,005,128	140,911,192	1,458,984,270	0.8260	4,376,952,810	33.333%

Data Source

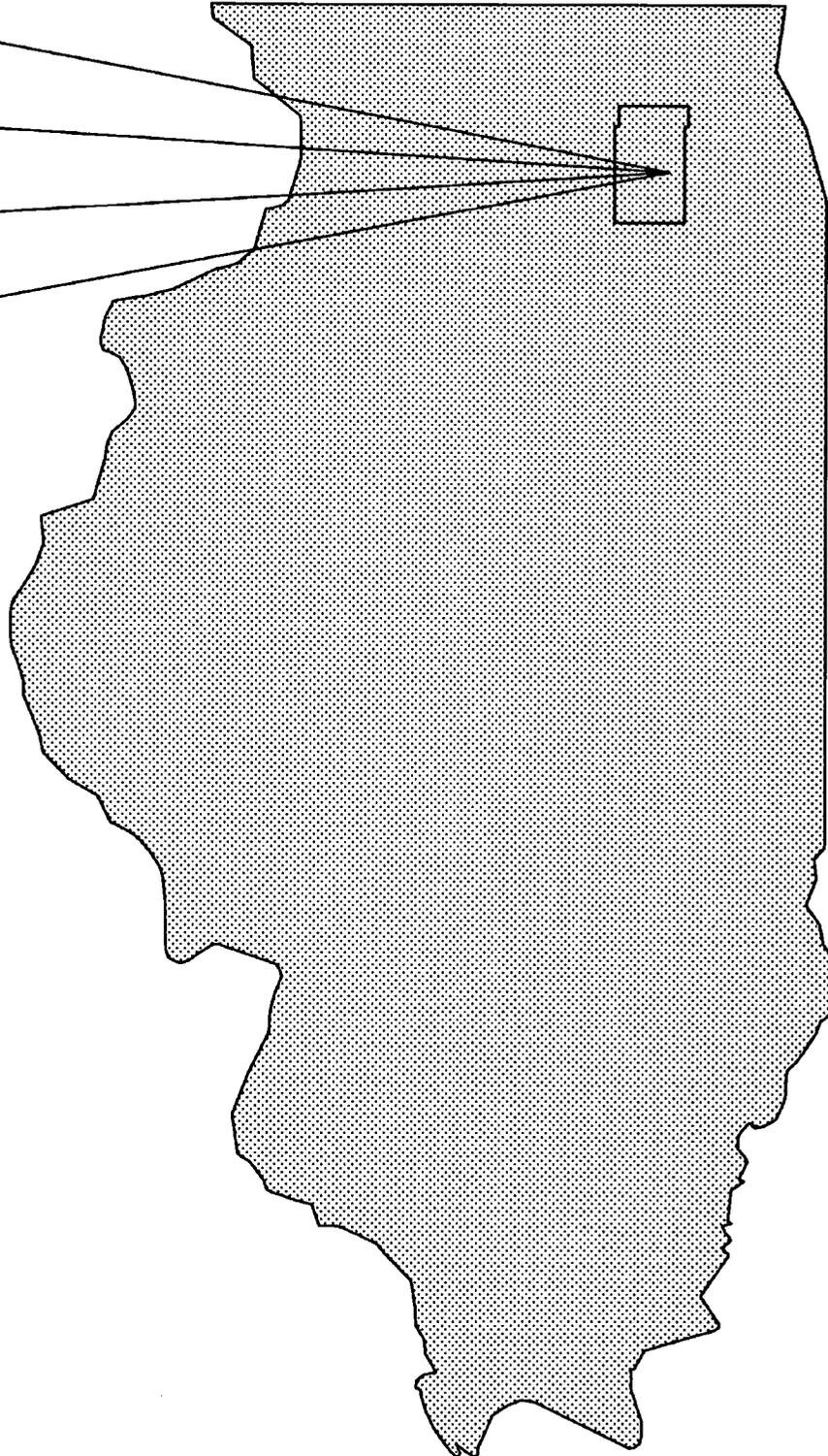
Office of the County Clerk

Note : Property in the City is reassessed each year. Property is assessed at 33% of actual value.

GLOSSARY



ST. CHARLES
SINCE 1834



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 Improvements Projects - 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 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 regulation, restrictions, or limitations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Portfolio - A compilation of investments held by an entity.

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

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

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

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

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

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

Proprietary Fund Types - The classification used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The Generally Accepted Accounting Principles 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 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.