

**A RESOLUTION TO APPROVE THE
FISCAL YEAR 2014 BUDGET FOR ALL FUNDS
FOR THE CITY OF ROLLING MEADOWS**

WHEREAS, the proposed annual budget for the City of Rolling Meadows has been approved for public inspection for at least ten (10) days prior to the passage of the annual budget.

WHEREAS, on November 1, 2013 notice of said public hearing was given by publication of notice thereof in a newspaper of general circulation in the City as required by law; and,

WHEREAS, the corporate authorities of the City of Rolling Meadows held a public hearing on said proposed budget at 7:30 p.m. on November 12, 2013 at the Municipal Building, 3600 Kirchoff Road, Rolling Meadows, Illinois.

BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF ROLLING MEADOWS, ILLINOIS, AS FOLLOWS:

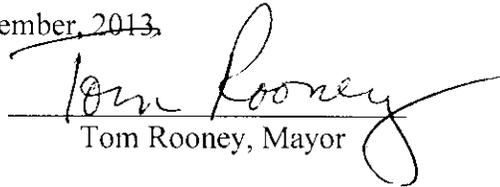
SECTION ONE: that the Annual Budget for Fiscal Year January 1, 2014 to December 31, 2014, for the City of Rolling Meadows, Cook County, Illinois, copies of which are attached hereto, and incorporated herein by reference, is hereby approved and adopted.

AYES: Prejna, Majikes, Banger, D'Astice, Larsen

NAYS: Cannon, Judd

ABSENT: 0

Passed and approved this 3rd day of December, 2013,


Tom Rooney, Mayor

ATTEST:


Ginny Cotugno, Deputy City Clerk

General Fund Balance Analysis – FY 2014 Proposed Budget

FY 2014 Proposed Budget Information

FY 2014 Proposed Expenditures	\$	28,205,457
Fund Balance with Manager's Hold	\$	4,763,532
Fund Balance as % of Expenditures		16.9%

Breakdown of Each Month's Expenditures

1 month of expenditures =	8.3%
2 months of expenditures =	16.7%
3 months of expenditures =	25.0%
4 months of expenditures =	33.3%
5 months of expenditures =	41.7%
6 months of expenditures =	50.0%

Listed above is a breakdown of the FY 2014 Proposed Budget's Expenditures for the General Fund, Fund Balance with Manager's Hold and the Fund Balance as a (%) of Expenditures. The Fund Balance as a Percent of Expenditures is a common measure for municipal fund balance. Fund Balance is a measure of the financials resources available to a government. As a rule of thumb, many municipalities will maintain at least two months but many times as much as six months of General Fund reserves.

Note: The above General Fund expenditures includes the Contracted Sidewalk Snow Removal as discussed at the November 19th Committee of the Whole Meeting and during the November 26th City Council Staff Report.

Property Tax Levy for FY 2014 Proposed Budget

	2011 <u>Tax Levy</u>	2012 <u>Tax Levy</u>	Proposed 2013 <u>Tax Levy</u>	Dollar Change from <u>From 12 Levy</u>	Percent Change <u>From 12 Levy</u>
<u>General Fund</u>					
Police Protection	1,810,905	1,810,905	1,810,905	0	0.0%
Fire Protection	1,810,905	1,810,905	1,810,905	0	0.0%
Police Pension	2,264,222	2,396,965	2,478,905	81,940	3.4%
Fire Pension	2,235,832	2,577,488	2,662,914	85,426	3.3%
IMRF Pension	1,010,370	1,000,000	1,000,000	0	0.0%
Public Works Operations	524,501	524,501	524,501	0	0.0%
Sub Total General	9,656,735	10,120,764	10,288,130	167,366	1.7%
<u>E911 Fund</u>					
E911 Service	551,500	551,500	551,500	0	0.0%
<u>Debt Service Purpose</u>					
2002A Bond (expires FY 2018)	511,516	496,550	492,000	(4,550)	-0.9%
2005 Bond (expires FY 2017)	845,600	839,555	836,200	(3,355)	-0.4%
Sub Total Debt Service	1,357,116	1,336,105	1,328,200	(7,905)	-0.6%
Total City	11,565,351	12,008,369	12,167,830	159,461	1.3%

**Property tax estimate increase by household -
based on total dollar tax bill paid:**

<u>Total Tax Bill</u>	<u>City Share</u>	<u>Tax Increase to Household</u>
\$2,500	\$385	\$5
3,000	462	6
4,000	616	8
5,000	770	10
6,000	924	12
7,500	1,155	15
9,000	1,386	18
10,000	1,540	20

The above estimate represents the tax increase to a typical household's tax bill. The estimate is formulated from the prior year's City percentage of the tax bill. The City's portion of a property tax bill was 15.4% for the 2011 Property Tax Levy. (Percentage is 15.4% from the City's FY 2012 Audit.)

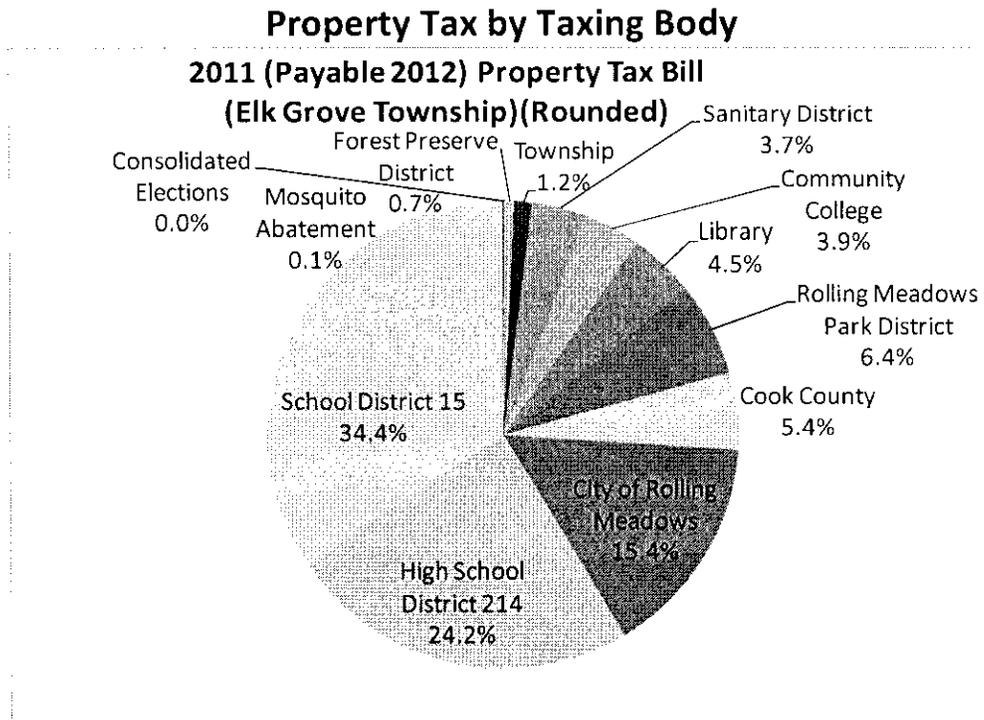
Pension increase per discussions with the City Council. Fund at the 2033 year vs. 2040 and at 100%.

Note: Every \$62,500 will increase the Tax Levy approximately by 0.5%. Please see below for tax increase by percent and dollars:

Tax Levy Increase	1.3%	\$ 159,461
	1.8%	\$ 221,961
	2.3%	\$ 271,961
	2.8%	\$ 341,961

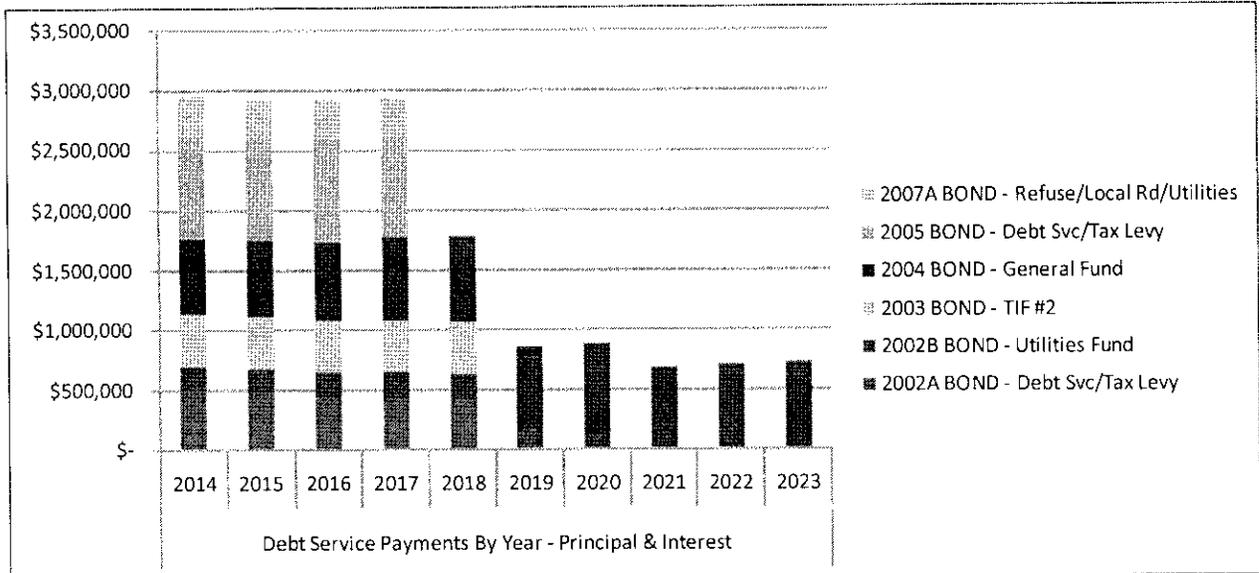
* Some rounding differences may occur.

**WHERE THE CITY'S 15 CENTS OF A PROPERTY TAX DOLLAR GOES
(2011 Tax Levy for FY 2012 Budget – Most Recent Data)**



Source: The City of Rolling Meadows' 2012 Audited Financial Statements. For each property tax bill paid in 2012, the City of Rolling Meadows' share represents 14 cents of each dollar paid (depending on the township where a person lives).

Outstanding Debt Service Summary – General Obligation Bonds Estimated as of 12/31/2013



**CITY OF ROLLING MEADOWS
SUMMARY OF OUTSTANDING GENERAL OBLIGATION BOND ISSUES**

Issues	City Fund Debt Retired By	Original Amount Issued	Maturity Date	Principal & Interest Outstanding Projected @ 12/31/13 (Unaudited)
G.O Bond Series 2002A	Debt Service (47)(Tax Levy)	4,885,000	2018	\$ 2,285,900
G.O Bond Series 2002B	Utilities (20)	2,600,000	2020	\$ 1,348,128
G.O Bond Series 2003	TIF #2 (Kirchoff/Owl -37)	4,030,000	2019	\$ 2,170,000
G.O Bond Series 2004	Debt Service (47)*	8,070,000	2023	\$ 6,893,291
G.O Bond Series 2005	Debt Service (47)(Tax Levy)	7,425,000	2017	\$ 3,338,600
G.O Bond Series 2007A	Utilities (20)	1,199,205	2017	\$ 580,518
G.O Bond Series 2007A	Refuse (16)	300,510	2017	\$ 145,472
G.O Bond Series 2007A	Local Roads (61)	1,335,285	2017	\$ 646,392
				\$ 17,408,301

Notes:

1) The City refunded (i.e., refinanced three bonds (2002A, 2002B & 2004) in FY 2012 for a savings of nearly \$750,000 over the next twelve years.

2) The 2004 Bond is retired with a transfer from the General Fund to the Debt Service Fund.

3) The 2003 Bond was refunded in FY 2013 for a savings approximately \$61,000.

Fund Structure Explanation

The City's budget contains fourteen (14) funds which make up most of the City's revenues and expenditures. The Police Seizure, Escrow, Police and Fire Pension Funds and Foreign Fire Insurance Funds are not included since they are not budgeted by the City. These funds are subject to review under the City's Audit which is available in the City's Comprehensive Annual Financial Report. The General Funds is the City's main operating fund and covers administration, finance, police, fire, board of fire and police, overhead, and some of the public works and debt service activities. As such, this fund is an important measure of the City's financial health and the City's ability to provide these essential services.

The City has two enterprise funds: the Utilities Fund and the Refuse Fund.

The City has one debt service fund, which covers debt service for three of the seven general obligation bonds.

The City has two special revenue funds: the E911 Fund and the Motor Fuel Tax Fund. These funds have restricted revenues that must be spent on only certain services and goods according to state statute. The Motor Fuel Tax Fund expenses are restricted only to projects that are used to improve and maintain streets and street lighting. The E911 Fund expenses are restricted to providing dispatch and emergency communication.

The City has five internal service funds: the Garage Fund, The Vehicle and Equipment Replacement Fund, the Building and Land Fund, the Liability Insurance Fund, and the Health Insurance Fund. These funds all provide services to other departments within the City. These funds are designed to charge the other departments (through chargebacks) for the cost of these services. The idea being that these internal service funds represent the cost of providing those services to the other funds.

And finally, the City has three (3) capital funds: TIF #2, the Local Road Fund, and the Transit Orientated Development Fund (TIF #1 is represented in FY 2013 Budget but expired on December 31st, 2012; TIF #3 was closed in 2013). These funds are used to pay for capital improvement projects. The reason that these funds are separate is because these big ticket items would disrupt the expense and revenue trends

City of Rolling Meadows - Fund Balance Summary - FY 2012 Audited Data

FUND NAME	BGN FY 2011 AUDITED FUND BALANCE	REVENUES - AUDIT	EXPENSES - AUDIT	NET CHANGE IN CURRENT YEAR FUND BALANCE	NET TRANSFERS IN OR OUT TO OTHER FUNDS	ENDING FY 2012 AUDITED FUND BALANCE OR EQUIVALENT
Governmental Funds:						
General (01)	\$ 1,852,801	\$ 27,766,739	\$ 24,957,357	\$ 2,809,382	\$ (415,806)	\$ 4,246,377
Motor Fuel Tax (03)	1,428,665	728,357	1,195,239	(466,882)	-	\$ 961,783
E911 (04)	(219,958)	706,446	551,376	155,070	(20,000)	\$ (84,888)
Debt Service (47)	(181,941)	1,361,166	1,932,782	(571,616)	586,954	\$ (166,603)
Local Road (61)	(399,371)	2,868,816	2,117,532	751,284	4,036	\$ 355,949
TIF # 1 (18) Kirch/Meadow	791,562	115,016	767,806	(652,790)	(54,000)	\$ 84,772
TIF # 2 (37) Kirch/Owl	(682,428)	394,276	490,947	(96,671)	-	\$ (779,099)
TIF # 3 (50) Algon/53	22,164	(70,281)	82,121	(152,402)	-	\$ (130,238)
Transit Development (41)	394,257	-	-	-	7,195	\$ 401,452
Foreign Fire Tax (26) *	43,046	33,295	11,853	21,442	-	\$ 64,488
Police Asset Seizure (17) *	481,899	75,146	163,664	(88,518)	(66,883)	\$ 326,498
Enterprise Funds:						
Utilities (20)	2,530,989	8,926,726	7,735,312	1,191,414	(87,195)	\$ 3,814,455
Refuse (16)	594,674	2,489,840	2,224,955	264,885	-	\$ 892,360
Internal Service Funds:						
Garage (14)	39,236	1,201,947	1,287,816	(85,869)	-	\$ (50,317)
Vehicle-Equip (25)	534,536	1,198,936	659,783	539,153	-	\$ 1,163,915
Building & Land (33)	1,719	489,308	419,672	69,636	-	\$ 177,233
Liability Insurance (23)	226,726	1,029,293	631,800	397,493	-	\$ 415,745
Health Insurance (45)	(175,039)	4,759,296	3,757,331	1,001,965	-	\$ 477,762
TOTAL ALL CITY FUNDS	\$ 7,283,537	\$ 54,074,322	\$ 48,987,346	\$ 5,086,976	\$ (45,699)	\$ 12,171,644

Notes:

1) Governmental Funds' total fund balance increased \$1.8 million from FY 2011 to FY 2012, primarily due to natural growth and upward revenue trends, lower legal expenses, better than expected building permits, and various cost containment measures.

2) Rounding differences may occur from sheet to sheet comparison.

3) * Foreign Fire Tax and Police Asset Seizure Funds are not governed by the City, however, separate governing authority may authorize the use of the funds to offset certain eligible City expenses. In FY 2012 Foreign Fire Tax paid \$11,353 for City expenses and Police Asset Seizure paid \$163,664 for City expenses.

4) For Enterprise & Internal Service Funds, municipalities use a "Fund Balance Equivalent" which is Current Assts minus Current Liabilities for the Fund. There will be slight differences from this Fund Balance as compared with the City's Net Position page for the Audit's focus.

Governmental Funds Balance:	
FY 2012 Total	\$ 5,280,491
FY 2011 Total	\$ 3,480,732
Increase	\$ 1,799,759

FY 2013 PROJECTED ENDING FUND BALANCE

FUND NAME	BGN AUDITED FUND BALANCE - FY 2012	REVENUES - PROJECTED	EXPENSES - PROJECTED	OVER (UNDER) - PROJECTED	PROJECTED FUND BALANCE OR EQUIVALENT FY2013
General (01)	\$ 4,246,377	\$ 27,832,658	\$ 26,899,318	\$ 933,340	\$ 4,667,251
Motor Fuel Tax (03)	961,783	597,750	967,500	(369,750)	\$ 592,033
E911 (04)	(84,888)	788,388	577,375	211,013	\$ 126,125
Debt Service (47)	(166,603)	2,099,548	1,932,945	166,603	\$ -
Local Road (61)	355,949	2,033,361	2,158,354	(124,993)	\$ 230,956
TIF # 1 (18) Kirch/Meadow	84,772	-	84,772	(84,772)	\$ 0
TIF # 2 (37) Kirch/Owl	(779,099)	310,050	62,083	247,967	\$ (531,132)
TIF # 3 (50) Algon/53	(130,238)	-	2,000	(2,000)	\$ (132,238)
Transit Development (41)	401,452	20,000	20,000	-	\$ 401,452
Utilities (20)	3,814,455	11,610,292	9,909,746	1,700,546	\$ 5,515,001
Refuse (16)	892,360	2,203,162	2,121,478	81,684	\$ 974,044
Garage (14)	(50,317)	1,409,197	1,358,459	50,738	\$ 421
Vehicle-Equip (25)	1,163,915	1,139,683	939,697	199,986	\$ 1,363,901
Building & Land (33)	177,233	693,355	654,950	38,405	\$ 215,638
Liability Insurance (23)	415,745	966,355	777,800	188,555	\$ 604,300
Health Insurance (45)	477,762	4,652,733	4,087,277	565,456	\$ 1,043,218
TOTAL BUDGETED CITY FUND	\$ 11,780,658	\$ 56,356,532	\$ 52,553,754	\$ 3,802,778	\$ 15,070,970

Notes:

- 1) Rounding differences may occur between this sheet and the City Audit.
- 2) Utility (20), Refuse (16), Garage (14), Vehicle- Equipment (25), Building & Land (33), Liability Insurance (23), and Health Insurance (45) funds are calculated using Fund Balance Equivalent. This measure is calculated by subtracting Current Assets from Current Liabilities.
- 3) Ending Fund Balances for FY 2013 are unaudited data and are subject to change based on year-end close out and the audit.
- 4) TIF #1 expired effective 12/31/2012 and will remain an open fund until 12/31/2013. It was terminated by City Ordinance in 2012.
- 5) TIF #3 was terminated by Ordinance and will be closed out TIF #3 is to be closed out in late FY 2013 with General Fund reserves.
- 5) Manager's Hold is reflected in the FY 2014 Estimated Fund Balance. Review the General Fund Summary for the overall picture.
- 6) Recall - the City does not budget for Foreign Fire Tax or Police Asset Seizure - these Funds are excluded from this summary.

CITY OF ROLLING MEADOWS

FUND BALANCE SUMMARY - FY 2014 PROPOSED BUDGET

ESTIMATED BASED ON PROJECTED 2013 DATA

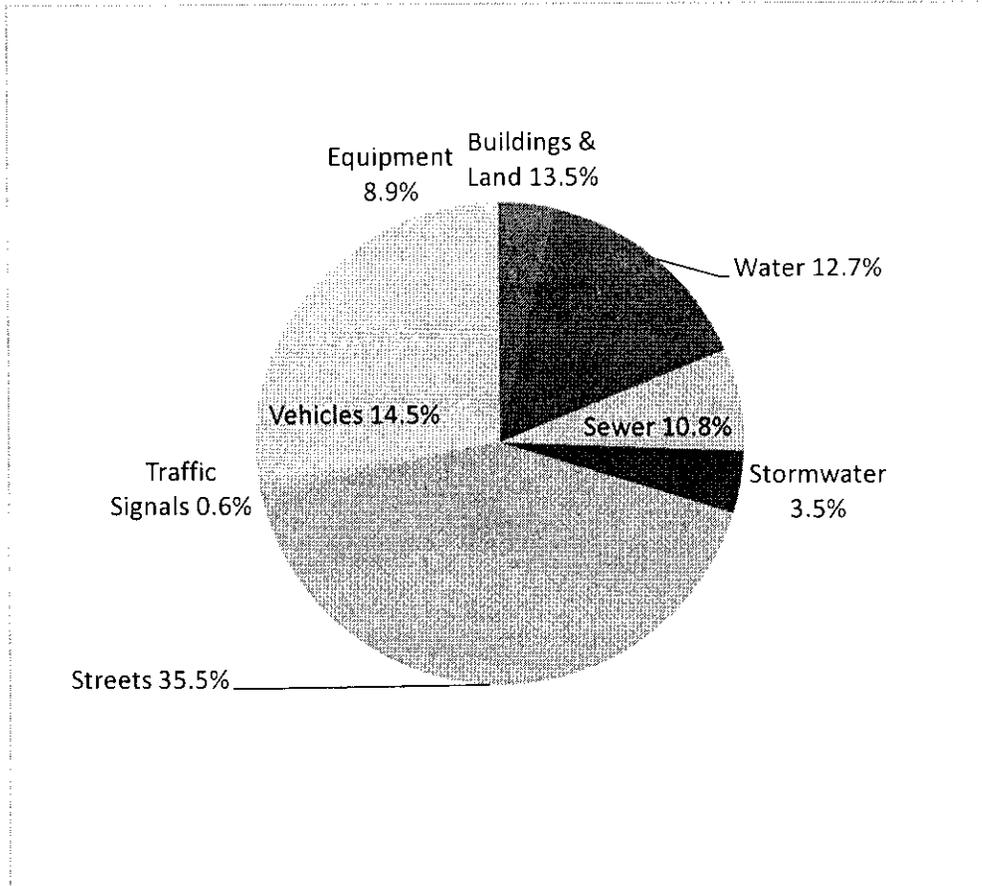
FUND NAME	ESTIMATED BEGIN BALANCE	REVENUES	EXPENSES	OVER (UNDER)	ESTIMATED END FUND BALANCE
General (01)	\$ 4,667,251	\$ 28,301,738	\$ 28,205,457	\$ 96,281	\$ 4,763,532
Motor Fuel Tax (03)	592,035	575,500	929,500	(354,000)	238,035
E911 (04)	126,125	703,500	702,410	1,090	127,215
Debt Service (47)	-	1,952,715	1,952,715	-	-
Local Road (61)	230,959	3,607,101	3,799,842	(192,741)	38,218
TIF # 1 (18) Kirch/Meadow	-	-	-	-	-
TIF # 2 (37) Kirch/Owl	(531,132)	310,050	484,365	(174,315)	(705,447)
TIF # 3 (50) Algon/53	(132,238)	-	-	-	-
Transit Development (41)	401,452	20,000	-	20,000	421,452
Utilities (20)	5,515,001	10,255,292	11,052,403	(797,111)	4,717,890
Refuse (16)	974,044	2,241,074	2,160,121	80,953	1,054,997
Garage (14)	421	1,440,737	1,425,449	15,288	15,709
Vehicle-Equip (25)	1,363,901	1,079,856	1,852,292	(772,436)	591,465
Building & Land (33)	215,638	438,500	437,120	1,380	217,018
Liability Insurance (23)	604,300	832,959	814,520	18,439	622,739
Health Insurance (45)	1,043,218	5,034,807	4,525,382	509,425	1,552,644
TOTAL ALL CITY FUNDS	\$ 15,070,975	\$ 56,793,829	\$ 58,341,576	\$ (1,547,747)	\$ 13,655,467

Note:

- 1) Rounding differences may occur between this sheet and the City Audit.
- 2) Utility (20), Refuse (16), Garage (14), Vehicle- Equipment (25), Building & Land (33), Liability Insurance (23), and Health Insurance (45) funds are calculated using Fund Balance Equivalent. This measure is calculated by subtracting Current Assets from Current Liabilities.
- 3) Beginning Fund Balances for FY 2014 are unaudited and subject to change based on year-end close out and the audit.
- 4) Ending Fund Balances for FY 2014 are not audited data and are subject to change based on year-end close out and the audit.
- 5) Manager's Hold is reflected in the FY 2014 Estimated Fund Balance. Review the General Fund Summary for the overall picture.
- 6) TIF #3 is to be closed out in late FY 2013 with General Fund reserves.
- 7) Projects in capital funds such as the Utilities Fund are estimated at the best estimate for project completion. Most capital projects are completed over multiple fiscal years.
- 8) Recall - the City does not budget for Foreign Fire Tax or Police Asset Seizure - these Funds are excluded from this summary.**

(Rounding differences will occur from sheet to sheet.)

**WHERE THE MONEY GOES
CAPITAL EXPENDITURES BY TYPE
FY 2014 CAPITAL IMPROVEMENTS PROGRAM REVIEW**



CATEGORY	\$	%
Buildings & Land	\$ 245,000	3.7%
Water	997,700	15.1%
Sewer	455,000	6.9%
Stormwater	275,000	4.1%
Streets/Sidewalks	2,781,500	42.0%
Traffic Signals	50,000	0.8%
Vehicles	1,139,000	17.2%
Equipment	685,000	10.3%
Total	\$ 6,628,200	100.0%

Listed above is a summary page of the FY 2014 Proposed Capital Projects.

Fund & Project Name - FY 2014 - Review of Capital Improvements Program

911 Fund

Emergency Outdoor Siren	\$ 25,000
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Utilities Fund

Water

Wellhead Protection Bldg Well #5	3,500
PS #2kW Standby Generator	4,200
Utility Service Ext. - Well #5	20,000
Pressure Zone Control Station Ph2	15,000
SCADA 3330 Upgrade	48,000
Watermain Capacity Impr Ph 3 - ENG	25,000
Watermain Relocate - I-90 / Apollo	50,000
Well #1 Motor & Bowl Inspection	85,000
Pressure Zone Control Station Ph 2	125,000
Pressure Zone Control Station Ph 3	125,000
Water System Interconnection Arl. Hts.	50,000
Watermain Extension - DuPont	117,000
Watermain Replacement - Adams	330,000
	\$ 997,700

Sewer

Sanitary Sewer Rehabilitation	100,000
Manhole Rehabilitation	75,000
Lift Station #1 Improvement Ph 3 of 3	75,000
Sanitary Sewer Force Main Replacement	75,000
Sanitary Sewer System - 5 YR Rehab Plan	35,000
Sanitary Sewer Improvements Countryside	25,000
GIS Hardware Replacement	25,000
I-90 Tollway - Sewer Relocate	25,000
Old Plum Grove Area - ENG	20,000
	\$ 455,000

Stormwater

Brookwood Detention Repairs	35,000
Storm Sewer Rehabilitation	100,000
Quentin Ridge Retention Upgrade	50,000
Streambank Stabilization Phase IV	80,000
Engineering Kennedy Pond Spillway	10,000
	\$ 275,000

Continued on the next page

Vehicle & Equipment Replacement Fund

City File Server Replacement	50,000
City Audio Visual Room Cameras	75,000
City IT Network Infrastructure Upgrade	25,000
PD - In-Car Laptop Computers	65,000
FD - Fire Engine RPL 610 1996	650,000
FD - Vehicle RPL 654 Crown Vic 2003	35,000
FD - Self Contained Breathing Appratus	310,000
PW - 2001 Dump Truck #319	170,000
PW - Trackless Sidewalk Plow #326	110,000
PW - Hotpatch Trailer	25,000
PW - 2000 Pick up Truck #367	34,000
PW - Refuse Truck #336	212,000
PW - Utilities - Pick up Truck #343	38,000
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	\$ 1,799,000

Local Road Fund

Capital - Routine Items

Sidewalk & Curb Replacement	130,000
City Entry Markers	30,000
Bridge Repairs - 12 City-Owned Bridges	60,000

Capital - Grant/Reimbursable Items

Bikepath & Roadway Commuter Drive	157,000
ENG - Bikepath & Roadway Commuter Drive ENI	45,000
Bikepath - Kirchoff @ Salt Creek	27,000
Golf Road Pedestrian Signals	50,000
Carriageway Bridge @ Salt Creek	100,000
ENG - Meacham Road Improvements	112,500
Rohlwing/Industrial Repaving	1,600,000

Capital - Annual Street Program

Annual Street Program	500,000
Annual Street Program - Engineering	50,000
	<hr/>
	\$ 2,861,500

Building & Land Fund

PW North Block Cleaning & Sealing	30,000
City Hall Perimeter Fence Replacement	25,000
City Hall Exterior	150,000
Police Range - Ceiling Repairs	10,000
	<hr/>
	\$ 215,000

Proposed Capital Projects for FY 2014 **\$ 6,628,200**

GENERAL FUND (01)

The General Fund is the City's primary operating fund. It accounts for major tax revenue to support administrative and public safety functions.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Amended Budget	FY 2013 Estimated Projection	FY 2014 Adopted Budget
Revenue					
Taxes	\$ 18,848,002	\$ 20,103,666	\$ 20,178,118	\$ 20,648,118	\$ 20,935,668
Intergovernmental	2,564,289	2,785,943	2,627,750	2,768,999	2,767,250
Licenses & Permits	1,051,557	1,150,185	931,750	860,195	886,500
Fines & Forfeits	1,113,105	1,185,563	985,300	887,753	868,800
Charges for Service	1,830,441	2,358,148	2,395,063	2,395,033	2,442,120
Investment Earnings	7,132	10,543	5,000	5,000	5,000
Miscellaneous	420,864	173,454	357,575	267,560	349,400
Other Financing Sources	537,400	166,882	0	0	47,000
Total Revenue	26,372,790	27,934,384	27,480,556	27,832,658	28,301,738
Expenditures					
Salaries	13,537,762	13,317,289	13,611,690	13,034,639	13,773,495
Benefits	3,121,137	3,510,785	3,824,635	3,769,233	3,846,981
IMRF	530,756	519,045	643,058	591,741	633,237
Fire Pension	2,213,921	2,312,142	2,577,488	2,577,488	2,662,914
Police Pension	2,245,217	2,348,936	2,396,965	2,396,965	2,478,905
Contractual Services	907,211	950,144	1,525,102	1,369,160	1,929,891
Chargebacks	1,449,808	1,760,243	1,978,537	1,978,537	1,903,934
Supplies	249,163	238,772	287,470	282,907	351,585
Debt Service *	0	583,452	763,443	763,443	624,515
Other Financing Uses *	27,290	0	135,205	135,205	0
Total Expenditures	24,282,265	25,540,808	27,743,593	26,899,318	28,205,457
Surplus (Deficit)	2,090,525	2,393,576	(263,037)	933,340	96,281
Ending Fund Balance	1,852,801	4,246,377	3,983,340	5,179,717	5,275,998
Manager's Hold	0	0	0	512,466	512,466
Ending Fund Balance with Hold	\$ 1,852,801	\$ 4,246,377	\$ 3,983,340	\$ 4,667,251	\$ 4,763,532
Fund Balance as % of Expenses	7.6%	16.6%	14.4%	19.3%	18.7%
Fund Balance with Hold as % of Expenses	7.6%	16.6%	14.4%	17.4%	16.9%

* City Resolution # 13-R-62 transfers \$301,808 from the General Fund to funds with negative fund balances. The Amended Budget reflects \$166,603 to the Debt Service Fund (included in Debt Service line item); \$84,888 to the 911 Fund and \$50,317 to the Garage Fund (both included in the Other Financing Uses line item).

Note: As discussed at the November 19th Committee of the Whole Meeting and during the November 26th City Council Staff Report, during winter 2014 for sidewalk snow removal a private contractor will be utilized.

Budget Notes: General Fund

- 1) FY 2013 Adopted Budget Fund Balance reflects the FY 2013 Adopted Fund Balance Estimate merged with the Budget Amendment Resolution # 13-R-62 transferring \$301,808 from the General Fund to funds with negative fund balances per the City's FY 2012 Audit. For the FY 2013 Amended Budget, the General Fund transferred \$166,603 to the Debt Service Fund, \$84,888 to the 911 Fund and \$50,317 to the Garage Fund.
- 2) The FY 2013 Estimated Surplus surpasses the FY 2013 Adopted Surplus due to an improving economy and real estate market. There is some natural growth in Sales Tax, Use Tax, Income Tax, Building Permits, City-issued tickets, among other, trending higher than expected. There are some slight reductions in expenditures across departments.
- 3) Ending Fund Balance for FY 2013 and FY 2014 in the Manager's Hold Line takes into account ongoing labor negotiations.
- 4) Sales Tax Sharing for Uncle Joe's Tuscan Fresh Market (coming online in early 2014) are \$160,000 and shown in Administrative Services under Tax Sharing.
- 5) Overall, conservative estimates for revenues are included in the FY 2014 Budget. The City Manager reduced expenditures in certain areas across departments.
- 6) The Emerald Ash Borer (EAB) Tree Removal and Replacement Program continues with a slight increase of \$90,000 over the FY 2013 Budget. This is below the Public Works initial request.
- 7) Lower projected rental income for FY 2013 is due to the LAMAR Billboard escrow – the City is required to reserve a certain amount for this escrow. The escrow was from FY 2011 to FY 2013. This also lowered an expenditure amount in the Finance Department.
- 8) In FY 2014 both the 911 Fund and the Garage Fund began a repayment to the General Fund for transfers related to the Budget Amendment (Resolution # 13-R-62).
- 9) Overall Fund Balance reserve is improving over time – a 9.7% increase from FY 2011.
- 10) As discussed at the August 20, 2013 Committee of the Whole Meeting, Chargebacks from the General Fund to the Vehicle and Replacement Fund and the Garage Fund are not at their full funding level. Moderate increases to the General Fund are included in the FY 2014 Proposed Budget.
- 11) Per the Capital Improvements Committee Recommendations, an Equipment Chargeback has been started from the General Fund to the Vehicle and Equipment Replacement Fund.
- 12) Animal control expenditures were increased by \$5,000 in the Police Department to combat the increased animal nuisances such as skunks.

MOTOR FUEL TAX FUND (03)

The City receives from the State an allotment of Motor Fuel Tax. This allotment is based on population and the amount of Motor Fuel Taxes collected. These funds are restricted in their use by the State. The City has chosen to use these funds for snow removal, street maintenance and capital improvements.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Intergovernmental	716,935	701,899	600,000	575,000	575,000
Investment Earnings	151	459	100	500	500
Miscellaneous	1,773	25,998	0	22,250	0
Total Revenue	718,859	728,356	600,100	597,750	575,500
Expenditures					
Contractual Services	157,521	268,687	200,000	188,750	208,000
Supplies	133,264	129,657	89,000	78,750	121,500
Capital Outlay	698,900	796,892	0	0	0
Other Financing Uses	0	0	700,000	700,000	600,000
Total Expenditures	989,685	1,195,236	989,000	967,500	929,500
Surplus (Deficit)	(270,826)	(466,880)	(388,900)	(369,750)	(354,000)
Ending Fund Balance	1,428,665	961,785	325,712	592,035	238,035
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) The FY 2014 Adopted Budget reflects the adopted policy to charge MFT-eligible commodities in this fund and transfer MFT-eligible dollars to the Local Road Fund to fund capital projects such as the Annual Street Program.
- 2) The transfer of MFT-eligible funds is shown in the Budget under Other Financing Uses.

BUDGET COMPARISON - MOTOR FUEL TAX FUND VS. LOCAL ROAD FUND

	CAPITAL IN		FY 2014	
	FY 2014	LOCAL ROAD	Operating Local	FY 2014 Capital
REVENUES	Operating/MFT	FUND	Road	Local Road
Current Levy SSA #1 (Local Road)			\$ 90,882	
Current Levy SSA #3 (Local Road)			\$ 58,419	
State Motor Fuel Tax (MFT)	\$ 575,000			
Home Rule Motor Fuel Tax (Local Rd)			\$ 320,000	
Current Levy - Road & Bridge (Local Road)			\$ 210,000	
Vehicle License (Local Road)			\$ 487,000	
Investment Earnings (Both)	\$ 500		\$ -	
Transfer from MFT to Local Road				\$ 600,000
Grant/Reimbursements (Local Road)				\$ 1,840,800
TOTAL REVENUES	\$ 575,500	\$ -	\$ 1,166,301	\$ 2,440,800
EXPENDITURES				
Bank Fees (Vehicle Sticker Payments) (Local Road)			\$ 2,700	
Printing (Forms, Stickers & Tags) (Local Road)			\$ 5,000	
Vehicle Maintenance Chargeback (Local Road)			\$ 180,000	
Vehicle Replacement Chargeback (Local Road)			\$ 200,000	
Building & Land Chargeback (Local Road)			\$ 65,000	
Postage (Vehicle Stickers) (Local Road)			\$ 8,000	
Professional Services (Vehicle Stickers) (Local Road)			\$ 17,000	
Debt Service (Local Road)			\$ 162,142	
Utilities - Electricity - Street Lights (MFT)	\$ 100,000			
Outside Repairs (MFT) Traffic Signals/Lane Mark	\$ 108,000			
Outside Repairs (Local Road)			\$ 129,900	
Disposal of Debris (Local Road)			\$ 10,000	
Operating Supplies (Local Road)			\$ 110,000	
Small Tools & Equipment (Local Road)			\$ 3,600	
Repair & Maintenance Supplies (Local Road)			\$ 20,000	
Snow Removal Supplies (MFT)	\$ 121,500			
Transfer from MFT to Local Road Fund	\$ 600,000			
Professional Services (Local Road)			\$ 30,000	
Annual Street Program (Local Road)				\$ 550,000
Capital Improvements (Local Road)				\$ 2,306,500
TOTAL EXPENDITURES	\$ 929,500	\$ -	\$ 943,342	\$ 2,856,500

E911 FUND (04)

The City contracts its emergency communication dispatch services through Northwest Central Dispatch Services. All parts of the emergency communications system is accounted in this fund, and includes the fees paid to central dispatching, as well as for police and fire radio/telephone communications.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Amended Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Taxes	670,975	706,445	711,500	703,500	703,500
Intergovernmental	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Other Financing Sources	0	0	84,888	84,888	0
Miscellaneous	2	0	0	0	0
Total Revenue	670,977	706,445	796,388	788,388	703,500
Expenditures					
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Contractual Services	599,669	551,373	615,750	514,375	590,850
Chargebacks	24,404	0	43,000	43,000	49,560
Capital Outlay	0	0	0	0	0
Other Financing Uses	0	20,000	20,000	20,000	62,000
Total Expenditures	624,073	571,373	678,750	577,375	702,410
Surplus (Deficit)	46,904	135,072	117,638	211,013	1,090
Ending Fund Balance	(219,958)	(84,888)	(200,490)	126,125	127,215
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

1. The E911 Fund does not fund City personnel costs.
2. Emergency dispatch services were contracted out to Northwest Central Dispatch in 2009.
3. The proposed tax levy is the same as last year.
4. The 4th and, final initiation payment to Northwest Central was completed in FY 2012.
5. In 2014, the 911 fund will make its third of five \$20,000 repayment of funds to the transit fund for prior loans.
6. Resolution No. 13-R-62 authorized transferring \$84,888 from the General Fund to bring the E-911 Fund positive.
7. In 2014, the E-911 makes the first of two repayments to the General Fund for the above transfer.

DEBT SERVICE FUND (47)

The Debt Service Fund accumulates monies for payment of the 2002A, 2004 and 2005 General Obligation Bonds Series. These bonds were issued to refinance capital projects throughout town and a portion of the Meadows Town Mall and Meijer Store Projects. Property taxes are levied except for the 2004 bond, which typically utilizes a General Fund transfer to pay its annual debt service requirement.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Amended Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Taxes	1,363,301	1,361,165	1,336,105	1,336,105	1,328,200
Investment Earnings	0	0	0	0	0
Transfer in from General Fund	0	583,452	763,443	763,443	624,515
Transfer in from Fire Station Fund	610,243	0	0	0	0
Other Financing Sources	0	3,501	0	0	0
Total Revenue	1,973,544	1,948,118	2,099,548	2,099,548	1,952,715
Expenditures					
Contractual Services	1,505	1,435	750	1,507	1,500
Debt Service	2,887,669	1,927,842	1,931,440	1,931,438	1,951,215
Total Expenditures	2,889,174	1,929,277	1,932,190	1,932,945	1,952,715
Surplus (Deficit)	(915,630)	18,841	167,358	166,603	0
Ending Fund Balance	(181,941)	(166,603)	755	0	0
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) Refinanced 2002A, 2002B (Utilities Fund) and 2004 Bonds in 2012 with savings of nearly \$750,000 over the next twelve years.
- 2) Resolution No. 13-R-62 authorized transferring \$166,603 from the General Fund to bring the Debt Service Fund positive.

LOCAL ROADS FUND (61)

The Local Road Fund is used for street maintenance and construction. Funding is derived from locally imposed taxes, State grants, and transfers from Motor Fuel Tax Fund, to name a few.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Taxes	390,274	465,574	494,301	469,301	469,301
Intergovernmental	571,271	1,504,430	865,000	370,500	2,050,800
Licenses & Permits	376,565	440,191	480,000	480,000	487,000
Investment Earnings	25	8	100	0	0
Miscellaneous	112,924	458,610	37,500	13,560	0
Transfer in from Fire Station Fund	0	0	0	0	0
Other Financing Sources	437,970	54,000	700,000	700,000	600,000
Total Revenue	1,889,029	2,922,813	2,576,901	2,033,361	3,607,101
Expenditures					
Contractual Services	385,408	255,183	555,300	418,450	202,600
Chargebacks	389,354	440,845	445,000	445,000	445,000
Supplies	70,824	107,261	133,600	117,675	133,600
Capital Outlay	1,363,721	1,152,100	1,514,000	1,015,000	2,856,500
Debt Service	303,015	162,138	162,229	162,229	162,142
Other Financing Uses	250,000	49,963	0	0	0
Total Expenditures	2,762,322	2,167,490	2,810,129	2,158,354	3,799,842
Surplus (Deficit)	(873,293)	755,323	(233,228)	(124,993)	(192,741)
Ending Fund Balance	(399,371)	355,952	128,039	230,959	38,218
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Fund Balance Estimate</i>	<i>Fund Balance Estimate</i>

Notes:

1) 2nd Reading for a Senior Fee increase for Vehicle Stickers will take place on 9/10/13.

The additional \$7,000 was added to the Licenses line to reflect the possible increase to the fees.

2) The FY 2013 Proposed Budget reflects the proposal to charge MFT-eligible commodities in this fund and transfer MFT-eligible dollars to the Local Road Fund to fund capital projects such as the Annual Street Program.

The transfer of MFT-eligible funds is shown in the FY 2013 Budget under Other Financing Sources.

TIF #1 - KIRCHOFF & MEADOW (18)

The TIF #1 fund was created in April of 1988, and is located at the southeast corner of Kirchoff Road and Meadow Drive. This TIF expires in 2011 and taxes flowed through December 2012.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Taxes	153,355	115,014	0	0	0
Investment Earnings	10	2	0	0	0
Total Revenue	153,366	115,016	0	0	0
Expenditures					
Contractual Services	2,343	726,778	0	0	0
Chargebacks	39,074	41,028	0	0	0
Other Financing Use	0	54,000	0	84,772	0
Total Expenditures	41,417	821,806	0	84,772	0
Surplus (Deficit)	111,949	(706,790)	0	(84,772)	0
Ending Fund Balance	791,562	84,772	0	0	0

	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) Land Acquisition, and beginning Site Preparation & Marketing work completed in 2012.
- 2) TIF expired on December 31, 2012.
- 3) Ordinance # 12-54, adopted on December 4, 2012, terminated TIF #1. The transfer of funds to Clark Street Development took place in 2012.
- 4) Surplus money from the TIF will be sent to Cook County for the County to distribute in FY 2014 at some point.

TIF #2 - KIRCHOFF & OWL (37)

The TIF #2 fund was created in December of 2002, and is located at the southeast corner of Kirchoff Road and Owl Drive.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted Budget	FY 2013 Estimated Projection	FY 2014 Adopted Budget
Revenue					
Taxes	415,427	394,256	310,000	310,000	310,000
Investment Earnings	26	20	50	50	50
Other Financing Use	0	0	0	0	0
Total Revenue	415,453	394,276	310,050	310,050	310,050
Expenditures					
Contractual Services	1,878	2,019	57,350	2,465	2,465
Chargebacks	39,074	41,028	49,000	49,000	49,000
Debt Service	544,625	447,900	445,672	10,618	432,900
Total Expenditures	585,577	490,947	552,022	62,083	484,365
Surplus (Deficit)	(170,124)	(96,671)	(241,972)	247,967	(174,315)
Ending Fund Balance	(682,428)	(779,099)	(1,126,112)	(531,132)	(705,447)
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) In FY 2013, City refunded the 2003 General Obligation Bonds paid by this TIF. The refunding saves approxi \$60,000 in interest savings to the taxpayers.
- 2) The new debt service restructured the debt to pay interest in FY 2013 and the final debt payment in FY 201

TIF #3 - ALGONQUIN & ROUTE 53 (50)

TIF #3 was created in 2009, and consists of the area bounded by Algonquin Road on the north, Route 53 on the east, I-90 on the south, and Arbor Drive on the west.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted Budget	FY 2013 Estimated Projection	Fund will be Closed in FY 2013
Revenue					
Taxes	56,679	0	(89,353)	0	0
Investment Earnings	0	(70,281)	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenue	56,679	(70,281)	(89,353)	0	0
Expenditures					
Contractual Services	1,393	2,019	2,000	2,000	0
Chargebacks	0	80,102	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	1,393	82,121	2,000	2,000	0
Surplus (Deficit)	55,286	(152,402)	(91,353)	(2,000)	0
Ending Fund Balance	22,164	(130,238)	(221,572)	(132,238)	0

Notes:

- 1) For FY 2013, City Council eliminated the administrative fee from TIF #3 to the General Fund.
- 2) Negative revenues reflect current refunds of property taxes from prior years.
- 3) TIF #3 was terminated by City Ordinance in FY 2013.
- 4) At some point in FY 2013, a proposal to eliminate the negative fund balance to be paid by the General Fund will be brought forth.

TRANSIT DEVELOPMENT FUND (41)

The Transit Development Fund is a capital projects fund. This Fund was created in 2004 to build savings for the future Metra STAR Line station in the City.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Amended Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Intergovernmental	0	0	26,000	0	0
Investment Earnings	0	0	0	0	0
Other Financing Sources	0	107,195	20,000	20,000	20,000
Total Revenue	0	107,195	46,000	20,000	20,000
Expenditures					
Contractual Services	0	0	26,000	20,000	0
Other Financing Uses	0	100,000	0	0	0
Total Expenditures	0	100,000	26,000	20,000	0
Surplus (Deficit)	0	7,195	20,000	0	20,000
Ending Fund Balance	394,257	401,452	401,452	401,452	421,452
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) The RTA grant/study was moved forward to the FY 2013 Budget since it was not completed in 2012.
- 2) In FY 2013, the 911 Fund will make its second of five \$20,000 repayment of funds of the Transit Fund.

UTILITIES FUND (20)

The Utilities Fund consists of water, sewer and storm sewer activities. Each component has a separately determined user fee intended to cover the expenses related to delivering water from Lake Michigan and maintaining the underground utility system.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Amended Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Taxes	\$ 72,987	\$ 73,809	\$ 72,792	\$ 72,792	\$ 72,792
Intergovernmental	0	294,525	2,025,000	2,025,000	250,000
Charges for Service	7,589,588	8,837,351	9,453,450	9,487,500	9,926,500
Investment Earnings	585	381	0	0	0
Miscellaneous	28,413	15,782	6,000	25,000	6,000
Other Financing Sources	0	0	0	0	0
Total Revenue	7,691,573	9,221,848	11,557,242	11,610,292	10,255,292
Expenses					
Salaries	1,260,008	1,437,074	1,497,152	1,456,340	1,487,837
Benefits	438,649	472,924	565,845	541,027	567,208
IMRF	178,910	211,702	271,688	248,082	259,825
Contractual Services	397,014	497,282	705,927	652,715	745,739
Chargebacks	1,112,239	1,248,514	1,363,112	1,363,112	1,414,224
Supplies	2,533,805	2,996,699	3,297,878	3,289,161	3,752,107
Capital Outlay	585,699	1,403,887	3,119,250	2,001,250	2,375,700
Debt Service	596,793	354,257	453,441	358,059	449,763
Other Financing Uses	0	87,195	0	0	0
Total Expenses	7,103,117	8,709,534	11,274,293	9,909,746	11,052,403
Surplus (Deficit)	588,456	512,314	282,949	1,700,546	(797,111)
Hold for Delayed Capital Projects	0	0	0	500,000	(500,000)
Unrestricted Surplus (Deficit)	588,456	512,314	282,949	1,200,546	(297,111)

	2,530,989	3,814,455	2,454,350	5,515,001	4,717,890
Ending Fund Balance Equivalent	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

1) A hold was placed on Fund Balance in 2013 designated for previously budgeted capital projects. This was done to prevent double counting in rate increase calculations. The projects were accounted for in the FY 2013 Budget and are not completed in FY 2013 and will be budgeted for in FY 2014.

2) The City of Chicago's rate increase for the JAWA rate is 15% for FY 2014. The proposed rate increases shown on the next page reflect the January 2013 Committee of the Whole Meeting discussion in relation to rates. The rate increases reflect an 8% increase to the Water rate, 5% for Sewer and 5% Stormwater.

FY 2014 PROPOSED BUDGET UTILITIES RATES

Below is a snapshot of a monthly bill of 8,000 gallons of usage (about a family of four):

	2013 Current	2014 Proposed	\$ Change
Water	\$ 64.88	\$ 70.08	\$ 5.20
Sewer	\$ 21.04	\$ 22.72	\$ 1.68
Stormwater	\$ 3.53	\$ 3.71	\$ 0.18
Refuse	\$ 29.36	\$ 29.95	\$ 0.59
Access to Water System Fee	\$ 2.00	\$ 2.00	\$ -
Access to Sewer System Fee	\$ 1.00	\$ 1.00	\$ -
Total	\$ 121.81	\$ 129.45	\$ 7.64

UTILITIES RATES

	2013 Current	2014 Proposed	
Water			
First 15,000 Gallons / Tier I	\$ 8.11 per 1,000 gallons	\$ 8.76 per 1,000 gallons	
Over 15,000 Gallons / Tier II	\$ 9.37 per 1,000 gallons	\$ 10.12 per 1,000 gallons	
Sewer			
First 15,000 Gallons / Tier I	\$ 2.63 per 1,000 gallons	\$ 2.84 per 1,000 gallons	
Over 15,000 Gallons / Tier II	\$ 3.10 per 1,000 gallons	\$ 3.35 per 1,000 gallons	
Stormwater	\$ 3.53	\$ 3.71	
Refuse	\$ 29.36	\$ 29.95	
Access to Water System Fee	\$ 2.00	\$ 2.00	<i>(no change)</i>
Access to Sewer System Fee	\$ 1.00	\$ 1.00	<i>(no change)</i>

Notes:

- 1) Stormwater Rates take effect January 1, 2014
- 2) Refuse Rates take effect February 1, 2014
- 3) Water & Sewer Rates take effect March 1, 2014

**FY 2014 PROPOSED BUDGET ANALYSIS
UTILITIES FUND**

Estimated Ending Utilities Fund Balance at FY 2013 (Based on what is known now)

	WATER		SEWER		STORMWATER	
CURRENT LEVY SSA 5	\$	69,459	\$	-	\$	-
CURRENT LEVY SSA 2	\$	-	\$	-	\$	3,333
GRANTS/IEPA LOAN PROCEEDS	\$	250,000				
WATER METER RENTAL/SALES	\$	6,000	\$	-	\$	-
PENALTIES	\$	49,020	\$	15,983	\$	4,997
TAP ON FEES WATER	\$	7,500	\$	-	\$	-
TAP ON FEES SEWER	\$	-	\$	5,000	\$	-
WATER SERVICE UNBILLED	\$	2,500	\$	-	\$	-
TURN ON FEES - WATER	\$	15,000	\$	-	\$	-
WATER SERVICE	\$	6,720,000	\$	-	\$	-
SEWER SERVICE	\$	-	\$	2,191,000	\$	-
STORMWATER SERVICE	\$	-	\$	-	\$	685,000
ACCESS TO UTILITIES FEES	\$	149,500	\$	75,000	\$	-
SVC CHARGEBACK - GARAGE	\$	-	\$	-	\$	-
SVC CHARGEBACK - REFUSE	\$	-	\$	-	\$	-
INVESTMENT EARNINGS	\$	-	\$	-	\$	-
MISC INCOME	\$	6,000	\$	-	\$	-
REIMBURSEMENTS	\$	-	\$	-	\$	-
UTILITIES FUND REVENUES	\$	7,274,979	\$	2,286,983	\$	693,330
WATER EXPENSES	\$	2,939,045	\$	-	\$	-
JAWA WATER	\$	3,457,317	\$	-	\$	-
SEWER EXPENSES	\$	-	\$	1,760,386	\$	-
STORMWATER EXPENSES	\$	-	\$	-	\$	623,907
UTILITIES FUND EXPENDITURES	\$	6,396,362	\$	1,760,386	\$	623,907
<i>Operating Revenues Over or (Under)</i>	<i>\$</i>	<i>878,617</i>	<i>\$</i>	<i>526,597</i>	<i>\$</i>	<i>69,423</i>
If you add in:						
Debt Service	\$	241,000	\$	-	\$	208,763
Adminstration/Billing	\$	1,275,921	\$	416,003	\$	130,060
<i>All Revenues Over or (Under)</i>	<i>\$</i>	<i>(638,304)</i>	<i>\$</i>	<i>110,593</i>	<i>\$</i>	<i>(269,401)</i>
Fund Surplus or (Deficit)(Estimated)					\$	(797,111)
2014 Fund Balance Estimate					\$	4,717,890

Notes:

- 1) This is a detailed review of the Utilities Fund when split out by Water, Sewer and Stormwater.
- 2) The proposed rate increases of 8% for Water, 5% for Sewer and 5% for Stormwater are reflected in the Water Service, Sewer Service & Stormwater Service.
- 3) Due to some capital projects deferred from FY 2013 to the Proposed FY 2014 Budget, a hold was added in the amount of approximately \$500,000 from the FY 2013 Fiscal Year.
- 4) Additional details have been added to this sheet for review. More discussion will take place during the budget review process.

Items Deferred from FY 2013 Budget to FY 2014 Proposed Budget

Utilities Fund

Water

Watermain Loop @ Ring Road	\$	150,000
Watermain Capacity Improvements	\$	130,000
Watermain Extension - Meadowbrook	\$	48,000
SCADA Upgrade	\$	47,000
Pressure Zone Control Station	\$	15,000

Sewer

Lift Station 1 Improvements	\$	35,000
Old Plum Grove Road Area Engineering	\$	25,000
Central Road Sewer Laterals	\$	10,000

Stormwater

Brookwood Detention Repairs	\$	40,000
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\$ 500,000

REFUSE FUND (16)

The Refuse Fund is an enterprise fund and is used to account for waste collection and disposal services provided by the City to its residents. The City provides curbside and special pickup collection of household and yard waste, and contracts for recycling services.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Amended Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Charges for Service	2,422,274	2,399,502	2,193,577	2,192,377	2,230,574
Investment Earnings	0	0	0	0	0
Miscellaneous	128,379	90,338	10,000	10,785	10,500
Total Revenue	2,550,653	2,489,840	2,203,577	2,203,162	2,241,074
Expenses					
Salaries	471,510	361,009	248,016	265,529	233,073
Benefits	132,076	140,825	78,437	74,207	81,013
IMRF	60,048	55,375	44,643	44,429	41,647
Contractual Services	847,118	809,633	908,370	904,925	937,334
Chargebacks	708,486	787,530	791,428	791,428	817,964
Supplies	6,216	4,348	4,600	4,450	4,600
Capital Outlay	552	0	0	0	8,000
Debt Service	7,815	36,489	36,510	36,510	36,490
Total Expenses	2,233,821	2,195,209	2,112,004	2,121,478	2,160,121
Surplus (Deficit)	316,832	294,631	91,573	81,684	80,953
Ending Fund Balance Equivalent	594,674	892,360	890,294	974,044	1,054,997
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) The \$65,614 Berdnick Transfer Station rental income was transferred to the General Fund in FY 2013.
- 2) The Big Belly Trash Container is proposed in the FY 2014 Proposed Budget for \$8,000.
- 3) The proposed rate increase for Garbage & Recycling (i.e. Refuse Rate) is 2%. Please see the next page for the detail.

FY 2014 Refuse Rate Calculation - FY 2014 Proposed Budget (Garbage + Recycling)
Rate increase goes into effect with 2/1/14 bills.

	FY 2014 Proposed Budget
Units Per Each Month	5,960
Months Billed	1
Total Units Billed Per Year	5,960
2013 Rate	\$ 29.36
Total Units x Rate = Jan 2014 Revenue	\$ 174,986
Units Per Each Month	5,960
Months Billed	11
Total Units Billed Per Year	65,560
Proposed Rate Increase	2%
2014 Proposed Rate	\$ 29.95
Total Units x Rate = FY 2014 Proposed Revenue (Feb 2014- Dec 2014)	\$ 1,963,338
Total Revenue for Refuse FY 2014	\$ 2,138,324

Note: During Refuse Discussions the maximum rate increase for vendors annually was 2.5%. The City's proposal set a maximum rate increase of 3.25% for the next seven (7) years.

GARAGE FUND (14)

The Garage Fund is an internal service fund. Departments (or funds) are charged a fee for vehicle maintenance based on a five-year average of actual maintenance and fuel consumption within their departments (or funds). All expenses related to vehicle maintenance are charged here, including fuel purchases.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Charges for Service	1,176,132	1,195,484	1,353,135	1,353,135	1,435,487
Investment Earnings	0	0	0	0	0
Miscellaneous	6,318	6,461	5,250	5,745	5,250
Other Financing Sources	0	0	50,317	50,317	0
Total Revenue	1,182,450	1,201,945	1,408,702	1,409,197	1,440,737
Expenses					
Salaries	233,885	296,566	296,521	298,616	312,869
Benefits	69,794	88,673	106,239	106,334	116,884
IMRF	43,206	47,004	54,468	51,686	55,547
Contractual Services	94,965	78,531	93,845	86,158	85,110
Chargebacks	203,307	292,003	278,590	278,590	279,139
Supplies	471,436	482,409	592,067	537,075	570,900
Other Financing Uses	0	0	0	0	5,000
Total Expenses	1,116,593	1,285,186	1,421,730	1,358,459	1,425,449
Surplus (Deficit)	65,857	(83,241)	(13,028)	50,738	15,288

Ending Fund Balance Equivalent	39,236	(50,317)	(157,301)	421	15,709
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) Resolution No. 13-R-62 authorized transferring \$50,317 from the General Fund to bring the Garage Fund Positive.
- 2) In 2014, the Garage Fund made the first of ten repayments to the General Fund for the above transfer.

VEHICLE & EQUIPMENT REPLACEMENT FUND (25)

The Vehicle & Equipment Replacement Fund is an internal service fund used for vehicles and equipment. Additionally major capital items that have a cost greater than \$25,000 and a useful life expectancy of at least three years are generally funded in this fund.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Amended Budget	FY 2013 Estimated Projection	FY 2014 Adopted Budget
Revenue					
Intergovernmental	143,620	0	325,000	0	0
Charges for Service	458,127	1,169,999	1,134,247	1,134,247	1,079,856
Miscellaneous	34,191	47,316	0	5,436	0
Other Financing Sources	0	0	0	0	0
Total Revenue	635,938	1,217,315	1,459,247	1,139,683	1,079,856
Expenses					
Capital Outlay	150,997	324,838	1,161,500	813,500	1,799,000
Debt Service	214,027	132,072	126,197	126,197	53,292
Total Expenses	365,024	456,910	1,287,697	939,697	1,852,292
Surplus (Deficit)	270,914	760,405	171,550	199,986	(772,436)
Ending Fund Balance Equivalent	534,536	1,163,915	1,166,290	1,363,901	591,465

Notes:

- 1) The FY 2010 Adopted Budget transferred \$1.0 million from this fund to the General Fund - no payment reschedule has been established yet.
- 2) Per recommendations by the CIP Committee and the City's auditors, Staff proposes to start an Equipment chargeback in the amount of \$10,000.

BUILDING AND LAND FUND (33)

The Building and Land Fund is an internal service used for City building maintenance, remodeling, renovation and expansion of current buildings. Departments and funds are charged a fee based on their square footage use of City buildings.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Amended Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Intergovernmental	0	89,333	100,000	124,435	0
Charges for Service	364,242	399,973	498,500	501,000	438,500
Investment Earnings	0	0	0	0	0
Miscellaneous	6,600	0	0	67,920	0
Other Financing Sources	0	0	0	0	0
Total Revenue	370,842	489,306	598,500	693,355	438,500
Expenses					
Contractual Services	164,181	153,025	225,944	396,905	199,470
Chargebacks	23,289	0	0	0	0
Supplies	27,094	26,134	42,550	38,045	37,650
Capital Outlay	0	134,632	320,000	220,000	200,000
Debt Service	0	0	0	0	0
Other Financing Uses	0	0	0	0	0
Total Expenses	214,564	313,791	588,494	654,950	437,120
Surplus (Deficit)	156,278	175,515	10,006	38,405	1,380
Ending Fund Balance Equivalent	1,719	177,233	110,995	215,638	217,018

Notes:

- 1) Community Block Grant flows into and out of this Fund. Most are park district programs. Reimbursement may not always happen in the same year as the project.
- 2) Some items have been moved to the General Fund per recommendations by the CIP Committee and the City's auditors.

LIABILITY INSURANCE FUND (23)

The Liability Insurance Fund is an internal service fund used for tracking and paying the city's property, casualty and workers compensation claims. The City is a member of the Intergovernmental Risk Management Agency (IRMA), which is an insurance pool consisting of over 75 local units of government. The City pays an annual premium to IRMA, which in turn processes all risk insurance claims for the City. City departments and funds are charged a fee for liability insurance based on insurance industry standards for risk, i.e., salaries (workers compensation), vehicles and budget.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Charges for Service	964,454	777,267	806,136	806,136	817,859
Investment Earnings	79	115	100	100	100
Miscellaneous	28,986	42,994	15,000	13,500	15,000
Total Revenue	993,519	820,376	821,236	819,736	832,959
Expenses					
Contractual Services	788,150	630,240	792,500	775,300	792,500
Reimbursable Repairs	1,480	1,560	7,500	2,500	7,020
Total Expenses	789,630	631,800	800,000	777,800	799,520
Surplus (Deficit)	203,889	188,576	21,236	41,936	33,439
Other Financing Sources (Uses)	109,371	208,913	(15,000)	146,619	(15,000)
Ending Fund Balance Equivalent	226,726	415,745	219,731	604,300	622,739
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Adopted Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

1) Other Financing Source or (Use) is the Change in Liability Insurance Reserves. This data available in the current fiscal year and can only be estimated for the year. After the Fiscal Year ends, the audit will provide the actual number for the Change in Liability Insurance Reserves.

HEALTH INSURANCE FUND (45)

The Health Insurance Fund is an internal service fund where the city accumulates funds to pay health insurance premium for its employees. Pursuant to State Statute retiring members of the city are eligible to retain membership in the city's insurance programs. Several retirees have exercised that right, however, are required to pay 100% of the premium cost. Additionally, employee retirement payouts are funded in this fund as accumulated benefit payouts are converted to retiree health insurance benefits. The City of Rolling Meadows participates in IPBC along with 73 other Illinois municipalities.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted Budget	FY 2013 Estimated Projection	FY 2014 Proposed Budget
Revenue					
Charges for Service	2,999,882	3,494,814	3,951,707	3,679,791	4,024,917
Investment Earnings	634	922	500	1,500	1,500
IPBC Surplus	400,000	0	0	0	0
Miscellaneous	868,992	914,393	854,355	971,442	1,008,390
Total Revenue	4,269,509	4,410,129	4,806,562	4,652,733	5,034,807
Expenses					
Benefits	4,371,114	3,406,306	4,377,552	4,085,232	4,523,382
Contractual Services	4,600	1,860	4,000	2,045	2,000
Total Expenses	4,375,714	3,408,166	4,381,552	4,087,277	4,525,382
Surplus (Deficit)	(106,205)	1,001,963	425,010	565,456	509,425
Ending Fund Balance Equivalent	(175,039)	477,762	35,961	1,043,218	1,552,643
	Audited Fund Balance	Audited Fund Balance	Fund Balance Estimate Per Adopted Budget	Estimate of Fund Balance	Estimate of Fund Balance

**CITY OF ROLLING MEADOWS
 FY 2014 BUDGET PLANNING CALENDAR - TENTATIVE PLANNING DOCUMENT**

DATE	DAY	ACTIVITY
---	---	Newly formed Capital Improvement Committee will meet throughout the year.
January 15, 2013	Tuesday	January Committee of the Whole Meeting. Discussion of ideas for the FY 2014 Budget. Discussion on Budget, and Capital Improvement Plan (CIP) Parameters.
February 19, 2013	Tuesday	February Committee of the Whole Meeting. Discussion on budget process at February Committee of the Whole Meeting. Discussion of results of 2012 Goal Setting Meetings.
April - June 2013	---	Capital Improvement Plan (CIP) and three-year financial, capital projections work prepared by Staff.
June 18, 2013	Tuesday	June Committee of the Whole Meeting FY 2012 Audit Presentation
August 20, 2013	---	CIP presented to the City Council at the Committee-of-the-Whole Meeting for discussion & Revenues, Chargebacks, Fund Balances, and Pension discussions.
September 10, 2013	Tuesday	FY 2014 Proposed Budget Presentation: Staff Report.
September 17, 2013	Tuesday	Committee-of-the-Whole Meeting - City Budget Discussion.
October 8, 2013	Wednesday	Public Hearings for Tax Levy (10/22) & Budget (11/12) published in newspaper.
October 15, 2013	Tuesday	Committee-of-the-Whole Meeting: City & Library Levy/Budget Discussion.
October 22, 2013	Tuesday	City Council Meeting - Public Hearing - Tax Levy (i.e., Truth in Taxation). City Council Meeting - Budget Ordinances - 1st Reading.
November 12, 2013	Tuesday	City Council Meeting - Regular Meeting. City Council Meeting - Budget Ordinances - 2nd Reading. City Council Meeting - Public Hearing - City Budget & Library Budget.
November 19, 2013	Tuesday	Committee-of-the-Whole Meeting - City Budget Discussion.
November 26, 2013	Tuesday	City Council Meeting - Regular Meeting.
December 3, 2013	Tuesday	City Council Meeting - Approve City Budget/Levy & Approve Library Budget/Levy.
December 10, 2013	Tuesday	Committee-of-the-Whole Meeting - Regular Meeting.
December 17, 2013	Tuesday	City Council Meeting - Regular Meeting.