

RESOLUTION NO. 17-R-134

**A RESOLUTION TO ADOPT THE
FISCAL YEAR 2018 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 September 21, 2017 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 October 10, 2017, 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, 2018 to December 31, 2018, 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: Budmats, Majikes, Gallo, Banger, D'Astice, Veenbaas

NAYS: Cannon

ABSENT: 0

Passed and approved this 28th day of November, 2017.



Len Prejna, Mayor

ATTEST:



Ginny Cotugno, Deputy City Clerk

CITY OF ROLLING MEADOWS

FUND BALANCE SUMMARY - FY 2018 PROPOSED

ESTIMATED BASED ON PROJECTED DATA

FUND NAME	ESTIMATED BEGIN BALANCE 1/1/2018	REVENUES	EXPENSES	Manager's Hold	OVER (UNDER)	ESTIMATED END FUND BALANCE 12/31/2018
General (01)	\$ 7,903,813	\$ 32,824,865	\$ 32,890,743	\$ (500,000)	\$ (565,878)	\$ 6,959,387
Motor Fuel Tax (03)	128,817	627,500	600,000	-	\$ 27,500	\$ 156,317
E911 (04)	1,143,897	801,500	1,223,325	-	\$ (421,825)	\$ 722,072
Debt Service (47)	53,697	1,138,575	1,164,575	-	\$ (26,000)	\$ 27,697
Local Road (61)	149,557	2,569,223	3,183,300	-	\$ (614,077)	\$ (464,520)
TIF # 2 (37) Kirch/Owl	(1,455,723)	350,100	56,615	-	\$ 293,485	\$ (1,162,238)
TIF # 4 (38) Golf Rd.	451,197	2,488,965	2,940,162	-	\$ (451,197)	\$ -
Utilities (20)	2,596,935	11,335,697	12,539,193	-	\$ (1,203,496)	\$ 1,393,439
Refuse (16)	922,849	2,189,424	2,304,711	-	\$ (115,287)	\$ 807,562
Garage (14)	812,068	1,554,750	1,530,518	-	\$ 24,232	\$ 836,300
Vehicle-Equip (25)	1,982,540	1,545,362	2,483,940	-	\$ (938,578)	\$ 1,043,962
Building & Land (33)	456,611	757,500	776,815	-	\$ (19,315)	\$ 437,296
Liability Insurance (23)	1,104,019	909,536	1,100,000	-	\$ (190,464)	\$ 913,555
Health Insurance (45)	1,424,913	4,696,139	4,171,859	-	\$ 524,280	\$ 1,473,393
TOTAL ALL CITY FUNDS	\$ 17,675,190	\$ 63,789,136	\$ 66,965,756	\$ (500,000)	\$ (3,676,620)	\$ 13,144,222

Note:

1) Rounding differences may occur between worksheets.

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 2018 are unaudited and subject to change based on year-end close out and the audit.

4) Ending Fund Balances for FY 2018 are not audited data and are subject to change based on year-end close out and the audit.

5) 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.

6) Recall - the City does not budget for Foreign Fire Tax or Police Asset Seizure - these Funds are excluded from this summary.

** General Fund includes the Fire Station Transfers in the ending estimated fund balance for FY 2018.

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 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenues					
Taxes	\$ 21,672,366	\$ 22,165,615	\$ 22,518,804	\$ 22,463,804	\$ 23,517,444
Intergovernmental	3,453,071	3,120,950	3,485,750	3,245,750	3,162,250
Licenses & Permits	2,611,441	1,618,397	1,173,500	1,165,500	1,169,500
Fines & Forfeits	1,428,560	1,314,577	1,289,800	1,283,300	1,282,800
Charges for Service	2,587,653	2,715,241	2,654,821	2,594,821	2,711,823
Investment Earnings	11,364	51,854	20,000	50,000	50,000
Miscellaneous	402,491	711,183	345,400	353,500	402,500
Other Financing In Flows	147,888	240,000	300,000	300,000	528,548
Total Revenues	32,314,834	31,937,817	31,788,075	31,456,675	32,824,865
Expenditures					
Salaries	14,117,321	14,843,512	15,070,241	14,760,993	15,741,973
Benefits	3,526,889	3,470,150	3,527,204	3,438,799	3,630,808
IMRF	556,177	602,614	615,789	566,452	609,378
Fire Pension	2,755,511	2,990,826	3,541,622	3,541,622	3,793,563
Police Pension	2,547,498	2,817,768	3,220,749	3,220,749	3,493,779
Contractual Services	4,001,838	3,686,425	4,220,680	4,228,494	4,188,347
Supplies	429,623	457,229	477,240	478,460	624,820
Debt Service (to FY 2023)	637,475	657,575	682,075	682,075	708,075
IMRF NPO Payment	0	0	0	0	0
Transfer to Vehicle & Equipment Fund	0	100,000	100,000	100,000	100,000
Transfer to Police Pension Fund	0	287,153	414,982	414,982	0
Transfer to Fire Pension Fund	0	254,564	563,853	563,853	0
Transfer to Fire Stations Fund	0	0	0	2,120,000	0
Transfer to 911 Fund	0	650,000	0	0	0
Transfer to Local Road Fund	315,361	650,000	0	0	0
Total Expenditures	\$ 28,887,693	\$ 31,467,816	\$ 32,434,435	\$ 34,116,479	\$ 32,890,743
Revenues - Expenditures =	3,427,141	470,001	(646,360)	(2,659,804)	(65,878)
Manager's Hold =	0	0	(750,000)	(250,000)	(500,000)
Surplus (Deficit) Per the Fiscal Year =	\$ 3,427,141	\$ 470,001	\$ (1,396,360)	\$ (2,909,804)	\$ (565,878)
Less: Commitment to Comp. Absences Reserves	100,000	200,000	300,000	300,000	378,548

Unassigned Fund Balance (Surplus/Deficit less Comp Ab. Reserves)	\$ 9,671,128	\$ 11,113,617	\$ 7,536,537	\$ 7,903,813	\$ 6,959,387
Fund Balance As % of Expenditures	33.5%	35.3%	23.2%	23.2%	21.2%

Fund Balance Policy Range Between 15% to 30% of Expenditures

Notes:

- #1 - 3rd year of a \$100,000 repayment of a \$1.0 million transfer from General Fund to the Vehicle & Equipment Replacement Fund.
- #2 - At the end of FY 2017, there will be \$1,021,452 committed for funding Compensated Absences.
- #3 - The FY 2018 Proposed Budget shows a \$378,548 transfer in from the Health Insurance Fund to be credited to the Compensated Absences reserves. At the end of FY 2018, the total for Compensated Absences will total \$1.4 million.
- #4 - Surplus/Deficit line totals Revenues less Expenses less the Manager's Hold due to ongoing labor negotiations.
- #5 - FY 2017 Fire Stations Budget Amendments for land were added to the summary page.

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 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Intergovernmental	\$ 589,157	\$ 613,576	\$ 625,000	\$ 625,000	\$ 625,000
Investment Earnings	4,668	1,437	2,000	2,000	2,500
Miscellaneous	0	0	0	0	0
Total Revenue	593,825	615,013	627,000	627,000	627,500
Expenditures					
Contractual Services	177,821	177,960	175,000	176,850	0
Supplies	104,817	108,923	186,500	102,775	0
Capital Outlay	0	0	0	0	0
Other Financing Uses	600,000	600,000	300,000	300,000	600,000
Total Expenditures	882,638	886,884	661,500	579,625	600,000
Surplus (Deficit)	(288,813)	(271,871)	(34,500)	47,375	27,500
Ending Fund Balance	\$ 353,313	\$ 81,442	\$ 35,813	\$ 128,817	\$ 156,317
	<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 State Motor Fuel Tax Funds are the primary revenues to the Motor Fuel Tax Fund.
- 2) The State of Illinois audited the City's State Motor Fuel Tax Fund for the Fiscal Year 2013 (the most recent year that the State is auditing). The State of Illinois' audit finding recommends that the City not transfer funds from the State Motor Fuel Tax Fund and expense the State MFT dollars within that Fund.
- 3) Staff is monitoring any impacts from Springfield to this Fund.

Annual Street Program = \$1.5 million

\$600,000 paid from the State Motor Fuel Tax Fund

\$900,000 paid from the Local Road Fund / Property Taxes [includes \$400,000 for the Street Program and \$500,000 for Kirchoff Road Resurfacing].

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 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Property Taxes	\$ 556,890	\$ 558,558	\$ 601,500	\$ 601,500	\$ 651,500
911 Surcharge - Landlines	145,650	0	0	0	0
Investment Earnings	0	0	0	0	0
Other Financing Sources	0	650,000	150,000	150,000	150,000
Miscellaneous	0	0	0	0	0
Total Revenue	702,540	1,208,558	751,500	751,500	801,500
Expenditures					
Contractual Services	563,436	565,806	618,198	618,198	692,825
Supplies	0	0	0	0	2,500
Capital Outlay	0	0	0	0	528,000
Other Financing Uses	42,888	0	0	0	0
Total Expenditures	606,324	565,806	618,198	618,198	1,223,325
Surplus (Deficit)	96,216	642,752	133,302	133,302	(421,825)
Ending Fund Balance	\$ 367,843	\$ 1,010,595	\$ 1,143,897	\$ 1,143,897	\$ 722,072
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Estimate of Fund Balance</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. The 2017 Proposed Property Tax Levy is increased by \$50,000 due to the reallocation of the Proposed Property Tax Levy.
3. The Fund Balance is in range of 1.0 to 1.5 coverage of expenses (average expenses in prior years).
4. The City is striving towards maintaining \$1.0 million as reserves for this Fund.
5. There is a transfer from the Liability Insurance Fund of \$150,000 for FY 2018 (similar to the FY 2017 Budget).
6. There is a budgeted capital expenditure from Northwest Central Dispatch for FY 2018.

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 utilizes a General Fund transfer to pay its annual debt service requirement.

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated Projection	FY 2018 Adopted Budget
Revenue					
Taxes	\$1,328,473	\$1,293,871	\$1,273,000	\$1,273,000	\$ 430,500
Transfer in from General Fund	637,475	657,575	682,075	682,075	708,075
Other Financing Sources	0	0	0	0	0
Total Revenue	1,965,948	1,951,446	1,955,075	1,955,075	1,138,575
Expenditures					
Contractual Services	950	950	1,500	1,500	1,000
Transfer to Vehicle & Equipment	0	40,000	0	0	0
Transfer to General Fund	0	0	0	0	25,000
Debt Service	1,953,173	1,934,678	1,955,075	1,955,075	1,138,575
Total Expenditures	1,954,123	1,975,628	1,956,575	1,956,575	1,164,575
Surplus (Deficit)	11,825	(24,182)	(1,500)	(1,500)	(26,000)
Ending Fund Balance	\$ 79,378	\$ 55,197	\$ 36,377	\$ 53,697	\$ 27,697
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per 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) In FY 2016, the City Council approved a budget amendment which reassigned fund balance. The Debt Service Fund transferred \$40,000 to the Vehicle & Equipment Replacement Fund.

3) The 2005 Bond matures in FY 2017 and is reduced to \$0 for FY 2018.

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 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Property Tax Levy	\$ -	\$ 507,022	\$ 550,000	\$ 550,000	\$ 900,000
Special Service Areas	\$ 146,827	\$ 55,487	\$ -	\$ -	\$ -
Home Rule Motor Fuel Tax	315,853	387,568	385,000	385,000	385,000
Intergovernmental/Grants	1,215,415	340,090	720,000	320,000	720,000
Licenses & Permits	492,658	484,226	500,000	500,000	500,000
Investment Earnings	528	3	500	1,000	1,000
Miscellaneous	303,225	186,892	100,000	100,000	63,223
Other Financing Sources	915,361	1,450,000	300,000	300,000	0
Total Revenue	3,389,868	3,411,288	2,555,500	2,156,000	2,569,223
Expenditures					
Contractual Services	629,155	625,218	694,500	697,425	878,500
Supplies	107,479	101,112	137,900	127,925	232,800
Capital Outlay	2,666,447	1,661,489	3,020,000	2,195,775	2,072,000
Debt Service (FY 2017 Expires)	161,807	161,458	160,889	160,889	0
Other Financing Uses	0	0	0	0	0
Total Expenditures	3,564,888	2,549,277	4,013,289	3,182,014	3,183,300
Surplus (Deficit)	(175,020)	862,011	(1,457,789)	(1,026,014)	(614,077)
Ending Fund Balance	\$ 313,560	\$ 1,175,571	\$ 31,018	\$ 149,557	\$ (464,520)
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate per Budget</i>	<i>Fund Balance Estimate</i>	<i>Fund Balance Estimate</i>

Capital Items - Re prioritization (Referrals Shown in Priority #)

	\$ 3,157,000	Capital Items Per the 8/15/2017 Working Draft
	\$ 2,072,000	Capital Items Re prioritized Per FY 2018 Proposed Budget
Less:	\$ (30,000)	Defer - Street Light Conversion Project (#1)
Less:	\$ (30,000)	Defer - City Entry Markers (#2)
Less:	\$ (200,000)	Defer - Median Improvements - Kirchoff / Hicks (#3)
Less:	\$ (325,000)	Reduced Annual Street Program to Property Tax Levy Amount (\$900k)
Reallocated:	\$ (500,000)	Reallocated Kirchoff Road Resurfacing to the Annual Street Program
	\$ (1,085,000)	\$ Change from 8/15 COW Meeting to FY 2018 Proposed Budget

Annual Street Program = \$1.5 million

\$600,000 paid from the State Motor Fuel Tax Fund

\$900,000 paid from the Local Road Fund / Property Taxes [includes \$400,000 for the Street Program and \$500,000 for Kirchoff Road Resurfacing].

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 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue						
Taxes	352,509	353,375	317,098	350,000	350,000	350,000
Investment Earnings	9	6	8	100	100	100
Other Financing Use	0	0	0	0	0	0
Total Revenue	352,518	353,381	317,106	350,100	350,100	350,100
Expenditures						
Contractual Services	49,514	50,944	54,229	53,549	55,549	56,615
Debt Service	432,900	429,900	431,800	433,500	433,500	0
Total Expenditures	482,414	480,844	486,029	487,049	489,049	56,615
Surplus (Deficit)	(129,896)	(127,463)	(168,923)	(136,949)	(138,949)	293,485
Ending Fund Balance	(1,020,387)	(1,147,851)	(1,316,774)	(1,422,504)	(1,455,723)	(1,162,238)
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per 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 approximately \$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 2017.
- 3) This TIF is expected to be positive towards the end of its term (approximately FY 2023).

WORKING DRAFT

TIF #4 – GOLF ROAD CONSERVATION AREA

The TIF #4 Fund was created in July 2015. The Redevelopment Project Area is generally described as a contiguous area north of Golf Road, east of Apollo Drive and south of Interstate 90. Arthur J. Gallagher & Co. and AJG Meadows, LLC entered into a redevelopment agreement with the City of Rolling Meadows for purposes of redeveloping a portion of the Golf Road Conservation Area Redevelopment Project Area with an office building and parking structure. The term for the TIF is fifteen years.

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Budget	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate
Revenues															
Annual Tax Increment	\$ -	\$ 1,202,697	\$ 2,488,965	\$ 2,538,244	\$ 2,588,494	\$ 2,715,281	\$ 2,769,041	\$ 2,823,859	\$ 2,962,176	\$ 3,020,823	\$ 3,080,624	\$ 3,231,521	\$ 3,295,499	\$ 3,360,737	\$ 9,584,128
Other Financing Sources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	0	1,202,697	2,488,965	2,538,244	2,588,494	2,715,281	2,769,041	2,823,859	2,962,176	3,020,823	3,080,624	3,231,521	3,295,499	3,360,737	9,584,128
Expenditures															
Contractual & Other Services	50,178	700,000	2,887,117	2,483,608	2,532,219	2,657,317	2,709,338	2,762,365	2,898,837	2,955,584	3,013,428	3,162,309	3,224,211	3,287,310	9,508,499
City Administrative Chargeback	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629
Total Expenditures	100,178	751,500	2,940,162	2,538,244	2,588,494	2,715,281	2,769,041	2,823,859	2,962,176	3,020,823	3,080,624	3,231,521	3,295,499	3,360,737	9,584,128
Surplus (Deficit)	(100,178)	451,197	(451,197)	0											
Ending Fund Balance	\$ (100,178)	\$ 451,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- Notes:**
- 1) The Property Tax Levy is an estimate based on data accumulated by Ernst & Young.
 - 2) The Property Tax Levy may change from year-to-year. This is only an estimate.
 - 3) The Contractual Services are the remaining dollars left in the Tax Increment Fund per the Pay-As-You-Go Proposal.
 - 4) All TIF Funds will be paid out annually less a City Administrative Fee of 3% compounded annually.
 - 5) As per the Agreement, \$1.5 million for the Squibb Road Construction Project and any "But For" will also be paid by the TIF.
 - 6) Per information from the City's Financial Advisor, Kane McKenna & Associates, the TIF increment to the City will begin after Gallagher Insurance completes their construction.
 - 7) Staff is monitoring the EAV for this TIF.
 - 8) FY 2017 is the first year that the City received TIF funds from Cook County.

Total Estimated Tax Increment by Ernst & Young:	\$45,662,088
Total City Chargeback:	\$929,946

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 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Taxes	\$ 74,112	\$ 72,424	\$ 69,459	\$ 69,459	\$ -
Intergovernmental	112,000	0	0	0	0
Charges for Service	9,734,083	10,503,488	10,620,990	11,002,285	11,290,697
Investment Earnings	20,876	101,721	5,000	25,000	25,000
Miscellaneous	26,669	24,671	15,000	20,000	20,000
Other Financing Sources	0	0	0	0	0
Total Revenue	9,967,740	10,702,303	10,710,449	11,116,744	11,335,697
Expenses					
Salaries	1,307,205	1,391,624	1,499,917	1,432,708	1,519,098
Benefits	487,803	1,376,806	463,392	427,834	461,490
IMRF	208,390	219,552	244,278	213,601	231,490
Contractual Services	2,179,153	2,233,994	2,460,035	2,428,085	2,564,585
Supplies	4,165,925	4,144,009	4,453,275	4,442,575	4,657,175
Capital Outlay	2,384,965	256,321	3,418,000	2,149,725	2,733,000
Debt Service	504,116	82,375	521,724	521,724	372,355
Other Financing Uses	0	0	0	0	0
Total Expenses	11,237,557	9,704,681	13,060,621	11,616,252	12,539,193
Surplus (Deficit)	(1,269,817)	997,622	(2,350,172)	(499,508)	(1,203,496)
Ending Fund Balance Equivalent	\$ 3,966,883	\$ 3,096,443	\$ 773,488	\$ 2,596,935	\$ 1,393,439
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Per Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) Per the budget parameters and as discussed at the May 16th Committee of the Whole Meeting, the rates were increased by 7% for Water, 5% for Sewer and 5% for Stormwater.
- 2) The City Council and the Ad-Hoc Capital Improvements Committee will continue to review the Utility Rate Study as prepared by Baxter & Woodman to further evaluate any other potential changes to the rates. An update to this Study will be completed in late FY 2017 or early FY 2018.
- 3) The City is repaying back the Water & Sewer Loans until 2033.
- 4) There are bonds still paid out of this Fund - one matures in 2017 & one in 2020.
- 5) At some point, the City should develop a fund balance policy for the Utilities Fund (typically 25% of fund balance to operating expenditures as recommended by APWA and GFOA).
- 6) The SSA expires in FY 2017.
- 7) Per the City Council discussion at the 10/17 COW meeting, the \$125,000 capital item for the Quentin Ridge project was removed from FY 2018.

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 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Charges for Service	2,216,247	2,177,066	2,161,874	2,163,924	2,163,924
Miscellaneous	20,645	21,787	25,500	25,500	25,500
Total Revenue	2,236,892	2,198,853	2,187,374	2,189,424	2,189,424
Expenses					
Salaries	250,259	260,575	274,995	267,366	292,947
Benefits	107,323	121,948	127,394	124,062	132,040
IMRF	36,321	41,454	42,167	39,354	45,447
Contractual Services	1,716,304	1,722,044	1,845,927	1,813,267	1,808,127
Supplies	5,369	4,407	6,800	6,650	11,150
Debt Service	36,415	36,209	36,209	36,209	0
Other Financing Uses	0	200,000	0	0	0
Total Expenses	2,151,991	2,386,637	2,333,492	2,286,908	2,289,711
Surplus (Deficit)	84,901	(187,784)	(146,118)	(97,484)	(100,287)
Ending Fund Balance Equivalent	1,223,945	1,020,333	821,301	922,849	807,562
	57%	43%	35%	40%	35%
	Refuse Fund Balance Policy Range = 30% to 50% of Expenses				
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) The City Council adopted a Refuse Fund Balance Policy which will strive to hold between 30% to 50% Fund Balance (Ending Fund Balance As a % of Expenses).
- 2) The last year of the bond repayment is in FY 2017.
- 3) There is no rate increase to the monthly Refuse Rate of \$29.95.
- 4) According to the agreement , the Refuse Rate was not to exceed a 3.25% increase each year.
- 5) There have been no rate increases since FY 2014. The Refuse Rate has been the same at \$29.95 per month for the last four years. (In FY 2013 the Refuse Rate was \$29.36 per month and prior to that it was \$32.50 per month.)
- 6) Per the City Council discussion at the 10/17 COW meeting, the \$1,600 for Big Belly software and the data line was removed from FY 2018.

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 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Charges for Service	1,468,120	1,519,344	1,538,000	1,538,000	1,549,200
Miscellaneous	5,903	5,673	5,550	5,550	5,550
Other Financing Sources	0	0	0	0	0
Total Revenue	1,474,023	1,525,017	1,543,550	1,543,550	1,554,750
Expenses					
Salaries	348,999	367,939	334,867	320,628	349,877
Benefits	101,823	99,652	108,124	98,654	106,109
IMRF	49,479	54,683	56,138	52,016	54,282
Contractual Services	361,101	378,176	522,700	519,950	529,500
Supplies	379,486	342,856	487,900	409,925	490,750
Other Financing Uses	5,000	40,000	0	0	0
Total Expenses	1,245,888	1,283,306	1,509,729	1,401,173	1,530,518
Surplus (Deficit)	228,135	241,711	33,821	142,377	24,232
Ending Fund Balance Equivalent	427,980	669,691	382,218	812,068	836,300
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Notes:

- 1) Some of the FY 2018 chargebacks have been increased slightly but are not at full funding.

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 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Charges for Service	\$ 1,265,999	\$ 1,339,850	\$ 1,401,200	\$ 1,401,200	\$ 1,440,362
Miscellaneous	34,516	58,178	5,000	5,000	5,000
Other Financing Sources	0	140,000	100,000	100,000	100,000
Total Revenue	1,300,515	1,538,028	1,506,200	1,506,200	1,545,362
Expenses					
Capital Outlay	1,722,650	1,258,030	1,360,000	1,005,765	2,483,940
Total Expenses	1,722,650	1,258,030	1,360,000	1,005,765	2,483,940
Surplus (Deficit)	(422,135)	279,998	146,200	500,435	(938,578)
Ending Fund Balance Equivalent	\$ 1,202,647	\$ 1,482,105	\$ 1,153,697	\$ 1,982,540	\$ 1,043,962

Notes:

- 1) The City started the repayment in FY 2016 of the \$1.0 interfund loan to the General Fund. There was a \$100,000 payment from the General Fund in FY 2016, FY 2017 and FY 2018 Budgets. This may be expedited over time. At the end of FY 2018, the interfund loan will be 30% paid.
- 2) Chargebacks are increased slightly in the FY 2018 Proposed Budget but not fully funded.

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 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Intergovernmental (CDBG Grant)	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Charges for Service	445,201	447,380	533,500	533,500	557,500
Investment Earnings	0	0	0	0	0
Reimbursements	263,302	15,875	0	0	0
Transfer from Liability Insurance	0	200,000	200,000	200,000	200,000
Total Revenue	858,503	663,255	733,500	733,500	757,500
Expenses					
Contractual Services	567,721	167,204	237,280	247,125	230,115
Supplies	49,794	48,267	41,600	54,525	61,700
Capital Outlay	29,790	265,905	1,020,000	947,125	485,000
Total Expenses	647,305	481,376	1,298,880	1,248,775	776,815
Surplus (Deficit)	211,198	181,879	(565,380)	(515,275)	(19,315)
Ending Fund Balance Equivalent	\$ 783,989	\$ 971,886	\$ 97,839	\$ 456,611	\$ 437,296

Notes:

- 1) For the FY 2017 Proposed Budget, the Liability Insurance Fund is proposed to transfer \$200,000 to this Fund (similar to the FY 2018 Proposed Budget).
- 2) The Fire Station expenses are spent from this Fund (for now) until further items are completed for this project. These expenses are being tracked for the issuance of bonds and to be repaid to the Building & Land Fund at a later date.
- 3) There are some items from the CIP that were not added to the FY 2018 Proposed Budget.

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 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Charges for Service	\$ 817,857	\$ 817,859	\$ 896,880	\$ 896,880	\$ 829,436
Investment Earnings	18	84	100	100	100
Miscellaneous	352,601	701,620	40,000	145,000	80,000
Total Revenue	1,170,476	1,519,563	936,980	1,041,980	909,536
Expenses					
Liability Insurance	548,337	600,824	700,000	700,000	725,000
Reimbursable Repairs/Supplies	25,432	34,681	20,000	15,000	20,000
Unemployment Insurance	0	0	5,000	0	5,000
Change in Liability Reserves	0	0	0	0	0
Other Financing Uses	0	200,000	350,000	350,000	350,000
Total Expenses	573,769	835,505	1,075,000	1,065,000	1,100,000
Surplus (Deficit)	596,707	684,058	(138,020)	(23,020)	(190,464)
Ending Fund Balance Equivalent	\$ 864,704	\$ 1,252,039	\$ 755,622	\$ 1,104,019	\$ 913,555
	<i>Audited Fund Balance</i>	<i>Audited Fund Balance</i>	<i>Fund Balance Estimate Per Budget</i>	<i>Estimate of Fund Balance</i>	<i>Estimate of Fund Balance</i>

Note:

1) The FY 2018 Proposed Budget shows a \$200,000 transfer to the Building & Land Fund and \$150,000 to the 911 Fund.

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 numerous other Illinois municipalities.

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2017 Estimated Projection	FY 2018 Proposed Budget
Revenue					
Charges for Service	\$ 3,491,150	\$ 3,315,497	\$ 3,484,718	\$ 3,216,361	\$ 3,622,524
Investment Earnings	147	671	500	1,000	1,000
Changes in Reserves	342,578	342,622	0	0	0
Retiree Insurance & Employee Contributions	998,326	1,041,723	1,051,460	1,061,595	1,072,615
Total Revenue	4,832,201	4,700,513	4,536,678	4,278,956	4,696,139
Expenses					
Benefits	4,438,639	4,005,731	4,229,900	3,591,393	3,635,311
Contractual Services	6,195	6,055	8,000	6,000	8,000
Change in Reserves	0	0	25,000	0	0
General Fund Transfer - Administration Items	0	0	0	0	150,000
General Fund Transfer-Unfunded Liab	100,000	200,000	300,000	300,000	378,548
Total Expenses	4,544,834	4,211,786	4,562,900	3,897,393	4,171,859
Surplus (Deficit)	287,367	488,727	(26,222)	381,563	524,280
Ending Fund Balance Equivalent	\$ 1,322,721	\$ 1,468,950	\$ 1,400,167	\$ 1,424,913	\$ 1,473,393
	Audited Fund Balance	Audited Fund Balance	Fund Balance Estimate Per Adopted Budget	Estimate of Fund Balance	Estimate of Fund Balance