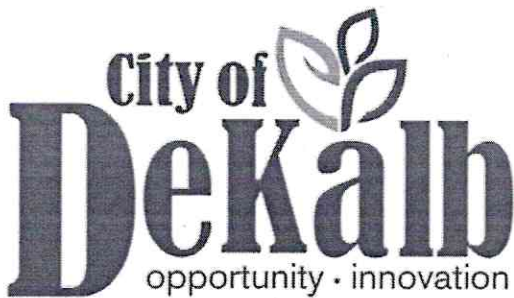




## **NOTICE OF CANCELLATION**

The Special Joint Meeting of the City Council and Finance Advisory Committee scheduled for Monday, November 5, 2018, has been cancelled.



**Meeting Location**  
DeKalb Municipal Building  
City Council Chambers – 2<sup>nd</sup> Floor  
200 S. Fourth Street  
DeKalb, Illinois 60115

**AGENDA**  
Special  
Joint Meeting  
of the  
City Council and Finance Advisory Committee  
November 5, 2018  
5:00 p.m.

- A. Roll Call
- B. Public Participation
- C. Proposed FY2019 General Fund Budget Balancing Measures.
- D. Adjournment

Notice of a Special Joint Meeting of the City Council and the Finance Advisory Committee of the City of DeKalb for November 5, 2018, at 5:00 p.m., called pursuant to Chapter 2 "City Council", Section 2.05 "Special Meetings", of the Municipal Code of the City of DeKalb, Illinois.

**RUTH A. SCOTT**, Deputy City Clerk

**DATE:** October 31, 2018

**TO:** Honorable Mayor Jerry Smith  
City Council  
Finance Advisory Committee Chair Michael Peddle  
Finance Advisory Committee

**FROM:** Molly Talkington, Interim City Manager  
Raymond Munch, Interim Assistant City Manager

**SUBJECT:** Proposed FY2019 General Fund Budget Balancing Measures.

## I. Summary

At the direction of the Finance Advisory Committee (FAC), staff updated the Five-Year Financial Plan (Plan) as part of the Fiscal Year (FY) 2019 budget process. Updates to the Plan revealed the existence of a structural imbalance in the City's revenues and expenditures. Based on the updated figures in the FY2018 Estimate, the FY2018 General Fund ending unassigned fund balance is projected at 23.8% of expenditures, a shortfall of \$457,000. This structural imbalance is carried into the FY2019 through FY2023 projections. An additional \$1.2 million shortfall is projected for the FY2019 budget. Staff has worked with the City Council and FAC to identify budget-balancing measures to bring the FY2019 Proposed Budget in line with the City's financial policy. Those budget-balancing measures have been discussed over several months, and those discussions have resulted in consensus on budget-balancing measures that bring the FY2019 Proposed Budget within \$240,742 of meeting the FY2019 General Fund ending unassigned fund balance to \$9.4 million which is 25% of expenditures or to 30% of expenditures minus property tax revenue. A review of previous discussed budget-balancing measures, along with several new measures, are now presented to City Council and FAC for further consideration.

## II. Background

### Prior Council Action

- On January 8, 2018, City Council supported a [new budget process](#) for the FY2019 Budget to clearly tie the City Council's goals to budget action plans.
- On January 24 and February 20, 2018, City Council identified and prioritized [goals](#) to set five short-term goals to be completed in 12 to 18 months and five long-term goals that extend beyond 18 months.

- Between March 20, 2018, and June 18, 2018, all City departments completed a service level and a Fiscal Year 2018 line item review.
- On March 26, 2018, Finance Director Talkington presented City Council with several options for incorporating a [review of the FY2018 Budget](#) as part of the FY2019 Budget Workshops.
- The [Budget Basics](#) video was debuted at the April 17, 2018, Special Council meeting. This video is an overview of what services the City of DeKalb provides and how an annual budget is created to provide those services.

## Schedule Update

Date	Who	Meeting Topic
January 8, 2018	City Council	Fiscal Year 2019 Budget Schedule & Service Level Reviews – Snow and Ice Removal Plan & Refuse, Recyclables, and Yard Waste Contract Update <a href="#">Completed</a>
January 16, 2018	Finance Advisory Committee	Five-Year Financial Plan Review <a href="#">Completed</a>
January 22, 2018	City Council	Service Level Review – Human Services Funding Report & Tax Increment Financing Policy Direction <a href="#">Completed</a>
January 24, 2018	City Council	Strategic Plan and Goal Setting Session <a href="#">Completed</a>
February 12, 2018	City Council	Service Level Review – State of Technology <a href="#">Deferred to March 20, 2018</a> <a href="#">Completed</a>
February 20, 2018	City Council	Budget Workshop – Service Level Reviews <a href="#">Changed to continued City Council Goal Setting</a> <a href="#">Completed</a>
February 26, 2016	City Council	Fiscal Year 2017 Strategic Plan Update <a href="#">Deferred to March 12, 2018</a> <a href="#">Completed</a>



<b>Date</b>	<b>Who</b>	<b>Meeting Topic</b>
February 27, 2018	Finance Advisory Committee	Five-Year Financial Plan Review continued (if needed) & Begin Financial Policies Review <b>Completed</b>
March 5, 2018	Staff	Budget Basics Video Release <b>Released on April 17, 2018</b>
March 27, 2017	Finance Advisory Committee	Financial Policies Review continued <b>Completed</b>
April 17, 2018	City Council	Budget Workshop – Service Level Reviews <b>Completed</b>
April 24, 2018	Finance Advisory Committee	Financial Policies Review continued <b>Completed</b>
April 2018 (end of month)	Actuary	Police and Fire Pension Funds Actuarial Reports Final <b>Received</b>
May 15, 2018	Finance Advisory Committee	Financial Policies Review continued (if needed) <b>Completed</b>
May 22, 2018	City Council	Budget Workshop – Service Level Reviews & Financial Policies Review <b>Completed</b>
June 19, 2018 <b>Change to June 18, 2018</b>	City Council	Budget Workshop – Service Level Reviews & Financial Policies Review <b>Completed</b>
June 26, 2018	Finance Advisory Committee	Fiscal year 2018 Year-to-Date Budget Update & Five-Year Financial Plan Review <b>Completed</b>
July 10, 2018	City Council	Budget Workshop – Financial Policies Review continued, Fiscal Year 2018 Year-to-Date Budget Update & Five-Year Financial Plan Review to set Budget Strategy
July 10, 2018	Staff	Fiscal Year 2019 Budget Development Begins - <b>Underway</b>
August 7, 2018	Finance Advisory Committee	Audit & Actuarial Reports Review <b>Completed</b>



<b>Date</b>	<b>Who</b>	<b>Meeting Topic</b>
August 21, 2018	City Council	Budget Workshop – Audit & Actuarial Reports Review <b>Completed</b> Begin 2019 Budget Review <b>Deferred to Sept 18</b>
September 11, 2018 <b>Change to September 12, 2018</b>	Finance Advisory Committee	Property Tax Levy & Fiscal Year 2019 Budget Preview Review <b>Completed</b>
September 18, 2018	City Council	Budget Workshop – Property Tax Levy & Fiscal Year 2019 Budget Preview Review <b>Completed</b>
September 25, 2018	Finance Advisory Committee	Budget Preview Review continued (if needed) <b>Completed</b>
October 16, 2018	City Council	Budget Workshop – Property Tax Levy continued & Fiscal Year 2019 Budget Preview Review continued (if needed) <b>Completed</b>
October 23, 2018	Finance Advisory Committee	Budget Preview Review continued (if needed) <b>Completed</b>
October 2018 (end of month)	DeKalb County	Anticipated Receipt of the Estimated Equalized Assessed Valuation <b>Received</b>
Late October/Early November	Staff	Release the Fiscal Year 2019 Proposed Budget document <b>Underway</b>
November 6, 2018 <b>Change to November 5, 2018</b>	City Council & Finance Advisory Committee	Joint Meeting to Review the Fiscal Year 2019 Proposed Budget
November 12, 2018	City Council	Estimated 2018 Property Tax Levy Adoption (Determines if Truth in Taxation Notice is Required)
November 26, 2018	City Council	Committee of the Whole – Public Hearing for 2018 Property Tax Levy Regular Meeting – Public Hearing for the Fiscal Year 2019 Annual Budget, First Reading of the Annual Budget & First Reading of the 2018 Property Tax Levy



<b>Date</b>	<b>Who</b>	<b>Meeting Topic</b>
December 10, 2018	City Council	Second Reading of the Fiscal Year 2019 Annual Budget & Second Reading of the 2018 Property Tax Levy
December 25, 2018	Staff	Last Day to File the Annual Budget and 2018 Property Tax Levy with the County
January 1, 2019		Fiscal Year 2019 Begins

**Financial Forecast**

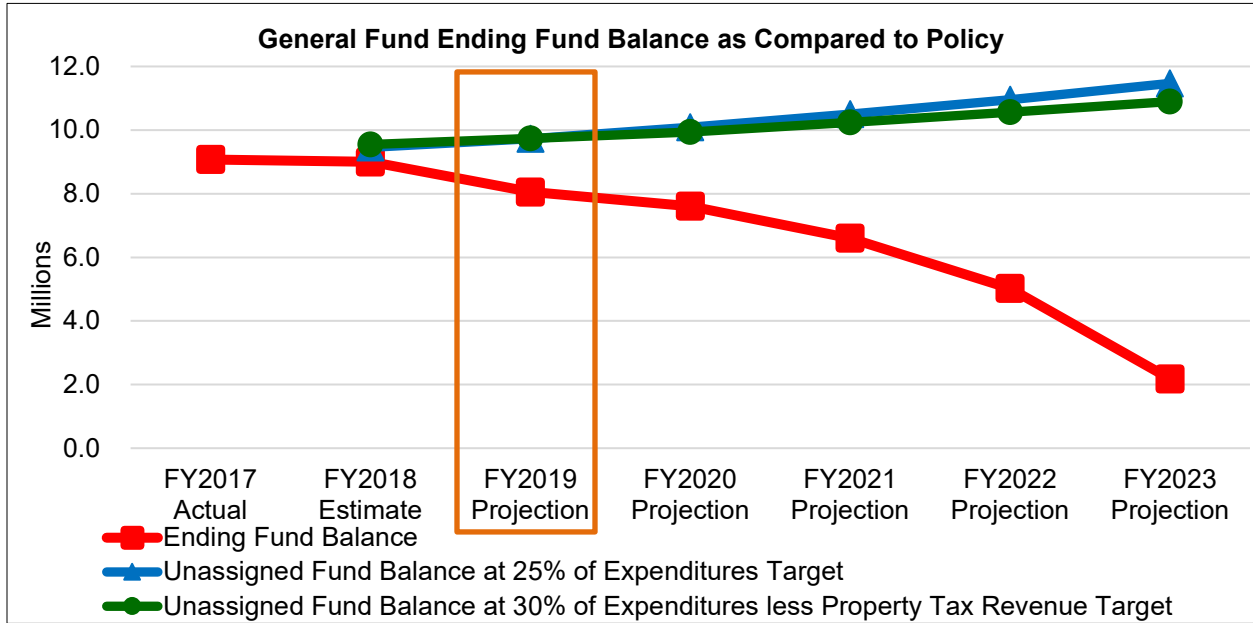
At the July 10, 2018, Budget Workshop, staff presented City Council with the first annual update of the Five-Year Financial Plan. The revenue and expenditure projection (forecast) included in the Plan indicate that the City is operating in a structural deficit, which in simpler terms means that expenditure growth is outpacing revenue growth. The City’s structural imbalance is not unlike many other municipalities, in that, the City has pension obligations that consume a great deal of its fiscal resources. This places greater demand on other revenue sources.

In the Plan, the FY2018 Estimate was updated to reflect information that is now known. Two changes affected the General Fund ending unassigned balance. First is the inclusion of the Peace Road Interchange Agreement expenditure to the County. This was not included in the FY2018 Budget since it was identified through the initial Plan as having met the financial obligations of the agreement. Second, Building Permits and other related permits were updated to reflect current project information. This included removing permit funding related to the STEAM project and the subsequent outgrowth since the STEAM project is no longer under consideration.

Based on all the updated figures in the FY2018 Estimate, the FY2018 General Fund ending unassigned fund balance is projected at 23.8% of expenditures. The City’s current financial policy is 25% of expenditures. This is a shortfall of \$457K. This structural imbalance is carried into the FY2019 through FY2023 projections. The FY2019 budget shortfall is an additional \$1.2M.







### Budget Balancing Strategy

Based on the revenue and expenditure forecast outlined above, the recommended budget strategy is to prepare the FY2019 Proposed Budget to meet the General Fund unassigned fund balance policy. This requires \$1.68 million in budget-balancing measures to be enacted with the FY2019 budget adoption to reach the recommended General Fund unassigned fund balance policy of 30% of expenditures less property tax revenue. Budget balancing measures can be expenditure reductions, revenue increases, or a combination of both to bring the fund balance to policy level. These measures, when taken early in the forecast, help course correct the following years of the financial forecast.

In July, the City Manager tasked each City department to develop service focused budget-balancing options at a level equal to the department’s percentage of the total General Fund budget. Department heads were asked to carefully evaluate service levels and identify areas for potential service reduction or elimination. Department heads were instructed to explain the service reduction impact first, then the associated expenditures (staff, materials, equipment, etc.) to be evaluated as part of that reduction. Additionally, department heads were encouraged to evaluate current and potential revenue sources in arriving at their budget-balancing target. While the Department heads were formally tasked with developing these options, City Council, all employees, union groups, and the public were asked to share any ideas they may have.

In August, each department head submitted their proposed budget-balancing measures. Those proposals were evaluated by the City Manager’s Office and additional information was sought where necessary. City Council is now presented with a package of proposed budget-balancing measures for consideration. The following outline details updated revenue projections, new and increased revenues, and expenditure reductions. The proposed expenditure reductions change the way services are delivered throughout the





City, resulting in staffing reorganization and reductions. Staffing changes were evaluated both individually and across the organization based on service needs. Staff recognizes that the decisions required to be made as part of this process are difficult ones and depending on the budget-balancing measure chosen could result in layoffs. The City Manager has taken the utmost effort to minimize layoffs of current employees. The recommended measures use attrition, vacant positions, and relocation of current employees in eliminated positions to another position that is planned to remain in the organizational structure. Should the City Council decide that one or more components of the recommended budget-balancing package are not preferred, several alternative measures are detailed as well.

### **III. Actions Taken to Date:**

Staff presented a list of budget-balancing measures to the City Council and FAC and discussed the proposed measures over the course of several meetings of the respective boards during the months of September and October. These budget-balancing measures include recommended measures that included significant expenditure reductions paired with new or increased revenues. In addition to the recommended measures, staff presented a list of alternative measures that were identified as being measures that are possible to implement but not preferred over those on the recommended list. Those measures again included both expenditure reductions and revenue increases.

After a preliminary discussion of these measures during September meetings, staff developed an electronic survey and distributed that survey to all members of the City Council and FAC. The survey was constructed in a way that asked each respondent to cite their preference to each of the recommended and alternative measures presented by answering Yes, No or Maybe. The survey was anonymous; however, separate surveys were presented to City Council and the FAC in order to differentiate the opinions of the two boards. The responses were discussed in greater details at the FAC meeting on October 10 and the Special Committee of the Whole meeting on October 16. At those meetings, staff asked for consensus on each of the budget-balancing measures listed. Recommendations made by the FAC were provided to City Council prior to the October 16 meeting to guide the City Council's discussion on these items.

At the October 16 meeting, City Council considered each of the recommended and alternative budget-balancing measures. Out of that discussion came consensus on the implementation of budget-balancing measures totaling \$1.68 million, which achieved the budget-balancing target. This target was based upon a forecast that included figures for the 2018 Property Tax Levy that were based upon the policy direction provided by City Council at the October 8 Committee of the Whole meeting. At the conclusion of the October 16 Special Committee of the Whole meeting, City Council engaged in further discussion on the 2018 Property Tax Levy and provided staff with new policy direction related to the levy. Based on the City Council's most recent 2018 Property Tax Levy policy direction, the funding gap increases by an additional \$210,000 under the current Fund Balance Policy of 25% of expenditures. If the City Council were to follow the alternative Fund Balance Policy recommended by FAC, which is 30% of expenditures less property tax revenue, the funding gap increases to \$262,000.



At the October 24 FAC meeting, the FAC reviewed the Council direction on the budget-balancing measures and the revised property tax levy direction. To address the remaining funding gap identified through those decisions, the FAC provided further recommendations for Council consideration at the Joint meeting as follows:

1. The FAC does not support using fund balance for the FY2019 budget as a budget-balancing measure. (4-0 vote; Parch and Parker absent)
2. The FAC supports Council direction for the following:
  - a. Reduce the Municipal Band funding by \$10,000 (all in favor)
  - b. Eliminate the Metro West/Metropolitan Mayors' funding (3-1; Peddle not in favor)
  - c. Keep the funding for Social Service Agreements (all in favor)
  - d. Keep the DeKalb Chamber of Commerce support (all in favor)
  - e. Keep the DeKalb County Economic Development Corporation support (all in favor)
  - f. Reduce the DeKalb County Convention & Visitors Bureau funding by \$10,000 (all in favor)
  - g. Keep the Local Athletic Sponsorships (all in favor)
  - h. Continue exploring funding models for the Airport (all in favor)
  - i. Reduce the Non-Bargaining Unit salary increase to 1.25% (all in favor)
  - j. Do not use a SUV Fast Response Fire Vehicle (all in favor)
  - k. Do not use a Mini-Pumper Fast Response Fire Vehicle (all in favor)
  - l. Do not increase the Home Rule Sales Tax for operating (all in favor)
  - m. Increase the Hotel/Motel tax by 0.50% (all in favor)
  - n. Do not increase the Electric and Gas Utility taxes (all in favor)
  - o. Add a Self-Storage Facility Use tax (all in favor)
  - p. Continue research on adding an Amusement/Entertainment tax (all in favor)
3. FAC did not support the Council direction on the following and provided further recommendations:
  - a. Explore the Home Rule Sales tax increase as a funding source for street and fleet
  - b. Explore the Restaurant, Bar and Packaged Liquor tax as a budget-balancing measure for the General Fund and/or for capital needs
  - c. Increase the Video Gaming Terminal Renewal Fees (all in favor)

To provide an opportunity for City Council and FAC, together, to balance the FY2019



Proposed budget without reliance on the fund balance, staff has updated the list of potential budget-balancing measures to include expenditure and revenue options previously considered but not preferred by City Council. As well, several expenditure reduction options have been included that were not previously discussed. City Council had also requested additional information related Crime Free Housing and City Inspection Programs, one of the more complex budget-balancing measures initially offered. Initially, measures related to those programs were package under four options. While City Council reached some consensus on this topic, it was clear that the Council desired more information on which to base further decisions.

#### **IV. Alternative Expenditure Reductions**

The following list of budget-balancing measures includes those items previously considered but not preferred by City Council, items considered that required more information (Crime Free) and items not previously offered for consideration. Following are alternative measures to consider aside from those already indicated as preferred by City Council:

##### **Previously Considered – Not Preferred:**

##### **1. Eliminate Information Technology Director – (\$131,830)**

The position of Information Technology Director is eliminated under this model. Current staffing, resources, and funding have made it difficult for the Director to achieve the goals set forth when the position was created in 2016. In many instances, the Director is providing general tech support to City staff as a result of staffing reductions in prior years, resulting in already limited resources in the department. The elimination of this position represents a \$131,830 cost savings to the General Fund; however, the service level impact is significant as this department was reduced by one (1.00) FTE in FY2018. A more comprehensive review of the structure and staffing of this department is needed in the upcoming fiscal year.

##### **2. Eliminate One (1.00) Firefighter – (\$99,353)**

The Fire Department currently maintains a shift staffing of 13 personnel. The department could eliminate one (1.00) Firefighter position. This would essentially reduce staffing on one of three shifts, which would require the department to backfill using the department's swing shift personnel to maintain shift staffing of 13. The elimination of one (1.00) Firefighter position would be accomplished through attrition on January 4, 2019, through an announced retirement. The General Fund cost savings for this change is \$99,353.

##### **2a. Authorize Firefighter Over-Hire Funding - \$49,676**

Given the proposed staffing reductions in the Fire Department, future vacancies created through retirement or resignation could have a more profound impact on service delivery and overtime costs. It is proposed that funding is included in the Fire Department budget to authorize an over-hire at the rank of Firefighter for a period not to exceed six (6) months. Over-hire funding would be used to fill an anticipated vacancy in the Fire Department in



a manner that would reduce any significant gap in staffing. This model essentially authorizes the department to exceed the authorized staffing level for short periods of time for the sole purpose of replacing a known vacancy in a more expeditious manner, thus reducing the impact to service delivery. The budgeted cost to the General Fund is \$49,676; however, the funds may not be fully expended in any given year.

*Note: This additional funding is directly tied to the elimination of a Firefighter position and should not be considered otherwise.*

### 3. Eliminate up to Two (2.00) Police Officers – (\$177,630)

Three (3.00) Police Officers will retire in January 2019. Those Officers have already been removed from active service but are still on the payroll as the Fraternal Order Police collective bargaining agreement allows for the use of their accumulated leave to extend service time before retirement. Reduction of up to two (2.00) Police Officer positions could be implemented and made effective upon the actual retirement date in January 2019. The cost savings of one (1.00) Police Officer position in the first year is \$88,815.

*Note: City Council previously considered and approved of the elimination of one (1.00) Police Commander position through attrition on or about June of 2019. This brings the Police department's authorized sworn staffing to 64. Staff does not recommend lowering the department's sworn staffing to less than 63. If two (2.00) Police Officers were eliminated, the Police Commander position would be backfilled at the rank of Police Officer upon elimination.*

### 3a. Authorize Police Officer Over-Hire Funding – \$88,816

Given the proposed staffing reductions in the Police Department, future vacancies created through retirement or resignation could have a more profound impact on service delivery and overtime costs. It is proposed that funding is included to authorize an over-hire of two positions for a period not to exceed six (6) months each. Over-hire funding would be used to fill an anticipated vacancy sooner and reduce any significant gap in staffing thereby making it easier to maintain actual staffing of 63 sworn personnel. This model essentially authorizes the department to exceed authorized staffing level for short periods of time for the sole purpose of replacing a known vacancy in a more expeditious manner, thus reducing the impact to service delivery. The budgeted cost to the General Fund is \$88,816; however, the funds may not be fully expended in any given year.

*Note: This additional funding is directly tied to the elimination of Police Officer positions on a one-to-one basis and should not be considered otherwise.*

### 4. Reduce/Eliminate Social Service Agreements – (\$144,500)

In many communities, social services are typically covered by the township, county or other social service agencies. The City funding social service programs has a long tradition in the community. During the FY2018 budget process, social service program funding was considered for reduction. Last year, Council approved a minimal reduction



based on the non-performance of a particular entity that had been funded for several years. If so desired, Council could consider further reductions of social service funding.

5. Reduce/Eliminate DeKalb Chamber of Commerce Support – (\$45,000)

Annually, the City supports the Chamber of Commerce with \$45,000 in funding, which covers the cost of a Chamber employee that coordinates special events in the community. This service used to be the responsibility of a City employee. Changing to this fee-based model allowed the City to still have special events throughout the City without maintaining the cost of employee compensation and benefits. The Council could, however, consider reducing or eliminating this funding for cost savings of up to \$45,000 in the General Fund.

6. Reduce/Eliminate DeKalb County Economic Development Corporation (DCEDC) Support – (\$45,000)

The City also supports the DCEDC in the amount of \$45,000 annually. The DCEDC plays a critical role in the administration of the County Enterprise Zone, which is an important economic development tool to prospective new businesses. The DCEDC also represents the City when the State forwards requests for proposals from businesses considering an Illinois location. The Council could, however, consider reducing or eliminating this funding for cost savings of up to \$45,000 in the General Fund.

7. Reduce/Eliminate Local Athletic Sponsorships – (\$17,500)

For several years, the City has offered support in the form of a \$12,500 sponsorship to Destination DeKalb, which brings the Illinois High School Association State High School Football Championships to DeKalb every other year. In addition, the Illinois Elementary School Association State Wrestling Tournament returns to DeKalb this year, and \$5,000 has been budgeted to sponsor that event. Either or both sponsorships could be reduced or eliminated for a cost savings of up to \$17,500 in the General Fund.

8. Transition Airport to Fixed-Base Operator Model – (\$75,000)

DeKalb Taylor Municipal Airport is fully operated by the City at present. The City could consider shifting to a Fixed-Base Operator (FBO) model whereby the City would grant to a private entity the right to operate the airport and provide services such as fueling, deicing, cargo handling, aircraft maintenance, flight instruction, and similar services. Under this model, the City would essentially lease the airport operations to the FBO and capture a percentage of fuel sales or some other revenue mechanisms. If this measure were enacted, it would require the elimination of the Airport Manager and Airport Line Service positions. Between the revenue generated through the FBO and the cost savings to the General Fund, the net gain would be \$75,000.

**Previously Considered – More Information Requested:**

1. Crime Free Housing, Code Compliance and Property Inspection Programs

The City inspects residential and commercial properties through various inspection



programs that were authorized by City Code at various points in time over the last 10 years based on concerns identified at a given point in time. In an attempt to be responsive to Council requests to do more with less and address serious building deficiencies, all inspection programs were reassigned to operate through the Community Development Department in 2017. At that time, the Fire Prevention Lieutenant was reassigned from the Fire Department to Community Development to perform Rooming House, Fire Life Safety and Commercial Building inspections under the supervision of a qualified Chief Building Official. Similarly, the Crime Free Housing Program, which was originally constructed to operate under the authority of the Police Department, was moved to Community Development because the program's initial successes allowed previously dedicated full-time personnel to allocate time to other important initiatives like the supervision of a part-time property maintenance inspection personnel.

Therefore, at the beginning of 2017, the Crime Free, Rooming House, Fire Life Safety, Commercial Building Inspection, and Property Maintenance Inspection Programs were reclassified as the Building & Code Compliance Division within the Community Development Department. This was done in order to take advantage of the knowledge and experience of the newly designated Chief Building Official position. Under the general direction of the Chief Building Official, this division would operate with one full-time Code Compliance Coordinator (formerly Crime Free Housing Coordinator), three part-time Code Compliance Inspectors (formerly Crime Free Housing Inspectors), and one Fire Prevention Lieutenant, a position mandated by IAFF union contract and technically reporting to FD. The goal, at that time, was to coordinate and manage all programs related to Crime Free, building safety and property maintenance under one department.

Of these programs, Crime Free Housing and its associated code compliance activities have a dedicated revenue source, which is the Landlord Rental Registration fee. Projected revenue from this fee for FY2019 is \$195,000. In addition to residential property inspections related to Crime Free, the City inspects residential and commercial properties as required by the Rooming House, Fire-Life Safety, Hotel-Motel and Gas Station codes. Several of these inspections require a fee to be paid and, in total, account for \$46,500 in projected revenue for FY2018. In addition to these inspections, the Fire Department conducts commercial property inspections of those properties not covered under one of the preceding codes. These inspections are primarily conducted by on-duty Firefighters, with follow up inspections being conducted using a 7g overtime rate. The Fire Department also employs an Intern to assist with administrative tasks associated with commercial inspections. Commercial inspections have no dedicated revenue source as there is no fee associated with this program. In total, \$241,500 in dedicated revenue sources can be attributed to the inspections detailed above. It is clear that these revenues are far exceeded by the expenditures related to these programs, both directly and indirectly.

When this issue was last discussed on October 16, 2018, four options were discussed. At that time, the full scope and costs associated with these programs were underestimated. While revenues specifically tied to these programs are easily identifiable, the expenditure picture is not as clear. While the day-to-day activities of one employee or another may focus on a particular program, it is often the case that roles and responsibilities overlap on significant issues. For example, what begins as a code compliance case may take on additional complexities requiring the expertise of the Fire





Prevention Lieutenant and/or Chief Building Official. This is one of the benefits of structuring these similar services under one department. It does, however, complicate the issue of tying specific revenue streams to specific activities.

#### Crime Free Housing, Code Compliance and Inspection Programs Considerations:

Staff conducted an additional review of the current Crime Free Housing program and City inspection programs. After consulting with the Fire Chief, Police Chief, Community Development Director, and City Attorney, there is some consensus that the move to consolidate Crime Free Housing and Fire Prevention into Community Development has been met by both positives and negatives. The services related specifically to code compliance and building inspections have improved over the past 18 months, with less than 12 of those months falling under the leadership of the Chief Building Official. There is, however, some concern that the Crime Free Housing program itself has suffered. At its core, Crime Free Housing is a crime prevention initiative with a mission more closely aligned with the Police Department than the Community Development Department. While the code compliance component contributes to the crime prevention mission of Crime Free Housing, it is best suited as a Community Development initiative separate from the law enforcement specific components of Crime Free Housing. Additionally, there is some concern from the Fire Chief regarding management and supervision of the Fire Prevention Lieutenant, who is budgeted for in the Fire Department budget but works day-to-day under Community Development. That said, several considerations exist as it relates to the future of these programs.

1. Should the City consider reestablishing the crime prevention component of Crime Free Housing in the Police Department? Doing so would require the addition of a part-time civilian employee (1,456 hours) at a cost of \$45,763. This position, in theory, could maintain responsibility for leading landlord training seminars, analyzing calls for service to rental properties and maintaining relationships with landlords, addressing crime issues as needed. Additionally, staff believes that this position could support additional functions within the Police Department, such as assisting with the management of other crime prevention programs or initiatives. This further supports the Police Department's ability to keep sworn staff dedicated to law enforcement specific functions. It is important to note that the property maintenance component associated with Crime Free Housing would remain in the Community Development Department.
2. If Crime Free Housing were to be reestablished in the Police Department as a stand-alone crime prevention program, what resources is the City willing to dedicate to the code compliance function of Community Development? While it may make sense to operate the basic premise of Crime Free Housing out of the Police Department, the same is not true of the code compliance/property maintenance inspection component of that program. That said, it has been well established that there is a clear need for a code compliance function within the City. That function is currently served by one full-time Code Compliance Coordinator and three part-time Code Compliance Inspectors. The Code Compliance Coordinator currently fulfills the Crime Free Housing functions described above. Therefore, moving Crime Free out of the Code Compliance Division reduces the responsibilities and workload of the Code Compliance Coordinator.





- 2a. The City could consider eliminating the Code Compliance Coordinator position and realize a cost savings of \$129,536 to the General Fund; however, by eliminating the Code Compliance Coordinator, the management and supervision of the three part-time Code Compliance Inspectors would fall under the Chief Building Official. The three part-time Code Compliance Inspectors serve the needs of Crime Free Housing related inspections as well as general property maintenance inspections of properties throughout the City. With only three part-time inspectors, each limited to 20 hours per week, resources are limited. Under the current model, the Code Compliance Coordinator accepts complaints via phone calls, e-mails or walk-ins, and assigns cases to Inspectors. The Inspector then dedicates their four-hour day, on average, to field inspections and paperwork associated with those cases, also making time available for court appearances when necessary. If there is no Coordinator to manage this workload, either the Inspectors' day will incorporate the need to split between screening e-mails, phone calls, and walk-ins and actually spending time in the field investigating and documenting the cases or the Chief Building Official's workload and duties would be realigned to incorporate these additional functions. Since the Inspectors are part-time, unlike a full-time, exempt Coordinator who is expected to perform duties as assigned, the Inspectors cannot be asked to work more hours without additional cost to the City.
- 2b. An alternative to the top-down reduction outlined in 2a would be to reduce expenditures from the bottom up. Doing so would require the elimination of one Code Compliance Inspector position. By eliminating this position, the City would realize a \$27,201 savings to the General Fund. The service level impact of this elimination would include reduced inspection capacity and increased response time to property maintenance complaints. The elimination of a Code Compliance Inspector could offset the funding needed to reestablish Crime Free Housing under the Police Department. Under this model, the Code Compliance Coordinator would function as a working supervisor specifically dedicate to residential property inspection and code compliance activities.
3. Should additional revenues be established to fund property inspection programs? Two new revenue sources have been suggested as a potential means of reducing the funding gap tied to inspection services provided by the Fire Department under the authority of Community Development. Those revenues include a Vacant Building/Foreclosed Property Registration fee and a Commercial Building Inspection fee. Both revenues are in the early stages of evaluation, and, as such, conservative estimates are offered.
- Vacant Building/Foreclosed Property Registration: The Chief Building Official provided data indicating there are 155 active foreclosed properties in the City and 124 potential foreclosures at present. Under the model proposed during the October 22 Regular City Council meeting, the City could realize \$90,000 (80% of projection) annually from this registration fee.
  - Commercial Building Inspection: The Fire Chief provided information indicating there



are 621 properties that would be eligible for the Commercial Building Inspection fee. Assuming a fee of \$75 per eligible property, the City could realize an additional \$46,575 in revenue annually.

*Note: There is a historical perceptiveness that is important to keep in mind when considering any new revenue tied to the City's inspection program. In 2014, the City considered the implementation of Commercial Building Inspection fees. At that time, the business community was strongly opposed to the proposed fee and months of heated discussion ensued. Ultimately, the fee was not implemented.*

The primary consideration for City Council as it relates to these issues is to determine to what extent these services should be funded through dedicated revenue sources versus the existing revenue sources that fund general City services with no identifiable revenue source (i.e. police and fire protection). While there are budgetary considerations surrounding these issues, this is a policy consideration in the broader sense.

### **Additional Considerations – Not Previously Discussed:**

#### 1. Reorganization of Police Department Civilian Support Staff - \$50,000

As an alternative to reducing sworn staffing in the Police Department, the Police Chief would support a reduction in civilian support staff. The Police department currently employs five part-time Community Services Officers (CSOs) who function to support the department in various ways, including parking enforcement, evidence/property management, and non-critical patrol support. A vacancy currently exists among these five positions and it is proposed to be eliminated for a General Fund cost savings of \$22,801. It would be up to the discretion of the Police Chief as to how the remaining CSOs would be allocated; however, he has indicated that the two CSOs recently dedicated to Central Business District parking enforcement would remain dedicated to those assignments. Additionally, the Police Chief supports further reorganization within the civilian ranks of the Police Department and believes total cost savings to the General Fund of \$50,000 could be realized.

*Note: While the CSO position is an immediate reduction, further evaluation is needed before specifically identifying further reductions.*

#### 2. Eliminate One (1.00) Management Analyst – City Manager's Office - \$95,726

The City Manager's Office employs two Management Analysts. Services provided across these two positions include supervision and management of Administrative Assistant and Management Interns, FOIA processing and compliance, overseeing the City's mass communication efforts including website, social media, newsletters and press releases, assists with department budget development, act as staff liaison to various Commissions, oversee the City's records retention and disposal process, and assists with project management across various City departments. Eliminating one Management Analyst from the City's Manager's Office would have a noticeable impact to service delivery. The roles and responsibilities of the two positions could, conceivably, be combined; however, the day-to-day responsibilities of the combined positions would likely consume all the time



and resources of the remaining Management Analyst. The service delivery impact would be most notable to other City departments who rely on the Management Analysts for project management, analysis of data, generation and presentation of reports, policy research and development. The departments most impacted would be Community Development, Finance, and Human Resources. With this reduced staffing model, these departments would not have the benefit of seeking additional resources and support from the City Manager's Office. The General Fund cost savings of this reduction would be \$95,726.

*Note: If this expenditure reduction were preferred, it would be recommended that the previously discussed elimination of one Management Intern be reconsidered.*

## **V. Alternative Revenue Considerations**

The following list of budget-balancing measures includes those revenue items previously considered but not preferred by City Council. Following are alternative measures to consider aside from those already indicated as preferred by City Council:

### **Previously Considered – Not Accepted:**

1. Home Rule Sales Tax Increase - \$3,000,000 at 0.75% or \$1,000,000 at 0.25% increase.

The City's current home rule sales tax rate is 1.75% and is the largest source of revenue for the General Fund. This revenue is derived from the consumption of goods and services. Items that are not subject to this tax include groceries, medicine, and licensed personal property such as automobiles. Comparable cities tax rate is between 1.75% and 2.75%. The City of Sycamore's current rate is 1.75%. Potential impact of a tax rate increase:

Positive effect:

- An increase of 0.25% could result in an additional \$1.0 million of revenue or 0.75% to result in the originally stated \$3,000,000.
- A small increase is unlikely to impact purchasing behavior, as DeKalb has retail stores that are unavailable elsewhere in the immediate area.

Negative effect:

- The City's finances could become more volatile since this revenue is tied to the overall economic health of the City.
- Being the largest source of revenue for the General Fund, the City's overall tax structure would be less diverse which is contrary to an objective of the City's Financial Policies.
- The City would have a higher sales tax rate than surrounding communities.



- As online sales increase, it is anticipated brick and mortar sales will decline.

*Note: Originally the 0.25% increase was calculated on the total sales tax. The statutory State Sales Tax is set by the State of Illinois. The Home Rule Sales tax is the portion of sales tax that the City Council can take action on.*

## 2. Restaurant, Bar and Packaged Liquor Tax Increase – \$480,000

The City's current tax rate imposed upon prepared food items and alcoholic beverages available for immediate consumption, as well as the purchase of alcoholic liquor from retailers, is 2.00%. This is the same rate as in the City of Sycamore. If this tax were increased by 0.50%, the City could realize \$480,000 in additional revenue. Potential impact of a tax rate increase:

### Positive effect:

- An increase of 0.50% could result in an additional \$480,000 of revenue.
- Would meet several criteria established in the City's Financial Policies for consideration of new revenues; these include:
  - i. Would diversify the City's revenues, because at present this tax makes up only 5.30% of all City revenues.
  - ii. Tax has outgrown the Consumer Price Index (Inflation) by an average of 3.00% since its inception.
  - iii. Tax meets several criteria for fairness; these reasons include:
    - a. Visitors to the community (who use the City's services) would pay the tax, as well as residents;
    - b. Most people could avoid paying the tax if they desire to do so by not eating out; and
    - c. Tax payments increase in accordance with taxpayers' income to a greater extent than other taxes.
- A small increase is unlikely to affect people's purchasing behaviors, as a large portion of the restaurants and bars in the area are in DeKalb.

### Negative effect:

- Much of the increased revenues would result from a limited number of consumer preferences (eating and drinking away from home), which some residents consider unfair.
- In the past, some restaurant owners have objected to increasing this tax, stating that they were "singled out", especially if they thought the increased revenues would not directly benefit them.



- A small increase is likely to affect people's purchasing behaviors, resulting in residents traveling to Sycamore.

### 3. Electric Utility Tax Increase – \$87,500

The City imposes a tax on the privilege of using or consuming electricity. This tax is scaled upon the number of kilowatt hours consumed. In FY2017, \$1.75 million was collected through this tax. The City of Sycamore does not impose this tax. A 5% increase in the electric utility tax rate would equate to \$87,500 in additional revenue annually. Current breakdown as follows:

- For the first 2,000 kilowatt-hours used or consumed in a month; 0.61 cents per kilowatt-hour;
- For the next 48,000 kilowatt-hours used or consumed in a month; 0.40 cents per kilowatt-hour;
- For the next 50,000 kilowatt-hours used or consumed in a month; 0.36 cents per kilowatt-hour;
- for the next 400,000 kilowatt-hours used or consumed in a month; 0.35 cents per kilowatt-hour;
- For the next 500,000 kilowatt-hours used or consumed in a month; 0.34 cents per kilowatt-hour;
- For the next 2,000,000 kilowatt-hours used or consumed in a month; 0.32 cents per kilowatt-hour;
- For the next 2,000,000 kilowatt-hours used or consumed in a month; 0.315 cents per kilowatt-hour; (10-28)
- For the next 5,000,000 kilowatt-hours used or consumed in a month; 0.31 cents per kilowatt-hour;
- For the next 10,000,000 kilowatt-hours used or consumed in a month; 0.305 cents per kilowatt-hour; and (10-28)
- For all electricity used or consumed in excess of 20,000,000 kilowatt-hours in a month; 0.300 cents per kilowatt-hour

Potential impact of a tax rate increase:

Positive effect:

- Tax can be raised in small incremental amounts to match the desired revenue goal.



Negative effect:

- Utility taxes are among the more regressive of the City's taxes because they tax items that are less discretionary than many other taxes such as prepared food and beverages services and some general merchandise.

#### 4. Gas Utility Tax Increase – \$45,326

The City imposes a \$0.04 per therm tax on the consumption of natural gas. In FY2017, the City realized \$725,226 through this tax. If this tax were increased by \$0.0025 to \$0.0425, the City could realize \$45,326 in additional revenue. The City of Sycamore does not impose this tax. Potential impact of a tax rate increase:

Positive effect:

- Tax can be raised in small incremental amounts to match the desired revenue goal.

Negative effect:

- Utility taxes are among the more regressive of the City's taxes because they tax items that are less discretionary than many other taxes such as prepared food and beverages services and some general merchandise.

#### 5. Increasing Video Gaming Terminal Renewal Fees - \$21,500

The City imposes fees on businesses for the privilege of operating video gaming terminals in their establishments. Currently, businesses pay a \$500 application fee and \$250 annual renewal fee per terminal, with the exception of not-for-profit entities who only pay \$25 per terminal. Earlier this year, staff surveyed comparable communities and found that annual terminal fees range anywhere between \$25 and \$1,000 per terminal. The City of Sycamore charges a fee of \$100. There are currently 103 licensed terminals in the City, with 17 being operated by not-for-profits. If the City were to increase the annual fee from \$250 to \$500, an additional \$21,500 in revenue could be realized. Potential impact of a tax rate increase:

Positive effect:

- Fee is relatively discretionary, so business can avoid them to some extent.
- This tax would diversify the City's revenues.
- Tax can be raised in small incremental amounts to match the desired revenue goal.

Negative effect:

- Businesses would have an additional workload to pay the tax.
- Could discourage businesses from having video gaming terminals, which may also be a positive depending on one's preference for or against video gaming.

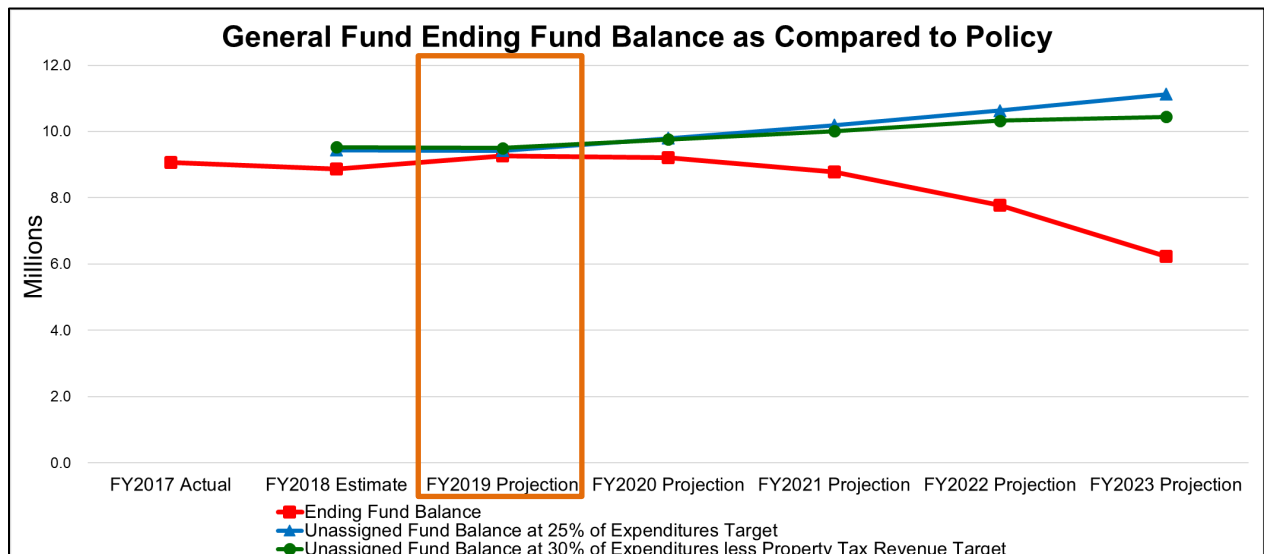


## 6. Implementation of an Amusement/Entertainment Tax – To Be Determined

Staff has initiated preliminary exploration of an Amusement/Entertainment Tax, the intent of which is to collect revenue from the sale of ticketing or admissions to various amusement or entertainment events hosted within the City. Examples could include movie theater tickets, live concerts and other shows at venues throughout the City. At this point, staff is not prepared to provide a revenue estimate for this type of tax; however, staff has undertaken the initial task of locating communities in the region assessing this type of tax. Staff has identified several municipalities with an Amusement or Entertainment Tax, including Rosemont, Schaumburg, Hoffman Estates, Evanston, Lombard, and St. Charles. Tax rates range from 3% to 10% of gross receipts. As a point of reference, the Village of Lombard is a similarly sized municipality collecting an Amusement Tax at a rate of 5%. Their annual revenue is approximately \$560,000. At this point, staff would seek direction from Council on their preference for this type of tax and additional research could be conducted to better estimate potential revenue.

## V. Recommendation

Based on updated revenue and expenditure projections, a \$240,742 funding gap exists for FY19 as detailed in Attachment A. This remaining funding gap is that which resulted from the change in policy direction related to the 2018 Property Tax Levy, which was discussed on October 16. If the City Council were to reach consensus on additional budget-balancing measures, as identified herein, that eliminate the funding gap, the financial forecast would then align with the recommended Fund Balance Policy of 30% of expenditures less property tax revenue through FY21. Previously, funding this gap would have achieved the Fund Balance Policy through FY23; however, a miscalculation was made while forecasting Hotel/Motel Tax revenues early in the budget process, which was inadvertently forecast to increase by 102% as opposed to the actual 2% increase. The chart below shows the fund balance projection as it stands today.



City Council is asked to reevaluate budget-balancing measures detailed within this





memorandum, including those not previously offered for consideration. If service reductions resulting from expenditure-based budget-balancing measures do not meet the preferences of Council, additional consideration should be given to revenue options or Council could consider a lower threshold from the current Fund Balance Policy. Staff requests the City Council consider and provide direction on further budget-balancing measures to bring the FY2019 Annual Budget in line with the City's General Fund Balance Policy.



City of DeKalb - 2018 Financial Forecast

Summary of Financial

Position:	<u>FY2017 Actual</u>	<u>FY2018 Budget</u>	<u>FY2018 Estimate</u>	<u>FY2019 Projection</u>	<u>FY2020 Projection</u>	<u>FY2021 Projection</u>	<u>FY2022 Projection</u>	<u>FY2023 Projection</u>
<b>Beginning Fund Balance</b>	<b>9,229,121</b>	<b>9,631,715</b>	<b>9,073,799</b>	<b>8,862,939</b>	<b>9,259,293</b>	<b>9,214,953</b>	<b>8,778,745</b>	<b>7,783,639</b>
<b>Revenues by Category</b>								
Property Taxes	5,523,531	6,004,594	6,004,594	6,017,140	6,658,170	7,403,494	8,113,432	9,677,714
Sales & Use Taxes	15,238,719	15,666,105	15,576,289	15,947,894	16,390,884	16,795,476	17,211,017	17,637,843
Gross Receipts Taxes	3,643,995	3,752,614	3,680,239	3,712,208	3,745,122	3,778,984	3,813,801	3,849,578
Intergovernmental	4,805,946	4,962,973	4,750,370	5,087,724	5,143,599	5,200,163	5,257,428	5,315,401
Licenses & Permits	875,518	1,171,811	843,433	1,157,969	1,091,981	1,069,325	1,076,795	1,084,398
Service Charges	2,212,674	2,544,824	2,557,677	2,916,720	2,975,054	3,034,555	3,095,247	3,157,152
Fines	608,515	839,178	793,782	808,592	824,764	841,259	858,084	875,246
Other Income	1,218,294	1,350,550	1,274,856	1,311,200	1,318,133	1,325,644	1,331,664	762,537
Transfers In	1,588,852	1,377,205	2,076,597	1,120,829	1,009,468	898,274	787,251	595,937
<b>Total Revenues</b>	<b>35,716,044</b>	<b>37,669,854</b>	<b>37,557,837</b>	<b>38,080,276</b>	<b>39,157,175</b>	<b>40,347,176</b>	<b>41,544,718</b>	<b>42,955,806</b>
<b>Expenditures by Category</b>								
Personnel	28,106,457	30,176,366	29,751,460	30,271,747	31,744,572	33,326,440	35,082,882	37,043,336
Commodities	891,102	1,106,966	1,176,501	1,146,019	1,146,019	1,146,019	1,146,019	1,146,019
Contractual Services	2,329,132	2,019,388	2,760,535	2,458,121	2,502,889	2,502,889	2,502,889	2,502,889
Equipment	200,861	86,920	112,879	98,712	98,712	98,712	98,712	98,712
Other Services	2,297,664	2,106,502	1,855,500	1,867,500	1,867,500	1,867,500	1,867,500	1,867,500
Transfers Out	2,046,150	2,221,822	2,111,822	1,841,823	1,841,823	1,841,823	1,841,823	1,841,823
<b>Total Expenditures</b>	<b>35,871,366</b>	<b>37,717,964</b>	<b>37,768,697</b>	<b>37,683,922</b>	<b>39,201,515</b>	<b>40,783,383</b>	<b>42,539,825</b>	<b>44,500,278</b>
<b>Ending Fund Balance</b>	<b>9,073,799</b>	<b>9,583,605</b>	<b>8,862,939</b>	<b>9,259,293</b>	<b>9,214,953</b>	<b>8,778,745</b>	<b>7,783,639</b>	<b>6,239,166</b>
<b>Minimum Amounts Required to Meet Financial Policies</b>								
Unassigned Fund Balance at 25% of Expend		9,429,491	9,442,174	9,420,981	9,800,379	10,195,846	10,634,956	11,125,070
Variance to Target		154,114	(579,235)	(161,687)	(585,426)	(1,417,101)	(2,851,318)	(4,885,903)
		25.4%	23.5%	24.6%	23.5%	21.5%	18.3%	14.0%
Unassigned Fund Balance at 30% of Expend		9,514,011	9,529,231	9,500,035	9,763,003	10,013,967	10,327,918	10,446,769
Variance to Target		69,594	(666,292)	(240,742)	(548,050)	(1,235,222)	(2,544,279)	(4,207,603)
		30.2%	27.9%	29.2%	28.3%	26.3%	22.6%	17.9%

**Detail of 2018 Financial Forecast**

Revenues	FY2017 Actual	FY2018 Budget	FY2018 Estimate	FY2019 Projection	FY2020 Projection	FY2021 Projection	FY2022 Projection	FY2023 Projection
<b>Property Taxes</b>	<b>5,523,531</b>	<b>6,004,594</b>	<b>6,004,594</b>	<b>6,017,140</b>	<b>6,658,170</b>	<b>7,403,494</b>	<b>8,113,432</b>	<b>9,677,714</b>
PROPERTY TAX - C	817,910	824,070	0	0	159,659	320,116	321,717	1,028,910
PROPERTY TAX - F	0	0	0	0	0	0	0	0
PROPERTY TAX - F	2,612,994	2,758,908	3,225,807	3,216,521	3,473,843	3,786,489	4,165,137	4,623,302
PROPERTY TAX - II	71,962	0	0	0	0	0	0	0
PROPERTY TAX - F	2,020,666	2,421,616	2,778,787	2,800,619	3,024,669	3,296,889	3,626,578	4,025,501
<b>Sales &amp; Use Taxes</b>	<b>15,238,719</b>	<b>15,666,105</b>	<b>15,576,289</b>	<b>15,947,894</b>	<b>16,390,884</b>	<b>16,795,476</b>	<b>17,211,017</b>	<b>17,637,843</b>
HOME RULE SALE:	6,508,901	6,707,185	6,643,926	6,743,880	6,878,758	7,016,333	7,156,660	7,299,793
HOTEL/MOTEL TA	275,007	290,000	282,000	346,100	403,022	411,082	419,304	427,690
LOCAL USE TAX	1,138,904	1,144,780	1,144,780	1,189,691	1,249,176	1,311,634	1,377,216	1,446,077
RESTAURANT & B/	1,966,938	2,043,668	2,016,111	2,066,514	2,118,177	2,171,131	2,225,410	2,281,045
STATUTORY SALE:	5,348,970	5,480,472	5,489,472	5,601,709	5,741,752	5,885,295	6,032,428	6,183,238
<b>Fines</b>	<b>608,515</b>	<b>839,178</b>	<b>793,782</b>	<b>808,592</b>	<b>824,764</b>	<b>841,259</b>	<b>858,084</b>	<b>875,246</b>
ABATEMENT FINES	0	5,000	2,350	5,100	5,202	5,306	5,412	5,520
ADMINISTRATIVE F	139,540	225,000	180,498	196,348	200,275	204,280	208,366	212,533
CIRCUIT COURT FI	299,554	325,000	311,000	317,220	323,564	330,036	336,636	343,369
CRIME FREE HOU	145	0	0	0	0	0	0	0
DUI FINES	29,882	55,000	40,000	40,800	41,616	42,448	43,297	44,163
FALSE FIRE ALARM	4,100	2,500	4,500	29,682	30,276	30,881	31,499	32,129
MAIL-IN FINES	50,150	60,000	60,000	61,200	62,424	63,672	64,946	66,245
OTHER FINES	24,600	28,000	56,424	28,560	29,131	29,714	30,308	30,914
PARKING TICKETS	58,944	136,478	136,210	127,438	129,987	132,586	135,238	137,943
TOW FINES	1,600	2,200	2,800	2,244	2,289	2,335	2,381	2,429
<b>Gross Receipts Taxes</b>	<b>3,643,995</b>	<b>3,752,614</b>	<b>3,680,239</b>	<b>3,712,208</b>	<b>3,745,122</b>	<b>3,778,984</b>	<b>3,813,801</b>	<b>3,849,578</b>
FRANCHISE TAX	499,384	498,000	499,384	506,875	514,478	522,195	530,028	537,979
MUNICIPAL UTILIT	2,472,309	2,517,019	2,517,019	2,554,774	2,593,096	2,631,992	2,671,472	2,711,544
TELECOMMUNICA	672,303	737,595	663,836	650,559	637,548	624,797	612,301	600,055
<b>Intergovernmental</b>	<b>4,805,946</b>	<b>4,962,973</b>	<b>4,750,370</b>	<b>5,087,724</b>	<b>5,143,599</b>	<b>5,200,163</b>	<b>5,257,428</b>	<b>5,315,401</b>
FEDERAL GRANTS	16,425	200,000	38,490	0	0	0	0	0
FEDERAL PASS TH	45,102	0	17,113	17,113	17,113	17,113	17,113	17,113
FIRE GRANTS	11,654	130,000	40,000	0	0	0	0	0
OTHER SHARED R	165,358	162,100	168,169	169,010	169,855	170,704	171,558	172,416
PERSONAL PROP I	173,727	137,188	150,721	140,434	143,243	146,108	149,030	152,010
POLICE GRANTS	8,500	0	12,500	0	0	0	0	0
STATE INCOME TA	4,044,119	3,940,685	3,918,670	4,347,082	4,390,553	4,434,458	4,478,803	4,523,591
TOWNSHIP ROAD	143,356	148,000	145,123	148,621	151,350	154,129	156,960	159,842
VIDEO GAMING TA	197,706	245,000	245,000	250,880	256,901	263,067	269,380	275,845
<b>Licenses &amp; Permits</b>	<b>875,518</b>	<b>1,171,811</b>	<b>843,433</b>	<b>1,157,969</b>	<b>1,091,981</b>	<b>1,069,325</b>	<b>1,076,795</b>	<b>1,084,398</b>
AMUSEMENT LICE	4,350	4,600	3,058	3,119	3,182	3,245	3,310	3,376
BUILDING PERMIT	161,178	450,000	250,500	561,049	485,784	458,799	460,033	461,275
ELECTRIC PERMIT	34,582	68,598	0	0	0	0	0	0
FIRE LIFE SAFETY	20,950	22,000	22,650	22,440	22,889	23,347	23,814	24,290
HVAC PERMITS	83,618	32,927	0	0	0	0	0	0
LIQUOR LICENSES	242,123	247,200	247,200	252,144	257,187	262,331	267,577	272,929
OTHER LICENSES	46,685	75,000	76,166	75,000	75,000	75,000	75,000	75,000
OTHER PERMITS	17,475	21,951	27,159	27,159	30,517	28,808	28,886	28,965
PARKING PERMITS	1,770	3,800	3,800	3,800	3,800	3,800	3,800	3,800
PLUMBING PERMIT	76,927	29,085	0	0	0	0	0	0

RENTAL CRIME FR	167,750	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
ROOMING HOUSE	15,200	17,900	17,900	18,258	18,623	18,996	19,376	19,763	19,763
SEWER PERMITS	2,910	3,750	0	0	0	0	0	0	0
<b>Service Charges</b>	<b>2,212,674</b>	<b>2,544,824</b>	<b>2,557,677</b>	<b>2,916,720</b>	<b>2,975,054</b>	<b>3,034,555</b>	<b>3,095,247</b>	<b>3,157,152</b>	<b>3,157,152</b>
ADMINSTRATION F	137,508	136,400	136,400	139,128	141,911	144,749	147,644	150,597	150,597
AMBULANCE SERV	1,023,981	1,272,424	1,272,424	1,618,872	1,651,249	1,684,274	1,717,960	1,752,319	1,752,319
FINGER PRINT FEE	2,107	0	1,100	0	0	0	0	0	0
FIRE SERVICES	949,828	1,004,000	1,004,000	1,024,080	1,044,562	1,065,453	1,086,762	1,108,497	1,108,497
FUEL SALES	76,393	105,000	105,000	107,100	109,242	111,427	113,655	115,928	115,928
HOTEL INSPECTIO	5,100	5,000	2,500	5,100	5,202	5,306	5,412	5,520	5,520
POLICE SERVICES	6,832	10,000	19,928	10,200	10,404	10,612	10,824	11,041	11,041
ZONING FEES	10,925	12,000	14,325	12,240	12,485	12,734	12,989	13,249	13,249
<b>Other Income</b>	<b>1,218,294</b>	<b>1,350,550</b>	<b>1,274,856</b>	<b>1,311,200</b>	<b>1,318,133</b>	<b>1,325,644</b>	<b>1,331,664</b>	<b>762,537</b>	<b>762,537</b>
ANTI-CRIME ACTIV	8,192	35,000	26,051	19,921	20,319	20,726	21,140	21,563	21,563
CRIME LAB	16,660	15,000	16,371	16,699	17,033	17,374	17,721	18,075	18,075
DONATIONS	20,000	5,000	5,000	5,100	5,202	5,306	5,412	5,520	5,520
INVESTMENT INTE	102,079	85,000	162,372	120,600	121,203	121,809	122,418	123,030	123,030
MISCELLANEOUS I	39,163	50,000	34,500	105,845	107,962	110,121	112,324	114,570	114,570
MISCELLANEOUS	19,150	21,350	21,350	21,777	22,213	22,657	23,110	23,572	23,572
POLICE FORFEITU	32,644	35,000	15,003	35,700	36,414	37,142	37,885	38,643	38,643
REFUNDS / REIMBI	358,380	388,200	388,200	385,764	393,479	401,349	409,376	417,563	417,563
SALES OF ASSETS	5,100	130,000	362	0	0	0	0	0	0
TIF PROPERTY TAX	251,286	236,000	252,219	255,153	257,998	260,762	262,525	265,000	265,000
TIF SALES TAX SU	365,640	350,000	353,428	344,642	336,310	328,399	319,752	312,000	312,000
<b>Transfers In</b>	<b>1,588,852</b>	<b>1,377,205</b>	<b>2,076,597</b>	<b>1,120,829</b>	<b>1,009,468</b>	<b>898,274</b>	<b>787,251</b>	<b>595,937</b>	<b>595,937</b>
TRANSFER FROM HEALTH INS FUN	0	0	450,000	0	0	0	0	0	0
TRANSFER FROM	209,181	0	0	0	0	0	0	0	0
TRANSFER FROM	25,326	82,298	82,298	84,355	86,464	88,626	90,842	93,113	93,113
TRANSFER FROM	104,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000
TRANSFER FROM	0	9,482	9,482	9,719	9,962	10,211	10,466	10,728	10,728
TRANSFER FROM	500	500	500	500	500	500	500	500	500
TRANSFER FROM	500	500	500	500	500	500	500	500	500
TRANSFER FROM	500	500	500	500	500	500	500	500	500
TRANSFER FROM	500	500	500	500	500	500	500	500	500
TRANSFER FROM	678,576	678,576	678,576	558,954	439,332	319,710	200,087	0	0
TRANSFER FROM	113,198	113,198	113,198	0	0	0	0	0	0
TRANSFER FROM	10,570	57,251	57,251	20,000	20,000	20,000	20,000	20,000	20,000
TRANSFER FROM	316,000	310,400	310,400	321,800	327,709	333,727	339,856	346,096	346,096
<b>Total Revenues</b>	<b>35,716,044</b>	<b>37,669,854</b>	<b>37,557,837</b>	<b>38,080,276</b>	<b>39,157,175</b>	<b>40,347,176</b>	<b>41,544,718</b>	<b>42,955,806</b>	<b>42,955,806</b>
<b>Expenditures</b>	<b>FY2017 Actual</b>	<b>FY2018 Budget</b>	<b>FY2018 Estimate</b>	<b>FY2019 Projection</b>	<b>FY2020 Projection</b>	<b>FY2021 Projection</b>	<b>FY2022 Projection</b>	<b>FY2023 Projection</b>	<b>FY2023 Projection</b>
<b>Personnel</b>	<b>28,106,457</b>	<b>30,176,366</b>	<b>29,751,460</b>	<b>30,271,747</b>	<b>31,744,572</b>	<b>33,326,440</b>	<b>35,082,882</b>	<b>37,043,336</b>	<b>37,043,336</b>
REGULAR WAGES	15,102,363	15,492,241	15,344,359	15,630,701	16,177,776	16,743,998	17,330,038	17,936,589	17,936,589
PART-TIME WAGE	687,579	796,981	699,398	676,727	700,412	724,927	750,299	776,560	776,560
OVERTIME	1,134,032	1,243,111	1,217,207	1,235,776	1,279,028	1,323,794	1,370,127	1,418,081	1,418,081
POLICE/FIRE PENS	5,451,569	6,450,564	6,450,564	6,582,771	7,109,393	7,749,238	8,524,162	9,461,820	9,461,820
LONGEVITY	134,439	143,216	132,588	143,031	144,461	145,906	147,365	148,839	148,839
IMRF	693,010	755,547	674,677	558,742	569,917	581,315	592,941	604,800	604,800
FICA	533,175	598,555	542,382	560,718	625,953	647,726	670,259	693,580	693,580
HEALTH INSURAN	3,707,726	4,031,702	4,031,702	4,252,488	4,507,637	4,778,096	5,064,781	5,368,668	5,368,668
CAR ALLOWANCE	22,037	23,080	16,812	19,652	19,896	20,142	20,392	20,645	20,645
EDUCATION BONU	4,500	5,000	5,125	5,125	5,000	5,000	5,000	5,000	5,000

WELLNESS BONUS	5,250	8,000	5,700	7,500	5,400	5,400	5,400	5,400	5,400
WORKERS COMPEN	512,375	512,375	512,375	512,375	512,375	512,375	512,375	512,375	512,375
<b>Commodities</b>	<b>891,102</b>	<b>1,106,966</b>	<b>1,176,501</b>	<b>1,146,019</b>	<b>1,146,019</b>	<b>1,146,019</b>	<b>1,146,019</b>	<b>1,146,019</b>	<b>1,146,019</b>
ACTIVITIES SUPPL	1,186	1,600	1,200	800	800	800	800	800	800
AMBULANCE SUPP	24,298	42,000	34,198	34,300	34,300	34,300	34,300	34,300	34,300
ANTI-CRIME ACTIV	0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
BOARDS & COMM	4,090	11,435	11,435	8,735	8,735	8,735	8,735	8,735	8,735
BUILDING MECH S	16,147	21,000	72,610	68,950	68,950	68,950	68,950	68,950	68,950
BUILDING SUPPLIE	10,016	11,568	15,529	30,568	30,568	30,568	30,568	30,568	30,568
COMMODITIES	6,742	6,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184
CRIME LAB EXPEN	3,196	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150
DUI FINES EXPEN	660	10,634	10,634	10,634	10,634	10,634	10,634	10,634	10,634
FIREFIGHTING SUF	41,709	37,450	35,278	41,850	41,850	41,850	41,850	41,850	41,850
INSPECTOR SUPPI	113,668	62,473	62,473	62,473	62,473	62,473	62,473	62,473	62,473
INVESTIGATIONS	13,165	8,445	9,143	8,445	8,445	8,445	8,445	8,445	8,445
JANITORIAL SUPPI	17,848	17,000	15,930	16,300	16,300	16,300	16,300	16,300	16,300
LAB SUPPLY AND I	0	600	6,160	5,684	5,684	5,684	5,684	5,684	5,684
OFFICE SUPPLY	18,823	24,311	24,501	22,051	22,051	22,051	22,051	22,051	22,051
OIL GAS & ANTIFRI	231,071	271,449	283,494	278,758	278,758	278,758	278,758	278,758	278,758
POLICE FORFEITU	25,575	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545
PRINTED MATERIA	49,470	54,819	54,527	51,423	51,423	51,423	51,423	51,423	51,423
SMALL TOOLS & E	10,562	12,839	10,975	10,050	10,050	10,050	10,050	10,050	10,050
SNOW & ICE CONT	3,733	120,500	120,500	120,500	120,500	120,500	120,500	120,500	120,500
STORMWATER SY	15,681	17,500	15,000	17,500	17,500	17,500	17,500	17,500	17,500
STREET/ALLEY MA	26,436	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500
STREETLIGHTS, P/	7,793	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
TECHNOLOGY SUF	43,697	33,675	43,200	18,800	18,800	18,800	18,800	18,800	18,800
TRAFFIC & STREE	20,805	20,000	27,500	20,000	20,000	20,000	20,000	20,000	20,000
TRAFFIC SIGNALS	13,520	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
VEHICLE MAINTEN	140,033	177,728	179,567	177,728	177,728	177,728	177,728	177,728	177,728
WEARING APPARE	31,177	35,561	33,268	31,091	31,091	31,091	31,091	31,091	31,091
<b>Contractual Services</b>	<b>2,329,132</b>	<b>2,019,388</b>	<b>2,760,535</b>	<b>2,458,121</b>	<b>2,502,889</b>	<b>2,502,889</b>	<b>2,502,889</b>	<b>2,502,889</b>	<b>2,502,889</b>
ARCHITECT / ENGI	134,463	17,500	165,000	128,000	128,000	128,000	128,000	128,000	128,000
BUILDING MECH S	28,614	39,700	0	0	0	0	0	0	0
BUILDINGS - MAIN	30,701	27,750	72,610	68,950	68,950	68,950	68,950	68,950	68,950
CONTRACTUAL SE	693,718	334,586	991,828	778,053	822,821	822,821	822,821	822,821	822,821
DEVELOPMENTAL	140,000	140,000	140,000	130,200	130,200	130,200	130,200	130,200	130,200
DUES & SUBSCRIF	54,275	58,540	55,961	33,031	33,031	33,031	33,031	33,031	33,031
EDUCATION TUITI	25,910	46,100	30,500	0	0	0	0	0	0
ELECTRICITY	31,920	59,794	100,000	80,000	80,000	80,000	80,000	80,000	80,000
EQUIPMENT - MAIN	45,437	53,642	58,147	55,700	55,700	55,700	55,700	55,700	55,700
FINANCIAL & MGM	37,530	36,948	31,948	32,688	32,688	32,688	32,688	32,688	32,688
FORESTRY	42,346	57,000	55,000	57,000	57,000	57,000	57,000	57,000	57,000
FREIGHT & POSTA	24,209	25,437	25,958	26,272	26,272	26,272	26,272	26,272	26,272
HUMAN & SOCIAL :	151,500	144,500	144,500	144,500	144,500	144,500	144,500	144,500	144,500
INTERGOVT'L SER	6,302	6,600	0	0	0	0	0	0	0
KISHWAUKEE RIVE	9,340	12,340	0	0	0	0	0	0	0
LANDSCAPE&GRO	24,098	27,500	32,500	27,500	27,500	27,500	27,500	27,500	27,500
LEGAL EXPENSES	15,715	19,880	16,280	25,180	25,180	25,180	25,180	25,180	25,180
LEGAL SERVICES	185,854	196,070	196,130	196,070	196,070	196,070	196,070	196,070	196,070
MARKETING ADS &	19,132	19,025	19,800	15,610	15,610	15,610	15,610	15,610	15,610

MOSQUITO ABATE	8,089	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
NUISANCE ABATE/	23,646	1,000	6,000	15,000	15,000	15,000	15,000	15,000	15,000
PERSONNEL RECF	31,667	36,275	36,275	55,480	55,480	55,480	55,480	55,480	55,480
PSYCH & MEDICAL	36,648	36,108	26,500	31,120	31,120	31,120	31,120	31,120	31,120
RENTAL, EQPT & F	250	1,400	1,250	1,400	1,400	1,400	1,400	1,400	1,400
SIDEWALKS - MAIN	942	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
SNOW & ICE CONT	18,020	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
SPECIAL EVENTS	19,957	19,800	16,400	7,250	7,250	7,250	7,250	7,250	7,250
STREETS/ALLEYS	5,025	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
TAXES, LICENSES,	13,113	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
TOWING	4,515	5,780	5,780	5,780	5,780	5,780	5,780	5,780	5,780
TRAFFIC SIGNALS	4,413	15,000	0	0	0	0	0	0	0
TRAINING, EDUC, &	137,515	216,808	192,977	191,487	191,487	191,487	191,487	191,487	191,487
UNEMPLOYMENT I	32,338	7,300	0	0	0	0	0	0	0
UTILITIES	7,853	14,938	10,500	15,720	15,720	15,720	15,720	15,720	15,720
VEHICLES - MAINT	100,429	128,649	118,877	125,124	125,124	125,124	125,124	125,124	125,124
WARNING SIRENS	6,480	6,600	6,480	6,600	6,600	6,600	6,600	6,600	6,600
WEATHER SERVIC	3,120	3,649	3,500	3,649	3,649	3,649	3,649	3,649	3,649
<b>Equipment</b>	<b>200,861</b>	<b>86,920</b>	<b>112,879</b>	<b>98,712</b>	<b>98,712</b>	<b>98,712</b>	<b>98,712</b>	<b>98,712</b>	<b>98,712</b>
MACHINERY & MA.	15,133	21,818	21,818	21,818	21,818	21,818	21,818	21,818	21,818
OFFICE FURNITUR	8,964	7,444	7,586	3,058	3,058	3,058	3,058	3,058	3,058
OTHER EQUIPMEN	129,798	0	0	0	0	0	0	0	0
TECHNOLOGY EQI	28,370	43,200	33,675	26,960	26,960	26,960	26,960	26,960	26,960
TELEPHONE & RAI	12,064	14,458	49,800	46,876	46,876	46,876	46,876	46,876	46,876
VEHICLES	6,531	0	0	0	0	0	0	0	0
<b>Other Services</b>	<b>2,297,664</b>	<b>2,106,502</b>	<b>1,855,500</b>	<b>1,867,500</b>	<b>1,867,500</b>	<b>1,867,500</b>	<b>1,867,500</b>	<b>1,867,500</b>	<b>1,867,500</b>
CONTINGENCIES	32,995	52,500	52,500	64,500	64,500	64,500	64,500	64,500	64,500
CONTRACTED SEF	468,755	496,002	0	0	0	0	0	0	0
SURETY BONDS &	64,163	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
TAX SHARING AGF	1,731,750	1,488,000	1,733,000	1,733,000	1,733,000	1,733,000	1,733,000	1,733,000	1,733,000
<b>Transfers Out</b>	<b>2,046,150</b>	<b>2,221,822</b>	<b>2,111,822</b>	<b>1,841,823</b>	<b>1,841,823</b>	<b>1,841,823</b>	<b>1,841,823</b>	<b>1,841,823</b>	<b>1,841,823</b>
TRSF TO CAPITAL	0	410,000	300,000	20,000	20,000	20,000	20,000	20,000	20,000
TRSF TO CAPITAL	196,108	0	0	0	0	0	0	0	0
TRSF TO FLEET FL	81,674	0	0	0	0	0	0	0	0
TRSF TO GENERAL	1,756,998	1,801,827	1,801,827	1,801,827	1,801,827	1,801,827	1,801,827	1,801,827	1,801,827
TRSF TO TRANSPC	11,370	9,995	9,995	19,996	19,996	19,996	19,996	19,996	19,996
<b>Total Expenditures</b>	<b>35,871,366</b>	<b>37,717,964</b>	<b>37,768,697</b>	<b>37,683,922</b>	<b>39,201,515</b>	<b>40,783,383</b>	<b>42,539,825</b>	<b>44,500,278</b>	<b>44,500,278</b>