

PROPOSED BUDGET FISCAL YEAR-END DECEMBER 31, 2016



Efficiency Through Technology

FY2016.5 PROPOSED BUDGET WATER FUND

- ❑ The Water Fund accounts for the cost of providing water service to the community.
- ❑ The accounting and budgeting for this fund is very similar to the private sector.
- ❑ Operations are financed with user fees and charges for service.

FY2016.5 PROPOSED BUDGET WATER FUND

- FY2016.5 revenues are budgeted at \$2,706,625.
- This is slightly higher than July - December 2015 due to the rate increase passed during the water rate study in January.

FY2016.5 PROPOSED BUDGET WATER FUND

- ❑ Last winter the City Council adopted a 10-year Capital Improvement Plan for the Water Fund.
- ❑ This plan comes with projected rate increases for the next 5 years with an adjustment for the CPI in those years after that time period.

FY2016.5 PROPOSED BUDGET WATER FUND

- ❑ The Capital portion of the Water Fund related to impact fee revenue was split out in to its own fund (Fund 61).
- ❑ This revenue is restricted for “new” water main lines and construction. Nothing was budgeted in this fund in FY16.5.

FY2016.5 PROPOSED BUDGET WATER FUND

- ❑ The Capital portion of the Water Fund related to the water rate study was split out in to its own fund (Fund 62).
- ❑ Budgeted expenditures for FY16.5 include new ERP software, new water meters and the South Sixth Street Main Replacement.

FY2016.5 PROPOSED BUDGET WATER FUND

- ❑ At the end of FY16.5 cash and cash equivalents within the Water Fund are projected to be \$3,955,543.
- ❑ Subtracting 25% of the annual budgeted expenditures for operational costs leaves \$2,424,277 to cover costs related to capital and infrastructure.

FY2016.5 PROPOSED BUDGET WATER FUND

CITY OF DEKALB FUND BALANCE SUMMARY					
FUND NAME		FY 2016 PROJECTION	FY 2016.5 BUDGET		ENDING
			REVENUES	EXPENSES	
*	Water (60)	4,049,153	2,706,625	2,800,235	3,955,543
**	Water Impact Fees (61)	1,034,745	15,000	0	1,049,745
	Water Capital (62)	0	476,800	476,800	0
*	<i>Cash & Cash Equivalents</i>				
**	<i>Restricted Dollars</i>				

Ending Cash	\$3,955,543
Less 25% Operation Reserve	<u>(\$1,531,266)</u>
Remaining for Capital and Infrastructure	<u>\$2,424,277</u>

FY2016.5 EXPENDITURE ASSUMPTIONS

Salary Assumptions

- ❑ AFSCME Union Contract cost reflects no salary increases with the exception of step increases. This group receives an increase in January.
- ❑ Non-Bargaining Unit Employees shows no increase. These employees received an increase on January 1, 2016.

FY2016.5 EXPENDITURE ASSUMPTIONS

Staffing Changes

- ❑ Filling the IT Director Position 3-months in FY16.5, \$10,398. (25% of salary hits the Water Fund directly.)

FY2016.5 EXPENDITURE ASSUMPTIONS

Capital Expenditure Assumptions

- ❑ New ERP software for Utility Billing, improving residential on-line payment and viewing capabilities. \$80,000.
- ❑ Water Main Replacement South Sixth Street. \$310,000 (CDBG will contribute \$160,000 toward this project)

FY2016.5 PROPOSED BUDGET AIRPORT FUND

- ❑ The Airport Fund accounts for the cost of providing services at the airport.
- ❑ The accounting and budgeting for this fund is very similar to the private sector.
- ❑ Operations are primarily financed with hangar rental charges.

FY2016.5 PROPOSED BUDGET AIRPORT FUND

- ❑ A 10% increase to the hangar rental leases has been incorporated in to this FY16.5 budget. The last increase to these rental units was in FY06.
- ❑ This fee is meant to cover the property taxes for these properties as well as our rental fee.
- ❑ This will equal about \$10,000 in additional revenue.

FY2016.5 PROPOSED BUDGET AIRPORT FUND

- ❑ The FY16.5 budget does not have any federal projects incorporated.
- ❑ A \$16,853 transfer from the General Fund has been budgeted in order to balance the budget for FY16.5
- ❑ Staff continues to review the processes of the Airport in depth to create a sustainable operation.

FY2016.5 EXPENDITURE ASSUMPTIONS

Salary Assumptions

- ❑ Non-Bargaining Unit Employees shows no increase. These employees received an increase on January 1, 2016.

FY2016.5 EXPENDITURE ASSUMPTIONS

Other Expenditure Assumptions

- ❑ Lease to buy of an End Loader, \$20,000
- ❑ Frontage Road Fence Relocation, \$3,000
- ❑ Signage for DeKalb Flight Center, \$4,000

FY2016.5 PROPOSED BUDGET CAPITAL PROJECTS

- ❑ This fund should account for the capital cost associated with village buildings, street improvements, storm water improvements, bikeway paths, park improvements, etc.
- ❑ Current source of dedicated revenue is 2 cents of the 3.5 cents on local motor fuel sales.
- ❑ A transfer from the General Fund of \$32,479 is budgeted in FY16.5 to fund the remaining projects not covered by the Local Motor Fuel Tax.

FY2016.5 PROPOSED BUDGET CAPITAL PROJECTS

- ❑ FY16.5 includes maintenance costs for;
 - ❑ Sidewalks, \$25,000
 - ❑ Buildings, \$15,000

- ❑ FY16.5 includes the street construction cost associated with the South Sixth Street water main project. \$175,000

- ❑ FY17 Budget will begin to incorporate a True Capital Improvement Plan (CIP) with a recommendation on a dedicated revenue source to help sustain this plan.

FY2016.5 PROPOSED BUDGET FLEET & EQUIPMENT

- ❑ FY17 these two funds will be combined in to one true Capital Equipment Replacement Fund (CERF).
- ❑ This fund should provide long term financial planning for the routine replacement of major capital equipment.
- ❑ These funds currently (52 and 53) are not being fully funded at a level to replace all the equipment that is necessary annually for the City.

FY2016.5 PROPOSED BUDGET FLEET & EQUIPMENT

- ❑ Budgeted revenues for FY16.5 are \$1,051,244.
- ❑ Revenues for these two funds includes rental income the City receives from the water tower leases as well as the E911 reimbursements.
- ❑ Transfers from the General Fund are also a part of this revenue for these two funds. \$613,939 or 2.86% of the total 6-month General Fund Budget.

FY2016.5 PROPOSED BUDGET FLEET & EQUIPMENT

Expenditure Requests

- ❑ Two ambulances, \$300,000
- ❑ Two squad cars, \$82,538
- ❑ New Enterprise Resource Planning(ERP) software, \$170,000
- ❑ New software to track progress of the 10-year strategic plan goals, \$18,500
- ❑ New performance tracking software, \$19,000

FY2016.5 PROPOSED BUDGET FLEET & EQUIPMENT

Expenditure Requests

- ❑ New expandable Public Safety server for storage, \$150,000
- ❑ Additional back-up space, \$20,000
- ❑ New UPS for City Hall, \$20,000
- ❑ New Office Licenses creating a uniform platform across all City Staff, \$33,000
- ❑ Streets, Fleet and Facility Master Plan, \$50,000

FY2016.5 PROPOSED BUDGET FLEET & EQUIPMENT

Refer to Agenda Attachment

FY2016.5 PROPOSED BUDGET MFT

- ❑ Architect/Engineer Services: Kishwaukee River - Kiwanis Bike Path Phase III Design, \$250,000
- ❑ Electricity, \$175,000
- ❑ Traffic Studies/Materials Testing, \$10,000
- ❑ Coordinated Traffic Signal Update Design, \$285,000
- ❑ Annie Glidden Sign Upgrade, \$15,000
- ❑ Kish River Construction Activities, \$250,000

FY2016.5 PROPOSED BUDGET TIF

- ❑ Plan for revised 5th Street Streetscape
- ❑ Design and planning for community event sign at Lincoln Highway & Fourth Street
- ❑ Execute downtown historic preservation study and architectural assessment, begin preparation of historic preservation guidelines and identify preservation projects.

FY2016.5 PROPOSED BUDGET TIF

- ❑ Economic Development Incentives
- ❑ *Bemis Incentive*
- ❑ Airport Improvements - Environmental Assessment & Crackfilling
- ❑ Complete feasibility analysis for Smart Space (STEAM) Learning Center and City History Museum.
- ❑ Assistance for Clinton Rosette building mechanicals.

FY2016.5 PROPOSED BUDGET

CITY OF DEKALB

FUND BALANCE SUMMARY

FUND NAME	FY 2016	FY 2016.5 BUDGET		
	PROJECTION	REVENUES	EXPENSES	ENDING
Motor Fuel Tax (10)	2,492,227	706,570	985,000	2,213,797
Central Area TIF District #1 (13)	3,687,193	6,354,147	7,801,784	2,239,556
TIF District #2 (14)	8,601,521	1,237,356	450,377	9,388,500
Capital Projects (50)	5,021	209,979	215,000	0
Public Safety Building (51)	0			0
Fleet Replacement (52)	73,312	425,893	399,205	100,000
Equipment (53)	137,306	625,351	762,657	0

FY2016.5 PROPOSED BUDGET REMAINING FUNDS

- Transportation Fund
- CDBG and Rehab Funds
- SSA Funds
- Library Budget - Handout

FY2016.5 PROPOSED BUDGET WRAP-UP

- Budget as presented inclusive of financial policy change.

Staff is recommending the following change;

“The City should limit the use of the reserve fund to nonrecurring operating expenditures or *capital expenditures*, specifically if our anticipated fund balance is below our Fund Balance Reserve Policy of 25%”.

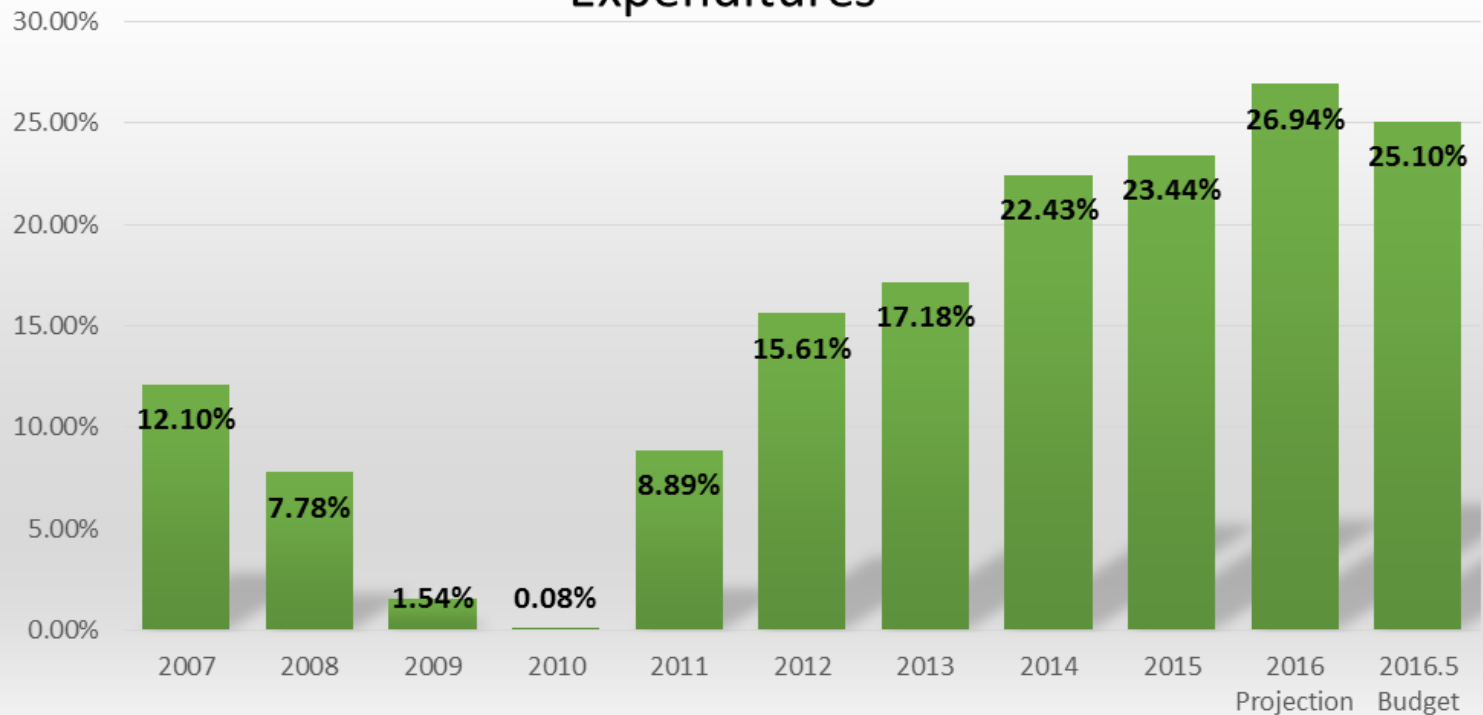
“Reserve funds above 25% should be transferred per City Council approval to Fleet, Equipment or Capital based on current needs of the City”.

FY2016.5 PROPOSED BUDGET WRAP-UP

- ❑ GFOA “**Best Practices**” updated in 2009 states
“at a minimum, that general-purpose governments, regardless of size maintain unrestricted fund balance in their general fund of no less than two months of regular general operating revenues or regular fund operating expenditures.”
- ❑ This equals 16.67%. With the City’s General Fund at a healthy 25% and even at a projected 20.34% out to 2020, City staff is recommended the transfer to Capital, Fleet and Equipment.
 - ❑ 2 Ambulances
 - ❑ 2 Squad Cars
 - ❑ Much needed technology
- ❑ Similar in FY15 when a **(\$534,000)** deficit budget was passed to payoff the balloon payment for the Airport loan.

FY2016.5 PROPOSED BUDGET WRAP-UP

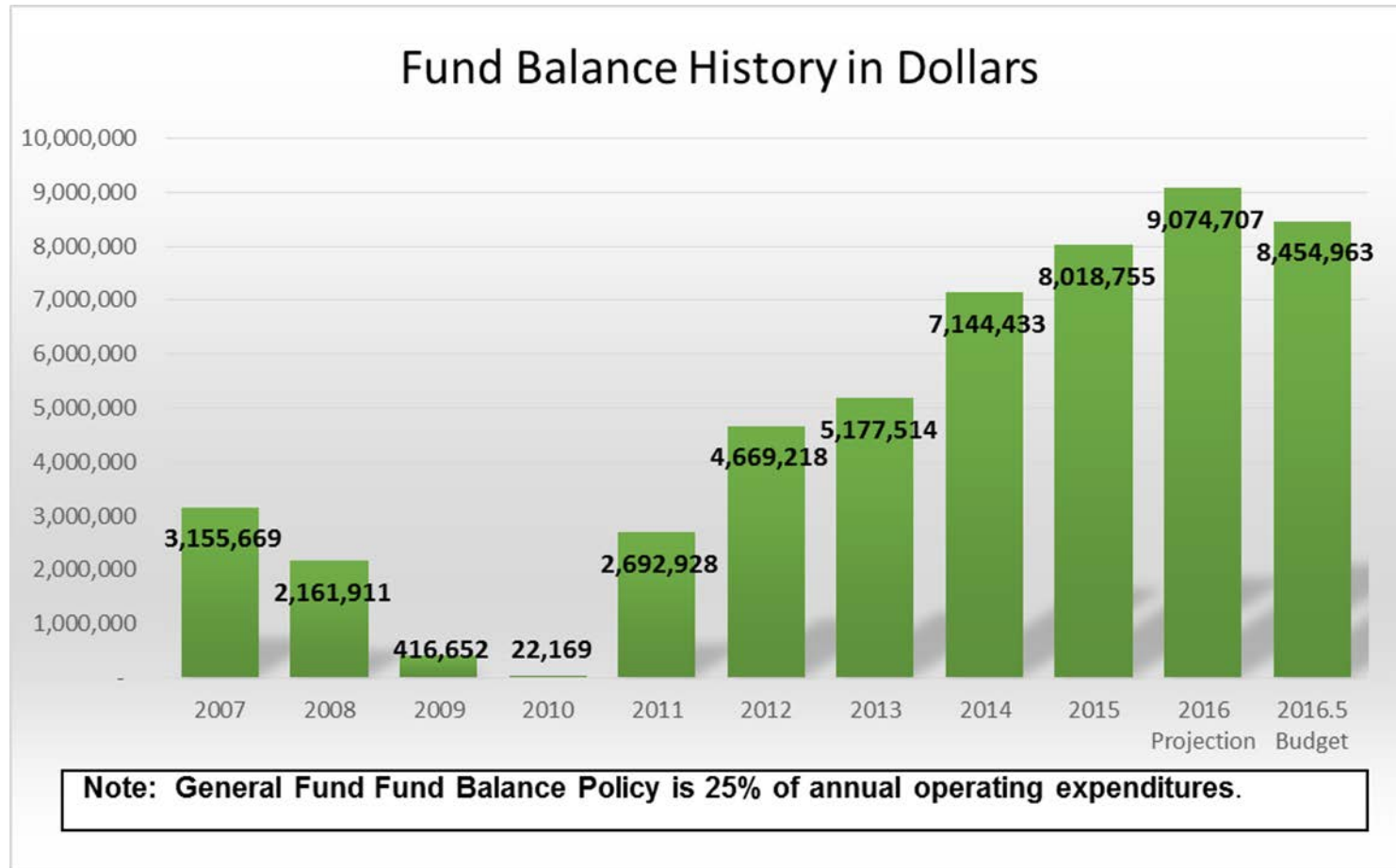
Fund Balance as Percentage of Operating Expenditures



Note: General Fund Fund Balance Policy is 25% of annual operating expenditures.



FY2016.5 PROPOSED BUDGET WRAP-UP



MISSION STATEMENT

**DELIVER HIGH QUALITY MUNICIPAL SERVICES TO
THOSE WHO LIVE, WORK, LEARN IN OR VISIT OUR
COMMUNITY**



Efficiency Through Technology