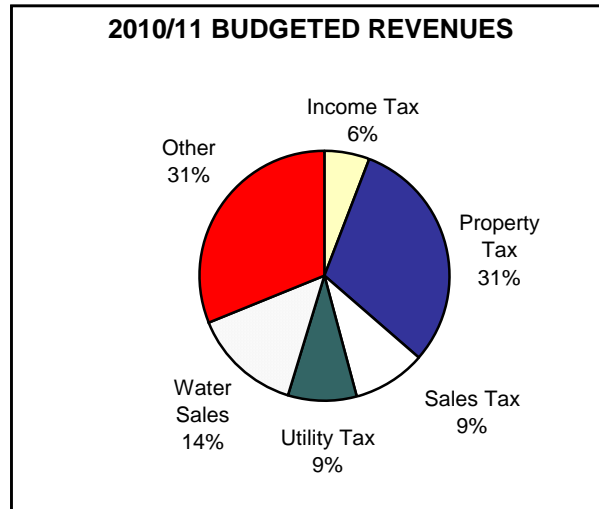


**ANALYSIS OF REVENUE SOURCES**

The City has several revenue sources, each representing a different percentage of total revenues.

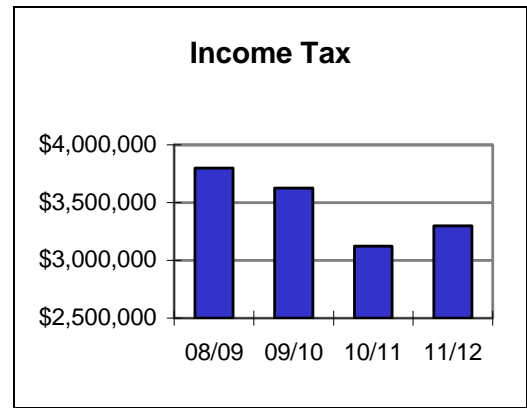


REVENUE OVERVIEW	08/09 Actual	09/10 Budget	09/10 Est Act.	10/11 Budget	11/12 Estimate
<b>Revenues:</b>					
Income	3,326,676	3,626,000	3,250,000	3,122,100	3,300,000
MFT	985,749	1,026,000	973,000	833,000	700,000
Property	14,902,500	15,384,000	15,384,000	16,153,200	16,960,900
HR Sales	1,403,156	1,550,000	1,305,000	1,400,000	1,500,000
Sales	3,179,232	3,500,000	3,200,000	3,500,000	3,500,000
Uptown Property Tax	1,909,466	2,073,200	2,040,900	3,594,300	4,609,900
Utility	4,588,559	4,750,000	4,650,000	4,760,000	4,850,000
Sewer	319,520	895,900	845,000	1,603,700	2,622,500
Water	6,055,395	7,000,000	6,300,000	7,386,600	8,619,000
Other	9,110,767	9,501,700	9,218,700	10,884,000	9,285,900
Bond Proceeds	-	-	-	-	-
<b>Total</b>	<b>45,781,020</b>	<b>49,306,800</b>	<b>47,166,600</b>	<b>53,236,900</b>	<b>55,948,200</b>
<b>Expenses:</b>					
Personal Services	25,415,511	27,175,600	26,503,500	26,822,000	27,049,700
Contractual Services	13,089,652	13,297,300	14,465,300	15,576,100	15,759,000
Commodities	2,724,015	2,337,900	2,269,800	2,247,500	2,344,200
Debt Service	5,053,231	3,436,400	3,423,900	3,588,500	3,695,200
Capital Budget	<u>4,673,336</u>	<u>4,855,600</u>	<u>4,180,500</u>	<u>4,536,000</u>	<u>7,087,800</u>
<b>Total</b>	<b>50,955,745</b>	<b>51,102,800</b>	<b>50,843,000</b>	<b>52,770,100</b>	<b>55,935,900</b>
<b>Excess (Deficit) of Revenues over Expenses</b>	<b>(5,174,725)</b>	<b>(1,796,000)</b>	<b>(3,676,400)</b>	<b>466,800</b>	<b>12,300</b>

Figures are shown at the budgeted amounts.

**Income Tax**

	<u>Amount</u>	<u>% Inc (Dec)</u>
2008/09	3,800,000	13.4%
2009/10	3,626,000	(4.6%)
2010/11	3,122,100	(13.9%)
2011/12	3,300,000	5.7%



The City receives income tax receipts from the state of Illinois monthly. Income tax is distributed based on population.

Budget Assumptions - To prepare the 2010/11 budget for income tax receipts, there are three key elements which we need to make assumptions about:

Population. Income tax receipts are distributed based on the City's population. Park Ridge's population is 37,775 (2000 Census). We expect the 2010 Census will show a modest increase in population.

Municipality's share of income tax receipts. Under current law, municipalities are entitled to 1/10 of income tax receipts. This percentage allocation sometimes comes under threat from the State. On March 10, 2010, Governor Quinn advocated reducing municipalities share of income tax receipts from 10% to 7%. This potential reduction could reach \$946,600 depending upon actual receipts and would significantly impact city operations.

State wide growth in income tax receipts. Income is declining. Actual income tax receipts for fiscal year 2008/09 were \$91.08 per capita; this was 1% lower than fiscal year 2007/08. In it's October 2009 issue, the Illinois Municipal League revised its estimate for fiscal year 2009/10 receipts downward to \$77.00 per capita.

Summary – The 2010/11 income tax revenue budget is equal to \$82.65 per capita. Recent newspaper articles indicate the news regarding income taxes is negative.

"The U.S. Census Bureau recently reported that American household income is taking its sharpest plunge in the half-century the Bureau has been measuring that statistic. Over this year and last, household income is projected to fall almost 9 percent, after adjusting for inflation." Source: Governing Magazine, November 2009, page 18.

The following is a quote from the November 23, 2009 issue of the Wall Street Journal.

"Tax collections tumbled 11% across 44 states in the third quarter, according to a report that suggest government revenue will remain depressed long after the economy has recovered from recession.

Every major source of state tax revenue – sales, corporate and personal income taxes – fell in the third quarter compared with the same period a year ago, according to a report to be released Monday by the Nelson A. Rockefeller Institute of Government at the State University of New York.

The steepest decline was in volatile corporate-income taxes, which fell 19.4% across the 44 states surveyed by the Rockefeller Institute. Personal income taxes fell 11.4%, while sales taxes fell 8.2%. . . .

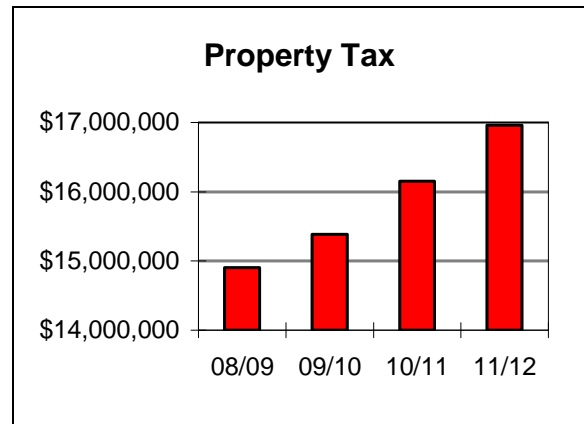
With tax receipts heavily dependent on wages and spending, state revenues are expected to continue falling for months or years after the technical end of the recession. . .

'State tax revenues will remain fragile and gloomy at least throughout fiscal years 2010 and 2011,' said Lucy Dadayan, a senior policy analyst at the Rockefeller Institute. . .

Of the 38 states in the report that collect income taxes, all saw revenue declines, and 21 had double-digit percentage declines."

**Property Tax**

	<u>Amount</u>	<u>% Inc (Dec)</u>
2008/09	14,902,500	3.3%
2009/10	15,384,000	3.2%
2010/11	16,153,200	5.0%
2011/12	16,960,900	5.0%

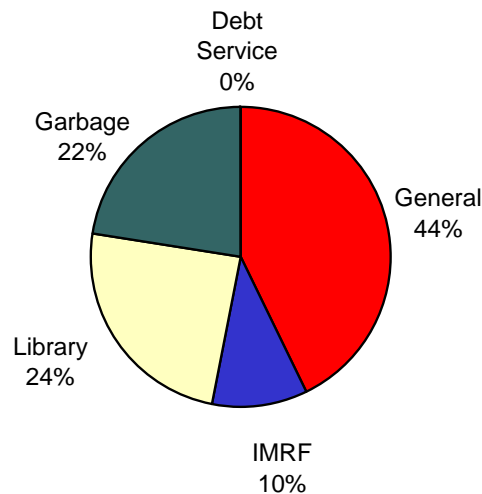


The City's, including the Library, levy represents approximately 12% of a property owner's total property tax bill. The property tax amounts used in this document exclude an additional amount added to the levy for estimated uncollectible taxes. The levy that corresponds to the 2010/11 budget will be levied prior to December 31, 2010. Property owners will pay this tax in two payments during March and November 2011. The "2010/11" property tax levy covers expenses incurred during the fiscal year beginning May 1, 2010 and ending April 30, 2011.

The property tax levy is allocated for several purposes. The largest percentage of the levy is attributed to the general operating fund. The following table and chart itemizes last and this year's tax levy:

Cal. Yr.	Total	General	IMRF	Library	Garbage
2009	\$15,384,000	\$6,140,300	\$1,798,500	\$4,006,000	\$3,439,200
2010	\$16,153,200	\$6,895,800	\$1,684,100	\$3,953,000	\$3,620,300
Diff.	\$769,200	\$755,500	(\$114,400)	(\$53,000)	\$181,100

**2010 Property Tax Levy**



Legislative Developments:

*Property Tax Assessments* – The assessed value of the property is determined when the property tax assessor does a sales ratio study of home sales over the last three years. Properties in Cook County are reassessed every three years.

Residential property was assessed at 16% of its fair market value and commercial and industrial properties were assessed at 36% and 38%. On September 17, 2008, the Cook County Board of Commissioners changed the property classification ordinance. The new classifications range from 10% for certain residential, commercial and

industrial properties to 25% for other industrial and commercial properties. These are the six basic property assessment classifications:

Classification	Description	Rate
1	Unimproved Real Estate	10%
2	Residential	10%
3	Rental - Residential	2009 -16% 2010 - 13% 2011 - 11%
4	Not-For-Profit	25%
5a	Commercial	25%
5b	Industrial	25%

*Property Tax Caps* – Non-home rule units of government in Cook County are subject to property tax caps, which limits property tax levy increases to the lesser of 5% or the percentage change in the Consumer Price Index during the calendar year preceding the levy year. A higher property tax may be levied if the taxing body experiences new construction, mergers or consolidations, or if voters approve a higher levy by referendum. Park Ridge, as a home rule municipality, is exempt from this legislation.

Equalized Assessed Property Valuation

The City’s 2008 equalized assessed valuation (EAV) is \$1,994,642,145. This value includes \$22,910,239 of newly developed properties. Several tax relief mechanisms, totaling \$396,277,726, play heavily in the calculation of EAV:

Homeowner Exemption	\$297,518,628	Veterans Exemption	\$70,000
Senior Homestead Exemption	\$15,811,600	Disabled Persons Exemption	\$132,000
Senior Tax Freeze Exemption	\$82,720,498	Disabled Veterans Exemption	\$25,000

*Multiplier* – Number used to bring Cook County property assessments in line with those elsewhere in the state where property is assessed differently. This year, it is 2.9786.

*Equalized Assessed Value (EAV) = Assessed Value x Multiplier*

Property Tax Interventions

The local school districts routinely intervene when taxpayers appeal to the Property Tax Appeal Board for a reduction in their equalized assessed valuation of \$100,000 or more if these appeals would be subject to an unreasonably low settlement.

Residential Assessments

Beginning in October 2003, Cook County residential assessment increases were capped at 7% per year for a period of three years. The taxable value of most homes did not increase by more than 7% in any one year. The total amount of taxes due could increase by more than 7% over the previous year because the cap did not limit how much the overall tax bill could increase. A bill to extend the 7% cap another three years narrowly failed in November 2006. While the assessed values determine the share of property taxes owners are required to pay, local taxing bodies determine the overall amount of taxes.

In October 2007, the 7% assessment cap on property tax bills was extended. The legislature overrode the governor’s veto. This tax break is being phased out and replaced with a permanent assessment cap for long-term homeowners with limited incomes.

Property Tax Exemptions

*Senior Citizen Homestead Exemption* – A home’s equalized assessed valuation is reduced if the homeowner is at least 65 years old and the home is his/her primary residence.

*Senior Citizen Assessment Freeze* – If a homeowner is at least 65 years old and his/her total annual household income is \$55,000 or less, the equalized assessed valuation of the home can be frozen at the amount it was during the base year. The base year is the year prior to the taxable year for which he first applied and qualified for the exemption. This exemption freezes the equalized assessed valuation, not the tax bill.

*Home Improvement Exemption* – This exemption allows the homeowner to make up to \$75,000 worth of home improvements without increasing the property’s valuation for up to four years.

*7% Expanded Homeowner Exemption* – If the home is owner occupied as of January 1 of the taxable year, the equalized assessed valuation is reduced by a minimum of \$5,000 and a maximum of \$20,000 on the equalized assessed value. Started in 2004 and renewed until 2009.

*Long-Time Occupant Homeowner Exemption* – Homeowners residing in their homes 10 years or more receive property tax relief if the following income requirements are met:

- A homeowner with a total household income of \$75,000 or below, but not exceeding \$100,000, 7% over the prior year’s taxable value, with no maximum exemption amount.
- A homeowner with a total household income greater than \$75,000, but not exceeding \$100,000, will have an increase limited to 10% over the prior year’s taxable value, with no maximum exemption amount.

The Long-Time Occupant Exemption cannot be received with the 7% Expanded Homeowner Exemption or the Senior Freeze Exemption.

*Disabled Persons’ Exemption* - A home’s equalized assessed valuation is reduced by \$2,000 if the homeowner is disabled and liable for the property tax payment.

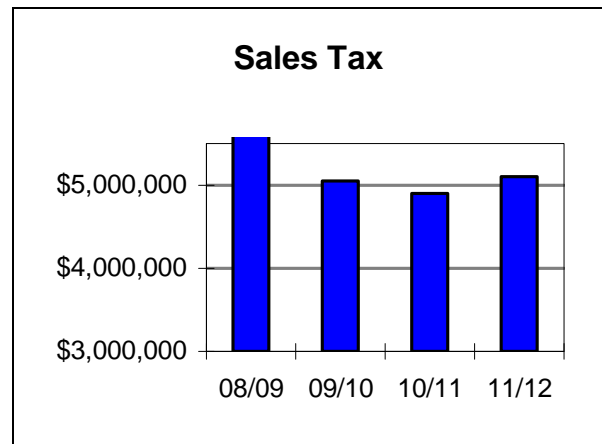
*Disabled Veterans’ Exemption* – Veterans with a service related disability are eligible for this annual exemption. A disability of at least 75 percent is eligible for a \$5,000 exemption in equalized assessed value (EAV). A disability of at least 50 percent, but less than 75 percent, is eligible for a \$2,500 reduction in EAV.

*Returning Veterans’ Exemption* – Veterans returning from active duty in armed conflict are eligible to receive a \$5,000 reduction in the equalized assessed value of their property only for each taxable year in which they return.

Budget Assumptions - The budget includes a 5% increase in the property tax levy.

**Sales and Home Rule Sales Taxes**

	<u>Amount</u>	<u>% Inc (Dec)</u>
2008/09	5,620,000	4.0%
2009/10	5,050,000	(10.0%)
2010/11	4,900,000	(3.0%)
2011/12	5,100,000	4.0%



Items, except food and drugs, in Park Ridge are subject to a 10% sales tax. The City receives 2% of this 10% for items sold in Park Ridge. The remaining 8% of the 10% is distributed as follows: 5% State, 1.75% Cook County, and 1.25% Regional Transportation Authority. The retailer must remit this money to the state of Illinois monthly. The retailer receives a discount from the state for collecting the tax. The money is credited to our account in the Illinois Public Treasurers' Investment Pool. The City imposes a 1% home rules sales tax; the 10% sales tax includes the 1% home rule sales tax. Cook County will reduce their portion of the sales tax from 1.75% to 1.25% effective July 1, 2010. This should help increase sales in Cook County.

Sales tax is sub-divided into three categories: retail sales, auto rental tax, and use tax. The auto rental tax is 1% of the gross receipts from renting automobiles. The use tax applies to the privilege of using in the City tangible personal property purchased at retail from a retailer outside the state of Illinois. Actual statewide sales use tax

receipts for fiscal year 2008/09 were \$14.44 per capita; this was 6.4% higher than fiscal year 2007/08. In its October 2009 issue, the Illinois Municipal League revised its estimate for fiscal year 2009/10 receipts downward to \$12.70 per capita.

The "retail sales" portion of the City's total sales tax revenues comes from many different types of businesses. Automotive and filling stations contribute 43% of the City's sales tax receipts. Food follows with 24% and drugs and other retail accounts for 13%. The "automobile" category includes gas stations and other automotive facilities, besides car dealers. The "food" category includes some restaurants. Categories dominated by a single successful business include: Grocery, Apparel, Pharmacies, and Cards/Stationary.

The following impact sales tax receipts:

Market Characteristics: - The City Council commissioned a retail study by Buxton & Company. The report showed Park Ridge could support 176,000 square feet of additional retail space. This number excludes big box retailers and restaurants. This study helps explain why developers were interested in the Uptown property when it became available. For each potential retailer, Buxton analyzed whether the potential market was residential or workplace.

Park Ridge Retailers – Although Park Ridge has several designated shopping areas, it has no regional malls or big box retailers that are often found in surrounding suburbs. Over half of our sales tax revenue derives from a limited number of car dealers and grocery stores. The City's dependency upon a relatively few number of businesses is a cause of concern and leaves the City vulnerable if one of these major businesses moves or closes. Prime examples include the loss of Napleton General Motors franchise and the Bredemann Chevrolet franchise. Harris Bank December 2009 Outlook For Financial Markets Newsletter states: "We expect that selective consumers will continue to make discretionary purchases as long as they only require cash. Items that require financing, like *automobiles (emphasis added)*, furniture, appliances and big-ticket electronics will likely disappoint investors, as Americans have little appetite to take on additional debt. Because Park Ridge is highly dependent upon automobiles for its sales taxes, this is a source of concern.

General Economic Conditions/National Economy – Unemployment in Park Ridge is 7.8% (October 2009). This is lower than national and state levels.

Home Rule Sales Tax Rate – The City of Park Ridge imposes a 1% home rule sales tax rate. Surrounding communities impose the following home rule sales tax rates:

- .75%      Arlington Heights, Downers Grove, Glenview
- 1.0%      Des Plaines, Mount Prospect, Niles, Palatine, Park Ridge, Schaumburg, Skokie

Internet Sales – The state of Illinois collects sales taxes. Illinois residents are required to pay sales tax to the state even when an Internet retailer does not collect the sales tax. This process is referred to as a "use" tax rather than a "sales" tax.

The moratorium on Internet sales expires in November 2014.

Streamlining Legislation – National effort requiring retailers to collect sales tax according to the rate imposed by the municipality to which an item is delivered.

Dempster Development Incentive Agreement Payment - To assist the building of the Dempster and Greenwood auto mall, the City provided an economic sales incentive to the dealership. This agreement was modified in January 2002. This agreement requires the City to retain the first \$150,000 of sales tax receipts, remit the next \$400,000 to the automobile dealership, and keep any excess above \$550,000 on an annual basis. The City made the following payments pursuant to this agreement:

<u>Sales Tax Payments</u>			<u>Property Tax Payments</u>		
<u>For</u>	<u>Paid</u>	<u>Amount</u>	<u>For</u>	<u>Paid</u>	<u>Amount</u>
2002	2/18/2004	\$326,618.26	2002	2/18/2004	\$112,350.92
2003	3/31/2004	\$473,381.74	2003	3/22/2005	\$169,915.64
2004	4/22/2005	\$400,000.00	2004	12/01/2005	\$205,691.25
2005	6/14/2006	\$400,000.00	2005	10/15/2006	\$220,966.46
2006	3/15/2007	\$400,000.00	2006	12/31/2007	\$221,331.36
2007	3/15/2008	\$400,000.00	2007	11/29/2008	\$234,791.51

2008                      3/30/2009                      \$400,000.00    2008                      12/30/2009                      \$245,076.89

School District 64 Sales Tax Sharing Agreement – The City agreed to share incremental sales taxes derived from Uptown redevelopment with School District 64. This was part of the establishment of the Uptown TIF district. Several stores are operating in Uptown. Payments made to School District 64 are: \$45,598 (FY 2007/08) and \$238,263 (FY 2008/09).

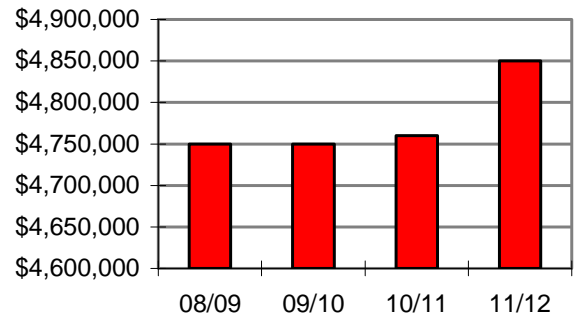
Summary -

Estimated 2010/11 home rule sales tax receipts are \$1,400,000. Estimated 2010/11 sales tax receipts are \$3,500,000. Total estimated sales tax receipts are \$4,900,000.

**Utility, Telecommunications & Use Taxes**

	<u>Amount</u>	<u>% Inc (Dec)</u>
2008/09	4,750,000	(5.0%)
2009/10	4,750,000	0.0%
2010/11	4,760,000	0.0%
2011/12	4,850,000	2.0%

**Utility, Telecommunications & Use Taxes**



The City imposes the following taxes:

- **Utility Tax** - 5% tax on gas and water usage.
- **Simplified Municipal Telecommunications Tax Act** – On January 1, 2003, the simplified municipal telecommunications tax act took effect. Under this act, both land-based and wireless service providers remit 6% of their gross sales to the Illinois Department of Revenue. The Illinois Department of Revenue forwards the tax to Park Ridge.
- **Electric Use Tax** – 5% tax on gross receipts of distributing, supplying, furnishing or selling electricity for use or consumption. Rates vary based on kilowatt hours.

Midwestern states have traditionally enjoyed or suffered, depending upon your point of view, hot summers and cold winters. Weather conditions may be changing to where both our winters and summers may be milder. This will affect utility tax revenues.

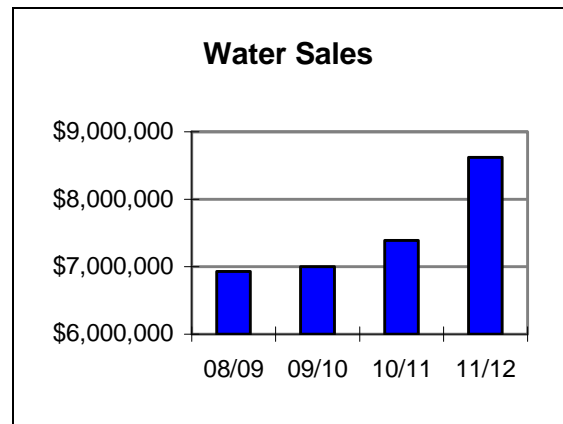
The following table shows the 2010/11 budget for this revenue source:

<u>Source</u>	<u>Budget</u>	
Gas Utility Tax	\$1,099,300	Nicor rate decrease
Water Utility Tax	\$330,000	Includes water rate increase in calculation
Electric Use	<u>\$1,500,000</u>	Rates increased
Subtotal	\$2,929,300	Account 100-817000
Telecommunications Tax	<u>\$1,830,700</u>	Average past 3 complete fiscal years
Total	\$4,760,000	Account 100-814000

Budget Assumptions – Due to the complex nature of the utility industry, legislative changes, and changing weather conditions, accurately predicting total revenues is extremely difficult. 2010/11 budgeted revenue is \$4,760,000.

**Water Sales**

	<u>Amount</u>	<u>% Inc (Dec)</u>
2008/09	6,929,300	6.7%
2009/10	7,000,000	1.0%
2010/11	7,386,600	5.5%
2011/12	8,619,000	16.7%



The city of Park Ridge purchases Lake Michigan water from the city of Chicago and maintains water mains that distribute this water to Park Ridge businesses and residences.

Budgeted revenues and expenses are highly dependent upon water usage. Water usage is in turn highly dependent upon weather conditions. For example, if the summer weather is hot and dry, water use increases partially because of lawn watering. In order to stay within state mandated water allocations, the City must impose restrictions upon water usage during the summer months.

Water purchases from the City of Chicago constitute the single largest expense in the water fund. Since January 2000, the city of Chicago has raised water rates annually. On January 2008 and January 2009, the City of Chicago raised rates 15% and on January 2010, Chicago raised rates 14%.

The City of Park Ridge completed construction on a new water reservoir and transmission line. The cost of this nearly \$17 million project is paid from Uptown incremental tax financing revenues and water revenues.

Current bi-monthly water rates are:

Up to but not exceeding 5,000 gallons	\$30.20
Over 5,000 but not exceeding 30,000 gallons	\$4.67/1,000 gallons
Over 30,000 gallons	\$5.21/1,000 gallons

Budget Assumptions – Fiscal year 2010/11 budgeted revenues are \$7,398,600. Staff works diligently to collect water bills. Consumer water usage has decreased because recent summers have not been hot and dry.

**Other Revenue Sources**

The City has other revenue sources besides those listed above. These other revenues consist of the following:

**Ambulance Fees**

Ambulance charges for non-residents are as follows: \$472.00 for basic life support; \$555.00 for advanced life support; \$668.00 for advanced life support with two services and \$8.68 per mile for mileage with a one-mile minimum. Ambulance charges for residents are as follows: \$349.58 for basic life support; \$415.13 for advanced life support; \$600.85 for advanced life support with two services and \$6.55 per mile for mileage with a one-mile minimum. We expect modest growth in this account as the population ages. There is a significant time delay in the collection of ambulance receipts. Total 2010/11 budgeted revenue is \$650,000; this is a 2% increase from last year’s estimated actual.

**Animal Licenses**

Residents must purchase a \$10 dog or cat license annually. Licenses are due June 15; payment is made simultaneously with vehicle licenses. Total 2010/11 budgeted revenue is \$34,000; we have decreased this revenue by \$1,000 due to the recession. Rates were last increased in 2006.

**Building Permits**

Building permits must be purchased prior to construction. Permit fees vary depending upon the nature of the construction. Total 2010/11 budgeted revenue is \$900,000. This revenue source functions in the same manner as the economy (if economic conditions are positive, the revenue is positive, and vice versa). The Norwood development on Washington Street was delayed in 2009/10. The number of permits have not necessarily declined, but the dollar value of the permits have decreased significantly due to the recession.

**Business Licenses**

Business licenses are issued annually and are valid from January 1 through December 31. Business license fees vary depending on the type of business. Rates for retail sales establishments vary depending upon square footage. Total 2010/11 budgeted revenue is \$170,000.

**Cable TV**

The local cable carrier must remit 5% of total revenues monthly to the City as payment for a franchise agreement. Total 2010/11 budgeted revenue is \$450,000. Comcast of Illinois provides cable service to the City. The City has been in negotiations with AT&T since October 2007, however they have yet to begin servicing Park Ridge. The budget includes four quarterly installments from Comcast of Illinois (approximately \$106,000 x 4 = \$424,000) + MFS Telcom Right of Way (\$1,500) + AT&T, T Mobile, Nextel, and Sprint Nextel (\$500/each). Staff met with Wide Open West (WOW) in November 2009 to discuss their coming to Park Ridge. WOW offers phone, cable and Internet and the infrastructure is above ground.

**Court Fines**

Court fines are received from tickets issued by police officers. These fines are collected by Cook County and remitted to the City monthly. The City employs four full-time police traffic officers and owns a scale to weigh overweight trucks at the Public Works Service Center. In 2005/06, we increased the fine structure. 2010/11 budgeted revenues are \$160,000.

**Fines – Adjudication**

Three types of fines come before the city's adjudication court. They are: overweight trucks, municipal code violations (examples – underage drinking, improper railroad crossing), and building violations. Budgeted 2010/11 revenue is \$230,000. The adjudication system began in 2005. The City will install a red light camera at Oakton and Northwest Highway. The consultant estimates the City will realize \$86,800 if the camera captures five citations daily and \$134,000 for ten citations daily. Staff added \$110,000 (average) to adjudication fines for this new revenue source. The State of Illinois significantly delayed approving the installation of this camera.

**Emergency Telephone Surcharge**

This is a \$1.00 monthly surcharge on telephone bills. The money partially funds the operation of a fully enhanced Emergency 911 telephone system. Total 2010/11 budgeted revenue is \$525,000. To increase the amount of the surcharge, the City would have to successfully pass a referendum. The state imposes an emergency telephone surcharge of \$.75 per cellular phone and remits approximately \$.48 per phone to the City. Besides Park Ridge, Des Plaines, Niles and Morton Grove are members of the Joint Emergency Telephone System Board.

This revenue source is under severe stress. More and more households are eliminating telephone land lines. Approximately 6,200,000 households are wireless (Business Week, October 3, 2005). The city of Park Ridge experiences a delay in receiving E-911 money because the surcharge is first sent to the city of Des Plaines. The state of Illinois is six months behind in remitting the money owed for the cellular phone surcharge. All of this combines to increase the amount of the subsidy from the general operating fund to the E-911 fund.

Annual emergency telephone surcharge averaged \$524,500 for the past three complete fiscal years.

**Food & Beverage Tax**

This is a 1% tax on the sale at retail of food and alcoholic beverages prepared for immediate consumption. Restaurant customers pay this tax. The restaurant owner remits money to the City monthly. Revenue is deposited to the general operating fund. Total 2010/11 budgeted revenue is \$400,000. There are more restaurants in Park Ridge due to the completion of the Uptown redevelopment. Restaurant business was not hit as severely as general retail sales.

**Gasoline Tax**

The current tax rate is \$.03 per gallon of gasoline. Nine gasoline stations are located in Park Ridge. The Mayor has suggested the City increase the rate to \$.04 per gallon of gasoline. It is estimated this change will bring in an additional \$120,000. 2010/11 budgeted revenue is estimated at \$480,000 assuming a rate of \$.04 per gallon. This income does not necessarily fluctuate with the price of gasoline; only in so far as the price of gasoline affects consumption.

**Grant Income**

Grant income is projected as follows

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
<u>General Fund:</u>			
<u>Federal Grants:</u>			
FEMA Reimburse – Flood	\$62,000		
Police Vests	\$12,000	<b>\$3,000</b>	<b>\$3,000</b>
Dept. of Energy Environ. Grant	<b>\$124,900</b>		
Subtotal - Federal	\$198,900	\$3,000	\$3,000
<u>State Grants:</u>			
Safe Routes to School (Dee Rd)		<b>\$400,000</b>	
Noise Wall	\$350,000		
Emergency Repair - Avondale Reconstruction		\$335,000	
Emergency Repair - Main Street Reconstruction		\$400,000	
Illinois Transportation Enhancement Program (ITEP)		320,800	
Streetscape Design - Uptown			
Video Equipment at Train Stations	\$12,000		
Tobacco Inspection	<b>\$1,650</b>	<b>\$1,650</b>	<b>\$1,650</b>
Subtotal - State	\$363,650	\$1,456,450	\$1,650
Total – General Fund	<b>\$562,550</b>	<b>\$1,460,450</b>	<b>\$4,650</b>
<u>Library Fund:</u>			
<u>Federal Grants:</u>			
Dept. of Energy Environ. Grant		<b>\$33,800</b>	
<u>State Grants:</u>			
Landmarks IL – Mural Restoration	\$1,000		
Per Capita Grant	\$46,000	\$38,640	\$38,640
Total – Library Fund	<b>\$47,000</b>	<b>\$72,440</b>	<b>\$38,640</b>
<u>Uptown TIF Fund:</u>			
<u>State Grants:</u>			
Streetscape		\$320,800	
Total – Uptown TIF Fund		<b>\$320,800</b>	
Grand Total – All Funds	<b>\$609,550</b>	<b>\$1,853,690</b>	<b>\$43,290</b>

**Bold** print on grant income indicates money was received in previous fiscal year, but spent in next fiscal year.

**Interest Earned**

The City earns interest income from purchasing U. S. Treasuries and collateralized Certificates of Deposits. Additionally, the City earns interest on money held in checking accounts and the Illinois Funds. Also, the City Council invests some money in the Illinois Metropolitan Investment Fund, which is an U. S. Treasury mutual fund intended for intermediate term funds.

We expect interest rates to remain low (Federal Reserve policy rate between 0 - .25%) and the Treasury yield curve to remain steep by historical standards. This view is presented in several business publications including Vanguard Investment Perspectives, Volume 6. Bill Gross, Managing Director of PIMCO's Total Return Fund, states in the November 2009 Newsletter that "policymakers (The Fed, the Treasury, the FDIC) recognize that asset prices must be supported in order to generate positive future nominal GDP growth." . . "At the center of U.S. policy support, however, rests the 'extraordinary low' or 0% policy rate. How long the Fed remains there is dependent on the pace of the recovery of nominal GDP as well as the mix of that nominal rate between real

growth and inflation. My sense is that nominal GDP must show realistic signs of stabilizing near 4% before the Fed would be willing to risk raising rates. The current embedded cost of U.S. debt markets is close to 6% and nominal GDP must grow within reach of that level if policymakers are to avoid continuing debt deflation in corporate and household balance sheets. While the U.S. economy will likely approach 4% nominal growth in 2009's second half, the ability to sustain those levels once inventory rebalancing and fiscal pump-priming effects wear off is debatable. The Fed will likely require 12 – 18 months of 4%+ nominal growth before abandoning the 0% benchmark. On February 18, 2010, the Federal Reserve increased the Discount Rate by .25%. We do not feel this causes us to change our interest projections.

Total 2010/11 budgeted revenue is \$145,000 and is allocated among the following funds: general - \$60,000; library - \$15,000; parking - \$20,000; and water - \$50,000.

### **Library Fines**

Fines for overdue library materials are credited to the library fund and contribute to the operation of the public library. 2010/11 budgeted income is estimated at \$72,000.

### **Liquor Licenses**

Liquor licenses range from \$1,500 to \$3,500 depending upon classification. This fee is charged annually to all establishments possessing a license to sell liquor. Total 2010/11 budgeted revenue is \$74,000. The revenue account includes money collected as fines for violations such as selling liquor to minors (\$4,500).

### **Miscellaneous**

Total 2010/11 budgeted miscellaneous revenue is \$400,100. Several funds have "miscellaneous" income.

General operating fund miscellaneous income is \$330,100.

The major miscellaneous income in the general operating fund is rental income (\$59,500 + \$60,000) in 2010/11 (account no. 100-873000). The city leases space at the old Public Works Service Center, at the train station, and leases a radio tower. NICOR vacated their lease at the old Public Works Service Center on December 31, 2009. Wide Open West (WOW) has expressed interest in renting one-half of the facility. Staff budgeted \$10,000 per month for six months for rent from WOW.

Other categories that make up miscellaneous income in the general fund include: miscellaneous city clerk (\$6,000 – account no. 100-877001), miscellaneous police (\$12,500 – account no. 100-877002), miscellaneous fire (\$2,000 – account no. 100-877003), miscellaneous zoning (\$20,000 – account no. 100-877004), and miscellaneous streets (\$117,600 (29,400 x 4) - account no. 100-877005). Other miscellaneous revenues include: police alarm fines (\$9,000 – account no. 100-852000), alarm registrations (\$15,000 – account no. 100-845000), elevator inspections (\$17,200 – account no. 100-848000), damage to city property (\$5,000 – account no. 100-877015), and oversized vehicle permits (\$6,300 – account no. 100-820900).

Miscellaneous income in the library fund (account no. 201-877000) is \$40,000. This consists of income from non-resident fees (\$12,000), photocopies/printing services (\$22,000), and film insurance (\$6,000).

Miscellaneous income in the water fund is \$30,000 and consists of miscellaneous income (\$10,000 – account no. 502-877000) and meters (\$20,000 – account number 502-862000).

### **Motor Fuel Tax (MFT)**

This income is received monthly from the state and is distributed based on population. The state gets the money from a \$.19 per gallon tax on gasoline and a \$.215 per gallon tax on diesel fuel. Distributors keep 1.75% of the tax as a collection fee. After certain deductions are made, the state keeps 45.6% of the motor fuel tax and distributes 54.4% to various local agencies. Municipalities receive 49.1% of the amount allotted for local agencies. The city's share of the total MFT allocation is based upon the ratio of the city's population to the total population of incorporated areas in the state. Park Ridge uses the money to finance capital projects related to streets, sidewalks, or alleys.

According to the Illinois Municipal League, fiscal year 2008/09 actual receipts were \$26.33 per capita or 6.2% lower than fiscal year 2007/08 receipts. In its December 2009 issue, the Illinois Municipal League revised its estimate for fiscal year 2009/10 receipts downward to \$25.60 per capita. The City's estimated actual is \$973,000 or \$25.76 per capita.

2010/11 budgeted revenue is \$833,000; this equates to \$22.05 per capita.

**Natural Gas Use Tax**

This is a \$.02 per therm tax on the use of natural gas purchased from an out-of-state supplier and consumed within Park Ridge. 2010/11 estimated revenue is \$161,600. This revenue is weather dependent with the bulk of the income received during the winter months. The \$161,600 includes \$18,500 for back billing (amount NICOR previously did not collect).

**Package Liquor Tax**

Purchasers of liquor to be consumed off premises currently pay 4% of the retail price. The retailer remits this tax monthly to the City. 2010/11 budgeted revenue is \$335,000. The tax rate was doubled on May 1, 2005. Eight stores (Trader Joe's, Jewel, Dominick's, WineStyles, Morningfields, CVS, and two Walgreens) sell package liquor in Park Ridge. Walgreens recently decided to return to selling liquor.

**Parking Garage Tax**

This revenue comes from a tax on parking privileges in garages located in the City. Lutheran General Hospital has agreed to pay \$50,000 per month. This revenue will be devoted to City health care expenses.

**Parking Meters**

Revenues from parking meter coin deposits are credited to the parking fund. The rate for 5-hour meters and 12-hour meters is \$.25 per hour. Parking lot coin deposit box rates were increased in the fall of 2009. The rate for each 12 hours or any fraction thereof is \$1.50 (formerly \$1.00) at any deposit box other than Prairie Avenue. The charge for the Prairie Avenue coin deposit box is \$2.00 for each 12 hours or any fraction thereof. Total 2010/11 budgeted revenue is \$80,000.

**Parking Meter Fines**

Motorists who violate parking meter time limitations are subject to penalties. Community service officers issue these tickets and the revenues are credited to the general operating fund. Total 2010/11 budgeted revenue is \$90,000.

**Parking Penalties**

Motorists who violate parking regulations are subject to various penalties. Budgeted 2010/11 revenue is \$250,000.

**Parking - Unmetered**

The City owns or rents five parking lots. Customers may purchase six-month parking permits for these lots. Total 2010/11 budgeted revenue is \$83,000 and will be credited to the parking fund. Unless the City owns the parking lot, there is a corresponding expense to this revenue as the City pays the owner of the lot rent, sometimes in excess of receipts. Revenue is based on the following estimate:

<u>Lot</u>	<u>Spaces Avail</u>	<u>Permits Sold</u>	<u>Curr 6 Mo Rate</u>	<u>FY 11 Proj</u>	<u>FY 12 Proj</u>
Touhy-Summit (Own)	47	47	\$250	\$23,500	\$23,500
Uptown Court (Own)	21	18	\$175	6,300	7,350
Fairview Ave. (Rent)	57	52	\$250	26,000	26,000
AANA (Rent)	24	21	\$175	7,350	7,350
SBC (Rent)	56	47	\$150	14,100	14,000
Total Spaces/Permits	205	185		\$77,250	\$78,200
Park Enforce Contract				5,700	5,700
Total Dollars				\$82,950	\$83,900

**Personal Property Replacement Tax**

Many years ago, there was a personal property tax in Illinois. This tax was abolished for individuals by the 1970 Illinois Constitution and phased out for corporations in 1979. This tax "replaces" the original tax. The majority of the money comes from the state of Illinois. Replacement tax revenue comes from a 2.5% corporate income tax, 0.8% invested capital taxes from gas and water utilities and infrastructure maintenance fees from telecommunications companies and electricity deliverers.

According to the Illinois Municipal League (IML), actual fiscal year 2008/09 were 8.4% lower than fiscal year 2007/08 receipts statewide. The organization predicts fiscal year 2009/10 receipts will be 21.3% lower than 2008/09 receipts.

Total 2010/11 budgeted revenue is \$492,000; receipts are allocated to the general operating, library, and IMRF funds. Budget is as follows: general - \$360,500; police - \$21,900; fire - \$20,700; library - \$69,000; IMRF - \$19,900. Lowered estimate 10% from previous year's estimate because of IML's reduction.

**Property Transfer Tax**

This tax is a \$2 per \$1,000 of selling price paid by the property seller for the transfer of title of real estate located within Park Ridge. Receipts are credited to the general operating fund. The tax is collected through the use of a property transfer stamp, which must be placed on the deed. State law requires that any future changes in the property transfer tax rate will have to be approved by referendum.

The 2010/11 is \$502,000; this consists of \$490,000 for non-exempt transfers and \$12,000 for exempt transfers. Because the rate is constant, increases in this revenue stem from these sources: increased building sales or new development and increased sales prices. Like building permit revenues, property transfer taxes are a function of general economic conditions.

**Road & Bridge Tax**

Maine Township government levies the majority of this tax and remits a portion of the proceeds to the City. Total 2010/11 budgeted revenue is \$160,000. Here is a history of this tax: 2004/05 - \$129,700; 2005/06 - \$145,000; 2006/07 - \$145,000; 2007/08 - \$157,700; and 2008/09 - \$164,079.

**Service to Other Agencies**

This account represents revenues received from other governmental bodies as reimbursement for City services.

	<u>2010/11</u>	<u>2011/12</u>
School Resource Officers – Dist. 207	\$196,900	\$196,900
1 Crossing Guard (full cost) –Dist. 207	7,600	7,600
Sale of Motor Fuel – Dist. 64	9,500	9,500
5 Crossing Guards (half cost) – Dist. 64	21,300	21,300
General Police Service – Park District	115,000	115,000
Traffic Signal Maintenance – Niles	<u>1,000</u>	<u>1,000</u>
Total	\$351,300	\$351,300

**Sewer Fee**

The proposed sewer rate structure is:

\$1.22 per 1,000 water gallons

Total budgeted revenue is \$1,603,700. This is the amount of revenue needed for the sewer fund to break-even.

**Uptown Property Taxes**

These are incremental property taxes dedicated to the tax incremental financing district. Total 2010/11 projected revenue is \$3,594,300. The money is used to retire debt, pay operating and capital expenses, and pay School District 207 and the Park District. School District 64 is paid from general operating fund sales taxes.

**Vehicle Licenses**

Vehicle licenses are issued annually and must be displayed by June 15. The current charge for most motor vehicles is \$45. Passenger vehicle stickers were increased \$5 effective April 15, 2010. Revenues are credited to the general fund and used to offset the cost of street maintenance. Total 2010/11 budgeted revenue is \$1,230,300.

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**INCOME BY SOURCE**

**ACCRUAL BASIS**

	2008/09	2009/10	2009/10	2010/11	Percent	2011/12	Percent
	Actual	Budget	Estimated Actual	Budget	Change	Budget	Change
Ambulance Fees	600,824	640,000	650,000	650,000	2%	660,000	2%
Animal Licenses	34,450	35,000	34,000	34,000	-3%	34,000	0%
Building Permits	908,504	1,000,000	900,000	900,000	-10%	1,050,000	17%
Business Licenses	146,298	170,000	170,000	170,000	0%	170,000	0%
Cable TV	448,047	430,000	440,000	450,000	5%	450,000	0%
Court Fines	118,126	190,000	160,000	160,000	-16%	160,000	0%
Fines - Adjudication	99,592	260,000	150,000	230,000	-12%	230,000	0%
Emerg. Tel. Surcharge	582,513	525,000	525,000	525,000	0%	525,000	0%
Food & Beverage Tax	367,413	460,000	400,000	400,000	-13%	450,000	13%
Gasoline Tax	329,644	360,000	352,000	480,000	33%	480,000	0%
Grant Income	616,773	486,200	609,600	1,853,700	281%	43,300	-98%
Income Tax	3,326,676	3,626,000	3,250,000	3,122,100	-14%	3,300,000	6%
Interest Earned	202,756	253,500	173,000	145,000	-43%	170,000	17%
Library Fines	71,195	72,000	72,000	72,000	0%	72,000	0%
Liquor Licenses	68,108	74,000	74,000	74,000	0%	74,000	0%
Miscellaneous	765,288	508,200	517,200	400,100	-21%	340,100	-15%
Motor Fuel Tax	985,749	1,026,000	973,000	833,000	-19%	700,000	-16%
Natural Gas Use Tax	139,562	143,100	143,100	161,600	13%	145,000	-10%
Package Liquor Tax	295,386	280,000	300,000	335,000	20%	335,000	0%
Parking Garage Tax	388,820	405,000	395,000	600,000	48%	600,000	0%
Parking Meters	66,489	66,000	80,000	85,000	29%	85,000	0%
Parking Meter Fines	92,855	50,000	80,100	90,000	80%	92,000	2%
Parking Penalties	137,560	250,000	250,000	250,000	0%	260,000	4%
Parking - Unmetered	71,965	81,000	81,000	83,000	2%	83,900	1%
Personal Prop. Repl. Tax	473,265	550,100	550,100	492,000	-11%	500,000	2%
Property Tax Levy	14,902,500	15,384,000	15,384,000	16,153,200	5.0%	16,960,900	5%
Property Transfer Tax	475,502	502,000	502,000	502,000	0%	530,000	6%
Road & Bridge Tax	164,079	150,000	150,000	160,000	7%	165,000	3%
Home Rule Sales Tax	1,403,156	1,550,000	1,305,000	1,400,000	-10%	1,500,000	7%
Sales & Use Tax	3,179,232	3,500,000	3,200,000	3,500,000	0%	3,500,000	0%
Service to Other Agencies	345,100	360,600	360,600	351,300	-3%	351,300	0%
Sewer Tax	319,520	895,900	845,000	1,603,700	79%	2,622,500	64%
Uptown Property Taxes	1,909,466	2,073,200	2,040,900	3,594,300	73%	4,609,900	28%
Utility, Telecomm., Use Taxes	4,588,559	4,750,000	4,650,000	4,760,000	0%	4,850,000	2%
Vehicle Licenses	1,100,653	1,200,000	1,100,000	1,230,300	3%	1,230,300	0%
Water Accounts	6,055,395	7,000,000	6,300,000	7,386,600	6%	8,619,000	17%
<i>Decrease (Inc) in Fund Balance</i>	5,174,725	1,796,000	3,676,400	(466,800)	-126%	(12,300)	-97%
<b>Total Budgeted Revenues</b>	<b>50,955,745</b>	<b>51,102,800</b>	<b>50,843,000</b>	<b>52,770,100</b>	<b>3%</b>	<b>55,935,900</b>	<b>6%</b>

2010/11 ALLOCATION OF REVENUES BY FUND

Source of Revenue	Debt Service			Emerg.	General	III. Mun.
	2004	2005	2006	Tel. Fund	Oper. Fund	Retire. Fund
Ambulance Fees					650,000	
Animal Licenses					34,000	
Building Permits					900,000	
Business Licenses					170,000	
Cable TV					450,000	
Court Fines					160,000	
Fines - Adjudication					230,000	
Emerg. Tel. Surcharge				525,000		
Food & Beverage Tax					400,000	
Gasoline Tax					480,000	
Grant Income					1,460,500	
Income Tax				693,200	2,328,900	
Interest Earned					60,000	
Library Fines						
Liquor Licenses					74,000	
Miscellaneous					330,100	
Motor Fuel Tax						
Natural Gas Use Tax					161,600	
Package Liquor Tax					335,000	
Parking Garage Tax					600,000	
Parking Meters						37,400
Parking Meter Fines					90,000	
Parking Penalties					-	
Parking - Unmetered						
Personal Prop. Repl. Tax					403,100	19,900
Property Tax Levy					6,895,800	1,684,100
Property Transfer Tax					502,000	
Road & Bridge Tax					160,000	
Home Rule Sales Tax					1,400,000	
Sales & Use Tax					3,500,000	
Service to Other Agencies					351,300	
Sewer Tax						65,200
Uptown Property Tax	1,194,500	321,100	1,103,300			
Utility & Telecomm. Tax					4,760,000	
Vehicle Licenses					1,230,300	
Water Accounts	885,600				800,000	157,300
<i>Non Revenue Sources:</i>						
<i>Decrease(Inc) in Fund Balance</i>						(17,000)
<b>Total Budgeted Revenues</b>	<b>2,080,100</b>	<b>321,100</b>	<b>1,103,300</b>	<b>1,218,200</b>	<b>28,899,600</b>	<b>1,963,900</b>

2010/11 ALLOCATION OF REVENUES BY FUND

Library Fund	Motor Fuel Tx. Fd.	Municipal Waste Sys. Fd.	Parking Fund	UptownTIF Fund	Sewer Fund	Water Fund	Total Revenue
							650,000
							34,000
							900,000
							170,000
							450,000
							160,000
							230,000
							525,000
							400,000
							480,000
72,400				320,800			1,853,700
100,000							3,122,100
15,000			20,000			50,000	145,000
72,000							72,000
							74,000
40,000						30,000	400,100
	833,000						833,000
							161,600
							335,000
							600,000
			47,600				85,000
							90,000
			250,000				250,000
			83,000				83,000
69,000							492,000
3,953,000		3,620,300					16,153,200
							502,000
							160,000
							1,400,000
							3,500,000
							351,300
					1,538,500		1,603,700
				975,400			3,594,300
							4,760,000
							1,230,300
						5,543,700	7,386,600
			(67,500)	(382,300)			(466,800)
<b>4,321,400</b>	<b>833,000</b>	<b>3,620,300</b>	<b>333,100</b>	<b>913,900</b>	<b>1,538,500</b>	<b>5,623,700</b>	<b>52,770,100</b>

2011/12 ALLOCATION OF REVENUES BY FUND

Source of Revenue	Debt Service			Emerg.	General
	2004	2005	2006	Tel. Fund	Oper. Fund
Ambulance Fees					660,000
Animal Licenses					34,000
Building Permits					1,050,000
Business Licenses					170,000
Cable TV					450,000
Court Fines					160,000
Fines - Adjudication					230,000
Emerg. Tel. Surcharge				525,000	
Food & Beverage Tax					450,000
Gasoline Tax					480,000
Grant Income					4,700
Income Tax				693,200	2,506,800
Interest Earned					70,000
Library Fines					
Liquor Licenses					74,000
Miscellaneous					270,100
Motor Fuel Tax					
Natural Gas Use Tax					145,000
Package Liquor Tax					335,000
Parking Garage Tax					600,000
Parking Meters					
Parking Meter Fines					92,000
Parking Penalties					-
Parking - Unmetered					
Personal Prop. Repl. Tax					404,600
Property Tax Levy					6,906,200
Property Transfer Tax					530,000
Road & Bridge Tax					165,000
Home Rule Sales Tax					1,500,000
Sales & Use Tax					3,500,000
Service to Other Agencies					351,300
Sewer Tax					
Uptown Property Tax	1,200,700	421,100	1,103,300		
Utility & Telecomm. Tax					4,850,000
Vehicle Licenses					1,230,300
Water Accounts	889,100				800,000
<i>Non Revenue Sources:</i>					
<i>Decrease (Inc) in Fund Balance</i>					1,157,000
<b>Total Budgeted Revenues</b>	<b>2,089,800</b>	<b>421,100</b>	<b>1,103,300</b>	<b>1,218,200</b>	<b>29,176,000</b>

2011/12 ALLOCATION OF REVENUES BY FUND

III. Mun. Retire. Fund	Library Fund	Motor Fuel Tx. Fd.	Municipal Waste Sys. Fd.	Parking Fund	UptownTIF Fund	Sewer Fund	Water Fund	Total Revenue
								660,000
								34,000
								1,050,000
								170,000
								450,000
								160,000
								230,000
								525,000
								450,000
								480,000
	38,600							43,300
	100,000							3,300,000
	15,000			20,000			65,000	170,000
	72,000							72,000
								74,000
	40,000						30,000	340,100
		700,000						700,000
								145,000
								335,000
								600,000
38,800				46,200				85,000
				-				92,000
				260,000				260,000
				83,900				83,900
19,900	75,500							500,000
1,752,800	4,497,100		3,804,800					16,960,900
								530,000
								165,000
								1,500,000
								3,500,000
								351,300
58,700						2,563,800		2,622,500
					1,884,800			4,609,900
								4,850,000
								1,230,300
162,200							6,767,700	8,619,000
				106,400	(1,275,700)			(12,300)
<b>2,032,400</b>	<b>4,838,200</b>	<b>700,000</b>	<b>3,804,800</b>	<b>516,500</b>	<b>609,100</b>	<b>2,563,800</b>	<b>6,862,700</b>	<b>55,935,900</b>

**REVENUE AND EXPENSES BY FUND  
FUND BALANCE PROJECTION  
As of April 30, 2010**

	April 30,2009 Fund Balance	Est. Actual Revenues	Est. Actual Expenses	Projected April 30, 2010 Fund Balance
<b>General Fund:</b>				
<b>General Operating **</b>	<b>11,378,347</b>	<b>26,051,800</b>	<b>(27,304,600)</b>	<b>10,125,547</b>
Total General Fund	11,378,347	26,051,800	(27,304,600)	10,125,547
<b>Special Revenue Funds:</b>				
Emergency Telephone^	(228,711)	1,302,200	(1,252,200)	(178,711)
Illinois Municipal Retirement	114,792	2,019,800	(1,972,000)	162,592
<b>Library</b>	<b>2,221,736</b>	<b>4,361,100</b>	<b>(4,379,800)</b>	<b>2,203,036</b>
Motor Fuel Tax	(96,454)	974,000	(906,300)	(28,754)
<b>Municipal Waste</b>	<b>(412,210)</b>	<b>3,439,200</b>	<b>(3,462,000)</b>	<b>(435,010)</b>
<b>Uptown TIF</b>	<b>(4,343,273)</b>	<b>(423,100)</b>	<b>(918,200)</b>	<b>(5,684,573)</b>
Total Special Revenue Funds	(2,744,120)	11,673,200	(12,890,500)	(3,961,420)
<b>Debt Service Fund:</b>				
Debt Service - 2005A	156,988	321,100	(321,100)	156,988
Debt Service - 2006A	567,668	523,500	(523,500)	567,668
Debt Service - 2006B	293,244	579,800	(579,800)	293,244
Debt Service - 2004A	(435,047)	1,039,600	(1,039,600)	(435,047)
Debt Service - 2004B		885,400	(885,400)	-
Total Debt Service Funds	582,853	3,349,400	(3,349,400)	582,853
<b>Enterprise Funds:*</b>				
Parking	1,051,136	380,700	(348,300)	1,083,536
Sewer		1,138,000	(1,230,800)	(92,800)
<b>Water</b>	<b>4,157,907</b>	<b>4,573,500</b>	<b>(5,439,200)</b>	<b>3,292,207</b>
Total Enterprise Funds	5,209,043	6,092,200	(7,018,300)	4,282,943
<b>Total Budgeted Funds</b>	<b>14,426,123</b>	<b>47,166,600</b>	<b>(50,562,800)</b>	<b>11,029,923</b>

Major funds are highlighted in bold.

\*Amount shown is unrestricted net assets. Amount invested in capital assets, net of related debt is \$1,363,076 in the Parking Fund and \$22,287,047 in the Water Fund.

^ Balance includes amount reserved for prepaid ANI/ALI service. \*\* Includes \$800,000 designation for insurance.

**Fund Balance Policy:** The City's target general fund balance at year-end is a range between four and six months of operating revenues of general, special revenue and debt service (where payment stems from the levying of property taxes) funds on a budgetary basis. Fund balance is defined as the excess of assets over liabilities. Also, at year-end, the City's target is to have cash reserves equal to a range of two to four months of operating expenses. A fund balance policy provides guidance to the City Council and senior staff regarding the appropriate balance between reserves, revenues and expenditures. Adherence to an appropriate policy will help the city maintain and improve its credit rating. Having adequate reserves will help the city maintain operations should unexpected emergencies arise, revenues not be realized or expenditures exceed expectations.

How will we fare in relation to our policy as of April 30, 2010?

Fund Balance	\$6,746,980
Revenues	\$41,074,400
Percentage	16%

We will be below the minimum of our policy.

**REVENUE AND EXPENSES BY FUND  
FUND BALANCE PROJECTION  
As of April 30, 2011**

	Estimated April 30,2010 Fund Balance	Budgeted Revenues	Budgeted Expenses	Projected April 30, 2011 Fund Balance
<b>General Fund:</b>				
<b>General Operating</b>	<b>10,125,547</b>	<b>28,916,600</b>	<b>(28,899,600)</b>	<b>10,142,547</b>
Total General Fund	10,125,547	28,916,600	(28,899,600)	10,142,547
<b>Special Revenue Funds:</b>				
Emergency Telephone^	(178,711)	1,218,200	(1,218,200)	(178,711)
Illinois Municipal Retirement	162,592	1,963,900	(1,963,900)	162,592
<b>Library</b>	<b>2,203,036</b>	<b>4,321,400</b>	<b>(4,321,400)</b>	<b>2,203,036</b>
Motor Fuel Tax	(28,754)	833,000	(833,000)	(28,754)
<b>Municipal Waste</b>	<b>(435,010)</b>	<b>3,620,300</b>	<b>(3,620,300)</b>	<b>(435,010)</b>
<b>Uptown TIF Fund</b>	<b>(5,684,573)</b>	<b>1,296,200</b>	<b>(913,900)</b>	<b>(5,302,273)</b>
Total Special Revenue Funds	(3,961,420)	13,253,000	(12,870,700)	(3,579,120)
<b>Debt Service Fund:</b>				
Debt Service - 2005A	156,988	321,100	(321,100)	156,988
Debt Service - 2006A	567,668	523,500	(523,500)	567,668
Debt Service - 2006B	293,244	579,800	(579,800)	293,244
Debt Service - 2004A	(435,047)	1,194,500	(1,194,500)	(435,047)
Debt Service - 2004B	-	885,600	(885,600)	-
Total Debt Service Funds	582,853	3,504,500	(3,504,500)	582,853
<b>Enterprise Funds:*</b>				
Parking	1,083,536	400,600	(333,100)	1,151,036
Sewer	(92,800)	1,538,500	(1,538,500)	(92,800)
<b>Water</b>	<b>3,292,207</b>	<b>5,623,700</b>	<b>(5,623,700)</b>	<b>3,292,207</b>
Total Enterprise Funds	4,282,943	7,562,800	(7,495,300)	4,350,443
<b>Total Budgeted Funds</b>	<b>11,029,923</b>	<b>53,236,900</b>	<b>(52,770,100)</b>	<b>11,496,723</b>

Major funds are highlighted in bold.

\*Amount shown is unrestricted net assets. Amount invested in capital assets, net of related debt is \$1,363,076 in the Parking Fund and \$22,287,047 in the Water Fund.

^ Balance includes amount reserved for prepaid automatic number identification and automatic location identification service.

**Fund Balance Policy:** The City's target general fund balance at year-end is a range between four and six months of operating revenues of general, special revenue and debt service (where payment stems from the levying of property taxes) funds on a budgetary basis. Fund balance is defined as the excess of assets over liabilities. Also, at year-end, the City's target is to have cash reserves equal to a range of two to four months of operating expenses. A fund balance policy provides guidance to the City Council and senior staff regarding the appropriate balance between reserves, revenues and expenditures. Adherence to an appropriate policy will help the city maintain and improve its credit rating. Having adequate reserves will help the city maintain operations should unexpected emergencies arise, revenues not be realized or expenditures exceed expectations.

How will we fare in relation to our policy as of April 30, 2011?

Fund Balance	\$7,146,280
Revenues	\$45,674,100
Percentage	16%

We will be below the minimum of our policy.

**REVENUE AND EXPENSES BY FUND  
FUND BALANCE PROJECTION  
As of April 30, 2012**

	Estimated April 30, 2011 Fund Balance	Budgeted Revenues	Budgeted Expenses	Projected April 30, 2012 Fund Balance
<b>General Fund:</b>				
<b>General Operating</b>	<b>10,142,547</b>	<b>28,019,000</b>	<b>(29,176,000)</b>	<b>8,985,547</b>
Total General Fund	10,142,547	28,019,000	(29,176,000)	8,985,547
<b>Special Revenue Funds:</b>				
Emergency Telephone^	(178,711)	1,218,200	(1,218,200)	(178,711)
Illinois Municipal Retirement	162,592	2,032,400	(2,032,400)	162,592
<b>Library</b>	<b>2,203,036</b>	<b>4,838,200</b>	<b>(4,838,200)</b>	<b>2,203,036</b>
Motor Fuel Tax	(28,754)	700,000	(700,000)	(28,754)
<b>Municipal Waste</b>	<b>(435,010)</b>	<b>3,804,800</b>	<b>(3,804,800)</b>	<b>(435,010)</b>
<b>Uptown TIF Fund</b>	<b>(5,302,273)</b>	<b>1,884,800</b>	<b>(609,100)</b>	<b>(4,026,573)</b>
Total Special Revenue Funds	(3,579,120)	14,478,400	(13,202,700)	(2,303,420)
<b>Debt Service Fund:</b>				
Debt Service - 2005A	156,988	421,100	(421,100)	156,988
Debt Service - 2006A	567,668	523,500	(523,500)	567,668
Debt Service - 2006B	293,244	579,800	(579,800)	293,244
Debt Service - 2004A	(435,047)	1,200,700	(1,200,700)	(435,047)
Debt Service - 2004B	-	889,100	(889,100)	-
Total Debt Service Funds	582,853	3,614,200	(3,614,200)	582,853
<b>Enterprise Funds:*</b>				
Parking	1,151,036	410,100	(516,500)	1,044,636
Sewer	(92,800)	2,563,800	(2,563,800)	(92,800)
<b>Water</b>	<b>3,292,207</b>	<b>6,862,700</b>	<b>(6,862,700)</b>	<b>3,292,207</b>
Total Enterprise Funds	4,350,443	9,836,600	(9,943,000)	4,244,043
<b>Total Budgeted Funds</b>	<b>11,496,723</b>	<b>55,948,200</b>	<b>(55,935,900)</b>	<b>11,509,023</b>

Major funds are highlighted in bold.

\*Amount shown is unrestricted net assets. Amount invested in capital assets, net of related debt is \$1,363,076 in the Parking Fund and \$22,287,047 in the Water Fund.

^ Balance includes amount reserved for prepaid automatic number identification and automatic location identification service.

**Fund Balance Policy:** The City's target general fund balance at year-end is a range between four and six months of operating revenues of general, special revenue and debt service (where payment stems from the levying of property taxes) funds on a budgetary basis. Fund balance is defined as the excess of assets over liabilities. Also, at year-end, the City's target is to have cash reserves equal to a range of two to four months of operating expenses. A fund balance policy provides guidance to the City Council and senior staff regarding the appropriate balance between reserves, revenues and expenditures. Adherence to an appropriate policy will help the city maintain and improve its credit rating. Having adequate reserves will help the city maintain operations should unexpected emergencies arise, revenues not be realized or expenditures exceed expectations.

How will we fare in relation to our policy as of April 30, 2012?

Fund Balance	\$7,264,980
Revenues	\$46,111,600
Percentage	16%

We will be below the minimum of our policy.