

# City Council Agenda Cover Memorandum

---

Meeting Date: August 23, 2010

Item Title: Financial Condition of the City based on Financial Reports

Action Requested:

- Approval
- For discussion
- Feedback requested
- For your information

Staff Contact: James Hock

Phone Number: 847-318-5205

Email Address: Jhock@parkridge.us

Background:

The Mayor and City Council have asked for a 1<sup>st</sup> quarter review of the City's financial condition.

Recommendation:

Budget Implications:

Does Action Require an Expenditure of Funds:  Yes  No

If Yes, Total Cost:

If Yes, is this a Budgeted Item:  Yes  No

Attachments:

- Financial Review
- 1<sup>st</sup> Quarter Budget Report
- 
- 
- 
-



## CITY OF PARK RIDGE

### M E M O R A N D U M

OFFICE OF THE CITY MANAGER

**TO:** Mayor and Council  
**FROM:** Jim Hock, City Manager  
**RE:** Financial reviews  
**DATE:** August 12, 2010

A handwritten signature in black ink, appearing to be "Jim Hock", is written over the "FROM:" line of the memorandum.

Per the request of the Mayor, attached is the first quarter of the fiscal year income from State shared revenue sources.

Under the Budget & Finance committee section of the next COW meeting on August 23, 2010, we will have the quarterly financial report. This is the same format as the first and second quarter of last fiscal year.

I also intended to review and discuss the Treasurer's report that is provided monthly to you all, to make sure that this contains the type of information that you are seeking on a regular basis. We can add, subtract or modify it to make it comprehensive and easy to review and understand those financial issues that concern you the most.

*Our Mission:*

THE CITY OF PARK RIDGE IS COMMITTED TO PROVIDING EXCELLENCE IN CITY SERVICES IN ORDER TO UPHOLD A HIGH QUALITY OF LIFE,  
SO OUR COMMUNITY REMAINS A WONDERFUL PLACE TO LIVE AND WORK.

<b>State Revenue Sources- 2010 1<sup>st</sup> quarter</b>	<b>Income</b>	<b>Home Rule Sales</b>	<b>State Sales</b>	<b>Telecom</b>
---	---------------	----------------------------	------------------------	----------------

5/09	460,086	84,277	225,902	155,051
5/10	373,319	103,768	261,680	153,785
Percentage change	-19%	+23%	+16%	-1%

6/09	245,661	100,313	288,356	149,031
6/10	199,059	114,657	313,244	162,431
Percentage change	-19%	+14%	+9%	+9%

7/09	267,471	102,778	295,345	165,461
7/10	279,757	114,160	302,070	152,877
Percentage change	+5%	+11%	+2%	-8%

2009 1 <sup>st</sup> quarter total	973,218	287,368	809,603	469,543
2010 1 <sup>st</sup> quarter total	852,135	332,585	876,994	469,093
Percentage change	-12%	+16%	+8%	0%

2010/11 budgeted (quarterly)	780,525	350,000	875,000	457,675
---------------------------------	---------	---------	---------	---------

Difference between budgeted and actual 1 <sup>st</sup> quarter revenues:	+71,610	-17,415	+1,994	+11,418
--	---------	---------	--------	---------

Percentage the revenues are over or under projections (budgeted amounts)	+9.1%	-5%	+0.2%	+2.4%
--	-------	-----	-------	-------

City Council adopted the following revenue changes for 2010/11 vs. 2009/10 actual in each category:

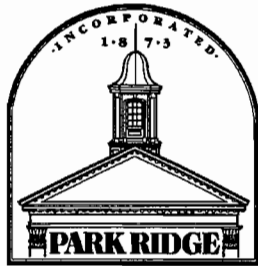
	-3.9%	+6.7%	+8.5%	+0.3%
--	-------	-------	-------	-------

<b><u>Fund</u></b>	<b><u>Detail</u></b>	<b><u>Amount</u></b>
<b><i>Over Budget</i></b>		
TIF	Our ISTEA grant of \$340,000 requiring \$40,000 participation was really a \$400,000 grant requiring \$60,000 as our share	\$16,000
Road	Avondale repaving grant project (est.)	\$8,000
	Main street rebuild grant project (est.)	\$12,000
<b><i>Under Budget</i></b>		
Road	Road Striping project	\$2,000
Sewer	Purchase of the Vactor truck was budgeted for \$330,000 and purchased at \$302,478	\$27,522

**Notes:**

***Revenue Shortfall***


General	The cancelation of Esso Contractors (WOW) renting 1200 Elm	\$60,000
---------	--	----------



## CITY OF PARK RIDGE

### MEMORANDUM

OFFICE OF THE CITY MANAGER

**TO:** Mayor and City Council  
**FROM:** Jim Hock, City Manager   
**RE:** 2010/11 first quarter budget report  
**DATE:** August 19, 2010

The Finance Department has provided the first quarter Financial Report of Major Funds. This includes: General Fund, TIF Fund, Water and the Municipal Waste Fund. I will review the details with you as part of the Budget & Finance agenda during the Committee of the Whole meeting Monday night.

I have also attached the revenue comparison for State Shared revenue sources for the first three months compared to the same time period last year. Income taxes are 12% less than last year but 9% more than we budgeted. State sales tax is as projected and home rule is down 5%. The State is generally three months behind in their payments on all these revenues but they are five months behind on the income tax payment. I am optimistic on the home rule sales tax with the opening of three new restaurants in the next few months.

As you know, we asked both School Districts to postpone payments that we owed them to make the necessary bond payments on the TIF. Next fiscal year, we anticipate enough revenue generated by the TIF to not only repay the schools what is owed, but make all necessary bond and revenue sharing payments and have sufficient revenue that Council will be able to decide if and how much, to reimburse the General Fund. There will not be millions, but a significant enough amount that will grow in future years and begins the continuous repayment of the investment loans the General Fund has made to the TIF.

Meanwhile, you will note that the General Fund has a negative cash value requiring the borrowing from other funds to make required payments. As I have noted in the past, even though the General Fund has a significant fund balance, that is not the same as cash. We remain concerned that the State maintain compliance with the current legislatively adopted levels of revenue sharing and that Cook County distribute the property tax bills to residents in a timely manner.

I have attached my "Over/Under" list that is really just an ongoing note to myself, to keep track of known deviations from what we adopted in the budget. Staff remains available to discuss whatever financial reporting you wish to review.

*Our Mission:*

THE CITY OF PARK RIDGE IS COMMITTED TO PROVIDING EXCELLENCE IN CITY SERVICES IN ORDER TO UPHOLD A HIGH QUALITY OF LIFE, SO OUR COMMUNITY REMAINS A WONDERFUL PLACE TO LIVE AND WORK.

**City of Park Ridge, IL  
May 2010 - July 2010  
Quarterly Financial Report**

**Major Funds~**

~ Report includes all major funds except the Library Fund, which is reviewed by the Library Board.

**General Operating Fund**

Fund Description:

The general operating fund is the City's primary operating fund. It accounts for all financial resources of general government, except those required to be accounted for in another fund. The services which are administered by the City and accounted for in the general operating fund include general government, public safety, and public works.

Overview for Fiscal Year 2010/11:

For the first three months of the 2010/2011 fiscal year, revenues are 20% and expenses are 22% of budget.

Revenues	2009/10	May - Jul	%	2010/11	May - Jul	%	
		FY 2009/10	Bud v. Act		FY 2010/11	Bud v. Act	
	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>	
Ambulance Fees	640,000	158,480	25%	650,000	160,852	25%	
Animal Licenses	35,000	28,110	80%	34,000	27,550	81%	
Building Permits	1,000,000	281,655	28%	900,000	171,685	19%	
Business Licenses	170,000	17,344	10%	170,000	23,308	14%	Billing in December
Cable TV	430,000	110,037	26%	450,000	71,409	16%	
Court Fines	190,000	30,842	16%	160,000	36,516	23%	
Fines - Adjudication	260,000	16,492	6%	230,000	35,285	15%	
Food & Beverage Tax	460,000	90,979	20%	400,000	106,741	27%	
Gasoline Tax	360,000	84,736	24%	480,000	97,760	20%	
Grant Income	440,200	7,270	2%	1,460,500	15,147	1%	
Income Tax	3,626,000	1,189,097	33%	3,122,100	757,364	24%	
Income Tax Trfers Out	-1,170,200		0%	-793,200	0	0%	
Interest Earned	100,000	1,101	1%	60,000	1,104	2%	
Liquor Licenses	74,000	3,233	4%	74,000	900	1%	
Natural Gas Use Tax	143,100	35,195	25%	161,600	33,798	21%	
Package Liquor Tax	280,000	72,635	26%	335,000	79,414	24%	
Parking Garage Tax	405,000	132,647	33%	600,000	101,688	17%	
Parking Meter Fines	50,000	20,086	40%	90,000	22,585	25%	
Personal Prop. Repl. Tax	449,100	139,549	31%	403,100	96,325	24%	
Property Tax Levy	6,140,300	90,701	1%	6,895,800	132,538	2%	Property taxes due Jan
Property Transfer Tax	502,000	113,291	23%	502,000	117,444	23%	
Road & Bridge Tax	150,000	2,294	2%	160,000	2,779	2%	
Home Rule Sales Tax	1,550,000	287,369	19%	1,400,000	332,586	24%	
Sales & Use Tax	3,500,000	811,918	23%	3,500,000	879,665	25%	
Service to Other Agencies	360,600	93,240	26%	351,300	103,542	29%	
Utility, Telecom. Use Taxe	4,750,000	1,051,007	22%	4,760,000	1,093,876	23%	
Vehicle Licenses	1,200,000	901,010	75%	1,230,300	1,039,365	84%	
Water Tranfers	800,000		0%	800,000		0%	Processed in November
Rent Income	199,000	80,984	41%	119,500	17,963	15%	
Misc Street	115,200	44,249	38%	117,600	80,190	68%	
Miscellaneous	93,000	34,357	37%	93,000	22,998	25%	
<b>Total Revenues</b>	<b>27,302,300</b>	<b>5,929,908</b>	<b>22%</b>	<b>28,916,600</b>	<b>5,662,378</b>	<b>20%</b>	

Expenses	2009/10	May - July	%	2010/11	May - Jul	%
	Budget	FY 2009/10 Actual	Bud v. Act Diff	Budget	FY 2010/11 Actual	Bud v. Act Diff
<b>Administration</b>						
Legislative	72,300	27,869	39%	69,700	27,965	40%
City Administration	461,800	135,198	29%	490,800	126,424	26%
Legal Counsel	330,500	27,010	8%	360,500	32,881	9%
Records Control	111,900	28,597	26%	117,600	25,245	21%
Human Resources	235,500	54,454	23%	166,300	54,589	33%
Information Technology	594,900	176,196	30%	543,400	135,979	25%
Information Services	124,700	28,774	23%	84,700	24,768	29%
Economic Development	135,500	31,414	23%	6,600	20,000	303%
Total Administration	2,067,100	509,512	25%	1,839,600	447,851	24%
<b>Finance</b>						
Finance Administration	958,800	407,923	43%	969,800	373,239	38% Insurance Premiums
Accounting	357,700	79,220	22%	299,100	79,431	27%
Collections	161,200	30,193	19%	93,100	19,845	21%
Purchasing	106,400	26,471	25%	57,100	13,697	24%
Total Finance	1,584,100	543,807	34%	1,419,100	486,212	34%
<b>Commun &amp; Civic Services</b>						
Community Support	192,400	207,988	108%	195,100	1,386	1%
Noise Abatement	25,000		0%	165,000	0	0%
Transportation	26,500	4,526	17%	6,600	1,698	26%
	243,900	212,514	87%	366,700	3,084	1%
<b>Police</b>						
Police Administration	920,600	152,863	17%	982,500	213,428	22%
Investigations	1,470,600	269,551	18%	1,527,900	319,192	21%
Communications	374,000	84,176	23%	293,000	77,218	26%
Patrol	5,881,700	1,177,328	20%	5,898,700	1,230,390	21%
Crime Prevention	126,600	19,500	15%	137,100	25,078	18%
	8,773,500	1,703,418	19%	8,839,200	1,865,305	21%
<b>Fire</b>						
Fire Administration	572,700	103,155	18%	687,900	113,359	16%
Fire Prevention	168,200	34,139	20%	181,100	37,228	21%
Emergency Response	6,211,600	1,365,104	22%	6,508,500	1,433,813	22%
Special Services	17,200	1,623	9%	17,600	1,050	6%
Emergency Prep	44,100	7,330	17%	47,000	701	1%
	7,013,800	1,511,351	22%	7,442,100	1,586,151	21%

**Public Works**

PW Administration	454,000	107,523	24%	518,600	118,225	23%
Engineering	326,500	82,609	25%	331,600	85,093	26%
Traffic Control	148,100	20,535	14%	167,400	32,693	20%
Street Lighting	266,000	79,098	30%	290,000	49,514	17%
Snow & Storm Control	730,800	77,946	11%	604,900	79,678	13%
Street Maintenance	804,000	280,304	35%	1,494,100	288,913	19% IDOT Repair Program
Sidewalk Maintenance	538,100	22,283	4%	537,500	62,969	12%
Alley Maintenance	39,000	6,192	16%	26,500	6,904	26%
City Building Maint	548,200	87,149	16%	521,200	103,911	20%
Forestry	893,700	94,826	11%	817,000	208,211	25%
Grounds Maintenance	489,700	135,346	28%	439,900	127,305	29%
Vehicle Maintenance	1,071,000	261,867	24%	1,154,500	224,436	19%
<b>Total Public Works</b>	<b>6,309,100</b>	<b>1,255,678</b>	<b>20%</b>	<b>6,903,200</b>	<b>1,387,852</b>	<b>20%</b>

**Community Dev & Pres**

CPD Administration	147,700	42,036	28%	195,900	81,462	42%
Planning	303,600	56,320	19%	294,800	75,908	26%
Zoning Administration	198,300	50,369	25%	116,000	34,960	30%
Bldg Code Enforcement	506,100	139,623	28%	440,000	129,082	29%
Env Health	186,100	50,051	27%	201,100	56,331	28%
<b>Total CPD</b>	<b>1,341,800</b>	<b>338,399</b>	<b>25%</b>	<b>1,247,800</b>	<b>377,742</b>	<b>30%</b>

<b>Grand Total</b>	<b>27,333,300</b>	<b>6,074,679</b>	<b>22%</b>	<b>28,057,700</b>	<b>6,154,197</b>	<b>22%</b>
--------------------	-------------------	------------------	------------	-------------------	------------------	------------

**Uptown TIF Fund**

Fund Description:

The Uptown TIF Fund is a special revenue fund that accounts for the operations and maintenance of the uptown redevelopment project. Financing is provided by property taxes.

<u>Revenues:</u>	2009/10	May - Jul	%	2010/11	May - Jul	%
		FY 2009/10	Bud v. Act		FY 2010/11	Bud v. Act
	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>
Property Tax	2,073,200	39,427	2%	3,594,300	74,435	2%
Interest Income	-	99				
Transfer to DS 2005A	-321,100			-321,100	-160,556	50%
Transfer to DS 2006A	-523,500			-523,500	-261,750	50%
Transfer to DS 2006B	-579,800			-579,800	-289,908	50%
Transfer to DS 2004A						
Total Revenues		39,526				

<u>Expenses:</u>	2009/10	May - Jul	%	2010/11	May - Jul	%
		FY 2009/10	Bud v. Act		FY 2010/11	Bud v. Act
	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>
Training- Econ Dev	-	375				
Conference Mktg-Econ Dev						
General Cont Svcs	50,500			526,600		
Materials	2,500			2,500		
LaKota - Prepare Design						
NW Hwy Streetscape-PRC						
Spaceco						
Kane Mckenna						
SB Friedman						
Vistara		8,200				
Uptown Streets	900,000	592,867		384,800		
Klein Thorpe						
PRC						
<u>Payments</u>						
Park District				-75,260		
School District 207				-451,340		
Total Uptown Exp	953,000	601,442		387,300		

**Water Fund**

Fund Description:

The Water Fund accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing.

Overview:

For the first three months of the fiscal year, the Water Fund has received 29% of revenues and spent 16% of the expense budget.

<u>Revenues:</u>	<b>2009/10</b>	<b>May - Jul</b>	<b>%</b>	<b>2010/11</b>	<b>May - Jul</b>	<b>%</b>
	<u>Budget</u>	<u>Actual</u>	<u>Bud v. Act</u>	<u>Budget</u>	<u>Actual</u>	<u>Bud v. Act</u>
Water Sales	6,055,395	1,382,644	23%	7,386,600	1,623,795	22%
Water Meters	20,000	4,360	22%	20,000	2,150	11%
Interest Income	56,787	4,288	8%	50,000	1,114	2%
Miscellaneous	10,000	5,960	60%	10,000	6,880	69%
IEPA Backflow						
Transfers Out	-1,836,554		0%	-1,842,900		0%
<b>Total</b>	<b>4,305,628</b>	<b>1,397,252</b>	<b>32%</b>	<b>5,623,700</b>	<b>1,633,939</b>	<b>29%</b>
<u>Expenses:</u>	<b>2009/10</b>	<b>May - Jul</b>	<b>%</b>	<b>2010/11</b>	<b>May - Jul</b>	<b>%</b>
	<u>Budget</u>	<u>Actual</u>	<u>Bud v. Act</u>	<u>Budget</u>	<u>Actual</u>	<u>Bud v. Act</u>
Water Administration	375,100	91,871	24%	379,400	99,515	26%
Water Supply	3,524,300	452,148	13%	3,898,900	520,838	13%
Fire Hydrant Services	100,200	16,813	17%	73,700	13,858	19%
Water Main Services	1,547,100	348,438	23%	1,105,400	187,254	17%
Water Meter Services	167,200	38,611	23%	166,300	52,549	32%
<b>Total Water Expenses</b>	<b>5,713,900</b>	<b>947,881</b>	<b>17%</b>	<b>5,623,700</b>	<b>874,014</b>	<b>16%</b>

**Municipal Waste Fund**

Fund Description:

The Municipal Waste Management Fund is a special revenue fund that accounts for the operations and maintenance of the waste collection, transportation, and disposal system, including all obligations to the Solid Waste Agency under the terms of 1992 Project Use Agreement. Financing is provided by property taxes.

Overview:

For the first three months of the fiscal year, the Municipal Waste fund received 1% of revenues and spent 18% of the expense budget.

<u>Revenues:</u>	<b>2009/10</b>	<b>May - Jul</b>	<b>%</b>	<b>2010/11</b>	<b>May - Jul</b>	<b>%</b>
		<b>FY 2009/10</b>	<b>Bud v. Act</b>		<b>FY 2010/11</b>	<b>Bud v. Act</b>
	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>
Property Tax	3,439,200	44,400	1%	3,620,300	46,361	1%
Interest Income						
Miscellaneous						
Total Revenue	3,439,200	44,400	1%	3,620,300	46,361	1%
<hr/>						
<u>Expenses:</u>	<b>2009/10</b>	<b>May - Jul</b>	<b>%</b>	<b>2010/11</b>	<b>May - Jul</b>	<b>%</b>
		<b>FY 2009/10</b>	<b>Bud v. Act</b>		<b>FY 2010/11</b>	<b>Bud v. Act</b>
	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>	<u>Budget</u>	<u>Actual</u>	<u>Diff</u>
Solid Waste Disposal Expe	3,439,200	657,528	19%	3,620,300	649,443	18%