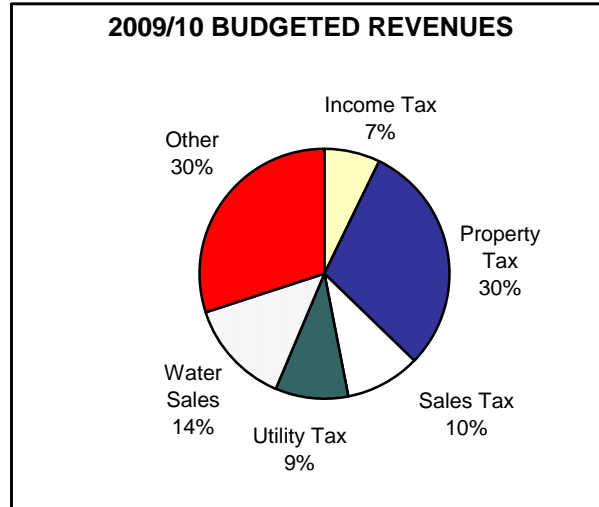


ANALYSIS OF REVENUE SOURCES

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

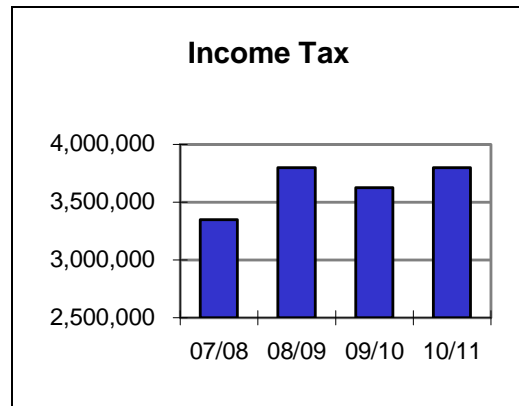


REVENUE OVERVIEW	07/08 Actual	08/09 Budget	08/09 Est. Act.	09/10 Budget	10/11 Estimate
Revenues:					
Income	3,559,023	3,800,000	3,700,000	3,626,000	3,800,000
MFT	1,054,593	1,138,900	1,006,000	1,026,000	1,050,000
Property	14,431,000	14,902,500	14,902,500	15,384,000	16,153,200
HR Sales	1,452,305	1,650,000	1,510,000	1,550,000	1,650,000
Sales	3,754,466	3,970,000	3,490,000	3,500,000	3,600,000
Uptown Property Tax	764,238	2,812,700	1,658,700	2,073,200	2,994,500
Utility	4,778,256	4,750,000	4,500,000	4,750,000	4,900,000
Sewer	112,808	348,000	344,300	895,900	895,900
Water	6,138,664	6,929,300	6,500,000	7,000,000	7,255,000
Other	9,497,134	11,704,300	9,544,900	9,501,700	9,642,400
Bond Proceeds	19,400	-	-	-	-
Total	45,561,888	52,005,700	47,156,400	49,306,800	51,941,000
Expenses:					
Personal Services	24,900,787	27,088,100	26,219,500	27,175,600	28,625,200
Contractual Services	12,975,300	12,761,600	13,154,400	13,297,300	14,126,900
Commodities	2,243,897	2,276,000	2,658,100	2,337,900	2,461,000
Debt Service	3,484,799	5,038,700	5,053,200	3,436,400	3,588,500
Capital Budget	4,478,530	5,335,700	5,452,000	4,855,600	5,025,500
Total	48,083,313	52,500,100	52,537,200	51,102,800	53,827,100
Excess (Deficit) of Revenues over Expenses	(2,521,425)	(494,400)	(5,380,800)	(1,796,000)	(1,886,100)

Figures are shown at the budgeted amounts.

Income Tax

	<u>Amount</u>	<u>% Inc (Dec)</u>
2007/08	3,350,000	11.7%
2008/09	3,800,000	13.4%
2009/10	3,626,000	(4.6%)
2010/11	3,800,000	4.8%



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

Budget Assumptions - To prepare the 2009/10 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).

Municipality's share of income tax receipts. Under current law, municipalities are entitled to 1/10 of income tax receipts. This percentage allocation is under threat because the State of Illinois is facing its own budget problems.

In December 2008, we received word that the State of Illinois is debating cutting up to 8% shared funding to municipalities. This would cost Park Ridge \$265,200.

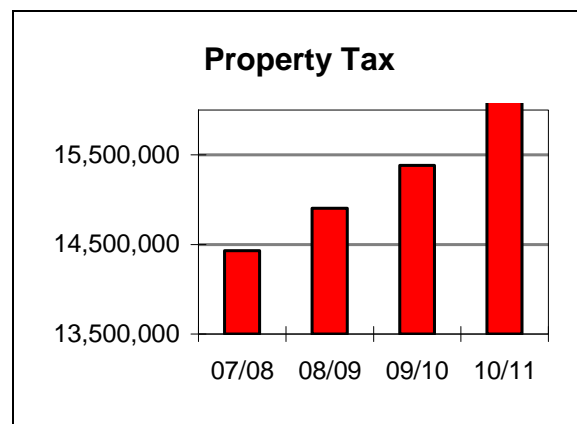
State wide growth in income tax receipts. Actual income tax receipts for fiscal year 2008/09 are expected to come in \$100,000 less than budget. The country is in a recession.

Illinois Governor Quinn has proposed increasing the personal income tax rate from 3 to 4.5% and the corporate rate from 4.8 to 7.2%. This will generate approximately an additional \$6.35 billion for the State. Under the current 1/10 percentage distribution formula, municipalities would receive an additional \$49.60 per capita. However, current proposals do no plan to share the money with municipalities. The money will be used to fund education, environmental protection, energy conservation and economic development components of the proposed \$26 billion capital program.

Summary – The 2009/10 income tax revenue budget is equal to \$95.99 per capita; this is 98% of 2008/09 estimated receipts.

Property Tax

	<u>Amount</u>	<u>% Inc (Dec)</u>
2007/08	14,431,000	5.0%
2008/09	14,902,500	3.3%
2009/10	15,384,000	3.2%
2010/11	16,153,200	5.0%

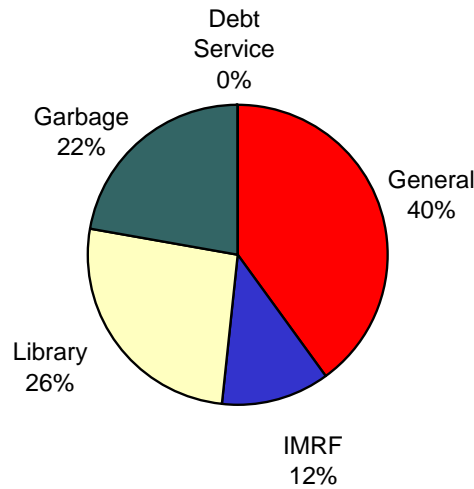


The City's, including the Library, levy represents approximately 13% of a property owner's total property tax bill. The property tax amounts used in this document exclude an additional amount added to the levy for estimated uncollectible taxes. The levy that corresponds to the 2009/10 budget will be levied prior to December 31, 2009. Property owners will pay this tax in two payments during March and November 2010. The "2009/10" property tax levy covers expenses incurred during the fiscal year beginning May 1, 2009 and ending April 30, 2010.

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	1998 Debt
2008	\$14,902,500	\$4,241,500	\$1,638,700	\$4,190,500	\$3,199,000	\$1,632,800
2009	\$15,384,000	\$6,140,300	\$1,798,500	\$4,006,000	\$3,439,200	\$0
Diff.	\$481,500	\$1,898,800	\$159,800	(\$184,500)	\$240,200	(\$1,632,800)

2009 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.

Property Tax Reform – Currently, a significant portion of funding for public schools comes from local property taxes. This results in inequities of funding for schools within the state and high property tax bills. The possibility exists that the state Legislature may change the property tax structure and modify other funding sources such as income taxes. If this happens, municipal revenues, particularly those that are jointly shared with the State, may be affected.

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 2007 equalized assessed valuation (EAV) is \$1,852,758,740. This value includes \$33,764,684 of newly developed properties. Several tax relief mechanisms, totaling \$437,523,461, play heavily in the calculation of EAV:

Homeowner Exemption	\$350,087,134	Veterans Exemption	\$125,638
Senior Homestead Exemption	\$13,586,184	Disabled Persons Exemption	\$59,000
Senior Tax Freeze Exemption	\$73,635,505	Disabled Veterans Exemption	\$30,000

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 2.8439.

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. In the future, this tax break may be 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 \$50,000 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.

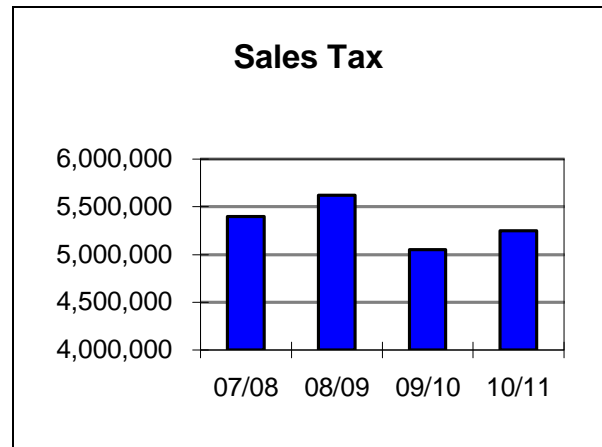
Disabled Veterans' Exemption – Veterans with a service related disability are eligible for this annual exemption. A disability of at least 75 percent is eligible for a \$5,000 exemption in equalized assessed value (EAV). A disability of at least 50 percent, but less than 75 percent, is eligible for a \$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 3.2% increase in the property tax levy.

Sales and Home Rule Sales Taxes

	<u>Amount</u>	<u>% Inc (Dec)</u>
2007/08	5,400,000	3.3%
2008/09	5,620,000	4.0%
2009/10	5,050,000	(10.0%)
2010/11	5,250,000	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.

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.

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. This category is followed by food (24%), and drugs and other retail (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. A prime example of this is the City reduced its fiscal year 2008/09 sales tax projection by \$200,000 when the Napleton automobile dealership lost its General Motors franchise.

General Economic Conditions/National Economy – Unemployment in Park Ridge is 4.9% (October 2008). This is modest compared to 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, Nilas, 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>		
For	Paid	Amount	For	Paid	Amount
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			

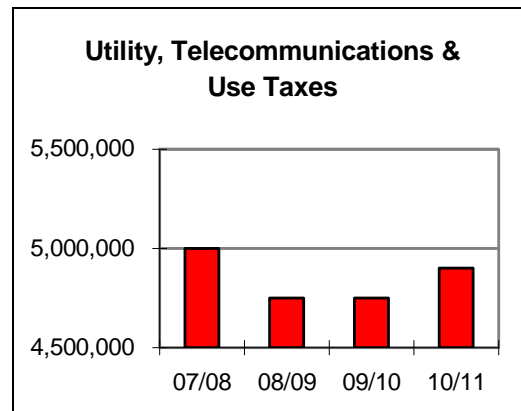
School District 64 Sales Tax Sharing Agreement – The City agreed to share incremental sales taxes derived from Uptown redevelopment with School District 64. This was part of the establishment of the Uptown TIF district. Several stores are operating in Uptown. Payments made to School District 64 are: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

Summary -

Estimated 2009/10 home rule sales tax receipts are \$1,550,000. Estimated 2009/10 sales tax receipts are \$3,500,000. Total estimated sales tax receipts are \$5,050,000. The sales tax revenue is reported net of payments made pursuant to economic incentive agreements; payments are subtracted from the revenue amount.

Utility, Telecommunications & Use Taxes

	<u>Amount</u>	<u>% Inc (Dec)</u>
2007/08	5,000,000	7.0%
2008/09	4,750,000	(5.0%)
2009/10	4,750,000	0.0%
2010/11	4,900,000	3.2%



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.

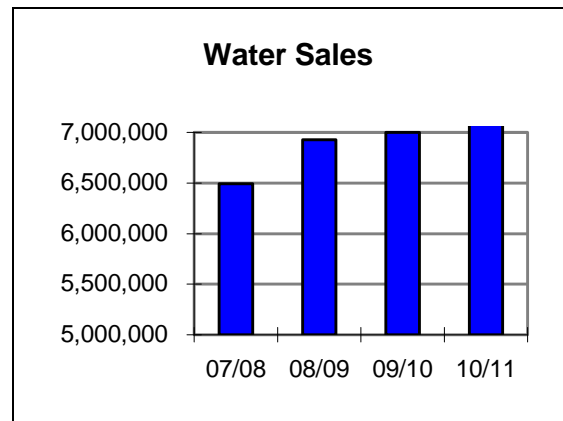
The following table shows the 2009/10 budget for this revenue source:

<u>Source</u>	<u>Budget</u>	
Gas Utility Tax	\$1,175,000	
Water Utility Tax	\$320,000	
Electric Use	<u>\$1,430,000</u>	
Subtotal	\$2,925,000	
Telecommunications Tax	<u>\$1,825,000</u>	Account 100-814000
Total	\$4,750,000	

Budget Assumptions – Due to the complex nature of the utility industry, legislative changes, and changing weather conditions, accurately predicting total revenues is extremely difficult. 2009/10 budgeted revenue is \$4,750,000.

Water Sales

	<u>Amount</u>	<u>% Inc (Dec)</u>
2007/08	6,491,800	(3.1%)
2008/09	6,929,300	6.7%
2009/10	7,000,000	1.0%
2010/11	7,255,000	3.6%



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 usually from a range of 3 – 4%. On January 2008 and January 2009, the City of Chicago raised rates 15%. Rates will increase 14% on January 2010.

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	\$25.68
Over 5,000 but not exceeding 30,000 gallons	\$3.97/1,000 gallons
Over 30,000 gallons	\$4.43/1,000 gallons

Staff recommends that we increase water rates 5%. This will allow the City of Park Ridge to pay the City of Chicago for the increased cost of water supply and pay for the other increases in operating and capital (watermains, Potter/Dempster right turn lane). If rates are increased 5%, the new bi-monthly rates will be:

Up to but not exceeding 5,000 gallons	\$26.96
Over 5,000 but not exceeding 30,000 gallons	\$4.17/1,000 gallons
Over 30,000 gallons	\$4.65/1,000 gallons

Budget Assumptions – With a 5% rate increase, fiscal year 2009/10 budgeted revenues are \$7,000,000 and the deficit in the water fund will be \$404,400.

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 2009/10 budgeted revenue is \$640,000.

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 2009/10 budgeted revenue is \$35,000. 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 2009/10 budgeted revenue is \$1,000,000. This revenue source functions in the same manner as the economy (if economic conditions are positive, the revenue is positive, and vice versa).

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 2009/10 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 2009/10 budgeted revenue is \$430,000. The City has two cable providers (Comcast of Illinois and AT&T Cable). The City Council approved AT&T Cable in October 2007. The budget includes four quarterly installments from Comcast of Illinois (\$106,000 x 4 = \$424,000) + MFS Telcom Right of Way (\$1,500) + AT&T, T Mobile, Nextel, and Sprint Nextel (\$500/each).

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. 2009/10 budgeted revenues are \$190,000.

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. In fiscal year 2008, the city received \$85,200 in general court fines, \$8,300 in zoning violations, \$3,500 in health violations, and \$57,300 in municipal code violations. Budgeted 2009/10 revenue is \$150,000. The adjudication system began in 2005.

Beginning in May 2009, 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.

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 2009/10 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 \$473,000 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 2009/10 budgeted revenue is \$460,000. We increased projected revenue for 2009/10 due to new restaurants opening in phase 3 of the Uptown redevelopment. However, projections were tempered by the economic recession.

Gasoline Tax

This tax is \$.03 per gallon of gasoline. 2009/10 budgeted revenue is estimated at \$360,000. This income does not necessarily fluctuate with the price of gasoline; only in so far as the price of gasoline affects consumption. The city has nine gasoline stations.

Grant Income

Grant income is projected as follows

	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
<u>General Fund:</u>			
<u>Other:</u>			
Lutheran Gen. Hosp. – Western Turn Signal	\$250,000		
Subtotal - Other	\$250,000		
<u>Federal Grants:</u>			
FEMA Reimburse – August Flood	\$13,000	\$35,000	
FEMA Reimburse – Sept Flood	\$133,900		
Police Vests	\$2,000	\$3,000	
SCBA	\$143,600		
Propane Fueled Fire Ext. Device	\$13,600		
Subtotal - Federal	\$306,100	\$37,000	
<u>State Grants:</u>			
Safe Routes to School		\$400,000	
EMS Grant	\$4,000		
Fire Equipment	\$15,000		
Police Equipment	\$15,000		
Traffic Pre-emption Devices	\$100,000		
Tobacco Inspection	\$2,200	\$2,200	\$2,200
Subtotal - State	\$136,200	\$402,200	\$2,200
Total – General Fund	\$692,300	\$440,200	\$2,200
<u>Library Fund:</u>			
Per Capita Grant	\$46,000	\$46,000	\$46,000
Library Equipment	\$15,000		
Total – Library Fund	\$61,000	\$46,000	\$46,000
Grand Total – All Funds	\$753,300	\$486,200	\$48,200

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 Public Treasurers' Investment Pool (IPTIP). 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. Total 2009/10 budgeted revenue is \$253,500 and is allocated among the following funds: general - \$100,000; library - \$24,200; MFT - \$5,700; parking - \$23,600; and water - \$100,000. This reflects the new lower interest rates and approximately half the realized interest income in fiscal year 2007/08.

Library Fines

Fines for overdue library materials are credited to the library fund and contribute to the operation of the public library. 2009/10 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 2009/10 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 2009/10 budgeted miscellaneous revenue is \$508,200. Several funds have "miscellaneous" income.

General operating fund miscellaneous income is \$407,200. The major miscellaneous income in the general operating fund is rental income (\$199,000 in 2009/10 and \$79,400 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 will vacate their lease at the old Public Works Service Center on October 31, 2009. 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 (\$115,200 ((28,603 x 4) + 800) - 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). Revenue was reduced by \$30,000 because the Library Board decided to discontinue the practice of charging \$1 to check out DVDs and videos. The Library Board anticipates an increase in overdue fines as a result of more videos and DVDs circulating – overdue fine is \$1 per day.

Miscellaneous income in the water fund is \$61,000 and consists of miscellaneous income (\$10,000 – account no. 502-877000), meters (\$20,000 – account number 502-862000), and \$31,000 – (IEPA – backflow protection program, commercial property owners).

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 cents per gallon tax on gasoline and a 21.5 cents 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. 2009/10 budgeted revenue is \$1,026,000; this equates to \$27.16 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. 2009/10 estimated revenue is \$143,100. This revenue is weather dependent with the bulk of the income received during the winter months.

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. 2009/10 budgeted revenue is \$280,000. The tax rate was doubled on May 1, 2005. Five stores (Trader Joes, Jewel, Dominick's, WineStyles, and Morningfields) sell package liquor in Park Ridge. Trader Joes opened in March 2007.

Parking Garage Tax

This revenue comes from a tax on parking privileges in garages located in the City. Lutheran General Hospital operates the only paid parking garages within the City. The City parking garage tax is \$.70 per 24-hour period. The hospital's new parking garage has 307 incremental parking spaces. This tax increased from \$.50 per 24-hour period to \$.70 per 24-hour period effective May 1, 2008. 2009/10 budgeted revenue is \$405,000 based on an average monthly receipt of \$34,000.

Parking Meters

Revenues from parking meter coin deposits are credited to the parking fund. Total 2009/10 budgeted revenue is \$66,000.

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 2009/10 budgeted revenue is \$50,000.

Parking Penalties

Motorists who violate parking regulations are subject to various penalties. Budgeted 2009/10 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 2009/10 budgeted revenue is \$81,000 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 10 Proj</u>	<u>FY 11 Proj</u>
Touhy-Summit (Own)	46	46	\$250	\$23,000	\$23,000
Uptown Court (Own)	17	17	\$175	5,950	5,950
Fairview Ave. (Rent)	42	42	\$250	21,000	21,000
AANA (Rent)	24	24	\$175	8,400	8,400
SBC (Rent)	56	56	\$150	<u>16,800</u>	<u>16,800</u>
Total Spaces/Permits	148	146		\$75,150	\$75,150
Park Enforce Contract				<u>5,850</u>	<u>5,850</u>
Total Dollars				\$81,000	\$81,000

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. Total 2009/10 budgeted revenue is \$550,100; receipts are allocated to the general operating, library, and IMRF funds. Budget is as follows: general - \$406,500; police - \$21,900; fire - \$20,700; library - \$81,100; IMRF - \$19,900.

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 2009/10 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 2009/10 budgeted revenue is \$150,000. Here is a history of this tax: 2003/04 - \$144,300; 2004/05 - \$129,700; 2005/06 - \$145,000; 2006/07 - \$145,000; and 2007/08 - \$157,700.

Service to Other Agencies

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

	<u>2009/10</u>	<u>2010/11</u>
School Resource Officers – Dist. 207	\$186,500	\$187,800
1 Crossing Guard (full cost) –Dist. 207	7,600	7,600
Sale of Motor Fuel – Dist. 64	13,000	13,000
5 Crossing Guards (half cost) – Dist. 64	17,500	17,500
General Police Service – Park District	135,000	140,000
Traffic Signal Maintenance – Niles	<u>1,000</u>	<u>1,000</u>
Total	\$360,600	\$366,900

Sewer Fee

These sewer projects are included in the FY 2009/10 budget:

Sewer Rehabilitation	\$530,000
Levee 50 – Acquisition and Construction	102,000
Jet Clean and Televiser Sewers	100,000
Sibley Lift Station Cleaning	45,000
State of Illinois Permit Fee	<u>21,000</u>
Total	\$798,000

To pay for these projects, we need to increase the sewer rate. The current rate structure is:

1 – 5,000 gallons	\$1.35
Each 1,000 gallons up to 30,000 gallons	\$.21
Each 1,000 gallons over 30,000 gallons	\$.24

The proposed rate structure is:

1 – 5,000 gallons	\$3.80
Each 1,000 gallons up to 30,000 gallons	\$.59
Each 1,000 gallons over 30,000 gallons	\$.68

This increase will cost a family who uses 97,000 gallons of water a year \$40 more annually.

	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Water	\$416.10	\$437.04	\$20.94
Sewer	21.96	61.74	39.74
Utility	<u>20.82</u>	<u>21.90</u>	<u>1.08</u>
Total	\$458.88	\$520.68	\$61.76

Total FY 2009/10 revenue is \$895,900.

Uptown Property Taxes

These are incremental property taxes dedicated to the tax incremental financing district. Total 2009/10 projected revenue is \$2,073,200. 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. In fiscal year 2009/10, the City paid School District 207 \$170,188 and the Park District \$34,038.

Vehicle Licenses

Vehicle licenses are issued annually and must be displayed by June 15. The current charge for most motor vehicles is \$40. Revenues are credited to the general fund and used to offset the cost of street maintenance. Total 2009/10 budgeted revenue is \$1,200,000.

Fund Deficits

Expenses will exceed revenues in four funds next year.

General Operating Fund

Amount - \$117,600

Library Fund

Amount - \$52,300

This amount is the sum of three amounts: 30% of the training budget (\$9,000), tuition reimbursement (\$12,000), and the amount budgeted for carpeting (\$40,000) less a \$8,700 reduction in the contribution to the technology replacement fund.

Water Fund

Amount - \$404,400

The projected loss of \$404,400 assumes the City of Park Ridge will raise water rates 5% effective May 1, 2009. The City of Chicago increased water rates to the city of Park Ridge and other communities by 15% January 1, 2008 and 2009. Chicago will increase water rates by another 14% on January 1, 2010. The city of Park Ridge raised water rates 6.7% May 1, 2008. This rate increase was not enough to cover increased operating and capital costs. This long-term trend as illustrated on page 70 is worrisome.

Uptown TIF Fund

Amount - \$1,343,800

Expenses will exceed revenues in the Uptown Tax Increment Fund until the property is fully assessed. Even though the Uptown TIF fund is projected to have a surplus at its conclusion, the practice of spending in advance of revenues is problematic in that there is a strain on the general operating fund cash to lend the Uptown TIF fund money. See pages 300 and 301 for more information.

Three funds are projected to have surpluses next year.

Motor Fuel Tax Fund

Amount - \$31,700

The Public Works Department wants to limit on-going Motor Fuel Tax projects to current revenues.

Emergency 911 Fund

Amount - \$38,000

This modest surplus is good news in that the fund currently has a negative fund balance.

Parking Fund

Amount - \$502,400

The City builds up surpluses in the parking fund for when it wants to complete capital projects.

Note Regarding the Sewer Fund.

The Sewer Fund is a newly created enterprise fund. As an enterprise fund it should stand on its own; this means it should have independent revenue sources and expenses from the general operating fund. In fiscal year 2009/10, the first year of operation for the sewer fund, we have shown the fund receiving a \$293,000 transfer from the general operating fund. We have also projected \$895,900 of sewer fees and \$1,188,900 (\$1,052,500 sewer + \$52,000 IMRF + \$84,400 vehicle maintenance) of expenses. Management intends for this fund to become self sufficient in fiscal year 2010/11 and beyond.

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INCOME BY SOURCE

ACCRUAL BASIS

	2007/08	2008/09	2008/09	2009/10	Percent	2010/11	Percent
	Actual	Budget	Estimated Actual	Budget	Change	Budget	Change
Ambulance Fees	554,653	600,000	624,000	640,000	7%	660,000	3%
Animal Licenses	29,531	35,000	35,000	35,000	0%	35,000	0%
Building Permits	1,129,527	2,050,000	900,000	1,000,000	-51%	1,400,000	40%
Business Licenses	164,944	125,000	165,000	170,000	36%	170,000	0%
Cable TV	424,727	475,000	437,100	430,000	-9%	430,000	0%
Commercial Waste Franchise						100,000	
Court Fines	149,957	220,000	150,000	190,000	-14%	200,000	5%
Fines - Adjudication	127,279	200,000	115,000	260,000	30%	260,000	0%
Emerg. Tel. Surcharge	457,778	500,000	566,400	525,000	5%	550,000	5%
Food & Beverage Tax	379,253	540,000	430,000	460,000	-15%	475,000	3%
Gasoline Tax	355,839	385,000	356,000	360,000	-6%	360,000	0%
Grant Income	282,523	458,400	753,300	486,200	6%	48,200	-90%
Income Tax	3,559,023	3,800,000	3,700,000	3,626,000	-5%	3,800,000	5%
Interest Earned	608,270	683,800	341,900	253,500	-63%	296,600	17%
Library Fines	70,785	70,000	71,000	72,000	3%	73,000	1%
Liquor Licenses	68,825	85,000	72,500	74,000	-13%	74,000	0%
Miscellaneous	873,172	697,800	624,500	508,200	-27%	388,600	-24%
Motor Fuel Tax	1,054,593	1,138,900	1,006,000	1,026,000	-10%	1,050,000	2%
Natural Gas Use Tax	138,085	150,000	140,300	143,100	-5%	146,000	2%
Package Liquor Tax	270,178	270,000	275,400	280,000	4%	285,600	2%
Parking Garage Tax	422,769	700,000	395,000	405,000	-42%	405,000	0%
Parking Meters	65,702	70,000	64,200	66,000	-6%	66,000	0%
Parking Meter Fines	32,710	40,000	50,000	50,000	25%	50,000	0%
Parking Penalties	203,332	250,000	203,000	250,000	0%	250,000	0%
Parking - Unmetered	77,509	74,100	78,900	81,000	9%	81,000	0%
Personal Prop. Repl. Tax	563,091	550,100	540,300	550,100	0%	569,500	4%
Property Tax Levy	14,431,000	14,902,500	14,902,500	15,384,000	3.2%	16,153,200	5%
Property Transfer Tax	503,278	825,000	502,000	502,000	-39%	552,000	10%
Road & Bridge Tax	157,668	145,000	150,000	150,000	3%	150,000	0%
Home Rule Sales Tax	1,452,305	1,650,000	1,510,000	1,550,000	-6%	1,650,000	6%
Sales & Use Tax	3,754,466	3,970,000	3,490,000	3,500,000	-12%	3,600,000	3%
Service to Other Agencies	287,242	305,100	304,100	360,600	18%	366,900	2%
Sewer Tax	112,808	348,000	344,300	895,900	157%	895,900	0%
Uptown Property Taxes	764,238	2,812,700	1,658,700	2,073,200	-26%	2,994,500	44%
Utility, Telecomm., Use Taxes	4,778,256	4,750,000	4,500,000	4,750,000	0%	4,900,000	3%
Vehicle Licenses	1,098,507	1,200,000	1,200,000	1,200,000	0%	1,200,000	0%
Water Accounts	6,138,664	6,929,300	6,500,000	7,000,000	1.0%	7,255,000	4%
<i>Note or Bond Proceeds</i>	19,400						
<i>Decrease (Inc) in Fund Balance</i>	2,521,425	494,400	5,380,800	1,796,000	263%	1,886,100	5%
Total Budgeted Revenues	48,083,313	52,500,100	52,537,200	51,102,800	-3%	53,827,100	5%

2009/10 ALLOCATION OF REVENUES BY FUND

Source of Revenue	Total Revenue	Debt Service			Emerg. Tel. Fund
		2004	2005	2006	
Ambulance Fees	640,000				
Animal Licenses	35,000				
Building Permits	1,000,000				
Business Licenses	170,000				
Cable TV	430,000				
Commercial Waste Franchise	-				
Court Fines	190,000				
Fines - Adjudication	260,000				
Emerg. Tel. Surcharge	525,000				525,000
Food & Beverage Tax	460,000				
Gasoline Tax	360,000				
Grant Income	486,200				
Income Tax	3,626,000				777,200
Interest Earned	253,500				
Library Fines	72,000				
Liquor Licenses	74,000				
Miscellaneous	508,200				
Motor Fuel Tax	1,026,000				
Natural Gas Use Tax	143,100				
Package Liquor Tax	280,000				
Parking Garage Tax	405,000				
Parking Meters	66,000				
Parking Meter Fines	50,000				
Parking Penalties	250,000				
Parking - Unmetered	81,000				
Personal Prop. Repl. Tax	550,100				
Property Tax Levy	15,384,000				
Property Transfer Tax	502,000				
Road & Bridge Tax	150,000				
Home Rule Sales Tax	1,550,000				
Sales & Use Tax	3,500,000				
Service to Other Agencies	360,600				
Sewer Tax	895,900				
Uptown Property Tax	2,073,200	1,039,600	321,100	1,103,300	
Utility & Telecomm. Tax	4,750,000				
Vehicle Licenses	1,200,000				
Water Accounts	7,000,000	885,400			
<i>Non Revenue Sources:</i>					
<i>Decrease(Inc) in Fund Balance</i>	1,796,000				(38,000)
Total Budgeted Revenues	51,102,800	1,925,000	321,100	1,103,300	1,264,200

2009/10 ALLOCATION OF REVENUES BY FUND

General Oper. Fund	Ill. Mun. Retire. Fund	Library Fund	Motor Fuel Tx. Fd.	Municipal Waste Sys. Fd.	Parking Fund	UptownTIF Fund	Sewer Fund	Water Fund
640,000								
35,000								
1,000,000								
170,000								
430,000								
190,000								
260,000								
460,000								
360,000								
440,200		46,000						
2,455,800		100,000					293,000	
100,000		24,200	5,700		23,600			100,000
		72,000						
74,000								
407,200		40,000						61,000
			1,026,000					
143,100								
280,000								
405,000								
	35,300				30,700			
50,000								
-					250,000			
					81,000			
449,100	19,900	81,100						
6,140,300	1,798,500	4,006,000		3,439,200				
502,000								
150,000								
1,550,000								
3,500,000								
360,600							895,900	
						(390,800)		
4,750,000								
1,200,000								
800,000	166,100							5,148,500
117,600		52,300	(31,700)		(52,400)	1,343,800		404,400
27,419,900	2,019,800	4,421,600	1,000,000	3,439,200	332,900	953,000	1,188,900	5,713,900

2010/11 ALLOCATION OF REVENUES BY FUND

Source of Revenue	Total Revenue	Debt Service			Emerg. Tel. Fund
		2004	2005	2006	
Ambulance Fees	660,000				
Animal Licenses	35,000				
Building Permits	1,400,000				
Business Licenses	170,000				
Cable TV	430,000				
Commercial Waste Franchise	100,000				
Court Fines	200,000				
Fines - Adjudication	260,000				
Emerg. Tel. Surcharge	550,000				550,000
Food & Beverage Tax	475,000				
Gasoline Tax	360,000				
Grant Income	48,200				
Income Tax	3,800,000				738,700
Interest Earned	296,600				
Library Fines	73,000				
Liquor Licenses	74,000				
Miscellaneous	388,600				
Motor Fuel Tax	1,050,000				
Natural Gas Use Tax	146,000				
Package Liquor Tax	285,600				
Parking Garage Tax	405,000				
Parking Meters	66,000				
Parking Meter Fines	50,000				
Parking Penalties	250,000				
Parking - Unmetered	81,000				
Personal Prop. Repl. Tax	569,500				
Property Tax Levy	16,153,200				
Property Transfer Tax	552,000				
Road & Bridge Tax	150,000				
Home Rule Sales Tax	1,650,000				
Sales & Use Tax	3,600,000				
Service to Other Agencies	366,900				
Sewer Tax	895,900				
Uptown Property Tax	2,994,500	1,194,500	321,100	1,103,300	
Utility & Telecomm. Tax	4,900,000				
Vehicle Licenses	1,200,000				
Water Accounts	7,255,000	885,600			
<i>Non Revenue Sources:</i>					
<i>Decrease (Inc) in Fund Balance</i>	1,886,100				12,000
Total Budgeted Revenues	53,827,100	2,080,100	321,100	1,103,300	1,300,700

2010/11 ALLOCATION OF REVENUES BY FUND

General Oper. Fund	Ill. Mun. Retire. Fund	Library Fund	Motor Fuel Tx. Fd.	Municipal Waste Sys. Fd.	Parking Fund	UptownTIF Fund	Sewer Fund	Water Fund
660,000								
35,000								
1,400,000								
170,000								
430,000								
				100,000				
200,000								
260,000								
475,000								
360,000								
2,200		46,000						
2,961,300		100,000						
140,000		24,700	5,800		24,100			102,000
		73,000						
74,000								
287,600		40,000						61,000
			1,050,000					
146,000								
285,600								
405,000								
	36,800				29,200			
50,000					-			
-					250,000			
					81,000			
465,300	19,900	84,300						
6,070,600	1,880,900	4,732,300		3,469,400				
552,000								
150,000								
1,650,000								
3,600,000								
366,900							895,900	
						375,600		
4,900,000								
1,200,000								
800,000	173,100							5,396,300
1,366,800		21,400	44,200		(6,000)	(47,600)	(44,000)	539,300
29,463,300	2,110,700	5,121,700	1,100,000	3,569,400	378,300	328,000	851,900	6,098,600

**REVENUE AND EXPENSES BY FUND
FUND BALANCE PROJECTION
As of April 30, 2009**

	April 30,2008 Fund Balance	Est. Actual Revenues	Est. Actual Expenses	Projected April 30, 2009 Fund Balance
General Fund:				
General Operating **	13,747,100	26,514,400	(28,219,200)	12,042,300
Total General Fund	13,747,100	26,514,400	(28,219,200)	12,042,300
Special Revenue Funds:				
Emergency Telephone^	(169,400)	1,261,500	(1,218,500)	(126,400)
Illinois Municipal Retirement	53,500	1,846,200	(1,849,200)	50,500
Library	1,845,000	4,576,900	(4,575,100)	1,846,800
Motor Fuel Tax	518,000	1,012,000	(1,401,300)	128,700
Municipal Waste	(241,300)	3,199,000	(3,285,600)	(327,900)
Uptown TIF	(2,165,100)	(807,300)	(1,161,000)	(4,133,400)
Total Special Revenue Funds	(159,300)	11,088,300	(13,490,700)	(2,561,700)
Capital Project Funds:				
Sewer Construction	14,300			14,300
Total Capital Project Funds	14,300	-	-	14,300
Debt Service Fund:				
Debt Service - 2005A	(3,600)	321,100	(321,100)	(3,600)
Debt Service - 2006A	1,043,400	523,500	(523,500)	1,043,400
Debt Service - 2006B	692,800	579,800	(579,800)	692,800
Debt Service - 2004A	(353,400)	1,041,600	(1,041,600)	(353,400)
Debt Service - 2004B	-	878,400	(878,400)	-
Debt Service - 1998	941,700	1,632,800	(1,632,800)	941,700
Total Debt Service Funds	2,320,900	4,977,200	(4,977,200)	2,320,900
Enterprise Funds:*				
Parking	1,235,000	337,900	(447,200)	1,125,700
Water	4,438,300	4,886,200	(5,402,900)	3,921,600
Total Enterprise Funds	5,673,300	5,224,100	(5,850,100)	5,047,300
Total Budgeted Funds	21,596,300	47,804,000	(52,537,200)	16,863,100

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 \$22,313,669 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, 2009?

Fund Balance	10,422,300
Revenues	39,235,500
Percentage	27%

We will be below the minimum of our policy.

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

	Estimated April 30,2009 Fund Balance	Budgeted Revenues	Budgeted Expenses	Projected April 30, 2010 Fund Balance
General Fund:				
General Operating	12,042,300	27,302,300	(27,419,900)	11,924,700
Total General Fund	12,042,300	27,302,300	(27,419,900)	11,924,700
Special Revenue Funds:				
Emergency Telephone^	(126,400)	1,302,200	(1,264,200)	(88,400)
Illinois Municipal Retirement	50,500	2,019,800	(2,019,800)	50,500
Library	1,846,800	4,369,300	(4,421,600)	1,794,500
Motor Fuel Tax	128,700	1,031,700	(1,000,000)	160,400
Municipal Waste	(327,900)	3,439,200	(3,439,200)	(327,900)
Uptown TIF Fund	(4,133,400)	(390,800)	(953,000)	(5,477,200)
Total Special Revenue Funds	(2,561,700)	11,771,400	(13,097,800)	(3,888,100)
Debt Service Fund:				
Debt Service - 2005A	(3,600)	321,100	(321,100)	(3,600)
Debt Service - 2006A	1,043,400	523,500	(523,500)	1,043,400
Debt Service - 2006B	692,800	579,800	(579,800)	692,800
Debt Service - 2004A	(353,400)	1,039,600	(1,039,600)	(353,400)
Debt Service - 2004B	-	885,400	(885,400)	-
Debt Service - 1998	941,700			941,700
Total Debt Service Funds	2,320,900	3,349,400	(3,349,400)	2,320,900
Enterprise Funds:*				
Parking	1,125,700	385,300	(332,900)	1,178,100
Sewer		1,188,900	(1,188,900)	-
Water	3,921,600	5,309,500	(5,713,900)	3,517,200
Total Enterprise Funds	5,047,300	6,883,700	(7,235,700)	4,695,300

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 \$22,313,669 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, 2010?

Fund Balance	\$8,978,300
Revenues	\$39,073,700
Percentage	23%

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
General Fund:				
General Operating	11,924,700	28,096,500	(29,463,300)	10,557,900
Total General Fund	11,924,700	28,096,500	(29,463,300)	10,557,900
Special Revenue Funds:				
Emergency Telephone^	(88,400)	1,288,700	(1,300,700)	(100,400)
Illinois Municipal Retirement	50,500	2,110,700	(2,110,700)	50,500
Library	1,794,500	5,100,300	(5,121,700)	1,773,100
Motor Fuel Tax	160,400	1,055,800	(1,100,000)	116,200
Municipal Waste	(327,900)	3,569,400	(3,569,400)	(327,900)
Uptown TIF Fund	(5,477,200)	375,600	(328,000)	(5,429,600)
Total Special Revenue Funds	(3,888,100)	13,500,500	(13,530,500)	(3,918,100)
Debt Service Fund:				
Debt Service - 2005A	(3,600)	321,100	(321,100)	(3,600)
Debt Service - 2006A	1,043,400	523,500	(523,500)	1,043,400
Debt Service - 2006B		579,800	(579,800)	-
Debt Service - 2004A	(353,400)	1,194,500	(1,194,500)	(353,400)
Debt Service - 2004B	-	885,600	(885,600)	-
Debt Service - 1998	941,700		-	941,700
Total Debt Service Funds	1,628,100	3,504,500	(3,504,500)	1,628,100
Enterprise Funds:*				
Parking	1,178,100	384,300	(378,300)	1,184,100
Sewer	-	895,900	(851,900)	44,000
Water	3,517,200	5,559,300	(6,098,600)	2,977,900
Total Enterprise Funds	4,695,300	6,839,500	(7,328,800)	4,206,000

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 \$22,313,669 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 \$7,581,500
Revenues \$41,597,000
Percentage 18%

We will be below the minimum of our policy.