



## CITY OF PARK RIDGE

### MEMORANDUM

**DATE:** February 4, 2014

**TO:** Mayor and City Council

**FROM:** Shawn Hamilton, City Manager

**RE:** Presentation of FY15 Budget by City Manager

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Background:

Article 3, Chapter 6 of the Park Ridge Municipal Code outlines the duties of the office of City Manager. As part of my duties, it is my responsibility to “prepare and submit to the City Council a proposed annual budget for the City”. It is also stated that “for purposes of preparing the budget, the City Manager shall follow the procedures established in Article 2, Chapter 9 of the Park Ridge Municipal Code titled Budget Policy.

Further, Article 2, Chapter 9 establish the Powers and Duties of the City Manager in Implementing the Budget Policy, which further state that I (City Manager) will “schedule and hold budget workshops to cover topics the City Manager, Finance Director, or City Council deem appropriate”.

Today, I formally present to the City Council and the taxpayers of Park Ridge my proposed FY15 annual budget. I want to publically thank the various City Department Heads and staff members who worked hard in the completion of this budget. Special thanks to Finance Director Kent Oliven and his team who were instrumental in the compilation of the specific reports, data, information, and analysis that went into the final budget documents.

This budget reflects my budget philosophy of conservative revenue estimates offset with minimal to no expenditure growth, depending upon the object code. Unlike my predecessors, I also wanted to ensure that the budget I presented was complete, and that I was not making further requests after submission that would grow expenditures and reduce fund balance. At times, some tough decisions had to be made through cooperative efforts of City Departments, and not every department expenditure request is contained in this budget.

Specifics:

I was very proud that, in my FY14 budget submission, that the City adopted a budget with an operations surplus of \$104,653 in the General Fund. At that time I stated that it was the first time in years that the budget submitted from the City Manager had a surplus. Today, I am pleased to report that the FY15 budget presented has an operations surplus to the General Fund of \$239,522, a 129% improvement over FY14.

This surplus includes the following increases in expenditures primarily related to personnel (the largest General Fund expenditure):

- 10% increase in non-health insurance premiums, including flex, life, unemployment claims, and workers compensation / liability claims management
- 15% increase in PPO, 5% increase in HMO health insurance coverage
- Contingency funding for open labor agreements, unexpected workers compensation, and liability claims
- 100% increase in salt budget from FY14 to replenish salt reserves

Capital projects and investments have also been extended, and only top priority items are included in this budget.

The fact that the budget surplus has grown, while incorporating the above expenditure increases, is through sound fiscal management and realizing opportunities for efficiency without dramatically impacting the services the City provides.

Over the next few months, I, along with City Staff, welcome the process of presenting this information contained in the FY15 budget.