



Agenda Cover Memorandum

Meeting Date: February 28, 2013 Budget Workshop

Item Title: Update: Fund Balance Scorecard Changes

Action Requested:

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

Staff Contact: Finance Manager Kent Oliven

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Background:

The fund balance scorecard has been updated with the following items, with similar numbering between the two documents:

1. Acting City Manager Shawn Hamilton discussed savings from a new E911 agreement in the February 19 Budget Workshop. Those are reflected here.
2. In 2002, under the First Amendment to the Dempster TIF Redevelopment Agreement, the City agreed to reimburse redevelopment work using a portion of the additional sales taxes generated by that work. City staff and legal have reviewed that contractual sales tax reimbursement amount payable; their consensus belief is that this particular sales tax reimbursement obligation has been met. Because sales taxes and sales tax reimbursements are General Fund items, this payment no longer needs to be reflected in future General Fund budgets. Please note that the recipient of those monies is in the process of reviewing that analysis. This topic was discussed briefly in the February 19 Budget Workshop.
3. When Kane McKenna completed their Uptown TIF report they calculated some payments to other taxing bodies. Those payments led to newer projections for next fiscal year.
4. In the rush to get out the first budget packet some errors were made. Specifically, the Emergency Telephone's expenditures were left blank due to a bad Excel link. The General Fund had a similar bad link. In the Library Fund and the Parking Fund contributions to the IT and MERF replacement funds were listed as Capital Items and as Transfers Out leading to a double booking. [That double booking was only in those funds and not in the IT or MERF funds.] The effect of this set of corrective actions on the City's General Fund for fiscal year 2013/14 is a negative \$292,703. Other funds are impacted positively/negatively to varying degrees as you can see. These corrections are now reflected in the fund balance scorecard.
5. As Public Works Director Wayne Zingsheim noted in a prior meeting, the City has been awarded \$841,000 an Uptown streetscape reimbursement grant. There will also be an improvement to the Summit lot. We are working with our auditors to determine whether the Uptown TIF and Parking funds should make the expenditures or if the General Fund should. Either way, the fund balance for each fund will not change. I have shown that with a line reflecting zeros for those funds.
6. In the February 19 Budget Workshop the Council eliminated the \$20,000 Finance Contractual – Consultants line. That is reflected here.



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Recommendation:

None.

Budget Implications:

Does Action Require an Expenditure of Funds: Yes No

If Yes, Total Cost:

If Yes, is this a Budgeted Item:

Yes No Requires Budget Transfer

If Budgeted, Budget Code (Fund, Dept, Object)

Attachments:

- Fund Balance Scorecard
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FY14 Budget Impact on Fund Balance

Fund Name	General	Library	Motor Fuel	Uptown TIF	IL Municipal Ret. (IMRF)	Municipal Waste	Emergency Telephone	Parking*	Water*	Sewer*
FY13										
<u>Projected Current Year (FY13) Fund Balance Impact</u>										
FY 2012-13 Revenues/ Transfers In	30,485,235	4,286,406	1,087,221	3,354,541	1,636,186	3,615,772	1,450,006	294,830	8,175,489	1,905,042
Minus: FY 2012-13 Expenses/Transfers Out	29,400,671	4,729,635	1,000,000	3,253,930	2,251,011	3,297,950	1,296,660	715,809	8,417,167	1,412,626
Effect of Projected FY13 On Fund Balance	\$1,084,564	(\$443,229)	\$87,221	\$100,611	(\$614,825)	\$317,822	\$153,346	(\$420,979)	(\$241,678)	\$492,416
FY14										
<u>Initial 1/29/13 FY14 Workshop Submitted Budget</u>										
FY 2013-14 Revenues/ Transfers In	30,948,811	4,097,907	1,000,000	1,974,747	2,253,280	3,476,338	1,575,000	304,600	9,046,778	1,869,511
Minus: FY 2013-14 Expenses/Transfers Out	30,417,729	4,676,047	1,000,000	3,011,169	2,063,556	3,445,961		1,140,523	9,232,461	1,492,046
Initial FY14 Budget Impact on Fund Balance	\$531,082	(\$578,140)	\$0	(\$1,036,422)	\$189,724	\$30,377	\$1,575,000	(\$835,923)	(\$185,683)	\$377,465
<u>FY14 Revisions/Corrections</u>										
Increase MFT Expenditure To Match IDOT Application			(\$100,000)							
IML State Shared Revenue Estimates	\$280,277		(\$22,488)							
1. style="padding-left: 40px;">New E911 Agreement	\$100,000						(\$50,000)			
2. style="padding-left: 40px;">Dempster Redevelopment Amendment Revision	\$205,601									
3. style="padding-left: 40px;">Updated TIF Payment Forecasts				(\$133,059)						
4. style="padding-left: 40px;">Corrections To Original Document	(\$292,703)	\$165,000					(\$1,307,200)	\$61,800		
5. style="padding-left: 40px;">Streetscape Grant & Summit Lot Moved To G.F.	\$0			\$0				\$0		
<u>FY14 Consensus</u>										
6. style="padding-left: 40px;">Finance Contractual - Consultants	\$20,000									
Budgeted Change Surplus (Deficit)										
	\$313,175	\$165,000	(\$122,488)	(\$133,059)	\$0	\$0	(\$1,357,200)	\$61,800	\$0	\$0
Budgeted FY14 Fund Balance Impact	\$844,257	(\$413,140)	(\$122,488)	(\$1,169,481)	\$189,724	\$30,377	\$217,800	(\$774,123)	(\$185,683)	\$377,465
Total Projected Fund Balance										
Audited Unreserved / Unrestricted FB YE 4/30/12	\$4,708,038	\$2,855,493	\$0	(\$5,082,848)	(\$125,769)	(\$113,315)	(\$309,045)	\$1,095,987	\$3,800,183	\$1,405,572
Effect of Projected FY13 On Fund Balance	\$1,084,564	(\$443,229)	\$87,221	\$100,611	(\$614,825)	\$317,822	\$153,346	(\$420,979)	(\$241,678)	\$492,416
Budgeted FY14 Fund Balance Impact	\$844,257	(\$413,140)	(\$122,488)	(\$1,169,481)	\$189,724	\$30,377	\$217,800	(\$774,123)	(\$185,683)	\$377,465
Projected Fund Balance	\$6,636,859	\$1,999,124	(\$35,267)	(\$6,151,718)	(\$550,870)	\$234,884	\$62,101	(\$99,115)	\$3,372,822	\$2,275,453
Target Fund Balance	7,604,432	2,338,024	0	0	0	0	0	240,087	2,108,743	548,674
Balanced Budget										
	Yes	No	No	No	Yes	Yes	Yes	No	No	Yes
Actual FB to Target FB	87%	86%	N/A	Negative	Negative	Negative	Negative	-41%	160%	415%
Requires 2/3 Alderman Approval	No	N/A	Yes	Yes	No	No	No	Yes	No	No

