City of Prospect Heights

Fiscal Year 2017-2018 Budget

City of Prospect Heights

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Section 1

Introduction and Overview

Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Award to the City of Prospect Heights, Illinois for the Annual Budget beginning May 1, 2016. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Section 2

Organization and Services

- List of Principal Officers
- Organizational Chart
- City of Prospect Heights Maps
- City Commissions, Committees and Boards
- Community Profile

City of Prospect Heights

Fiscal Year 2017-2018

Adopted Budget

May 1, 2017 – April 30, 2018

City Council

Nicholas J. Helmer, Mayor
Matthew Dolick, Alderman
Lora L. Messer, Alderman
Patrick Ludvigsen, Alderman
Lawrence Rosenthal, Alderman
Scott Williamson, Alderman

City Clerk

Wendy Morgan-Adams

City Treasurer

Richard Tibbits

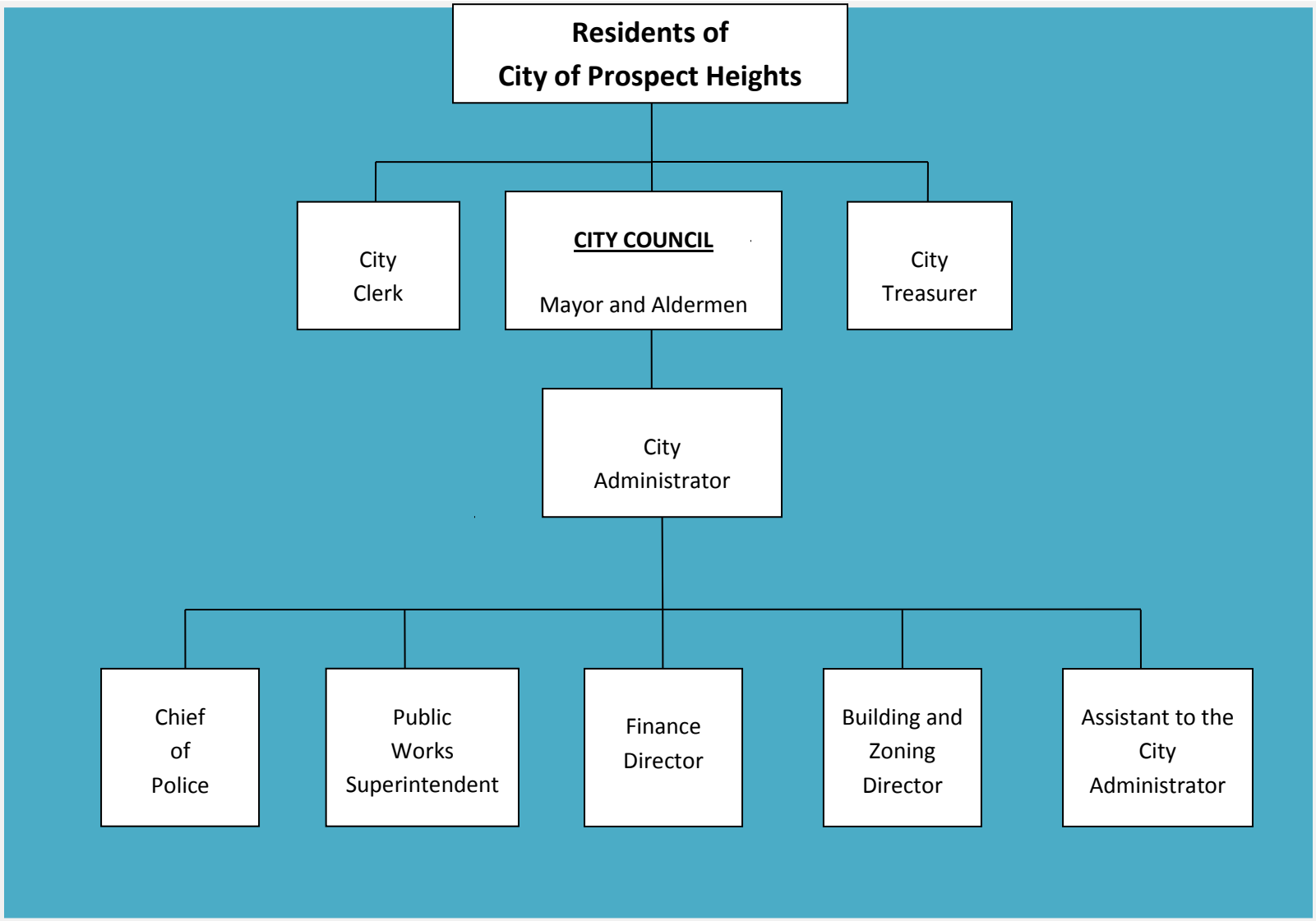
City Administrator

Joe Wade

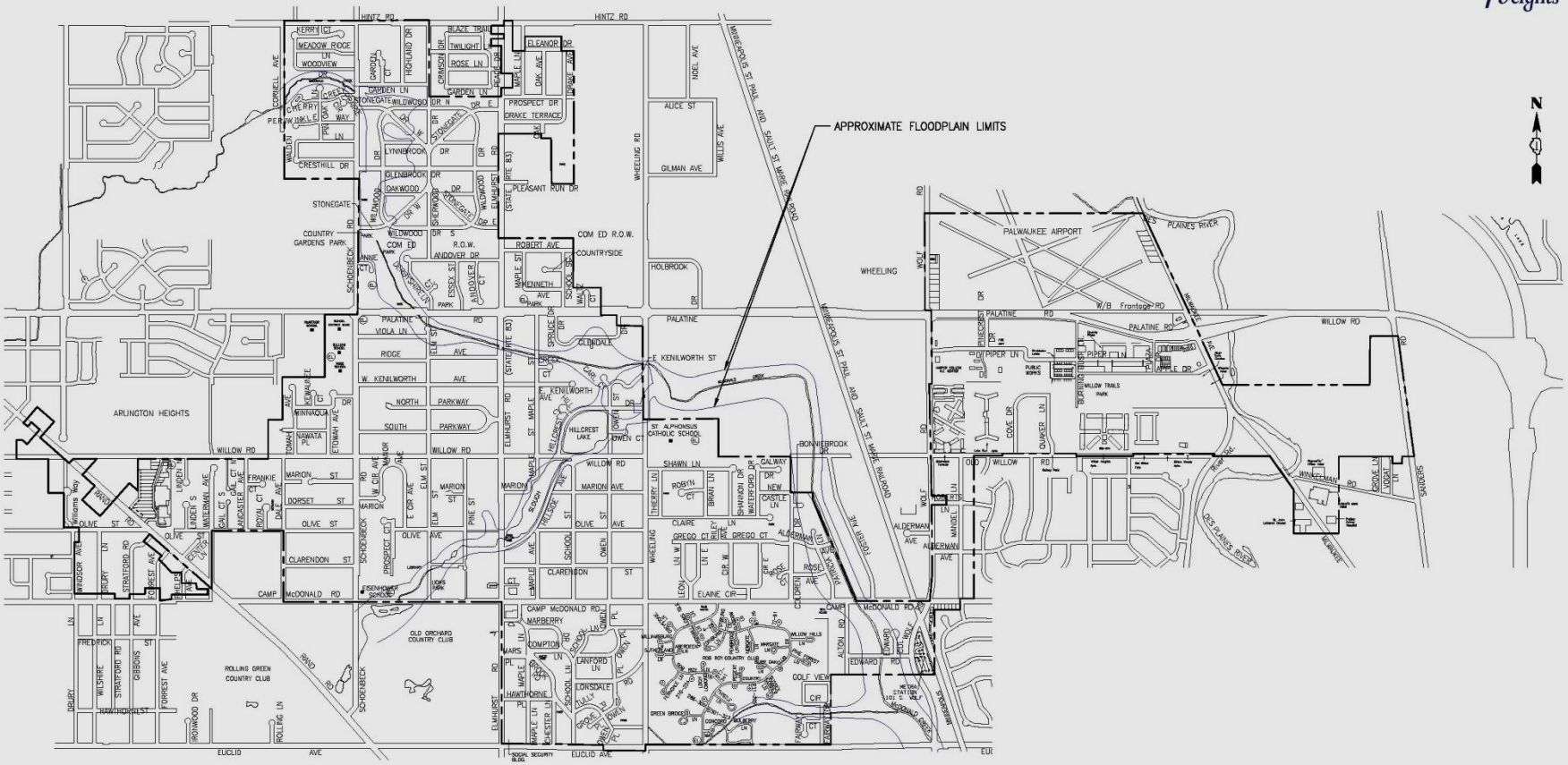
CITY OF PROSPECT HEIGHTS, ILLINOIS

Organizational Chart

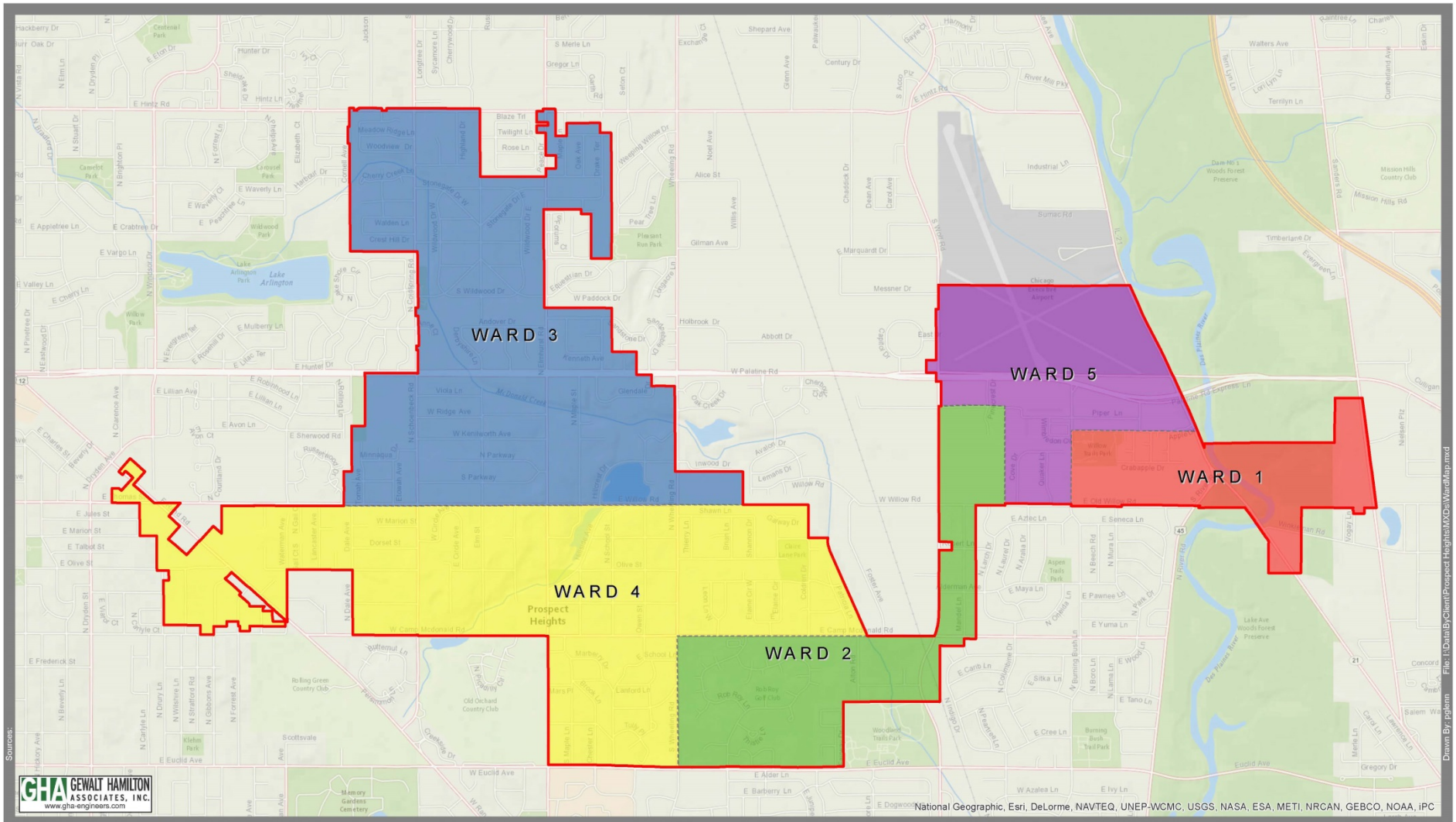
April 30, 2017



CITY OF PROSPECT HEIGHTS



DESIGNED – DJS	REVISED –	CITY OF PROSPECT HEIGHTS, ILLINOIS ROAD BOND IMPROVEMENTS	OVERALL PLAN	F.A. RTE.	SECTION	COUNTY	TOTAL SHEETS / SHEET NO.
DRAWN – UKB	REVISED –					COOK	1 / 1
CHECKED – JJF	REVISED –						
DATE – 11-01-11	REVISED –		SCALE: NONE / PROJECT NO: 110369 / STA. / TO STA.	FED. ROAD DIST. NO.	ILLINOIS	FED. AID PROJECT	



N

1 inch = 1/3 Mile

Ward Map

City of Prospect Heights

Map Center: -87.92332 42.10739

Last Rev.: 3/25/2014 Project:4755.000

City Commissions, Committees and Boards

City Commissions, Committees and Boards are approved by the City's Corporate Authorities. Appointments are made by the Mayor, with the concurrence of the City Council.

- **Chicago Executive Airport Board of Directors**
  - The Chicago Executive Airport is governed by a board of directors representing the interests of the City of Prospect Height, the Village of Wheeling, and the community. The City of Prospect Heights and the Village of Wheeling appoint directors to the Chicago Executive Airport Board of Directors. The board meets every second Thursday of the month.

- **Police and Fire Commission**
  - The Police & Fire Commission shall appoint all members of the police department of the city, except the chief of police, the deputy chief, part time police officers, and non-sworn personnel. The board shall make rules for and appointments to the police department as is necessary, except insofar as said power may otherwise be reserved to the Mayor and City Council. Said rules shall also provide for the imposition of discipline upon members of the police department, including, but not limited to, suspension and discharge. Said disciplinary action shall be in accordance with the statutes of the state. The Board of Fire and Police Commissioners meets monthly on the last Wednesday of the month.

- **Planning & Zoning Board of Appeal**
  - The Planning & Zoning Board of Appeals prepares and recommends changes in the official comprehensive plan and map of the city as may be deemed necessary by the City Council. Prepares and recommends to the City Council, plans and recommendations for specific improvements in pursuance of the official comprehensive plan and map. Reviews development applications, special use and variance requests, and other matters related to land use within the city. Arranges and conducts any form of publicity relative to its activities for the general purpose of public understanding and exercises such other powers as are now or hereafter granted by ordinances of the city. The Plan Commission meets on the fourth Thursday of every month.

- **Police Pension Board**
  - The Police Pension Fund is created by Illinois state statutes to control and manage the pension fund of the Prospect Heights Police Department. The five member board's duties include investing funds, enforcing contributions, keeping records of the board's meetings and other duties related to managing the Police Pension Fund. The Police Pension Board meets on a quarterly basis.

City Commissions, Committees and Boards (continued)

- **Natural Resource Commission**
  - The mission of the Natural Resource Commission is to preserve, protect and restore natural areas and raise awareness of environmental issues affecting Prospect Heights, guiding the community in natural open space preservation efforts and encouraging private land owners to adopt land management practices that protect and enhance natural resources, and promoting community awareness and education of environmental issues affecting Prospect Height's natural resources, such as animal habitat, storm water management, and the threat of invasive species. The commission meets on the second Thursday of each month.

- **Water Committee**
  - The Water Committee is an advisory panel that will support the residents of the City of Prospect Heights with respect to potable water issues. The committee meets on the third Saturday of the month.

Community Profile

The City of Prospect Heights, incorporated in January 1976, is located in northwest Cook County, approximately 20 miles from downtown Chicago. Occupying nearly 4.5 square miles, it is bordered by the municipalities of Glenview and Northbrook to the east, Arlington Heights to the west, Mount Prospect to the south and Wheeling to the north. Palatine Road and Elmhurst Road (IL Hwy. 83) intersect in the City east-west and north-south, respectively. Interstate Highways 294 and 290 (IL Hwy 53) are located adjacent to the City on the east and approximately 3 miles to the west, respectively. O'Hare Airport is accessible within 20 minutes to the south.

Chicago Executive Airport, jointly owned with the Village of Wheeling, sits on the northern edge of the corporate boundaries of the City. The airport, the fourth busiest in the latest report from the Illinois Department of Transportation Division of Aeronautics, serves corporate jets and private plane activity. Metra provides commuter rail service between Prospect Heights and downtown Chicago to the south and Antioch to the north. Prospect Heights is served by approximately 20 trains per day.

The City operates under the Mayor-Council form of government and is comprised of five wards with one alderman elected per ward. The Mayor, Aldermen, City Clerk and City Treasurer are elected at large every four years. The Mayor appoints the City Administrator with the consent of the City Council. The City Administrator serves as the Chief Administrative Officer of the City and directs and supervises the daily activities of the City and its employees.

The City is served by Prospect Heights School District 23 - Dwight D, Eisenhower Elementary, Betsy Ross Elementary, Anne Sullivan Elementary, Douglas MacArthur Middle School, Wheeling School District 21 – Whitman Elementary School, Twain Elementary School, Frost Elementary School, Holmes Middle School and River Trails School District 26 – Euclid Elementary School and River Trails Middle School. Township High School District 214 serves Prospect Heights. Students will attend either Wheeling High School or John Hersey High School. Prospect Heights has two public libraries: Prospect Heights Public Library and River Trails Public Library and three Fire Protection Districts: Prospect Heights, Glenbrook, and Northbrook Rural.

A View of the Past…

In 1935, two young developers, Carlton Smith and Allen Dawson, built their first homes on farmland along Elmhurst Road as the start of a well-planned community to meet the dreams of depression-weary families. The first family moved in during January 1936 and by the end of the year there were six affordable homes in the pleasant rural area to be called Prospect Heights.

The development firm worked with the resilient, caring families to create and maintain a responsible community in which they could raise their children with pride. In 1938, they formed the Prospect Heights Improvement Association (PHIA). It served as a virtual government of the community for 38 years, albeit without legal authority because Prospect Heights was an unincorporated area in Cook County. By 1955, there were almost 600 homes in unincorporated Prospect Heights.

During the 1960s, the boom in development began to cause real problems. Local residents had no control over this growth and the PHIA decided that incorporation was the only solution. Over 50% of the residents voted in favor of incorporation. Thus, January 31, 1976, exactly 40 years after the first family moved in, the City of Prospect Heights was born.

A Vision of the Future…

Today, Prospect Heights remains a haven for water sports enthusiasts; the community boasts over 7,100 acres of water, 15 lakes and 45 miles of river. At the same is a City looking into the future and exploring business and economic development opportunities. The City's leaders have taken a progressive approach toward planning for the City's future. In 2015, a new Comprehensive Development Plan was implemented. The new Comprehensive Plan will help shape and guide the type and quality of development opportunities in the City. The City is also looking at redevelopment opportunities, diversifying area businesses and infrastructure improvements to its roadways. The community and its leaders are focused on preserving the City's rich heritage, while implementing plans that will attract visitors to explore Prospect Heights's tourism district and improve the quality of life for the residents.

Community Characteristics

The following statistical data and graphs provide a demographic profile of the City of Prospect Heights. Notable changes from the 2000 to the 2010 Census are highlighted below. Unless otherwise noted, the source of data is the 2010 United States Census.

Population

- Prospect Heights is a diverse, relatively young community that has seen significant growth in immigrant population over the last ten years. This population growth has made the community culturally rich, as well as, challenged the City leadership to accommodate the changing demographics of the community.
- Overall Prospect Heights' population has decreased over the last 10 years. In 2000, Prospect Heights's population was 17,042. As of the 2010 United States Census, the population decreased to 16,256 residents, which represents a 4.5% decrease.

Income and Educational Attainment

- The median household income in Prospect Heights is above the median for the Chicago Metropolitan Statistical Area.
- Those individuals with at least a high school degree represented 94.2% of the population

Housing Information

- In 2000, there were a total of 6,573 total housing units. In 2010, that number grew by 49 or less than 1% to a total of 6,622 total housing units.
- There were 6,379 households in 2000. In 2010, there were a reported 6,175 households in the City. This represents a 3% decrease.
- In 2010, the median housing value was listed at $250,243.
- In 2010, the median household income was $60,576.

Community Characteristics (Continued)

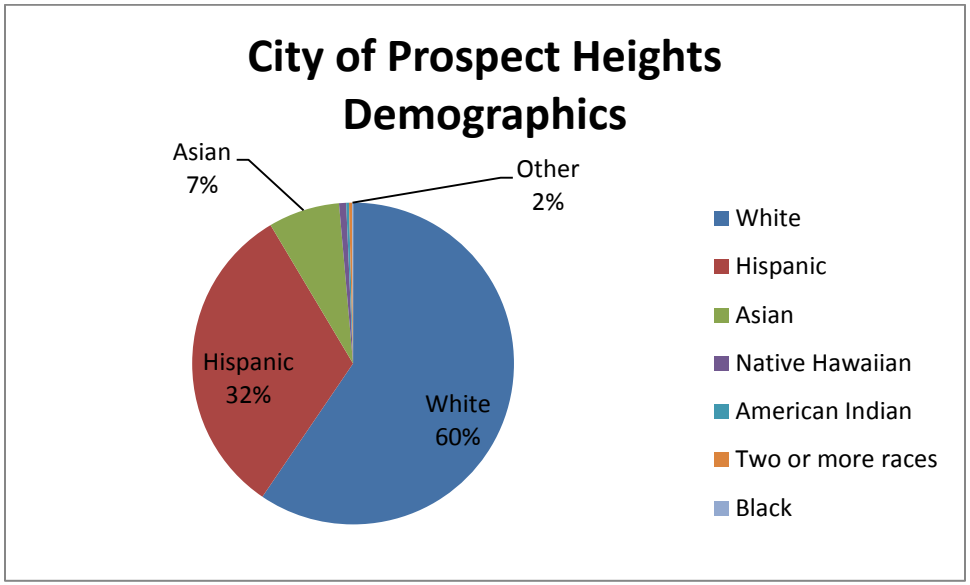
Age Distribution

- The median age in the City in 2010 was 37.4 years. In 2000, the median age was 35.
- In the 6,175 households that were reported in 2010, 32.6% had children under the age of 18 living with them, 25.7% had individuals aged 65 or over living with them and 56.5% were married couples living together. The average household size was 2.64 and the average family size was 3.17.

Racial & Ethnicity Composition

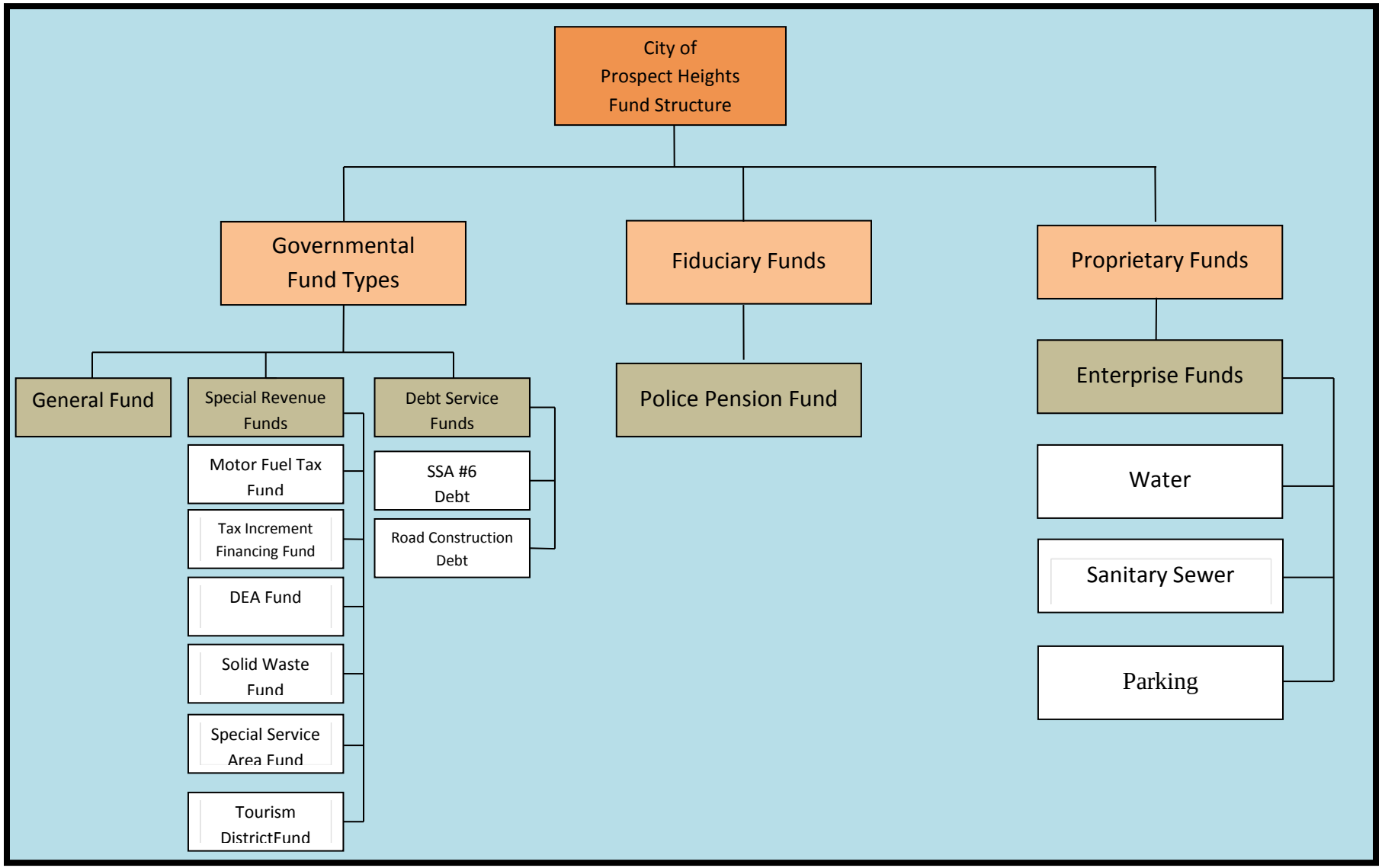
- The racial makeup of Prospect Heights is similar to neighboring communities and has historical precedent. The City's racial demography is predominately white and includes a large number of residents of Polish and German decent. In the last ten years, Asian and Hispanic populations have also seen significant growth in Prospect Heights. The Black population has seen some decrease in the last ten years and is not expected to grow in the next five years. This mirrors trends regionally. There has been a slight population decrease in the City since 2010. The population loss is not significant and may rebound in the next five years (source: DemographicsNow).

- The racial makeup of the City in 2013 is detailed below:



Race	Individuals	%
White	9,787	59.51%
Hispanic	5,251	31.93%
Asian	1,177	7.16%
Native Hawaiian	117	0.71%
American Indian	46	0.28%
Two or more races	51	0.31%
Black	16	0.10%

CITY OF PROSPECT HEIGHTS, ILLINOIS
Fund Structure
April 30, 2017



Department Fund Relationship Structure

Fund Type	Fund	Department	Department Summary Page	Total Expenditures
General	General	Total		$9,756,569
		City Council & Board		$84,585
		Administration		$1,243,913
		Building & Development		$64,434
		Public Works		$1,192,956
		Public Safety		$5,235,753
		Grants		$87,084
		Debt		$188,030
		Capital Outlay		$819000
		All other		$264,814
Special Revenue		Total		$2,851,389
	Motor Fuel Tax	Public works		$432,600
	Palatine/Milwaukee TIF	Administration & Public Works		$530,890
	Tourism District	Administration, Public Works, Police		$824,045
	DEA Seizure	Public Safety		$168,261
	Solid Waste Fund	Administration & Public Works		$439,607
	Special Service Areas 1-5 and 8	Administration & Public Works		$455,986
Debt Service		Total		$1,587,589
	SSA #6	Non-Departmental		$262,353
	Road Construction	Non-Departmental		$1,325,236
Fiduciary Fund	Police pension	Non-Departmental		$809,244
Enterprise Funds		Total		$2,179,656
	Water	Public Works		$1,137,469
	Parking	Building & Development & Public Works		$118,466
	Sanitary Sewer	Public Works		$923,721
			Total Funds	$17,184,447

Section 3

Budget Process and Structure

- Budget Process
- Budget Timetable
- Basis for Budgeting and Fund Structure
- Account Numbers

Budget Process and Structure

Budget Process

The budget document is the result of the City's financial and operational planning process and serves as the guide for implementing those plans. The process brings together input from elected officials, department directors, departmental staff, and the public in order to shape the City's goals and objectives.

The Department Directors review their programs and services, initial budget requests and submit them to the Finance Director. The Finance Director then consolidates all requests to analyze the budget as a whole. After an initial analysis, meetings are set up by the Department Directors, Finance Director, and City Administrator. They review major operational changes, discuss objectives and review capital project requests. An effort is made to combine requests across departments and to discuss how to more efficiently accomplish departmental goals. Any unjustified items are eliminated from the budget at this time.

Over the next month, the Finance Department works to compile the budget document. In addition to developing budget summaries for each department which outline requests, the Finance Director reviews and updates other sections of the document. Before the first public hearing, the proposed budget is made available to the public in hardcopy format at the City Hall.

After the public meetings, the budget may be further revised and passed without further public inspection, notice or hearing. The final budget is typically approved in April.

Once the budget has been approved, the City Administrator and Finance Director continue to monitor the City's rate of revenue collections and expenditures to assure a healthy financial condition. If revenue projections drop below staff's original estimate, the City Administrator will direct staff to reduce expenditures. If a circumstance arises in which budget changes must be considered, the City Council may approve a change by Ordinance.

Budget Time Table

January 4, 2017	FY2017-18 Proposed Budget Worksheets distributed to staff
January 31, 2017	Completed General fund budget worksheets due to Finance
February 1-17, 2017	Finance enters staff's FY2017-18 budgets in General fund and Prepares report of preliminary budget for City Council
February 21, 2017	**6:30 pm City Council Meeting** FY2017-18 Preliminary budget provided to City Council
February 25, 2017	**8:30 a.m. FY2017-18 Budget Workshop**
March 8, 2017	Public Hearing Notice appears in Journal & Topics Fiscal Year 2017-18 Proposed Budget available to public
March 1-10, 2017	Meetings with staff to review each department's proposed budgets
March 13-17, 2017	Finance prepares budget narrative, tables, schedules
March 20, 2017	FY2017-18 Proposed Budget document distributed to Council/Staff
March 27, 2017	**6:20 pm Public Hearing** **6:30 pm City Council Meeting** Fiscal Year 2017-18 Proposed Budget (1st Reading)
April 24, 2017	**6:30 pm. Regular City Council Meeting** Adopt Fiscal Year 2017-18 Budget (2nd Reading)
April 28, 2017	**Deadline for adopting Fiscal Year 2017-18 Budget**
May 24, 2017	**Filing Deadline with Cook County Clerk** Certified copy of Fiscal Year 2017-18 Budget
June 13, 2017	Budget Bound and Distributed to Council and Staff

Basis for Budgeting and Fund Structure

Basis for Budgeting

The City of Prospect Heights accounts for all funds and adopts a budget based on generally accepted accounting principles (GAAP) A fund is a separate accounting entity with a set of self-balancing accounting that records assets, liabilities, fund equity, revenues, and expenses or expenditures. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Fund Structure

The City uses the following fund types:

General Funds: use the modified accrual basis of accounting whereby revenues are recognized when they are "measurable and available" and expenditures are recorded when the related fund liability is incurred. The majority of the City's business is accounted for in the General Fund.

Special Revenue Funds: use the modified accrual basis of accounting. Special Revenue Funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses. The Special Revenue Funds include: Motor Fuel Tax, Palatine/Milwaukee TIF fund, Tourism District, Development Fund, DEA Seizure, and Solid Waste Disposal Fund.

Capital Projects Funds: use the modified accrual basis of accounting. Capital project funds are used to account for the construction or acquisition of fixed assets, such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project. Fixed assets acquired and long-term debts incurred by a capital project are assigned to the government's General Fixed Assets and Long-Term Debts. The City maintained a Road Construction Fund; however, all funds for the project were completed and the fund was closed.

Debt Service Funds: use the modified accrual basis of accounting. Debt service funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment. The debts of special assessment and proprietary funds are serviced within those funds, rather than by a separate debt service fund. The City currently has a Special Service Area #6 Debt Fund and a Road Construction Debt Fund.

Special Assessment Funds: use the modified accrual basis of accounting. Special assessment funds account for public infrastructure improvements financed by special levies against property holders. The City has created four of these special service areas for sanitary sewer purposes (SSA #1, #2, #3 and #4), one for storm water detention (SSA #5) and one used to pay for maintenance of the Levee 37 wall (SSA #8).

Basis for Budgeting and Fund Structure (Continued)

Propriety Funds: use the full accrual basis of accounting. Under the full accrual basis, revenues are recorded at the time liabilities are incurred. Proprietary funds are used to account for business-type activities and include enterprise funds. Enterprise funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise.

The City currently maintains one type of proprietary fund – an enterprise fund. Enterprise funds are used to report the business-type activities the City engages in and charge fees designed to recover the cost of providing services. The City maintains a Water Fund and Parking Fund which are included in this category.

Fiduciary Funds: are accounted for on a full accrual basis. Fiduciary funds are used to account for resources held in trust by the government for the benefit of individuals or other entities and that cannot be used to support the City's own programs. Financial statements may further distinguish fiduciary funds as either trust or agency funds.

The City acts as a fiduciary for the Police Pension Funds a Trust Fund. The fund is supported by employee and City contributions and is established as single employer funds. The fund is managed by a pension board and is not available to support the City's programs. Non-police personnel are covered by the Illinois Municipal Retirement Fund (IMRF), a multi-employer, defined benefit plan. The City sends the employer and employee contributions directly to IMRF.

Agency funds are monies held on someone else's behalf with the funds eventually being distributed to the rightful owner. The City will be establishing a Road and Building Bond Escrow Fund to account for road and bond escrows. The City requires a cash bond in like amount of building permit fee to be posted for the project. After final approval of construction and/or a Certificate of Occupancy is issued, the bond posted shall be refunded.

All funds are present in the 2017-2018 Fiscal Year Budget except for the Capital Projects Fund.

Account Numbers

The account numbers used by the City of Prospect Heights identify the type of account, the department making the expenditure, the general category to be charged and the type of purchase. Account numbers appear as follows:

01-340-5700

The first two digits indicate the fund

01	GENERAL FUND
11	MOTOR FUEL TAX FUND
12	PALATINE/MILWAUKEE TIF FUND
13	TOURISM DISTRICT FUND
14	DEVELOPMENT FUND
15	SALES TAX NON-HOME RULE FUND
16	DEA SEIZURE FUND
17	SOLID WASTE DISPOSAL FUND
21	SSA #1 FUND
22	SSA #2 FUND
23	SSA #3 FUND
24	SSA #4 FUND
25	SSA #5 FUND
26	SSA #6 FUND
28	SSA #8 FUND
31	ROAD CONSTRUCTION FUND
41	ROAD CONSTRUCTION DEBT SERVICE FUND
46	SSA #6 DEBT SERVICE FUND
51	WATER FUND
52	PARKING FUND
53	SANITARY SEWER FUND
71	POLICE PENSION FUND
72	ROAD & BUILDING BOND ESCROW FUND

The second three digits indicate the department

000	BALANCE SHEET
100	REVENUES
105	LOCAL TAXES
110	INTERGOVERNMENTAL REVENUES
115	GRANTS REVENUE
120	LICENSES & FEES
125	FRANCHISE FEES
140	PUBLIC SAFETY FINES & FEES
145	PUBLIC SAFETY SPECIAL REVENUE
130	BUILDING REVENUE & FEES
150	INTERFUND SERVICE CHARGES
155	REIMBURSABLE INCOME
160	OTHER REVENUES
200	OTHER FINANCING SOURCES
300	EXPENSES
310	CITY COUNCIL & BOARDS
320	ADMINISTRATION
330	ENGINEERING
340	BUILDING DEPARTMENT
350	PUBLIC WORKS
360	PUBLIC SAFETY
365	PUBLIC SAFETY-SPECIAL ACCT EXP
370	REIMBURSABLE EXP
390	GRANTS
400	DEBT SERVICE
500	CAPITAL OUTLAY GENERAL
550	PUBLIC WORKS CAPITAL OUTLAY
560	PUBLIC SAFETY CAPITAL OUTLAY
600	OTHER FINANCING USES

The third four digits indicate category to be charged

4000-4099	SALARIES
4100-4199	INSURANCE BENEFITS
4200-4299	PENSION BENEFITS
4300-4399	OTHER BENEFITS
5000-5099	MAINTENANCE SERVICES
5100-5199	PROFESSIONAL SERVICES
5200-5299	COMMUNICATIONS
5300-5399	PROFESSIONAL DEVELOPMENT
5400-5499	SERVICE CHARGES AND FEES
5500-5599	OTHER CONTRACTUAL SERVICES
5600-5649	MAINTENANCE SUPPLIES
5700-5799	GENERAL SUPPLIES
5800-5849	PRINTED MATERIALS
5850-5899	NON-PRINTED MATERIALS
5900-5949	GRANT EXPENSE
5950-5999	OTHER EXPENDITURES
6000-6099	DEBT SERVICE
7000-7099	CAPITAL OUTLAY
8000-8099	OTHER FINANCING USES

Section 4

Executive Overview

- Strategic Planning
- Debt Position
- Fund Balance Projections by Fund

Strategic Planning

The goal for the City of Prospect Heights is to create a new identity that supports business attraction and retention and encourages new development. Key to achieving this goal is the maintenance of the existing community character as well as preserving unique natural resource assets. The creation of connections between recreational areas, residential neighborhoods and retail districts through sidewalk, streetscape and trail improvements will help to foster a greater sense of place and community identity. The recommendations and strategies listed below will provide a framework of policies to help implement this vision.

In the next five years, the City of Prospect Heights will address these major strategic goals:

- Financial sustainability
  - Promote a strong and diverse economic base through recruiting businesses and encouraging new business growth
- Economic vitality and innovation
  - Create a more formalized town center or downtown district in the center of the community
  - Implement a strategy that results in 100% growth in retail activity
  - Diversity the economy/revitalize the blighted areas
- Well-planned commercial and residential growth
  - Implement the comprehensive plan approved on September 8, 2014
- Housing and employment diversity
  - Promote the creation of a variety of housing option for all segments of the community
- Operational excellence
  - Invest in staff and their development and create a high performing organization
  - Maintain quality essential routine services and supporting infrastructure
- Communication
  - Create a communication process that provides measurable improvement in resident trust in government
- Natural Resource and Environmental stewardship
  - Enhance environmental quality and sustainability
- Intergovernmental Relations
  - Strengthen coordination and cooperation between the City and surrounding communities, the county, and state government agencies.

Strategic Planning (continued)

It is proposed for FY 2016/2017 that the City further develop its strategic planning process. The City strives to align its financial plan with its core values.

Department	Mission	Objectives	Programs	Measurement	Timeline
Administration	Provide for a comprehensive approach to the delivery of services, development of the community and advancing the interest of the City in a diverse and inclusive environment.	Access and implement changes in process work flows staffing and operations to provide for greatest efficiency in delivering services at expected levels.	Develop strategies to maintain a highly qualified, motivated, innovative, skilled and well trained workforce within a competitive environment	Review and analyze surrounding similar sized community's workforce numbers and salaries.	Prepare an annual report of salary and workforce comparisons to surrounding communities.
Building & Development	To enhance the quality of life, protect life and property, encourage quality growth, development and redevelopment through efficient, consistent and collaborative application of the building and development codes.	Improve timely review of permit and development applications; Upgrade and adopt City codes to meet our mission; Consistent and fair implementation and enforcement; Improve public awareness and education of the Department services.	Implement a public awareness and education campaign for residents, businesses and property owners. Streamline the permit review and inspection process to enhance efficiency. Actively work to promote the economic vitality of the community.	Number of residential permits issued, average number of working days from permit application to approval, total number of permits issued	The City is beginning the process of measuring and analyzing programs in FY2016-17. Analysis and reporting will occur at the end of FY2016-17
Finance	To optimally manage the City's finances through its accounting, purchasing and billing functions in order to ensure the proper safeguarding and preservation of City assets.	Ensure all the financial operations and transactions of the City which includes accounts payable, payroll, cash management, grant administration, internal audit, purchasing, utility system billings and collections are adequately managed and accounted for in accordance with GAAP, GASB and all other laws.	Automate processes and provide for web based services to residents and businesses, improve internal controls and reporting functions.	Review number of residents that pay in person versus on-line for water/sewer billing and vehicle stickers	The City implemented the auto-pay function in FY2015-16. The City will perform an analysis to determine the efficiency of the program.

Department	Mission	Objectives	Programs	Measurement	Timeline
Police	To work in partnership with the citizens of Prospect Heights to enhance the quality of life by raising the level of public safety through law enforcement.	Cultivate a talent pool of new and existing employees with diverse backgrounds and experiences, encourage innovation and new perspectives. Provide leadership development opportunities for staff and provide our citizens and businesses with high quality patrol, investigative, outreach and records management services.	Deploy communications and reporting systems that meet applicable requirements, provide stable communications infrastructure, and assist operational activities.	Response times will be reviewed and compared to other departments.	Monthly reviews will be performed and compared for improvement.
Public Works	Strive to offer the best internal and external customer service possible by maintaining and enhancing the City's core infrastructure including streets, sanitary & storm sewers, water system, snow/storm management, fleet management, grounds, Levee 37, bridges, storm-water management and forestry and with adequate levels of service for each asset category.	Establish and refresh an operations manual and complaint tracking system. Develop and explore opportunities to minimize the use of resources, both labor and capital where adequate levels of service can be maintained. Streamline Seek multi-agency cooperation where economies of scale may be realized.	Maintain a highly trained workforce with diverse skill sets, providing flexibility in times of need and adaptability to changing infrastructure conditions. Continue the Tree Removal/Planting Program, R&R Sidewalks Program, water and sanitary sewer system upgrade and repairs and Crack-Sealing Program.	Monitor and account for potholes repair and cost per repair.	Weekly review and accountability will be performed to determine efficiency.

Strategic Planning Process

There are several planning processes in place to guide the City in its decision making. Many of these processes allow for direct resident input through public hearings, community meetings, or participation in Council-appointed committees and boards. The City's planning processes includes:

Planning Process	Description
Citywide Vision, Mission, Goals and Values	Set the overall tone of the organization and guides employees in managing the daily operations of the City
Comprehensive Plan	A guide designed to establish development strategies and policies for future growth over the next 10 years. This Plan assesses existing conditions and provides recommendations for land use development, transportation improvement, expansion of the City's economic base, enhanced retail and commercial opportunities, protection of natural resources and connectivity within the City
Water and Sewer Plan	A plan for water and sewer is to be implemented to ensure the health, safety, and welfare of the City residents and provide that existing and future water supply and wastewater disposal needs and infrastructure are met
Capital Improvement Plan	A five year guide to assist in long range planning for the City capital needs. Details of the recommended Capital Improvement plan are found beginning on page 116
Transportation Planning	A plan to assist Prospect Heights in becoming a transit-supportive and connected community by enhancing the existing transportation system to provide balanced priority to transportation facilities and amenities including bike, pedestrian, automobile and public transit.
Fiscal Policy Guidelines	Policies guiding the financial management of the City or Prospect Heights are approved by the City Council to ensure fiscally sound government. The adoption and compliance of these policies is an important factor in Rating Agency reviews. A summary of the City's policies can be found in the Section 12 Supplemental Information
Annual Budget Process	The City Administration works with the Department Directors to develop a recommended budget. Many of the decisions included in the budget are driven by the City's budget process described on page 18-22
Five Year Financial Plan	A five year financial forecast will be developed annually as a tool to anticipate potential budget shortfalls.

Comprehensive Plan Implementation Checklist

Residential Uses

Action Items	Time Line	Related Policies (Applies to all Actions)
Prospect Heights will become a transit-supportive and connected community by enhancing the existing transportation system to provide balanced priority to transportation facilities and amenities including bike, pedestrian, automobile and public transit.	Short-term 0-3 years	Connect schools to residential neighborhoods with complementary uses and sidewalks along corridors.
Review residential zoning regulations for consistency with the Comprehensive Plan vision and identify any needed revisions	Short-term 0-3 years	Maintain generous yards and large single-family lots within existing single-family residential neighborhoods.
Actively market residential opportunity sites within the City to developers and coordinate proposals for new development with the goals of the Comprehensive Plan	Short-term 0-3 years	Preserve existing single-family residential neighborhoods by maintaining the current regulatory framework and providing oversight to new development to ensure it complements the existing neighborhood character.
Acquire properties within areas designated for redevelopment	Mid-term 3-6 years	Partner with municipal, non-profit, private and regional organizations in an effort to identify opportunities for affordable housing and expand the diversity of housing stock.
Identify strategic corridors to create new pedestrian and cycling connections from residential areas to community facilities and schools along arterial streets	Planning for sidewalks: short-term (0-3 years); phased construction: mid-term (3-6 years)	Utilize municipal resources for maintenance and improvement of existing multi-family residential housing units using a combination of incentives to property owners, regulations and enforcement.

Institutional Uses

Action Items	Time Line	Related Policies (Applies to all Actions)
Coordinate with Harper College's strategic plan, encourage growth of the College by creating supportive zoning adjacent to the existing location site and supporting new transportation connections.	Short-term 0-3 years	Encourage institutional growth of Harper College.
Conduct a space utilization and parking needs assessment for each major community institution in the community to determine their future needs	Short-term 0-3 years	Determine the future needs of the School District including an inventory of space, parking, facilities and accessibility needs. Create cohesive and legible connections from schools, libraries and recreational facilities to residential neighborhoods with complementary uses and sidewalks along arterial corridors.
Identify opportunities for an additional library satellite facility within the City	Identify potential location: short-term (0-3 years); begin procurement process: mid-term (3-6 years); construct library: long-term (6-10 years)	Consider creating satellite library facilities to better serve the diverse populations of the City.

Comprehensive Plan Implementation Checklist (continued)

Industrial Uses

Action Items	Time Line	Related Policies (Applies to all Actions)
Create an industrial overlay district surrounding the Chicago Executive Airport to create the regulatory framework for new, high quality businesses to locate in this area.	Short-term 0-3 years	Maintain industrial land uses around the Chicago Executive Airport and encourage industrial infill in underutilized or vacant sites.
Identify opportunities for synergy between new industrial development and the Chicago Executive Airport by working closely with Airport leadership.	Short-term 0-3 years	Provide tools that would allow elected and appointed officials to accurately and effectively evaluate individual industrial redevelopment projects.
Incentivize new industrial developments to use sustainable building and landscaping techniques (such as LEEDS)	Long-term 6-10 years	Encourage sustainable business practices for industrial operators Develop an industrial business park strategy for the area surrounding the Chicago Executive Airport, in cooperation with the adjacent municipality of Wheeling that includes branding, signage and landscape standards.
Conduct a property inventory of industrial parcels using the 'Site Viability Matrix' tool found in the appendix of this document to identify opportunity sites most ready for development or redevelopment.	Short-term 0-3 years	Focus marketing efforts and prioritize the redevelopment of the Arena Land property. Reposition, renovate or demolish obsolete buildings along the Palatine Road corridor to provide opportunities for development consistent with existing industrial land use.

Transportation

Action Items	Time Line	Related Policies (Applies to all Actions)
Coordinate with IDOT to explore resolution to issues associated with modifying the frontage road ramping along Palatine Road to better serve the adjacent land uses, especially the Arena site for industrial development.	Short-term 0-3 years	
Create a master plan, phasing and funding program for sidewalks in the community including prioritization of connections between schools, commercial nodes and recreational areas.	Planning: Short-term (0-3 years); Implementation: Long-term (6-10 years)	Provide a continuous sidewalk network especially along arterial roads, to serve strategic areas of the City.
Explore pedestrian and bicycle improvements within the rights of way along Euclid Avenue and Camp McDonald Road to connect Rob Roy Golf Club and the Woodland Trails Park with the park system east of Milwaukee Avenue and the Des Plaines River.	Planning: Short-term (0-3 years); Implementation: Long-term (6-10 years)	Provide safe on-street and trail connections between the Prospect Heights Bike Trail, the Des Plaines River Trail and other regional trail systems.
Adopt a Complete Streets Policy for any roadway improvement project	Short-term 0-3 years	Implement Complete Streets design objectives to improve the safety, quality, character and mobility of vehicular circulation.
Create a streetscape program for major arterials and include crosswalks, signalization and access to public transportation stops	Mid-term 3-6 years	
Identify funding options to offset construction costs related to improvements in the public right of way	Mid-term 3-6 years	

Image and Identity

Action Items	Time Line	Related Policies (Applies to all Actions)
Create a plan for gateway signage, monuments and wayfinding at entries to the City.	Short-term 0-3 years	Create a community/social gathering space in the City as a part of the symbolic Town Center concept.
Create a marketing plan in coordination with local tourism and business attraction organizations to advertise development opportunities within the City.	Short-term 0-3 years	Create guidelines for a distinct City identity. Highlight districts with a unique character including: the Town Center, Metra Station Area, and Industrial District.
Improve the perception of the City in the region by actively marketing its natural resource and neighborhood assets.	Short-term 0-3 years	Identify Prospect Heights' unique contribution to the region and actively market its assets.
Incentivize property improvements to retail and commercial properties through a façade improvement program, modernization program or maintenance program	Program develop: Short-term (0-3 years); Funding: Mid-term (3-6 years)	Incentivize property improvements for existing business owners to attract additional retail/commercial business.
Improve the community's sense of safety with the installation of additional lighting. Prioritize commercial corridors and areas near schools for additional lighting fixtures.	Short-term 0-3 years	Strengthen existing retail corridors and nodes with beautification, signage, overall maintenance and image improvements.
Create a sense of place by identifying key corridors in the City with branded signage.	Short-term 0-3 years	Create a signage and wayfinding plan including types and locations for signage and signage guidelines.
Leverage the proximity of hotels, restaurants and entertainment adjacent to the Airport by providing travelers with additional amenities such as shuttles, car-sharing or cooperative agreements with businesses and corporations in the area.	Short-term 0-3 years	Partner with Pace and Metra to provide a connected transportation system with community-wide service and strategically located bus shelters.

Economic Development

Action Items	Time Line	Related Policies (Applies to all Actions)
Improve Prospect Heights geo-code and address problems for GPS systems and on-line maps so that customers can find local businesses accurately. Work with the U. S. Postal Service, U.S. Congressman and Senators to have the Prospect Heights ZIP code cover all areas of the City and accurately show Prospect Heights as an address.	Mid-term 3-6 years	Inventory City-wide development opportunities and create a database for interested investors and a strategic plan for real estate promotion.
Host tours for developers and real estate professionals to help market the City to business leaders	Short-term 0-3 years	Market vacant sites with local brokers to match the City goals with potential tenants.
Identify business types and specific businesses that can complement existing ones in the City - specifically retail and commercial uses - and create an attraction strategy for those identified.	Identification of businesses: Short-term (0-3 years); Attraction strategy: Mid-term (3-6 years)	Work with industrial, commercial, residential and retail brokers to market Prospect Heights to prospective companies and residents.
Select a broker to market the Arena site for industrial development.	Short-term 0-3 years	Attract development of an appropriate scale and type to the Arena Land site and Allstate property.
Reach out to existing business owners to identify their areas of concern. Follow-up with the owners as to how the City is addressing their issues.	Short-term 0-3 years	Encourage economic sustainability by discouraging retail spending leakage from the community.

Comprehensive Plan Implementation Checklist (continued)

Economic Development (Continued)		
Develop a comprehensive marketing and branding strategy for the city including websites, brochures, contacts, and available parcel matrix to help better market development opportunities in Prospect Heights	Short-term 0-3 years	Market vacant sites with local brokers to match the City goals with potential tenants.
Research the benefits of different types of public incentives, their suitability for different areas within the city, and analyze the situations in which they might be useful.	Short-term 0-3 years	Support expansion of mixed-use development and redevelopment near the Chicago Executive Airport in order to attract employees, utilize vacant parcels and support local business growth. Opportunities for development include utilization of the Allstate and Arena Land property

Retail and Commercial Uses

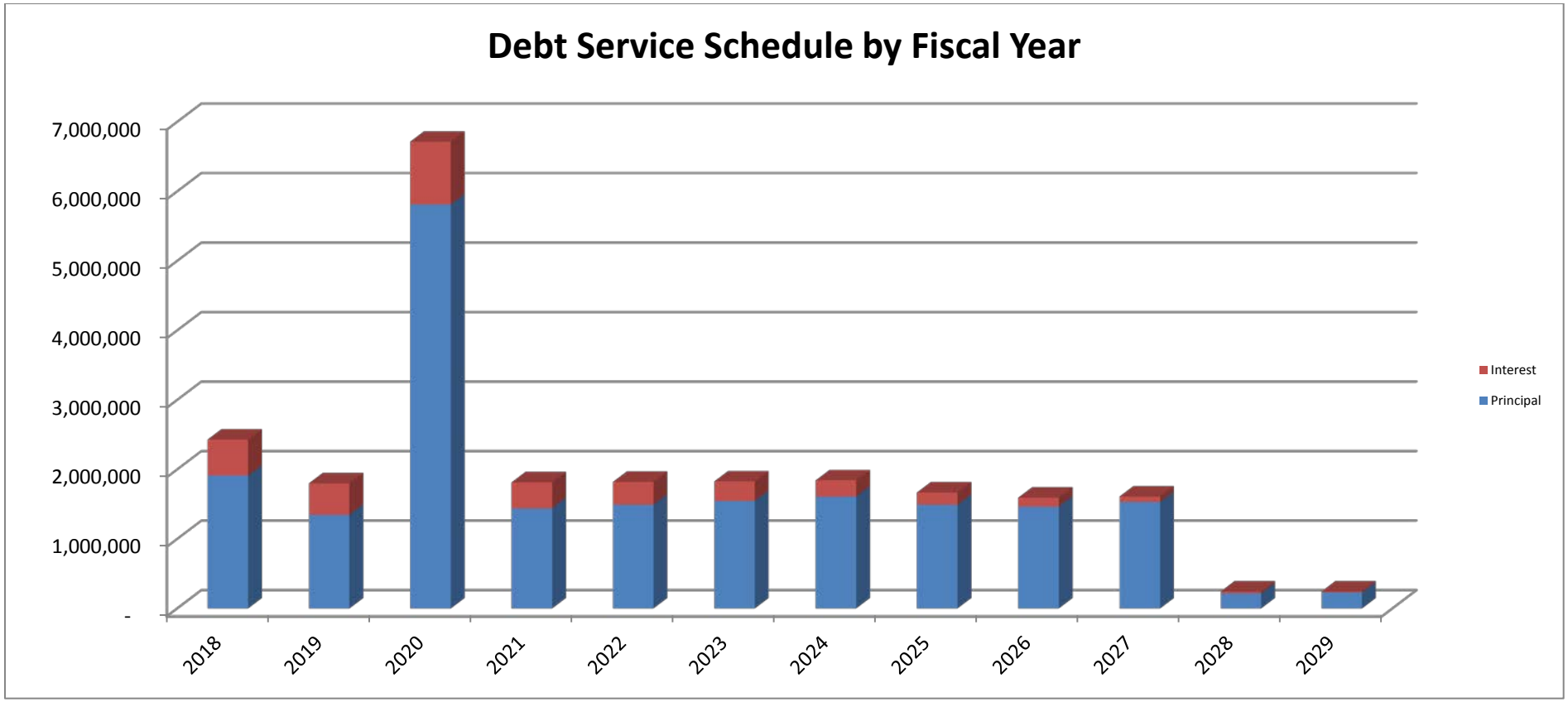
Action Items	Time Line	Related Policies (Applies to all Actions)
Review existing zoning related to commercial uses and create a new designation to allow for mixed-use (retail and residential or retail and office) in strategic areas of the City.	Short-term 0-3 years	Create a mixed-use land use designation and supportive regulatory environment for a more diverse development types.
Create special overlay districts (for example the Town Center or Metra Station Area) to provide the appropriate regulatory framework for new retail developments that meet the goals of the Comprehensive Plan recommendations.	Mid-term (3-6 years)	In the Rand Road commercial corridor, reconfigure outlots to attract and accommodate larger format businesses and mixed-use development.
Develop a 'Town Center Master Plan' for the district located at the intersection of Elmhurst and Camp McDonald Roads to provide a concept for future streetscape improvements, transit connections, branding/signage, building design and redevelopment of strategic parcels. As part of the process discussions with relevant development professionals should be conducted.	Mid-term (3-6 years)	Create a more formalized town center or downtown district in the center of the community near Camp MacDonald Road and Elmhurst Road.
Develop a signage and streetscaping program to give retail/commercial areas an identity and reinforce their importance in the community.	Short-term 0-3 years	Create consistency of character along the commercial corridors of Rand Road, Milwaukee Road and Elmhurst Road.
Assess existing shopping centers for opportunities to develop additional out lot or infill developments to improve the character of arterial streets.	Mid-term (3-6 years)	Analyze existing shopping centers for potential improvements, diversity of retail tenants, community services, pedestrian access, landscaping and provide guidance for fix-up/clean-up strategies.
Identify underutilized commercial parcels in the Palatine Road corridor that would benefit from acquisition and redevelopment.	Mid-term (3-6 years)	Analyze land use designations along major corridors and provide recommendations for future land uses that are conducive to desired development patterns.
Create a system for effectively evaluating new retail and mixed use development projects to support the goals of the Comprehensive Plan	Mid-term (3-6 years)	Provide tools that would allow elected and appointed officials to accurately and effectively evaluate individual redevelopment projects

Natural Resources, Parks and Open Space

Action Items	Time Line	Related Policies (Applies to all Actions)
Identify opportunities for easements and setbacks on private property to allow for greater utilization of existing natural features where additional land would benefit the City the most.	Mid-term (3-6 years)	Identify additional opportunities for open space and parks within residential neighborhoods. Consider creating easements and setbacks for current natural features to allow for public access and greater utilization of these resources.
Create landscape guidelines for public areas that include a maintenance schedule, improvement location and planting zones for landscaping. Guidelines should be coordinated with existing and on-going studies.	Short-term 0-3 years	Create landscape guidelines for streetscapes and trail systems
Foster better communication between the City's public works department and Park District to implement open space and park improvements.	Mid-term (3-6 years)	Coordinate with the City's public works department and Park District to create a strategic plan for improvement of existing open space and park areas as well as to identify additional areas for new open space. Provide better access for pedestrians and cyclists to existing parks and open space.
Identify locations for additional park and open space and create a plan for acquisition, development, maintenance and programming.	Identification of additional land: Short-term (0-3 years); Acquisition and development process: Mid-term (3-6 years)	Always consider the acquisition of land that becomes available adjacent to waterways within the community. The potential for public benefits is great for any land adjacent to the waterways for flood control, water quality enhancement, recreational space, wildlife habitat, community connectivity routes and much more.
Encourage stricter Stormwater controls to include Best Management Practices (BMP's) for all new development. These BMP's could include concepts such as permeable pavement for parking lots/driveways, rain gardens, green roofs, bio swales, naturally vegetated retention basins, ground water infiltration systems, etc.	Short-term 0-3 years	Review the effectiveness of existing stormwater detention systems and investigate opportunities to create additional detention and compensatory storage with in the community.
Adopt a program to protect the existing natural habitat surrounding Hillcrest Lake, McDonald Creek and the Izaak Walton Slough. Coordinate with the Park District and local organizations for project maintenance. Utilize the Natural Resource Commission to assist with identification of habitats. Identify funding resources through the DNR to off-set maintenance costs associated with protection of these areas.	Short-term 0-3 years	Create a long-term strategy to maintain the positive effects of flood impact and stormwater management projects. Continue identification of flood-prone areas and consider future additional remediation and flood control projects.
Accept and enforce the new MWRD Watershed Management Ordinance by incorporating management strategies into the City's operational practices.	Short-term 0-3 years	Create a process to assess potential impact of flood events along major arterials.
Consider expansion of municipal water service. Work with neighboring communities and Northwest Water Commission to provide access to municipal water service for commercial properties by securing membership and continuing conversations on a regular basis with neighboring communities.	Short-term 0-3 years	Recommend a strategy to address integration of a City water system to replace the private well system that includes an assessment of the cost and development impacts, implications to public safety and effect on residential and commercial development in the City.

Debt Position

From time-to-time, the City may use the issuance of long-term debt to further the City's Capital Improvement Program. Long-term debt is used only for capital projects that cannot be financed from current revenue sources. The City accounts for repayment of long term debt in several accounts: The General Fund for the G.O. Debt Certificates, Series 2008, SSA #6 Debt Fund for the Bonds, Series 2009, SSA#8 for Term Note Payable, Development Fund for Term Note Payable, Water Fund for the G.O. Debt Certificates, Series 2010, and Road Construction Debt Fund for the G.O. Debt Certificates, Series 2011A, 2012, and 2013. Total debt outstanding as of April 30, 2018 will be $20,080,000 in principal and $3,517,804 in interest for a total of $23,597,804. Below is a chart depicting the future principal and interest payment of all debt.



Debt Service Schedules

Fiscal Year Ending	Palatine/Milwaukee TIF Load, Series 2004 Issue Date: April 13, 2004 Date of Maturity: December 1, 2019 Amount of Contract: $5,225,000 Interest Rate: 4.40% to 4.90% Interest Payable: 06/01 and 12/01 Principal Payable: Annually on 12/01 Payable to: U.S. Bank, N.A. Funding Source: TIF Increment			G.O. Debt Certificates, Series 2008 Issue Date: March 25, 2007 Date of Maturity: December 15, 2023 Amount of Contract: $2,045,000 Interest Rate: 4.327% Interest Payable: 06/15 and 12/15 Principal Payable: Annually on 12/15 Payable to: Bank of America, N.A. Funding Source: General Fund			Special Service Area #6 Bonds, Series 2009 Issue Date: January 29, 2009 Date of Maturity: December 15, 2028 Amount of Contract: $2,800,000 Interest Rate: 4.00% to 6.25% Interest Payable: 06/15 and 12/15 Principal Payable: Annually on 12/15 Payable to: U.S. Bank, N.A. Funding Source: SSA #6 Taxes		
April 30th	Principal	Interest	Total P&I	Principal	Interest	Total P&I	Principal	Interest	Total P&I
2018	$500,000	$24,500	$524,500	$140,000	$48,030	$188,030	$120,000	$118,503	$238,503
2019	-	-	-	145,000	41,972	186,972	125,000	112,143	237,143
2020	-	-	-	150,000	35,698	185,698	135,000	105,518	240,518
2021	-	-	-	160,000	29,207	189,207	140,000	98,363	238,363
2022	-	-	-	165,000	22,284	187,284	150,000	90,383	240,383
2023	-	-	-	170,000	15,145	185,145	160,000	81,833	241,833
2024	-	-	-	180,000	7,789	187,789	170,000	72,713	242,713
2025	-	-	-	-	-	-	180,000	62,513	242,513
2026	-	-	-	-	-	-	190,000	51,713	241,713
2027	-	-	-	-	-	-	200,000	40,313	240,313
2028	-	-	-	-	-	-	215,000	27,813	242,813
2029	-	-	-	-	-	-	230,000	14,375	244,375
	-	-	-	-	-	-	-	-	-
TOTAL	$500,000	$24,500	$ 524,500	$1,110,000	$200,124	$1,310,124	$2,015,000	$876,178	$2,891,178

Debt Service Schedules (continued)

Fiscal Year Ending	Note Payable - SSA #8 Issue Date: May 1, 2013 Date of Maturity: April 30, 2018 Amount of Contract: $400,000 Interest Rate: 2.5% Interest Payable: 10/13 and 4/30 Principal Payable: Annually on 12/15 Payable to: City of Prospect Heights Funding Source: SSA #8 Taxes			G.O. Debt Certificates, Series 2010 Issue Date: July 1, 2010 Date of Maturity: December 15, 2024 Amount of Contract: $800,000 Interest Rate: 4% to 5.2% Interest Payable: 06/15 and 12/15 Principal Payable: Annually on 12/15 Payable to: U.S. Bank N.A. Funding Source: Water Fund			G.O. Debt Certificates, Series 2011A Issue Date: June 29, 2011 Date of Maturity: December 15, 2026 Amount of Contract: $5,000,000 Interest Rate: 2.5% TO 4.0% Interest Payable: 06/15 and 12/15 Principal Payable: Annually on 12/15 Payable to: U.S. Bank N.A. Funding Source: Road Construction Taxes		
April 30th	Principal	Interest	Total P&I	Principal	Interest	Total P&I	Principal	Interest	Total P&I
2018	$ 100,000	2,500	$102,500	$55,000	$23,310	$78,310	$305,000	$138,075	$443,075
2019				55,000	21,110	76,110	315,000	128,925	443,925
2020				60,000	18,910	78,910	325,000	119,475	444,475
2021				60,000	16,390	76,390	340,000	108,100	448,100
2022				65,000	13,750	78,750	355,000	96,200	451,200
2023				70,000	10,760	80,760	370,000	82,000	452,000
2024				70,000	7,400	77,400	390,000	67,200	457,200
2025				75,000	3,900	78,900	410,000	51,600	461,600
2026							430,000	35,200	465,200
2027							450,000	18,000	468,000
2028									
2029									
TOTAL	$ 100,000	2,500	$102,500	$ 510,000	$ 115,530	$625,530	$ 3,690,000	$ 844,775	$4,534,775

Debt Service Schedules (continued)

Fiscal Year Ending	Note Payable - Development Fund Issue Date: January 25, 2016 Date of Maturity: April 30, 2020 Amount of Contract: $4,415,000 Interest Rate: 2.5% Interest Payable: 1/25 Principal Payable: 4/30/2020 Payable to: City of Prospect Heights Funding Source: TIF Revenue/Sale of Land			G.O. Debt Certificates, Series 2012 Issue Date: February 28, 2012 Date of Maturity: December 15, 2026 Amount of Contract: $5,000,000 Interest Rate: 2.0% to 2.5% Interest Payable: 06/15 and 12/15 Principal Payable: Annually on 12/15 Payable to: U.S. Bank N.A. Funding Source: Road Construction Taxes			G.O. Debt Certificates, Series 2013 Issue Date: April 30, 2013 Date of Maturity: December 15, 2026 Amount of Contract: $5,000,000 Interest Rate: 2.0% to 2.5% Interest Payable: 06/15 and 12/15 Principal Payable: Annually on 12/15 Payable to: U.S. Bank N.A. Funding Source: Road Construction Taxes		
April 30th	Principal	Interest	Total P&I	Principal	Interest	Total P&I	Principal	Interest	Total P&I
2018	-	-	-	$325,000	$ 81,128	$406,128	$365,000	$82,533	$447,533
2019	-	-	-	335,000	74,628	409,628	370,000	75,233	445,233
2020	$4,415,000	$488,792	$ 4,903,792	345,000	67,928	412,928	380,000	67,833	447,833
2021	-	-	-	355,000	61,028	416,028	385,000	60,233	445,233
2022	-	-	-	365,000	53,928	418,928	390,000	52,533	442,533
2023	-	-	-	375,000	46,628	421,628	400,000	44,733	444,733
2024	-	-	-	390,000	39,128	429,128	410,000	36,733	446,733
2025	-	-	-	405,000	30,353	435,353	420,000	28,533	448,533
2026	-	-	-	415,000	20,835	435,835	430,000	20,133	450,133
2027	-	-	-	435,000	10,875	445,875	445,000	10,458	455,458
2028	-	-	-				365,000	82,533	447,533
2029	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
TOTAL	$4,415,000	$ 441,500	$4,856,500	$ 3,745,000	$ 486,455	$4,231,455	$3,995,000	$ 478,950	$4,473,950

Debt Service Schedules (continued)

Fiscal Year Ending	CITY OF PROSPECT HEIGHTS ALL ISSUES – COMBINED TOTAL DEBT		
April 30th	Principal	Interest	Total P&I
2018	$1,910,000	$518,577	$2,428,577
2019	1,345,000	454,009	1,799,009
2020	5,810,000	904,153	6,714,153
2021	1,440,000	373,320	1,813,320
2022	1,490,000	329,077	1,819,077
2023	1,545,000	281,097	1,826,097
2024	1,610,000	230,961	1,840,961
2025	1,490,000	176,898	1,666,898
2026	1,465,000	127,880	1,592,880
2027	1,530,000	79,645	1,609,645
2028	215,000	27,813	242,813
2029	230,000	14,375	244,375
TOTAL	$20,080,000	$3,517,804	$23,597,804

Fund Balance Projections by Fund

The fund balance is the fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues and expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.

The City of Prospect Heights uses cash and investments as a proxy for fund equity in the enterprise funds. The following table depicts the proposed revenues and expenditures by fund for the FY 2017-18 Budget, with surplus (deficit) shown for each fund.

Fund	Estimated Balance 4/30/17	FY2017-2018 Revenue	FY2017-2018 Expenditures	Excess of Revenue over Expenditures	Fund Balance 4/30/18	Reserve Assigned Restricted Funds	Available Funds
General Fund	$ 13,920,787	$ 8,994,604	$ 9,756,569	$ (761,965)	$ 13,158,823	$ 13,158,823	
Special Revenue Funds							
Motor Fuel Tax	597,208	420,781	432,600	(11,819)	585,389	585,389	-
Palatine/Milwaukee TIF Fund	(355,458)	295,994	530,890	(234,896)	(590,354)	(590,354)	-
Tourism District Fund	141,966	876,424	824,045	52,380	194,345	194,345	-
Development Fund	-	-	-	-	-	-	-
DEA Seizure Fund	92,936	-	168,261	(168,261)	(75,325)	(75,325)	-
Solid Waste Fund	504,853	460,200	439,607	20,593	525,446		525,446
SSA #1	(98,607)	28,400	24,277	4,123	(94,484)	(94,484)	-
SSA #2	43,411	43,400	25,251	18,149	61,560	61,560	-
SSA #3	340,361	25,100	36,926	(11,826)	328,534	328,534	-
SSA #4	33,284	42,400	27,213	15,187	48,471	48,471	-
SSA #5	58,616	64,635	53,540	11,095	69,711	69,711	-
SSA #8	(153,740)	218,650	288,779	(70,129)	(223,869)	(223,869)	-
Debt Service Fund				-			
Road Construction	785,811	1,297,935	1,325,236	(27,301)	758,510	758,510	-
SSA #6	177,103	238,553	262,353	(23,800)	153,303	153,303	-
Enterprise Funds				-			-
Water Fund	1,162,230	865,134	1,137,469	(272,335)	889,894	889,894	-
Sanitary Sewer Fund	(468,666)	64,000	118,466	(54,466)	(523,132)	(523,132)	
Parking Fund	(295,063)	673,125	923,721	(250,596)	(545,659)	(545,659)	-
Fiduciary Funds				-			
Police Pension Fund	13,363,836	1,276,584	809,244	467,340	13,831,176	13,831,176	-
Total Funds	$ 29,850,867	$ 15,885,919	$ 17,184,447	$ (1,298,528)	$28,552,340	$ 28,026,894	$525.446

Section 5

General Fund Summary and Detail

- General Fund
- City Council and Boards
- Administration
- Engineering
- Building Department
- Public Works
- Public Safety
- Reimbursable Expense
- Grants
- Debt Service
- Notes Receivable
- Capital Outlay

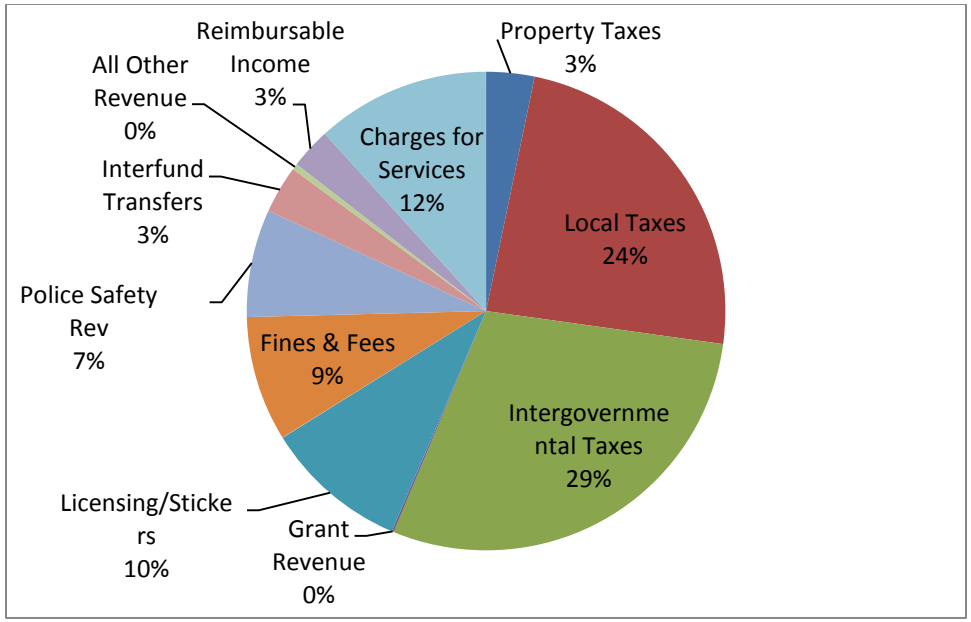
General Fund Summary and Detail

General Fund

The City of Prospect Heights is a non-home rule municipality without a citywide general property tax. The General Fund Revenue Budget for FY2017-2018 is $8,994,604 representing a decrease from the prior year. The City derives the majority (29%) of its revenue in the General fund from Intergovernmental Taxes, Local Taxes (24%), and Charges for Services (12%). Intergovernmental taxes include Sales tax, Use tax, Income tax, and Personal Property Replacement tax, and Glenview Shared Revenue. Local Taxes include the, utility taxes (telephone, electricity, and natural gas), auto rental tax, Road & Bridge tax, hotel tax, and Places for Eating Tax. Real Estate Taxes includes the Police Pension property tax. Aside from taxes, the City obtains funding for its general operations by charging for services provided to the public, for licenses and permits, for special police details, and by charging other funds in the City for internal services provided by administration, finance, building and public works staff. In addition, the City receives, to a lesser degree, funding from police fines and forfeits.

The City's ability to increase its revenues in the General fund is limited, since the majority of its revenues are linked either to its population or its ability to develop new sales-generating businesses. As a mature community, few parcels exist for construction of new residential properties, which would increase the population and population-based tax receipts. The majority of the residential construction will be limited to renovations, additions and the occasional new construction. For the same reasons, opportunities for new commercial sales-generating construction will be limited.

For more detailed description on revenues and assumptions refer to Section 4 Executive Overview.



General Fund Revenues

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-105-3000	REAL ESTATE TAXES	$290,090	$287,064	$293,093	Adjusted for the CPI as of December 2016 is 2.1%
01-105-3005	USE TAX	377,196	382,016	411,277	IML projection is at $25.30 per capita
01-105-3006	NON-HOME RULE SALES TAX	271,344	269,114	269,114	Flat sales tax growth
01-105-3010	UTILITY - ELECTRIC	366,375	369,000	369,000	Based upon $.07572 kilowatt - pricing is anticipated to remain flat
01-105-3011	UTILITY - NATURAL GAS	136,003	103,466	103,466	Warmer weather in FY2016-17 & FY2015-16 than 2014-15 reflects lower revenues - conservative budget amount will reflect prior year budget
01-105-3012	UTILITY- TELEPHONE	416,601	365,000	365,000	Prior year Telecom receipts declined as consumers continue to switch from landline telecommunications services to cellular phones and data plans, the latter of which are preempted from state taxation by federal law. Decline expected to plateau.
01-105-3030	ROAD & BRIDGE TAXES	32,020	31,115	31,769	Adjusted for the CPI as of December 2016 is 2.1%
01-105-3040	RENTAL CAR TAXES	19,028	16,744	16,744	Flat projections based upon a 12% renting tax rate
01-105-3050	PLACES FOR EATING TAX	306,113	300,000	300,000	Trending same as prior year
01-105-3060	HANDLE TAX - OTB	78,939	132,700	132,700	Revenues stabilizing and projected to be the same as prior year budget
01-105-3065	VIDEO GAMING TAX	134,611	150,000	150,000	Averaging $12,500/mth excludes one liquor license
01-105-3070	AMUSEMENT TAX	6,439	4,800	4,800	3% of admission fees, participation fees, viewing fees, or other to gain admittance or access to viewing of amusement - Estimated to remain flat
	Total Local Taxes	**$2,434,757**	**$2,411,020**	**$2,446,963**	
01-110-3100	INCOME TAXES	$1,662,975	$1,666,240	$1,641,856	IML projection is at $101 per capita
01-110-3101	PERSONAL PROPERTY REPLACE TAX	1,760	1,408	1,327	IML projection 5.77% decline
01-110-3110	SALES TAXES	828,942	831,788	831,788	Flat sales tax growth
01-110-3111	GLENVIEW SHARED REVENUE	18,144	17,500	18,000	Based upon prior two years of revenue. Conducting a review and analysis of the revenue by conducting an audit..
01-110-3113	AIRPORT SHARING REVENUE	137,678	129,773	125,000	City sharing Hawthorne Hanger
	Total Intergovernmental Taxes	**$2,649,498**	**$2,646,709**	**$2,617,971**	

General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-115-3210	GRANT - VOCA	$55,265	$64,067	$-	Grant revenue for Victims of Crime Assistance - Funds may not be available
01-115-3213	GRANT - STEP	1,830	8,000	8,000	Will be participating for the remaining for the calendar yr
01-115-3216	GRANT - GREEN REGION	-	-	-	None anticipated
01-115-3244	GRANT-JAG NON-STIMULUS	29,786	-	-	None anticipated
01-115-3246	GRANT-POLICE EQUIPMENT	2,607	1,700	1,700	4 Vest, tactical vest
01-115-3247	GRANT - POLICE TOBACCO	81	3,960	2,012	Two grant years received in FY2016-17; therefore, one included in this budget
	Total Grant Revenue	**$89,569**	**$77,727**	**$11,712**	
01-120-3300	VEHICLE STICKERS	$642,668	$630,000	$630,000	110 antique/rv @$25, 50 Disabled @ $30, 8,000 Passenger @$70, 150 Motorcycles @ $35, 575 Truck B @ $90, 30 Truck D @130, 19 Truck F @ $170, and 8 Truck H @$210
01-120-3310	VEH. STICKERS SENIORS	46,679	41,250	41,250	1,375 Senior Stickers @ $30
01-120-3320	VEH. STICKERS LATE FEES	37,295	30,000	30,000	Less residents paying late - projected at current levels
01-120-3321	VEH. STICKERS TRANSFERS	2,485	2,500	2,500	250 transfers @ $10
	Total Vehicle Stickers	**$729,127**	**$703,750**	**$703,750**	
01-120-3342	LICENSES - ANIMALS	$12,698	$10,800	$10,800	900 pets @12 per pet
01-120-3343	LICENSES - LIQUOR	75,400	74,575	74,575	Class A: 4 @ $3,300 = $16,500,Class A-2: 1 @ $4,400 = $4,400, Class A-3: 1 @ $4,000 = $4,000, Class B: 7 @ $2,200 = $15,400, Class B-1: 3 @ $1,925 = $5,775, Class B-2: 1 @ $2,200 = $2,200, Class C: 3 @ $3,300 = $9,900, Class C-1: 5@ $1,650 = $8,250, Class C-2: 1 @ $3,300 = $3,300, Class C-3-1 1@$1,650 = $1,650; Class SB: 1@$440 = $440.
01-120-3344	LICENSES - BUSINESS	51,451	51,187	51,187	No change to current business fees
01-120-3345	LICENSES - COIN OPERATED	61	-	-	Moved to business licenses
01-120-3346	LICENSES - CONTRACTORS	30,500	20,000	20,000	200 Licensed Contractors at $100 each

General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-120-3348	LICENSE - AGREEMENTS	-	12,000	12,000	License Fees
	Total Licenses	**$170,109**	**$168,562**	**$168,562**	
01-125-3350	CABLE FRANCHISE FEES	$220,673	$220,000	$220,000	Same as FY2016-2017 Budget
01-125-3355	SOLID WASTE FRANCHISE FEES	100,417	100,000	100,000	Same as FY2016-2017 Budget
01-125-3360	NATURAL GAS FRANCHISE FEES	24,160	24,500	24,500	Same as FY2016-2017 Budget
	Franchise Fees	**$345,249**	**$344,500**	**$344,500**	
01-130-3400	BUILDING PERMITS	$350,782	$205,000	$185,000	General Permits $175,000 flat,Thorntons $10,000
01-130-3402	PUBLIC HEARING FEES	3,550	2,600	2,500	Flat (6 variances @$150, 4 Special Use @ $400)
01-130-3403	ELEVATOR INSPECTION FEE	7,184	4,600	5,100	51 Elevators @ $100 ea (5 new elevators added this yr)
01-130-3404	CERT. OF OCC. INSPECTG FEES	1,200	500	500	10 certificates of occupancy
01-130-3405	HEALTH INSPECTION FEE	-	500	500	10 Re-inspections @ $50 ea
01-130-3406	COMMERCIAL INSPECTION FEE	9,105	7,250	7,250	150 x $40 & 50 x $25
01-130-3407	ENGINEERING PERMIT FEES	-	3,000	2,000	Less major projects expected with separate eng permits
01-130-3410	BUILDING RE-INSP. FEE	700	500	500	10 Re-inspections @ $50 each
01-130-3411	RENTAL INSPECTION FEE	229,720	187,500	212,500	1,700 inspections @100.00 plus license @$25
	Total Building & Development Fees	**$602,240**	**$411,450**	**$415,850**	
01-140-3500	TRAFFIC FINES	$417,277	$300,000	$300,000	Moving violations and RedSpeed Revenue $23,300 per month RedSpeed and $20,000 Circuit Court Collection - Anticipated RedSpeed plateau as less repeat offenders
01-140-3505	ORDINANCE & PARKING FINES	266,440	225,000	250,000	Vehicle enforcement program should bring in extra revenue
01-140-3510	LIQUOR FINES	2,000	100	100	One projected
01-140-3515	VEHICLE SEIZURE FEE	71,500	69,000	60,000	120 seizures @500 each
01-140-3520	DUI ASSESSMENTS	10,452	8,600	8,000	Based upon current projected actuals
01-140-3525	POLICE ALARM LICENSES & FEES	16,761	11,000	11,000	Flat
	Total Public Safety Fines & Fees	**$784,430**	**$613,700**	**$629,100**	

General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-145-3550	POLICE REVENUE-NARCOTICS	$14,531	$6,825	$-	None anticipated
01-145-3551	POLICE REVENUE-TASK FORCE	18,630	16,000	16,000	Same as last year - overtime for Federal (DEA)
01-145-3552	POLICE REV-ABANDENED PROP EVID	13	100	100	None anticipated
01-145-3553	POLICE REVENUE-SPECIAL DETAILS	37,876	10,000	7,000	Park District, PABCOR, Etc.
01-145-3554	POLICE REVENUE - GAMING TAX	2,786	2,500	2,500	same as prior year
01-145-3555	POLICE REVENUE - SEIZED ASSETS	5,858	3,150	-	None anticipated
01-145-3560	POLICE REVENUE - PROPERTY	-	-	-	None anticipated
	Total Public Safety Special Revenue	**$79,694**	**$38,575**	**$25,600**	
01-150-3611	MFT FUND SERVICE CHARGE	$179,770	$266,100	$152,600	Based upon the OMB Super Circular - allows a 10% de minimus rate
01-150-3612	TIF SERVICE CHARGE	73,510	60,100	-	Due to lack of funds available in the TIF, no service charges will be billed
01-150-3613	CVB/TOURISM SERVICE CHARGE	65,180	72,000	70,700	Accounting, B&Z, PW time and O/H
01-150-3617	SOLID WASTE SERVICE CHARGE	121,490	123,000	126,000	Accounting, B&Z, PW time and O/H
01-150-3621	SSA #1 SERVICE CHARGE	32,840	25,700	21,800	Accounting, B&Z, PW time and O/H
01-150-3622	SSA #2 SERVICE CHARGE	33,360	27,500	23,000	Accounting, B&Z, PW time and O/H
01-150-3623	SSA #3 SERVICE CHARGE	46,950	42,600	32,900	Accounting, B&Z, PW time and O/H
01-150-3624	SSA #4 SERVICE CHARGE	33,340	27,400	25,200	Accounting, B&Z, PW time and O/H
01-150-3625	SSA #5 SERVICE CHARGE	47,460	44,500	35,400	Accounting, B&Z, PW time and O/H
01-150-3626	SSA #6 SERVICE CHARGE	27,204	-	-	Accounting, B&Z, PW time and O/H
01-150-3628	SSA #8 SERVICE CHARGE	71,660	74,000	57,700	Accounting, B&Z, PW time and O/H
01-150-3641	ROAD CONST DEBT - SERV CHRG	-	23,700	21,400	Accounting, B&Z, PW time and O/H
01-150-3646	SSA #6 - DEBT SERVICE CHARGE	-	20,400	19,800	Accounting, B&Z, PW time and O/H
01-150-3651	WATER FUND SERVICE CHARGE	194,650	224,000	242,000	Accounting, B&Z, PW time and O/H
01-150-3652	PARKING FUND SERVICE CHARGE	23,170	27,000	31,000	Accounting, B&Z, PW time and O/H
01-150-3653	SEWER SERVICE CHARGE	65,600	175,000	197,000	Accounting, B&Z, PW time and O/H
	Total Interfund Service Charges	**$1,016,184**	**$1,233,000**	**$1,056,500**	
01-155-3700	EMPLOYEE SALARY REIMBURSE	53,524	56,206	67,110	Crossing Guards exp 80 hrs for 19 periods @ $22-27 per hr + fringe benefits and O/H expenses & Worker's Comp
01-155-3701	EMPLOYEE EXPENSE REIMBURSE	3,088	41,668	80,039	Employee/Elected official reimbursement to the City

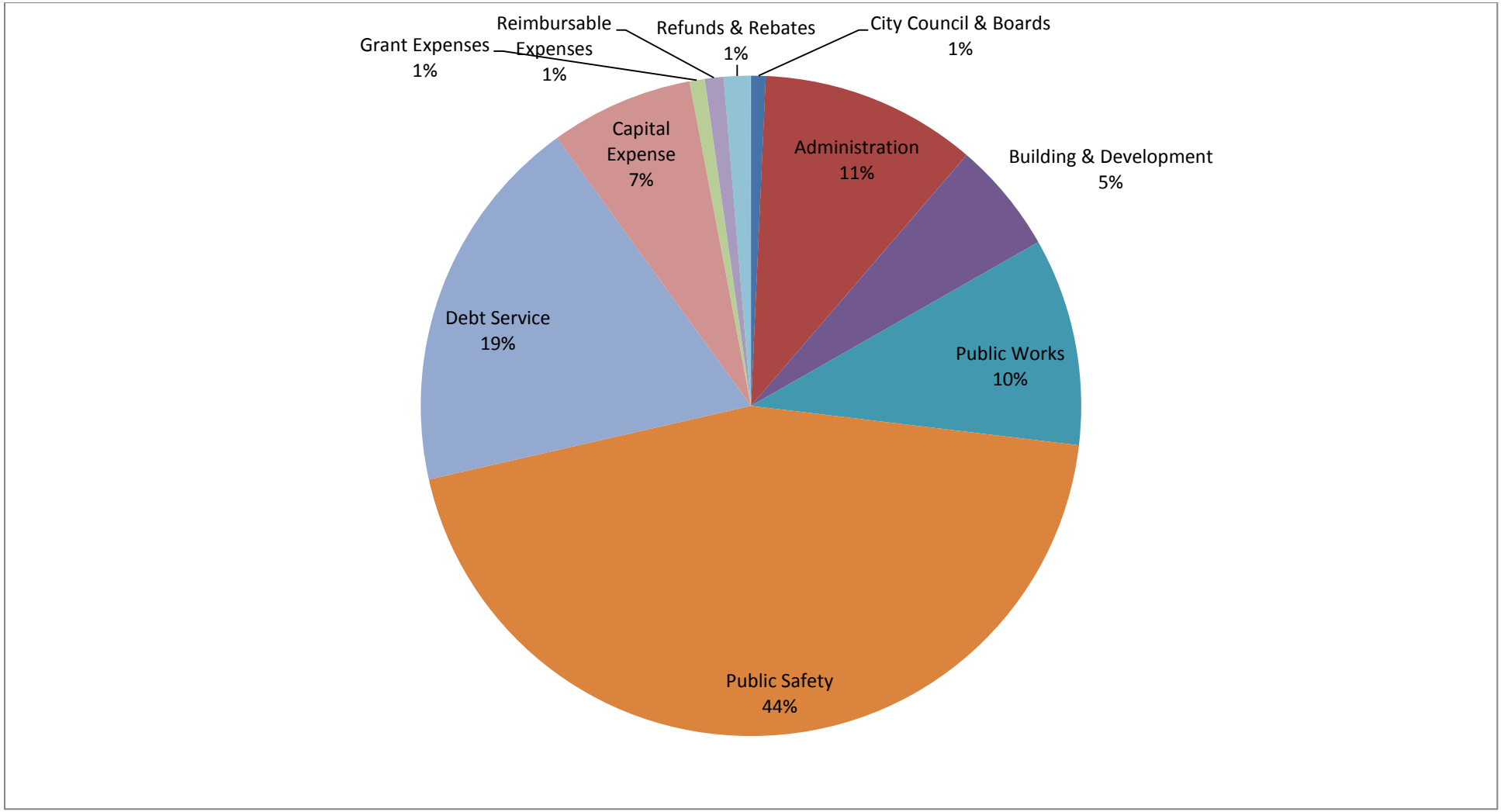
General Fund Revenues (continued)

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-155-3702	EMPLOYEE INS. REIMBURSEMENT	53,524	56,206	67,110	All employees are required to pay 10% of their health insurance & dental insurance premiums, except for employees who are members of the Union Local 150
01-155-3703	RETIREE HEALTH INS REIMBURSE	3,088	41,668	80,039	9 dental and 5 medical
01-155-3720	FIRE DISTRICT GAS REIMB.	6,648	7,000	7,000	Gas prices anticipated to remain flat
01-155-3721	PARK DISTRICT REIMBURSEMENT	2,468	-	-	None anticipate
01-155-3730	INSURANCE REIMBURSEMENTS	102,898	4,637	40,000	None projected
01-155-3741	BUILDING & ENG DEPT REIMB FEES	5,904	100	100	All costs will be billed through the permit if possible
01-155-3743	PUBLIC WORKS REIMB FEES	2,699	-	7,500	50/50 tree program - reimbursement from residents
01-155-3744	ADMIN REIMBURSABLE FEES	1,219	-	-	None anticipated
01-155-3745	PUBLIC SAFETY REIMURSABLE FEES	4,292	-	-	None anticipated
	Total Reimbursable Income	**$229,710**	**$151,874**	**$248,686**	
01-160-3800	INTEREST INCOME	$19,656	$15,000	$16,734	Fund balance lower due to pay down of Arena Land Debt offset by higher rates
01-160-3801	INTEREST INCOME - DEBT	4,500	2,250	1,125	SSA #8 Interest on Line of Credit 2.25% on $00,000
01-160-3805	NOTE PAYABLE - PRINCIPAL PYMT	-	-	-	Principal payment for SSA #8 Note Payable - not anticipated for this year
01-160-3810	NEWSLETTER ADVERTISING	4,150	3,500	3,500	Flat
01-160-3811	BUS SHELTERS AD REVENUE	2,111	2,000	2,000	Flat
01-160-3815	SPONSORSHIP & CONTRIBUTIONS	6,814	6,000	7,000	Mayor's Breakfast table sponsorship and admissions and Natural Resource Commission intern donation
01-160-3820	SALE OF CITY PROPERTY	-	9,800	5,500	1 ton dump truck $3,000, 1 car $2,500
01-160-3830	GASOLINE REBATE	1,678	900	900	Flat
01-160-3840	AIRPORT MEETING FEES	10	-	-	None anticipated
01-160-3899	MISCELLANEOUS INCOME	15,428	5,500	-	To be conservative none anticipated
	Total Other Revenues	**$54,347**	**$44,950**	**$36,759**	
01-200-3990	INTERFUND TRANSFER IN	$389,764	$288,651	$288,651	Police Reimbursement for Tourism District
	General Fund Total Revenues	**$9,574,681**	**$9,134,468**	**$8,994,604**	

General Fund Expenditures

The General Fund Expenditures for FY2017-2018 total $9,756,569 which represents a $533,288 increase from the prior fiscal year budget. The General Fund budget includes expenses for the following departments: City Council & Boards, Administration, Public Safety, Public Works, Engineering, and Building and Development. The expenditures also include capital expenses, debt expense, public safety special revenue expenses, reimbursable expenses, refunds and rebates, and grant expense.

Below is a breakdown of expenses:



Board and Commissions

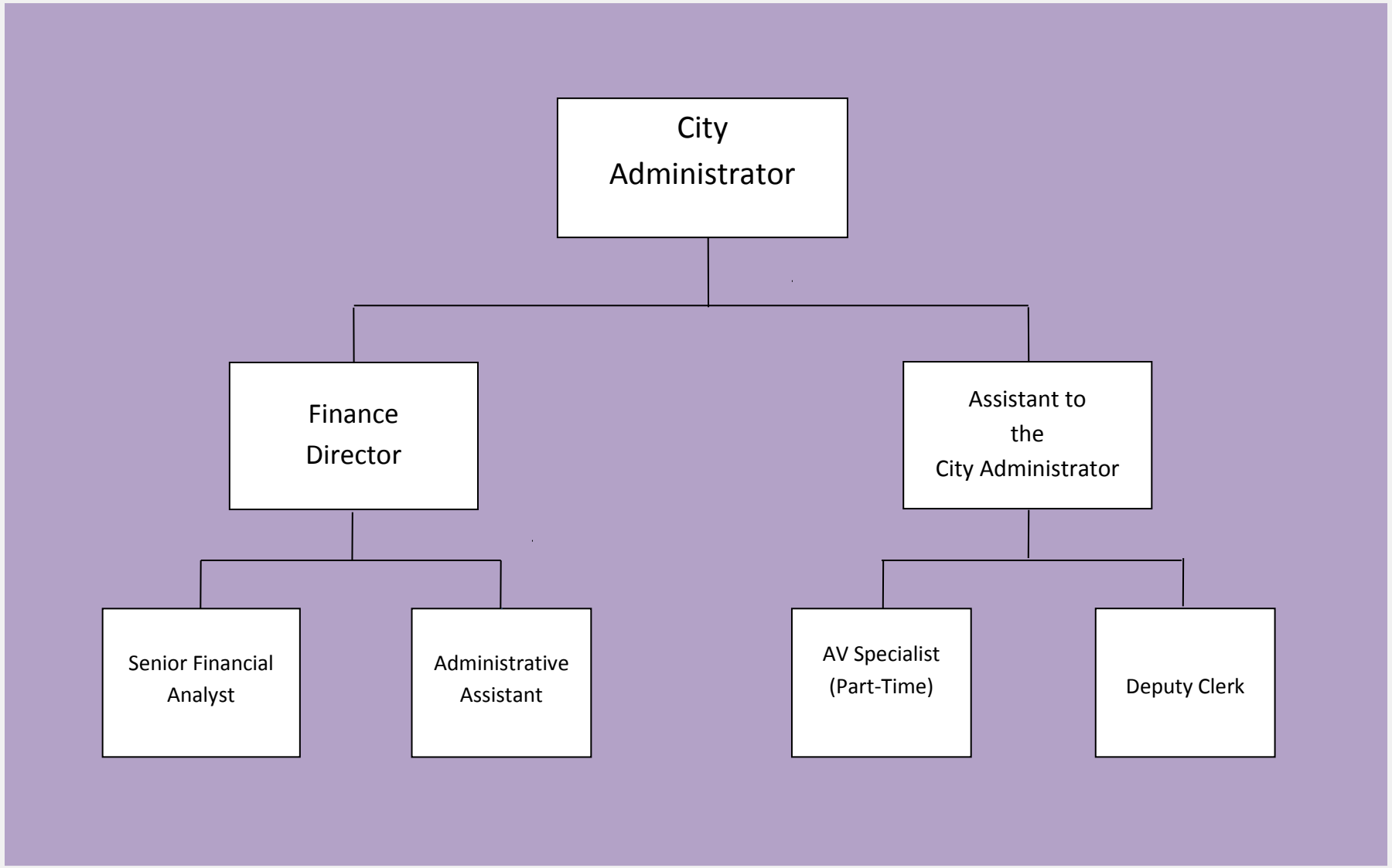
Legislative

The objective of the City Council is to assure the community efficient and economical government service, and to establish policy and enact ordinances that protect the health, safety and welfare of the City residents. The Mayor is elected at large and the City Council members are elected by ward and each serves a four year term of office. The Council establishes the vision and direction for the City, and coordinates through the City Administrator who is responsible for carrying out the policy and overseeing the day-to-day operations of the City.

The City has eight elected officials, ten paid individuals that service on Boards and Commissions. There are five Aldermen that represent the five wards within the City. The City commissions, committees and boards are composed of residents appointed by the City Mayor and with the consent of the City Aldermen. Expenditure budgeted for FY2017-2018 in the amount of $84,585. The expenditures are detailed below:

General Ledger #	General Ledger Acct Description	Actuals 2014-2015	Amended Budget 2016-2017	Budget 2017-2018	Description
01-310-4000	WAGES	$28,720	$34,320	$34,320	Council - $27,000 Police & Fire - 20 meeting @$100 PZBA 14 meetings @$380
01-310-4200	SOCIAL SECURITY	1,659	1,674	1,674	Salary Increases
01-310-4210	MEDICARE	388	391	391	Salary Increases
01-310-5100	PROFESSIONAL SERVICES	1,292	2,000	2,000	Equipment repairs
01-310-5300	ALDERMANIC EXPENSES	2,330	4,300	4,300	Conferences and Travel
01-310-5310	MEMBERSHIPS	10,493	12,000	12,000	Illinois NATOA - AV society, IL Municipal League, NW Municipal Conference
01-310-5330	TRAINING	707	400	400	AV training
01-310-5950	SPECIAL EVENTS	15,632	16,500	19,500	Community Breakfast $2,000, $1,500 Community Days, $10,000 Block party amount - 50% of expenses with Park District, July 3rd event $3,000, Water Committee request $3,000
01-310-5955	CONTRIBUTION TO ORG	-	-	-	None anticipated
01-310-7020	EQUIPMENT	11,183	22,000	10,000	TV/Video Monitors, Audio Speakers and integrated adapters for display devices and microphones - $2,500; Control Room Computer for Playout Preview and Editing - $4,000; External PA Speakers and Stands - $1,500; Canon camera 18mm x 200mm zoom lens - $700; Wireless microphone and receiver, Misc. Adapters, Cables, and Converters - $1,300
01-310-7025	SOFTWARE	-	-	-	None anticipated
	TOTAL CITY COUNCIL & BOARDS	**$72,404**	**$93,585**	**$84,585**	

CITY OF PROSPECT HEIGHTS, ILLINOIS
Organizational Chart – Administration
April 30, 2017



Administration
The Administration Department includes the City Administrator, Finance Director, Assistant to the City Administrator, Deputy Clerk, Financial Analyst, AV Specialist and an Administrative Assistant.

City Administrator
The City Administrator provides general management, staff leadership, and administrative review and oversight to all City departments. The City Administrator's work includes:

- Supervision, coordination and evaluation of all departmental activities and responsibilities;
- Analysis and policy recommendations concerning land use and development proposals, zoning and development regulations and transportation issues;
- Participation in activities of community organization, other governmental agencies and the private sector to represent the City and provide information and assistance;
- Research and development of new or improved management systems;
- Staff support to designated standing and adhoc commissions and committees;
- Coordination of communications with the community, including residents, businesses and other organizations, concerning City programs and policies.
- Human resource function which is structured to provide support to all City departments, including but not limited to recruitment, selection, training, promotion and retention of quality employees; compensation and benefit program administration; employee labor relations; collective bargaining negotiation and management of current labor agreements; policy administration and interpretation, and employee recognition program.

Finance
The Finance Department is established to provide the City with a wide range of financial, analytical, and administrative tasks.

- Control of City's financial operations including accounting, banking, billing and collections, and treasury management;
- Development of an annual budget, working with the city administrator and other city department heads and with the approval of the City Council;
- Preparation of the Comprehensive Annual Financial Report (CAFR);
- Assurance that the City's financial systems meet GASB, GAAP and other appropriate standards.
- Assist in the development, maintenance and audit of the accounting systems.
- Oversee investment portfolios of the City.

Assistant to the City Administrator
The Assistant to the City Administrator is responsible for payroll, general services, newsletter, license administration, and general accounts receivable.

The Deputy Clerk
The Deputy Clerk is responsible for statutory administrative services.

Accounting Analyst
The Accounting Analyst is responsible for the general bookkeeping, water billing and accounting of the City.

Audio Visual Specialist (AV Specialist)
The AV Specialist is responsible for taping all City Board meetings and events.

Administrative Assistant
The Administrative Assistant is responsible for cash receipting responsibilities.

Legal

The City Attorney provides legal service and advice to the City's staff, Council, Commissions, Committees, and Boards on a variety of legal matters pertaining to City operations. The City Attorney attends City Council meetings and is available for staff conferences as needed. Additional funds are budgeted for legal costs incurred by specific research, ordinance preparation, contracts and litigation. The City also receives legal service from the City Prosecutor to represent the City's interest in court and a Labor Attorney to represent the City in union negotiations and other labor issues.

Budget Analysis

The Administration Department FY2017-2018 budget is $19,886 less than the prior year budget.

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-320-4000	WAGES	$427,437	$459,255	$466,703	Salary Increases - All employees considered full-time & includes salary for City Administrator & Assistant City Administrator for 12 months, Intern paid through donation
01-320-4003	WAGES - PART-TIME	21,420	23,690	24,401	AV technician
01-320-4010	OVERTIME	-	1,000	1,000	Emergency for Vehicle Sticker sales
01-320-4100	HEALTH INSURANCE	41,976	43,701	46,083	10% increase over last year
01-320-4110	LIFE INSURANCE	373	394	394	Life insurance based upon salaries
01-320-4200	SOCIAL SECURITY	26,124	29,943	27,752	Salary Increases
01-320-4210	MEDICARE	6,410	7,003	6,938	Salary Increases
01-320-4220	IMRF	55,304	57,735	59,259	IMRF 13.03% CY 2016 and 14.00% in CY2017
01-320-5100	PROFESSIONAL SERVICES	35,972	75,000	25,000	Codification maintenance of City Code, SEC Disclosure Requirements, EOC Building Improvements. Last year included downtown evaluation
01-320-5101	AUDIT	15,655	18,786	22,543	City Audit & GASB 45 audit expense
01-320-5120	CITY ATTORNEY	70,667	110,000	110,000	Prior year amount
01-320-5121	HOUSING ATTORNEY	12,000	13,200	13,200	$1,100 per month *12 month Contract
01-320-5122	CITY PROSECUTOR	22,160	24,000	24,000	RedSpeed and Ordinance Violations $2,000 for attorney and Court reporter
01-320-5123	LABOR ATTORNEY	16,452	75,000	75,000	Police contract negotiations
01-320-5125	BILLABLE ATTORNEY	4,536	3,000	3,000	Estimated base prior two year average
01-320-5130	COMPUTER CONSULTANT	58,854	72,000	72,000	Protecting and Improving current system $6000/month
01-320-5200	POSTAGE	10,778	14,000	14,000	Newsletter mailing and collection letters

Administration Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-320-5220	PHOTOCOPY	18,177	17,200	17,200	Color Copier $1,100/mo and extra copies $4,000
01-320-5221	PRINTING	19,869	20,000	20,000	Newsletter mailing extra pages, vehicle stickers
01-320-5222	LEGAL NOTICES	1,472	3,500	3,500	Annual Treasurer's Report $950, Prevailing Wage Ord $450, Annual Budget $600, Truth in Taxation Notice $500, Public hearings, RFP's and special meetings
01-320-5230	WEBSITE	11,261	6,000	6,000	Maintenance Fee - Civic Plus - prior yr incl revision costs
01-320-5310	MEMBERSHIPS	2,855	4,100	4,100	ILCMA $1000, Municipal Clerks $100, Notary $200, Gov't Finance Officers $500, IL Municipal League $1,300, $1,000 Pension Fairness Coalition
01-320-5330	TRAINING	780	5,000	3,500	Clerk Institute for Deputy Clerk - Springfield Clerk Confer
01-320-5340	TUITION REIMBURSEMENT	-	-	3,000	One employee 2 classes
01-320-5410	UTILITIES	53,740	54,000	54,000	Cable, Nicer, Verizon, Water, Electric @4,500/mo - lower electric and gas bills due to agreements & LED lighting
01-320-5430	CREDIT CARD & BANK CHARGES	11,034	10,000	10,000	Credit Card Service Chrgs - flat to prior yr actual & budget
01-320-5500	LIABILITY INSURANCE	31,484	40,326	44,359	Based upon building & equipment allocations
01-320-5501	INSURANCE DEDUCTIBLES	3,461	20,000	20,000	8 deductibles @$2,500 each
01-320-5530	WORKERS COMP INSURANCE	2,525	3,300	3,630	Allocation to Department based upon classification codes
01-320-5540	PAYROLL SERVICE FEES	5,499	6,200	6,200	$200 per payroll for pro-data + reporting req $1,000
01-320-5541	ACCTING SERVICE FEES	4,151	4,500	4,500	Amount for Accounting software support
01-320-5700	OFFICE SUPPLIES	15,633	17,000	17,000	Current Year estimate
01-320-5721	SIGNS	11,277	2,500	-	None proposed
01-320-5751	GASOLINE	44	300	300	Flat
01-320-5820	PUBLICATIONS	103	600	600	Paddock Publications
01-320-5951	EMPLOYEE RECOGNITION	1,070	500	1,100	Same as prior year actuals
01-320-7011	IMPROVEMENTS	11,449	19,065	-	None proposed
01-320-7020	EQUIPMENT	611	2,000	33,650	Computer Replacements $5,000, $9,500 Server CH & PD, $7,500 upgrade exchanges - improved security & performance, $2,500 new networking equipment, $4,000 upgrade security control access, $150 replacement battery, $5,000 repurpose server
	TOTAL ADMINISTRATION	**$1,032,614**	**$1,263,798**	**$1,243,913**	

Building and Development Department

The Building and Development Department provides for the administration and inspection of all new residential, commercial, and industrial construction, existing structures, and all businesses pursuant to City ordinances, codes and applicable State Statutes. Appropriate regulations and inspections of new and existing buildings are necessary in order to protect the public health, safety and general welfare as regulated by code and statute.

The Building and Development Department is also responsible for insuring that the City is in compliance with the National Pollution Detection and Elimination System (NPDES) and Community Rating System (CRS) program requirements. Collective, these two programs address storm water management and its flow in order to reduce flooding and the risk to people and property. Program requirements include a combination of monitoring, maintenance, enforcement and public education.

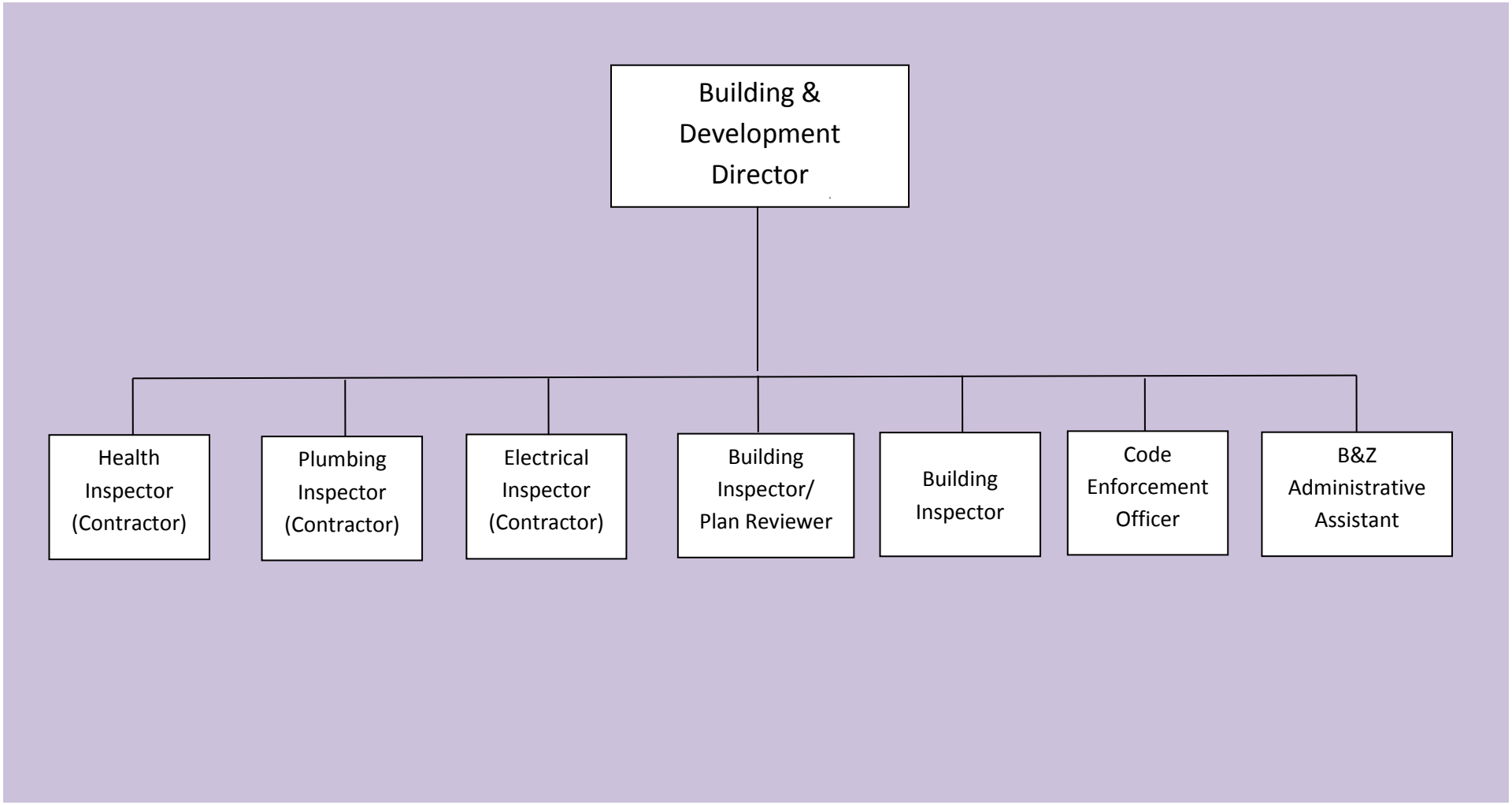
In FY2016-17 and forward the Building and Development Department includes the costs for engineering. In prior years, engineering was considered its own department. As the City does not have any employees in this department and outsources the services, the costs have been incorporated in the Building and Development Department. Therefore, the Building and Development Department reflects a $21,259 decrease in expenses.

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-340-4000	WAGES	$300,363	$323,256	$301,986	Building inspector cost not in this years budget
01-340-4010	OVERTIME	1,397	-	-	None anticipated
01-340-4100	HEALTH INSURANCE	64,343	57,788	47,275	10% increase in Health Insurance less union employee no longer with City
01-340-4110	LIFE INSURANCE	328	406	392	Building inspector cost not in this years budget
01-340-4120	UNEMPLOYMENT	-	20,000	20,000	Former Employee
01-340-4200	SOCIAL SECURITY	18,386	20,042	18,723	Building inspector cost not in this years budget
01-340-4210	MEDICARE	4,300	4,687	4,379	Building inspector cost not in this years budget
01-340-4220	IMRF	30,135	57,400	38,896	Building inspector cost not in this years budget
01-340-5100	PROFESSIONAL SERVICES	47,837	62,300	62,300	Health @ $65x20/month Plumbing @ $78x20/month Electrical @ $84x15/month Elevator @ $43 x 46/year, plan review $5@100, attorney, special inspections & review
01-340-5110	ENGINEERING	-	67,500	95,000	$40,000 for special projects, new develop reviews, minor drainage reviews, $5,000 Apple Drive traffic lane review, GIS - $50,000 est
01-340-5111	BILLABLE ENGINEERING	-	20,000	20,000	Developer reimbursable engineering expenses moved from 330 dept
01-340-5221	PRINTING	1,171	2,000	2,000	Health Inspection forms, zoning map, business cards, etc. & scanning of documents for archive and new zoning maps

Building and Development Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-340-5222	LEGAL NOTICES	2,286	2,000	2,000	Legal Notice due to building & zoning requirements
01-340-5310	MEMBERSHIPS	160	400	920	ICC $150, NWBOCA $100, IACE $50, AACE $100, IEDC $420, ICSC $100
01-340-5222	LEGAL NOTICES	49	500	-	None anticipated
01-340-5330	TRAINING	250	2,175	5,100	NWBOCA 6@$50, Code Institute 10 @35, ICC National Certification $600 , ICSC Deal Making $350, IEDC Training $3500
01-340-5500	LIABILITY INSURANCE	607	990	1,089	Based upon building & equipment allocations
01-340-5530	WORKERS COMPENS INSURANCE	8,526	11,250	12,375	Allocation to Department based upon classification codes
01-340-5700	OFFICE SUPPLIES	1,151	3,500	3,500	Misc Supplies
01-340-5751	GASOLINE	2,079	3,000	2,500	Gasoline for building Department Vehicle #101 and #502
01-340-5820	PUBLICATIONS	2,101	2,500	2,000	1 set ICC code books $750, planning magazine, Real Estate Journals (Loopnet)
	TOTAL BUILDING & DEVELOPMENT DEPT	**$485,467**	**$661,694**	**$640,434**	

CITY OF PROSPECT HEIGHTS, ILLINOIS
Organizational Chart – Building & Development
April 30, 2017



Public Works

The Public Works department is responsible for the City's building maintenance, streets, drainage and sanitary sewer, snow and salt operations, forestry and grounds, vehicle maintenance, and administration

Building Maintenance

The Public Works department provides a clean, healthy, safe and efficient working environment in each facility for City employees and in public areas and meeting places utilized by the public and the various committees and commission of the City's government structure. The department provides predictive, preventative and emergency maintenance on all building systems including the City Hall, Public Works Building, Police Department, Water Facility, and Parking Structure – Metra Station. The department also oversees maintenance and operation of the street lighting system in order to aid pedestrian and vehicular traffic along major streets and throughout the community at intersections and crosswalks after dark.

Streets, Drainage, and Sanitary Sewer

The Public Works department oversees the maintenance of streets, curb, gutters, and storm sewers so as to insure that they are smooth, clean, safe, and structurally sound for vehicular travel in a variety of weather conditions. Whenever street conditions are unsafe, it is necessary to take measures that will ensure continuous safe vehicle travel through the community. The department also provides for safe and efficient vehicular traffic movement through the use of traffic control devices, movement markings, and signage to inform operator of motor vehicles and pedestrians of conditions and regulation so as to minimize traffic accidents while accommodating smooth and reasonably rapid traffic movements.

The Public Works department provides for the preventative maintenance annual cleaning and inspection of the City storm sewer and drainage system in compliance with the NPDES and CRS programs. The City also provides inspection, cleaning and maintenance of the City's sanitary sewer system to provide a safe and efficient system, which has the potential to operate at 100% of the designed flow capacity and reduce the possibility of sewage back up in residences.

Forestry and Grounds

The Public Works department provides for maintenance and care of parkway trees and city cul-de-sacs. Several tasks are performed to insure the vitality of parkway trees and nursery stock including spraying to arrest or prevent disease; trimming to shape and improve aesthetics; tree removal in the event of storm damage, disease, or insect infestation (the conformation of the Emerald Ash Borer in Prospect Heights); and tree replacement of those trees that will have to be removed. Recommendations concerning general climatic and environmental suitability of all private and public plantings are submitted to and approved to the City forester who manages the program.

Vehicle Maintenance

The Public Work department provides for maintenance of all police and public works vehicles.

Water & Sewer System Maintenance

The Public Works department provides a safe, high quality, uninterrupted potable water supply for a portion of the City's residents.

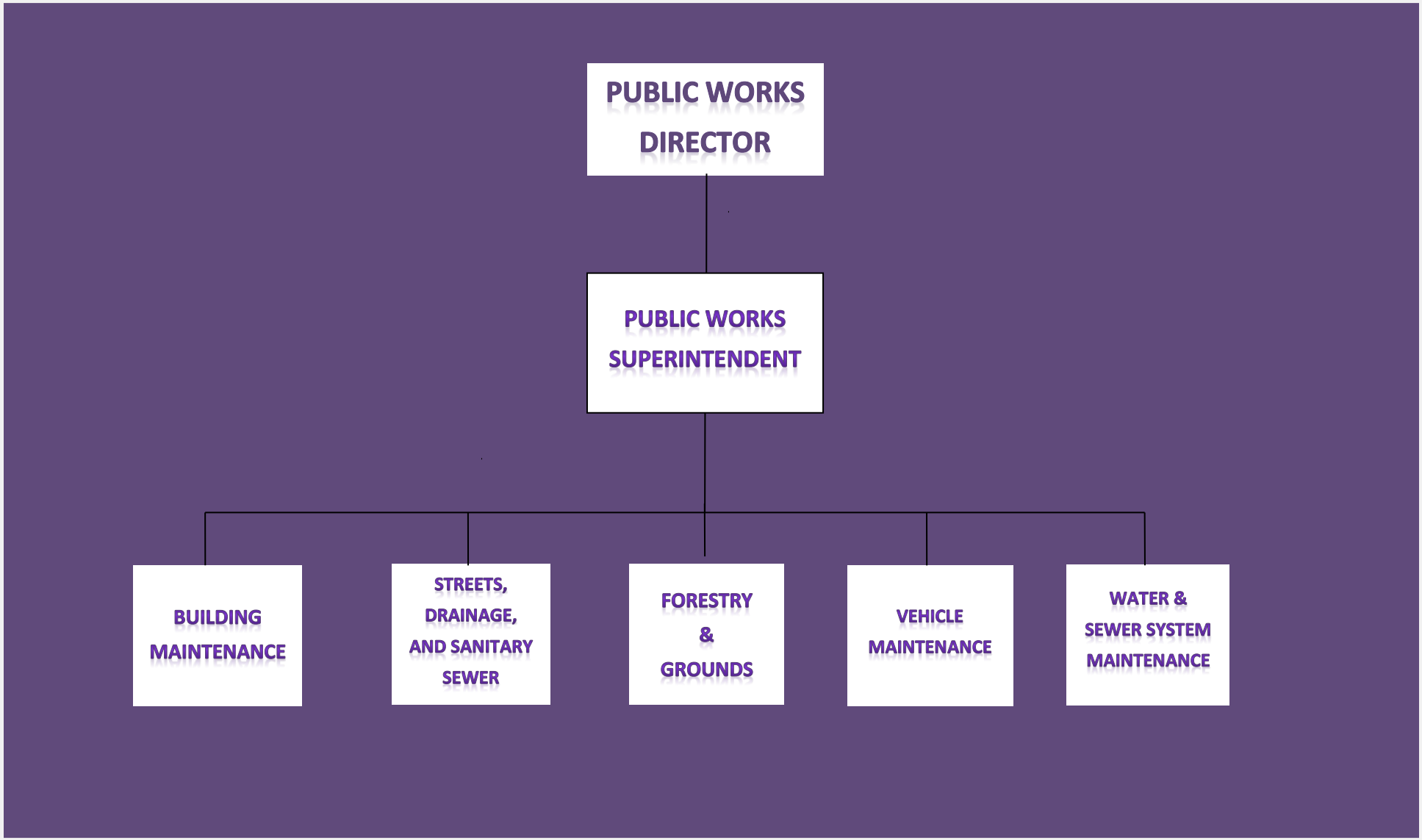
Public Works Budget

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-350-4000	WAGES	$411,715	$393,781	$409,331	Agreed upon wage increases and adjustments
01-350-4003	WAGES - PART-TIME	16,995	10,560	10,560	Summer help - 2 P-T employees @ $11/hour for 40 hrs./wk. for 12 weeks
01-350-4010	OVERTIME	37,995	65,000	50,000	34 to 40 events @$1,500
01-350-4100	HEALTH INSURANCE	108,000	114,000	115,500	Increase in insurance premium
01-350-4110	LIFE INSURANCE	544	495	495	Public Works Director not replaced
01-350-4200	SOCIAL SECURITY	28,873	29,525	29,087	Less overtime
01-350-4210	MEDICARE	6,753	6,905	6,803	Less overtime
01-350-4220	IMRF	58,742	57,400	56,489	IMRF 13.03% CY 2016 and 14.00% in CY2017 - Less OT
01-350-5020	VEHICLE MAINTENANCE	38,443	50,000	50,000	New maintenance program - additional fleet - flat to last yr
01-350-5031	SIGNAL MAINTENANCE	19,665	16,000	36,000	Opticon replacement $4,000 times 10 locations (safety issue) less cost sharing by Fire Department of 50% plus IDOT billing of $16,000
01-350-5100	PROFESSIONAL SERVICES	15,499	10,000	22,000	Special project Engineering, omega, publications, $15,000, $7,000 for Hillcrest Lake herbicide
01-350-5103	PROF SERVICES - FORESTRY	38,294	34,000	40,000	Establish pruning program, remove dead trees, potential Quincy Park Emerald Ash Bore trees
01-350-5104	PROF SERVICES - BUILDING MAIN	38,273	57,200	85,000	Cleaning service - Police Facility, City Hall, Public Works) $1,150 per month X 12 Months = $13,800, City Hall carpet cleaning $1,400, Window Washing $700, Elevator Maint $3,800, Plumbing Ins/service $500, Fire services $3,000, Security alarm maint, $2,000, Sprinkler main $2,000, Sprinkler inspection $960, HVAC Maint $2,100, Backflow insp $1,600, Pest Control $300, Overhead Garage Door Service $700, Uniform service $300/month x 12 Months = $3,600,$1,200 for Elevator inspections, fence at police department behind police, fire. Repair Roof on old section of pubic works building $45,000
01-350-5105	PROF SERVICES - VEHICLE MAINT	-	-	-	Moved to Vehicle Maintenance
01-350-5106	PROF SERVICES - STREETS/DRAIN	7,726	75,000	75,000	Street Maintenance (patching/crack sealing) $50,000, Spot paving repairs on various City Streets $25,000
01-350-5310	MEMBERSHIPS	1,195	2,000	2,000	Illinois Arborist, Tree City USA, Morton Arboretum, APWA

Public Works Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-350-5330	TRAINING	1,985	2,000	2,000	Forester, ASE training and APWA Training
01-350-5411	WATER AND ELECTRIC PURCHASES	10,665	9,000	11,000	Same as prior 2 years actual
01-350-5421	DUMP CHARGES	-	-	-	Moved to professional service forestry
01-350-5441	LICENSES	-	500	500	New truck registration
01-350-5500	LIABILITY INSURANCE PREMIUM	45,998	53,937	59,331	Based upon building & equipment allocations - includes new addition
01-350-5510	RENTAL EQUIPMENT	414	2,000	2,000	Extra chipper, emergency equipment, sidewalk grinder, trencher
01-350-5530	WORKERS COMP INSURANCE	16,698	17,600	19,360	Allocation to Department based upon classification codes
01-350-5610	EQUIPMENT MAINTENANCE	3,854	4,000	4,000	Tools and Lawn mower maintenance
01-350-5632	ICE CONTROL MAINTENANCE	-	-	-	Moved to Operating Supplies
01-350-5634	STONE & CONCRETE	605	2,500	2,500	Storm sewer ditch line maintenance
01-350-5635	STORM SEWER & PIPE	8,425	4,000	15,000	$15,000 for trees for resident reimbursement program
01-350-5650	LANDSCAPE SUPPLIES	-	4,000	5,500	Natural Resource Commission supplies
01-350-5700	OFFICE SUPPLIES	1,155	2,000	2,000	General paper, files, coffee - based upon current trends
01-350-5710	OPERATING SUPPLIES	31,453	25,000	30,000	Same as prior 2 years actual - for all work performed at all buildings and parking lots except Metra
01-350-5721	SIGNS	5,988	20,000	20,000	New barricades & cones, remove/replace damaged/faded existing street signage, acquire new signage, for municipal district regulatory signs and posts
01-350-5730	TOOLS	638	1,500	1,500	Rakes, shovels, power tools, accessories, and snow blower
01-350-5751	GASOLINE	16,606	25,000	25,000	Based upon current rates @$2.29 per gallon
01-350-7020	EQUIPMENT	-	-	-	None anticipated
01-350-7021	RADIO EQUIPMENT	2,560	-	-	None anticipated
01-350-7023	SAFETY EQUIPMENT	4,180	5,000	5,000	Winter clothing per CBA and replacement work shoes, vests, t-shirts, polo shirts, sweatshirts, hats, gloves, glasses
01-350-7025	SOFTWARE	-	-	-	None anticipated
	TOTAL PUBLIC WORKS	**$979,936**	**$1,099,904**	**$1,192,956**	

CITY OF PROSPECT HEIGHTS, ILLINOIS
Organizational Chart – Public Works
April 30, 2017



Public Safety

The Police Department delivers a variety of local law enforcement services to the community. Police services include matters concerning crime, traffic, order maintenance, ordinance enforcement and emergency assistance.

Mission Statement

The mission of the Prospect Heights Police Department is to work in partnership with the citizens of Prospect Heights to enhance the quality of life in our City by:

- Raising the level of Public Safety through Law Enforcement
- Reducing the fear and incidence of crime.
- In striving to accomplish these goals, service will be our commitment; honor and integrity our mandate.

Values

The Prospect Heights Police Department, which exists to protect and serve the community, must always be guided by the principle that every individual has dignity and worth. In all we do, we must show respect for the citizens we serve and for the men and women of the Prospect Heights Police Department recognizing and encouraging their individual needs, aspirations, and capabilities.

The mission and goals of the Prospect Heights Police Department shall be carried out in alignment with the following values:

- Service Orientation: Provide supportive, professional service to the community by promoting human rights, mutual respect, and courtesy.
- Partnership: Work in partnership with the community, City Council and other Departments, Service Agencies, and Criminal Justice systems.
- Empowerment: Encourage decision making at the most effective level and promote citizen responsibility and involvement.
- Problem Solving: Use problem-solving methods to reduce the incidence and fear of crime and to improve management and operational approaches.
- Accountability: Promote responsibility among Police management, employees, the community, the City Council and other agencies, for public safety resources, strategies and outcomes.

History

The Prospect Heights Police Department became operational October 1, 1990. Prior to that date, police services were provided through a contract with the Cook County Sheriff's Police Department. In 1996, the Department moved into a new modern facility at 14 E. Camp McDonald Road. The Prospect Heights Police Department is committed to raising the quality of life in the community and works very closely with the public in providing a wide range of programs and information. The Department's Officers provide a full range of law enforcement services.

Public Safety (continued)

The Department is divided into three basic divisions:

- Operations includes the uniformed patrol and traffic branch
- Support Services includes Records, Social Services, Youth Services, Evidence & Property Control and Crime Prevention
- Investigations includes Detectives

Budget Analysis

The Public Safety Department's FY2017-2018 budget is forecasted to increase from the projected FY2016-2017 budget by $436,551. The Police department increased costs are due to salary increases and related benefits and insurance and funding to the Police Pension program.

Public Safety Budget

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-360-4000	WAGES	$577,528	$588,132	$575,611	(1) Chief (1) Deputy Chief (1) Records Sup (2) Records Clerk (1) Admin Assist (1) Desk Officer (3) Part-time Desk officer Longevity Pay $3,575 plus Crossing Guards 70 hours per pay period @ $22-27/hour x 19 pay periods reimbursed by school district
01-360-4001	WAGES - SWORN OFFICERS	1,764,344	1,746,083	1,804,837	(5) Sergeants, (6) Corporals/Detectives, (1) DEA, (9) Patrol Officers (2 replacements)
01-360-4002	WAGES - EXTRA STRAIGHT PAY	45,874	50,000	51,500	Holiday Compensation sell back per contract $40,000, Holiday Compensation when on duty $10,000
01-360-4004	WAGES - PT SWORN OFFCRS	98,291	125,750	128,000	(5) @ 36 hours per pay period scheduled. Additional hours assigned as needed. Additional part-time officer added in February 2016
01-360-4010	OVERTIME	1,942	2,500	2,000	Expanded hours needed for desk to cover vacations/prisoners
01-360-4011	OVERTIME - SWORN OFFICERS	149,285	140,000	140,000	Court $35,000, Manpower Hire back $40,000, Investigations $10,000, Training $25,000 and Contingency $5,000, reimbursable extra details and grants $25,000.
01-360-4100	HEALTH INSURANCE	465,105	482,483	586,660	Change in plan levels plus 10% increase starting January 1016
01-360-4110	LIFE INSURANCE	2,622	2,664	2,769	Flat
01-360-4200	SOCIAL SECURITY	30,608	27,937	27,143	New officers hired and are at lower salaries than veteran officers
01-360-4210	MEDICARE	37,179	38,577	38,414	New officers hired and are at lower salaries than veteran officers
01-360-4220	IMRF	26,969	26,518	31,942	IMRF 13.03% CY 2016 and 14.00% in CY2017
01-360-4230	PENSION CONTRIB - R/E TAX	289,940	287,064	293,093	Adjusted for the CPI as of December 2016 is 2.1%
01-360-4231	PENSION CONTRIBUTION-CITY GF	425,544	554,760	780,150	Based upon actuary estimate of $820,079 less tax levy plus $253,164 additional funding increase funding %
01-360-5100	PROFESSIONAL SERVICES	21,412	20,100	23,700	Emergency Siren Maint $750. Duty related physicals, entry level physicals, psychological, polygraph and fitness for duty $9,000, deceased body removal to ME office $3,750, Recruit testing and Promotional testing F and P Commission $2,000, Lexis Nexis $2,100, $2,500 contingency, $3,600 training for Bane
01-360-5140	PRISONERS CARE	627	2,500	2,500	Prisoner food and hygiene (professional clean up)
01-360-5141	KENNEL FEES	1,550	4,000	4,000	Save-a-pet, Orphans of the Storm & New canine
01-360-5200	POSTAGE	1,654	3,000	3,000	Collection letters, FED EX for Attorney Communication DAG's
01-360-5221	PRINTING	6,309	3,500	3,500	Bus. Cards, Tickets, Field Directory, forms and case jackets.

Public Safety Budget (continued)

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-360-5240	NORTHWEST CENTRAL DISPATCH	226,636	237,452	287,452	Per agreement. 3% of NWCDS 2015 operating budget & new CAD assessments
01-360-5310	MEMBERSHIPS	34,892	47,000	46,000	FBINA $200, NIPAS EST $4,800 NIPAS $400, MCAT $3,000, MCAT STAR $1,000, Illinois Arson Investigators Assoc $40, Fire and Police Comm Assoc $375, IL ACP $400, Critical Reach $285, International IACP $440, North Suburban Chiefs $150, Cook Co Captains $150, LERMI $40, Lexipol $2,850, NIPAS MFF $1,005, Rotary $340, ILEAS $120, Northern Ill Police Academy $50, Northeastern Illinois Regional Crime Laboratory $1.35 per resident 16,318) + $3,000 totaling $25,100
01-360-5321	AUTO EXPENSE	2,592	2,500	2,500	Car wash, detailing, professional cleaning bio hazard.
01-360-5330	TRAINING	14,627	23,200	26,900	Mileage Reimbursement $1,000, ET and other specialty training $4,600, NEMRT membership $2,790, NEMRT Training $1600, reimburse meals $400, Mgmt and Supervisor courses $1,250, NWPA $1000, Captains $480, North Sub Chiefs $480, Lexipol Daily Training Bulletins $2000, $2,849 State Police Academy X 1 new recruit, refreshments in service training $240, Rotary Meetings $960, NWCDS training/liaison Meetings $400, ILEAS Confer $650
01-360-5340	TUITION REIMBURSEMENT	8,564	12,000	8,000	4 employees - 3 classes
01-360-5500	LIABILITY INSURANCE PREMIUM	37,229	51,000	56,100	Based upon building & equipment allocations
01-360-5510	RENTAL EQUIPMENT	-	25,000	-	Postage Meter and Scale
01-360-5520	ID NETWORKS	763	620	620	Annual RMS fee $8,752 and $4,495 for Livescan Maint.
01-360-5530	WORKERS COMP INSURANCE	13,247	13,247	13,247	Allocation to Department based upon classification codes
01-360-5610	EQUIPMENT MAINTENANCE	128,256	145,000	159,500	Verizon Wireless MDT Aircards $6775, Radar repair and recert $1000, Evidence Room BEAST software $850,Pentegra Maintenance contract $2,600, Range Maint $1,000, Routine Misc (Ken) $1,800, UCC Update $449
01-360-5611	RADIO MAINTENANCE	15,786	14,500	14,500	In car radio T and M $1,000
01-360-5700	OFFICE SUPPLIES	1,000	1,000	1,000	General office supplies and copier paper
01-360-5710	OPERATING SUPPLIES	5,733	7,500	7,500	Based on prior experience and $1,200 for K9 nutrition
01-360-5740	RANGE SUPPLIES	9,510	11,200	11,200	Ammunition: Duty and Training, $6000, Targets and training supplies $900, Weapons parts $750

Public Safety Budget (continued)

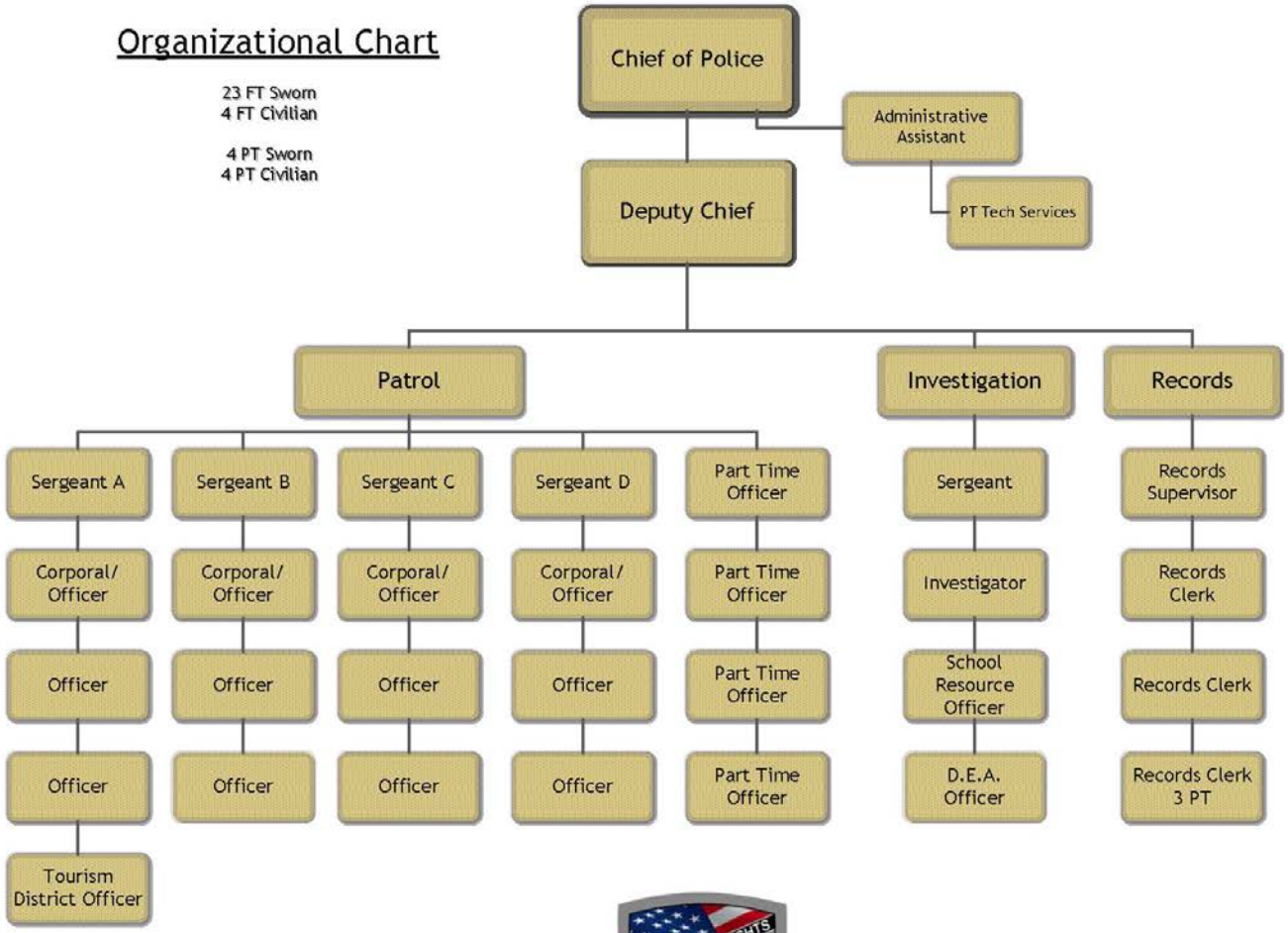
General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-360-5741	CLOTHING	7,437	7,650	7,650	28 officers at $600, $2,000 misc (replacement and patches), $2,400 for a new officer, $500 volunteer shirts/vest
01-360-5751	GASOLINE	37,268	50,000	50,000	Estimated based upon current trends
01-360-5820	PUBLICATIONS	722	1,060	1,060	Arrest Law Update 275, Daily Herald 430, Journal-topics 100, Public Employment Law 255
01-360-5970	REFUNDS	-	-	-	None anticipated
01-360-7022	POLICE EQUIPMENT	11,856	15,205	15,205	Road flares: $900, OC spray replacement $250, ET supplies $4,750, Fingerprint station supplies $200, Misc. vehicle replacement parts $3,000, (4) ballistic vests $650 each total $2,600 (1) NIPAS Tactical Vest $1005 (half of vest cost reimbursed through grant), Police Center Equipment replace upgrade $2,500, TASER replacement & cartridges
	Total Public Safety	**$4,522,417**	**$4,796,402**	**$5,232,953**	

Public Safety Special Revenue

DUI, Narcotics and Seized Assets are revenues received related to special police department enforcement programs and are regulated by State Statutes.

General Ledger #	General Ledger Acct Description	**Actuals 2015-2016**	**Amended Budget 2016-2017**	**Budget 2017-2018**	Description
01-365-5981	DUI EXPENSE	$7,564	$3,500	$2,800	Laser Radar Guns
01-365-5982	NARCOTICS EXPENSE	23,766	-	-	None anticipated
01-365-5983	SEIZED ASSET - EXPENSE	22,355	-	-	None anticipated
	Total Reimbursable Expenses	**$53,685**	**$3,500**	**$2,800**	

CITY OF PROSPECT HEIGHTS, ILLINOIS
Public Safety
April 30, 2017



Reimbursable Expenses

Reimbursable expenses are those which are reimbursed by employees and government agencies or entities to the City for services, commodities, or insurance.

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-370-4101	RETIREE HEALTH INSURANCE	$8,394	$41,668	$80,039	dental
01-370-5102	GRANT WRITER	20,000	20,000	20,000	Current agreement
01-370-5751	GASOLINE	5,454	8,275	8,275	Same as prior year budget - estimated at $2,29/gal
01-370-5990	SSA #9 - EXPENSES	-	-	-	None anticipated
	Total Reimbursable Expenses	$33,847	$69,943	$108,314	

Other Expenses

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-380-5970	REFUNDS	$740	$2,500	$2,500	Prior year actuals
01-380-5975	SALES TAX REBATE	82,692	150,000	150,000	Business Incentives Tony's $144,000, Ruffalos $6,000
01-380-5999	MISCELLANEOUS EXPENSE	1,714	4,000	4,000	Estimated based upon prior years
	Total Other Expenses	$85,146	$156,500	$156,500	

Grants

VOCA: The City received grant funds through the Victims of Crime Act (VOCA). Although the grant funds may not be received, the City will continue to provide the services provide funding through the general fund

Tobacco Enforcement Program: The City receives grant fund through the "Kids Can't Buy 'Em Here" Tobacco Enforcement Program. The State of Illinois Liquor Control Commission allows a municipality to retain one-half of the monetary penalties collected and the remaining one-half are to be sent to the state. The fine is levied against the clerk selling the tobacco product to the minor. According to the Sale of Tobacco to Minors Act, "Any person who violates any provision of this Act is guilty of a petty offense and for the first offense shall be fined $200, $400 for the second offense in a 12-month period, and $600 for the third or any subsequent offense in a 12-month period." The City is not required to match funds.

Grants (continued)

General Ledger #	General Ledger Acct Description	Actuals 2013-2014	Amended Budget 2015-2016	Budget 2016-2017	Description
01-390-5900	GRANT - GENERAL EXPENSE	$-	$5,000	$5,000	Natural Resource Grant Match with Park District
01-390-5910	GRANT - VOCA EXPENSE	80,084	80,084	80,084	VOCA Grant submission required expense & match
01-390-5916	GRANT - GREEN REGION	8,005	-	-	None anticipated
01-390-5941	GRANT - JAG	-	-	-	None anticipated
01-390-5946	GRANT-POLICE EQUIP EXPENSE	-	1,700	1,700	4 ballistic vest, 1 tactical vest
01-390-5947	GRANT-POLICE TOBACCO EXP	300	300	300	Cigarette purchases
	TOTAL GRANT EXPENSE	**$88,389**	**$87,084**	**$87,084**	

Debt Service

The following debt serve relates to Series 2008 Debt Certificates in the amount of $2,450,000 issued for the purpose of funding various capital projects.

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-400-6000	PRINCIPAL	$130,000	$135,000	$140,000	Series 2008 GO Debt Certificates
01-400-6010	INTEREST	59,424	53,871	48,030	Series 2008 GO Debt Certificates
	TOTAL DEBT EXPENSE	**$189,424**	**$188,871**	**$188,030**	

Capital Outlay

The City's operational needs for capital expenditures must be weighed against the ability of the City to finance these projects. Capital improvement projects represent the equipment and infrastructure resources that all municipalities need to provide resident and business services and generally provide future benefits with long service lives. Capital expenditures are costs that create future benefits. A capital expenditure is incurred when the City spends money to buy fixed assets or add value to an existing fixed asset. The City capitalizes all equipment purchases over $10,000. Additional detail is located in the Capital Improvement Plan detail in Section 12.

General Ledger #	General Ledger Acct Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
01-520-7010	BUILDING	$-	$-	$-	None anticipated
01-520-7011	BUILDING IMPROV - ADMIN	322,149	-	-	None anticipated
01-550-7011	BUILDING IMPROV - PW	-	185,000	-	None anticipated
01-550-7020	EQUIPMENT - PW	149,000	82,000	-	None anticipated
01-550-7050	ROAD CONSTRUCTION	-	350,000	260,000	East Willow road resurfacing and special projects, emergency
01-550-7053	DRAINAGE IMPROVEMENTS	354,579	100,000	434,000	(A) Projects: $314,000 (Stonegate, Shawn Lane, Maple Lane, Oak Ave, Stratford Road, Oakwood) and engineering for Elaine Circle $120,000
01-560-7011	BUILDING IMPROVE - POLICE	-	-	-	None anticipated
01-560-7020	EQUIPMENT - POLICE	150,000	-	-	None anticipated
01-560-7040	VEHICLES - POLICE	87,270	85,000	125,000	2 new squad cars
	TOTAL CAPITAL EXPENSE	**$1,062,998**	**$802,000**	**$819,000**	

Total General Fund Revenues, Expenditures and Net Income

The City of Prospect heights General Fund Net Income for FY2017-2018 is anticipated to have a net loss of $761,965.

	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018
Total General Fund Revenues	$ 9,574,681	$ 9,134,468	$ 8,994,604
Total General Fund Expenses	8,725,478	9,223,281	9,756,569
Net Income	$ 849,203	$ (88,813)	$ (761,965)

Section 6

Special Revenue Funds

- Motor Fuel Tax
- Palatine/Milwaukee TIF
- Tourism District
- Development Fund
- DEA Seizure
- Solid Waste Fund

Special Revenue Accounts

Special Revenue accounts are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects. The funds exist as long as the government has resources dedicated to specific purposes.

Motor Fuel Tax Fund

The State of Illinois distributes taxes paid by consumers at the gas pump to municipalities on a per capita basis. The use of these funds is restricted to the following purposes:

- Pavement Repair and Maintenance
- Construction of Roads
- Snow & Ice Removal
- Traffic Control Devices and School Crossing Signals
- Utility Adjustments
- Street lighting
- Traffic Signal Maintenance
- Parkway Maintenance
- Bicycle Signs and Markings
- Engineering Services
- Off-Street Parking Facilities
- Retirement of Indebtedness
- Payment of Principal and Interest on Road Bonds
- Miscellaneous Expenses in Connection with Bond Issue
- Salt Storage Facilities
- Storm Sewers
- Sidewalks and Curb Ramps
- Wages or Salaries and Benefits
- Equipment Operating Costs
- Tree Trimming and Tree Removal
- Workers' Compensation Insurance Premiums
- Improvements Railroad Signal Protection and Crossing Work

The City has experienced stagnation and then a decline in this revenue stream, which directly correlates to the change in statewide sales of gasoline. Logical reasons for this decline include the use of more fuel-efficient vehicles, increased use of carpooling, increased use of public transportation, and a decline in discretionary travel for recreation and shopping.

The proposed budget for FY2017-2018 was developed assuming a slight decrease in the per capita rate based upon the Illinois Municipal League projections versus the FY2016-2017 rate; a population of 16,256 (2010 Census); and no additional revenue from the High Growth Cities fund and $74,177 from the Jobs Now Program. The decrease in revenues reflects these changes. According to the 2010 Census, the City's population decreased 825 people from 17,081 to 16,256.

In FY2006, the City issued $2,220,000 of General Obligation Debt Certificates and used the proceeds from this debt issue to fund larger scale projects in its FY2006 and FY2007 road improvement program. The City pledged all of its non-home rule sales tax receipts and a portion of its motor fuel tax receipts for repayment of this debt issue in FY2011-2012. This debt was paid off in FY2012.

Motor Fuel Tax Fund (continued)

Below is historical information on the City's motor fuel tax receipts.

Fiscal Year	Revenues	Rate Per Capita
FY2009-2010	$ 440,184	25.77
FY2010-2011	$ 515,403 *	25.83
FY2011-2012	$ 478,725 *	24.89
FY2012-2013	$ 461,274 *	23.81
FY2013-2014	$ 537,316 *	23.93
FY2014-2015	$ 489,925 *	25.69
FY2015-2016	$ 417,224	25.62
FY2016-2017 (B)	$ 423,730	25.94
FY2017-2018 (B)	$ 420,781	25.75

*includes $74,177 in Illinois Jobs Now Funds

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
11-100-3200	GRANT REVENUE	$ 511	$ -	$ -	None anticipated
11-100-3800	INTEREST INCOME	903	2,700	2,189	Interest rate of .25%
11-110-3120	MOTOR FUEL TAX	415,810	421,030	418,592	$25.75 per capita per Illinois Municipal League projections
	Total Revenue	**$417,224**	**$423,730**	**$420,781**	
11-300-5100	PROFESSIONAL SERVICES	37,622	30,000	30,000	Engineering non-capital projects and MFT audit
11-300-5401	SERVICE CHARGE - GF	179,770	266,100	152,600	Based upon OMB supercircular rules
11-300-5632	ICE CONTROL MAINTENANCE	44,572	50,000	50,000	Same as last year's budget
11-300-7020	EQUIPMENT	-	-	150,000	Drainage issue and raising of Willow Road - $150,000
11-500-7051	SIDEWALKS	36,004	300,000	50,000	Schoenbeck/Willow Sidewalk $50,000
	Total Expenses	**$297,968**	**$646,100**	**$432,600**	
	Total Motor Fuel Tax	**$119,257**	**$(222,370)**	**$(11,819)**	

Palatine/Milwaukee TIF Fund

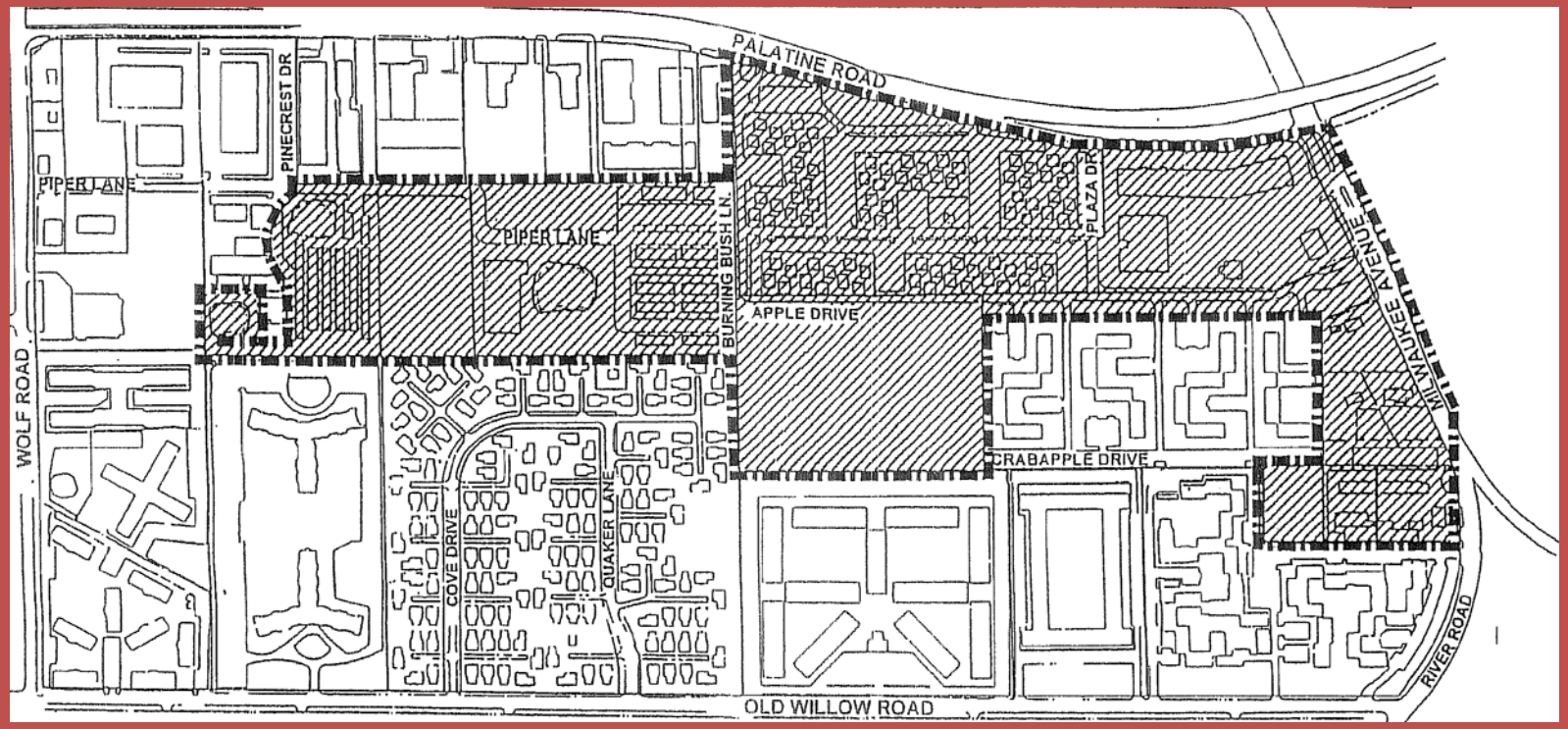
The Palatine/Milwaukee TIF district was established to develop property on the east side of the City. The TIF district is supported by the property tax revenue generated on the incremental increase in property values on land located within the TIF district.

The TIF district revenues related to property taxes are based upon the Cook County Clerk TIF Summary Report. The expenses are budgeted for legal and professional services associated with the TIF Ordinance review. The expenses also include reimbursement to Developers for allowable TIF rehabilitation expenses and expansion expense related to the Public Works building.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
12-100-3000	REAL ESTATE TAXES	$304,353	392,994	295,994	Based upon county report
12-100-3211	DECO GRANT	-	-	-	None anticipated
12-100-3800	INTEREST INCOME	157	-	-	None anticipated
	Total Revenues	**$304,510**	**$392,994**	**$295,994**	
12-300-5100	PROFESSIONAL SERVICES	$6,333	$-	$-	None anticipated
12-300-5101	AUDIT	3,473	4,616	5,540	Based upon allocation of 50% # of journal entries, 25% fund balance & 25% # of funds plus TIF Audit
12-300-5120	LEGAL SERVICES	-	-	-	None anticipated
12-300-5401	SERVICE CHARGE - GENERAL FUND	73,510	60,100	-	Due to lack of funding balance - none will be billed
12-300-5430	BANK FEES	850	850	850	Bond bank charges
12-300-5560	TIF - REHAB/REPAIR EXIST BLDG	100,000	-	-	None anticipated
12-400-6000	PRINCIPAL	420,000	445,000	500,000	Palatine/Milwaukee TIF Load, Series 2004 Bonds
12-400-6010	INTEREST	66,885	46,305	24,500	Palatine/Milwaukee TIF Load, Series 2004 Bonds
12-500-7011	BUILDING IMPROVEMENTS	139,059	-	-	None anticipated
	Total Expenses	**$810,109**	**$556,871**	**$530,890**	
	Total Palatine/Milwaukee TIF Fund	**$(505,599)**	**$(163,877)**	**$(234,896)**	

TIF Boundary Map

TIF PROJECT BOUNDARY



Milwaukee Avenue/Palatine Road
Tax Increment Financing Redevelopment Project and Plan
City of Prospect Heights

Project Boundary
Section Areas

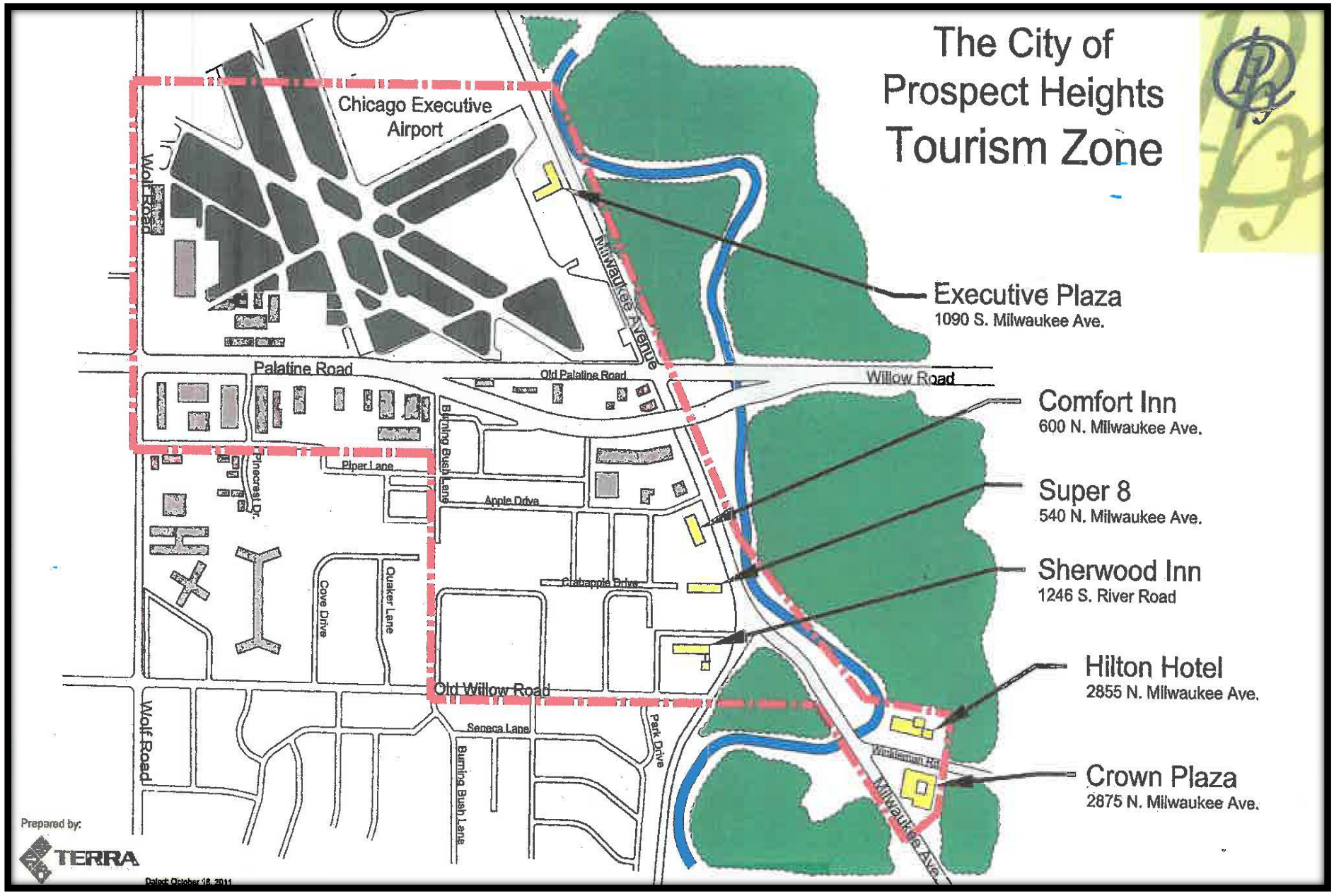
Tourism District

The Prospect Heights Convention & Visitors Bureau's (CVB) was set up to promote hospitality-related business, thereby increasing hotel tax and sales tax revenues. In July 2013, the CVB was restructured. It was determined that it was in the best interest of the City's hotel, restaurant and tourism businesses to join the North Shore CVB, to form a tourism board, and to implement a hotel tourism zone.

The Tourism Zone area is one of the city's biggest assets. The Tourism Zone area contains the entire city's hotels, the Chicago Executive Airport, and a fair number of food and retail uses.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
13-100-3020	HOTEL TAXES	$811,689	$815,799	$876,299	Treading 1.8% higher than prior year - City should see additional revenue due to new hotel estimated at $50,000
13-100-3800	INTEREST INCOME	538	100	125	Reserve balance required of $50,000 @.25%
	Total Revenue	**$812,227**	**$815,899**	**$876,424**	
13-300-5100	PROFESSIONAL SERVICES	$5,148	$-	$-	Attorney or Engineering expenses
13-300-5101	AUDIT	1,326	1,620	1,944	Based upon allocation of 50% # of je's, 25% fund balance & 25% # of funds
13-300-5108	BEAUTIFICATION	477,648	101,877	111,098	Maintenance Expense
13-300-5310	MEMBERSHIPS	63,000	63,000	63,000	Chicago's North Shore CVB Membership Dues
13-300-5401	SERVICE CHARGE - GENERAL FUND	65,180	72,000	70,700	Based upon PW, Admin time and overhead
13-300-5920	GRANT - HOTELS	364,660	288,651	288,651	42.5% of prior year budget hotel tax revenue less service charge, admin expense and membership
13-600-8090	INTERFUND TRANSFER OUT	**389,764**	**288,651**	**288,651**	Police portion of $150,000 in reserve plus 42.5% of hotel tax revenue less service charge, admin expense and membership
	Total Expenses	**$1,366,725**	**$815,799**	**$824,045**	
	Total Tourism District	**$(554,499)**	**$100**	**$52,380**	

The City of Prospect Heights Tourism Zone



DEA Seizure Fund

The DEA Seizure fund was established to track the collection and use of seized funds. The City currently has an officer assigned to the DEA Task Force. While the City remains responsible for payment of the officer's wages and benefits, the U.S. Department of Justice does reimburse the City for overtime wages. In addition, the City shares in all revenues seized by the City's officer and the DEA Task Force team to which he is assigned.

The allowable uses for the seized funds is established by the U.S. Department of Justice and detailed in, "A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies". Some of the permissible and impermissible uses for equitably-shared property include:

Permissible Uses:

1. Law enforcement investigations.
2. Law enforcement training.
3. Law enforcement and detention facilities.
4. Law enforcement equipment.
5. Law enforcement travel and transportation.
6. Law enforcement awards and memorials.
7. Drug and gang education and awareness programs.
8. Matching funds – the costs associated with paying the City's matching contribution or share in a federal grant program, provided that the grant funds are used for a permissible law enforcement purpose.
9. Pro rata funding.
10. Asset accounting and tracking.
11. Language assistance services.

Impermissible Uses:

1. Salaries and benefits – equitable sharing monies may not be used to pay the salaries and benefits of current, permanent law enforcement personnel, except in the following limited situations.
    a. Express statutory authorization – For example, the Community Policing Services (COPS) program.
    b. Overtime of officers and investigators – Shared funds may be used to pay the overtime of officers and investigators involved in law enforcement operations. This policy is applicable to all officers and is not limited to those working on drug-related investigations.
    c. New positions and temporary or not-to-exceed one year appointments.
    d. Salary of an officer hired to replace an officer assigned to a task force.
    e. Specialized programs – for example, DARE.
2. Use of forfeited property by non-law enforcement personnel.

DEA SEIZURE FUND (continued)

Equitable sharing funds must be used to increase or supplement the existing law enforcement budget and shall not be used to replace or supplement the City's appropriated resources for law enforcement.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
16-100-3551	POLICE REVENUE-TASK FORCE	$50,837	$-	$-	None anticipated per law
16-100-3800	INTEREST INCOME	221	-	-	None anticipated
	Total Revenue	$51,058	$-	$-	
16-300-5101	AUDIT	$1,201	$1,468	$1,761	Based upon allocation of 50% # of je's, 25% fund balance & 25% # of funds
16-300-5310	MEMBERSHIP	1,758	4,000	4,000	LEADS On-Line - Investigative tool for pawned property. Donation National Law Enforcement Officers Memorial Fund.
16-300-5330	TRAINING	3,450	4,500	4,500	IACP conference in San Diego
16-300-5710	OPERATING SUPPLIES	-	19,500	91,500	Xtivity Camera repairs and camera maintenance agreement
16-300-5970	REFUNDS	922	8,000	9,000	Education and Crime Prevention Materials and Supplies
16-300-7011	BUILDING IMPROVEMENTS	-	-	-	None anticipated
16-300-7020	EQUIPMENT	-	-	-	None anticipated
16-300-7021	RADIO EQUIPMENT	-	-	-	None anticipated
16-300-7022	POLICE EQUIPMENT	67,422	-	-	None anticipated
16-500-7020	EQUIPMENT - CAPITAL	338,386	5,000	57,500	Camera for new CAD system 23 cars @$2,500
	Total Expenses	$413,139	$42,468	$168,261	
	Total Seizure Fund	$(362,081)	$(42,468)	$(168,261)	

Solid Waste Disposal Fund

The Solid Waste Disposal Funds was established as required by the project use agreement between the City and the Solid Waste Agency of Northern Cook County (SWANCC). The Fund accounts for all user fees collected by the City on behalf of the Agency for transfer and waste disposal services. Over the past several years the cost per ton paid by the City to dispose of garbage reflected increases due to SWANCC debt service costs. In Fiscal Year 2009-10, the City Council approved a 10% increase in its SWANCC fee to pay for the current year's garbage cost along with the prior years' true-up costs. The City is currently paying lower rates to SWANCC. The City reviewed the current rate structure and billing and reduced the residents waste disposal fees.

SWANCC FEES

	FY2008/2009	FY2009/2010 To FY2015/16	FY2016/17 to FY2017/18
Single Family	$8.65	$9.52	$7.75
Townhome	$5.21	$5.73	$5.25
Multi-Family	$5.21	$5.73	$5.25
Commercial	$5.00/yard	$6.00/yard	$6.00/yard

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
17-100-3355	SOLID WASTE FEES	$562,024	$460,000	$460,000	No change in rates
17-100-3800	INTEREST INCOME	384	200	200	No change in rates
	Total Revenues	**$562,408**	**$460,200**	**$460,200**	
17-300-5100	PROFESSIONAL SERVICES	$5,033	$6,000	$-	Based upon allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
17-300-5101	AUDIT	1,172	1,432	1,718	Based upon PW, Admin time and overhead
17-300-5401	SERVICE CHARGE - GENERAL FUND	121,490	123,000	126,000	Allocation of Department based upon classifications & sewer lines
17-300-5420	SWANCC CHARGES	370,079	367,373	311,889	None anticipated
	Total Expense	$497,773	$497,804	$439,607	
	Solid Waste Disposal Fund	**$64,634**	**$(37,604)**	**$20,593**	

Section 7

Special Revenue Funds (Continued)

- SSA #1 – Prospect Heights Sanitary District
- SSA #2 – Wolf Mandel Sanitary District
- SSA #3 – Country Gardens Sanitary District
- SSA #4 – Pinecrest Sanitary District
- SSA #5 – Palatine/Willow Stormwater
- SSA #6 – Water Main Construction
- SSA #8 – Levy 37

Special Service Areas (SSA)

SSA #1

Special Service Area #1 - Prospect Heights Sanitary District was established for the purpose of maintaining the sanitary sewer systems.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
21-100-3000	REAL ESTATE TAXES	$27,505	$28,500	$28,400	Based upon tax levy
21-100-3800	INTEREST INCOME	2	-	-	
	Total Revenue	$27,507	$28,500	$28,400	
21-300-5100	PROFESSIONAL SERVICES	$-	$-	$-	
21-300-5101	AUDIT	1,127	1,376	1,652	Based upon allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
21-300-5401	SERVICE CHARGE - GENERAL FUND	32,840	25,700	21,800	Based upon PW, Admin time and overhead
21-300-5530	WORKERS COMPENSATION INSURANCE	662	750	825	Allocation of Department based upon classifications & sewer lines
21-500-7020	EQUIPMENT	-	-	-	None anticipated
	Total Expense	$34,629	$27,826	$24,277	
	Total SSA #1	$(7,122)	$674	$4,123	

Special Service Areas (SSA) (continued)

SSA #2

Special Service Area #2 – Wolf Mandel Sanitary District was established for the purpose of maintaining the sanitary sewer systems.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
22-100-3000	REAL ESTATE TAXES	$44,355	$45,500	$43,400	Based upon tax levy
22-100-3800	INTEREST INCOME	13	-	-	None anticipated
	Total Income	**$44,368**	**$45,500**	**$43,400**	
22-300-5100	PROFESSIONAL SERVICES	$-	$-	$-	None Anticipated
22-300-5101	AUDIT	1,160	1,417	1,701	Based upon allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
22-300-5401	SERVICE CHARGE - GENERAL FUND	33,360	27,500	23,000	Based upon PW, Admin time and overhead
22-300-5530	WORKERS COMP INSURANCE	441	500	550	Allocation of Department based upon classifications & sewer lines
22-500-7020	EQUIPMENT	4,995	-	-	None anticipated
	Total Expenses	**$39,956**	**$29,417**	**$25,251**	
	Total SSA #2	**$4,412**	**$16,083**	**$18,149**	

Special Service Areas (SSA) (continued)

SSA #3

Special Service Area #3 - Country Gardens Sanitary District was established for the purpose of maintaining the sanitary sewer systems.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
23-100-3000	REAL ESTATE TAXES	$23,699	$24,100	$25,000	Based upon tax levy
23-100-3800	INTEREST INCOME	212	100	100	Based upon the Illinois Fund rate of .1%
23-100-3899	MISCELLANEOUS INCOME	-	-	-	
	Total Revenue	$23,910	$24,200	$25,100	
23-300-5100	PROFESSIONAL SERVICES	$330	$-	$-	None anticipated
23-300-5101	AUDIT	1,171	1,430	1,716	Allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
23-300-5401	SERVICE CHARGE - GENERAL FUND	46,950	42,600	32,900	Based upon PW, Admin time and overhead
23-300-5530	WORKERS COMPENSATION INSURANCE	1,797	2,100	2,310	Allocation of Department based upon classifications & sewer lines
23-500-7020	EQUIPMENT	10,000	-	-	None anticipated
	Total Expense	$60,249	$46,130	$36,926	
	Total SSA #3	$(36,338)	$(21,930)	$(11,826)	

Special Service Areas (SSA) (continued)

SSA #4

Special Service Area #4 - Pinecrest Sanitary District was established for the purpose of maintaining the sanitary sewer systems.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
24-100-3000	REAL ESTATE TAXES	$40,645	$42,800	$42,400	Proposed tax levy
24-100-3800	INTEREST INCOME	12	50	-	
	Total Revenue	$40,658	$42,850	$42,400	
24-300-5100	PROFESSIONAL SERVICES	$-	$-	$-	None anticipated
24-300-5101	AUDIT	1,148	1,403	1,683	Allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
24-300-5401	SERVICE CHARGE - GENERAL FUND	33,340	27,400	25,200	Based upon PW, Admin time and overhead
24-300-5530	WORKERS COMPENSATION INSURANCE	252	300	330	Allocation of Department based upon classifications & sewer lines
24-300-5972	PROPERTY TAX REFUND	-	-	-	None anticipated
24-500-7020	EQUIPMENT	5,000	-	-	None anticipated
	Total Expenses	$39,741	$29,103	$27,213	
	Total SSA #4	$917	$13,747	$15,187	

Special Service Areas (SSA) (continued)

SSA #5

Special Service Area #5 - Palatine/Willow Stormwater was established for the purpose of storm water management.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
25-100-3000	REAL ESTATE TAXES	$5,850	$65,700	$64,600	Based upon tax levy
25-100-3800	INTEREST INCOME	97	35	35	Lower fund balance due to drainage improvements
	Total Revenue	$5,947	$65,735	$64,635	
25-300-5050	SYSTEM MAINTENANCE	$3,705	$5,000	$5,000	Pump repairs
25-300-5100	PROFESSIONAL SERVICES	-	23,200	10,000	Engineering
25-300-5101	AUDIT	1,242	1,517	1,820	Based upon allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
25-300-5401	SERVICE CHARGE - GENERAL FUND	47,460	44,500	35,400	Based upon PW, Admin time and overhead
25-300-5500	LIABILITY INSURANCE	961	1,200	1,320	Based upon building & equipment allocations
25-300-5972	PROPERTY TAX REFUND	-	-	-	None anticipated
25-500-7020	EQUIPMENT	20,000	-	-	None anticipated
25-500-7053	DRAINGAGE IMPROVEMENTS	133,854	-	-	None anticipated
	Total Expenses	$207,221	$75,417	$53,540	
	Total SSA #5	$(201,274)	$(9,682)	$11,095	

Special Service Areas (SSA) (continued)

SSA #8

Special Service Area #8 (SSA #8) was established for the acquisition of necessary land rights, and the construction, maintenance and operation of Levee 37, and related flood control measures which benefit the proposed area.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
28-100-3000	REAL ESTATE TAXES	$211,539	$212,200	$218,500	Based upon tax levy
28-100-3800	INTEREST INCOME	143	300	150	None anticipated
	Total Revenue	$211,682	$212,500	$218,650	
28-300-5100	PROFESSIONAL SERVICES	$3,625	$125,000	$125,000	Pump servicing - Flood Control, IDNR Flood insurance study & FEMA Map revisions
28-300-5101	AUDIT	1,263	1,543	1,852	Based upon allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
28-300-5401	SERVICE CHARGE - GENERAL FUND	71,660	74,000	57,700	Based upon PW, Admin time and overhead
28-300-5500	LIABILITY INSURANCE	420	900	977	Based upon building & equipment allocations
28-300-5972	PROPERTY TAX REFUND	-	-	-	None anticipated
28-300-7020	EQUIPMENT	6,520	1,000	1,000	Hand mower and weed whip
28-400-6000	PRINCIPAL	-	100,000	100,000	Repayment of notes payable
28-400-6010	INTEREST	4,500	2,250	2,250	Interest expense line of credit at 2.25%
28-500-7020	CAPITAL EXPENSE	36,520	-	-	None anticipated
	Total Expenses	$124,509	$304,693	$288,779	
	Total SSA #8	$87,174	$(92,193)	$(70,129)	

Section 8

Debt Service Funds

- General Fund
- Road Construction
- SSA #6

Debt Funds

Road Construction Debt Fund

The Fund includes the interest and principle related to the G.O. Debt Certificate 2011A and G.O. Debt Certificate 2012 & 2013

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
41-100-3000	REAL ESTATE TAXES	$1,336,718	$1,297,710	$1,296,735	Amount per Tax Levy
41-100-3800	INTEREST INCOME	67	-	1,200	None anticipated
	Total Revenue	**$1,336,785**	**$1,297,710**	**$1,297,935**	
41-300-5430	BANK FEES	$1,250	$2,700	$2,700	$450 per payment 6 payments
41-300-5101	AUDIT	623	3,000	6,000	Based upon allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
41-300-5401	SERVICE CHARGES	-	23,700	19,800	Admin time & O/H exp related to bond payments/budget/audit
41-400-6000	PRINCIPAL	960,000	975,000	995,000	G.O. Debt Certificates Series 2011A, 2012, and 2013
41-400-6010	INTEREST	343,335	322,711	301,736	G.O. Debt Certificates Series 2011A, 2012, and 2013
	Total Expenses	**$1,305,208**	**$1,327,111**	**$1,325,236**	
	Road Construction Debt	**$31,577**	**$(29,401)**	**$(27,301)**	

SSA #6 Debt Fund

The Fund includes the interest and principle related to the Special Service Area #6 Bonds, Series 2009.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Actuals 2015-2016
46-100-3000	REAL ESTATE TAXES	$252,570	$238,503	$238,503	Amount per Tax Levy
46-100-3800	INTEREST INCOME	21	50	50	Based upon the Illinois funds rate of .1%
	Total Revenue	**$252,592**	**$238,553**	**$238,553**	
46-300-5430	BANK FEES	$450	$450	$450	Bank maintenance fee
46-300-5101	AUDIT	-	2,000	2,000	Allocation based on # journal entries and fund balances
46-300-5401	SERVICE CHARGES	-	20,400	21,400	Admin time & O/H exp related to bond payments/budget/audit
46-400-6000	PRINCIPAL	110,000	115,000	120,000	SSA #6 Bonds, Series 2009
46-400-6010	INTEREST	129,753	124,253	118,503	SSA #6 Bonds, Series 2009
	Total Expenses	**$240,203**	**$262,103**	**$262,353**	
	Total SSA #6 Debt	**$11,849**	**$(23,550)**	**$(23,800)**	

Section 9

Enterprise Funds

- Water Fund
- Parking Fund
- Sanitary Sewer Fund

Enterprise Funds

Water Fund

The Water Fund accounts for the provision of potable water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, depreciation expense, financing, and billing and collection.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
51-100-3800	INTEREST INCOME	$4,589	$3,000	$3,000	Return of .25%
51-100-3880	WATER SALES	268,753	261,450	270,165	41,500,000 gallons @ $6.51/1000 gallons increase from $6.30 to help pay for variable expenses (3.34% increase). Rates study recommends $6.74
51-100-3881	WATER DELIVERY CHARGE	305,315	325,430	348,190	1090 customers x $26.62/month per water study
51-100-3882	WATER INFRASTRUCTURE RESERVE	136,702	142,964	163,369	1090 customers x $11.47/mth per water study + $1.0228 for truck
51-100-3883	WATER DEBT RETIREMENT CHARGE	77,885	81,000	78,310	1090 customers x $5.99 ($78,310/12 months/1,090 customers)
51-100-3884	WATER SANITARY SEWER	465	600	600	5 customers @$10/month
51-100-3885	PENALTY	3,675	1,500	1,500	Flat
51-100-3899	MISCELLANEOUS INCOME	(114)	-	-	None Anticipated
	Total Revenue	$797,271	$815,945	$865,134	
51-300-4000	WAGES	$79,836	$85,914	$80,914	25% of Administrative Asst, 25% of Sr Financial Analyst, and salary increase for Water Operator
51-300-4010	OVERTIME	1,450	5,000	5,000	Water main breaks and emergency
51-300-4100	HEALTH INSURANCE	25,451	25,077	25,075	10% increase over last year
51-300-4110	LIFE INSURANCE	141	148	148	Flat
51-300-4200	SOCIAL SECURITY	5,258	5,637	5,327	Salary increases
51-300-4210	MEDICARE	1,229	1,318	1,246	Salary increases
51-300-4220	IMRF	10,323	11,710	11,472	IMRF 13.03% CY 2016 and 14.00% in CY2017
51-300-5000	BUILDING MAINTENANCE	5,593	3,000	3,000	Bulbs, general supplies, seal coating
51-300-5050	SYSTEM MAINTENANCE	23,748	48,800	61,900	Water main breaks: 12 breaks @$1,200 per break, Buffalo box repairs 10 @$200, value and pipe repairs $35,000 , meters $7,500 and locator @$3,000,
51-300-5100	PROFESSIONAL SERVICES	18,321	45,000	25,000	Scada System and Leak Detection & GIS mapping
51-300-5101	AUDIT	3,587	3,829	4,595	Allocation of 50% # of journal entries, 25% fund balance & 25% # of funds

Water Fund Budget (continued)

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
51-300-5200	POSTAGE	2,056	3,100	3,100	Postage changed to postcards new rate increase of $0.01 or 3%
51-300-5221	PRINTING	77	450	450	Consumer Confidence Report posted on web and journal
51-300-5222	LEGAL NOTICES	-	1,500	1,500	CCR Publishing
51-300-5310	MEMBERSHIPS	1,021	1,500	1,500	Sean, Jim, and Joe certification
51-300-5330	TRAINING	2,310	3,050	3,050	Water licensing training 3 employees $1,950, IL American Water Works Training Seminar $500, Confined space training $600 for 3 employees
51-300-5401	SERVICE CHARGES	194,650	224,000	242,000	Based upon actual hours of PW employees
51-300-5410	UTILITIES	12,418	15,000	15,000	Electric and gas charges
51-300-5412	WATER	207,235	220,000	220,000	Current trending usage and cost
51-300-5430	CREDIT CARD & BANK CHARGES	3,544	2,500	2,500	Loan Fees & Credit Card fees more residents using credit cards
51-300-5500	LIABILITY INSURANCE	26,041	30,303	33,333	Based upon building & equipment allocations
51-300-5501	INSURANCE DEDUCTIBLES	-	2,500	2,500	Same as last years budget
51-300-5530	WORKERS COMPENSATION INSURANCE	5,166	5,500	6,050	Allocation to Department based upon classification codes
51-300-5710	OPERATING SUPPLIES	1,518	10,000	10,000	Supplies
51-300-5750	CHEMICALS	860	2,000	2,000	Based upon current year actual projections
51-300-5751	GASOLINE	862	2,500	2,500	Based upon $2.29 per gallon
51-300-7021	RADIO EQUIPMENT	-	800	-	None anticipated
51-400-6000	PRINCIPAL	-	55,000	55,000	Based upon actual GO Bond Certificate, Series 2010
51-400-6010	INTEREST	27,510	25,510	23,310	Based upon actual GO Bond Certificate, Series 2010
51-500-7020	EQUIPMENT	-	-	135,000	New Back-hoe to replace 1991 Ford Combination Back hoe
51-600-8000	DEPRECIATION	123,657	128,000	155,000	Includes depreciation for new equipment
	Total Water Fund Expenses	$783,862	$968,645	$1,137,469	
	Water Fund Net Income (Loss)	$13,409	$(152,700)	$(272,335)	

Parking Fund

The Parking Fund was established as an enterprise fund to track the revenues and expenses associated with operating and maintaining the Metra parking lot located on Wolf Road.

Expenses recorded in the Parking Fund include supplies, maintenance, insurance, depreciation, utilities, reimbursement to the General Fund for staffing (accounting, public works, pay box collections, etc.), and the Commonwealth Edison lease for the land that the parking lot was constructed on.

Due to its low utilization rate, the Parking Fund continues to be unable to support its related costs of operation. The Parking Fund is budgeted at a deficit for the year of $54,466. The City cannot continue to subsidize this operation or future large-scale maintenance; therefore, the City will continue working with both Metra regarding the future of the lot and with ComEd to contain any property lease increases.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
52-100-3330	PARKING FEES	$70,417	$64,000	$64,000	Flat
52-100-3800	INTEREST INCOME	8	-	-	
	Total Revenues	$70,426	$64,000	$64,000	
52-300-5100	PROFESSIONAL SERVICES	$4,794	$10,200	$10,200	Fire & safety inspections rehabilitation of 4-5 storm sewer structures
52-300-5101	AUDIT	1,705	2,083	2,500	Based upon allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
52-300-5401	SERVICE CHARGE – GEN FUND	23,170	27,000	31,000	Based upon actual hours of PW employees
52-300-5410	UTILITIES	9,805	11,000	11,000	Electric & gas
52-300-5500	LIABILITY INSURANCE	3,886	5,800	6,380	Metra Station
52-300-5501	INSURANCE DEDUCTIBLES	-	2,500	2,500	1 occurrence
52-300-5511	FACILITY RENT	17,310	20,000	20,000	New Lease amount
52-300-5632	ICE CONTROL MAINTENANCE	-	500	500	Salting of station
52-300-5710	OPERATING SUPPLIES	800	2,000	2,000	Bulbs, locks, cleaning supplies
52-300-5970	REFUNDS	35	250	250	Parking fee refunds
52-600-8000	DEPRECIATION	32,136	32,136	32,136	Depreciation related to parking lot and building
	Total Expenses	$93,641	$113,469	$118,466	
	Total Parking Fund	$(23,215)	$(49,469)	$(54,466)	

Sanitary Sewer Fund

The Sanitary Sewer Fund was established as an enterprise fund to track the revenues and expenses associated with operating and maintaining the former Old Town Sanitary Sewer District. The Old Town Sanitary District was created under the Sanitary District act of 1936. In 1967, the Old Town Sanitary District was formed in unincorporated Cook County to find a solution for outdated septic systems and well contamination serving most of Prospect Heights and small portions of Arlington Heights, Mount Prospect and Wheeling.

A three-member board of residents appointed by Cook County made decisions on behalf of the sanitary district. In recent years, however, reserve funding began to fall with the district running a yearly budget of around $80,000. In November 2012, voters rejected a tax hike referendum by a 2-to-1 margin. Prospect Heights took over maintenance of the system and was reimbursed by Old Town for its services.

As part of House Bill 3273 that went into effect July 10, 2016, Old Town is required to close its office and liquidate its assets. After all remaining debts and obligations are paid, each of the towns will receive its share of remaining Old Town funds, according to the law.

The City is billing the sanitary sewer users the follow rates for FY2016-17: The City anticipates increasing the rates to $20 per month and are

Dwelling units		$6.50 per month per unit
Nonresidential units		$8.00 per month per unit
Nonresidential buildings with 2 or more units		$16.00 per month plus $2.00 per month for each additional unit above 2 units

The rates were established in 1992. The City performed a rate study in FY2016-17 budget to assist in the determination of rates which allow the City to properly collect funds to pay for operating and future capital improvement. The City anticipates increasing the rates to $20 per month based upon the rate study. The budget includes this increase.

The Sanitary Sewer fund has a deficit of $250,596 budgeted. The new rate structure will assist in reducing the deficit and providing reserves for future improvements.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
53-100-3400	PERMIT FEES	$1,700	$16,875	$1,125	1 upgrade/new residential connections $1,125
53-100-3760	CONNECTION FEES	183,130	20,000	-	None Anticipated
53-100-3884	SANITARY SEWER CHARGES	130,537	218,400	672,000	Utilizing a $20/month charge
	Total Revenues	$315,367	$255,275	$673,125	
53-300-4000	WAGES	$2,440	$34,273	$28,379	25% of Admin Asst & Sr Financial Analyst
53-300-4100	HEALTH INSURANCE	-	6,077	6,333	25% of Admin Asst & Sr Financial Analyst
53-300-4110	LIFE INSURANCE	-	49	49	25% of Admin Asst & Sr Financial Analyst
53-300-4200	SOCIAL SECURITY	412	2,125	1,760	25% of Admin Asst & Sr Financial Analyst
53-300-4210	MEDICARE	96	497	411	25% of Admin Asst & Sr Financial Analyst
53-300-4220	IMRF	5,884	4,414	3,655	IMRF 13.03% CY 2016 and 14.00% in CY2017
53-300-5050	SYSTEM MAINTENANCE	12,777	210,000	-	Relining and replacement
53-300-5100	PROFESSIONAL SERVICES	13,835	152,000	297,000	New MWRD standard, compliance evaluation & report and flow monitoring $40,000, consultant inspector $17,000, engineering & GIS mapping $15,000, televising $225,000 old portion of system,
53-300-5101	AUDIT	-	2,000	2,000	Allocation of 50% # of journal entries, 25% fund balance & 25% # of funds
53-300-5200	POSTAGE	2,949	3,920	3,920	2,800 units @ $.35 for 4 mailings
53-300-5221	PRINTING	823	1,000	1,000	Postcards
53-300-5330	TRAINING	-	5,000	5,000	NASSCO training
53-300-5401	SERVICE CHARGES	65,600	175,000	197,000	Based upon actual hours of PW employees
53-300-5430	CREDIT CARD CHARGES	-	850	850	Based upon estimated revenue compared to water
53-300-5530	WORKER'S COMP INSURANCE	75	1,239	1,363	Allocation to Department based upon classification codes
53-300-5999	MISCELLANEOUS EXPENSE	-	141,000	-	Balance sheet adjustment to be completed in FY2016-17 only
53-500-7051	SYSTEM IMPROVEMENTS	-	-	375,000	Relining and replacement
	Total Expenses	$104,890	$739,444	$923,721	
	Total Sanitary Sewer Fund	$210,476	$(484,169)	$(250,596)	

Section 10

Fiduciary Funds

Police Pension

Police Pension Fund

The Police Pension Fund provides retirement, disability and survivor benefits for all sworn police personnel. The defined benefit plan is in conformance with Illinois State Statutes under the oversight of the Illinois Division of Insurance. Standards have been established regarding investment returns and salary increases in order to actuarially determine annual employer contribution levels.

Revenues:

- The City has budgeted for a contribution amount of $820,079 based upon actuarial assumptions. Approximately 35.74% or $293,093 of the City's contribution will be funded by police pension property tax receipts, with the balance provided by other General Fund revenues.
- Police officers contribute 9.91% of their base wage and any longevity pay to their pension
- Interest earnings/investment returns were budgeted at a 5% rate of return.

Expenses

- The disability expenses reflects the prior year number of officers that have claimed and been approved for disability. There are currently three officers receiving disability; of which two are duty-related and one is non-duty related.
- The pension payments are for the City's two retirees from the police department and a one-time payout to an employee that left the City.

General Ledger #	General Ledger Account Description	Actuals 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Description
71-100-3000	REAL ESTATE TAXES	$289,942	$287,064	$293,093	Adjusted for the CPI as of December 2015 is .7%
71-100-3800	INTEREST INCOME	267,481	-	-	Investment R of R utilized by Actuary was 6.2%, the City chose to not budget any revenue to be conservative
71-100-3801	NET APPRECIATION - FV INV	(364,079)	-	-	None anticipated - conservative
71-100-3860	CITY CONTRIBUTION	425,544	554,760	780,150	Per Actuarial Calculations plus $253,164
71-100-3861	EMPLOYEE CONTRIBUTION	194,884	200,444	203,341	9.991% of Officer's Pensionable Salary
	Total Revenues	**$813,773**	**$1,042,268**	**$1,276,584**	
71-300-4232	DISABILITY BENEFITS	$79,513	$81,897	$81,897	Two officers plus cost of living increase
71-300-4233	PENSION PAYMENTS	242,883	294,168	661,878	Five officers additional officer retired plus cost of living incr
71-300-5100	PROFESSIONAL SERVICES	27,633	32,500	32,500	Auditor, Actuarial Report, Legal Service Conference
71-300-5107	INVESTMENT EXPENSE	26,189	25,000	27,669	Based upon last year actuals
71-300-5331	CONFERENCES	2,828	2,500	2,800	Officer's attendance at conferences
71-300-5440	STATE FILING FEE	2,305	2,500	2,500	Annual Report to Illinois Department of Insurance
71-300-5971	REFUNDS/TRANSFER CONTRIB	-	-	-	None anticipated - conservative
	Total Expenses	$381,351	$438,565	$809,244	
	Total Police Pension	**$432,422**	**$603,703**	**$467,340**	

Section 11

Capital Improvement Plan

To be Approved

Section 12

Supplemental Information

- Investment Policy
- Fund Balance Policy
- Glossary

Investment Policy

WHEREAS, the Corporate Authorities believe it is necessary and expedient to adopt an Investment Policy for the City of Prospect Heights;

NOW, THEREFORE, be it resolved by the Mayor and Alderman of the City of Prospect Heights, Cook County, Illinois, as follows:

SECTION I: The following is adopted as the City of Prospect Heights Investment Policy:

"GLOSSARY OF TERMS

A. AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered for securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position (take ownership of securities). In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Prospect Heights. It includes five (5) combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

COUPON:

1. The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.
2. A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling securities from an inventory on hand.

DEBENTURE: A bond secured only by the general credit of the issuer. When the City issues bonds of this type they are termed general obligation (GO).

DELIVERY VERSUS PAYMENT: There are two (2) methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value; e.g., U.S. Treasury bills, zero coupon bonds.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns. The purpose of diversification is to minimize risk from default or market fluctuations.

FEDERAL CREDIT AGENCIES: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals; e.g., S & Ls, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal agency that insures bank deposits, currently up to one hundred thousand dollars ($100,000.00) per depositor.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations, and is regarded as a very short-term index for interest rates.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal home loan banks play a role analogous to that played by the Federal Reserve banks vis-à-vis member commercial banks.

Investment Policy (continued)

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMAS was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a Federal corporation working under the auspices of the Department of Housing and Urban Development, HUD. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven (7) members of the Federal Reserve Board and five (5) of the twelve (12) Federal Reserve bank presidents. The president of the New York Federal Reserve Bank is a permanent member while the other presidents serve on a rotating basis. The committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit, money, and ultimately, interest rates.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven (7) member board of governors in Washington D.C., twelve (12) regional banks and about five thousand seven hundred (5,700) commercial banks that are members of the System.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-throughs is often used to describe Ginnie Maes.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structures to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money; that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SEC RULE 15C3-1: See definition of Uniform Net Capital Rule in this subsection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A noninterest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three (3) months, six (6) months or one year. Although the security does not bear an interest rate, a return is determinable. Treasury bills are sold below face value and reach face value upon maturity.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten (10) years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten (10) years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of fifteen to one (15:1): also called "net capital rule" and "net capital ratio". Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

1. Income Yield: Is obtained by dividing the current dollar income by the current market price for the security.
2. Net Yield Or Yield To Maturity: Is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Investment Policy (continued)

B. Policy: It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum investment security. This policy will meet the daily cash flow demands of the City and conform to all State and local statutes governing the investment of public funds.

C. Scope: This investment policy applies to all financial assets of the City. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

1. Funds:
    a. Capital project funds
    b. Debt service funds
    c. Enterprise funds
    d. General Fund
    e. Retirement/pension funds
    f. Special revenue funds
    g. Trust and agency funds

D. Prudence:
1. Investments: Investments shall be made with judgment and care, under circumstances then prevailing; which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
2. Standard Of Prudence: The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

E. Objective: The primary objectives, in priority order, of the City investment activities shall be:
1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements.
3. Return on Investment: The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

F. Delegation of Authority: Management responsibility for the investment program is hereby delegated jointly to the City Treasurer and Finance Director who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer and Finance Director. The City Treasurer and Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

G. Ethics and Conflicts Of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Administrator any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.

H. Authorized Financial Dealers And Institutions:
   1. The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State. These may include "primary" dealers or regional dealers that qualify under Securities And Exchange Commission Rule 15C3-1. No public deposit shall be made except in a qualified public depository as established by State laws.
   2. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following: audited financial statements, proof of National Association of Security Dealers certification, proof of State registration.
   3. An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer.
   4. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.

Investment Policy (continued)

I. Authorized And Suitable Investments: The City is empowered by statute to invest in the following types of securities:

1. Insured commercial banks
2. Savings and loan institutions,
3. Obligations of the U.S. Treasury and U.S. agencies,
4. Insured credit union shares,
5. Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations,
6. Repurchase agreements,
7. Short-term commercial paper rated within the three (3) highest classifications by at least two (2) standard rating services, and
8. The Illinois Public Treasurer's Investment Pool.

J. Collateralization:

1. Collateralization will be required on two (2) types of investments: certificates of deposit and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred ten percent (110%) of market value of principal and accrued interest.
2. Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained.
3. The right of collateral substitution is granted.

K. Safekeeping And Custody: All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery versus payment (DVP) basis. Securities will be held by a third party custodian approved by the treasurer and evidenced by safekeeping receipts.

L. Diversification: The city will diversify its investments by security type and institution. With the exception of U.S. treasury securities and authorized pools, no more than fifty percent (50%) of the city's total investment portfolio will be invested in a single security type or with a single financial institution.

M. Maximum Maturities: To the extent possible, the city will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the city will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the city may collateralize its repurchase agreements using longer dated investments not to exceed thirty (30) years to maturity.

Reserve funds may be invested in securities of three (3) years maturity or less, if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

N. Internal Control: The city treasurer and finance director shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

O. Performance Standards: The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the city's investment risk constraints and cash flow needs.

   1. Market Yield (Benchmark): The city's investment strategy is passive. Given this strategy, the basis used by the treasurer to determine whether market yields are being achieved shall be the three (3) month U.S. treasury bill.

P. Reporting Requirements: Quarterly written reports of investment activities by the public agency's chief financial officer for submission to the governing body and chief executive officer of the public agency. The reports shall include information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date.

Q. Investment Policy Adoption: The city's investment policy shall be adopted by resolution of the city's legislative authority. The policy shall be reviewed on an annual basis by the finance committee and any modifications made thereto must be approved by the city council.

R. Authorized Advisors/Money Managers: This policy requires that investment advisors possess the following qualifications:

   1. Minimum five (5) years' continuous service for municipal clients.
   2. Minimum three (3) years' municipal clients as current references.
   3. Minimum licensing and certification as accepted in the industry for the service engaged.

S. Ethics and Conflicts Of Interest: Investment advisors and money managers must adhere to a minimum level of standards consistent with the Association For Investment Management And Research Code Of Ethics. If a more stringent regulation applies under an advisor's or manager's certification standard exist, then this policy dictates as the ethical benchmark.

FUND BALANCE POLICY

PURPOSE

The Governmental Accounting and Financial Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Policy shall be adopted by the City as of the fiscal year ended April 30, 2012. In the fund financial statements, governmental funds shall be composed of non-spendable, restricted, committed, assigned and unassigned amounts.

RATIONALE

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget.

The Fund Balance Policy should be established based upon a long-term perspective recognizing that stated thresholds are considered minimum balances. The main objective of establishing and maintaining a Fund Balance Policy is for the City to be in a strong fiscal position that will allow for better position to weather negative economic trends.

POLICY STATEMENT

The Fund Balance is the difference between assets and liabilities reported in a governmental fund. Fund balance measures the net current financial resources available to finance expenditures of future periods. Fund balance reporting will be in accordance with the recent authoritative pronouncements and may include the following categories:

- Non-spendable Fund Balance consists of funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.
- Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. Special revenue funds are by definition restricted or committed for those specified purposes. Additionally, this would include but not limited to, bond capital project funds and debt service funds.
- Committed Fund Balance consists of funds that are set aside for a specific purpose by the City's highest level of decision making authority (City Council). The City Council commits fund balances by passing an ordinance or resolution. The same formal action must be taken to remove or change the limitations placed on the funds.
- Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the City Council. The City Council authorizes the City Administrator or Finance Director to determine the assigned fund balance(s) on an annual basis. Assigned funds cannot cause a deficit in unassigned fund balance.
- Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

Non-spendable and Restricted Funds

Non-spendable funds are those funds that cannot be spent because they are either:

1) Not in spendable form (e.g. inventories and prepaids)
2) Legally or contractually required to be maintained intact

It is the responsibility of the Finance Director to report all Non-spendable Funds appropriately in the City's Financial Statements.

Restricted funds are those funds that have constraints placed on their use either:

1) Externally by creditors, grantors, contributors, or laws or regulations or other governments
2) By law through constitutional provisions or enabling legislation.

It is the responsibility of the Finance Director to report all Restricted Funds appropriately in the City's Financial Statements.

Classifying Fund Balance Amounts

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last; unless the City Council has provided otherwise in its commitment or assignment actions.

Authority to Commit Funds

The City Council has the authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of an ordinance or resolution. The passage of an ordinance or resolution must take place prior to April 30th of the applicable fiscal year. If the actual amount of the commitment is not available by April 30th, the ordinance or resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Authority to Assign Funds

Upon passage of the Fund Balance Policy, direction is given to the City's Administrator or Finance Director to assign funds for specific purposes. Any funds set aside as Assigned Fund Balance must be reported to the City Council at their next regular meeting. The governing board has the authority to remove or change the assignment of the funds with a simple majority vote.

The City Council has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

FUND BALANCE POLICY (continued)

Unassigned Fund Balance

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

Unassigned Fund Balance may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget revision by the City Council.

In the event of projected revenue shortfalls, it is the responsibility of the City Treasurer to report the projections to the City Council on a quarterly basis and shall be recorded in the minutes.

Any budget revision that will result in the Unassigned Fund Balance dropping below the minimum level will require the approval of 2/3 vote of the City Council

TARGET FUND BALANCE POLICIES

Emergency Reserve

Maintaining an Emergency Reserve is a necessity for sound financial management and fiscal accountability. The City Council has the authority to establish an Emergency Reserve that will be a Committed Fund Balance. An Emergency Reserve is established for the purpose of providing funds for an urgent event that affects the health and safety residents (e.g. floods, fires, storm damage, etc.).The minimum level for the Emergency Reserve is 10% of General Fund expenditures. The recognition of an urgent event must be established by the City Council or their designee (e.g. City Administrator). If established by the governing board's designee, the specific urgent event must be reported to the City Council at their next meeting. A budget revision must be approved by the City Council. In the event that the balance drops below the established minimum level, the City Council will develop a plan to replenish the Emergency Reserve balance to the established minimum level within two years.

Operating Reserve

The city will maintain an additional General Fund "Operating Reserve" with an upper goal of an additional fifteen percent (15%) of the actual annual average General Fund revenues for the preceding five fiscal years. The Operating Reserve is intended to be a reserve for unexpected events whose impact exceeds $500,000 such as failure of the State to remit revenues to the city, unexpected mandates, unexpected loss of State Shared revenues, continuance of critical city services due to unanticipated events, or to offset the unexpected loss of a significant funding source for the remainder of the fiscal year.

Any use of the Operating Reserve funds must be approved by the City Council and include a repayment plan that projects to restore the Operating Reserve to the fifteen percent (15%) level within two fiscal years following the fiscal year in which the event occurred.

Enterprise Water Operating Reserve

The City of Prospect Heights's Enterprise Operating Fund working capital will be maintained to provide the city with a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing. The cash reserve balance (working capital) goal for the water enterprise operating funds will be at least twenty-five percent (25%) of the actual operating expenditures for the fiscal year.

Enterprise Water Debt Stabilization Reserve

The city will maintain a “Debt Stabilization Fund” with an upper goal of approximately fifty percent (50%) of the maximum annual average debt service payment in the following five years. The Debt Stabilization Fund is intended to provide additional security to insure the city’s ability to meet debt service obligations. In the event the Debt Stabilization Fund is used, the city shall strive to restore the fund to the defined level within the next three fiscal years following the fiscal year in which the fund was used.

Asset Maintenance Fund

The city will maintain an additional “Asset Maintenance Fund” with an upper goal equal to two percent (2%) of the enterprise fund infrastructure assets. The Asset Maintenance Fund may be used to provide funding for the repair and maintenance of critical infrastructure. In the event the Asset Maintenance Fund is used, the city shall strive to restore the fund to the defined level within the next three fiscal years following the fiscal year in which the fund was used.

Solid Waste Operating Reserve

The working capital goal for the residential and commercial solid waste enterprise funds is twenty percent (20%) of the actual operating expenditures for the current fiscal year.

GLOSSARY

The Annual Budget contains terminology unique to public finance and budgeting. This glossary was prepared to assist the reader of this document in the understanding of some of these terms.

- **Accountability** – The condition, quality, fact or instance of being obliged to reckon or report for actions or outcomes.
- **Accrual Basis of Accounting** – A method of accounting that recognizes financial transactions when they occur regardless of the time the intake of cash.
- **Activity** – A specific service performed by a component unit of a governmental organization that is responsible for a function such as police is an activity of the public safety function.
- **Agency Fund** – A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.
- **Annexation** – The incorporation of land into an existing city with a resulting change in the boundaries of that city.
- **Appropriation** – A specific amount of money authorized by city Council to make expenditures and incur obligations for specific purposes, frequently used interchangeably with "expenditures."
- **Assessed Value** – A valuation set upon real estate or other property by the Township Property Appraiser as a basis for levying taxes.
- **Asset Allocation** – The process to determine which types of investments are to be included in the composition of an overall investment portfolio.
- **Audit** – A systematic collection of sufficient, competent evidential matter needed to attest to the fairness of the presentation of the City's financial statements. The audit tests the City's accounting system to determine whether the internal accounting controls are both available and being used.
- **Available Fund Balance** – The portion of fund balance collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.
- **Balance Sheet** – That portion of the City's financial statement that discloses the assets, liabilities, reserves and balances of a specific governmental fund as of a specific date.
- **Basis of Accounting** – A term used when revenues, expenditures, expenses, transfers, assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on the cash, modified accrual or the accrual method.
- **Basis of Budgeting** – A method used to determine the recognition of Revenues and Expenditures for the budgetary process.
- **Bond** – A written promise to pay a specified sum of money, called face value or principal, at a specified date in the future, called maturity date, together with periodic interest at a specified rate.
- **Bond Refinancing** – The payoff and re-issuance of bonds, to obtain better interest rates and or bond conditions.
- **Budget** – A comprehensive financial plan of operations which attempts to allocate limited revenues among competing expenditure requirements for a given time period.
- **Budgetary Control** – The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.
- **Budget Revision** – A change to the adopted budget as authorized by the City Council.
- **Business-type Activities** – One of two classes of activities reported on government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

- **Capital Budget** – The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.
- **Capital Equipment** – Equipment with a value in excess of $20,000 and an expected life of more than five years such as automobiles, data processing equipment and furniture.
- **Capital Improvements** – Charges for the acquisition at the delivered price including transportation costs of equipment, land, buildings, or improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of $25,000 and a useful life expectancy of at least two years.
- **Capital Improvements Projects** – An undertaking that has a specific objective, can be easily distinguishable from other work being performed, has a definite beginning and end, does not occur annually, and has a total cost in excess of $100,000.
- **Capital Outlay** – Expenditures that result in the acquisition of or addition to fixed assets.
- **Capital Projects Fund** – Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
- **Cash Basis of Accounting** – Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.
- **Cash Management** – The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the balance of the highest interest and return, liquidity and minimal risk with these temporary cash balances.
- **Charges for Service** – User charges for services provided by the City to those specifically benefiting from those services.
- **Commodities** – Items which, after use, are consumed or show material change in, or an appreciable impairment, of their physical condition, and which generally have limited value and characterized by rapid depreciation.
- **Comprehensive Plan** – An official public document adopted by a local government as a policy guide to decisions about the physical development of the community. It is general long-range physical plan.
- **Constituent** – One represented politically or in business; a voter; client.
- **Debt** – A financial obligation resulting from the borrowing of money. Debts of government include bonds, notes, and land contracts.
- **Debt Ratio** – Ratios that provide a measure of assessing debt load and ability to repay debt, which play a part in the determination of credit ratings. They are used to evaluate the City's debt position over time and against its own standards and policies.
- **Debt Service** – The payment of principal and interest on borrowed funds.
- **Debt Service Funds** – Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- **Deficit** – The excess of expenditures or expenses over revenues or income during a single accounting period.
- **Department** – An organizational unit responsible for carrying out a major governmental function, such as Finance or Public Works.
- **Depreciation** – The decrease in value of physical assets due to use and the passage of time.
- **Encumbrance** – The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Glossary (continued)

- **Enterprise Fund** – Used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the costs of providing goods or services are financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- **Equalized Assessed Value** – The value of property resulting from the multiplication of the assessed value by an equalization factor to make all property in Illinois equal one-third of its market value.
- **Equalization Factor** – A factor determined by the State which when applied to the counties' assessed value will cause all property to equal one-third of its market value.
- **Expenditures** – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental transfers.
- **Expenses** – Charges incurred, whether paid or unpaid, resulting from the delivery of goods or services.
- **Façade** – The front, visible part, or most conspicuous component of a building. St. Charles has implemented a façade improvement program for its downtown businesses, in an effort to revitalize the area.
- **Fiduciary Funds** – Funds that are used when a government holds or manages financial resources in an agent or fiduciary capacity.
- **Fiscal Policies** – The City's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.
- **Fiscal Year** (FY) – Any consecutive twelve-month period designated as the budget year. The City's budget year begins May 1, and ends April 30 of the following calendar year.
- **Fixed Assets** – Assets of long-term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.
- **Franchise Fee** – A fee paid by public service businesses for use of City streets, alleys and property in providing their services to the citizens of a community. Services requiring franchises include telephone, natural gas and cable television.
- **Full Time Equivalent (FTE)** – A standardized unit of measure used to determine the equivalent number of full-time employees. It is calculated by dividing the total hours actually worked or planned for a job class (regular and overtime) by a standard number of hours a full-time employee would work for the job class.
- **Fund** – Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, residual equities, revenues, and expenditures, or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulation, restrictions, or limitations.
- **Fund Balance** – The fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues to expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.

- **Generally Accepted Accounting Principles** – Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).
- **General Fund** – The general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **General Obligation Bonds** – Those bonds that are backed by the "full faith and credit" of a municipality. The taxing power of local government is pledged in the covenant of one of these bond issues.
- **Goal** – A long-range desirable development attained by objectives designed to implement a strategy.
- **Governmental Fund Types** – Funds that account for a government's "governmental-type" activities. These funds are the general fund, special revenue funds, debt services funds and capital project funds.
- **Grant** – Contributions of gifts of cash or other assets from another government to be used for a specified purpose, activity, or facility. Grants may be classified as either categorical or black, depending on the amount of discretion allowed the grantee.
- **Improvements** – The necessary changes to a parcel(s) of land that is required for its future development. These often include modifications of the roadways, water and sewer mains, and the parcels capacity for electricity.
- **IMRF** – Illinois Municipal Retirement Fund. Retirement system established for municipal employees of the state.
- **Income** – A term used in proprietary fund type accounting to represent: (1) revenues; or (2) the excess of revenues over expenses.
- **Infrastructure** – The permanent foundation or essential elements of a municipality. Roadways are a component of a local government's infrastructure.
- **Interfund Transfer** – Payment from one fund to another fund primarily for work or services provided.
- **Intergovernmental Revenues** – Revenues from other governments in the form of grants, entitlement, shared revenues, or payments in lieu of taxes.
- **Investment** – The placing of money, capital, or other resources to gain in a profit, as in interest.
- **LEADS** – Law Enforcement Agency Data System in a system used as a nationwide tool to track criminal activity, such as warrants for arrest and missing persons.
- **Levy** – (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by the City.
- **Liability** – Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.
- **Line Item** – A specific item or group of similar items defined by detail in a unique account in the financial records. Revenue and expenditure justifications are reviewed, anticipated and appropriated at this level.
- **Liquidity** – The amount of cash and easily sold securities a local government has at one time.
- **Millage** – The tax rate on real property based on $1.00 per $1,000 of assessed property value.
- **Mobile Data Terminals (MDT)** – Mobile Data Terminals are terminals that will allow police officers instant access from the squad cars to the National Crime Information Center. This will allow the officer to immediately check on stolen property or check a warrant.

Glossary (continued)

- **Modified Accrual Accounting** – A basis of accounting in which revenues are recorded when collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period, and expenditures are recognized when the related liability is incurred. Governmental fund types utilize this basis of accounting.
- **MFT** – Motor Fuel Tax is a tax on fuel consumption. Distribution of the tax collected is based on population. There are also state-funded programs for street resurfacing, curb and gutter work and storm sewer work.
- **Net Income** – Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers-in over operating expenses, non-operating expenses, and operating transfers-out.
- **Non-Operating Expenditures** – The costs of government services which are not directly attributable to a specific City program or operation. Examples include debt obligations and contributions to Human Service organizations.
- **Non-Home Rule Municipality**
- **Objective** – Something to be accomplished in specific, well-defined, and measurable terms and is achievable within a specific time frame.
- **Operating Budget** – A financial plan that presents proposed expenditures for the fiscal year and estimates of revenue to finance them.
- **Portfolio** – A compilation of investments held by an entity.
- **Privatization** – The transfer of services from the public sector to the private sector in an attempt to save tax dollars. This has been done to varying degrees and levels of success across the country.
- **Private Sector** – Business owned and operated by private individuals, as opposed to government-owned operations.
- **Public Sector** – The policies and procedures as conducted by local governments, states and the federal government. The majority of these activities are financed through tax levies.
- **Program** – An organized set of related work activities within a Bureau of a department, which are directed toward a common purpose or goal and represent a well-defined use of City resources. Each City department usually is responsible for a number of related service programs.
- **Property Tax** – A tax levied on the assessed value of real property (also known as "ad valorem taxes").
- **Proprietary Fund Types** – The classification used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds.) All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The Generally Accepted Accounting Principles used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position. However, where the Governmental Accounting Standards Board has issued pronouncements applicable to those entities and activities, they should be guided by these pronouncements.
- **Referendum** – The submission of a proposed public measure or law, which has been passed upon by legislature or convention, to a vote of the people for ratification or rejection.
- **Revenue Bonds** – Bonds whose principal and interest are payable exclusively from earnings of a specific, defined activity or facility which can be public, quasi-public, or private.
- **Retained Earnings** – An equity account reflecting the accumulated earnings of the City's proprietary funds.

- **Revenues** – Funds that the government receives as income. It includes such items as tax receipts, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.
- **SCADA** – Supervisory Control and Data Acquisition. Computer controlled system operation and information in regards to the City's electrical and water system.
- **Special Revenue Funds** – Funds used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- **Tax Levy** – The total amount to be raised by general property taxes for operating and debt service purposes.
- **Tax Rate** – The amount of tax levied for each $100 of assessed valuation.
- **Tax Increment Finance District (TIF)** – A special district established to revitalize a degenerating parcel of land/building funded through incremental property taxes.
- **Trust and Agency Funds** – Funds used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.
- **User Fees** – A fee charged for receipt of public service to the party who benefits from the service.
- **Yield** – The yield on a fixed-income security is its current rate until maturity, based on its face value, it current market price and any interest coupons.