

**Annual Budget
City of Washington, Illinois
Fiscal Year Ending
April 30, 2011**

**Gary W. Manier, Mayor
Patricia S. Brown, City Clerk
Ellen L. Dingedine, City Treasurer
Kenneth L. Black, City Attorney**

Aldermen

**James A. Newman, Ward I
Robert A. Brucks, Ward I
Todd A. Clanin, Ward II
Donald R. Brubaker, Ward II
Alan L. Howerter, Ward III
David K. Dingedine, Ward III
James L. Gee, Ward IV
R. Gene Schneider, Ward IV**

Staff

**Robert A. Morris, City Administrator
Joan E. Baxter, Controller
Kenneth B. Newman, City Engineer
Bill Bimrose, Public Services Manager
James W. Kuchenbecker, Chief of Police
Jon R. Oliphant, Planning & Development Director**

May 2010

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April 19, 2010

The Honorable Gary W. Manier
and Members of the City Council
City of Washington
City Hall, 115 W. Jefferson
Washington, Illinois 61571

Mayor Manier and Members of the City Council:

I am pleased to present the proposed budget for the City of Washington, Illinois for the fiscal year beginning May 1, 2010. The document reflects the collaborative efforts of the city's elected officials and staff. I am appreciative of the assistance and guidance provided by each of you. I am particularly grateful to City Controller Joanie Baxter who plays a central role in the budget process and to the city's department heads who lend valued professional input and advice. The finished budget document is largely a product of their collective planning and forethought.

FY10-11 BUDGET OVERVIEW

A general overview of the City of Washington's FY10-11 budget in comparison to the prior year is summarized in the following table. Revenues and expenses across all funds have been grouped into common categories for comparative purposes. While these data are useful in providing summary information and general trends, substantive conclusions should only be made following a more thorough evaluation of the budget detail provided for each individual fund.

The budget appropriates \$21,135,454 to meet the city's anticipated expenses for the fiscal year beginning May 1, 2010, a \$716,515 or 3.3% decrease from the prior year. Of the nine major service categories shown in the Budget Trends table, expenses related to the city's core services (sanitary sewer, streets, public safety and water) account for nearly 85% of total budgeted expenditures.

It is also useful to review planned expenditures by type or class. Capital expenditures, for example, are estimated to total nearly \$10.8M in the coming year. Personnel expenses are the next largest category (\$5.989M) followed by operations (\$3.260M) and debt service (\$1.059M).

Bond and Grant Proceeds account for the single largest source of revenue in the coming year. This outcome is heavily influenced by the proposed \$4.4M in IEPA/ARRA loan proceeds for the expansion of WWTP No. 2. Sales taxes estimated to total \$4.59M make up the second largest source of funds. The planned expenditure of Fund Balances/Cash Reserves totaling \$2.51M (net) account for the next largest source of funds. Sewer revenues are estimated to total \$2.278M, water revenues \$1.229M, Property Taxes \$1.138M, and Income Taxes \$0.987M.

The primary sources and uses of the Fund Balances/Cash Reserves are for capital purposes as summarized below:

<u>Fund</u>	<u>Amount</u>	<u>Principle Uses</u>
General Fund (Unrestricted)	\$ 887,916	Police Station Renovation Project
Water Fund	306,590	Water Tank No. 2 Maintenance; Reaction Basin Improvements (WTP No. 1)
Water Tower Reserve Account	148,000	Water Tank No. 2 Maintenance
Sewer Fund	374,893	Devonshire Trunk Sewer and Sewer Rehabilitation Projects
Sewer Subdivision Dev. Fund	278,320	Devonshire Trunk Sewer Project
TIF No. 2 Fund	572,200	Varied Redevelopment Projects

The above listed expenditures are in accordance with the city's financial planning strategy. Cash reserves are frequently accumulated over one or more years in anticipation of major capital projects.

BUDGET TRENDS AT A GLANCE City of Washington, IL

	FY 2010-11	FY 2009-10	CHANGE	
TOTAL BUDGETED EXPENSES	\$ 21,135,454	\$ 21,851,969	\$ (716,515)	-3.3%
by MAJOR SERVICE TYPE	%	%		
Sanitary Sewer System	\$ 8,817,342	\$ 7,365,994	\$ 1,451,348	19.7%
Public Safety (Police, Fire, ESDA)	3,972,050	3,778,840	193,210	5.1%
Street Operations/Improvements	3,547,576	4,174,368	(626,792)	-15.0%
Water System	1,596,455	1,906,605	(310,150)	-16.3%
Planning/Zoning/Econ. Dev./TIF	1,210,797	1,780,568	(569,771)	-32.0%
General Administration	764,200	1,708,150	(943,950)	-55.3%
All Other (IMRF, Liab. Ins., SWM, etc.)	720,200	644,000	76,200	11.8%
Washington Area Community Center	391,194	390,294	900	0.2%
Cemetery	115,640	103,150	12,490	12.1%
by MAJOR EXPENSE CLASSES	%	%		
Capital Improvements	10,826,020	12,117,800	(1,291,780)	-10.7%
Personnel (Wages and Benefits)	5,989,555	5,616,653	372,902	6.6%
Operations (Utilities, Supplies, etc.)	3,260,642	3,193,085	67,557	2.1%
Debt Service	1,059,237	924,431	134,806	14.6%

SOURCES OF MONIES TO				
FUND BUDGET				
	FY 2010-11	FY 2009-10	CHANGE	
by MAJOR REVENUE SOURCES	%	%		
Bond/Grant Proceeds	\$ 6,391,573	\$ 4,828,935	\$ 1,562,638	32.4%
Sales Tax (Muni., HR, Use)	4,590,000	4,450,750	139,250	3.1%
Fund Balances/Cash Reserves	2,510,423	4,574,959	(2,064,536)	-45.1%
Sewer Revenues (Fees, Charges, etc.)	2,277,930	2,197,075	80,855	3.7%
Water Revenues (Fees, Charges, etc.)	1,228,630	1,181,500	47,130	4.0%
Property Taxes	1,138,200	1,016,200	122,000	12.0%
All Other	1,105,198	1,311,159	(205,961)	-15.7%
Income Tax Distribution	987,000	1,134,600	(147,600)	-13.0%
Telecommunications Tax	395,000	385,000	10,000	2.6%
Motor Fuel Taxes	335,000	340,000	(5,000)	-1.5%
TIF Funds	176,500	431,791	(255,291)	-59.1%

EMPLOYMENT: FULL TIME EQUIVALENT				
	FY 2010-11	FY 2009-10	CHANGE	
Public Safety	31.50	31.00	0.50	1.6%
Street Division	12.40	13.95	(1.55)	-11.1%
Sewer Division	8.29	8.71	(0.42)	-4.8%
Water Division	5.98	6.56	(0.58)	-8.8%
General Administration	3.93	3.93	-	0.0%
Planning/Zoning/Econ. Dev.	2.85	2.85	-	0.0%
Cemetery Operation	1.15	1.55	(0.40)	-25.8%
TOTAL	66.10	68.55	(2.45)	-3.57%

PROPERTY TAXES				
	FY 2010-11	FY 2009-10	CHANGE	
Tax Levy	\$ 1,138,200	\$ 1,016,200	\$ 122,000	12.0%
Tax Rate (per \$100 AV)	\$ 0.39056 (est.)	\$ 0.37554	\$ 0.01502	4.0%
Equalized Assessed Valuation	\$ 291,456,522 (est.)	\$ 270,622,514	\$ 20,834,008	7.7%
City Share of Total Tax Bill (Avg.)	N/A	5.23%		

UTILITY RATES				
	FY 2010-11	FY 2009-10	CHANGE	
Water Rates (per 1,000 gal.)	\$ 3.56	\$ 3.44	\$ 0.12	3.4%
Sewer Rates (per 1,000 gal.)	\$ 6.52	\$ 6.30	\$ 0.22	3.5%

FUTURE CHALLENGES AND UNCERTAINTIES

The nation-wide economic recession has had a particularly adverse effect on General Fund revenues. Income Tax distributions have been the hardest hit; they have decreased by over \$250,000 since FY07-08. Sales tax collections have remained flat over the past year. The growth of the city's assessed valuation has also slowed in conjunction with the downturn in building activity.

The primary financial risk facing the city at this time involves potential state legislative intervention designed to ease the state's budgetary problems by shifting some of the burden to local governmental bodies. Short term, the state's late payment practices adversely affect the city's cash balances and diminish investment earnings. Threats to permanently reduce state revenue distributions to municipalities will have long term consequences. Governor Quinn's proposed budget, for example, recommends modifications to the Income Tax distribution formula that would cost the city an additional \$300,000 annually.

Barring a substantial worsening of the economy or adverse actions by the state legislature, staff does not presently anticipate serious difficulties in maintaining current service levels in the coming year. Nevertheless, staff will remain vigilant in maintaining tight control over spending and in deferring purchases, where appropriate. Two current, full time, staffing vacancies and one year-round, part time position will remain vacant unless and until finances warrant.

Long-term, the city continues to face many of the same challenges confronting most public employers: containing operating costs particularly personnel, energy and other commodity expenses; funding the maintenance, rehabilitation and improvement of infrastructure (street, water, sewer systems); and achieving sufficient revenue growth to accomplish the above while maintaining service levels.

Capital spending is proposed to be dramatically reduced in future years in response to declining revenues. Based on current revenue projections, capital spending will decrease from \$10.8M in FY10-11 to \$3.0M in FY11-12 and to \$1.4M in FY12-13.

Personnel costs account for \$5.989M, a 6.6% increase over the prior year budget estimate and 28.3% of total budgeted expenditures. These expenses present steady upward pressure on the city's budget from year to year. Recent market-based losses in the value of pension assets have contributed to the steady escalation of mandated pension contributions. Employer contributions to the Police Pension Fund have nearly doubled since FY07-08. The IMRF employer contribution rate increased by 27.5% effective January 1, 2010.

The city incurred a 20% increase in health insurance rates last July. Going forward, 15% annual increases are budgeted; hopefully, lesser increases will be realized. The impact of the newly enacted national health insurance reform legislation remains undetermined at this time. Recent modifications to the city's retiree health insurance benefit will help contain long term costs and provide funding on an actuarially sound basis.

A final area of special concern affecting personnel expenses involves workers compensation benefits as our premium costs continue to escalate, growing by \$95,000 or 164% since 2005. Even these increased premiums have not kept pace with actual losses incurred in recent years. Staff continues to focus extra attention on risk management measures in an effort to reduce injuries and associated losses.

Despite some moderation in pricing due to weakening demand resulting from the recession, energy and other commodity costs have steadily escalated in recent years. Budgeted energy expenditures (electricity, natural gas and fuel) total \$728,400 in the coming year, a \$309,000 or 74% increase over the last five years. Likewise, the cost of other commodities (road salt, softener salt, asphalt, chemicals, trap rock, etc.) has been increasing much faster than general inflation. While we have managed to absorb these increased operating costs into the budget, the net effect has resulted in a corresponding decrease in capital funding. The impact has been particularly detrimental to funding for capital repairs and major maintenance to the city's water and sewer systems.

The city's near-term financial well being is directly dependent on the sustained growth of the city's key sources of revenue: sales tax, income tax, and water and sewer user fees. Continued commercial growth is essential to the city's long-term financial well-being. Income tax revenue is largely dependent on the overall health of the state and national

economy and the preservation of the current state distribution formula to municipalities. While property taxes account for a comparatively small portion of total city revenue, growth in the city's assessed valuation is important to meet future fire protection/ambulance, pension and liability insurance expenses as these costs are largely funded through property taxes. Sustained building activity is essential to the growth of the local property tax base.

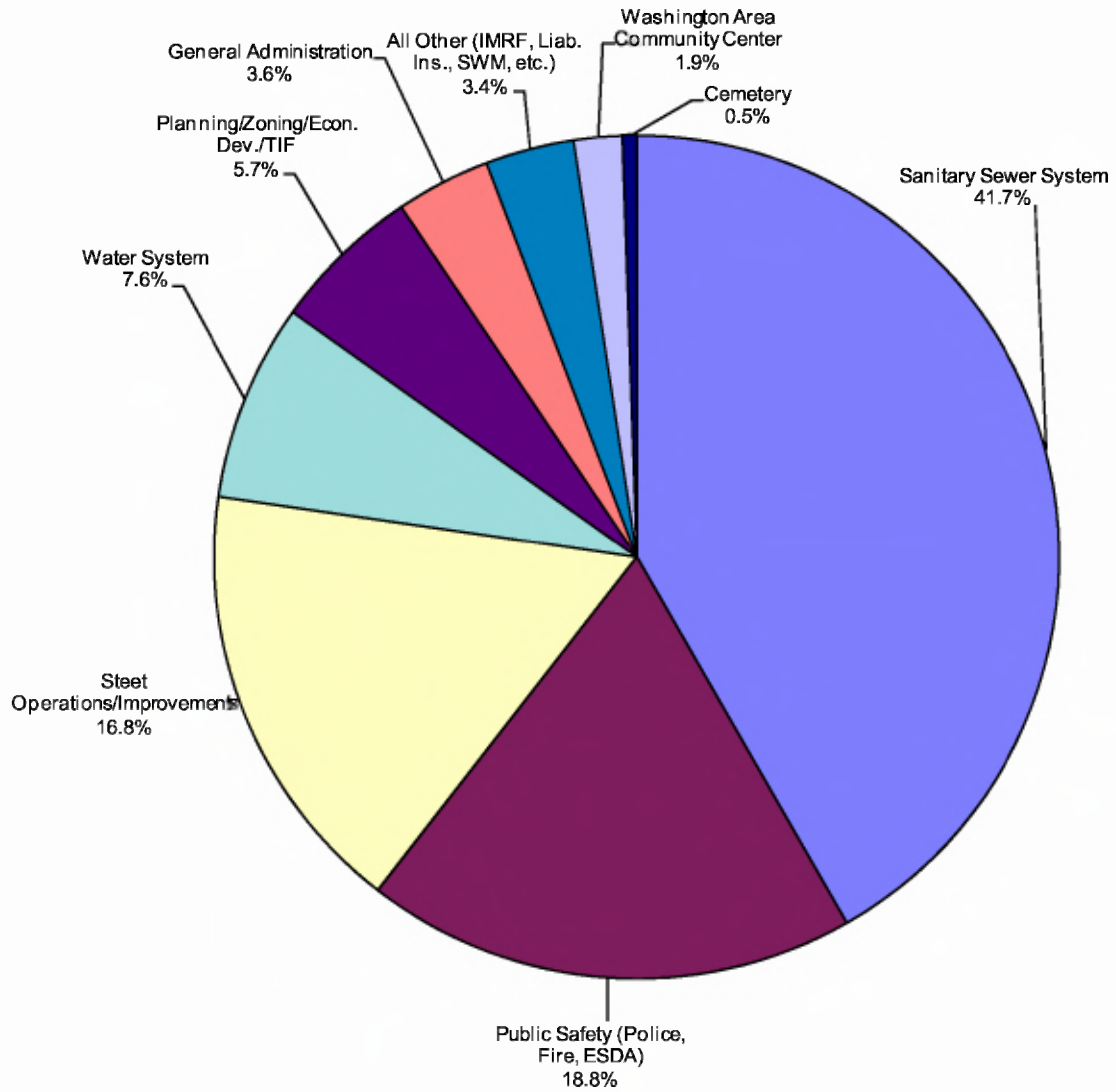
Despite current economic difficulties and future uncertainties, I remain confident that the city will find the means to meet the challenges of the coming year and continue to provide the services our residents expect. While we can never satisfy all of the wants of our residents, I am convinced that the city can achieve its major priorities. As emphasized in prior years, we need not feel pressured to resolve all of the city's challenges in any one year; rather, we should focus on making steady progress each and every year.

Adoption of the budget will culminate the work we began in early January. Our discussions have hopefully focused attention on the city's needs and priorities, fostered sound decision making, and provided a framework for future action. I look forward to working with each of you in the coming year.

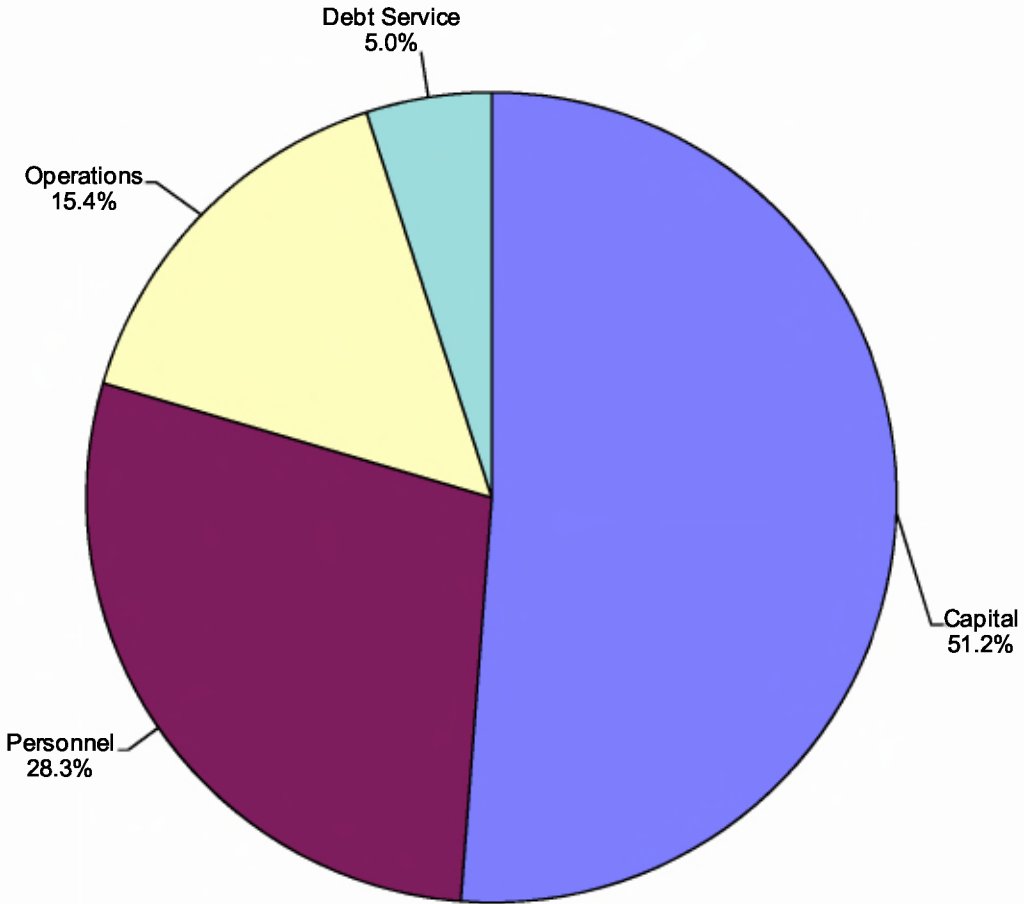
Respectfully submitted,

Robert A. Morris
City Administrator

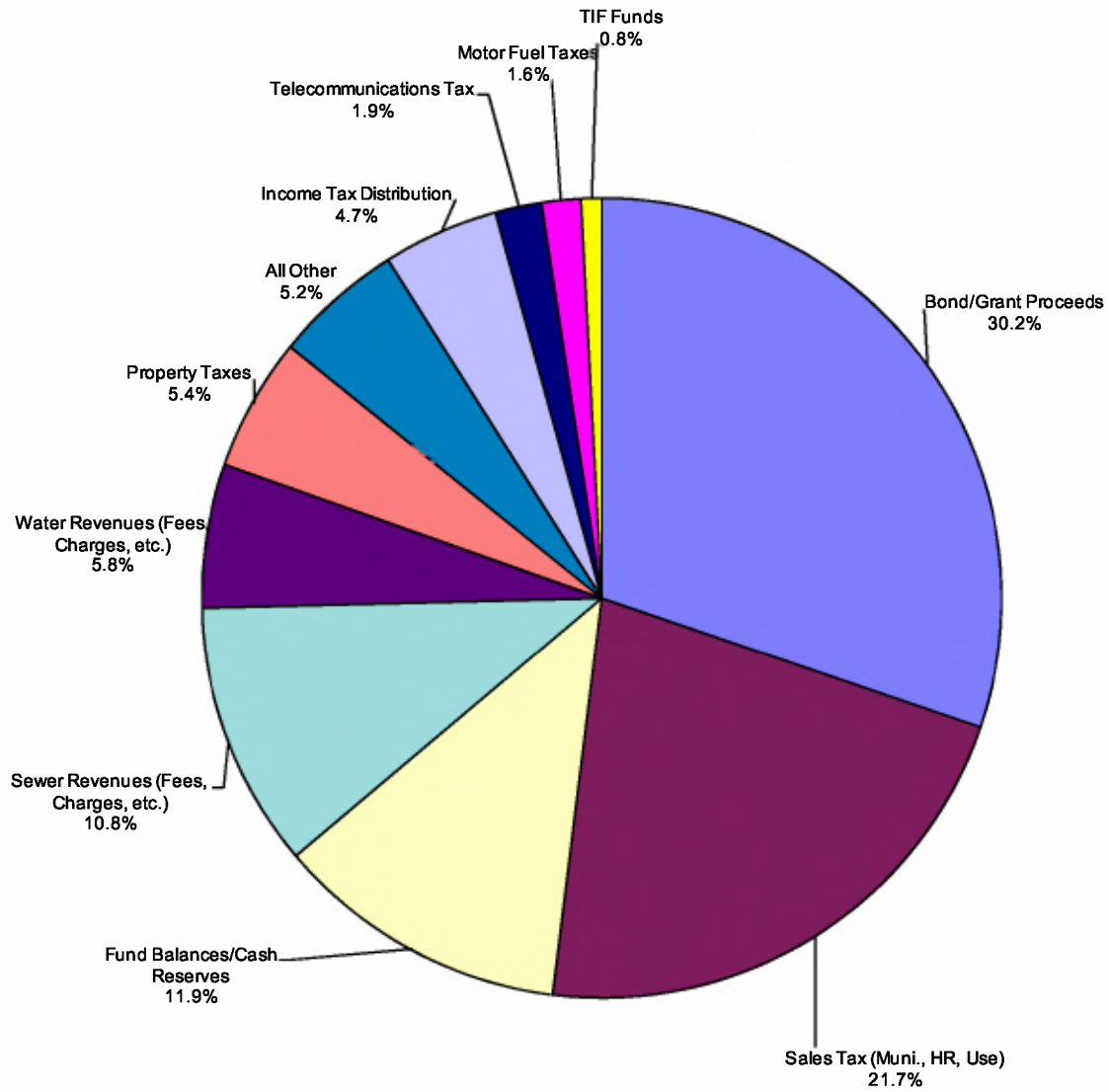
**Budgeted Expenses by Major Service Type
FY10-11**



**Budgeted Expenses by Major Expense Class
FY10-11**



Budgeted Revenues by Major Revenue Source FY10-11



ALL FUNDS SUMMARY

The All Funds Summary totaling all budgeted expenditures, exclusive of Police Pension Fund expenses, is presented below. While these data are useful for general information purposes, each fund and account should be reviewed individually to obtain substantive details and a more complete understanding of the budget goals, objectives, priorities and funding proposals.

As currently projected, the budget anticipates a net draw down of cash reserves in the coming fiscal year. These draw downs are primarily the result of a variety of capital investments proposed for the coming year as enumerated in the preceding budget message.

**ALL FUNDS
 COMBINED REVENUE/EXPENDITURE SUMMARY
 (Excludes All Transfers and Police Pension)**

	<i>ACTUAL</i> <i>06-07</i>	<i>ACTUAL</i> <i>07-08</i>	<i>ACTUAL</i> <i>08-09</i>	<i>BUDGET</i> <i>09-10</i>	<i>EST.ACT.</i> <i>09-10</i>	<i>BUDGET</i> <i>10-11</i>	<i>PROJ.</i> <i>11-12</i>	<i>PROJ.</i> <i>12-13</i>
REVENUES:								
General	\$ 6,713,353	\$ 6,765,962	\$ 7,564,299	\$ 7,485,140	\$ 7,461,526	\$ 7,540,080	\$ 7,523,617	\$ 7,744,082
Proprietary	3,930,406	3,964,388	3,665,889	8,233,430	6,716,520	9,751,653	3,637,482	3,729,563
Special	1,083,581	1,086,106	1,136,308	1,068,800	1,033,442	1,106,850	1,152,300	1,203,300
TIF #1	269,465	248,244	257,951	264,291	197,070	-	-	-
TIF #2	166,240	173,866	163,368	167,500	167,922	176,500	181,000	187,000
Debt Service	11,110	15,896	4,570	9,000	1,300	1,500	1,500	1,500
SA/Cap. Proj.	5,633,562	1,211,824	270,864	48,849	49,747	48,448	756,675	48,432
TOTAL	\$ 17,807,717	\$ 13,466,286	\$ 13,063,269	\$ 17,277,010	\$ 15,627,527	\$ 18,625,031	\$ 13,252,574	\$ 12,913,877
EXPENDITURES:								
Personnel	\$ 4,225,879	\$ 4,276,548	\$ 4,548,544	\$ 5,616,653	\$ 5,290,237	\$ 5,989,555	\$ 6,476,970	\$ 6,989,181
Operations	2,434,390	2,341,329	2,650,800	3,193,085	2,628,977	3,260,642	3,198,565	3,705,993
Capital	6,294,611	3,692,917	3,237,290	12,117,800	7,846,681	10,826,020	2,994,743	1,421,129
Debt Service	672,952	1,031,148	947,732	924,431	854,430	1,059,237	1,195,199	1,186,583
Transfers	-	-	-	-	-	-	-	-
TOTAL	\$ 13,627,842	\$ 11,341,942	\$ 11,384,366	\$ 21,851,969	\$ 16,620,325	\$ 21,135,454	\$ 13,865,477	\$ 13,302,886
Revenue Over/ (Under) Exp.	\$ 4,179,875	\$ 2,124,344	\$ 1,678,903	\$ (4,574,959)	\$ (992,798)	\$ (2,510,423)	\$ (612,903)	\$ (389,009)

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GENERAL FUNDS SUMMARY (Restricted and Unrestricted)

General Fund totals for both “restricted” and “unrestricted” purposes follow. Similar to the All Funds summary, while useful for general information purposes, each fund and account should be reviewed individually to obtain substantive details and a more complete understanding of the budget goals, objectives, priorities and funding proposals. Restricted General Fund accounts include the following: 1) the Telecommunications Tax monies that are restricted to street and storm water purposes, 2) the North Cummings Roadway Improvement Fund monies that are restricted solely to specified roadway improvements and 3) the Tazewell County Recycling Grant funds that are restricted to recycling and other related purposes as stipulated by the grant agreement with the county.

**GENERAL FUND
REVENUE/EXPENDITURE SUMMARY
(EXCLUDING INTRA-FUND TRANSFERS)**

	ACTUAL 06-07	ACTUAL 07-08	ACTUAL 08-09	BUDGET 09-10	EST. ACT. 09-10	BUDGET 10-11	PROJ. 11-12	PROJ. 12-13
Beg. Cash Bal.				\$ 5,773,973	\$ 5,812,215	\$ 4,254,045	\$ 3,528,129	\$ 3,408,542
Unrestricted	\$ 5,779,678	\$ 5,726,287	\$ 6,734,737	\$ 6,424,950	\$ 6,406,100	\$ 6,529,953	\$ 6,506,480	\$ 6,655,407
<i>L/A</i>	1,626	2,252	2,972	4,500	600	2,000	2,200	2,400
<i>City Hall</i>	10,936	9,958	11,528	15,470	13,442	15,790	16,066	17,224
<i>Streets</i>	189,584	169,181	192,146	442,530	413,256	352,280	187,280	190,280
<i>Police</i>	197,083	232,500	218,328	242,410	251,510	357,900	414,857	482,895
<i>Tourism/EDC</i>	16,921	32,831	0	0	0	0	0	0
<i>Planning/Zoning</i>	0	0	0	0	0	0	0	0
<i>Fire/Rescue</i>	159,515	208,181	10,757	11,500	14,710	16,000	17,500	18,000
<i>N. Cumm. Road. Impr.</i>	17,925	4,781	4,388	1,000	150	2,000	2,000	2,000
<i>Telecommunications Tax</i>	359,793	393,203	403,943	396,000	395,800	395,500	395,500	395,500
TOTAL	\$ 6,733,061	\$ 6,779,174	\$ 7,578,799	\$ 7,538,360	\$ 7,496,568	\$ 7,671,423	\$ 7,541,883	\$ 7,763,706
EXPENDITURES:								
<i>Personnel</i>	\$ 2,881,439	\$ 2,849,769	\$ 3,000,376	\$ 3,914,600	\$ 3,612,841	\$ 4,153,425	\$ 4,505,761	\$ 4,873,787
<i>Operations</i>	1,339,219	1,146,266	1,357,588	1,627,670	1,401,150	1,680,865	1,700,085	2,141,620
<i>Capital</i>	91,785	174,871	631,981	3,276,500	2,928,544	511,300	22,500	22,500
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter-Fund Transfers</i>	1,012,579	1,633,463	1,933,750	1,040,370	1,113,423	2,057,469	1,438,344	1,080,126
TOTAL	\$ 5,325,022	\$ 5,804,369	\$ 6,923,695	\$ 9,859,140	\$ 9,055,958	\$ 8,403,059	\$ 7,666,690	\$ 8,118,033
Revenue Over (Under) Expend.	\$ 1,408,039	\$ 974,805	\$ 655,104	\$ (2,320,780)	\$ (1,560,390)	\$ (731,636)	\$ (124,807)	\$ (354,327)

GENERAL FUND: UNRESTRICTED

Core Service, Purpose or Function

The General Corporate Fund fully finances many of the city's basic services including the following: public safety (police, fire, rescue, etc.); streets; economic development; planning, zoning and code enforcement; and the city's executive/legislative/administrative departments. In addition, the General Fund supplements other special or single purpose accounts when needed to balance those accounts.

Current Year (FY09-10) Projection

Total projected FY09-10 General Fund collections are estimated to be about \$19,000 less than budget. While sales tax collections have exceeded budget, income tax distributions alone expected to be \$147,000 under budget. Fortunately, sales taxes will exceed budget. Total inter-fund transfers are projected to be \$707,000 less than budget.

Source of Funds

The city collects a wide variety of revenues that are unrestricted; these monies may be used for any lawful public purpose. This is in contrast to other sources of revenue that may only be used for specific, often narrowly defined, purposes. These sources of unrestricted revenue are summarized below.

Property Tax. A portion of the city's property tax levy is earmarked for General Fund purposes. Property tax revenues credited to the General Fund are projected to remain flat for FY10-11, FY11-12 and FY12-13.

Municipal Sales Tax. The city receives a share of the state collected Retailers' Occupation Tax (ROT) and the Service Occupation Tax (SOT). The ROT is imposed on Illinois businesses that make retail sales of tangible personal property for use or consumption. The SOT is imposed on the sale or transfer of tangible personal property as an incident to performing their service. The municipal sales tax rate is set at one percent for all Illinois cities. Municipal Sales Tax collections are projected to remain flat in FY10-11, increase by 1.5% in FY11-12 and increase by 2.5% in FY12-13.

Local Use Tax. A use tax is imposed by the state when: 1) out-of-state vendors make retail sales to Illinois businesses or consumers; 2) Illinois consumers purchase tangible personal property at retail from out-of-state, unregistered retailers for use in Illinois without paying tax to the retailer; or 3) Illinois businesses withdraw tangible personal property from their sales inventories for their own use. These monies are distributed to municipalities on a per capita basis. Local Use Tax collections are projected to remain flat in FY10-11, increase by 1.5% in FY11-12 and increase by 2.5% in FY12-13.

Home Rule Sales Tax. Washington voters approved a Home Rule Referendum in 1998 and concurrently approved a supplemental Home Rule Sales Tax of one percent. Property taxes were reduced by half at the same time. The Home Rule Sales Tax is imposed in a manner similar to the Municipal Sales Tax except that groceries, drugs and vehicles are exempt from taxation. The city increased its Home Rule Sales Tax by 0.25%, effective July 1, 2006. As per our original intent, all of these monies will be transferred to the WACC Debt Service Fund to defray costs associated with the repayment of this debt. Home Rule Sales Tax collections are projected to remain flat in FY10-11, increase by 1.5% in FY11-12 and increase by 2.5% in FY12-13.

Replacement Taxes. Replacement taxes are collected by the state of Illinois and shared with local governments. These taxes replace money that was lost by local governments when their power to impose personal property taxes was abolished. Replacement Tax collections are projected to remain flat in FY10-11, increase by 1.5% in FY11-12 and increase by 2.5% in FY12-13.

Income Tax. Local governments receive a share of the state income tax. Distributions to local governments are based on population. Income Tax distributions are projected to remain flat in FY10-11, increase by 1.5% in FY11-12 and increase by 2.5% in FY12-13.

Hotel/Motel Tax. A local tax is imposed on hotel and motel room rentals in the City of Washington. The tax is levied on the gross rentals charged for overnight accommodations: 5% on establishments with less than 10 rooms; 6% on all others.

Liquor Licenses. The city levies licensing fees on those business establishments granted the privilege to sell alcoholic beverages. The fees vary based on the type of business establishment, the nature of the sale (on or off-premises consumption), the hours of operation, and the type of alcohol sold.

Miscellaneous Licenses. The city occasionally issues business licenses for limited purposes, primarily itinerant vendor and itinerant merchant licenses.

CILCO Franchise. Electric and natural gas franchises have been granted to AmerenCILCO. These agreements provide for the payment of annual franchise fees. The electric franchise fee is \$3,600 per year. The gas franchise fee is based on a per therm calculation.

Cable TV Franchise. A five percent franchise fee is charged on CATV services provided by Comcast Corporation, the city's cable television provider.

Solid Waste Franchise Fee. Waste Management pays an annual franchise fee (\$2,000) for the privilege of holding the city's solid waste collection, recycling and disposal contract.

Interest Income. The city receives interest income on its various General Corporate Fund investments.

Misc. Income. Varying amounts of income are collected from a variety of sources such as recycling bin sales, copy services, etc.

Court, Parking, Liquor, and Ordinance Violation Fines. Fines are assessed for violations of the Washington Municipal Code.

Building, Variance, Plat, GIS Fees. Building permit fees (\$2 per \$1,000 of construction value with \$20 minimum) are charged for building and construction related activity in the city. The fees are intended to defray a portion of the cost of the administrative and construction inspection services provided by the Office of Building and Zoning. Application fees (\$100.00) are charged for zoning variance requests to cover administrative and publication costs. Subdivision review fees (variable scale starting at \$25 per lot for the first ten lots) are charged to cover plan review by the City Planner and City Engineer.

Budgeted Expenditures/Transfers

There are no direct expenditures planned from the General Corporate Fund (Unrestricted) in the coming year. Rather, transfers are made to various other funds and accounts to pay related expenses incurred for activities and services in those funds and accounts. Inter-fund transfers are proposed to be made to the following: WACC Debt Service Fund, Police Station Renovation Capital Project Fund and grant to ESDA. Intra-fund transfers are made to cover expenses incurred in the following accounts: Legislative/ Administrative; City Hall; Streets; Police; Tourism/Economic Development; Planning, Zoning and Code Enforcement; and Fire/Rescue.

The General Fund is balanced when comparing annual operating revenue against annual operating expenses. Nevertheless, the budget proposes the expenditure of General Corporate Fund reserve balances for the following special, one-time expenditures: Police Station renovations.

Special Opportunities, Challenges and/or Issues.

The General Corporate Fund is the city's single most important fund. It realizes the largest amount of income and offers the greatest flexibility of use. It is important to note that nearly 88% of total Unrestricted General Corporate revenue is derived from two sources: sales and income taxes. Needless to say, the city's fiscal health is directly contingent on the expansion of the local retail and service economy and on the growth of personal and corporate income statewide.

**GENERAL CORPORATE UNRESTRICTED
 REVENUE/EXPENDITURE SUMMARY**

	ACTUAL	ACTUAL	ACTUAL	BUDGET	EST. ACT.	BUDGET	PROJ.	PROJ.
	06-07	07-08	08-09	09-10	09-10	10-11	11-12	12-13
Reg. Cash Balance				\$ 4,987,446	\$ 5,051,568	\$ 4,229,380	\$ 3,341,464	\$ 3,309,177
Min. Std. Bal. (a)						\$ 1,604,100	1,626,620	1,663,852
Surplus Funds						\$ 2,625,280	\$ 1,714,844	\$ 1,645,325
REVENUES:								
<i>Tax</i>								
<i>Property</i>	\$ 0	\$ 0	\$ 298,365	\$ 330,000	\$ 329,500	\$ 330,000	\$ 330,000	\$ 330,000
<i>Sales</i>	2,242,456	2,072,498	2,520,596	2,422,500	2,500,000	2,500,000	2,537,500	2,600,938
<i>Local Use</i>	169,421	170,759	185,805	185,250	155,000	155,000	157,325	161,258
<i>Home Rule (1.0%)</i>	1,345,448	1,301,175	1,616,827	1,474,400	1,548,000	1,548,000	1,571,220	1,610,501
<i>Home Rule (0.25%)</i>	243,323	325,294	404,207	368,600	387,000	387,000	392,805	402,625
<i>Prop.Repl.</i>	28,127	30,918	23,330	15,000	20,000	20,000	20,300	20,808
<i>State Inc.</i>	1,135,659	1,240,547	1,159,559	1,134,600	987,000	987,000	1,001,805	1,026,850
<i>Hotel/Motel</i>	0		61,858	70,000	76,000	75,000	76,125	78,028
<i>License:</i>								
<i>Liquor</i>	22,636	22,619	25,597	25,000	27,500	25,000	25,000	25,000
<i>Misc.</i>	0	40	0	100	50	100	100	100
<i>Franchise:</i>								
<i>CILCO</i>	21,477	23,157	23,659	22,000	22,000	22,000	22,000	22,000
<i>Cable</i>	131,325	144,056	171,071	175,000	169,000	170,000	175,000	180,000
<i>Solid Waste</i>	4,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<i>Interest</i>	180,849	175,766	61,801	60,000	25,000	50,000	50,000	50,000
<i>Misc. Inc.</i>	6,664	3,139	4,624	2,500	3,500	2,500	2,500	2,500
<i>Sale of Equipment</i>	0	0	0	0	2,800	0	0	0
<i>Fines:</i>								
<i>Court</i>	122,707	117,870	104,757	100,000	93,000	95,000	95,000	95,000
<i>Parking</i>	1,300	620	775	1,000	750	800	800	800
<i>Liquor</i>	9,500	3,500	5,500	1,000	1,000	1,000	1,000	1,000
<i>Ord. Viol.</i>	4,125	5,105	2,480	2,000	2,500	2,500	2,500	2,500
<i>Fees:</i>								
<i>Bld. & Signs</i>	89,481	77,949	53,819	30,000	50,000	40,000	40,000	40,000
<i>Forf. Bld. Fees</i>	13,200	6,500	6,400	2,000	3,000	2,000	2,000	2,000
<i>Var./Plats</i>	7,370	2,775	1,677	2,000	1,500	1,500	1,500	1,500
<i>GIS Map & Data Fees</i>	0	0	30	0	0	0	0	0
TOTAL COLLECTIONS	\$ 5,779,068	\$ 5,726,287	\$ 6,734,737	\$ 6,424,950	\$ 6,406,100	\$ 6,416,400	\$ 6,506,480	\$ 6,655,407
<i>T/F From:</i>								
<i>T/F No. 1</i>	0	0	0	0	0	113,553	0	0
<i>N. Cumm.</i>	610	0	0	0	0	0	0	0
TOTAL	\$ 5,779,678	\$ 5,726,287	\$ 6,734,737	\$ 6,424,950	\$ 6,406,100	\$ 6,529,953	\$ 6,506,480	\$ 6,655,407
EXPENDITURES:								
<i>Personnel</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Operation</i>	0	0	0	0	0	0	0	0
<i>Capital</i>	0	0	0	0	0	0	0	0
<i>Debt Serv.</i>	0	0	0	0	0	0	0	0
<i>Inter T/F</i>	251,043	501,160	523,667	379,600	390,000	1,396,194	396,393	395,893
TOTAL	\$ 251,043	\$ 501,160	\$ 523,667	\$ 379,600	\$ 390,000	\$ 1,396,194	\$ 396,393	\$ 395,893
Revenue Over (Under)								
Expend.	\$ 5,528,635	\$ 5,225,127	\$ 6,211,070	\$ 6,045,350	\$ 6,016,100	\$ 5,133,759	\$ 6,110,087	\$ 6,259,514
Intra T/F	\$ 4,324,749	\$ 4,578,205	\$ 5,502,278	\$ 7,574,510	\$ 6,838,288	\$ 6,021,675	\$ 6,142,374	\$ 6,503,121
Net Rev. Over (Under) Exp.	\$ 1,203,886	\$ 646,922	\$ 708,792	\$(1,529,160)	\$ (822,188)	\$ (887,916)	\$ (32,287)	\$ (243,607)

SUPPORTING DETAIL FOR GENERAL CORPORATE UNRESTRICTED

	<i>FTE YEARS</i> 09-10	<i>FTE YEARS</i> 10-11	<i>ACTUAL</i> 08-09	<i>BUDGET</i> 09-10	<i>EST.ACT.</i> 09-10	<i>BUDGET</i> 10-11	<i>PROJ.</i> 11-12	<i>PROJ.</i> 12-13
Personnel Detail								
NA	0.00	0.00	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL FTE YEARS	0.00	0.00						
TOTAL PERSONNEL			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operations Detail								
NA			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL OPERATIONS			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Detail								
NA			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL CAPITAL			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Debt Service Detail								
NA			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
<i>School Street Sewer CIP</i>			\$ 103,667	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Devonshire Trunk Sewer</i>			0	0	0	0	0	0
<i>Grant to Stormwater Mgmt.</i>			0	0	0	0	0	0
<i>WACC Debt Service Fund</i>			380,000	368,600	387,000	391,194	391,393	390,893
<i>Pol. Sta. Reno. Cap Proj Fund</i>			0	0	0	1,000,000	0	0
<i>Grant to ESDA</i>			40,000	11,000	3,000	5,000	5,000	5,000
TOTAL INTER-FUND TRANSFERS			\$ 523,667	\$ 379,600	\$ 390,000	\$ 1,396,194	\$ 396,393	\$ 395,893
TOTAL EXPENDITURES			\$ 523,667	\$ 379,600	\$ 390,000	\$ 1,396,194	\$ 396,393	\$ 395,893
Intra-Fund Transfers								
<i>L/A</i>			\$ 745,523	\$ 600,700	\$ 514,300	\$ 590,650	\$ 604,981	\$ 636,212
<i>City Hall</i>			69,115	1,089,880	935,165	158,160	64,259	68,900
<i>Streets</i>			1,836,479	2,114,320	1,936,182	1,437,975	1,421,925	1,506,767
<i>Police</i>			2,093,622	2,855,470	2,586,043	2,939,600	3,122,300	3,332,152
<i>Tourism/Economic Dev.</i>			59,619	67,100	59,676	68,175	67,515	68,928
<i>Planning, Zoning & Code Enforcement</i>			214,243	286,790	259,132	265,505	281,510	290,027
<i>Fire/Rescue</i>			483,677	560,250	547,790	561,610	579,885	600,135
TOTAL INTRA-FUND TRANSFERS			\$ 5,502,278	\$ 7,574,510	\$ 6,838,288	\$ 6,021,675	\$ 6,142,374	\$ 6,503,121
TOTAL EXPENDITURES			\$ 6,025,945	\$ 7,954,110	\$ 7,228,288	\$ 7,417,869	\$ 6,538,767	\$ 6,899,014
INCL. INTRA-FUND TRANSFERS			\$ 6,025,945	\$ 7,954,110	\$ 7,228,288	\$ 7,417,869	\$ 6,538,767	\$ 6,899,014

LEGISLATIVE/ADMINISTRATIVE ACCOUNT

Core Service, Purpose or Function

Financial transactions related to the city's Executive (Mayor), Legislative (City Council) and general administrative and accounting functions (City Clerk, City Treasurer, City Administrator, Controller, etc.) are charged to this account as well as a number of other general purpose expenses.

Current Year (FY 09-10) Projection

Total projected FY09-10 expenses are substantially under budget. All major cost categories are less than budget: personnel expenses are \$27,000 less than budget, operations expenses are \$41,000 under budget and capital expenditures are about \$21,000 less than budget. The EOY transfer from the General Fund will be about \$86,000 less than budget.

Source of Funds

This account is funded almost entirely through transfers from the General Corporate Fund. Small transfers are also proposed from the Water and Sewer Funds to reimburse a portion of the cost of planned computer equipment purchases.

Budgeted Expenditures

Personnel. Wage and benefit costs associated with the city's elected officials and portions of the city's general administrative staff are charged to this account.

Operations. A wide variety of general purpose operating expenses are charged to the L/A account including: general legal expenses, professional fees (actuarial and auditing services), data processing support, animal control payments to Tazewell County, community support, printing/postage for the quarterly newsletter, legal and display advertising, association dues, public officials bonds, general office supplies and equipment, communications expenses, office machine service and supplies, and unanticipated contingencies.

Capital Needs: The scheduled replacement of four (4) personal computers is planned. In addition, monies are carried forward for the purchase of equipment to enhance audio playback and video presentations at City Council meetings.

**LEGISLATIVE/ADMINISTRATIVE
 REVENUE/EXPENDITURE SUMMARY**

	<i>ACTUAL</i> <i>06-07</i>	<i>ACTUAL</i> <i>07-08</i>	<i>ACTUAL</i> <i>08-09</i>	<i>BUDGET</i> <i>09-10</i>	<i>EST. ACT.</i> <i>09-10</i>	<i>BUDGET</i> <i>10-11</i>	<i>PROJ.</i> <i>11-12</i>	<i>PROJ.</i> <i>12-13</i>
Beg. Cash Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REVENUES:								
<i>Grant Proceeds</i>	\$ 165,416	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>T/F From:</i>								
<i>Water Fund</i>	313	626	986	1,750	300	1,000	1,100	1,200
<i>Sewer Fund</i>	313	626	986	1,750	300	1,000	1,100	1,200
<i>Mallard Crossing SSA</i>	1,000	1,000	1,000	1,000	0	0	0	0
<i>GF Unrestricted</i>	519,818	452,532	745,523	600,700	514,300	590,650	604,981	636,212
TOTAL	\$ 686,860	\$ 454,784	\$ 748,495	\$ 605,200	\$ 514,900	\$ 592,650	\$ 607,181	\$ 638,612
EXPENDITURES:								
<i>Personnel</i>	\$ 316,067	\$ 331,469	\$ 297,651	\$ 393,700	\$ 366,250	\$ 407,900	\$ 434,431	\$ 463,812
<i>Operations</i>	352,661	103,276	114,923	184,600	143,450	160,550	164,250	166,200
<i>Capital</i>	3,132	17,639	333,521	24,500	2,800	21,800	6,000	6,000
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter-Fund Transfers</i>	15,000	2,400	2,400	2,400	2,400	2,400	2,500	2,600
TOTAL	\$ 686,860	\$ 454,784	\$ 748,495	\$ 605,200	\$ 514,900	\$ 592,650	\$ 607,181	\$ 638,612
Revenue Over (Under) Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

SUPPORTING DETAIL FOR LEGISLATIVE/ADMINISTRATIVE SERVICES

	FTE YEARS 09-10	FTE YEARS 10-11	ACTUAL 08-09	BUDGET 09-10	EST. ACT. 09-10	BUDGET 10-11	PROJ. 11-12	PROJ. 12-13
Personnel Detail								
Mayor	1.00	1.00						
Aldermen	8.00	8.00						
City Clerk	0.85	0.85						
City Treasurer	1.00	1.00						
Elected Salaries				\$ 62,000	\$ 62,000	\$ 63,000	\$ 64,000	\$ 65,500
City Administrator	0.85	0.85						
Controller	0.80	0.80						
Acct. Supervisor	0.80	0.80						
Cust. Service Specialist	0.30	0.30						
Regular Salaries			204,769	225,000	215,000	230,000	243,225	257,210
P-T Accountant	0.48	0.48						
P-T Admin. Asst.	0.20	0.20						
Part Time Wages			30,250	34,000	24,000	34,000	35,955	38,022
Overtime			1,597	1,800	3,400	2,000	2,115	2,237
Unused Sick Time			499	3,400	1,200	3,500	3,701	3,914
Group Insurance			49,601	55,000	50,000	64,000	73,600	84,640
Retiree Health Insurance			6,810	6,800	6,800	6,800	6,970	7,144
Health Savings Plan Contribution			1,745	2,600	1,500	2,100	2,221	2,348
Workers Comp. Insurance			1,341	1,600	1,400	1,500	1,586	1,677
Unemployment Insurance Tax			1,039	1,500	950	1,000	1,058	1,118
TOTAL FTE YEARS	14.28	14.28						
TOTAL PERSONNEL			\$ 297,651	\$ 393,700	\$ 366,250	\$ 407,900	\$ 434,431	\$ 463,812
Operations Detail								
Repair & Maint.-Equip. (Contr.)			\$ 1,684	\$ 2,500	\$ 1,600	\$ 2,200	2,300	2,400
Engineering Fees			0	500	0	500	500	500
Legal Fees			20,659	22,000	27,300	24,000	24,500	25,000
Liquor Code Enforce.-Legal			1,153	5,000	1,000	2,500	2,500	2,500
Data Processing Support			17,150	20,000	14,700	18,500	19,000	20,000
Professional Fees			1,500	3,900	4,200	4,000	4,000	4,000
Animal Control			12,468	13,100	12,900	13,100	13,250	13,500
Postage Expense			4,036	5,200	4,900	5,300	5,500	5,700
Communications			4,827	5,500	4,300	4,500	4,750	5,000
Publishing Fees			1,414	800	900	950	1,000	1,000
Printing Fees			4,250	7,100	6,300	7,200	7,300	7,400
Recruitment			0	250	0	250	250	250
Membership Dues			3,483	4,800	4,300	4,500	4,500	4,500
Training-Elected Officials			1,701	6,900	5,000	5,300	6,500	6,500
Training-Staff			143	5,300	500	5,500	5,500	5,500
Subscriptions			199	300	300	300	300	300
Reference Materials/Manuals			2,211	2,400	2,400	2,500	2,600	2,700
Software			2,985	6,000	5,000	5,000	5,250	5,500
Surety Bond Expenses			845	900	850	900	1,000	1,000
Lease/Rent Expense			4,276	4,200	3,200	3,700	3,800	3,900
Repair & Maint.-Equip. (Comm.)			1,716	2,300	2,200	2,300	2,400	2,500
Office Supplies			6,337	6,200	10,000	7,000	7,000	7,000
Misc. Equip.			2,183	2,500	1,800	2,500	2,500	2,500
Taxes- Other			0	50	0	50	50	50
Misc. Expenses			7,741	7,200	12,300	6,500	6,500	6,500
Community Support			6,850	7,000	11,000	11,000	11,000	10,000
Contingency			5,112	40,000	6,500	20,000	20,000	20,000
Bad Debt Expense			0	2,700	0	500	500	500
TOTAL OPERATIONS			\$ 114,923	\$ 184,600	\$ 143,450	\$ 160,550	\$ 164,250	\$ 166,200
Capital Detail								
Purchase:								
Building			\$ 259,742	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Engineering			64,530	0	0	0	0	0
Equipment			9,249	24,500	2,800	21,800	6,000	6,000
TOTAL CAPITAL			\$ 333,521	\$ 24,500	\$ 2,800	\$ 21,800	\$ 6,000	\$ 6,000
Debt Service Detail								
N/A			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
MERF			\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,500	\$ 2,600
TOTAL INTER-FUND TRANSFERS			\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,500	\$ 2,600
TOTAL EXPENDITURES			\$ 748,495	\$ 605,200	\$ 514,900	\$ 592,650	\$ 607,181	\$ 638,612

CITY HALL ACCOUNT

Core Service, Purpose or Function

The city incurs a variety of general expenses related to the operation, care, maintenance, and upgrade of Washington City Hall. These expenses are reflected in this account.

Current Year (FY09-10) Projection

Expenditures incurred in FY09-10 for the renovation of City Hall were about \$148,000 less than budget. As noted below, \$95,000 of this total has been carried forward into the FY10-11 budget to complete remaining work.

Source of Funds

This account is fully funded through transfers from the General, Water and the Sewer Funds. The latter two funds each contribute an amount equal to 10% of the account's total non-capital costs. The General Fund pays for the remainder.

Budgeted Expenditures

Personnel. The expenses associated with the wages and benefits of the custodian are charged to this account.

Operations. The city incurs the same routine operating and maintenance expenses associated with the care of any public office building: utilities, communications, insurance, repair and maintenance, etc.

Capital. Monies (\$95,000) are carried forward from the FY09-10 budget for the following purposes:

- \$60,000 Installation of fiber optic cable between City Hall and Police Station
- \$12,000 Repave parking lot
- \$10,000 Landscaping
- \$ 8,000 Construct sump pump discharge line (materials only, labor/equipment by city forces)
- \$ 5,000 Finishing interior décor

**CITY HALL
 REVENUE/EXPENDITURE SUMMARY**

	<i>ACTUAL</i> <i>06-07</i>	<i>ACTUAL</i> <i>07-08</i>	<i>ACTUAL</i> <i>08-09</i>	<i>BUDGET</i> <i>09-10</i>	<i>EST. ACT.</i> <i>09-10</i>	<i>BUDGET</i> <i>10-11</i>	<i>PROJ.</i> <i>11-12</i>	<i>PROJ.</i> <i>12-13</i>
Reg. Cash Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REVENUES:								
<i>T/F From:</i>								
<i>GF Unrestr.</i>	\$ 43,739	\$ 39,828	\$ 69,115	\$ 1,089,880	\$ 935,165	\$ 158,160	\$ 64,259	\$ 68,900
<i>Water</i>	5,468	4,979	5,764	7,735	6,721	7,895	8,033	8,612
<i>Sewer</i>	5,468	4,979	5,764	7,735	6,721	7,895	8,033	8,612
TOTAL	\$ 54,675	\$ 49,786	\$ 80,643	\$ 1,105,350	\$ 948,607	\$ 173,950	\$ 80,325	\$ 86,124
EXPENDITURES:								
<i>Personnel</i>	\$ 16,248	\$ 14,559	\$ 16,131	\$ 21,100	\$ 17,800	\$ 23,100	\$ 24,775	\$ 26,599
<i>Operations</i>	36,563	35,227	41,562	54,250	49,412	55,850	56,550	59,525
<i>Capital</i>	1,864	0	22,950	1,030,000	881,395	95,000	0	0
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter-Fund T/F</i>	0	0	0	0	0	0	0	0
TOTAL	\$ 54,675	\$ 49,786	\$ 80,643	\$ 1,105,350	\$ 948,607	\$ 173,950	\$ 80,325	\$ 86,124
Revenue Over (Under)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

SUPPORTING DETAIL FOR CITY HALL

	<i>FTE YEARS</i> 09-10	<i>FTE YEARS</i> 10-11	<i>ACTUAL</i> 08-09	<i>BUDGET</i> 09-10	<i>EST. ACT.</i> 09-10	<i>BUDGET</i> 10-11	<i>PROJ.</i> 11-12	<i>PROJ.</i> 12-13
Personnel Detail								
<i>Custodian</i>	0.50	0.50						
<i>Regular Salaries</i>			\$ 14,754	\$ 16,000	\$ 16,000	\$ 17,000	\$ 17,978	\$ 19,011
<i>Overtime</i>			113	200	250	300	317	335
<i>Part-time Salaries</i>			95	0	0	0	0	0
<i>Unused Sick Time</i>			0	0	200	300	317	335
<i>Group Insurance</i>			0	3,500	0	3,750	4,313	4,959
<i>Retiree Health Insurance</i>			0	0	0	0	0	0
<i>Health Savings Plan Contribution</i>			218	350	300	350	370	391
<i>Unemployment Insurance Tax</i>			0	0	0	0	0	0
<i>Workers Comp. Insurance</i>			629	800	800	1,100	1,163	1,230
<i>Uniform Rental</i>			322	250	250	300	317	335
TOTAL FTE YEARS	0.50	0.50						
TOTAL PERSONNEL			\$ 16,131	\$ 21,100	\$ 17,800	\$ 23,100	\$ 24,775	\$ 26,599
Operations Detail								
<i>R/M Building (Cont.)</i>			\$ 2,136	\$ 2,800	\$ 5,590	\$ 3,000	\$ 2,800	\$ 2,800
<i>R/M Equipment (Cont.)</i>			3,702	6,000	4,142	5,700	6,500	7,000
<i>Communications</i>			7,413	8,200	7,680	9,900	8,400	8,600
<i>Recruitment</i>			0	150	0	150	150	150
<i>Electricity</i>			15,931	20,500	16,000	17,500	19,250	21,175
<i>Heating</i>			3,061	3,300	3,000	4,000	4,000	4,500
<i>Property Insurance</i>			2,343	3,000	2,300	2,400	3,200	3,400
<i>R/M - Buildings (Comm.)</i>			1,140	3,100	2,300	2,500	3,300	3,500
<i>R/M-Equipment (Comm.)</i>			29	500	500	1,200	500	500
<i>Operating Supplies</i>			359	500	300	1,500	600	700
<i>Misc. Equipment</i>			0	500	0	1,000	600	700
<i>Janitorial Supplies</i>			5,160	4,300	3,500	4,000	4,500	4,700
<i>Misc. Expenses</i>			288	1,400	4,100	3,000	1,750	1,800
TOTAL OPERATIONS			\$ 41,562	\$ 54,250	\$ 49,412	\$ 55,850	\$ 55,550	\$ 59,525
Capital Detail								
<i>Purchase:</i>								
<i>Bldg./Property</i>			\$ 22,950	\$ 1,000,000	\$ 830,730	\$ 85,000	\$ 0	\$ 0
<i>Equipment</i>			0	0	28,665	0	0	0
<i>System Engineering</i>			0	30,000	22,000	0	0	0
<i>Landscaping</i>			0	0	0	10,000	0	0
TOTAL CAPITAL			\$ 22,950	\$ 1,030,000	\$ 881,395	\$ 95,000	\$ 0	\$ 0
Debt Service Detail								
<i>NA</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
<i>NA</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL INTER-FUND TRANSFERS			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL EXPENDITURES			\$ 80,643	\$ 1,105,350	\$ 948,607	\$ 173,950	\$ 80,325	\$ 86,124

STREET ACCOUNT

Core Service, Purpose or Function

The city has major obligations involving the maintenance, repair, upgrade and replacement of streets, traffic control devices, sidewalks, alleys, drainage facilities, municipal grounds and public rights-of-way.

Current Year (FY09-10) Projection

Projected FY09-10 revenues are estimated to be under budget. Expenditures are also expected to be under budget. The FY09-10 General Fund transfer to Streets will be \$178,000 less more than originally budgeted.

Source of Funds

The Street account receives about \$185,000 in recurring direct taxes, fees and payments. The majority of these funds are intergovernmental payments from Washington Township for road maintenance purposes. Substantial inter-fund transfers from the General Fund are required to balance the Street budget each year.

A one-time payment from IDOT is projected in the coming year in conjunction with the Wilmor/Kern overlay project (federal stimulus grant). Lastly, a transfer from the Telecommunications Tax Fund is planned to pay the local share of the Wilmor/Kern project and for planned repairs to the North Main Street bridge.

Budgeted Expenditures

As planned, total budgeted expenditures in the coming year are projected to decrease by nearly \$880,000. Most of the reduction is in capital expenditures.

Personnel. Total staff time charged against the Street budget is proposed to decrease by a net of 1.55 FTE. All of the reduction is in summer personnel. Departmental personnel are further classified as follows:

<u>FTE</u>	<u>Classification</u>	<u>Function</u>
1.7	Admin/Clerical	Engineering, Gen. Supervision, Clerical
7.55	Street Crew (FT)	Maintenance
2.05	Street Crew (PT)	Maintenance

Total wage and benefit costs are projected to increase by about two percent over the FY09-10 budget. Going forward, these costs are expected to increase by about 7.2% in FY11-12 and 7.3% in FY12-13. These increases reflect an anticipated 15% hike in annual health insurance costs.

Operations. A wide variety of expenses are incurred in the Street Department's operation and maintenance function. The major expense categories include: electricity (principally for street lighting), snow and ice control (principally road salt purchases), and street repairs (asphalt, concrete, sand, stone, paint, etc.). The total operations budget is reduced from the prior year budget estimate.

Capital Needs. As noted above, capital expenditures are expected to decrease substantially. The following projects are funded through the Street Account in the coming year:

\$ 243,000	Wilnor/Kern Mill and Overlay Project (Federal Stimulus)
35,000	North Main Street Bridge Repairs
33,500	General Street Maintenance (Spray patch)
30,000	Kern Rec. Trail extension
13,000	Replacement furnace—Legion Road facility
10,000	Freedom Parkway right-of-way
1,000	Misc. Equipment

(See MFT, MERF, and Dallas Road Improvement Funds for other capital expenditures related to the city's street network.)

Debt Service and Inter-Fund Transfers. Transfers required for debt service payments total about \$163,000. In addition, a transfer is planned to the Motor Equipment Replacement Fund for supplies, repairs and replacement of vehicles and equipment assigned to the Street Department as well as fuel purchases.

Special Opportunities, Challenges and/or Issues.

Facility Needs. The department has recently assumed full use of the Legion Road facility. This has dramatically expanded available space for office, storage, garage and shop use. It has also had the secondary benefit of freeing space in the former ESDA building for police storage purposes.

Capital Funding. The city has taken several meaningful steps in recent years to enhance financing for its local street network. The city continues to utilize a less expensive street maintenance option (seal coat) to extend the life of existing asphalt streets. Furthermore, revenues from the Telecommunications Tax will provide sustained funding for new construction and major reconstruction projects. Unfortunately, the rapidly escalating cost of construction, particularly those projects involving asphalt and oil based products, has out-paced the growth of available revenues. General Fund monies budgeted for capital street projects have been all but eliminated from the budget for each of the next three fiscal years due to the loss of revenue resulting from the current economic recession.

Streets: Maintenance. The city currently maintains over 65 miles of paved streets. The city has historically addressed its street resurfacing needs through its Motor Fuel Tax revenue. As noted above, the escalating cost of oil is undermining the financial viability of this approach as it both increases the cost of oil-based street maintenance materials while depressing fuel sales and the resulting MFT revenues.

Streets: Upgrades/Reconstruction/New Roadways. Like all growing cities, Washington faces the task of constructing new streets required to improve the city's roadway network and the reconstruction and/or widening of existing streets that are inadequate to meet current and future needs. Identified needs have been estimated to approach \$10 million. The funds generated by the Telecommunications Tax will enable the city to continue to address some of these needs. Construction funds are currently in place for the following major roadway improvements: Dallas Road Phase I (2011) and Phase II (2016), Summit Road Extension (2010-2011), and Route 8 Improvements (2012-13).

Bridges/Major Cross Road Culverts. The city completed the replacement of the Lincoln Avenue bridge in 2009. While no additional major bridge replacement projects are currently anticipated, the replacement of several larger cross-road drainage culverts is recommended if and when funding becomes available.

Storm Sewers. Much of the city's storm sewer network is suffering from age, deterioration and insufficient capacity. Given our current resources, the city is only able to address those problems that have reached a critical condition. Furthermore, repairs are frequently limited to spot patches even though more comprehensive solutions are warranted. Major storm water drainage improvements are planned in conjunction with the reconstruction of Illinois Route 8 east of Summit. In addition, funding for the Briarcliff/Colonial Court storm sewer improvement is provided in the Storm Water Management Fund.

Sidewalks. The city has made steady progress in its sidewalk replacement program over prior years. Continued work is highly recommended. Supplemental funding has been provided to complete the unfinished portions of the Kern Road recreation trail between Hillcrest and Cummings.

**STREETS
 REVENUE/EXPENDITURE SUMMARY**

	ACTUAL 06-07	ACTUAL 07-08	ACTUAL 08-09	BUDGET 09-10	EST. ACT. 09-10	BUDGET 10-11	PROJ. 11-12	PROJ. 12-13
Beg. Cash Balance				\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REVENUES:								
<i>Tax:</i>								
<i>Street</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Property Repl.</i>	6,967	7,946	7,851	6,000	6,500	6,000	6,000	6,000
<i>Fee:</i>								
<i>Sidewalk Reim.</i>	1,458	4,759	252	0	500	0	0	0
<i>Curb & Gutter Rest.</i>	11,400	6,300	5,475	2,500	3,350	2,500	2,500	2,500
<i>Bridge Reimb (Taz. Co.)</i>	0	0	0	210,000	209,698	0	0	0
<i>Road and Bridge</i>	116,182	129,470	156,580	170,000	152,428	155,000	158,000	161,000
<i>Grant Proceeds</i>	16,617	0	0	0	0	168,000	0	0
<i>Recycling Grant</i>	15,780	15,780	15,780	15,780	15,780	15,780	15,780	15,780
<i>Miscellaneous</i>	15,156	4,926	6,208	5,000	5,000	5,000	5,000	5,000
TOTAL COLLECTIONS	183,560	169,181	192,146	409,280	393,256	352,280	187,280	190,280
<i>T/F From:</i>								
<i>GF Unrestricted</i>	1,233,174	1,760,854	1,836,479	2,114,320	1,936,182	1,437,975	1,421,925	1,506,767
<i>Water Fund</i>	0	0	0	16,625	10,000	0	0	0
<i>Sewer Fund</i>	0	0	0	16,625	10,000	0	0	0
<i>GF Telecom Fund</i>	0	0	0	225,000	198,211	110,000	0	0
<i>S. Wood SA</i>	6,024	490	0	0	0	0	0	0
TOTAL BUDG. FUNDS	\$ 1,422,758	\$ 1,930,525	\$ 2,028,625	\$ 2,781,850	\$ 2,547,649	\$ 1,900,255	\$ 1,609,205	\$ 1,697,047
EXPENDITURES:								
<i>Personnel</i>	\$ 534,173	\$ 610,159	\$ 640,289	\$ 769,600	\$ 670,041	\$ 784,200	\$ 840,924	\$ 902,785
<i>Operations</i>	231,297	309,417	362,886	367,500	319,030	353,900	363,650	379,750
<i>Capital</i>	79,025	99,655	256,497	1,225,000	1,098,628	365,500	2,500	2,500
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter T/F</i>	575,816	914,935	774,107	425,370	464,170	402,875	408,851	420,233
TOTAL	\$ 1,420,311	\$ 1,934,166	\$ 2,033,779	\$ 2,787,470	\$ 2,551,869	\$ 1,906,475	\$ 1,615,925	\$ 1,705,267
Revenue Over (Under) Expenditures	\$ 2,447	\$ (3,641)	\$ (5,154)	\$ (5,620)	\$ (4,220)	\$ (6,220)	\$ (6,720)	\$ (8,220)

SUPPORTING DETAIL FOR STREETS

	FTE YEARS 09-10	FTE YEARS 10-11	ACTUAL 08-09	BUDGET 09-10	EST. ACT. 09-10	BUDGET 10-11	PROJ. 11-12	PROJ. 12-13
Personnel Detail								
City Engineer	0.50	0.50						
Pub. Services Manager	0.60	0.60						
Street Supervisor	0.85	0.85						
Water/Sewer Distr. Supv.	0.10	0.10						
Pub. Works Inspector	0.30	0.30						
Street Foreman	2.00	2.00						
Laborers	4.30	4.30						
Customer Serv. Specialist	0.40	0.40						
Regular Salaries			\$ 394,369	\$ 450,000	\$ 420,000	467,000	\$ 493,853	\$ 522,249
Alloc. to Recycling Grant			(10,000)	(10,300)	(9,959)	(10,500)	(11,104)	(11,742)
P-T Admin. Asst.	0.20	0.20						
PW Seasonal	2.40	0.75						
Grounds Mtnce.	1.20	1.30						
Part-Time Wages			54,849	80,000	45,000	63,000	66,623	70,453
Overtime			15,257	16,000	17,000	19,000	20,093	21,248
Standby			3,107	5,000	2,600	5,000	5,288	5,592
Unused Sick Time			1,697	6,800	2,200	7,200	7,614	8,052
Group Insurance			90,446	130,000	104,000	137,000	157,550	181,183
Retiree Health Insurance			30,399	32,000	32,000	32,000	32,800	33,620
Health Savings Plan Contribution			10,234	3,700	4,100	3,800	4,019	4,250
Workers Comp. Insurance			43,382	48,500	47,000	54,000	57,105	60,389
Uniform Rental			4,042	4,600	4,100	4,500	4,759	5,032
Unemployment Insurance Tax			2,517	3,300	2,000	2,200	2,327	2,460
TOTAL FTE YEARS	12.85	11.30						
TOTAL PERSONNEL			\$ 640,289	\$ 769,600	\$ 670,041	\$ 784,200	\$ 840,924	\$ 902,785
Operations Detail								
RIM Building - Cont.			\$ 3,270	\$ 19,500	\$ 24,886	\$ 7,500	\$ 2,500	\$ 2,500
RIM Equipment - Cont.			263	1,600	1,400	1,600	1,600	1,600
RIM Sidewalk Repl. - Cont.			5,190	7,000	9,000	8,000	8,000	8,000
RIM Streetscaping - Cont.			12,927	16,400	11,574	19,200	20,000	20,000
RIM Street Misc. - Cont.			60,366	25,000	11,000	25,000	25,000	25,000
Engineering Fees			5,011	2,200	1,200	4,700	2,500	2,750
Legal Fees			4,282	3,000	1,500	2,000	2,000	2,000
Drug/Alcohol Testing			270	500	150	500	500	500
Data Processing Support			297	200	600	400	400	400
Professional Fees			0	500	500	500	500	500
Communications			4,323	6,600	7,180	5,500	5,500	5,500
Printing/Advertising			544	1,000	800	1,000	1,000	1,000
Membership Dues			398	500	600	600	600	600
Training			40	500	418	500	500	500
Ref. Materials/Manuals			0	100	0	100	100	100
Electricity			73,024	80,000	82,500	88,000	93,000	98,000
Heating			13,421	19,000	4,000	8,000	8,500	9,000
Property Insurance			2,329	2,500	2,500	2,600	2,650	2,700
Lease/Rent Expense			421	1,000	1,249	1,000	1,200	1,500
RIM Buildings - Comm.			7,572	7,000	12,700	1,000	2,500	2,500
RIM Equipment - Comm.			3,241	2,500	2,700	2,500	2,500	2,500
RIM Asphalt - Comm.			18,766	21,500	21,600	21,500	23,000	25,000
RIM Pavement Marking - Comm.			4,402	4,500	2,326	9,500	10,000	10,000
RIM Snow/ice Control - Comm.			46,739	55,000	55,000	57,000	59,000	61,000
RIM Sand/Gravel - Comm.			6,617	9,500	6,000	9,500	10,000	10,500
RIM Concrete & Flowable - Comm.			20,566	21,000	6,800	18,000	20,000	22,000
RIM Street Misc. - Comm.			30,619	25,100	14,247	22,100	24,000	26,000
Office Supplies			717	500	500	500	500	500
Operating Supplies			4,645	4,000	8,000	5,000	5,000	5,000
Health & Safety Equipment			2,548	1,800	1,200	2,000	2,000	2,000
Misc. Equipment			4,620	5,000	5,700	5,000	5,000	5,000
Recycling Grant Expenses			20,934	21,400	20,000	22,000	22,500	24,000
Misc. Expenses			4,524	1,600	1,200	1,600	1,600	1,600
TOTAL OPERATIONS			\$ 362,886	\$ 367,500	\$ 319,030	\$ 353,900	\$ 363,650	\$ 379,750
Capital Detail								
Purchases:								
Equipment			\$ 1,999	\$ 15,000	\$ 6,000	\$ 1,000	\$ 2,500	\$ 2,500
Bld./Property			0	13,000	0	23,000	0	0
System Construction			172,298	1,110,000	1,023,769	326,500	0	0
System Engineering			82,200	87,000	68,659	15,000	0	0
System Legal			0	0	0	0	0	0
Traffic Signals			0	0	0	0	0	0
TOTAL CAPITAL			\$ 256,497	\$ 1,225,000	\$ 1,098,628	\$ 365,500	\$ 2,500	\$ 2,500
Debt Service Detail								
N/A			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
Kern Rd. DS Fund			\$ 140,731	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
S. Cummings DS Fund			87,004	84,162	84,162	81,320	78,477	75,635
Cruger Rd. DS Fund			84,266	83,208	88,208	81,566	80,374	78,598
Cruger Rd. Cap. Impr. Fund			189,600	0	0	0	0	0
Dallas Road Imp. Cap. Proj.			36,506	36,000	25,000	0	0	0
MERF			236,000	222,000	271,800	240,000	250,000	266,000
TOTAL INTER-FUND TRANSFERS			\$ 774,107	\$ 425,370	\$ 464,170	\$ 402,875	\$ 408,851	\$ 420,233
TOTAL EXPENDITURES			\$ 2,033,779	\$ 2,787,470	\$ 2,551,869	\$ 1,906,475	\$ 1,615,925	\$ 1,705,267

POLICE ACCOUNT

Core Service, Purpose or Function

The Washington Police Department is charged with the responsibility of preserving the peace and order of the city, protecting persons and property from harm, crime prevention and the apprehension of persons suspected of crimes and misdemeanors.

Current Year (FY09-10) Projection

Projected FY09-10 Police Department collections are moderately over budget. Expenses are estimated to be substantially under budget largely due to unfilled position vacancies and deferred expenditures. The General Fund transfer will be reduced accordingly.

Source of Funds

The Police Department budget receives direct income from property taxes for pension purposes, special events and training reimbursements, grants, and payments from WCHS to defray School Resource Officer expenses. These direct payments cover about eleven percent of budgeted departmental expenses. Monies for the remainder come from the General Corporate Fund.

Budgeted Expenditures

Personnel. Proposed staffing for the coming year is unchanged with the exception of added hours for custodial services. Previously all custodial services were charged to the City Hall budget. Health insurance premium costs are projected to increase by 15% in the coming year. Police Pension Fund expenses are estimated to increase by about \$90,000 or 50% in the coming year.

Operations. The operations budget has decreased slightly from the prior year. Lesser Police Commission expenses account for the majority of the decrease. Major operations expense categories include Legal Fees (primarily for court prosecutions and enforcement), and Training (for both new recruits and in-service training). New line items were added last year in recognition of the Police Department's full use and occupancy of the former City Hall building: electricity, heating and janitorial supplies. These expenses were previously charged against the City Hall Account.

Capital. Funding is proposed for the following capital purchases: new radio repeater (\$20,000) which was deferred from last year and \$7,000 for replacement personal computers (5) and software. (See Police Department Special Projects Fund and Police Station Renovation Capital Project Fund for other police capital projects.)

Inter-Fund Transfers. A standard transfer to the Motor Equipment Replacement Fund is budgeted for operating, maintenance and replacement costs of the department's motor vehicle fleet.

Special Opportunities, Challenges and/or Issues.

Staffing. Increased staffing continues to be the Washington Police Department's highest priority. The department anticipates the need for full time staffing for a third patrol district in light of the community's rapid growth and associated increasing demand for services.

Training. Training demands continue to grow in Law Enforcement and within the Washington Police Department. These demands include basic recruit training, mandated annual training, Auxiliary & Part-Time Police training, bi-monthly firearms training, use of force and legal updates. The department has expanded its training evolutions, focusing on fundamentals. Washington Police Officers must become proficient in the various skills needed to increase personal confidence and to serve with the highest level of proficiency and professionalism in the protection of life and property. Training must guarantee that each employee is tactically and ethically prepared to handle high risk/low frequency challenges.

Supervision. Capable and efficient supervision maximizes overall effectiveness while minimizing litigious exposure. The supervisory staff is charged with leading and supervising their respective patrol and investigative teams. The department's command staff must develop future leaders from within while performing basic

supervisory functions: coaching, counseling, training, teaching, mentoring, disciplining, overseeing and developing our personnel. Each member of the Washington Police Department is encouraged to grow and develop into future leaders within the organization.

Facility. Plans to expand department operations into the first floor of the current City Hall building will alleviate crowding and dramatically improve conditions in meeting and dealing with the public at the station. The following building planning/programming activities are expected to be complete by early Spring 2010: evaluation of the existing building components, development of a conceptual floor plan, and preparation of a project budget detailing all anticipated costs and opportunities for phasing the construction. Building renovation monies are budgeted in the Police Station Renovation Capital Project Fund.

Technology. Uniformity in information technology is a priority, internally and externally. The department's records management and information systems must be continually updated in order to integrate and interface with other area Law Enforcement agencies and provide our personnel with up to date and current information when dealing with suspects and offenders.

**POLICE
REVENUE/EXPENDITURE SUMMARY**

	ACTUAL	ACTUAL	ACTUAL	BUDGET	EST. ACT.	BUDGET	PROJ.	PROJ.
	06-07	07-08	08-09	09-10	09-10	10-11	11-12	12-13
Beg. Cash Balance				\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REVENUES:								
<i>Tax</i>								
<i>Property</i>	\$ 118,097	\$ 115,976	\$ 136,266	\$ 173,000	\$ 172,800	\$ 259,000	\$ 310,800	\$ 373,000
<i>Property Repl.</i>	5,047	6,270	7,226	7,500	10,800	12,000	14,000	16,500
<i>Special Events</i>	19,159	14,370	5,760	5,000	12,000	5,000	5,000	5,000
<i>Misc. Income</i>	10,777	8,872	15,559	2,000	2,200	2,000	2,000	2,000
<i>Sale of Equipment</i>	0	0	0	0	1,100	0	0	0
<i>Grant Proceeds</i>	4,161	45,400	8,467	5,300	3,000	5,000	5,000	5,000
<i>Training Reimb.</i>	0	0	0	0	0	20,000	20,000	20,000
<i>Reimb. from WCHS</i>	39,330	41,100	45,050	49,610	49,610	54,900	58,057	61,395
TOTAL COLLECTIONS	\$ 196,571	\$ 231,988	\$ 218,328	\$ 242,410	\$ 251,510	\$ 357,900	\$ 414,857	\$ 482,885
<i>T/F From:</i>								
<i>GF Unrestr.</i>	2,075,611	1,922,381	2,093,622	2,855,470	2,586,043	2,939,600	3,122,300	3,332,152
<i>AED Fund</i>	0	512	0	0	0	0	0	0
TOTAL	\$ 2,272,182	\$ 2,154,881	\$ 2,311,950	\$ 3,097,880	\$ 2,837,553	\$ 3,297,500	\$ 3,537,156	\$ 3,815,047
EXPENDITURES:								
<i>Personnel</i>	1,883,419	1,744,742	1,891,585	2,558,200	2,395,900	2,747,600	3,002,456	3,263,837
<i>Operations</i>	228,585	206,548	227,907	296,680	190,800	291,900	279,700	282,210
<i>Capital</i>	6,078	19,593	4,458	28,000	12,000	27,000	10,000	10,000
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter-Fund Transfers</i>	154,100	183,998	188,000	215,000	238,853	231,000	245,000	259,000
TOTAL	\$ 2,272,182	\$ 2,154,881	\$ 2,311,950	\$ 3,097,880	\$ 2,837,553	\$ 3,297,500	\$ 3,537,156	\$ 3,815,047
Revenue Over (Under)								
Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

SUPPORTING DETAIL FOR POLICE

	FTE YEARS 09-10	FTE YEARS 10-11	ACTUAL 08-09	BUDGET 09-10	EST. ACT. 09-10	BUDGET 10-11	PROJ. 11-12	PROJ. 12-13
Personnel Detail								
<i>Police Chief</i>	1.00	1.00						
<i>Deputy Police Chief</i>	1.00	1.00						
<i>Sergeants</i>	4.00	4.00						
<i>Patrol Officers</i>	15.00	15.00						
<i>Police Services Technician</i>	1.00	1.00						
<i>Dispatchers</i>	6.00	6.00						
<i>Custodian</i>	0.00	0.50						
<i>Regular Salaries</i>			\$ 1,008,707	\$ 1,440,000	\$ 1,365,000	\$ 1,500,000	\$ 1,607,400	\$ 1,699,826
<i>P-T Dispatchers</i>	1.00	1.00	18,957	34,000	33,000	36,000	38,070	40,259
<i>P-T Officers</i>	2.00	2.00	43,058	50,000	42,000	50,000	52,875	55,915
<i>Overtime-Officers</i>			143,997	160,000	160,000	160,000	169,200	178,929
<i>Overtime allocated to Grants</i>			0	5,000	0	5,000	5,288	5,592
<i>Overtime-Dispatchers</i>			41,230	50,000	43,000	45,000	47,588	50,324
<i>Unused Sick Time</i>			2,417	15,000	14,000	15,000	15,863	16,775
<i>Group Insurance</i>			299,578	410,000	355,000	450,000	517,500	595,125
<i>Retiree Health Insurance</i>			95,110	96,000	95,000	96,000	98,400	100,860
<i>Health Savings Plan Contribution</i>			10,783	18,000	13,000	20,000	21,150	22,366
<i>Workers Comp. Insurance</i>			49,099	57,000	54,000	60,000	64,402	68,105
<i>Uniform Rental</i>			29,314	35,000	33,000	34,000	34,000	34,000
<i>Unemployment Insurance Tax</i>			5,843	7,700	5,300	5,600	5,922	6,263
<i>Police Pension Expense</i>			143,492	180,500	183,600	271,000	324,800	389,500
TOTAL FTE YEARS	31.00	31.50						
TOTAL PERSONNEL			\$ 1,891,585	\$ 2,558,200	\$ 2,395,900	\$ 2,747,600	\$ 3,002,456	\$ 3,263,837
Operations Detail								
<i>R/M Building-Cont.</i>			\$ 2,632	\$ 4,200	\$ 1,000	\$ 4,050	\$ 4,050	\$ 4,100
<i>R/M Equipment-Cont.</i>			17,990	13,600	7,500	13,100	13,100	13,100
<i>Legal Fees</i>			88,838	85,000	85,000	100,000	85,000	85,000
<i>Professional Fees</i>			0	1,000	100	850	850	850
<i>Postage Expense</i>			675	1,500	650	1,300	1,300	1,300
<i>Communications</i>			7,583	12,000	8,500	10,000	10,000	10,000
<i>Publishing Fees</i>			240	1,000	100	800	800	800
<i>Printing Fees</i>			3,091	4,000	2,500	3,800	3,900	4,000
<i>Recruitment</i>			364	2,000	250	1,800	1,800	1,800
<i>Membership Dues</i>			5,634	6,000	5,600	5,800	6,000	6,000
<i>Training</i>			22,137	53,000	26,000	50,000	50,000	50,000
<i>Subscriptions</i>			597	500	450	450	500	500
<i>Reference Materials/Manuals</i>			621	400	400	350	350	350
<i>Property Insurance</i>			180	1,830	800	2,000	2,000	2,000
<i>Electricity</i>			0	10,000	2,500	16,000	17,600	19,360
<i>Heating</i>			0	3,500	800	3,500	3,750	4,000
<i>Lease/Rent Expense</i>			6,462	9,350	7,500	8,000	8,250	8,500
<i>R/M Buildings-Comm.</i>			2,305	5,000	750	4,000	4,000	4,000
<i>R/M Equipment-Comm.</i>			5,666	5,500	5,500	5,300	5,300	5,300
<i>Office Supplies</i>			4,808	5,000	3,500	4,800	4,900	5,000
<i>Operating Supplies</i>			2,001	3,000	1,600	2,900	3,000	3,000
<i>Misc. Equipment</i>			13,448	11,000	6,500	11,000	11,000	11,000
<i>Janitorial Supplies</i>			0	3,500	0	3,500	3,500	3,500
<i>Misc. Expenses</i>			5,477	7,500	5,500	7,100	7,250	7,250
<i>Firearms Training</i>			6,571	14,000	8,000	15,000	15,000	15,000
<i>Police Commission Expense</i>			27,280	28,000	9,800	16,000	16,000	16,000
<i>Misc. Grant Disbursement</i>			3,307	5,300	0	500	500	500
TOTAL OPERATIONS			\$ 227,907	\$ 296,680	\$ 190,800	\$ 291,900	\$ 279,700	\$ 282,210
Capital Detail								
<i>Purchase:</i>								
<i>Equipment</i>			\$ 4,458	\$ 28,000	\$ 12,000	\$ 27,000	\$ 10,000	\$ 10,000
<i>Bldg./Property</i>			0	0	0	0	0	0
TOTAL CAPITAL			\$ 4,458	28,000	12,000	27,000	10,000	10,000
Debt Service Detail								
<i>N/A</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
<i>Police Department - Special Projects</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>MERF</i>			188,000	215,000	238,853	231,000	245,000	259,000
TOTAL INTER-FUND TRANSFERS			\$ 188,000	\$ 215,000	\$ 238,853	\$ 231,000	\$ 245,000	\$ 259,000
TOTAL EXPENDITURES			\$ 2,311,950	\$ 3,097,880	\$ 2,837,553	\$ 3,297,500	\$ 3,537,156	\$ 3,815,047

TOURISM AND ECONOMIC DEVELOPMENT ACCOUNT

Core Service, Purpose or Function

The city allocates resources intended to generate income, employment and enhanced quality of life through increased tourism and economic development.

Current Year (FY09-10) Projection

Total projected expenditures are under budget. The year-end intra-fund transfer from the General Fund will be slightly less than originally planned.

Source of Funds

Monies from the city's General Fund cover planned expenditures in this account. Projected Hotel/Motel taxes will be sufficient to cover the total projected expenses in this account for the coming year.

Budgeted Expenditures

Personnel. The city charges a portion (35%) of the Planning and Development Director's salary and benefits to this fund to cover time spent on tourism and economic development activities.

Operations. Various operating expenses are incurred in the conduct of tourism and economic development activities. The majority of these expenses are related to contractual services obligations with the Washington Area Chamber of Commerce (\$25,400) and the Peoria Area Convention and Visitors Bureau (\$12,000) and membership dues paid to the Economic Development Council for Central Illinois (\$2,500) for services related to tourism promotion and economic development activities.

Special Opportunities/Challenges/Issues

The City Council approved an increase in the city's Hotel/Motel tax rate from 5% to 6% with the increased revenue dedicated to support the Peoria Area Convention and Visitors Bureau (PACVB). This increased rate is currently expected to generate \$12,000 annually.

**TOURISM & ECONOMIC DEVELOPMENT
 REVENUE/EXPENDITURE SUMMARY**

	<i>ACTUAL</i> <i>06-07</i>	<i>ACTUAL</i> <i>07-08</i>	<i>ACTUAL</i> <i>08-09</i>	<i>BUDGET</i> <i>09-10</i>	<i>EST. ACT.</i> <i>09-10</i>	<i>BUDGET</i> <i>10-11</i>	<i>PROJ.</i> <i>11-12</i>	<i>PROJ.</i> <i>12-13</i>
Beg. Cash Balance				\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REVENUES:								
<i>Tax:</i>								
<i>Hotel/Motel</i>	\$ 16,921	\$ 32,831	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>T/F From:</i>								
<i>GF Unrestricted</i>	23,504	17,361	59,619	67,100	59,676	68,175	67,515	68,928
TOTAL	\$ 40,425	\$ 50,192	\$ 59,619	\$ 67,100	\$ 59,676	\$ 68,175	\$ 67,515	\$ 68,928
EXPENDITURES:								
<i>Personnel</i>	\$ 13,935	\$ 15,743	\$ 17,410	\$ 21,750	\$ 19,650	\$ 22,825	\$ 24,115	\$ 25,528
<i>Operations</i>	26,490	34,449	42,209	45,350	40,026	45,350	43,400	43,400
<i>Capital</i>	0	0	0	0	0	0	0	0
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter-Fund Transfers</i>	0	0	0	0	0	0	0	0
TOTAL	\$ 40,425	\$ 50,192	\$ 59,619	\$ 67,100	\$ 59,676	\$ 68,175	\$ 67,515	\$ 68,928
Revenue Over (Under)								
Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

SUPPORTING DETAIL FOR TOURISM & ECONOMIC DEVELOPMENT

	FTE YEARS 09-10	FTE YEARS 10-11	ACTUAL 08-09	BUDGET 09-10	EST. ACT. 09-10	BUDGET 10-11	PROJ. 11-12	PROJ. 12-13
Personnel Detail								
<i>P&D Director</i>	0.35	0.35						
<i>Regular Salaries</i>			\$ 16,917	\$ 21,000	\$ 19,000	\$ 22,000	\$ 23,265	\$ 24,603
<i>Unused Sick Time</i>			250	350	300	400	400	450
<i>Group Insurance</i>			0	0	0	0	0	0
<i>Retiree Health Insurance</i>			0	0	0	0	0	0
<i>Health Savings Plan Contribution</i>			243	400	350	425	450	475
<i>Unemployment Insurance Tax</i>			0	0	0	0	0	0
TOTAL FTE YEARS	0.35	0.35						
TOTAL PERSONNEL			\$ 17,410	\$ 21,750	\$ 19,650	\$ 22,825	\$ 24,115	\$ 25,528
Operations Detail								
<i>Contractual Services</i>			\$ 33,509	\$ 35,400	\$ 33,900	\$ 37,400	\$ 35,400	\$ 35,400
<i>Professional Fees</i>			5,762	0	0	0	0	0
<i>Communications</i>			0	100	0	100	100	100
<i>Membership Dues</i>			2,500	2,950	2,970	2,950	3,000	3,000
<i>Training</i>			100	900	800	900	900	900
<i>Subscriptions</i>			0	100	50	100	100	100
<i>Misc. Equipment</i>			0	100	0	100	100	100
<i>Tourism Expenses</i>			0	200	0	200	200	200
<i>Econ. Development Expenses</i>			\$ 338	\$ 5,600	\$ 2,306	\$ 3,600	\$ 3,600	\$ 3,600
TOTAL OPERATIONS			\$ 42,209	\$ 45,350	\$ 40,026	\$ 45,350	\$ 43,400	\$ 43,400
Capital Detail								
<i>NA</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL CAPITAL			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Debt Service Detail								
<i>NA</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
<i>NA</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL INTER-FUND TRANSFERS			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL EXPENDITURES			\$ 59,619	\$ 67,100	\$ 59,676	\$ 68,175	\$ 67,515	\$ 68,928

PLANNING, ZONING AND CODE ENFORCEMENT ACCOUNT

Core Service, Purpose or Function

The city is responsible for the coordinated, orderly and efficient development of the community; the protection of private property; and the protection of public health and safety through general land use planning and the enforcement of zoning, subdivision, building and property maintenance codes.

Current Year (FY09-10) Projection

Total FY09-10 expenses are expected to be substantially under budget. Accordingly, the anticipated General Fund transfer will be reduced by about \$27,000.

Source of Funds

The General Fund supports all of the expenditures associated with the planning, zoning and code enforcement functions of the city. It should be noted that the General Fund receives building and other permit fees that defray a portion of the building permit and inspection cost.

Budgeted Expenditures

Personnel. Those salaries and benefits associated with planning, zoning, building inspection and code enforcement activities are charged to this account. Department employees provide direct staff support to the Washington Planning Commission, the Zoning Board of Appeals, the Historic Preservation Commission, and the Building Board of Review.

Operations. Total budgeted operations expenses are decreased from last year's budget. Major operations expenses include legal fees, consulting services (primarily GIS technical assistance from Tri-County RPC (\$30,000) and commercial plan review and inspection services (\$7,000)), membership dues (PPUATS, APA, IPOC, etc.), and software licenses and upgrades.

Capital. Capital funds are budgeted for the scheduled replacement of one personal computer.

MERF Transfer. Transfers to the Motor Equipment Replacement Fund are budgeted to cover costs associated with the future replacement of the vehicle assigned to the Building Inspector.

Special Opportunities/Challenges/Issues

The department has made major strides in updating the city's GIS data base in recent years. Continued funding for the Tri-County GIS contractual services is included in the proposed budget.

Staff also successfully concluded the updating of the city's comprehensive plan and the extension of the Downtown TIF District during the past year. Other special, on-going work objectives include assistance to the newly formed Historic Preservation Commission and completion of the Route 8/Sunnyland Planning Study in conjunction with the City of East Peoria.

**PLANNING, ZONING & CODE ENFORCEMENT
 REVENUE/EXPENDITURE SUMMARY**

	ACTUAL 06-07	ACTUAL 07-08	ACTUAL 08-09	BUDGET 09-10	EST. ACT. 09-10	BUDGET 10-11	PROJ. 11-12	PROJ. 12-13
Beg. Cash Balance				\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REVENUES:								
<i>Misc. Revenue</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>T/F From:</i>								
<i>GF Unrestricted</i>	161,819	179,411	214,243	286,790	259,132	265,505	281,510	290,027
TOTAL	\$ 161,819	\$ 179,411	\$ 214,243	\$ 286,790	\$ 259,132	\$ 265,505	\$ 281,510	\$ 290,027
EXPENDITURES:								
<i>Personnel</i>	\$ 117,597	\$ 133,097	\$ 137,310	\$ 150,250	\$ 143,200	\$ 167,800	\$ 179,060	\$ 191,227
<i>Operations</i>	42,536	43,330	73,667	107,540	95,932	95,705	96,150	92,400
<i>Capital</i>	1,686	2,984	3,266	11,000	2,000	2,000	4,000	4,000
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter-Fund Transfers</i>	0	0	0	18,000	18,000	0	2,300	2,400
TOTAL	\$ 161,819	\$ 179,411	\$ 214,243	\$ 286,790	\$ 259,132	\$ 265,505	\$ 281,510	\$ 290,027
Revenue Over (Under)								
Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

SUPPORTING DETAIL FOR PLANNING, ZONING & CODE ENFORCEMENT

	FTE YEARS 09-10	FTE YEARS 10-11	ACTUAL 08-09	BUDGET 09-10	EST. ACT. 09-10	BUDGET 10-11	PROJ. 11-12	PROJ. 12-13
Personnel Detail								
<i>P&D Director</i>	0.55	0.55						
<i>Bldg. & Zoning Supv.</i>	1.00	1.00						
<i>Regular Salaries</i>			\$ 79,573	\$ 82,000	\$ 83,000	\$ 91,000	\$ 96,233	\$ 101,766
<i>P-T Inspectors</i>	0.60	0.60						
<i>P-T Admin. Asst.</i>	0.20	0.20						
<i>P.W./Planning Tech.</i>	0.00	0.00						
<i>Part-Time Wages</i>			31,196	37,000	30,000	38,000	40,185	42,496
<i>Overtime</i>			71	750	100	500	529	569
<i>Unused Sick Time</i>			417	1,300	800	1,400	1,481	1,566
<i>Group Insurance</i>			13,616	16,000	16,000	19,000	21,850	25,128
<i>Retiree Health Insurance</i>			4,255	4,500	4,300	4,500	4,613	4,728
<i>Health Savings Plan Contribution</i>			406	600	500	700	740	783
<i>Workers Comp. Insurance</i>			6,922	7,000	7,900	12,000	12,690	13,420
<i>Payroll Taxes</i>			754	1,100	600	700	740	783
<i>Uniform Allowance</i>	0.00	0.00	100	0	0	0	0	0
TOTAL FTE YEARS	2.35	2.35						
TOTAL PERSONNEL			\$ 137,310	\$ 150,250	\$ 143,200	\$ 167,800	\$ 179,060	\$ 191,227
Operations Detail								
<i>Mileage</i>			\$ 566	\$ 900	\$ 450	\$ 900	\$ 900	\$ 900
<i>Engineering Fees</i>			0	1,000	0	4,750	4,750	1,000
<i>Legal Fees</i>			3,316	20,000	13,500	20,000	20,000	20,000
<i>Consultation/Contractual</i>			53,698	59,800	59,140	44,800	45,000	45,000
<i>Postage Expenses</i>			640	1,200	1,050	1,200	1,200	1,200
<i>Communications</i>			1,391	1,700	1,550	1,700	1,700	1,700
<i>Publishing Fees</i>			553	1,800	1,600	1,800	1,800	1,800
<i>Printing Fees</i>			43	300	200	300	300	300
<i>Recruitment</i>			0	200	200	200	200	200
<i>Membership Dues</i>			4,800	5,425	5,094	5,925	6,000	6,000
<i>Training</i>			1,814	4,225	3,823	3,840	3,900	3,900
<i>Subscriptions</i>			929	1,190	1,022	1,190	1,200	1,200
<i>Reference Materials</i>			187	1,600	978	1,600	1,600	1,600
<i>Software</i>			3,893	4,600	4,300	4,600	4,600	4,600
<i>Office Supplies</i>			861	1,100	1,000	1,100	1,200	1,200
<i>Misc. Equipment</i>			786	1,200	1,125	500	500	500
<i>Miscellaneous Expense</i>			190	1,300	900	1,300	1,300	1,300
TOTAL OPERATIONS			\$ 73,667	\$ 107,540	\$ 95,932	\$ 95,705	\$ 96,150	\$ 92,400
Capital Detail								
<i>Purchase:</i>								
<i>Equipment</i>			\$ 3,266	\$ 11,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 4,000
TOTAL CAPITAL			\$ 3,266	\$ 11,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 4,000
Debt Service Detail								
<i>N/A</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
<i>Merf</i>			\$ 0	\$ 18,000	\$ 18,000	\$ 0	\$ 2,300	\$ 2,400
TOTAL INTER-FUND TRANSFERS			\$ 0	\$ 18,000	\$ 18,000	\$ 0	\$ 2,300	\$ 2,400
TOTAL EXPENDITURES			\$ 214,243	\$ 286,790	\$ 259,132	\$ 265,505	\$ 281,510	\$ 290,027

FIRE AND RESCUE ACCOUNT

Core Service, Purpose or Function

The city provides for fire, rescue and emergency ambulance services to protect persons and property. These services are delivered via contracts with the Washington Volunteer Fire Department and the Northern Tazewell Fire Protection District.

Current Year (FY09-10) Projection

FY09-10 projected revenues and expenditures are consistent with the budget. The General Fund transfer will be slightly less than budgeted.

Source of Funds

The city receives an annual payment from the state imposed tax on the gross receipts of fire insurance premiums paid to companies not incorporated under Illinois law. In addition, a transfer is made from the General Corporate Fund to balance the account each year.

Budgeted Expenditures

Operations. A 3.5% increase is budgeted for contractual obligations with both the Washington Volunteer Fire Department and the Northern Tazewell Fire Department.

Special Opportunities/Challenges/Issues

Financial support for the Washington Volunteer Fire Department and Rescue Squad has been steadily increased over the last several years. The city's contractual obligations to support WVFD fire and ambulance operations have increased from \$277,572 in May 2004 to a proposed \$548,550 in May 2010. This additional financial support has been in recognition of increasing demands for services particularly related to ambulance and rescue activities and the employment of a full time Fire Chief to manage the department.

**FIRE AND RESCUE
 REVENUE/EXPENDITURE SUMMARY**

	<i>ACTUAL</i> <i>06-07</i>	<i>ACTUAL</i> <i>07-08</i>	<i>ACTUAL</i> <i>08-09</i>	<i>BUDGET</i> <i>09-10</i>	<i>EST. ACT.</i> <i>09-10</i>	<i>BUDGET</i> <i>10-11</i>	<i>PROJ.</i> <i>11-12</i>	<i>PROJ.</i> <i>12-13</i>
Beg. Cash Balance				\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
REVENUES:								
<i>Tax:</i>								
<i>Property</i>	\$ 150,544	\$ 198,721	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>For. Fire</i>	8,971	9,460	10,757	11,500	14,710	16,000	17,500	18,000
<i>Misc.</i>	0	0	0	0	0	0	0	0
TOTAL COLLECTIONS	\$ 159,515	\$ 208,181	\$ 10,757	\$ 11,500	\$ 14,710	\$ 16,000	\$ 17,500	\$ 18,000
<i>T/F From:</i>								
<i>GF Unrestricted</i>	109,053	205,838	483,677	560,250	547,790	561,610	579,885	600,135
TOTAL BUDG. FUNDS	\$ 268,568	\$ 414,019	\$ 494,434	\$ 571,750	\$ 562,500	\$ 577,610	\$ 597,385	\$ 618,135
EXPENDITURES:								
<i>Personnel</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Operations</i>	268,568	414,019	494,434	571,750	562,500	577,610	597,385	618,135
<i>Capital</i>	0	0	0	0	0	0	0	0
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter T/F</i>	0	0	0	0	0	0	0	0
TOTAL	\$ 268,568	\$ 414,019	\$ 494,434	\$ 571,750	\$ 562,500	\$ 577,610	\$ 597,385	\$ 618,135
Revenue Over (Under) Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

SUPPORTING DETAIL FOR FIRE & RESCUE

	<i>FTE YEARS</i> 09-10	<i>FTE YEARS</i> 10-11	<i>ACTUAL</i> 08-09	<i>BUDGET</i> 09-10	<i>EST. ACT.</i> 09-10	<i>BUDGET</i> 10-11	<i>PROJ.</i> 11-12	<i>PROJ.</i> 12-13
Personnel Detail								
<i>NA</i>	0.00	0.00						
TOTAL FTE YEARS	0.00	0.00						
TOTAL PERSONNEL			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operations Detail								
<i>RIM Building - Cont.</i>			\$ 2,522	\$ 14,500	\$ 12,000	\$ 5,000	\$ 5,000	\$ 5,000
<i>RIM Equipment - Cont.</i>			0	1,000	0	1,000	1,000	1,000
<i>Legal Fees</i>			0	2,000	500	1,000	1,000	1,000
<i>Property Insurance</i>			2,493	2,700	2,600	2,900	2,800	2,900
<i>WVFD & RS Payments</i>			422,083	440,000	440,000	455,400	471,400	488,000
<i>Equipment Funding</i>			0	0	0	0	0	0
<i>Fire Chief Funding</i>			49,581	90,000	90,000	93,150	96,400	99,800
<i>Northern Tazewell Pmts.</i>			16,250	17,250	17,250	17,860	18,485	19,135
<i>RIM Building - Comm.</i>			0	300	150	300	300	300
<i>Misc. Expenses</i>			1,505	4,000	0	1,000	1,000	1,000
TOTAL OPERATIONS			\$ 494,434	\$ 571,750	\$ 562,500	\$ 577,610	\$ 597,385	\$ 618,135
Capital Detail								
<i>Purchase:</i>								
<i>Equipment</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Bld./Property</i>			0	0	0	0	0	0
<i>System Engineering</i>			0	0	0	0	0	0
<i>System Legal</i>			0	0	0	0	0	0
TOTAL CAPITAL			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Debt Service Detail								
<i>NA</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
<i>NA</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL INTER-FUND TRANSFERS			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL EXPENDITURES			\$ 494,434	\$ 571,750	\$ 562,500	\$ 577,610	\$ 597,385	\$ 618,135

TELECOMMUNICATIONS TAX ACCOUNT

Core Service, Purpose or Function

The city levies a 5% Telecommunications Tax to fund capital projects with emphasis on street and storm water improvements.

Current Year (FY09-10) Projection

Revenues are projected to be consistent with budget. Budgeted transfers to the North Cummings Lane and Lincoln Bridge projects are estimated to be about \$50,000 less than budget.

Source of Funds

The city will receive income from the Telecommunications Tax currently estimated to total \$395,000 per year plus interest on investments.

Budgeted Expenditures

Monies are budgeted for the following purposes:

FY10-11

\$25,000 transfer to Dallas Road Improvement Capital Project Fund for right-of-way and easements
\$35,000 transfer to Street Fund for N. Main Street Bridge Repairs
\$75,000 transfer to Street Fund for Kern/Wilmor mill/overlay
\$100,000 expense for Washington's share of the Summit Road extension

FY11-12

\$100,000 expense for Washington's share of the Summit Road extension
\$383,300 transfer to Dallas Road Improvement Capital Project Fund for construction purposes

FY12-13

\$500,000 expense for Washington's share of the Illinois Route 8 improvement

The exact scheduling and cost of the Summit Road and Route 8 projects are uncertain at present.

**GENERAL FUND - TELECOMMUNICATIONS TAX ACCOUNT
 REVENUE/EXPENDITURE SUMMARY**

	<i>ACTUAL</i> <i>06-07</i>	<i>ACTUAL</i> <i>07-08</i>	<i>ACTUAL</i> <i>08-09</i>	<i>BUDGET</i> <i>09-10</i>	<i>EST. ACT.</i> <i>09-10</i>	<i>BUDGET</i> <i>10-11</i>	<i>PROJ.</i> <i>11-12</i>	<i>PROJ.</i> <i>12-13</i>
Beg. Cash Bal.				\$ 689,973	\$ 667,327	\$ 30,885	\$ 193,385	\$ 107,585
REVENUES:								
<i>Telecommunications Tax</i>	\$ 350,176	\$ 372,878	\$ 394,095	\$ 385,000	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000
<i>Interest</i>	9,617	20,325	9,848	11,000	800	500	500	500
TOTAL COLLECTIONS	359,793	393,203	403,943	396,000	395,800	395,500	395,500	395,500
T/F N. Cum. Rdway Imp.	0	0	0	0	0	2,000	2,000	2,000
TOTAL REVENUE	\$ 359,793	\$ 393,203	\$ 403,943	\$ 396,000	\$ 395,800	\$ 397,500	\$ 397,500	\$ 397,500
EXPENDITURES:								
<i>Personnel</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Operations</i>	0	0	0	0	0	100,000	100,000	500,000
<i>Capital</i>	0	0	0	0	0	0	0	0
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter-Fund Transfers</i>	16,620	30,970	445,576	0	0	25,000	383,300	0
TOTAL	\$ 16,620	\$ 30,970	\$ 445,576	\$ 0	\$ 0	\$ 125,000	\$ 483,300	\$ 500,000
Revenue Over (Under) Expenditures	\$ 343,173	\$ 362,233	\$ (41,633)	\$ 396,000	\$ 395,800	\$ 272,500	\$ (85,800)	\$ (102,500)
Intra T/F	0	0	0	1,083,000	1,032,242	110,000	0	0
Net Rev. Over (Under) Exp.	\$ 343,173	\$ 362,233	\$ (41,633)	\$ (687,000)	\$ (636,442)	\$ 162,500	\$ (85,800)	\$ (102,500)

SUPPORTING DETAIL FOR GENERAL FUND - TELECOMMUNICATIONS TAX ACCOUNT

	<i>FTE YEARS</i> <i>09-10</i>	<i>FTE YEARS</i> <i>10-11</i>	<i>ACTUAL</i> <i>08-09</i>	<i>BUDGET</i> <i>09-10</i>	<i>EST.ACT.</i> <i>09-10</i>	<i>BUDGET</i> <i>10-11</i>	<i>PROJ.</i> <i>11-12</i>	<i>PROJ.</i> <i>12-13</i>
Personnel Detail								
<i>N/A</i>	0.00	0.00	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL FTE YEARS	0.00	0.00						
TOTAL PERSONNEL			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operations Detail								
<i>Summit Road Reimbursement to EP</i>			\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 0
<i>Route 8 Reimbursement to IDOT</i>			0	0	0	0	0	500,000
TOTAL OPERATIONS			\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 500,000
Capital Detail								
<i>Purchase - System Construction</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL CAPITAL			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Debt Service Detail								
<i>N/A</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
<i>Storm Water Management</i>			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Dallas Road Improvement</i>			0	0	0	25,000	383,300	0
<i>Muller Road Cap. Impr. Fund</i>			445,576	0	0	0	0	0
TOTAL INTER-FUND TRANSFERS			\$ 445,576	\$ 0	\$ 0	\$ 25,000	\$ 383,300	\$ 0
TOTAL EXPENDITURES			\$ 445,576	\$ 0	\$ 0	\$ 125,000	\$ 483,300	\$ 500,000
Intra-Fund Transfers								
<i>N. Cummings Road Imp.</i>			\$ 0	\$ 858,000	\$ 834,031	\$ 0	\$ 0	\$ 0
<i>Street Fund</i>			\$ 0	\$ 225,000	\$ 198,211	110,000	0	0
TOTAL INTRA-FUND TRANSFERS			\$ 0	\$ 1,083,000	\$ 1,032,242	\$ 110,000	\$ 0	\$ 0
TOTAL EXPENDITURES								
INCL. INTRA-FUND TRANSFERS			\$ 445,576	\$ 1,083,000	\$ 1,032,242	\$ 235,000	\$ 483,300	\$ 500,000

NORTH CUMMINGS ROADWAY IMPROVEMENT FEE ACCOUNT

Core Service, Purpose or Function

For many years, the city planned to upgrade North Cummings Lane to serve and support the new residential development occurring in this area. In order to defray a portion of the cost of this improvement, agreements were made requiring the payment of roadway improvement fees to the city. These agreements generally provided for a one-time assessment of \$135 per residential lot or \$2,025 per commercial acre to be paid at the time of platting. The affected subdivisions include the following: Deer Ridge, Oak Creek, Northwyck, Walnut Grove and Hunters Glen.

Current Year (FY09-10) Projection

The North Cummings Lane improvement was completed in 2009. Final costs were about \$26,000 less than budget. Accordingly, the transfer from the Telecommunications Tax Fund will be \$24,000 less than originally planned.

Source of Funds

As noted above, the city receives payments when lots are platted in certain areas located north of Route 24. It is currently estimated that 170 lots have yet to be final platted in this area.

Budgeted Expenditures

As future roadway fees are received, the revenue will be reimbursed to the Telecommunications Tax Fund.

N. CUMMINGS ROADWAY IMPROVEMENT FEE REVENUE/EXPENDITURE SUMMARY

	<i>ACTUAL</i> <i>06-07</i>	<i>ACTUAL</i> <i>07-08</i>	<i>ACTUAL</i> <i>08-09</i>	<i>BUDGET</i> <i>09-10</i>	<i>EST. ACT.</i> <i>09-10</i>	<i>BUDGET</i> <i>10-11</i>	<i>PROJ.</i> <i>11-12</i>	<i>PROJ.</i> <i>12-13</i>
Beg. Cash Balance	\$ 105,445	\$ 123,370	\$ 93,151	\$ 102,174	\$ 97,540	\$ 0	\$ 0	\$ 0
REVENUES:								
<i>Roadway Impr. Fee</i>	\$ 12,015	\$ 0	\$ 3,240	\$ 0	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000
<i>Interest</i>	5,910	4,781	1,148	1,000	150	0	0	0
TOTAL COLLECTIONS	\$ 17,925	\$ 4,781	\$ 4,388	\$ 1,000	\$ 150	\$ 2,000	\$ 2,000	\$ 2,000
<i>T/F From Tele. Tax</i>	0	0	0	858,000	834,031	0	0	0
TOTAL BUDG. FUNDS	17,925	4,781	4,388	859,000	834,181	2,000	2,000	2,000
EXPENDITURES:								
<i>Personnel</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Operations</i>	0	0	0	0	0	0	0	0
<i>Capital</i>	0	35,000	11,289	958,000	931,721	0	0	0
<i>Debt Service</i>	0	0	0	0	0	0	0	0
<i>Inter-Fund Transfers</i>	0	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 35,000	\$ 11,289	\$ 958,000	\$ 931,721	\$ 0	\$ 0	\$ 0
Revenue Over (Under) Expenditures	\$ 17,925	\$ (30,219)	\$ (6,901)	\$ (99,000)	\$ (97,540)	\$ 2,000	\$ 2,000	\$ 2,000
Intra T/F	0	0	0	0	0	2,000	2,000	2,000
Net Rev. Over (Under) Exp.	\$ 17,925	\$ (30,219)	\$ (6,901)	\$ (99,000)	\$ (97,540)	\$ 0	\$ 0	\$ 0

SUPPORTING DETAIL FOR N. CUMMINGS ROADWAY IMPROVEMENT FEE

	<i>FTE YEARS</i>	<i>FTE YEARS</i>	<i>ACTUAL</i>	<i>BUDGET</i>	<i>EST. ACT.</i>	<i>BUDGET</i>	<i>PROJ.</i>	<i>PROJ.</i>
	<i>09-10</i>	<i>10-11</i>	<i>08-09</i>	<i>09-10</i>	<i>09-10</i>	<i>10-11</i>	<i>11-12</i>	<i>12-13</i>
Personnel Detail								
<i>N/A</i>	0.00	0.00	0	0	0	0	0	0
TOTAL FTE YEARS	0.00	0.00						
TOTAL PERSONNEL			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operations Detail								
<i>N/A</i>			0	0	0	0	0	0
TOTAL OPERATIONS			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Detail								
<i>Purchase:</i>								
<i>System construction</i>			\$ 0	\$ 900,000	\$ 888,400	\$ 0	\$ 0	\$ 0
<i>System engineering</i>			11,289	58,000	43,321	0	0	0
TOTAL CAPITAL			\$ 11,289	\$ 958,000	\$ 931,721	\$ 0	\$ 0	\$ 0
Debt Service Detail								
<i>N/A</i>			0	0	0	0	0	0
TOTAL DEBT SERVICE			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Inter-Fund Transfer Detail								
<i>N/A</i>			0	0	0	0	0	0
TOTAL INTER-FUND TRANSFERS			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL EXPENDITURES			\$ 11,289	\$ 958,000	\$ 931,721	\$ 0	\$ 0	\$ 0
Intra-Fund Transfers								
<i>GF-Telecommunication Tax</i>			\$ 0	\$ 0	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000
TOTAL INTRA-FUND TRANSFERS			\$ 0	\$ 0	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000
TOTAL EXPENDITURES								
INCL. INTRA-FUND TRANSFERS			\$ 11,289	\$ 958,000	\$ 931,721	\$ 2,000	\$ 2,000	\$ 2,000

WATER FUND

Core Service, Purpose or Function

The city is responsible for the provision of safe and reliable potable water required for domestic consumption, business use and fire protection purposes in meeting current needs and sustaining future growth and development.

Current Year (FY09-10) Projection

FY09-10 collections are estimated to be over budget. Expenditures are expected to be under budget by \$126,000; a portion of this under run will be carried forward into the FY10-11 budget for unfinished work related to the WTP 1 Reaction Basin. FYE cash reserves will decrease by \$182,000, \$164,000 less than planned.

Source of Funds

The Water Fund is intended to operate as a self-sustaining enterprise account: system revenues should fully cover system expenses. The city assesses user fees for water services. The current base user fee is \$3.56 per 1,000 gallons of water used. Discounts are made for senior citizens, handicapped and circuit breaker qualified residents. Portions of the city are provided service by other water utilities: the Northern Tazewell Water Company serves the Sunnyland area and Sundale Utilities, Inc. serves Washington Estates and areas along Hillcrest Drive.

Budgeted Expenditures

Personnel. Approximately six full time equivalent personnel are assigned to operations and maintenance, billing and administrative services related to the water system. These personnel are further classified as follows:

<u>FTE</u>	<u>Classification</u>	<u>Function</u>
1.86	Admin/Clerical	Engineering, Gen. Supervision, Billing, Accounts Receivable/Payable, Human Resources
1.8	WTP Operators	Operate/maintain two WTP's and ancillary duties
2.32	Dist. Sys. Mtc.	Operate/repair/maintain water distribution system

Wage and benefit costs are projected to remain unchanged in FY10-11 compared to the prior year budget. This is due to the decrease in personnel time charged to the Water Department. Total personnel costs are projected to increase by about 7.5% in both FY11-12 and FY12-13 based on current assumptions.

Operations. A wide variety of expenditures fall into the operations classification including: utilities and communication expenses, system maintenance and repair, property insurance, chemicals, etc. Total budgeted operational expenses are proposed to decrease by \$48,000 compared to the prior year budget.

Capital. The following capital expenditures are planned in the coming year:

Reaction Basin Replacement-WTP No. 1	\$101,000 (Carried forward from prior year)
Water Meters	50,000
Water Main Replacement Program	50,000
Variable Frequency Drives for Wells (2)	27,000 (Carried forward from prior year)
Fire Hydrant Replacement Program (4)	12,000
Undesignated	5,000

(See Water Subdivision Development Fee and Water Tower Reserve Accounts for other capital projects related to the city's water system.)

Debt Service

Debt service payments are estimated to total about \$10,165 in the coming year. A summary of the outstanding bonded indebtedness chargeable to the Water Fund is as follows:

<u>Name</u>	<u>Purpose</u>	<u>Amount Borrowed</u>	<u>Retirement Date</u>
S. Cummings Improvement Bond	Water Main Ext.	\$112,625	June 2017

Inter-fund Transfers. Inter-fund transfers are planned for the following purposes:

- To the Motor Equipment Replacement Fund (MERF) for fuel, and repair and replacement of vehicles and equipment assigned to or shared by the Water Department.
- To the Legislative/Administrative (L/A) account to pay 10% of the total computer equipment costs associated with this account.
- To the City Hall account to pay 10% of the total, non-capital costs associated with this account.
- To the Illinois Municipal Retirement Fund (IMRF) to pay a portion of the retirement contributions for employees assigned to the Water Fund. (Please note that 100% of these IMRF/SSI costs are now paid directly from the Water Fund. Previously, a portion of these costs were paid from property taxes.)

Special Opportunities, Challenges and/or Issues

Long-Term Finances. The city has experienced rapidly escalating commodity costs in recent years. Costs for electricity have increased by about 85% since rate deregulation. Softener salt expenses have grown from \$66,000 to \$104,000 over the last three years. Lastly, chemical costs have increased by about 50% since FY07-08. While these costs have been absorbed into the operating budget, decreased capital funding has resulted.

Water Supply. Two new groundwater wells were put into service in March 2004. The wells continue to meet expectations. Based on anticipated residential growth projections, the wells are expected to be adequate to meet the city's needs for 10 years.

Water Treatment. The city faces no current or anticipated regulatory compliance issues at the present time. Based on anticipated residential growth, current water treatment capacity is expected to be adequate to meet the city's needs for 15 years.

Water Distribution System: Tanks. Regular maintenance of the city's two elevated water tanks is essential to the preservation and life of these assets. Monies are budgeted in the Water Tower Reserve Account to perform major maintenance on Water Tank No. 2 in 2010.

Given the new construction that has occurred and is anticipated, a third elevated water tank will be needed in the future. Monies for this project will need to come from the Water Subdivision Development Fee Account, Water O&M and/or the Water Tower Reserve Account.

Water Distribution System: Mains. The network of mains that distribute potable water throughout the community is the weakest link of the city's water system. As noted in prior years, special areas of concern include the following:

- Many of the city's older, more established neighborhoods have undersized, deteriorating water mains in need of being upgraded.
- The distribution systems served by the city's two water treatment plants have historically operated independent of one another. In order to improve overall system reliability and meet the increased water demand resulting from new growth, the city has been taking measures to enhance the inter-operability of the two systems. New valving will be installed at the intersection of Dallas and Westminster in 2010 to further this objective. The construction of a second water main feed from WTP No. 2 to the distribution system along Business Route 24 is planned for the future.
- The water systems serving newly developing areas need attention (primarily looping) to assure adequate, reliable flows and pressure. A second supply line to serve the residential area north of Route 24 was constructed in 2009. A connecting main was constructed along Dallas and Nofsinger Roads this past year. Other areas of special concern include: the city's northeast quadrant, areas north of Washington Estates; and developing areas along Cruger Road.