

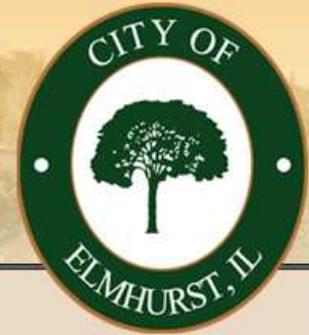
# **Five Year Capital Expenditure Budget Fiscal Year 2009/10**

**City Council Presentation - January 5, 2009**



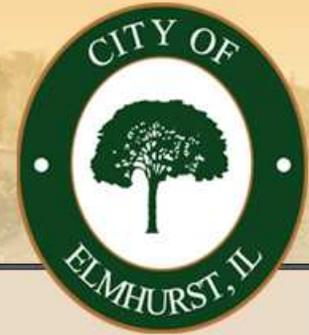
Five-Year Capital Expenditure  
Budget **Objective**.....

To identify and create a comprehensive plan  
for the long-range major capital  
expenditures necessary to maintain or  
develop the physical assets of the City.



## Capital Expenditures Are **Identified As.....**

Those expenditures of \$25,000 or more that result in the acquisition or construction of fixed assets intended to be held or used for a period of ten years or more.



## Expenditure Classifications:

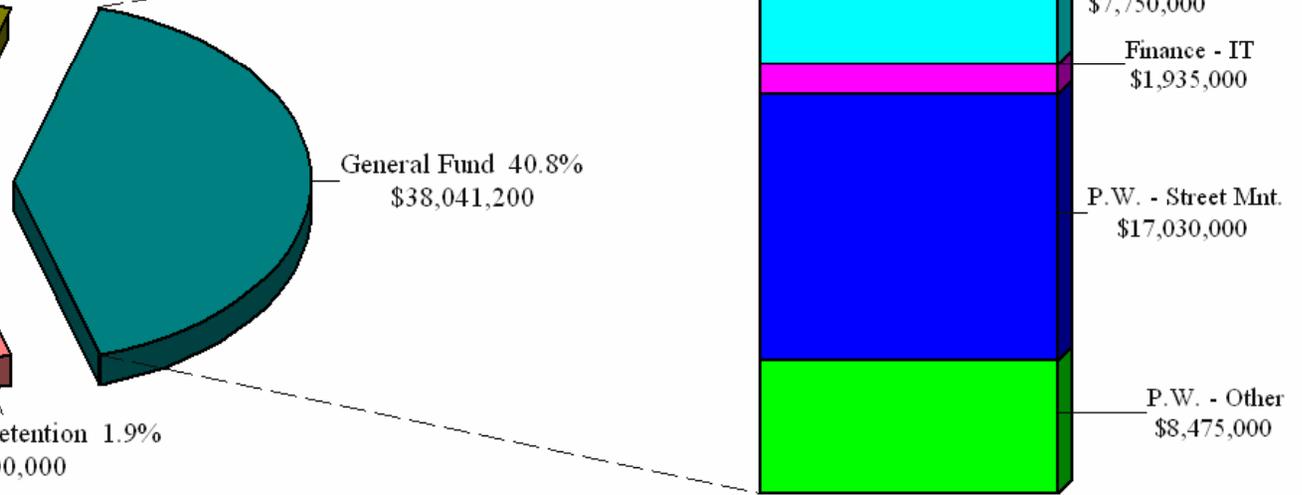
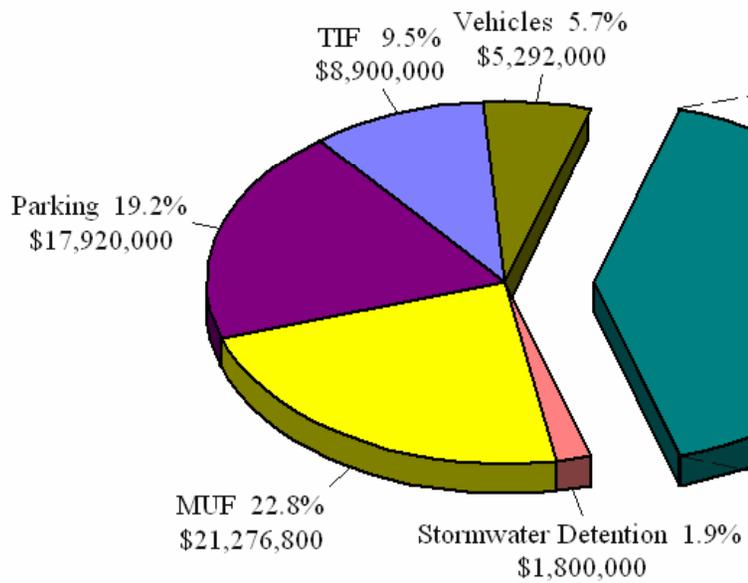
- I - Essential to maintain current level of service;
- II - Necessary to comply with state or federally mandated standards;
- III - Replacement/renovation of existing obsolete/deteriorating facilities;
- IV - Improve the safety of citizens and/or employees;
- V - Result in increased productivity or reduced energy consumption;
- VI - Contribute to the economic development of the City.



## Expenditure Priority:

- A - Essential and immediate need;
- B - Essential but may be delayed;
- C - Optional but beneficial to the City through increased productivity, safety, etc;
- D - Optional but beneficial to the City in social, cultural or aesthetic ways.

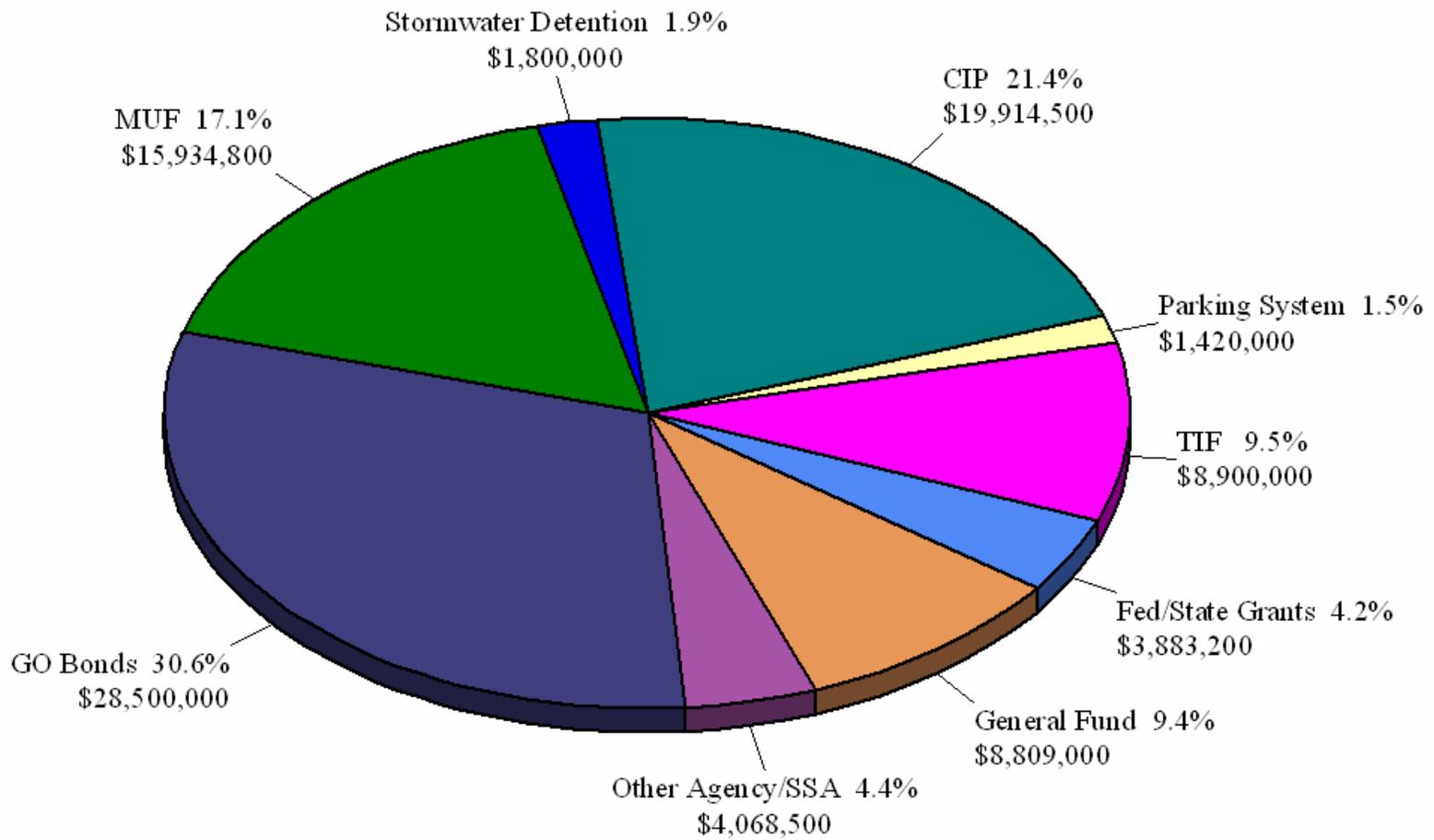
# CITY OF ELMHURST 2009/10 FIVE YEAR CEB EXPENDITURES - \$93,230,000



# CITY OF ELMHURST

## 2009/2010 FIVE YEAR CEB

### FUNDING SOURCES - \$93,230,000

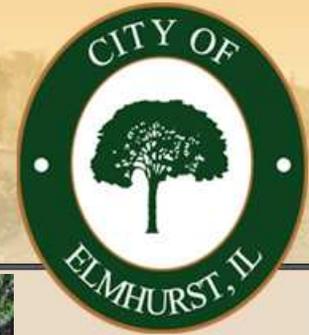




## Highlights of the Preliminary 2009-2010 CEB are:

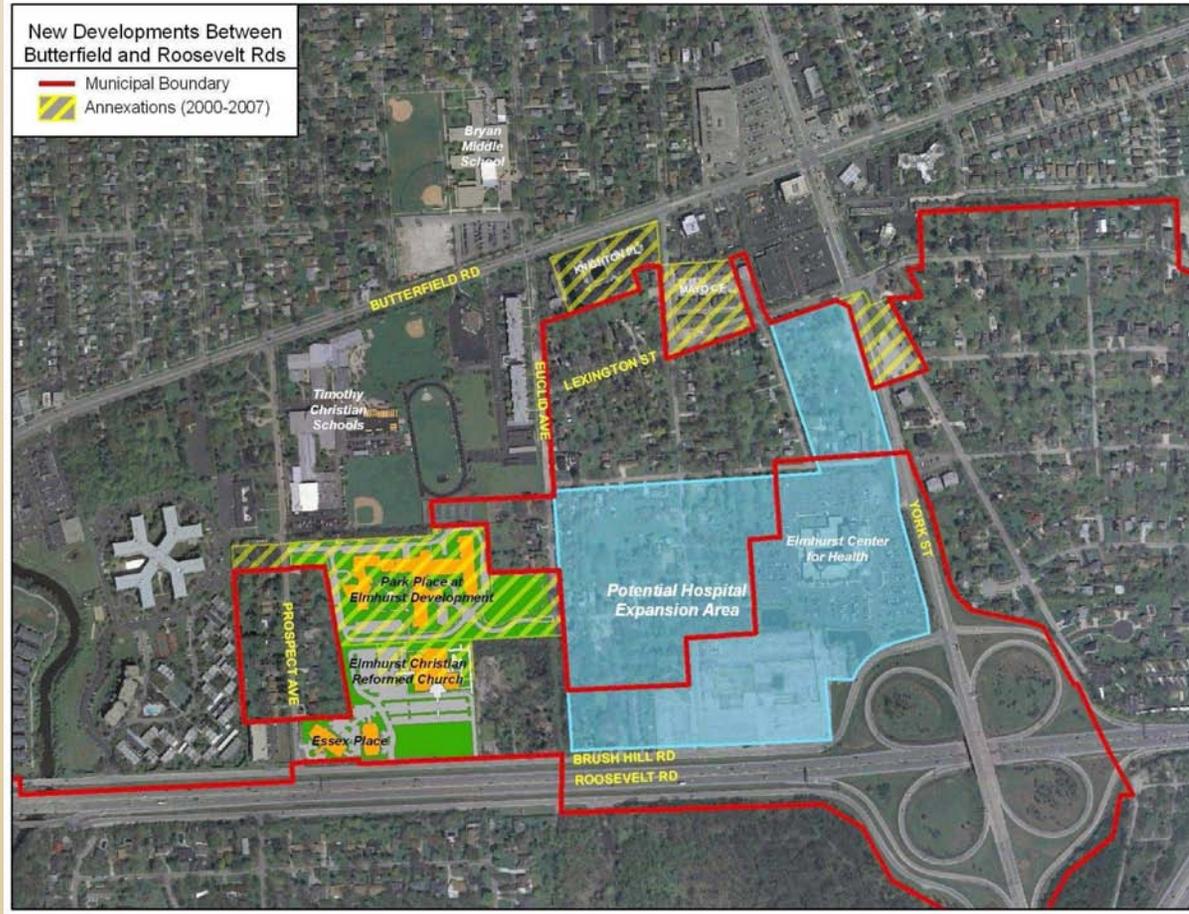
- Public Works Infrastructure
- Communications
- Land Acquisition
- Stormwater Improvements/Flood Mitigation
- Heritage Center in Elmhurst
- Central Business District
- Parking System

The City of *Illinois*  
**Elmhurst**



Street Maintenance

# The City of *Illinois* Elmhurst



## Elmhurst Memorial Hospital



**Hydrant/Valve Replacement**



**Sewer Lining**



**Water Main Replacement**

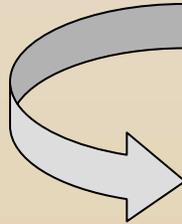
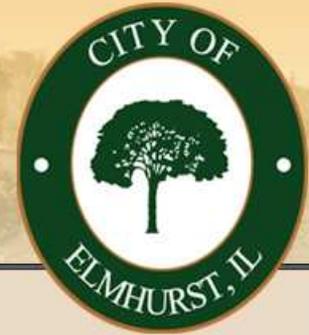


**Public Works Infrastructure**

# The City of *Illinois* Elmhurst

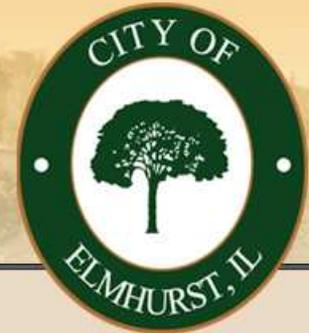


## Land Acquisition



## Public Safety/PW Radio Upgrade

The City of *Illinois*  
**Elmhurst**

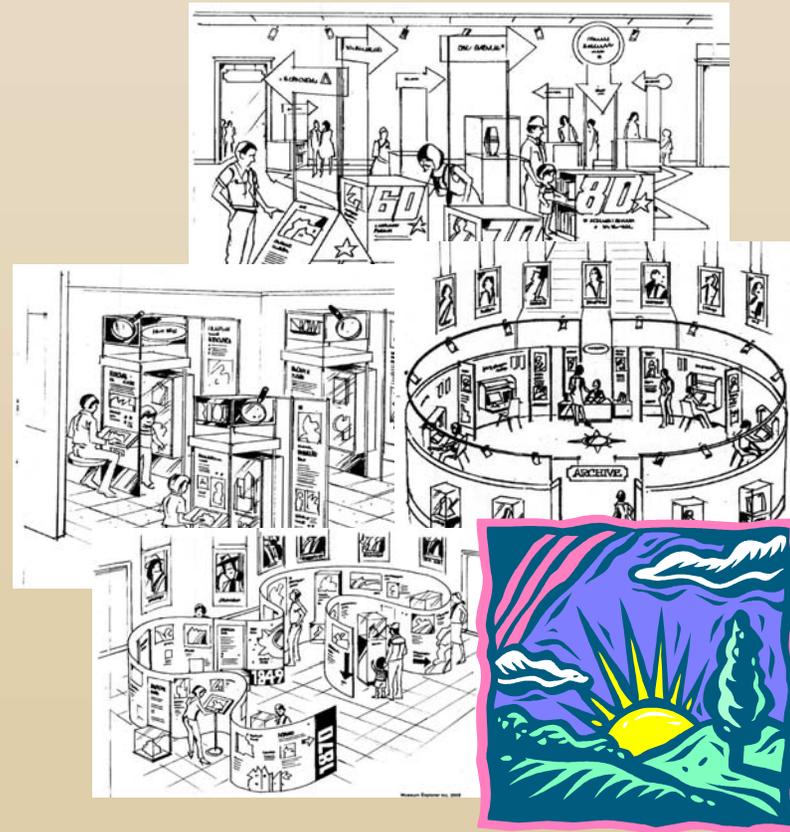
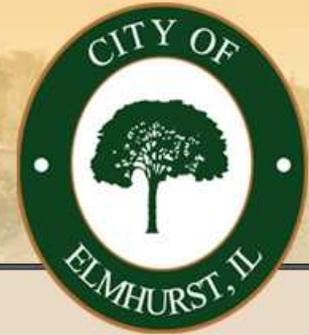


Stormwater Management/Flood Mitigation



Anaerobic Digester

The City of *Illinois*  
**Elmhurst**



Historical Museum

Heritage Center

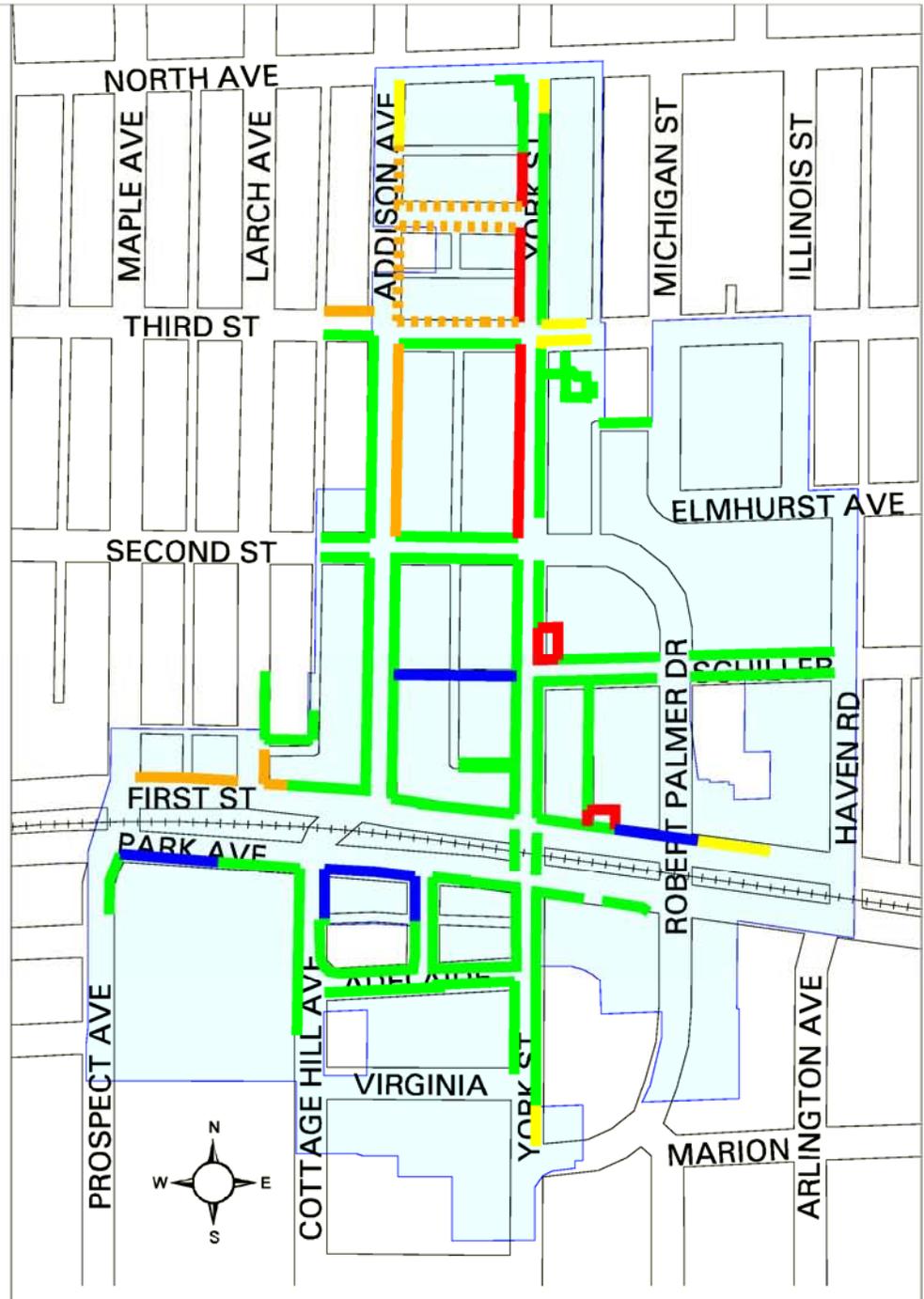
The City of *Illinois*  
**Elmhurst**



Parking Improvements

# Proposed Streetscape Construction

- Completed
- FY 2008-09
- FY 2009-10
- FY 2010-11
- FY 2011-12
- By Developer
- TIF 1





## **Revenue Sources – CIP Fund:**

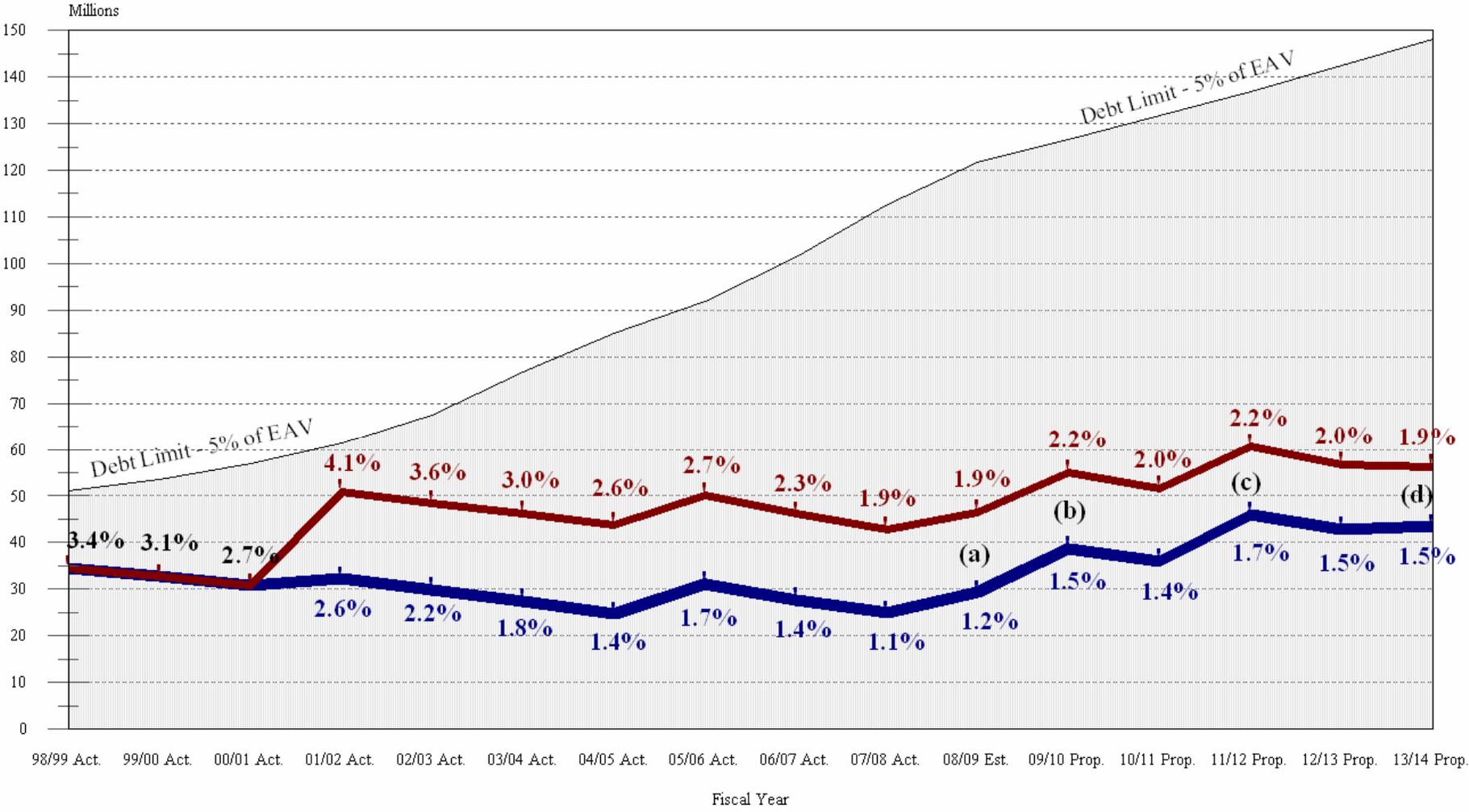
- State Income Tax (80%)
- 0.25% Home Rule Sales Tax (33%)
- Telecommunications Tax (25%)
- Rental Income (180 W. Park)
- SSA Payments -New Sidewalks (Payback)
- Wireless Alarm Project (Equipment Payback)
- Interest Income



## **Major Expenditures – CIP Fund:**

- Infrastructure Improvements (Streets, Sidewalks)
- Building Impr. (Historical Museum, PW Garage)
- Parking Improvements
- Stormwater Management/Flood Mitigation
- Information Technology
- Public Safety Equip. (Radios, Wireless Alarms)
- Debt Service
- Elmhurst Memorial Hospital Public Benefit Impr.

City of Elmhurst  
 General Obligation Debt Limit  
 Maximum G.O. Debt - 5% of EAV

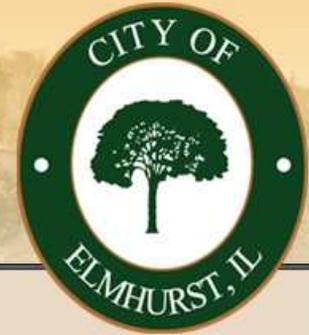


G.O. Debt Limit (5% of EAV)  
  G.O. Debt With Library  
  G.O. Debt Without Library

(Equalized Assessed Valuations: 2007 Actual = 2,254,308,663; 2008 (est. 8% inc.) = 2,434,653,356; 2009 (est. 4% inc.) = 2,532,039,490; 2010 (est. 4% inc.) = 2,633,321,070; 2011 (est. 4% inc.) = 2,738,653,913; 2012 (est. 4% inc.) = 2,848,200,069; and 2013 (est. 4% inc.) = 2,962,128,072.

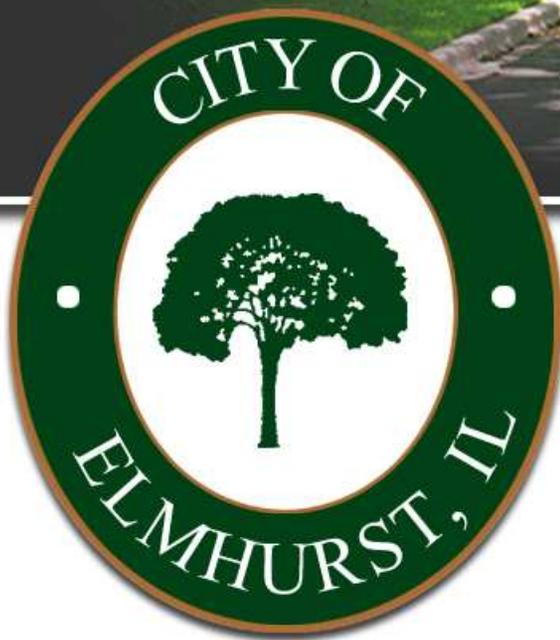
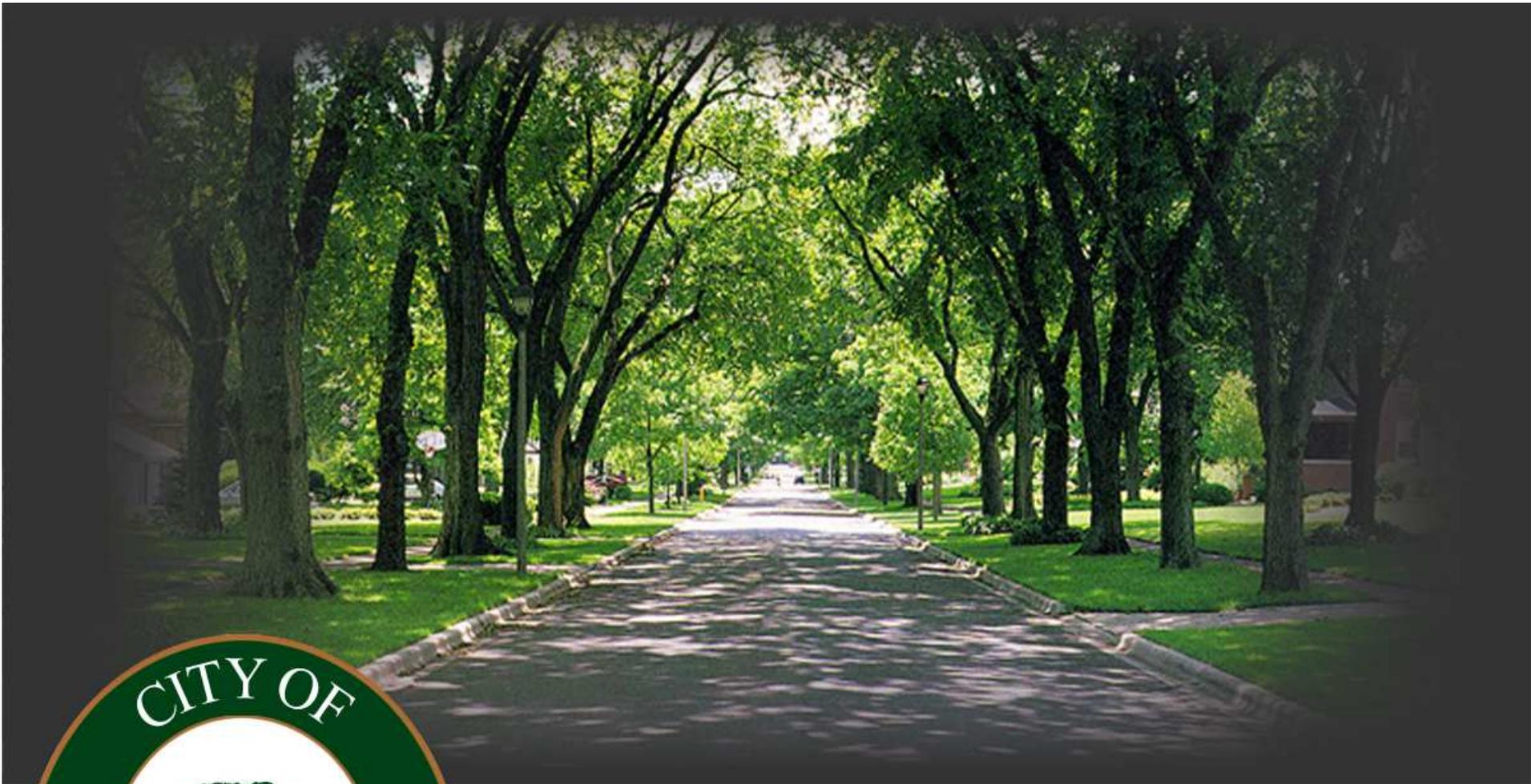
(a) Act. 2008 bond issue = \$8,170,000   (b) Prop. 2009 bond issue = \$12,000,000   (c) Prop. 2011 bond issue = \$13,000,000   (d) Prop. 2013 bond issue = \$3,500,000

The City of *Illinois*  
**Elmhurst**



# **Preview of FY 2009/10 General Fund Budget**

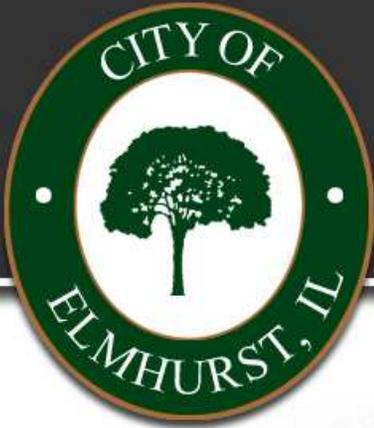
**City Council Presentation - January 5, 2009**



# 2008 Citizen Survey Report and 2009-10 Budget Schedule

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CITY OF ELMHURST

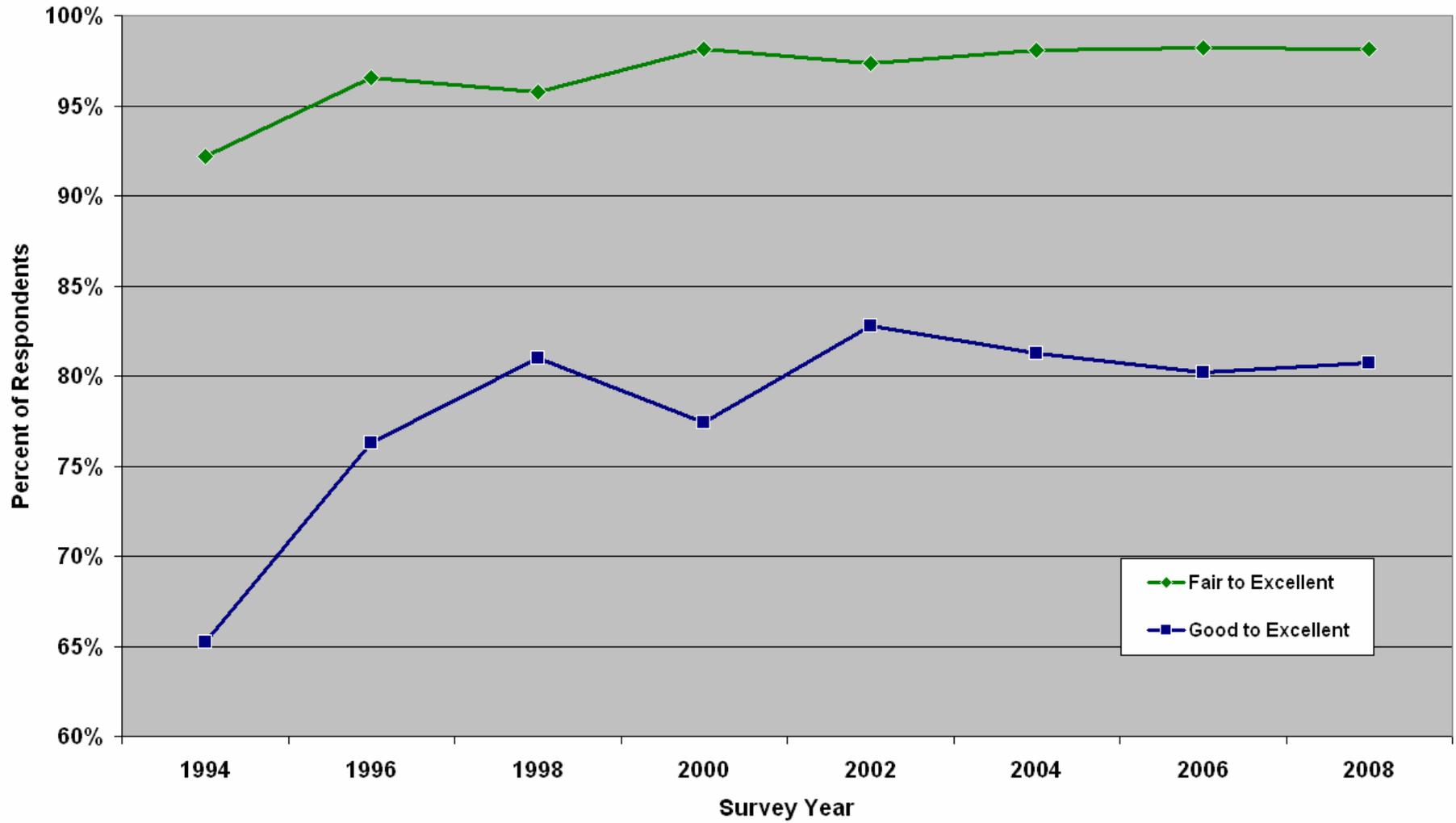


# 2008 Citizen Survey

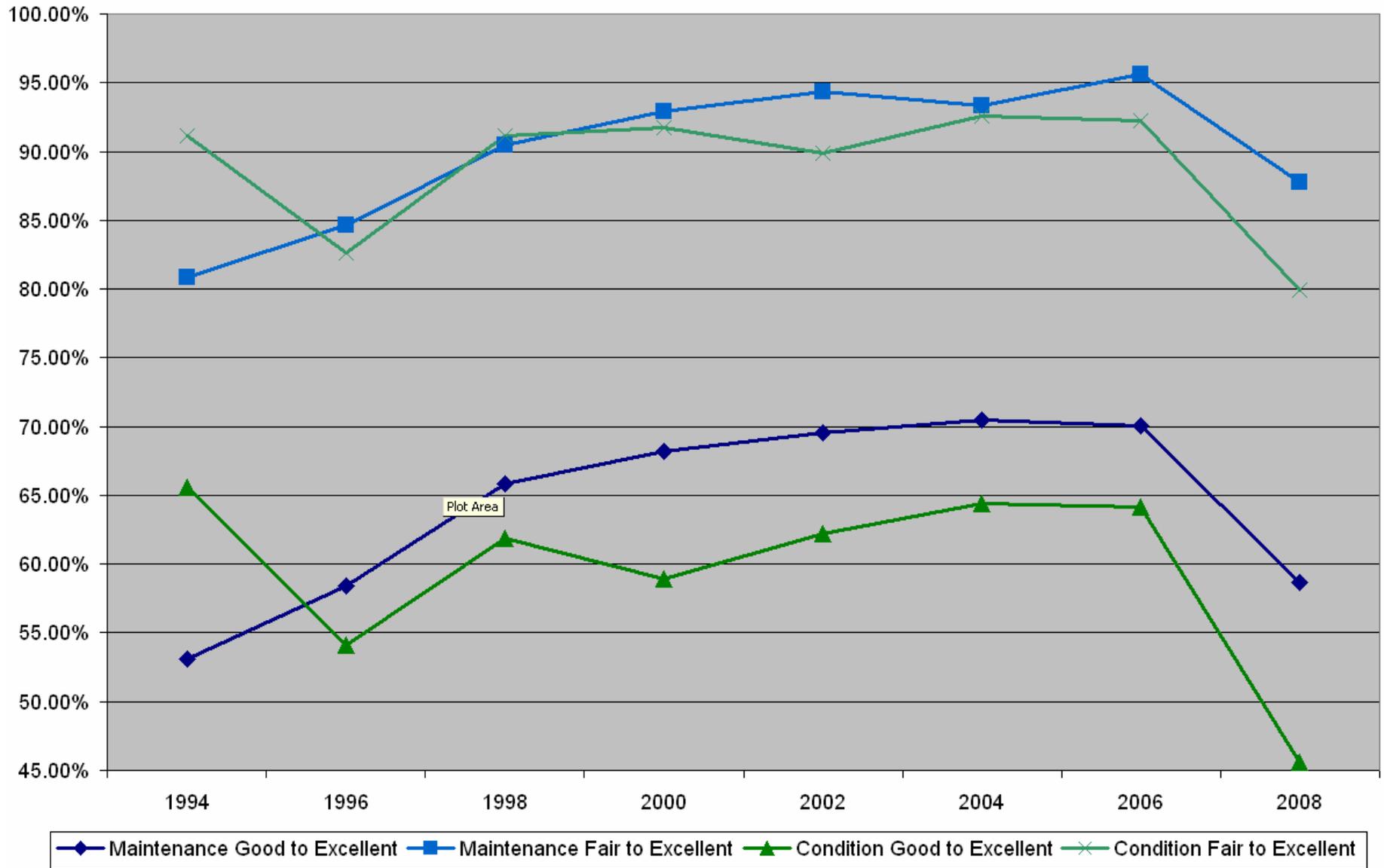
CITY OF ELMHURST

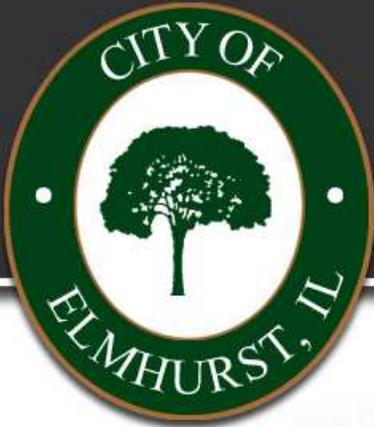
- Completed biennially since 1994
- Mailed to 1600 residents
- 701 responses (43.81%)
- Historical data included with 2008 report
- Results available at City Hall, Library  
[www.elmhurst.org](http://www.elmhurst.org)

### Question 13.4 - Overall City of Elmhurst Operations



### Street Maintenance and Condition





# 2008 Citizen Survey

CITY OF ELMHURST

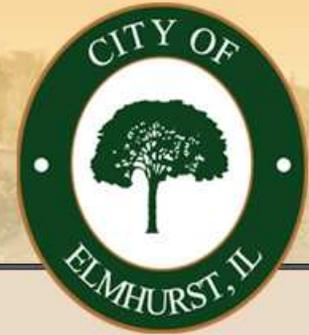
## **Recommendations**

**The citizen survey results should be:**

- used as a tool in developing the 2009-2010 budget, including goals and objectives for City of Elmhurst departments;
- shared with the School District, Park District, Public Library and City Centre in that various services under their jurisdiction are mentioned;
- highlighted in future Front Porch newsletters;
- posted on the City's website and available at City Hall and at the Elmhurst Public Library for review;
- continue to be completed biennially to track citizen usage and satisfaction with city services;
- considered by the Mayor and City Council as they prepare the annual budget goals message to the City Manager.

**13-3 What do you think will be the three biggest problems Elmhurst will face in the next five years?**

	<u>2008</u>	<u>2006</u>	<u>2004</u>	<u>2002</u>	<u>2000</u>	<u>1998</u>	<u>1996</u>	<u>1994</u>
<b>Cost of living/affordability</b>	17.61%	20.86%	20.40%	15.87%	15.23%	1.33%	1.32%	n/a
<b>Taxes</b>	15.28%	15.04%	15.37%	11.86%	13.91%	6.27%	8.68%	n/a
<b>Airplane noise/airport expansion</b>	9.99%	9.22%	10.88%	16.83%	10.98%	4.39%	2.94%	n/a
<b>Traffic congestion</b>	7.98%	8.54%	10.34%	10.46%	10.30%	15.52%	12.44%	n/a
<b>Cost of government services</b>	6.47%	4.12%	4.81%	4.55%	3.77%	n/a	n/a	n/a
<b>Property value decline</b>	5.96%	2.91%	0.91%	1.65%	1.16%	0.94%	0.88%	n/a
<b>Maintaining quality of life</b>	5.90%	5.14%	4.08%	4.13%	n/a	1.18%	2.65%	n/a
<b>Pop. inc./demographics change</b>	5.28%	8.25%	6.48%	5.83%	6.41%	5.96%	5.59%	n/a
<b>Maintaining infrastructure</b>	5.02%	3.25%	3.08%	4.01%	4.61%	5.49%	4.34%	n/a
<b>Crime</b>	3.57%	3.30%	3.54%	7.90%	10.74%	10.97%	13.54%	n/a
<b>Housing replacement</b>	3.47%	4.85%	6.80%	5.33%	6.49%	2.98%	1.77%	n/a
<b>Quality of businesses</b>	3.00%	2.13%	3.22%	4.01%	5.93%	4.62%	3.09%	n/a
<b>Parking</b>	2.95%	3.06%	3.17%	2.11%	1.64%	1.72%	0.52%	n/a
<b>Quality of schools</b>	2.12%	5.09%	1.81%	1.78%	3.97%	17.01%	12.95%	n/a
<b>Stormwater mngt./flooding</b>	1.81%	0.68%	1.31%	1.57%	2.08%	0.39%	0.44%	n/a
<b>Other</b>	1.45%	1.41%	1.59%	0.62%	0.72%	18.42%	23.18%	n/a
<b>Substance abuse</b>	1.09%	1.21%	1.31%	n/a	n/a	n/a	1.25%	n/a
<b>Quality of City services</b>	0.73%	0.39%	0.41%	0.87%	1.04%	2.82%	4.42%	n/a
<b>Quality of parks/rec. programs</b>	0.31%	0.53%	0.50%	0.62%	1.00%	n/a	n/a	n/a



## MEMORANDUM

**To:** Thomas P. Borchert, City Manager  
**From:** Thomas D. Marcucci, Mayor  
**Date:** November 3, 2008  
**Re:** 2009-10 Elmhurst City Budget

Input provided to the Mayor from members of the City Council regarding guidelines, goals and objectives to be considered in the preparation of the 2009-10 budget is an extension of the Council's extensive review of and actions in approving the 2008-09 budget. The budget for 2009-10 must be balanced sufficiently to maintain a three to four months minimum fund balance in the General Fund. In the review of the 2008-09 budget and approval of the budget, the City Council conceptually agreed to cut the revenue to expenditure gap by two thirds by adjusting sales tax and directed the expenditures be reduced by the remaining one third. It is now clear that the current economy will pose even more challenges in the near term relative to keeping Elmhurst's budget balanced.

Community expectations as expressed to elected officials, advisory commissions, City staff and through the 2008 Citizen Survey indicate that the Elmhurst community expects high quality, professional municipal services. Unfortunately, and as a result of the difficult economy, the revenue sources to the City's General Fund are not increasing at the same rate as the City's expenditures which are actually decreasing in some categories. **Absent a modest increase in the City's property taxes consistent with City Council's past practice in that regard, and any appropriate adjustments in service fees, the likelihood of an adjustment in revenues requiring policy approval from the City Council is unlikely.** Therefore, please limit budgeted expenditures of the General Fund to approximately estimated revenues for 2009-10 and as necessary to maintain the required three to four month fund balance minimum. All traditional areas of municipal service delivery should be maintained if at all possible, but, if the three to four month minimum fund balance cannot be achieved, please make reductions and present those required service cuts in the budget document.

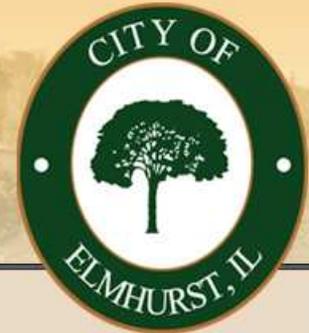
However, as the City Council voted to use fund balance as part of the 2008/09 Budget approval, I anticipate that the City Council may consider using fund balance as part of the 2009/10 Budget review and approval.

I thank you for your consideration of these initiatives, as City staff reviews the Two-Year Operating Budget and Five-Year Capital Improvement Budget. The City Council's review of the Five-Year Capital Improvement Budget should be completed in early 2009 with the Operating Budget to follow. This process clearly reflects the most significant annual planning effort of the City Council.

Respectfully submitted,  
Thomas D. Marcucci  
Mayor

**Absent a modest increase in the City's property taxes consistent with City Council's past practice in that regard, and any appropriate adjustments in service fees, the likelihood of an adjustment in revenues requiring policy approval from the City Council is unlikely.**

*Mayor/City Council Message to City Manager (11/03/08)*



## MEMORANDUM

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***Mayor/City Council Message to City Manager (11/03/08)***



**MEMORANDUM**

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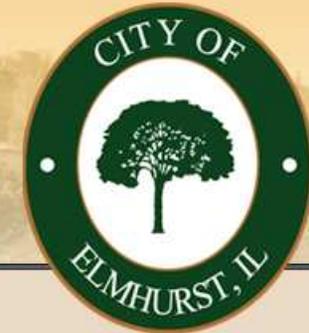
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**All traditional areas of municipal service delivery should be maintained if at all possible, but, if the three to four month minimum fund balance cannot be achieved, please make reductions and present those required service cuts in the budget document.**

***Mayor/City Council Message to City Manager (11/03/08)***



MEMORANDUM

To: Mayor Marcucci and Members of City Council  
From: Thomas P. Borchert, City Manager  
Date: December 11, 2008  
Re: **Overview General Fund**

The referenced 25 page financial document distributed November 26, 2008 provides a status of the mid-year conditions of the various City of Elmhurst funds and was utilized as a significant reference document by the Finance Committee and the City Council in the deliberations associated with the City of Elmhurst 2008 tax levy. In this very fast changing economy, however, the information is already out-of-date.

I believe it is imperative that the City Council has as clear a picture as possible and with as current information as possible as to the status of the General Fund as estimated for this year end, and as anticipated for the following Fiscal Year. The City Council has made it clear that the General Fund should have, as a minimum, three months of General Fund (operating) expenditures as a minimum fund balance and, furthermore, that policy associated with revenue streams to the General Fund will not change in the foreseeable future. The Mayor's message relative to budget preparation for next fiscal year indicated this, and the City Council reiterated that sentiment at the December 1, 2008 Council meeting.

Using as up to date as possible revenue projections, a preliminary analysis of the General Fund Fiscal Year 2009-10 has been completed and is attached. In that the estimated General Fund fund balance at the end of Fiscal Year 2008-09 will be at or slightly below the Council prescribed three month minimum fund balance, the proposed budget for Fiscal Year 2009-10 must be limited in expenditures to reasonably anticipated revenues. As indicated on the attached summary and to achieve this balanced budget goal, it is estimated at this time that slightly more than \$3.9 million of expenditures must be eliminated from what has previously been identified as proper levels of service to the community. The dollar amount of staff identified budget cuts for this Fiscal Year in the amount of \$1.4 million must therefore be repeated AND an additional \$2.5 million cut for Fiscal Year 2009-10.

As requested by the Mayor's message to the Manager relative to budget preparation, the 2009-10 Budget will be prepared with appropriate reductions from previous spending levels to provide a balanced expenditures to revenues budget as described above. The City Council receives the budget at the first Council meeting in March and a budget must be approved by the City Council before the transition to the 2009-2011 City Council.

As always, please feel free to stop by, call, or otherwise contact me or Marilyn Gaston or Tom Trosien in the Finance Department should you have any questions or desire to discuss this in any way.

T.P.B.

**The dollar amount of staff identified budget cuts for this Fiscal Year in the amount of \$1.4 million must therefore be repeated AND an additional \$2.5 million cut for Fiscal Year 2009-10.**

***City Manager Memo to Mayor/Council - Overview General Fund  
(12/11/08)***

City of Elmhurst  
Preliminary Analysis of General Fund - FY 2009/10  
As of 12/11/08

<u>General Fund</u>	<u>FY 09/10 Analysis</u> <u>(as of 12/11/08)</u>	
Original FY 2009/10 Projected Use of Fund Balance	(\$4,642,416)	
0.5% Home Rule Sales Tax Increase Effective 1/1/09	3,200,000	
Adjusted Use of Fund Balance - FY 2009/10	(1,442,416)	Anticipated 3% budget cuts that would have to repeat in some way.
 <i>Additional Adjustments Anticipated for FY 2009/10</i>		
Motor Fuel Tax Fund Expenditure Reallocation Due to Declining Revenues	(200,000)	
Working Cash Fund Transfer	(232,000)	Proposed for 09/10, approved \$250,000 for 08/09
Updated Revenue Projections - FY 2009/10	(2,037,000)	See Note (a) below
	(2,469,000)	Additional 6% budget cuts necessary to balance FY 2009/10 budget
 Revised FY 2009/10 Projected Use of Fund Balance	 (\$3,911,416)	 Total projected budget cuts of 9% anticipated to balance FY 2009/10
 <i>FY 2008/09 Projected Fund Balance - General Fund</i>	 \$8,689,931	 Projected General Fund fund balance at 04/30/09 (as of 10/31/08)

Notes:

- (a) Estimated reduction in certain FY 2009/10 General Fund revenues based on current data (see detail below).  
(Please note that Original FY 09/10 Budget amounts are from 2nd year projected budget included with 2008/09 budget document).

<u>General Fund Revenues</u>	<u>Original FY</u> <u>09/10 Budget</u>	<u>Revised FY</u> <u>09/10 Projection</u>	<u>Variance</u>
Property Taxes (General Fund Portion)	3,528,500	3,176,700	(351,800)
1% Municipal Sales Tax	11,029,400	10,050,000	(979,400)
Local Use Taxes	585,000	640,000	55,000
Hotel Taxes	639,500	510,000	(129,500)
Real Estate Transfer Taxes	572,000	408,000	(164,000)
Building and Miscellaneous Permits	2,370,000	1,830,000	(540,000)
Income and Replacement Taxes	1,067,800	958,000	(109,800)
Fines and Penalties	752,500	935,000	182,500
			(2,037,000)

City of Elmhurst  
Preliminary General Fund Budget Cuts and Balance to Review  
FY 2009/10

	Est. Budget Reduction
<b><u>Repeat 3% Budget Cuts from 2008/09</u></b>	
Hiring Review/Freeze and Overtime	
Conferences/Travel	
Training	
Employee Appreciation Dinner	
Reduced Contract Inspections - Hospital	
City Hall Hours	
Police and Fire Public Education	
Staff Review of All Services and Fees	
}	\$1,400,000
 <b><u>Additional Adjustments Anticipated for FY 2009/10</u></b>	
Reduce General Fund Contribution for Street Maintenance Capital	\$500,000
Reduce Equipment Replacement From General Fund	540,000
Eliminate City Contribution to Sidewalk Repair	120,000
Eliminate City Contribution to Rear Yard Drain Program	40,000
Eliminate City Contribution to Parkway Tree Planting	140,000
Eliminate City Contribution to Block Parties	30,000
Eliminate City Contribution to Tree (DED) Removal	50,000
Reduce Community Grant Program	100,000
Additional Reduction in Administration and PZED Staff/Operation	66,000
Additional Reduction in IT Staff/Operation	65,000
Additional Reduction in Museum Staff/Operation	70,000
Staff Review of All Services and Fees	100,000
 Use of Working Cash (Rainy Day) Fund	 \$700,000
 <b>Estimated Preliminary General Fund Budget Cuts and Balance to Review</b>	 <b>\$3,921,000</b>

# The City of *Illinois* Elmhurst



<u>TARGET DATE</u>	<u>COMPLETION DATE</u>	<u>BUDGET ACTIVITY</u>
08-18-08	08-18-08	City Mgr. memo to Mayor/City Council regarding budget and budget schedule.
09-16-08	09-16-08	Five Year Capital Exp. Budget (CEB) worksheets distributed to departments.
10-27-08	10-27-08	Five Year CEB due to Finance Department.
10-27-08	11-03-08	Mayor/City Council message to City Mgr. regarding budget goals for 2009-10.
10-27-08	11-04-08	Operating budget worksheets and guidelines delivered to department heads.
11-10-08	11-10-08	Finance Committee begins review of 2008 property tax levy.
12-01-08	12-01-08	Preliminary Five Year CEB distributed to Mayor and City Council.
12-01-08	NA	* Tax levy public hearing held, if necessary.
12-15-08	12-15-08	* City Council approves 2008 property tax levy.
01-05-09		City Council reviews Five Year CEB.
01-05-09		Operating budgets due to City Manager.
03-02-09		Operating budget delivered to City Council.
03-16-09		Public hearing for 2009-2010 operating budget.
04-06-09	(a)	* 2009-10 Operating budget approved.

\* City Council action required.

(a) Due to an election year, no special meeting of the City Council can be called between the third Monday of April and the first Monday of May except for the inauguration of newly elected officials (MCO 2.12). Based on MCO 2.12, the budget must be approved no later than April 20, 2009.



## What's Next.....

- **Capital rolled into two year operating**
- **Committee review of appropriate City department budgets**
- **Finance Committee review of revenues**
- **City budget team review of department budgets**
- **Final compilation of proposed budget**

Expenditures - Revenues

Governmental Funds (General, CIP)

Special Revenue (MFT, Library)

Enterprise (MUF, Parking)

Capital Projects (TIF, Stormwater, Corp. Purpose Bonds)

Debt Service

Trust and Agency (Pensions, Working Cash, Glos)



# **Five Year Capital Expenditure Budget Fiscal Year 2009/10**

**City Council Presentation - January 5, 2009**