

BUDGETING PLANNING AND CONTROLS

The annual budget serves as the foundation for the City of Elmhurst's financial planning and control. Beginning in May of each year the City prepares a five-year capital improvement plan. The Department Heads are required to submit proposed capital improvements for the next five years to the City Manager. The City Manager, along with the Department Heads and the budget review team, review the requests and develop a proposed five-year capital improvement plan. The proposed five-year capital improvement plan is submitted to the City Council in July. The City Council reviews and approves the five-year Capital Improvement Plan at the first council meeting in August of each year. The annual budget process starts in August when the Department Heads are required to submit to the City Manager a proposed budget for the next two fiscal years. The City Manager uses these requests and the five-year capital expenditure plan as a starting point for developing a proposed budget. After reviewing the department budget requests with each Department Head and the budget review team, the City Manager presents the proposed budget to the City Council on or before the first meeting in October. The City Council is required to hold a public hearing on the proposed budget and to adopt the final Budget no later than December 31st of each year. The 2014 Budget Schedule listing budget activities and target completion dates is provided on the following page.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General, Special Revenue, Debt Service, Capital Projects (governmental funds), Enterprise (proprietary funds), and Police and Firefighter's Pension Trust Funds (fiduciary funds) are included in the annual budget. Interim financial statements are distributed to management and elected officials monthly to provide information on the status of actual revenues and expenditures as compared to the budgeted amounts. The level of budgetary control (the level at which expenditures cannot exceed the budgeted amount) is established at the individual fund level. The City also maintains an encumbrance system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget.

The difference between assets and liabilities reported in a governmental fund is called fund balance. Changes in fund balances are the result of the difference of revenues to expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues. Fund balance is often used to describe the total available financial resources in a governmental fund. Budgets are considered balanced if the amount of fund balance exceeds the excess of budgeted expenses over budgeted revenues and other financing sources. A specific line item for "the use of fund balance" is not utilized in the budget presentation. The basis of budgeting is the same as the basis of accounting used in the City's audited financial statements. The modified accrual basis is used for all governmental funds and the accrual basis is utilized by proprietary funds, pension trust funds and agency funds.

The City of Elmhurst uses several processes to accomplish its financial planning. A significant component of the City's long-term financial planning is the bi-annual City of Elmhurst Citizen's Survey that has been conducted since 1994. The results of this survey have been an excellent source of information for the City Council regarding the priorities citizens place on certain governmental services and are considered when developing the City's budget. The results of the 2012 survey can be found on the City's website at www.elmhurst.org.

**CITY OF ELMHURST
FISCAL YEAR 2014 BUDGET AND TAX LEVY SCHEDULE**

<u>TARGET DATES</u>	<u>BUDGET AND TAX LEVY ACTIVITY</u>
May 13, 2013	Five Year Capital Improvement Budget worksheets distributed to department heads.
May 30, 2013	City Manager memo to Mayor and City Council regarding budget and budget schedule.
June 10, 2013	Operating budget worksheets and guidelines delivered to department heads for detailed budget process.
June 14, 2013	Five Year Capital Improvement budgets due to Finance Department.
June 17, 2013	Mayor and City Council message to City Manager regarding budget goals for fiscal 2014 budget received by City Manager.
July 22, 2013	Preliminary Five Year Capital Improvement Budget distributed to Mayor and City Council.
August 5, 2013	City Council reviews Five Year Capital Improvement Budget.
August 5, 2013	Operating budgets due to City Manager.
Oct. 7, 2013	Operating budget delivered to City Council.
Oct. 15, 2013	Finance Committee begins review of 2013 property tax levy.
Nov. 4, 2013	Public hearing for fiscal year 2014 operating budget.
Nov. 4, 2013*	City Council approves Truth in Taxation Est. Tax Resolution.
Nov. 18, 2013*	Fiscal year 2014 operating budget approved.
Dec. 2, 2013*	Tax levy public hearing held, if necessary.
Dec. 16, 2013*	City Council approves 2013 property tax levy. (Tax levy may be approved on Dec. 2, 2013 if public hearing is not required.)

***City Council action required.**

City of Elmhurst, Illinois Budget Policy and Procedure

City of Elmhurst Municipal Code
Chapter 3 City Administration
Section 3.19; Budget Policy and Procedure

(a) Establishment. There is hereby established a budget policy and procedure which shall be implemented by the City Manager in the orderly preparation of an annual budget.

(b) Budget Officer. The City Manager shall serve as the Budget Officer for purposes of implementing the budget policy and procedure as set out herein, and shall have the following powers and duties with regard thereto:

(1) Permit and encourage and establish the use of efficient planning, budgeting, auditing, reporting, accounting, and other fiscal management procedures in all municipal departments, commissions, and boards.

(2) Compile an annual budget in accordance with subsection (c) herein.

(3) Examine all books and records of all City departments, commissions, and boards which relate to monies received by the City, City departments, commissions, and boards, and paid out by the City, City departments, commissions, and boards, debts and accounts receivable, amounts owed by or to the City, City departments, commissions and boards.

(4) Obtain such additional information from the City, City departments, commissions, and boards as may be useful for purposes of compiling a City budget, such information to be furnished by the City, City departments, commissions, and boards in the form required by the City Manager. Any department, commission or board which refuses to make such information as is requested of it available to the City Manager shall not be permitted to make expenditures under any subsequent budget for the City until such City department, commission, or board shall comply in full with the request of the City Manager.

(5) Establish and maintain such procedures as shall insure that no expenditures are made by the City, City departments, commissions, or board except as authorized by the budget.

(c) Compilation and Contents of Budget. The budget shall contain estimates of revenues available to the City for the fiscal year for which the budget is drafted, together with recommended expenditures for the City and all of the City departments, commissions, and boards. Revenue estimates and expenditure recommendations shall be presented in a manner which is in conformity with good fiscal management practices, which practices would include those recommended by the National Council on Governmental Accounting. The budget shall contain actual or estimated revenues and expenditures for the two years immediately preceding the fiscal year for which the budget is prepared. So far as is possible, the fiscal data for such two preceding fiscal years shall be itemized in a manner which is in conformity with the manner in which the budget is presented. Each budget shall show the specific fund or account from which each anticipated expenditure shall be made.

Only that portion of any expenditure, under a multi-year contract attributable to the budgeted fiscal year, shall be appropriated by the budget for that fiscal year. Subject to the foregoing, the City may enter into contracts requiring expenditures in more than one year, without prior appropriation by budget of the entire multi-year expenditure under that contract.

City of Elmhurst Municipal Code

Chapter 3 City Administration

Section 3.19; Budget Policy and Procedure (Continued)

(d) Passage of Annual Budget and Appropriations Ordinance. Passage of the annual budget and appropriations ordinance by the corporate authorities shall be in lieu of passage of appropriations ordinance. The annual budget and appropriations ordinance need not be published except in a manner provided for in subsection (h) herein. The annual budget and appropriations ordinance shall be adopted by the corporate authorities before the beginning of the fiscal year to which it applies. Notwithstanding anything else to the contrary in the Elmhurst Municipal Code, the budget and appropriations ordinance shall not be subject to a second reading before passage nor does it require approval of a committee report prior to passage.

(e) Capital Improvement, Repair or Replacement. Monies may be accumulated in a separate fund or account for the purpose or purposes of specific capital improvements, repairs, and/or replacements of specific types of municipal equipment or other tangible property, both real and personal. Expenditures from the Capital Improvement, Repair or Replacement Fund or account shall be budgeted in the fiscal year in which the capital improvement, repair or replacement will occur. Upon the completion or abandonment of any object for which the Capital Improvement, Repair or Replacement Fund or account was inaugurated, then such monies no longer necessary for capital improvement, repair or replacement shall be utilized for general corporate purposes of the municipality and transferred in the accounts of the City for that purpose on the first day of the fiscal year following such abandonment, completion, or discovery of surplus monies.

(f) Revision of Annual Budget. By a vote of two-thirds of the members of the corporate authorities then holding office, the annual budget for the municipality may be revised by deleting, adding to, changing or creating subclasses within object classes and object classes themselves. No revision of the budget shall be made increasing the budget in the event funds are not available to effectuate the purpose of the revision.

(g) Funds for Contingency Purposes. The annual budget may contain money set aside for contingency purposes not to exceed one percentum of the total budget, less the amount set aside for contingency purposes, which monies may be expended for contingencies upon a majority vote of the corporate authorities then holding office.

(h) Public Inspection, Notice and Hearing on Budget. The corporate authorities shall make the tentative annual budget conveniently available to public inspection for at least ten (10) days prior to the passage of the annual budget, by publication in form as the corporate authorities may prescribe. Not less than one week after the publication of the tentative annual budget, and prior to final action on the budget, the corporate authorities shall hold at least one public hearing on the tentative annual budget, after which hearing or hearings the tentative annual budget may be further revised and passed without any further inspection, notice or hearing. Notice of this hearing shall be given by publication in a newspaper having a general circulation in the City at least ten (10) days prior to the time of the hearing.

(12/2/85; 11/4/91)

**CITY OF ELMHURST
PURCHASING POLICY**

A. General Policy for Soliciting Quotes

Employees are responsible for soliciting quotes for purchases in the instances outlined below. Purchase requisitions submitted without the required quotes or a satisfactory explanation of why quotes were not obtained (e.g. sole source, emergency, standardized vendor) will not be approved.

<u>Up to \$500</u>	One verbal quote is required; however, employees are encouraged to seek additional quotes when possible.
<u>\$501-\$3,000</u>	Three verbal quotes must be obtained. The quote summary must be attached to the invoice. Physical records regarding the dates, contacts and quotes received shall be retained in the department's files for auditing purposes.
<u>\$3,001-\$5,000</u>	Three written quotes are required. The quote summary must be attached to the invoice. The actual written quotes shall be retained in the department's files for auditing purposes.
<u>\$5,001-\$20,000</u>	Three written quotes are required. Hard copies shall be obtained and attached to the purchase requisition.
<u>\$20,001 & Above</u>	Must be competitively bid in accordance with City ordinances. City Council approval is required for all purchases in this category.

Items purchased more than once during a fiscal year (e.g. forms, copier supplies) do not need quotes every time a purchase is made. However, competitive quotes for these items shall be sought at least once each year to ensure that vendors are competitive. Preference should be shown to a local vendor only when all prices and terms are equal, or a distinct economic advantage to the City can be demonstrated to result from a local purchase.

B. Joint Purchasing

Employees are authorized to obtain goods and services using the State of Illinois Joint Purchasing program. When available through the State program, it is not necessary for employees to obtain quotes or to competitively bid the goods or services which are sought. Employees shall be responsible, however, for ensuring that the goods or services are of a quality sufficient to meet the City's needs and that pricing is competitive.

Employees are also authorized to join with other units of government in cooperative purchasing plans when the best interests of the City would be served thereby. The quote and bid requirements shall not apply to joint purchasing with other units of government.

To the extent possible, purchases of like items should be coordinated among City departments.

C. Sole Source Purchases

Contracts for parts, supplies or equipment that are available only from a single source are referred to as sole source purchases. Sole source procurement may arise from the following circumstances:

- a) Equipment for which there is no comparable competitive product or is available only from one supplier;
- b) A component or replacement part for which there is no commercially available substitute, and which can be obtained only from the manufacturer;
- c) An item where compatibility is the overriding consideration, such as computer software and hardware.

These items shall not be subject to requirements for seeking competitive quotes or bids. However, purchases in excess of \$20,000 shall be presented to the City Council prior to acquisition with a request to waive bids, approve the purchase and enter into a formal contract.

D. Emergency Purchases

Emergencies are defined as events that could not have been foreseen where immediate action is necessary to safeguard the public's health and safety. Whenever, in the judgement of the City Manager, an emergency situation requires the making of any purchase of material or supplies for a price in excess of \$20,000 but less than \$30,000, prior to the next regular meeting of the Council, the City Manager, with the written approval of the Mayor and a majority of the members of the Finance Committee of the Council, may make such purchase without waiting for formal approval of the specific purchase by the Council as a whole. If the emergency purchase is over \$30,000, approval of the City Council is required.

E. Competitive Bidding Policy

All purchases of goods or services, excluding professional services, exceeding \$20,000, except where such purchases greater than \$20,000 are allowed by state statute, shall be subject to the competitive bidding process and shall be let, by free and open competitive bidding after advertisement, to the lowest responsible and responsive bidder or any other bidder whom the City Council deems to be in the best interest of the City. Sealed bids will be sought when the cost is anticipated to be more than \$20,000. Any procurement of construction not exceeding \$30,000 may be made without competitive sealed bidding. This exception to the competitive bid process is consistent with state statute that allows state contracts for construction not exceeding \$30,000 to be made without competitive sealed bidding.

Purchases shall not be artificially divided so as to constitute a smaller purchase and thereby circumvent the competitive bidding requirements.

The City Council, by a two-thirds vote, may waive required competitive bidding prior to or at the time of purchase or entry into a contract. Requests for bid waivers shall be made only when goods or services are proprietary (i.e. sole source), where standardization is necessary or desirable (e.g. personal computers, furniture), in emergencies as defined herein or when it is in the best interests of the City to do so. The City Council may also direct that any other purchase or contract, in addition to what is required above, be competitively bid.

The City Council shall have the authority to reject all competitive bids or parts of those bids when the public interest will be served thereby.

F. Request for Proposal

Competitive bidding is not always the most appropriate purchasing process. For the procurement of professional services, where the services of individuals possessing a high degree of professional skill and where the education, experience or character of the individuals are significant factors in determining their ability to meet the City's needs, a different selection process is utilized. When professional services are being sought for a project whose results are known, such as audit services, a request for proposal (RFP) shall be utilized. A request for proposal is written around performance standards rather than a description of a product. The proposal procedure shall include appropriate notice to potential providers of that service in the open market. The City Council, however, by majority vote may waive these proposal requirements in any case that they otherwise apply.

Providers of architectural, engineering and land surveying services will be selected in accordance with the State of Illinois Local Government Professional Services Selection Act (50 ILCS 510), on the basis of demonstrated competence and qualifications for the type of services required, at fair and reasonable compensation.

Procurement of all professional services shall be reviewed at a minimum of once every four years by staff and the appropriate standing Council committee. Such services shall include, but not limited to, audit, insurance brokerage, engineering, legal, banking, inspection, mosquito abatement, and real estate.

G. Contracts

From time to time, contracts are entered into by the City Council for essential services. Such contracts are often the result of a competitive bid or RFP process or a bid waiver. A contract is a legal obligation of the City and must be on terms acceptable to the City Council. To ensure that the contract provisions as set by the City staff and the vendor are in the best interests of the City and are legally accurate, the City Attorney shall review and approve the contract prior to execution.

Contracts are required for professional services, construction projects and purchases of goods exceeding \$20,000. All contracts must have terms such as length of service, fees, description of services to be provided and deliverable product clearly defined. Procedures for applying for cost overruns of the contract must also be specifically defined.

The City Clerk's office retains all original contracts.

H. Change Orders

Subsequent to entering a contract, change orders may become necessary. The City Manager shall approve all change orders up to \$20,000. Any change order, singularly or in aggregate, in excess of \$20,000 must be reviewed by the appropriate Council committee and approved by the City Council.

I. Fixed Asset Policy

A fixed asset policy is established to insure compliance with governmental financial reporting standards and to safeguard City assets. Fixed assets shall include land, buildings, machinery, equipment and vehicles with a life expectancy of one year or more. To be included in this definition, the capitalization threshold of the asset or minimum value of the asset at the time of acquisition is established at \$15,000. Roads, streets, bridges and similar infrastructure shall be capitalized pursuant to Government Accounting Standards Board (GASB) Statement 34.

J. Approval Authority

The City Manager is authorized by City ordinance to make, in the ordinary course of business, all purchases of materials, supplies and services necessary for the City as provided for in the annual budget; provided that on purchases of more than \$20,000, the City Manager shall first procure the approval of the Council before making such purchases. Regarding purchases of \$20,000 or less, not in the budget and not emergency, the appropriate standing committee of the Council may, prior to such purchase being made, review same and by majority vote, veto such proposed purchase. In the event of such a veto, the committee shall so report and recommend to the Council. If the Council shall concur in the committee's recommendation, then such purchase shall not be made; if the Council shall not concur in the committee's recommendation, such purchase may be made.

Within the City Manager's \$20,000 authority, the following approval limits are established.

<u>Up to \$500</u>	Superintendents and Managers
<u>\$501-\$5,000</u>	Department Heads, Assistant Directors, Deputy Police Chiefs, Deputy Fire Chief
<u>\$5,001-\$20,000</u>	City Manager
<u>\$20,001 & Above</u>	City Council

K. Accounts Payable Review Approval Process

When an invoice has been reviewed, attached to back-up such as receiving documents and purchase order, and has been approved at the appropriate level, the invoice is sent to the Accounts Payable Clerk to be processed for payment. After processing, all invoices are reviewed by the Finance Director or the Assistant Finance Director in the Finance Director's absence. An accounts payable list is developed every two weeks, to be approved by the City Council at each regular City Council meeting. In the event there are five weeks in a month, the second accounts payable of the month will cover three week's activity. Accounts payable checks are issued the Thursday following the approval of the accounts payable list by the City Council.

A RESOLUTION ADOPTING A REVENUE
POLICY FOR THE CITY OF ELMHURST

WHEREAS, the City Council wishes to provide for an adequate, stable and flexible source of revenues to fund City services demanded by its residents; and

WHEREAS, the City Council believes the best interests of the City and its citizens will be served by maintaining a general fund balance adequate to deal with unforeseeable events and unforeseeable reductions in the City revenue stream; and

WHEREAS, the City Council wishes to ensure that the burden of funding City services is charged and taxed on as fair and equitable basis as is reasonably possible; and

WHEREAS, the City Council wishes to provide for an annual review of its revenue sources and policy to ensure that only that revenue which is reasonably necessary be charged and taxed to its residents in view of the aforesaid principles.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Elmhurst, Du Page and Cook Counties, Illinois that the Revenue Policy Statement, a copy of which is attached hereto as Exhibit "A", is hereby adopted as a policy of the City of Elmhurst.

Approved this 17th day of April, 1995.

Thomas D. Marcucci
Thomas D. Marcucci, Mayor

Adopted this 17th day
of April, 1995.

Ayes: 10 Nays: 0

Janet S. Edgley
Janet S. Edgley, City Clerk

**CITY OF ELMHURST
REVENUE POLICY STATEMENT**

1. The City will develop a revenue structure that provides a fair and equitable distribution of both the revenue burden and the benefits from public services, to the private and commercial residents of the City of Elmhurst.
2. The City will maintain diversified revenue sources that will provide both stability of revenue flows to cover basic operational needs and the flexibility to adjust revenue levels and sources as City needs changes.
3. A General Fund balance will be maintained at a level between 25-33% (3 to 4 months) of current projected expenditures.
4. The City will implement user charges and fees, in lieu of other general revenue sources, for services that can be individually identified and where costs are directly related to the level of service.
 - a) The user charges for water and sewer will be sufficient to finance all operating capital and debt services cost, and to maintain an adequate cash balance in the Municipal Utility Fund.
 - b) User charges in the form of permit, license and inspection fees will be established to fund building and code enforcement activities and certain services provided by the Fire Department and Public Works Department.
5. Debt will be limited to 5% of the value of taxable property in the City, per MCO 8.02, and will be used to finance long-lived capital and operating assets. Debt will not be used to finance day-to-day general operating expenditures.
6. The City will project revenues for five years and will update the projection annually as part of the annual budget process. The City will review each revenue source, fund by fund, in light of the proposed expenditure budget, to determine the need for said source to fund City services for the next fiscal year. The City will adjust or eliminate existing revenue sources, add a new revenue source or adjust or eliminate City services based on the review of the proposed revenue and expenditure budget for a given fiscal year.
7. Major revenue sources, their current levels, limits, characteristics and uses are detailed on the attached schedules.

City of Elmhurst
Major Revenue Sources
Fiscal 2014 Proposed Budget

Revenue Source	Current Level	Limit	2014 Revenue Budget Impact *	Characteristics
Property Tax (City Levy Only)	.5787/\$100 EAV (2012 levy)	No legal limit	23.5% of General Fund revenue (\$11,914,200)	<ul style="list-style-type: none"> *most stable revenue source *over 99% collection rate *deductible for federal income tax purposes ** % reflects receipt of total 2012 tax levy in 8 mo. fiscal year. *broadly based *low administration costs *City can impact
Sales Tax	City portion of State tax = 1%	State law	20.2% of General Fund revenue (\$10,270,000)	<ul style="list-style-type: none"> *fluctuates w/economic conditions *regressive; impacts lower income more than higher income *broadly based *importation possible (people outside the community pay) *low administration costs *City cannot impact
Home Rule Sales Tax	0.75%	None	*66.66% credited to General Fund for 6.2% of General Fund revenue (\$3,134,200) *33.33% credited to Capital Improvement Fund for 23.3% of CIF revenue (\$1,567,100)	<ul style="list-style-type: none"> *fluctuates w/economic conditions *regressive; impacts lower income more than higher income *broadly based *importation possible (people outside the community pay) *possible negative impact on sales of larger ticket items *enacted specifically to pay debt service *low administration costs *City can impact
Hotel/Motel Tax	4%	5%	0.8% of General Fund revenue (\$402,600)	<ul style="list-style-type: none"> *benefits based *narrowly based *importation possible (people outside the community pay) *low administration costs *City can impact
Real Estate Transfer Tax	\$1.50 per \$1,000 of sales price	None	0.8% of General Fund revenue (\$418,000)	<ul style="list-style-type: none"> *narrowly based *fluctuates w/economic conditions *moderate administration costs *City can impact by referendum

City of Elmhurst
Major Revenue Sources
Fiscal 2014 Proposed Budget

Revenue Source	Current Level	Limit	2014 Revenue Budget Impact *	Characteristics
Food & Beverage Tax	1%	None	2.3% of General Fund revenue (\$1,149,500)	*fluctuates w/economic conditions *regressive; impacts lower income more than higher income *broadly based *importation possible (people outside the community pay) *moderate administration costs *City can impact
State Income Tax	Distributed on a per capita basis	State law	*20% credited to General Fund for 1.7% of General Fund revenue (\$873,500) *80% credited to Capital Improvement Fund for 51.9% of CIF revenue (\$3,494,100)	*broadly based *regressive; impacts lower income more than higher income *deductible for federal income tax purposes *low administration costs *City cannot impact *fluctuates w/economic conditions
Utility Tax			8.0% of General Fund revenue (\$4,057,300)	*broadly based *regressive; impacts lower income more than higher income
Telecommunications (1)	6.00%	6%		
Electric	Per kwh	Various		
Gas	\$.015 per therm	None	8.3% of Capital Improvement Fund revenue (\$561,200)	*stable monthly income to City *relatively small impact on monthly consumer bill *low administration costs *City can impact
(1) Revenue is split between General Fund (75%) and Capital Improvement Fund (25%).				
Vehicle Sticker Fees	Various as set per Ordinance	None	2.6% of General Fund revenue (\$1,300,000)	*broadly based *benefits based *high administration costs *City can impact
Permit Fees (Building and Other)	Various as set per Ordinance	None	Proposed revenue to cover 100% of associated costs (\$2,096,500)	*narrowly based *benefits based *moderate administration costs *City can impact

City of Elmhurst
Major Revenue Sources
Fiscal 2014 Proposed Budget

Revenue Source	Current Level	Limit	2014 Revenue Budget Impact *	Characteristics
Rubbish Service Charges	Per contract plus municipal service charge	None	100% of contract expense	*broadly based *benefits based *moderate administration costs *City can impact
Interest Income	Market Dependent	City Investment Policy	0.1% of General Fund revenue (\$50,300)	*income depends on level of cash balances *City can impact within guideline of Investment Policy
Water and Sewer Charges	Per Ordinance	None	97.2% of Municipal Utility Fund revenue (\$18,822,500)	*broadly based *benefits based *high administration costs *City can impact
Parking Fees	Per Ordinance	None	67.6% of Parking Fund revenue (\$748,300)	*narrowly based *benefits based *high administration costs *City can impact
Parking Fines	Per Ordinance	None	202.6% of Parking Fund revenue (\$250,000) (Net of uncollectible)	*narrowly based *benefits based *high administration costs *City can impact

* Revenue source as a % of total fund revenue is based on total revenues less transfers in and bond proceeds.

City of Elmhurst
 Revenue Sources and Services Provided
 By Fund

Revenue Sources	Fund	Services Provided
Property Tax	General	Police Protection
Sales Tax (1% Municipal and Home Rule)		Fire Protection and Emergency Services (ESDA)
Hotel/Motel Tax		Street Maintenance
Real Estate Transfer Tax		Electrical
Food and Beverage Tax		Forestry
State Income Tax (20%)		Building Maintenance
Utility Taxes		Rubbish Collection
Municipal Motor Fuel Tax		Snow Removal
Vehicle Sticker Fees		Historical Museum
Licenses and Permits		Planning, Zoning and Economic Dev.
Fines and Penalties		Administration (General, Finance and Legal)
Rubbish Service Charges		Senior/Youth Services
Interest on Investments		Visitor and Tourism
Miscellaneous		
Home Rule Sales Tax	Capital Improvement	Capital Projects
State Income Tax (80%)		Debt Service
Interest on Investments		Street Resurfacing Program
Telecommunication Tax (portion)		
Motor Fuel Tax (State)	Motor Fuel Tax	Street Maintenance and Snow Removal
Interest on Investments		Electrical
Water Service Charges	Municipal Utility	Water Production
Sewer Service Charges		Lake Michigan Water
Interest on Investments		Water Distribution
Miscellaneous		Watermain Improvements
		Sanitary Sewer Maintenance
		Wastewater Treatment Plant Operation Administration
Fine and Penalties	Parking System	Parking Lot Maintenance
Parking Fees		Parking Deck Maintenance
Interest on Investments		Debt Retirement

LONG TERM DEBT

City of Elmhurst Debt Restrictions and Guidelines

The City of Elmhurst is a home rule municipality under Illinois law. As such, the City has broad authority to act where there are no restrictions imposed by the State. The State of Illinois does not impose any restrictions on indebtedness for home rule municipalities. Independent of state law the City of Elmhurst has chosen to limit total debt to an amount equal to 5% of the Equalized Assessed Value (EAV) for all taxable property within the City. This standard is more restrictive than the state-imposed limit on non-home rule municipalities of 8.625% of EAV. The table below reflects the current and projected outstanding debt to EAV percentages.

	<u>2012/13 Actual</u>	<u>2013 Estimated</u>	<u>2014 Estimated</u>	<u>2015 Estimated</u>
EAV	\$1,929,004,352	\$1,929,004,352	\$1,805,548,100	\$1,805,548,100
Outstanding Debt	\$ 45,955,000	\$ 47,685,000	\$ 60,490,000	\$ 56,397,821
Debt to EAV	2.4%	2.5%	3.4%	3.1%

In addition to restricting the total amount of debt the City can incur, under Elmhurst's revenue policy, debt may only be used to finance long-lived capital and operating assets. Debt will not be used to finance day-to-day general operating expenditures. Standard & Poor's has given the City's General Obligation Bonds an AA+ rating, considering the bonds to be a high quality grade.

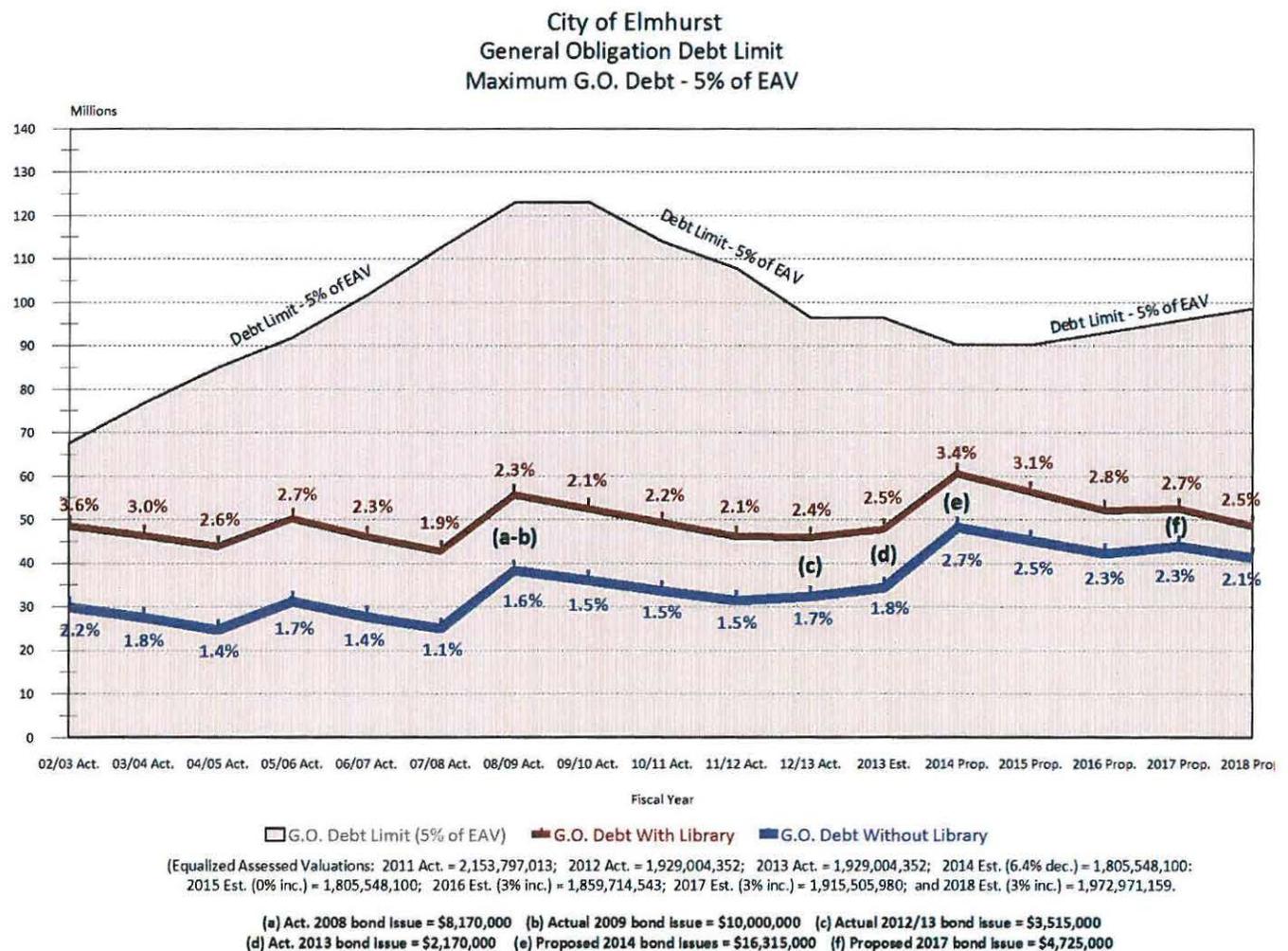
Current and Proposed Indebtedness

As of December 31, 2013 the City will have a total of \$66,718,495 in bonded and note indebtedness. This amount includes \$47,685,000 in G.O. bonds, \$11,500,000 in revenue bonds, \$2,386,300 in note indebtedness, and \$5,147,195 in IEPA loans. The most recent general obligation (G.O.) bonds issued were the Series 2009, Series 2009A, Series 2012 and Series 2013 bonds. The 2009 Series proceeds were in the amount of \$10,000,000 for the construction of a new parking deck in the Central Business District and the public benefit portion of the infrastructure improvements associated with the construction of the hospital facility at the south end of the City. 2009A Series proceeds of \$3,700,000 were used for the refunding of Series 2001 G.O. Bonds. During fiscal year 2012/13, the City received an additional loan of \$4,700,000 from the IEPA for the construction of a third anaerobic digester, and issued Series 2012 G.O. Bonds in the amount of \$10,000,000. Proceeds from the 2012 issue funded the partial refunding of the Series 2006 bonds (\$7,040,000) and infrastructure improvements to the wastewater treatment plant (\$2,960,000). During fiscal year 2013, the City issued Series 2013 G.O. Bonds in the amount of \$9,150,000. Proceeds from the 2013 issue funded the refunding of the Series 2003 G.O. Bonds (\$6,980,000) and partially funded the construction of the Addison Avenue parking deck. In FY 2013, the City received approval of a \$900,000 loan from the IEPA for the sludge storage pad project. The City has also applied for an IEPA loan in the amount of \$9,000,000 to fund the Southwest Elmhurst Wet Weather Control Facility which is scheduled to be constructed in FY 2014. Two 2014 G.O. Bond issues are scheduled for fiscal year 2014, one in the amount of \$9,000,000 for the construction of the Addison Avenue parking deck, and the second in the amount of \$7,315,000 for storm water improvement projects (\$5,000,000) and for wastewater treatment infrastructure (\$2,315,000).

Prior to fiscal year 2010/11, the City always abated its property tax levy for debt service. However, for the fifth consecutive year, the City will only partially abate its 2013 debt service property tax levy. The amount abated is \$3,046,142 and the amount that will be provided from property taxes total \$2,023,755. The debt service not abated would otherwise be funded by the General and Capital Improvement Funds.

As noted previously, outstanding indebtedness as of December 31, 2013 includes \$11,500,000 of revenue bonds. The proceeds of this bond issue were used to pay the cost of the issuance of the bonds and to provide funds for the refinancing of a construction loan of Federal Construction, Inc. (the Developer). The proceeds of the Developers construction loan were used to pay the cost of reconstructing retail property owned by the Developer that is located in the Tax Increment Financing Redevelopment Area located at the corner of St. Charles Road and Route 83. Loan payments from the Developer are used to fund the debt service on the bonds. General Fund sales tax revenues secure the bonds.

The following schedules present the state of the City's indebtedness for Fiscal Year 2014, including actual and projected debt service payments on current outstanding and proposed general obligation bonds. A graph of the City's outstanding G.O. debt as compared to the self-imposed debt limit is provided below.



City of Elmhurst
Total Outstanding Debt Service - General Obligation Bonds
Principal Portion

Calendar Year	Series									Proposed	Proposed	Grand Total
	Series 2004	Series 2005	Series 2006	Series 2008	Series 2009	2009A	Series 2012	Series 2013	Subtotal	Series 2014	Series 2014A	
2013 8 mo.	-	-	-	-	-	-	-	-	-	-	-	-
2014	35,000	1,495,000	380,000	465,000	390,000	200,000	60,000	485,000	3,510,000	-	-	3,510,000
2015	1,120,000	505,000	395,000	150,000	410,000	210,000	190,000	505,000	3,485,000	334,944	272,235	4,092,179
2016	20,000	500,000	-	150,000	425,000	210,000	605,000	1,735,000	3,645,000	344,992	280,402	4,270,394
2017	20,000	495,000	-	50,000	440,000	215,000	625,000	1,880,000	3,725,000	355,342	288,814	4,369,156
2018	20,000	5,000	-	500,000	460,000	230,000	640,000	1,345,000	3,200,000	366,002	297,479	3,863,481
2019	430,000	5,000	-	500,000	475,000	240,000	660,000	1,030,000	3,340,000	376,982	306,403	4,023,385
2020	1,780,000	5,000	-	250,000	495,000	250,000	670,000	505,000	3,955,000	388,292	315,595	4,658,887
2021	1,925,000	10,000	-	200,000	515,000	260,000	685,000	530,000	4,125,000	399,941	325,063	4,850,004
2022	-	2,120,000	-	200,000	535,000	-	700,000	555,000	4,110,000	411,939	334,815	4,856,754
2023	-	-	-	500,000	560,000	-	1,720,000	580,000	3,360,000	424,297	344,859	4,129,156
2024	-	-	-	500,000	580,000	-	1,720,000	-	2,800,000	437,025	355,204	3,592,230
2025	-	-	-	1,000,000	605,000	-	155,000	-	1,760,000	450,136	365,860	2,575,996
2026	-	-	-	1,000,000	630,000	-	160,000	-	1,790,000	463,640	376,836	2,630,476
2027	-	-	-	800,000	655,000	-	165,000	-	1,620,000	477,549	388,141	2,485,691
2028	-	-	-	800,000	680,000	-	170,000	-	1,650,000	491,876	399,786	2,541,661
2029	-	-	-	-	705,000	-	170,000	-	875,000	506,632	411,779	1,793,411
2030	-	-	-	-	-	-	175,000	-	175,000	521,831	424,133	1,120,964
2031	-	-	-	-	-	-	180,000	-	180,000	537,486	436,856	1,154,342
2032	-	-	-	-	-	-	185,000	-	185,000	553,611	449,962	1,188,573
2033	-	-	-	-	-	-	195,000	-	195,000	570,219	463,461	1,228,680
2034	-	-	-	-	-	-	-	-	-	587,264	477,316	1,064,579
2035	-	-	-	-	-	-	-	-	-	-	-	-
	5,350,000	5,140,000	775,000	7,065,000	8,560,000	1,815,000	9,830,000	9,150,000	47,685,000	9,000,000	7,315,000	64,000,000

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Does not include Revenue Bonds, IEPA Loans and General Obligation Note

City of Elmhurst
Debt Service - General Obligation Bonds
Principal and Interest Payments by Source

Calendar Yr	Total Series 2003			Total Series 2004	
	CIF	Library	Total	Library	Total
2013 8 mo.	42,482.50	109,401.25	151,883.75	109,253.75	109,253.75
2014	-	-	-	252,860.00	252,860.00
2015	-	-	-	1,316,492.50	1,316,492.50
2016	-	-	-	195,362.50	195,362.50
2017	-	-	-	194,542.50	194,542.50
2018	-	-	-	193,722.50	193,722.50
2019	-	-	-	594,497.50	594,497.50
2020	-	-	-	1,898,747.50	1,898,747.50
2021	-	-	-	1,965,906.25	1,965,906.25
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
	42,482.50	109,401.25	151,883.75	6,721,385.00	6,721,385.00

City of Elmhurst
Debt Service - General Obligation Bonds
Principal and Interest Payments by Source

Calendar Yr	Total Series 2005					Total Series 2006		
	General	RT 83	Library	MUF	Total	CIF	Redvlp	Total
2013 8 mo.	28,591.19	5,445.94	61,125.00	2,959.75	98,121.88	3,111.63	11,032.12	14,143.75
2014	440,372.84	83,880.54	1,094,306.25	45,587.25	1,664,146.88	88,681.35	312,671.15	401,352.50
2015	422,190.30	80,417.20	91,268.75	43,705.00	637,581.25	93,234.87	308,973.88	402,208.75
2016	403,908.75	76,935.00	91,081.25	41,812.50	613,737.50	-	-	-
2017	385,772.10	73,480.40	90,893.75	39,935.00	590,081.25	-	-	-
2018	-	-	90,700.00	-	90,700.00	-	-	-
2019	-	-	90,500.00	-	90,500.00	-	-	-
2020	-	-	90,300.00	-	90,300.00	-	-	-
2021	-	-	95,000.00	-	95,000.00	-	-	-
2022	-	-	2,162,400.00	-	2,162,400.00	-	-	-
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
	1,680,835.18	320,159.08	3,957,575.00	173,999.50	6,132,568.76	185,027.85	632,677.15	817,705.00

City of Elmhurst
Debt Service - General Obligation Bonds
Principal and Interest Payments by Source

Calendar Yr	Total Series 2008					Total Series 2009		
	CIF	Redvlp	MUF	Parking	Total	CIF	Parking	Total
2013 8 mo.	111,230.36	19,628.89	15,139.42	131.33	146,130.00	86,788.75	86,788.75	173,577.50
2014	674,979.59	5,089.66	61,429.12	7,856.63	749,355.00	365,408.75	365,408.75	730,817.50
2015	379,056.36	-	44,768.64	-	423,825.00	368,908.75	368,908.75	737,817.50
2016	374,360.92	-	44,214.08	-	418,575.00	369,358.75	369,358.75	738,717.50
2017	281,771.27	-	33,278.73	-	315,050.00	369,290.00	369,290.00	738,580.00
2018	675,271.71	-	79,753.29	-	755,025.00	371,415.00	371,415.00	742,830.00
2019	658,502.27	-	77,772.73	-	736,275.00	370,436.87	370,436.88	740,873.75
2020	421,829.61	-	49,820.39	-	471,650.00	371,033.75	371,033.75	742,067.50
2021	368,972.35	-	43,577.65	-	412,550.00	370,805.00	370,805.00	741,610.00
2022	361,549.07	-	42,700.93	-	404,250.00	369,908.75	369,908.75	739,817.50
2023	616,601.04	-	72,823.96	-	689,425.00	370,841.25	370,841.25	741,682.50
2024	597,483.88	-	70,566.12	-	668,050.00	368,656.25	368,656.25	737,312.50
2025	1,015,825.45	-	119,974.55	-	1,135,800.00	368,341.88	368,341.87	736,683.75
2026	977,143.95	-	115,406.05	-	1,092,550.00	367,332.50	367,332.50	734,665.00
2027	763,076.48	-	90,123.52	-	853,200.00	365,697.50	365,697.50	731,395.00
2028	731,415.78	-	86,384.22	-	817,800.00	363,427.50	363,427.50	726,855.00
2029	-	-	-	-	-	360,431.25	360,431.25	720,862.50
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
	9,009,070.09	24,718.55	1,047,733.40	7,987.96	10,089,510.00	5,978,082.50	5,978,082.50	11,956,165.00

City of Elmhurst
Debt Service - General Obligation Bonds
Principal and Interest Payments by Source

Calendar Yr	Total Series 2009A			Total Series 2012			
	CIF	MUF	Total	CIF	Redvlp	MUF	Total
2013 8 mo.	19,503.33	11,552.92	31,056.25	-	68,700.00	35,237.50	103,937.50
2014	163,036.65	96,575.85	259,612.50	6,658.78	190,141.22	70,475.00	267,275.00
2015	165,933.30	98,291.70	264,225.00	6,308.27	189,291.73	199,175.00	394,775.00
2016	162,141.75	96,045.75	258,187.50	127,175.56	478,074.44	196,575.00	801,825.00
2017	161,109.47	95,434.28	256,543.75	128,782.06	481,817.94	198,925.00	809,525.00
2018	165,807.70	98,217.30	264,025.00	130,300.94	485,349.06	196,225.00	811,875.00
2019	166,545.60	98,654.40	265,200.00	131,732.18	488,667.82	198,475.00	818,875.00
2020	166,671.20	98,728.80	265,400.00	131,615.35	488,284.65	195,675.00	815,575.00
2021	166,545.60	98,654.40	265,200.00	131,206.96	487,993.04	197,825.00	817,025.00
2022	-	-	-	623,250.00	-	194,925.00	818,175.00
2023	-	-	-	1,617,000.00	-	196,975.00	1,813,975.00
2024	-	-	-	1,580,650.00	-	198,925.00	1,779,575.00
2025	-	-	-	-	-	195,534.38	195,534.38
2026	-	-	-	-	-	196,793.76	196,793.76
2027	-	-	-	-	-	197,934.38	197,934.38
2028	-	-	-	-	-	198,743.75	198,743.75
2029	-	-	-	-	-	194,281.25	194,281.25
2030	-	-	-	-	-	194,425.00	194,425.00
2031	-	-	-	-	-	194,100.00	194,100.00
2032	-	-	-	-	-	193,625.00	193,625.00
2033	-	-	-	-	-	197,925.00	197,925.00
2034	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-
	1,337,294.60	792,155.40	2,129,450.00	4,614,680.10	3,358,319.90	3,842,775.02	11,815,775.02

City of Elmhurst
Debt Service - General Obligation Bonds
Principal and Interest Payments by Source

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Calendar Yr	Total Series 2013				Proposed Series 2014	
	CIF	Library	Parking	Total	Parking	Total
2013 8 mo.	-	-	-	-	-	-
2014	512,050.00	205,883.33	79,566.67	797,500.00	135,000.00	135,000.00
2015	516,140.00	233,510.00	86,800.00	836,450.00	604,944.00	604,944.00
2016	583,500.00	1,356,400.00	86,800.00	2,026,700.00	604,944.00	604,944.00
2017	599,760.00	1,412,840.00	86,800.00	2,099,400.00	604,944.00	604,944.00
2018	-	1,413,100.00	86,800.00	1,499,900.00	604,944.00	604,944.00
2019	-	1,050,600.00	86,800.00	1,137,400.00	604,944.00	604,944.00
2020	-	-	581,700.00	581,700.00	604,944.00	604,944.00
2021	-	-	586,000.00	586,000.00	604,944.00	604,944.00
2022	-	-	589,300.00	589,300.00	604,944.00	604,944.00
2023	-	-	591,600.00	591,600.00	604,944.00	604,944.00
2024	-	-	-	-	604,944.00	604,944.00
2025	-	-	-	-	604,944.00	604,944.00
2026	-	-	-	-	604,944.00	604,944.00
2027	-	-	-	-	604,944.00	604,944.00
2028	-	-	-	-	604,944.00	604,944.00
2029	-	-	-	-	604,944.00	604,944.00
2030	-	-	-	-	604,944.00	604,944.00
2031	-	-	-	-	604,944.00	604,944.00
2032	-	-	-	-	604,944.00	604,944.00
2033	-	-	-	-	604,944.00	604,944.00
2034	-	-	-	-	604,944.00	604,944.00
2035	-	-	-	-	-	-
	2,211,450.00	5,672,333.33	2,862,166.67	10,745,950.00	12,233,880.00	12,233,880.00

City of Elmhurst
Debt Service - General Obligation Bonds
Principal and Interest Payments by Source

Proposed Series 2014A			
Calendar Yr	Stormwater	MUF	Total
2013 8 mo.	-	-	-
2014	75,000.00	34,725.00	109,725.00
2015	336,080.00	155,605.04	491,685.04
2016	336,080.00	155,605.04	491,685.04
2017	336,080.00	155,605.04	491,685.04
2018	336,080.00	155,605.04	491,685.04
2019	336,080.00	155,605.04	491,685.04
2020	336,080.00	155,605.04	491,685.04
2021	336,080.00	155,605.04	491,685.04
2022	336,080.00	155,605.04	491,685.04
2023	336,080.00	155,605.04	491,685.04
2024	336,080.00	155,605.04	491,685.04
2025	336,080.00	155,605.04	491,685.04
2026	336,080.00	155,605.04	491,685.04
2027	336,080.00	155,605.04	491,685.04
2028	336,080.00	155,605.04	491,685.04
2029	336,080.00	155,605.04	491,685.04
2030	336,080.00	155,605.04	491,685.04
2031	336,080.00	155,605.04	491,685.04
2032	336,080.00	155,605.04	491,685.04
2033	336,080.00	155,605.04	491,685.04
2034	336,080.00	155,605.04	491,685.04
2035	-	-	-
	6,796,600.00	3,146,825.80	9,943,425.80

City of Elmhurst
Debt Service - General Obligation Bonds
Principal and Interest Payments by Source

Grand Total									
Calendar Yr	General	CIF	Stormwater	Redvlp	RT 83	Library	MUF	Parking	Total
2013 8 mo.	28,591.19	263,116.57	-	99,361.01	5,445.94	279,780.00	64,889.59	86,920.08	828,104.38
2014	440,372.84	1,810,815.12	75,000.00	507,902.03	83,880.54	1,553,049.58	308,792.22	587,832.05	5,367,644.38
2015	422,190.30	1,529,581.55	336,080.00	498,265.61	80,417.20	1,641,271.25	541,545.38	1,060,652.75	6,110,004.04
2016	403,908.75	1,616,536.98	336,080.00	478,074.44	76,935.00	1,642,843.75	534,252.37	1,061,102.75	6,149,734.04
2017	385,772.10	1,540,712.80	336,080.00	481,817.94	73,480.40	1,698,276.25	523,178.05	1,061,034.00	6,100,351.54
2018	-	1,342,795.35	336,080.00	485,349.06	-	1,697,522.50	529,800.63	1,063,159.00	5,454,706.54
2019	-	1,327,216.92	336,080.00	488,667.82	-	1,735,597.50	530,507.17	1,062,180.88	5,480,250.29
2020	-	1,091,149.91	336,080.00	488,284.65	-	1,989,047.50	499,829.23	1,557,677.75	5,962,069.04
2021	-	1,037,529.91	336,080.00	487,993.04	-	2,060,906.25	495,662.09	1,561,749.00	5,979,920.29
2022	-	1,354,707.82	336,080.00	-	-	2,162,400.00	393,230.97	1,564,152.75	5,810,571.54
2023	-	2,604,442.29	336,080.00	-	-	-	425,404.00	1,567,385.25	4,933,311.54
2024	-	2,546,790.13	336,080.00	-	-	-	425,096.16	973,600.25	4,281,566.54
2025	-	1,384,167.33	336,080.00	-	-	-	471,113.97	973,285.87	3,164,647.17
2026	-	1,344,476.45	336,080.00	-	-	-	467,804.85	972,276.50	3,120,637.80
2027	-	1,128,773.98	336,080.00	-	-	-	443,662.94	970,641.50	2,879,158.42
2028	-	1,094,843.28	336,080.00	-	-	-	440,733.01	968,371.50	2,840,027.79
2029	-	360,431.25	336,080.00	-	-	-	349,886.29	965,375.25	2,011,772.79
2030	-	-	336,080.00	-	-	-	350,030.04	604,944.00	1,291,054.04
2031	-	-	336,080.00	-	-	-	349,705.04	604,944.00	1,290,729.04
2032	-	-	336,080.00	-	-	-	349,230.04	604,944.00	1,290,254.04
2033	-	-	336,080.00	-	-	-	353,530.04	604,944.00	1,294,554.04
2034	-	-	336,080.00	-	-	-	155,605.04	604,944.00	1,096,629.04
2035	-	-	-	-	-	-	-	-	-
	1,680,835.18	23,378,087.64	6,796,600.00	4,015,715.60	320,159.08	16,460,694.58	9,003,489.12	21,082,117.13	82,737,698.33

**A RESOLUTION ESTABLISHING A POLICY FOR
THE USE AND MANAGEMENT OF THE WORKING CASH FUND**

WHEREAS, the City Council established a working cash fund to ease cyclical cash flow problems at a time when the City was dependent primarily upon property taxes as a revenue source; and

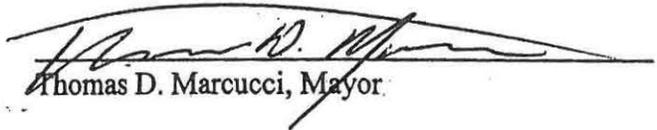
WHEREAS, the City's revenue sources have evolved over several decades such that additional revenue sources have become available to the City both through amendments to the Illinois Municipal Code and the adoption of the Illinois Constitution of 1970 which granted the City home rule status; and

WHEREAS, although the degree to which the City needs to rely upon the working cash fund for operating revenue has lessened, maintaining a working cash fund provides flexibility given the City's reliance on economically sensitive sales taxes, is viewed favorably by bond rating services and is prudent fiscal policy; and

WHEREAS, the City Council has determined that such objectives can best be met by establishing a policy for the use and the management of the working cash fund.

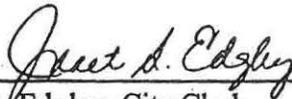
NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Elmhurst, DuPage and Cook Counties, Illinois that the "City of Elmhurst Working Fund Cash Policy Statement" attached hereto and made part hereof as Exhibit "A" is hereby adopted to govern the use and management of such fund.

Approved this 6th day of January, 2003.


Thomas D. Marcucci, Mayor

Passed this 6th day of January, 2003.

Ayes: 14 Nays: 0


Janet S. Edgley, City Clerk

Copies To All
Elected Officials

01-02-03

City of Elmhurst
Working Cash Fund Policy Statement

1. The Working Cash Fund will be used only for an emergency purpose. An emergency purpose is defined as an event or project that is unbudgeted and unanticipated. The Working Cash Fund will only be used for "last recourse" financing. Using the Working Cash Fund as the last recourse source of funding for any emergency must be deemed as the appropriate and prudent action by the City Council.
2. The minimum balance in the Working Cash Fund will be \$800,000 and the maximum balance will be \$1,000,000. The Finance Committee will review the balance in the Working Cash Fund every three years starting in 2006.
3. Any accumulation of funds in excess of the maximum balance of \$1,000,000 will be transferred to the General Fund each November and April.
4. The Working Cash Fund will fund itself through interest income on its balance, up to the maximum.
5. Funds can be accessed from the Working Cash Fund for an emergency purpose as defined above, based on a recommendation from the Finance Committee and then by resolution of the City Council, passed by a simple majority.
6. All funds borrowed from the Working Cash Fund must be repaid. A loan must include a repayment plan. The repayment plan will be developed by the Finance Committee and approved by the City Council as part of the resolution to borrow funds from the Working Cash Fund.

CITY OF ELMHURST

SUSTAINABILITY POLICY

INTRODUCTION

Across America, citizens are involved in environmental initiatives and concerned about improving local and global environmental quality. Concerns about global warming have heightened awareness that all aspects of our daily lives impact the environment. People are petitioning their local, state, and federal governments to respond to these concerns.

Elmhurst residents are also concerned. They expect the City of Elmhurst to address these concerns. On October 4, 2007, Mayor Marcucci signed a Cool Cities Agreement pledging to reduce the City of Elmhurst carbon footprint to 7% below 1990 levels by the year 2012. This first step will require significant City commitment. However, the environmental initiatives will not end there.

The City recognizes its responsibility in responding to local environmental concerns. This policy will address many areas of City responsibilities, and is intended to assist City staff in making decisions related to environmental concerns. This policy ensures environmental issues receive equal consideration in all decision-making processes regarding purchases, personal actions, and other critical municipal activities. While this policy may result in initial added purchase costs for fuel, electricity, and materials, it is intended to guide long-term decision making, resulting in better choices for both the local and regional climate.

This policy also encourages the City to actively partner with appropriate local citizen groups to promote new behaviors among Elmhurst residents, and encourage changes as related to building construction, vehicle use, and local energy consumption.

Sustainability Defined: The United Nations World Commission on Environment and Development defines 'sustainability' as meeting "the needs of the present without compromising the ability of future generations to meet their own needs." Elmhurst, as part of a region, nation, and world, has less impact or control on macro-level environmental, social, and economic forces. But within the sphere of its control, and within the context of its core service objectives, Elmhurst is committed to responsible stewardship of its environmental, economic, and social resources, so its exceptional quality of life for current and future generations is maintained and improved. The City hopes these initiatives will inspire and inform others to make a similar commitment.

Integrated decision-making is essential to sustainability. Recognizing that environmental, economic, and social equity concerns are interdependent is a central principle of sustainability.

Protecting the natural environment is fundamental to the concept of sustainability. Improving and sustaining the air, water, and land are fundamental to a sustainable society. Vigorous economic activity contributes to a high quality of life, and in Elmhurst, supports City services, including public safety, water and wastewater services, maintenance of streets and sidewalks that provide vital access throughout the community, and public parks for recreation and enjoyment of the environment. Balancing these multiple perspectives is essential to Elmhurst's concept of sustainability.

Investments in sustainable projects or in materials that have minimal environmental impacts cannot be measured by traditional economic criteria. Expecting a short or medium term return for the investing agency will in many (or indeed most) cases not be possible. Rather the long (perhaps decades) return for society in general should be the investing motive. Through their duly elected representatives the citizens of Elmhurst must decide the correct investment strategy for each agency.

Statement of Policy

The City of Elmhurst is dedicated to the enhancement and protection of the immediate and long term well-being of the City, its citizens, and its natural environment. To that end, the City of Elmhurst will consider sustainable environmental practices as an integral component of its leadership role in the community.

The City of Elmhurst will continue to face the challenge of maintaining the core water, wastewater, public safety, and all other community services that have been commonly accepted as the City responsibilities. At the same time the City will strive to protect and enhance Elmhurst's environmental quality, economy, and livability. The City is committed to incorporating proven new technologies that result in reducing energy demands; to use the most environmentally responsible products in its daily operations and to address critical local environmental issues when developing new City programs and initiatives which take on particular urgency in light of serious global environmental concerns. The City will seek to be an active partner with other civic organizations and public agencies within the City (Park Districts, School Districts, Library and Historical Foundation) to achieve sustainable policies and goals.

Policy Guidelines

Guidelines for implementing sustainable municipal policy include, but are not limited to the following:

1. The concept of sustainability guides City policy. The City is committed to meeting its existing needs without compromising the ability of future generations to meet their own needs. The long-term impacts of policy choices must be considered to ensure a sustainable legacy.

2. Protection, preservation, and restoration of the natural environment are high priorities of the City. Elmhurst is committed to protecting, preserving and restoring the natural environment. City decision-making will be guided by a mandate to maximize environmental benefits and reduce or eliminate negative environmental impacts within the context of the City's essential functions, planned development, and overall goals and responsibilities. The City will lead by example and encourage other community stakeholders to make a similar commitment to the natural environment.

3. Environmental quality, economic health and social equity are mutually dependent. A healthy environment is integral to the city's long-term economic and societal interests. In achieving a healthy environment, the City must ensure that inequitable burdens are not placed on any one geographic or socioeconomic sector of the cities population, and that the benefits of a sustainable community are accessible to all members of the community.

4. All decisions have implications for the long-term sustainability of Elmhurst. The policy and decision-making processes of the City will reflect its sustainability objectives. The City will lead by example and encourage other community stakeholders to use sustainability principles to guide their decisions and actions.

5. Community awareness, responsibility, participation, and education are key elements of a sustainable community. All community members, including individual citizens, community-based groups, businesses, schools and other institutions must; 1) be aware of their impact on the environmental, economic, and social health of Elmhurst; 2) must take responsibility for reducing, eliminating and balancing those impacts and; 3) must take an active part in community efforts to address sustainability concerns. The City will therefore assist in opportunities to support community awareness, responsibility and participation in cooperation with all other organizations within the City such as Park Districts, School Districts, and Elmhurst College.

6. Elmhurst recognizes its linkage with the regional, national, and global community. The relationship between local issues and regional, national and global issues will be recognized and acted upon in the City's programs and policies. This may involve balancing local issues with broader concerns. In addition, the City's programs and policies should be developed as models that can be emulated by other communities. The City will also act as a strong advocate for the development and implementation of model programs and innovative approaches by regional, state, and federal government that embody the goals of sustainability.

7. Those sustainability issues most important to the community will be addressed first, and the most cost-effective programs and policies will be selected. The financial and human resources available to the City are limited. The evaluation of a program's cost-effectiveness will be based on an analysis of the associated costs and benefits, including environmental and social costs and benefits.

8. The city is committed to procurement decisions which minimize negative environmental and social impacts. The City will abide by an environmentally and socially responsible procurement policy that emphasizes long-term values and attempts to be a model for other public as well as private organizations.

9. Cross-sector partnerships are necessary to achieve sustainable goals. Partnerships among the City government, businesses, residents, property owners and all community stakeholders are necessary to achieve a sustainable community. The City will actively seek to participate with community groups and to engage community partners in all appropriate sustainability efforts.

Sustainable Elmhurst City Programs

Some of the specific policies and programs that exemplify Elmhurst's sustainability objectives are briefly outlined below. Several of these policies and programs are detailed on the City web site. While not inclusive of all sustainable Elmhurst policies and programs, this listing is intended to serve as a resource guide to the City's efforts in working towards a sustainable Elmhurst, and will be periodically updated as the City initiates new programs or policies.

Community Leadership and Communication

- The Elmhurst City Council as the democratically-elected leadership of the community sets policies which are implemented by City staff. The Council is committed to responsible City management, including maintenance and improvement of public health, safety, and general welfare, as well as implementation of innovative sustainability policies and programs that are prudent, cost-effective, and set an example for other organizations and individuals.
- Sustainability information will be distributed in many ways including *The Front Porch*, a regularly published city newsletter, the city web site, and through the Elmhurst Public Library. In this way, all residents can access information to help them make wise conservation choices.
- Without strong local economic activity, the City would not have the resources to provide for public safety or maintain streets and other infrastructure. Fostering of local economic development is a critical long-term necessity for continuing sustainability of City operations.
- The City recognizes the need for partnership with private businesses and area citizen organizations. The Elmhurst Cool Cities Coalition, with representatives from local businesses, local citizen organizations, such as the League of Woman Voters, the Library, the Elmhurst Park District, District 205, the Elmhurst Area Chamber of Commerce, and City staff, is one such partnership.

Commitment to Carbon Emission Reduction

- The City of Elmhurst is concerned about global climate change and has taken steps to reduce its greenhouse gas emissions as part of a worldwide effort led by the International Council for Local Environmental Initiatives (ICLEI), through the Cool Cities initiative. Elmhurst pledges to reduce city-wide carbon dioxide emissions to 7% below 1990 levels, and to meet that emission goal by 2012.
- Elmhurst supports sustainable energy sources. Working with the local electrical energy provider Elmhurst will perform a review of electrical purchases to maximize power generated from sustainable sources such as wind, bio-fuels, solar, etc. Elmhurst will also conduct an audit of major energy uses, such as pumps, vehicles, buildings, and equipment. The goal of the audit is to identify new, more efficient equipment with the aim of reducing energy needs. This includes new HVAC systems at the Library, Waste Water Treatment Plant, City Hall, and Police Department.

- The Public Works vehicle fleet will utilize the use of bio-diesel and 'E-85' gasoline to the greatest extent possible. Also, electric/gasoline hybrid vehicles will be added to the fleet where possible to further reduce dependence on carbon dioxide producing fossil fuels.
- Elmhurst will reduce its own contribution to poor local air quality by reducing automobile use and establishing idling guidelines for municipal vehicles.
- Elmhurst encourages the use of building design and construction that results in the conservation of resources and the reduction of toxic pollutants and greenhouse gas emissions.
- This policy shall establish the use of low volatile emission paints, cleaning products, adhesives, and other chemical additives wherever they are used, and that low emission products be made standard purchase inventory in the City central stores supply.
- Elmhurst supports public transit systems including the RTA, METRA, and PACE. Residents are encouraged to use the transit system as an alternative to the automobile. Creating a safe environment for walking and bicycling as additional automobile alternatives, is a high priority as well.

Resource Management and Conservation

- Elmhurst is committed to water resource conservation. City building codes require water saving devices be installed in all new and rebuild construction. Elmhurst also restricts outdoor water use during summer months based on even/odd addresses. The daily water allocation limits the total daily use of Lake Michigan water and is reviewed regularly. Annual water audits also insure that there is limited water waste. Elmhurst has high-quality water which meets all of the limits of the Safe Drinking Water Act. Water is regularly tested, and water quality reports are regularly provided to the community.
- As a founding member of a local storm water management workgroup, Elmhurst leads the way towards basin wide solutions to storm water management that crosses municipal and county boundaries. This approach has been recognized by the United States Environmental Protection Agency as the most effective manner to solve storm water pollution problems.
- As part of the requirements of the National Pollution Discharge Elimination System (NPDES) Phase II rules, Elmhurst will monitor, inspect and certify construction activities within the City to eliminate the pollution of local surface waters due to construction run off of silt or of construction related materials. The City shall also implement into its construction designs best management practices (BMPs), which reduce the quantity of storm water run off with the use of pervious surfaces, bio-swales, and underground retention.
- While recognizing that use of manufactured substances is part of the modern world, Elmhurst is concerned about health and environmental impacts of toxic substances. The City is committed to using the lowest feasible amounts of toxic pesticides and fertilizers and will actively explore other methods in public plantings.

- Elmhurst has a long-standing commitment to waste reduction and recycling. Elmhurst works with its waste haulers to implement comprehensive recycling programs, striving to become a leader in waste reduction efforts. Current recycling efforts will continue to widen the scope of recycling opportunities in multi-family residences, public spaces, and the Union Pacific train station. The City participates in hazardous waste recycling sponsored by DuPage County and the State of Illinois. Elmhurst is also investigating advanced recycling strategies for batteries, paints, florescent light fixtures, etc. Information on recycling will be more widely and more frequently distributed to residents.

Quality of Life Initiatives

- Elmhurst participates in the National Arbor Day Foundation “Tree City” program. Replacing and expanding its urban forest is an annual budget priority. The Elmhurst Public Works Department maintains an extensive street tree inventory. Trees can improve air quality, provide shade, assist in ‘calming’ traffic, and reduce the ‘urban heat island’ effect. The City also encourages property owners to plant trees in their front yards to beautify Elmhurst. Elmhurst has also adopted a policy promoting the use of biodegradable materials in City planting projects.
- The Elmhurst Fire Department will retrofit its current fleet of fire apparatus with diesel oxidation catalysts. This technology will reduce emissions from fire apparatus to meet stringent clean air standards. Future apparatus purchases will include engines that will meet or exceed EPA emissions standards. In 2003 the Elmhurst Fire Department started installing Light Emitting Diodes (LED) emergency lights in all of its new vehicles and apparatus. These lights require less power which in turn reduces engine emissions.
- The City of Elmhurst Master Plan sustainability goals shall be considered as included in the *Quality of Life Initiatives* by reference.

Implementation Responsibilities

General policy directives are products of decisions made by the City Council with direction given to the City Manager by City Council, which sets limits, goals, and expectations. The City Manager delegates policy implementation to the department heads who achieve goals set by City Council action. To assist the department heads the City has established a 'Sustainability Committee' composed of staff from all of the City departments. The members of that committee are charged with reviewing current City practices and suggesting changes to achieve sustainability goals.

Purchasing policies must consider sustainable practices along with budget concerns and material quality when making purchases. These evaluation criteria are incorporated into the purchasing policies of each department and are considered as City departments develop annual budgets. The evaluation includes, but is not limited to, evaluation of new technologies, improved technologies, and alternative methods of achieving the budget goals. These evaluations shall not diminish the primary concern for public safety.

Implementing this policy involves all City departments. Individual department responsibilities will take the lead as the policy goals are implemented, but will require involvement from those departments with ancillary responsibilities. As an example new fire fighting equipment requires the co-operative design needs from Fire Department staff along with the maintenance requirements from Public Works. Likewise building code changes require the Building department working in co-operation with Planning, Zoning and Economic Development.

The Public Works central purchasing (central stores) is charged with investigating and modifying purchasing policies to adhere to the goals of this policy. Materials and product purchases shall be constantly monitored to meet the goals of the City policy.

Many aspects of this policy require close co-ordination with community services and community organizations. A department Director, appointed by the City Manager, will represent the City on appropriate community committees to provide City participation and advice.

With direction from the City Council the City Manager shall monitor the policy and establish annual achievement goals, including achieving target carbon emission reduction by 2012. Annual carbon inventories identify progress toward that goal. An annual report from the Department Directors to the City Council within the framework of the annual budget will identify the goals established for the coming fiscal year, and identify and quantify annual achievements of pre-set goals.

FY 2013 REPORT ON ACHIEVEMENTS TOWARDS SUSTAINABILITY

As required by the Sustainability Policy approved by City Council in February 2009, the City Manager would like to highlight the successes achieved by the City to meet the goals of the Sustainability Policy. The Policy is as follow:

The City of Elmhurst is dedicated to the enhancement and protection of the immediate and long term well-being of the City, its citizens and its natural environment. To that end, the City of Elmhurst will consider sustainable environmental practices as an integral component of its leadership role in community.

The City of Elmhurst will continue to face the challenge of maintaining the core water, wastewater, public safety and all other community services that have been commonly accepted as the City's responsibilities. At the same time the City will strive to protect and enhance Elmhurst's environmental quality, economy, and livability. The City is committed to incorporating proven new technologies that result in reducing energy demands; to use the most environmentally responsible products in its daily operations and to address critical local environmental issues when developing new City programs and initiatives which take on particular urgency in light of serious global environmental concerns. The City will seek to be an active partner with other civic organizations and public agencies within the City (Park Districts, School Districts, Library, and Historical Foundation) to achieve sustainable policies and goals.

With that policy set, here are the City's successes in implementing sustainable practices for the past year:

Police Department

- Six Police Department vehicles were purchased with E-85 Flex Fuel. This is a continued effort to reduce dependence on carbon dioxide producing fossil fuels and meet the Fleet department's plan of converting the city fuel island to E-85.
- Members of the Elmhurst Police Department participated in the Elmhurst Bicycle Task Force promoting the use of bicycles throughout the community (bicycle friendly community)
- Officers of the Elmhurst Police Department utilized Bicycle Patrols.
- The Elmhurst Police Department recycled the spent lead from the firearms range.
- The Elmhurst Police Department participated in the Drug Enforcement Administration's (D.E.A.) prescription drug take back program.
- Recycled documents from our annual records destruction. "RockTenn" Company located in Aurora, IL, provided a free confidential document destruction process. The documents are pushed into a hydro-pulper, mixed with chemicals, and destroyed. The remaining paper fibers are then repurposed to manufacture 100% recycled paperboard.

Community Development

- The Building Department has implemented and enforces the International Energy Conservation Code, 2012 Edition as required by the State of Illinois. The IECC is designed to optimize the use of fossil fuels and non-depletable resources and establishes minimum standards for energy efficient buildings.

Fire Department

- One Fire Department Vehicle was replaced with a newer 2013, E-85 capable Flex Fuel vehicle which gets better gas mileage and produces less harmful emissions.

Information Technology

- Recycled 2537 lbs. of electronic equipment.
- Recycled 448 printer ink and toner cartridges.
- Recycled 60 Konica Minolta Copier Toners.
- Reduction of City Wide desktop printers from 140 to 85.

Public Works Department

- Planted 577 new trees.
- Collected and recycled 1,536 pounds of holiday lights from the Elmhurst Community (up from 514 pounds in FY 2012/13).
- Cosponsored, with Elmhurst College, an Electronic Recycling Event in April, 2013.
- Constructed a centrally located bicycle corral in the Addison St. parking lot.
- The total Biological component of the diesel fuel consumed in 2013 was 8,580 gallons in an effort to reduce Greenhouse Gas emissions and dependency on foreign oil.

Public Works-Engineering

- The new commercial development known as the Radu Orthodontic Center at 501 S. York Street provided some of their required best management practices onsite with the design of a naturalized infiltration area. This is cleaning the water runoff prior to exiting the site.
- An existing commercial property at 737 N. Oaklawn Avenue known as Wesco International completed a parking lot expansion. The parking lot expansion triggered best management practices and the company elected to modify their existing detention pond to provide the required best management practices which will significantly improve the quality of stormwater runoff leaving the property.
- The new residential townhome development known as the Elm Creek Townhomes has installed a naturalized detention basin. This basin will serve a dual purpose for detention and water quality. The basin is currently fully operational and the vegetation is fully established.
- Immaculate Conception completed their new football field at Plunkett Park along West Avenue. The football field's design incorporated required best management practices with the use of stone infiltration under the field. The infiltration design will promote groundwater recharge and will also clean the water runoff prior to leaving the site.

- The Kensington School at 425 Spring Road recently started construction of their new facility. As a requirement of the development they are required to provide best management practices. Their design incorporates a naturalized detention basin for the purpose of detention and water quality.
- Butterfield Road at Commonwealth Lane Intersection Improvements included the reconfiguration of the existing intersection to install a dual left turn lane for northbound Commonwealth to westbound Butterfield Road. In addition, an eastbound right turn lane was added. The improvements will reduce regional congestion therefore improving air quality by redistributing some area traffic away from other busy intersections.
- LED and UPS (uninterruptible power supply) improvements were made to traffic signals on Lake Street, North Avenue, Butterfield Road and at York and Crestview. These improvements will reduce energy consumption and will also reduce traffic congestion during power outages therefore improving air quality.
- Inlet baskets and erosion control measures are required as necessary on all public works construction projects to minimize dirt and debris from entering the storm sewer system.

Water-Wastewater Production and Treatment Division

- The City of Elmhurst completed installation of a new dual-fired gas generator at the Elmhurst Water Reclamation Facility (EWRF). The generator runs on both natural gas and methane gas which is produced as a byproduct of the treatment process. This generator allows the City to save on fuel purchases as the equipment consumes biogas produced at the treatment plant and generates electrical energy.
- Construction of the Anaerobic Digester No. 3 was completed this year. This project includes a natural gas/methane-fueled main boiler for heating, and a natural gas/methane fueled boiler for the new digester. These were funded through the low interest loan program at the Illinois Environmental Protection Agency.
- The Elmhurst Water Reclamation Facility (EWRF) manages an active rain barrel program for its citizens.
- The Production and Treatment division began a procedure to select paint for construction and maintenance projects which contained minimal amounts of volatile organic compounds (VOCs) commonly found in industrial paints.

Water-Wastewater Distribution and Collection Division

- The 2013 Saylor sanitary sewer force main replacement project was designed and constructed this year. The project includes replacing 2,650 feet of 10 inch pipe that has failed potentially causing unsafe sanitary conditions in the area of service.
- The City of Elmhurst completed the annual fire hydrant flushing program flushing 1,228 fire hydrants and the annual water leak survey in compliance with water conservation management best practices by repairing leaks identified.
- Staff continues to manage the Fats Oils and Grease (FOG) program in order to protect the sanitary system from overflows. This program includes inspecting all of the food service establishments (FSE) and automobile repair/fueling facilities in the City of Elmhurst. Another aspect of capacity, management, operation and

maintenance of the sanitary system is root control and to that end, staff will remove roots, flush and clean 75,000 feet of sanitary sewer line in 2013. In addition, staff will treat 5,000 feet of sanitary sewers with a root inhibitor to retard root growth. City staff continues to mail out educational brochures to Elmhurst businesses and residents regarding the impact of grease, fats and oils in the sanitary system.

- The City of Elmhurst is partnering with SCARCE and Green Grease Environmental to hold a cooking oil recycling event after Thanksgiving on Saturday November 30th. The goal is to encourage residents to dispose cooking oil in an environmentally-friendly way using a grease dumpster and not dispose of grease into the city's sewer collection system which causes sewer blockages and subsequent back-ups. This practice adds cost to treatment at the Elmhurst Water Reclamation Facility.