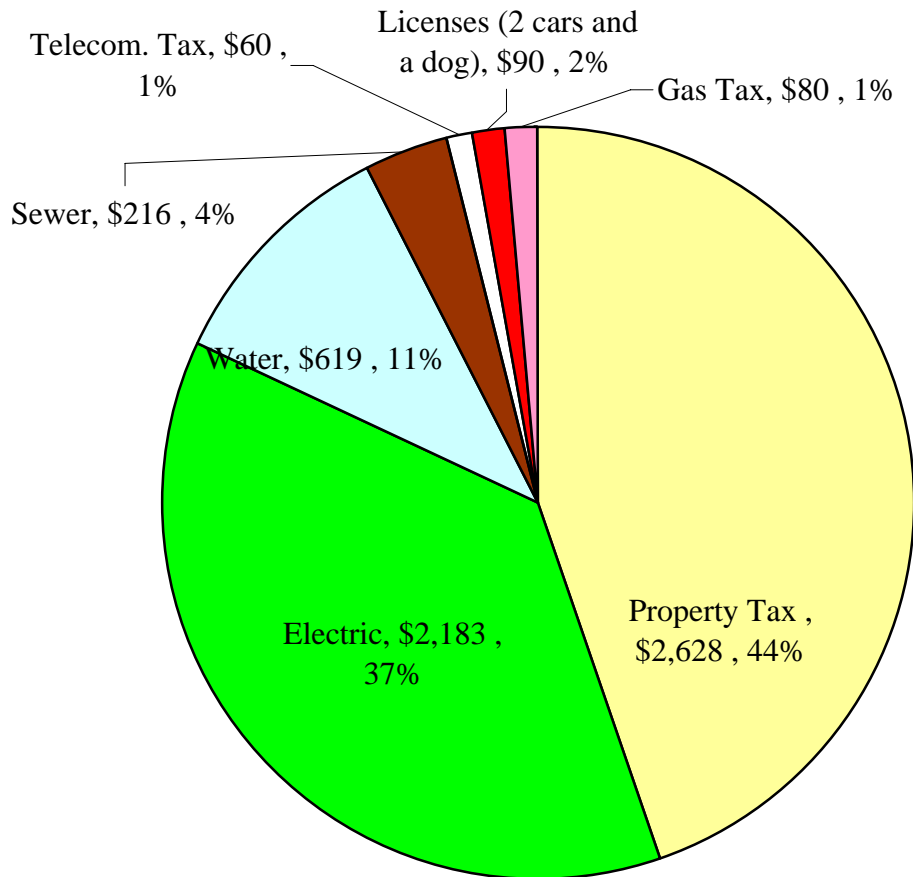


Village of Winnetka Budget

4/1/2009 - 3/31/2010

Total Annual Homeowner Expenses (\$5,876)



January 19, 2009

Village President
Members of the Board of Trustees, and
Village Manager

The fiscal 2010 operating and capital budget covering the time frame from April 1, 2009 to March 31, 2010 is hereby submitted for the Village of Winnetka. This cover memo is divided into four sections: 1) Current Environment, 2) Budget Impact on a Resident, 3) Explanation of Individual Fund Budgets, and 4) Closing Comments.

Current Environment:

The staff prepared the proposed budget trying to balance many competing interests in an uncertain economic time. Many of our taxpayers and utility customers work in the financial sector which has been particularly hard hit during the severe financial downturn experienced by our country in the last six months. The proposed budget reflects no increased customer charges in many areas while implementing moderate rate, fee, and property tax increases to fund operations. This increases pressure on the Village to control expenses.

Village revenues are for the most part holding relatively steady compared to last years receipts. However, because of the delay between when a transaction takes place and the revenue is ultimately received by the Village, a further reduction in revenues is possible. Lower interest rates will reduce investment income and the significant financial problems of the state makes those revenues unpredictable and subject to reallocation with the Village likely to receive a smaller share.

Each year the Village takes a careful look at the services provided and staffing levels and makes adjustments when possible. In 1989 the Village had 178 employees. The proposed budget provides essentially the same services with 162 employees. The Village's goal is to minimize the disruptive impact of staffing changes by gradually making adjustments (through the use of technology and better service delivery) to keep our organization lean and yet meet current and projected customer needs.

In the main operating fund expenses were limited in many areas to 2.0% or less, with a few notable exceptions where the Village's ability to control expenses are limited (pensions, health insurance, worker's compensation costs, and street salt prices).

An additional concern for all governments that provide defined benefit pension plans is the impact of the stock market decline in calendar 2008. It is likely that even with a moderate rebound in the equity markets, the Village will need to increase pension fund contributions by \$500,000 to \$700,000 in 2010 / 2011. The Village will continue to carefully monitor revenues and take appropriate steps to remain fiscally sound.

Budget Impact on a Resident:

Budget changes are detailed in the Explanation of Individual Fund Budgets section of this memo. There is not always a direct relationship between a budget increase or decrease and the cost to a typical residential customer. One reason for a difference is transfers between funds. Transfers can increase revenues and expenses, but are in many cases a net zero expense to the customer. Another reason budget increases or decreases may not match the cost borne by a customer has to do with capital expenses. When funds set aside for a capital project are spent, they do not increase customer costs.

An important metric the Village uses to evaluate the budget is how it impacts our customers. Staff estimates that the changes in the proposed budget will result in a typical residential customer paying 3.0% or \$173 more for municipal services next year, as calculated below:

Homeowner Impact Analysis Select Taxes and Fees			Change	
	2008/9	2009/10	\$'s	%
Village Property Taxes (\$19,760 total **)	\$ 2,542	\$ 2,628	\$ 86	3.4%
Electric	\$ 2,142	\$ 2,183	\$ 41	1.9%
Water	\$ 573	\$ 619	\$ 46	8.0%
Sewer	\$ 216	\$ 216	\$ -	0.0%
Telecommunications Tax	\$ 60	\$ 60	\$ -	0.0%
Natural Gas Tax *	\$ 80	\$ 80	\$ -	0.0%
Licenses (2 cars & 1 Dog)	\$ 90	\$ 90	\$ -	0.0%
Total Taxes and Fees	\$ 5,703	\$ 5,876	\$ 173	3.0%

* Assumes no change in natural gas heating bills.

** 2008/09 property tax restated for new development, see footnote for calculation.

Explanation of Individual Fund Budgets

This section of the report explains major factors for all significant funds. There are a few noteworthy items that are explained prior to the individual fund analysis to highlight some strategic issues facing the Village.

The Village's two largest utility funds are projected to make significant capital investments in the next few years. The Electric utility anticipates \$4.2 million of upgrades to the Northfield substation in 2012 including installation of a second transformer, switches, and distribution lines. Given the cash balance, a bond issue is foreseeable to finance those improvements and amortize the costs to the customers who benefit.

A study of the water plant was conducted in the summer and fall of 2008. Many portions of the plant were built in the 1930's and while operational, would benefit from significant upgrades and repairs on a scheduled basis. Because of the level of cash reserves, the Water Fund will likely borrow to finance these improvements which will avoid a spike in the water rates that would occur if a pay as you go approach were used.

The Village will also be engineering streetscape improvements, drainage improvements, and Village Hall renovation in 2009 / 2010.

Below is a summary of Revenue and Expenditure Changes (in thousands of dollars). I have backed out Police and Fire Pension Fund revenues and expenses as the Village acts as a custodian over these accounts and does not exercise control.

	FY 2008 Actual	FY 2009 Budget	FY 2009 Estimated	FY 2010 Budget	% Change	\$ Change
	A	B	C	D	D vs. B	D vs. B
<u>Revenues and Transfers</u>						
All Funds	\$ 55.53	\$ 53.14	\$ 47.17	\$ 58.77	10.6	\$ 5.63
Less:						
Streetscape Transfer	-	(0.58)	(0.10)	(3.64)		(3.06)
Police & Fire Pensions	(2.51)	(4.11)	2.15	(4.02)		0.09
Recurring R & T	\$ 53.02	\$ 48.45	\$ 49.22	\$ 51.11	5.5	\$ 2.66
<u>Recurring Exp. and Transfers</u>						
All Funds *	\$ 46.01	\$ 47.37	\$ 46.28	\$ 50.16	5.9	\$ 2.79
Less:						
Gen. Fund Streetscape		(0.58)	(0.10)	(0.83)		(0.25)
Police & Fire Pensions	(2.41)	(2.78)	(2.56)	(3.02)		(0.24)
Recurring E & T	\$ 43.60	\$ 44.01	\$ 43.62	\$ 46.31	5.2	\$ 2.30
Cash-Flow	\$ 9.42	\$ 4.44	\$ 5.60	\$ 4.80	8.1	\$ 0.36
Capital Investment **	\$ 5.69	\$ 9.90	\$ 5.64	\$ 13.68	38.2	\$ 3.78

* Excludes capital investment and excludes depreciation which is a non-cash expense.

** Includes streetscape transfer of \$2.82 million in 2010 from downtown redevelopment fund.

Fiscal 2010 revenues and transfers are projected to increase by \$5.63 million or 10.6%, largely because of transfers to the streetscape fund (\$3.06 million), increased electric fund revenues (\$1.41 million), increased property taxes (\$0.56 million) and other increases as outlined in the individual funds (\$0.60 million).

Fiscal 2010 cash operating expenses are projected to increase by \$2.79 million or 5.9%. Below is a summary of the larger revenue and cash expense changes (excludes capital and depreciation):

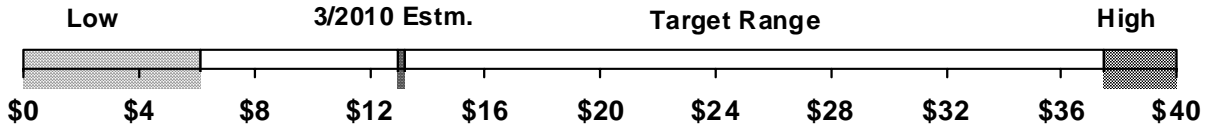
Revenues & Transfers	Increase	Cash Operating Exp. & Transfers	Increase
Streetscape Transfer	\$ 3,061	Wages and Benefits	\$ 939
Electric Op. Revenue	\$ 1,413	Streetscape Transfer	\$ 825
Property Tax	\$ 560	Electric Operations	\$ 662
Health Insurance	\$ 311	Health Insurance *	\$ 343
Worker's Compensation	\$ 135	Police / Fire Pensions	\$ 243
Fleet Services	\$ 107	Workers Comp. *	\$ 170
All Others (net)	\$ 43	All Others (net)	\$ (392)
	\$ 5,630		\$ 2,790

* Double counted because of accounting regulations, also in Wages & Benefits amount above.

The total cost of employee compensation for fiscal 2010 is projected at \$21.53 million, a \$0.94 million or 4.6% increase. Wage costs alone (without pensions, workers compensation, health costs) are projected to increase from \$14.15 million to \$14.46, a 2.2% or \$0.31 million increase.

General Fund (Fund # 10):

Cash Balance (in millions)



The General Fund is used to account for most traditional municipal services, including police, fire, public works, and administrative functions. The March 31, 2010 projected cash balance of \$13.1 million (excluding refundable deposits) is within the target range. Sufficient cash balances are needed to serve as a buffer for unexpected items (such as late property tax receipts), funding for significant non-routine capital expenses (fire truck, streetscape, etc.), and as an asset to net against unfunded pension liabilities.

A General Fund cash balance amount above \$11 million would reflect the accumulation of resources that could be used for capital projects or additional funding of the Village’s pensions.

Summary of Revenue and Expenditure Changes (in thousands of dollars):

General Fund fiscal 2010 revenues and transfers are projected to increase to \$22.02 million, up 3.5% or \$0.74 million from the 2009 budget. Fiscal 2010 operating expenses (excluding transfers) of \$19.08 million are up 4.1% or \$0.74 million from the 2009 budget. Noteworthy changes are indicated below:

Revenues & Transfers	Increase	Operating Expenses	Increase
Property Taxes	\$ 512	Wages (+ 2.6%)	\$ 246
Rent (Post Office)	\$ 151	Police & Fire Pensions	\$ 161
Admin. Charges & PILT	\$ 96	Health Insurance	\$ 138
Income Tax	\$ (120)	Snow Removal (+98%)	\$ 98
Sales Tax	\$ (150)	Worker's Compensation	\$ 54
All Others, net	\$ 251	All Others, net	\$ 43
	<u>\$ 740</u>		<u>\$ 740</u>

The expense budget contains a 2.0% adjustment to the pay scale and merit increases for newer workers. In the Police and Fire departments pension increases are responsible for expenses exceeding the 2.0% goal. Additionally, the Fire Department expenses include more money for negotiating a union contract with employees and sick leave payouts for those approaching retirement.

The Community Development Department decline is the result of eliminating a vacant planning position as was discussed during the current budget year. In the Public Works Department, snow and ice control costs increased 98% or \$98,000 due to higher salt prices. Without the salt price increase, the Public Works operating expenses would have been up 3.6%.

The following is a summary of operating expense increases by department.

General Fund Operating Expenses (in Thousands \$'s)	Actual FY 2008 A	Budget FY 2009 B	Estimated FY 2009 C	Budget FY 2010 D	Dollar Change D - B	% Change D v B
Administration	\$ 2,650	\$ 2,821	\$ 2,853	\$ 2,872	\$ 51	1.8%
Police	5,237	5,835	5,832	6,040	205	3.5%
Fire	3,906	4,263	4,221	4,549	286	6.7%
Comm. Development	1,442	1,589	1,611	1,555	-34	-2.1%
Public Works	3,345	3,831	3,923	4,067	236	6.2%
Total Operating Exp.	\$ 16,580	\$ 18,339	\$ 18,440	\$ 19,083	\$ 744	4.1%

Many of the services provided by the Community Development Department are fee based. The CD Department budget reflects direct operating costs, but does not capture indirect costs (like the Manager's office time). For 2010, staff estimates there will be a subsidy of \$345,000.

Community Develop. (in thousands \$'s)	Actual 2,007	Actual FY 2008	Estimated FY 2009	Budget FY 2010
Revenues	\$ 1,432	\$ 1,526	\$ 1,453	\$ 1,210
Expenses	\$ 1,366	\$ 1,442	\$ 1,611	\$ 1,555
Income (subsidy)	\$ 66	\$ 84	\$ (158)	\$ (345)

Transfers out

A \$750,000 operating subsidy of the Refuse Fund and an \$825,000 Streetscape transfer are budgeted.

Capital Outlay

Capital outlay totals \$3.29 million and consists of the following projects of \$250,000 or more: contingency (\$250,000), public safety bonds (\$333,000), fire ladder truck replacement (\$800,000), street reconstruction (\$950,000), and Cenotaph restoration (\$360,000). These five items account for 82% of the dollars budgeted for capital projects.

Motor Fuel Tax Fund (Fund # 20):

The existing cash balance plus future income will allow the Village to continue its practice of financing bridge repairs from this fund. The annual transfer to the General Fund for road maintenance costs was reduced from \$125,000 to \$95,000 and is being phased out over the next few years so there is sufficient cash to implement the motor fuel tax portion of the capital plan. Expenditures for 2010 consist of the following:

	Budget
Winnetka Ave. & G.B. Traffic Signal	\$ 450,000
Street Rehabilitation / Construction	\$ 200,000
Willow Rd. Preliminary Engineering	\$ 185,000
Transfer for Maintenance	\$ 95,000
Total Expenditures and Transfers	\$ 930,000

Debt Service Funds (Fund # 30):

The Village occasionally issues bonds to finance long-term assets. Below is a table indicating select information about the Village's outstanding debt. For fiscal 2010, sales tax revenues of \$332,900 will be transferred to abate property taxes levied for principal and interest on the 2003 Public Safety Building bonds.

Issuance Year, Purpose	Repaid by	Par Amount	Outstanding Balance 3/31/09	Final Maturity
2003, Refinance Public Safety Building	Sales Tax Revenue	\$3,190,000	\$1,825,000	10/1/2014
1999, Street Resurfacing	Property Tax Levy	\$1,380,000	\$675,000	12/1/2014

Capital Projects Funds (Downtown / P.O. Redevelopment Fund # 40, Public Facilities Fund #41, Streetscape Fund # 42):

Staff is proposing to close the Downtown / Post Office Redevelopment Fund effective 4/1/2009 and transfer approximately \$2.8 million to the Streetscape Fund. The redevelopment of the Post Office site is not imminent and maintaining a separate fund for that purpose is not necessary.

The Streetscape Fund has \$500,000 budgeted so engineering plans can be prepared to allow for construction in the summer of 2010. The Public Facilities Fund budget contains \$400,000 for urgent Village Hall repairs and \$300,000 for engineering to allow for rehabilitation in 2010 / 2011.

The Village may defer the above projects if the economy does not improve or priorities change.

Utility Funds (Electric Fund # 50, Water Fund #52, Sewer Fund #54):

The following revenue and expense summary indicates that operating revenues are approximately equal to operating expenses. The Sewer Fund contains expense contingencies that are spent only when needed. The dollar amounts shown below are in millions:

	Electric Fund				Water Fund				Sewer Fund			
	FY 2008 Actual	FY 2009 Estm.	FY 2010 Budget	% E to B	FY 2008 Actual	FY 2009 Estm.	FY 2010 Budget	%	FY 2008 Actual	FY 2009 Estm.	FY 2010 Budget	%
Operating Revenues	\$ 13.39	\$ 14.57	\$ 15.52	6.5%	\$ 2.96	\$ 2.92	\$ 3.20	9.6%	\$ 0.83	\$ 0.86	\$ 0.86	0.0%
Operating Expenses	\$ 12.87	\$ 13.76	\$ 15.07	9.5%	\$ 2.88	\$ 2.99	\$ 3.34	11.7%	\$ 0.82	\$ 1.05	\$ 1.11	5.7%
Op. Income (Loss)	\$ 0.52	\$ 0.81	\$ 0.45		\$ 0.08	\$ (0.07)	\$ (0.14)		\$ 0.01	\$ (0.19)	\$ (0.25)	
Unit Sales	133.6	124.0	130.6	5.3%	1.28	1.11	1.16	4.5%				
	Million kWHRs				Billion Gallons							

In terms of cash balances, the Electric and Water Funds are below their target range. Rate increases are anticipated to continue funding the planned capital improvements. The Village may issue bonds or utilize inter-fund loans to smooth out the construction costs over the useful life of the improvements.

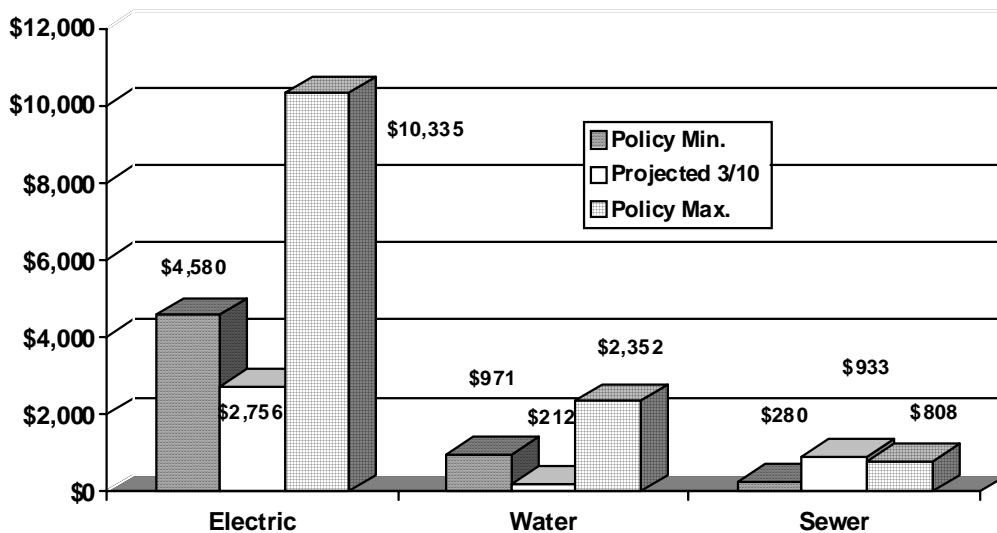
The projected March 31, 2010 Electric Fund cash balance of \$2.8 million is short of the minimum recommended balance of \$4.6 million. The staff will be preparing a long-range plan for the Electric Fund over the next year to evaluate how to finance projected capital improvements, especially those related to the Northfield Sub-Station.

The Water Fund cash balance will be augmented by a planned 4% inflationary water rate increase and a 4% increase for each of the next five years to pay for capital improvements constructed from borrowings. Because the Village is focusing on completing the water plant improvements before making other changes, several watermain projects in the capital plan last year have been deferred.

The Sewer Fund cash balance remains strong. The Village is deferring the planned 5% rate increase for 2010 by one year as there is adequate cash on hand.

Below is a graph comparing the projected March 31, 2010 cash balances to the minimum and maximum recommendations established by Village policy.

Utility Cash Balances Compared to Policy Range



Electric Fund (Fund # 50):

For fiscal 2010, staff projects that a typical residential electric customer will pay about 1.9% more. This increase is directly linked to the Village's higher cost of purchasing power for the community. This will cost a typical residential customer about \$3.42 more per month.

The Village continues to balance the need to recover its cost for wholesale power and operating needs with the desire to keep the electric rates low. Additionally, the Village wants to have sufficient resources available to maintain the electric system and generate cash for capital needs.

Water Fund (Fund # 52):

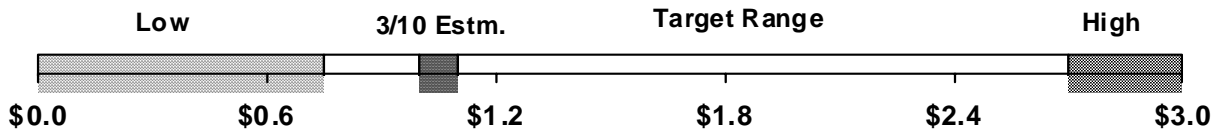
For 2010, a 4% water rate increase (\$3.83 per month) is proposed for inflationary needs and a 4% increase is proposed for capital needs for customers within the corporate limits. A 10% water rate increase is proposed for unincorporated customers. The Village of Northfield water rate is set by contract and includes a CPI adjustment factor.

Sewer Fund (Fund # 54):

The charge for sewer services was held constant at \$9.44 per 1,000 cubic feet in fiscal 2010.

Refuse Fund (Fund # 56):

Cash Balance (in millions)



The March 31, 2010 projected cash balance of \$1.11 million is within the target cash range. The fiscal 2010 operating subsidy from the General Fund is \$750,000. Staff is not proposing any significant changes to commercial refuse rates or the optional second weekly residential collection charge of \$25 per month.

Insurance Funds (Fund #'s 60 – Worker’s Compensation, 61 – Liability, and 62 Health Insurance):

The following is a summary of the Worker’s Compensation, Liability, and Health Insurance Funds. Amounts are in thousands of dollars.

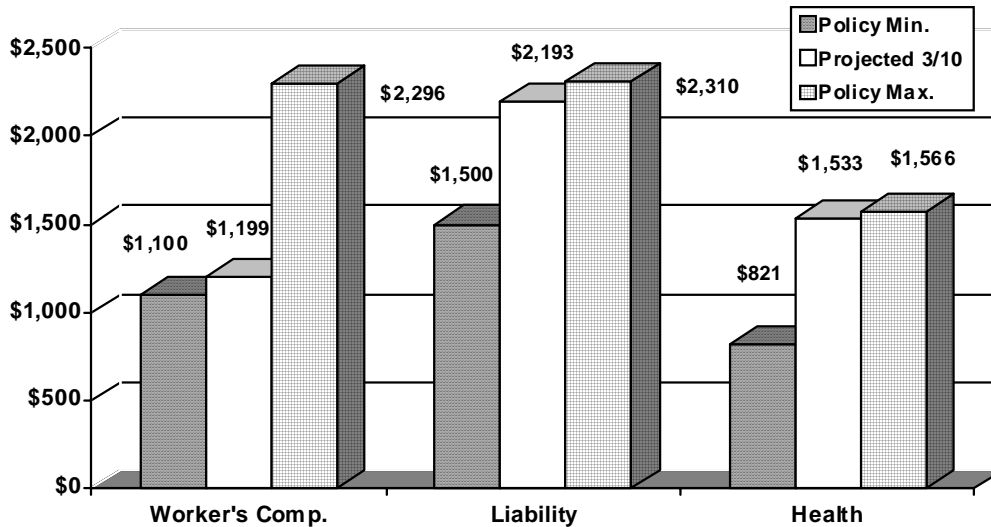
	Worker's Comp.				Liability Fund				Health Insurance			
	FY 2008 Actual	FY 2009 Estm.	FY 2010 Budget	%	FY 2008 Actual	FY 2009 Estm.	FY 2010 Budget	%	FY 2008 Actual	FY 2009 Estm.	FY 2010 Budget	%
All Inflows	\$ 421	\$ 431	\$ 578	34.1%	\$ 296	\$ 254	\$ 224	-11.8%	\$ 3,590	\$ 3,527	\$ 3,782	7.2%
All Outflows	\$ 444	\$ 719	\$ 646	-10.2%	\$ 441	\$ 265	\$ 310	17.0%	\$ 3,032	\$ 3,676	\$ 3,949	7.4%
Cash -Flow	\$ (23)	\$ (288)	\$ (68)		\$ (145)	\$ (11)	\$ (86)		\$ 558	\$ (149)	\$ (167)	

In terms of cash balances, all funds can meet operating needs. The Village annually reviews the cash reserve targets for these funds, taking into account recent loss history, the commercial insurance market, outstanding claims, reserves, and the Village’s home-rule status.

Staff is proposing a significant increase in the worker’s compensation charges to more accurately reflect the cost of the Village’s self insurance program, including paying for older claims with on-going costs.

The following graph compares projected March 31, 2010 cash balances to the policy targets.

Insurance Cash Balances Compared to Policy Range



The insurance funds revenues consist largely of user department charges and interest income.

Projected claim expenses are based on an analysis of claims and what is anticipated for the projected budget year. Expenses consist largely of claims, administrative costs, and stop loss insurance. The Village's self-insured retentions per claim as of 1/1/2009 are: \$50,000 for health, \$250,000 for property loss, \$550,000 for worker's compensation, and \$2,000,000 for general liability coverage. Additional commercial insurance is purchased for some lines of coverage when it is cost effective.

Data Processing (Fund # 63) and Fleet Services (Fund #64):

The Data Processing Fund finances the Village's computer network. Historically, DP expenditures have been under budget as there are some contingency funds available for software upgrades.

The Fleet Services Fund accounts for maintaining the Village's rolling stock and some equipment. The actual cost of buying equipment is borne by the user departments. A 15% increase in fleet service rates is reflected in most departments. The Fleet Services Fund should have raised rates more in previous years to keep up with fuel costs. A summary of these funds follows:

	Data Processing				Fleet Services			
	FY 2008 Actual	FY 2009 Estm.	FY 2010 Budget	%	FY 2008 Actual	FY 2009 Estm.	FY 2010 Budget	%
All Inflows	\$ 312	\$ 341	\$ 324	-5.0%	\$ 728	\$ 750	\$ 857	14.3%
All Outflows *	\$ 303	\$ 337	\$ 437	29.7%	\$ 776	\$ 816	\$ 861	5.5%
	\$ 9	\$ 4	\$ (113)		\$ (48)	\$ (66)	\$ (4)	

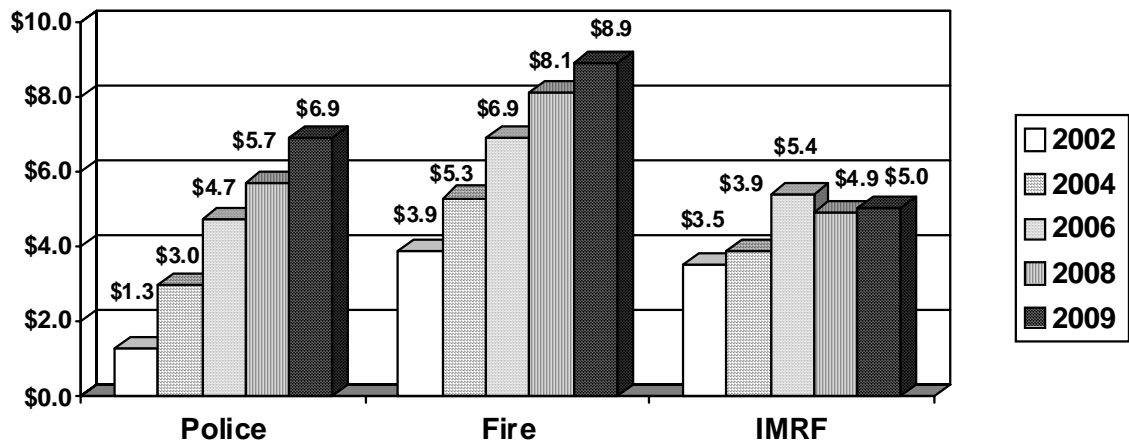
* Excludes capital and includes depreciation

Police Pension (80), Fire Pension (81), and IL Municipal Retirement Funds:

The pension funds accumulate large investment portfolios to offset the substantial pension liabilities that exist for the Village’s three defined benefit pension plans. The police and fire pension investments and benefits are administered by a local board that is established according to State law.

The IMRF pension plan is administered on a State wide basis according to State Law. The assets and liabilities related to the IMRF pension are reported in IMRF’s financial statements. Select information has been extracted from IMRF’s financial statements and is included here for comparative purposes.

Unfunded Pension Liability by Year (in millions)

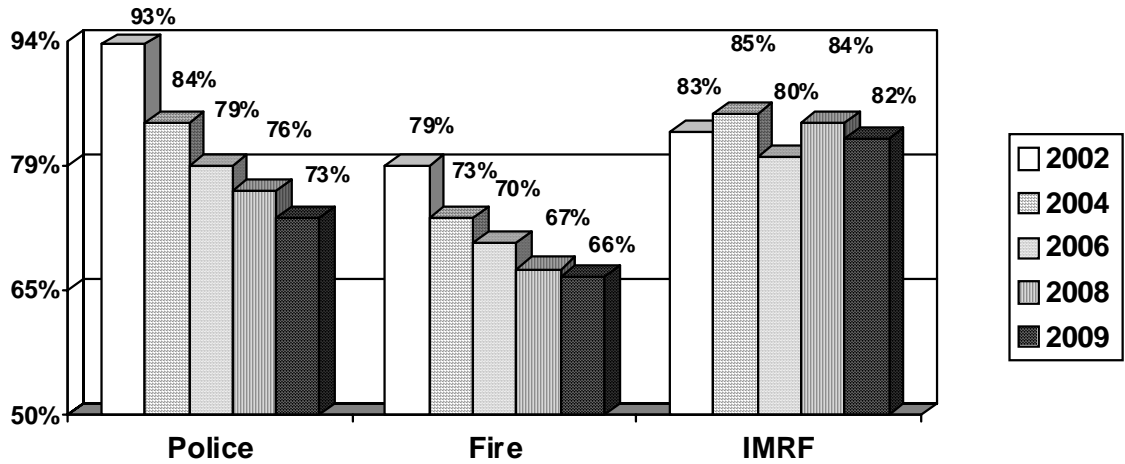


Over the last 7 years the public safety pension plans have seen a decline in funding status due to lower investment returns and benefit enhancements authorized by the State legislature. The police pension plan unfunded balance has increased from \$1.3 million in 2002 to \$6.9 million in 2009. Over the same time frame, the firefighter’s pension plan unfunded balance has increased from \$3.9 million to \$8.9 million.

Another way to evaluate pension funding status is to look at the percentage of assets accumulated to pay for the projected liabilities. This calculation divides the assets available by the projected liability to obtain a percentage funded amount. By this measure also, public safety pension funding has declined.

The IMRF pension plan has not had any significant recent benefit enhancements and has broader investment authority. Because of these factors, IMRF funding has remained more stable.

Percentage of Pension Liability Funded by Year



In fiscal 2011 (when the stock market decline of calendar 2008 is reflected in the actuarial projections), it is likely that the Village pension contributions will increase significantly.

Closing Comments:

The proposed budget continues the Village's long standing practice of investing heavily in capital improvements to repair and enhance the Village's aging infrastructure. Substantial improvements include facilities, roads, sidewalks, storm water management projects, upgrades to the electric system, and water plant improvements. The budget also includes resources to fairly compensate employees, including a 2.00% wage adjustment. The Village continues to evaluate options for improving operational efficiency and effectiveness in a way that is transparent to our residents and customers.

The proposed budget holds the line on many service fees and includes an inflationary 3.4% increase in property taxes. In total, a typical resident would pay \$5,876 for Village services in fiscal 2010, a \$173 or 3.0% increase from fiscal 2009.

The Village has a strong management team and support staff. I thank them for their assistance in producing a fiscally responsible budget during these difficult financial times.

Respectfully Submitted

Edward F. McKee, Jr.
Finance Director

Note:

Calculation of Typical Property Tax Bill Amount:

Village property taxes (in millions)	\$	12.53
% Residential tax base		<u>90%</u>
Residential property taxes paid to the Village (in millions)	\$	11.28
Divided by # of residences =		<u>4,291</u>
Average property taxes paid to the Village	\$	2,628
Divided by 13.3% Village share of tax bill =		
Total property taxes paid by average residential property owner	\$	19,760

	FY 2008 Actual	FY 2009 Budget	FY 2009 Estimated	FY 2010 Budget	% Budg
	A	B	C	D	D v. B

Cash Revenues and Transfers:

General Fund	\$ 22,181,586	\$ 21,279,970	\$ 21,772,720	\$ 22,020,276	3.5%
Motor Fuel Tax Fund	\$ 437,015	\$ 380,000	\$ 370,000	\$ 330,000	-13.2%
Debt Service Funds	\$ 472,310	\$ 480,400	\$ 485,400	\$ 478,900	-0.3%
Downtown Redev. / PO	\$ 2,679,534	\$ 75,000	\$ 75,000	\$ -	
Facilities Fund	\$ 1,646,922	\$ 69,000	\$ 75,000	\$ 46,000	-33.3%
Streetscape Fund	\$ -	\$ 580,000	\$ 100,000	\$ 3,701,000	
Electric	\$ 13,615,492	\$ 14,208,000	\$ 14,634,000	\$ 15,601,000	9.8%
Water	\$ 3,015,640	\$ 3,101,500	\$ 2,931,000	\$ 3,217,700	3.7%
Sewer	\$ 899,296	\$ 880,500	\$ 888,500	\$ 883,500	0.3%
Refuse	\$ 2,683,205	\$ 2,706,000	\$ 2,672,000	\$ 2,687,000	-0.7%
Workers' Comp. Insurance	\$ 421,354	\$ 443,496	\$ 431,496	\$ 578,488	30.4%
Liability Insurance	\$ 296,466	\$ 264,008	\$ 254,008	\$ 224,008	-15.2%
Health Insurance	\$ 3,590,149	\$ 3,471,000	\$ 3,526,500	\$ 3,782,000	9.0%
Data Processing	\$ 351,182	\$ 340,000	\$ 356,646	\$ 340,000	0.0%
Fleet Services	\$ 730,913	\$ 754,160	\$ 750,660	\$ 857,000	13.6%
Police Pension	\$ 1,222,408	\$ 2,076,000	\$ (1,089,000)	\$ 2,006,000	-3.4%
Fire Pension	\$ 1,290,100	\$ 2,032,000	\$ (1,064,000)	\$ 2,015,000	-0.8%
Total	\$ 55,533,574	\$ 53,141,034	\$ 47,169,930	\$ 58,767,872	10.6%

Cash Operating Expenses and Transfers:

General Fund	23,781,790	22,698,497	21,757,812	23,951,525	5.5%
Motor Fuel Tax Fund	\$ 952,860	\$ 825,000	\$ 438,000	\$ 930,000	12.7%
Debt Service Funds	\$ 465,041	\$ 501,055	\$ 501,055	\$ 498,495	-0.5%
Downtown Redev. / PO	\$ -	\$ 250,000	\$ -	\$ 2,816,000	
Facilities Fund	\$ 4,497	\$ 1,200,000	\$ -	\$ 700,000	-41.7%
Streetscape Fund	\$ -	\$ 580,000	\$ 80,000	\$ 500,000	
Electric	\$ 13,818,967	\$ 16,566,860	\$ 15,376,360	\$ 18,130,370	9.4%
Water	\$ 3,568,269	\$ 4,053,320	\$ 3,287,520	\$ 4,891,070	20.7%
Sewer	\$ 823,315	\$ 1,169,972	\$ 1,183,854	\$ 1,291,305	10.4%
Refuse	\$ 2,840,145	\$ 3,105,632	\$ 2,981,055	\$ 2,963,297	-4.6%
Workers' Comp. Insurance	\$ 443,985	\$ 475,500	\$ 718,500	\$ 645,500	35.8%
Liability Insurance	\$ 441,086	\$ 205,000	\$ 265,000	\$ 310,000	51.2%
Health Insurance	\$ 3,031,518	\$ 3,605,600	\$ 3,676,000	\$ 3,948,600	9.5%
Data Processing	\$ 337,017	\$ 421,060	\$ 337,317	\$ 437,100	3.8%
Fleet Services	\$ 776,429	\$ 779,244	\$ 816,016	\$ 861,481	10.6%
Police Pension	\$ 1,262,281	\$ 1,469,800	\$ 1,385,000	\$ 1,567,300	6.6%
Fire Pension	\$ 1,147,660	\$ 1,305,200	\$ 1,175,000	\$ 1,451,000	11.2%
Depreciation (all funds) x	\$ (1,992,697)	\$ (1,950,500)	\$ (2,052,900)	\$ (2,052,900)	5.2%
Capital > \$50k (all funds) y	\$ (5,687,956)	\$ (9,895,955)	\$ (5,641,455)	\$ (13,676,895)	38.2%
Total Cash Operating Exp. z	\$ 46,014,207	\$ 47,365,285	\$ 46,284,134	\$ 50,163,248	5.9%
Cash-flow Operations	\$ 9,519,367	\$ 5,775,749	\$ 885,796	\$ 8,604,624	49.0%
Capital Outlay	\$ 5,687,956	\$ 9,895,955	\$ 5,641,455	\$ 13,676,895	38.2%
Total Expenditures z - (x+y)	\$ 53,694,861	\$ 59,211,740	\$ 53,978,489	\$ 65,893,043	11.3%

	FY 2008 Actual	FY 2009 Budget	FY 2009 Estimated	FY 2010 Budget	% Budg
	A	B	C	D	D v. B
General Fund					
Operating Revenues:					
Property Taxes	\$ 10,011,267	\$ 10,559,700	\$ 10,560,000	\$ 11,071,770	4.8%
Sales and Use Tax	\$ 1,503,118	\$ 1,550,000	\$ 1,400,000	\$ 1,400,000	-9.7%
Income and Corp. Repl. Tax	\$ 1,299,142	\$ 1,163,000	\$ 1,247,000	\$ 1,193,000	2.6%
Telecommunications Tax	\$ 733,223	\$ 670,000	\$ 710,000	\$ 710,000	6.0%
Natural Gas Tax	\$ 619,871	\$ 550,000	\$ 600,000	\$ 550,000	0.0%
Licenses and Permits	\$ 1,815,270	\$ 1,435,000	\$ 1,735,000	\$ 1,492,000	4.0%
Charges for Services	\$ 824,120	\$ 902,324	\$ 907,000	\$ 966,359	7.1%
Franchise Fees & Rent	\$ 470,435	\$ 389,176	\$ 399,000	\$ 550,497	41.5%
Interest	\$ 653,289	\$ 400,000	\$ 470,000	\$ 280,000	-30.0%
Fines	\$ 209,495	\$ 185,000	\$ 214,000	\$ 215,000	16.2%
All Others	\$ 474,393	\$ 374,050	\$ 429,000	\$ 394,050	5.3%
Total Operating Revenue	\$ 18,613,623	\$ 18,178,250	\$ 18,671,000	\$ 18,822,676	3.5%
Operating Expenses:					
Administration	\$ 2,649,683	\$ 2,821,278	\$ 2,852,628	\$ 2,871,597	1.8%
Police	\$ 5,237,489	\$ 5,834,570	\$ 5,832,210	\$ 6,040,350	3.5%
Fire	\$ 3,905,957	\$ 4,262,893	\$ 4,221,284	\$ 4,548,634	6.7%
Com. Development	\$ 1,441,721	\$ 1,589,185	\$ 1,611,090	\$ 1,555,400	-2.1%
Public Works	\$ 3,344,998	\$ 3,831,171	\$ 3,923,200	\$ 4,066,644	6.1%
Total Operating Expenses	\$ 16,579,848	\$ 18,339,097	\$ 18,440,412	\$ 19,082,625	4.1%
Operating Cash for Capital	\$ 2,033,775	\$ (160,847)	\$ 230,588	\$ (259,949)	
Plus: Transfers In (Out)					
Operating Transfers In	\$ 3,567,963	\$ 3,101,720	\$ 3,101,720	\$ 3,197,600	3.1%
Operating Transfers (Out)	\$ (4,800,000)	\$ (1,380,000)	\$ (900,000)	\$ (1,575,000)	
Net Transfers Available	\$ (1,232,037)	\$ 1,721,720	\$ 2,201,720	\$ 1,622,600	
Cash for Capital > \$50k	\$ 801,738	\$ 1,560,873	\$ 2,432,308	\$ 1,362,651	
Capital Outlay	\$ 2,401,942	\$ 2,979,400	\$ 2,417,400	\$ 3,293,900	10.6%
Net Source (Use) of Cash	\$ (1,600,204)	\$ (1,418,527)	\$ 14,908	\$ (1,931,249)	
Special Revenue Funds					
Motor Fuel Tax Fund					
Revenues	\$ 437,015	\$ 380,000	\$ 370,000	\$ 330,000	-13.2%
Expenditures and Transfers	\$ 952,860	\$ 825,000	\$ 438,000	\$ 930,000	12.7%
Cash - Flow	\$ (515,845)	\$ (445,000)	\$ (68,000)	\$ (600,000)	

	FY 2008 Actual	FY 2009 Budget	FY 2009 Estimated	FY 2010 Budget	% Budg
	A	B	C	D	D v. B
<u>Debt Service Funds</u>					
Revenues and Transfers	\$ 472,310	\$ 480,400	\$ 485,400	\$ 478,900	-0.3%
Expenditures	\$ 465,041	\$ 501,055	\$ 501,055	\$ 498,495	-0.5%
Cash - Flow	\$ 7,269	\$ (20,655)	\$ (15,655)	\$ (19,595)	
<u>Capital Projects Funds</u>					
<u>Facilities Fund</u>					
Revenues and Transfers	\$ 1,646,922	\$ 69,000	\$ 75,000	\$ 46,000	
Expenditures	\$ 4,497	\$ 1,200,000	\$ -	\$ 700,000	
Cash - Flow	\$ 1,642,424	\$ (1,131,000)	\$ 75,000	\$ (654,000)	
<u>Downtown Redev. / PO</u>					
Revenues and Transfers	\$ 2,679,534	\$ 75,000	\$ 75,000	\$ -	
Expenditures & Transfers	\$ -	\$ 250,000	\$ -	\$ 2,816,000	
Cash - Flow	\$ 2,679,534	\$ (175,000)	\$ 75,000	\$ (2,816,000)	
<u>Streetscape Fund</u>					
Revenues and Transfers	\$ -	\$ 580,000	\$ 100,000	\$ 3,701,000	
Expenditures	\$ -	\$ 580,000	\$ 80,000	\$ 500,000	
Cash - Flow	\$ -	\$ -	\$ 20,000	\$ 3,201,000	
<u>Enterprise Funds</u>					
<u>Electric</u>					
Electric Operating Revenue	\$ 13,390,503	\$ 14,108,000	\$ 14,572,000	\$ 15,521,000	10.0%
Electric Operating Expenses	\$ 12,869,187	\$ 14,273,360	\$ 13,755,360	\$ 15,069,870	5.6%
Electric Operating Income	\$ 521,316	\$ (165,360)	\$ 816,640	\$ 451,130	
Non-op. income - interest	\$ 224,989	\$ 100,000	\$ 62,000	\$ 80,000	-20.0%
Capital Outlay	\$ (949,779)	\$ (2,293,500)	\$ (1,621,000)	\$ (3,060,500)	33.4%
Depreciation	\$ 1,367,043	\$ 1,265,000	\$ 1,400,000	\$ 1,400,000	10.7%
Cash - Flow	\$ 1,163,569	\$ (1,093,860)	\$ 657,640	\$ (1,129,370)	
<u>Water</u>					
Water Operating Revenue	\$ 2,963,694	\$ 3,077,500	\$ 2,918,500	\$ 3,203,700	4.1%
Water Operating Expenses	\$ 2,875,932	\$ 3,206,320	\$ 2,994,520	\$ 3,344,070	4.3%
Water Operating Income	\$ 87,762	\$ (128,820)	\$ (76,020)	\$ (140,370)	
Non-op. income - interest	\$ 51,946	\$ 24,000	\$ 12,500	\$ 14,000	-41.7%
Capital Outlay	\$ (692,337)	\$ (847,000)	\$ (293,000)	\$ (1,547,000)	82.6%
Depreciation	\$ 336,649	\$ 340,000	\$ 340,000	\$ 340,000	0.0%
Cash - Flow	\$ (215,980)	\$ (611,820)	\$ (16,520)	\$ (1,333,370)	

	FY 2008 Actual	FY 2009 Budget	FY 2009 Estimated	FY 2010 Budget	% Budg
	A	B	C	D	D v. B
Sewer					
Sewer Operating Revenue	\$ 826,343	\$ 828,500	\$ 863,500	\$ 863,500	4.2%
Sewer Operating Expenses	\$ 823,315	\$ 1,069,972	\$ 1,054,854	\$ 1,105,305	3.3%
Sewer Operating Income	\$ 3,028	\$ (241,472)	\$ (191,354)	\$ (241,805)	
Non-op. income - interest	\$ 72,953	\$ 52,000	\$ 25,000	\$ 20,000	-61.5%
Capital Outlay	\$ -	\$ (100,000)	\$ (129,000)	\$ (186,000)	86.0%
Depreciation	\$ 112,996	\$ 127,900	\$ 127,900	\$ 127,900	0.0%
Cash - Flow	\$ 188,976	\$ (161,572)	\$ (167,454)	\$ (279,905)	
Refuse					
Refuse Operating Revenue	\$ 2,621,310	\$ 2,662,000	\$ 2,645,000	\$ 2,667,000	0.2%
Refuse Operating Expenses	\$ 2,653,128	\$ 2,785,632	\$ 2,819,055	\$ 2,818,297	1.2%
Refuse Operating Income	\$ (31,818)	\$ (123,632)	\$ (174,055)	\$ (151,297)	
Non-op. income - interest	\$ 61,895	\$ 44,000	\$ 27,000	\$ 20,000	-54.5%
Capital Outlay	\$ (187,017)	\$ (320,000)	\$ (162,000)	\$ (145,000)	-54.7%
Depreciation	\$ 137,020	\$ 182,600	\$ 150,000	\$ 150,000	-17.9%
Cash - Flow	\$ (19,919)	\$ (217,032)	\$ (159,055)	\$ (126,297)	
Internal Service Funds					
Workers' Comp. Insurance					
Revenues	\$ 421,354	\$ 443,496	\$ 431,496	\$ 578,488	30.4%
Expenses	\$ 443,985	\$ 475,500	\$ 718,500	\$ 645,500	35.8%
Cash-Flow	\$ (22,631)	\$ (32,004)	\$ (287,004)	\$ (67,012)	
Liability Insurance					
Revenues	\$ 296,466	\$ 264,008	\$ 254,008	\$ 224,008	-15.2%
Expenses	\$ 441,086	\$ 205,000	\$ 265,000	\$ 310,000	51.2%
Cash-Flow	\$ (144,620)	\$ 59,008	\$ (10,992)	\$ (85,992)	
Health Insurance					
Revenues & Transfers	\$ 3,590,149	\$ 3,471,000	\$ 3,526,500	\$ 3,782,000	9.0%
Expenses	\$ 3,031,518	\$ 3,605,600	\$ 3,676,000	\$ 3,948,600	9.5%
Cash-Flow	\$ 558,631	\$ (134,600)	\$ (149,500)	\$ (166,600)	
Data Processing					
Operating Revenue	\$ 311,900	\$ 316,000	\$ 340,776	\$ 324,000	2.5%
Operating Expenses	\$ 302,535	\$ 421,060	\$ 337,317	\$ 437,100	3.8%
DP Operating Income	\$ 9,365	\$ (105,060)	\$ 3,459	\$ (113,100)	
Non-op. income - interest	\$ 39,282	\$ 24,000	\$ 15,870	\$ 16,000	-33.3%
Capital Outlay	\$ (34,482)	\$ -	\$ -	\$ -	
Depreciation	\$ 37,630	\$ 35,000	\$ 35,000	\$ 35,000	0.0%
Cash - Flow	\$ 51,795	\$ (46,060)	\$ 54,329	\$ (62,100)	

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	FY 2008 Actual	FY 2009 Budget	FY 2009 Estimated	FY 2010 Budget	% Budg
	A	B	C	D	D v. B

Fleet Services

Operating Revenue	\$ 728,311	\$ 750,160	\$ 750,160	\$ 857,000	14.2%
Operating Expenses	\$ 776,429	\$ 779,244	\$ 816,016	\$ 861,481	10.6%
Garage Operating Income	\$ (48,118)	\$ (29,084)	\$ (65,856)	\$ (4,481)	
Non-op. income - interest	\$ 2,602	\$ 4,000	\$ 500	\$ -	
Capital Outlay	\$ -	\$ -	\$ -	\$ -	
Transfer In - Establish Fund	\$ -	\$ -	\$ -	\$ -	
Depreciation	\$ 1,359	\$ -	\$ -	\$ -	
Cash - Flow	\$ (44,157)	\$ (25,084)	\$ (65,356)	\$ (4,481)	

Trust and Agency Funds**Police Pension**

Revenues	\$ 1,222,408	\$ 2,076,000	\$ (1,089,000)	\$ 2,006,000	-3.4%
Expenses	\$ 1,262,281	\$ 1,469,800	\$ 1,385,000	\$ 1,567,300	6.6%
Cash-Flow	\$ (39,872)	\$ 606,200	\$ (2,474,000)	\$ 438,700	

Fire Pension

Revenues	\$ 1,290,100	\$ 2,032,000	\$ (1,064,000)	\$ 2,015,000	-0.8%
Expenses	\$ 1,147,660	\$ 1,305,200	\$ 1,175,000	\$ 1,451,000	11.2%
Cash-Flow	\$ 142,440	\$ 726,800	\$ (2,239,000)	\$ 564,000	