

ENTERPRISE FUNDS

PROPOSED BUDGET

2016-2017



Burwood Drive Sanitary Sewer Repair

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ENTERPRISE FUNDS OVERVIEW

The City accounts for the Waterworks & Sewerage and Motor Vehicle Parking System in Enterprise Funds. These funds are used to report business-type functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The City of Waukegan services over 21 thousand metered water customers, and provides wholesale water service to Park City, Beach Park and Green Oaks. The system receives its water from Lake Michigan and treatment is conducted at a City-owned facility. The City maintains over 330 miles of water main, 350 miles of sanitary mains, and 375 miles storm water sewers. While the City is responsible for transmission, sewage treatment is handed by North Shore Sanitary District.

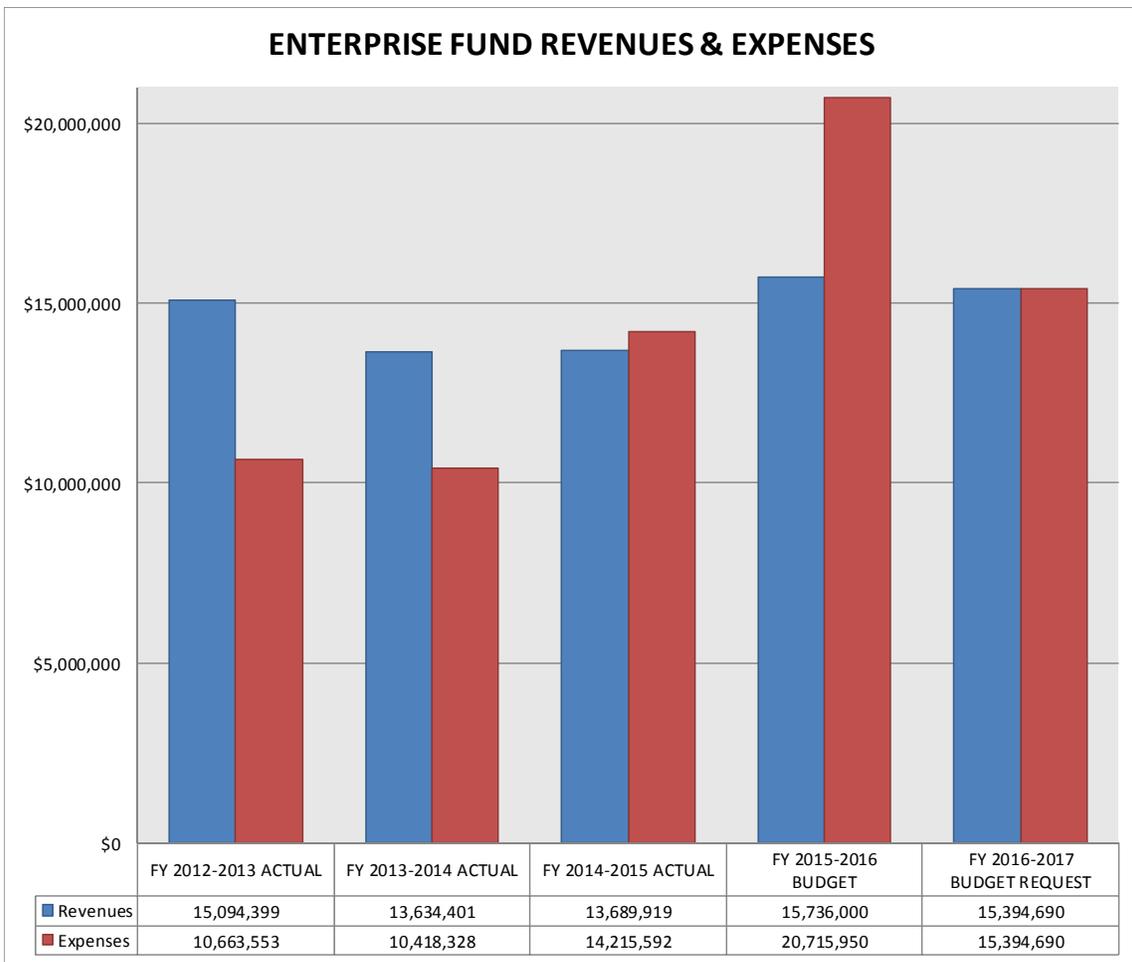
The City owns and operates one parking garage at 225 N. Country Street, which is across from the Genesee Theatre and is a four level parking garage with 680 spaces. The City also operates and maintains eight surface parking lots for a combined 734 spaces. Five of the surface lots are owned by the City. The City also owns and operates 991 metered parking spaces. There are three additional lots that are not owned by the City but contribute revenue to the City's parking system. Two lots are owned by the State of Illinois and one 30 car lot is owned by the Union Pacific Railroad. The City pays \$1,200 monthly and 1/3 of the revenue for the Union Pacific lot with the remainder recorded in the City's parking system. All of the revenue from the two State of Illinois lots is recorded in the City's parking system.

SOURCES & USES OF FUNDS

The Waterworks & Sewerage Fund is supported by the revenues generated through water sales and related charges. The Motor Vehicle Parking Fund is supported by charges at the City's fee-based parking lots, garages and parking meters. The expenditures to maintain these systems include personnel, operating and maintenance costs, capital projects and debt service related to long-term bonds issued for specific capital projects.

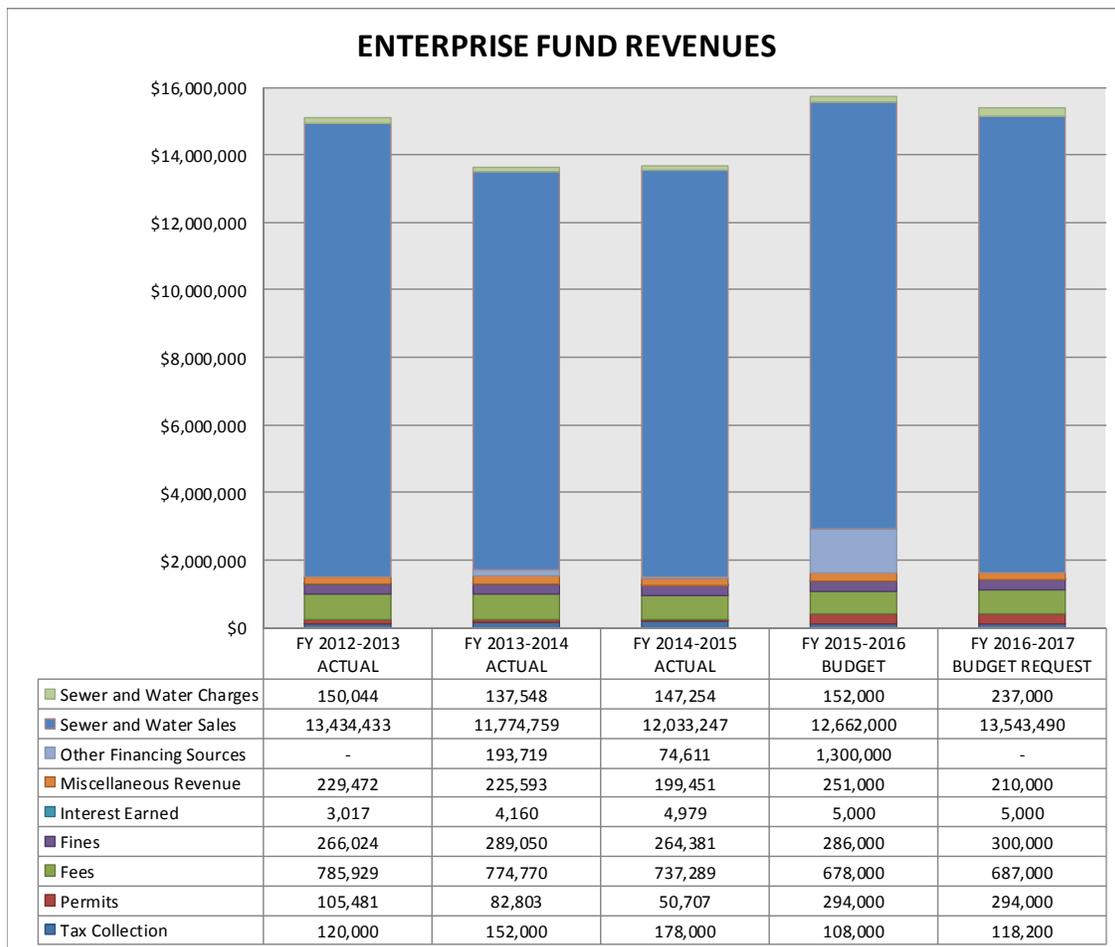
Revenues	\$15,394,690
Expenditures	-15,394,690
Surplus / (Deficit) before transfers	0
Transfers-In	0
Transfers-Out	0
Surplus / (Deficit) after transfers	0

The 2016-2017 fiscal year calls for a balanced operating budget in the Enterprise Funds. As shown in the following chart, in prior years surpluses resulting from Revenue Bond issuances were rolled forward to subsequent years to complete Water Plant improvements. In the upcoming year, water revenues generated from the systems will be sufficient to meet operational costs, debt service obligations, and complete capital improvements such as water main replacements. Additionally, in accordance with the 2004 bonds outstanding on the downtown parking garage, the Motor Vehicle Parking Fund receives Home Rule Sales Tax deposits sufficient to provide debt service coverage for the year. The result is a no deficit budget; however, absent those sales tax dollars, the Parking Fund would be operating at a \$118 thousand deficit.



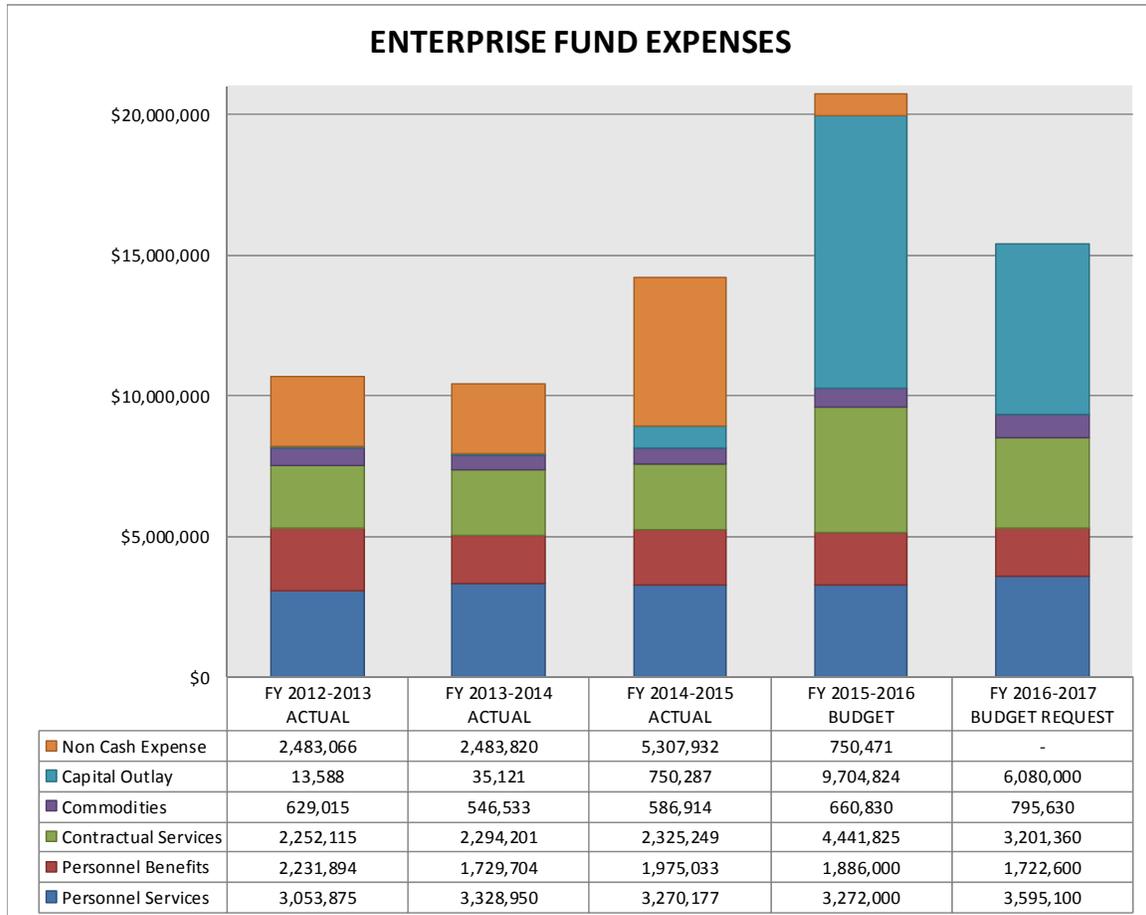
REVENUES

Enterprise Fund revenues are projected to reach \$15.39 million for the 2016-2017 fiscal year, a -2% decline compared to the 2015-2016 budget. Of the revenues accounted for in the Enterprise Funds, 90% are Sewer & Water sales and charges. Due to the automatic rate increase taking effect May 1st by City Code and an anticipated improvement in collections, the City expects Water & Sewer sales / charges to increase 7.5% over the prior year budget for a total of \$13.78 million. Fees, Fines and Permits are expected to increase in total 1.8% to \$1.28 million as late charges, new development and hook-up charges will be slightly higher than the prior year. Tax Revenues category is related to the Home Rule Sales Tax dedicated to the 2004 Motor Vehicle Parking Bond debt service coverage, and is budgeted for a total of \$118 thousand. In the prior fiscal year, Other Financing Sources included a one-time in-flow of \$1.3 million in the 2015-2016 budget to account for the sale of a parking garage to College of Lake County. There are no anticipated Other Financing Sources revenues for the upcoming year. Lastly, the remaining revenues are estimated at \$215 thousand collectively, mostly due to parking rental revenues.



EXPENDITURES

Total Enterprise Fund expenditures are expected to decrease -26% to \$15.39 million for the 2016-2017 fiscal year.



Personnel Services and Benefits are budgeted to increase 3% to a combined \$5.32 million due to an increase in headcount as well as escalating pension, workers compensation insurance and medical insurance costs. Contractual and Commodities are budgeted -21% lower than the previous year for a total of \$4 million. The main contributing factor leading to this reduction from the prior year is a \$1.18 million decrease in debt service on the Parking Bonds. The proceeds from the sale of a garage to College of Lake County received in 2015 were used to decrease the principal outstanding on the Parking Revenue Bonds. Capital projects are budgeted on a cash basis in the current year, and then reclassified as depreciation under Non-Cash Expense. In the 2016-2017 budget proposal, \$6.08 million in capital projects are planned which include the following:

CAPITAL PROJECTS

Automated Meter Reading Phase 2	\$3,250,000
SCADA & Utility Billing System	600,000
Water Main (Various, As Needed)	500,000
Storm Sewer Improvement (Brookside at Butrick)	500,000
Water Main Leith Ave. (Grand to Ridgeland)	300,000
Water Main Grand Ave. (2500 Block)	200,000
Sewer Repairs for Road Program	150,000
Booster Station Altitude Values	120,000
Raw water pump repairs	100,000
High Lift Pump Repairs	100,000
Valve Insertion (Belvidere & Lewis)	85,000
Vactor Debris Tank	75,000
Safety gates for Water Plant elevator	50,000
Lift Station - Day Break Generator	50,000
Total	\$ 6,080,000

HEADCOUNT

For the 2016-2017 fiscal year, the headcount is proposed to increase by 5 positions from the prior fiscal year budget. Overall, Enterprise Fund headcount is 59.5 full time equivalent (FTE) positions, with 12.5 FTEs in Central Services and 47 FTEs in Public Works.

Enterprise Funds ~ Central Service	2013	2014	2015	2016 Budget	2017 Request	Change
Admin Asst - W/S	-	1.0	1.0	-	-	-
Clerical Tech - W/S	2.5	3.0	3.0	5.5	6.5	1.0
Clerical Tech - Motor Veh	-	-	-	-	1.0	1.0
Deputy Clerk - Motor Veh.	-	-	-	1.0	1.0	-
Maintenance Worker - Motor Veh.	1.0	1.0	1.0	1.0	1.0	-
Office Supervisor - W/S	1.0	1.0	1.0	2.0	2.0	-
Parking Supervisor - Motor Veh.	1.0	1.0	1.0	-	-	-
City Collector - W/S	-	-	1.0	1.0	1.0	-
Senior Accountant - W/S	1.0	1.0	-	-	-	-
Systems Administrator - W/S	-	-	1.0	-	-	-
	6.5	8.0	9.0	10.5	12.5	2.0

An existing Clerical Technician position is being reallocated from the General Fund Finance Department to the Water Fund Collections Department to meet the needs for additional personnel in a cash collection position for water accounts and vehicle sticker sales. A new Clerical Technician position is being added to the Parking Fund to assist the Clerk's Office in parking pass sales, as well as offer other clerical support duties to the Office.

Enterprise Funds ~ Public Works						
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Budget</u>	<u>2017</u> <u>Request</u>	<u>Change</u>
Admin Asst - WS	1.0	1.0	1.0	1.0	1.0	-
Backflow Coordinator - WS	1.0	1.0	1.0	1.0	1.0	-
Laboratory Supervisor - WS	1.0	1.0	1.0	1.0	1.0	-
Laborer - WS	4.0	7.0	7.0	9.0	10.0	1.0
Maintenance Worker - WS	32.0	29.0	29.0	27.0	23.0	(4.0)
Mechanic / Welder	-	-	-	-	1.0	1.0
Public Works Supervisor - WS	4.0	4.0	4.0	4.0	4.0	-
Water Operator	-	-	-	-	5.0	5.0
Water Plant Superintendent	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>-</u>
	44.0	44.0	44.0	44.0	47.0	3.0

Due to an update in the City's collective bargaining agreement with Midwest Operating Engineers Local 150, positions were reclassified to new titles of Mechanic / Welder and Water Operator to better reflect the specific duties of those staff members. In addition, 3 additional Laborer positions are being added to the budget and will be dedicated to either Water Main or Water Plant functions.

LINE ITEM DETAIL

FND 555 SEWER & WATER FUND

REVENUES

Sub 3200	Permits	
555 32050	Permits - Sanitary Connection	-17,000
555 32055	Permits - Water Connection	-250,000
555 32060	Permits - Water Meter	-5,000
555 32065	Permits - Water Copperhorn	-2,000
555 32067	Permits - Water Shed Devlpmnt.	-20,000

Sub 3200	Permits	-294,000
Sub 3400	Fees	
555 34038	Fees - Parkway Openings	-4,000
555 34052	Fees - Storm Sewer Connection	-2,000

Sub 3400	Fees	-6,000
Sub 3500	Fines	
555 57000	Charges-Late Payment/Penalties	-300,000

Sub 3500	Fines	-300,000
Sub 4600	Interest Earned	
555 46100	Interest Earned	-5,000

Sub 4600	Interest Earned	-5,000
Sub 4800	Miscellaneous Revenue	
555 48901	ENERNOC-energy program water	-50,000

Sub 4800	Miscellaneous Revenue	-50,000
Sub 5200	Sewer and Water Sales	
555 52040	Sales - Metered Water	-194,000
555 52045	Sales - Met. Water-Out of City	-1,739,000
555 52050	Sales - Metered Water & Sewer	-11,313,490
555 52060	Sales - Service Billings	-272,000
555 52070	Sales - Sewer Only	-9,000
555 52080	Sales - 72 Hr. Water Turn On	-5,000
555 52100	Sales - Hydrant Usage	-8,000
555 52110	NSF Check Fees	-3,000

Sub 5200	Sewer and Water Sales	-13,543,490
Sub 5500	Sewer and Water Charges	
555 55500	Water Shut-Off Charges	-198,000
555 55610	Water Sample Analysis Fee	-39,000

Sub 5500	Sewer and Water Charges	-237,000
	TOTAL REVENUES	-14,435,490

EXPENSES

Sub 2100	Personnel Services	
555 913021211	Maintenance Worker II	165,000
555 913021212	Maintenance Worker III	63,000
555 913021399	Earned Sick Leave Pay Outs	5,000
555 913021400	Overtime	20,000
555 913021401	Double-Time	10,000
555 913021404	On-Call Pay	8,500
555 913021749	Public Works Supervisor II	132,000
555 913021796	Administrative Assistant	52,000
555 915521200	Laborer	480,000
555 915521211	Maintenance Worker II	1,162,000
555 915521213	Back Flow Coordinator	70,000
555 915521220	Water Operator	285,000
555 915521399	Earned Sick Leave Pay Outs	2,500
555 915521400	Overtime	80,000
555 915521401	Double-Time	65,000
555 915521403	Female Search/Double Back Pay	100
555 915521404	On-Call Pay	22,000
555 915521724	Laboratory Supervisor	66,000
555 915521749	Public Works Supervisor II	157,000
555 915521760	Water Plant Superintendent	115,000
555 915921110	Clerical Technician I	266,000
555 915921399	Earned Sick Leave Pay Outs	500
555 915921400	Overtime	500
555 915921721	Office Supervisor	107,000
555 915921754	City Collector	103,000

Sub 2100	Personnel Services	3,437,100
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Sub 2200	Personnel Benefits	
555 913022456	Hospitalization	105,000
555 913022457	Workmen's Compensation	14,000
555 913022458	Liability Insurance	1,000

555 913022461	Employer Portion-OASDI (FICA)	24,200
555 913022462	Employer Portion-Medicare Ex	6,600
555 913022467	Life Insurance Premiums	1,100
555 913022610	Employer IMRF	57,200
555 915522456	Hospitalization	520,000
555 915522457	Workmen's Compensation	40,000
555 915522458	Liability Insurance	40,000
555 915522461	Employer Portion-OASDI (FICA)	155,000
555 915522462	Employer Portion-Medicare Ex	36,000
555 915522467	Life Insurance Premiums	8,000
555 915522610	Employer IMRF	350,000
555 915922456	Hospitalization	142,500
555 915922457	Workmen's Compensation	9,500
555 915922458	Liability Insurance	9,500
555 915922461	Employer Portion-OASDI (FICA)	30,000
555 915922462	Employer Portion-Medicare Ex	7,000
555 915922467	Life Insurance Premiums	3,000
555 915922610	Employer IMRF	72,000

Sub 2200	Personnel Benefits	----- 1,631,600
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Sub 2400	Contractual Services	
555 913024412	Equipment Maintenance	10,000
555 913024423	Telephone	8,000
555 913024426	Utilities	34,000
555 913024438	Other Professional Services	15,000
555 913024439	Laundry Services	8,500
555 913024491	Employee Physical/Med Treatment	250
555 915524412	Equipment Maintenance	5,500
555 915524423	Telephone	22,000
555 915524424	Real Estate Tax	10
555 915524432	Postage	1,400
555 915524437	Legal Services	1,000
555 915524438	Other Professional Services	5,000
555 915524439	Laundry Services	3,000
555 915524490	Risk Premiums	85,000
555 915524491	Employee Physical/Med Treatment	1,000
555 915724426	Utilities	650,000
555 915724439	Laundry Services	1,000
555 915924407	Bank Service Charges	22,000
555 915924412	Equipment Maintenance	132,500
555 915924423	Telephone	1,000
555 915924428	Rental/Lease Purchase	5,700
555 915924432	Postage	35,000
555 915924434	Printing	25,000

555 915924438	Other Professional Services	47,000
555 915924476	Municipal Audit Expenses	105,000
555 916024435	Engineering Services	50,000
555 916024438	Other Professional Services	50,000
555 916024505	Adelphi Landfill Leachate Disp	30,000
555 916124076	Lease Payments - Principal	390,000
555 916124404	Bond Interest Expense	281,000
555 916124405	Bond Service Fees	6,000
555 916324450	Services Provided by GF100	480,000

Sub 2400	Contractual Services	2,510,860
Sub 2500	Commodities	
555 913025466	Gasoline & Oil	50,000
555 913025468	Operating Supplies	40,000
555 913025474	Fleet Maint: Vehicle Supplies	10,000
555 915525464	Chemical Supplies	160,000
555 915525465	Office Supplies	1,000
555 915525466	Gasoline & Oil	20,000
555 915525468	Operating Supplies	350,000
555 915525478	Computer Supplies	8,000
555 915525480	Miscellaneous Expense	2,000
555 915525491	Concrete Patch	100,000
555 915525493	Hydrants Operating/Maintenance	30,000
555 915925465	Office Supplies	2,700
555 915925466	Gasoline & Oil	500
555 915925468	Operating Supplies	1,000
555 915925478	Computer Supplies	730

Sub 2500	Commodities	775,930
Sub 2600	Capital Outlay	
555 916026494	Equipment	75,000
555 916026495	Computer Hardware/Equipment	600,000

Sub 2600	Capital Outlay	675,000
Sub 2700	Capital Improvements	
555 916027018	Water Filtration Plant Improv.	150,000
555 916027043	Water Main Replacements	1,085,000
555 916027691	Lift Station Repairs	270,000
555 916027692	Sanitary/Storm Sewer Repair	650,000
555 916027693	Meter Reading Automation	3,250,000

Sub 2700	Capital Improvements	5,405,000

TOTAL EXPENSES

14,435,490

FND 595 MOTOR VEHICLE PARKING LOT FUND

REVENUES

Sub 3000	Tax Collection	
595 30080	Home Rule Retail OccServ. Tax	-118,200

Sub 3000	Tax Collection	-118,200
Sub 3400	Fees	
595 34024	Fees - Street Meter Parking	-214,000
595 34025	Fees - Parking Lot C	-73,000
595 34030	Fees - Parking Lot Mach/Meters	-186,000
595 34055	Fees - Monthly Prk Pass/Dwntwn	-150,000
595 34059	Fees - Special Events Parking	-58,000

Sub 3400	Fees	-681,000
Sub 4800	Miscellaneous Revenue	
595 46351	Rental Income - Genesee Garage	-79,000
595 46360	Rental Income - Downtown	-5,000
595 46370	Rental Income - Parking Lot A	-8,000
595 46390	Rental Income - Other	-28,000
595 48900	Miscellaneous Revenue	-40,000

Sub 4800	Miscellaneous Revenue	-160,000
	TOTAL REVENUES	-959,200

EXPENSES

Sub 2100	Personnel Services	
595 459521110	Clerical Technician	35,000
595 459521211	Maintenance Worker II	57,000
595 459521400	Overtime	1,000
595 459521401	Double-Time	1,000
595 459521732	Deputy City Clerk	64,000

Sub 2100	Personnel Services	158,000
Sub 2200	Personnel Benefits	
595 459522456	Hospitalization	45,000
595 459522457	Workmen's Compensation	

595 459522461	Employer Portion-OASDI (FICA)	10,000
595 459522462	Employer Portion-Medicare Ex	2,000
595 459522467	Life Insurance Premiums	1,000
595 459522473	Stipend	10,000
595 459522610	Employer IMRF	23,000

Sub 2200	Personnel Benefits	91,000
Sub 2400	Contractual Services	
595 459524075	Principal Retirement - Bonds	425,000
595 459524403	Interest Expense	116,000
595 459524405	Bond Service Fees	2,500
595 459524410	Building & Grounds Maintenance	12,000
595 459524412	Equipment Maintenance	15,000
595 459524423	Telephone	5,000
595 459524424	Real Estate Tax	1,000
595 459524426	Utilities	38,000
595 459524429	Conference & Travel	1,800
595 459524438	Other Professional Services	4,000
595 459524450	Services Provided by GF100	18,000
595 459524476	Municipal Audit Expenses	10,000
595 459524490	Risk Premiums	39,000
595 459524670	Art Studio Expenses	3,200

Sub 2400	Contractual Services	690,500
Sub 2500	Commodities	
595 459525466	Gasoline & Oil	1,700
595 459525468	Operating Supplies	18,000

Sub 2500	Commodities	19,700
	TOTAL EXPENSES	959,200