



May 24, 2016

City Council and Citizens of Waukegan:

I am pleased to present to the City Council and the citizens of Waukegan our Fiscal Year May 1, 2017 to April 30, 2018 (FY18) proposed budget. When I was sworn into office on the evening of May 1<sup>st</sup>, one of the first tasks before me as the City of Waukegan's newly elected Chief Executive Officer was to formulate and present the budget for a fiscal year that was already underway. Our city's budget is more than just a financial document it is also a statement about our priorities and the allocation of resources throughout our community. The formulation of a budget, especially one for a city our size, is a technical as well as complicated process. It is a responsibility that cannot be taken lightly because so much is at stake and that is why it is usually completed by the outgoing Mayor well before the transfer of office. Unfortunately, for FY18 this critical function was not completed. As we move Waukegan in a new direction, one of progress and unity, city staff and leadership have developed a status quo budget to fill the void left by the previous Mayor. We as your city government cannot accept what has been left undone, but instead must move forward with the delivery of goods and services in the most efficient and effective way possible with the resources that are available.

A focus of my inaugural year in office is to build a foundation of transparency with an emphasis on ethics and reform. The \$126.5 million operating budget being presented allows our city to continue providing necessary public services and begin a year of organizational assessment. Unfortunately, the property tax levy adopted under the prior administration shifted tax dollars away from operations and the delivery of public goods and services to pension obligations, leaving a \$3 million deficit in our General Fund that prohibits increasing services during this first year. In addition, the prior administration made no provisions for any new capital funding desperately needed for repairs to our city's streets, buildings and equipment. With frustration I have to report that we will be drastically limited in the improvements we can make during my first year in office.

In response to the constraints placed upon our city, I will work with experts to thoroughly assess the condition of our city's infrastructure from sidewalks and side streets, to water pumping stations and storm water detention ponds. We will leave no rock unturned during our due diligence as we identify the most economical approach to finance the improvements that will undoubtedly be recommended. Imperative to the quality of life of our residents, and the growth of our local economy both present and future, Waukegan must be a safe and inviting community. Our city must be known as a community that takes a sensible and rational approach ensuring our capital assets are effectively and efficiently maintained while concurrently identifying the most fiscally prudent methods to fund those investments. Our city will also accelerate the process to

update our Comprehensive Land Use Plan last adopted in 1987. It is incumbent upon us to make sure the marriage between existing and new development is a healthy and prosperous one. I respectfully ask for your patience during this year of assessment. We will use this time to prioritize our city's needs, an opportunity that should have been enthusiastically embraced by the immediate past Mayor. My year long consumption of hard data as well as council, staff and most important citizen communication will allow me to deliver a plan for moving Waukegan forward with my first full budget proposal for May 1, 2018.

I will stay the course with the city's Lakefront Active Implementation Plan funded by the Illinois Department of Natural Resources. Our administration will continue the second season of the Beach Rangers program to ensure the city's beach remains family friendly and environmentally sound. And rest assured that though the lake is one of our most valuable assets, and requires due attention, my vision does not only look east. We will be bringing back summer workers to be deployed citywide. These seasonal employees will be directed by our Public Works Department to paint curbs, remove trash, and beautify our community. Lastly, I will be out and about visiting with new and potential business owners with the objective of reestablishing Waukegan's brand as a roll up your sleeves town with ready and able folks anxious to work.

In closing, I would be remiss if I did not to express my appreciation to those who, without direction or support from the previous administration, worked tirelessly to create this financial and policy document for the fiscal year. I encourage you to read the entire document and attend either one or both of our public budget hearings. The first hearing is scheduled for Tuesday, May 30<sup>th</sup> at 6:00 p.m. held at City Hall Council Chambers, and the second is a community forum scheduled for Saturday, June 3<sup>rd</sup> at 9:00 am held at Belvidere Park Recreation Center. I urge you to ask questions, bring your suggestions and together let us rebuild Waukegan.

Respectfully submitted,

*Sam Cunningham*

Mayor, City of Waukegan