



March 23, 2018

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, 2018 to April 30, 2019 (FY19) proposed budget. As I complete my first year as Mayor, I look back with pride on what we've accomplished and am excited about what is ahead. Our city's budget is more than just a financial document; it also reflects the priorities for the upcoming fiscal year. The creation of a budget, especially one for a city our size, is a technical as well as complicated process. Much of the past year has been spent conducting assessments – of our operations, assets, goals and objectives. Working with experts, we have completed comprehensive assessments of our capital assets including roads, water system, and bridges. We also determined it was necessary to update our plan for land use. Lastly, we know that investment in technology is the best way to improve our delivery of city services to our residents, business owners, and visitors.

To that end, I am proposing an overall budget of \$165 million for FY19. This includes funds for day-to-day operations, capital improvements, and meeting long-term financial obligations. I encourage you to read through each section of this proposal, and attend our public hearing to understand how your tax dollars are allocated. A community budget forum is planned for Saturday April 7<sup>th</sup> at the Bonnie Brook Golf Course Clubhouse to begin at 9am, and a formal budget hearing will be held at Waukegan City Hall Council Chambers on Monday April 9<sup>th</sup> at 5pm.

The General Fund, which accounts for our day-to-day operations, is being held flat at \$74 million in spending. This will be the second year in a row that we've held the line at that amount, and I sincerely appreciate the City's leadership and staff for identifying how to best operate within our limited resources. There will be no increase in the budgeted headcount citywide, and funds will be committed to improving our technology. Using a combination of General Funds, Special Revenue Funds, and Enterprise Funds, a new citywide telephone system will be kicked off – improving and enhancing our customer service; network security will be tested and improved – ensuring we are protecting customer and employee information; our vehicle maintenance system will be updated – safeguarding that the most efficient and economical decisions are made to maintain our fleet; and, a robust asset management system will be implemented – allowing the city to optimize taxpayer dollars used to renew, repair, and rebuild our capital assets.

How can the City expect our homeowners and business owners to buy into beautification and reinvestment if we don't lead the charge ourselves? By improving our roads, alley, and facilities, we will improve our residential and commercial neighborhoods. We will be rolling out Capital Improvement Fund spending of \$16 million for FY19, funded conservatively with long-term, low-interest rate bonds. Streets will be repaved, sidewalks repaired, and alleys improved. More than \$12 million in Water and Sewer Fund capital spending will occur to improve the City's Water and Sewer System – from updating the City's water plant, to replacing the aged pipes under the road. And by tapping into revenues from the federal and state transportation agencies, we will initiate a long-term bridge and culvert renewal program in our Special Revenue Funds. In early May, I will be presenting a 5-year Capital Improvement Plan that will identify how we will make capital reinvestments a priority, provide transparency in the funding mechanisms used, and guarantee we don't fall behind again in our long-term investments during my administration.

Lastly, after soliciting several proposals currently under review, our city will finally update our Comprehensive Land Use Plan last adopted in 1987. Appreciation of our industrial history, respect for our vibrant neighborhoods, and an eye toward the future must all be considered when actively seeking new development. I am confident that the new Land Use Plan will do just that.

Please ask questions, bring your suggestions and attend our budget forum or hearing. If you cannot attend either of those events, please email questions, comments, or concerns regarding this proposal to me at [Mayor.Cunningham@WaukeganIL.gov](mailto:Mayor.Cunningham@WaukeganIL.gov). I am looking forward to working with you to continue rebuilding Waukegan together!

Respectfully submitted,

*Sam Cunningham*

Mayor, City of Waukegan