

2018-2019

EXECUTIVE OVERVIEW



OPERATION CLEAN SWEEP 2017. WKGN PR DEPT PHOTO CREDIT

PROPOSED BUDGET

City of Waukegan

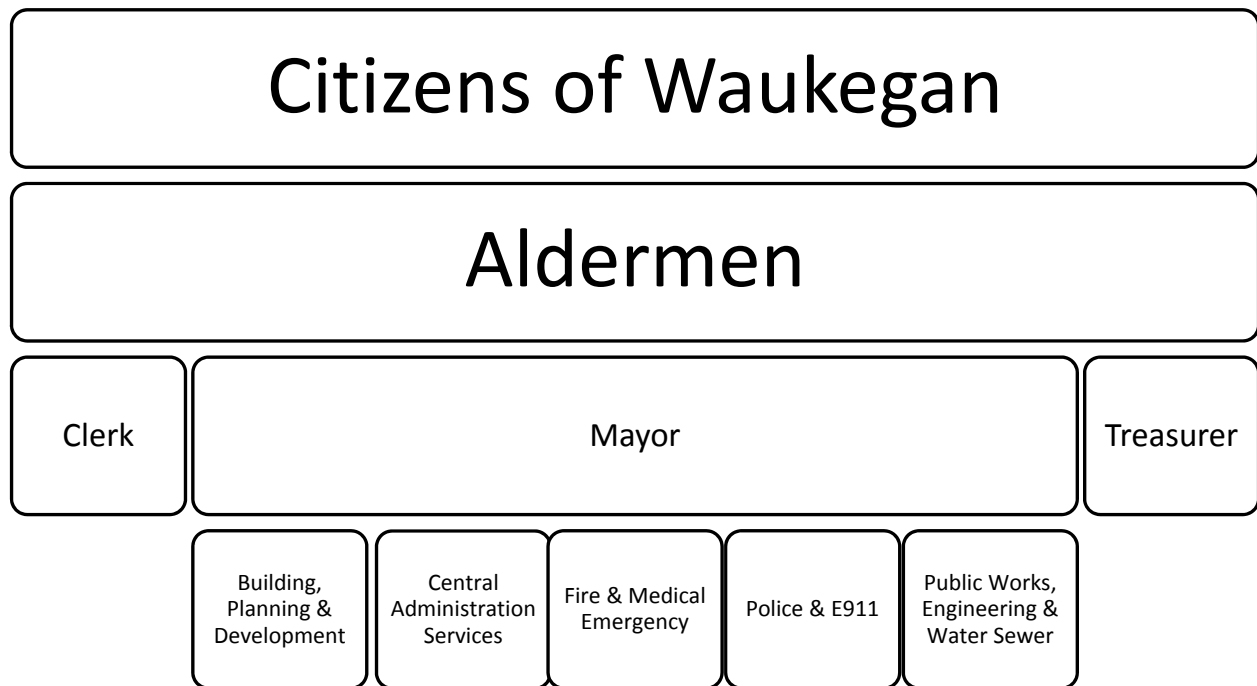
2018-2019

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INTRODUCTION

Waukegan is a full-service municipal government with a full-time elected Mayor and nine Aldermen elected to represent wards. The City Clerk and City Treasurer are also elected. The city provides police, fire, emergency dispatch, and public works services to its residents, as well as maintaining a water plant and providing other important municipal services such as code enforcement and economic development. City government is divided among five functional areas: Building, Planning & Development; Central Administrative Services; Fire & Medical Emergency; Police & Emergency Dispatch; and Public Works, Engineering, Water & Sewer.



Waukegan, first visited by Pere Marquette in 1673, is one of the oldest communities in Illinois. The city started as a French trading post and Potawatomi Indian settlement known as "Little Fort". Little Fort, which changed its name to Waukegan in 1859 (the Potawatomi word for "fort" or "trading post"), had a population of 2,500. At the time of incorporation, the town covered an area of 5.62 square miles. Today, the City of Waukegan has a population of over 90,000 and encompasses a total area approximately 25 square miles. The city is the ninth-largest city in Illinois by population, and is the fifth-largest city on the western shore of Lake Michigan after Chicago, Milwaukee, Green Bay and Kenosha.

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BUDGET PROCESS

This budget document is the result of the city’s financial and operational planning process. The budget serves as a guide for implementing those plans for the May 1st to April 30th fiscal year. By submitting this document to the public, Aldermen, and other city stakeholders in advance of public hearings it is the Administration’s goal to further the planning process by shaping the city’s goals and objectives in a time of strained resources. All budget requests are made with the city’s mission and core values in mind.

The budget was developed as a “bottom-up” process. The Finance Department projects revenues and fund balances available in the upcoming year to determine “bottom line” for resources. Assumptions including debt service payments, pension obligations, and personnel costs were prepared. Individual departments are responsible for assessing current conditions, programs, and needs. Meetings were held with department heads to discuss major operational changes, objectives and project requests. Every effort is made to combine requests across departments and accomplish their goals more efficiently. In conjunction with department heads the Mayor’s office cuts unjustified items from the budget.

FUND STRUCTURE

The city budgets based upon Governmental Accounting Standards Board (GASB) guidelines. The city uses fund accounting to demonstrate compliance with finance-related and legal requirements. All of the city’s funds may be divided into seven categories: General Fund, Special Revenue Funds, Enterprise Funds, Capital Funds, Debt Service Funds, Internal Service Funds, and Fiduciary Funds.

The General Fund accounts for the majority of the city’s day-to-day operations and is, therefore, a significant section of this budget document. Special Revenue Funds are used to account for programs funded from specific and legally restricted financing such as grants and tax increment financing. Enterprise Funds are used to report the business-type activities the city engages in and are services intended to pay for themselves. This includes the city’s water operations and parking garage. Internal Service Funds allow the city to pay insurance claims or premiums promptly and then charge-back to the appropriate fund on a monthly basis. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government.

All of the funds included in this budget proposal are appropriated by the City Council. Each fund type is presented in its own section of this document. The reader is encouraged to read

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each section in order to obtain a full understanding of the city's budgetary plan for the upcoming fiscal year.

ACCOUNT NUMBERS

The account numbers used by the City of Waukegan identify the fund from which the expenditures come, the department making the expenditure, and the type of expense.

Account numbers look like this: 100-301925469

- The first three digits indicate to which fund the expenditure is charged. In this example **100**-301925469, **100** indicates the General Fund.
- The next number indicates the Agency generating the expense. In this example 100-**3**01925469, **3** is the Fire Department.
- The following three digits indicate the division generating the expense. In this example 100-3**019**25469, **019** is Fire Suppression.
- The sub-account is then indicated by the subsequent two numbers. In this example 100-3019**25**469, **25** is Commodities.
- The last three digits delineate the object. In this example 100-301925**469**, **469** is Uniforms expense.

Detailed listings of account numbers and the proposed funding allocated to those line items are provided in each Fund section of the proposed budget. In addition, a prior to current budget comparison by line item is provided in the appendix.

FINANCIAL OVERVIEW

The revenues, expenditures, and net transfers between funds are shown below. More detailed information is provided in the various Funds section of this proposal, including descriptions of the funds and multi-year data. The budget for FY19 has total revenues of \$211.0 million, expenditures of \$165.1 million, resulting in a surplus of \$45.9 million.

Fund	Revenues	Expenditures	Net Surplus / (Deficit)	Transfers In	Transfers Out	Net Surplus / (Deficit) after Transfers
General	\$ 71,883,000	\$ (73,857,000)	\$ (1,974,000)	\$ -	\$ -	\$ (1,974,000)
Special Revenue	22,354,300	(21,434,000)	920,300	-	(954,000)	(33,700)
Capital	37,725,000	(15,968,000)	21,757,000	-	(325,000)	21,432,000
Debt Service	10,155,000	(11,310,000)	(1,155,000)	1,155,000	-	-
Enterprise	31,208,000	(22,327,500)	8,880,500	325,000	-	9,205,500
Internal Service	6,911,000	(6,624,000)	287,000	-	-	287,000
Fiduciary Funds	30,802,000	(13,609,000)	17,193,000	-	(201,000)	16,992,000
TOTAL	\$ 211,038,300	\$(165,129,500)	\$ 45,908,800	\$ 1,480,000	\$ (1,480,000)	\$ 45,908,800

The General Fund is the largest fund in the annual budget with revenues of \$71.9 million, expenditures of \$73.9 million, and a net deficit of \$2.0 million. Special Revenue Funds are budgeted to receive \$22.4 million in revenues, and expend \$21.4 million, after transfer out of \$954 thousand will realize a deficit of \$33.7 thousand. Capital Funds will have revenues have \$37.7 million in FY19, and planned expenditures of \$16.0 million, transfers out of \$325 thousand and a projected surplus of \$21.4 million. Debt Service Funds revenues are estimated at \$10.2 million, expenses of \$11.3 million, and transfers in of \$1.2 million resulting in a net zero result. Enterprise Funds revenues are budgeted at \$31.2 million, with planned expenditures of \$22.3 million. After a transfer in of \$325 thousand the Enterprise Funds surplus is estimated at \$9.2 million. Internal Service Funds revenues are projected to reach \$6.9 million with spending at \$6.6 million, with a planned surplus of \$287 thousand. Fiduciary Funds' revenues are budgeted for \$30.8 million, expenses at \$13.6 million, and a transfer out of \$201 thousand for an ending surplus of \$17.0 million.

DEPARTMENT DESCRIPTIONS

CENTRAL SERVICES

Central Services provides a direct link between Waukegan residents and the elected officials and administrative support departments.

The City Council is comprised of nine aldermen representing individual wards of the city. The work of the City Council is divided into seven committees: Judiciary, Finance, Public Safety, Public Works, Insurance, Labor Relations, and Economic Development. The Mayor serves as the Chief Executive Officer of the City of Waukegan; and the Mayor's Office is responsible for program and policy implementation. The City Clerk's Office completes the necessary arrangements to ensure an effective City Council meeting; and is the chief record keeper for the City. The City Treasurer's Office is responsible for the management of the city investment program; and administering and documenting the city's cash management program.

The Finance Department handles accounts payable and receivable; develops and maintains long-term financial planning; and coordinates property, workers' compensation, and general liability insurance coverage. Human Resources administers employee benefits and changes in employment status; maintains accurate and confidential records; ensures compliance with city policies, employment laws, and benefit laws; and oversees hiring. The Information Technology Department provides functional, reliable, secure information systems for the city's employees and residents; and works to ensure that the input, processing, output, storage, and control of the city's computerized systems provide users with timely and useful information. The Public Relations Department assists press inquiries; develops marketing; maintains social media; and coordinates special events and community outreach.

BUILDING, CDBG AND PLANNING

The Building Department is responsible for plan review and construction inspection for properties within the City of Waukegan; and handles code compliance including the BOCA Property Maintenance Code, Sign Ordinance, and Zoning Ordinance, etc. The Community Development Block Grant (CDBG) Department provides financial assistance to eligible property owners and organizations through federal dollars used to provide a suitable living environment and expanded economic opportunities, principally for low and moderate-income persons in the community. The Planning and Development Department reviews and provides recommendations on all land use matters, development plans and city ordinances.

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FIRE DEPARTMENT

The Waukegan Fire Department serves to safeguard the lives and property of the citizens of Waukegan as an all-encompassing life safety, response provider. The department seeks to provide an effective emergency medical services system; provides public education to all residents; and provides an effective Fire Prevention Bureau which completes fire and life safety inspections.

POLICE DEPARTMENT

The Waukegan Police Department's mission is to serve the community by preventing crime; equally enforcing laws; and by maintaining order.

The Waukegan Police Department is composed of a Patrol Division, Investigations Division, Traffic & Records Division, Neighborhood Policing Division, Communications Division, and the Police Chief's Office. These units respond to both emergency (911) calls and non-emergency calls for service; conduct crime investigations; plan and implement traffic safety; assist with quality of life issues within the community; and provide Emergency 911 dispatch for the police and fire departments.

PUBLIC WORKS, ENGINEERING, WATER & SEWER

Public Works maintains and repairs the city's infrastructure, facilities, vehicles, and forestry; and is responsible for snow and ice control operations. Engineering oversees large-scale infrastructure projects; maintains city maps; and ensures the city's construction, operation, and maintenance activities are meeting national engineering standards. The Water and Sewer Department is responsible for operating and maintaining the city's Lake Michigan water treatment and distribution system; the sanitary sewer collection and pumping systems; and storm water system.

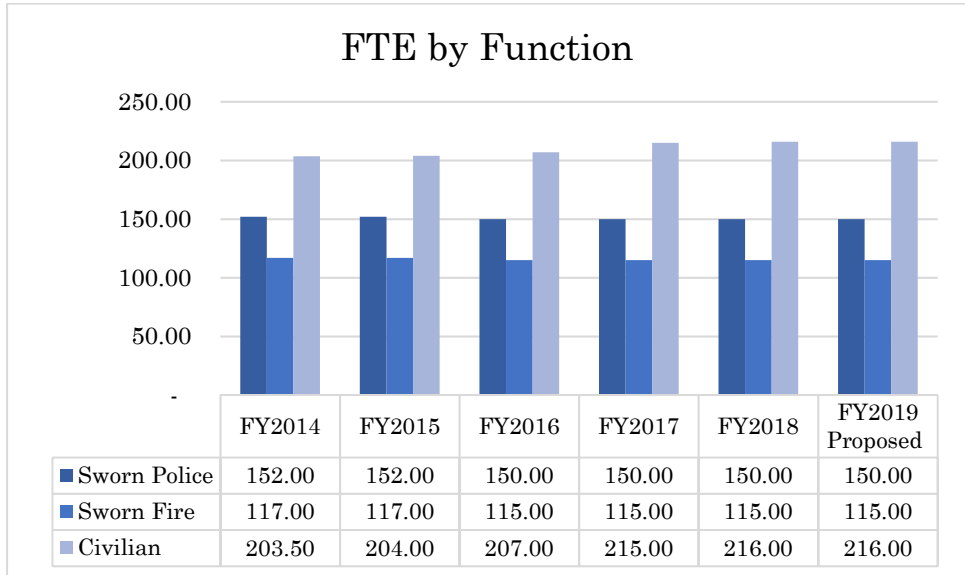
TOTAL CITY HEADCOUNT

For the upcoming fiscal year, a total headcount of 481.00 FTE positions are planned. This reflects no increase in headcount over the prior fiscal year.

Headcount Overview	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019 Proposed</u>	<u>Change</u>
Building, Planning & Development							
General Fund	16.50	16.50	16.50	18.00	20.00	20.00	-
Special Revenue Fund	5.00	4.00	4.00	4.00	3.00	3.00	-
	21.50	20.50	20.50	22.00	23.00	23.00	-
Central Services							
General Fund	34.50	33.00	34.50	37.00	38.50	37.50	(1.00)
Enterprise Fund	8.00	9.00	10.50	12.50	7.50	7.00	(0.50)
Internal Serv. Fund	-	-	-	-	-	1.00	1.00
	42.50	42.00	45.00	49.50	46.00	45.50	(0.50)
Fire Department							
General Fund	109.00	110.00	120.00	120.00	120.00	120.00	-
Special Revenue Fund	12.00	12.00	-	-	-	-	-
	121.00	122.00	120.00	120.00	120.00	120.00	-
Police Department							
General Fund	176.00	179.50	177.50	193.50	195.00	195.50	0.50
Special Revenue Fund	17.50	15.00	15.00	-	3.00	3.00	-
Enterprise Fund	-	-	-	-	2.00	2.00	-
	193.50	194.50	192.50	193.50	200.00	200.50	0.50
Public Works							
General Fund	35.00	35.00	35.00	33.00	49.00	48.00	(1.00)
Special Revenue Fund	15.00	15.00	15.00	15.00	-	-	-
Enterprise Fund	44.00	44.00	44.00	47.00	43.00	44.00	1.00
	94.00	94.00	94.00	95.00	92.00	92.00	-
Total	472.50	473.00	472.00	480.00	481.00	481.00	-

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Of the 481.00 FTEs, 91.50 or 19% are non-union, and the remaining 389.50 or 81% are covered by Collective Bargaining Agreements.



Sworn police and fire positions make up 55% of the city’s FTEs, with FY19 budgeted police at 150.0 FTE, fire at 115.0 FTE, and civilians at 216.00 FTE.