

SPECIAL REVENUE FUNDS

PROPOSED BUDGET

Fiscal Year

2019-2020

Special Revenue Funds

Contents

INTRODUCTION.....	3
DESCRIPTION OF THE FUNDS	3
<i>Fund 202 Home Rule Sales Tax Infrastructure</i>	<i>3</i>
<i>Fund 211 Waukegan Public Library.....</i>	<i>3</i>
<i>Fund 214 Foreign Fire Fund.....</i>	<i>3</i>
<i>Fund 215 Fire Service Training Fund.....</i>	<i>3</i>
<i>Fund 218 Refuse Collection Fund</i>	<i>3</i>
<i>Fund 228 Motor Fuel Tax.....</i>	<i>4</i>
<i>Fund 231 Public Safety Grants - Fire.....</i>	<i>4</i>
<i>Fund 232 911 Emergency System Fund</i>	<i>4</i>
<i>Fund 240 Public Safety Grants - Police.....</i>	<i>4</i>
<i>Fund 242 HOME Rehab Assistance</i>	<i>4</i>
<i>Fund 245 Community Development Block Grant (CDBG)</i>	<i>4</i>
<i>Fund 251 Planning & Development Grant.....</i>	<i>4</i>
<i>Funds 261, 262, and 263 North Lakefront TIF#7, Downtown TIF #8, and South Lakefront TIF #9.....</i>	<i>5</i>
<i>Fund 264 McGaw Park TIF #10.....</i>	<i>5</i>
<i>Funds 292, 295 and 296 DUI, Local Forfeiture, and Narcotics Forfeiture Funds.....</i>	<i>5</i>
OVERVIEW	5
DISCUSSION.....	5
SOURCES.....	6
USES.....	7
<i>Headcount.....</i>	<i>8</i>
LINE ITEM DETAIL	9
HR SALES TX INFRASTRUCTURE FUND 202	9
PUBLIC LIBRARY FUND 211.....	9
FOREIGN FIRE FUND 214	10
FIRE SERVICE TRAINING FUND 215	10
REFUSE COLLECTION FUND 218	10
MOTOR FUEL TAX FUND 228	11
PUBLIC SAFETY GRANTS - FIRE 231	11
911 EMERGENCY SYSTEM FUND 232	11
PUBLIC SAFETY GRANTS - POLICE FUND 240.....	12
HOME REHAB ASSISTANCE FUND 242	12
COMMUNITY DEV. BLOCK GRANT FUND 245	12
PLANNING & DEVELOPMENT GRANT FUND 251	13
NORTH LAKE FRONT TIF # 7 FUND 261.....	14
DOWNTOWN TIF #8 FUND 262	14

Special Revenue Funds

SOUTH LAKEFRONT TIF #9 FUND 263	14
MCGAW PARK TIF# 10 FUND 264	14
PRISONER REVIEW/DUI SB740 FUND 292	15
LOCAL FORFEITURE FUND 295	15
NARCOTICS FORFEITURE FUND 296	15

Special Revenue Funds

INTRODUCTION

Special Revenue Funds are used to account for definite expenditures that are linked to specific revenue streams such as grants or special taxes. The Governmental Accounting Standards Board (GASB) explains, “(A) special revenue fund may only be established around one or more revenue sources that are restricted or committed to purposes other than capital projects or debt service.” Revenues and fund balances generally must be used for the specific purpose as restricted by the statutes governing the particular tax, grant or function, and therefore may not be utilized for general governmental operations until such time as a fund is closed.

DESCRIPTION OF THE FUNDS

Fund 202 Home Rule Sales Tax Infrastructure

The Home Rule Sales Tax Fund is funded from a portion of Home Rule Sales Tax earmarked by the Waukegan City Code to be restricted for (a) the improvement of City roadways and related infrastructure, or (b) to pay for the debt service on bonds issued for the same purpose.

Fund 211 Waukegan Public Library

The Library is a separate government agency, however, it is considered a component unit for financial reporting purposes. Therefore, the Waukegan Public Library’s budget is incorporated into the City’s budget and appropriation as a Special Revenue Fund. More information regarding the Waukegan Public Library may be found on the Library’s website, www.waukeganpl.org.

Fund 214 Foreign Fire Fund

The State of Illinois allows for the collection of insurance taxes from companies outside of the State of Illinois that sell policies within the state. Those funds have restricted use, specifically to provide for the needs of the City’s fire department and are controlled by an independent board.

Fund 215 Fire Service Training Fund

The City of Waukegan established a fund to collect and restrict fees collected from other fire departments and districts for training provided by the City of Waukegan fire personnel.

Fund 218 Refuse Collection Fund

The City levies a property tax for the cost of residential garbage pick-up. The taxes collected are recorded to this fund, and pay for the outsourced garbage pick-up services.

Special Revenue Funds

Fund 228 Motor Fuel Tax

The Motor Fuel Tax is a per-gallon tax imposed by the State of Illinois with a formula-based distribution to local government. The funds are restricted by state law, and used primarily for the purchase of road salt, street light electrical charges, road patching, and bridge repairs.

Fund 231 Public Safety Grants - Fire

Waukegan Fire Department grants to obtain equipment such as ambulances or firefighting turnout gear are recorded to this fund.

Fund 232 911 Emergency System Fund

The Illinois Emergency Telephone System Act establishes the number “9-1-1” as the primary emergency telephone number for use in Illinois. The Act also allows surcharges to be collected from telephone companies with a portion being shared with local governments. The funds are restricted for expenditures that support the emergency system.

Fund 240 Public Safety Grants - Police

The City of Waukegan Police Department works with federal agencies on initiatives related to public safety. The fund allows for the expenses related to these programs to be tracked for proper reimbursement payments.

Fund 242 HOME Rehab Assistance

The City of Waukegan receives federal funding via Lake County for this program used to rehabilitate homes and other eligible uses within the City’s municipal boundaries, those pass-through dollars are recorded to this fund.

Fund 245 Community Development Block Grant (CDBG)

The Fund accounts for the federal grants from Housing and Urban Development (HUD) directly received by the City for the costs associated with assisting projects that benefit low and moderate income Waukegan residents, meet urgent needs, and affirmatively further fair housing, including owner-occupied housing rehabilitation, support of local not-for-profit agencies, and public facility improvements including sidewalks and accessibility measures conforming to the Americans with Disabilities Act.

Fund 251 Planning & Development Grant

This fund was created to more effectively track grants obtained for planning and economic development initiatives.

Special Revenue Funds

Funds 261, 262, and 263 North Lakefront TIF#7, Downtown TIF #8, and South Lakefront TIF #9

These contiguous TIF Districts along the City’s lakefront and downtown were established to capture incremental tax growth to be used for TIF eligible expenses.

Fund 264 McGaw Park TIF #10

This TIF District was established at the same time the property formerly owned by Cardinal Health was annexed on the city’s southwest border.

Funds 292, 295 and 296 DUI, Local Forfeiture, and Narcotics Forfeiture Funds

The City of Waukegan collects fines and forfeitures as a result of police activity. These funds are restricted by state and federal law to be used for specific public safety purposes.

OVERVIEW

The FY20 Internal Service Funds budget calls for \$21.8 million in revenue, expenses totaling \$19.9 million, transfers-in of \$182 thousand and transfers-out of \$3.1 million. The surplus before transfers is \$1.9 million, and the deficit after transfers is \$999 thousand.

Revenues	\$21,772,000
Expenses	-19,878,000
Surplus / Deficit before transfers	1,894,000
Transfers In	182,000
Transfers Out	-3,075,000
Surplus / Deficit after transfers	-999,000

DISCUSSION

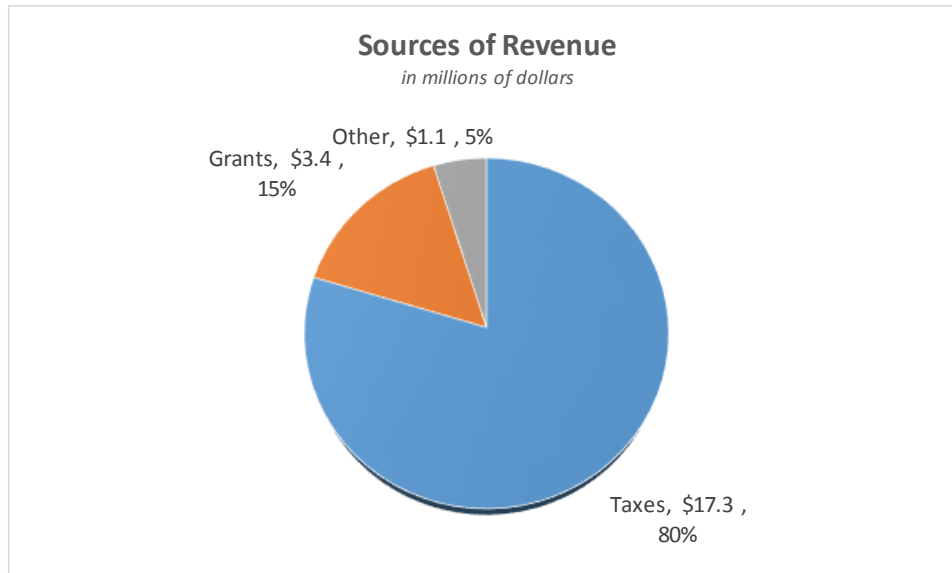
The revenues for FY20 reflect a \$582 thousand, or 3% decrease, and expenses decline 7%, or \$1.6 million, compared to the prior year budget. Over a 5-year period, including the FY20 proposal, revenues average \$20 million and expenses average \$18.9 million.

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Amended Budget	FY20 Proposed Budget
Revenues	19,436,354	18,386,249	17,896,858	22,354,300	21,772,000
Expenses	-23,124,552	-14,707,517	-15,310,031	-21,434,000	-19,878,000
Net Transfers	-464,606	-3,481,343	-921,142	-954,000	-2,893,000
Surplus/ Deficit	-4,152,804	197,389	1,665,685	-33,700	-999,000

Special Revenue Funds

SOURCES

The majority of Special Revenue Fund revenues are from taxes, \$17.3 million for FY20, then grants making up \$3.4 million, and the remaining 5% coming from other sources such as fines, fees, and investment income.



The tax revenues allocated to the Special Revenue Funds are restricted by state statute or local ordinance, and include the following:

Special Revenue Tax	
Foreign Fire Tax	150,000
Property Tax TIF	1,392,000
911 Surcharge Tax	1,500,000
Motor Fuel Tax	2,525,000
Home Rule Sales Tax	3,075,000
Property Tax - Library	4,200,000
Property Tax - Refuse Collection	4,500,000
Total	17,342,000

Foreign Fire Tax, \$150 thousand; 911 Surcharge Tax, \$1.5 million; and Motor Fuel Tax, \$2.5 million, are all restricted by State of Illinois law and must be accounted for separate from the City's other operations. Property taxes collected within Tax Increment

Special Revenue Funds

Financing (TIF) districts are estimated to be \$1.4 million in FY20 and must be accounted for within special funds designated only for purposes in compliance with statute. A portion of the City's home rule sales taxes are set aside per City of Waukegan Code of Ordinances to be used only for roadway improvements or the debt service repayment for bonds issued for roadway improvements. Finally the Property Taxes for the Waukegan Public Library, \$4.2 million; and residential refuse collection program, \$4.5 million, are accounted for in Special Revenue Funds, as they are designated for a restricted purpose via the City's annual property tax levy.

The City also seeks grant funding when available. Many of the City's grant programs require specific reporting and auditing, therefore they are accounted for in Special Revenue Funds. In FY20, the City has applied or plans to apply for \$3.4 million in grants including \$268 thousand for bridge improvements, \$324 thousand in firefighting equipment / vehicles, \$34 thousand for police related programs, \$1.7 million in HOME and CDBG funds, and \$1.1 million in Building Department or Planning Department program grants. Remaining funds include fines and fees, including forfeitures related to police activity, and investment income.

Transfers-in to the Special Revenue Funds are to cover local match requirements associated with Fire Department and Planning Department grants. Should these grants not be received, the funding will not be moved from the Rainy Day Fund.

USES

The expenses associated with Special Revenue Funds must adhere to grant guidelines, local ordinance restrictions, and/or state statutes.

The majority of expenses planned for FY20 fall into the contractual category totaling \$11.8 million. Of this amount, \$2.6 million is budgeted for payment to the residential garbage and recycling hauler; \$1.2 million in HOME / CDBG program; \$1.3 million for E-911 operations; \$1.1 million in Library contractual spending; \$785 thousand is associated with street lighting and engineering recorded to the MFT Fund; \$886 thousand in Planning Department grant programs including lakefront planning and brownfield improvements; \$686 thousand for a fire truck / equipment acquisition; \$250 thousand for the Building Department's IHDA property demolition grant; \$1.4 million in TIF redevelopment costs; and the remaining is set aside for restricted spending such as Foreign Fire Board purchases or Asset Forfeiture spending.

Additional expenditures include wages and benefits for the Library, CDBG, limited E-911 staff, and grant-reimbursable overtime for the Police and Fire Departments. There are

Special Revenue Funds

also capital projects planned using MFT funds in FY20 including Belvidere and Greenwood bridge engineering as well as improvements to culverts at Pershing Road, Sheridan Road and Jackson Street.

Transfers-out from the Home Rule Sales Tax Fund to the Debt Service Funds are to cover the principal and interest payments due on three bond issues related to roadway improvements.

HEADCOUNT

Police Department 911 Emergency Dispatch and CDBG employees are the only headcount included in the Special Revenue Funds, with no changes from the prior fiscal year budget. Public Works staff which used to be included in the MFT Fund were moved to the General Fund in FY18 due to cash-flow constraints with the MFT program. The Waukegan Public Library headcount is not included in this document as they are not employees of the City of Waukegan.

Special Revenue Funds Community Development Block Grant

	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>Proposed</u>	<u>Change</u>
Compliance Coordinator	1.00	1.00	1.00	1.00	1.00	-
Director of CDBG	1.00	1.00	1.00	1.00	1.00	-
Rehab Coordinator	<u>2.00</u>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	-
Total CDBG	4.00	4.00	3.00	3.00	3.00	-

Special Revenue Funds Public Works

	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>Proposed</u>	<u>Change</u>
Laborer - MFT	5.00	1.00	-	-	-	-
Maintenance Worker - MFT	7.00	11.00	-	-	-	-
Public Works Supervisor - MFT	<u>3.00</u>	<u>3.00</u>	-	-	-	-
Total Public Works	15.00	15.00	-	-	-	-

Special Revenue Funds Police Department

	<u>2016</u>	<u>2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u> <u>Proposed</u>	<u>Change</u>
Telecomm Mgr - E911	-	-	1.00	1.00	1.00	-
Telecommunicator - E911	-	-	2.00	2.00	2.00	-
Patrol Officer - COPs	<u>15.00</u>	-	-	-	-	-
Total Police	15.00	-	3.00	3.00	3.00	-

Special Revenue Funds

LINE ITEM DETAIL

**Proposed
Budget FY20**

HR SALES TX INFRASTRUCTURE FUND 202

Revenues

202 30080 Home Rule Retai -3,075,000

Transfers Out

202 68430 Transfer to 2018 GO Bonds 2,120,000

202 68495 Transfer to 2015 GO Bonds 280,000

202 68497 Transfer to 2016 GO Bonds 675,000

TOTAL 0

PUBLIC LIBRARY FUND 211

Revenues

211 30000 Property Tax -4,200,000

211 33200 Licenses-Librar -50,000

211 44000 Intergovt Reven -69,000

211 46100 Interest Earned -5,000

211 48910 Misc & Fundrais -287,500

Expenses

211 121121840 Personnel Servi 2,255,000

211 121122456 Hospitalization 281,550

211 121122459 Unemployment In 10,000

211 121122461 Employer Portio 173,000

211 121122467 Life Insurance 4,000

211 121122471 Other Compensat 4,500

211 121122610 Employer IMRF 243,000

211 121124000 Library-Online 11,000

211 121124076 Lease Payments 190,000

211 121124083 Literacy Grant 279,000

211 121124403 Interest Expens 104,463

211 121124410 Building & Grou 55,700

211 121124411 Vehicle Mainte 2,000

211 121124412 Equipment Maint 3,500

211 121124423 Telephone 15,800

211 121124426 Utilities 4,000

211 121124428 Rental/Lease Pu 40,000

211 121124431 Training & Scho 23,988

211 121124432 Postage 6,000

211 121124433 Advertising 48,950

Special Revenue Funds

211 121124436	Consultant Serv	1,000
211 121124438	Other Professio	26,700
211 121124441	Security Servic	500
211 121124443	Membership Dues	5,000
211 121124444	Other Technical	184,000
211 121124474	Community Pride	40,350
211 121124503	Insurance Admin	65,000
211 121125465	Office Supplies	22,250
211 121125467	Maintenance Sup	20,000
211 121125468	Operating Suppl	21,500
211 121126460	Library Materia	302,750
211 121126492	Improvements	155,000
211 121126494	Equipment	12,000
TOTAL		0

FOREIGN FIRE FUND 214

Revenues

214 30720	2% Foreign Fire	-150,000
-----------	-----------------	----------

Expenses

214 321425486	Foreign Fire Ex	350,000
---------------	-----------------	---------

TOTAL 200,000

FIRE SERVICE TRAINING FUND 215

Revenues

215 44970	Tuition - Fire	-65,000
-----------	----------------	---------

Expenses

215 321525468	Operating Suppl	45,000
---------------	-----------------	--------

215 321525479	Vital Link Ambu	20,000
---------------	-----------------	--------

TOTAL 0

REFUSE COLLECTION FUND 218

Revenues

218 30000	Property Tax	-4,500,000
-----------	--------------	------------

218 46100	Interest Earned	-25,000
-----------	-----------------	---------

218 48050	Sale of Recycla	-25,000
-----------	-----------------	---------

Expenses

218 121824420	Refuse Collecti	3,656,000
---------------	-----------------	-----------

218 121824421	Recycling Progr	894,000
---------------	-----------------	---------

TOTAL 0

Special Revenue Funds

MOTOR FUEL TAX FUND 228

Revenues

228 30800	Motor Fuel Tax	-2,525,000
228 44130	Grant - Federal	-268,000
228 46100	Interest Earned	-25,000

Expenses

228 922824426	Utilities	625,000
228 922824427	Street Lighting	60,000
228 922824435	Engineering Ser	100,000
228 922825485	Salt	350,000
228 922827641	Bridge Rehabili	668,000
228 922827669	Street/Traffic	25,000
228 922827706	Culvert Improve	990,000

TOTAL 0

PUBLIC SAFETY GRANTS - FIRE 231

Revenues

231 44130	Grant - Federal	-624,000
-----------	-----------------	----------

Transfers In

231 63714	Transfers From Working Cash	-62,000
-----------	-----------------------------	---------

Expenses

231 323126494	Equipment	686,000
---------------	-----------	---------

TOTAL 0

911 EMERGENCY SYSTEM FUND 232

Revenues

232 30252	911 Wireless-Wa	-200,000
232 30600	911 Surcharges-	-1,300,000
232 46100	Interest Earned	-15,000

Expenses

232 323221140	Communications	96,000
232 323221400	Overtime	200,000
232 323221805	Telecommunicati	90,000
232 323222456	Hospitalization	42,000
232 323222461	Employer Portio	24,000
232 323222462	Employer Portio	6,000
232 323222467	Life Insurance	1,000
232 323222610	Employer IMRF	51,000
232 323224076	Lease Payments	250,000
232 323224409	Radio Equipment	201,000

Special Revenue Funds

232 323224412	Equipment Maint	1,000
232 323224423	Telephone	149,000
232 323224428	Rental/Lease Pu	52,000
232 323224429	Conference & Tr	8,000
232 323224431	Training & Scho	9,000
232 323224438	Other Professio	29,000
232 323224443	Membership Dues	1,000
232 323224801	IT Serv Softwar	467,000
232 323224802	IT Serv Hardwar	120,000
232 323225468	Operating Suppl	1,000
232 323225469	Uniforms	2,000
232 323226350	Capital-Alarm	40,000
232 323226494	Equipment	1,000
TOTAL		326,000

PUBLIC SAFETY GRANTS - POLICE FUND 240

Revenues

240 44237	BYRNE Justice A	-28,000
240 46100	Interest Earned	-500

Expenses

240 624024489	LLEBG Grant Exp	28,500
TOTAL		0

HOME REHAB ASSISTANCE FUND 242

Revenues

242 44542	Lake County Con	-408,000
-----------	-----------------	----------

Expenses

242 524224426	Utilities	6,000
242 524224437	Legal Services	2,000
242 524224642	Rehabilitation	400,000
TOTAL		0

COMMUNITY DEV. BLOCK GRANT FUND 245

Revenues

245 44500	Community Dev.	-1,324,000
-----------	----------------	------------

Expenses

245 550221714	Housing Rehabil	61,000
245 550221765	Director of Com	84,000
245 550221815	Compliance Coor	61,000
245 550222456	Hospitalization	42,000

Special Revenue Funds

245 550222461	Employer Portio	15,000
245 550222462	Employer Portio	3,000
245 550222467	Life Insurance	1,000
245 550222610	Employer IMRF	27,000
245 550324082	Literacy Expens	20,000
245 550124412	Equipment Maint	9,000
245 550124423	Telephone	4,000
245 550124428	Rental/Lease Pu	1,000
245 550124429	Conference & Tr	4,000
245 550124431	Training & Scho	2,000
245 550124432	Postage	2,000
245 550124433	Advertising	4,000
245 550124437	Legal Services	2,000
245 550224438	Other Professio	6,000
245 550124443	Membership Dues	1,000
245 550224445	Rehabilitation	400,000
245 550324458	Neighborhood Im	80,000
245 550324461	Catholic Charit	13,000
245 550124476	Municipal Audit	2,000
245 550624480	Code Enforcemen	50,000
245 550324522	YWCA	10,000
245 550324571	A Safe Place	30,000
245 550324582	CASA-Court App	10,000
245 550324583	Childserv	10,000
245 550324606	Prairie State-	20,000
245 550324612	Prairie State L	16,000
245 550324620	Northern Illino	10,000
245 550324623	Youth Build Lak	10,000
245 550324630	PADS Crisis Ser	20,000
245 550324632	Christ Church	30,000
245 550324641	Youth Conservat	20,000
245 550324649	UMMA	10,000
245 550125465	Office Supplies	4,000
245 550125466	Gasoline & Oil	2,000
245 550125468	Operating Suppl	6,000
245 550125478	Computer Suppli	2,000
245 550426292	Economic Dev -	200,000
245 550426492	Improvements	20,000
TOTAL		0

PLANNING & DEVELOPMENT GRANT FUND 251

Revenues

251 44130	GRANT - Federal	-455,000
-----------	-----------------	----------

Special Revenue Funds

251 44135	GRANT - State	-561,000
<i>Transfers In</i>		
251 63714	Transfers From	-120,000
<i>Expenses</i>		
251 825124489	Grant Expenditu	1,136,000
TOTAL		0

NORTH LAKE FRONT TIF # 7 FUND 261

<i>Revenues</i>		
261 30050	Property Tax -	-61,000
<i>Expenses</i>		
261 126124637	Redevelopment A	61,000
TOTAL		0

DOWNTOWN TIF #8 FUND 262

<i>Revenues</i>		
262 30050	Property Tax -	-281,000
<i>Expenses</i>		
262 126224589	Development Adv	160,000
262 126224637	Redevelopment A	121,000
TOTAL		0

SOUTH LAKEFRONT TIF #9 FUND 263

<i>Revenues</i>		
263 30050	Property Tax -	-50,000
<i>Expenses</i>		
263 126324589	Development Adv	50,000
TOTAL		0

MCGAW PARK TIF# 10 FUND 264

<i>Revenues</i>		
264 30050	Property Tax -	-1,000,000
<i>Expenses</i>		
264 126424596	Redevelopment D	50,000
264 126424637	Redevelopment A	950,000
TOTAL		0

Special Revenue Funds

PRISONER REVIEW/DUI SB740 FUND 292

Revenues

292 42860	DUI Fines-Senat	-25,000
292 35865	Fines - Prison	-25,000

Expenses

292 629226494	Equipment	50,000
TOTAL		0

LOCAL FORFEITURE FUND 295

Revenues

295 42856	Contraband Forf	-5,000
295 44373	Grant-Bulletpro	-5,000
295 46100	Interest Earned	-25,000

Expenses

295 629524438	Other Professio	35,000
295 629524697	Canine Unit - P	15,000
295 629524954	Payment to Info	12,000
295 629525469	Uniforms	46,000
295 629526494	Equipment	15,000
TOTAL		88,000

NARCOTICS FORFEITURE FUND 296

Revenues

296 42800	Contraband Forf	-30,000
296 44220	DEA-Overtime Re	-30,000
296 44221	Customs/Border	-50,000

Expenses

296 629621405	Overtime-Unifor	50,000
296 629624431	Training & Scho	80,000
296 629624438	Other Professio	40,000
296 629624481	Contributions E	5,000
296 629624802	IT Serv Hardwar	100,000
296 629625468	Operating Suppl	10,000
296 629626493	Vehicle	100,000
296 629626494	Equipment	110,000
FUND		385,000

Report Final Totals 999,000