
EXECUTIVE OVERVIEW

May 1, 2015 – April 30, 2016

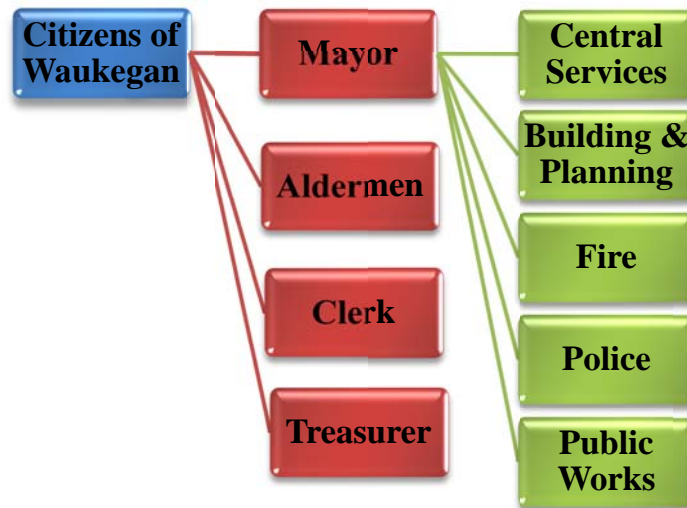
PROPOSED BUDGET

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Overview

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 major funding areas: Central Services; Building, Planning & Development; Fire Department; Police Department; and Public Works.



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.

MISSION STATEMENT

The City of Waukegan's elected officials and employees work to enhance the quality of life and facilitate economic opportunities for our diverse residential and business communities.

CORE VALUES

The City of Waukegan's core values of transparency, professionalism and collaboration, embody the beliefs and attitudes of City leadership, and set the standard for how the City conducts its business.

Transparency

The City works to be open, accessible, and consistent in the City's business operations.

FY14/15 Accomplishments

- In a break from past practice, insurance settlement agreements relative to workers compensation claims are brought to the City's Insurance Committee for review and recommendation prior to being approved by City Council.
- In order to stay up to date with the current hardware and software technological demands, the City of Waukegan's information technology division created a five year comprehensive plan that will also allow for seamless budgeting annually.
- To enhance the customer experience at the City's parking garages, the payment and camera systems have been upgraded to improve safety as well as providing more efficient entry and exit.
- The Police Department has implemented new technology to use crime pattern interpretation methods to assist in making proactive manpower allocation decisions.
- There have been several public forums held regarding various large scale developments including but not limited to, the College of Lake County Lakeshore campus expansion, Lake County Courthouse expansion, and the River Glen Development.

FY15/16 Goals

- Review and revise the City's Purchasing Ordinance and Policy to be more consistent with comparable communities, and with a goal to make procurement of goods and services more efficient.

- Implement a Police Officer scheduling and time-tracking system to allow for timelier payroll data, improve officer accountability, and allow management to better assess and control overtime costs.
- The Fire Department will continue to provide awareness of fire prevention services offered through community outreach and education programs.
- Through the public meeting process, provide updates reflecting major changes and improvements to the Waukegan Zoning Map and Zoning Ordinance, including enhanced public outreach regarding the development of a River Road Corridor Plan.
- The City's Public Works staff will report on a regular basis the progress of the 3-year road repair and replacement plan.

Professionalism

The City of Waukegan works to create a respectful atmosphere and expertise in governance.

FY14/15 Accomplishments

- This past fiscal year saw the long-anticipated completion of the annexation and enabling of the former Cardinal Health Care campus. This key 225 acre parcel has been long sought by the City and is finally now prepped for private development beginning spring of 2015.
- In an effort to redevelop its inspection program, the Fire Department incorporated on-duty firefighters to meet and work with owners of business in our community to assure compliance and fire safety in their establishments.
- The Police Department projected 1500 hours of in-service training, which includes diversity sensitivity, certification refresher courses for evidence technicians, and juvenile law updates.
- The City was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for our comprehensive annual financial report.
- The Public Works staff responded to a call to remove blighted properties throughout the City leading the way for an unprecedented number of demolitions.

FY15/16 Goals

- In an effort to maintain the highest possible level of professionalism among City employees, the City will expand professional development training programs while keeping costs low by using in-house resources, sister agencies, and local vendors across all departments.

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- Planning staff will explore opportunities for further growth in the southwest corner of the City which is the key to creating and maintaining opportunities for existing businesses to grow and new business to locate in our City.
- On a long-term basis, the City will continue to work with south lakefront property owners including the Waukegan Housing Authority in the cleaning, assemblage and general preparation of these key development opportunities.
- The City looks to replace and enhance the information technology infrastructure by repurposing equipment and resources where possible to keep costs down and to provide a faster delivery of information to internal and external customers.
- To enhance and improve the customer service experience, the City will work toward online building permit applications, payment and processing.

Collaboration

The City of Waukegan works to build successful relationships with its partners.

FY14/15 Accomplishments

- The Building and Police Department joined forces to develop cooperative communication with landlords to create a better living environment for the citizens of Waukegan.
- The City expanded the point-of-sale options of vehicle stickers to include on-line, mail-in or walk-in to City Hall, as well as a variety of currency exchanges and Consumer's Credit Union branches, thus allowing for purchases at any time.
- A corporate outreach program was initiated for the Mayor and Planning staff to build relationships with Waukegan corporate citizens, including key companies like Nosco, Deublin and Peer in 2014.
- In an effort to allow for "one stop shopping," the City Collectors Office, Legal, Public Works and Building Department collaborated to revise the real estate property transfer procedures.

FY15/16 Goals

- The City will continue to work with the Governor's Workforce Development Council and other community partners in implementing ideas generated in the Chicago Metropolitan Agency for Planning report created for Washington Street Corridor planning, with the first year focused primarily on building support along the corridor and throughout the community.
- The City will finalize a lease agreement with the Greater Waukegan Development Coalition to place Tech Wauk, an incubator/accelerator, in the City-owned property

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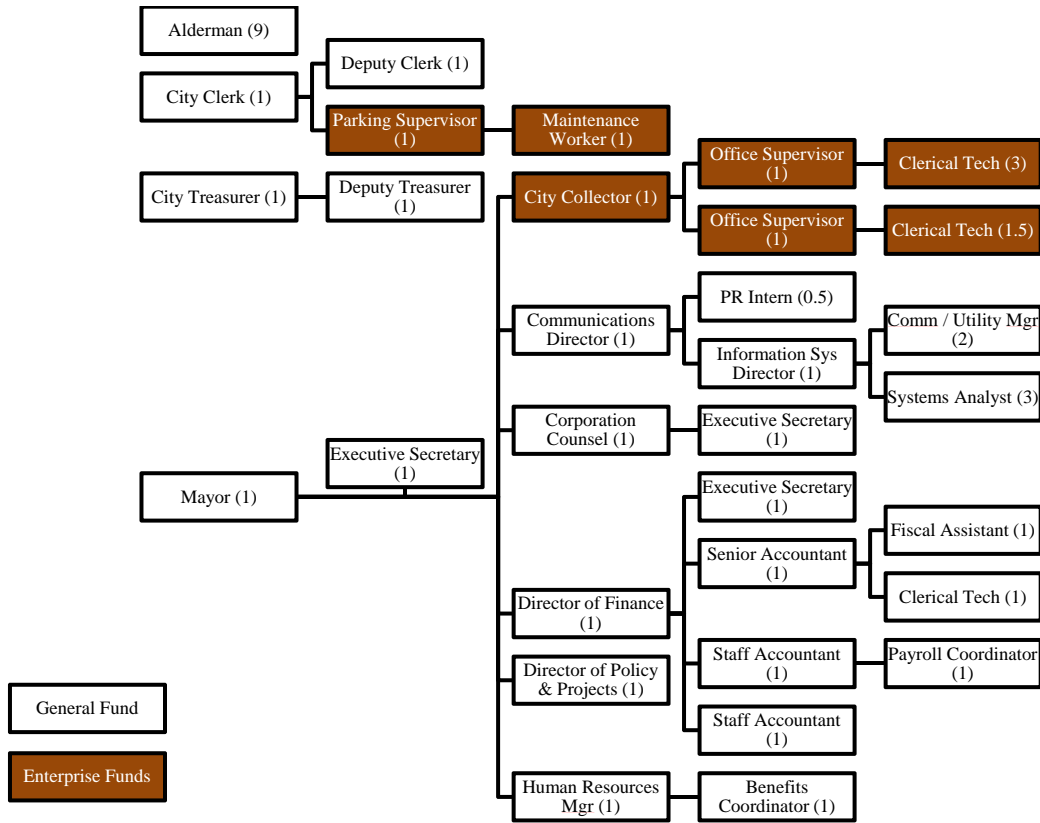
in downtown; the incubator has promise to be a job creator feeding off the established health care industry in Lake County.

- The City will continue to seek support from its legislative leaders to secure a casino for the City of Waukegan.
- The Police Department will work with outside public safety agencies to share their experience in Officer Resiliency programs.
- Across City departments, the Lake County's shared resources program will be utilized, including joint purchasing for goods and services at volume pricing otherwise not available to the city on its own.

Department Descriptions

CENTRAL SERVICES

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



Office of the Mayor

The Mayor, who is elected on an at-large basis for a four-year term, heads administration of City government. As head of the local governmental unit, the Mayor serves as the Chief Administrative and Executive Officer of the City. In this capacity, the Mayor is responsible for administering the policies enacted by the City Council, for making recommendations to the City Council on matters of legislation, programs and policies. The staff of the Mayor’s Office is responsible for legislative matters, program and policy implementation, public relations, marketing, special events and community outreach.

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Office of the City Clerk

The City Clerk administers federal, state, and local procedures through which local government representatives are selected. The Clerk is elected on an at-large basis for a four-year term. The Clerk assists candidates in meeting their legal responsibilities before, during, and after an election. As the key staff for City Council meetings, the Clerk prepares the legislative agenda, verifies legal notices have been posted or published, and completes the necessary arrangements to ensure an effective meeting. By state statute, the Clerk is required to maintain and index the minutes, ordinances and resolutions adopted by the legislative body. The Clerk also manages the municipally-owned parking facilities.

City Council

The City Council is comprised of nine aldermen representing nine wards of the City. The aldermen are elected on a ward basis for four-year terms. The work of the City Council is shared by eight committees: Judiciary, Finance, Public Safety, Public Works, Insurance, Labor Relations, Lakefront, and Economic Development. Ad hoc committees are appointed on occasion for issues that merit particular attention.

Office of the City Treasurer

The City Treasurer is responsible for the recording of all banks and cash deposits, management of the City investment program, and administering and documenting the City's cash management program. The City Treasurer is elected on an at-large basis for a four-year term.

Collections & Business Licensing

City Collections handles billing and collection of user fees charged to the City's residential and commercial water / sewer customers, administers the billing and collecting for business, rental, liquor, amusement/video gaming licenses, and handles the issuance of annual vehicle and animal licenses.

Communications & Information Technology

The Communications Department is responsible for public relations, marketing, website and social media communication, special events and community outreach. In addition, the Department provides functional, reliable, secure information systems of the highest quality for the City's employees and residents; and works to ensure that the input, processing, output, storage, and control of the City's various computerized systems provide end users with timely and useful information.

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Corporation Counsel

The Corporation Counsel serves the Mayor, City Council, City Departments, Boards and Commissions of the City by managing all litigation for the City. The Corporate Counsel also manages all outside counsel representing the City on litigation, defense, prosecution, risk management and other legal matters. The Corporation Counsel develops legal policies and procedures, monitors workloads and cases to ensure they are handled expeditiously, analyzes legislation and court rulings relative to City policy, and prepares operational and administrative reports.

Finance

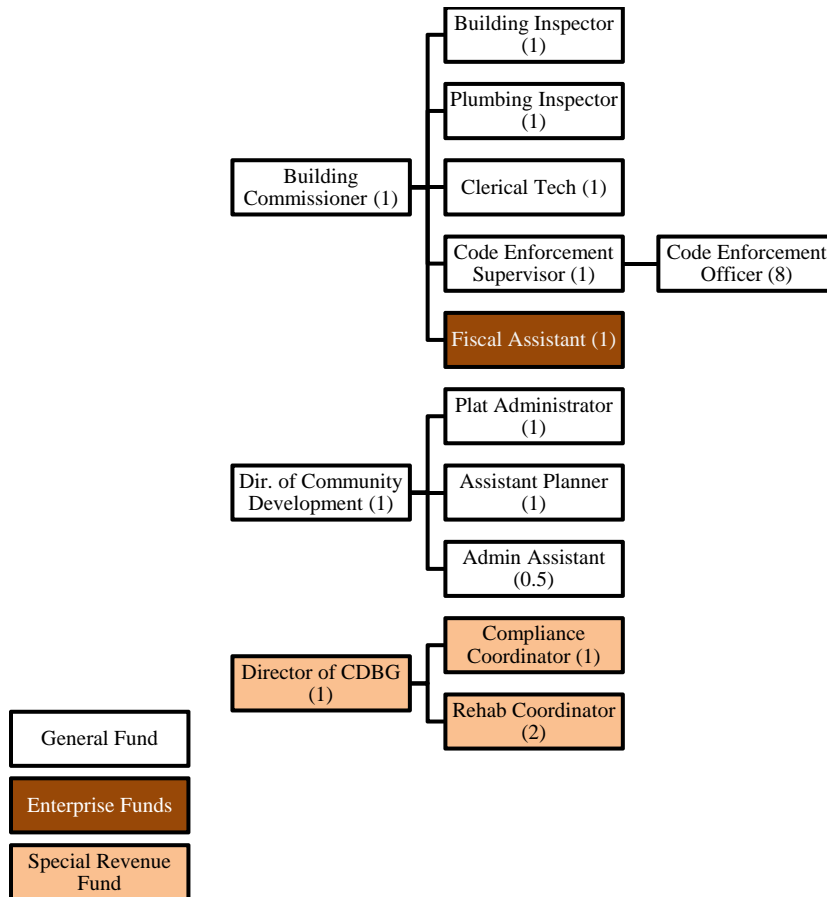
The Finance Department maintains financial records in conformity with generally accepted accounting principles and in compliance with state and federal laws; handles miscellaneous accounts receivables and locally collected taxes; administers vendor and payroll payments; develops and maintains budgets for financial planning; is responsible for long-term debt management and structuring capital financing; coordinates property, workers' compensation, general liability insurance coverage and claims processing; and provides the Mayor and City Council with meaningful financial information on a timely basis.

Human Resources

Human Resources provides competent, courteous, and professional assistance to all City employees; administers employee benefits and changes in employment status; maintains accurate and confidential records; ensures compliance with City policies and employment and benefit laws; and interacts with the larger community in the area of recruitment and hiring.

BUILDING & PLANNING

Waukegan Building, Planning and Development are made up of three distinct departments: the Planning & Development Department, the Building Department, and the Community Development Block Grant Department. Collectively, this group reviews plans for development, is responsible for enforcement of property-related ordinances and code compliance, rental and construction inspections, and management of federal grants to assist low-income people.



Planning & Development Department

The Planning and Development Department provides support to the Historic Preservation Commission, Planning and Zoning Commission, Waukegan Economic Development Advisory Board, and both the Economic Development Committee and the Judiciary Committee of City Council, including reviewing and providing recommendations on all land use matters presented

to the Commissions and Council. The division also provides staff support to several community groups involved in the development in the City of Waukegan including the Waukegan Chamber of Commerce and Waukegan Main Street. The Department reviews development plans for compliance with various City ordinances, including subdivision, landscaping and zoning, and works to implement the Downtown-Lakefront Master Plan.

Building Department

Code Compliance is responsible for various regulations including the BOCA Property Maintenance Code, Sign Ordinance, and Zoning Ordinance, etc. This division also oversees the Rental Inspection Program. In addition, the division administers programs to address vacant property issues in the City.

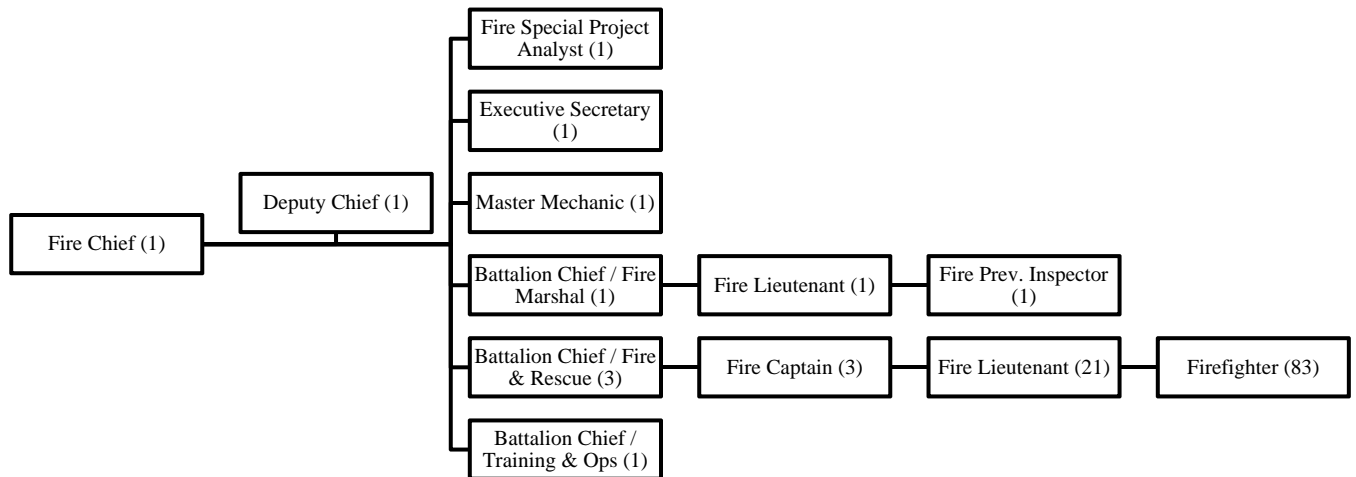
The Building division is responsible for plan review and construction inspection for residential, commercial, and industrial properties within the City of Waukegan. By ordinance, the City is required to have a licensed inspector to perform those functions in the areas of electrical, HVAC and plumbing. The division also processes building and sign permits.

Community Development Block Grant

The Community Development Block Grant (CDBG) program provides financial assistance to eligible property owners and organizations. Block grant funds are not part of the City's property tax levy, but rather federal dollars used to provide decent housing, a suitable living environment, and expanded economic opportunities – principally for low and moderate-income persons in the community. The funds allocated to the City of Waukegan are based upon a formula devised by Congress; therefore, the total funds available vary each year.

FIRE DEPARTMENT

The Waukegan Fire Department serves to safeguard the lives and property of the citizens of Waukegan through professionalism, dedication to duty, integrity and training. The Department strives to enhance lives and foster economic growth through leadership, management and actions as an all-encompassing life safety response provider. The Department seeks to effectively manage the resources of the Department, develop a system to minimize impacts of disasters and other life safety emergencies, provide an effective emergency medical services system, provide public education to all residents, and provide an effective Fire Prevention Bureau.



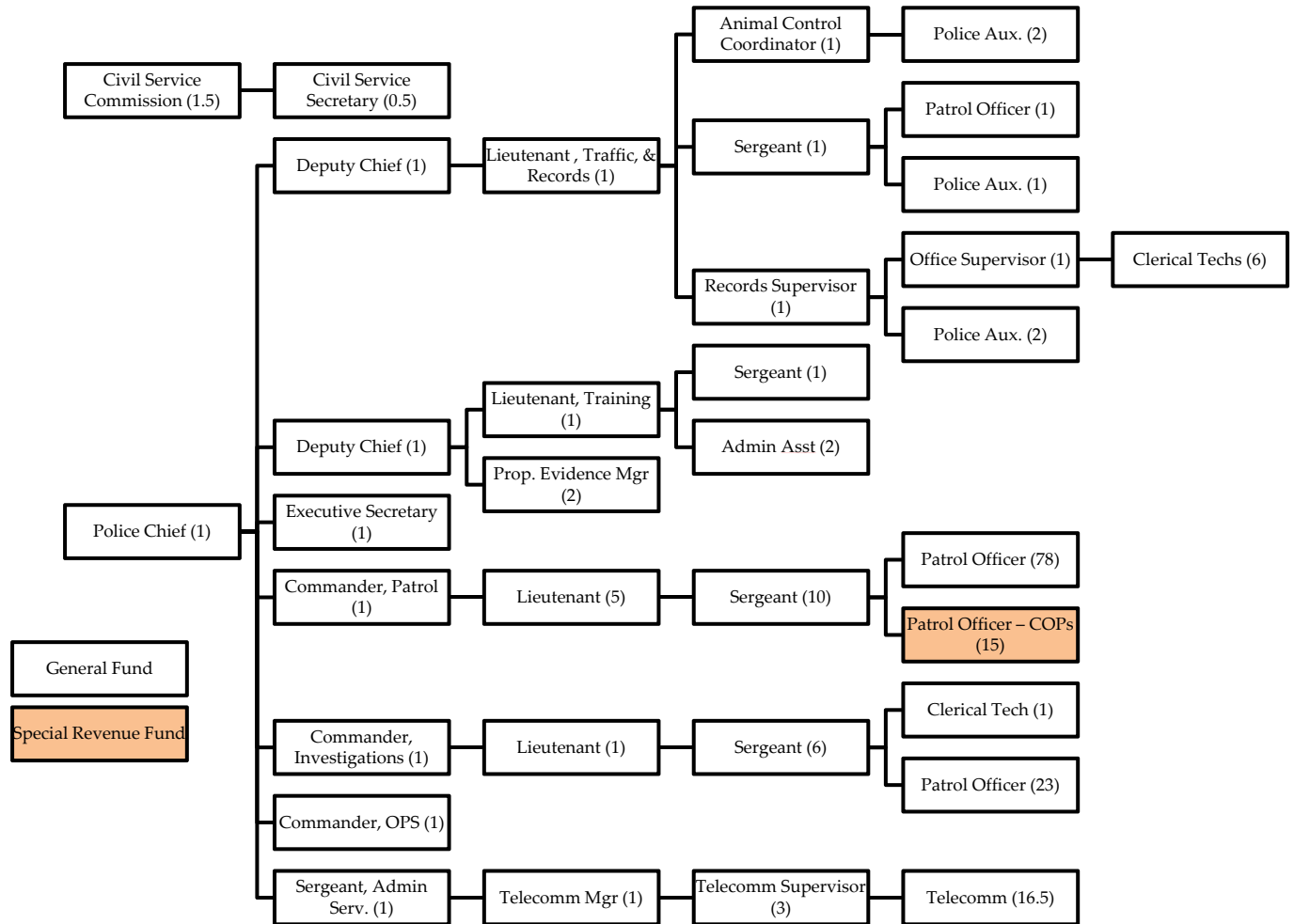
The Fire Prevention Bureau completes multiple fire/life safety inspections and conducts many plan reviews on an annual basis. The Waukegan Fire Department responds to over 10,000 calls annually, including emergency medical services (EMS), fire, and rescue calls. The Training Division, EMS system, and staff officer conduct or provide oversight on training of

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personnel. There are numerous program managers who are responsible for the maintenance of the fire stations, apparatus, and equipment. The Department continues to conduct training with neighboring fire/rescue agencies to improve public safety in our multi-jurisdictional (mutual aid) Automatic Response Areas.

POLICE DEPARTMENT

The Waukegan Police Department’s primary mission is to serve the community by protecting life and property, preventing crime, enforcing laws, and by maintaining order for all citizens. Central to our mission are the values that guide our work and the decisions that help us contribute to the quality of life in Waukegan.



The Waukegan Police Department is composed of the following organizational units: Patrol Division, Investigations Division, Traffic & Records Division, Communications Division, and the Office of Professional Standards.

The Patrol Division provides 24-hour police protection throughout the city and is divided into four platoons of uniformed officers responsible for responding to both emergency (911) calls and

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non-emergency calls for service. These officers are responsible for conducting preliminary investigations and coordinating with other units within the police department and other city departments with the purpose of aiding our community.

The Investigations Division handles comprehensive investigations that are beyond the scope of the first responder assigned to the Patrol Division. These investigations include: homicide, robbery, criminal sexual assault, burglary, and gang & drug investigations, and offender registry. The Investigations Division is also tasked with disseminating information on criminal activity and crime patterns to department personnel.

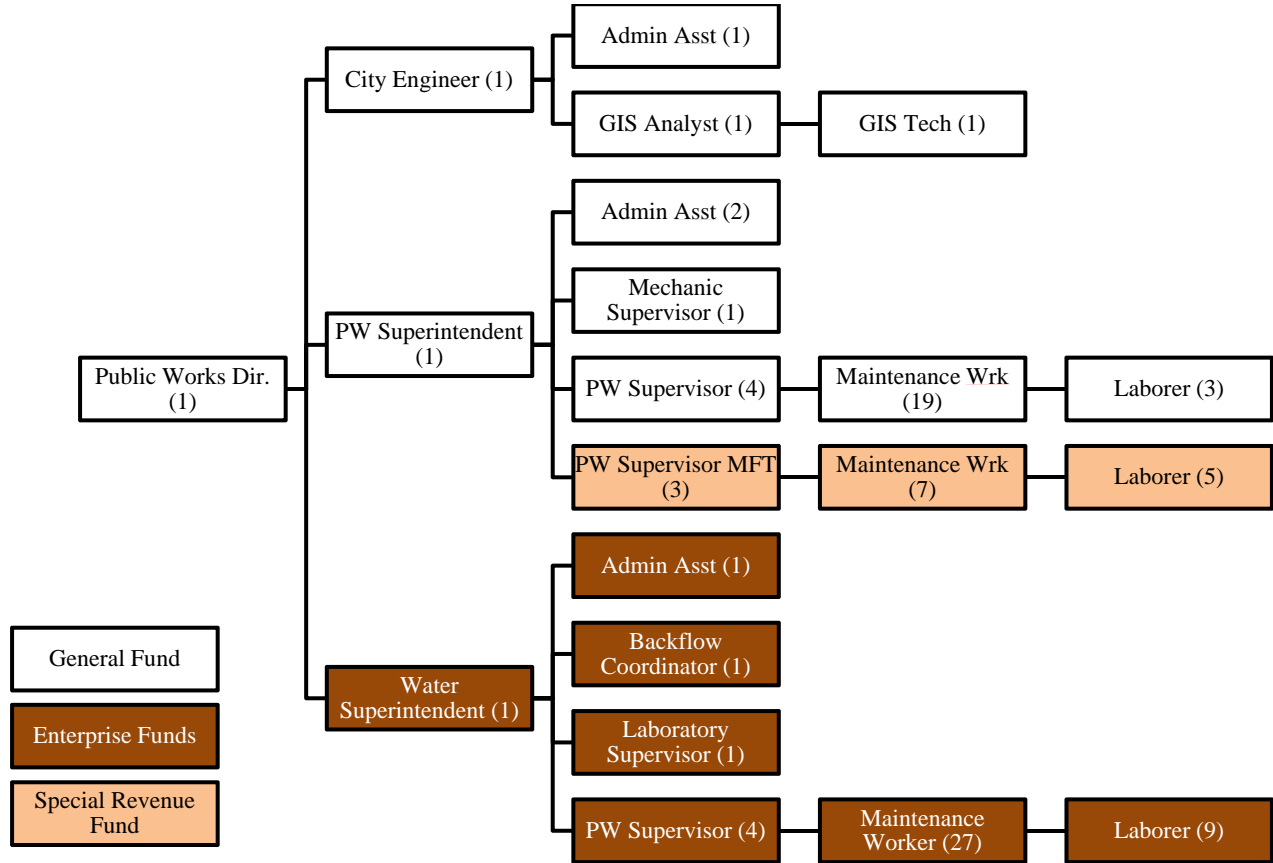
The Traffic & Records Division provides support for the daily operations of the department, as well as assisting the public in obtaining the services that the agency provides on a daily basis.

The Communications Division provides 24 hours a day, 365 days a year dispatch service for the police department and fire department. This critical division is often a resident's first contact with our city services.

The Office of Professional Standards conducts investigations into incidents of alleged employee misconduct and works with legal staff on city and employee issues.

PUBLIC WORKS

The Public Works Department includes Public Works operations, Engineering, and Water and Sewer.



The Department manages, maintains, operates and repairs the City’s infrastructure, facilities, and related assets. It prepares proposals and specifications for capital improvement and construction contracts for City Council’s approval. The Department is responsible for streets, right-of-way maintenance, building maintenance, forestry and landscape maintenance, traffic control signs, street lighting, sanitary and storm sewer and detention systems, and vehicle maintenance. During the winter season, Public Works is responsible for snow and ice control operations. The Department also assists Fire, Police, and Central Services with maintenance and repairs while still maintaining the Public Works facility. It is responsible for the maintenance of all City vehicles and equipment, with the exception of the Fire Department’s vehicles. Public Works oversees the construction of new public infrastructure, which includes but is not limited to large scale and high-cost physical assets such as streets, drainage facilities, and water and sewer lines,

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maintains records, financial guarantees and maps, pursues and administers grants. Public Works also works with other departments in reviewing development proposals and their impacts on City facilities and services.

The Water and Sewer Division is responsible for operating and maintaining the City’s water treatment and distribution system, sanitary sewer collection and pumping systems, and storm water system. The City-owned Water and Sewer System (the “System”) provides water from Lake Michigan to its residents, while sewage treatment is handled by the North Shore Sanitary District. The Division conducts the reading of water meters for purposes of accounting for water usage, and responds to customer work orders regarding water service.

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 Agency Heads to discuss major operation changes, objectives and project requests. Every effort is made to combine requests across departments and accomplish their goals more efficiently. The Mayor’s office cuts unjustified items from the budget in conjunction with the Agency Heads.

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

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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 100-301925469, 3 is the Fire Department.

The following three digits indicate the division generating the expense. In this example 100-301925469, 019 is Fire Suppression.

The sub-account is then indicated by the subsequent two numbers. In this example 100-301925469, 25 is Commodities.

The last three digits delineate the object. In this example 100-301925469, 469 is Uniforms expense.

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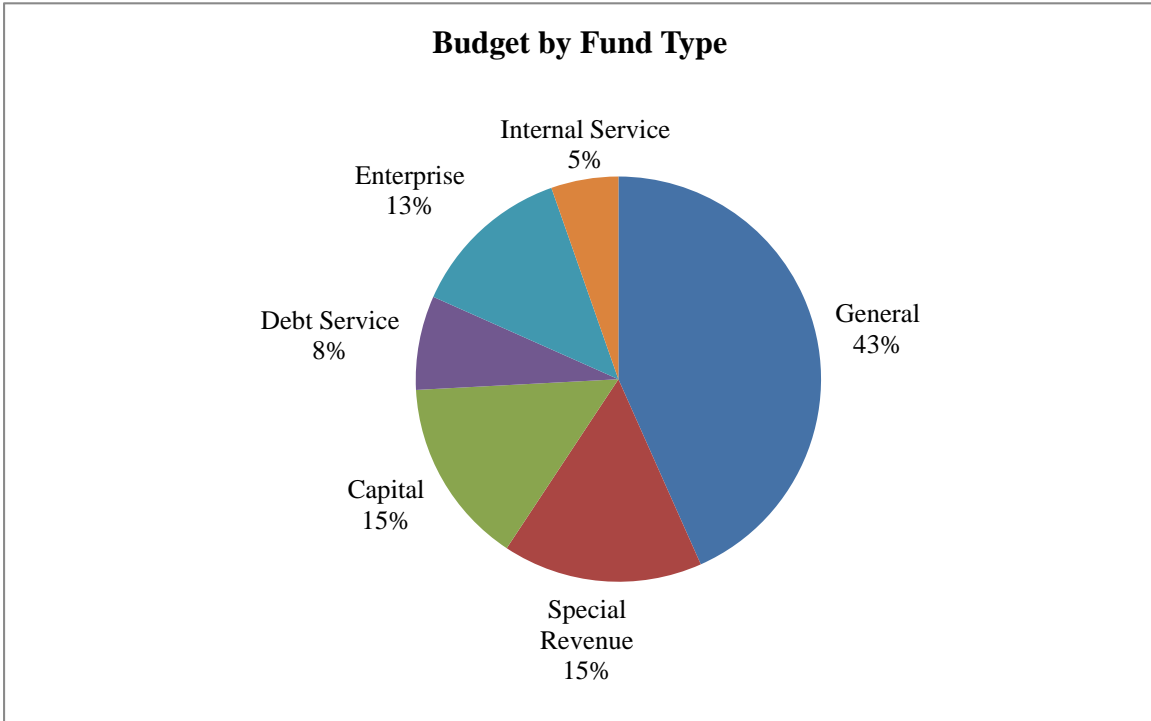
SOURCES & USES OF FUNDS

The revenues, expenditures, and net transfers between funds are shown below. More detailed information is provided in the *Funds* sections of this report. Since the Fiduciary Funds are not included in the City’s operational plan and account for the assets held by the Police Pension and Fire Pension plans, they are excluded from the following table:

Fund	Revenues	Expenditures	Net Surplus / (Deficit)	Transfers In	Transfers Out	Net Surplus / (Deficit) after Transfers
General	\$ 61,986,000	\$ (64,871,000)	\$ (2,885,000)	\$ 2,935,000	\$ (50,000)	\$ -
Special Revenue	20,020,722	(23,755,892)	(3,735,170)	50,000	(143,500)	(3,828,670)
Capital	22,185,000	(22,260,000)	(75,000)	-	-	(75,000)
Debt Service	11,110,500	(11,254,000)	(143,500)	143,500	-	-
Enterprise	14,436,000	(19,436,000)	(5,000,000)	-	-	(5,000,000)
Internal Service	8,444,000	(8,032,000)	412,000	-	-	412,000
TOTAL	\$ 138,182,222	\$ (149,608,892)	\$ (11,426,670)	\$ 3,128,500	\$ (193,500)	\$ (8,491,670)

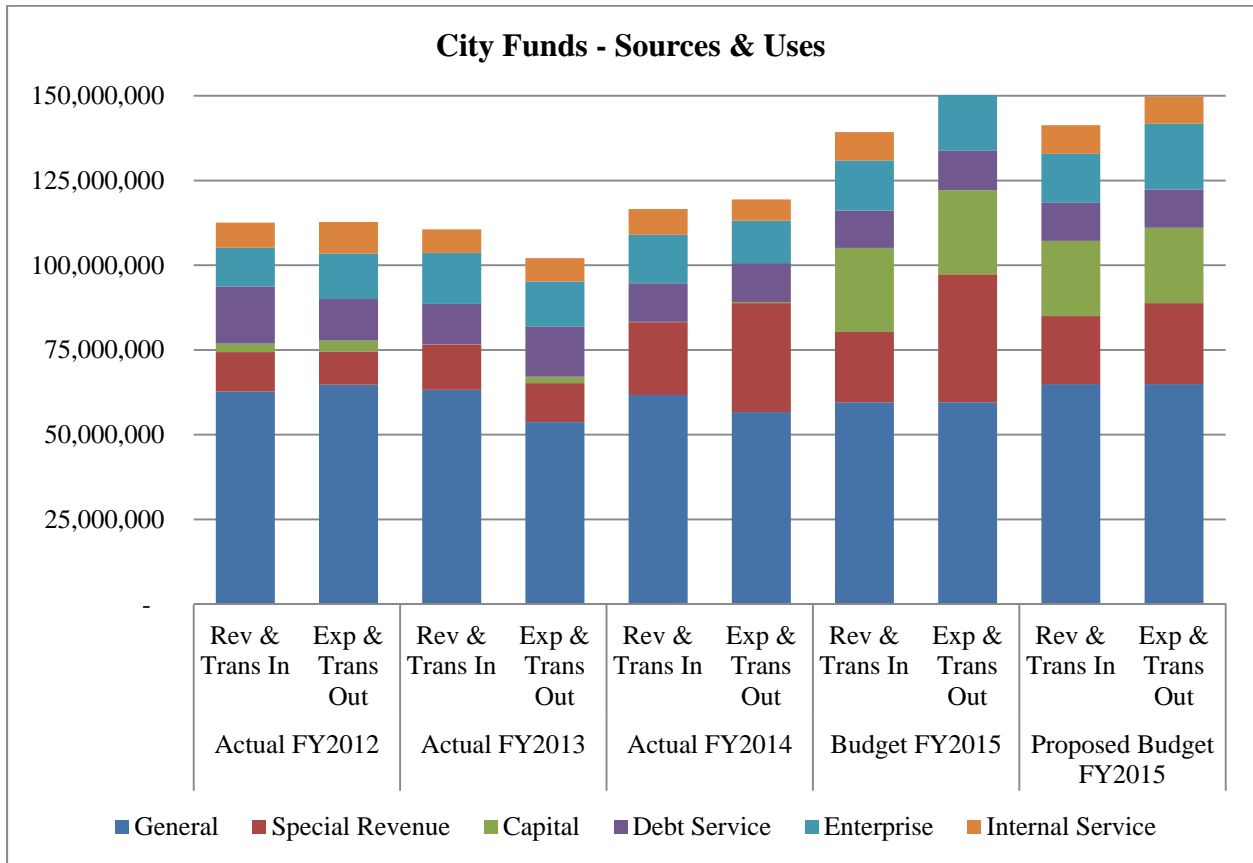
While the City cannot utilize Fiduciary Funds as part of our operations, the City does include the amounts in the annual appropriation. The following table includes the total of City Funds along with Fiduciary Funds:

Fund	Revenues	Expenditures	Net Surplus / (Deficit)	Transfers In	Transfers Out	Net Surplus / (Deficit) after Transfers
City Funds	\$ 138,182,222	\$ (149,608,892)	\$ (11,426,670)	\$ 3,128,500	\$ (193,500)	\$ (8,491,670)
Fiduciary Funds	19,519,000	(13,412,000)	6,107,000	-	(2,935,000)	3,172,000
TOTAL	\$ 157,701,222	\$ (163,020,892)	\$ (5,319,670)	\$ 3,128,500	\$ (3,128,500)	\$ (5,319,670)



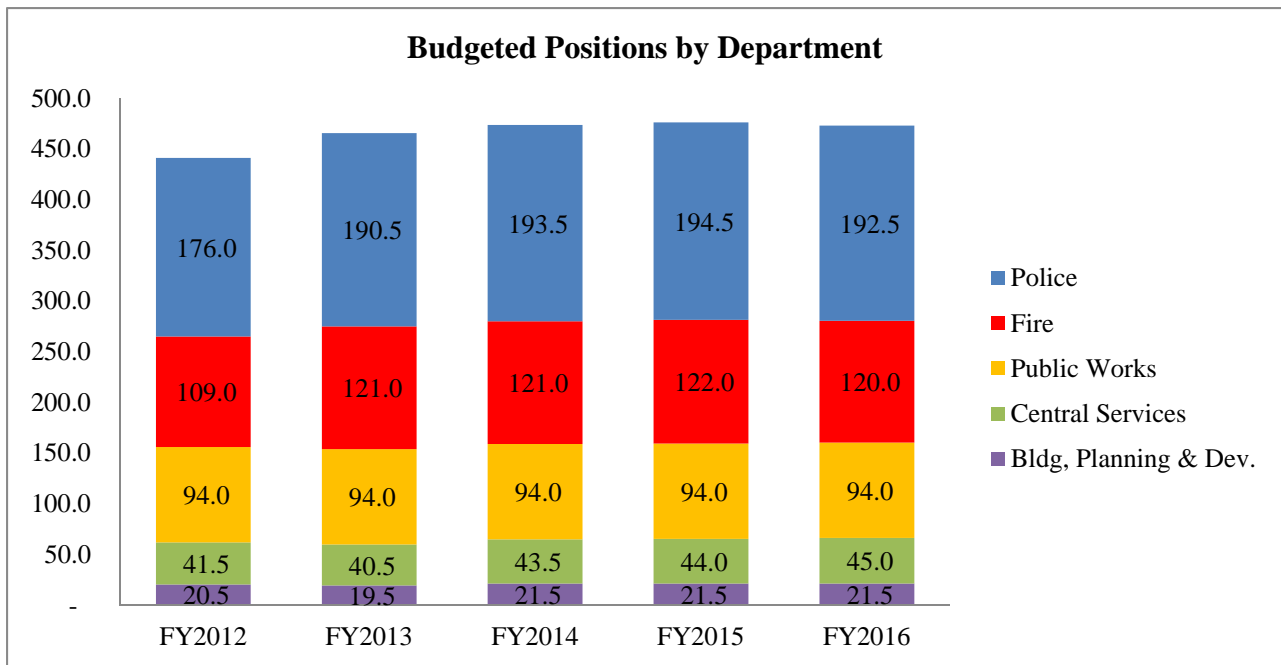
The General Fund is the largest fund in the annual appropriation, 43% of total expenditures and transfers out not including Fiduciary Funds. The Special Revenue Funds have increased their overall percentage of the total appropriation in the past few years. Efforts on obtaining federal grant monies for Police hires as well as and earmarking tax dollars for specific purposes such as TIF development has driven the Special Revenue Funds to 15% of the appropriation excluding Fiduciary Funds. The Capital Funds fluctuate from year-to-year depending on large-scale projects being funded by the City. As currently proposed, the Capital Funds will account for 15% of the overall appropriation related to bond-financed infrastructure and property acquisition projects under consideration. The Debt Service, Enterprise, and Internal Service Funds have stayed relatively consistent as a percentage of the total appropriation over the same time period.

Over the past five fiscal years, the total annual revenues and transfers-in, excluding Fiduciary Funds, have grown from \$113 million to \$141 million. Total expenditures and transfers out have grown from \$113 million to \$149 million for the same time period.



HEADCOUNT

Specific headcount information is available in the *Funds* sections of this report. For the upcoming fiscal year, a total headcount of 473 positions is planned. Of that 81% of the positions are proposed to be funded from the General Fund, followed by 12% in the Enterprise Funds and 7% in Special Revenue Funds. A summary of total headcount across all funds by Department is provided in the following chart.



The Police Department makes up 41% of the City's total head-count, followed by the Fire Department at 25%. The Public Works Department accounts for 20% of the City's employees, with Central Services and Building, Planning & Development at 9% and 5% respectively.

The workforce made-up by sworn police, sworn fire, and civilian personnel is shown below. Sworn personnel account for 56% of the City’s 2015/2016 fiscal year budget.

