

CITY OF CRYSTAL LAKE ILLINOIS



Vulcan Lakes

ANNUAL BUDGET
FISCAL YEAR
2008/2009



CITY OF CRYSTAL LAKE, ILLINOIS

2008/2009 BUDGET

CITY OFFICIALS

MAYOR

Aaron T. Shepley

COUNCILMEMBERS

Ellen Brady Mueller
Ralph M. Dawson
David Goss

Brett Hopkins
Cathy A. Ferguson
Jeffrey T. Thorsen

CITY CLERK

Roger T. Dreher

ADMINISTRATION

Gary J. Mayerhofer	City Manager
George J. Koczwara	Deputy City Manager
Ann L. Everhart	Director of Human Resources
Gregory A. Fettes	Director of Information Technology
Eric R. Lecuyer	Director of Public Works
David Linder	Chief of Police
James P. Moore	Chief of Fire Rescue
Mark F. Nannini	Director of Finance/Treasurer
Victor Ramirez	Director of Engineering/Building
Michelle V. Rentzsch	Director of Planning and Econ. Dev.



CITY OF CRYSTAL LAKE

Mission Statement

The City of Crystal Lake is committed to the high quality of life enjoyed by the citizens and businesses of the Crystal Lake community. Our mission is to enhance and preserve the history, natural resources and unique cultural traditions of the community as well as provide fiscally sound and responsive services, programs, and facilities with the highest degree of professionalism, integrity, and efficiency so that Crystal Lake continues to be a great place to live and work.



City of Crystal Lake, Illinois

Annual Budget

Fiscal Year 2008-2009

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City of Crystal Lake

Mayor
Aaron T. Shepley
City Clerk
Roger T. Dreher
City Manager
Gary J. Mayerhofer

100 W. Municipal Complex
P.O. Box 597
Crystal Lake, IL 60039-0597
(815) 459-2020

City Council
Ellen Brady Mueller
Ralph M. Dawson
Cathy A. Ferguson
David Goss
Brett Hopkins
Jeffrey T. Thorsen

March 11, 2008

Honorable Mayor, City Council and Residents of the City of Crystal Lake:

We are pleased to present the proposed Annual Budget for Fiscal Year (FY) 2008-2009. The development of the annual operating budget is one of the most important functions of the City staff. It is also one of the most important administrative functions of the City Council, as the budget is a financial strategic planning document that enables the fulfillment of the policy and vision of the City Council.

This year's budget continues to be prepared in a format that strives to reduce the level of difficulty for those who are not familiar with public budgeting systems, yet provide comprehensive information for staff to utilize in implementing financial policy and planning for the new fiscal year. This proposed budget allocates resources in a manner consistent with the City's Strategic Plan and the Five-Year Financial Plan established by the City Council.

In 2007, recognizing the many challenges facing the community, the City engaged in an extensive strategic planning process. This process began with a multi-day planning session that included the City Council, Department Heads and the Strategic Plan Facilitator, Lewis G. Bender, Ph.D. The Strategic Plan identified the most important commitments that will help achieve the community vision. The strategic commitments that form the Strategic Plan are:

Development – Reinvestment in the Community
Enhancing Community Life through Service Maintenance and Development
Managing Infrastructure/Finances

With the enactment of a Strategic Plan, the City Council, along with City Staff, then undertook the first true examination of the City's long-range fiscal condition and financial challenges. The Five-Year Financial Plan allowed the City to take a long-range perspective regarding the City's fiscal conditions in order to achieve balance and stability. By incorporating this perspective into the City's annual budget process along with the Strategic Plan, it will allow decisions to be made today that will direct the priorities of the City into the future and minimize the risk of future budget gaps.

The FY 2008-2009 City Budget does contain additional resources for a number of measures designed to begin the implementation of the strategies and priority projects/initiatives contained in the new Strategic Plan and the Five-Year Financial Plan.

Additionally, the financial plans and major budget objectives for all City departments contained in this budget document reflect the priorities set by the City Council.

Preparation of this budget began in November 2007 with the mid-year departmental financial review. This process continued with the adoption of the tax levy in December 2007. Staff is pleased to present the FY 2008-2009 budget, which incorporates the strategies, policies and directives established by the Mayor and City Council, while maintaining a sufficient General Fund balance.

OVERVIEW

Enclosed with this transmittal letter is the City of Crystal Lake's Budget, which is organized by funds. The funds appear as follows:

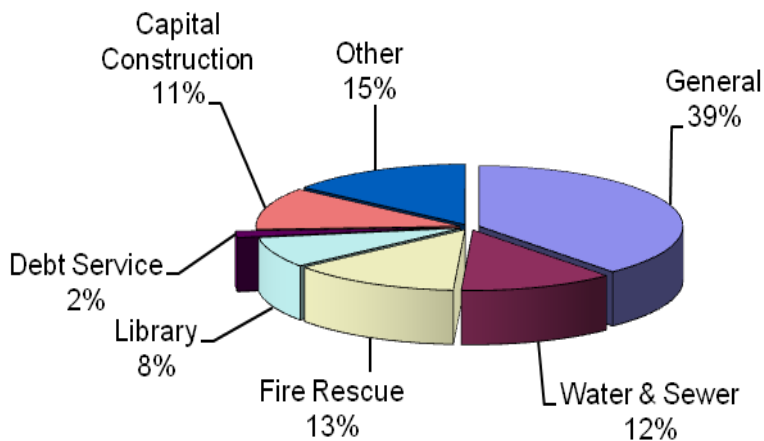
1. General Fund
2. Water and Sewer Funds, including Capital Improvement Fund
3. Fire Rescue Fund
4. Library Funds
5. Other Funds (Motor Fuel Tax, Road/Vehicle License, Crossing Guard, IMRF, Police Pension, Firefighters Pension, Police Special Detail Fund and Foreign Fire Insurance)
6. Debt Service Funds
7. Capital Construction Funds

The presentations of the major funds are divided by departments. Each departmental presentation contains a statement of activities, an organizational chart, a personnel summary, FY 2007-2008 accomplishments, FY 2008-2009 objectives with a proposed budget by account, and a brief summary of account information.

Several revenues, such as retail sales tax, investment income and the State income tax have previously been impacted by economic conditions, nationally as well as locally. Staff has worked diligently to provide a budget proposal that meets the high standards of the City and reflects a conservative view of the economic environment. The overriding concern in preparing this budget was the future state of the economy and what impact that will have on City revenues. Staff will continue to undertake cost saving measures in FY 2008-2009 to both reduce expenditures as well as capture additional revenue.

OPERATING BUDGET OVERVIEW – ALL FUNDS

Expenditures by Fund



Budgeted expenditures for all funds in FY 2008-2009, including all transfers, total approximately \$63.76 million (including the Library) compared to the FY 2007-2008 budget of \$60.23 million, which is an increase of 5.85%. The increase is attributable to:

- Full year of the adjudication program which will ultimately become cost neutral.
- New traffic unit for the Police Department.
- An increase in local road resurfacing program.
- An increase in contribution for the Fire and Police Pension Funds.
- An increase in construction funds to facilitate Nash Road storm water improvements.
- An increase in Water and Sewer Fund expenditures for necessary repairs, utility costs and maintenance.
- An increase in the Fire Rescue Fund to provide additional staffing and capital replacements.
- An increase in TIF expenses for the Main Street and Crystal Lake Avenue intersection improvements.

The combined revenue and amount available for all funds to support the FY 2008-2009 budget is \$60.49 million. The difference between the revenues and expenditures is primarily due to the use of fund balances for carryover of capital improvements.

The FY 2008-2009 revenue budget, (less fund transfers and fund balance draw downs), increased 9.4%, or \$4.89 million to \$56.86 million. This is mainly due to funding provided by property taxes for the purpose of meeting pension obligations, additional staffing in the Fire Rescue Department for the implementation of a fourth ambulance, debt service, and an expansion of revenues in the General Fund.

Vehicle Purchases

The purchase of thirteen vehicles is budgeted for FY 2008-2009 and the conversion of former police squad cars for use in the Fire Rescue Department. The vehicles to be purchased are:

- Nine replacement police squad cars
- One replacement detective car
- One new vehicle for a Traffic Sergeant
- Replacement street saw and chipper for the Streets Division
- Replacement pickup truck and replacement van for the Water Operations Division
- Replacement rescue boat for the Fire Rescue Department

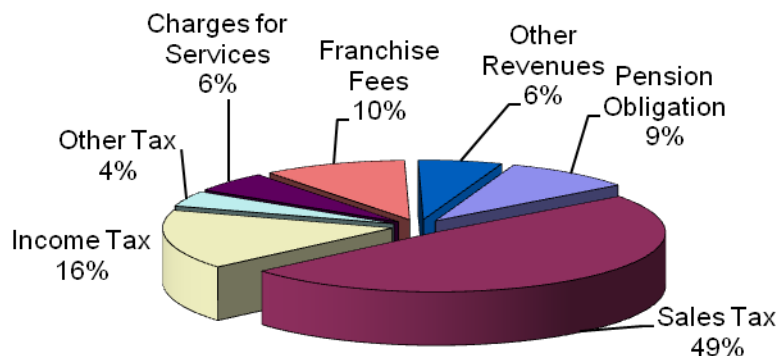
Also included in this area are the purchase of replacement emergency lighting equipment for the squad cars, upgrade of snow plow spreader controls, anti-icing unit for snow and ice operations, replacement tractor mower for Public Works and resources to transfer three used squad cars to the Fire Rescue Department.

Roadway Improvements

In continuation of our Street Resurfacing Program, there is budgeted \$2.774 million in total. This reflects over \$1.175 million for combined street resurfacing and improvement projects. This is an increase of \$201,925 or 7.85% over the prior year. This program is necessary to accommodate a larger number of streets added to the City during the 1980's and early 1990's that will need to be resurfaced over the next several years. Funds for these projects are located in the Road/Vehicle and License Fund and the Motor Fuel Tax Fund.

GENERAL FUND HIGHLIGHTS

General Fund Revenues by Source



With the continuation of no corporate property tax, the General Fund's single largest revenue source is the retail sales tax. Unlike property tax, the State sales and income tax revenues are volatile and greatly influenced by the economy. The sales tax (\$13.91 million), income tax (\$3.69 million) and telecommunication tax (\$1.91

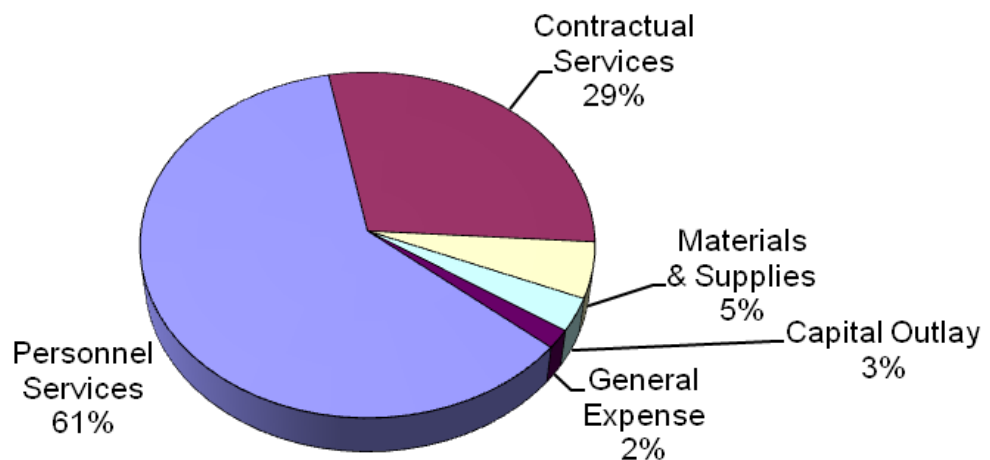
million) comprise the majority of the revenue sources for the General Fund or 75.99% of the total revenues.

In years past, the City benefited from increases in sales tax revenue but due to the current state of the economy and the surrounding area retail growth, increases in sales tax are expected to be modest. As a result of an anticipated slow-down coupled with demand for increased services, this budget introduces a 0.75% Home Rule sales tax. A 0.75% Home Rule sales tax will allow core services of the City to be maintained through FY 2008-2009 as well as add new programs as outlined in the City's Strategic Plan and as detailed in the Five-Year Financial Plan, (traffic services unit in the Police Department, flooding study in Engineering and Building Department, increasing economic development initiatives, enhancing the street resurfacing program, and providing initial funding for Vulcan Lakes and Main Street TIFs). This budget anticipates growth in income tax while telecommunication tax declines due to reduced demand for landlines.

For FY 2008-2009, it is projected that the City will generate a 3.08% increase in General Fund revenue without the Home Rule Sales tax. This change is inclusive of mandated pension obligations, (nearly one-third of the increase), over the previous year's budget. This overall increase takes into account very little growth in sales tax and income tax offset by a slight decrease in telecommunication tax.

General Fund expenses are projected to increase by 4.29%, inclusive of mandated pension obligations but exclusive of transfers. The increase in General Fund expenditures is primarily due to increases in personnel costs, fuel costs, utility rates and liability insurance. This budget includes expenses for the Administrative Adjudication Hearing Program. This new program enhances compliance with City codes while at the same time guarantees due process for alleged violators.

General Fund Expenditures by Object



Capital expenditures in the FY 2008-2009 General Fund budget account for 3.13% of the General Fund Budget as opposed to 4.86% of the FY 2007-2008 Budget. The decrease is attributable to a lesser number of larger vehicles needing to be replaced.

During the FY 2008-2009 Budget review process, the focus of the departments was aimed at continuing to meet service demands while keeping operating expense increases at a minimum. Below are highlights of significant items for the General Fund in the FY 2008-2009 Budget.

Executive Department

For FY 2008-2009, Hotel Tax proceeds have been budgeted for support of The Raue Center for the Arts, the Historic Downtown Association, the Crystal Lake Chamber of Commerce, the Crystal Lake Gala Festival, Crystal Lake Rowing Club, Lakeside Legacy Foundation, Crystal Lake Babe Ruth Baseball, the McHenry County Music Center, Northwest Area Arts Council and McHenry County Youth Baseball. Additional funds were budgeted for memberships to a regional council of governments and for performance measurement.

Legal and Judiciary

It is the responsibility of this area to provide legal advice to elected and administrative officials, litigate cases and conduct real estate transactions for the City. In addition, funds have been budgeted for an annual cable television franchise fee audit to ensure that the City is receiving its fair share of franchise revenues. This year, expenses for the Administrative Adjudication Process are located in this budget.

Administration Department

The Administrative Department is subdivided into the City Manager's Office, the Finance Department and Human Resources. Staff intends to continue to implement the recommendations for the downtown parking study, continue economic development initiatives, coordinate strategic plan initiatives, continue the Five-Year Financial Plan, and continue with internal training and development programs in order to further enhance customer service.

Police Department

The Police Department is responsible for a wide variety of activities on a twenty-four hour, seven-days-a-week basis. A focus for FY 2008-2009 will be the implementation of a special traffic unit. This traffic unit will function to reduce accidents through enforcement and to address city-wide traffic concerns. Included is the purchase of nine replacement squad cars, one detective vehicle and one traffic sergeant vehicle. The partnership with Senior Services Associates will continue to be enhanced. As part of this partnership, both the Police Department and Senior Services Associates will continue to produce educational programs to prevent seniors from being victims of crime.

Engineering and Building Department

The Engineering and Building Department will continue to improve the design, construction and signalization of the City's roadways, as well as coordinate the annual Street Resurfacing Program. In addition, in FY 2008-2009, the Department

will continue the implementation of Best Management Practices for storm water and streamline processes for plan review.

The Department will also continue to work to improve programs to enhance the building permit process. Improvements include the continued implementation of an "instant" permit program whereby less intense projects, i.e. fences, decks, roofs, etc., can be approved within twenty-four hours, the continued use of benchmark turnaround times for commercial, industrial and residential development plan review, and expansion of available information on the City's website for use by the public.

Public Works Department

The Public Works Department will continue to provide essential services to the residents and businesses of the City. The Street Division will also continue to provide maintenance to the City roadways and street lights, as well as maintain responsibility for the annual street resurfacing program, pavement maintenance, weed mowing, tree maintenance, biodegradable leaf bag program, and snow removal.

The Fleet & Facility Services Division will continue to provide technical training and certification of staff. The Division will also continue to service the City's 356 vehicles and pieces of equipment in a timely fashion.

Planning and Economic Development Department

The Planning and Economic Development Department coordinates the proposals for development throughout the City. Service and efficiency in the Planning and Economic Development Department will continue to be enhanced in FY 2008-2009 through a citywide, interdepartmental Geographical Information System (GIS), continuation of the Unified Development Ordinance (UDO), streamlining the development review system process, emphasizing the economic development efforts, assisting in the Virginia Street Corridor (VSC) and Main Street TIF projects, and reviewing and updating the Comprehensive Zoning Ordinance.

Information Technology Department

In FY 2008-2009, the Information Technology Department will continue the maintenance of the City's network infrastructure and complete installation of a Storage Area Network (SAN) backup system and a new server for the City's web monitoring software, as well as new equipment for the City's network and to deliver prompt service to both internal and external customers.

WATER AND SEWER FUND HIGHLIGHTS

The Water and Sewer Fund is an element of the Public Works Department. This area of the budget is balanced with the use of reserves to cover capital expenditures. Operating and capital expenditures are anticipated to increase by \$351,772 and \$701,650, respectively. Increases are attributable to higher electrical costs, insurance, and capital purchases. Capital expenditures include the replacement of water main, re-lining sanitary sewer, well maintenance, clarifier replacement, ion exchange media replacement, iron filter media replacement, flow-

meter replacement, the replacement of two vehicles, and the re-coating of two water towers.

FIRE RESCUE FUND HIGHLIGHTS

The Crystal Lake Fire Rescue Department operates from three stations to cover the City as well as the Crystal Lake Rural Fire Protection District through a negotiated contract. Expenditures increased 24.47% or \$1,638,418. The majority of this change is due to an increase in staffing cost for nine new firefighters in addition to capital purchases. An increase in staffing will allow for the implementation of a 4th ambulance in order to improve response times, reduce mutual aid requests from neighboring communities, and provide for firefighter safety by increasing the number of firefighters operating on a fire ground. Personnel assigned to this ambulance will operate as a jump company, transitioning to a ladder truck depending upon the type of emergency response necessary.

Capital expenditures have been budgeted for the replacement of large diameter hose and the replacement of SCBA (Self Contained Breathing Apparatus). The current SCBA equipment can no longer be certified or retrofitted. The department will seek assistance from a federal grant to offset a portion of the cost. Also, reflected are budgeted amounts for the proportionate share of dispatching costs for SEECOM.

OTHER FUNDS HIGHLIGHTS

The remainder of the expenditures for the City is comprised of 26 funds that account for 20.1% of total expenditures. These funds include:

- Motor Fuel Tax Fund (MFT)
- Road/Vehicle License Fund
- Crossing Guard Fund
- IMRF Fund
- Police Special Detail Fund
- Police Pension Fund
- Firefighters Pension Fund
- Foreign Fire Insurance Fund
- Library Funds
- Debt Service Funds
- Capital Construction Funds

Motor Fuel Tax Fund

In FY 2008-2009, funds are budgeted for the construction of several major roads. Many of these projects are on-going from the prior year. Budgeted funds include costs for Route 176 and Briarwood Road, Route 176 and Walkup Avenue, Erick Street improvements, Crystal Lake Avenue improvements, South Main Street improvements, and Nash Road storm sewer.

Road/Vehicle License Fund

The Road/Vehicle License Fund provides street system and related capital improvement funding for the City. In FY 2008-2009, funding continues for the annual road-resurfacing program. Funds have been set aside for continuing the City-wide Sidewalk Program, roadway drainage improvements, and Annual Thermo-Plastic Striping Program.

Debt Service Funds

Debt service for bond issues continues into FY 2008-2009. These issues include the Crystal Heights water and sewer project (funded by participation agreements), Bryn Mawr water and sewer project (funded by additional property taxes on benefiting properties through a Special Service Area (SSA)), Ryland homes infrastructure improvements (funded by participation agreements through a SSA), the Southeast Emergency Communications (SEECOM) project (funded by the SEECOM participants), and water meter replacements citywide (funded by user fees).

Capital Construction Funds

In FY 2008-2009, funds are budgeted for several Tax Increment Financing (TIF) related improvements to the original Downtown Business District. Funds for this TIF will expire after June 8, 2008.

FINANCIAL POLICIES

The City of Crystal Lake Financial Policies, listed in Appendix A of this document, provide the basic framework for the fiscal management of the City. These policies provide guidelines for evaluating both current activities and proposals for future programs. Most of the policies represent longstanding principles, traditions and practices that have guided the City in the past and have helped maintain the City's financial stability. The City's financial strength is exemplified by its Moody's Investors Service bond rating of Aa3.

The following policies are detailed in Appendix A:

- Revenue Policy
- Expenditure Policy
- Reserve Policy
- Cash Management Policy
- Capital Improvement Policy
- Debt Management Policy
- Budgeting Policy

DEBT ADMINISTRATION

As of April 30, 2008, the City will have a number of debt issues outstanding. These include \$9,135,000 in special service area bonds and \$12,220,000 in general obligation bonds paid from alternative revenue sources. In addition, in the Water and Sewer Fund there is a \$12,474,899 low interest (2.535%) note payable to the Illinois EPA, which is funded through water and sewer connection fees. It is

important to note that these are debt issues that are not supported directly through residents' property taxes.

BUDGETARY CONTROL BASIS

The annual City Budget is prepared on a cash basis, whereas the City's basis of accounting for its Comprehensive Annual Financial Report is on an accrual and modified accrual basis. All annual appropriations lapse at fiscal year end to the extent they have not been expended or lawfully encumbered. Expenditures may not legally exceed appropriations at the fund level.

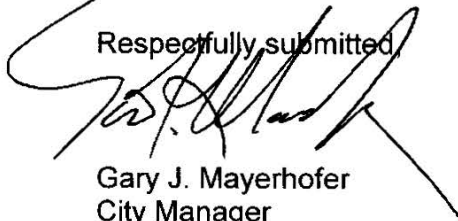
AWARDS

The City received the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended April 30, 2007 from the Government Finance Officers Association. This is the eighteenth year in a row the City has received this award.

ACKNOWLEDGEMENTS

We would like to thank the Department Heads, Deputy City Manager George Koczwara, Assistant Finance Director Laura Herrig and the Finance and Administrative staff for their help in preparing and assembling this budget. On behalf of the Executive Management staff, we are pleased to present the FY 2008-2009 City Budget for your consideration.

Respectfully submitted,

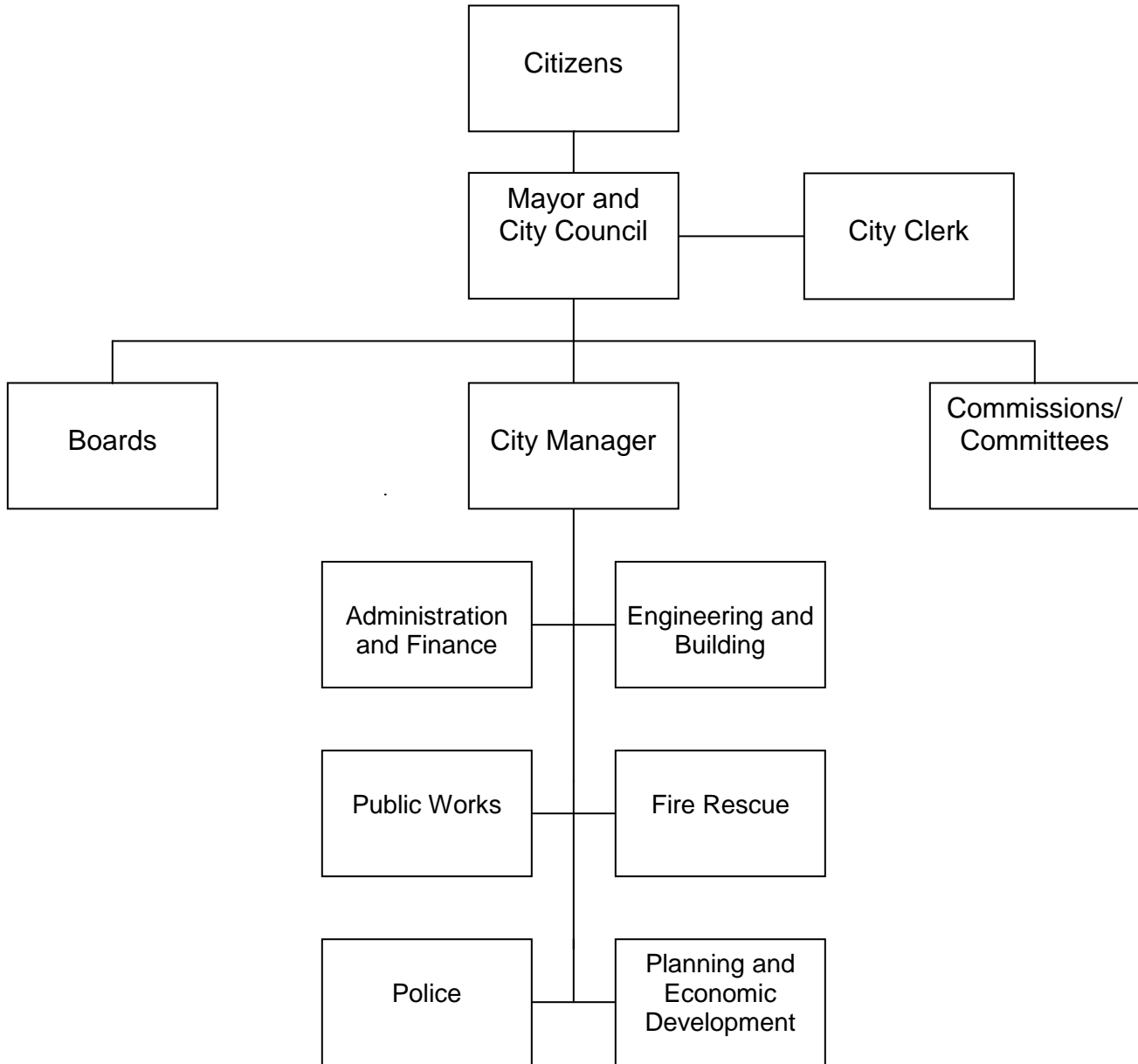


Gary J. Mayerhofer
City Manager



Mark F. Nannini
Director of Finance/City Treasurer

CITY OF CRYSTAL LAKE ORGANIZATIONAL STRUCTURE



City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



Summary of All Funds

CITY OF CRYSTAL LAKE

Summary of All Funds

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Revenues & Transfers In					
General Fund	21,242,052	23,310,257	22,294,826	22,294,826	25,674,692
Insurance Fund	-	-	178,476	178,476	-
Water & Sewer Fund	5,577,292	6,558,151	6,553,638	6,553,638	7,131,372
Water & Sewer Capital Imprvmnt	1,161,170	1,309,037	1,650,000	1,650,000	4,158,687
Fire/Rescue Fund	5,589,798	7,881,091	7,004,141	7,004,141	7,996,713
Library Funds	3,492,156	4,945,438	4,636,207	3,853,130	4,752,488
Motor Fuel Tax Fund	1,718,223	1,667,604	1,587,936	1,587,936	1,391,916
Road/Vehicle Fund	882,177	790,131	739,300	739,300	1,148,734
IMRF Pension Fund	1,560,786	1,763,557	1,826,525	1,826,525	1,942,385
Police Pension Fund	2,134,297	3,212,422	2,490,719	2,490,719	2,535,638
Firefighters Pension Fund	1,476,844	1,680,281	1,688,198	1,688,198	1,814,389
Crossing Guard Fund	54,368	60,250	56,722	56,722	62,931
Police Special Details Fund	-	-	64,000	64,000	64,000
Foreign Fire Insurance Fund	-	45,923	22,500	57,100	45,923
Debt Service Funds	469,137	1,146,536	1,379,993	1,415,993	879,100
Construction Funds	785,245	9,418,712	2,187,912	2,224,310	895,708
	<u>46,143,545</u>	<u>63,789,390</u>	<u>54,361,093</u>	<u>53,685,014</u>	<u>60,494,676</u>
Expenditures & Transfers Out					
General Fund	19,338,165	20,736,335	23,850,943	23,358,762	25,568,009
Insurance Fund	-	-	-	-	-
Water & Sewer Fund	5,467,166	6,061,015	6,553,638	6,303,028	7,641,886
Water & Sewer Capital Imprvmnt	1,094,717	1,040,836	1,650,000	1,095,105	3,443,700
Fire/Rescue Fund	4,905,174	6,852,140	6,773,765	6,564,079	8,403,312
Library Funds	2,826,387	6,452,462	7,371,707	4,036,186	5,068,488
Motor Fuel Tax Fund	978,135	990,204	2,094,683	934,925	3,898,213
Road/Vehicle Fund	1,282,286	482,445	2,287,283	1,993,565	1,436,320
IMRF Pension Fund	1,488,181	1,436,851	1,826,525	1,826,525	1,942,385
Police Pension Fund	888,392	1,033,720	1,064,374	1,064,374	1,151,985
Firefighters Pension Fund	262,165	335,176	345,636	345,636	407,015
Crossing Guard Fund	51,355	55,127	56,722	56,722	57,069
Police Special Details Fund	-	-	64,000	64,000	64,000
Foreign Fire Insurance Fund	-	-	-	2,700	45,923
Debt Service Funds	433,738	805,833	922,278	1,005,054	1,033,750
Construction Funds	2,632,650	8,278,804	5,372,520	893,478	3,596,628
	<u>41,648,511</u>	<u>54,560,949</u>	<u>60,234,074</u>	<u>49,544,140</u>	<u>63,758,682</u>

The summary above depicts total budgeted revenues, expenditures, and transfers between City funds.

The following summary includes only anticipated/budgeted revenues during the year, and does not include transfers-in:

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Revenues Only					
General Fund	21,242,052	23,310,257	22,294,826	22,294,826	25,674,692
Water & Sewer Fund	5,577,292	6,558,151	6,553,638	6,553,638	7,131,372
Water & Sewer Capital Imprvmt	1,161,170	1,309,037	1,650,000	1,650,000	1,748,687
Fire Rescue Fund	5,589,798	6,756,091	6,853,531	6,853,531	7,996,713
Library Funds	3,489,180	3,797,697	4,632,207	3,838,356	4,749,488
Motor Fuel Tax Fund	1,718,223	1,667,604	1,587,936	1,587,936	1,391,916
Road/Vehicle Fund	882,177	790,131	739,300	739,300	692,265
IMRF Pension Fund	1,560,786	1,763,557	1,826,525	1,826,525	1,942,385
Police Pension Fund	2,134,297	3,212,422	2,490,719	2,490,719	2,535,638
Firefighters Pension Fund	1,476,844	1,680,281	1,688,198	1,688,198	1,814,389
Crossing Guard Fund	54,368	60,250	56,722	56,722	62,931
Police Special Details Fund	-	-	64,000	64,000	64,000
Foreign Fire Insurance Fund	-	45,923	22,500	57,100	45,923
Debt Service Funds	469,137	1,141,983	738,312	774,312	879,100
Capital Construction Funds	785,245	983,712	767,912	804,310	133,400
	46,140,569	53,077,096	51,966,326	51,279,473	56,862,899

The increase in revenues from the previous budget is attributable to increases in property tax receipts to the Fire Rescue Fund and for pension obligations. In addition, increases are projected in distributions from the State of Illinois for sales tax and income tax. Revenues include a 0.75% home rule sales tax, towing fees for DUI offenses and fines pursuant to the City's adjudication program that is focused to address code violations within the City. A decrease in telecommunications tax is attributed to decreases in land based telephone usage offset by increases in the use of internet communications and more comprehensive wireless communications plans. Increases in water rates are expected to generate additional dollars for the Water and Sewer Fund to offset rising costs of utilities and chemicals to treat both drinking water and wastewater. Revenues in the debt service funds include chargebacks to SEECOM for debt service obligations.

Summary of Personnel – All Funds

	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Total Full Time Equivalents	249.50	253.75	267.25

Changes in Full Time Equivalents include the addition of four Police Officers, one Community Service Officer, nine Firefighter/Paramedics, and a part-time Fire Inspector.

The summary above does not include elected officials, Planning and Zoning committee members, paid-on-premise firefighters, crossing guards, or temporary employees.

Personnel summaries throughout the budget document reflect the positions for which salaries and wages are budgeted. Organizational charts reflect the structure of each department.

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



General Fund

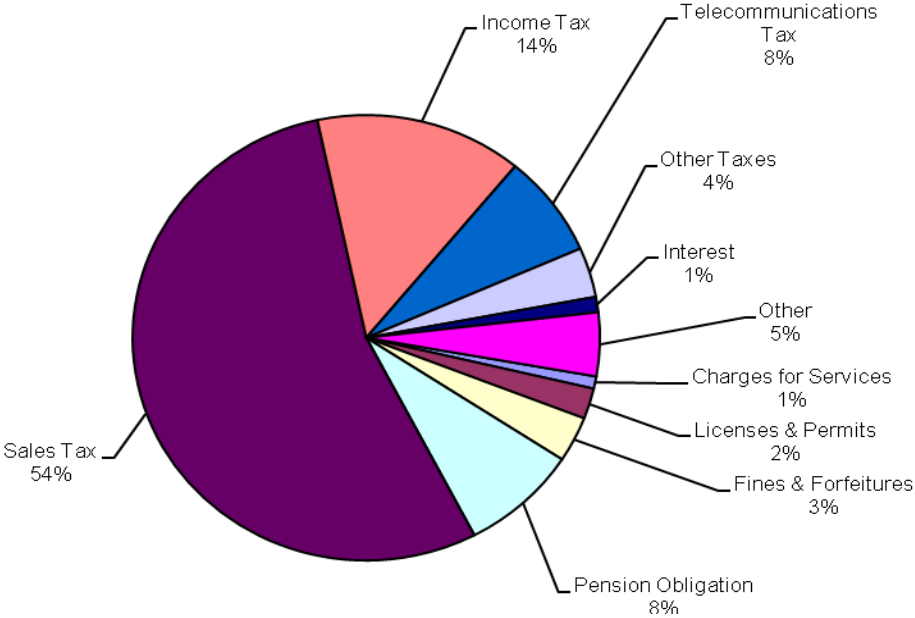
Summary of Revenues

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Tax - Police/Fire Pension	1,599,540	1,781,641	1,930,263	1,930,263	2,094,002
Replacement Tax	75,000	142,124	120,000	120,000	108,360
Sales Tax	10,803,932	11,168,510	11,050,000	11,050,000	11,215,750
Home Rule Sales Tax (0.75%, begin 07/01/08)					2,694,054
Leased Car Tax	26,619	26,677	26,000	26,000	28,500
State Income Tax	2,806,403	3,431,732	3,280,000	3,280,000	3,688,348
Use Tax	492,991	512,083	505,300	505,300	527,191
Hotel Tax	152,288	157,955	145,000	145,000	290,000
Liquor Licenses	89,935	91,045	80,000	80,000	93,775
Building Permits	287,725	544,841	456,150	456,150	465,273
Occupancy Permits	5,275	2,810	5,250	5,250	5,250
Miscellaneous Licenses & Permits	32,894	42,747	40,000	40,000	5,250
Police Training Grant	1,774	3,582	7,500	7,500	7,500
Other Grants	4,840	42,732	220,726	220,726	5,000
Zoning & Subdivision Fees	22,140	8,836	24,150	24,150	24,150
Plan Review Fees	321,400	320,344	238,000	238,000	230,000
Parking Revenue	248,166	226,112	260,000	260,000	310,722
Police Department Revenue	8,358	144,562	9,000	9,000	-
Police Department Fines	432,197	663,780	700,000	700,000	707,000
Police Towing	-	-	-	-	90,000
Investment Interest	512,231	847,921	425,000	425,000	286,750
Annexation Fees	12,750	-	14,000	14,000	14,000
Franchise Fees - Cable	364,175	403,659	400,000	400,000	400,000
Telecommunications Tax	2,097,640	1,911,745	1,950,000	1,950,000	1,911,000
Food and Beverage Tax (1%)	-	-	-	-	-
Reimbursed Expenses	512,308	38,668	117,337	117,337	-
Intergovernmental - SEECOM	34,854	-	-	-	-
Rental Income	74,380	69,358	50,000	50,000	56,667
Adjudication Fines	-	-	100,000	100,000	50,000
Transfer Station Host Fees (3 months)	-	-	42,150	42,150	42,150
Miscellaneous	203,007	703,216	75,000	75,000	300,000
	21,222,822	23,286,682	22,270,826	22,270,826	25,650,692
Capital Reserve Account					
Capital Facilities Fees	19,230	23,575	24,000	24,000	24,000
	19,230	23,575	24,000	24,000	24,000
Total Revenues	21,242,052	23,310,257	22,294,826	22,294,826	25,674,692

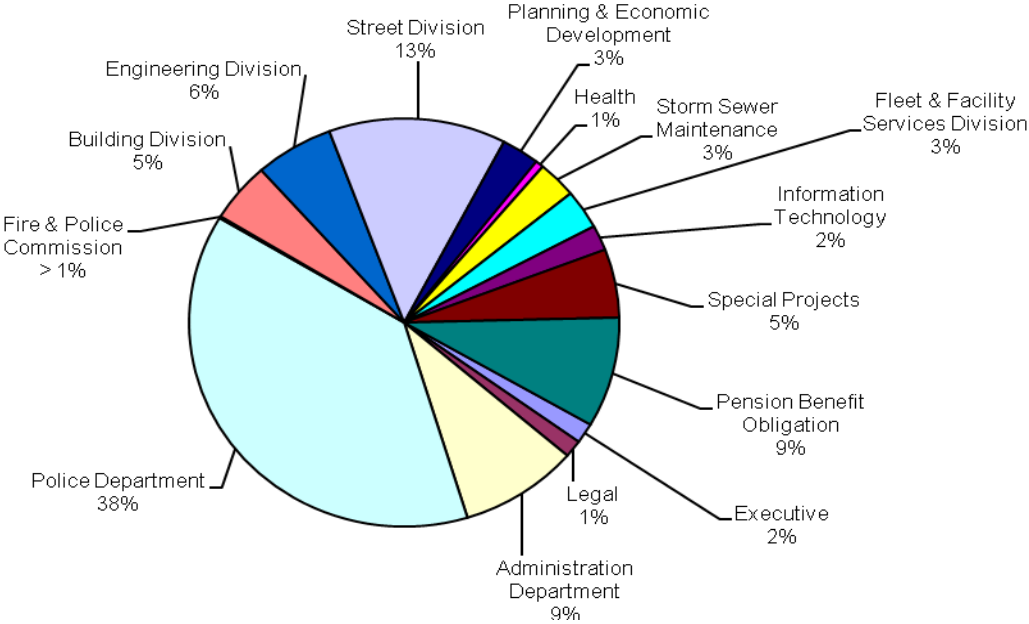
Summary of Expenditures

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
EXPENDITURES					
Executive	268,213	212,483	231,389	221,389	385,414
Legal	468,595	269,434	313,950	314,350	327,550
Administration Department	1,786,806	1,714,746	2,086,569	1,996,889	2,107,221
Police Department	7,163,606	7,623,859	8,662,556	8,689,101	9,173,338
Fire & Police Commission	29,244	18,815	36,295	36,295	37,538
Building Division	916,816	901,178	1,099,834	1,099,834	1,115,778
Engineering Division	981,116	1,050,485	1,288,372	1,300,412	1,403,422
Street Division	2,648,232	3,124,729	2,982,591	3,041,791	3,204,141
Planning & Economic Development	595,795	501,263	625,651	624,376	688,832
Health	125,063	125,184	119,500	126,800	147,452
Storm Sewer Maintenance	504,280	570,613	619,234	615,698	706,686
Fleet & Facility Services Division	470,715	503,964	752,917	722,279	744,133
Information Technology	478,726	444,756	461,502	461,502	473,706
Special Projects	1,226,419	768,185	1,719,202	1,256,665	1,304,344
Pension Benefit Obligation	1,674,539	1,781,641	1,930,263	1,930,263	2,094,002
Total Expenditures	19,338,165	19,611,335	22,929,824	22,437,643	23,913,557
Revenues in Excess of Expenditures	1,903,887	3,698,922	(634,998)	(142,817)	1,761,135
OTHER SOURCES (USES)					
Transfer In		0	0	0	0
Transfer Out		(1,125,000)	(921,119)		(1,475,394)
GASB 45 OPEB funding		0	0	(921,119)	(179,058)
Total Other Sources (Uses)	0	(1,125,000)	(921,119)	(921,119)	(1,654,452)
Beginning Balance, May 1	15,921,532	17,825,419	20,399,341	20,399,341	19,335,405
Ending Balance, April 30	17,825,419	20,399,341	18,843,224	19,335,405	19,442,088

General Fund Revenues by Source



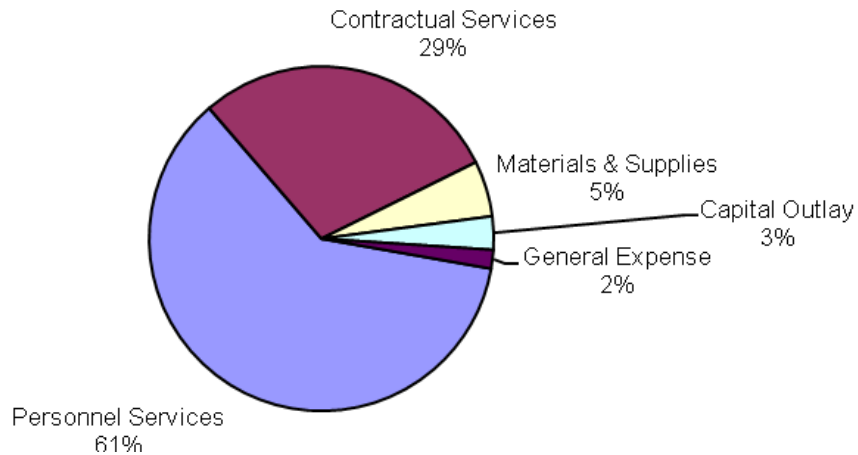
Expenditures by Function



Summary of Expenditures – Major Object

	Personnel Services	Contractual Services	Materials & Supplies	Capital Outlay	General Expense	Grand Total
Executive	22,800	362,614	0	0	0	385,414
Legal	0	327,550	0	0	0	327,550
Administration Department	1,663,719	340,781	128,620	0	0	2,133,120
Police Department	6,874,827	1,578,757	428,990	320,695	0	9,203,269
Fire & Police Commission	0	37,078	460	0	0	37,538
Building Division	1,000,996	97,538	31,908	0	0	1,130,441
Engineering Division	1,175,228	181,739	62,570	0	0	1,419,537
Street Division	1,979,413	861,918	275,515	85,000	0	3,201,846
Planning & Economic Development	477,593	207,109	13,805	0	0	698,507
Health	0	147,452	0	0	0	147,452
Storm Sewer Maintenance	551,417	51,421	43,390	60,000	0	706,228
Fleet & Facility Services Division	571,246	136,150	38,240	0	0	745,636
Information Technology	309,954	27,206	140,590	0	0	477,750
Special Projects	0	507,795	92,722	285,200	418,627	1,304,344
Pension Benefit Obligation	0	2,094,002	0	0	0	2,094,002
Total	14,627,194	6,959,110	1,256,810	750,895	418,627	24,012,635
% Percentage	60.91%	28.98%	5.23%	3.13%	1.74%	100.00%

Expenditures by Type



City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009

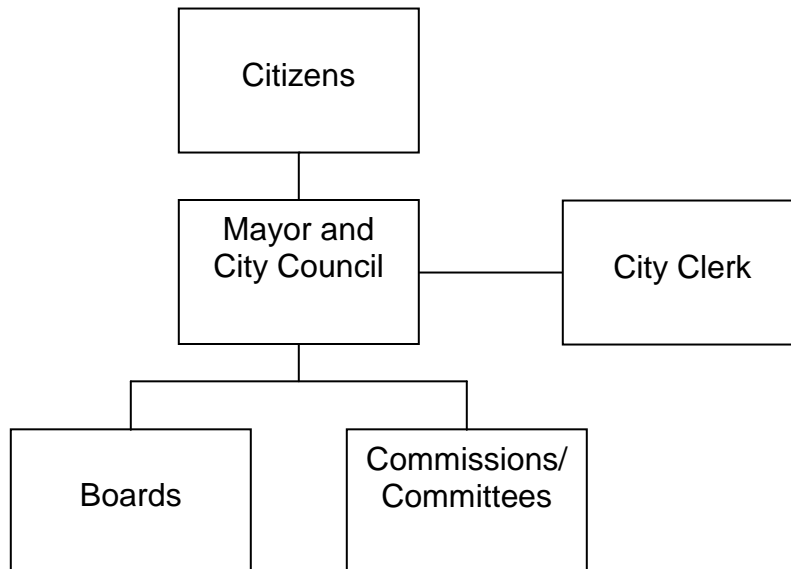


**EXECUTIVE
DEPARTMENT**

EXECUTIVE DEPARTMENT STATEMENT OF ACTIVITIES

It is the responsibility of the Mayor and City Council to develop policies and enact ordinances and resolutions to ensure the health, safety, and welfare of Crystal Lake residents. The City Council adopts an annual budget outlining the services to be offered to City residents during the coming year and establishes the revenue sources to be used to finance the proposed services.

EXECUTIVE DEPARTMENT ORGANIZATIONAL CHART



EXECUTIVE DEPARTMENT BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	22,800	25,752	22,800	22,800	22,800
Total Personnel Services	22,800	25,752	22,800	22,800	22,800
Professional	-	5,695	10,000	-	10,000
Training	1,723	7,010	6,680	6,680	6,680
Dues & Subscriptions	17,605	22,060	29,300	29,300	35,850
Insurance & Bonding	6,927	8,014	8,609	8,609	11,234
Contingent	10,360	-	9,000	9,000	8,850
Other / Hotel Tax	208,798	143,952	145,000	145,000	290,000
Total Contractual Services	245,413	186,731	208,589	198,589	362,614
Total Budget	268,213	212,483	231,389	221,389	385,414

EXECUTIVE DEPARTMENT ACCOUNT INFORMATION

- An increase in dues and subscriptions is attributable to increases in dues for a full year membership in the McHenry County Council of Governments.
- An increase in Other/Hotel tax is due to increased allocation of hotel/motel tax for purposes of promoting tourism within the City:

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Crystal Lake Chamber of Commerce	4,841	-	5,000	5,000	5,000
Historic Downtown Assoc	41,250	24,750	31,000	31,000	35,000
Raue Center for the Arts	100,000	51,000	49,000	49,000	150,000
GALA Festival	18,000	20,000	18,000	18,000	15,000
McHenry County Youth Sports Assn	39,000	41,000	39,000	39,000	55,000
Crystal Lake Babe Ruth Baseball		1,000	1,000	1,000	1,000
Lakeside Legacy Foundation			-	-	15,000
Northwest Area Arts Council			-	-	6,000
McHenry County Music Center		2,000	2,000	2,000	3,600
Crystal Lake Rowing Club	5,707	-	-	-	1,650
Total	208,798	139,750	145,000	145,000	287,250

City of Crystal Lake
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LEGAL AND JUDICIARY

LEGAL AND JUDICIARY STATEMENT OF ACTIVITIES

It is the responsibility of Legal and Judiciary to provide legal advice to elected and administrative officials, to prepare and review legal documents for the City, to litigate cases involving the City and to conduct real estate transactions for the City.

LEGAL AND JUDICIARY BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Professional	3,159	2,306	17,950	18,350	18,350
Legal	465,436	267,128	296,000	296,000	309,200
Total Contractual Services	468,595	269,434	313,950	314,350	327,550
Total Budget	468,595	269,434	313,950	314,350	327,550

LEGAL AND JUDICIARY ACCOUNT INFORMATION

- Legal fees include costs associated with the City's adjudication program.

City of Crystal Lake
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ADMINISTRATION
DEPARTMENT

ADMINISTRATION DEPARTMENT

STATEMENT OF ACTIVITIES

The Administration Department is subdivided into the City Manager's Office, Finance, and Human Resources. The Statement of Activities for the Administration Department is as follows:

City Manager's Office

The City Manager, who is appointed by the City Council, serves as the chief executive officer and is responsible for the day-to-day operations of the City. The City Manager's Office is the center point of communication between the Mayor and City Council, the various City Departments, and the citizenry. The City Manager's Office provides leadership by translating policy, as established by the City Council, into operating programs. The City Manager's Office ensures that the mission statement is the driving force behind all operational endeavors. In addition, the City Manager's Office coordinates the budget, handles risk management, and is responsible for promoting an overall customer service culture, managing and responding to City Council issues, providing vision, guidance, oversight, and examples to departments concerning performance and general service delivery, administering initiatives and participating in community leadership efforts.

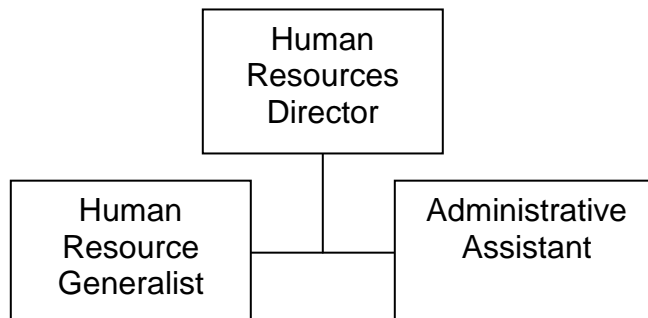
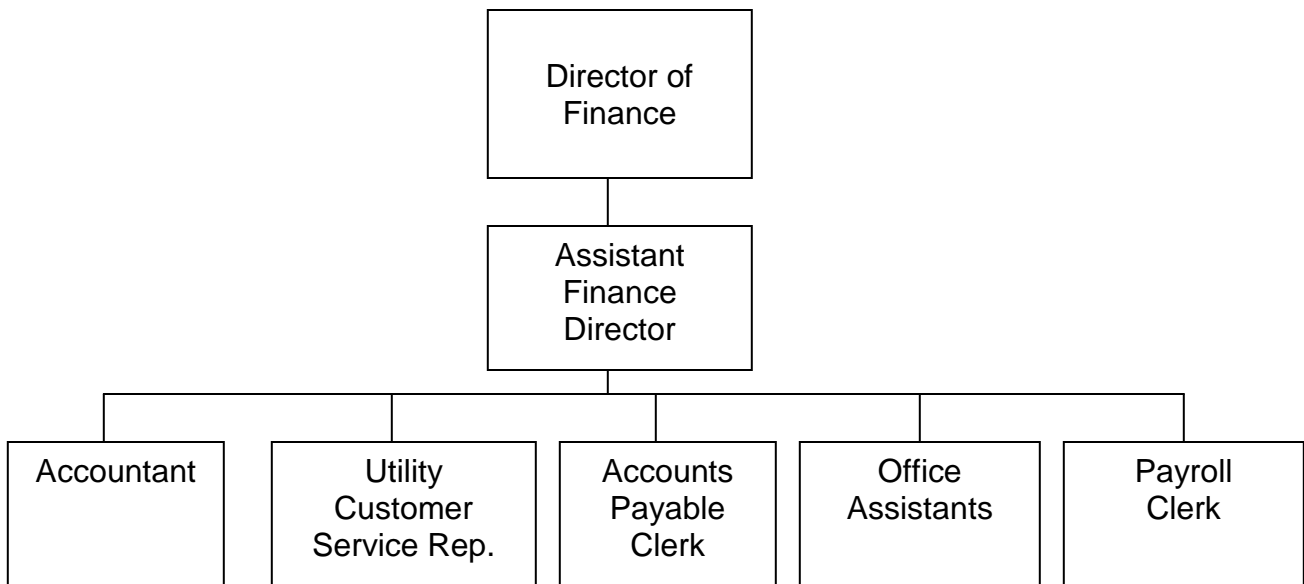
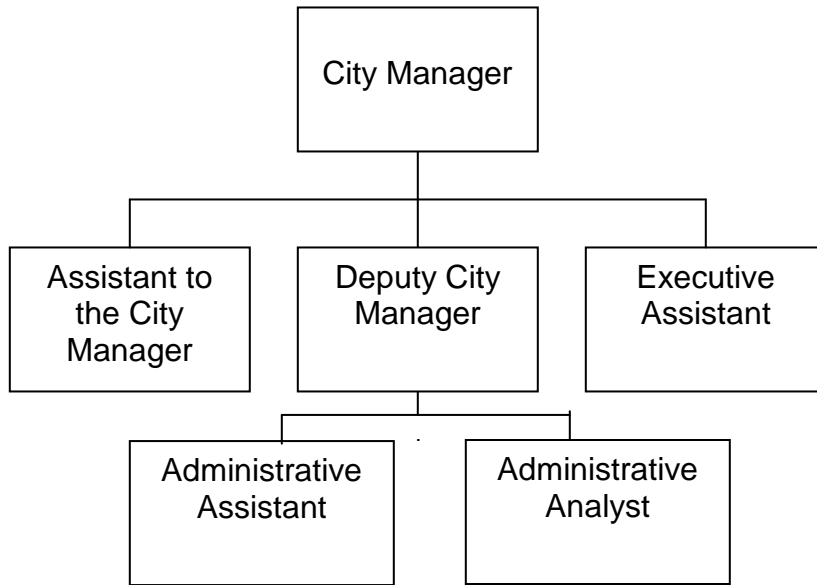
Finance Department

The Finance Department is responsible for maintaining the integrity of all financial systems, records and functions of the City in accordance with applicable laws, ordinances, policies and procedure. These activities include the recording and reporting of all financial transactions, billing and collecting of all monies due the City, making payments to employees and vendors, managing cash and investments, preparing the annual financial report, and developing budget and financial forecasts. Additionally, Finance Department personnel administer the Police and Fire Pension programs as well as the City's new Administrative Adjudication Program.

Human Resources

The Human Resources Division is responsible for all recruitment efforts: the interview, testing, and hiring processes. The operating departments rely on Human Resources for assistance and direction as it applies to employee relations and performance management, as well as for guidance in the administration of organizational policies, and federal and state regulations. In addition, the Human Resources Division is responsible for benefits administration, which includes health, life, disability, and workers compensation insurance issues, as well as providing administrative assistance to the pension funds and two deferred compensation programs. The Division handles classification and compensation administration, personnel records management, labor relations, and training and development for over 250 full-time equivalent employees and over 60 seasonal and part-time employees of the City of Crystal Lake.

ADMINISTRATION DEPARTMENT ORGANIZATIONAL CHART



ADMINISTRATION DEPARTMENT PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
City Manager	1.00	1.00	1.00
Director of Finance	1.00	1.00	1.00
Deputy City Manager	1.00	1.00	1.00
Assistant to the City Manager	2.00	2.00	2.00
Director of Human Resources	1.00	1.00	1.00
Assistant Finance Director	1.00	1.00	1.00
Human Resources Generalist	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	0.00
Administrative Assistant	2.75	2.75	3.50
Accountant	1.00	1.00	1.00
Payroll Clerk	0.00	1.00	1.00
Accounts Payable Clerk	1.00	1.00	1.00
Office Assistant	2.75	2.50	1.75
Total Staff	17.50	18.25	17.25

ADMINISTRATION DEPARTMENT 2007/2008 ACCOMPLISHMENTS

- A comprehensive strategic plan for the City was completed.
- A comprehensive five-year financial/capital plan was completed that provides a framework for the City to manage its resources.
- The City's Risk Management Program was further improved through cooperation with the Intergovernmental Risk Management Agency (IRMA).
- A proactive economic development program that encourages business retention and recruitment was enhanced through the assignment of a full-time economic development specialist.
- An overall high quality customer service culture through increased training and communication continued to be promoted.
- Alternatives for the development of the Vulcan Lakes recreational area continued to be developed.
- The comprehensive downtown parking study was updated in order to enhance parking options in the Downtown area.
- The City continued to improve and promote effective, positive communication with the community, staff, and elected officials.
- The City continued to work with METRA, the Union Pacific Rail Line, and PACE suburban bus service to maintain commuter friendly transportation.
- Continued revisions of Personnel Policies and creation of new policies.
- Modules for employee training and development have been developed and implementation continues.

ADMINISTRATION DEPARTMENT 2008/2009 OBJECTIVES

- Continue to promote the development of strategic areas including the Vulcan Lakes area, the Main Street T.I.F., the Northwest corridor, the Route 31 corridor, the Virginia Street T.I.F., and the commercial areas along Route 14.
- Complete the successful closeout of the Downtown T.I.F.
- Continue to work with the Union Pacific Railroad to relocate the Metra train yard, relocate the rail line from Main Street and eliminate the railroad grade crossings on Main Street.
- Continue to strengthen and diversify the tax and job base.
- Continue to explore strategic annexation opportunities.
- Continue to work with community organizations and residents to understand and address community problems.
- Continue to support community events that create opportunities for community and neighborhood gatherings.
- Continue to promote effective communication through the enhanced use of the City Newsletter, the enhanced use of the City government access channel, the development of a City marketing plan, and the complete retooling of the City's website.
- Create and implement a comprehensive index of community satisfaction with municipal services.
- Continue to evaluate and improve customer service delivery needs and actions.
- Continue to increase utilization of technology.
- Continue to foster intergovernmental collaboration.
- Continue to provide a workplace that encourages excellence.
- Continue to ensure fiscal responsibility.
- Maintain a prioritized capital improvement plan.
- Update the Five-Year Financial Plan.

ADMINISTRATION DEPARTMENT BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	1,231,715	1,146,500	1,276,566	1,201,156	1,299,157
Part-time Salaries	28,966	59,456	78,477	80,730	86,927
Overtime	-	-	20,000	20,000	20,000
Group Insurance	117,716	132,360	208,721	215,172	231,736
Total Personnel Services	1,378,397	1,338,317	1,583,764	1,517,058	1,637,820
Professional	40,191	26,353	46,250	45,950	37,650
Annual Audit	43,415	46,600	47,600	24,500	24,500
Publishing	10,490	7,552	8,500	8,500	8,500
Postage & Freight	36,289	33,273	51,750	51,750	53,075
Training	18,093	15,527	23,845	23,845	23,845
Dues & Subscriptions	9,783	8,892	8,625	8,625	9,325
Insurance & Bonding	38,959	44,112	41,135	41,135	53,677
Utilities	35,972	27,118	35,900	35,800	35,800
Buildings & Offices	17,170	21,152	35,560	36,917	46,744
Physical Examinations	1,788	1,825	2,200	2,200	2,200
Operating Equipment	9,203	7,473	2,000	2,300	2,300
Office Equipment	8,059	5,406	9,920	11,620	11,865
Employee Programs	25,903	21,599	30,200	30,200	30,200
Rent - Buildings & Equipment	2,522	624	1,100	1,100	1,100
Rent - Land	11,498	-	15,080	15,080	-
Total Contractual Services	309,335	267,506	359,665	339,522	340,781
Office Supplies	21,264	19,612	20,130	20,130	20,130
Cleaning Supplies	3	-	-	-	-
Motor Fuel & Lub.	2,083	1,172	1,750	1,750	1,750
Comp. Hardware & Software	21,465	15,927	52,570	42,570	32,300
Small Tools & Equipment	6,721	6,295	6,550	6,550	5,950
Automotive Supplies	-	1,326	-	-	-
Stationery & Printing	40,848	64,591	62,140	69,309	68,490
Total Materials & Supplies	92,384	108,923	143,140	140,309	128,620
Automotive Equipment	-	-	-	-	-
Departmental Equipment	6,690	-	-	-	-
Total Capital Outlay	6,690	-	-	-	-
Total Budget	1,786,806	1,714,746	2,086,569	1,996,889	2,107,221

ADMINISTRATION DEPARTMENT ACCOUNT INFORMATION

- An increase in part-time salaries is attributable to a reclassification of an office assistant position to an administrative assistant.
- A decrease in professional services is attributable to completing the 5-year financial plan compilation process “in-house”.
- A decrease in audit fees budgeted reflects the actual contractual costs awarded after the budget was prepared in the prior fiscal year.
- Insurance and bonding costs reflect an increase in the premium for the City’s liability insurance.
- An increase in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- Rental fees paid to the Union Pacific have been reallocated so that they are charged directly against parking lot revenues.
- A decrease in computer hardware and software is attributable to the Office 2007 upgrade being completed in the 2007-2008 fiscal year.

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



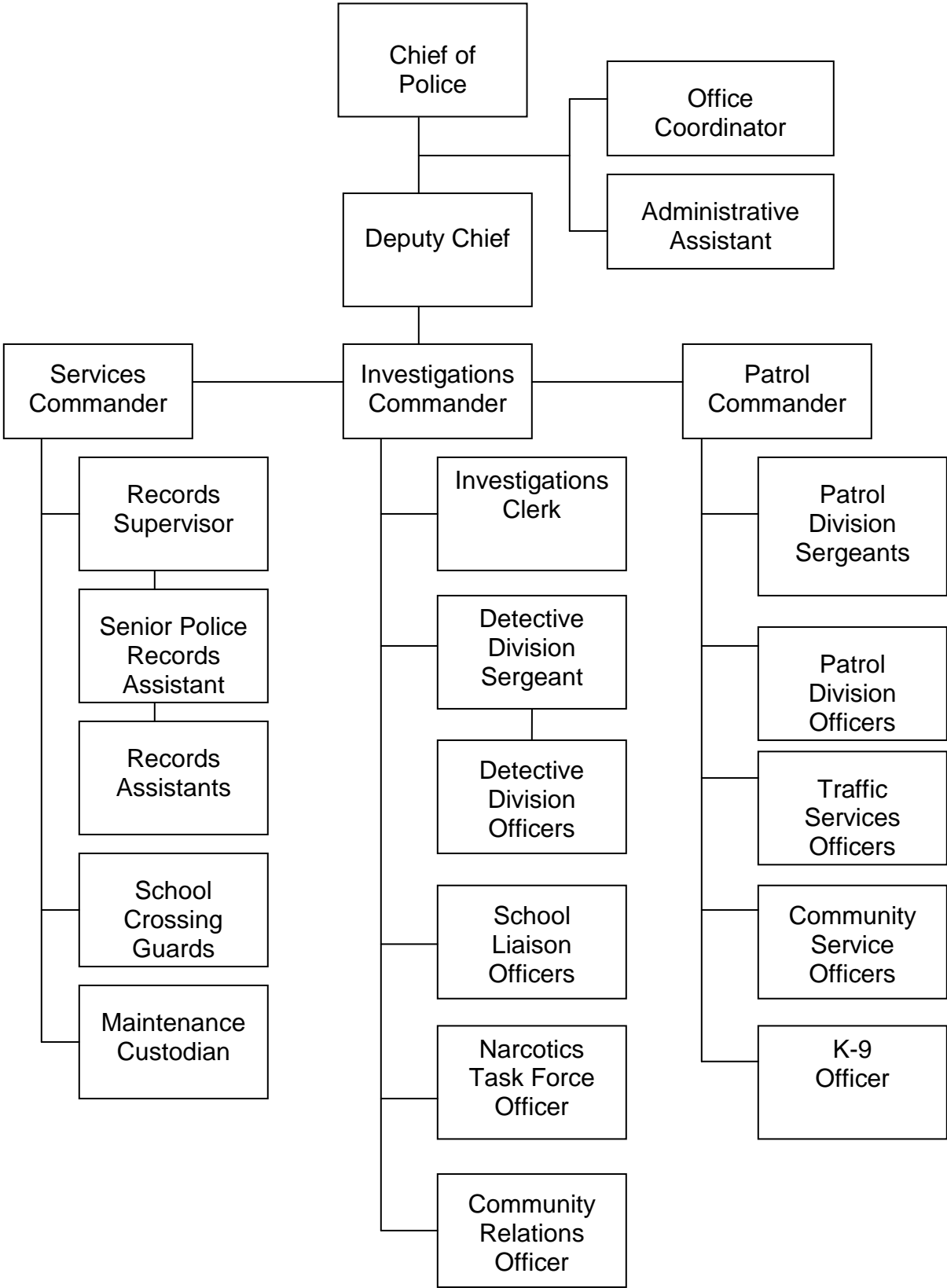
**POLICE
DEPARTMENT**

POLICE DEPARTMENT STATEMENT OF ACTIVITIES

The Crystal Lake Police Department is responsible for an extensive variety of services to the community on a twenty-four-hour, seven-day-a-week basis, including but not limited to traffic services, preventative patrol operations, criminal investigations, youth services, crime prevention, parking enforcement, public education, and a strong commitment to protecting the lives and safety of residents. The Department is proud to provide these services and programs with the philosophy of Community/Problem Oriented Policing. The Department strives to provide all citizens and members of the business community with the most efficient, effective and professional law enforcement services possible.

In addition, the Police Department participates in the Operation Cool Seat Belt Program, North Central Narcotics Task Force, McHenry County Major Investigation Assistance Team, McHenry County Chiefs Association, Department Gang Unit, Police Canine Unit, Bicycle Patrol Officer Program, Law Enforcement Advocate Partnership Program, High School Resource Officer Program, Neighborhood Watch, National Night Out, and Citizen Police Academy. The Department also has provided highly trained personnel to the Emergency Services Team. These officers respond to any high-risk incident or request for additional manpower during emergency situations. Additionally, the Department has implemented a volunteer program to use qualified volunteers for specified tasks and duties that can create efficiencies for the department and improve services to the community. Volunteers are intended to supplement and support, rather than supplant, sworn officers and civilian personnel.

POLICE DEPARTMENT ORGANIZATIONAL CHART



POLICE DEPARTMENT PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Police Chief	1.00	1.00	1.00
Deputy Police Chief	1.00	1.00	1.00
Commander	3.00	3.00	3.00
Sergeant	7.00	10.00	11.00
Police Officer	50.00	47.00	50.00
Community Service Officer	4.00	4.00	5.00
Office Coordinator	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Police Records Supervisor	1.00	1.00	1.00
Senior Police Records Assistant	1.00	1.00	1.00
Police Records Assistant	4.50	4.50	4.50
Investigations Clerk	0.75	0.75	0.75
Maintenance Custodian	1.00	1.00	1.00
Total Staff	76.25	76.25	81.25

POLICE DEPARTMENT 2007/2008 ACCOMPLISHMENTS

- A Department Specific Strategic Plan has been completed and is scheduled to be presented to the entire department prior to the end of the fiscal year.
- The Department has embarked on the process of attaining CALEA accreditation.
- Significant steps have been taken toward the expansion of the scope of the current Traffic Services Unit to include identification and response to community / problem-oriented policing projects (CPOP), including those that are difficult for the patrol shifts to respond to due to the demands of answering day-to-day calls for service.
- Field reporting has been fully implemented in the Patrol Division. All members of the department now have the ability to pull up reports from any computer workstation. Information on subjects from the CRIMES records management system now automatically populates on the in-car computers when officers make inquiries on drivers licenses.
- The six-squad system with overlapping start times has been implemented in the Patrol Division.
- The ordinance providing for the administrative tow fee for vehicles impounded due to Driving Under the Influence and other select arrests has been approved by the City Council. Additionally, the City Council has passed the administrative adjudication ordinance necessary to establish the program. Full implementation will be possible once the adjudication process is finalized.
- The Department pursued alternatives for the storage of vehicles held for evidentiary purposes or impounded due to arrest.
- The Department explored options for a firearms training facility within the City.
- Expanded the police community service initiatives including the Citizen Police Academy, Department Ride-Along Program and college internships.
- The Department added three new patrol sergeant positions in order to provide a continuous supervisory presence in the Patrol Division.

POLICE DEPARTMENT 2008/2009 OBJECTIVES

- The addition of a sergeant position to lead and coordinate the activities of the expanded Traffic Services Unit. This Sergeant would also be charged with the supervisory responsibility of the Department's community service officers that are assigned to parking enforcement duties, and the school crossing guards.
- The addition of four new patrol officer positions to the Department in order to provide for a more proactive problem-solving patrol force. This will be accomplished by increasing the amount of unobligated time a Patrol Officer has available for identifiable, resource allocation driven projects, such as traffic enforcement unit initiatives.
- The addition of one new community service officer position to help address parking enforcement issues, such as downtown and city-wide parking enforcement, as well as assist in other areas of the Department operations with tasks more consistent with that of a trained civilian, freeing up sworn police officers for activities requiring a police officer.

- Research and implementation of video red light enforcement at identified intersections, if the study determines that there is sufficient evidence to suggest that it will result in a reduction of accidents at certain high volume traffic locations.
- Deployment of patrol rifles to officers on the street. This has been identified as an industry best practice in the preparedness for active shooter incidents such as the tragedies this past year at Virginia Tech and in Omaha.
- Development of a loss control strategy supported by increased training and equipment to facilitate the use of alternative measures of controlling violent, resistive subjects, so as to reduce officer injuries. This will include an increase in our certified trainers so as to have available a Training Officer on each shift, with a practical increase in department training equipment to facilitate in-house instruction. This training will include additions to our less-than-lethal force instruction for alternative defensive measures, such as the “Taser” neuromuscular incapacitation devices purchased in the previous budget.
- Work in cooperation with the McHenry County Emergency Telephone Services Board (ETSB) on an enhancement of the computer aided dispatch (CAD) system to include automatic vehicle location (AVL) capabilities. The AVL would utilize the GPS in the in-car computer modem to transmit the location of patrol units to the CAD system. The system could then automatically determine the closest unit to a call when it is entered into the system, thus more efficiently routing calls. The system offers the added safety benefit of being able pinpoint the location of a unit if the officer does not respond to radio traffic or has activated the emergency distress transmitter on his radio.
- Continue to expand the paperless capabilities of the CRIMES records management system to include investigative follow-up assignments and case management.

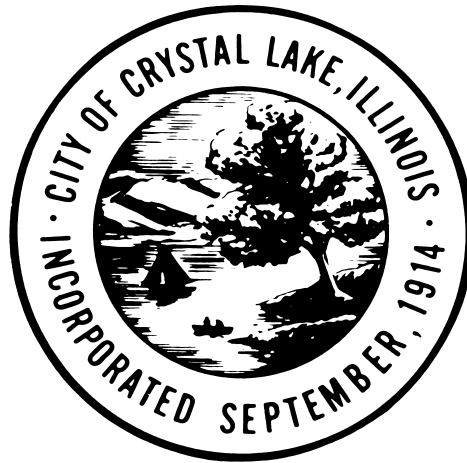
POLICE DEPARTMENT BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimated	2008/2009 Budget
Regular Salaries	5,070,610	5,107,867	4,918,269	4,918,269	5,367,138
Part-time Salaries	52,468	44,403	75,713	75,713	80,150
Overtime	-	-	416,000	416,000	421,000
Group Insurance	458,345	668,253	930,709	957,254	976,608
Total Personnel Services	5,581,423	5,820,522	6,340,691	6,367,236	6,844,896
Professional	667,159	841,397	1,017,155	1,017,155	1,018,275
Publishing	-	-	800	800	100
Postage & Freight	1,912	2,267	4,880	4,880	5,000
Training	48,921	52,021	63,715	63,715	75,305
Dues & Subscriptions	1,715	2,712	5,652	5,652	11,040
Insurance & Bonding	215,600	263,290	230,268	230,268	300,474
Utilities	52,597	45,413	58,350	58,350	62,850
Buildings & Offices	15,726	20,886	26,570	26,570	56,772
Physical Examinations	112	-	2,050	2,050	2,050
Operating Equipment	4,348	18,293	24,600	24,600	22,750
Office Equipment	2,341	4,313	6,191	6,191	6,191
Radio Equipment	10,465	11,620	25,158	25,158	9,700
Rental - Buildings & Equip.	20,043	8,795	8,106	8,106	8,250
Total Contractual Services	1,040,939	1,271,006	1,473,495	1,473,495	1,578,757
Office Supplies	11,460	10,421	16,870	16,870	16,870
Cleaning Supplies	1,969	1,410	1,800	1,800	2,000
Motor Fuel & Lub.	109,455	138,073	148,000	148,000	160,200
Comp. Hardware & Software	54,980	44,950	85,435	85,435	71,175
Small Tools & Equipment	39,679	33,407	38,100	38,100	65,356
Auto. Supplies & Materials	22,845	30,326	37,000	37,000	25,000
Clothing	41,004	50,978	64,550	64,550	76,674
D.A.R.E.	390	-	-	-	-
Stationery & Printing	8,967	6,090	13,101	13,101	11,715
Total Materials & Supplies	290,749	315,654	404,856	404,856	428,990
Office Equipment	-	-	11,109	11,109	-
Automotive Equipment	213,154	216,676	232,405	232,405	264,373
Operating Equipment	37,341	-	200,000	200,000	56,322
Total Capital Outlay	250,495	216,676	443,514	443,514	320,695
Total Budget	7,163,606	7,623,859	8,662,556	8,689,101	9,173,338

POLICE DEPARTMENT ACCOUNT INFORMATION

- Increased salaries and wages are attributable to additional staffing (4 patrol officers and 1 community service officer).
- Dues and subscriptions include costs for new Lexipol training newsletter subscription.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- An increase in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- Radio equipment decrease is reflective of a replacement program that was completed in the prior fiscal year.
- An increase in motor fuel and lubricants is attributable to increased costs for petroleum based products.
- Small tools and equipment includes one-time expenditures for automatic defibrillators, tasers, and an evidence drying rack.
- An increase in clothing is attributable to additional staffing.
- A decrease in operating equipment capital is reflective of emergency sirens being purchased in the prior fiscal year. Included in fiscal 2008-2009 are costs associated with new light bars and patrol rifles.

City of Crystal Lake
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**FIRE AND POLICE
COMMISSION**

FIRE & POLICE COMMISSION STATEMENT OF ACTIVITIES

The Board of Fire and Police Commissioners consists of a Chairperson and two Commissioners. The Human Resources Director of the City of Crystal Lake serves as the staff liaison to the Board of Fire and Police Commissioners. Some changes have occurred within the Board's scope of activities in FY2007-2008. Recently, the hiring process for firefighter/paramedics and police officers has been delegated to the Human Resources Department. However, the Board has the authority to provide for promotion in the Fire Rescue and Police Departments. In addition, certain disciplinary actions and/or terminations of sworn personnel are subject to the exclusive jurisdiction of the Board of Fire and Police Commissioners according to applicable State law.

FIRE & POLICE COMMISSION 2007/2008 ACCOMPLISHMENTS

- Firefighter/paramedic testing was conducted in August 2007 in order to establish a new eligibility list.
- The Board filled six firefighter/paramedic positions (four new positions and two replacement positions).
- The Board filled five police officer positions. These have all been replacements for officers who have retired or left employment.
- A number of police and firefighter/paramedics were promoted to sergeant and lieutenant, respectively.
- The revision of the Rules and Regulations of the Board of Fire and Police Commissioners has been approved. The revision changes the responsibility for initial hire functions from the Board to the Human Resources Department. The Board will retain authority over promotions for Fire and Police, and discipline for the Police Department.

FIRE & POLICE COMMISSION 2008/2009 OBJECTIVES

- Conduct promotional examinations and processes as needed for the establishment of eligibility lists for positions of Police Sergeant, Fire Lieutenant and Fire Battalion/Bureau Chief.
- Fulfill the duties of the Board as outlined in the Board of Fire and Police Commission Rules and Regulations as adopted in March, 2008.

FIRE & POLICE COMMISSION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Publishing	2,346	1,561	4,620	4,620	4,620
Postage & Freight	15	900	750	750	750
Training	-	-	1,500	1,500	1,500
Dues & Subscriptions	375	375	395	395	395
Insurance & Bonding	-	-	1,815	1,815	2,368
Examinations	26,505	15,980	26,755	26,755	27,445
Total Contractual Services	29,241	18,815	35,835	35,835	37,078
Office Supplies	3	-	100	100	100
Stationery & Printing	-	-	360	360	360
Total Materials & Supplies	3	-	460	460	460
Total Budget	29,244	18,815	36,295	36,295	37,538

FIRE & POLICE COMMISSION ACCOUNT INFORMATION

- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.

City of Crystal Lake
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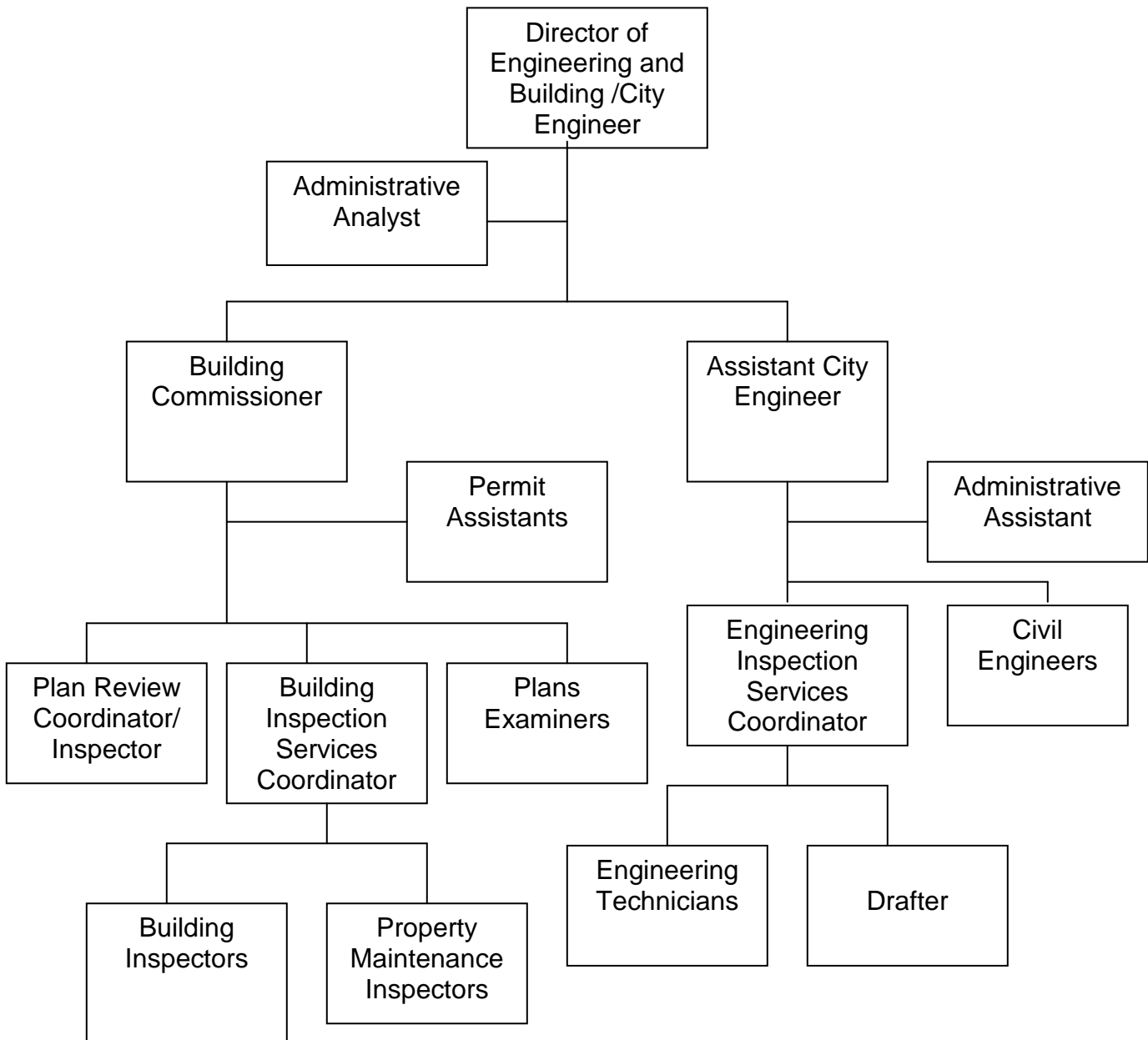


**BUILDING DIVISION-
ENGINEERING AND
BUILDING
DEPARTMENT**

BUILDING DIVISION STATEMENT OF ACTIVITIES

The Building Division is one element of the Engineering and Building Department. The Building Division is responsible for administering development codes to ensure orderly development and redevelopment within the City. Also, the Building Division reviews plans, issues permits, and performs the necessary inspections to ensure adherence to proper construction and designs per the codes. The Division is further responsible for housing and property maintenance inspections to protect the health and wellbeing of the City's residents.

ENGINEERING AND BUILDING DEPARTMENT ORGANIZATIONAL CHART



BUILDING DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Building Commissioner	1.00	1.00	1.00
Inspector Services Coordinator	1.00	1.00	1.00
Building Inspector	4.00	3.00	3.00
Plans Examiner	2.00	2.00	2.00
Permit Coordinator/Zoning Inspector	0.00	1.00	1.00
Property Maintenance Inspector	2.00	2.00	2.00
Permit Assistants	2.00	2.00	2.00
Total Staff	12.00	12.00	12.00

BUILDING DIVISION 2007/2008 ACCOMPLISHMENTS

- The Division successfully filled the newly created Plan Review Coordinator position, which has had a positive effect on the efficiency of the permitting process. Since the position has been filled, the average number of days to complete the initial plan review has consistently been below the targeted 10-day turn around.
- A new plan review tracking system has been implemented which more accurately tracks the status of permits from application to final inspection. This new process also includes more accurate information from Engineering, Planning, and Public Works when those departments conduct concurrent reviews on a permit.
- In the effort to effectively cross train Building Inspectors, all of the inspectors have participated, and will continue to participate, in continuing education programs ranging from local seminars to 4-day classes at the University of Wisconsin. Three inspectors are currently working towards various International Code Council certifications.
- The 2006 International Code has been adopted, and full implementation is in progress.
- The Building Division proposed a City Code amendment to implement performance escrows and deposits to ensure compliance with the conditions of Temporary Occupancies and Special Use Permits approved by the City Council.
- The Division created an occupancy application that ensures that the zoning classifications and occupancy uses are correct for the proposed zoning districts, and occupancy inspections that determine if all life safety requirements are in compliance. The occupancy application has also helped the Fire Prevention Bureau create an occupancy directory of existing structures for future reference and annual fire inspections.

BUILDING DIVISION 2008/2009 OBJECTIVES

- Implement a streamlined property maintenance tracking system to work in concert with the newly adopted administrative adjudication system.
- Implement a streamlined inspection reporting system that will improve the quality of information collected in the field.
- Continue to evaluate division forms and procedures and look for opportunities to improve the overall efficiency of the department and increase customer service. Specifically, the Division will investigate updated inspection reports and procedures, computerized inspection scheduling and using handheld computers for field inspection record keeping.
- Continue with the education and cross training of inspectors to help remain consistent in the areas of inspections and plan reviews. Encourage all inspectors to obtain additional building code certifications.
- Conduct informational workshops with contractors, developers, and other interested parties regarding the changes implemented with the adoption of the 2006 International Code.
- Fully integrate the Springbrook Software Building Permit module.

BUILDING DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimated	2008/2009 Budget
Regular Salaries	741,741	667,338	763,311	763,311	803,613
Part-time Salaries	-	4,340	5,844	5,844	6,120
Overtime	-	-	16,000	16,000	16,000
Group Insurance	80,147	117,123	160,599	160,599	160,599
Total Personnel Services	821,888	788,801	945,754	945,754	986,332
Professional	6,154	36,576	44,150	44,150	12,150
Publishing	-	-	350	350	350
Postage & Freight	5,815	2,540	3,400	3,400	3,400
Training	8,428	8,459	12,100	12,100	13,300
Dues & Subscriptions	891	1,043	895	895	1,020
Insurance & Bonding	24,097	27,013	29,441	29,441	38,417
Utilities	11,421	9,302	16,935	16,935	16,935
Buildings & Offices	7,001	7,892	12,400	12,400	6,786
Operating Equipment	11,621	(1,787)	3,500	3,500	3,500
Office Equipment	108	467	1,580	1,580	1,580
Radio Equipment	-	-	150	150	100
Total Contractual Services	75,536	91,505	124,901	124,901	97,538
Office Supplies	2,543	3,118	4,160	4,160	4,160
Motor Fuel & Lub.	3,938	4,815	5,799	5,799	7,278
Comp. Hardware & Software	3,339	6,220	9,850	9,850	11,100
Small Tools & Equipment	980	1,623	1,600	1,600	1,600
Auto. Supplies & Materials	2,520	1,800	2,500	2,500	2,500
Clothing	2,686	1,931	1,970	1,970	1,970
Stationery & Printing	2,501	1,366	3,300	3,300	3,300
Total Materials & Supplies	18,507	20,872	29,179	29,179	31,908
Capital - Office Equipment	885	-	-	-	-
Total Capital Outlay	885	-	-	-	-
Total Budget	916,816	901,178	1,099,834	1,099,834	1,115,778

BUILDING DIVISION ACCOUNT INFORMATION

- A decrease in professional services is reflective of the internalization of the Unified Development Ordinance.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- A decrease in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- An increase in motor fuel and lubricants is attributable to increased costs for petroleum based products.

City of Crystal Lake
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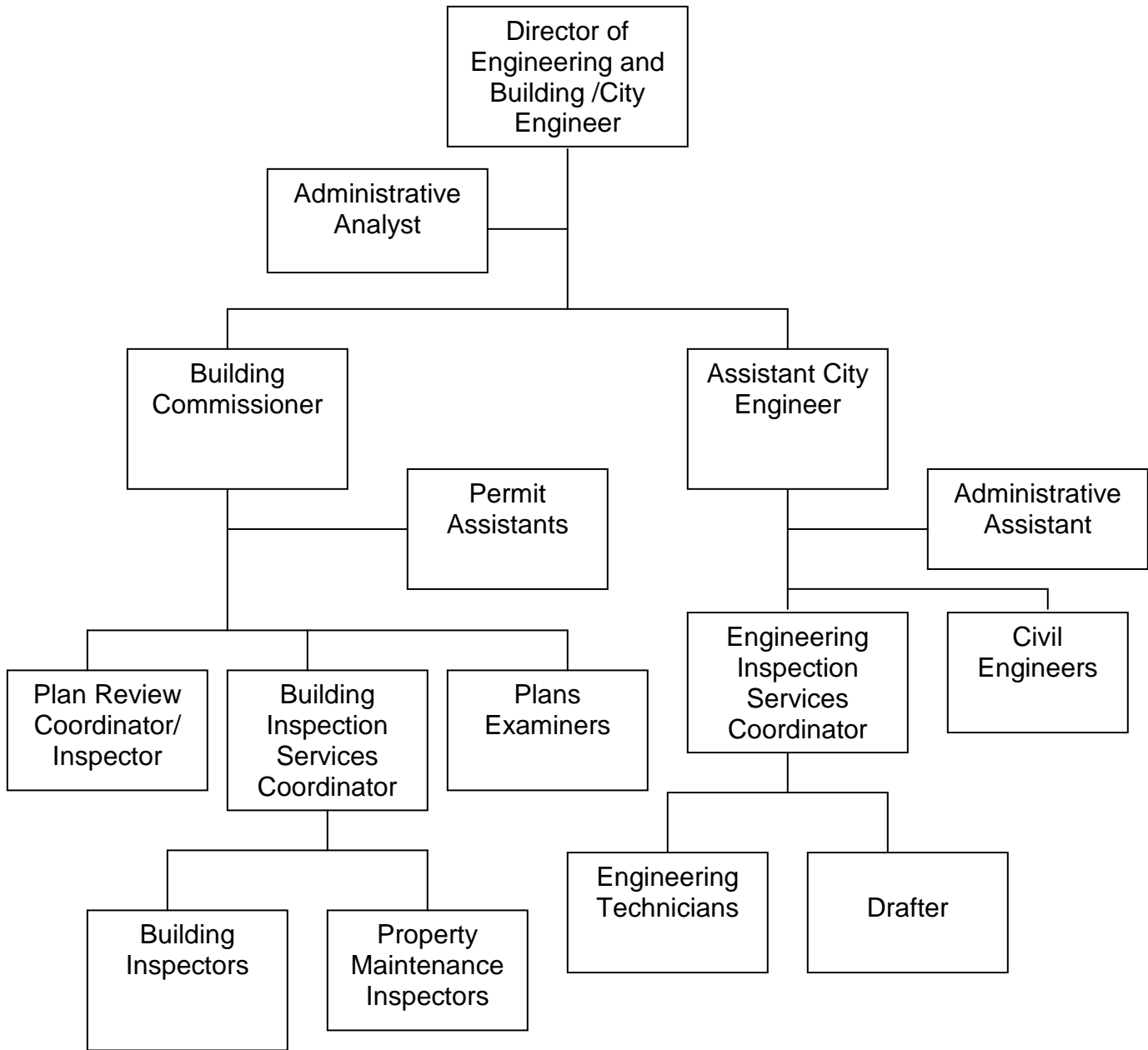
ENGINEERING DIVISION-

**ENGINEERING
AND
BUILDING
DEPARTMENT**

ENGINEERING DIVISION STATEMENT OF ACTIVITIES

The Engineering Division is one element of the Engineering and Building Department. The Director of the Engineering and Building Department also provides overall administrative supervision of the Building Division. The Engineering Division is responsible for the design and construction supervision of most City-funded transportation and utility improvement projects. The Division also serves as a consultant/companion review agency, working in concert with the Planning and Economic Development Department and Building Division to review the engineering aspect for any new private developments. Project designs are analyzed to assure conformance with applicable City Codes and Ordinances, with particular scrutiny given to street or utility improvements that, upon completion, become City property and require perpetual City maintenance. In addition, the Engineering Division is responsible for the analysis and review of all private development project designs for sidewalks, parking lots, driveways, roads, grading, site drainage improvements, utility extensions and connections, and traffic related issues to assure conformance with applicable City Codes and Ordinances.

ENGINEERING AND BUILDING DEPARTMENT ORGANIZATIONAL CHART



ENGINEERING DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Director of Engineering and Building	1.00	1.00	1.00
Assistant City Engineer	1.00	1.00	1.00
Civil Engineer	3.00	3.00	3.00
Administrative Analyst	1.00	1.00	1.00
Engineering Technician	3.00	3.00	3.00
Inspection Services Coordinator	1.00	1.00	1.00
Drafter	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Total Staff	12.00	12.00	12.00

ENGINEERING DIVISION 2007/2008 ACCOMPLISHMENTS

- The Engineering Division continued to make progress on improvements towards the intersection of Main Street and Crystal Lake Avenue. Project was let in February 2008. Due to the constraints of the railroad crossing, only the north leg of Main Street will be constructed at this time. The City is working with utility companies to coordinate underground burial of the utilities.
- The Division continued to work with the County on the Phase II Engineering of the Walkup and Route 176 Improvement. The City helped evaluate several options on how to best maintain traffic during construction.
- The Division continued to work with the County on the Phase I Engineering of the Crystal Lake Avenue and Pingree Road intersection improvement. The Phase I Project Design Report was completed in December 2007.
- The Division received Phase I Engineering approval from IDOT for the Erick Street improvement project. The Division conducted a successful search for a Phase II Engineering consultant, and Phase II Engineering and Land Acquisition are currently in progress.
- The Division, working with a consultant, completed the Phase I Engineering for East Crystal Lake Avenue Segments 1 and 2 road widening and submitted it to IDOT for approval. The Division also completed selection of the Phase II and Phase III Engineering consultant.
- The Division bid and completed the improvements to Tracy Trail, which were completed in July 2007.
- The Phase II Engineering Design for the Route 14 Interconnect between Woodstock Street and Route 176 has been initiated. The City is pursuing a wireless interconnect system between these two intersections.
- The City has continued to urge Metra to commence the Phase II Design Engineering for the Pingree Road Segment 2 improvement.

- The Division bid and completed the improvements to Reiland Drive, which were completed in July of 2007.
- The Division conducted a successful search for a Phase I Engineer for the South Main Street widening. The Phase I Engineering design is underway.
- The Division continued to work with IDOT on the Phase I Engineering Design of the Briarwood Road and Route 176 intersection improvement. IDOT is performing the Phase I Engineering.
- The Division conducted a successful search for a Phase I Engineer for the Pingree Road Segment 3 widening. The Phase I Engineering design is underway.
- The City continued to coordinate with IDOT on the Route 176 and Route 31 intersection improvement.
- The City continued to coordinate with the County on the Rakow Road widening project.
- The Division participated in the Northwest Municipal Conference for this year's thermoplastic road striping program. This resulted in the Division being able to restripe more locations due to the reduced unit prices under the "bulk" contract approach.
- The Division continued to work with the Planning and Economic Development Department on the Unified Development Ordinance adoption and incorporation of changes regarding the Subdivision Ordinance and creation of conservation design standards.
- The Division issued a request for proposal for storm water engineering review consulting services and has made a recommendation to the City Council.
- The Division worked with a Technical Advisory Committee and presented to the City Council a new plan on how to manage storm water runoff from new development in the Crystal Lake watershed. The City Council adopted a watershed design manual as a result. Along with the watershed design manual, the City Council also adopted an implementation plan, which provides rules for monitoring and maintenance of any storm water BMPs in the watershed.
- The Division has maintained a high level of customer service by maintaining an average permit review time of less than the 10-day target.
- The Division continued coordination with the UPRR, in conjunction with the City's consultant, to relocate the existing rail yard along the west side of South Main Street and remove the existing at-grade crossings. A formal letter agreement was reached with the UPRR defining the City's and UPRR's role in the project.

ENGINEERING DIVISION 2008/2009 OBJECTIVES

- Continue to oversee the following road improvement projects:

Project Name	Lead Agency	2009 Goal(s)	Funding Source(s)
UPRR Yard Relocation	City	-Begin final engineering -Begin ROW Acquisition	-TIF -Bonds
Main Street and Crystal Lake Avenue	City	-Coordinate Utility Burial -Acquire ROW and Easements - Construction of North Leg	-TIF
Route 176 and Walkup Avenue	County	-Complete Phase II Engineering -Continue ROW Acquisition	-CMAQ (County) -Member Initiative (City)
Crystal Lake Avenue and Pingree Road	County	-Complete Phase I Engineering -Begin Phase II Engineering	-Member Initiative (County) -Developer Contribution (City) -MFT (City, Phase 1 only)
Erick Street	City	-Complete Phase II Engineering -Complete ROW Acquisition	-MFT
East Crystal Lake Avenue Segments 1 and 2	City	-Complete Phase I Engineering -Begin and Complete Phase II Engineering	-MFT
Pingree Road Segment 2	Metra	-Complete Phase II Engineering	-Metra
South Main Street	City	-Complete Phase I Engineering -Begin Phase II Engineering	-MFT
Briarwood and Route 176	City	-Begin Phase II Engineering	-MFT
Pingree Road Segment 3	City	-Continue Phase I Engineering	-MFT
Route 176 and Route 31	State	-Continue to coordinate with IDOT	-State Funds
Rakow Road	County	-Continue to coordinate with County	-County Funds

- Retain a consultant to study the flooding issues that the City experienced in the summer of 2007 and have the consultant make recommendations on how to resolve these issues.
- Enroll the City in the National Flood Insurance Program (NFIP) Community Ratings System (CRS) program, which will enable residents to be eligible for a discount on their flood insurance rates.

- Improve the efficiency, value, and quality of the traffic engineering services provided to the development community through re-evaluation of the six approved traffic consultants and recommend appropriate changes to the traffic study process.
- Work with the IT Department to improve availability and exchange of engineering related digital information with the public through additional content and improve accessibility on the City's Engineering Division webpage.
- Continue to work with other departments of the City to enhance its GIS capabilities by conducting additional staff training and developing more accurate atlases for City utilities and facilities.
- Plan and bid out the annual road resurfacing program and use the pavement management software to continue to refine a long-term road maintenance program.

ENGINEERING DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	804,703	841,019	912,625	912,625	950,541
Part-time Salaries	8,323	7,567	10,500	10,500	9,520
Overtime	-	-	8,000	8,000	8,000
Group Insurance	66,651	117,373	191,052	191,052	191,052
Total Personnel Services	879,677	965,959	1,122,177	1,122,177	1,159,113
Professional	8,725	5,051	54,000	65,341	115,080
Publishing	1,498	2,205	1,800	1,800	1,800
Postage & Freight	950	1,158	1,000	1,000	1,000
Training	4,655	5,044	6,000	6,000	6,800
Dues & Subscriptions	716	370	940	940	945
Insurance & Bonding	27,493	21,838	23,801	23,801	31,058
Utilities	13,756	10,534	14,790	14,790	14,790
Buildings & Offices	7,459	8,712	12,200	12,200	7,806
Operating Equipment	5,546	1,546	760	760	760
Office Equipment	-	-	1,100	1,800	1,600
Radio Equipment	-	-	100	100	100
Total Contractual Services	70,798	56,458	116,491	128,532	181,739
Office Supplies	3,639	3,823	4,170	4,170	4,170
Motor Fuel & Lub.	7,884	10,254	8,184	8,184	10,400
Comp. Hardware & Software	11,452	9,000	29,950	29,950	40,600
Small Tools & Equipment	791	1,285	2,000	2,000	2,000
Auto. Supplies & Materials	4,615	1,816	3,300	3,300	3,300
Clothing	1,644	1,598	1,700	1,700	1,700
Stationery & Printing	616	292	400	400	400
Total Materials & Supplies	30,641	28,068	49,704	49,704	62,570
Total Budget	981,116	1,050,485	1,288,372	1,300,412	1,403,422

ENGINEERING DIVISION ACCOUNT INFORMATION

- An increase in professional services is attributable to costs associated with a comprehensive drainage study to be completed in fiscal year 2008-2009.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- A decrease in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- An increase in motor fuel and lubricants is attributable to increased costs for petroleum based products.
- Computer hardware and software costs reflect the purchase of a traffic counter for the Engineering Division as well as pda's for inspectors.

City of Crystal Lake
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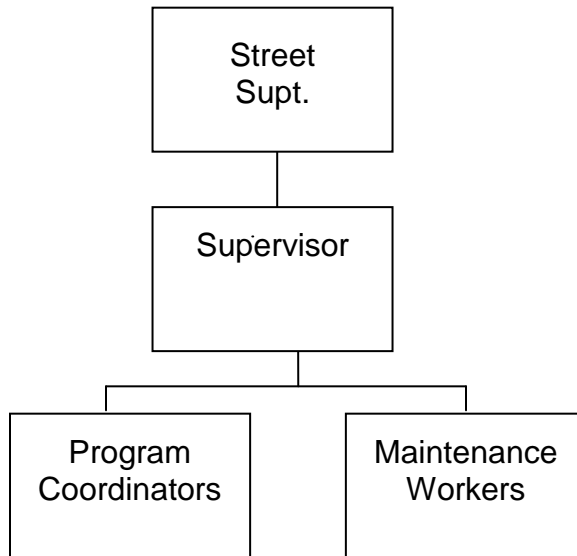
STREET DIVISION-

**PUBLIC WORKS
DEPARTMENT**

STREET DIVISION STATEMENT OF ACTIVITIES

It is the responsibility of the Street Division to manage, maintain, repair, and improve the public streets, street lights, signage, parkways, parkway trees, public grounds, municipal buildings, and traffic signals in a manner consistent with City policy and regulatory agency requirements. The Division is responsible for the maintenance, repair and snowplowing of over 175 center line miles of public streets, 16 public parking lots containing over 1,400 parking spaces, and thousands of traffic signs. In addition, the Division coordinates the annual Street Resurfacing Program with the Engineering Division and is responsible for maintaining pavement markings, curb and gutter, pavement reconstruction, crack sealing, bituminous patching of existing streets, and parkway maintenance. The Street Division is also responsible for the annual fall & spring parkway tree planting programs, spring brush pickup, fall leaf collection, the brush drop-off site (operated April – November), tree trimming, tree removals, including trees with storm damage and Dutch Elm disease, and mowing and maintenance of City-owned parks and rights-of-way. Additionally, the Street Division maintains Gypsy Moth mapping within the City's borders.

STREET DIVISION ORGANIZATIONAL CHART



STREET DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Superintendent	1.00	1.00	1.00
Supervisor	2.00	2.00	2.00
Program Coordinator	2.00	2.00	2.00
Maintenance Worker	19.00	18.00	18.00
Administrative Assistant	0.50	0.50	0.50
Total Staff	24.50	23.50	23.50

STREET DIVISION 2007/2008 ACCOMPLISHMENTS

- Increased avenues of communication with City residents and the general public with the use of the City's website and maintained a strong customer service base.
- Pursued cost-saving measures such as bidding out tree-removal and trimming operations, traffic control sign materials, parking lot snowplowing services, brush pick-up, and road salt and calcium chloride.
- The Street Division implemented and began the five-year street sign replacement program. Concentrated efforts are on the arterial and collector streets (main thoroughfares) during this first phase.
- Departmental policies have been reviewed and updated, including the chainsaw policy, the snow plan, and the temporary traffic control plan.
- Continued benchmarking Street Division activities (mowing, crack sealing, bituminous patching, pavement markings, sweeping, etc.) and reviewed data to determine achievement of department goals and monitor the efficiency of operations.
- Established an action plan, strategy for public awareness, and policy regarding the Emerald Ash Borer (EAB).

STREET DIVISION 2008/2009 OBJECTIVES

- Continue to increase avenues of communication between external customers with the use of the City's website.
- Continue cost-saving measures such as bidding out tree removal services, tree trimming, traffic control aluminum sign blanks and signposts, parking lot snowplowing services, brush pick-up, and road salt, calcium chloride and "Super Mix" for snow and ice operations.
- Implement Phase 2 of the five-year sign replacement program to comply with the MUTCD manual. Phase 2 will include all secondary roadways.
- Continue to monitor and update all Division policies.
- Continue benchmarking Street Division activities (mowing, crack sealing, bituminous patching, pavement markings, sweeping, etc.) and review data to determine achievement of department goals and monitor the efficiency of operations.
- Implement the action plan, strategy for public awareness, and policy regarding the Emerald Ash Borer (EAB).
- Upgrade computerized spreader systems for Snow and Ice Control Operations and review data to determine achievement of operational goals and monitor the efficiency of the snow and ice control operations.

STREET DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	1,434,199	1,471,064	1,422,235	1,422,235	1,495,188
Part-time Salaries	19,289	20,375	19,704	19,704	27,410
Overtime	-	-	107,918	107,918	107,918
Group Insurance	144,174	233,984	334,694	334,694	351,192
Total Personnel Services	1,597,662	1,725,423	1,884,550	1,884,550	1,981,708
Professional	46,596	58,187	70,200	63,000	70,200
Publishing	1,534	278	1,000	500	1,000
Postage & Freight	373	198	1,000	500	1,000
Training	3,666	8,070	7,120	7,120	7,120
Dues & Subscriptions	734	862	600	1,000	600
Insurance & Bonding	115,316	103,276	112,539	112,539	146,851
Utilities	3,240	5,263	8,694	8,694	8,694
Animal Control	390	450	500	500	500
Buildings & Offices	70,704	133,437	9,013	9,013	628
Physical Examinations	1,849	935	1,330	1,330	1,330
Operating Equipment	32,543	34,483	40,700	40,700	40,700
Office Equipment	-	-	250	250	250
Radio Equipment	73	151	500	500	500
Street Lights	405,492	502,621	440,000	501,000	511,000
Tree Removal	16,375	58,884	42,545	42,545	42,545
Rental - Buildings & Equip.	7,084	16,414	29,000	29,000	29,000
Total Contractual Services	705,969	923,509	764,991	818,191	861,918
Office Supplies	2,050	1,733	2,200	2,200	2,200
Cleaning Supplies	41	1,228	1,460	1,460	1,460
Landscape Materials	22,062	21,389	29,500	29,500	29,500
Motor Fuel & Lub.	54,918	90,684	69,630	69,630	100,900
Comp. Hardware & Software	1,476	2,238	6,100	6,100	2,675
Small Tools & Equipment	6,113	6,096	8,000	8,000	8,000
Automotive Supplies	46,712	74,073	60,000	60,000	60,000
Materials	16,136	29,034	22,460	22,460	22,460
Clothing	10,565	9,996	12,000	12,000	17,820
Street Signs	18,500	39,200	30,000	42,000	30,000
Stationery & Printing	69	39	500	500	500
Total Materials & Supplies	178,642	275,709	241,850	253,850	275,515

STREET DIVISION BUDGET (CONT'D)

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Buildings	-	-	11,000	11,000	-
Automotive Equipment	153,075	147,656	75,000	69,000	70,000
Operating Equipment	12,884	52,431	5,200	5,200	15,000
Total Capital Outlay	165,959	200,087	91,200	85,200	85,000
Total Budget	2,648,232	3,124,729	2,982,591	3,041,791	3,204,141

STREET DIVISION ACCOUNT INFORMATION

- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- A decrease in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- An increase in street lights is attributable to increases in electrical costs.
- An increase in motor fuel and lubricants is attributable to increased costs for petroleum based products.
- An increase in clothing is attributable to the collective bargaining agreement.
- Capital operating equipment includes the cost for the replacement of a chipper.

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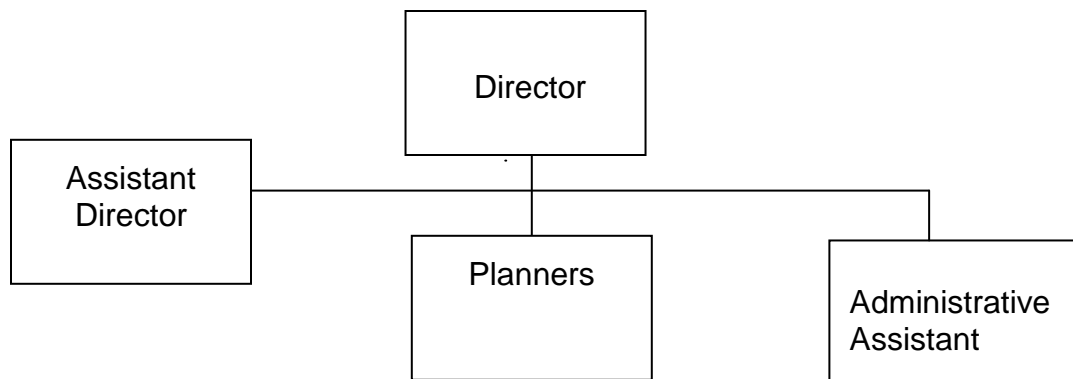


**PLANNING
AND
ECONOMIC DEVELOPMENT
DEPARTMENT**

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT STATEMENT OF ACTIVITIES

The Planning and Economic Development Department oversees the economic development, planning and zoning aspects of the City's operations. Such responsibilities include the coordination of development proposals through the City review process, building permit plan review, research and response to external and internal customer inquiries, implementation of the Comprehensive Land Use Plan and Map; administration of Zoning, Subdivision, Tree Preservation, Watershed, and Sign Ordinances; research and assistance to the Planning and Zoning Commission, Economic Development Committee, City Council and other City departments, advancement of the City's economic development and Geographic Information Services (GIS) expansion efforts, and other special projects as they arise.

PLANNING AND ECONOMIC DEVELOPMENT ORGANIZATIONAL CHART



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Director	1.00	1.00	1.00
Assistant Director	0.00	0.00	1.00
Senior Planner	1.00	1.00	0.00
Planner	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00
Total Staff	5.00	5.00	5.00
 Planning & Zoning Committee Members	 9.00	 9.00	 9.00

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT 2007/2008 ACCOMPLISHMENTS

- Developed and implemented a comprehensive and proactive economic development recruitment and retention program that utilizes marketing professionals assisting City staff to best promote this City.
 - *Assignment of a full-time planner dedicated to economic development.*
 - *Website updates to create an informative resource for the development community, including an available sites directory and updated demographics.*
 - *Enhancement of the City newsletter with economic development news.*
 - *EDC – business interviews and the “I Shop Crystal Lake” marketing campaign.*
 - *Attendance at ICSC events to network and market Crystal Lake.*
 - *Solicited proposals from commercial brokers to actively market Crystal Lake’s available sites to high quality restaurants and retailers via a contractual agreement.*

- Continued the expansion of a citywide interdepartmental Geographical Information System (GIS).
 - *Worked with the GIS consultant to produce GIS products for the Departments, based on the GIS needs assessment created the previous year.*
 - *Conducted training for all relevant staff in all departments on GIS software.*

- Comprehensive Unified Development Ordinance reviewed and updated to combine all the City’s development ordinances into a single up-to-date, user-friendly document.
 - *Lane Kendig conducted initial stakeholder interviews and provided a Zoning Critique of the City’s existing development ordinances.*
 - *A Zoning Commission and Technical Advisory Committee were appointed by the City Council.*
 - *City staff has updated most sections of the Unified Development Ordinance. The Planning and Zoning Commission has reviewed and commented on*

most sections. Final sections moving forward with final public hearings to be conducted in spring of 2008.

- Coordinated the development initiatives for the Virginia Street Corridor TIF, the Crystal Lake & Main TIF, and the Vulcan Lakes TIF. Researched, solicited and engaged stakeholders to create phased development plans for the aforementioned TIF Districts. Worked with stakeholders to coordinate the final improvements anticipated for the few remaining years of the Downtown TIF District.
- Improved the Planning & Economic Development Department's customer service and streamlined the Development Review System.
 - *Reviewing and continuing to improve the Development Review system with the other Community Development departments.*
 - *Making further changes to expedite the traffic study review component of the process.*
 - *Worked with CDRT members to develop a centralized department review system.*
 - *Continuation of a training program for Building Inspectors on frequent and common zoning questions.*
 - *Developed a Community Development mission statement and slogan.*
- Prepared a sub-area land use plan for the Northwest Corridor area.
 - *A draft sub-area plan was prepared by staff and an initial joint workshop discussion has launched this public review and adoption process.*
 - *Further changes will be made with the final document to be adopted in 2008.*

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT 2008/2009 OBJECTIVES

- Promote development of strategic areas as part of an overall economic development program to market Crystal Lake, attract upscale retailers/restaurateurs and companies, and retain/expand existing Crystal Lake businesses.
- Work with McHenry County and continue to complete GIS projects for the City's departments to provide further expansion of a citywide interdepartmental GIS. Develop a plan to institute a "24/7" City Hall with the most commonly requested development questions being provided on the City's website.
- If not already adopted, formally adopt the Unified Development Ordinance and provide educational materials for residents and the development community on how to best utilize this document.
- Coordinate the development initiatives for the Virginia Street Corridor TIF, the Crystal Lake & Main TIF, and the Vulcan Lakes TIF. Research, solicit, and engage stakeholders to create phased development plans for the aforementioned TIF Districts.
- Continue to streamline the Development Review system and work with other departments to improve processes, efficiency, and customer service of the Community Development departments.
- Conduct a 7-year update of the City' Comprehensive Land Use Plan.

- Work with the City's other departments to create a Route 14 Crystal Lake Gateway Signature Plan that will highlight the unique character of Crystal Lake.
- Develop and publish educational and informational handouts concerning sustainability, identifying and educating the City's residents and visitors about the City's natural resources and how to preserve and enhance the City's sustainability.
- Continue with Planning and Zoning Commission training opportunities.

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	359,424	375,917	362,595	362,595	391,097
Part-time Salaries	-	9,450	10,800	9,600	13,300
Overtime	-	-	-	-	-
Group Insurance	36,886	30,306	63,521	63,521	63,521
Total Personnel Services	396,310	415,673	436,916	435,716	467,918
Professional	146,111	43,936	130,000	130,000	156,600
Reimbursed Expenses	4,090	-	-	-	-
Publishing	3,802	295	150	175	200
Postage & Freight	3,612	2,607	2,000	2,400	2,000
Training	3,121	1,815	4,000	3,500	4,000
Dues & Subscriptions	3,088	2,834	3,085	3,085	3,585
Insurance & Bonding	18,017	20,197	21,865	21,865	28,531
Utilities	5,694	4,487	6,600	6,600	6,600
Buildings & Offices	2,288	2,730	4,625	4,625	3,563
Operating Equipment	1,691	542	500	500	500
Office Equipment	271	348	1,530	1,530	1,530
Total Contractual Services	191,785	79,791	174,355	174,280	207,109
Office Supplies	2,798	1,995	2,280	2,280	2,280
Motor Fuel & Lubricants	582	-	-	-	700
Comp. Hardware & Software	1,600	2,781	7,800	7,800	6,525
Small Tools & Equipment	287	116	200	200	200
Stationery & Printing	2,433	907	4,100	4,100	4,100
Total Materials & Supplies	7,700	5,799	14,380	14,380	13,805
Total Budget	595,795	501,263	625,651	624,376	688,832

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT ACCOUNT INFORMATION

- Part-time wages includes costs for a summer intern.
- Professional services increase is attributable to enhanced economic development activities in fiscal 2008-2009.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- A decrease in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.

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HEALTH

HEALTH DEPARTMENT STATEMENT OF ACTIVITIES

Health is responsible for the administration of the annual Mosquito Control Program provided by the City through a private contractor and a Gypsy Moth Treatment Program for various sites within the City.

HEALTH DEPARTMENT 2007/2008 ACCOMPLISHMENTS

- The City continued the efforts of the Mosquito Management Program. The Program has been in place since March 2001 following the recommendations of the Ad Hoc Mosquito Abatement Adulticiding Review Committee.
- Worked with the Illinois Department of Agriculture and McHenry County to continue to control gypsy moth infested areas.

HEALTH DEPARTMENT 2008/2009 OBJECTIVES

- Continue to follow the recommendations of the Ad Hoc Mosquito Abatement Review Committee while at the same time keeping costs associated with the program consistent with those in FY 2007/2008.
- Work with the Illinois Department of Agriculture and McHenry County to continue to control gypsy moth infested areas.

HEALTH DEPARTMENT BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Pest Control	125,063	125,184	119,500	126,800	147,452
Total Contractual Services	125,063	125,184	119,500	126,800	147,452
Total Budget	125,063	125,184	119,500	126,800	147,452

HEALTH DEPARTMENT ACCOUNT INFORMATION

- Increase in pest control costs is attributable to increased measures to control mosquito and gypsy moth populations.

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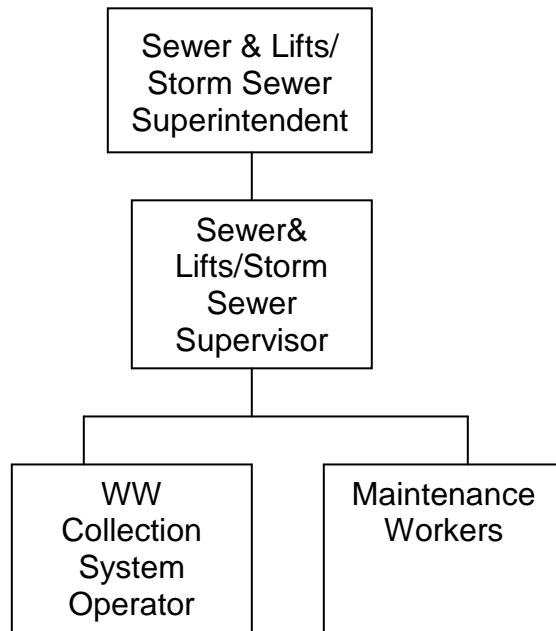
**STORM SEWER
MAINTENANCE DIVISION-**

**PUBLIC WORKS
DEPARTMENT**

STORM SEWER DIVISION STATEMENT OF ACTIVITIES

The Storm Sewer Maintenance Division is one element of the Public Works Department. The Storm Sewer Maintenance Division is responsible for maintenance, operation, and management of the storm sewer collection and conveyance system, including approximately 60 miles of storm sewer and three storm-pumping stations. These activities include routine checks of the system, cleaning and inspection, and repair and upgrading of known defective areas.

STORM SEWER DIVISION ORGANIZATIONAL CHART



STORM SEWER DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Supervisor	1.00	1.00	1.00
WW Collection Systems Operator	5.00	4.00	4.00
Maintenance Worker	1.00	2.00	2.00
Total Staff	7.00	7.00	7.00

STORM SEWER MAINTENANCE DIVISION 2007/2008 ACCOMPLISHMENTS

- Cleaned approximately 100% of the inlets, catch basins, manholes & crossovers on the storm sewer system. Replaced approximately 20 inlets with catch basin structures on the storm sewer-rebuilding program.
- Provided required operation, maintenance and updates to the storm water pump stations.
- Maintained a high level of customer service, with dedicated employees responding to service requests within the 30-45 minute allotted time. The Division's maintenance efforts are measured by the minimal flooding of the streets during and after rain events. The street flooding during rain events is usually caused by an over burdening of the system; however, after the rain subsides, the street flooding will diminish.
- Purchased a televising transporter, which provides the capability to televise up to 36" diameter pipes without the need to thoroughly clean the pipe, which can be difficult due to the heavier flows in larger diameter pipes.
- Continued to review and update safety procedures as needed.

STORM SEWER MAINTENANCE DIVISION 2008/2009 OBJECTIVES

- Continue to aggressively maintain and operate the storm sewer collection and conveyance system.
- Continue to maintain and operate the pump stations and make any upgrade changes, as they may be required.
- Continue to maintain a high level of customer service satisfaction.
- Replace the Division's flatbed truck with a service/tool truck that has a crane with the capabilities to remove the pumps from the lift stations.
- Continue to review safety procedures, making recommendations to the Public Works Department safety committee.

STORM SEWER DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	383,247	400,593	399,665	399,665	420,106
Overtime	-	-	14,760	14,760	14,760
Group Insurance	40,323	77,479	117,009	117,009	117,009
Total Personnel Services	423,570	478,072	531,434	531,434	551,875
Publishing	-	66	100	72	100
Training	934	1,542	2,000	2,000	2,100
Dues & Subscriptions	2,357	2,437	3,220	3,220	3,220
Insurance & Bonding	16,553	18,556	20,089	20,089	26,214
Utilities	2,899	2,407	2,346	2,346	2,473
Buildings & Offices	2,179	1,443	1,120	1,120	314
Physical Examinations	245	161	665	665	770
Operating Equipment	3,439	6,920	4,350	4,350	4,350
Office Equipment	83	-	200	200	200
Rent - Clothing	711	429	690	690	705
Radio Equipment	486	20	200	200	200
Storm Sewers	4,614	1,157	8,250	5,242	7,850
Plant Maintenance	-	3,054	3,000	3,000	1,925
State Filing Fees	1,000	1,000	1,000	1,000	1,000
Total Contractual Services	35,500	39,194	47,230	44,194	51,421
Office Supplies	408	480	260	260	260
Landscape Materials	241	315	300	300	300
Motor Fuel & Lub.	10,463	12,599	14,000	14,000	12,700
Comp. Hardware & Software	2,657	334	1,250	1,250	3,195
Small Tools & Equipment	10,168	10,904	8,240	8,240	10,240
Automotive Supplies	2,627	3,262	2,000	2,000	2,000
Materials	10,751	8,537	5,500	5,000	5,000
Clothing	3,699	3,545	3,520	3,520	4,195
Operating Supplies	3,965	5,227	5,000	5,000	5,000
Plant Maintenance	231	643	500	500	500
Total Materials & Supplies	45,210	45,846	40,570	40,070	43,390
Automotive Equipment	-	-	-	-	-
Operating Equipment	-	7,500	-	-	60,000
Total Capital Outlay	-	7,500	-	-	60,000
Total Budget	504,280	570,613	619,234	615,698	706,686

STORM SEWER DIVISION ACCOUNT INFORMATION

- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- Computer hardware and software includes the proportionate cost of a GPS unit. The cost is shared with the Sewer & Lifts Division within the Water & Sewer Fund.
- Small tools and equipment includes a proportionate cost for televising rewind reel. The cost is shared with the Sewer & Lifts Division within the Water & Sewer Fund.
- Capital operating equipment is reflective of three flood control pumps.

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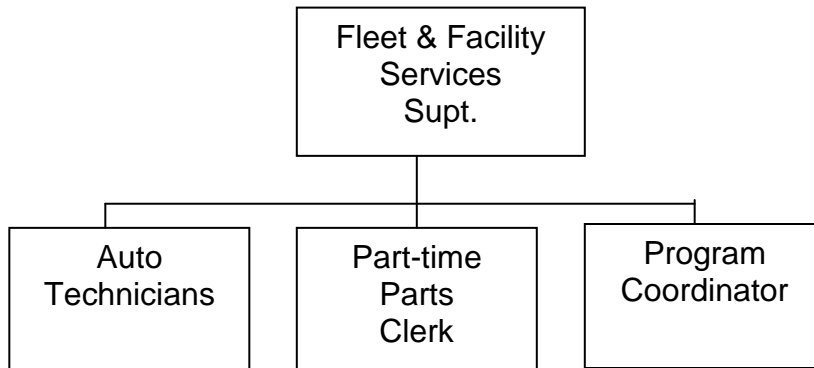


**FLEET & FACILITIES
SERVICES
DIVISION**

FLEET & FACILITY SERVICES STATEMENT OF ACTIVITIES

The Fleet Services Division is responsible for an extensive variety of services within the City of Crystal Lake. These services include, but are not limited to the maintenance, service and repair of approximately 355 vehicles and pieces of equipment, averaging 250 repairs monthly. All functions related to the maintenance and repair of the Municipal Complex are the responsibility of the Division. Additionally, the Division monitors and performs the preventive maintenance on City equipment, and coordinates and monitors outsourced repairs, new vehicle set up, new vehicle training, accident repairs, and equipment replacement and disposal. Fleet & Facility Services also works with other departments to write specifications for the vehicles and equipment necessary to perform the varied requirements of their specific department. The Division secures title and licensing of vehicles, monitors and maintains an inventory of commonly used repair parts and maintains the fuel dispensing system. The Division also coordinates yearly testing of fire pumps, aerial ladders and ground ladders. The goal of the Fleet & Facility Services Division is to support each department by providing the services, technical assistance, preventive maintenance and repairs necessary to all City departments, vehicles and equipment while optimizing useful service life and reducing down time. The Division will do this at the lowest possible cost with the least interference to the operating function of individual departments.

FLEET & FACILITY SERVICES ORGANIZATIONAL CHART



FLEET & FACILITY SERVICES DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Superintendent	1.00	1.00	1.00
Program Coordinator	1.00	1.00	1.00
Automotive Technician	3.00	4.00	4.00
Parts Clerk	0.00	0.50	0.50
Total Staff	5.00	6.50	6.50

FLEET & FACILITY SERVICES DIVISION 2007/2008 ACCOMPLISHMENTS

- The Division has taken a proactive stance by monitoring routine maintenance and service requests through CFA and Fuel Master Reports. This allows the Division, in most cases, to advise departments of necessary routine maintenance and perform these services in a timely fashion.
- The Division is currently working with Department Heads to find a report structure that best suits their needs.
- The Division in the process of expanding the current database that includes vehicle inventory lists to include all City-owned equipment such as generators, trash pumps, and snowblowers as well. The parts inventory list had been updated so that all moving inventory is controlled and re-ordered through CFA reports.
- The Fleet & Facility Services Division has assumed all of the maintenance and repair responsibilities for Crystal Lake Fire Rescue. The parts inventory has been expanded to facilitate those repairs and minimize downtime.
- The Division has assumed facility maintenance responsibilities for the municipal complex and has provided a substantial cost savings by performing many repairs and upgrades in-house.

FLEET & FACILITY SERVICES DIVISION 2008/2009 OBJECTIVES

- Establish benchmarks for common repairs. Utilize these benchmarks to measure technician efficiency through monthly reports.
- Provide increased training opportunities for the technicians on fire apparatus and specialized equipment that will minimize downtime and repair costs.
- Incorporate a user-friendly service request format into the CFA software.
- Develop and implement a viable fluid storage plan to prevent spills and manage containment.
- Pursue a wider scope of EVT and ASE by having a minimum of two technicians certified with basic EVT certifications and ASE Heavy Truck certifications by the end of the fiscal year.

FLEET & FACILITY SERVICES DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	316,155	324,172	427,842	409,139	447,731
Part-time Salaries	-	-	18,720	18,720	19,282
Overtime	-	-	17,680	17,680	22,480
Group Insurance	31,611	42,824	80,250	80,250	80,250
Total Personnel Services	347,766	366,995	544,492	525,789	569,743
Professional Services	42,825	25,197	20,000	20,000	15,000
Pest Control	-	24	100	100	100
Publishing	37	35	100	100	50
Postage & Freight	12	47	75	140	250
Training	3,308	4,613	4,350	4,350	8,150
Dues & Subscriptions	-	-	125	125	130
Insurance & Bonding	16,553	22,293	20,089	20,089	26,214
Utilities	1,865	1,577	3,133	3,133	3,465
Buildings & Offices	1,017	2,592	93,313	93,313	66,336
Physical Examinations	547	560	500	500	725
Operating Equipment	12,521	4,929	12,085	12,085	11,230
Clothing Rental	3,475	3,633	3,500	3,500	4,400
Radio Equipment	-	10	100	100	100
Total Contractual Services	82,160	65,509	157,470	157,535	136,150
Office Supplies	500	970	800	800	1,200
Cleaning Supplies	870	271	1,950	1,950	1,650
Motor Fuel & Lub.	2,254	1,868	2,900	2,900	3,300
Comp. Hardware & Software	5,185	7,689	8,910	8,910	8,375
Small Tools & Equipment	10,579	7,660	13,400	13,400	15,800
Automotive Supplies	14,666	29,546	900	900	900
Clothing	1,438	1,261	2,365	2,365	2,365
Operating Supplies	1,525	22,042	5,630	5,630	4,600
Stationery & Printing	-	151	100	100	50
Total Materials & Supplies	37,017	71,459	36,955	36,955	38,240
Departmental Equipment	3,772	-	14,000	2,000	-
Total Capital Outlay	3,772	-	14,000	2,000	-
Total Budget	470,715	503,964	752,917	722,279	744,133

FLEET & FACILITY SERVICES DIVISION ACCOUNT INFORMATION

- A decrease in professional services is the result of performing maintenance services “in-house”.
- An increase in training costs is attributable to additional certifications and training for fire apparatus.
- Insurance and bonding costs reflect an increase in the premium for the City’s liability insurance.
- A decrease in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.

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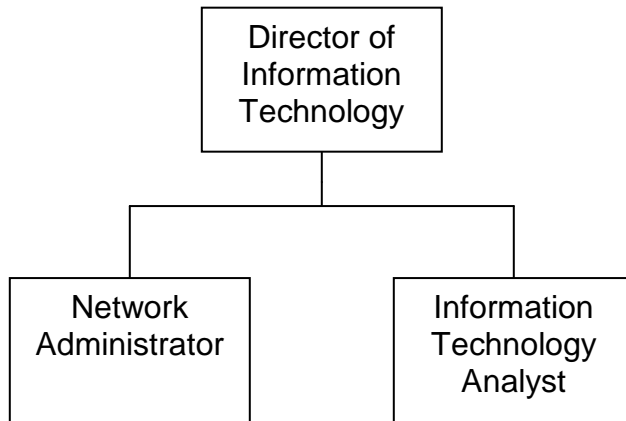


**INFORMATION
TECHNOLOGY
DEPARTMENT**

INFORMATION TECHNOLOGY DEPARTMENT STATEMENT OF ACTIVITIES

The Information Technology Department is responsible for the operation and maintenance of the City's Local and Wide Area Networks and the equipment essential for their operations. This includes over 160 desktop computers, 14 servers, a multitude of both desktop and networked printers, various switches and routers to provide service throughout the building and to Fire Stations #3 & #4, and other miscellaneous network equipment. The Information Technology Department is also responsible for the implementation and maintenance of a number of software packages contained on the various servers, which automate tasks for the various departments. Among these software packages are a number of specialty applications for the Police Department, Microsoft Office applications, building permit software, mapping software, and many other small applications.

INFORMATION TECHNOLOGY DEPARTMENT ORGANIZATIONAL CHART



INFORMATION TECHNOLOGY DEPARTMENT PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Information Technology Director	1.00	1.00	1.00
Network Administrator	1.00	1.00	1.00
Information Technology Analyst	1.00	1.00	1.00
Total Staff	3.00	3.00	3.00

INFORMATION TECHNOLOGY DEPARTMENT 2007/2008 ACCOMPLISHMENTS

- Implemented the building permit module of the Springbrook finance software system.
- Completed replacement of Microsoft Office 2000 System with Microsoft Office 2007 System.
- Completed training of all users for new Microsoft Office System.
- Installed and developed a new server for Intranet.
- Began a refresh of the City's website.
- Implemented email archiving software in order to preserve emails considered to be public records.
- Implemented a patch management system for all City computers.
- Began building an internal Bulletin Board system for City employees.
- Acquired and installed various new and replacement computers throughout the City.
- Continued to maintain the City's network infrastructure with little or no downtime during City Hall operating hours.
- Continued to implement our preventative maintenance program.

INFORMATION TECHNOLOGY DEPARTMENT 2008/2009 OBJECTIVES

- Acquire and implement a Standard Area Network (SAN) backup system to a remote location (Fire Station or Water/Wastewater Facility).
- Continue the development and implementation of the new website design.
- Implement additional Office 2007 training for mid-level and advanced users.
- Continue support and training for existing and new Springbrook users.
- Develop and maintain Intranet for City employees.
- Acquire and install various new computers throughout the City.
- Maintain the City's network infrastructure with little or no downtime during regular City Hall operating hours.
- Acquire and Implement additional rack in the server room providing for additional mounting of network equipment.
- Continue to practice the PC and printer preventative maintenance program.
- Acquire and implement a new server for the City's web monitoring software.

INFORMATION TECHNOLOGY DEPARTMENT BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	225,328	239,671	257,104	257,104	265,915
Group Insurance	20,270	20,618	39,995	39,995	39,995
Total Personnel Services	245,598	260,289	297,099	297,099	305,910
Professional Services	9,434	12,276	12,500	12,500	12,500
Postage & Freight	-	39	-	-	-
Training	4,274	3,179	4,500	4,500	4,500
Dues & Subscriptions	-	250	350	350	350
Insurance & Bonding	5,630	6,311	6,833	6,833	8,916
Buildings & Offices	-	-	-	-	940
Total Contractual Services	19,338	22,055	24,183	24,183	27,206
Office Supplies	1,729	1,766	1,700	1,700	2,090
Motor Fuel & Lubricants	413	-	-	-	-
Comp. Hardware & Software	210,268	160,646	138,020	138,020	138,000
Small Tools & Equipment	379	-	500	500	500
Automotive Supplies	1,001	-	-	-	-
Total Materials & Supplies	213,790	162,412	140,220	140,220	140,590
Total Budget	478,726	444,756	461,502	461,502	473,706

INFORMATION TECHNOLOGY DEPARTMENT ACCOUNT INFORMATION

- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.

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SPECIAL PROJECTS

SPECIAL PROJECTS DEPARTMENT STATEMENT OF ACTIVITIES

The Special Projects Department provides a budgetary set of account categories for the expenditure of funds for certain activities that are encountered by the City that are not specifically or solely categorized under another operating department. These include funds for the City's share of the Dial-A-Ride program, facility improvements, and continuing efforts toward the development of the Vulcan Lakes recreational area.

SPECIAL PROJECTS 2007/2008 ACCOMPLISHMENTS

- Successfully completed the 21st year of providing Dial-A-Ride services to the residents of Crystal Lake.
- Continued efforts to maintain the aesthetics of the newly rehabilitated Downtown Train Station.

SPECIAL PROJECTS 2008/2009 OBJECTIVES

- Continue funding the City's share of the Dial-A-Ride Program.
- Continue efforts to maintain the aesthetics of the newly rehabilitated Downtown Train Station.
- Continue maintenance and improvement of City facilities.

SPECIAL PROJECTS DEPARTMENT BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Professional Services	72,188	20,304	20,300	20,300	20,300
Reimbursed Expenses	316,734	27,728	117,000	117,000	117,000
Buildings & Offices	10,334	8,622	12,300	12,300	12,300
Radio Equipment	40,318	48,501	276,729	169,759	108,195
Para Transit Services	125,614	166,489	217,350	201,489	250,000
Total Contractual Services	565,188	271,643	643,679	520,848	507,795
Office Supplies	-	-	-	-	10,000
Motor Fuel & Lub.	63,740	(9,241)	75,222	75,222	75,222
Small Tools & Equipment	-	2,652	7,500	7,500	7,500
Total Materials & Supplies	63,740	(6,589)	82,722	82,722	92,722
Buildings	174,756	69,513	539,000	199,000	285,200
Departmental Equipment	-	-	30,000	30,294	-
Total Capital Outlay	174,756	69,513	569,000	229,294	285,200
Debt Service Principal	230,000	250,000	255,000	255,000	265,000
Debt Service Interest	192,735	183,618	168,801	168,801	153,627
Total General Expenses	422,735	433,618	423,801	423,801	418,627
Total Budget	1,226,419	768,185	1,719,202	1,256,665	1,304,344

SPECIAL PROJECTS DEPARTMENT ACCOUNT INFORMATION

- A decrease in radio equipment costs reflects the completion of a replacement program (partially funded with Cy Pres grant proceeds) in the prior fiscal year.
- Increases in para-transit services are attributable to rising fuel costs.
- Office supplies are reflective of costs associated with the train station parking machine supplies.
- Capital building costs include funding for reverse 9-1-1, a bonding window in the police department, and infrastructure improvements for downtown.

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



**POLICE PENSION
AND FIREFIGHTERS
PENSION OBLIGATION**

POLICE PENSION AND FIREFIGHTER PENSION OBLIGATION STATEMENT OF ACTIVITIES

The Police Pension and Firefighter Pension Obligation provides a budget for obligations to the Police Pension Fund and Firefighter Pension Fund based upon the actuarial information provided by an independent actuarial firm.

POLICE PENSION AND FIREFIGHTER PENSION OBLIGATION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Pension Obligation	1,674,539	1,781,641	1,930,263	1,930,263	2,094,002
Total Contractual Services	1,674,539	1,781,641	1,930,263	1,930,263	2,094,002
Total Budget	1,674,539	1,781,641	1,930,263	1,930,263	2,094,002

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



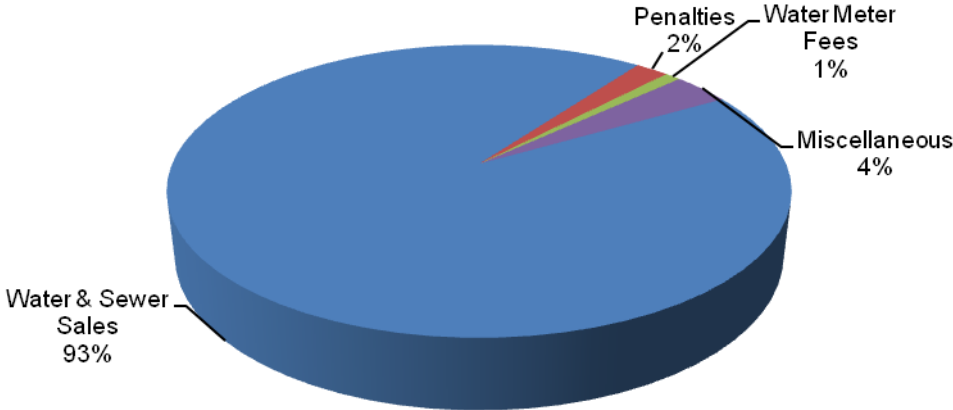
**WATER AND SEWER
FUND SUMMARY**

WATER AND SEWER FUND SUMMARY

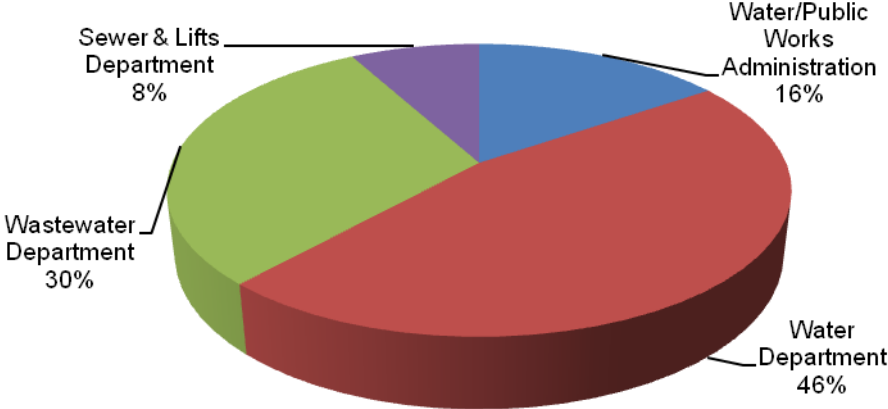
	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Water Sales	2,560,827	3,043,130	3,040,991	3,040,991	3,299,475
Sewer Sales	2,577,498	3,077,684	3,102,437	3,102,437	3,366,144
Penalties	162,702	104,715	145,000	145,000	145,000
Water Meter Fees	53,367	47,272	70,000	70,000	70,000
Tap On Fees	1,210	850	1,500	1,500	1,500
Investment Income	8,941	52,582	35,035	35,035	24,253
Reimbursed Expenses	-	7,473	3,000	3,000	-
Rental Income	98,210	155,062	123,675	123,675	195,000
Miscellaneous	114,537	69,384	32,000	32,000	30,000
Total Revenues	5,577,292	6,558,151	6,553,638	6,553,638	7,131,372
EXPENDITURES					
Water/Public Works Administration	793,347	1,022,888	1,135,964	1,084,382	1,180,281
Water Department	2,426,303	2,388,541	2,863,958	2,658,336	3,517,499
Wastewater Department	1,795,641	2,114,997	2,029,394	2,040,538	2,300,981
Sewer & Lifts Department	451,875	534,588	524,322	519,772	608,298
Total Expenditures	5,467,166	6,061,015	6,553,638	6,303,028	7,607,059
Revenues in Excess of Expenditures	110,126	497,136	0	250,610	(475,687)
OTHER SOURCES (USES)					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
GASB 45 OPEB funding	-	-	-	-	(34,827)
Total Other Sources (Uses)	-	-	-	-	(34,827)
Beginning Cash Balance, May 1	1,274,062	1,384,188	1,881,323	1,881,323	2,131,934
Ending Cash Balance, April 30	1,384,188	1,881,323	1,881,324	2,131,934	1,621,420

WATER AND SEWER FUND

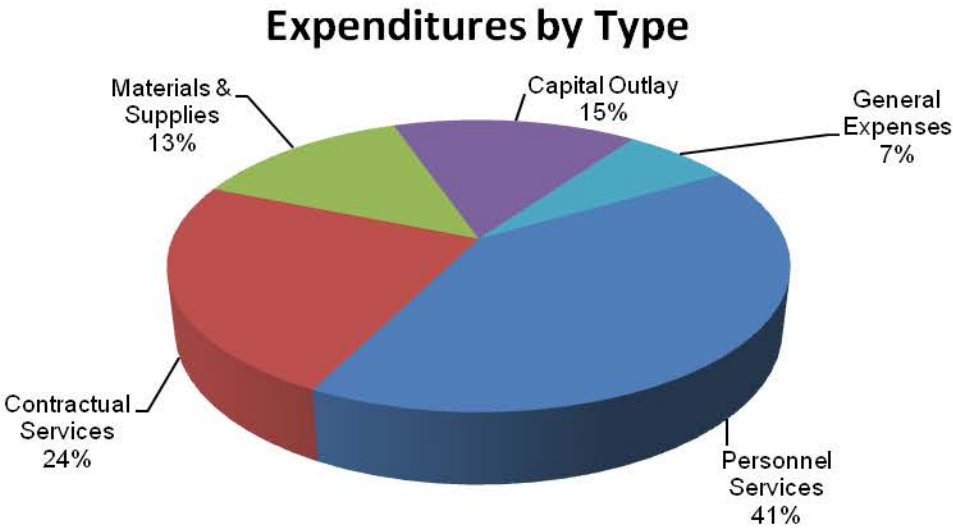
Revenues by Source



Expenditures by Function



WATER AND SEWER FUND



City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



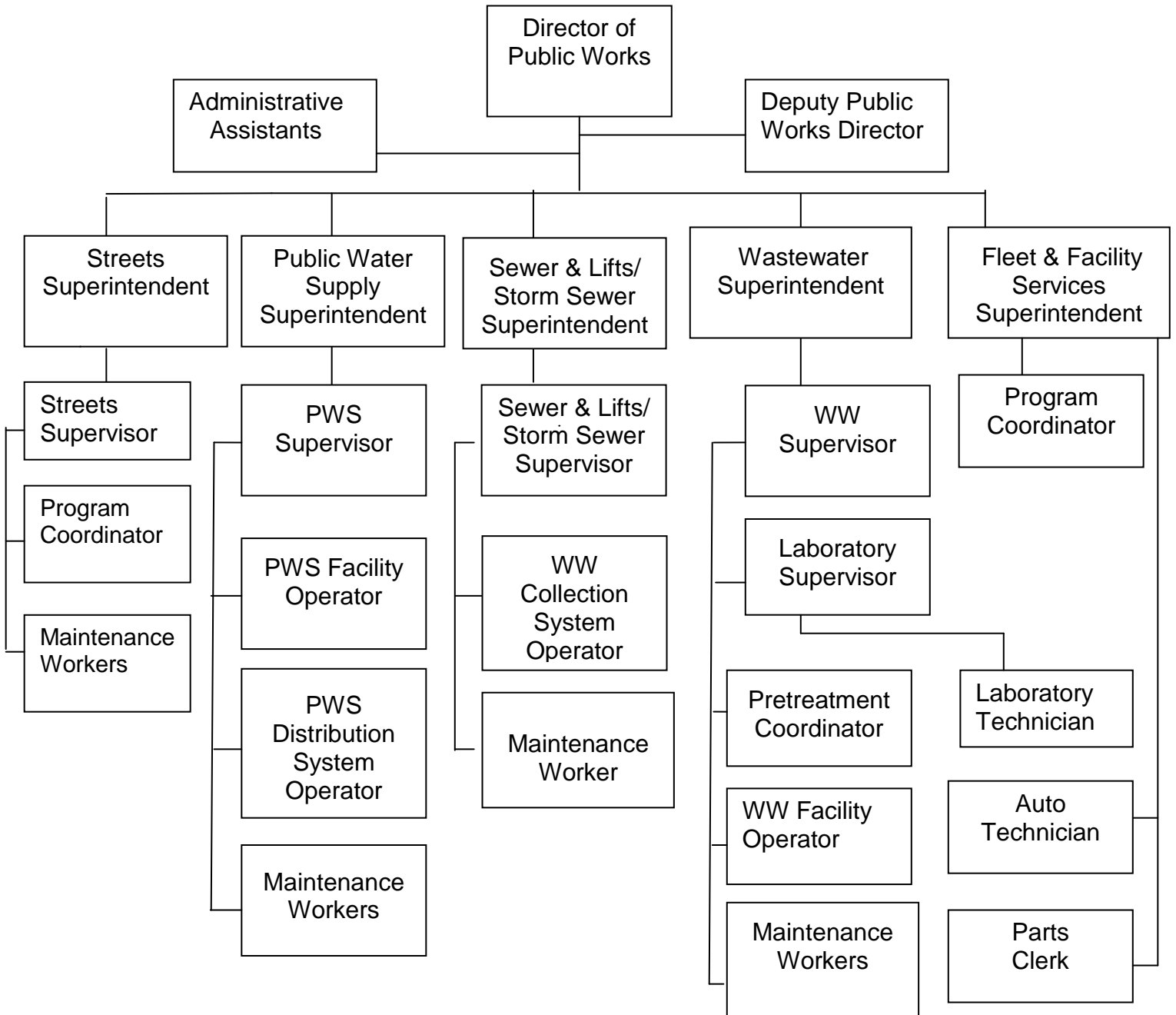
**PUBLIC WORKS
ADMINISTRATION
DIVISION –**

**PUBLIC WORKS
DEPARTMENT**

PUBLIC WORKS ADMINISTRATION DIVISION STATEMENT OF ACTIVITIES

The Public Works Administration Division oversees the Streets Division, Water Division, Wastewater Division, Sewer & Lifts Division, Storm Sewer Maintenance Division, Fleet & Facility Services Division and Water and Sewer Capital Improvements.

PUBLIC WORKS DEPARTMENT ORGANIZATIONAL CHART



PUBLIC WORKS ADMINISTRATION DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Director of Public Works	1.00	1.00	1.00
Deputy Public Works Director	0.00	0.00	1.00
Assistant to the Director	1.00	1.00	0.00
Administrative Assistant	1.50	1.50	1.50
Utility Customer Service Representative	1.00	1.00	1.00
Office Assistant	0.75	0.75	0.75
Total Staff	5.25	5.25	5.25

PUBLIC WORKS ADMINISTRATION DIVISION 2007/2008 ACCOMPLISHMENTS

- The Public Works Department scored very well on the IRMA IMAP with an outstanding score of 96%, which represented a vast improvement over the previous IMAP score.
- The in-sourcing of service, maintenance and repairs of Fire Rescue Department apparatus and equipment has been successfully completed with a high level of satisfaction from the Fire Rescue Department. Customer service has improved and a significant backlog in preventative maintenance has been eliminated.
- Worked with the Building and Engineering Department to identify and reassign those tasks intended to be within the scope of responsibilities of the Public Works Department and successfully assumed those responsibilities.
- Along with the City Engineer, established methodologies and programs to assure that a strategic pavement management plan can be developed and successfully operated, as well as being integrated into a GIS/Asset management program.
- Continued to participate with the Planning and Economic Development, Building and Engineering, and Administration Departments to streamline and improve the development review and approval process.
- Engineering plans were developed for an area-wide master plan for the northwest section of the City.
- Began a review of water and sewer rates and connection fees to achieve full cost pricing for services and revenue availability for critical infrastructure needs.
- Efforts are underway to assure that ice control chemicals are used in appropriate volumes and to employ the use of "Super-mix" and other highly efficient control products.
- Began the long-term planning and design of an additional water treatment plant.
- A revised NPDES Permit for WWTP #3 has been revised and we are currently evaluating options to achieve compliance that may be much less costly than first expected.
- With the extension of T1 Lines to Fire Stations 3 & 4, we have an opportunity to begin the installation of SCADA at WTP's 3 and 5.

PUBLIC WORKS ADMINISTRATION DIVISION 2008/2009 OBJECTIVES

- With final effluent standards now in place, identify the best option to achieve compliance with the new Chlorides discharge standard for WWTP #3 and develop needed strategies to achieve compliance.
- Complete the water and sewer rate and connection fee study and gain acceptance of long-term funding strategies needed to meet operational, maintenance, replacement and capital improvement funding.
- Reduce unaccounted/un-metered water losses to within industry standards.
- Further incorporate anti-icing, low salt alternatives for snow and ice control in the snow plan and update four plow trucks with modern salt distribution controls.
- Reduce inflow and infiltration through the relining of sanitary sewers in high priority locations.
- Initiate a long-term, multi-year buried infrastructure replacement program as outlined in the Five Year Financial Plan.
- Make more efficient use of existing water production facilities through the scheduled rehabilitation of wells and added treatment for removal of hydrogen sulfide.
- Begin to take the first steps in a multi-year Public Works Accreditation process.
- Maintain a high emphasis on safety and risk management in order to reduce losses and control IRMA costs.

PUBLIC WORKS ADMINISTRATION DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	161,242	207,456	294,107	294,107	326,792
Part-time Salaries	-	11,775	40,509	40,509	45,110
Overtime	-	-	-	-	-
Group Insurance	13,513	20,633	36,598	36,598	36,598
City Portion FICA / Retirement	7,979	11,871	18,830	18,830	22,488
City Portion IMRF	15,579	19,757	30,218	30,218	35,328
City Portion MEDI	2,367	660	4,404	4,404	5,259
Total Personnel Services	200,680	272,152	424,666	424,666	471,575
Professional Services	25,684	16,181	44,797	2,500	35,000
Reimbursed Expenses	364	-	-	-	-
Annual Audit	-	-	5,610	5,610	4,200
Publishing	-	6,825	200	200	200
Postage & Freight	16,725	56,368	68,000	66,000	67,320
Training	601	-	1,675	2,330	1,825
Automotive Repair	49	-	250	250	200
Dues & Subscriptions	258	282	495	579	605
Insurance & Bonding	23,954	99,072	14,213	24,615	18,546
Utilities	5,845	4,751	7,745	4,473	7,525
Buildings & Offices	1,014	1,177	1,615	1,003	10,010
Examinations	-	-	100	100	100
Office Equipment	-	-	100	100	100
Debt Collection	792	-	-	-	-
Total Contractual Services	75,286	184,656	144,800	107,759	145,631
Office Supplies	1,282	1,549	1,450	1,620	1,650
Motor Fuel & Lub.	420	468	407	100	250
Computer Hardware & Software	-	363	6,250	6,250	4,175
Small Tools and Equipment	394	77	347	347	350
Automotive Supplies	-	35	-	216	-
Printing & Stationery	-	8,647	37,200	22,580	37,250
Total Materials & Supplies	2,096	11,139	45,654	31,113	43,675
Debt Service Principal	301,635	347,018	330,000	330,000	335,000
Debt Service Interest	213,650	207,924	190,844	190,844	184,400
Total General Expenses	515,285	554,941	520,844	520,844	519,400
Total Budget	793,347	1,022,888	1,135,964	1,084,382	1,180,281

PUBLIC WORKS ADMINISTRATION DIVISION ACCOUNT INFORMATION

- An increase in regular salaries is partially attributable to the reclassification of an Assistant to the Public Works Director position to Deputy Public Works Director.
- Employer's taxes (Social Security, Medicare, and IMRF) are calculated based on current rates.
- A decrease in professional services is attributable to lower credit card payment activity at the City's lockbox.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- An increase in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



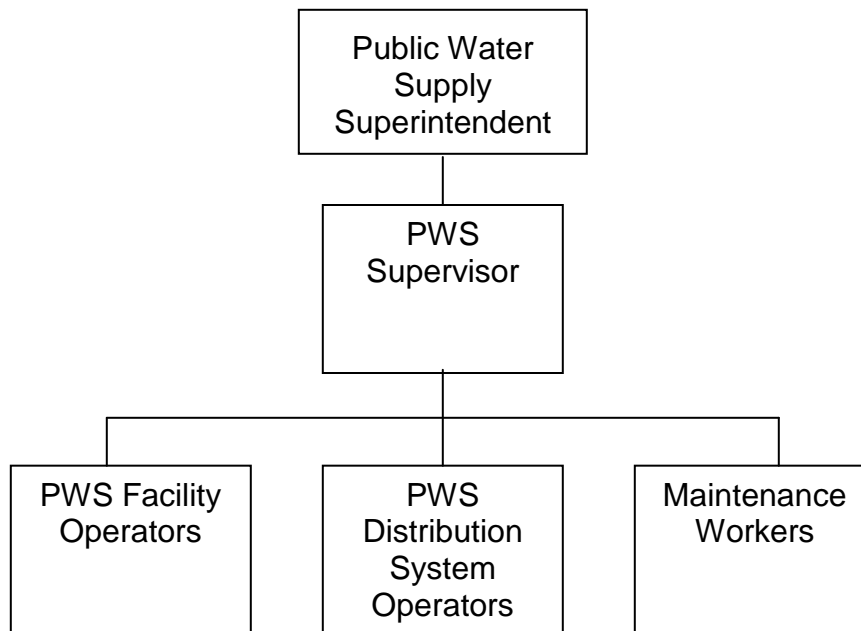
WATER DIVISION –

**PUBLIC WORKS
DEPARTMENT**

WATER OPERATIONS DIVISION STATEMENT OF ACTIVITIES

The Water Division and its staff of 14 full-time employees are responsible for providing an adequate supply of drinking water of the best possible quality to over 40,000 Crystal Lake residents. This involves producing, treating, and distributing an average of 4.9 million gallons of drinking water per day. The Water Division is responsible for the operation and maintenance of five water treatment facilities, the distribution system, 2,685 fire hydrants, and four elevated and four ground water storage reservoirs. The Water Division is also responsible for the monthly reading and servicing over 14,000 water meters, connecting and sealing every new meter, and performing final reads on every property closing. The Water Division reviews all plans sent by CDRT, completes monthly hand delivery of red tags and non-pay shutoffs, assists in fire flows, chlorination and pressure tests, and completes two walk-throughs on every new addition to the water system to assure proper installation and operation of valves, curb stops and fire hydrants. The Water Division repairs approximately 60 water main breaks and service leaks per year. The Water Division takes 50 bacteriological and 5 fluoride samples monthly at locations throughout the City. All other EPA required samples are taken to assure safe drinking water and compliance. The Water Division responds to between five and fifteen water quality or pressure calls each month. EPA required reports are compiled and sent monthly to assure compliance. The Water Division is responsible for snow and ice removal of over 1.25 miles of public sidewalks and all associated train depot property.

WATER OPERATIONS DIVISION ORGANIZATIONAL CHART



WATER OPERATIONS DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Superintendent	1.00	1.00	1.00
Supervisor	2.00	2.00	1.00
PWS Facility Operators	4.00	4.00	5.00
PWS Distribution System Operators	2.00	2.00	3.00
Maintenance Workers	5.00	5.00	4.00
Total Staff	14.00	14.00	14.00

WATER OPERATIONS DIVISION 2007/2008 ACCOMPLISHMENTS

- The Water Division has met all EPA standards and has received no EPA violations.
- The Water Division has met all the conditions to receive the Fluoridation Award for the thirteenth year in a row.
- The Water Division recoated 578 hydrants in 2007.
- All known commercial properties have now been surveyed for potential cross connections. This has resulted in hundreds of devices installed, which keeps the City in compliance with the EPA requirements for the Cross Connection Program.
- The water quality improvements made during the past few years have been maintained.
- A full system leak survey was completed during the summer of 2007.

WATER OPERATIONS DIVISION 2008/2009 OBJECTIVES

- Meet all EPA water standards and receive zero EPA violations.
- Receive the Fluoridation Award for the fourteenth consecutive year.
- Recoat all remaining fire hydrants.
- Creation of a Valve Exercising Program.
- Begin GPS Mapping of Infrastructure.

WATER OPERATIONS DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	810,326	919,878	845,035	845,035	881,835
Part-time Wages	5,968	6,442	-	-	-
Overtime	-	-	64,915	64,915	64,915
Group Insurance	93,150	151,177	220,454	220,454	220,454
City Portion FICA / Retirement	51,209	64,724	53,745	53,745	59,036
City Portion IMRF	78,311	85,215	86,250	86,250	92,744
City Portion MEDI	11,976	3,181	12,570	12,570	13,807
Total Personnel Services	1,050,940	1,230,616	1,282,969	1,282,969	1,332,791
Professional Services	20,562	5,253	23,700	26,278	28,200
Publishing	144	304	150	150	150
Postage & Freight	6,243	3,035	4,000	2,000	2,250
Training	6,590	6,704	9,000	6,800	7,400
Dues & Subscriptions	2,377	2,415	2,975	2,995	3,075
Insurance & Bonding	33,315	41,029	42,364	42,364	55,280
Utilities	507,979	326,656	553,525	355,760	631,805
Buildings & Offices	1,668	2,089	2,000	1,940	628
Examinations	1,346	1,118	1,550	2,150	2,050
Operating Equipment	789	2,697	2,850	1,280	1,800
Clothing Rental	454	437	-	-	-
Radio Equipment	35	866	650	500	650
Sidewalks	4,315	6,125	5,500	5,250	5,500
Plant Maintenance	25,503	28,090	31,700	30,550	31,200
Lines & Sewers	875	2,605	26,000	27,600	1,500
Rental - Buildings & Equipment	1,829	3,488	1,500	2,000	1,750
Total Contractual Services	614,024	432,910	707,464	507,617	773,238

WATER OPERATIONS DIVISION BUDGET (CONT'D)

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Office Supplies	1,221	1,064	1,850	2,500	2,375
Cleaning Supplies	-	24	-	-	-
Landscape Materials	585	364	375	1,800	550
Motor Fuel & Lub.	19,132	28,395	24,850	21,100	31,450
Computer Hardware & Software	3,997	5,682	7,750	7,750	20,825
Small Tools & Equipment	20,026	7,339	9,800	8,450	8,400
Automotive Supplies	6,909	7,920	5,500	5,250	5,500
Materials	12,477	13,657	11,000	13,000	12,500
Clothing	6,290	6,400	6,450	7,675	8,050
Water Meters and Parts	4,954	5,853	5,000	4,400	5,000
Fire Hydrants and Parts	8,345	9,421	8,750	12,103	13,700
Salt	205,453	242,503	241,000	242,750	253,000
Chemicals & Sealants	61,932	100,516	71,000	56,890	62,100
Laboratory Supplies	4,665	4,192	4,500	3,750	4,500
Water Tap Materials	21,590	23,018	14,250	13,750	14,000
Operating Supplies	4,521	10,758	14,400	13,566	14,900
Plant Maintenance	183,720	27,140	42,250	47,106	38,600
Stationery & Printing	430	508	800	1,910	2,020
Total Materials & Supplies	566,247	494,754	469,525	463,750	497,470
Automotive Equipment	184,045	79,467	-	-	-
Operating Equipment	11,047	-	-	-	-
System Improvement	-	150,794	404,000	404,000	914,000
Total Capital Outlay	195,092	230,261	404,000	404,000	914,000
Total Budget	2,426,303	2,388,541	2,863,958	2,658,336	3,517,499

WATER OPERATIONS DIVISION ACCOUNT INFORMATION

- Employer's taxes (Social Security, Medicare, and IMRF) are calculated based on current rates.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- An increase in utilities is attributable to increases in electricity costs.
- An increase in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- A decrease in lines and sewer cost is reflective of a water system leak survey being completed in the prior fiscal year.
- An increase in motor fuel and lubricants is attributable to increased costs for petroleum based products.
- Computer hardware and software includes costs for connecting two water plants to the City's network for monitoring purposes and the purchase of a GPS unit.
- An increase in salt is attributable to market increases.
- Capital system improvements include watermain replacement, well maintenance, and the recoating of two water towers.

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



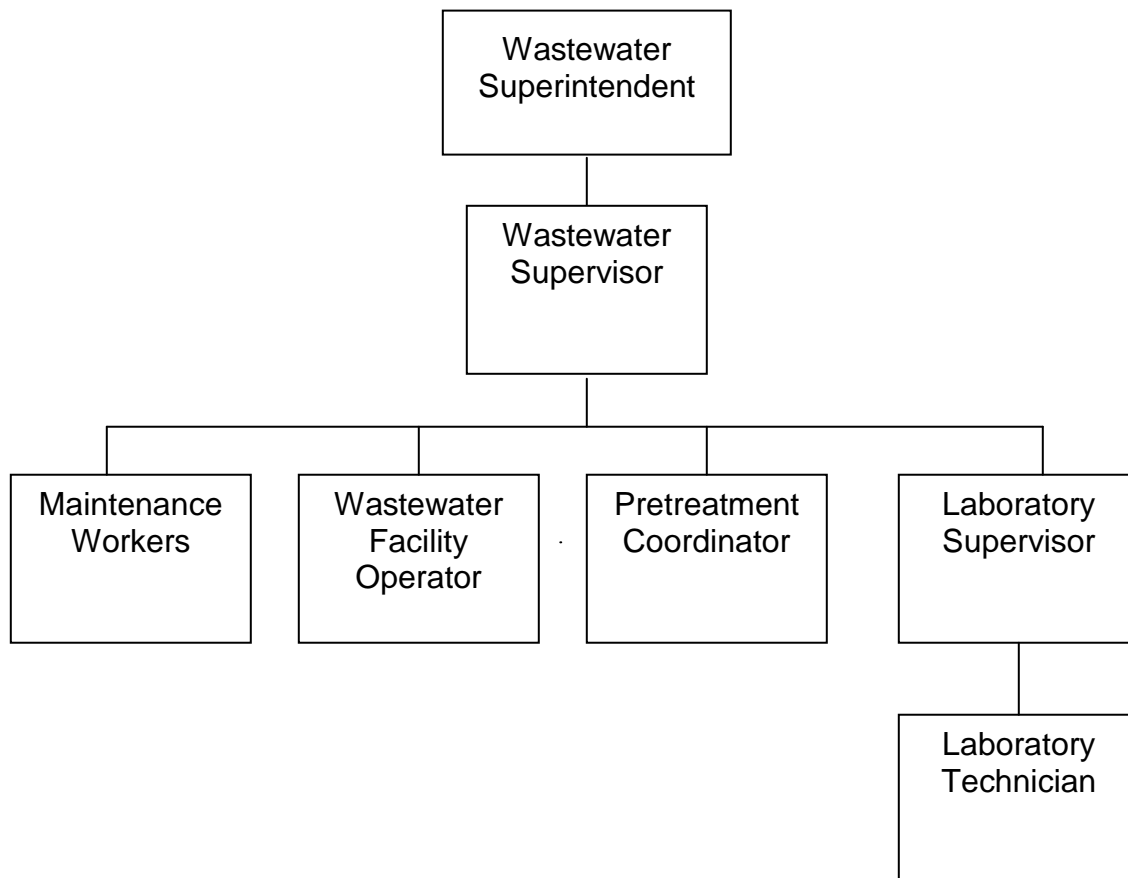
**WASTEWATER
TREATMENT DIVISION –**

**PUBLIC WORKS
DEPARTMENT**

WASTEWATER TREATMENT DIVISION STATEMENT OF ACTIVITIES

The Wastewater Treatment Division is responsible for the operation and maintenance of two wastewater treatment facilities. During the calendar year 2006, the facilities processed an average of 4.3 million gallons per day (MGD) or 1.6 billion gallons annually, producing an effluent that not only met, but also often exceeded the National Pollution Discharge Elimination System (NPDES) permit requirements. Other activities include laboratory analysis of samples required for NPDES reporting, plant process control, industrial monitoring, and potable water analysis. In addition, the Division is also responsible for the enforcement of the City of Crystal Lake's Sewer Use Ordinance and the United States Environmental Protection Agency approved Pretreatment Program. This includes monitoring and inspecting restaurant grease traps and assisting the Sewer and Lifts Division with investigating sewer back-ups related to restaurant and industrial activities.

WASTEWATER TREATMENT DIVISION ORGANIZATIONAL CHART



WASTEWATER TREATMENT DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Superintendent	1.00	1.00	1.00
Supervisor	1.00	1.00	1.00
Laboratory Supervisor	1.00	1.00	1.00
Laboratory Technician	1.00	1.00	1.00
Pretreatment Coordinator	1.00	1.00	1.00
WWW Facility Operator	3.00	3.00	3.00
Maintenance Workers	2.00	2.00	2.00
Total Staff	10.00	10.00	10.00

WASTEWATER TREATMENT DIVISION 2007/2008 ACCOMPLISHMENTS

- Purchased and installed an odor control system on primary tanks at WWTP #2.
- Continued to increase monitoring, inspections and enforcement activities as required by the City's approved Pretreatment Program.
- The City's Sewer Use Ordinance has been revised and approved. Re-evaluation of the City's local limits continues.

WASTEWATER TREATMENT DIVISION 2008/2009 OBJECTIVES

- Replacement of three of five existing obsolete automatic valve operators on the centrifugal blowers at WWTP#2. Existing valves are not working and cannot be economically and reliably repaired. Valves are controlled by the facility's SCADA system and provide for optimum dissolved oxygen levels in the aeration tanks. Electrical consumption by the blowers is also affected by the operation of these valves. The remaining two valve operator replacements will be requested in the 2009/2010 budget.
- Purchase and install sludge blanket level indicators on 6 primary clarifiers at WWTP #2. Indicators will be tied into the existing SCADA computer and will control pumping operations from the 6 tanks.
- Upgrade SCADA computer software and relocate computer to administrative building at WWTP #2.
- Purchase and install equipment required to connect and program gravity belt thickener operation and control to the SCADA computer.

WASTEWATER TREATMENT DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	603,698	613,729	652,635	657,565	683,411
Part-time Salaries	7,318	5,646	5,500	6,064	7,000
Overtime	-	-	21,250	31,000	31,000
Group Insurance	66,655	96,583	140,711	140,711	140,711
City Portion FICA / Retirement	37,130	42,681	39,789	39,789	44,843
City Portion IMRF	56,502	56,274	63,853	63,853	70,446
City Portion MEDI	8,684	2,286	9,305	9,305	10,487
Total Personnel Services	779,987	817,200	933,043	948,287	987,898
Professional Services	13,055	30,501	38,040	44,540	34,240
Publishing	139	196	100	250	350
Postage & Freight	689	921	1,000	1,000	1,200
Training	3,847	6,019	6,885	4,960	4,110
Automotive Repair	-	-	400	400	-
Dues & Subscriptions	579	1,111	1,331	1,191	697
Insurance & Bonding	27,460	30,473	31,978	31,978	41,728
Utilities	416,521	484,601	454,465	455,040	515,430
Buildings and Offices	1,600	-	-	-	628
Examinations	540	167	425	425	425
Operating Equipment	5,177	10,472	14,030	9,880	28,450
Radio Equipment	37	194	300	300	-
Plant Maintenance	95,978	62,071	68,200	75,900	94,100
State Filing Fees	32,500	47,500	47,500	47,500	47,500
Rental - Buildings & Equipment	880	168	1,295	1,295	1,295
Total Contractual Services	599,002	674,393	665,949	674,659	770,153
Office Supplies	44	282	500	800	1,000
Cleaning Supplies	73	-	-	-	-
Landscape Materials	294	2,155	1,500	1,500	1,000
Motor Fuel & Lub.	6,080	7,306	7,260	6,050	8,300
Computer Hardware & Software	7,747	11,528	22,445	22,445	13,995
Small Tools & Equipment	109,117	83,922	68,200	68,200	39,000
Automotive Supplies & Materials	2,616	3,048	5,000	5,600	6,000
Materials	333	506	-	-	-
Clothing	4,032	7,881	6,150	7,150	7,150
Salt	199	264	-	-	-
Chemicals & Sealants	99,435	134,853	174,383	166,383	190,567
Laboratory Supplies	24,868	12,596	26,500	26,500	33,150
Operating Supplies	35	48,778	-	-	-
Plant Maintenance	76,372	95,218	118,464	112,964	111,268
Total Materials & Supplies	331,245	408,337	430,402	417,592	411,430

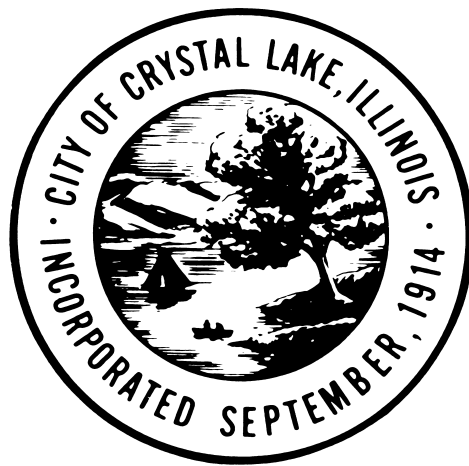
WASTEWATER TREATMENT DIVISION BUDGET (CONT'D)

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Buildings	31,810	-	-	-	-
Automotive Equipment	-	-	-	-	7,500
Operating Equipment	18,975	215,068	-	-	124,000
System Improvement	34,622	-	-	-	-
Total Capital Outlay	85,407	215,068	-	-	131,500
Total Budget	1,795,641	2,114,997	2,029,394	2,040,538	2,300,981

WASTEWATER TREATMENT DIVISION ACCOUNT INFORMATION

- Employer's taxes (Social Security, Medicare, and IMRF) are calculated based on current rates.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- An increase in utilities is attributable to increases in electricity costs.
- An increase in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- Operating equipment includes costs for upgrading SCADA system software.
- An increase in plant maintenance is attributable to an increase in fees for biosolids application.
- A decrease in small tools and equipment reflects wastewater treatment plant repairs performed in the prior fiscal year.
- Increased costs for chemicals are reflective of current markets.
- Lab supplies include the purchase of a photospectrometer.
- Capital operating equipment includes costs to replace one clarifier at Wastewater Treatment Plant #2 and to rebuild blowers at treatment plants #2 and #3.

City of Crystal Lake
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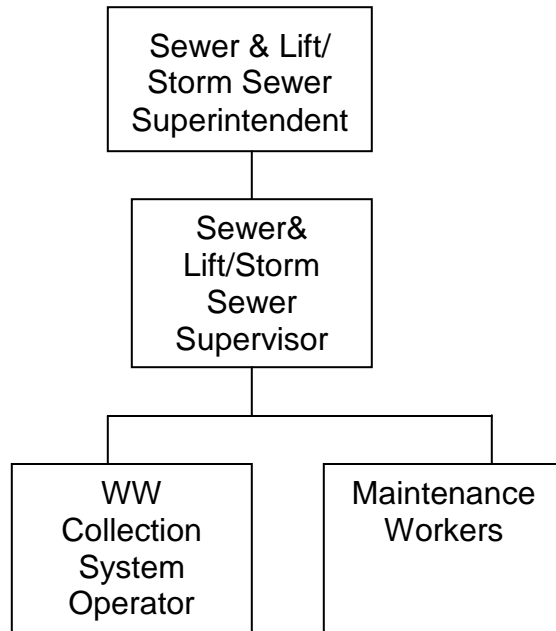
**SEWER AND LIFTS
DIVISION –**

**PUBLIC WORKS
DEPARTMENT**

SEWER & LIFTS DIVISION STATEMENT OF ACTIVITIES

It is the responsibility of the Sewer and Lifts Division to manage, maintain, repair, operate and improve the City's 120 miles of sanitary sewer, 21 sanitary pumping stations and conveyance system in a manner consistent with the City's policies and regulatory agency requirements.

SEWER & LIFTS DIVISION ORGANIZATIONAL CHART



SEWER & LIFTS DIVISION PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Superintendent	1.00	1.00	1.00
WWW Collection System Operators	2.00	2.00	2.00
Total Staff	3.00	3.00	3.00

SEWER AND LIFTS DIVISION 2007/2008 ACCOMPLISHMENTS

- Cleaned and televised over 4 miles of sanitary sewer.
- Completed the upgrade of the pump control, and monitoring and level controls at Lift Station #23. The mechanical transfer switch at Lift Station #23 was replaced with an electronic transfer switch, which can be programmed to exercise the generator at a set time. Installed another 6 safe hatches at lift stations that required upgrades.
- Maintained a high level of customer service, with dedicated employees responding to service requests within the 30-45 minute allotted time. Maintenance efforts are measured by the percent of service requests that are related to City main line obstructions, which over the past 10 years has averaged at 13% City main line obstruction, and an 87% customer service line obstruction. A majority of the time the City main line obstruction is related to debris that has come from the customer service line, i.e. roots, grease, or excessive paper products.
- Purchased a televising transporter which allows the capability to televise up to 36" diameter pipes, without the need to thoroughly clean the pipe, which can be difficult due to the heavier flows in larger diameter pipes.
- Continued to review and update safety procedures as needed.

SEWER AND LIFTS DIVISION 2008/2009 OBJECTIVES

- Continue to aggressively maintain and operate the sanitary collection and conveyance system with the cleaning and televising program. System upgrades and repairs will be performed on an as needed basis.
- Replace the control panels at Lift Stations #21, #24, & #25. With the completion of the upgrades to the mechanical transfer switches at lift stations, efforts will be made on building maintenance, replacing doors, installing a safe hatch at Lift Station #23, and performing cosmetic work, such as painting the interior of the buildings.
- With the continued efforts on the cleaning and televising program, the Division will maintain, if not improve, the level of customer service. The Division has been handing out information flyers on root intrusion in the sanitary service connections when this situation is found while televising the main line.
- Replace the flatbed truck with a service/tool truck that has a crane with the capabilities to remove the pumps from the lift stations.
- Continue to review safety procedures and make recommendations to the Public Works Department Safety committee.

SEWER & LIFTS DIVISION BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	195,601	203,992	200,168	200,168	208,581
Part-time Salaries	17,756	16,409	10,000	10,000	10,000
Overtime	-	-	9,000	9,000	9,000
Group Insurance	19,949	27,548	40,140	40,140	40,140
City Portion FICA / Retirement	13,015	15,334	13,253	13,253	14,209
City Portion IMRF	18,367	18,877	20,274	20,274	22,322
City Portion MEDI	3,044	892	3,100	3,100	3,323
Total Personnel Services	267,732	283,051	295,935	295,935	307,575
Pest Control	-	128	-	-	-
Postage & Freight	643	-	300	300	300
Training	1,337	974	2,010	2,010	2,635
Dues & Subscriptions	1,975	2,114	2,510	2,510	2,460
Insurance & Bonding	21,490	21,232	19,952	19,952	26,035
Utilities	46,253	56,742	49,125	48,665	54,360
Buildings & Offices	2,317	2,130	1,560	1,560	628
Examinations	157	468	785	785	830
Operating Equipment	3,375	3,416	2,130	2,130	2,100
Office Equipment	70	-	250	250	250
Clothing Rental	438	467	690	690	705
Radio Equipment	111	361	500	500	500
Plant Maintenance	18,749	18,533	18,100	18,100	17,375
Lines & Sewers	1,390	7,968	15,000	15,000	6,500
Total Contractual Services	98,305	114,532	112,912	112,452	114,678
Office Supplies	1,096	973	760	760	760
Cleaning Supplies	17	111	-	-	-
Motor Fuel & Lub.	11,341	12,838	14,000	14,000	12,700
Computer Hardware & Software	2,480	75	1,250	1,250	3,195
Small Tools & Equipment	10,383	9,929	9,000	8,500	18,500
Automotive Supplies	7,887	7,417	4,500	4,500	4,500
Materials	3,300	795	3,000	3,000	3,000
Clothing	1,544	1,931	1,615	1,615	1,990
Chemicals & Sealants	5,097	3,234	5,100	5,100	5,100
Plant Maintenance	28,848	39,174	30,400	28,800	30,300
Total Materials & Supplies	71,993	76,476	69,625	67,525	80,045

SEWER & LIFTS DIVISION BUDGET (CONT'D)

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Automotive Equipment	-	-	-	-	-
Operating Equipment	-	495	-	-	36,000
System Improvement	13,845	60,034	45,850	43,860	70,000
Total Capital Outlay	13,845	60,529	45,850	43,860	106,000
Total Budget	451,875	534,588	524,322	519,772	608,298

SEWER & LIFTS DIVISION ACCOUNT INFORMATION

- Employer's taxes (Social Security, Medicare, and IMRF) are calculated based on current rates.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- An increase in utilities is attributable to increases in electricity costs.
- An increase in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- Small tools and equipment includes a proportionate cost for a televising rewind reel. This cost is shared with the Storm Sewer Division within the General Fund.
- Capital system improvements include costs for sanitary sewer relining.

City of Crystal Lake
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**WATER AND SEWER
CAPITAL IMPROVEMENT
FUND**

WATER & SEWER CAPITAL IMPROVEMENT STATEMENT OF ACTIVITIES

The Water and Sewer Capital Improvement Fund provides for the expenditure of water and sewer connection fees accumulated from properties that are newly developed and connected to City water and sewer facilities. The proceeds of water and sewer connection fees are intended to provide for water production, treatment, storage and pumping capacity to the distribution system and wastewater treatment and disposal facilities needed to meet the capacity requirements of new developments. Funds are also used to provide for required treatment upgrades to meet new drinking water standards or wastewater discharge standards to sustain the use of existing capacity, but not for the operation, maintenance or replacement of existing facilities. Additional fund proceeds from the 2004 Water & Sewer general obligation bond sale are also accounted for within the Water & Sewer Bond Construction fund and are used for infrastructure improvement projects intended to improve customer service and replace or repair existing facilities.

WATER & SEWER CAPITAL IMPROVEMENT BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Sewer Connection Fees	677,869	815,218	905,000	905,000	997,500
Acreage Fees	12,504	3,050	10,000	10,000	5,000
Water Connection Fees	341,813	341,034	538,000	538,000	665,000
Investment Interest	128,984	149,735	197,000	197,000	81,187
	<u>1,161,170</u>	<u>1,309,037</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,748,687</u>
EXPENDITURES					
Professional	-	15,001	161,105	61,105	100,000
Total Contractual Services	-	15,001	161,105	61,105	100,000
System Improvement	61,215	2,400	454,895	-	2,310,000
Total Capital Outlay	61,215	2,400	454,895	-	2,310,000
Bond Indebtedness - Principal	669,271	682,077	674,000	674,000	722,000
Bond Indebtedness - Interest	364,231	341,358	360,000	360,000	311,700
Total General Expenses	1,033,502	1,023,435	1,034,000	1,034,000	1,033,700
Total Expenditures	<u>1,094,717</u>	<u>1,040,836</u>	<u>1,650,000</u>	<u>1,095,105</u>	<u>3,443,700</u>
OTHER SOURCES/USES					
Bond Proceeds	-	-	-	-	2,410,000
	-	-	-	-	<u>2,410,000</u>
Revenues in Excess of Expenditures	66,453	268,201	-	554,895	714,987
Beginning Cash Balance, May 1	3,587,050	3,653,503	3,921,704	3,921,704	4,476,599
Ending Cash Balance, April 30	<u>3,653,503</u>	<u>3,921,704</u>	<u>3,921,704</u>	<u>4,476,599</u>	<u>5,191,586</u>

WATER & SEWER CAPITAL IMPROVEMENT ACCOUNT INFORMATION

- Capital system improvement costs consist of residuals management, northwest area trunk sewer, and water main replacement along Nash Road.

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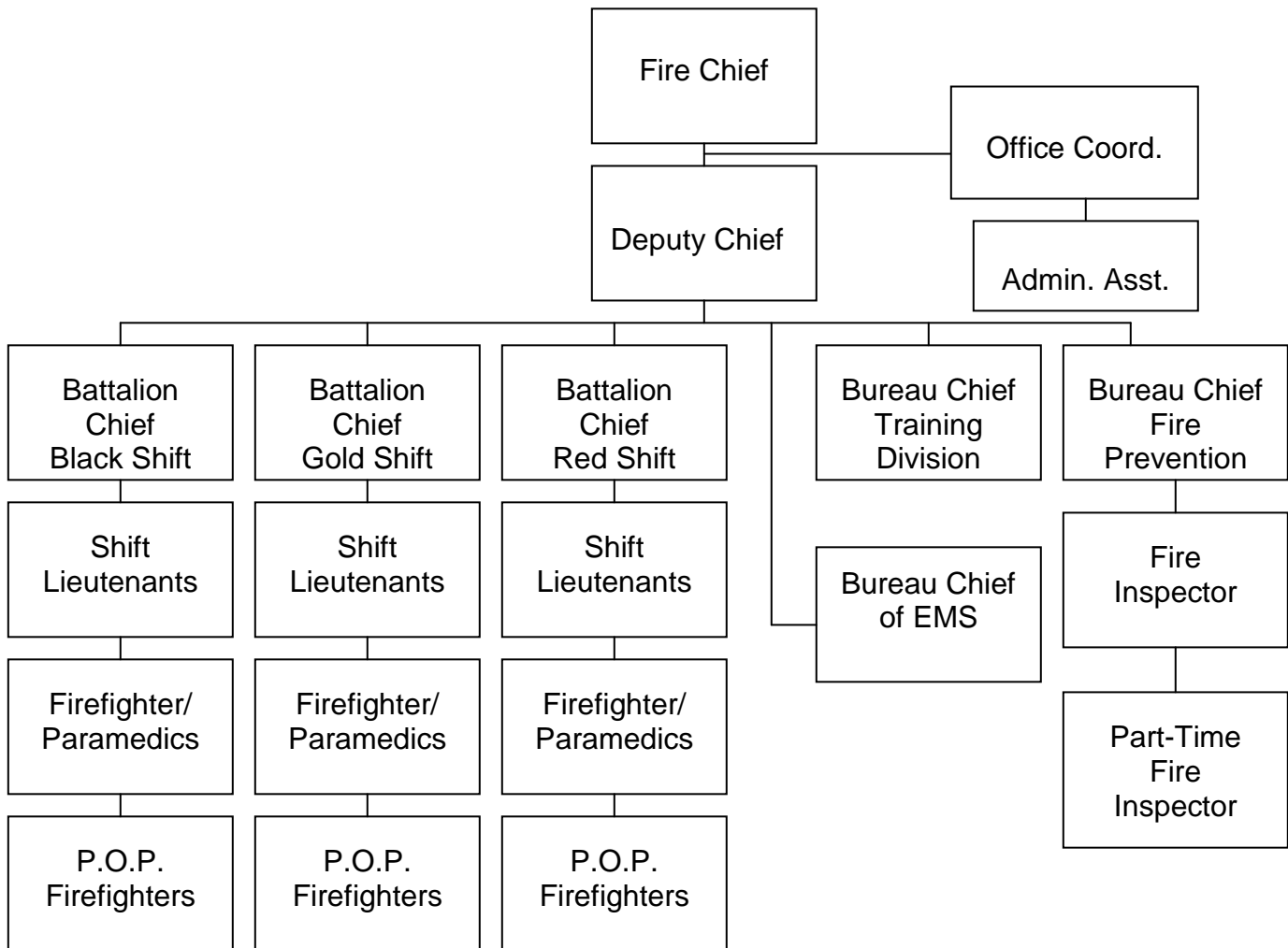


**FIRE RESCUE
FUND**

FIRE RESCUE DEPARTMENT STATEMENT OF ACTIVITIES

The Crystal Lake Fire Rescue Department operates out of three stations covering an area of approximately 46 square miles, and provides emergency services for the City of Crystal Lake and the Crystal Lake Rural Fire Protection District. These services include, but are not limited to fire suppression, emergency medical care, airport firefighting operations, hazardous material incidents, confined space rescue, trench rescue, high/low angle rescue, water rescue, dive rescue, fire investigations, juvenile fire-setter evaluations and education, CPR training, and other public education activities. The Department also reviews plans and conducts fire inspections for occupancies within its service areas.

FIRE RESCUE DEPARTMENT ORGANIZATIONAL CHART



FIRE RESCUE DEPARTMENT PERSONNEL

Position	Actual FY2006-2007	Budget FY2007-2008	Budget FY2008-2009
Fire Chief	1.00	1.00	1.00
Deputy Chief	1.00	1.00	1.00
Battalion Chief/Shift Commander	3.00	3.00	3.00
Bureau Chief of Fire Prevention	1.00	1.00	1.00
Bureau Chief of EMS	0.00	0.00	1.00
Bureau Chief of Training	1.00	1.00	1.00
Fire Lieutenant	9.00	9.00	9.00
Firefighter/Paramedic	36.00	39.00	47.00
Fire Inspector	1.00	1.00	1.50
Office Coordinator	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Total Staff	55.00	58.00	67.50

FIRE RESCUE DEPARTMENT 2007/2008 ACCOMPLISHMENTS

- Began to complete the redevelopment of the Policy and Procedure Manual based upon Fire Rescue's vision, mission and values.
 - The process has begun to redevelop the Policy and Procedure Manual. When completed, we will have an easy to reference manual that will meet the criteria for accreditation and give the Department direction for the future.
- Began the preliminary assessment process of accreditation that will permit the Department to operate at a higher level of service.
 - The preliminary findings have lead the Department to focus efforts on a City/District wide Insurance Services Office (ISO) re-evaluation. This would provide the residents and business community with a cost savings in insurance premiums. Accreditation remains a goal for the Department.
- Commenced life safety inspections of businesses in the community by in-service fire crews.
 - Life Safety Inspections have begun as crews completed the last phase of their training. Presentations to the business community have been favorably received.
- Initiated a plan to implement wireless fire alarm monitoring throughout the City.
 - The development of a request for proposal has been started. This 2-year project will be a benefit to both the City and Fire Rescue Department customers.
- Developed and implemented a Continuity of Operation Plan to provide essential City services in the event of a pandemic flu.
 - *The Continuity of Operation Plan for the Pandemic Flu has been completed and submitted to McHenry County. (A tabletop training exercise had been completed with two more scheduled for the 1st quarter of 2008.)*

- Developed a Citywide Emergency Operations Plan to provide a framework of how to handle man-made and natural disasters.
 - *Employees have received training over the past year to meet the National Incident Management System (NIMS) requirements for compliance as stated in Presidential Directives 5 & 8. This training will help City employees work within a common framework of strategies and tactics to mitigate a disaster.*
- Developed, trained and exercised a Citywide Emergency Operations Center.
 - *Emergency Operations Center training was scheduled for the 1st quarter of 2008. This training will brought together all City supervisory and management personnel. EOC training consisted of EOC concepts and set-up, EOC operations and Departmental responsibilities.*

FIRE RESCUE DEPARTMENT 2008/2009 OBJECTIVES

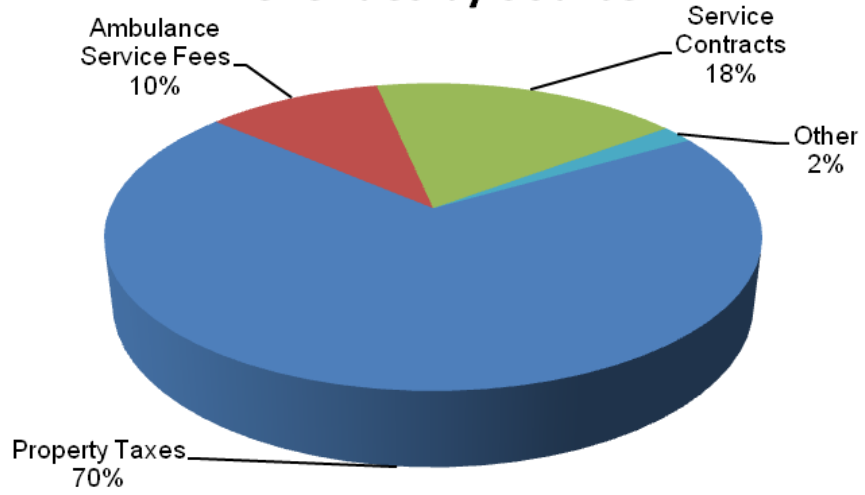
- Implement a 4th ambulance into the Emergency Response Plan. This additional ambulance will improve response times, reduce mutual aid requests from neighboring communities, and provide for firefighter safety by increasing the number of firefighters operating on a fireground. Personnel assigned to this ambulance will operate as a jump company. This jump company will allow the Fire Rescue Department to implement the use of the City's ladder truck on an initial response rather than rely on off-duty personnel to respond with this important piece of equipment.
- Develop and implement a SCBA Replacement Program. The City's current SCBA are in need of upgrades to meet current national standards. These upgrades would prove to be cost prohibitive, as some parts are no longer being supported by the manufacturer. These standards include numerous safety features that will protect firefighters while operating in a hazardous atmosphere. Replacement of current SCBA's is the most cost effective method to gain compliance.
- Develop and implement a Wireless Fire Alarm System. With the creation of a Request for Proposal in FY 2007-2008, a vendor will be chosen to begin construction of a wireless fire alarm system throughout the City. Educating Fire Rescue Department customers on the benefit of this system, and the purchase and installation of the equipment at both the Municipal Complex and the individual occupancies will be the major tasks to accomplish in this fiscal year. Reduced false alarms, cost savings to customers and a new revenue source for the Department are some of the benefits anticipated from this project.
- Continue to work towards gaining NIMS compliance. Continue to provide training to personnel to meet the requirements established in Presidential Directives 5 & 8 for NIMS compliance. Develop an Emergency Operations Plan that is supported by an effective Emergency Operations Center. Establishment of an Emergency Operations Plan and Emergency Operations Center will allow the City to effectively manage a man-made or natural disaster. Training exercises will be scheduled to evaluate the plan and develop skills necessary to operate within the NIMS plan.

- Improve risk management practices through an observed behavior directed program that involves all officers through monthly safety presentations and safety committee attendance by 3rd quarter of 2008.
- Become a beta test organization for the fire service version of the Lexipol Policy Manual System by the 2nd quarter of 2009.

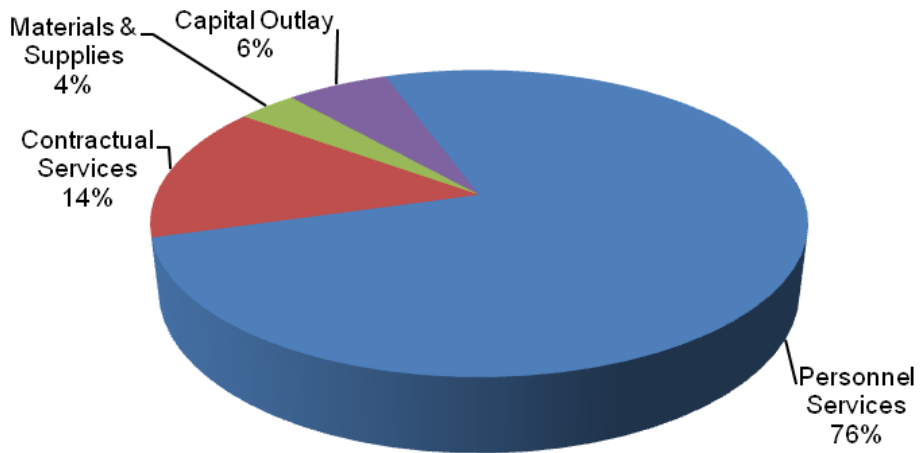
FIRE RESCUE FUND SUMMARY

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes	3,463,574	4,213,513	5,092,223	5,092,223	5,573,438
Ambulance Service Fees	637,772	738,092	555,000	555,000	825,000
Service Contracts	1,305,274	1,420,232	1,013,758	1,013,758	1,447,899
Investment Interest	67,793	117,320	62,500	62,500	58,376
Foreign Fire Insurance	47,014	-	-	-	-
Grants	4,417	159,645	36,800	36,800	-
Miscellaneous	6,597	27,857	18,250	18,250	17,000
Subtotal	5,532,441	6,676,660	6,778,531	6,778,531	7,921,713
Capital Reserve Account					
Capital Facilities Fees	57,357	79,431	75,000	75,000	75,000
Total Revenues	5,589,798	6,756,091	6,853,531	6,853,531	7,996,713
EXPENDITURES					
Personnel Services	3,723,601	4,604,902	5,377,698	5,219,460	6,336,135
Contractual Services	833,093	871,605	917,360	896,229	1,208,481
Materials & Supplies	246,337	211,423	250,130	242,197	289,600
Capital Outlay	102,143	1,164,210	150,610	128,226	500,000
Total Expenditures	4,905,174	6,852,140	6,695,798	6,486,112	8,334,216
Revenues in Excess of Expenditures	684,624	(96,049)	157,733	367,419	(337,503)
OTHER SOURCES (USES)					
Transfer In	-	1,125,000	150,610	150,610	-
Transfer Out	-	-	(77,967)	(77,967)	-
GASB 45 OPEB funding	-	-	-	-	(69,096)
Total Other Sources (Uses)	-	1,125,000	72,643	72,643	(69,096)
Beginning Balance, May 1	896,890	1,581,514	2,610,465	2,610,465	3,050,527
Ending Balance, April 30	1,581,514	2,610,465	2,840,841	3,050,527	2,643,928

Revenues by Source



Expenditures by Type



FIRE RESCUE DEPARTMENT BUDGET

EXPENDITURES	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Regular Salaries	3,093,253	3,826,646	3,896,072	3,737,048	4,657,237
Part-Time Wages	334,041	237,113	333,457	311,907	362,346
Overtime	-	-	296,150	323,986	327,518
Group Insurance	296,307	541,144	852,019	846,519	989,034
Total Personnel Services	3,723,601	4,604,902	5,377,698	5,219,460	6,336,135
Professional Services	344,422	319,697	297,500	275,769	387,480
Annual Audit	-	-	-	-	3,200
Publishing	68	(1,403)	550	550	575
Postage & Freight	844	1,005	2,705	2,575	3,200
Training	20,947	26,981	35,370	35,370	48,235
Dues & Subscriptions	4,058	3,144	3,682	3,769	3,985
Insurance & Bonding	324,232	346,523	368,566	368,566	480,938
Utilities	55,776	46,161	62,770	62,770	70,481
Buildings & Offices	21,817	32,854	26,200	26,850	53,426
Examinations	12,262	23,039	51,347	51,152	81,086
Operating Equipment	36,638	60,867	52,050	55,556	62,325
Office Equipment	1,390	1,404	870	870	600
Radio Equipment	10,639	11,333	14,500	11,182	11,700
Rent - Buildings & Equip	-	-	1,250	1,250	1,250
Total Contractual Services	833,093	871,605	917,360	896,229	1,208,481
Office Supplies	4,174	5,704	6,500	6,270	6,900
Cleaning Supplies	4,598	1,797	5,465	5,390	10,925
Motor Fuel & Lubricant	43,820	54,971	56,100	56,100	68,430
Computer Equipment	47,342	13,808	20,500	20,500	13,200
Small Tools & Equip	49,417	59,489	65,825	64,677	72,375
Auto Supplies	34,093	21,870	36,000	36,000	36,000
Clothing	62,893	53,784	59,740	53,260	81,770
Total Materials & Supplies	246,337	211,423	250,130	242,197	289,600
Buildings	-	280,422	-	-	-
Automotive Equipment	65,000	883,788	28,000	27,406	35,000
Operating Equipment	-	-	5,000	-	-
Departmental Equipment	37,143	-	117,610	100,820	465,000
Total Capital Outlay	102,143	1,164,210	150,610	128,226	500,000
Total Budget	4,905,174	6,852,140	6,695,798	6,486,112	8,334,216

FIRE RESCUE DEPARTMENT ACCOUNT INFORMATION

- Increased salaries and wages are attributable to additional staffing (9 new firefighter/paramedics).
- Group insurance includes premiums for nine new firefighter/paramedics.
- An increase in professional services is attributable to increases in SEECOM services due to higher call volumes.
- Annual audit fees reflect an allocation of the annual cost based on budgeted expenditures.
- Training costs reflect nine new firefighter/paramedics.
- Insurance and bonding costs reflect an increase in the premium for the City's liability insurance.
- An increase in building and offices maintenance is attributable to a reallocation of costs based on square footage occupied by each department in City Hall.
- Examination cost increases reflect physicals for fire rescue staff based on the collective bargaining agreement.
- An increase in operating equipment maintenance is attributable to a maintenance program for 14 heart monitors.
- Cleaning supplies include costs for pandemic flu preparedness.
- An increase in motor fuel and lubricants is attributable to increased costs for petroleum based products.
- Small tools and equipment reflects the purchase of 2 SCUBA dry suits.
- Clothing increases are attributable to new department personnel coupled with the collective bargaining agreement.
- Radio equipment decrease is reflective of a replacement program that was completed in the prior fiscal year.
- Capital auto equipment includes the replacement of 1 boat.
- Capital departmental equipment includes the replacement cost for SCBA.

City of Crystal Lake
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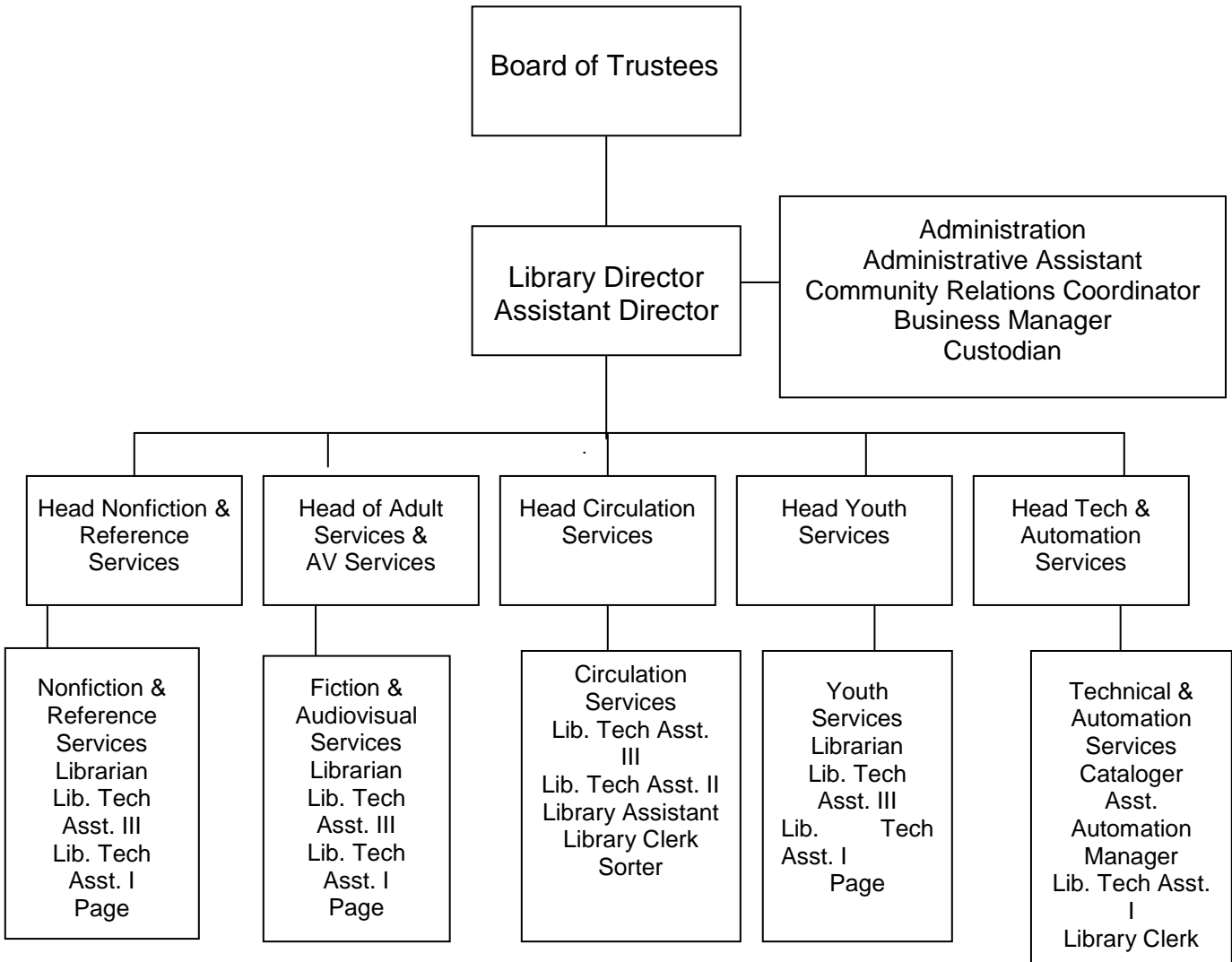


LIBRARY FUNDS

CRYSTAL LAKE PUBLIC LIBRARY STATEMENT OF ACTIVITIES

The annual operating budget for the Library is provided through the Library Fund and is provided for informational purposes only.

CRYSTAL LAKE PUBLIC LIBRARY ORGANIZATIONAL CHART



CRYSTAL LAKE PUBLIC LIBRARY FUNDS SUMMARY

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Revenues & Transfers In					
Library Operations Fund	3,334,678	4,841,944	4,438,207	3,795,839	4,561,548
Library Construction & Repair Fund	34,645	37,975	48,000	16,500	37,940
Ames Trust Fund	12,514	14,415	0	18,000	0
Gift & Memorial Fund	108,368	48,330	150,000	20,291	150,000
Working Cash Fund	1,951	2,774	0	2,500	3,000
Special Reserve Fund	0	1,183,115	0	60,657	0
Per Capita Fund	0	0	0	0	0
	3,492,156	6,128,553	4,636,207	3,913,787	4,752,488
Expenditures & Transfers Out					
Library Operations Fund	2,790,557	6,146,420	6,988,207	3,901,799	4,686,548
Library Construction & Repair Fund	7,219	9,819	148,000	26,607	137,940
Ames Trust Fund	4,973	0	30,000	22,290	40,000
Gift & Memorial Fund	22,747	294,272	201,500	70,716	201,000
Working Cash Fund	891	1,951	4,000	2,774	3,000
Special Reserve Fund	0	1,164,854	0	12,000	0
Per Capita Fund	0	0	0	0	0
	2,826,387	7,617,316	7,371,707	4,036,186	5,068,488

CRYSTAL LAKE PUBLIC LIBRARY OPERATING BUDGET

	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
	Actual	Actual	Budget	Estimate	Budget
Revenues					
Property Tax	3,028,236	3,318,994	4,028,607	3,554,834	4,223,498
Replacement Tax	0	0	500	0	0
Grants	50,847	51,406	118,000	50,681	117,000
Library Fees	61,233	60,292	70,000	55,300	65,050
Copy Fees	11,525	9,103	15,000	7,500	12,000
Library Fines	87,056	72,615	100,000	70,000	90,000
Investment Income	92,615	159,531	100,000	42,500	50,000
Miscellaneous	2,274	3,198	2,100	250	1,000
	<u>3,333,787</u>	<u>3,675,139</u>	<u>4,434,207</u>	<u>3,781,065</u>	<u>4,558,548</u>
 EXPENDITURES					
Regular Salaries	1,586,047	1,681,682	2,250,000	1,922,665	2,150,000
Group Insurance	228,045	232,777	335,000	261,150	350,000
Total Personnel Services	<u>1,814,092</u>	<u>1,914,459</u>	<u>2,585,000</u>	<u>2,183,815</u>	<u>2,500,000</u>
Professional	61,639	299,466	228,000	60,832	55,050
Publishing	0	3,421	0	7,060	20,400
Postage & Freight	29,801	34,112	40,000	33,600	40,000
Travel & Training	21,751	16,150	47,400	32,022	47,400
Dues & Subscriptions	3,933	4,080	6,000	5,000	8,000
Insurance & Bonding	23,574	30,305	28,000	28,719	41,000
Utilities	41,258	54,121	57,000	58,910	77,000
Buildings & Offices	95,274	104,048	155,000	142,754	160,000
Operating Equipment	85,208	84,178	115,000	73,641	110,000
Programming	15,767	0	40,700	0	0
Rental - Buildings & Equipment	29,341	28,995	40,000	33,216	40,000
Contingency	0	37,673	738,607	45,000	259,998
Total Contractual Services	<u>407,547</u>	<u>696,549</u>	<u>1,495,707</u>	<u>520,754</u>	<u>858,848</u>
Office Supplies	33,517	28,804	45,000	37,200	50,000
Cleaning Supplies	8,942	9,659	15,000	6,500	15,000
Landscape Materials	35	569	10,000	0	5,000
Small Tools & Equipment	555	5,751	2,500	5,294	22,500
Operating Supplies	0	452,266	0	577,588	751,200
Stationery & Printing	22,699	21,801	41,000	25,965	36,000
Total Materials & Supplies	<u>65,748</u>	<u>518,850</u>	<u>113,500</u>	<u>652,547</u>	<u>879,700</u>
Buildings	0	2,022,054	0	251,932	50,000
Operating Equipment	0	97,093	0	62,594	103,000
Departmental Equipment	501,085	0	2,794,000	0	0
Total Capital Outlay	<u>501,085</u>	<u>2,119,147</u>	<u>2,794,000</u>	<u>314,526</u>	<u>153,000</u>

CRYSTAL LAKE PUBLIC LIBRARY OPERATING BUDGET (CONT'D)

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Debt Service					
Debt Service - Principal	0	0	0	125,000	250,000
Debt Service - Interest	0	3,461	0	44,500	45,000
Total Debt Service	0	3,461	0	169,500	295,000
Total Expenses	2,788,472	5,252,466	6,988,207	3,841,142	4,686,548
Revenues in Excess of Expenditures	545,315	(1,577,327)	(2,554,000)	(60,077)	(128,000)
Other Sources/Uses					
Transfer In	891	1,166,805	4,000	14,774	3,000
Loan Proceeds	0	1,000,000	500,000	0	0
Transfer Out	(2,085)	(893,954)	0	(60,657)	0
	(1,194)	1,272,851	504,000	(45,883)	3,000
Beginning Balance, May 1	1,497,728	2,041,849	1,737,373	1,737,373	1,631,413
Ending Balance, April 30	2,041,849	1,737,373	(312,627)	1,631,413	1,506,413

CRYSTAL LAKE PUBLIC LIBRARY CONSTRUCTION & REPAIR BUDGET

	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
	Actual	Actual	Budget	Estimate	Budget
REVENUES					
Investment Income	2,580	(1,913)	0	4,000	0
Rental Income	17,086	7,683	18,000	0	17,940
Capital Facilities Fees	14,979	24,092	30,000	12,500	20,000
Miscellaneous	0	8,113	0	0	0
	34,645	37,975	48,000	16,500	37,940
EXPENDITURES					
Professional	0	(500)	6,500	0	0
Postage & Freight	0	0	0	0	0
Insurance & Bonding	0	0	0	0	0
Buildings & Offices	7,219	4,755	6,000	26,607	10,000
Contingency	0		135,500	0	127,940
Total Contractual Services	7,219	4,255	148,000	26,607	137,940
Miscellaneous	0	5,564	0	0	0
Total Materials & Supplies	0	5,564	0	0	0
Total Expenses	7,219	9,819	148,000	26,607	137,940
Revenues in Excess of Expenditures	27,426	28,156	(100,000)	(10,107)	(100,000)
OTHER SOURCES/USES					
Transfer In	0	0	0	0	0
Transfer Out	0	0	0	0	0
	0	0	0	0	0
Beginning Balance, May 1	64,055	91,481	119,637	119,637	109,530
Ending Balance, April 30	91,481	119,637	19,637	109,530	9,530

CRYSTAL LAKE PUBLIC LIBRARY AMES TRUST BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Revenues					
Investment Income	12,514	14,415	0	18,000	0
	12,514	14,415	0	18,000	0
EXPENDITURES					
55160 Postage & Freight	20	0	400	290	1,000
55890 Contingency	0	0	14,800	0	0
Total Contractual Services	20	0	15,200	290	1,000
56320 Operating Supplies	4,953	0	14,800	22,000	39,000
Total Materials & Supplies	4,953	0	14,800	22,000	39,000
57160 Departmental Equipment	0	0	0	0	0
Total Capital Outlay	0	0	0	0	0
Total Expenses	4,973	0	30,000	22,290	40,000
Revenues in Excess of Expenditures	7,541	14,415	(30,000)	(4,290)	(40,000)
Other Sources/Uses					
Transfer In	0	0	0	0	0
Transfer Out	0	0	0	0	0
	0	0	0	0	0
Beginning Balance, May 1	337,668	345,209	359,624	359,624	355,334
Ending Balance, April 30	345,209	359,624	329,624	355,334	315,334

CRYSTAL LAKE PUBLIC LIBRARY GIFT & MEMORIAL BUDGET

	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
	Actual	Actual	Budget	Estimate	Budget
REVENUES					
Investment Income	12,842	8,504	0	291	0
Miscellaneous	93,440	39,826	150,000	20,000	150,000
	<u>106,283</u>	<u>48,330</u>	<u>150,000</u>	<u>20,291</u>	<u>150,000</u>
EXPENDITURES					
Professional	8,458	2,495	1,200	0	0
Publishing	0	80	0	0	0
Postage & Freight	805	13	1,000	400	1,000
Operating Equipment	1,634	12,756	0	0	0
Programming	10,173	0	15,500	0	0
Contingent	0	0	75,300	2,500	176,500
Total Contractual Services	<u>21,070</u>	<u>15,344</u>	<u>93,000</u>	<u>2,900</u>	<u>177,500</u>
Office Supplies	0	0	5,500	0	0
Landscape Materials	0	0	400	0	400
Small Tools & Equipment	0	0	0	2,500	2,500
Operating Supplies	0	0	0	4,030	20,500
Stationery & Printing	43	0	100	100	100
Total Materials & Supplies	<u>43</u>	<u>0</u>	<u>6,000</u>	<u>6,630</u>	<u>23,500</u>
Buildings	0	1,107	0	61,186	0
Operating Equipment	0	7,724	2,500	0	0
Departmental Equipment	1,633	0	100,000	0	0
Total Capital Outlay	<u>1,633</u>	<u>8,831</u>	<u>102,500</u>	<u>61,186</u>	<u>0</u>
Total Expenses	<u>22,747</u>	<u>24,175</u>	<u>201,500</u>	<u>70,716</u>	<u>201,000</u>
Revenues in Excess of Expenditures	83,536	24,155	(51,500)	(50,425)	(51,000)
OTHER SOURCES/USES					
Transfer In	2,085	0	0	0	0
Transfer Out	0	(270,097)	0	0	0
	<u>2,085</u>	<u>(270,097)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance, May 1	<u>262,037</u>	<u>347,658</u>	<u>101,716</u>	<u>101,716</u>	<u>51,291</u>
Ending Balance, April 30	<u>347,658</u>	<u>101,716</u>	<u>50,216</u>	<u>51,291</u>	<u>291</u>

CRYSTAL LAKE PUBLIC LIBRARY WORKING CASH BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Investment Income	1,951	2,774	0	2,500	3,000
	<u>1,951</u>	<u>2,774</u>	<u>0</u>	<u>2,500</u>	<u>3,000</u>
EXPENDITURES					
Departmental Equipment	0	0	0	0	
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues in Excess of Expenditures	1,951	2,774	0	2,500	3,000
OTHER SOURCES/USES					
Transfer In	0	0	0	0	0
Transfer Out	<u>(891)</u>	<u>(1,951)</u>	<u>(4,000)</u>	<u>(2,774)</u>	<u>(3,000)</u>
	<u>(891)</u>	<u>(1,951)</u>	<u>(4,000)</u>	<u>(2,774)</u>	<u>(3,000)</u>
Beginning Balance, May 1	<u>50,891</u>	<u>51,951</u>	<u>52,774</u>	<u>52,774</u>	<u>52,500</u>
Ending Balance, April 30	<u><u>51,951</u></u>	<u><u>52,774</u></u>	<u><u>48,774</u></u>	<u><u>52,500</u></u>	<u><u>52,500</u></u>

CRYSTAL LAKE PUBLIC LIBRARY SPECIAL RESERVE BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Revenues					
Investment Income	0	19,064	0	0	0
	0	19,064	0	0	0
EXPENDITURES					
Postage & Freight	0	0	0	0	0
Contingency	0	0	0	0	0
Total Contractual Services	0	0	0	0	0
Operating Supplies	0	0	0	0	0
Total Materials & Supplies	0	0	0	0	0
Departmental Equipment	0	0	0	0	0
Total Capital Outlay	0	0	0	0	0
Total Expenses	0	0	0	0	0
Revenues in Excess of Expenditures	0	19,064	0	0	0
Other Sources/Uses					
Transfer In	0	1,164,051	0	60,657	0
Transfer Out	0	(1,164,854)	0	(12,000)	0
	0	(803)	0	48,657	0
Beginning Balance, May 1	0	0	18,261	18,261	66,918
Ending Balance, April 30	0	18,261	18,261	66,918	66,918

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MOTOR FUEL TAX
FUND

MFT FUND STATEMENT OF ACTIVITIES

The Motor Fuel Tax (MFT) Fund accounts for funds apportioned to the City by the State of Illinois for its highway maintenance responsibilities. These funds are collected by the State of Illinois on gasoline sales and are allocated on a specific State formula to agencies that provide street improvement services and have maintenance responsibilities for the transportation system.

MFT FUND 2007/2008 ACCOMPLISHMENTS

- The Erick Street Phase I Engineering design was approved by IDOT in June of 2007. The City retained Patrick Engineering as its Phase II Engineering consultant, and the Phase II Engineering is in progress.
- The Phase I Engineering design for East Crystal Lake Avenue Segments 1 and 2 has been completed and has been submitted to IDOT for their review.
- Coordination with the County on the Walkup Avenue and Route 176 improvement has continued. Among the coordination efforts was an evaluation of the maintenance of traffic during construction, right-of-way acquisition, bike path routing, and review of drainage.
- The City has continued to work with the County on the Pingree Road and Crystal Lake Avenue intersection improvement.
- CivilTech was retained as the Phase I Engineering consultant for the South Main Street improvement, and has started on the design.
- IDOT conducted the Phase I Engineering for the Briarwood Road and IL 176 intersection improvement in-house, with some input from the City. They anticipate that the Phase I Engineering will be approved in spring 2008.
- A Phase I Engineering Consultant was retained for the improvement to Pingree Road between Route 14 and Rakow Road.
- The Phase II Engineering Design for the Route 14 Interconnect between Woodstock Street and Route 176 has been initiated. The City is pursuing a wireless interconnect system between these two intersections.

MFT FUND 2008/2009 OBJECTIVES

- The City will complete the Phase II Engineering of the Erick Street improvement and complete the necessary right-of-way acquisition for construction.
- The City will complete the Phase I Engineering for both segments of the East Crystal Lake Avenue improvement. The City will begin the Phase II Engineering on both segments, and will complete the Phase II Engineering on segment 2 and begin construction.
- The City will contribute to the East Crystal Lake Avenue and Pingree Road intersection Phase I design study, and continue to work with the County, Nunda Township, and Algonquin Township.
- The City will continue to work with McHenry County on the Walkup Avenue and Route 176 improvement to get approval of the Phase II Engineering.
- The City will complete the Phase I Engineering for South Main Street and will begin the Phase II Engineering.
- The City will continue the Pingree Road Segment 3 improvement Phase I Engineering.
- The City will begin the Briarwood and Route 176 improvement Phase II Engineering.
- The City will be utilizing new technology for snow and ice removal.

MFT FUND BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimated	2008/2009 Budget
REVENUES					
Allotments	1,170,289	1,196,436	1,137,936	1,137,936	1,141,916
Grants	-	17,043	-	-	-
Interest	304,943	453,548	450,000	450,000	225,000
Miscellaneous	242,991	577	-	-	25,000
	<u>1,718,223</u>	<u>1,667,604</u>	<u>1,587,936</u>	<u>1,587,936</u>	<u>1,391,916</u>
EXPENDITURES					
Professional	118,447	311,070	845,023	233,302	1,459,053
Reimbursed Expenses	6,614	-	-	-	-
Traffic Signals	74,757	53,154	100,000	100,000	100,000
Total Contractual Services	<u>199,818</u>	<u>364,224</u>	<u>945,023</u>	<u>333,302</u>	<u>1,559,053</u>
Salt	156,656	233,434	200,000	200,000	250,000
Total Materials & Supplies	<u>156,656</u>	<u>233,434</u>	<u>200,000</u>	<u>200,000</u>	<u>250,000</u>
Land	253,060	-	290,000	-	490,000
Streets	368,601	392,546	659,660	401,623	1,599,160
Total Capital Outlay	<u>621,661</u>	<u>392,546</u>	<u>949,660</u>	<u>401,623</u>	<u>2,089,160</u>
Total Expenditures	<u>978,135</u>	<u>990,204</u>	<u>2,094,683</u>	<u>934,925</u>	<u>3,898,213</u>
Revenues in Excess of Expenditures	740,088	677,400	(506,747)	653,011	(2,506,297)
Beginning Balance, May 1	7,744,195	8,484,283	9,161,683	9,161,683	9,814,694
Ending Balance, April 30	<u>8,484,283</u>	<u>9,161,683</u>	<u>8,654,936</u>	<u>9,814,694</u>	<u>7,308,397</u>

MFT FUND ACCOUNT INFORMATION

- Professional services budgeted for fiscal 2008-2009 encompass engineering for Route 176 and Walkup intersection improvements, Erick Street improvements, Crystal Lake Avenue improvements, and South Main Street widening.
- An increase in salt is attributable to price increases in the market.
- Land acquisition expenses reflect acquisition costs for the Route 176 and Walkup intersection improvements, Erick Street improvements, and Crystal Lake Avenue improvements.
- Streets include Crystal Lake Avenue improvements, Route 14 signal interconnect costs, and Nash Road storm sewer.

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**ROAD/VEHICLE LICENSE
FUND**

ROAD/VEHICLE LICENSE FUND STATEMENT OF ACTIVITIES

The Road/Vehicle License Fund provides street system and related capital improvement funding for the City. Revenue generated and expenditures related to the annual City vehicle sticker sale program are accounted for in this fund. Road tax levy funds rebated to the City by each of the four townships that encompass a portion of the City's corporate limits are also included in the Road/Vehicle License Fund.

ROAD/VEHICLE LICENSE FUND 2007/2008 ACCOMPLISHMENTS

- Completed the 2007 Road Resurfacing Project.
- Participated in the Northwest Municipal Conference purchasing program, which resulted in the City being able to restripe more locations at lower unit prices than the City has paid in previous years.
- Completed the road testing and survey program and implemented the road analysis program to help program road maintenance.
- Surveyed and completed the second of four phases of the City's sidewalk repair program.
- Completed the improvement of Reiland Drive.
- Completed the drainage improvement at 345 East Crystal Lake Avenue.

ROAD/VEHICLE LICENSE FUND 2008/2009 OBJECTIVES

- Conduct the expanded annual street resurfacing program.
- Conduct the annual thermoplastic re-striping program.
- Continue the Citywide sidewalk inspection and repair program.
- Conduct a preliminary study on the flooding of North Shore Drive.

ROAD/VEHICLE LICENSE FUND BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimated	2008/2009 Budget
REVENUES					
Property Tax	374,493	388,711	370,000	370,000	398,950
Replacement Tax-Township	8,202	8,459	9,300	9,300	9,300
Motor Vehicle License	216,375	220,926	210,000	210,000	212,000
Interest	109,697	185,152	100,000	100,000	72,015
Reimbursed Expenses	173,410	(13,117)	50,000	50,000	-
	<u>882,177</u>	<u>790,131</u>	<u>739,300</u>	<u>739,300</u>	<u>692,265</u>
EXPENDITURES					
Professional	50,411	36,343	134,995	99,883	115,000
Reimbursed Expenses	95,733	76,836	-	-	-
Postage & Freight	4,200	14,000	17,550	17,550	17,550
Sidewalks	-	82,579	130,000	86,000	120,000
Total Contractual Services	<u>150,344</u>	<u>209,758</u>	<u>282,545</u>	<u>203,433</u>	<u>252,550</u>
Stationery & Printing	2,676	6,499	8,300	8,300	8,470
Total Materials & Supplies	<u>2,676</u>	<u>6,499</u>	<u>8,300</u>	<u>8,300</u>	<u>8,470</u>
Public Works Improvements	1,063,068	200,245	1,912,875	1,698,270	1,175,300
Land	26	-	-	-	-
Streets	-	-	18,000	18,000	-
Total Capital Outlay	<u>1,063,094</u>	<u>200,245</u>	<u>1,930,875</u>	<u>1,716,270</u>	<u>1,175,300</u>
Bond Indebtedness - Principal	57,500	60,000	62,500	62,500	-
Bond Indebtedness - Interest	8,672	5,943	3,063	3,063	-
Total General Expenses	<u>66,172</u>	<u>65,943</u>	<u>65,563</u>	<u>65,563</u>	<u>-</u>
Total Expenditures	<u>1,282,286</u>	<u>482,445</u>	<u>2,287,283</u>	<u>1,993,565</u>	<u>1,436,320</u>
Revenues in Excess of Expenditures	(400,109)	307,686	(1,547,983)	(1,254,265)	(744,055)
OTHER SOURCES/USES					
Transfer In	-	-	-	-	456,469
Transfer Out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>456,469</u>
Beginning Fund Balance, May 1	3,748,729	3,348,620	3,656,306	3,656,306	2,402,041
Ending Fund Balance, April 30	<u>3,348,620</u>	<u>3,656,306</u>	<u>2,108,323</u>	<u>2,402,041</u>	<u>2,114,455</u>

ROAD/VEHICLE LICENSE FUND ACCOUNT INFORMATION

- Professional services include vehicle sticker outsourcing, Hahn storm water system design, and a preliminary engineering study for North Shore.
- Public Works improvements scheduled in fiscal 2008-2009 include the annual road resurfacing program, the annual thermoplastic re-striping program, Hahn storm water system construction, and Lucas Road resurfacing.

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IMRF FUND

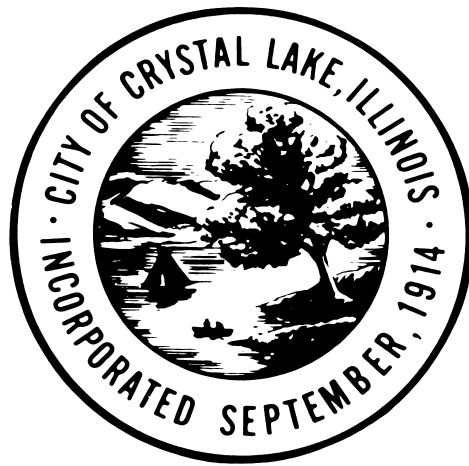
IMRF FUND STATEMENT OF ACTIVITIES

Employee Social Security pension requirements are accommodated through the Illinois Municipal Retirement Fund (IMRF). The IMRF is regulated by the Illinois Municipal Retirement Fund Agency established under State law.

IMRF FUND BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Tax	1,480,775	1,713,990	1,821,736	1,821,736	1,912,823
Replacement Tax	63,668	12,000	-	-	19,000
Investment Interest	16,343	37,567	4,789	4,789	10,562
	<u>1,560,786</u>	<u>1,763,557</u>	<u>1,826,525</u>	<u>1,826,525</u>	<u>1,942,385</u>
EXPENDITURES					
City Portion Social Security	514,921	643,414	624,430	624,430	565,281
City Portion IMRF	762,583	736,765	951,276	951,276	710,002
City Portion Medicare	210,677	56,672	250,819	250,819	667,102
Total Personnel Services	<u>1,488,181</u>	<u>1,436,851</u>	<u>1,826,525</u>	<u>1,826,525</u>	<u>1,942,385</u>
Revenues in Excess of Expenditures	72,605	326,706	-	-	-
Beginning Balance, May 1	23,174	95,779	422,485	422,485	422,485
Ending Balance, April 30	<u>95,779</u>	<u>422,485</u>	<u>422,485</u>	<u>422,485</u>	<u>422,485</u>

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**POLICE PENSION
FUND**

POLICE PENSION FUND STATEMENT OF ACTIVITIES

The Police Pension Fund was created, as required by State Statute, to provide retirement and disability benefits for sworn City of Crystal Lake police officers and their dependents. The tax levy passed in December 2007 is intended to fund the 2008/2009 budget.

POLICE PENSION FUND BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Employee Contributions	396,758	404,502	416,000	416,000	436,800
Employer Contributions	966,026	1,073,638	1,112,411	1,112,411	1,188,842
Investment Income	771,513	1,734,282	962,308	962,308	909,996
	2,134,297	3,212,422	2,490,719	2,490,719	2,535,638
EXPENDITURES					
Pension Payments	812,969	942,325	972,024	972,024	1,051,185
Total Personnel Services	812,969	942,325	972,024	972,024	1,051,185
Professional	71,560	80,676	82,000	82,000	86,100
Legal	-	7,553	6,000	6,000	3,000
Training	183	-	100	100	2,000
Dues & Subscriptions	750	-	750	750	1,200
Insurance & Bonding	-	-	-	-	5,000
State Filing Fees	2,930	3,166	3,500	3,500	3,500
Miscellaneous	-	998	-	-	-
Total Contractual Services	75,423	91,395	92,350	92,350	100,800
Total Expenditures	888,392	1,033,720	1,064,374	1,064,374	1,151,985
Excess Revenues over Expenditures	1,245,905	2,178,702	1,426,345	1,426,345	1,383,653
Beginning Balance, May 1	16,942,139	18,188,044	20,366,746	20,366,746	21,793,091
Ending Balance, April 30	18,188,044	20,366,746	21,793,091	21,793,091	23,176,744

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**FIREFIGHTERS PENSION
FUND**

FIREFIGHTERS PENSION FUND STATEMENT OF ACTIVITIES

The Firefighters Pension Fund was created, as required by State Statute, to provide retirement and disability benefits for City of Crystal Lake firefighters/paramedics and their dependents. The tax levy passed in December 2007 is intended to fund the 2008/2009 budget.

FIREFIGHTERS PENSION FUND BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Employee Contributions	281,885	316,696	331,500	331,500	348,075
Employer Contributions	707,944	708,004	817,949	817,949	905,160
Investment Income	487,015	655,580	538,749	538,749	561,154
	1,476,844	1,680,281	1,688,198	1,688,198	1,814,389
EXPENDITURES					
Pension Payments	236,118	299,813	306,636	306,636	365,835
Total Personnel Services	236,118	299,813	306,636	306,636	365,835
Professional	24,581	30,413	34,000	34,000	34,680
Legal	-	3,247	3,000	3,000	3,000
Training	-	66	-	-	2,000
State Filing Fees	1,466	1,637	2,000	2,000	1,500
Total Contractual Services	26,047	35,363	39,000	39,000	41,180
Total Expenditures	262,165	335,176	345,636	345,636	407,015
Excess Revenues over Expenditures	1,214,679	1,345,105	1,342,562	1,342,562	1,407,374
Beginning Balance, May 1	8,626,782	9,841,461	11,186,566	11,186,566	12,529,128
Ending Balance, April 30	9,841,461	11,186,566	12,529,128	12,529,128	13,936,502

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**CROSSING GUARD
FUND**

CROSSING GUARD FUND STATEMENT OF ACTIVITIES

The Crossing Guard Fund provides the budgetary accounts necessary for the operation of the Crossing Guard Program. This program is administered by the Police Department for certain high-priority locations where crossing guards are warranted.

CROSSING GUARD FUND BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Tax	35,282	40,695	44,496	44,496	46,053
Investment Interest	2,508	948	378	378	378
Reimbursed Expenses	16,578	18,607	11,848	11,848	16,500
	54,368	60,250	56,722	56,722	62,931
EXPENDITURES					
Part-time Salaries	51,355	55,127	56,422	56,422	56,769
Total Personnel Services	51,355	55,127	56,422	56,422	56,769
Small Tools & Equipment	-	-	100	100	100
Clothing	-	-	200	200	200
Total Materials & Supplies	-	-	300	300	300
Total Expenditures	51,355	55,127	56,722	56,722	57,069
Revenues in Excess of Expenditures	3,013	5,124	-	-	5,862
Fund Balance, May 1	52,262	55,275	60,398	60,398	60,398
Fund Balance, April 30	55,275	60,398	60,398	60,398	66,260

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FOREIGN FIRE INSURANCE FUND

FOREIGN FIRE INSURANCE FUND STATEMENT OF ACTIVITIES

The Foreign Fire Insurance Fund provides the budgetary accounts necessary to account for the proceeds of foreign fire insurance tax and for expenses authorized by the Board of Foreign Fire Insurance. These funds are received once a year from the State of Illinois. The funds are spent at the direction of the Foreign Fire Insurance Board per State Statute.

FOREIGN FIRE INSURANCE FUND BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimated	2008/2009 Budget
REVENUES					
Foreign Fire Insurance Tax	-	45,923	22,500	56,500	45,923
Interest Earnings	-	-	-	600	-
	-	45,923	22,500	57,100	45,923
EXPENDITURES					
Stipends	-	-	-	-	1,500
Total Personnel Services	-	-	-	-	1,500
Legal	-	-	-	-	500
Training	-	-	-	-	1,200
Insurance & Bonding	-	-	-	-	100
Radio Equipment Services	-	-	-	-	5,000
Total Contractual Services	-	-	-	-	6,800
Computer Hardware & Software	-	-	-	2,700	250
Small Tools & Equipment	-	-	-	-	35,573
Operating Supplies	-	-	-	-	1,800
Total Materials & Supplies	-	-	-	2,700	37,623
Total Expenditures	-	-	-	2,700	45,923
Revenues in Excess of Expenditures	-	45,923	22,500	54,400	-
Beginning Balance, May 1	-	-	45,923	45,923	100,323
Ending Balance, April 30	-	45,923	68,423	100,323	100,323

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POLICE SPECIAL DETAIL FUND

POLICE SPECIAL DETAIL FUND STATEMENT OF ACTIVITIES

The Police Special Detail Fund was created to account for patrol activity costs reimbursed by a third party.

POLICE SPECIAL DETAIL FUND BUDGET

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Tax	-	-	-	-	-
Investment Interest	-	-	-	-	-
Reimbursed Expenses	-	-	64,000	64,000	64,000
	-	-	64,000	64,000	64,000
EXPENDITURES					
Overtime	-	-	64,000	64,000	64,000
Total Personnel Services	-	-	64,000	64,000	64,000
Revenues in Excess of Expenditures	-	-	-	-	-
OTHER SOURCES/USES					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
Fund Balance, May 1	-	-	-	-	-
Fund Balance, April 30	-	-	-	-	-

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DEBT SERVICE FUNDS

DEBT SERVICE FUNDS STATEMENT OF ACTIVITIES

Debt Service Funds consists of separate programs to fund the bond and interest obligations for various capital projects. During the fiscal year, payment of principal and interest amounts is due and payable on outstanding bond issues that provided funds for the construction of the various capital improvement projects. The budgetary accounts do not represent a general obligation for funding by the City as a whole. Rather, these projects represent certain specific improvements financed through, and with, payment obligations deriving from the parties that benefit from the improvements. These budgetary accounts include projects as follows:

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
North Shore Water & Sewer Project	168,429	119,413	162,000	100,000	7,100
Crystal Heights	194,738	118,673	135,400	152,400	120,000
SEECOM	105,970	290,708	289,458	289,458	290,000
Bryn Mawr	-	341,990	151,454	151,454	383,000
Tracy Trail	-	271,200	-	81,000	79,000
Ryland	-	-	-	-	-
	469,137	1,141,983	738,312	774,312	879,100
EXPENDITURES					
North Shore Water & Sewer Project	198,522	197,827	196,688	196,688	-
Crystal Heights	133,799	138,078	133,224	135,000	138,000
SEECOM	101,417	290,708	289,458	289,458	290,000
Bryn Mawr	-	179,220	302,908	302,908	383,000
Tracy Trail	-	-	-	81,000	79,000
Ryland	-	-	-	-	143,750
	433,738	805,833	922,278	1,005,054	1,033,750
Revenues in Excess of Expenditures	35,399	336,150	(183,966)	(230,742)	(154,650)
Operating Transfer In/(Out)	-	4,553	641,681	641,681	-
Fund Balance, May 1	199,054	234,453	575,156	575,156	986,095
Fund Balance, April 30	234,453	575,156	1,032,871	986,095	831,445

NORTH SHORE WATER & SEWER PROJECT DEBT SERVICE BUDGET

The North Shore Water & Sewer Project provided the installation of water main and sanitary sewer lines for the North Shore area north of North Shore Drive. This project was constructed during the 1997 and 1998 construction seasons and the related debt service is supported by payments required under the participation agreements. This bond is amortized over a 10-year period.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes	-	-	-	-	-
Investment Income	1,012	(3,599)	2,000	-	-
Reimbursements	167,417	123,012	160,000	100,000	7,100
	<u>168,429</u>	<u>119,413</u>	<u>162,000</u>	<u>100,000</u>	<u>7,100</u>
EXPENDITURES					
Bond Indebtedness - Principal	172,500	180,000	187,500	187,500	-
Bond Indebtedness - Interest	26,022	17,827	9,188	9,188	-
	<u>198,522</u>	<u>197,827</u>	<u>196,688</u>	<u>196,688</u>	<u>-</u>
Revenues in Excess of Expenditures	(30,093)	(78,414)	(34,688)	(96,688)	7,100
Fund Balance, May 1	199,054	168,961	96,646	96,646	(42)
Fund Balance, April 30	<u>168,961</u>	<u>96,646</u>	<u>61,958</u>	<u>(42)</u>	<u>7,058</u>

CRYSTAL HEIGHTS WATER & SEWER PROJECT DEBT SERVICE BUDGET

The Crystal Heights Water and Sewer Project will provide the installation of water main and sanitary sewer lines for approximately 40 Crystal Heights residents. This project was constructed during the 2005 construction season and the related debt service is supported by payments required under the participation agreements and backed by a special service area. This bond is amortized over a 15-year period.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Investment Income	1,439	3,225	-	17,000	-
Reimbursements	193,299	115,448	135,400	135,400	120,000
	<u>194,738</u>	<u>118,673</u>	<u>135,400</u>	<u>152,400</u>	<u>120,000</u>
EXPENDITURES					
Bond Indebtedness - Principal	85,000	85,000	90,000	85,000	90,000
Bond Indebtedness - Interest	48,799	53,078	43,224	50,000	48,000
	<u>133,799</u>	<u>138,078</u>	<u>133,224</u>	<u>135,000</u>	<u>138,000</u>
Revenues in Excess of Expenditures	60,939	(19,405)	2,176	17,400	(18,000)
Operating Transfer	-	-	641,681	641,681	-
Fund Balance, May 1	(0)	60,939	41,534	41,534	700,615
Fund Balance, April 30	<u>60,939</u>	<u>41,534</u>	<u>685,391</u>	<u>700,615</u>	<u>682,615</u>

SEECOM PROJECT DEBT SERVICE BUDGET

This project provided for the establishment of the Southeast Emergency Communications Center, which serves the Crystal Lake, Algonquin, and Cary areas. The member communities will share the related debt service proportionally. This bond is amortized over a 15-year period.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Reimbursements	105,970	290,708	289,458	289,458	290,000
	<u>105,970</u>	<u>290,708</u>	<u>289,458</u>	<u>289,458</u>	<u>290,000</u>
EXPENDITURES					
Bond Indebtedness - Principal	-	185,000	195,000	195,000	195,000
Bond Indebtedness - Interest	101,417	105,708	94,458	94,458	95,000
	<u>101,417</u>	<u>290,708</u>	<u>289,458</u>	<u>289,458</u>	<u>290,000</u>
Revenues in Excess of Expenditures	4,553	-	-	-	-
Operating Transfer	-	4,553		-	-
Fund Balance, May 1	-	4,553	-	-	-
Fund Balance, April 30	<u>4,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BRYN MAWR WATER & SEWER PROJECT DEBT SERVICE BUDGET

This project provided for the installation of water main and sanitary sewer lines near Route 14 and Route 176, and is being paid for by Special Service Area #45. This bond is amortized over a 20-year period.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes	-		151,454	151,454	383,000
Investment Income	-	11,315	-	-	-
Miscellaneous	-	330,675	-	-	-
	-	341,990	151,454	151,454	383,000
EXPENDITURES					
Bond Indebtedness - Principal	-	-	-	-	80,000
Bond Indebtedness - Interest	-	179,220	302,908	302,908	303,000
	-	179,220	302,908	302,908	383,000
Excess Revenues over Expenditures	-	162,769	(151,454)	(151,454)	-
Fund Balance, May 1	-	-	162,769	162,769	11,315
Fund Balance, April 30	-	162,769	11,315	11,315	11,315

TRACY TRAIL STREET PROJECT DEBT SERVICE BUDGET

This project provided for roadway improvements along Tracy Trail and is being paid for by Special Service Area #44. This bond is amortized over a 15-year period.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes	-	-	-	-	79,000
Investment Income	-	957	-	-	-
Miscellaneous	-	270,243	-	81,000	-
	-	271,200	-	81,000	79,000
EXPENDITURES					
Bond Indebtedness - Principal	-	-	-	50,000	50,000
Bond Indebtedness - Interest	-	-	-	31,000	29,000
	-	-	-	81,000	79,000
Excess Revenues over Expenditures	-	271,200	-	-	-
Fund Balance, May 1	-	-	271,200	271,200	271,200
Fund Balance, April 30	-	271,200	271,200	271,200	271,200

RYLAND WATER & SEWER PROJECT DEBT SERVICE BUDGET

This project provided for the installation of water main and sanitary sewer lines within the Ryland Subdivision near Route 14 and Route 176, and is being paid for by Special Service Area #46. This bond is amortized over a 30-year period.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes	-	-	-	-	-
Investment Income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
	-	-	-	-	-
EXPENDITURES					
Bond Indebtedness - Principal	-	-	-	-	-
Bond Indebtedness - Interest	-	-	-	-	143,750
	-	-	-	-	143,750
Excess Revenues over Expenditures	-	-	-	-	(143,750)
Fund Balance, May 1	-	-	-	-	143,750
Fund Balance, April 30	-	-	-	143,750	-

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**CAPITAL CONSTRUCTION
FUNDS**

CAPITAL CONSTRUCTION FUNDS STATEMENT OF ACTIVITIES

In order to provide the proper accounting procedures, and also to comply with State Statutes, various Capital Construction Funds were established. Budgetary and accounting mechanisms are provided for the Capital Construction Funds in order to account for revenues primarily available from bond sales that provide funding for respective projects. The debt retirement of the bond issues is provided from separate revenue sources, which may include special assessments, special service areas, or participation agreements. Only those areas benefiting from the improvement projects provide the special additional property taxes within a special service area and, thus, these arrangements do not represent a cost to the City residents in general.

CAPITAL CONSTRUCTION FUNDS BUDGET SUMMARY

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
Revenues & Transfers In					
Downtown Redevelopment TIF	697,479	772,127	700,912	672,225	0
Main Street TIF	0	17,651	685,000	691,185	23,000
Virginia Street TIF	0	50,730	52,000	93,500	93,000
Vulcan Lakes TIF	0	0	0	17,400	779,708
SSA #43/Crystal Heights	31,598	31,291	0	0	0
SSA #44/Tracy Trail	0	0	750,000	750,000	0
SSA #45/Bryn Mawr	0	6,033,588	0	0	0
SSA #46/Ryland	0	2,500,384	0	0	0
Water & Sewer Construction	56,168	12,942	0	0	0
	785,245	9,418,712	2,187,912	2,224,310	895,708
Expenditures & Transfers Out					
Downtown Redevelopment TIF	282,953	254,215	2,937,376	309,668	2,688,020
Main Street TIF	0	0	700,000	1,100	100,000
Virginia Street TIF	0	0	104,000	183,550	46,300
Vulcan Lakes TIF	0	0	0	1,863	762,308
SSA #43/Crystal Heights	747,977	900	641,681	0	0
SSA #44/Tracy Trail	0	0	379,097	379,097	0
SSA #45/Bryn Mawr	0	5,054,265	0	0	0
SSA #46/Ryland	0	2,473,870	0	0	0
Water & Sewer Construction	1,601,720	495,554	610,366	18,200	0
	2,632,650	8,278,804	5,372,520	893,478	3,596,628
Revenues in Excess of Expenditures	(1,847,405)	1,139,908	(3,184,608)	1,330,832	(2,700,920)
Fund Balance, May 1	5,328,203	3,480,798	4,620,706	1,436,098	2,766,930
Fund Balance, April 30	3,480,798	4,620,706	1,436,098	2,766,930	66,010

DOWNTOWN REDEVELOPMENT TIF PROJECT BUDGET SUMMARY

Funds are budgeted for several TIF related improvements including Veteran Memorial lighting, downtown parking improvements, “way finding” signage for the downtown area, downtown Metra station upgrades, Main Street and Crystal Lake Avenue streetscape improvements, and modular newspaper box holders.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes (Incremental)	626,729	664,354	645,000	670,000	-
Investment Income	70,750	107,773	55,912	2,225	-
Total Revenues	697,479	772,127	700,912	672,225	-
EXPENDITURES					
Professional	-	177,649	251,000	146,000	-
Total Contractual Services	-	177,649	251,000	146,000	-
Public Works Improvements	282,953	76,566	2,686,376	163,668	2,688,020
Total Capital Outlay	282,953	76,566	2,686,376	163,668	2,688,020
Total Expenditures	282,953	254,215	2,937,376	309,668	2,688,020
Revenues in Excess of Expenditures	414,526	517,913	(2,236,464)	362,557	(2,688,020)
OTHER SOURCES/USES					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
	-	-	-	-	-
Beginning Cash Balance, May 1	1,393,025	1,807,551	2,325,463	2,325,463	2,688,020
Ending Cash Balance, April 30	1,807,551	2,325,463	88,999	2,688,020	-

DOWNTOWN REDEVELOPMENT TIF PROJECT BUDGET DETAIL

	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
	Actual	Actual	Budget	Estimate	Budget
Professional					
Veteran Memorial Lighting Design					
Main/CL Avenue Construction Design			250,000	10,000	
Main/CL Avenue Streetscape Design					
Parking Study & Design Services					
U.P. Railroad Relocation				135,000	
TIF Audit			1,000	1,000	
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Total Professional Services	-	177,649	251,000	146,000	
Public Works Improvements					
Main/CL Avenue Construction			2,468,808	-	
Downtown Improvements			30,000	30,000	
Veteran Memorial Lighting			25,000	-	
Parking Study Improvements			-	26,000	26,000
Way Finding/Parking Signage			10,000	10,000	10,000
Metra Downtown Station Upgrades			10,000	-	
Newspaper Vending Machines			40,000	40,000	40,000
Land Acquisition			50,000	-	
Metra Land Swap Surveys				5,100	5,100
Streetscape Elements			50,000	50,000	
SSA Consultant			2,568	2,568	1,000
Gazebo/Sidewalk					58,800
Benches/Trash Cans					100,000
Ballasts (for Street Lights)					140,000
Kiosk					6,500
Sidewalk Repair and Replacement					20,000
Santa House					5,000
Sidewalk Curb and Gutter R&R					2,000
Accessibility Enhancement - Paver					4,000
Accessibility Enhancement - Standard					26,000
Sidewalk Cleaning					7,200
Main St - North Leg					1,319,420
Main St - North Leg Engineering					150,000
Overhead Utility Burial					520,000
Williams & Brink Street Resurfacing					110,000
Hanging Baskets					37,000
DT Landscape Plantings					6,000
Wall @ SW corner of Brink and Williams					30,000
Streetscape by Raue Clock					4,000
Brick Pavers and Replacements					40,000
Upgrade Traffic Control Signs and posts					20,000
<hr/>					
Total Public Works Improvements	282,953	76,566	2,686,376	163,668	2,688,020

MAIN STREET TIF PROJECT BUDGET SUMMARY

Funds are budgeted for the initial planning and engineering design services for the Main Street TIF. The TIF program includes improvements to the Main Street and Crystal Lake Avenue intersection.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes (Incremental)	-	17,651	15,000	21,000	23,000
Investment Income	-	-	-	185	-
Total Revenues	-	17,651	15,000	21,185	23,000
EXPENDITURES					
Professional	-	-	700,000	1,100	-
Total Contractual Services	-	-	700,000	1,100	-
Public Works Improvements	-	-	-	-	100,000
Total Capital Outlay	-	-	-	-	100,000
Total Expenditures	-	-	700,000	1,100	100,000
Revenues in Excess of Expenditures	-	17,651	(685,000)	20,085	(77,000)
OTHER SOURCES/USES					
Transfer In	-	-	670,000	670,000	-
Transfer Out	-	-	-	-	-
	-	-	670,000	670,000	-
Beginning Cash Balance, May 1	-	-	17,651	17,651	707,736
Ending Cash Balance, April 30	-	17,651	2,651	707,736	630,736

MAIN STREET TIF PROJECT BUDGET DETAIL

	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
	Actual	Actual	Budget	Estimate	Budget
Professional					
Engineering Svc - Railroad Crossing			700,000	-	
Engineering Svc - CL/Main Intersection					-
TIF Consultant				1,100	
Total Professional Services	-	-	700,000	1,100	-
Public Works Improvements					
Construction - CL/Main intersection					-
Hummel utilities					-
Water main casing					100,000
Total Public Works Improvements	-	-	-	-	100,000

VIRGINIA STREET TIF PROJECT BUDGET SUMMARY

Funds are budgeted for the initial planning and engineering design services. The Virginia Street Corridor TIF program is intended to spur a comprehensive revitalization of this area and will include streetscape improvements/beautification and redevelopment of key identified sites within the corridor.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes (Incremental)		50,730	52,000	93,000	93,000
Investment Income				500	
Total Revenues	-	50,730	52,000	93,500	93,000
EXPENDITURES					
Professional	-	-	104,000	183,550	46,300
Total Contractual Services	-	-	104,000	183,550	46,300
Public Works Improvements	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	104,000	183,550	46,300
Revenues in Excess of Expenditures	-	50,730	(52,000)	(90,050)	46,700
OTHER SOURCES/USES					
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
Beginning Cash Balance, May 1	-	-	50,730	50,730	(39,320)
Ending Cash Balance, April 30	-	50,730	(1,270)	(39,320)	7,380

VIRGINIA STREET TIF PROJECT BUDGET DETAIL

	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
	Actual	Actual	Budget	Estimate	Budget
Professional Services					
Engineering Design (Phase I and II)			104,000	183,550	46,300
Total Professional Services	-	-	104,000	183,550	46,300

VULCAN LAKES TIF PROJECT BUDGET SUMMARY

Funds are budgeted for the initial planning and engineering design services. The Vulcan Lakes TIF program is intended to spur a comprehensive development of this area and will include residential, retail, and recreational facilities.

	2005/2006 Actual	2006/2007 Actual	2007/2008 Budget	2007/2008 Estimate	2008/2009 Budget
REVENUES					
Property Taxes (Incremental)	-	-	-	17,400	17,400
Investment Income	-	-	-	-	-
Total Revenues	-	-	-	17,400	17,400
EXPENDITURES					
Professional	-	-	-	1,863	-
Total Contractual Services	-	-	-	1,863	-
Public Works Improvements	-	-	-	-	762,308
Total Capital Outlay	-	-	-	-	762,308
Total Expenditures	-	-	-	1,863	762,308
Revenues in Excess of Expenditures	-	-	-	15,537	(744,908)
OTHER SOURCES/USES					
Transfer In	-	-	-	-	762,308
Transfer Out	-	-	-	-	-
	-	-	-	-	762,308
Beginning Cash Balance, May 1	-	-	-	-	15,537
Ending Cash Balance, April 30	-	-	-	15,537	32,937

VULCAN LAKES TIF PROJECT BUDGET DETAIL

	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
	Actual	Actual	Budget	Estimate	Budget
<hr/>					
Professional Services					
TIF Consultants				463	
Design Services				1,400	
Total Professional Services	-	-	-	1,863	-
Public Works Improvements					
Debt Service					762,308
Total Public Works Improvements	-	-	-	-	762,308

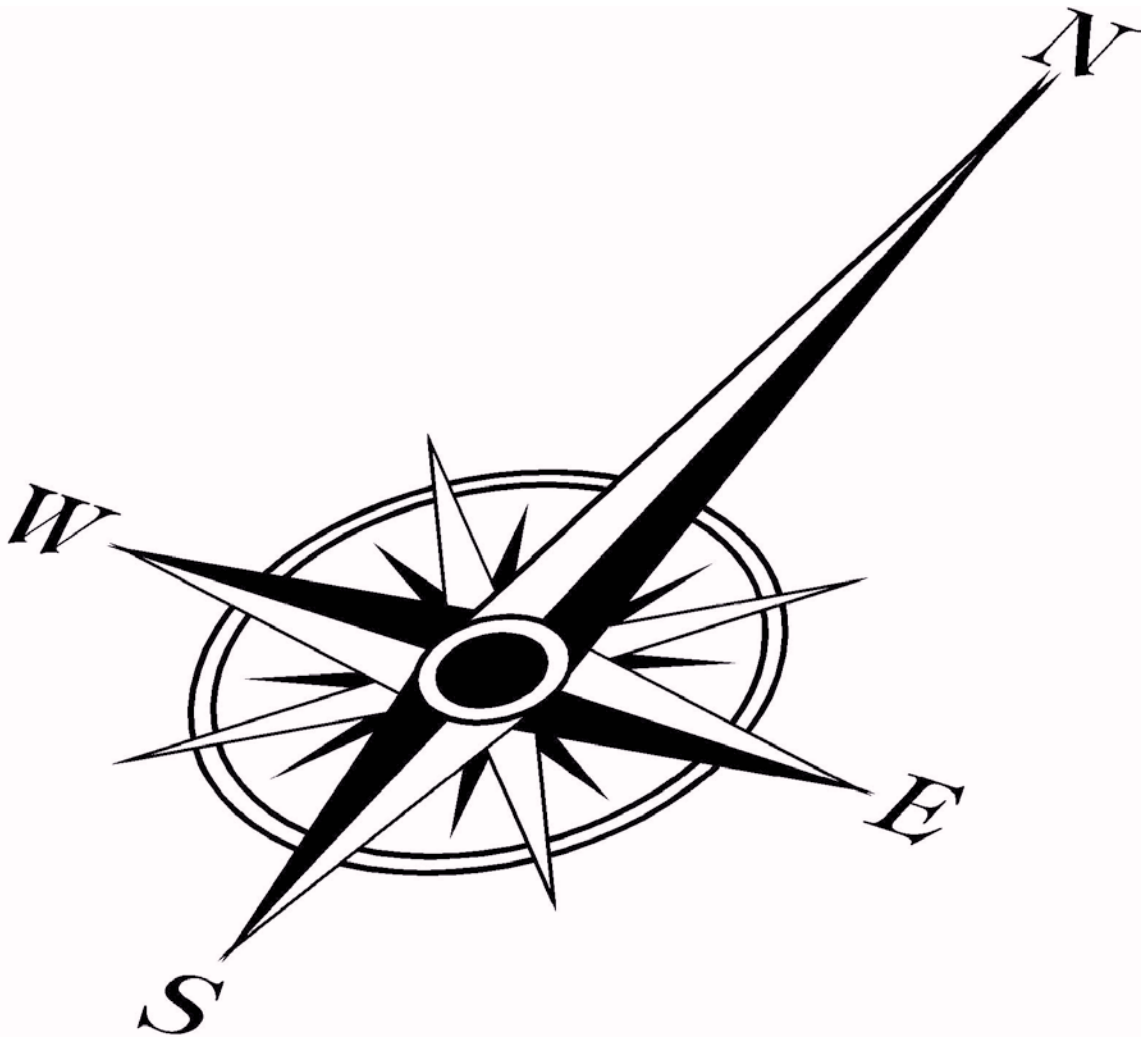
STRATEGIC PLAN

CITY OF CRYSTAL LAKE



ILLINOIS
2007-2012

2008 UPDATE



City of Crystal Lake, Illinois

Adopted March 9, 2007

Updated April 2008

Crystal Lake City Council

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I. Introduction – The Importance of Strategic Planning

Where should City government focus its priorities? What role does the City have in addressing the community's most pressing challenges? How well is Crystal Lake, as a city government, doing in its role to meet those challenges?

The City of Crystal Lake is using strategic planning to try to answer these and other questions. This process and how these questions are answered become our roadmap to the future.

Our community as well as City government has changed a great deal over the past few years. That change has focused our attention on several community challenges. It has also given us recognition that the quality of life in our community is high and that we have reliable and responsive public services. The challenge in the future is to ensure that the quality of life in our community remains high while addressing upcoming challenges. These challenges include:

- Dealing with the recent and expected growth in our community.
- Related to growth, traffic congestion, the quality of our road systems, and utility infrastructure were all identified as important challenges.
- A "small town feel", convenient location to a large urban area, recreation opportunities and a clean environment all make Crystal Lake an attractive place to live.
- Residents have a high level of satisfaction with the livability of the City, their neighborhoods and with City government in general.

Recognizing the many challenges facing the community, the City engaged in a strategic planning process. This process began with a multi-day planning session that included the City Council, Department Heads and the Strategic Plan Facilitator, Lewis G. Bender, Ph.D. The Strategic Plan is developed for a five-year period and identifies the most important commitments that will help achieve the community vision. Key elements of the City's planning framework include:

- Establishing a process for review of and improvement in services managed by the City of Crystal Lake.
- Establishing the foundation for budgeting appropriate resources for specific outcomes.

The Strategic Plan is not a static document or process. It must change to reflect the changing community. This document is the first of its kind for the City. As a dynamic document, the City will continuously revisit to the Strategic Plan to ensure we are headed on the right path.

The following sections outline the planning framework, the foundation upon which the plan is based, and the strategic commitments that are the guideposts in helping to realize the community's vision and to accomplish the City's mission.

II. The Foundation

The foundation of the Strategic Plan rests on the Community Vision, the Organizational Mission and Vision, and the Core Values.

City of Crystal Lake Vision Statement

Crystal Lake envisions itself as a robust, cohesive community where all share in the responsibility of participating in civic life. A strong sense of identity is enhanced by the City's location on its namesake Lake and the surrounding natural beauty. Crystal Lake is proud of its rich history. Crystal Lake has a vibrant downtown where people throughout the community gather to live, work, shop and enjoy many entertainment options. The City has a strong commitment to providing lifelong educational, recreational, cultural and other opportunities for its population. Safe neighborhoods with distinct qualities and proud identities are linked by parks and green spaces. A vital economic base creates jobs and assists with maintaining low property tax rates. Crystal Lake citizens are proud of the community they continue to share in building.

City of Crystal Lake Mission Statement

The City of Crystal Lake is committed to the high quality of life enjoyed by the citizens and businesses of the Crystal Lake community. Our mission is to enhance and preserve the history, natural resources and unique cultural traditions of the community as well as provide fiscally sound and responsive services, programs, and facilities with the highest degree of professionalism, integrity, and efficiency so that Crystal Lake continues to be a great place to live and work.

City of Crystal Lake Core Values

Both our mission and our vision are founded on the following core values that guide all of our actions and reflect what we expect from our employees and our elected officials:

Transparent, Open, and Honest Government. This value reflects our first and most important responsibility. Our competence is measured and, in fact, reinforced through active engagement of those we serve. We maintain an organizational reputation for openness, honesty, and integrity.

Customer Service. Our primary duty is to the customers we serve. We are accessible, responsive, consistent, and understanding. We provide assistance beyond our customers' expectations, and we find effective solutions to problems that they bring to our attention.

Fiscal Responsibility. Proper use of public resources is a trust, which we continually guard. In our management of this trust, we must avoid even the appearance of impropriety. In our management of public funds, we constantly strive for the greatest possible efficiency.

Personal Honesty and Integrity. Each of us demonstrates the highest standards of personal integrity, truthfulness, honesty, and fortitude in our public activities. In this way, we inspire public confidence and trust in our government.

Teamwork. We are a team that emphasizes high levels of trust and cooperation and a commitment to excellent communications within the organization. We encourage employees to exercise independent judgment in meeting customer needs through professional behavior that is consistent with our values.

Excellence. We continually pursue excellence by being creative, professional, showing initiative, and being committed to our community.

A Humane and Diverse Organization. We are a humane organization that honors diversity and protects individual rights. Open communication, respect for others, compassion, and a sense of humor contribute to our positive work environment. We make it possible for every employee to achieve his or her full potential. We value the cultural and social diversity that is reflected in our community, and we welcome the changes and new perspectives that this diversity brings to us.

III. Strategic Commitments

The strategic commitments that form the Strategic Plan are:

**Development – Reinvestment in the Community
Enhancing Community Life through Service Maintenance and Development
Managing Infrastructure/Finances**

THE PURPOSE of the City’s strategic commitments is to emphasize those areas that the community and the organization have identified as needing increased recognition and effort to realize the community vision and accomplish the City’s mission. To be successful, we must focus on the specific challenges and expectations that the strategic commitments are intended to address. Each City service area and every employee need to understand the underlying issues inherent in these strategic commitments and to think about what we currently do – or could do – to support these commitments in achieving the community’s vision.

BY DESIGN, the strategic commitments do not address all of the City’s core functions and activities nor will we use the commitments to allocate all of our resources. Individual employees, programs and some entire service areas may find that their services do not directly relate to any one of the commitments. This does not diminish the value of our efforts or our commitment to quality service in these core functions. Police, Fire Rescue, Water, Sewer, Streets and other core functions are ongoing commitments to provide essential municipal services to the citizens of our community. The strategic commitments are intended to provide focus to needs above and beyond basic services to achieve the community vision. To that end, all City services and employees need to ask what they can do to support the strategic commitments in their day-to-day activities. Additionally, we will all continue to use the community vision, organizational vision and the City’s values and mission statement, strategic commitments and operating principles to guide our actions.

These strategic commitments are described in more detail in the following pages. Each Strategy is assigned a timeline based on the following: short-term is 1-3 years, mid-term is 3-5 years, long-term is more than five years and ongoing means the Strategy has begun and will continue during the course of the Strategic Plan.

Development – Reinvestment in the Community

Challenges Identified

Previously, the City served as the regional retail center of McHenry County. Increasingly, neighboring communities are experiencing growth that is in turn making them retail centers in their own right. Prior retail growth in the City contributed to minimizing the City's property tax rate. Additionally, some retail areas in the City are in need of redevelopment in order to ensure their long-term viability. Other issues include: diversification of economic base, jobs/housing balance, and continued quality and relevance of education.

Pledge

We will actively participate in community revitalization and create employment opportunities through business retention, attraction, and diversification both downtown and throughout the City, so people can live and work in Crystal Lake.

Strategies

1. Promote the development of strategic areas.

- **Promote commercial and recreational development in the Vulcan Lakes TIF (ongoing)**
 - *2008 Update:* Plans to turn the 500-acre Vulcan Lakes property into a recreational and commercial asset for the entire community are moving closer to reality. The abandoned quarry, formerly owned by Vulcan Mining Company and acquired by the City, includes two pristine spring-fed lakes, as well as undeveloped land ideally situated between Highway 14, Rakow Road, Main Street and Pingree Road. With the selection of a master planner and development team, the City Council is working to create a balanced plan that will preserve the site's natural beauty and recreational potential while adding new public amenities and income generating uses.
- **Promote commercial and residential development in the Main Street TIF (ongoing)**
 - *2008 Update:* The City has been working with the Union Pacific Railroad (UPRR) to relocate the rail yard on the west side of Main Street to City owned property south of Crystal Lake Avenue and east of Main Street. This improvement will have several benefits, including eliminating four at-grade railroad crossings and improving the aesthetics to the Downtown Crystal Lake entrance corridor.
 - Additionally, plans for the improvement of the intersection at Crystal Lake Avenue and Main Street are progressing. This project would add dedicated left-turn lanes to all legs of this intersection, would turn Brink Street into a right-in/right-out only near this intersection, and make other improvements. Due to the schedule of the rail yard relocation and other engineering considerations, the north leg will be improved separately from the rest of the intersection as phase I. The north leg will be funded using funds from the CBD TIF, and will be bid in February 2008. The construction of the north leg will also include the utility burial on the western leg of Crystal Lake Avenue. The other legs will be funded through a combination of South Main Street TIF funds and MFT funds, and will be constructed when the wye track is built and the rail-road crossings removal

allows.

- **Promote mixed use development in the Congress Parkway corridor (long-term)**
 - *2008 Update:* The City is currently in the process of creating a Unified Development Ordinance (UDO). The UDO is more than a collection of chapters from the zoning, subdivision, sign and tree preservation ordinances. Rather, the goal of consolidating the various ordinances into a UDO is to provide a single document rather than multiple, conflicting ordinances that includes a uniform set of consistent definitions, procedures that follow the normal sequences of development, and a coordinated system for development review and enforcement. An element of the draft UDO is the encouragement of mixed-use development for manufacturing areas such as the Congress Parkway corridor.
- **Promote mixed use development in the Northwest Corridor (mid-term)**
 - *2008 Update:* The northwest area of Crystal Lake is comprised of approximately 12 square miles. It is primarily north of Route 176, then follows the boundaries of the City along the west and the Watershed Boundary along the east and is bisected by Route 14 and the Union Pacific Railroad. The northwest area is the last large area yet to be developed in Crystal Lake. As public utilities have been extended to the vicinity of the area, the timing is right to consider a sub-area plan, as this area has many unique elements that merit protection, and this sub-area plan is intended to guide responsible development. This plan will identify the characteristics of the area including natural features, watershed development and current land uses. This plan, along with the recently adopted Crystal Lake Watershed Best Management Practices, will also establish development standards to ensure thoughtful future growth and protection of natural areas and green space.
- **Promote the development of the Route 31 corridor (long-term)**
 - *2008 Update:* A number of new businesses on Route 31 are leading the path toward the development of the Route 31 corridor. The new Wal-Mart Supercenter at Route 31 and Rakow Road, which recently opened, measures over 200,000 square feet and is located on 24 acres in the Lutter center development. The new Wal-Mart Supercenter was relocated from their previous location in the Crystal Court shopping center along Route 14. Near Wal-Mart, the recently relocated and expanded Pauly Toyota dealership opened. The new location on Route 31 is 8.7 acres in size and holds a 49,000 square-foot sales, office, and service building. Extreme Ford plans to open their new dealership location along the east side of Route 31, just south of the intersection of Routes 176 and 31. Extreme Ford will relocate the dealership from the current location along Route 14 to the recently annexed parcel. Banzai Motor Sports plans to open their new motorcycle dealership in the recently annexed parcel on the east side of Route 31, south of Route 176. Additionally, six new parcels recently annexed near Route 31 and Rakow Road was another step in the development and control of this corridor. Staff will continue to proactively market other parcels along this corridor.
- **Promote commercial redevelopment in the Virginia Street TIF (ongoing)**
 - *2008 Update:* The second phase of the streetscape improvement plan has been authorized for this area. This phase will include determining feasibility and costs for redevelopment of the area.
- **Promote commercial redevelopment along Route 14 (long-term)**
 - *2008 Update:* With the relocation of Wal-Mart, Pauly Toyota and Extreme Ford to their new locations on Route 31, opportunities for commercial re-development have become available. To encourage new investment in and around the Vulcan

Lakes area, the City has established a TIF District that encompasses Vulcan Lakes and a number of surrounding and adjacent properties, including the former Pauly Toyota and Extreme Ford sites. The City will continue actively recruiting high quality retail and restaurant uses that will capitalize upon the view of Vulcan Lakes and bring unique shopping and dining opportunities to Crystal Lake. Additionally, to emphasize the City's commitment to this redevelopment as well as redevelopment citywide, a full-time planner was reassigned to focus exclusively on economic development. As part of this initiative, the City will be looking to partner with commercial brokers to promote existing grey field sites.

- **Promote the redevelopment of the Crystal Valley R.V. property (short-term)**
 - *2008 Update:* City staff will continue to proactively market the site to potential development teams.
- **Promote continued redevelopment of the Downtown TIF (ongoing)**
 - *2008 Update:* The revitalization of Crystal Lake's historic downtown district is a source of pride for the entire community. The downtown district is home to over 180 businesses – retail, restaurant and service providers. In 2008, the Downtown T.I.F., one of the first T.I.F.'s in the State of Illinois, is set to expire. In addition to the T.I.F. assistance for the past 23 years, the success of Downtown Crystal Lake is the result of a strong public and private partnership. A number of projects in the Downtown area in 2008 will close out the Downtown T.I.F. A number of new establishments in the Downtown area have created parking pressures. In 2008, a parking study update will be completed providing a framework for relieving those pressures.

2. Promote revitalization and redevelopment

- **Assist businesses and developers to effectively work with environmental and brownfield regulatory and incentive programs (ongoing)**
 - *2008 Update:* To assist businesses and developers in this regard, the City has reassigned a full-time planner to focus exclusively on economic development programs.
- **Develop land-use plans and implement regulations (e.g. zoning, transportation management, storm water management, etc.) that make more efficient use of land and transportation system (ongoing)**
 - *2008 Update:* The City has approved a Crystal Lake watershed best management practice, is drafting a Unified Development Ordinance (UDO), and is drafting a northwest area sub-area plan.
- **Work in partnership with other local and state organizations to aid local economic development including business retention and attraction efforts (ongoing)**
 - *2008 Update:* The City continues to partner with the Crystal Lake Chamber of Commerce and the McHenry County Economic Development Corporation for economic development initiatives. Industrial Revenue Bonds and other economic development incentives are used as resources to prospective new businesses.
- **Create a Route 14 Crystal Lake Gateway Signature Plan that will highlight the unique character of Crystal Lake (mid-term)**
 - *2008 Update:* A Crystal Lake gateway signature plan will begin to be developed as part of the Virginia Street T.I.F. streetscape improvement plan. In addition, other areas will be studied in an effort to enhance the City's gateway aesthetics.

3. Promote Neighborhood Revitalization/Preservation

- **Develop infrastructure and make other investments to address neighborhood development needs (green spaces, median islands, streets, sidewalks, drainage structures, signage, curbs and gutters, parking) (ongoing)**
 - *2008 Update:* Long-term plans are being developed
- **Enact neighborhood identity initiatives (long-term)**
 - *2008 Update:* Long-term plans are being developed
- **Encourage more quality neighborhood associations (long-term)**
 - *2008 Update:* Long-term plans are being developed
- **Establish Adopt-A-Street programs (mid-term)**
 - *2008 Update:* Long-term plans are being developed
- **Promote historic preservation and neighborhood appreciation (ongoing)**
 - *2008 Update:* The City's Historic Preservation Commission, acting on behalf of the community, works to ensure the integrity of the City's architectural and historical resources.

4. Continue to work with the Union Pacific Railroad

- **Relocate the Metra train yard (mid-term)**
 - *2008 Update:* A capital improvement plan for Metra is the relocation of the Metra train yard to a new modern facility in Johnsburg. The City has expressed support for this project.
- **Relocate the rail line from Main Street (short-term)**
 - *2008 Update:* The City has been working with the Union Pacific Railroad (UPRR) to relocate the rail yard on the west side of Main Street to City owned property south of Crystal Lake Avenue and east of Main Street. This improvement will have several benefits, including eliminating four at-grade railroad crossings and improving the aesthetics to the Downtown Crystal Lake entrance corridor.
- **Initiate a plan for the elimination of railroad grade crossings (long-term)**
 - *2008 Update:* See above

5. Continue to strengthen and diversify the tax and job base

- **Pursue the development of a class "A" business park for recruitment of technology companies (mid-term)**
 - *2008 Update:* The City places a priority on economic development. This is evident with the reassignment of a full-time planner to focus exclusively on economic development. As part of this initiative, the City will be looking to partner with commercial brokers to promote existing sites.
- **Provide an attractive business climate for specific industries to locate in Crystal Lake: international trade, healthcare, knowledge-based technology, and other high-paying growth sectors (mid-term)**
 - *2008 Update:* See above
- **Enhance marketing mechanisms utilizing target site locations, consultants, real estate professionals, and business executives (mid-term)**
 - *2008 Update:* See above
- **Invest in infrastructure that will serve employment centers (mid-term)**
 - *2008 Update:* The City will continue to study areas where such infrastructure can be implemented. One such recently approved initiative was the first-of-its kind citywide Wi-Fi project offering businesses and residents a third choice for high speed internet.

- **Assist with the expansion of McHenry County College in order to increase education, training, and recreational opportunities. (short-term)**
 - *2008 Update:* McHenry County College has presented plans for the increase in education, training and recreational opportunities.
- **Implement policies and train staff to recognize the value of “business friendly” customer service practices (ongoing)**
 - *2008 Update:* A high-priority has been placed on effective customer service practices. Emphasis will continue to be placed on these business friendly practices.
- **Implement improvements to offer a clearer predictability of the development review process and rules (short-term)**
 - *2008 Update:* The City is currently in the process of creating a Unified Development Ordinance (UDO). The UDO is more than a collection of chapters from the zoning, subdivision, sign and tree preservation ordinances. Rather, the goal of consolidating the various ordinances into a UDO is to provide a single document rather than multiple, conflicting ordinances, that includes a uniform set of consistent definitions, procedures that follow the normal sequences of development, and a coordinated system for development review and enforcement.

6. Promote tourism

- **Explore efforts to develop a convention center (long-term)**
 - *2008 Update:* The City will explore opportunities as they become available.
- **Build upon the City's heritage, natural resources and livability to support tourism (ongoing)**
 - *2008 Update:* In 2007, the City Council formed an Ad Hoc Clean Air Counts advisory Committee to assist the City in meeting the goals of the Clean Air Counts Campaign (CAC). The Clean Air Counts Campaign, an initiative of the Metropolitan Mayors' Caucus, the EPA and the ILEPA, provides the City with tools and grant funding to reduce the City's ozone-causing and global warming emissions. CAC will also assist the City as it educates residents with the message of conservation and emissions reduction. Additionally, the City's Historic Preservation Commission, acting on behalf of the community, works to ensure the integrity of the City's architectural and historical resources.
- **Enhance the usage of the City's Hotel/Motel tax to stimulate tourism (short-term)**
 - *2008 Update:* In 2007, the City Council increased the hotel/motel tax to 5% in order to increase funding for programs that stimulate tourism in the City.

7. Explore annexation opportunities

- **Pursue annexations of strategic properties in order to provide better realignment of corporate boundaries (mid-term)**
 - *2008 Update:* A number of strategic annexations occurred including six parcels at the intersection of Route 31 and Rakow Road and two parcels on the east side of Route 31 near Route 176.
- **Explore governmental consolidation (mid-term)**
 - *2008 Update:* Long-term goal

Enhancing Community Life through Service Maintenance and Development

Challenges Identified

Our City, community and City Government has changed a great deal over recent years with new residents, new businesses and changing expectations of City government. City officials need to make City government accessible to all and work with other organizations to provide opportunities for residents to meet and work together to resolve community problems. We believe that the future of our City depends on it continuing to be a desirable place to live. Connecting the City to this new and evolving community requires strong and visionary leadership – leadership that fosters an open and understandable decision-making process and two-way communication with the community about its vision and expectations.

Pledge

We will strengthen the connection and understanding among all people in our community and between our community and City government by enhancing opportunities for public involvement and dialogue. We will effectively deliver the services and programs that Crystal Lake's citizens need, want, and are willing to support.

Strategies

1. Work with community organizations and residents to understand and address community problems (short-term)

- *2008 Update:* On an ongoing basis, City representatives work with community organizations and residents to understand and address community problems.

2. Support community events that create opportunities for community and neighborhood gatherings (ongoing)

- *2008 Update:* The City provides continuous support to community events including block parties, festivals, carnivals, etc.

3. Promote effective communication

- **Enhance the use of the City Newsletter (short-term)**

- *2008 Update:* In 2007, the City approved a new printing contract for the City Newsletter in order to increase the content of information as well as to enhance the format.

- **Enhance the use of the City's government access channel (short-term)**

- *2008 Update:* Continuous efforts are made to enhance the content of the City's government access channel.

- **Develop City Marketing plan (short-term)**

- *2008 Update:* In cooperation with the City's Economic Development Committee, the City Council awarded a contract for a strategic marketing campaign to create awareness and promote the benefits of shopping locally as well as to showcase the City's retailers and service providers.

- **E-government implementation (Virtual City Hall) (mid-term)**

- *2008 Update:* Proposals for the complete retooling of the City's website are currently under review. The goal of this project is to increase the effectiveness of the website as a e-government platform.

- 4. Continue to revise and guide the development process through the use of progressive building and development codes/standards**
- **Become a best practice development review process City in order to set standards for future development (long-term)**
 - *2008 Update:* The City has approved a Crystal Lake watershed best management practice, is drafting a Unified Development Ordinance (UDO) and is drafting a northwest area sub-area plan.
- 5. Promote sustainable development**
- **Identify specific sustainability goals and indicators for the City in order to preserve the City's environmental resources (mid-term)**
 - *2008 Update:* In 2007, the City Council formed an Ad Hoc Clean Air Counts Advisory Committee to assist the City in meeting the goals of the Clean Air Counts Campaign (CAC). The Clean Air Counts Campaign, an initiative of the Metropolitan Mayors' Caucus, the EPA and the ILEPA, provides the City with tools and grant funding to reduce the City's ozone-causing and global warming emissions. CAC will also assist the City as it educates residents with the message of conservation and emissions reduction.
 - **Promote the City's distinct urban and rural lifestyles and settings to residents, businesses and visitors (mid-term)**
 - *2008 Update:* Ongoing promotional include the "I Shop Crystal Lake" marketing campaign budget, use of the City Calendar and Newsletter, distribution of hotel/motel tax funding, and continued cooperation with the Crystal Lake Chamber of Commerce and McHenry County Economic Development Corporation.
- 6. Create and implement a comprehensive communications plan to encourage informed citizen participation in local government**
- **Review alternative modes for communication (short-term)**
 - *2008 Update:* Ongoing efforts include increased use of the City Calendar and Newsletter, increased use of the City's cable access channel and planned enhancement to the City's website.
 - **Incorporate annual report as part of the City's calendar (short-term)**
 - *2008 Update:* The 2006 and 2007 City Calendar included a enhanced format that highlighted the distinct qualities of the community. This new format also included annual financial report information.
- 7. Create and implement a comprehensive index of community satisfaction with municipal services**
- **Periodic random sample surveys (mid-term)**
 - *2008 Update:* Long-term plans are under development
 - **Annual update and report on the City's Strategic Plan (short-term)**
 - *2008 Update:* The annual update is incorporated into the City's budget document.
 - **Initiate comprehensive performance measurement program (long-term)**
 - *2008 Update:* Long-term plans are under development

8. Submit organizational achievement for professional association recognition

- **Continue to achieve recognition of organizational excellence by the Government Finance Officers Association and others (ongoing)**
 - *2008 Update:* Ongoing
- **Achieve accreditation for police, fire rescue, public works, and building (long-term)**
 - *2008 Update:* Efforts are underway

9. Evaluate customer service delivery needs and actions

- **Develop customer service standards for employees (ongoing)**
 - *2008 Update:* A high-priority continues to be placed on effective customer service practices.
- **Ensure every employee is provided with appropriate customer service training (ongoing)**
 - *2008 Update:* Employee training is an ongoing priority
- **Identify customer service improvements (ongoing)**
 - *2008 Update:* Customer service improvements are made utilizing various feedback measures.

10. Increase utilization of technology

- **Increase access to City government via e-government initiatives (mid-term)**
 - *2008 Update:* Proposals for the complete retooling of the City's website are currently under review. The goal of this project is to increase the effectiveness of the website as an e-government platform.
- **Implement a wireless fire/security alarm central station owned and operated by the City in order to lower the incidents of false alarms and reduce public safety costs (mid-term)**
 - *2008 Update:* Long-term plans are under review.
- **Become a Wi-Fi community (mid-term)**
 - *2008 Update:* The City has negotiated an agreement with Crystal Lake Wi-Fi to allow the wireless internet service provider to install and maintain wireless telecommunication equipment on City-owned infrastructure in order to provide residents, businesses, and visitors with access to wireless internet service. Crystal Lake is among the first communities in the State in this type of endeavor.

11. Foster Intergovernmental Collaboration

- **City officials meet regularly, constructively and productively on important issues with other regional governmental leaders in an atmosphere of mutual respect (short-term)**
 - *2008 Update:* The City has become a member and active participant of the McHenry County Council of Governments (MCCG). The MCCG is a non-profit organization created to foster intergovernmental cooperation among municipalities and other local governments in McHenry County and to address issues of mutual concern. The MCCG is recognized as one of several regional councils of governments and is a member of the Metropolitan Mayors Caucus.

12. Maintain Emergency Preparedness

- **Develop a business continuity plan so the City is able to continue all basic administrative and public safety services in the event of a natural or man-made catastrophe (short-term)**
 - *2008 Update:* A plan was completed in 2007
- **Comply with Homeland Security mandates (ongoing)**
 - *2008 Update:* The City continues to comply with Homeland Security mandates
- **Become National Incident Management System (NIMS) compliant (short-term)**
 - *2008 Update:* The City is meeting all current NIMS requirements
- **Increase emergency preparedness training (ongoing)**
 - *2008 Update:* Emergency preparedness training is an ongoing priority
- **Develop a warning and communication system plan (short-term)**
 - *2008 Update:* Plan developments are ongoing

13. Provide a workplace that encourages excellence

- **Training and development programs (ongoing)**
 - *2008 Update:* Training and development is an ongoing priority
- **Recognition systems (short-term)**
 - *2008 Update:* Plans are in development
- **Creativity and innovation in service delivery (short-term)**
 - *2008 Update:* Creativity and innovation are encouraged and rewarded in the workplace
- **Leadership Development (short-term)**
 - *2008 Update:* Leadership Development is an ongoing priority
- **Succession Planning (short-term)**
 - *2008 Update:* Plans are in development

Challenges Identified

Growth, increased community expectations for City services, unfunded mandates, and other economic pressures have placed increasing demands on City government. City government must continue to demonstrate fiscal responsibility by prioritizing, increasing efficiencies, and other measures to most effectively use existing resources. Growth has especially brought increased traffic congestion. Fueling the traffic problem is the dependence on automobiles. The rising cost of maintaining an expanding system and the need for immediate road improvements all create needs that are becoming increasingly challenging with current funding sources.

Pledge

We will responsibly manage public funds and develop financial plans to balance resources with the community's priorities and vision. We will develop and support a comprehensive infrastructure system through cooperative planning and the funding of important capital projects.

Strategies

1. Ensure Fiscal Responsibility

- **Communicate to the community how the City utilizes public funds and the challenges it faces to provide services (short-term)**
 - *2008 Update:* Ongoing efforts include increased use of the City Calendar and Newsletter, increased use of the City's cable access channel and planned enhancement to the City's website.
- **Increase use of public and private partnerships (mid-term)**
 - *2008 Update:* Public-private partnerships refer to contractual agreements formed between the City and a private sector entity that allow for greater private sector participation in service delivery. Expanding the private sector role allows the City to tap private sector technical, management and financial resources in new ways to achieve certain public agency objectives such as greater cost and schedule certainty, supplementing in-house staff, innovative technology applications, specialized expertise or access to private capital. The implementation of the citywide Wi-Fi system is an example of a recent public-private partnership undertaken by the City.
- **Work with the community to prioritize services and consider eliminating some services or transferring services to other public or private providers (mid-term)**
 - *2008 Update:* Long-term plans are under development
- **Streamline work processes and increase service capacity without increasing public cost (long-term)**
 - *2008 Update:* Budgeting for outcomes is a priority placed during the development of the City's budget.
- **Develop a five-year financial forecast that includes operating costs, capital costs and a plan to finance both (short-term)**
 - *2008 Update:* First ever five-year financial plan completed in 2007.
- **Seek new and innovative funding sources (ongoing)**
 - *2008 Update:* Long-term plans are ongoing

2. Maintain a prioritized capital improvement plan

- **Develop a five-year capital improvement plan and update annually thereafter (short-term)**
 - *2008 Update:* First ever five-year financial plan completed in 2007.
- **Develop ongoing funding sources to address capital improvement projects (short-term)**
 - *2008 Update:* First ever five-year financial plan completed in 2007.
- **Develop innovative ways to increase funding for local and regional transportation infrastructure (mid-term)**
 - *2008 Update:* Funding for transportation infrastructure remains a priority for the City. Sources of funding for the many infrastructure projects contemplated over the course of the next five years include Federal, State and local funds
- **Enhance the use of technology to help solve transportation issues (mid-term)**
 - *2008 Update:* The City has increased the usage of G.I.S and traffic planning software to help solve transportation issues.

3. Maintain City streets in good condition

- **Develop pavement management system (short-term)**
 - *2008 Update:* In 2006, a contract for a citywide pavement management system was approved. A pavement management system allows the City to analyze road conditions and determine which roads are in greatest need of resurfacing or other repairs, and also estimates the cost of future road repairs. The City's contractor has completed the citywide analysis and has determined that the current state of road surfaces in the City has an overall score of 82 out of 100. This score of 82 bodes very well for the current state of the City's road surfaces. However, a large increase in road resurfacing is anticipated in the next five years because of the disproportional amount of roads that were constructed in the late 1980s and early 1990s. In order to maintain a similar overall pavement condition, an increase in road resurfacing is anticipated over the next five years.

4. Strengthen regional partnerships to help solve local and regional transportation problems (ongoing)

- *2008 Update:* As a member of the McHenry Council of Mayors, the City actively participates in helping solve local and regional transportation problems.

5. Implement a comprehensive program to “underground” utility lines (long-term)

- *2008 Update:* Long-term plans to be developed

IV. The Next Steps

Simply identifying the City's new Strategic Commitments, strategies and key indicators will not lead to tangible improvement in City services and in our community. For the City to actually meet the new strategic commitments will require a higher degree of focus and public accountability for City services. Operational Plans for our service areas, translating those plans into resource allocation and annual monitoring of the Strategic Plan's key indicators will help provide this focus and accountability.

Operational Plans

As identified in the City's planning framework, implementing the strategies included in the new Strategic Commitments will require a fresh cycle of operational planning by City services. Many City services already have "operational plans" in place, while others use similar planning and management tools to guide their activities. While their format can range from simple to very complex, effective operational plans establish expectations for staff activities and results. Key elements of operational plans include specific action-oriented goals, discrete and focused work activities and a balanced set of performance measures.

Resource Allocation

Ideally, the updated Operational Plans will be directly tied to the City's annual budget. The linkage serves to strengthen the relationship between resource allocation and specific results. While this is our goal, we have work to do to more effectively link the Strategic Plan to the City's budget process. In the 2007 - 2008 budget process, we are taking some initial steps, including making targeted investments that directly relate to the strategies included in the Strategic Commitments. As we complete and update our Operational Plans, our challenge will be to better align them to the City budget.

Development and Monitoring of Key Indicators

The development of key indicators will be an important element to the Strategic Plan. The Key Indicators will outline our expectations for results. To meet these expectations will require us to place greater emphasis on collecting and reporting data that show the progress we've made. We plan to use a variety of data sources to hold ourselves accountable internally and to the community including:

- Periodic community and employee surveys
- Performance comparisons to other cities
- Annual review and update of budget and financial policies
- Annual reporting on the Plan's key indicators

Periodic Reviews

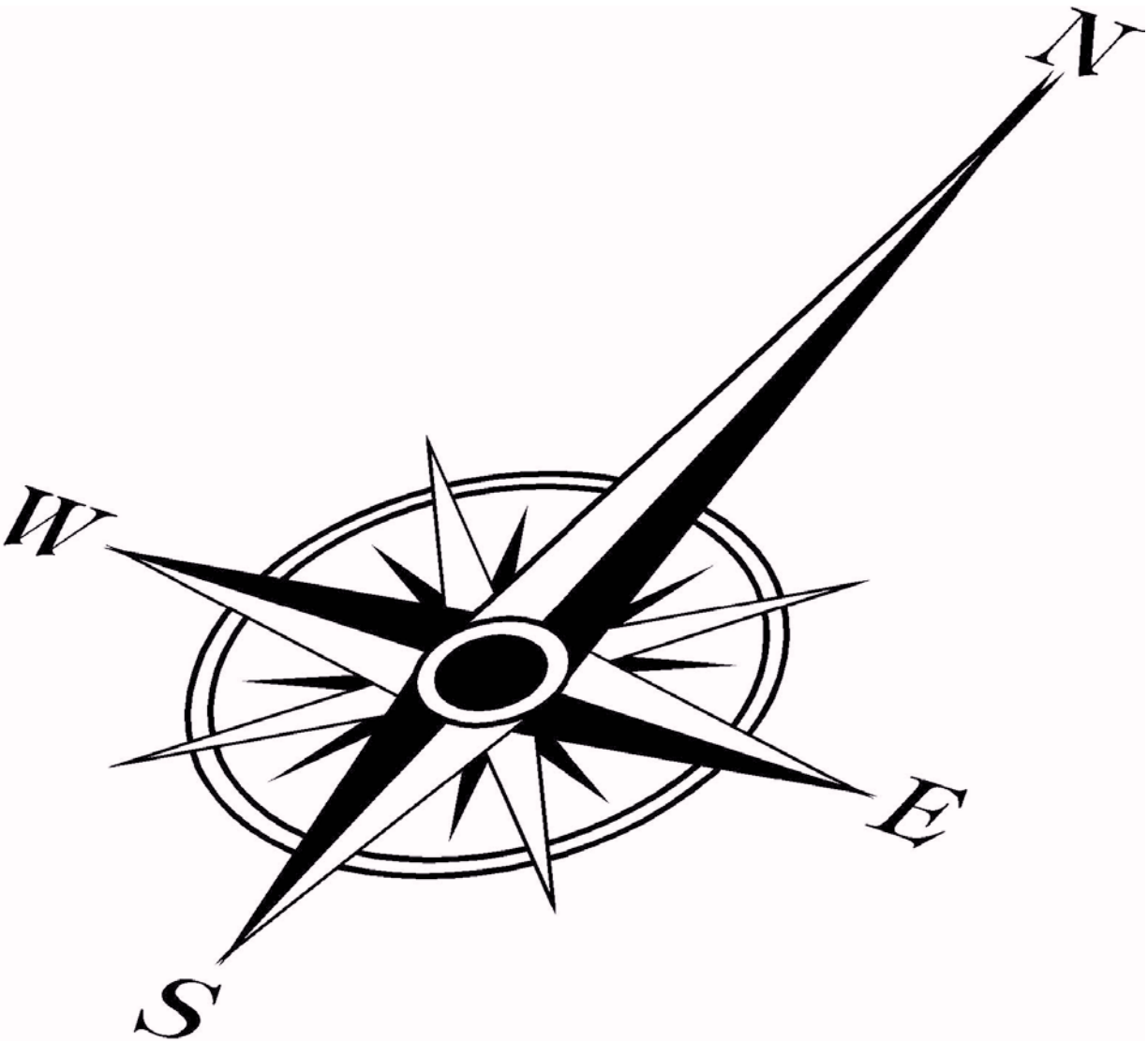
Finally, the Plan itself will need to be revisited to make sure it continues to focus City government on the community's most important issues. This will involve periodically reviewing the trends in key indicators and gathering additional information on the challenges facing the community.

FINANCIAL PLAN

CITY OF CRYSTAL LAKE



ILLINOIS
2008/09 - 2012/13



Five-Year Financial Plan

City of Crystal Lake, Illinois
November 13, 2007

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I. Introduction

This document and the accompanying attachments represent the City of Crystal Lake's first true examination of its long-range fiscal condition and financial challenges. The Financial Plan will stimulate discussion and allow the City to take a long-range perspective regarding the City's fiscal conditions in order to achieve balance and stability. By incorporating this perspective into the City's annual budget process along with the recently completed Strategic Plan, it will allow decisions to be made today that will direct the priorities of the City into the future and minimize the risk of future budget gaps.

The Financial Plan includes revenue and expenditure forecasts, which are based on various assumptions such as economic conditions or previous policy decisions. The Financial Plan serves as a tool, which identifies the City's priorities, long-term trends, risks and opportunities and will be a valuable guide for the City in the development of future budgets. This is intended to allow the City Council to make decisions about the annual budget and City Council goals in the context of the City's anticipated ability to fund those goals. The Five-Year Financial Forecast indicates trends. Staff developed the assumptions based on research, experience, existing contracts, and other information.

II. Fiscal Environment

The future fiscal environment is currently in an unpredictable stage. On November 8, 2007, the Federal Reserve Chairman told Congress' Joint Economic Committee (JEC) that a host of economic problems, including the severe housing slump, will cause business growth to slow noticeably in coming months. The Federal Reserve Chairman stressed that the central bank was keeping all options open, saying the Federal Reserve Board would be closely watching economic growth and the threat of inflation. If the economy slows to a crawl, the Federal Reserve Board could cut rates to boost activity while if inflation becomes a threat, it could raise interest rates to dampen price pressures.

As of November 8, 2007, stocks continue to fluctuate with the Dow Jones industrial average swinging between positive and negative territory. Federal Reserve Board policymakers cut a key interest rate for the second time in two months in early November, but disappointed Wall Street by discouraging expectations that it would follow with further rate cuts.

Federal Reserve Board Chairman Ben Bernanke said he and his colleagues believe economic activity will "slow noticeably in the fourth quarter" compared to the 3.9 percent pace of the third quarter. Growth was seen as remaining sluggish during the first part of next year, then strengthening as the effects of tighter credit and the housing correction begin to wane," Bernanke told the JEC.

Many economists believe the economy's maximum point of danger of falling into a recession will occur in the early part of next year. A variety of problems from the steepest housing downturn in more than two decades to a severe credit crunch, surging oil prices and a falling dollar have roiled Wall Street in recent days, triggering big plunges in stock prices. Much of that anxiety stems from a steady stream of bad company news as corporate giants such as General Motors, Merrill Lynch and Citigroup have reported huge losses.

Chairman Bernanke acknowledged the recent market turmoil, but he generally took a more upbeat view of things, saying the Fed believes the economy should rebound from the current problems by the second

half of next year. He also repeated worries the Fed expressed on October 31, 2007: recent increases in oil and other commodities could raise the threat of inflation. At that time, the Federal Reserve Board said the threats from weak growth and higher inflation seemed roughly in balance.

Such a view, which Chairman Bernanke repeated on Thursday, will likely mean that the central bank plans no further interest rate cuts. "All told, it was the judgment of (Fed policymakers) that, after its action on Oct. 31, the stance of monetary policy roughly balanced the upside risks to inflation and the downside risk to growth," Bernanke said.

Locally, the seasonally adjusted Illinois unemployment rate in September 2007 was 5.1%, down - 0.3 point from August, according to data recently released by the U.S. Dept. of Labor, Bureau of Labor Statistics and the Illinois Department of Employment Security (IDES). The number of unemployed persons decreased by 17,800 across the state in September. Over the year, Illinois employers added 43,600 new jobs. Since January 2004, Illinois has added 185,300 jobs, which is more new jobs than any Midwest state. At the same time, the unemployment rate in McHenry County was 4.0% in September 2007 compared to 3.2% in September 2006. Nationally, employment rose in October 2007, and the unemployment rate was essentially unchanged at 4.7 percent, according to the Bureau of Labor Statistics of the U.S. Department of Labor.

On a positive note, the unemployment rate continues to remain at record low levels. The local economy remains strong with low unemployment and healthy new commercial construction activity. Commercial construction in the area shows little sign of a slowdown; however, the residential market has cooled over the past several months. The inventory of available homes has grown, as well as building lots currently on the market. Locally, sales tax revenues have increased in Crystal Lake, a sign that consumer spending will hopefully remain strong. For fiscal year 2006/2007, sales tax revenue increased 3.3% when compared to actual revenue from the previous fiscal year. Additionally, income tax receipts also increased in 2006/2007 by 22.3% when compared to the previous fiscal year. Building permit revenue also increased due mostly to revenue collected from commercial building projects.

The Institute of Government and Public Affairs at the University of Illinois publishes a "flash-index" that aims to measure expected economic growth in Illinois. The indicators used are corporate earnings, consumer spending and personal income. These indicators are measured through tax receipts, adjusted for inflation. 100 is the base, so a number above 100 represents growth in the Illinois economy, and a number below 100 represents a shrinking economy.

As of October 1, 2007, the University of Illinois Flash Index continues to remain in positive territory despite recent dips. The Illinois economy continues to grow, but at a much slower pace than just three months ago, according to the University of Illinois Flash Index, which is the first barometer of the state's economy each month. The index dropped to 104.8 in September from its 106.0 reading in August. This was the third straight month of decline for the Index, which was at 106.8 in June. The index was at its lowest point in September since March 2005, according to J. Fred Giertz, an economist at the University's Institute of Government and Public Affairs who produces the index each month.

The lower index reflects a slowing of the Illinois economy, not a decline, since the index is still well above the 100 dividing line between growth and decline, Giertz said. "The decline comes at a time when the national economy appears to be slowing as well. However, with the recent action by the Federal Reserve, many observers are looking for a so-called "soft landing" in which the economy slows, but avoids a recession," Giertz said.

III. Underlying Assumptions

Staff developed the assumptions based on research, experience, existing contracts, and other information. The following table summarizes the indicators used to develop the financial forecasts:

	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13
Operating Growth	2.0%	2.0%	2.0%	2.0%	2.0%
EAV Growth	7.0%	7.0%	7.0%	7.0%	7.0%
Federal Funds Rate	4.5%	4.5%	4.5%	4.5%	4.5%
Sales Tax Growth	1.5%	1.5%	1.5%	1.5%	1.5%
Income Tax Growth	1.0%	1.0%	1.0%	1.0%	1.0%
Salaries Growth (merit)	3.0%	3.0%	3.0%	3.0%	3.0%
Salaries Growth (C.O.L.A.)	2.0%	2.0%	2.0%	2.0%	2.0%
Police and Fire Pension	10.0%	10.0%	10.0%	10.0%	10.0%
IMRF	5.0%	5.0%	5.0%	5.0%	5.0%
Health Insurance Cost	8.0%	8.0%	8.0%	8.0%	8.0%

In October, the Federal Reserve Board cut the Federal Funds Rate. This was only the second cut the Federal Reserve Board made in more than four years. Economic analysts debate the probability of future rate cuts. The assumption is that the Federal Funds Rate would hover around the current 4.50% mark throughout the course of the Financial Plan, unless the economic outlook changes significantly. A lower Federal Fund Rate negatively impacts the City's interest income returns and positively impacts borrowing costs.

Wage and salary increases are consistent with the experience over the last few years. Health insurance cost increases are based on past experience and current indications from the industry and providers. Projected EAV growth results from an increase in the assessed value of existing property, which is expected to grow steadily at 7% each year over the five years, and the growth due to new construction. Sales tax revenue is assumed to increase at 1.5% and income tax revenue is assumed to increase at 1.0% per year over the course of the Financial Plan. The Crystal Lake Library Board has requested that the Library's tax levy remain at the current rate of .2733. This plan makes the assumption that this rate will stay consistent for the library during the five years.

IV. Forecast Summary

The Five Year Financial Plan focuses on balancing funds with current revenue projections and use of reserves to fund operations for the next five years. The Five Year Financial Plan shows the need for enhanced revenues to balance the budgets for the next five years as well as to implement new programs to meet increased demands. These revenue items will be discussed in their respective sections of the document. The focus is not only the current year's budget but also the impact revenues and expenditures will have over the five-year period. New revenues introduced in the Plan are as follows:

Change	Impact
Establish a 0.75% Home Rule sales tax	<ul style="list-style-type: none"> -Continuation of existing City services. -Initial funding for the Virginia Street Beautification Project. -Initial funding for the Main Street Railroad Relocation Project. -Initial funding for the Vulcan Lakes recreational area. -Increase in road resurfacing projects. -Comprehensive G.I.S. and document management system. -Study of flooding solutions. -Building of a senior center. -Enhancement of economic development initiatives including business recruitment and retention. -Hiring of 4 new police officers in 2009 for a traffic tactical unit, one new police officer in 2011, one new police officer in 2013, and a new community service officer in 2009, 2010 and 2011.
Maintain growth in Fire Tax Levy	<ul style="list-style-type: none"> -Continuation of existing fire rescue services. -Conversion of Fire Station #3 for Police use and the construction of a new north central fire station and a new southern fire station. -Hiring of 9 new firefighter/paramedics in 2009, 9 new firefighter/paramedics in 2011 and one new firefighter/paramedic in 2012.
Change Ambulance Fee Schedule	-An annual ambulance fee increase based upon the Medicare "Ambulance Fee Schedule Amounts" to better capture available Medicare and mileage charges.
Maintain growth in Water Sewer Rates	-Maintenance of existing water and sewer services.
Adopt a Home Rule Food and Beverage Tax of 1%	-Construction of a downtown parking structure.
Adopt a gradual vehicle sticker increase	-Beginning in 2010, a four-year, \$2.50 per year vehicle sticker increase to ensure revenue is available for future road resurfacing needs. It is anticipated that the cost for vehicles stickers for Senior Citizens will be eliminated.

V. General Fund Expenditure and Revenue Analysis

Five Year Financial Forecast - General Fund Revenues

<i>General Fund</i>	FY 2008 Budget	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Revenues						
Property Tax - Fire/Police Pension	1,930,263	2,094,002	2,303,402	2,533,742	2,787,117	3,065,828
Replacement Tax	120,000	130,440	133,049	135,710	138,424	141,192
Sales Tax	11,050,000	11,215,750	11,383,986	11,554,746	11,728,067	11,903,988
Home Rule Sales Tax @ 0.75%, begin 07/01/08		2,694,054	5,468,930	5,550,964	5,634,228	5,718,741
Leased Car Tax	26,000	28,500	28,500	28,500	28,500	28,500
State Income Tax	3,280,000	3,517,524	3,552,700	3,588,227	3,624,109	3,660,350
Use Tax	505,300	549,261	560,246	571,451	582,880	594,538
Hotel Tax (reflects 5% increase)	145,000	290,000	290,000	290,000	290,000	290,000
Liquor Licenses	80,000	93,775	98,464	103,387	108,556	113,984
Building Permits	456,150	465,273	474,578	484,070	493,751	503,626
Occupancy Permits	5,250	5,250	5,250	5,250	5,250	5,250
Miscellaneous Licenses & Permits	40,000	5,250	5,250	5,250	5,250	5,250
Police Training Grant	7,500	7,500	7,500	7,500	7,500	7,500
Other Grants	220,726	5,000	5,000	5,000	5,000	5,000
Zoning & Subdivision Fees	24,150	24,150	24,150	24,150	24,150	24,150
Plan Review Fees	238,000	230,000	230,000	230,000	230,000	230,000
Parking Revenue	260,000	310,722	310,722	310,722	310,722	310,722
Police Department Revenue	9,000	64,000	64,640	65,286	65,939	66,599
Police Department Fines	700,000	707,000	714,070	721,211	728,423	735,707
Police Towing DUI's		90,000	90,000	90,000	90,000	90,000
Investment Interest	425,000	573,495	570,820	568,759	517,127	480,948
Annexation Fees	14,000	14,000	14,000	14,000	14,000	14,000
Franchise Fees - Cable	400,000	358,550	358,550	358,550	358,550	358,550
Telecommunications Tax	1,950,000	1,911,000	1,911,000	1,911,000	1,911,000	1,911,000
HMR - Food & Beverage Tax 1.0%		819,000	831,285	843,754	856,411	869,257
Reimbursed Expenses	117,337	410,000	260,000	260,000	260,000	260,000
Transfer Station Fees July 2007	42,150	42,150	168,600	172,748	176,997	181,351
Rental Income	50,000	56,667	59,500	62,475	65,599	65,599
Adjudication Fines	100,000	50,000	60,000	70,000	80,000	100,000
Miscellaneous	75,000	300,000	300,000	300,000	300,000	300,000
	<u>22,270,826</u>	<u>27,062,314</u>	<u>30,284,192</u>	<u>30,866,451</u>	<u>31,427,551</u>	<u>32,041,631</u>
Capital Reserve Account						
Capital Facilities Fees	24,000	24,000	24,000	24,000	24,000	24,000
	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>
Total Revenues	22,294,826	27,086,314	30,308,192	30,890,451	31,451,551	32,065,631

Five Year Financial Forecast - General Fund Expenditure Summary

	FY 2008 Budget	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Expenditures						
Executive	231,389	386,167	386,933	387,207	387,490	387,780
Legal	283,950	289,629	295,422	301,330	307,357	313,504
Administration Department	2,116,569	2,259,099	2,337,073	2,445,401	2,559,380	2,679,282
Police Department	8,726,556	9,963,523	10,547,157	11,691,497	11,633,034	12,153,762
Fire & Police Commission	36,295	36,486	36,680	36,879	37,081	37,288
Building Division	1,099,834	1,155,021	1,213,261	1,274,734	1,339,635	1,408,168
Engineering Division	1,288,372	1,413,536	1,543,518	1,494,931	1,571,607	1,652,588
Street Division	2,982,591	3,251,586	3,263,304	3,406,926	3,577,863	3,906,546
Planning & Economic Development	625,651	778,327	809,938	843,116	877,951	914,537
Health	119,500	121,890	124,328	126,814	129,351	131,938
Storm Sewer Maintenance	619,234	651,052	744,690	720,259	757,881	797,682
Fleet Services Division	752,916	774,471	834,497	846,370	943,699	926,095
Information Technology	461,502	907,345	929,552	853,028	802,329	828,417
Special Projects	1,719,202	1,264,556	1,447,632	2,229,437	2,248,421	2,264,146
Pension Benefit Obligation	1,930,263	2,094,002	2,408,102	2,769,318	3,184,715	3,662,423
	22,993,824	25,346,690	26,922,086	29,427,248	30,357,793	32,064,156
Revenues in Excess of Expenditures	(698,998)	1,739,624	3,386,106	1,463,203	1,093,758	1,476
Other Sources/Uses						
Transfer In	0	0	0	0	0	0
Transfer Out	0	0	0	0	0	0
Fire Rescue Fund	(150,610)		(1,712,500)	(912,351)	0	
Capital Outlay						
Capital Projects Funding Virginia Street		(331,119)	(331,119)	(331,119)	(331,119)	(331,119)
Vulcan Lake Financing		(762,308)	(762,308)	(762,308)	(762,308)	(762,308)
Hummel Land		(256,617)	(256,617)			
Capital Improvement Reserve (UP)			(375,095)	(375,095)	(375,095)	(375,095)
Debt Service						
Transfer to Water and Sewer Capital Funds		0	0	0	0	0
Transfer to Road & Vehicle Fund	0	(456,469)	0	(373,117)	(529,712)	(300,848)
Transfer to new Vehicle Fund	0	0	0	0	0	0
	(150,610)	(1,806,513)	(3,437,639)	(2,753,990)	(1,998,234)	(1,769,370)
Beginning Balance, May 1	15,186,994	14,337,386	14,270,497	14,218,964	12,928,176	12,023,700
Ending Balance, April 30	14,337,386	14,270,497	14,218,964	12,928,176	12,023,700	10,255,806

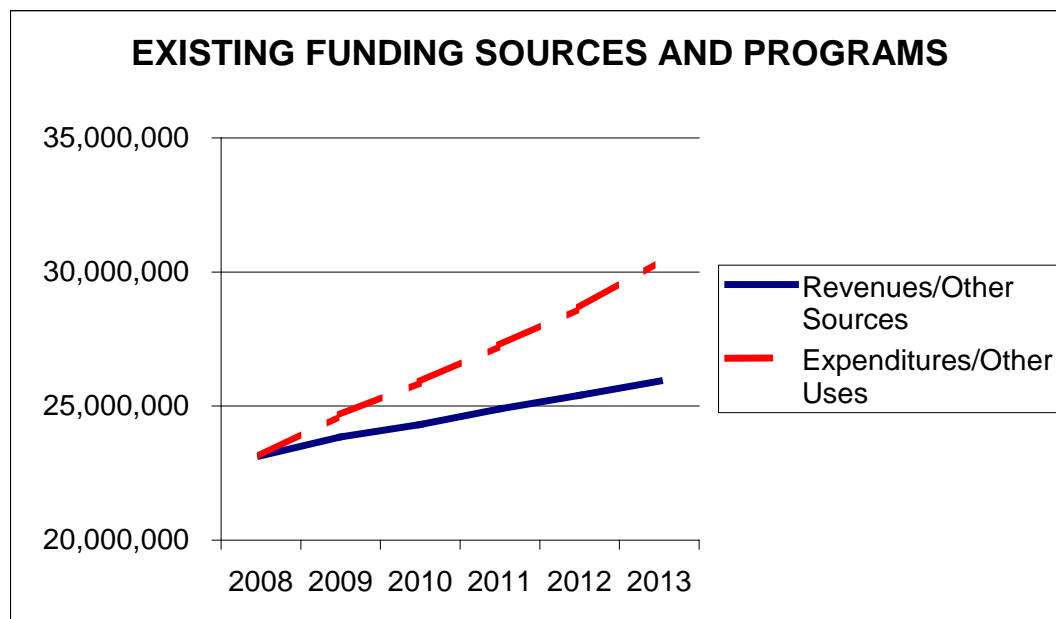
General Fund

The City of Crystal Lake provides a full range of services to the citizens of Crystal Lake including the traditional services of police and fire rescue protection, street maintenance, water and sewer treatment, code enforcement, and planning and zoning administration. The General Fund accounts for the majority of expenditures of all of the City's funds. With the continuation of no corporate property tax, the sales tax, income tax and telecommunication tax comprise the majority of the revenue sources for the General Fund. Unlike property tax, the State sales and income tax revenues are volatile and greatly influenced by the economy.

In past years, the City has benefited from healthy increases in sales tax revenue but due surrounding area retail growth, the sales tax has increased only slightly after years of no growth. As the economy continues to recover, there is anticipated strong growth for the income tax. The sales tax shows modest growth given the increase in retail opportunities in surrounding communities. The telecommunication tax is less robust than earlier anticipated due to reduced demand for landline telephone service.

Earlier this year, the Governor of Illinois introduced a plan for a streamlined sales tax collection system. Although it appears that this measure has limited support, it is worth noting that such a plan would have a negative financial impact on the City. The concern is the impact the streamline sales tax will have on the amount of sales tax collected on an annual basis. The streamline sales tax allows the sales tax to be charged at point of delivery (destination) versus point of sale. The City will lose all sales tax on items delivered outside the City limits of Crystal Lake. The City will gain sales tax on Internet sales. This is still a voluntary process by the purchaser via the Internet. The estimated revenue that the City could lose per year is over \$1,000,000.

The limited revenue growth in these funding sources will not keep pace with anticipated increases in regular general fund expenditures. The chart below illustrates the divergence between existing funding sources and maintaining existing programs.



In order to ensure a continuation of existing general City services as well as to adequately undertake some of the Strategic Commitments of the recently completed City Strategic Plan, the adoption of a Home Rule Sales tax is recommended. The Home Rule Sales tax would allow for continuation of existing City services as well as incorporating the new services and programs outlined in the following section.

VI. Home Rule Sales Tax

Home rule units of local government are authorized to impose a home rule sales tax to be collected by the Illinois Department of Revenue. The tax is imposed on the same general merchandise base as the State sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs and medical appliances.

Other comparable area communities with a Home Rule Sales Tax include:

- Addison – 0.75%
- Algonquin – 0.75%
- Arlington Heights – 0.75%
- Buffalo Grove – 1.00%
- Crystal Lake (Proposed) – 0.75%
- Des Plaines – 0.75%
- Elk Grove Village – 1.00%
- Hoffman Estates – 1.00%
- Lake in the Hills – 0.50%
- Mount Prospect – 0.75%
- Mundelein – 1.00%
- Palatine – 1.00%
- Schaumburg – 1.00%
- St. Charles – 1.00%

The proposed Home Rule Sales tax would meet the revenue needs of the General Fund through the course of this Financial Plan. **On a \$25.00 bill, the tax would amount to \$0.19.** In addition, the additional revenues would assist in funding the following services:

Public Safety – Police Department

As the City's population has grown, so have the demands on the Police Department. The Home Rule Sales Tax revenue enhancement will allow for the hiring of 4 new police officers in 2009, one new police officer in 2011, one new police officer in 2013, and a new community service officer in 2009, 2010 and 2011.

An in-depth review of the current staffing levels of the Police Department was undertaken to analyze current and future needs. Specifically, the Northwestern University Center for Public Safety Police Personnel Allocation Manual was utilized in this endeavor. The manual provides a tool for analyzing patrol officer deployment and additional staff needs at national standards. Unlike the traditional officer-per-population model, the Police Personnel Allocation Manual determines a patrol officer staffing level through a comprehensive review of time allocation for patrol services. Based on this model, the City should have 43 patrol officers. Currently, the City has a staffing level of 39 patrol officers.

The recommended hiring of 4 new police officers in 2009 will ensure that the City can meet the appropriate time allocation for patrol services in order to meet the needs of the community. As demands increase, the additional officers in 2011 and 2013 will ensure that the City keeps pace with future anticipated needs. The proposed new hirings would be the first since 2000.

The hiring of the additional Community Service Officers (CSO) will assist in fulfilling technical aspects in the Police Department. A CSO provides technical police services in crime prevention, crime investigation, and crime response, which do not require full police powers. A recommendation of the 2004 Comprehensive Downtown Parking Study was the hiring of additional CSOs for downtown parking enforcement functions. In addition to increased parking enforcement, the new CSOs will be responsible for providing support to police activities in patrol, traffic, investigations, and community relations sections. The Home Rule Sales Tax will allow the Police Department to ensure that the Department can continue to meet the demands of the community.

Increased Road Resurfacing Projects

At the November 7, 2006 City Council meeting, the City Council approved a contract for a citywide pavement management system. A pavement management system allows the City to analyze road conditions and determine which roads are in greatest need of resurfacing or other repairs, and also estimates the cost of future road repairs. The City's contractor has completed the citywide analysis and has determined that the current state of road surfaces in the City has an overall score of 82 out of 100. This score of 82 bodes very well for the current state of the City's road surfaces. However, a large increase in road resurfacing is anticipated in the next five years because of the disproportional amount of roads that were constructed in the late 1980s and early 1990s. In order to maintain a similar overall pavement condition, an increase in road resurfacing will need to occur over the next five years. Funds from the Home Rule Sales Tax would be transferred to the Road and Vehicle Fund to substantially increase the amount of road resurfacing over the next five years. This would be done in order to allow a gradual increase in the vehicle sticker fee. It is anticipated that senior citizens would not be charged for a vehicle sticker.

Plan for Flooding Solutions

The heavy rains during the 2007 summer caused a number of flooding issues in certain parts of the City. This was especially prevalent in areas that were constructed prior to the use of modern storm water control measures. Funds from the Home Rule Sales Tax would be utilized to undertake a comprehensive analysis of those areas prone to flooding and create scenarios for addressing those areas.

Construction of Senior Center

At the September 16, 2003 City Council Workshop meeting with the Senior Citizens Committee, the committee presented the goals that were determined as part of the strategic planning session. The committee was created in 1999 to identify and discuss issues faced by senior citizens in and around the community, and help formulate solutions to those issues.

An outcome of the discussion was the pursuit of a community survey regarding a potential senior/community center. In order to accurately gauge resident interest, Health Systems Research, the University of Illinois College of Medicine at Rockford was retained to assist with the survey. The survey was mailed to a random sampling of 3,500 homes and included follow-up, data entry and analysis, report of findings, and presentation of findings.

At about the same time the survey results were being reviewed, the Senior Citizens Committee was informed of Senior Services Associates' intention to locate an office in Crystal Lake. Senior

Services Associates, Inc. is a non-profit agency providing services to seniors and their families in Kane, Kendall, and McHenry Counties. As part of the McHenry County Senior Tax Referendum, Senior Services Associates received a grant to open an office in Crystal Lake. The site, which they presently occupy, has five staff members providing a variety of senior related services including a senior drop-in center with activities. Because of the potential sale of the property at which the offices are located, the site's long-term status is currently unknown.

Funds from the Home Rule Sales Tax would be utilized to construct a senior center. If approved, the City would partner with Senior Service Associates who could be responsible for the day-to-day operation of the center.

Enhanced Economic Development

During the course of the Financial Plan, increased efforts will be undertaken to enhance economic development initiatives for the City. These initiatives will include a commercial and industrial broker attraction services contract, identifying and marketing of the City and business inventory and demographic assessment.

Commercial and industrial broker attraction services contract

Hiring one or more commercial and industrial brokers to represent Crystal Lake's interests would provide the City with networking and information sharing opportunities with clients that they represent. This would also have the potential of elevating Crystal Lake as an important and viable location in the eyes of brokers and their clients. Additionally, we would also expect that the brokers would work with staff to create and distribute marketing material to appropriate end-users and to provide feedback and direction to City staff on marketing parameters. Overall, this would allow the City to obtain information, first-hand, regarding specific commercial and industrial clients' needs.

Identity and marketing

The City would like to enhance the City's image so that we can provide businesses with an accurate portrayal of who we are, what we represent, and what our community has to offer. By doing so, we can define what our "product" is so that we can appropriately market ourselves as a great place to live and to do business. In addition to creating new literature and enhancing our economic development website, the City would obtain software that will allow staff to create targeted marketing literature that can be sent to specific businesses that have expressed interest in Crystal Lake.

Business inventory and demographic assessment

Commercial and industrial businesses want to know our community as we do; however, their decision to select our community as the next place to locate involves Crystal Lake's ability to meet very specific criteria that we are not able to define and articulate at this time. These criteria include such things as detailed land and construction costs, utilities, labor costs, trends in spending, resource availability, as well as proximity to customers, target markets and accompanying businesses. The City has a basic knowledge of many of these criteria and in order to sharpen our product knowledge and convey what we have to offer, the City will need to do further research. Consultants who specialize in these areas are available and may be sought by the City to assist us in our economic development efforts.

Comprehensive Document Management and G.I.S.

Included with the City's Five Year Financial Plan would be the provision for the possible acquisition and implementation of a Document Management System and enhancement of the Geographic Information System (G.I.S.). Currently, all documents that are produced by the City are either stored in paper format, which requires physical space for storage and can be difficult to

retrieve in a timely fashion, or in electronic format stored in various file folders on the City's network servers, which can be difficult for users to locate. A Document Management system would allow City employees to create electronic versions of documents, which will be stored on the City's network servers. In addition, the Document Management System will catalog and index all documents stored in the system for easy retrieval. For example, a user would be able to type in a key word, or perhaps a project number or location, and they would receive a listing of all documents that contained that information. From that listing, the employee would be able to open an electronic copy of the document on their screen and/or print a copy for their reference. Security layers would be in place to ensure that documents once stored could not be altered and that would determine which documents would be available to individual users of the system. It is anticipated that acquisition and implementation of such a system would span two fiscal years.

Enhancing the City's Geographic Information System (GIS), will help the City to realize many benefits. Basic Geographic Information Services (GIS) have been made available to most employees of the City. The McHenry County information provided to the City contains information such as 2005 aerial mapping, 2-foot topographic mapping, natural features, addresses, and property information. Future plans for GIS include the completion of high-priority projects that can be completed by the GIS consultant, e.g. citywide utility atlases, dynamic snow-plow route maps, and 24-hour public access to an Internet based GIS so that customers can research zoning and other public information for their properties. Other plans include floating licenses so that trained staff citywide could edit and expand their own department's data, building a comprehensive GIS database.

Initial Funding For The Virginia Street Beautification Project, Main Street Railroad Relocation Project, and The Vulcan Lakes Recreational Area

The City Council has approved the initiation of three new Tax Increment Financing Districts for strategic areas of the City. These include Virginia Street, Main Street and the Vulcan Lakes TIF Districts. Since these TIFs are relatively new, a number of years would need to pass until the annual increment would be sufficient to fund these improvements. In order to initiate the improvements in these until such time as increment revenue is available, revenue from the Home Rule Sales Tax would be utilized.

VII. Prepared Food and Beverage Tax

As a home rule municipality, the City has the ability to implement a food and beverage tax that is based on the gross sales of food and alcoholic beverages prepared for immediate consumption and sold by a business that provides for on-premise consumption of said food or alcoholic beverages (i.e.: restaurant, restaurant with drive thru, or bar). Soft drinks are not included in the tax. The revenues generated from this source would be earmarked for the construction and maintenance of a downtown parking structure.

At the October 21, 2003 City Council meeting, the City Council approved a contract for a comprehensive Downtown Parking Study following a Request for Proposals process. With extensive input from the Downtown Parking Committee, which is represented by City Staff, Downtown Crystal Lake/Main Street, and the Raue Center for the Arts, a comprehensive downtown parking study was completed in late 2004.

The parking study: 1) provided an examination of the City's parking system within the Downtown, 2) assessed the current supply of municipal parking spaces, and management thereof, in relationship to current and future demand, 3) considered parking demand by user group and evaluated parking demand based on current and future development scenarios, and 4) provided and evaluated options for additional parking. Since the approval of the parking study, almost all of the recommendations have been implemented. One of the remaining recommendations was the construction of a parking structure for downtown business use.

The parking structure was recommended because of a deficit of available downtown business parking. During the course of the past three years, this deficit of available business parking has been exacerbated by the changing dynamics of parking in the Downtown area. Specifically, the introduction of a number of high traffic establishments have opened, or are planned to be open in the downtown area. With the ongoing growth in the Downtown area, a new contract was recently approved with a parking consultant to update the 2004 parking demand model, review the site for a proposed parking structure, and study the design and economic feasibility of one or more options on the site. The parking consultant, Rich and Associates, would be associating with a local architectural firm, Legat Architects, in studying façade options for the proposed structure.

The revenues generated by the proposed 1% Food and Beverage Tax would be earmarked for the construction and maintenance of a downtown parking structure. **On a \$25.00 restaurant or bar tab, the tax would translate to \$0.25.**

VIII. Fire Rescue Fund Expenditure and Revenue Analysis

Five Year Financial Forecast - Fire Rescue Fund

	FY 2008 Budget	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Revenues						
Property Taxes	5,092,223	5,573,438	6,100,128	6,676,590	7,307,528	7,998,089
Ambulance Service Fees	555,000	675,000	695,250	716,108	737,591	759,718
Increase in ambulance fees	0	150,000	157,500	165,375	173,644	182,326
Service Contracts	1,013,758	1,447,899	1,520,149	1,596,005	1,675,646	1,759,260
Investment Interest	62,500	116,752	122,915	145,876	140,674	92,794
Foreign Fire Tax	0	0	0	0	0	0
Grants	36,800	0	0	0	0	0
Reimbursable (Fire Panel)			0	0	0	0
Miscellaneous	18,250	17,000	17,000	17,000	17,000	17,000
	<u>6,778,531</u>	<u>7,980,090</u>	<u>8,612,942</u>	<u>9,316,954</u>	<u>10,052,082</u>	<u>10,809,188</u>
Capital Reserve Account						
Capital Facilities Fees	75,000	75,000	75,000	75,000	75,000	75,000
	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
Total Revenues	6,853,531	8,055,090	8,687,942	9,391,954	10,127,082	10,884,188
Expenditures						
Personnel Services	5,377,698	6,253,178	6,827,081	7,985,633	8,821,105	9,650,130
Contractual Services	917,360	967,323	985,394	1,005,102	1,025,204	1,045,708
Materials & Supplies	250,130	295,525	301,436	307,464	313,613	319,886
Capital Outlay	150,610	385,000	1,712,500	755,000	783,000	736,982
Debt Service		0	0	381,154	381,154	381,154
	<u>6,695,798</u>	<u>7,901,026</u>	<u>9,826,411</u>	<u>10,434,354</u>	<u>11,324,077</u>	<u>12,133,860</u>
Revenues in Excess of Expenditures	157,733	154,064	(1,138,468)	(1,042,400)	(1,196,995)	(1,249,672)
Other Sources/Uses						
Transfer In	150,610	0	1,712,500	912,351		0
Transfer Out (Use of Reserves)	0	0	0	0		0
	<u>150,610</u>	<u>0</u>	<u>1,712,500</u>	<u>912,351</u>	<u>0</u>	<u>0</u>
Beginning Balance, May 1	2,610,465	2,918,808	3,072,872	3,646,903	3,516,854	2,319,860
Ending Balance, April 30	2,918,808	3,072,872	3,646,903	3,516,854	2,319,860	1,070,187

Fire Rescue Fund

The Crystal Lake Fire Rescue Department operates out of three stations covering a 46 square mile area with an approximate population service area of 60,000. The Department provides emergency services for the City of Crystal Lake and the Crystal Lake Rural Fire Protection District. These services include fire suppression, emergency medical care, hazardous material incidents, confined space rescue, trench rescue, high/low angle rescue, water rescue, dive rescue, fire investigations, juvenile fire setter evaluations and education, CPR training, and other public education activities. The Department also reviews plans and conducts fire inspections for occupancies within its service areas.

To continue to meet demand and ensure appropriate staffing levels, additional firefighter/paramedics are requested. It is anticipated that 9 new firefighter/paramedics would be hired in 2009, 9 new firefighter/paramedics would be hired in 2011 and one new firefighter/paramedic would be hired in 2012.

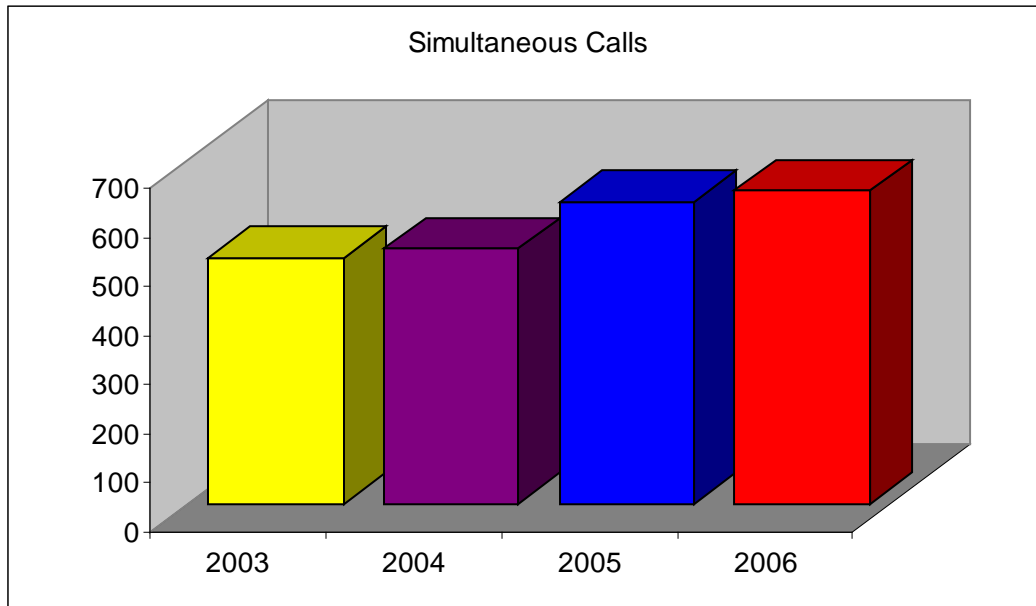
Expenditure increases also include the conversion of Fire Station #3 for Police use and the construction of a new north central fire station and a new southern fire station.

Staffing Increase

Over the past several years, the Fire Rescue Department has made comprehensive adjustments to provide for prompt service while making the most efficient use of the Department's dedicated resources. Despite these adjustments, the new personnel are needed to ensure that response times do not compromise the ability to provide critical care to the community.

Because of the service nature of the organization, personnel and other associated costs impact the Five-Year Financial Plan. This is particularly true in the Fire Rescue Department. The ability to deliver timely and quality service depends on numerous interrelated operational factors including call-handling time, turnout time, travel time, staffing efficiency, equipment and training. In response to ever-increasing demands, the Department has experienced an increase in three or greater simultaneous calls.

Under these scenarios, the Department is responding to three simultaneous calls at a given time. By the third simultaneous call, the Department's resources are essentially depleted to a point that is detrimental to the Department's ability to serve the needs of the community. The chart below illustrates the increasing number of three or greater simultaneous calls.

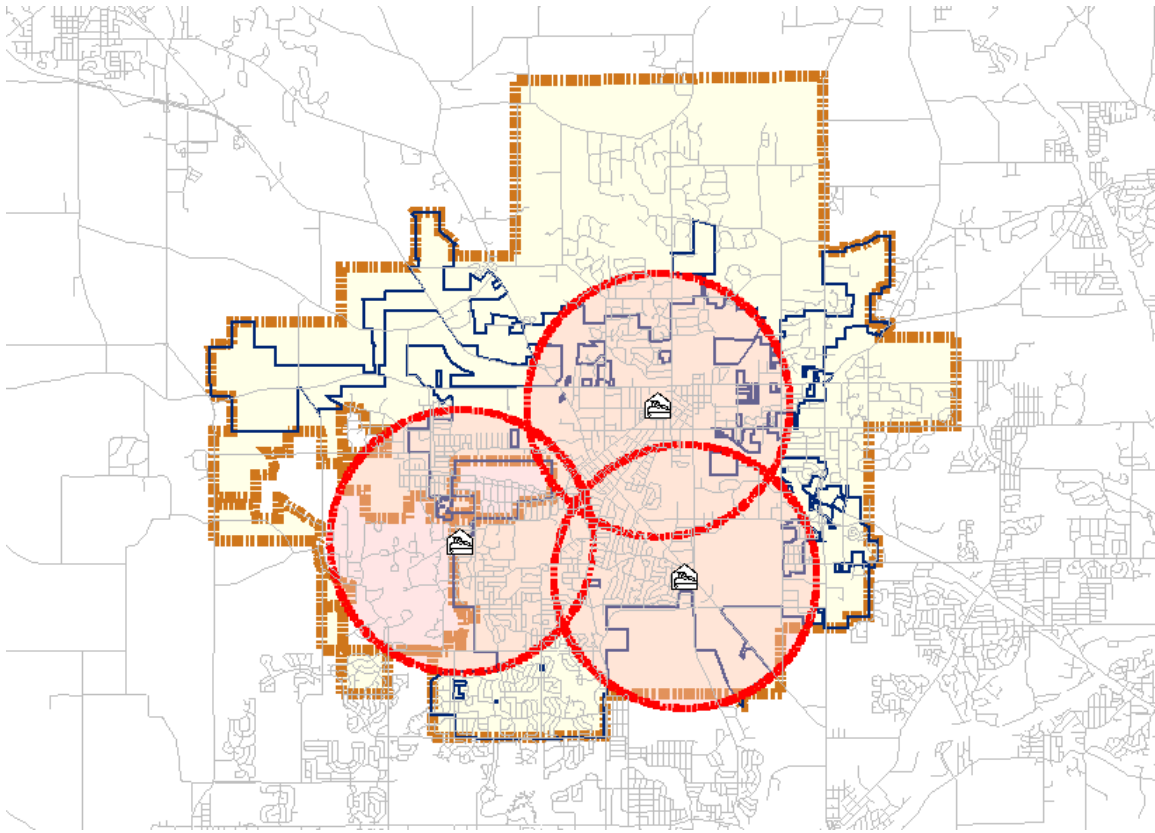


The additional personnel are in direct response to the third level staffing needs. The 9 new firefighter/paramedics in 2009 would allow for an increase in minimum daily staffing from 13 to 15 personnel, allowing the Fire Rescue Department to staff a fourth ambulance. The crew of the fourth ambulance would serve as a jump company to staff the ladder truck for structure fires or the ambulance in an emergency medical incident.

In 2011, an additional 9 firefighter/paramedics would be hired to staff the new north central fire station. This will increase the Department's minimum staffing from 15 to 17, thereby providing four staffed fire engines and four staffed ambulances. The minimum 17 staffing level will allow the Fire Rescue Department to keep response times as low as possible and within industry benchmark standards.

Station Needs

While resource management adjustments have increased efficiency, the Department is still in need of greater organizational growth in staffing and facilities. This need has been substantiated in the 2007 Illinois Fire Chiefs Association – Station and Staffing Study. During the course of the Financial Plan, it is proposed that a new fire station will be built in the north central portion of the City, a new fire station will be built in the southern portion of the City, and Fire Station #3 will revert back to a police firing range and storage facility. The chart below illustrates the current locations of the existing fire stations.



The combination of additional staffing and an additional fire station would ensure that the Fire Rescue Department can meet the critical nature of response time.

IX. Tax Levy

In order to collect a property tax, government agencies in the State of Illinois are required to establish a “tax levy”. The tax levy is a projection of the monies the government agency must obtain through the annual property tax. The Crystal Lake City Council must adopt a property tax levy by ordinance and submit the ordinance to the McHenry County Clerk no later than the fourth Tuesday in December.

The City’s 2007 tax levy will be incorporated into property tax bills, which homeowners will receive during the calendar year 2008, and will be utilized by the City to fund a portion of the 2008/2009 City Budget (the City operates on a May 1 through April 30 fiscal/budget year). The tax levy ordinance adopted by the City of Crystal Lake is filed with the McHenry County Clerk, whose office determines the actual “tax rate” necessary in order to raise the dollars levied by the City. The City levies in actual dollars rather than a specific tax rate. As a result, the City does not receive any additional dollars if the assessed valuation of property in the City increases. Rather, the amount of the City tax levy remains the same and is spread over a greater total assessed valuation of property (which can result in a decrease in the actual City tax rate).

It is difficult to estimate the actual rate of a tax levy, because the actual dollars collected from the 2007 tax levy are not received until fiscal year 2008/2009, for which the City has not yet considered an annual budget.

Prior to adoption, a resolution is passed by the City Council determining the maximum 2007 tax levy. This determination is scheduled to occur at the November 20, 2007 City Council meeting. The public hearing and the actual adoption of the tax levy ordinance will be held at the December 18, 2007 City Council meeting.

Property owners in the City of Crystal Lake will note that the City is only one of many taxing bodies, which appear on the property tax bill. Since 1997, the City has not levied property taxes for the General Fund. The City’s tax levy, therefore, is made up of the following funds:

- Library
- Fire Rescue Fund
- Illinois Municipal Retirement Fund
- Police Pension
- Fire Pension
- Crossing Guard

The impact of a proposed property tax levy is determined by estimating the Equalized Assessed Value (EAV). The actual EAV will be calculated by the County Clerk and is not known at this time. Staff has estimated the 2007 EAV at \$1,371,729,417, which is a 7% increase over the 2006 EAV. This 7% increase is based on recent trends and is the assumption used through the course of the Financial Plan. If the EAV increases at a greater rate than 7%, there will be a lower property tax impact for an individual homeowner. If the rate increase is less than 7%, there will be an increased property tax impact for an individual homeowner.

The Library has requested that the tax rates over the course of the Financial Plan remain the same as last year’s rate of 0.2773.

The table below details the anticipated tax levy amounts over the course of the Financial Plan.

	Estimated 2011	Estimated 2010	Estimated 2009	Estimated 2008	Estimated 2007	2006
GENERAL	0	0	0	0	0	0
STORM SEWER	0	0	0	0	0	0
LIBRARY G.O. BONDS	0	0	0	0	0	0
I.M.R.F.	2,325,048	2,214,332	2,108,887	2,008,464	1,912,823	1,822,989
LIBRARY OPER.	4,914,000	4,593,000	4,292,000	4,011,000	3,804,000	3,554,834
INSURANCE	0	0	0	0	0	0
POLICE PENSION	1,740,584	1,582,349	1,438,499	1,307,726	1,188,842	1,112,767
FIRE RESCUE	7,998,089	7,307,528	6,676,590	6,100,128	5,573,438	5,092,263
CROSSING GUARD	52,847	51,060	49,333	47,665	46,053	44,869
FIRE PENSION	1,325,245	1,204,768	1,095,244	995,676	905,160	818,331
TOTAL	18,355,813	16,953,037	15,660,553	14,470,659	13,430,316	12,446,053
% INCREASE	8.274%	8.253%	8.223%	7.746%	7.908%	12.091%
\$ INCREASE	1,402,776	1,292,484	1,189,894	1,040,343	984,263	1,342,564

The chart below illustrates the forecasted tax levy for the term of this plan. The tax levy forecasts for the Fire and Police Pensions, as well as for the Illinois Municipal Retirement Fund (IMRF) have been actuarially determined. The following table outlines tax rates as estimated using the proposed dollar amounts over the course of the Financial Plan.

	ESTIMATED 2011	ESTIMATED 2010	ESTIMATED 2009	ESTIMATED 2008	ESTIMATED 2007	2006
GENERAL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
STORM SEWER	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
LIBRARY G.O. BONDS	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
I.M.R.F.	0.1293	0.1318	0.1343	0.1368	0.1394	0.1422
LIBRARY OPER.	0.2733	0.2733	0.2733	0.2733	0.2773	0.2773
INSURANCE	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
POLICE PENSION	0.0968	0.0942	0.0916	0.0891	0.0867	0.0868
FIRE RESCUE	0.4448	0.4349	0.4251	0.4156	0.4063	0.3972
CROSSING GUARD	0.0029	0.0030	0.0031	0.0032	0.0034	0.0035
FIRE PENSION	0.0737	0.0717	0.0697	0.0678	0.0660	0.0638
TOTAL	1.0208	1.0089	0.9971	0.9858	0.9791	0.9708
RATE INCREASE(DECREASE)	0.0119	0.0118	0.0113	0.0067	0.0083	0.0437
% INCREASE(DECREASE)	1.18%	1.18%	1.15%	0.68%	0.85%	4.71%

The five-year property tax rate plan translates to an approximately 1.008 % increase in the tax rate per year over the course of the Financial Plan.

The table below illustrates the property tax impact on a home with a fair market value of \$250,000 over the course of the Financial Plan.

	ESTIMATED 2011 TAX YEAR	ESTIMATED 2010 TAX YEAR	ESTIMATED 2009 TAX YEAR	ESTIMATED 2008 TAX YEAR	ESTIMATED 2007 TAX YEAR	ESTIMATED 2006 TAX YEAR
HOUSE AT:						
FAIR CASH VALUE	250,000	250,000	250,000	250,000	250,000	250,000
ASSESSED AT 1/3	83,333	83,333	83,333	83,333	83,333	83,333
LESS HOMESTEAD	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
ASSESSED VALUE	78,333	78,333	78,333	78,333	78,333	78,333
TIMES RATE	1.0208	1.0089	0.9971	0.9858	0.9791	0.9708
PROPERTY TAX / YEAR	\$799.63	\$790.31	\$781.06	\$772.21	\$766.96	\$760.46
DOLLAR INCREASE / YR	9.32	9.24	8.85	5.25	6.50	34.23
CITY RATE	1.0208	1.0089	0.9971	0.9858	0.9791	0.9708
PER MONTH	\$0.78	\$0.77	\$0.74	\$0.44	\$0.54	\$2.85

X. Ambulance Service Fees

The Fire Rescue Department currently charges a user fee for emergency medical patients who are transported to the hospital via a Crystal Lake Fire Rescue ambulance. The current rate, which was established in 2005, is \$325 for residents and \$525 for non-residents, regardless of the level of care. Level of care is defined as:

- Basic Life Support (BLS) – minor injuries such as sprains, strains, cuts, fractures and controlled bleeding.
- Advanced Life Support (ALS) – time sensitive injuries, such as heart attacks, strokes, multi-system trauma, shortness of breath, anaphylactic reactions, dehydration, etc.
- Advanced Life Support 2 (ALS-2) – immediate impact to life, such as full cardiac arrest and childbirth.

The table below discloses ambulance fee use rates for our surrounding and comparable communities. These communities were selected based upon similar community size, demographic and/or being a neighboring community.

DEPARTMENT NAME	RESIDENT		NON-RESIDENT FEES		MILEAGE		LAST FEE
	ALS	BLS	ALS	BLS	RES.	NON-RES.	UPDATE
ALGONQUIN/LITH FPD	\$400.00	\$300.00	\$500.00	\$400.00	\$5.00	\$5.00	2005
BARRINGTON FD	\$500.00	\$400.00	\$600.00	\$500.00	\$40.00	\$50.00	2000
BUFFALO GROVE FD	\$600.00	\$335.00	\$935.00	\$525.00	\$6.30	\$6.30	2007
CARY FPD	\$0.00	\$0.00	\$600.00	\$500.00	\$0.00	\$10.00	2002
CRYSTAL LAKE FD	\$325.00	\$325.00	\$525.00	\$525.00	0*	0*	2005
DES PLAINES FD	\$500.00	\$400.00	\$550.00	\$400.00	\$10.00	\$10.00	2007
DOWNERS GROVE FD	\$550.00	\$350.00	\$700.00	\$450.00	\$5.00	\$5.00	2005
FOX RIVER GROVE FPD	\$700.00	\$500.00	\$700.00	\$500.00	0.*	0.*	2006
HUNTLEY FPD	\$500.00	\$400.00	\$700.00	\$500.00	\$7.00	\$10.00	2004
LAKE ZURICH FD	\$500.00	\$500.00	\$700.00	\$700.00	\$10.00	\$10.00	2004
LEMONT FPD	\$450.00	\$350.00	\$650.00	\$550.00	\$10.00	\$10.00	2005
MCHENRY TOWNSHIP FPD	\$475.00	\$425.00	\$575.00	\$525.00	\$7.50	\$7.50	2005
OAK PARK FD	\$400.00	\$300.00	\$500.00	\$400.00	\$15.00	\$15.00	2004
PALATINE FD	\$675.00	\$390.00	\$815.00	\$475.00	\$6.00	\$6.00	2007
WOODSTOCK FIRE RESCUE	\$471.34	\$274.23	\$471.34	\$274.23	0.*	0.*	2006
AVERAGE RATE	\$503.31	\$374.95	\$680.10	\$516.02	\$8.70	\$10.34	

* indicates a fee currently not charged

Under the City's ambulance billing process, the City bills a standard rate for transporting patients to the hospital. In most cases, a patient who has insurance is reimbursed 80% of the rate that is charged (no matter what that rate), and then the patient is responsible for the remaining balance. For patients who are Medicare eligible, the City is reimbursed the current Medicare rate with the balance being "written down" based upon Medicare policy.

The Medicare rate is established yearly by the Centers for Medicare and Medicaid Services and published as the "Ambulance Fee Schedule Amounts". The current Medicare rate is as disclosed in the following table for each level of service provided. The 2007 Ambulance Fee Schedule for the City's locality ("Locality 99") is listed in the following table. Additionally, the current Crystal Lake rate for resident and non-resident has been added for comparison.

MEDICARE FEE SCHEDULE	MEDICARE RATE	Current CL Resident Rate	Current CL Non-Resident Rate
ALS TRANSPORT	\$336.82	\$325.00	\$525.00
ALS-2 TRANSPORT	\$487.50	\$325.00	\$525.00
ALS -NON-TRANSPORT	\$212.73	\$0.00	\$0.00
BLS TRANSPORT	\$283.64	\$325.00	\$525.00
BLS -NON-TRANSPORT	\$177.27	\$0.00	\$0.00
MILEAGE	\$6.25	\$0.00	\$0.00

The City's current structure of charging non-residents a higher rate than residents is permissible, as residents provide foundational funding of the Fire Rescue Department through property taxes. The table inserted below indicates the number of patients transported by the Crystal Lake Fire Rescue Department and the type of emergency medical treatment that was delivered (ALS vs. BLS) for 2006.

2006 PATIENT TOTALS		
SERVICE PROVIDED	# OF PATIENT'S	PERCENTAGE
ALS - RESIDENT	969	40%
ALS 2 - RESIDENT	18	1%
ALS - NON-RESIDENT	650	26%
ALS 2 - NON-RESIDENT	11	1%
BLS - RESIDENT	398	16%
BLS - NON-RESIDENT	377	16%
TOTAL	2423	100%

As a means to improve the capability to respond to emergency medical service demands, a new ambulance service fee schedule would be implemented. The revised fee schedule allows for an annual ambulance fee increase based upon the Medicare "Ambulance Fee Schedule Amounts". The fees would be assessed based upon the table inserted below:

SERVICE PROVIDED	CURRENT RATE	PROPOSED	NEW RATE
RESIDENT			
ALS TRANSPORT	\$325.00	ANNUAL MEDICARE AMBULANCE FEE SCHEDULE RATE	\$336.82
ALS-2 TRANSPORT	\$325.00	ANNUAL MEDICARE AMBULANCE FEE per ALS SCHEDULE RATE	\$336.82
ALS -NON-TRANSPORT	\$0.00	\$100 AFTER 3RD VISIT IN A CALENDAR YEAR	\$100.00
BLS TRANSPORT	\$325.00	ANNUAL MEDICARE AMBULANCE FEE SCHEDULE RATE	\$283.64
BLS -NON-TRANSPORT	\$0.00	\$100 AFTER 3RD VISIT IN A CALENDAR YEAR	\$100.00
MILEAGE	\$0.00	ANNUAL MEDICARE AMBULANCE FEE SCHEDULE RATE	\$6.25
NON- RESIDENT			
ALS TRANSPORT	\$525.00	ANNUAL MEDICARE AMBULANCE FEE SCHEDULE RATE + \$400	\$736.82
ALS-2 TRANSPORT	\$525.00	ANNUAL MEDICARE AMBULANCE FEE SCHEDULE RATE + \$400	\$887.50
ALS -NON-TRANSPORT	\$0.00	\$200 AFTER 3RD VISIT IN A CALENDAR YEAR	\$200.00
BLS TRANSPORT	\$525.00	ANNUAL MEDICARE AMBULANCE FEE SCHEDULE RATE + \$400	\$683.64
BLS -NON-TRANSPORT	\$0.00	\$200 AFTER 3RD VISIT IN A CALENDAR YEAR	\$200.00
MILEAGE	\$0.00	ANNUAL MEDICARE AMBULANCE FEE SCHEDULE RATE + \$10	\$16.25

The new ambulance fee schedule:

- Allows the City to charge residents based upon the Medicare reimbursable rate while eliminating any out-of-pocket expense to residents.
- Allows the City to capture all available Medicare charges (including mileage).
- Allows for annual market adjustment based upon the Medicare “Ambulance Fee Schedule Amounts.”
- Crystal Lake residents will only be charged the ALS rate. Residents will not be charged ALS -2 in order to avoid a substantial cost increase to residents.
- Allows for a greater cost recovery for the non-resident impact on ambulance service.
- Estimated increase in revenue of \$178,500 (115,500 transport + 63,000 mileage).

Below is a table that is intended to illustrate out-of-pocket impact to a patient who would be invoiced under the proposed ambulance fee schedule. The out-of-pocket expense predications are based upon standard insurance coverage:

- Medicare covers 80% of their approved cost.
- Standard Medical Insurance covers 80% invoiced.

For uninsured patients, the practice of writing down the debt based upon the percentage of financial assistance granted by the treating hospital will be continued.

<i>IMPACT ON OUT-OF-POCKET EXPENSES</i>						
<i>SERVICE PROVIDED</i>	<i>MEDICARE</i>		<i>MEDICARE W/SUPPLEMENTAL</i>		<i>INSURED</i>	
	<i>CURRENT</i>	<i>PROPOSED</i>	<i>CURRENT</i>	<i>PROPOSED</i>	<i>CURRENT</i>	<i>PROPOSED</i>
<i>RESIDENTS</i>						
<i>ALS TRANSPORT</i>	\$65.00	\$67.36	\$0.00	\$0.00	\$65.00	\$67.36
<i>ALS- 2 TRANSPORT</i>	\$65.00	\$67.36	\$0.00	\$0.00	\$65.00	\$67.36
<i>BLS TRANSPORT</i>	\$65.00	\$56.73	\$0.00	\$0.00	\$65.00	\$56.73
<i>MILEAGE</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.25
<i>NON-RESIDENT</i>						
<i>ALS TRANSPORT</i>	\$65.00	\$67.36	\$0.00	\$0.00	\$105.00	\$147.36
<i>ALS- 2 TRANSPORT</i>	\$65.00	\$97.50	\$0.00	\$0.00	\$105.00	\$177.50
<i>BLS TRANSPORT</i>	\$65.00	\$56.73	\$0.00	\$0.00	\$105.00	\$136.73
<i>MILEAGE</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3.25

XI. Water and Sewer Fund Expenditure and Revenue Analysis

Five Year Financial Forecast - WATER AND SEWER FUND

Water and Sewer Fund	FY 2008 Budget	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Revenues						
Water Sales	3,040,991	3,299,475	3,579,931	3,884,225	4,214,384	4,572,606
Sewer Sales	3,102,437	3,366,144	3,652,266	3,962,709	4,299,539	4,665,000
Penalties	145,000	145,000	145,000	145,000	145,000	145,000
Water Meter Fees	70,000	70,000	70,000	70,000	70,000	70,000
Water/Sewer Tap Fees	1,500	1,500	1,500	1,500	1,500	1,500
Investment Income	35,035	48,506	31,004	20,874	17,926	31,465
Reimbursed Expenses	3,000	0	0	0	0	0
Rental Income	123,675	96,130	97,091	98,062	99,043	100,033
Miscellaneous	32,000	30,000	30,000	30,000	30,000	30,000
	6,553,638	7,056,756	7,606,793	8,212,370	8,877,392	9,615,605
Expenditures						
Water/Public Works Administration	1,135,965	1,164,677	1,187,487	1,226,568	1,246,265	1,281,316
Water Department	2,863,958	3,359,237	3,418,636	3,641,203	3,755,548	4,056,321
Wastewater Department	2,029,394	2,311,242	2,473,150	2,656,072	2,840,324	2,825,928
Sewer & Lifts Department	524,322	659,154	780,777	762,231	696,786	745,611
	6,553,639	7,494,310	7,860,049	8,286,075	8,538,923	8,909,176
Revenues in Excess of Expenditures	(1)	(437,554)	(253,256)	(73,705)	338,469	706,428
Other Sources/Uses						
Transfer In	0	0	0	0	0	0
Transfer Out	0	0	0	0	0	0
	0	0	0	0	0	0
Beginning Cash Balance, May 1	1,212,663	1,212,662	775,108	521,852	448,147	786,616
Ending Cash Balance, April 30	1,212,662	775,108	521,852	448,147	786,616	1,493,044

Water and Sewer Fund

Prior to 2004, the City of Crystal Lake's water and sewer rates had historically been set to provide only revenues needed for basic drinking water production, treatment and distribution and wastewater collection, conveyance, treatment and disposal. While the City has historically been able to boast of the lowest rates in the area and state, by far, the Water and Sewer Fund had struggled to maintain excellent customer service and meet the pressures of a growing community. The reality created by low water and sewer rates had been the need to defer critical planning and scheduling of infrastructure replacement, the inability to provide for system improvements and our inability to provide adequate staffing as our utility system has grown. The historically modest rate increases had created a culture of ever diminishing revenues with the increased pressures of operational costs due to workforce related items, energy, treatment chemicals and the cost of many un-funded mandates that occur between rate increases.

In 2004, the City Council approved a multi-year rate increase schedule to facilitate the creation of a revenue growth plan and schedule rate increases over a number of years to begin to achieve adequate revenues to provide proper management and stewardship of the City of Crystal Lake facilities, assets and resources. Since that time, improvements have been made to the City's water and sewer infrastructure. In order to ensure that the City does not revert back to the challenges it faced in past years, the divisions of the Water and Sewer Fund completed a review of current operating equipment to determine replacement needs, created an evaluation of the City's buried infrastructure replacement needs and completed a task analysis for each Division to evaluate workforce needs.

The analysis is divided into five parts; current operational, current facility equipment replacement, current buried infrastructure, system improvement and future regulatory created needs. It is unlikely that all needs are fully captured and enumerated within this document. The needs listed are as comprehensive as possible based on current regulatory conditions. It is anticipated that future requirements, for items such as residuals management at the water plants, will cause additional future treatment costs and pressures on the rate structure.

Current Operational Needs

Major components include workforce costs, contracted services, materials and supplies, energy and commodities. Capital costs include principal and interest on past bonds, and new and replacement equipment that can be provided from revenues not otherwise allocated for operational needs.

Facility Replacement Needs

All major equipment items currently in operation at each of the City's water treatment plants, lift stations and wastewater treatment plants were assessed based on the anticipated equipment life, in service date, and current replacement cost and current conditions. Each item identified has a finite life and will require replacement at some point, regardless of optimum operational and preventative maintenance provisions. Proper management of the City's assets and facilities will require the need to develop revenues on an ongoing basis so that funds are available to replace equipment as it ages. Previously, the lack of such revenues has resulted in equipment being operated well past its optimum service life, leading to extensive time and material needs for repairs and rehabilitation and overall inefficient operations and reduced reliability.

Buried Infrastructure

Much of the City's buried infrastructure has been in place for many years and it is necessary to continue a funding plan to allow for the replacement of water mains, and repair, reline or replacement of sanitary sewers as these critical assets reach the end of their useful life. Past replacement efforts have been in concert with street reconstruction projects and many segments of older water main and sanitary sewers have been replaced during those projects. There remain many miles of water main and sanitary sewers that are at the end of their life. When those mains are replaced, more segments of newer mains would then reach the end of their service lives and require replacement. Therefore, it is necessary to continue a revenue source and funding mechanism to replace beyond service life buried infrastructure on an ongoing or revolving basis. This would be done so that pipe in the ground for 80 years currently can be replaced, with the expectation that when completed with that task, pipe in the ground now for 60 years will be 80 years old and require replacement and so on.

The divisions of the Water and Sewer Fund have identified some 120,090 lineal feet of water main that needs replacement over the next several years and of that length, a five year priority plan for the replacement of approximately 3,000 lineal feet per year. Initially, a fifteen-year plan is needed with the expectation of replacing the oldest twenty-three miles of water main on a priority basis at the rate of one half (1/2) mile per year. Much of the priority needs are based on a five-year water break history and upon replacement, water mains would be brought up to current size and material standards. A budgetary cost of \$150.00 per lineal foot for water main replacement is expected and includes street and streetscape restoration, which will be extensive based on the mature neighborhoods in need of water main replacement.

Sanitary sewer needs are similar as far as affected segments but, fortunately, may require less extensive replacement and can be restored to new through full-length relining or simply spot repair relining. A cost of \$50 per lineal foot is estimated upon the expectation that there will be little need for open cut replacement and that relining and point repairs will be the primary restoration method. Again, fully 120,000 lineal feet of sanitary sewer need attention and a manageable volume of one-half (1/2) mile per year can be attained.

System Improvements and Enhancements

Beyond the need to provide for basic operation and maintenance costs as identified earlier, is the need to enhance departmental capabilities through adequately meeting workforce needs, employing technology and updating and enhancing processes, operations and facilities.

A significant enhancement to the Public Works Department operations would be the development of a system-wide Supervisory Control and Data Acquisition system (SCADA), that would allow for remote operation and monitoring of the City's water treatment plants and lift stations. Significant workforce enhancements can be realized through the development of such a system and as the size and number of facilities of the water and sewer systems increase, the workforce needs can be offset or reassigned with a SCADA system.

Additional system enhancements that do not fall within the scope of buried infrastructure replacement needs, include the reinforcement and looping of various dead end water mains in the older areas of the City.

Future Needs

Issues that are presently mandated with future implementation dates include the Clean Water Act, sanitary sewer system Capacity Management Operations and Maintenance requirements that will put further management pressures for plan development, permitting, record-keeping, reporting and incident responses. There will be increased workforce requirements to meet this mandate.

Within the public water supply, a residuals management plan is pending finalization of water quality standards. Over the next twelve to twenty-four months, it will be necessary to complete construction and commence operation of a residual management plan which may include costly treatment replacement options. There will be construction and operation and maintenance costs associated with these facilities that will require funding.

The most likely future non-growth related impact on the Wastewater facilities would be new discharge standards at WWTP #2 and WWTP #3. The implementation of these removal requirements is currently under study and will evolve as part of the Total Maximum Discharge Limitations as they relate to the receiving streams and Fox River watershed. Significant costs can be associated with nutrient removal, first for the removal of phosphorus and nitrogen and secondly for the vastly increased volume of bio-solids generated by the removal process. While these costs are not defined or fully known at this time, they may represent potential future revenue needs in excess of those listed in this Financial Plan.

With the potential loss of aquifer capacity, the ability to sustain current consumption rates are looming challenges for the public water supply.

XII. Water and Sewer Rate Schedule

Almost the entire source of revenue for the Water and Sewer Fund is attributable to the rate the City charges for water and sewer. In order to ensure that the Water and Sewer Fund Divisions can continue to have the ability to undertake critical programs needed to ensure reliability of the water and sewer system and meet the increasing demands for responsible water use as well as provide for the replacement of aged departmental equipment, a multi-year funding schedule is anticipated during the course of this plan. A multi-year scheduled increase is proposed in order to allow the programming of funding priorities intended to assure the continuation of water and sewer services at the highest possible levels.

Despite water and sewer rate increases in past years, as the chart of surrounding communities below demonstrates, the City's combined water and sewer rates are still among the lowest. It is proposed that a consultant be retained to validate needs and develop rate growth plan options.

City	Water Rate	Sewer Rate	Combined Rate	Last Rate increase	Rate of increase	Minimum Use Fee	avg bill per 10K/mo
Lakewood ***	\$3.00	\$2.25	\$5.25	05/01/04		\$54.00	\$106.50
West Dundee	\$3.25	\$3.25	\$6.50	05/01/07		\$31.00	\$96.00
Fox River Grove	\$2.16	\$3.12	\$5.28	05/01/07		\$37.03	\$89.83
LITH Water +S.D. fee	\$2.43			01/01/07		\$87.44	\$87.44
Woodstock* (cu ft convert	\$2.73	\$3.16	\$5.88	05/01/07	2.0%	\$19.90	\$78.70
Harvard* (cu ft converted)	\$3.32	\$2.83	\$6.15	01/01/08		\$10.00	\$71.50
Huntley	\$2.43	\$3.22	\$5.65	05/01/08	3.0%	\$11.32	\$69.52
Carpentersville	\$2.66	\$2.95	\$5.61	10/01/07		\$8.53	\$64.63
Cary	\$3.43	\$2.37	\$5.80	05/01/07		\$0.00	\$58.00
Algonquin	\$2.86	\$2.71	\$5.57	02/01/08	5.0%	\$0.00	\$55.70
McHenry	\$2.25	\$2.54	\$4.79	02/01/08	2.5%	\$4.49	\$53.79
Crystal Lake Proposed	\$2.29	\$2.22	\$4.51	05/01/08	8.5%	\$4.87	\$50.01
Crystal Lake	\$2.11	\$2.05	\$4.16	05/01/07	5.0%	\$5.36	\$46.96

*Rates converted to 1000 gallons

To ensure proper revenue generation, during the course of this Financial Plan, the City will retain the services of a consultant to study current and future water and sewer rates as well as current and future water and sewer connection fees. The results of the study would be incorporated in subsequent updates to the Financial Plan. Nonetheless, the short-term increase anticipated for next fiscal year is planned at 8.5%. This increase is directly related to increases in operating expenses such as commodities, energy, as well as capital expenditures to continue to replace infrastructure.

XIII. Water and Sewer Connection Fee

The current connection fee formula does not provide adequate revenues to cover the required semi-annual State Revolving Fund (SRF) loan repayments or provide needed revenues for future wastewater and water facility improvements. The residential fee structure was created to provide a progressive fee structure so very modest homes with little potential water use would pay far less than luxury homes with many water-using amenities. Unfortunately, the residential connection fee structure is difficult to explain and must be calculated for every permit, with the number of fixture units multiplied times the connection fee rate. Furthermore, the current residential connection fee is collected at the time each permit is issued and for larger subdivisions that may prompt the need to provide additional water production and wastewater treatment facilities. In these circumstances, funding lags behind these needs.

The non-residential connection fee format provides loopholes wherein a low fee is estimated at the time of connection, often with changes in tenants, business operations occurring before or between the first and third recalculations that result in the inconsistent collection of connection fees from business to business.

There is a significant need to vastly increase the connection fee and the process by which connection fees are collected. A critical justification for connection fees is that they are established on an equitable basis. Water and Sewer connection fees are collected so that new development pays for the capacity it will use at the City's water production and wastewater treatment facilities without causing any cost burden for these capital improvements to be transferred to existing residents. The basis of water and sewer connection fees has been the actual or anticipated cost to provide these facilities. In the case of the wastewater connection fees, the fee was calculated based on the actual cost of the most recent expansion of WWTP #2 and the State Revolving Loan commitment. This cost equated to a cost of \$20,148,228.63 for a 1.3 MG expansion or a per gallon cost of \$15.49. For the Water Treatment plant needs, the connection fee was based on the then anticipated cost of a net 1.0 MGD water treatment facility, with treatment, softening, storage, etc. at \$9.6M or a per gallon cost of \$9.60.

Based on the average daily residential water used, these expansions would serve approximately 4,000 new users connections. To retire the wastewater debt, each new connection would need to pay an impact fee of approximately \$5,000.00. Unfortunately, the City needs to collect over \$1,000,000 per year, so at \$5,000 per connection, the City would need to have 200 new connections per year. In June 2000, when the State Revolving Loan was issued, it was contemplated that an adequate number of new construction would occur to repay the loan through connection fees. Clearly, that has not been the case and we have had to subsidize the Wastewater loan with funds collected for both water and sewer connections and reserves.

To correct the problems identified above, during the course of this Financial Plan, the City will retain the services of a consultant to study current and future water and sewer rates as well as current and future water and sewer connection fees.

A consultant will examine needs as assessed by staff, explore a range of options for meeting current and anticipated water & sewer requirements and evaluate the long-term needs of the water & sewer fund. The consultant will be asked to review the current wastewater facilities plan and examine the future needs assessment and timing of that plan and present options for providing wastewater treatment in the

northwest area. Given the cost growth of the Northwest Area Trunk Sewer, it is important to re-evaluate all potential wastewater treatment options for this area. The last version of the Public Water Supply report #7 was issued in 1995, over twelve years ago, and this report needs to be updated to examine current and future needs, anticipated costs based on current and pending standards and incorporate more modern technology. Conservation and maximized water efficiencies will also be incorporated in this plan. Finally, the consultant will be asked to provide a comprehensive water and sewer rate and connection fee analysis and provide a range of funding options that will best provide for the needs of the system while not limiting economic development.

XIV. Road/Vehicle License Fund

Five Year Financial Forecast - ROAD AND VEHICLE FUND

Road and Vehicle Fund	FY 2008 Budget	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 Estimate	FY 2013 Estimate
Revenues						
Property Taxes	370,000	388,500	407,925	428,321	449,737	472,224
Replacement Tax	9,300	9,300	9,300	9,300	9,300	9,300
Motor Vehicle Licenses	210,000	212,000	212,000	265,000	318,000	371,000
Annual Increase \$2.50/year			53,000	53,000	53,000	53,000
Investment Income	100,000	144,031	82,112	74,232	46,662	33,668
Reimbursed Expenses	50,000	50,000	50,000	50,000	50,000	50,000
Transfer in General Fund		459,469	0	373,117	529,712	300,848
Real Estate Transfer Tax		0	0	0	0	0
	<u>739,300</u>	<u>1,263,300</u>	<u>814,337</u>	<u>1,252,970</u>	<u>1,456,411</u>	<u>1,290,041</u>
Expenditures						
Contractual Services						
55010 Professional	134,995	100,000	100,000	100,000	100,000	100,000
55020 Reimbursed Expenses	0	50,000	50,000	50,000	50,000	50,000
55160 Postage & Freight	17,550	10,000	10,000	10,000	10,000	10,000
55390 Sidewalks	130,000	120,000	120,000	120,000	120,000	120,000
	<u>282,545</u>	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>
Materials and Supplies						
56950 Stationery & Printing	8,300	5,000	5,000	5,000	5,000	5,000
	<u>8,300</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Capital Outlay						
57050 Public Works Improvements	1,912,875	1,175,300	1,218,600	1,292,800	1,382,000	1,223,400
57060 Land	0	0	0	0	0	0
57080 Streets	18,000	0	0	0	0	0
	<u>1,930,875</u>	<u>1,175,300</u>	<u>1,218,600</u>	<u>1,292,800</u>	<u>1,382,000</u>	<u>1,223,400</u>
General Expenses						
810 Debt Service - Principal (97 GOB)	62,500	0	0	0	0	0
811 Debt Service - Interest (97 GOB)	3,063	0	0	0	0	0
(Matures in 2007)	<u>65,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	2,287,283	1,460,300	1,503,600	1,577,800	1,667,000	1,508,400
Revenues in Excess of Expenditures	(1,547,983)	(197,000)	(689,263)	(324,830)	(210,589)	(218,359)
Beginning Balance, May 1	3,600,784	2,052,801	1,855,801	1,166,538	841,709	631,120
Ending Balance, April 30	2,052,801	1,855,801	1,166,538	841,709	631,120	412,760

Road/Vehicle License Fund

Revenues:

Revenues are generated by a combination of the sale of the City motor vehicle licenses, township property taxes, personal property replacement tax, reimbursements and interest income. Beginning in 2010, a four-year, \$2.50 per year vehicle sticker increase will be added to ensure revenue is available for future road resurfacing needs. Until revenues in this fund would be self-sustaining, transfers from the Home Rule Sales Tax would occur in order to meet the demand of increased road resurfacing projects.

Expenditures:

The Road/Vehicle License Fund provides street system and related capital improvement funding for the City. The focus of this fund is to address the roads that need to be repaved, reconstructed or resurfaced. The Street Resurfacing Program was doubled \$1,500,000 due to a large increase in road resurfacing anticipated in the next five years because of the disproportional amount of roads that were constructed in the late 1980s and early 1990s. Funds have been set-aside for a City-wide Sidewalk Program, roadway drainage improvements, and Annual Thermoplastic Striping Program.

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



BUDGET APPROVAL



The City of Crystal Lake

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE as follows:

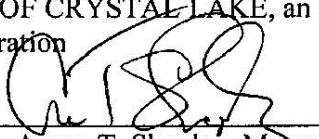
SECTION 1: WHEREAS, the City of Crystal Lake has adopted the statutory procedure of utilizing a budget officer, which procedure requires that an annual budget be adopted by the corporate authorities before the beginning of the fiscal year to which it pertains, and further authorizes the budget officer to obtain such additional information from boards of the municipality as the officer determines may be useful for purposes of compiling a municipal budget, and which further provides that the budget shall contain actual or estimated revenues and expenditures for the fiscal year for which the budget is prepared, all to be itemized in a manner which is in conformity with a chart of accounts, and further, which budget shall show specific funds from which each anticipated expenditure shall be made; and

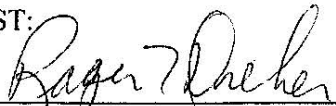
SECTION 2: WHEREAS, that the annual budget for the City of Crystal Lake for the fiscal year May 1, 2008 through April 30, 2009 is hereby approved and adopted.

SECTION 3: That the City Clerk is directed to file a copy of the annual budget with the McHenry County Clerk.

DATED this 1st day of April, 2008.

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: 
Aaron T. Shepley, Mayor

ATTEST:

Roger T. Dreher, City Clerk

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



GLOSSARY OF TERMS

GLOSSARY OF TERMS

ACCOUNTING SYSTEM: The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which transactions and events are recognized when they occur, regardless of when cash is received or paid.

ACTIVITY: A cost center for recording charges for services delivered or functions performed. Each activity has an assigned manager who is responsible for planning and conducting the various approved objectives or workload.

AMORTIZATION: (1) The portion of the cost of a limited-life or tangible asset charged as an expense during a particular period. (2) The reduction of a debt by regular payments of principal and interest sufficient to retire the debt by maturity.

APPROPRIATION: An authorization made by the legislative body of a government, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for one-year period.

ASSESSED VALUATION: A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSESSMENT: (1) The process of making the official valuation of property for taxation. (2) The valuation placed upon property as a result of this process.

ASSETS: Property owned by a government, which has a monetary value.

BALANCED BUDGET: A plan (Budget) setting forth the current proposed expenditures for given period and the proposed revenues being equal.

BOND: A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s)) along with periodic interest paid at specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

BUDGET: A plan setting forth the financial operations, embodying an estimate of proposed expenditures for given period and the proposed means of financing them with available resources.

BUDGET DOCUMENT: The official written statement prepared by the finance department staff, which presents the proposed budget to the legislative body.

BUDGET MESSAGE: A general discussion of the proposed budget presented in writing as part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and present recommendations made by the chief executive and designated budget officer.

CAPITAL ASSETS: Assets of significant value and having a useful life of several years.

CAPITAL IMPROVEMENTS BUDGET: A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget, which includes capital outlays. The capital budget normally is based on a capital improvement plan (CIP).

CRYSTAL LAKE FIRE PROTECTION DISTRICT: The City of Crystal Lake Fire Rescue Department services the unincorporated area of Crystal Lake with EMS and Fire Protection Services.

DELINQUENT TAXES: Taxes, which remain unpaid on and after the date on which a penalty for non-payment is attached.

DIVISION: An organizational unit within a department for purposes of administration and cost accounting.

EMS: Emergency Medical Services

ENTERPRISE FUND: (1) A fund established to account for operations financed and operated in a manner similar to private business enterprises. In this case, the governing body intends that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

EXPENDITURES: The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, intergovernmental grants, entitlement and shared revenues.

FINES & FORFEITS: A sum of money imposed or surrendered as a penalty.

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

FULL FAITH AND CREDIT: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE: The excess of a fund's assets over its liabilities, generally called a reserve. A negative fund balance is sometimes called a deficit.

GENERAL FUND: The fund used to account for all financial resources, except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS: When a government pledges its full faith and credit for the

repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds, which are to be repaid from taxes and other general revenues.

GENERAL OBLIGATION REVENUE BONDS: Intended to be paid first from the revenues of the enterprise fund. They are backed by the full faith, credit and taxing power of the City.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP): Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

G.I.S.: Geographic Information System

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): The authoritative accounting and financial reporting standard-setting body for government entities.

GOVERNMENTAL FUNDS: Funds used to account for the acquisition, use and balance of expendable financial resources and the related current liabilities-except those accounted for in proprietary funds and fiduciary funds. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

INFRASTRUCTURE: The basic facilities, equipment, services and installations needed for the growth and functioning of a community. Includes roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems.

INTERGOVERNMENTAL REVENUES: Revenues from other governments in the form of grants, entities, shared revenues or payments in lieu of taxes.

INTERNAL SERVICE FUND: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

LEGAL DEBT LIMIT: The maximum amount of outstanding gross or net debt legally permitted.

LEGAL DEBT MARGIN: The legal debt limit less outstanding debt subject to limitation.

LEGISLATIVE: Having the power to create laws.

LEVY: (1) (Verb) to impose taxes, special assessments or service charges for the support of government activities. (2) (Noun) The total amount of taxes, special assessments or service charges imposed by a government.

MARKET VALUE: An assessor's estimate of what property would be worth on the open market if sold. The market value is set each year before taxes are payable.

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues which should be accrued to reflect properly, the taxes levied and revenue earned.

MOTOR FUEL TAX: Intergovernmental revenue from the State to be used for maintenance and construction of the municipal street system. The money comes from the state gasoline tax and fees from motor vehicle registration.

MATURITIES: The dates on which the principal or stated value of investments or debt obligations mature and may be reclaimed.

OBJECTIVE: Serving as a goal; being the object of a course of action.

OPERATING BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenue estimates).

OPERATING EXPENSES: Proprietary fund expenses related directly to the fund's primary activities.

OPERATING TRANSFER: Routine and/or recurring transfers of assets between funds.

ORDINANCE: A formal legislative enactment by the government body of a municipality. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.

OTHER CHARGES: A level of budgetary appropriations which include expenses for outside professional services, advertising, insurance, utility costs, repairs maintenance and miscellaneous costs.

PERFORMANCE INDICATORS: A quantitative or qualitative measurement of activity.

PERSONAL SERVICES: A level of budgetary appropriations, which include expenses for salaries, wages, and related employee benefits such as the City's share of retirement and insurance.

POLICY: A set of guidelines used for making decisions.

PROGRAM: Group activities, operations or organizational units directed to attaining specific purposes or objectives.

PROPRIETARY FUNDS: Account for government's ongoing organizations and activities that are

similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable similar businesses in the private sector and the measurement focus is on determination of income, financial position and changes in financial position. Includes enterprise and internal service funds.

RESERVES: Assets kept back or saved for future use or special purpose.

RESIDUAL EQUITY TRANSFER: Non-recurring or non-routine transfers of assets between funds.

RETAINED EARNINGS: An equity account reflecting the accumulated earnings of the government's proprietary funds (those funds where service charges will recover costs of providing those services).

REVENUE: The term designates an increase to a fund's assets which:

- . does not increase a liability (e.g., proceeds from a loan)
- . does not represent a repayment of an expenditure already made
- . does not represent a cancellation of certain liabilities; and
- . does not represent an increase in contributed capital.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period typically, a future fiscal year.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL REVENUE FUND: A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

SUPPLIES: A level of budgetary appropriations, which include expenses for commodities that are used such as office supplies, operating supplies, repair and maintenance supplies.

TAX CAPACITY: A valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes. The assessor determines the estimated market (resale) value of the property. This value is converted by a formula per the County Assessor.

TAX RATE: The property tax rate that is based on the taxes levied as a proportion of the property value.

TAX LEVY: The total amount to be raised by general property taxes for the purposes stated in a resolution certified to the County Assessor.

TAXES: Compulsory charges levied by a government to finance services performed for the common benefit.

TRUTH IN TAXATION: The "taxation and notification law" which requires local governments to set estimated levies, inform taxpayers about the impacts, and hold a separate hearing to take taxpayer input.

VARIANCE: A relaxation of the terms of the zoning ordinance where such variance will not be contrary to the public interest and where, owing to conditions peculiar to the property and not the result of the actions of the applicant, a literal enforcement of the ordinance would result in unnecessary and undue hardship.

WORKLOADS: A measure of the services provided.

City of Crystal Lake
Annual Budget
Fiscal Year 2008/2009



ACCOUNT DESCRIPTIONS

ACCOUNT DESCRIPTIONS

Personal Services

54110 – Regular Salary

Includes salaries, wages or fees of all full-time employees, officials and officers of the City of Crystal Lake

54115 – Part-time Wages

Includes salaries, wages or fees of all part-time employees of the City of Crystal Lake

54150 – Overtime

Wages paid above regular salary for hours worked beyond standard required work schedule.

54195 – Pension Payments

Includes monthly payments to retired or disabled police and firefighter/paramedics or their survivors eligible to receive payments from their retirement funds

54200 – Group Insurance

Includes City's share of employee and dependent group term coverage

54301 – City Portion FICA Payments / Retirement Contribution

Includes City's share of FICA (Social Security) expense

54302 – City Portion IMRF Payments

Includes City's share of Intergovernmental Municipal Retirement Fund expense

54303 – City Portion Medicare Payments

Includes City's share of Medicare expense

Contractual Services

55010 – Professional

Includes payment to outside technical or professional advisors or consultants

55020 - Reimbursed Expenses

Include all amounts that are paid by the City of Crystal Lake and reimbursed by an outside agency. Exclude Grants and insurance reimbursements.

55030 – Legal

All costs related to legal services provided to the City

55040 – Annual Audit

Includes payment to outside Certified Public Accountants for annual or special audit of City

funds as required by law or direction of the City Council

55080 – Pest Control

Includes all payments to outside consultants, vendors or other governmental agencies for control or abatement of vermin, mosquitoes, moths etc.

55140 – Publishing

Includes all legal advertising, statutory publication expense and cost of miscellaneous publication

55160 – Postage and Freight

Includes mailing machine postage, out-going shipment charges, stamps, postcards, insurance and registration fees, pre-printed envelopes and postage dues. Incoming transportation charges are to be charged to the same classification as the cost of the materials or supplies received

55200 – Travel and Training

Includes transportation, mileage expense, meals, lodging and all necessary expenses incurred in performance of official duties. Also includes fees and expenses incurred for training courses, seminars, conferences, etc., relating to official duties

55210 – Automotive Repair

Includes costs of miscellaneous parts to maintain City automobiles

55220 – Dues and Subscriptions

Includes membership in technical and professional organizations and cost of subscribing to technical or professional publications, periodicals, bulletins or services from which the City will derive direct benefit

55240 – Insurance and Bonding

Includes cost of all types of insurance, insurance riders and fidelity bonds except employee group life and health insurance

55260 – Utilities

Includes costs of telephone, cellular phone, pagers, electricity, gas, heat fuel oil or propane for City buildings or installations

55270 – Animal Control

Includes cost of outside vendors or other governmental units for housing, feeding or humanely disposing of animals

55300 – Buildings and Offices

Includes costs of services including labor and materials performed by outside vendors for maintenance and repair of buildings, offices, garages and installations

55310 – Examinations

Includes all professional, laboratory or diagnostic fees paid to outside vendors for required examinations

55320 – Operating Equipment

Includes costs of services including labor and materials performed by outside vendors for maintenance and repair of all operating equipment; tractors, mowers, sweepers, automobiles, trucks, shop and plant equipment, traffic signals, instruments of all types, air conditioning equipment and minor apparatus and tools

55340 – Office Equipment

Includes the costs of maintaining and repairing office equipment including computers, office machines, and furniture including labor and materials performed by outside vendors. Also includes service contracts

55350 – Clothing Rental

Includes expense of rental clothing

55360 – Radio Equipment

Includes costs of services including labor and materials performed by outside vendors for maintenance and repair of car radio receivers, paging equipment, control consoles and antenna tower, portable radios either by call or service contract

55390 – Sidewalks

Includes costs of services, including labor and materials, performed by outside vendors for maintenance and repair of sidewalks. New or major replacement should be charged to account 57080

55400 – Storm Sewers

Includes costs of services, including labor and materials performed by outside vendors for maintenance and repair of storm sewers

55410 – Street Lights

Includes costs of services, including labor and materials, performed by outside vendors for maintenance and repair of streetlights. Also includes monthly service charge fee paid to outside vendors for street lights

55420 – Plant Maintenance

Includes costs of services, including labor and materials, performed by outside vendors for maintenance and repair of utility plants and equipment

55440 – Lines and Systems

Includes costs of services, including labor and materials, performed by outside vendors for maintenance and repair of water and sewer lines, interceptors, force mains, valves and valve vaults and lift stations

55460 – Fire Hydrants

Includes costs of services, including labor and materials, performed by outside vendors for maintenance and repair of fire hydrants

55550 – Employee Programs

Includes costs of employee recognition supplies and activities

55630 – State Filing Fees

Includes annual compliance fees for police and fire pension funds

55640 Tree Removal

Includes costs of services, including labor and materials, performed by outside vendors for tree and stump removal. Does not include costs included in Account 57080.

55660 – Tree Planting

Includes costs of services, including labor and materials, performed by outside vendors for tree planting, watering and fertilizing. Does not include costs in 56030 or 57080.

55680 – Rental Building or Equipment

Includes all rental costs of buildings and equipment. Does not include costs in Accounts 55240, 55260 and 55300 unless it is a part of the rental

55690 – Land Rental

Includes all rental costs of vacant land, parking lots, driveways, streets, roadways and easements

55750 – Para Transit Services

Includes the City's portion of costs for the Dial-A-Ride program through the Regional Transportation Agency

55890 – Contingent

Provides for unforeseen emergencies

55980 – Debt Collection

Includes costs of services, including labor and materials, performed by outside vendors in collecting debts due.

Supplies and Materials

56000 – Office Supplies

Includes all supplies necessary for the operation of an office: copy paper, writing utensils, staples, etc. Does not include postage or pre-stamped envelopes, charges for stationary, printing and miscellaneous.

56020 – Cleaning Supplies

Includes all cleaning supplies such as brooms, mops, brushes, solvents, soap, disinfectants, deodorizers, etc.

56030 – Landscape Materials

Includes materials such as grass seed, sod and plant materials including trees.

56040 – Motor Fuel and Lubricants

Includes gasoline, motor oil, diesel fuel and other fuels and lubricants for cars, trucks, heavy equipment, etc.

56050 – Computer Hardware & Software

Includes all costs of computer hardware and software including printers, yearly maintenance and software updates/upgrades.

56060 – Small Supplies and Equipment

Includes all supplies and equipment of small unit value below the capitalization threshold of \$5,000 (per item) and subject to either loss or rapid deterioration. Includes all hand tools, supplies and equipment used by mechanics, laborers, maintenance men, etc.

56070 – Automotive Supplies and Materials

Includes cost of materials and supplies used for maintenance and repair of automobiles, trucks and other heavy equipment.

56080 – Public Works Materials

Includes all bituminous patching material, cement, sand, gravel, street paint, etc.

56120 – Clothing

Includes clothing allowance City personnel

56140 – Water Meters and Parts

Includes costs of water meters and parts for maintenance and repair of water meters

56150 – Fire Hydrants and Parts

Includes costs of fire hydrants all parts for maintenance and repair of fire hydrants

56160 – Salt

Includes cost of water softener and ice control salt

56170 – Chemicals and Sealants

Includes all chemicals for treatment of water and sewer lines, system and installation maintenance

56180 – Laboratory Supplies

Includes all laboratory supplies below the capitalization threshold of \$5,000 (per item), such as petrie dishes, flasks, slides, automatic sampling parts, analytical reagents, etc. Excludes Account 57160

56220 – Water Tap Materials

Includes costs of materials such as copper tubing, corporation codes, buffalo boxes and pressure fittings, etc., used in water taps

56230 – Street Signs

Includes costs to purchase new and replacement street signs.

56320 – Operating Supplies

Includes cost of materials and supplies used for in-house maintenance and repair of operating equipment.

56420 – Plant Maintenance

Includes cost of materials and supplies, performed in-house, for maintenance and repair of utility plants and equipment.

56950 – Stationery and Printing

Includes all costs for printing, binding, photography, blue printing and microfilming services by outside vendors including City letterhead and return-address labels and envelopes

Capital Outlay, account series 57000:

Capital Outlay includes the purchase of all real property such as land, buildings, machinery and equipment which benefit the current and future fiscal periods. Capital Outlay would include the purchase of all items which meet the following criteria:

Must have an estimated useful life of more than one year;

Must be capable of being permanently identified as an individual unit of property

Must belong to one of the general classes of property, which are considered as fixed assets in accordance with generally accepted accounting practices. Fixed assets are defined as items of more or less permanent property necessary to the operation of an enterprise. As a general rule, an item, which meets the first two requirements and has a unit cost of \$10,000 (per item) or more, should be classified as Capital Outlay.

57000 – Buildings

Includes the construction or acquisition of permanent structures

57020 – Office Equipment

Includes computers and or/machines and furniture

57030 – Automotive Equipment

Includes automobiles and trucks and necessary equipment/alterations if purchased with a new vehicle.

57040 – Operating Equipment

Includes all machinery and equipment not included in Accounts 57020, 57030 and 57160.

57050 – Public Works Improvement

Includes costs for the extension of utilities to approved sites

57080 – Streets

Includes construction costs of streets, parking lots, sidewalks, bridges, curbs, gutters, culverts, storm sanitary sewers, dry wells, airport runways and aprons, water lines, lighting systems, permanent signs, etc.

57100 – System Improvement

Includes construction and acquisition costs of water, sewer and storm sewer lines, manholes, lift stations, valve vaults, etc.

57120 – Land

Includes the cost of land, construction easements, permanent easements, legal and survey fees

57160 – Departmental Equipment

Includes only those items, which are unique to a particular department such as automotive testing equipment, microscopes, automatic sampling devices, etc.

City of Crystal Lake
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Fiscal Year 2008/2009



APPENDICES

FINANCIAL POLICIES

The Mayor and City Council have established policies to give overall direction to the staff in managing the City's finances. The following lists and explains both the City's long term policies and recent resolutions governing revenues, expenditures, fund balances investments, capital improvements, debt management and budgeting. An item listed under a long-term policy identifies an action, which shows further progress toward meeting the long-term policy objective.

Revenue policies define which revenues are to be used and on what basis they should be recognized in the Budget:

- 1) The City will attempt to maintain a diversified and stable revenue system.
 - Utilize to the greatest extent possible revenues that are stable or grow in tandem with costs of operations.
 - The City will establish user charges and fees directly related to the cost of providing the service.
 - The City will review fees and charges annually.
- 2) Charge fees that reflect the full cost of providing services for general operations and Enterprise Funds (Water, Sewer, & Wastewater).
 - Utility fees for water, sewer, and wastewater are matched to the cost of providing these services.
 - Water and Sewer rates approximately equal operating expenses.
 - Water and Sewer revenues are first used to defray costs for effective and efficient operation of the utility systems; monies accumulated in excess of operations costs are to be used for replacement and repair of those systems as needed.
- 3) Use cash basis of accounting for budgetary purposes.
- 4) Use trend analysis to support projected revenue increases or decreases.

The City used the following trend analyses in projecting revenues:

- State of Illinois employment rates
- City Hotel Tax receipts
- City Real Estate development patterns
- Sales Tax collections
- Investment rate of return performance
- Consumer Price Index
- Hotel Operators Tax - All hotels/motels pay a 5.0% tax on their gross rental receipts. There are seven payers of this tax in the City. The City collects this tax

as a home rule authority. Revenues from this tax are allocated by City Council for support of activities that draw visitors to the City of Crystal Lake.

Expenditure policies define how expenditures are budgeted:

- 1) Expenditures are generally equal to revenues unless specific Council action is being taken to increase or reduce cash balances (i.e. a planned capital purchases, or projects benefiting the City over several years).
- 2) Review staff levels throughout the year and submit formal requests for changes in staffing during the budget process.
- 3) Fulfill Goals as outlined in the annual budget documents.
 - To provide high quality services at a reasonable cost by comparing the City with similar communities throughout the budget process. The City regularly compares its expenditures with those of other communities by responding to and distributing specific issue surveys. The information collected is used in preparing the Budget Plan and establishing department goals.
- 4) Competitively compensate employees, recognizing that a well-trained and experienced work force is a vital component of providing high quality services at a reasonable cost.
- 5) Utilize the City Manager's recommendations regarding appropriate staffing for the City departments in the budget process. The City Manager will establish an understanding of departmental needs, quality of service and the financial implications of staffing options.
 - Departments discussed staffing needs and recommendations with the City Manager, Director of Human Resources and the Director of Finance throughout the developmental stage of the budget process, September through March each year.
- 6) Apply cost accounting practices to provide better accountability of City expenditures and their association with funding sources.

Reserve Policies impact budgeted expenditures by defining targeted fund balances for the end of the Fiscal Year:

- 1) Target and maintain an appropriate balance for each fund.
 - The Fiscal Year Projected Changes in Fund Balance in the presented Operating Budget indicates that City funds are in a targeted range.
- 2) Annually prepare a budget forecast in an attempt to identify strengths and weaknesses in the use of undesignated balances in future years.
 - A Five-Year Financial Plan was presented to City Council in November 2007.

Cash Management determines the budgeted revenue stream and investment earnings by defining the parameters within which the City will invest cash. The City's Investment Policy Resolution # 07-R-32, which is the authoritative guide for City investment activities (excluding the Fire Pension Funds, Library Funds and Police Pension Funds, whose investments are governed by the Board of Trustees of each respective fund).

- 1) The City will assess its fund balance in all the funds on an annual basis based on current and anticipated needs.
- 2) The primary objective is to preserve safety of the investment principal.
- 3) Diversification of investments is foremost in guaranteeing asset safety.
- 4) The City investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which may be reasonably anticipated in any City fund.
- 5) Return on Investments is secondary importance to safety and liquidity of assets.
- 6) Limit risk

Capital Improvements Policies explain how capital requests are made and incorporated into the Budget:

- 1) Annually update budget for Capital items.
 - The annual budget process will include the discussion and review of proposed capital acquisitions at several levels. The Mayor, Council members, and the City Manager discuss the City infrastructure and developmental needs. During the formal budget process, the Department Directors submit request forms to the Finance Department. The City Manager and Director of Finance review these forms with department heads. The entire Capital Plan is reviewed in the context of the budget to ensure that adequate funding will be available before presenting it to the Council for consideration.
- 2) Revenue streams are matched to Capital outlays.
- 3) Incorporate planned capital improvement projects for the current year into the Budget.
 - Those capital improvements that met the Council's direction are included in the Fiscal Year Budget.

Debt Management policies indicate when it is appropriate or desirable to issue debt:

- 1) The City will not issue notes or bonds to finance operating deficits.
- 2) The City will levy as tax sufficient to retire general obligation debt. Taxes will be abated for general obligation debt where an alternate revenue source is pledged and realized.

- 3) The City will maintain a General Fund Balance, which approximates six months of operating expenditures.
- 4) The City will limit General Obligation Debt supported by property taxes to 3% of the City's E.A.V. per capita. The 2006 E.A.V. is \$1,293,461,679. The City population is estimated at 41,618. Therefore, the maximum limit is \$932.38 per capita.
- 5) The City will limit the amount of self-supporting debt to 2% of the City's E.A.V.

Budgeting policies explain the framework from which the Budget is prepared and communicated:

- 1) An open, well-communicated budget process.
 - The budget process and documents are available for public use and all meetings are open to the public.
 - A Public Hearing is scheduled for April specifically to review the proposed Budget.
 - A Truth in Taxation Hearing is scheduled for December each year.
 - Public notice is given in the newspapers, as required by State Statute.
- 2) Use prevailing governmental accounting standards.
 - An outside accounting firm audits the City's financial statements annually. Also, other outside agencies audit the City's record keeping of grants and Motor Fuel Tax Allotments.
 - Since 1989 the City's audits have met the GFOA's standards for excellence in financial reporting, which evaluates acceptable accounting practices.

CITY OF CRYSTAL LAKE, ILLINOIS
DEMOGRAPHIC STATISTICS

Fiscal Year	Population
1997	34,000 (1)
1998	34,401 (2)
1999	35,000 (1)
2000	36,500 (1)
2001	38,000 (3)
2002	39,300 (1)
2003	40,000 (1)
2004	41,000 (1)
2005	39,788 (2)
2006	40,328 (1)
2007	41,618 (1)

- (1) Estimate
- (2) Special Census
- (3) 2000 Census

CITY OF CRYSTAL LAKE, ILLINOIS

Miscellaneous Statistics

Date of incorporation	1914
Form of government	Council/Manager
Fiscal year	May 1 to April 30
Area (square miles)	18.8
Miles of Streets	175
Fire Protection	
Number of Stations	3
Number of fire department personnel and officers	70
Police Protection	
Number of Stations	1
Number of police personnel and officers	92
Municipal water:	
Miles of water mains	190
Daily average consumption (gallons)	4,822,000
Sewer System:	
Number of Treatment Plants	2
Daily average treatment (gallons)	4,700,000
Street Lights	1996
Traffic Signals	29

CITY OF CRYSTAL LAKE
FISCAL YEAR 2008-09 BUDGET CYCLE

Friday, August 17, 2007 Saturday, August 18, 2007	Strategic Planning Session
Wednesday, August 22, 2007	Departmental Strategic Action Plan discussion
Thursday, August 23, 2007	Fire Rescue Department to begin budget preparations
Wednesday, September 19, 2007	Draft Action Plan, Five Year Financial Plan and Five Year Capital Plan distributed to Ehlers for third party verification
Friday, September 21, 2007	Fire Rescue Department Budget due
Tuesday, October 2, 2007	Mid-year financial review instructions distributed to all Departments
Week of October 22, 2007	Departmental mid-year financial review
Wednesday, October 31, 2007	City Council mid-year financial packet sent 1) discussing mid-year financial review, and 2) outlining potential 2007 Tax Levy.
Monday, November 5, 2007	Distribute Hotel/Motel Tax application instructions
Monday, November 5, 2007	Budget instructions and worksheets distributed to all Departments
Tuesday, November 13, 2007	City Council Mid-Year Financial Review and Five Year Financial Plan and Five Year Capital Plan Presentation
Tuesday, November 20, 2007	City Council approval of tax levy determination, per Truth in Taxation requirements, which is required to be approved 20 days prior to tax levy ordinance approval
Saturday, December 8, 2007	Publish Truth in Taxation notice (notice to be published 7-14 days prior to public hearing)
Tuesday, December 18, 2007	Public Hearing and Adopt 2007 Tax Levy
Monday, December 17, 2007	Hotel/Motel Tax Applications Due
Thursday, December 20, 2007	Tax Levy must be filed with County Clerk by last Tuesday in December

Friday, January 3, 2008	All Budget requests due
Tuesday, January 8, 2008	Hotel/Motel Tax Application Workshop
Wednesday, January 16, 2008	Publish Notice of Budget Workshop and Public Hearing
Friday, February 29, 2008	Distribute proposed Budget to City Council
Week of February 25, 2008	Finalize presentations for Budget Workshop
Saturday, March 1, 2008	Publish Notice of Budget Workshop
Tuesday, March 11, 2008	Conduct Budget Workshop
Tuesday, March 18, 2008	Council approval of public display of tentative budget and publication of notice of public display of tentative budget
Tuesday, April 1, 2008	Budget Public Hearing and adoption of 2008-09 City Budget and salary ordinance revision
Wednesday, April 23, 2008	Send Copy of Budget to County Clerk

Revenue Descriptions

REVENUES - BY TYPE

Property Tax – The City levies a property tax, without referendum approval. The City currently has no Corporate Property tax. Property taxes are levied as permissible under McHenry County in the respective areas.

Ad valorem (based on value) taxes are a mainstay of financing for local governments. Ad valorem taxes may be levied against real property. Other kinds of taxes are interest and penalties on delinquent taxes.

Sales Tax – A 1.0% tax on merchandise purchased, this tax is collected by the State of Illinois and remitted to the City of Crystal Lake on a monthly basis. An additional Home Rule Sales Tax can be implemented under Illinois Home Rule Authority of up to 1.0%.

State Income Tax – A tax on wages by the State of Illinois. This tax is collected by the State of Illinois and remitted to the City of Crystal Lake on a monthly basis.

Cable Franchise Fees - Fees collected for operating cable services within the City must pay a franchise fee in return for the right to do business within the City.

Telecommunication Tax – The City, by ordinance, imposes on telecommunication services within the City of Crystal Lake. The State of Illinois collects this tax and remits it monthly.

Building Permits – The City Code based on various activities generates revenues based on the issuance of permits. Current activity largely comprises of new construction, home remodeling and expansions. Local indicators, such as new construction, are an important factor that relates directly to the budgeted estimated revenues for building permits fees and recording and conveyance fees (primarily property transfer documents).

Zoning Fees - Based on the City Code of Ordinances and requests for changes to the ordinance classifications.

Miscellaneous Grants - These grants mostly pertain to public safety issues. Funds are derived from Federal, State and County Programs.

User Charges - Charges made for such services as extra police protection for a special event, fire inspection fees, to name a few.

Fines – Fine revenue resulting from library late fees and citations issued by law enforcement and code enforcement officers.

Miscellaneous – This classification comprises income from sources that are not otherwise classified, and includes such items as the sale of surplus equipment, and contributions.

Sewer Fees – City charges for these services for the collection of all sewer use charges used to partially defray the operating expenditures related to sewer use.

Undesignated Fund Balance - The Undesignated Balance of the General Fund represents net liquid assets available for appropriation. In laymen's terms, Undesignated Fund Balance represents available surplus cash.