**Agenda Item No: 10a**

**City Council**
**Agenda Supplement**

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**Meeting Date:** April 15, 2014

**Item:** Doherty Properties Annexation Public Hearing Continuation

Patrick Doherty, petitioner

**Recommendation:** Motion to continue the petitioner's request to the June 17, 2014, City Council meeting for the Annexation Public Hearing.

**Staff Contact:** James Richter II, Planning & Economic Development Manager

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**Background:** The petitioner is requesting annexation of four parcels that total approximately 2.5 acres, located north and south of Route 176, east of Route 31. The parcels are improved and unimproved, with Discount Flooring Warehouse, commercial buildings and a vacant parcel.

City staff and the petitioner are finalizing details concerning recapture and utility locations. In addition, there are garage additions and storage buildings that are being designed for two of the parcels and the petitioner would like to have these details finalized before annexation. Due to these reasons, the petitioner respectfully requests that this matter be continued to the June 17, 2014, City Council meeting for the Annexation Public Hearing.

**Votes Required to Pass:** A simple majority vote.

**Agenda Item No: 10b**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** #2013-60 8611 Huntley Road (Lapetina) - Annexation Referral

Joseph & Elaine Lapetina, petitioners

**Recommendation:** Motion to refer the petitioner's request to the May 7, 2014, Planning & Zoning Commission meeting for zoning consideration and to the May 20, 2014, City Council meeting for the annexation public hearing.

**Staff Contact:** James Richter II, Planning & Economic Development Manager

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**Background:** On September 3, 2013, the City Council reviewed a request from the petitioner regarding a potential annexation of the subject property at the southwest corner or Huntley and Ackman Roads. The City Council asked many questions of the petitioner and of staff regarding the affects of annexation on the City (meeting minutes attached). While there was no formal vote regarding the matter, there was a general consensus from the City Council that this request could proceed through the annexation process.

The property is currently improved with a residence, an outbuilding for cold storage, an outside storage area for campers, boats and trailers and two cellular towers. The property is zoned "A1" Agriculture in the County. Per the County's Zoning Ordinance, several different uses such as single family dwellings, kennels, stables, grain elevators and asphalt/concrete facilities are permitted by right and as conditional uses within the A-1 district. The County's 2030 Comprehensive Plan delineates this property as Residential. Per the Boundary Line Agreement between the Village of Lakewood and the City of Crystal Lake, this property would have to annex into Crystal Lake.

The petitioner had previously sought annexation into the City in 2005. At that time, the request was denied by the City Council. Some of the key concerns identified during the public hearing were:

- The requested "B-2 Highway Service" zone without a specific plan for the property;
- The petitioner's concern with the requirement to dedicate right-of-way along Huntley Road;

- Concerns expressed by the Council regarding waiver of the annexation fees (as the property was not then commercial) and term of the annexation agreement;
- Concerns expressed by the PZC and Council about the storage (indoor and outdoor) on the property;
- Concerns by the petitioner with the requirement to pave the property within 5 years.

The property owner has indicated that they are willing to dedicate right-of-way along Huntley Road at this time and would like to seek annexation along with an initial zoning classification of "B-2" General Commercial. The property owner would also request a Special Use Permit to allow continued use of the residence, cold storage and outside storage along with a landscape products facility. **The property owner would exclude the portion of the property where the cellular towers are located.** The Crystal Lake 2030 Comprehensive Plan designates this property as Estate Residential and the request would require a Comprehensive Plan Amendment.

Since 2005, there has been a change in the use landscape along Ackman Road. The commercial development (Lou Malnati's Pizzeria, strip retail and Chesterbrook Academy) at Redtail Drive and Ackman Road has since been built and the Village of Lakewood is actively marketing the property at the northwest corner of Redtail Drive and Ackman Road for a gasoline service station. The future land use plan for the Village of Lake in the Hills also designates the properties on the south side of Ackman Road across from this property and west to Lakewood Road as Commercial.

Upon annexation, the property will be subject to the property maintenance regulations of the City. Furthermore, any future commercial development will be consistent with the City's vision for this corner and annexing the property into the City will ensure that property is developed to City standards.

Over the past several years the City has received complaints regarding grass, weeds, and the overall condition of the property. Since it was outside of our jurisdiction, all complaints were forwarded to the McHenry County Community Development Department. The County had, in 2005, issued a citation to the property owner because several different businesses were operating out of the location and for building code violations as agricultural buildings were used for other uses. The County did not pursue further action as, per the property owner they believed the property to be annexed into the City. Following some complaints they received recently, they are now pursuing the matter with the property owner.

The petitioner respectfully requests that this matter be referred to the May 7, 2014, Planning & Zoning Commission meeting for zoning consideration and the May 20, 2014, City Council meeting for the annexation public hearing.

**Votes Required to Pass:** A simple majority vote.

**Agenda Item No: 11**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** Immanuel Lutheran Church – Request to temporarily suspend no-parking restrictions

**Staff Recommendation:** Motion to temporarily suspend no-parking restrictions on the north side of Teckler Boulevard (north of "Jewel" entrance to east termini) for Immanuel Lutheran's Easter services on Sunday, April 20, 2014. All other applicable parking codes remain in force.

**Staff Contact:** Brad Mitchell, Assistant to the City Manager

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## Background:

Immanuel Lutheran Church is requesting to temporarily suspend no-parking restrictions on the north side of Teckler Boulevard (north of "Jewel" entrance to east termini) for Easter services on Sunday, April 20, 2014. The service hours are at 8:00 a.m., 9:45 a.m., and 11:00 a.m. Immanuel Lutheran is anticipating larger attendance for these services. All other applicable parking codes remain in force. A similar request to temporarily suspend no-parking restrictions was approved by the City Council in July 2011.

City staff reviewed the petitioner's request and have the following comments:

- Parking is not allowed on both sides Teckler Boulevard according to Sections D103.1 and D103.6.2 of the City's Fire Code. The street width of Teckler Boulevard would allow for temporary parking on one side of the street. Allowing parking on both sides would reduce the minimum required width of the fire apparatus access road and the Fire Rescue Department's ability to access the area for an emergency incident. In addition, the fire hydrants are located on the south side of Teckler Boulevard. Therefore, City staff recommends that the temporary parking restriction suspension only apply to the north side of Teckler Boulevard.
- Support of temporarily suspending parking restrictions on Teckler Boulevard is limited to this request given that the street is currently a "dead end" and does not serve any other businesses or occupied lots. Future requests should not be

approved after Teckler Boulevard is extended to Main Street, as this would be a collector route leading directly to Route 14.

- Parking along the rear service drive behind "Jewel" and "Hobby Lobby" is prohibited (currently signed no parking for the fire lanes).
- Parking should be avoided in the last 25' on the north side of Teckler Boulevard at the east termini to leave room to access the small temporary turnaround "hammerhead" to avoid vehicles having to drive in reverse several hundred feet due to the dead-end.

A map has been attached for City Council consideration.

**Votes Required to Pass:**

Simple majority vote of the City Council

**Agenda Item No: 12**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** Sign Variation to allow a free-standing sign 1-foot from the property line for Ralph Helm at 7402 Teckler Boulevard.

**Staff Recommendation:** City Council Discretion:

A. Motion to approve an ordinance with the recommended conditions for the variation as requested.

B. Motion to deny the variation request.

**Staff Contact:** James Richter II, Planning and Economic Development Manager

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## Background:

- Existing Use: Ralph Helm Inc. is located on the property. A new free-standing sign is proposed. The petitioner is requesting the variation so as to not impede upon an existing swale for drainage on the property.

## Key Factors:

- Request: The petitioner is requesting a variation from Section 4-1000 C 5 in the UDO from the required 10-foot setback from the property line to allow a 1-foot setback along the front yard setback along Commercial Road.
- Hardship: There is an existing swale on the property as shown on the attached Exhibit 1.
- UDO Standard: The UDO requires a minimum 10-foot setback from all property lines.
- Analysis: The following table illustrates the proposed sign versus the ordinance requirement.

| Item | UDO Standard | Proposed Signage | Variation |
|---|---|---|---|
| Quantity | 1 per lot | 1 per lot | No |
| Height | 6 feet | 6 feet | No |
| Base Width | Min. 80% of sign width | 80% of sign width | No |
| Total Sign Area | 32 square feet | 32 square feet | No |
| Setback | Min. 10 feet from the property line | 1-foot setback from the property line | Yes, Variation of 9 feet |

**Review Criteria:**

The City Council can grant a variation from the requirements of the Ordinance to overcome an exceptional condition which poses practical difficulty or particular hardship in such a way as to prevent the display of a sign as intended by the Ordinance and where the following standards are met:

1. The proposed variation will not serve merely as a convenience, but alleviate some demonstrable and unusual hardship.
2. The proposed variation will not be materially detrimental to the public welfare or injurious to other property or improvements in the neighborhood. The proposed variation will not by itself, or with other signs, contribute to the creation of a visual distraction which may lead to personal injury or a substantial reduction in the value of the property.
3. The proposed variation is in harmony with the intent, purpose and objectives of the Ordinance.

**Recommended Conditions:**

1. Approved plan, to reflect staff and advisory board comments, as approved by the City Council:
   A. Application (Hughes Signs, received 03/28/14)
   B. Sign Plan (Hughes Signs, dated 03/27/14, received 03/28/14)

2. The sign shall be located where staked per Exhibit 1.

3. Any disturbed or removed landscape materials shall be replaced.

4. The petitioner shall comply with all of the requirements of the Community Development and Public Works Departments.

**Votes Required to Pass:** A simple majority vote.

DRAFT

ORDINANCE NO. _____
FILE NO. _____

AN ORDINANCE GRANTING A SIGN VARIATION FOR
RALPH HELM INC., 7402 TECKLER BOULEVARD

WHEREAS, pursuant to the terms of the request (File #2014-04-B) before the City of Crystal Lake, the Petitioner has requested a sign variation to allow a free-standing sign 1 foot from the property line for Ralph Helm Inc.; and

WHEREAS, a hearing of the request was held before the City of Crystal Lake City Council in the manner and in the form as prescribed by Ordinance and Statute; and

WHEREAS, as a result of said hearing, the City Council made a motion to approve the sign variation as requested; and

WHEREAS, it is in the best interests of the City of Crystal Lake that the sign variation be granted as requested,

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

SECTION I: That a sign variation be granted to allow free-standing sign 1 foot from the property line for Ralph Helm Inc. located at 7402 Teckler Boulevard, Crystal Lake, Illinois with the following conditions:

1. Approved plan, to reflect staff and advisory board comments, as approved by the City Council:
   A. Application (Hughes Signs, received 03/28/14)
   B. Sign Plan (Hughes Signs, dated 03/27/14, received 03/28/14)

2. Provide a current plat of survey showing the accurate property lines and dimension the location of the sign on this plat of survey.

3. The petitioner shall comply with all of the requirements of the Community Development and Public Works Departments.

SECTION II: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the granting of Variations in accordance with the provisions of this Ordinance, as provided by law.

SECTION III: That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

DRAFT

DATED at Crystal Lake, Illinois, this _____ day of _____, _____.

_____
MAYOR

ATTEST:

_____
CITY CLERK

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

**Agenda Item No: 13**

# City Council
# Agenda Supplement

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|---|---|
| **Meeting Date:** | April 15, 2014 |
| **Item:** | REPORT OF THE PLANNING & ZONING COMMISSION<br><br>#2014-14 Banquet Puebla |
| **Request:** | Special Use Permit to allow a Banquet Hall. |
| **Petitioner:** | Alfredo Osorio, petitioner<br>22 Crystal Lake Plaza |
| **PZC Recommendation:** | To approve the petitioner's request and adopt an ordinance granting an SUP for a Banquet Hall for Banquet Puebla at 22 Crystal Lake Plaza. |
| **Staff Contact:** | James Richter II, Planning and Economic Development Manager |

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**Background:**

- Existing Use: The tenant space is currently vacant.

**Key Factors:**

- Request: A Special Use Permit to allow a Banquet Hall. Banquet Halls are allowed as a Limited Use provided they can meet the standards. The petitioner cannot meet the requirement to construct a covered loading area as it would not fit with the layout of the Plaza and traffic circulation. This requires the petitioner to request the Special Use Permit.

**PZC Highlights:**

- The PZC was in favor of the use and had some minor questions about the food preparation and noise levels.
- The PZC reviewed the Findings of Fact and felt that the petition met the requirements.

The PZC recommended **approval (6-0)** of the petitioner's request for a Special Use Permit to allow a Banquet Hall with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
   A. Application (Anavelia Aguilera, received 03/18/14)

B. Floor Plan (Aguilera, received 3/18/14)

2. The maximum number of seats shall not exceed 198 seats.

3. The petitioner/location manager shall encourage all guests to park their vehicles and not stop to unload in the drive-aisle to avoid backups in the center. The petitioner shall work with the center owner to install "no stopping," or "no loading" signs in front of this tenant space.

4. The petitioner shall address all of the review comments and requirements of the Community Development, Fire Rescue, and Public Works Departments.

**Votes Required to Pass:** A simple majority vote.

DRAFT

ORDINANCE NO. _____
FILE NO. _____

AN ORDINANCE GRANTING A SPECIAL USE PERMIT
AT 22 CRYSTAL LAKE PLAZA

WHEREAS, pursuant to the terms of a Petition (File #2014-14) before the Crystal Lake Planning and Zoning Commission, the Petitioner has requested the issuance of a Special Use Permit to allow a Banquet Hall for the property located at 22 Crystal Lake Plaza; and

WHEREAS, it is in the best interests of the CITY OF CRYSTAL LAKE that the Special Use Permit be issued as requested in said Petition.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

Section I: That a Special Use Permit be issued to allow a Banquet Hall for the property commonly known as 22 Crystal Lake Plaza (14-33-277-010), Crystal Lake, Illinois.

Section II: Said Special Use is issued with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:

   A. Application (Anavelia Aguilera, received 03/18/14)
   B. Floor Plan (Aguilera, received 3/18/14)

2. The maximum number of seats shall not exceed 198 seats.

3. The petitioner/location manager shall encourage all guests to park their vehicles and not stop to unload in the drive-aisle to avoid backups in the center. The petitioner shall work with the center owner to install, "no stopping," or "no loading" signs in front of this tenant space.

4. The petitioner shall address all of the review comments and requirements of the Community Development, Fire Rescue, and Public Works Departments.

Section III: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the issuance of a Special Use Permit in accordance with the provisions of this Ordinance, as provided by law.

Section IV: That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

DRAFT

DATED at Crystal Lake, Illinois, this _____ day of _____, _____.

_____
MAYOR

ATTEST:

_____
CITY CLERK

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

**Agenda Item No: 14**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** REPORT OF THE PLANNING & ZONING COMMISSION

#2014-10 Anderson Motors – 5213 Northwest Highway

1) Variation from Article 4-1000 Signs of the UDO to allow two free-standing signs;
2) Variation from Article 4-1000 Signs to allow the free-standing sign #1 to be 14'-8" tall and a variation to allow the sign base to be less than 80% of the sign width;
3) Special Use Permit to allow an electronic message center sign # 2 in the "B-2" General Commercial district;
4) Variations from the Special Use Criteria for electronic message center signs including sign area, sign height (14'-9"), LED color (Red) and to allow the sign base to be less than 80% of the sign width;
5) Variation from Article 4-1000 Signs, to allow the signs to be located closer than 10 feet (#1 at 4.8 feet and #2 at 7.5 feet) to the property line.

Paul Vance, Anderson VW, petitioner
Penny Hughes, Hughes Signs, petitioner

**PZC Recommendation:** Motion to approve the Planning and Zoning Commission recommendation and adopt an ordinance granting a Special Use Permit and Variations for signage at 5213 Northwest Highway.

**Staff Contact:** James Richter II, Planning and Economic Development Manager

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**Background:**

- Development: Anderson Volkswagen, 5213 Northwest Highway
- Request: Special Use Permit and Variations for an Electronic Message Center Sign and secondary free-standing sign that would be relocated from the Route 31 dealership.

**Land Use Analysis:**

- Details: The petitioner would like to install two free-standing signs at this location. One sign (#1) is the existing free-standing sign at the current Volkswagen location on Route 31. The sign is 14 feet 8 inches in height and 10 square feet in area. The sign will be set back 4.8 feet from the property line. Variations from the maximum allowable height of 9 feet and required setback of 10 feet are required. A Variation is also needed as the sign base is less than 80% of the sign width.

  The other sign (#2) is an electronic message center sign. The UDO permits one free-standing sign that is 80 square feet in area and 9 feet tall for commercial properties. The sign is proposed to be 14 feet 9 inches tall and approximately 40.85 square feet in area. The sign will be located 7.5 feet from the property line. The sign does not meet some of the criteria for electronic message center signs, which are detailed later in the report. A summary chart with details of the signage for other car dealerships within the City is attached.

***PZC* Highlights**

- The Planning and Zoning Commission generally had no concerns with the proposed request, but felt that they didn't want to deviate from the amber or white illumination requirements, as opposed to the red illumination that is being proposed. The PZC felt that the petitioner met the Findings of Fact and recommended **approval (5-1)** of the request.

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
   A. Application, Volkswagen of Crystal Lake, received 2-21-14
   B. Site/ Sign Plan Sheet, Roake, received 3-10-14
   C. Sign Details, Simon, dated 2-21-14

2. A Special Use Permit to allow an electronic message center sign at this location is hereby granted.

3. Variations
   A. A variation to allow two free-standing signs at this location is hereby granted.
   B. A variation from the required minimum setback of 10 feet to allow signs to be located at 4.8 feet and 7.5 feet is hereby granted.
   C. A variation to allow the signs to be 14 feet 8 inches tall and 14 feet 9 inches tall is hereby granted.
   D. Variations to approve both free standing-signs with the sign base less than 80 percent of the sign width is hereby granted.
   E. Variations from the criteria for electronic message center signs as listed in this report are hereby granted.

4. Landscaping meeting the provisions of the Ordinance shall be provided at the base of both free-standing signs.

5. A Municipal Utility Maintenance Agreement (MUMA) must be executed between the applicant and the City as (City) utilities run along the front of the property along Northwest Highway. If the City requires work on the underlying utilities and the signs have to be

removed and/or are damaged, the sign owner is responsible for the repair/replacement of the signs.

6. Electronic Message Center Sign
   A. The sign structure must use materials or architectural elements from the principal structure on site.
   B. The EMC unit must be equipped with both a programmed dimming sequence as well as an additional overriding mechanical photocell that adjusts the brightness of the display to the ambient light at all times of day. Such programming and mechanical equipment shall be set so that the EMC, at night or in overcast conditions, will be no more than 40% of the daytime brightness level.
   C. The EMC unit must have the "flash" feature disabled and messages shall have a 5-minute "hold" time.
   D. The messages displayed on the EMC can transition from one message to another only by fading or dissolving to black with another message appearing immediately thereafter, without movement or other transition effects between messages.
   E. All messages displayed on the EMC must be static and cannot reflect movement, flashing, scrolling or changes in shape or size of messages or portions of messages. Streaming and/or live-time video is not permitted and this function of the EMC must be disabled.
   F. The EMC unit must be equipped to override commercial messages for emergency situations such as an "Amber Alert" or other such acute public emergencies.
   G. The EMC sign must be set in a manner that the display will turn dark in case of a malfunction.
   **H. The EMC copy shall be white or amber illumination. (Added by the PZC).**

7. The petitioner shall address all of the review comments and requirements of the Community Development, Fire Rescue, Police, and Public Works Departments.

**Votes Required to Pass:** A simple majority vote.

DRAFT

ORDINANCE NO. _____
FILE NO. _____

AN ORDINANCE GRANTING A SPECIAL USE PERMIT
AND VARIATIONS
AT 5213 NORTHWEST HIGHWAY

WHEREAS, pursuant to the terms of a Petition (File #2014-10) before the Crystal Lake Planning and Zoning Commission, the Petitioner has requested the issuance of a Special Use Permit to allow an electronic message center sign # 2 in the "B-2" General Commercial district and approve the Variations from: A. Article 4-1000 Signs of the UDO to allow two freestanding signs; B. Article 4-1000 Signs to allow the freestanding sign #1 to be 14'-8" tall and a variation to allow the sign base to be less than 80% of the sign width; C. the Special Use Criteria for electronic message center signs including sign area, sign height (14'-9"), LED color (Red) and to allow the sign base to be less than 80% of the sign width; and D. Article 4-1000 Signs, to allow the signs to be located closer than 10 feet (#1 at 4.8 feet and #2 at 7.5 feet) to the property line for the property located at 5213 Northwest Highway; and

WHEREAS, it is in the best interests of the CITY OF CRYSTAL LAKE that the Special Use Permit and Variations be issued as requested in said Petition.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

Section I: That a Special Use Permit be issued to allow an electronic message center sign # 2 in the "B-2" General Commercial district and approve the Variations from: A. Article 4-1000 Signs of the UDO to allow two freestanding signs; B. Article 4-1000 Signs to allow the freestanding sign #1 to be 14'-8" tall and a variation to allow the sign base to be less than 80% of the sign width; C. the Special Use Criteria for electronic message center signs including sign area, sign height (14'-9"), LED color (Amber or White) and to allow the sign base to be less than 80% of the sign width; and D. Article 4-1000 Signs, to allow the signs to be located closer than 10 feet (#1 at 4.8 feet and #2 at 7.5 feet) to the property line for the property commonly known as 5213 Northwest Highway (19-09-200-039), Crystal Lake, Illinois.

Section II: Said Special Use is issued with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
   A. Application, Volkswagen of Crystal Lake, received 2-21-14
   B. Site/ Sign Plan Sheet, Roake, received 3-10-14
   C. Sign Details, Simon, dated 2-21-14

2. A Special Use Permit to allow an electronic message center sign at this location is hereby granted.

3. Variations
   A. A variation to allow two free standing signs at this location is hereby granted.
   B. A variation from the required minimum setback of 10 feet to allow signs to be located at 4.8 feet and 7.5 feet is hereby granted.
   C. A variation to allow the signs to be 14 foot 8 inches tall and 14 foot 9 inches tall is hereby granted.
   D. Variations to approve both free standing signs with the sign base lesser than 80 percent of the sign width is hereby granted.
   E. Variations from the criteria for electronic message center signs as listed in this report are hereby granted.

4. Landscaping meeting the provisions of the Ordinance shall be provided at the base of both freestanding signs.

5. A Municipal Utility Maintenance Agreement (MUMA) must be executed between the applicant and the City as (City) utilities run along the front of the property along Northwest Highway. If the City requires work on the underlying utilities and the signs have to be removed and/or are damaged, the sign owner is responsible for the repair/replacement of the signs.

6. Electronic Message Center Sign
   A. The sign structure must use materials or architectural elements from the principal structure on site.
   B. The EMC unit must be equipped with both a programmed dimming sequence as well as an additional overriding mechanical photocell that adjusts the brightness of the display to the ambient light at all times of day. Such programming and mechanical equipment shall be set so that the EMC, at night or in overcast conditions, will be no more than 40% of the daytime brightness level;
   C. The EMC unit must have the "flash" feature disabled and messages shall have a 5-minute "hold" time.
   D. The messages displayed on the EMC can transition from one message to another only by fading or dissolving to black with another message appearing immediately thereafter, without movement or other transition effects between messages
   E. All messages displayed on the EMC must be static and cannot reflect movement, flashing, scrolling or changes in shape or size of messages or portions of messages. Streaming and/or live-time video may is not permitted and this function of the EMC must be disabled.
   F. The EMC unit must be equipped to override commercial messages for emergency situations such as an "Amber Alert" or other such acute public emergencies.

DRAFT

G. The EMC sign must be set in a manner that the display will turn dark in case of a malfunction

7. The petitioner shall address all of the review comments and requirements of the Community Development, Fire Rescue, Police, and Public Works Departments.

Section III: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the issuance of a Special Use Permit in accordance with the provisions of this Ordinance, as provided by law.

Section IV: That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

DATED at Crystal Lake, Illinois, this _____ day of _____, _____.

_____
MAYOR

ATTEST:

_____
CITY CLERK

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

**Agenda Item No: 15**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** REPORT OF THE PLANNING & ZONING COMMISSION

#2013-36 Cress Creek Townhomes

**Request:** Final PUD Amendment to allow a 12 x 12 screened porch/three-season room, which requires variations from the required rear-yard setback and from the maximum building and impervious surface coverage limits.

**Petitioner:** Pat Gedzyk, petitioner
580 Cress Creek Terrace

**PZC Recommendation:** To approve the petitioner's request and adopt an ordinance granting the PUD Amendment to allow the screened porch/three-season room additions for Cress Creek.

**Staff Contact:** James Richter II, Planning and Economic Development Manager

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## Background:

- Existing Use: The subdivision of Four Colonies Lot 110 was approved in 1972 and allowed for the development of 48 units, which includes 44 townhome units and 4 apartment units.

## Key Factors:

- Request: A Final PUD Amendment to allow a 12 x 12 screened porch/three-season room on the backs of the units. This request will require variations to allow the addition to encroach into the required rear-yard setbacks and from the maximum building and impervious surface coverage limits.
- Also, to provide clarification, the backs of some of the units are actually adjacent to a side yard abutting a street, not a rear yard. These units would also receive the variation and be permitted to construct a screen porch in their backyard. These would be the units along Cress Creek Lane.

## PZC Highlights:

- The PZC was in favor of the additions and felt they would enhance their properties.
- The PZC reviewed the Findings of Fact and felt that the petition met the requirements.

The PZC recommended **approval (6-0)** of the petitioner's request for a Final PUD Amendment to allow 12 x 12 screened porch/three-season room additions with the following conditions:

1. Approved plans, to reflect staff and advisory board comments, as approved by the City Council:
   A. Application (Patricia Gedzyk, received 07/22/13).
   B. Draft CC&R's Rule Revisions (Cress Creek HOA, dated June 13, 2013, received 07/22/13)
   C. Porch/Three-Season Room Plan (ALA Architects, dated 06/21/13, received 07/22/13)

2. All previous approvals, restrictions and approved plans shall remain in effect, unless specifically modified by this request.

3. No screened porch/three-season room shall be permitted closer than 5 feet from any property line and shall not be permitted within a Municipal Utility Easement, Drainage Easement, Restricted Public Utility Easement, Access Easement or Public Utility Easement (unless permission is granted from that utility).

4. Each homeowner is required to complete a Building Permit application:
   ◊ Providing complete plans with dimensions, materials, colors and other details.
   ◊ Showing any landscape, including trees, to be removed and their relocation or in the case of large trees, the location of new trees.
   ◊ Showing any utility lines including private sanitary sewer main lines, water main lines or public utility lines. The screened porch/three-season room shall not be located over a utility main line or public utility line without their permission. A survey showing the utility lines will need to be provided with the building permit application.
   ◊ Listing the building surface coverage and the overall impervious surface coverage calculations.

5. Each permit shall be reviewed by the Engineering Division to ensure grading patterns remain intact. Any spoils would need to be removed off site.

6. The petitioner shall comply with all of the requirements of the Community Development Department.

7. Each patio or deck request shall adhere to the following criteria: (see next page)

Permanent Structure: Permanent Structures are allowed provided they meet current applicable building codes and the following guidelines:

- It shall be 12'w x 12'l and wall height of 8' with one entrance door on side facing a privacy fence.
- The exterior material shall be T-111 plywood with soffits and fascia to match existing building along with commercial-size gutters.
- The knee wall from floor to window may be 10 inches – 24 inches.
- It must have aluminum screens with wood or other approved frame material or vinyl windows. If aluminum screens, they must be full view and door to match screen panels. If vinyl windows, then door shall be a full view storm door.
- It shall have 3 windows across the side facing the common area.
- Aluminum screen or vinyl window coverings shall comply with window coverings as noted on page 6.
- The roof shall be gabled and have the same shingles as the main building if the building has had its roof replaced since 2006. Otherwise, roof to be same as the new shingles as in the re-roofing program. The roof pitch must allow the peak of roof to be below existing roof line.
- It must have a minimum of one (1) exterior light and one (1) exterior outlet per current applicable building codes.
- All exterior utilities shall not be encapsulated.
- The interior of the permanent structure, which includes common area walls, shall be maintained by the homeowner.
- It shall not have heat. It shall be a 3-season room, not an all-year round room addition.
- An indoor ceiling fan is permitted.
- It is the homeowner's responsibility to maintain it and it should be maintained appropriately at all times.

**Votes Required to Pass:** A simple majority vote.

DRAFT

ORDINANCE NO. _____
FILE NO. _____

AN ORDINANCE GRANTING AN AMENDMENT
TO THE FINAL PUD FOR CRESS CREEK TOWNHOUSES

WHEREAS, pursuant to the terms of the Petition (File #2013-36) before the Crystal Lake Planning and Zoning Commission, the Petitioner has requested an Amendment to the Final Planned Unit Development for Cress Creek Townhouses to allow the extension of a 12 x 12 screened porch/three-season room off the back of the units, which would require variations to allow encroachment into the rear yard setback and to the maximum permitted building and total impervious surface coverage; and

WHEREAS, the required hearings were held on the petition of the property owners in the manner and the form required by the Unified Development Ordinance of the City of Crystal Lake and the statutes of the State of Illinois; and

WHEREAS, it is in the best interests of the City of Crystal Lake that the Amendment to the Final Planned Unit Development be granted as requested in said Petition,

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

SECTION I: That a Final PUD Amendment be granted to permit Final PUD Amendment to allow the extension of a 12 x 12 screened porch/three-season room off the back of the units, which would require variations to allow encroachment into the rear yard setback and to the maximum permitted building and total impervious surface coverage for Cress Creek Townhomes along Cress Creek Lane for the properties located at 583, 585, 587, 589, 591, 593, 595, 597, 599, and 601 St. Andrews Court; 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 592, 594, 596, 598, 600, 602, 604, 606, and 608 Cress Creek Terrace; 610, 614, 618, 622, 626, and 630 Cress Creek Lane; and 636, 638, 640, 642, 644, 646, 648, and 650 Cress Creek Square (19-07-251-093, -092, -091, -090, -089, -088, -087, -086, -085, -084, -082, -081, -080, -079, -078, -077, -076, -075, -074, -073, -072, -071, -070, -069, -068, -067, -066, -067, -064, -063, -044, -043, -042, -041, -040, -039, -062, -061, -060, -059, -053, -052, -051, and -050), Crystal Lake, Illinois.

SECTION II: That the Final PUD Amendment be granted with the following conditions:

1. Approved plans, to reflect staff and advisory board comments, as approved by the City Council:
   A. Application (Patricia Gedzyk, received 07/22/13).
   B. Draft CC&R's Rule Revisions (Cress Creek HOA, dated June 13, 2013, received 07/22/13)
   C. Porch/Three-Season Room Plan (ALA Architects, dated 06/21/13, received 07/22/13)

2. All previous approvals, restrictions and approved plans shall remain in effect, unless specifically modified by this request.

3. No screened porch/three-season room shall be permitted closer than 5 feet from any property line and shall not be permitted within a Municipal Utility Easement, Drainage Easement, Restricted Public Utility Easement, Access Easement or Public Utility Easement (unless permission is granted from that utility).

4. Each homeowner is required to complete a Building Permit application:
   A. Providing complete plans with dimensions, materials, colors and other details.
   B. Showing any landscape, including trees, to be removed and their relocation or in the case of large trees, the location of new trees.
   C. Showing any utility lines including private sanitary sewer main lines, water main lines or public utility lines. The screened porch/three-season room shall not be located over a utility main line or public utility line without their permission. A survey showing the utility lines will need to be provided with the building permit application.
   D. Listing the building surface coverage and the overall impervious surface coverage calculations.

5. Each permit shall be reviewed by the Engineering Division to ensure grading patterns remain intact. Any spoils would need to be removed off site.

6. The petitioner shall comply with all of the requirements of the Community Development Department.

7. Each patio or deck request shall adhere to the following criteria:
   Permanent Structure: Permanent Structures are allowed provided they meet current applicable building codes and the following guidelines:
   - It shall be 12 feet wide by 12 feet long and wall height of 8 feet with one entrance door on side facing a privacy fence.
   - The exterior material shall be T-111 plywood with soffits and fascia to match existing building along with commercial-size gutters.
   - The knee wall from floor to window may be 10 inches to 24 inches.
   - It must have aluminum screens with wood or other approved frame material or vinyl windows. If aluminum screens, they must be full view and door to match screen panels. If vinyl windows, then door shall be a full view storm door.
   - It shall have 3 windows across the side facing the common area.
   - Aluminum screen or vinyl window coverings shall comply with window coverings as noted on page 6.
   - The roof shall be gabled and have the same shingles as the main building if the building has had its roof replaced since 2006. Otherwise, roof to be same as the new shingles as in

the re-roofing program. The roof pitch must allow the peak of roof to be below existing roof line.
- It must be a minimum of one (1) exterior light and one (1) exterior outlet per current applicable building codes.
- All exterior utilities shall not be encapsulated.
- The interior of the permanent structure, which includes common area walls, shall be maintained by the homeowner.
- It shall not have heat. It shall be a 3-season room, not an all-year round room addition.
- An indoor ceiling fan is permitted.
- It is the homeowner's responsibility to maintain it and it should be maintained appropriately at all times.

SECTION III: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the granting of Variations in accordance with the provisions of this Ordinance, as provided by law.

SECTION IV: That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

DATED at Crystal Lake, Illinois, this _____ day of _____, _____.

_____
MAYOR

ATTEST:

_____
CITY CLERK

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

**Agenda Item No: 16**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** Brush Pick-Up Bid

**Staff recommendation:** Motion to award the bid for brush pick-up services to the lowest responsive and responsible bidder, Clearview Tree Service, and adopt a resolution authorizing the City Manager to execute a one-year service agreement with Clearview Tree Service with the option to extend the contract for one additional year in the submitted bid amount.

**Staff Contact:** Victor Ramirez, P.E., Director of Public Works

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**Background:**

On April 2, 2014, the City of Crystal Lake opened and publicly read aloud the bids received for brush pick-up services. During the brush pick-up program, the City utilizes a contractor to work alongside Streets Division staff to ensure a timely collection of brush.

Contractors were asked to bid an hourly rate for use of their crews and equipment. Based on previous years, the City expects the contractor to be utilized for approximately 120 hours (three weeks) throughout the program. The table below indicates the hourly breakdown of the two vendors who submitted bids for the City's Brush Pick-Up Program, as well as the total contract value based on the use in the previous contract year.

| Bidder | 2014 | | 2015 | |
|---|---|---|---|---|
| | Hourly Rate | Anticipated Total (120 Hours) | Hourly Rate | Anticipated Total (120 Hours) |
| √ Clearview Tree Service McHenry, IL | $240.00 | $28,800.00 | $250.00 | $30,000.00 |
| Winkler's Tree & Landscaping La Grange Park, IL | $241.00 | $28,920.00 | $259.00 | $31,080.00 |
| Groot Industries, Inc. Elk Grove Village, IL | "No Bid" | | | |

√ Indicates recommended lowest responsive and responsible bidder

**Discussion:**

The bid for brush pick-up services was publicly posted and sent to 15 different contractors. John's Tree Service from McHenry has won the bid every year for the last seven years, but indicated that they would not bid this year. The equipment requirements in the bid, specifically the grapple truck requirements, restrict certain companies from being able to meet the requirements of the work. However, having this equipment on-hand greatly increases the efficiency of the work and reduces the time it takes to complete the program.

**Recommendation:**

It is the recommendation of staff to award the contract for brush pick-up services to the lowest responsive and responsible bidder, Clearview Tree Service, for the 2014 season with the option to extend the contract to include the 2015 season. Clearview Tree Service has worked with the City during its brush removal program in the past, and has performed other forestry projects as well. They have demonstrated that they are a very capable, responsive contractor.

**Votes Required to Pass:**

Simple majority

# RESOLUTION

DRAFT

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager is authorized to execute a one-year Service Agreement between the CITY OF CRYSTAL LAKE and Clearview Tree Service for the 2014 Brush Pickup Program in the submitted bid amounts, with the option to extend the contract for one additional year in the submitted bid amounts.

DATED this _____ day of _____, 2014.

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By:_____
MAYOR

SEAL

ATTEST

_____
CITY CLERK

PASSED: _____

APPROVED: _____

**Agenda Item No: 17**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** FY 2014-2015 Street Light Maintenance Contract Bid Award

**Staff Recommendation:** Motion to award the bid for the Fiscal Year 2014-2015 Street Light Maintenance Program to the lowest responsive and responsible bidder, Meade, Inc., in the bid amount of $49,708.00, and adopt a resolution authorizing the City Manager to execute the contract with Meade Inc., allowing for a 10 percent contingency.

**Staff Contact:** Abigail Wilgreen, City Engineer

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**Background:**

The City is responsible for maintaining and repairing certain street lights in the City. The City maintains the street lights in the downtown area including the commuter parking lots, and some along U.S. Route 14. The City maintains and repairs these street lights using qualified street light maintenance contractors, and funds this activity using MFT and General funds.

Bids for the Fiscal Year 2014-2015 street light maintenance contract were opened April 4, 2014. The results of the bids are as follows:

| *Contractor* | *Bid* |
|---|---|
| Meade, Inc. [1]<br>McCook, IL | $49,708.00 |
| Lyons Electric Company, Inc.<br>LaGrange, IL | $49,776.00 |

[1] Indicates lowest responsive and responsible bidder

H&H Electric, the City's current street light contractor, submitted a bid; however, it was delivered to the City after the bidding period ended. It was rejected and returned to the bidder unopened.

Meade has been the traffic signal maintenance contractor for the City since 2008, and they were the low bidder for the Fiscal Year 2014-2015 Traffic Signal Maintenance Contract. This is the first time the City will use Meade for street light maintenance. However, Meade has been the contractor for the State's street light maintenance for over 17 years and the County's contractor for street light maintenance for over 10 years. They have provided satisfactory service to both agencies. Staff feels they have the experience necessary to perform the maintenance.

The street light contract provides for routine maintenance inspections as well as regular repair of outages to ensure the street light system functions properly. The contract period is for one year, with the option by the City to extend the contract up to two additional years at the same prices. The City followed all standard bid advertisement procedures.

**Votes Required to Pass:**

Simple majority by City Council

DRAFT

**The City of Crystal Lake Illinois**

# RESOLUTION

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE** that the City Manager is authorized to execute an agreement with Meade, Inc., for the maintenance of street lights under City jurisdiction in the amount of $49,708.00. The City Manager is additionally authorized to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

**BE IT FUTHER RESOLVED** that the City Manager is authorized to execute up to two one-year extensions of the agreement for maintenance of street lights under City jurisdiction.

**DATED** this fifteenth day of April, 2014

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: _____
Mayor

SEAL

ATTEST:

_____
City Clerk

PASSED: April 15, 2014

APPROVED: April 15, 2014

**Agenda Item No: 18**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** FY 2014-2015 Traffic Signal Maintenance Contract Bid Award

**Staff Recommendation:** Motion to award the bid for the Fiscal Year 2014-2015 Traffic Signal Maintenance Program to the lowest responsive and responsible bidder, Meade, Inc., in the bid amount of $98,787.00, and adopt a resolution authorizing the City Manager to execute the contract with Meade, Inc., allowing for a 10 percent contingency.

**Staff Contact:** Abigail Wilgreen, City Engineer

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**Background:**

The City is responsible for maintaining and repairing traffic signals for 33 intersections. The City maintains and repairs these traffic signals using qualified traffic signal maintenance contractors, and funds these activities using MFT funds.

Bids for the Fiscal Year 2014-2015 traffic signal maintenance contract were opened April 4, 2014. The results of the bids are as follows:

| *Contractor* | *Amount of Bid*[2] |
|---|---|
| Meade, Inc.[1]<br>McCook, IL | $98,787.00 |
| H&H Electric Company, Inc.<br>Franklin Park, IL | $258,708.40 |
| Lyons Electric Company, Inc.<br>LaGrange, IL | $331,270.00 |

[1] Indicates lowest responsive and responsible bidder
[2] Bids as Calculated With Adjusted Quantities

Meade has been the traffic signal maintenance contractor for the City since 2008 and understands the City's system and maintenance and repair needs. Meade is very familiar with the condition of the City's equipment and has provided superior service to the City. Meade also performs traffic

signal maintenance in the Chicago-land area for all State of Illinois traffic signals. Meade is also the low bidder for the Fiscal Year 2014-2015 Street Light Maintenance Contract. The contract period is for one year, with the option by the City to extend the contract up to two additional years at the same prices. The City followed all standard bid advertisement procedures.

**Votes Required to Pass:**

Simple majority by City Council

**The City of Crystal Lake Illinois**

# RESOLUTION

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE** that the City Manager is authorized to execute an agreement with Meade, Inc. for the maintenance of traffic signals under City jurisdiction in the amount of $98,797.00. The City Manager is additionally authorized to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

**BE IT FUTHER RESOLVED** that the City Manager is authorized to execute up to two one-year extensions of the agreement for maintenance of traffic signals under City jurisdiction.

**DATED** this fifteenth day of April, 2014

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: _____
Mayor

SEAL

ATTEST:

_____
City Clerk

PASSED: April 15, 2014

APPROVED: April 15, 2014

**Agenda Item No: 19**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** Residential/Small Business Electrical Aggregation RFP

**Staff Recommendation:** Council Discretion -

1. Motion to adopt a resolution authorizing the City Manager to execute a contract for the purchase of electricity to the recommended electrical aggregation supplier; or,

2. Motion to adopt a resolution to reject all bids for electrical aggregation supply services and revert back to default Commonwealth Edison pricing.

**Staff Contact:** Eric T. Helm, Deputy City Manager

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On March 18, 2014, the City Council authorized a contract with the Northern Illinois Municipal Electric Collaborative (NIMEC) for consultant services for residential/small business electrical aggregation and municipal electricity purchasing. The City can arrange, through aggregation, for the supply of electricity for its residential and small commercial retail customers through a referendum passed on March 20, 2012. The City's current contract with First Energy Corporation will expire on June 30, 2014.

On April 15, 2014 at 1:00 PM, NIMEC will receive proposals on the City's behalf from electrical aggregation suppliers. This RFP pricing will be valid for 24 hours. During this 24-hour time period, the City and NIMEC will evaluate the RFP submittals and the City can choose to either accept or reject the proposal pricing. Following this evaluation, a memorandum will be supplied to the City Council at the April 15, 2014 meeting. A representative of NIMEC will also be present to answer City Council questions. On April 15th, based on pricing reviewed, the City Council may choose to select a vendor or return all City customers to Commonwealth Edison, depending on the results of the proposal pricing.

Bid Document and Requirements

The Municipal Aggregation Request for Proposal document and the draft agreement between the City and the supplier is attached for the City Council's review. NIMEC will solicit electricity pricing for one, two and three-year terms. The RFP document includes language that allows customers to "opt-out" of the program at anytime. Unfortunately, only a few suppliers offer a "universal opt-out" option, where the City can terminate the agreement and have all residents revert to ComEd pricing if the ComEd pricing is lower than the selected supplier pricing during the contract term.

If the pricing is not favorable for the City, the City can elect to reject all proposals revert back to default ComEd electrical supply pricing and re-bid aggregated electrical supply in future years.

**Votes Required to Pass:**

Simple majority

DRAFT

**RESOLUTION**

**A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH _____ FOR ELECTRICAL AGGREGATION SERVICES**

**WHEREAS**, the City of Crystal Lake, on December 6, 2011, passed a resolution placing a public question on the March 20, 2012 ballot. The public question was approved by voters and allows the City of Crystal Lake to undertake municipal electric aggregation, as allowed under the Illinois Power Agency Act, 20 ILCS 3855/1-92.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Crystal Lake that the City Manager be is hereby authorized to execute a one, two, or three-year contract with the lowest responsible and responsive bidder _____.

DATED this 15th day of April, 2014

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By:_____
MAYOR

SEAL

ATTEST

_____
CITY CLERK

PASSED: _____
APPROVED: _____

DRAFT

**RESOLUTION**

**A RESOLUTION AUTHORIZING CHANGES TO THE CITY'S ELECTRICAL AGGREGATION SERVICES**

**WHEREAS**, the City of Crystal Lake, on December 6, 2011, passed a resolution placing a public question on the March 20, 2012 ballot. The public question was approved by voters and allows the City of Crystal Lake to undertake municipal electric aggregation, as allowed under the Illinois Power Agency Act, 20 ILCS 3855/1-92.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Crystal Lake that the City Manager be is hereby authorized to revert all residential and small commercial retail customers, that utilized aggregated electrical supply pricing, back to Commonwealth Edison for the supply of electricity .

DATED this 15th day of April, 2014

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By:_____
MAYOR

SEAL

ATTEST

_____
CITY CLERK

PASSED: _____
APPROVED: _____

**Agenda Item No: 20**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** Resolution for Route 14 road closure for the 3 Disciplines Illinois Triathlon Championship

**Recommendation:** Motion to approve the resolution to close one lane on eastbound Route 14 on June 22, 2014 for the 3 Disciplines Illinois Triathlon Championship as part of the IDOT roadway closure permit.

**Contact:** Michelle Rentzsch, Community Development Director

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**Background:**

- History: On November 5, 2013, the City Council approved the Illinois Triathlon Championship event to take place on June 22nd. The event will begin with the swim portion in the larger lake at Three Oaks Recreation Area. The bicycle portion will take place on Route 14, Pingree Road, Virginia Road, Rakow Road, the Crystal Court Shopping Center and Three Oaks Recreation Area. The run portion will take place on the trails inside Three Oaks Recreation Area.

**Key Factors:**

- Request: IDOT requires that a Resolution outlining the road closure be approved by the City Council and submitted as part of the traffic control plan for the parade permit. IDOT classifies this event as a parade.
- The one lane of eastbound Route 14 would be closed between Pingree Road and the Three Oaks Recreation Area entrance during the time of the race.

The attached resolution has been reviewed by an attorney and is recommended for approval.

**Votes Required to Pass:** A simple majority vote.

DRAFT

**The City of Crystal Lake Illinois**

**A RESOLUTION ALLOWING THE CLOSURE OF A PORTION OF ROUTE 14 (A STATE HIGHWAY) FOR A SPECIAL EVENT, THE 3 DISCIPLINES ILLINOIS TRIATHLON CHAMPIONSHIP**

WHEREAS, 3 Disciplines received approval on November 5, 2013 to hold their special event in the City of Crystal Lake on June 22, 2014 from 6:00 a.m. to 1:00 p.m.; and

WHEREAS, said event will require the closure of lane 2 on eastbound US Route 14 from Liberty Drive to Pingree Road; and

WHEREAS, the State of Illinois requires the City of Crystal Lake to assume all responsibility and liability involved in the closing of said highway.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY OF CRYSTAL LAKE:**

**Section 1:** That Crystal Lake will assume full responsibility for the direction, protection and regulation of traffic during the time the detour is in effect.

**Section 2:** That Crystal Lake will assume all liabilities and indemnify the State of Illinois from and against damages of any kind which are proximately caused by the negligent and/or intentional actions of the City in connection with the closure of the State Route.

DRAFT

**Section 3:** It is further agreed that efficient, all-weather detours will be maintained, conspicuously marked and judiciously police patrolled for the benefit of traffic deviated from the State Route.

**Section 5:** This resolution shall be effective as of the date of its adoption.

DATED at Crystal Lake, Illinois, this fifteenth day of April, 2014.

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: _____
AARON T. SHEPLEY, MAYOR

SEAL

ATTEST:

_____
NICK KACHIROUBAS, CITY CLERK

PASSED:

APPROVED:

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

**Agenda Item No: 21**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** Budget Amendment for costs associated with snow plowing and purchase of snow-fighting materials

**Staff Recommendation:**

1. Motion to adopt a resolution authorizing a budget amendment for costs associated with road salt and other snow fighting material in the amount of $220,000 from the Motor Fuel Tax fund balance and $125,000 from the General Fund fund balance for staff over time for snow removal.

2. Motion to adopt a resolution appropriating $220,000.00 in MFT funds for Fiscal Year 2013-2014 general maintenance.

**Staff Contact:** Victor C. Ramirez, Director of Public Works
George J. Koczwara, Interim Director of Finance

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**Background:**

The winter of 2013-2014 was an extremely difficult winter for Northern Illinois. This winter was not only characterized by periods of extreme cold and prolonged sub-freezing temperatures, but repeated significant snow events. The City experienced snow accumulation on 43 separate days throughout the winter. Those occasions, combined with salting for icing conditions, and snow removal/hauling warranted 86 total snow and ice related events throughout the winter season. These conditions required the City to respond in-kind.

The Public Works Department provided timely and thorough response to each of the City's 86 snow events this past winter. However, many of these events involving snow and ice were after normal business hours and on weekends. This caused the Public Works Department to exceed the amount of overtime budgeted to pay its employees during these snow events. This overage, while significant, is not anticipated to generate an overage in the General Fund. It is recommended that the attached resolution be adopted to allow for the usage of General Fund Reserves for any expenses associated with the excess overtime if these expenses exceed the General Fund's revenues.

Additionally, road salt purchases exceeded the amount budgeted for the year. The City used 5,249.75 tons of road salt throughout the winter. To curb some of the salt overages, the use of liquids was increased and Birds Eye, a fine rock aggregate, was blended with the salt for use on residential streets. Motor Fuel Tax (MFT) funds are used to purchase road salt and other snow-fighting materials. In order to properly document the additional salt purchase, additional MFT funds must be allocated for their use. An additional $220,000 of MFT funds needs to be allocated.

**Votes Required to Pass:**

A simple majority of the City Council in attendance.

Illinois Department of Transportation

DRAFT

# Resolution for Maintenance of Streets and Highways by Municipality Under the Illinois Highway Code

BE IT RESOLVED, by the Mayor and City Council (Council or President and Board of Trustees) of the City (City, Town or Village) of Crystal Lake (Name), Illinois, that there is hereby appropriated the sum of $220,000.00 of Motor Fuel Tax funds for the purpose of maintaining streets and highways under the applicable provisions of the Illinois Highway Code from May 1, 2013 (Date) to April 30, 2014 (Date).

BE IT FURTHER RESOLVED, that only those streets, highways, and operations as listed and described on the approved Municipal Estimate of Maintenance Costs, including supplemental or revised estimates approved in connection with this resolution, are eligible for maintenance with Motor Fuel Tax funds during the period as specified above.

BE IT FURTHER RESOLVED, that the Clerk shall, as soon a practicable after the close of the period as given above, submit to the Department of Transportation, on forms furnished by said Department , a certified statement showing expenditures from and balances remaining in the account(s) for this period; and

BE IT FURTHER RESOLVED, that the Clerk shall immediately transmit two certified copies of this resolution to the district office of the Department of Transportation, at Schaumburg , Illinois.

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I, Mr. Nick Kachiroubas Clerk in and for the City (City, Town or Village) of Crystal Lake , County of McHenry hereby certify the foregoing to be a true, perfect and complete copy of a resolution adopted by the Mayor and City Council (Council or President and Board of Trustees) at a meeting on April 15, 2014 Date

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this 15th day of April, 2014 .

(SEAL) _____ City (City, Town or Village) Clerk

**Approved**

_____
Regional Engineer
Department of Transportation

_____
Date

DRAFT

**The City of Crystal Lake**

# RESOLUTION

WHEREAS the winter of 2013-2014 was unexpectedly harsh in terms of magnitude and durations; and,

WHEREAS the City of Crystal Lake Public Works Department commenced snow fighting operations for 86 separate events; and,

WHEREAS the City incurred unforeseen costs for personnel and snow fighting materials beyond what was budgeted for the 2013-2014 Fiscal Year; and,

WHEREAS the Fiscal Year 2013-2014 needs to be amended to fund these unforeseen costs; and,

WHEREAS there are sufficient reserves in both the General Fund and the Motor Fuel Tax Fund to fund these unforeseen costs.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE** as follows:

1. That the Fiscal Year 2013-2014 City Budget be amended to include an additional $125,000 from the General Fund Reserves for the snow fighting operations overtime. That these funds be programmed in the Streets Division Overtime account.

2. That the Fiscal Year 2013-2014 City Budget be amended to include $220,000 from the Motor Fuel Tax Fund Reserves for the road salt and other snow fighting material purchases. That these funds be programmed in the Road Salt account.

DRAFT

**DATED** this Fifteenth Day of April, 2014.

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: _____
Mayor

SEAL

ATTEST:

_____
City Clerk

PASSED: April 15, 2014

APPROVED: April 15, 2014

**Agenda Item No: 22**

# City Council
# Agenda Supplement

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**Meeting Date:** April 15, 2014

**Item:** Public Hearing/Annual Budget Ordinance/Salary Ordinance/Financial Policies for 2014-2015 Fiscal Year, and Water and Sewer and Emergency Ambulance Service City Code Amendments.

**Staff Recommendation:** Motion to:

1. Adopt an Ordinance approving and adopting the Annual Budget for the 2014/2015 Fiscal Year,
2. Adopt the Salary Ordinance for the 2014/2015 Fiscal Year,
3. Adopt a Resolution adopting a Financial Management Policy,
4. Adopt an Ordinance amending Section 515-15, Water and Sewer, of the City Code, and
5. Adopt an Ordinance amending Chapter 33-16 (C) (4), Emergency Ambulance Service.

**Staff Contact:** Gary J. Mayerhofer, City Manager
George J. Koczwara, Interim Finance Director

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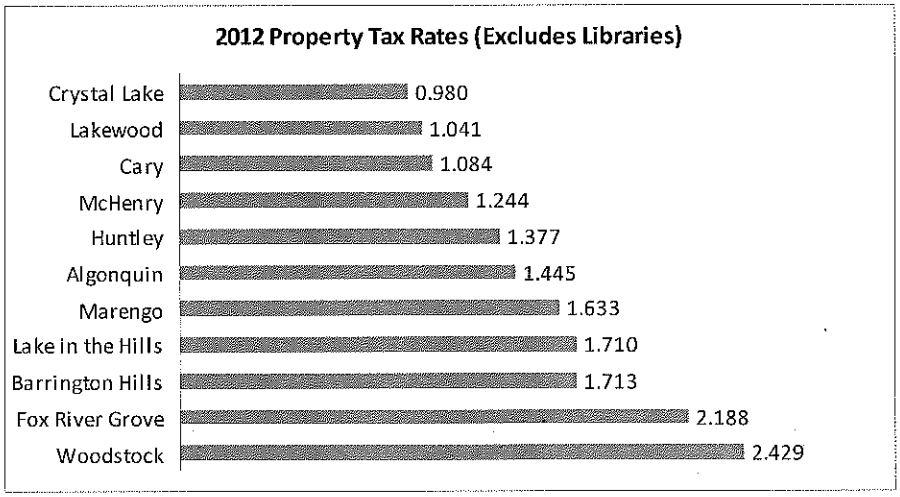
**Budget:**
The Council is requested to adopt the budget in accordance with State Statutes, which requires the budget to be adopted prior to the beginning of the Fiscal Year, which begins on May 1, 2014.

On April 1, 2014, the City Council placed on public display, the proposed balanced fiscal year 2014/2015 Budget that maintains the high quality City services offered to residents while allowing for capital investment in facilities and improvements, as well as the development of other initiatives to help establish a solid foundation for the community for years to come.

Despite the continued economic challenges, the City has worked diligently to present a proposed annual budget that is:

- ✓ Balanced
- ✓ Meets the needs and demands of our community
- ✓ Incorporates the City's long-term strategic commitments
- ✓ Incorporates capital projects
- ✓ Within the parameters of the City's financial policies

The proposed budget continues the funding of General Fund services without the use of a corporate property tax. City residents enjoy one of the lowest municipal tax rates in the area. The chart below illustrates a comparison of municipal tax rates (excluding libraries).




Budgeted expenditures and other uses for all funds in fiscal year 2014/2015 total approximately $91.32 million (including the Library). Revenues projected for fiscal year 2014/2015 reflect a conservative view and can be positively impacted by reductions in unemployment or increases in consumer spending and construction activities.

The fiscal year 2014/2015 City budget reflects capital expenditures of $19.84 million.
In addition to street improvements, other major capital purchases reflected in this budget are:

- Roadway improvements
- Flooding mitigation
- Water and sewer main replacement
- Sanitary sewer rehabilitation
- Construction of new Well #18 and expansion of Water Treatment Plant #5
- Engineering and design of an additional digester at Sewer Treatment Plant #2
- Aerobic digester rehabilitation at Sewer Treatment Plant #3
- Prairie Trail underpass (at U.S. Route 14) repairs
- Generator replacement (Water Treatment Plant #3)
- Water tank rehabilitation (Water Treatment Plant #4)
- Secondary clarifier rehabilitation (Sewer Treatment Plant #2)

- Hydraulic improvements (Sewer Treatment Plant #2)
- Screening improvements (Sewer Treatment Plant #3)
- Lift Station #1 improvements (McHenry Avenue at Barlina Road)

With the challenges posed by the slow economic recovery, a number of adjustments were made to balance the budget. These adjustments include:

Personnel

During the past few years, a total equivalent of seventeen positions has become vacant through attrition. These positions have been eliminated. These changes include two full-time positions in the City Administration Department, one full-time administrative position in the Police Department, six full-time positions in the Community Development Department, seven full-time positions and one part-time position (0.50 full-time equivalent) in the Public Works Department, and one full-time position in the Information Technology Department. One full-time position in the Community Development Department and one full-time administrative position in the Fire Rescue Department were converted to part-time positions (0.75 full-time equivalents). In Fiscal Year 2013/2014, a part-time Public Education Coordinator position (0.50 full-time equivalent) was added to the Fire Rescue Department. During the upcoming budget year, one part-time position (0.50 full-time equivalent) in the Public Works Department will be converted to full-time.

Insurance

In an effort to better control liability insurance costs, in 2004, the City joined the Intergovernmental Risk Management Agency (IRMA). The Intergovernmental Risk Management Agency, founded in 1979, was the first municipal risk pool in Illinois. IRMA is a risk sharing pool of 70 local municipalities and special service districts in northeastern Illinois, which have joined together to manage and fund their property/casualty/workers' compensation claims. All members also participate in a comprehensive risk management program. Through concerted efforts and enhancements in the City's risk management program, the City is able to take advantage of very favorable insurance costs. Increases in the City's liability insurance overall are budgeted at 0%.

Additionally, in an effort to better control health care costs, the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC). The IPBC is an entity created under Illinois State laws, which allows municipal groups to band together for the purposes of health insurance. The IPBC was established in 1979 and includes 66 municipalities or municipal entities as members. The purpose of the IPBC is to provide economies of scale and risk pooling that will allow members more financial stability than offered by the commercial insurance market. Due to favorable claims experience, the proposed fiscal year 2014/2015 budget reflects a 1.6% increase in group insurance. This increase will be mitigated by reserves that have been established with IPBC.

Capital Expenditures

One-time capital expenditures will be funded using unassigned fund balances coupled with bond proceeds. Bonds shall not be used to finance operating deficits and fund balances shall be maintained in accordance with the City's financial policies.

The fiscal year 2014/2015 budget reflects $2,000,000 for the City's annual street resurfacing program. The annual street resurfacing program, combined with other resurfacing and improvement

projects budgeted in the MFT and the Road/Vehicle License Funds, total over $5.09 million. Street improvement costs budgeted in fiscal year 2014/2015 include:

- IL Route 176/Main Street intersection improvements (Phase I engineering)
- Crystal Lake Avenue and Main Street intersection improvements (Phase II engineering)
- South Main Street widening

Streets programmed for resurfacing in fiscal year 2014/2015 are:

| **Street** | **To** | **From** |
|---|---|---|
| Autumncrest Drive | Alexandra Boulevard | Crabtree Drive |
| Barton Lane | Westport Ridge | Rosewood Lane |
| Crabtree Drive | Alexandra Boulevard | Autumncrest Drive |
| Cress Creek Lane | Saint Andrews Lane | Woodmar Drive |
| Crimson Drive | Ackman Road | Westport Ridge |
| Crystal Lake Avenue | US 14 | Francis Avenue |
| Deerhaven Drive | Alexandra Boulevard | Miller Road |
| Driftwood Lane | Village Road | Alexandra Boulevard |
| Driftwood Court | Village Road | Village Road |
| Exmoor Court | Saint Andrews Lane | End |
| Exmoor Terrace | Saint Andrews Lane | End |
| Fairview Avenue | Oak Street | Francis Avenue |
| Fernleaf Drive | Crimson Drive | Westport Ridge |
| Francis Avenue | Fairview Avenue | Crystal Lake Avenue |
| Glasgow Lane | Stone Creek Circle East | Birmingham Lane |
| Monarch Drive | Fernleaf Drive | Westport Ridge |
| Oak Street | Crystal Lake Avenue | Dole Avenue |
| Piper Court | Windham Cove Drive | End |
| Rosewood Lane | Regent Drive | Regent Drive |
| Saddle Creek Lane | Woodhaven Drive | Deerhaven Drive |
| Stone Creek Circle East | Deerhaven Drive | Village Road |
| Stone Creek Circle West | Deerhaven Drive | Deerhaven Drive |
| Tamarisk Terrace | Saint Andrews Lane | End |
| Three Oaks Road | Various Locations | |
| Village Road | Driftwood Road | Stone Creek Circle East |
| Weston Drive | Rosewood Lane | Golf Course Road |
| Westport Ridge | Ackman Road | Fernleaf Drive |
| Westport Ridge Court | Westport Ridge | Westport Ridge |
| Windham Cove Drive | Westport Ridge | McHenry Avenue |
| Woodhaven Drive | Village Road | Miller Road |

Financial Stewardship

The City takes its role as financial steward very seriously. The Government Finance Officers Association (GFOA) voted to award the City of Crystal Lake's budget document the Distinguished Budget Presentation Award for the 2013/2014 fiscal year. This award is the highest form of recognition in governmental budgeting. Also this year, the City again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. This is the twenty-third year in a row the City has received this award and it is expected that this year the City will again receive this award. Finally, the City's financial strength is exemplified by the fact that in 2009, which is the last time the City utilized Moody's Investor Services as part of a bond issuance, they upgraded the City's bond rating from an Aa3 to an Aa2, which was subsequently recalibrated to an Aa1 in a global scale change. In 2009, Standard and Poor's rated the City for the first time with an AA+ rating. The AA+ rating was affirmed by Standard and Poor's again in 2012, 2013, and 2014.

**Salary Ordinance:**

Included as part of the adoption of the proposed Annual Budget for Fiscal Year 2014/2015 is the salary ordinance. As in past years, staff has conducted a salary survey. This data is used in the review of the City's non-collectively bargained position classifications. Based on staff's review, the maximum of the ranges in the proposed salary ordinance were adjusted 2.5% while the minimum of the ranges are unchanged. This adjustment does not result in any employee receiving an automatic pay increase. Non-union employees' ability to receive a raise (from 0% to 2.5%) is based upon their individual performance.

**Financial Management Policy:**

The City of Crystal Lake's Financial Policies provide the basic framework for the fiscal management of the City. The attached proposed 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 following are detailed in the City of Crystal Lake's Financial Policies:

- Budget Policy
- Purchasing Authority Policy and Procedures
- Purchase Card Policy and Procedures
- Capital Asset Policy and Procedures
- Debt Management Policy
- Fund Balance Policy
- Investment Policy
- Revenue and Cash Management Policy
- Personal Information Protection Policy and Red Flag Policy

**Utility Rate and Connection Fee Study:**

In order to ensure that the City continues to provide modern, efficient, and reliable water and sewer utility service, the City Council approved contracts with consultants to provide Sewer and Water Master Plans. The purpose of these plans was to identify significant capital improvements to repair, rehabilitate and enhance the City's water and sewer system. In addition, the City approved a

contract with Baxter and Woodman to evaluate the financial impacts of undertaking the proposed capital improvements, review the existing rate structure and make recommendations regarding five-year rate modifications to support capital improvements.

The results of the Baxter and Woodman study were presented at the City's recent Budget Workshop. The study provided for a multi-year sewer and water rate increase to continue the activities of the Public Works Department's Water, Underground, and Wastewater Divisions, while incorporating escalating costs of energy and commodities needed for the pumping and treatment of water and sewer. Funds from the proposed increase will also provide for the ability to replace aged water/sewer infrastructure in order to maintain the current service levels our residents receive.

Residents count on the City to deliver safe drinking water to protect public health, fight fires, and supply the water needs of business and industry. Investments in the utility system ensure that residents of Crystal Lake have adequate supplies of high-quality water 365 days a year. The City's water and sewer infrastructure is also an important asset that supports economic growth. Sustainable water and sewer utility services encourage the location of new companies and the development of business growth that benefits both taxpayers and consumers.

**Water and Sewer as an Enterprise Fund**

Under governmental Generally Accepted Accounting Principles (GAAP), there are three categories of fund types: governmental, proprietary (i.e. enterprise funds), and fiduciary. The City's Water and Sewer Fund operates as a proprietary or enterprise fund. GAAP requires state and local governments to use the enterprise fund type to account for "business-type activities" – activities similar to those found in the private sector. Business-type activities include services primarily funded through user charges.

The National Council on Governmental Accounting Statement No. 1 defines the purpose of enterprise funds as:

> *"...to account for operations (a) that are financed and operated in a manner similar to private business enterprises —where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through users charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes."*

Local governments use an enterprise fund to account for their activities when the criteria of either (a) or (b) above are met.

Additionally, Illinois Compiled Statutes mirror these "business-type activity" requirements in two respects. First, under 65 ILCS 5/11-117-12, the charges fixed by a municipal utility "for the product supplied or the service rendered by any municipality shall be sufficient at least to bear all cost of maintenance and operation, to meet interest charges on the bonds and certificates issued on accounts thereof, and to permit the accumulation of a surplus or sinking fund to meet all unpaid bonds or certificates at maturity."

Further, 65 ILCS 5/11-117-13 requires that "any municipality, owning a public utility, shall keep the accounts for each public utility distinct from other municipal accounts and in such a manner as to show the true and complete financial results of municipal ownership or ownership and operation."

The proposed rate increase ensures that the Water and Sewer Fund moves toward a self-sustained operation able to meet all of its short and long-term obligations in compliance with GAAP and Illinois State Statute.

**Rate Structure**

The proposed rate structure will support not only the minimum sustainable alternate, but also the infrastructure improvements necessary for maintaining the integrity of the systems. These improvements were identified by the Public Works Department utilizing the sewer and water master plans. The level of capital investment over the five-year planning period required to increase system integrity is approximately $17.5 million. Baxter and Woodman, along with the Director of Public Works recommend that the City adopt this scenario.

Starting in July, 2014, under the recommended scenario, the water and sewer bill of an average monthly user (6,000 gallons per month) would increase from $44.06 to $49.08. Critical capital projects funded by the recommended water and sewer are listed on the following page.

The deferral of these projects would increase the potential of system failures that would impact our ability to ensure the delivery of safe drinking water and proper sewer treatment operation, and may result in costly violations of our National Pollution Discharge Elimination System (NPDES) permits and drinking water standards.

While the City is not profit driven, water and sewer operations must be run like a business. Without revenues sufficient enough to cover expenses, any business will fail.

**CAPITAL PROJECTS AND EQUIPMENT REPLACEMENT**

| CAPITAL NEEDS AND EQUIPMENT REPLACEMENT | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
|---|---|---|---|---|---|
| Country Club Area Improvements | $ - | $ 892,352 | $ - | $ - | $ - |
| Route 14 Improvements (IDOT) | $ - | $ 885,454 | $ - | $ - | $ - |
| **Sub-Total Public Works/Engineering & Building** | **$ -** | **$ 1,777,806** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| Chloride Reduction Pilot Study | $ - | $ - | $ - | $ 250,000 | $ - |
| WTP #5 Plant Expansion | $ 200,000 | $ 1,400,000 | $ 1,100,000 | $ - | $ - |
| WTP #4 Improvements | $ - | $ - | $ - | $ - | $ 300,000 |
| Water Main Replacement: Main Street (Crystal Lake Ave) | $ - | $ - | $ 130,000 | $ - | $ - |
| **Sub-Total Water** | **$ 200,000** | **$ 1,400,000** | **$ 1,230,000** | **$ 250,000** | **$ 300,000** |
| | | | | | |
| WWTP2 (Coventry) Rehab Secondary Clarifier | $ 150,000 | $ - | $ - | $ - | $ - |
| WWTP2 (Coventry) Design and Cons of Digester | $ 2,500,000 | $ 3,300,000 | $ 3,300,000 | $ - | $ - |
| WWTP3 (Knaack) Aerobic Digester Improvements | $ 700,000 | $ - | $ - | $ - | $ - |
| WWTP3 (Knaack) Primary Tanks & Skimming Troughs | $ 65,000 | $ 70,000 | $ 75,000 | $ 25,000 | $ - |
| WWTP3 (Knaack) Trickling Filter Repair/Replacement | $ - | $ - | $ - | $ 1,000,000 | $ 1,000,000 |
| WWTP3 (Knaack) Bisulfite Building Replacement | $ 25,000 | $ - | $ - | $ - | $ - |
| WWTP2 (Coventry) Sand Filter Gates | $ - | $ 45,000 | $ - | $ - | $ - |
| WWTP3 (Knaack) Sludge Drying Bed Rehabilitation | $ 58,000 | $ - | $ - | $ - | $ - |
| WWTP2 (Coventry) PLC Replacement | $ 25,000 | $ - | $ - | $ - | $ - |
| WWTP3 (Knaack) Sand Filter Rails | $ 45,000 | $ - | $ - | $ - | $ - |
| **Sub-Total Wastewater** | **$ 3,568,000** | **$ 3,415,000** | **$ 3,375,000** | **$ 1,025,000** | **$ 1,000,000** |
| | | | | | |
| **Total All Projects** | **$ 3,768,000** | **$ 6,592,806** | **$ 4,605,000** | **$ 1,275,000** | **$ 1,300,000** |
| | | | | | |
| **Total All Projects, All Years** | **$ 17,540,806** | | | | |

Senior Discount

Under the current rate ordinance, Senior Citizens may file for a 15% discount on the first 4,000 gallons of water and sewer. City staff recommends that the discount rate be increased from 15% to a 20% discount in order to mitigate rate increases. The projections and recommendations within the Baxter and Woodman report are based on increasing the senior discount to 20%.

Water and Sewer Connection Fee

The Baxter and Woodman study also evaluated the City's current connection fee rate and rate structure. The intent of these fees is to recover capital costs associated with system expansions needed to support development. With the significant decrease in commercial and residential development in the past several years, this revenue source has fallen far below anticipated levels. The current fees were evaluated against neighboring communities and found to be relatively competitive. The study found that increasing the fee to the level necessary to compensate for the diminished number of connections would only serve to further suppress the number of new connections.

The study also reviewed the methods used to determine the final connection fee. Under the current City ordinance, an estimate of the annual water usage is developed as the basis for connection fees due at the time of building permit. After three years, the fee is then recalculated based on the actual annual water usage and an adjustment is made to the fees previously paid. This recalculation can result in either additional monies due to the City or a return of previously paid fees to the applicant.

In addition, water and sewer facilities must be designed based on the potential needs of a facility. The new connection facility may not reach its full potential for water demand in the first three years of operation and, therefore, would receive a refund of a portion of the connection fees. The City, however, must plan, design and build facilities to meet the needs of the user as if it were fully developed at the time of connection. For these reasons, Baxter and Woodman recommends elimination of the recalculation process and that the City adopt the fees shown in the following table. These fees are based on published equivalency factors for various size services.

**Proposed Connection Fees**

| Water Service Size | Water Fee | Sewer Fee |
|---|---|---|
| <1" | $ 3,428.00 | $ 4,733.00 |
| 1" | $ 4,456.40 | $ 6,152.90 |
| 1.25" | $ 5,827.60 | $ 8,046.10 |
| 1.5" | $ 6,856.00 | $ 9,466.00 |
| 2" | $10,284.00 | $14,199.00 |
| 3" | $13,712.00 | $18,932.00 |
| 4" | $17,140.00 | $23,665.00 |
| 6" | $20,568.00 | $28,398.00 |

The proposed connection fees would be based on service size instead of the current meter size method. Currently, buildings with fire suppression systems require a larger service size than the meter serving the building. Under the proposed connection fee schedule, the connection fee will be based on the actual service size required by the building. The revised connection fee proposal is a more equitable method of determining connection fees, provides similar revenue streams, and is competitive with surrounding communities.

**Emergency Ambulance Service:**

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 approved in 2008, established that the City would charge the current Medicare rate for residents and the current Medicare rate + $400 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 illustrates ambulance fee use rates for the surrounding and comparable communities. These communities were selected based upon similar community size, demographics and/or being a neighboring community.

| DEPARTMENT NAME | RESIDENT | | | NON-RESIDENT FEES | | | MILEAGE | |
|---|---|---|---|---|---|---|---|---|
| | ALS | ALS-2 | BLS | ALS | ALS-2 | BLS | RES | NON-RES |
| ALGONQUIN/LITH FPD | $525.75 | $760.00 | $442.75 | $900.00 | $1,135.00 | $692.75 | $10.00 | $10.00 |
| BARRINGTON FD | $525.00 | $525.00 | $420.00 | $630.00 | $630.00 | $525.00 | $9.00 | $11.00 |
| BUFFALO GROVE FD | $525.00 | $675.00 | $450.00 | $725.00 | $900.00 | $625.00 | $7.75 | $8.50 |
| CARY FPD | N/A | N/A | N/A | $600.00 | $600.00 | $500.00 | N/A | $10.00 |
| CRYSTAL LAKE FD | $396.21 | $573.46 | $333.65 | $796.21 | $973.46 | $733.65 | $7.16 | $10.16 |
| DES PLAINES FD | $700.00 | $950.00 | $500.00 | $950.00 | $1,150.00 | $650.00 | $15.00 | $15.00 |
| DOWNERS GROVE FD | $620.00 | $670.00 | $465.00 | $775.00 | $825.00 | $565.00 | $8.25 | $8.25 |
| FOX RIVER GROVE FPD | $900.00 | $1,000.00 | $700.00 | $900.00 | $1,000.00 | $700.00 | $12.00 | $12.00 |
| HUNTLEY FPD | $526.00 | $760.00 | $443.00 | $900.00 | $1,125.00 | $693.00 | $10.00 | $10.00 |
| LAKE ZURICH FD | $600.00 | $600.00 | $600.00 | $700.00 | $700.00 | $700.00 | $12.00 | $12.00 |
| LEMONT FPD | $550.00 | $550.00 | $450.00 | $750.00 | $750.00 | $650.00 | $10.00 | $10.00 |
| MCHENRY TOWNSHIP FPD | $475.00 | $575.00 | $425.00 | $575.00 | $675.00 | $525.00 | $10.00 | $10.00 |
| OAK PARK FD | $800.00 | $800.00 | $500.00 | $1,000.00 | $1,000.00 | $700.00 | $15.00 | $15.00 |
| PALATINE FD | $521.00 | $754.00 | $439.00 | $629.00 | $911.00 | $530.00 | $7.00 | $7.00 |
| WOODSTOCK FIRE/RESCUE | $750.00 | $900.00 | $500.00 | $1,000.00 | $1,100.00 | $750.00 | $10.00 | $10.00 |
| | | | | | | | | |
| AVERAGE RATE | $601.00 | $720.89 | $476.31 | $788.68 | $898.30 | $635.96 | $10.23 | $10.59 |

Under the City's ambulance billing process, the City bills the Medicare rate for patients transported to the hospital depending on residency. In most cases, a patient who has insurance is reimbursed 80% of the rate that is charged, and then the patient is responsible for the remaining balance. For patients who are Medicare eligible, the City is reimbursed at 80% of the current Medicare rate with the balance charged to the patient's supplemental insurance. Approximately 85% of Medicare patients have supplemental insurance. For those who do not have supplemental insurance or public aid, the City can "write down" the balance based upon a review by the Fire Rescue Chief.

As the City continues to improve the capability to respond to emergency medical service demands,

all funding options must be explored. While many options have been explored and considered, the Fire Rescue Department is recommending the following revision.

Revised Rates

In order for the City to raise its billing rates to meet the average of the comparable departments listed in the table on the previous page, Staff is recommending a gradual increase over a four-year period beginning May 1, 2014. Non-resident rates are +$400 above resident rates. The new fees would be assessed based upon the following table:

| *SERVICE PROVIDED* | *RATE May 1, 2014* | *RATE May 1, 2015* | *RATE May 1, 2016* | *RATE May 1,2017* |
|---|---|---|---|---|
| ***RESIDENT*** | | | | |
| *ALS TRANSPORT* | *$448.97* | *$504.90* | *$560.83* | *$616.75* |
| *ALS-2 TRANSPORT* | *$613.15* | *$652.84* | *$692.53* | *$732.23* |
| *ALS -NON-TRANSPORT* | *$250.24* | *$250.24* | *$250.24* | *$250.24* |
| *BLS TRANSPORT* | *$370.06* | *$409.14* | *$448.21* | *$487.29* |
| *BLS -NON-TRANSPORT* | *$208.53* | *$208.53* | *$208.53* | *$208.53* |
| *MILEAGE (per loaded mile)* | *$7.79* | *$8.68* | *$9.57* | *$10.46* |
| ***SERVICE PROVIDED*** | ***RATE May 1, 2014*** | ***RATE May 1, 2015*** | ***RATE May 1, 2016*** | ***RATE May 1, 2017*** |
| ***NON- RESIDENT*** | | | | |
| *ALS TRANSPORT* | *$848.97* | *$904.90* | *$960.83* | *$1,016.75* |
| *ALS-2 TRANSPORT* | *$1,013.15* | *$1,052.84* | *$1,092.53* | *$1,132.23* |
| *ALS -NON-TRANSPORT* | *$648.24* | *$648.24* | *$648.24* | *$648.24* |
| *BLS TRANSPORT* | *$770.99* | *$809.14* | *$848.21* | *$887.29* |
| *BLS -NON-TRANSPORT* | *$608.53* | *$608.53* | *$608.53* | *$608.53* |
| *MILEAGE (per loaded mile)* | *$10.63* | *$10.63* | *$10.63* | *$10.63* |

It is the recommendation of staff to approve the recommended fee schedule. Under the schedule, residents will be charged the current Medicare rate and mileage with subsequent increases over the next four years that meet the current average rate charged by the comparable fire departments listed on the previous page. Non-residents will be charged the resident rate + $400. The proposed 2014/2015 budget includes the Fire Rescue Department's proposed ambulance fee increase.

**Votes Required to Pass:**

Simple majority

**AN ORDINANCE APPROVING THE ANNUAL BUDGET OF THE CITY OF CRYSTAL LAKE, ILLINOIS, FOR THE FISCAL YEAR BEGINNING MAY 1, 2014 AND ENDING APRIL 30, 2015**

WHEREAS, the City Council designates a Budget Officer for the City who shall compile an annual budget for the City of Crystal Lake; and

WHEREAS, the Budget Officer has proposed to the corporate authorities a budget as required by Section 8-2-9.3 of the Illinois Municipal Code; and

WHEREAS, Section 8-2-9.9 of the Illinois Municipal Code requires that the corporate authorities of the City of Crystal Lake allow for public inspection of the tentative annual budget at least ten (10) days prior to its passage; and

WHEREAS, the tentative annual budget has been available for public inspection in the Office of the City Manager from April 1, 2014; and

WHEREAS, after proper notice being given, a public hearing was conducted on April 15, 2014, to obtain public comment on the tentative annual budget for the City of Crystal Lake for the fiscal year beginning May 1, 2014 and ending April 30, 2015.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Crystal Lake, McHenry County and State of Illinois, as follows:

Section 1: The fiscal year budget of the City of Crystal Lake, McHenry County, Illinois, for the fiscal year beginning May 1, 2014 and ending April 30, 2015, in the form attached hereto is hereby approved and adopted.

Section 2: That a certified copy of this Ordinance and a copy of the budget hereby approved shall be filed with the McHenry County Clerk in accordance with the provisions of the statutes of the State of Illinois.

DATED at Crystal Lake, Illinois, this 15th day of April 2014.

APPROVED:

_____

Aaron T. Shepley, Mayor

ATTEST:

_____

Nick Kachiroubas, City Clerk

PASSED: April 15, 2014
APPROVED: April 15, 2014

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

**AN ORDINANCE ESTABLISHING CERTAIN ANNUAL, DAILY OR HOURLY PAY RATES AND PAY RANGES AND THE SALARY ADMINISTRATION SCHEDULE FOR THE CITY OF CRYSTAL LAKE EMPLOYEES**

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, ILLINOIS;

SECTION I: ANNUAL, DAILY OR HOURLY RATES

That the ranges of annual, daily or hourly rates for the employees of the City are hereby to read as follows on attached chart:

SECTION II: SALARY ADMINISTRATION PROCEDURES

A. The City Manager shall develop procedures and direct the administration of those procedures to ensure that individual employee's wages are determined and allocated in an equitable manner in keeping with the goals and requirements of this policy.

B. New employees and newly promoted employees shall be paid a salary within their new salary range that is not less than the minimum of the range and does not exceed the maximum of their new pay range. Salary increases for individual employees will be timed and salary increase amounts will be determined following the specific criteria below:

1. Quality of performance since the employee's last salary adjustment.
2. Comparison of current salary to pay of other employees of like duties, responsibilities and performance.
3. Position of an employee's current salary within the pay range in terms of overall ability and overall performance since the employee first entered the range.

C. The City Manager shall annually direct the review and survey of certain positions and their salary ranges in comparison with other communities in proximity to the City of Crystal Lake or of like size and comparable composition.

D. The City Manager shall annually approve salary rates and their effective dates for all employees.

E. The City Manager may initiate exceptions to this policy when, in his judgment, such action is for the good of the organization.

SECTION III: JOB CLASSIFICATION:

That all positions of the City shall be separated into classifications and each classification shall have a pay range and the designation of an annual, daily, or hourly rate of pay. The classifications of positions may be modified as deemed appropriate by the City Manager.

All employees, including department directors, part-time and seasonal employees, shall receive such compensation as shall be determined from time to time by the City Manager provided, however, no expenditure shall be made on account of or pursuant to appointment or employment by the City Manager unless sufficient funds have been appropriated in the annual budget.

SECTION IV: REPEALER

That all ordinances or parts of ordinances, rules and regulations in conflict with this ordinance shall be and are hereby repealed.

SECTION V: EFFECTIVE DATE

That this Ordinance shall be in full force and effect from and after the first day of May 2014.

DATED at Crystal Lake, Illinois, this 15th day of April 2014.

APPROVED:

_____

Aaron T. Shepley, Mayor

ATTEST:

_____

Nick Kachiroubas, City Clerk

PASSED: April 15, 2014
APPROVED: April 15, 2014

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

# FY 2014-2015 Classification Plan

| | |
|---|---|
| **1** | Office Assistant |
| **2** | Maintenance Custodian<br>Police Records Assistant |
| **3** | Accounts Payable Clerk |
| **4** | Utility Customer Service Representative<br>Permit Assistant<br>Community Service Officer<br>Administrative Assistant<br>Payroll Clerk |
| **5** | Not Assigned |
| **6** | Plan Review Coordinator/Inspector<br>Human Resources Assistant |
| **7** | Executive Assistant |
| **8** | Accountant<br>Administrative Analyst<br>Engineering & Building Inspector<br>Fire Inspector<br>Information Technology Analyst |
| **9** | Plans Examiner<br>Planner<br>Lab Supervisor<br>Plumbing Inspector |
| **10** | Public Works Supervisor<br>Police Records Supervisor |
| **11** | Assistant to the City Manager |
| **12** | Civil Engineer |
| **13** | Not Assigned |
| **14** | Superintendent<br>Assistant Finance Director<br>Assistant Director of Public Works |
| **15** | City Engineer<br>Planning & Economic Development Manager<br>Building Commissioner<br>Police Commander<br>Fire Battalion/Bureau Chief |
| **16** | Not Assigned |
| **17** | Deputy Police Chief<br>Deputy Fire Chief |
| **18** | Director of Information Technology<br>Director of Human Resources |
| **19** | Director of Finance<br>Deputy City Manager<br>Director of Community Development |
| **20** | Director of Public Works<br>Fire Rescue Chief<br>Police Chief |

# FY 2014-2015 Pay Plan

| Grade | 14-15 MIN | 14-15 MAX |
|---|---|---|
| 1 | $36,316.80 | $52,852.80 |
| 2 | $38,147.20 | $55,515.20 |
| 3 | $40,040.00 | $58,281.60 |
| 4 | $42,827.20 | $62,337.60 |
| 5 | $45,843.20 | $66,705.60 |
| 6 | $49,067.20 | $71,406.40 |
| Grade | | |
| 7 | $52,977.60 | $77,084.80 |
| 8 | $56,160.00 | $81,702.40 |
| 9 | $61,214.40 | $89,065.60 |
| Grade | | |
| 10 | $71,011.20 | $96,096.00 |
| 11 | $73,860.80 | $99,923.20 |
| 12 | $76,814.40 | $103,916.80 |
| 13 | $79,872.00 | $108,076.80 |
| 14 | $83,075.20 | $112,403.20 |
| 15 | $86,382.40 | $116,376.00 |
| 16 | $89,814.40 | $121,035.20 |
| 17 | $93,433.60 | $132,766.40 |
| Grade | | |
| 18 | $97,177.60 | $135,990.40 |
| 19 | $101,067.20 | $146,868.80 |
| 20 | $105,102.40 | $152,755.20 |

| Fire Rescue Part- Time Staff | Hourly Rate |
|---|---|
| Firefighter II/EMT-B Trainee Rate: | $8.25 |
| Base Pay (Firefighter II and EMT-B): | $15.50 |
| Additional Certifications: Paramedic, FAE, Firefighter III | Additional $0.50/hour for each certification on top of base pay |
| 10 Year Plus CLFRD premium: | Additional $0.50/hour |

| Crossing Guards (School Year) | Daily Rate |
|---|---|
| Dependent Upon Crossing Assignment: | $14.94 |
| | $19.57 |
| | $31.93 |

| Seasonal Positions | Hourly Rate Range |
|---|---|
| Attendants/Summer Workers | $8.25 to $8.75 |
| Lead Attendant/Team Leader | $9.50 to $10.50 |
| Lifeguards | $9.00 to $10.00 |
| Security Assistant | $9.50 to $10.50 |
| Assistant Site Supervisor | $10.50 to $12.50 |
| Beach/ Recreation Manager | $16.25 to $19.00 |
| Interns (various dept. assignments) | $8.25-$11.00 |
| Returning Seasonal Employees | Additional $.25-$.50/hour |

**Police Sergeants**

**January 1 to April 30, 2014**

| | |
|---|---|
| Step 1 | $91,062.40 |
| Step 2 | $92,892.80 |
| Step 3 | $95,680.00 |
| Step 4 | $99,507.20 |

***May 1, 2014 rate to be determined**

4/7/14

RESOLUTION NO. _____

A RESOLUTION ADOPTING A FINANCIAL MANAGEMENT POLICY

WHEREAS, financial management is necessary for the control of City affairs.

WHEREAS, sound accounting practices and policies are necessary for ensuring the integrity of financial records and City funds.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CRYSTAL LAKE hereby adopts its Financial Management Policy dated April 15, 2014.

DATED at Crystal Lake, Illinois, this 15th day of April 2014.

APPROVED:

_____

Aaron T. Shepley, Mayor

ATTEST:

_____

Nick Kachiroubas, City Clerk

PASSED: April 15, 2014

APPROVED: April 15, 2014

## ORDINANCE AMENDING THE CRYSTAL LAKE CITY CODE

BE IT ORDAINED by the Mayor and City Council of the City of Crystal Lake, McHenry County and State of Illinois, as follows:

Section 1: Amendment of City Code Chapter 515. Article III, Rates and Charges, of Chapter 515, Water and Sewer, of the City Code is hereby repealed and replaced in its entirety with the following:

**Article III. Rates and Charges**

**§ 515-15. Rates and Charges.**

The consumer or user on all property or premises upon which any building or structure has been or may hereafter be erected having connection with any mains or pipes which exist or may hereafter be constructed and used in connection with the water and sewage or water or sewage systems of the City of Crystal Lake shall pay the following rates according to the following schedule:

A. Water rate. Beginning July 1, 2014, the following rates shall apply:
(1) Monthly service charge: $4.73.
(2) Each 1,000 gallons: $3.22 per 1,000 gallons.

B. Sewer rate. Beginning July 1, 2014, the following rates shall apply:
(1) Monthly service charge: $5.65.
(2) Each 1,000 gallons: $3.23 per 1,000 gallons.

C. The rates and charges herein established shall be collected from owners, occupants, consumers and users of the premises for all such use from and after each scheduled rate adjustment. The minimum rate for water and sewer monthly billing shall be equal to the combined water and sewer monthly service charge for the rate period covered. The fee paid for sewer use shall be determined by the water meter reading. No discounts shall be allowed for any difference between the water meter reading and actual sewer use.

D. Senior citizens may qualify for a water and sewer rate discount of 20% for the first 4,000 gallons billed each month by requesting the discount and registering with the Finance Department. To receive the discount, a senior citizen must be 65 years of age, and must reside at the address and the account must be in his/her name.

E. Water users outside corporate limits of the City of Crystal Lake shall pay 1 1/3 times the fee charged for the same services within the City (except those users covered by contractual agreements whose fees should be determined in accordance with such contracts).

F. Bulk water sales made by metered connections to secondary community water supplies or via metered hydrant for on-site use or via metered hydrant to a tanker for transport to an end user (except those users covered by contractual agreements) shall be billed monthly and pay the following rates according to the following schedule:

(1) Bulk water rate (except those users covered by contractual agreements). Beginning July 1, 2014, and continuing until further adjusted by the Mayor and City Council of the City of Crystal Lake:

(a) Monthly service charge: $25.31.
(b) Each 1,000 gallons: $9.86 per 1,000 gallons.

G. Water used during construction of new buildings. Beginning July 1, 2014, and continuing until further adjusted by the Mayor and City Council of the City of Crystal Lake:

(1) One- and two-family residences: $61.50.
(2) Multifamily, commercial, industrial:
    (a) Under 2,000 square feet, minimum fee: $61.50.
    (b) Each additional square foot over 2,000 to 10,000: $0.036.
    (c) Each additional square foot over 10,000 to 50,000: $0.012.
    (d) Each additional square foot over 50,000: $0.007.

H. Surcharge for industrial users. When the average concentrations of BOD and/or suspended solids exceeds 300 mg/l or 350 mg/l, respectively, a surcharge shall be $0.42 per pound of BOD, and $0.21 per pound of suspended solids. All measurements, tests, and analysis of the characteristics of water and wastes to determine the industrial user surcharge factors shall be conducted in conformance with § 515-13. All commercial and institutional users shall be reclassified "industrial" as per the Office of Management and Budget's "Standard Industrial Classification Manual," 1972 Edition, under the category "Division D Manufacturing," when any of their wastes exceed the concentration of § 515-13 of this article.

I. New Account Deposit.

1. All new water/sewer accounts shall be required to make a utility deposit with the City to their utility account prior to receiving any water/sewer service. Upon application for service, all new customers must indicate whether the service is being requested for property that is owned or rented.
2. The new customer deposit shall be fifty dollars ($50.00) for water/sewer service.
3. Utility deposits shall be credited to utility customers in "good standing" having had twenty-four (24) consecutive months with a minimum of twenty-two (22) timely payments and no payments or drafts having been returned for insufficient funds. Utility deposits credited shall be applied to the customer's next bill following the 24th consecutive month of timely payments. No deposits to current accounts shall be refunded directly to the customer until account closure.
4. The deposit requirement shall be waived in the event the applicant applies for participation in the City's "Direct Debit Program" and remains in good standing. A customer in good standing is one that has not had direct payments returned to the City

on two consecutive billing periods. The Finance Director is authorized to process a refund of deposits held by the City on behalf of water and sewer customers who participate in the Direct Debit Program. Refunds shall be processed in the form of an account billing credit.

J. Terms of Payment

1. Liability For Payment Of Fees For Water/Sewer Service: The user of the City's water/sewer service and the occupant and owner of the property, or the owner's agent, if different from the user, shall be jointly and severally liable for the payment of any user fees, penalties, or special assessments billed for water/sewer service.

2. Owner Notified If Tenant Delinquent: After the account has been delinquent for sixty (60) days, if the owner has provided the City with the owner's name and address, the City shall deliver notice of the tenant's or occupant's delinquency to the owner. Depositing the required notice in the mail, addressed to the owner at the address listed in the City's records, postage prepaid, shall constitute delivery.

3. Manner Of Correcting Inaccurate Bills: In any instance where a customer's bill has been incorrectly calculated or stated for any reason except unlawful use of utility services, the City shall correct the billing for any period of time not exceeding twelve (12) months during which incorrect bills were rendered for underbilled accounts and twelve (12) months for credits due to an error which caused the account to be overbilled.

4. Deferred Payment Plan: Where a customer has been underbilled, the City may enter into a written deferred payment agreement with the customer, whereby the amount due to the billing error may be paid in equal installments over a period not to exceed twelve (12) months from the date on which the agreement is signed.

5. Termination Of Service: The City shall have and hereby reserves the right, power and authority to suspend or terminate water/sewer service as provided for in § 515-16 to any customer at any time without incurring any liability or cause of action for damages of any kind.

6. Resumption Of Service: If service is discontinued because the customer's bills for service are in arrears, or for violation of any provisions of this Article after notice, such service shall not be restored until all charges, costs and damages, if any, shall have been paid to the Finance Department; or the violation has been corrected; and any charges for reinstatement of service pursuant to this Chapter have been paid to the Finance Department.

7. Responsibility For Meter With Customer: If water service is terminated pursuant to this Section, the customer shall remain liable for protecting the water meter from damage from freezing or other causes. If the meter is damaged, the customer shall be required to return the damaged meter to the City, purchase a new meter, and have the new meter installed in accordance with City Code requirements, all at his/her own expense.

8. Collection: The City may take all legal action necessary to collect user fees from delinquent accounts including, without limitation, termination of service, recording a lien against the

property, foreclosing on such lien, hiring a collection agency, refusing to grant any other utility service, or to issue any City permit or license to the delinquent customer until the delinquent account has been paid in full, including any penalties, costs incurred to record liens or releases of lien, or costs of collection.

9. Blanket Policy: The City shall also have the right to disconnect or refuse service to any customer with one or more installations if the bills are not paid at any one installation.

10. Charges And Discounts Prorated: The charges and discounts established in this Article shall be prorated by the Finance Department for customers receiving service for less than a full billing period.

K. Periodic review of charges. The adequacy of the water and sewer charge shall be reviewed by the City Manager at least annually as part of the annual budget process. The water and sewer service charge shall be revised periodically to reflect change in local operation, maintenance and repair costs, including capital replacement costs.

L. Disposition of revenues. All revenues and moneys derived from the operation of the water and sewer system shall be deposited in the Water and Sewer Fund. The Director of Finance shall receive all such revenues from the water and sewer system and all other funds and moneys incidental to the operation of such system as the same may be delivered to him/her and deposit the same in the account of the fund designated as the Water and Sewer Fund of the City of Crystal Lake.

M. Accounts. The Director of Finance shall establish a proper system of accounts and shall keep proper books, records and accounts in which complete and correct entries shall be made of all transactions relative to the water and sewer system, and at regular annual intervals he/she shall cause to be made an audit by an independent auditing concern of the books to show the receipts and disbursements of the sewerage system.

**§ 515-16. Delinquent payment.**

A. Penalty. All sewer and water users not paying the water and sewer bills on or before the delinquent period as shown in said bill shall pay a penalty of 20% of the balance of the account.

B. Adjustment of Water and Sewer Utility Bills. A water and sewer utility customer may present a request to the Finance Director to adjust the amount due for such water or sewer service, in the event of a billing dispute. The customer making such request shall provide to the Finance Director with documentation or other evidence in support of such request for adjustment. The Finance Director shall be authorized to determine the sufficiency of such evidence or documentation in support of the billing dispute and make such adjustments to the disputed billing, and any penalty imposed pursuant to Section 515-15, as the Finance Director believes is equitable and supported by the information submitted by the customer.

C. Informal Resolution.

1. If a customer or user calls, visits or writes the City Finance Department, complaining of an overcharge or other problems with the account, an authorized representative of the Finance Department can do one or more of the following:

a) Stay termination of service until the Finance Director renders a decision or all appeals are exhausted, whichever is later. Provided, however, that the Finance Director shall render a decision within ten (10) days from the date the customer or user called in his/her complaint or made his/her complaint in person, or from the date of receipt of a customer's or user's written complaint.
b) Conduct an investigation, including, but not limited to, a meter check in the subject premises, check utility billings for possible errors in computation of bill and check for leaks or illegal connections.
c) Establish a written credit plan, as permitted by this policy, in cases of claimed financial difficulties.
d) If the authorized representative finds merit to the dispute, an adjustment of the bill can be made with the customer or user with the approval of the City Finance Director.

2. If the authorized representative finds that the dispute as to an overcharge or other problem with the account has no merit, he/she shall communicate this decision to the customer or user by certified mail, return receipt requested, by personal delivery, or by posting on the premises to be disconnected. The notice of the decision shall specify that if the account is not paid or the customer or user does not appeal the decision, on or before five (5) days from the date of receipt of said notice, the utility service shall be discontinued. The Finance Director is authorized to develop and recommend rules and procedures for the implementation and administration of this Section.

D. Informal Hearing.

1. Any customer or user may request a hearing before the Director of Public Works and the Director of Finance, or their respective designees, in the following circumstances:

a) Within seven (7) days from the date of receipt of any notice of termination of service. If the customer or user is charged with a violation of the water or sewer rules other than a dispute on the charges or other problems with the account, the customer or user may only request a hearing as provided herein. The informal resolution procedure described above is not available to any customer or user which is charged with other violations of the utility's rules and regulations.
b) Within five (5) days after receipt of the notice of decision by the authorized representative under the informal resolution procedure mentioned above.

2. The hearing date shall be scheduled during regular City business hours and for a date convenient to the parties but no later than ten (10) days from the date of the request. The hearing date and time shall be confirmed by the City utility in writing to the person requesting the hearing by first class U.S. mail. At such hearing the customer or user shall

have the right to be represented by counsel, to appear at the hearing in person, to present evidence in his/her own behalf and to examine any evidence which the City utility might introduce. The City utility is authorized to conduct its own investigation of the customer's or user's complaint and to present any evidence to that effect at the hearing. Within five (5) days after the conclusion of any hearing, the authorized person conducting the hearing will render a decision on the basis of the evidence presented. Such decision shall be communicated to the customer or user by certified mail, return receipt requested, by personal delivery, or by posting on the premises to be disconnected. In case the decision is against the customer or user, the notice of the decision shall specify that if the account is not paid, or the violation is not abated, on or before five (5) days from date of receipt of notice, the utility service shall be discontinued. The Finance Director is authorized to develop and recommend rules and procedures for the implementation and administration of this Section.

E. Adjustment for Prevention of Freezing Water Service Lines. In cases where cold weather has caused frost levels to extend below the buried depth of water service lines, the Finance Director shall be authorized to adjust water and sewer utility bills for those customers to whom the City has sent written notification advising such customers: 1) to run their water lines continuously in order to prevent freezing of water service lines, and 2) that the City will consider adjustments to water and sewer utility bills during such period as the Director of Public Works may determine that such action is advisable.

F. Payment Plan. A customer may contact the Finance Director or his/her designee and request to be put on a payment plan. The Finance Director may, in his/her sole discretion, approve a payment plan with a term of not more than 6 months and may suspend further accumulation of penalties. If the customer fails to make any payment when due under the payment plan, then the entire outstanding balance will become immediately due, and if applicable, will notify the owner of the property. If the entire balance is not paid within fifteen (15) days of the due date under the payment plan, the City shall initiate notice and termination procedures provided in this Article.

G. Delinquency notice—Service disconnection.

1. If the rates and charges for water and sewer service, including all penalties, are not paid by the due date of the current bill, a past due notice shall be sent by first class U.S. mail.

2. The City may discontinue such service after sixty (60) days after a past due amount has not been satisfied, or if the customer has been found in violation of any of the rules and regulations of any utility provided for in this City Code. If the user or consumer is not the owner of the premises served, notice shall also be given to the owner of the premises if his/her name and address has previously been registered with the City Finance Department by such owner for the purpose of receiving such notices.

3. Notice of intent to disconnect shall be given to the customer or an adult living at the premises and owner by telephone, personal delivery or first class U.S. mail. A charge of twenty-five dollars ($25.00) shall be assessed to the utility bill for each notice of intent to disconnect. The notice shall state the balance due , or the rule or regulation which is

alleged to have been violated, whichever is applicable; the phone number to contact for an informal resolution of the customer's complaints in cases of disputes concerning the amount due or other problems with the account; the address and office hours of the utility office in case the customer wants to informally resolve his/her complaint in person; and the fact that the customer is entitled to a hearing on his/her complaint before some authorized agent of the appropriate utility department when and if the complaint cannot be informally resolved.

4. Five (5) days after the notice of service disconnection, an authorized agent of the City shall be dispatched to disconnect the service to the premises where such delinquency exists.

5. The City shall also have the right to disconnect or refuse service from any and all City water and sewer service to any customer or user with one or more installations if the bills for all City water and sewer services are not paid at any one installation, subject to the notice and procedural provisions required by this Section.

H. Reinstatement of Service. Should sewer and water users failure to make payment result in a service shutoff, a reinstatement of service fee of $100 will be charged accordingly. If any active customer or user has had utility service disconnected due to a delinquent water and sewer bill(s) and the customer has not paid the account current for reinstatement within thirty (30) days, the City shall issue a final bill for the account. In order to reinstate an account for which a final bill has been issued, the customer or user shall pay all outstanding utility bills, the appropriate reinstatement fee(s), and a new deposit(s) pursuant to this Chapter.

**§ 515-17. Connection Permits, Infrastructure Availability Charge.**

A. Permit Required, Issuance: No service connection to the City's water system or sewer system shall be made before a permit is obtained as provided in this Section.

1. Application for all such permits shall be made and filed with the Director of the Department of Community Development, on forms provided by the Director.
2. Permits for service connections shall be issued by the Director of the Department of Community Development only after payment of all fees and the charges for such connections, as set forth in this Section.

B. Records: The Director of Community Development shall keep a complete record of all such permits issued hereunder and the exact location of such connections made. The Director of Community Development shall furnish to the City Council, as often as requested, a complete statement of all such permits issued since his/her last statement.

C. Application Information: The Director of Community Development shall require the applicant to furnish, in connection with the application for service connections, the plans of the building to be served and such other information that he/she may require for the purpose

of determining the amount of charges for such connections in accordance with the schedule of charges hereinafter set forth.

D. Permit Expiration: The permit shall be issued for a 90-day period, and after seventy-five (75) days the Director of Community Development shall send notification of permit expiration date.

E. Infrastructure Availability Charges For Service Connections: The charge for each water service connection and for each sewer service connection shall be as herein set forth. The charge for each water service connection shall be based upon the diameter of the water service pipe. The charge for each sewer service connection shall be based upon the diameter of the water service connection serving the same premises, regardless of the diameter of the sewer service connection tile or pipe.

INFRASTRUCTURE AVAILABILITY CHARGE

| Water Service Size | Water Service Charge | Sewer Service Charge |
|---|---|---|
| Less than 1 inch | $ 3,428.00 | $ 4,733.00 |
| 1 inch | 4,456.40 | 6,152.90 |
| 1¼ inch | 5,827.60 | 8,046.10 |
| 1½ inch | 6,856.00 | 9,466.00 |
| 2 inch | 10,284.00 | 14,199.00 |
| 3 inch | 13,712.00 | 18,932.00 |
| 4 inch | 17,140.00 | 23,665.00 |
| 6 inch | 20,568.00 | 28,398.00 |
| More than 6 inches | Determined by Director Of Public Works | Determined by Director Of Public Works |

1. Service Connection for Fire Suppression Only – For an existing property that has been connected to the City's water system for at least 12 months, and is seeking a new water connection for fire suppression, the Infrastructure Availability Charge for water service shall not apply. Instead, a Service Connection for Fire Suppression in the amount of $2,700 shall apply.

2. Redevelopment – Redevelopment, wherein an existing building is replaced with a new building, shall result in the calculation and payment of the water and/or sewer connection fee similar to new construction. The Director of Public Works shall have the discretion of applying a credit for connection fees previously paid to the property.

3. The Director of Public Works shall have the authority to make adjustments to water and/or sewer connection fees for water and/or sewer connection circumstances not specifically addressed in this Section.

4. In addition to the fees established in this Section, participation fees, as provided by § 241-46 and recapture fees, as provided by § 515-5, may also be due as a prerequisite to the receipt of water and/or sewer service.

**§ 515-18. Unpaid Charges a Lien.**

A. Lien Claim, Procedure:

1. Charges for water and sewer service shall be a lien upon the premises as provided by statute. Whenever a bill for water and/or sewer service remains unpaid sixty (60) days after it has been rendered, the Finance Director may file with the recorder of McHenry County a statement of lien claim. This statement shall contain the legal description of the premises served, the amount of the unpaid bill, the date when the bill became delinquent, and a notice that the City claims a lien for this amount, plus the recorder fees for filing the lien, as well as for all charges for water and/or sewer services provided subsequent to the period covered by the bill.

2. If the consumer of water or sewer services whose bill is unpaid is not the owner of the premises, and the City Clerk has notice of this, then notice shall be mailed to the owner of the premises, if his/her address is known to the clerk, whenever such bill remains unpaid for a period of sixty (60) days after it has been rendered.

B. Foreclosure of Lien:
1. Property subject to a lien for unpaid water and/or sewer charges shall be sold for nonpayment of the same, and the proceeds of such sale shall be applied to pay the charges after deducting costs and attorney fees. Such foreclosure shall be by bill in equity in the name of the City.

2. The City Attorney is hereby authorized and directed to institute such proceedings in the name of the City, in any court having jurisdiction over such matters, against any property for which the water and/or sewer bill has remained unpaid sixty (60) days after it has been rendered.

Section 2: That Section 241-13, Recycling Bins, is hereby eliminated.

Section 3: That Section 241-14, Sewer Connections, is hereby eliminated.

Section 4: That Section 241-15, Water Connections, is hereby eliminated.

Section 5: Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval according to law.

DATED at Crystal Lake, Illinois, this 15th day of April 2014.

APPROVED:

_____

Aaron T. Shepley, Mayor

ATTEST:

_____

Nick Kachiroubas, City Clerk

PASSED: April 15, 2014

APPROVED: April 15, 2014

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

## ORDINANCE AMENDING THE CRYSTAL LAKE CITY CODE

BE IT ORDAINED by the Mayor and City Council of the City of Crystal Lake, McHenry County and State of Illinois, as follows:

Section 1: Amendment of City Code Chapter 33-16, Fire Rescue Department. Section 33-16 (C)(4) of the City Code is hereby replaced in its entirety with the following:

**§ 33-16. Fire Rescue Department.**

**C. Emergency Ambulance Service**

(4) There is hereby established a charge for the service of the Crystal Lake Emergency Ambulance Service. The fees would be assessed based upon the table below:

| *SERVICE PROVIDED* | *RATE May 1, 2014* | *RATE May 1, 2015* | *RATE May 1, 2016* | *RATE May 1,2017* |
|---|---|---|---|---|
| *RESIDENT* | | | | |
| *ALS TRANSPORT* | *$448.97* | *$504.90* | *$560.83* | *$616.75* |
| *ALS-2 TRANSPORT* | *$613.15* | *$652.84* | *$692.53* | *$732.23* |
| *ALS -NON-TRANSPORT* | *$250.24* | *$250.24* | *$250.24* | *$250.24* |
| *BLS TRANSPORT* | *$370.06* | *$409.14* | *$448.21* | *$487.29* |
| *BLS -NON-TRANSPORT* | *$208.53* | *$208.53* | *$208.53* | *$208.53* |
| *MILEAGE (per loaded mile)* | *$7.79* | *$8.68* | *$9.57* | *$10.46* |
| *SERVICE PROVIDED* | *RATE May 1, 2014* | *RATE May 1, 2015* | *RATE May 1, 2016* | *RATE May 1, 2017* |
| *NON- RESIDENT* | | | | |
| *ALS TRANSPORT* | *$848.97* | *$904.90* | *$960.83* | *$1,016.75* |
| *ALS-2 TRANSPORT* | *$1,013.15* | *$1,052.84* | *$1,092.53* | *$1,132.23* |
| *ALS -NON-TRANSPORT* | *$648.24* | *$648.24* | *$648.24* | *$648.24* |
| *BLS TRANSPORT* | *$770.99* | *$809.14* | *$848.21* | *$887.29* |
| *BLS -NON-TRANSPORT* | *$608.53* | *$608.53* | *$608.53* | *$608.53* |
| *MILEAGE (per loaded mile)* | *$10.63* | *$10.63* | *$10.63* | *$10.63* |

DATED at Crystal Lake, Illinois, this 15th day of April, 2014.

APPROVED:

_____
MAYOR

ATTEST:

_____
CITY CLERK

PASSED: April 15, 2014

APPROVED: April 15, 2014

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake

# 2014-2015

# City of Crystal Lake
# Proposed Annual Budget

The City of Crystal Lake is celebrating its Centennial anniversary of incorporation in 2014 (September 23, 1914 to September 23, 2014).

City of Crystal Lake, Illinois
For the Fiscal Year beginning May 1, 2014
www.crystallake.org

# CITY OF CRYSTAL LAKE, ILLINOIS
# 2014/2015 BUDGET

DRAFT

## CITY OFFICIALS

**MAYOR**
Aaron T. Shepley

**COUNCILMEMBERS**

| | |
|---|---|
| Ellen Brady Mueller | Brett Hopkins |
| Ralph M. Dawson | Cathy A. Ferguson |
| Cameron Hubbard | Jeffrey T. Thorsen |

**CITY CLERK**
Nick Kachiroubas

**ADMINISTRATION**

| | |
|---|---|
| Gary J. Mayerhofer | City Manager |
| Eric T. Helm | Deputy City Manager |
| Bradley S. Mitchell | Assistant to the City Manager |
| George J. Koczwara | Director of Finance/Treasurer |
| Ann L. Everhart | Director of Human Resources |
| Gregory A. Fettes | Director of Information Technology |
| Victor C. Ramirez | Director of Public Works |
| James Black | Chief of Police |
| James P. Moore | Chief of Fire Rescue |
| Michelle V. Rentzsch | Director of Community Development |

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# 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 2014-2015

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GOVERNMENT FINANCE OFFICERS ASSOCIATION
Distinguished
Budget Presentation
Award
PRESENTED TO
City of Crystal Lake
Illinois
For the Fiscal Year Beginning
May 1, 2013
Executive Director

March 12, 2014

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

During the past few years, we reported many challenges due to the state of the economy. Though we have weathered the storm better than many communities, Crystal Lake has not been immune to these problems and we continue to face the challenge of maintaining high service levels in an uncertain revenue environment. For the fiscal year 2014/2015, we face a continued uncertain economic future.

Despite the challenges, and with the tireless efforts of many, we are pleased to present the City of Crystal Lake's Proposed Annual Budget for Fiscal Year (FY) 2014/2015. The budget is balanced, meets the needs and demands of our community's long-term strategic commitments, and is within the parameters of the financial limitations discussed below.

The economic crisis in the country today is, in many ways, unprecedented and has resulted in fundamental structural changes to the way the economy operates. Because of the leadership of the City Council, residents can be proud in knowing that the City has planned for the future. Past decisions have given the City the flexibility to maintain excellent services today.

The following sections of this letter will outline:

1. The spending control measures that the City has incorporated into this budget in order to maintain current service levels,
2. The potential challenges that the City faces that can still disrupt revenue and expenditure projections,
3. Opportunities that are available,
4. The emphasis that service delivery has when formulating the budget, and
5. A general summary of the City's funds in the proposed budget and financial policies.

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## SPENDING CONTROL

Fiscal year 2014/2015 revenue projections are slightly ahead of last year's budget. Limited economic recovery has translated to minimal gains in sales, income and use taxes in the General Fund. Receipts from telecommunications tax continue to decline as competition among carriers increases, resulting in lowered prices for consumers. New home construction activities remain sluggish. To balance the fiscal year 2014/2015 budget, the City of Crystal Lake will continue to follow spending control measures that include taking advantage of electrical aggregation and other bulk purchasing opportunities through cooperative purchasing agreements, seeking competitive bids and avoiding filling vacated positions unless they are critical to City operations. Whenever possible, grant funding shall be sought to offset program and project costs.

### Personnel

During the past few years, the equivalent of seventeen positions have become vacant. These positions have been eliminated. These include two full-time positions in the City Administration Department, one full-time position in the Police Department, six full-time positions in the Community Development Department, seven full-time positions and one part-time position (0.50 full-time equivalent) in the Public Works Department, and one full-time position in the Information Technology Department. One full-time position in the Community Development Department and one full-time position in the Fire Rescue Department were converted to part-time positions (0.75 full-time equivalents). In Fiscal Year 2013/2014, a part-time Public Education Coordinator position (0.50 full-time equivalent) was added to the Fire Rescue Department. During the upcoming budget year, one part-time position (0.50 full-time equivalent) in the Public Works Department will be converted to full-time.

### Insurance

Through concerted efforts and enhancements in the City's risk management program, the City is able to take advantage of very favorable insurance costs. Increases in the City's liability insurance overall are budgeted at 0%.

In an effort to better control health care costs, the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC). The IPBC is an entity created under Illinois State laws, which allows municipal groups to band together for the purposes of health insurance. The IPBC was established in 1979 and includes 66 municipalities or municipal entities as members.

The purpose of the IPBC is to provide economies of scale and risk pooling that will allow members more financial stability than offered by the commercial insurance market. Due to favorable claims experience, the proposed fiscal year 2014/2015 budget reflects a 3.7% increase in group insurance. This increase will be mitigated by reserves that have been established with IPBC.

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Projects Deferred

Projects previously anticipated have been deferred until the economy sufficiently recovers. The delayed projects include initial construction funding for the Main Street Railroad relocation project. During the 2013/2014 fiscal year, the City received Phase I Engineering approval from IDOT for this project. Based on a preliminary budget, this project is estimated to cost approximately $9 million. Final engineering and construction will not occur until funds are available.

Capital Expenditures

One-time capital expenditures will be funded using unassigned fund balances coupled with bond proceeds. Bonds shall not be used to finance operating deficits and fund balances shall be maintained in accordance with the City's financial policies.

## CHALLENGES

Even with a balanced budget, many potential challenges lie ahead. Some of these challenges could include:

State Budget Crisis

The State of Illinois is in the midst of a budget crisis. A number of scenarios have been discussed, some of which could reduce revenue to local government. Even without these scenarios, the national economy continues to recover at a very slow pace, impacting municipal revenue streams for at least the coming year.

Increased Pension Costs

All full-time employees are required by statute to participate in State-mandated pension plans. Both the employer and employee contributions are dictated by State law. The City will continue to work with our legislators and the Northwest Municipal Conference to help develop sustainable pension reform.

Service Requirements of the Community

The economic downturn does not have a corresponding reduction in demand for City services. If we have a cool, wet summer, we sell less water. If we have a harsh winter, our cost for providing snow and ice control rises. Freeze-thaw cycles tend to produce water main breaks. Water lines, especially this past winter, freeze and must be de-thawed. The need for Police services and property maintenance complaints tend to increase as citizens grapple with increasingly difficult circumstances. The need for maintenance of our municipal infrastructure, including streets and water and sewer systems, remains constant to avoid costly failures in the future.

Costs of Unfunded State and Federal Mandates

In addition to decreases in revenue and increases in service demands, local governments must adhere to numerous state and federal requirements that are not necessarily accompanied by funds from the state or the federal government. Examples include mandates by Illinois' Environmental Protection Agency and the U.S.

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Environmental Protection Agency related to water and sewage issues, provisions in the Prevailing Wage Act, and other state mandates.

## OPPORTUNITIES

Despite the challenges there is room for optimism.

Economic Outlook

According to Moody's Analytics, the Chicagoland region's economic output should expand at 2.9 percent in 2014, slightly faster than the 2.6 percent pace set last year, with a healthier gain of nearly 3.8 percent on the horizon in 2015. At this year's forecasted rate, "Chicago's economy will grow the fastest in a decade in 2014," says a recent report by the West Chester, Pa.-based economic research and forecasting arm of New York credit rating agency Moody's Corp. "Chicago's recovery has strengthened and downside risk has decreased."

During the "lost" years of 2008 through 2010, the Chicago region shed more than 264,000 jobs. Since then, only about 155,000 jobs were regained, and Moody's estimates that the region won't climb above 2007 employment levels until 2015. At the current pace, unemployment in the Chicago region will remain high at nearly 8.5 percent in 2014, down from last year's 9.2 percent average, yet well above the projected 6.6 percent jobless rate for the nation, according to Moody's. "There's no doubt Illinois is improving," says Edward Boss, chief economist at the Commission on Government Forecasting and Accountability, the research arm of the Illinois General Assembly. "The bad news is we're improving a heck of a lot worse than the rest of the U.S."

The area's housing market continues to be a long-term drag, but that also is starting to turn around. The stockpile of foreclosed homes is coming down at a faster pace, and permits for single-family homes were up 18 percent in 2013 for the Chicagoland area. Housing's better-than-expected improvement caused the Chicago-area economy to exceed the barely negligible growth Moody's anticipated a year ago. The homebuilding business is still just a third of what it was in 2006 and 2007, but Moody's expects the number of new homes to increase 4 percent this year.

In addition to housing, business-related real estate is poised to build on last year's gains. The vacancy rate improved even though 1.1 million square feet of new office space entered the market in the Chicagoland area, says Robert Kramp, Midwest research director at Jones Lang LaSalle Inc., a Chicago-based real estate broker. "We're expecting it to maintain at 15.5 percent to 16 percent." "Sectors that employ workers in office and industrial space have seen job growth," he adds. "Employers have extracted as much efficiency out of their worker pool as they could, and they are looking to expand."

While 2014 should see modest improvement in retail space, "there's still a significant amount of distressed real estate out there," says Larry Kilduff, Jones Lang's senior vice president for retail in the Midwest. "It will take another few years" for the glut of stores to

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stabilize, he adds. “But there's so little being built, once everybody's comfortable, there will be a significant amount of development.”

One promising sign is that 22 industrial and commercial buildings are under construction in the Chicago area, totaling almost 7.7 million square feet. Another seven projects totaling 1.8 million square feet are in the planning stage, according to Jones Lang research. At this time last year, only 11 industrial and commercial projects totaling 5.1 million square feet were in some stage of development, according to the firm.

Attractive Place to Live and Work

Crystal Lake continues to be an attractive place to live and conduct business. In 2011 through early 2014, new businesses who have either occupied space or leased space and are under construction, or relocated to larger buildings include: HH Gregg, Five Below, Ross Dress for Less, Superior Health Club, The Fresh Market, Jersey Mikes, Courtesy Motors, Five Guys Burgers, O'Reilly Auto Parts, Harbor Freight Tools, Alternative Garden Supply, Savers, Weight Watchers, Meineke Car Care Center, Randall Road Animal Hospital, Exemplar Financial, Olive Tap, KK Buffet, Advance Auto Parts, Kyoto Restaurant, Electron Marketing, Scali & Assoc. Accounting, The Movement, Suran Built Inc., Action Kung Fu, Supreme Shine Detailing, Samsone & Associates, Mr. Cakes, Subway at Healthbridge, Mobil Oil at Routes 31 and 176, Colonial Ice Cream & Café, Route 14 Dentistry, Crystal Lake Bank & Trust, Straight Shooters Gallery, Elite Kids, Salon 134, Providence Packaging, Phoenix Electronics, RW Technologies, Aptar Group, Five Star Pallet, Crystal Lake Rib House, Texas Roadhouse, Greek’s Pizzeria, Crystal Lake Beer Company, Marvin’s Toy Store, Riverside Chocolate Factory, Kitchen Outfitters, Reprographics and National Gift Card.

The City of Crystal Lake is fortunate to have two Metra train stations within our corporate limits. The second station, 2,000-square-foot Pingree Road Metra Station, was completed in the winter of 2005 at a cost of $2.1 million. Metra funded the construction of the Pingree Road Station as well as renovations to the Downtown Train Station, which were completed the summer of 2006.

Low Property Tax

The fiscal year 2014/2015 budget continues the funding of General Fund services without the use of a corporate property tax. General Fund services include police, community development, streets, storm sewers, and fleet and facility maintenance, as well as legal and City administration. The primary funding of these services are sales tax and other alternate revenue sources. When comparing surrounding communities that provide like services, Crystal Lake’s portion of a property owner’s tax bill is among the lowest as illustrated in the following comparison.

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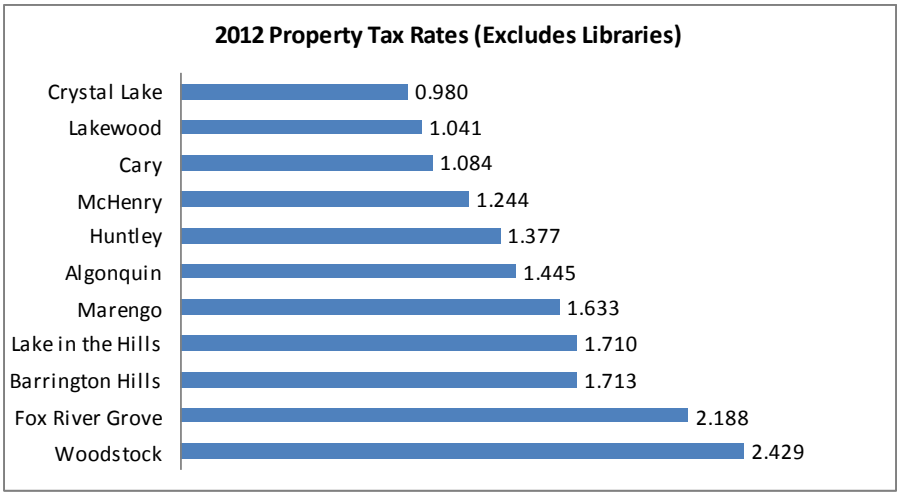


The City is committed to maintaining a low property tax rate. On December 17, 2013, the Crystal Lake City Council adopted a property tax levy ordinance that maintained a zero General Fund levy, which has been in place since 1997.

For the 2013 tax levy, the amount of money to be raised is $16,015,325, an increase of 8.34% over the aggregate extension for 2012. Additional dollars raised from the 2013 property tax levy will be used to offset increases related to the firefighters' collective bargaining agreement and as required in the funding of public pensions, including police and firefighters' pension funds. Determining the impact of the City's tax levy on area home values is dependent on several factors: the assessed value of a property as determined by each township's assessor, the equalization multiplier assigned by each township supervisor, the equalization multiplier assigned by the State and exemptions specific to each property and property owner, (homestead, senior, senior freeze, etc.). The City of Crystal Lake spans four different townships: Algonquin Township, Nunda Township, Dorr Township and Grafton Township.

Assuming a home valued at $250,000 has experienced the same decline in EAV since 2008 as the City overall, then the impact of the City's 2013 property tax levy is estimated to add $60.13 to the annual tax bill or $5.01 per month.

During the past few years, the City took actions to minimize property tax increases despite having one of the lowest property tax levies in the region. As an illustration, for the 2010 tax levy, the City decreased the levy by 2.35%. The way the City was able to mitigate the tax levy increases were through spending controls and by utilizing reserves.

A fund reserve is an unrestricted fund balance set aside to stabilize a municipality's finances to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures that may result from emergency situations, provide cash flow liquidity for general operations, and maintain investment grade bond ratings and good credit standing. The most common trigger for use of fund reserves is on the income side, such as was experienced during the past few years when sales and income tax revenues were reduced due to the recession. Since fund reserves are most

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valuable if they are reliable, an important factor in using reserves is also having a realistic plan to replenish them.

While credit agencies have always analyzed fund balance as part of their evaluation of credit-worthiness, increased attention has been focused on determining sufficient levels because of recent events in the credit markets. The City's Financial Policies, which are approved annually, indicate that the City shall strive to maintain a minimum unassigned fund balance in the General Fund of between 25% and 50%.

For the past few years, the City has used fund balance to mitigate tax increases. At the fiscal year ended April 30, 2011, the City had an unassigned fund balance for the General, Insurance, Home Rule Sales Tax, and Capital Equipment Replacement Funds of 82.44%. It is estimated that at the end of the 2014-2015 fiscal year, the City will have an unassigned fund balance of 43.35%. The proposed budget continues the use of funds reserves to pay for capital related items.

Financial Stewardship

The City takes its role as financial steward very seriously. The Government Finance Officers Association (GFOA) voted to award the City of Crystal Lake's budget document the Distinguished Budget Presentation Award for the 2013/2014 fiscal year. This award is the highest form of recognition in governmental budgeting. Also this year, the City again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. This is the twenty-third year in a row the City has received this award and it is expected that this year the City will again receive this award. Finally, in 2009, which is the last time the City utilized Moody's Investor Services as part of a bond issuance, they upgraded the City's bond rating from an Aa3 to an Aa2, which was subsequently recalibrated to an Aa1 in a global scale change. In 2009, Standard and Poor's rated the City for the first time with an AA+ rating. The AA+ rating was affirmed by Standard and Poor's again in 2012 and 2013.

## SERVICE DELIVERY

As part of the City's continuing efforts to enhance service delivery, in March 2007, the City Council adopted a first-ever Strategic Plan. The Strategic Plan was an acknowledgement that the community, as well as City government, had changed a great deal over the past years. Having already used the current strategic plan through five budget cycles, an update to the document was warranted to ensure that the City continues to head in the right direction in achieving its goals. The City Council adopted a revised Strategic Plan, which was timely considering the City's centennial anniversary of incorporation in 2014 (September 1914 to September 2014). The updated strategic plan will be the guiding document for the City as it winds down its first 100 years as an incorporated community.

## FUND SUMMARY

The City of Crystal Lake maintains forty-three individual funds. Five funds, consisting of resources received and held by the City as an agent for others, are not subject to appropriation but are reported in the City's Comprehensive Annual Financial Report.

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Nine individual funds are Library Funds. Included in this submittal are the budgets for the following funds:

- General Fund
- Home Rule Sales Tax Fund
- Water and Sewer Funds (Water and Sewer Operating Fund, Water & Sewer Bonded Project Fund, Water & Sewer Debt Service Fund, Water & Sewer Capital & Equipment Replacement Fund and the Water & Sewer SSA Participation Fees Fund)
- Fire Rescue Fund
- Library Funds (Library Operating Fund, Library Construction & Repair Fund, Library Ames Trust Fund, Library Gift & Memorial Fund, Library Working Cash Fund, Library Per Capita Fund, Library Special Reserve Fund, Library IMRF Fund, Library FICA Fund)
- Other Funds (Motor Fuel Tax, Road/Vehicle License, Three Oaks Recreation Area Fund, Crossing Guard, IMRF/FICA Fund, Insurance Fund, Foreign Fire Insurance Tax Fund, Police Pension Fund and the Firefighters' Pension Fund)
- Debt Service Funds (Three Oaks Debt Service Fund, SEECOM Debt Service Fund, Crystal Heights Debt Service Fund, Tracy Trail Debt Service Fund, Bryn Mawr Debt Service Fund and the Ryland Debt Service Fund)
- Capital Construction Funds (Capital & Equipment Replacement Fund, Three Oaks Capital & Equipment Replacement Fund, Three Oaks Development Fund, Main Street TIF Fund, Virginia Street TIF Fund and the Vulcan Lakes TIF Fund)

The presentations of the major funds are divided by departments. Each departmental presentation contains a statement of activities, an organizational chart, a personnel summary, fiscal year 2013/2014 accomplishments, fiscal year 2014/2015 objectives, a proposed budget by account, and a brief summary of account information.

Several revenues, such as Sales Tax, Home Rule Sales Tax, Investment Income, Building Permits, Plan Review Fees, Motor Fuel Tax and the State Income Tax have been impacted by economic conditions. 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 it will have on City revenues. Staff will continue to undertake cost-saving measures in FY 2014/2015 to reduce expenditures as well as capture available revenues.

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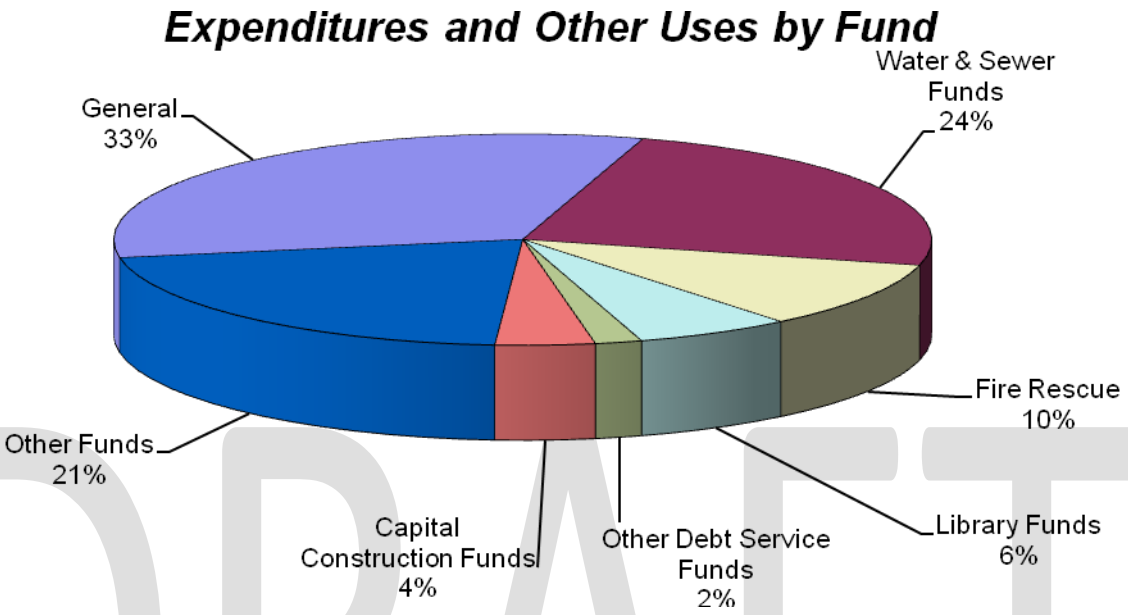
## BUDGET OVERVIEW – ALL FUNDS

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Budgeted expenditures and other uses for all funds in fiscal year 2014/2015 total approximately $91.32 million (including the Library). Fiscal year 2014/2015 expenditures and other uses are as follows:

- Operating expenditures $53,960,910
- Revenue sharing $575,000
- Debt service $5,074,331
- Capital expenditures $19,841,897
- Transfers between City funds $11,869,226

The difference between expenditures, other uses, revenues and other sources are the planned use of fund balance to provide for improvements to roads and maintenance of water and sewer infrastructure, as well as to fund capital equipment purchases.

Revenues and other amounts available to support the fiscal year 2014/2015 budget are $78.72 million:

- Revenues $63,091,804
- Bond proceeds $3,768,000 (net of issuance costs)
- Transfers between City funds $11,869,226

It is anticipated, with the change in the economy, that several revenues will show signs of growth in amounts anticipated to be collected in 2014/2015 as compared to the prior year. These include:

- Income Tax by 6.78% or $253,059

- Use Tax by 16.04% or $100,225
- Home Rule Sales Tax by 5.47% or $268,180

Revenues projected for fiscal year 2014/2015 reflect a conservative view and can be positively impacted by reductions in unemployment or increases in consumer spending and construction activities.

Other financing sources or interfund transfers proposed for fiscal year 2014/2015 include:

- Transfer of Home Rule Sales Tax to fund Target Response Unit operations (TRU Team), economic development initiatives, flooding mitigation, GIS, document management and imaging and core services in the General Fund;
- Transfer of Home Rule Sales Tax to fund Three Oaks Recreation Area operations and equipment replacements;
- Transfer of Home Rule Sales Tax for the payment of debt issued to construct the Three Oaks Recreation Area;
- Transfer of Home Rule Sales Tax to fund Route 14 Gateway Enhancements;
- Transfer from the General Fund to the Capital Replacement Fund for capital acquisition;
- Transfer of Motor Fuel Tax to the Road/Vehicle License Fund for road resurfacing projects

**Streets**

The fiscal year 2014/2015 budget reflects $2,000,000 for the City's annual street resurfacing program. The annual street resurfacing program, combined with other resurfacing and improvement projects budgeted in the MFT and the Road/Vehicle License Funds, total over $5.09 million. Street improvement costs budgeted in fiscal year 2014/2015 include:

- IL Route 176/Main Street intersection improvements (Phase I engineering)
- Crystal Lake Avenue and Main Street intersection improvements (Phase II engineering)
- South Main Street widening

Funds to provide for intersection improvements at IL Route 176/Briarwood Road, IL Route 176/Walkup Avenue, IL Route 176/Main Street have been re-budgeted, as well as those for Pingree Road, McHenry Avenue and Crystal Lake Avenue (Main Street to Erick Street) improvements. These projects are complete; however, the City has not received final construction invoices from the State of Illinois.

Streets programmed for resurfacing in fiscal year 2014/2015 are:

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| Street | To | From |
|---|---|---|
| Autumncrest Drive | Alexandra Boulevard | Crabtree Drive |
| Barton Lane | Westport Ridge | Rosewood Lane |
| Crabtree Drive | Alexandra Boulevard | Autumncrest Drive |
| Cress Creek Lane | Saint Andrews Lane | Woodmar Drive |
| Crimson Drive | Ackman Road | Westport Ridge |
| Crystal Lake Avenue | US 14 | Francis Avenue |
| Deerhaven Drive | Alexandra Boulevard | Miller Road |
| Driftwood Lane | Village Road | Alexandra Boulevard |
| Driftwood Court | Village Road | Village Road |
| Exmoor Court | Saint Andrews Lane | End |
| Exmoor Terrace | Saint Andrews Lane | End |
| Fairview Avenue | Oak Street | Francis Avenue |
| Fernleaf Drive | Crimson Drive | Westport Ridge |
| Francis Avenue | Fairview Avenue | Crystal Lake Avenue |
| Glasgow Lane | Stone Creek Circle East | Birmingham Lane |
| Monarch Drive | Fernleaf Drive | Westport Ridge |
| Oak Street | Crystal Lake Avenue | Dole Avenue |
| Piper Court | Windham Cove Drive | End |
| Rosewood Lane | Regent Drive | Regent Drive |
| Saddle Creek Lane | Woodhaven Drive | Deerhaven Drive |
| Stone Creek Circle East | Deerhaven Drive | Village Road |
| Stone Creek Circle West | Deerhaven Drive | Deerhaven Drive |
| Tamarisk Terrace | Saint Andrews Lane | End |
| Three Oaks Road | Various Locations | |
| Village Road | Driftwood Road | Stone Creek Circle East |
| Weston Drive | Rosewood Lane | Golf Course Road |
| Westport Ridge | Ackman Road | Fernleaf Drive |
| Westport Ridge Court | Westport Ridge | Westport Ridge |
| Windham Cove Drive | Westport Ridge | McHenry Avenue |
| Woodhaven Drive | Village Road | Miller Road |

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**Capital Expenditures**

The fiscal year 2014/2015 City budget reflects capital expenditures of $19.84 million. In addition to street improvements, other major capital purchases reflected in this budget are:

- Automotive equipment
- Roadway improvements

- Flooding mitigation
- Water and sewer main replacement
- Sanitary sewer rehabilitation
- Construction of new Well #18 and expansion of Water Treatment Plant #5
- Engineering and design of an additional digester at Wastewater Treatment Plant #2
- Aerobic digester rehabilitation at Wastewater Treatment Plant #3
- An additional beach area at the Three Oaks Recreation Area facility for scuba activities, pending a grant award from the Illinois Department of Natural Resources
- Prairie Trail underpass (at U.S. Route 14) repairs
- Gateway enhancements (city-wide)
- HVAC replacement (server and telephone rooms in City Hall)
- Closed circuit camera system upgrade
- Generator replacement (Water Treatment Plant #3)
- Water tank rehabilitation (Water Treatment Plant #4)
- Secondary clarifier rehabilitation (Wastewater Treatment Plant #2)
- Hydraulic improvements (Wastewater Treatment Plant #2)
- Screening improvements (Wastewater Treatment Plant #3)
- Lift Station #1 improvements (McHenry Avenue at Barlina Road)
- Administrative office reconfiguration (Wastewater Treatment Plant #2)

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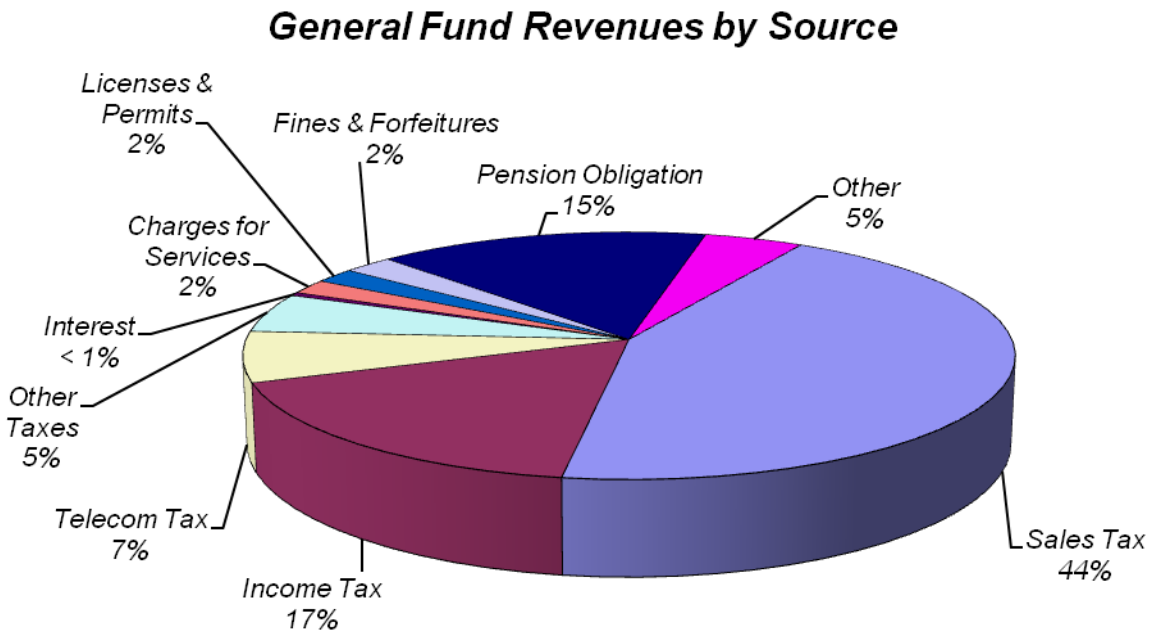
**General Fund Revenues**



With the continuation of no corporate property tax, the General Fund's single largest revenue source is Retail Sales Tax, both the 1% Municipal Tax and the Home Rule Tax. While Home Rule Sales Tax is not presented as revenue in the General Fund, rather, segregated for accounting purposes, transfers from Home Rule Sales Tax to the General Fund are identified as Other Financing Sources in the Fund Summary.

Home Rule Sales Tax serves to provide funding for the Target Response Unit in the Police Department, enhanced economic development initiatives, flooding mitigation, and document management and imaging, and to support existing City services. Remaining Home Rule Sales Tax funds are dedicated to the repayment of debt for the construction of the Three Oaks Recreation Area.

Retail sales tax ($10.34 million), income tax ($3.98 million) and telecommunication tax ($1.55 million) comprise the majority of the revenue sources for the General Fund or 67.74% of the total revenues. Retail sales tax and income tax, unlike property tax, are volatile and greatly influenced by the economy.

An economic recession that began in 2008, coupled with retail growth in surrounding communities remains a concern. While a robust economic recovery is not anticipated, the City of Crystal Lake continues to expand its sales generating tax base by attracting retail development and shoppers alike. Income tax receipts are expected to grow in fiscal year 2014/2015 as unemployment falls and people return to work.

As competition increases among telecommunication providers, consumers are taking advantage of comprehensive telecommunications packages at lower prices. The new structure will result in lowering telecommunications tax receipts available to local governments. As such, fiscal year 2014/2015 telecommunication tax revenues are projected to be lower than those of fiscal year 2013/2014. Police fines are down from fiscal year 2013/2014 due in large part to increases in compliance with traffic laws. A reduction in rental income is attributable to the cancellation of a tower lease agreement by U.S. Cellular. Receipts of miscellaneous income are also projected to be lower in fiscal year 2014/2015 than 2013/2014.

Fiscal year 2014/2015 General Fund revenues, as compared to those of the prior year budget, are down 1.65% or $393,241. Diversifying revenues allows for the General Fund to remain strong even in tough economic times. A number of steps will be reviewed during the upcoming fiscal year to address rebalancing City revenues and expenditures including:

<u>Service Delivery Review</u>
Funds have been included in the proposed budget to conduct a service delivery review. Crystal Lake, like all municipalities, must continually evolve to meet the changing needs of its citizens. Because the City is a service provider, its main expenditures are personnel related. A service delivery review would be conducted to systematically examine municipal services for efficiency, effectiveness, usefulness and sustainability,

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and develop options and strategies that will enable the municipality to match resources to the desired level of service.

Strategic Budget Sustainability Review

The results of the Service Delivery Review would be used to conduct a strategic budget sustainability study and develop recommendations to allow the City to continue to provide services within its projected resource capacity or explore diversified revenue options to maintain service levels.

Citizen Survey

In 2010, the City completed a citizen survey through The National Citizen Survey™ (The NCS). The NCS gathers resident opinion across a range of community issues. The NCS is a service to administer, analyze and report results from a customizable citizen survey. The report compares the results from our jurisdiction with results from other jurisdictions across the U.S. using a database of survey results so that the comparison can be more precise and useful. The results of the NCS would be used in conjunction with the Service Delivery Review to identify clear priorities for use in strategic planning and budget setting.

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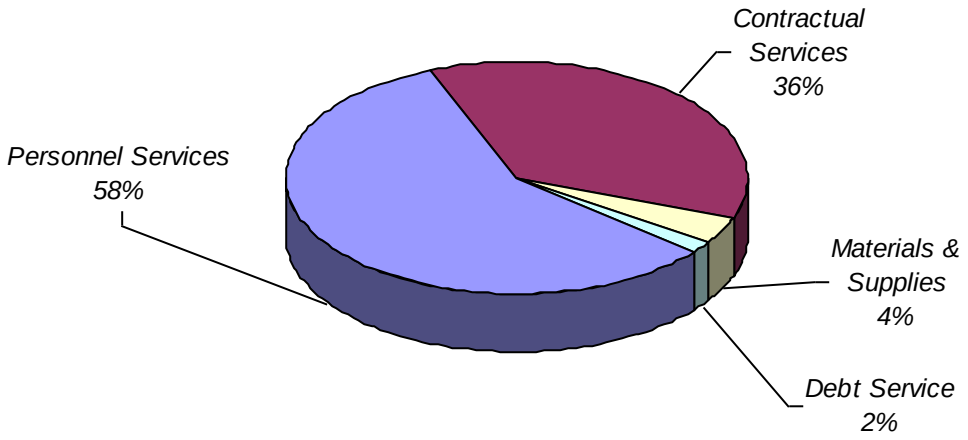
**General Fund Expenditures**

***General Fund Expenditures by Object***




Fiscal year 2014/2015 General Fund expenditures, as compared to those of the prior year budget, are down 6.07% or $1,758,511. Projects such as the Railroad Street parking expansion, Raue Center for the Arts building repairs, city-wide gateway enhancements, and document management and imaging, as well as various engineering studies for flooding mitigation will not be re-budgeted again in fiscal year 2014/2015 in the General Fund. Other reductions are attributable to positions that were vacated or expenses associated with the City's centennial celebration that is scheduled

to conclude in September, 2014. A reallocation of SEECOM dispatch services to the Fire Rescue Fund best matches expenses with calls for service.

During fiscal year 2011/2012, a Capital and Equipment Replacement Fund was established and initial funding was provided by General Fund reserves. While capital replacement is not presented as an expenditure of the General Fund, rather, segregated for accounting purposes, transfers from the General Fund to the Capital Replacement Fund are identified as Other Financing Uses in the Fund Summary.

**Capital and Equipment Replacement Fund**
Major capital expenditures proposed in this budget include:

- Police vehicle replacements (4)
- CSO vehicle replacement
- Community Development vehicle replacements (4)
- Pickup truck replacements (3)
- Mini-dump truck replacement
- 5-yard dump truck replacements (2)
- JULIE van replacement
- Combination sewer cleaner replacement
- Flooding mitigation
- Sidewalk replacement (downtown shopping district)
- Gateway enhancements (city-wide)
- Prairie Trail underpass (at U.S. Route 14) repairs
- Parking lot design engineering (Brink Street Marketplace)
- HVAC improvements (computer and telephone rooms)
- Fuel pump upgrades
- Floor scrubber
- Closed circuit camera upgrade
- Computer and server replacements

**Water and Sewer Funds**
The Public Works Department is charged with the responsibility of collecting, treating, pumping and distributing potable water and providing related water service to residents of Crystal Lake. The department is also responsible for the network of sewers conveying sanitary sewage in the City from its point of origin to the treatment facility for treatment and disposal.

The Water and Sewer Fund has been a self-supporting utility. In the late 1990's, water and sewer connection fee receipts were pledged for the payment of a low interest loan from the Illinois EPA. As the economy slowed, so too did new construction and the receipt of connection fees to repay the City's debt. As connection fees from new construction have fallen short of the annual 200 new connections per year required to repay the debt, Water and Sewer Fund reserves have been used to pay amounts due.

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As of April 30, 2014, the outstanding loan balance is $7,858,257. Annual debt service payments are $1,033,504 through June 18, 2023.

In 2012, the City authorized a Wastewater Master Plan to evaluate both wastewater facilities and determine necessary improvements both in the short term and long term. This report was completed in June of 2013. The City further authorized a Water Master Plan in 2013 to address both short-term and long-term required improvements in the City's water production system, treatment process, distribution system, and chlorides discharges from the water plants. This report was completed in February 2014. These reports have provided the engineering analysis to identify critically needed improvements in the Wastewater Treatment and Water Division areas.

Finally, the City commissioned a water and sewer rate study, which was completed in February, 2014. The study provided a number of options and the proposed 2014/2015 budget incorporates the recommended option, which includes an increase of 11.4% for water and sewer services. This increase provides a funding mechanism that will allow the water and sewer fund to continue to be financially independent and provide for some capital investment to maintain water and sewer infrastructure systems. This is the first of five consecutive years of rate increases recommended by the study. The 2014/2015 budget also includes an increase in the senior citizen discount rate from 15% to 20%. Senior Citizens can apply for the 20% discount on the first 4,000 gallons of water used.

The 11.4% water and sewer rate increase makes available an additional $817,724 for debt repayment and infrastructure improvements. In order to meet the infrastructure requirements of the Water and Sewer Fund for this year, the proposed budget anticipates the issuance of nearly $3.77 million in bonds. The additional revenue as result of the water and sewer rate increase would go toward re-paying the principal and interest on the bond issue.

Priority water/sewer capital expenditures proposed in this budget include:

- Water and sewer main replacement
- Sanitary sewer rehabilitation
- Construction of new Well #18 and expansion of Water Treatment Plant #5
- Engineering and design of an additional digester at Wastewater Treatment Plant #2
- Aerobic digester rehabilitation at Wastewater Treatment Plant #3
- Generator replacement (Water Treatment Plant #3)
- Water tank rehabilitation (Water Treatment Plant #4)
- Secondary clarifier rehabilitation (Wastewater Treatment Plant #2)
- Hydraulic improvements (Wastewater Treatment Plant #2)
- Sand filter #1 and #2 replacement (Wastewater Treatment Plant #3)
- Primary tank replacement (Wastewater Treatment Plant #3)
- Skimming troughs replacement (Wastewater Treatment Plant #3)
- Screening improvements (Wastewater Treatment Plant #3)

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- Sludge drying bed rehabilitation (Wastewater Treatment Plant #3)
- Lift Station #1 improvements (McHenry Avenue at Barlina Road)
- Administrative office reconfiguration (Wastewater Treatment Plant #2)

**Fire Rescue Fund**
The Crystal Lake Fire Rescue Department operates out of three stations and is charged with providing services not only to the City, but to the Crystal Lake Rural Fire Protection District as well, through a negotiated contract. The Department's 2014/2015 budget request reflects the following capital purchases:

- Replace vehicle #322
- Replace ambulance #352
- Replace pumper #340
- Replace boat #399
- Replace SCBA compressor

**Other Funds**
The remainder of the expenditures for the City is comprised of 28 funds that account for 29.68% of total expenditures and other uses. These funds include:

- Home Rule Sales Tax Fund
- Library Funds
- Motor Fuel Tax Fund
- Road/Vehicle License Fund
- Three Oaks Recreation Area Funds
- Crossing Guard Fund
- IMRF/FICA Fund
- Insurance Fund
- Foreign Fire Insurance Tax Fund
- Police Pension Fund
- Firefighters' Pension Fund
- Debt Service Funds
- Capital Construction Funds

**Home Rule Sales Tax Fund**
The Home Rule Sales Tax Fund provides funding for the Target Response Unit in the Police Department, enhanced economic development initiatives, flooding mitigation, and document management and imaging, and to support existing City services. Home Rule Sales Tax funds are also dedicated to the repayment of debt on major construction projects and are used to enhance the City's street resurfacing program.

Home Rule Sales Tax is segregated for accounting purposes. Transfers from Home Rule Sales Tax are identified as Other Financing Sources in the corresponding fund summary.

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**Motor Fuel Tax Fund**
The Motor Fuel Tax Fund is used to account for the maintenance and improvement of various streets in the City. Financing is provided by the City's share of Motor Fuel Tax allotments. State Statutes require those allotments to be used to maintain streets. Salt and other de-icing materials for the City's snowplowing operations, as well as traffic signal maintenance costs, are budgeted in the Motor Fuel Tax Fund. Capital expenditures in the fiscal year 2014/2015 budget are:

- IL Route 176/Main Street intersection improvements (Phase I engineering)
- Crystal Lake Avenue/Main Street intersection improvement (Phase II engineering)
- South Main Street widening
- Bikeway corridor improvements
- Country Club multi-use path
- Illuminated street signs

**Road/Vehicle License Fund**
The Road/Vehicle License Fund is used to account for revenues received from County road and bridge taxes and to account for revenue from vehicle license fees. Proposed in this budget are funds for the City's annual city-wide road resurfacing program, annual pavement marking program, sidewalk repairs and curb replacement, and pedestrian safety improvements.

**Three Oaks Recreation Area Fund**
The Vulcan Materials Company began mining operations at the property known as Vulcan Lakes in the 1950's. Realizing the potential for a future recreation area, the City entered into an agreement with Vulcan Materials in the 1990's for the future ownership of the property. In 2007, the 462-acre property was officially deeded to the City. Through the dedication of the City Council, the Vulcan Lakes Advisory Committee and City Staff, the recreation area became a reality in 2010.

The City opened the Three Oaks Recreation Area to the public on October 1, 2010. The area provides an unparalleled recreational experience. The pristine waters are a prime venue for swimming, boating, hiking and fishing. Fiscal year 2011/2012 was the first full year of operations. Included in this fourth-year budget (fiscal year 2014/2015) are funds to provide for the operations of the recreation area, including Site Supervisors, attendants and lifeguards, as well as maintenance of equipment.

Budgeted in the Three Oaks Capital and Equipment Replacement Fund for fiscal year 2014/2015 are funds for the addition of a paddle pontoon and wireless area network in the park. Also budgeted are funds to provide for repairs to the Main Street basin and to replace the utility vehicle.

**Debt Service Funds**
Debt service funds are used to account for the payment of principal and interest funded mostly by alternative revenue sources. These include the Crystal Heights water and

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sewer project (funded by participation agreements), Tracy Trail road improvement project (also funded by participation agreements), Bryn Mawr water and sewer project (funded by additional property taxes on benefiting properties), Ryland Homes infrastructure improvements (also funded by additional property taxes on benefiting properties), the Southeast Emergency Communications (SEECOM) project (funded by the SEECOM participants), and the Three Oaks Recreation Area development project (funded from Home Rule Sales Tax receipts).

**Capital Construction Funds**

In order to provide 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 benefitting 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 City residents in general. Included in capital construction funds are projects financed through tax increment financing (TIF) districts (Main Street TIF, Virginia Street TIF and Vulcan Lakes TIF) and from developer donations in lieu of dedications of land for park and recreational purposes (Three Oaks Development Fund). Included in the fiscal year 2014/2015 budget are funds to provide for an additional beach area at Three Oaks Recreation Area in order to add a scuba attraction to the park, pending an award of grant proceeds from the Illinois Department of Natural Resources.

## FINANCIAL POLICIES

The City of Crystal Lake's Financial Policies 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 the fact that in 2009, which is the last time the City utilized Moody's Investor Services as part of a bond issuance, they upgraded the City's bond rating from an Aa3 to an Aa2, which was subsequently recalibrated to an Aa1 in a global scale change. In 2009, Standard and Poor's rated the City for the first time with an AA+ rating. The AA+ rating was affirmed by Standard and Poor's again in 2012 and 2013.

The following are detailed in the City of Crystal Lake's Financial Policies:

- Budget Policy
- Purchasing Authority Policy and Procedures
- Purchase Card Policy and Procedures
- Capital Asset Policy and Procedures
- Debt Management Policy
- Fund Balance Policy

- Investment Policy
- Revenue and Cash Management Policy
- Personal Information Protection Policy and Red Flag Policy

**Debt Administration**

As of April 30, 2014, the City will have a number of debt issues outstanding. These include $8,269,000 in special service area bonds and $35,180,000 in general obligation bonds paid from alternative revenue sources. In addition, in the Water and Sewer Funds there is an $7,858,257 low interest (2.535%) note payable to the Illinois EPA, which is funded through a combination of user fees and water and sewer connection fees in the Water and Sewer Fund.

Proposed for fiscal year 2014/2015 is the issuance of $3,768,000 in general obligation bonds. Bond proceeds will be used towards infrastructure improvements in the Water and Sewer Fund. Another option that will be reviewed is the use of the Illinois Environmental Protection Agency (IEPA) revolving loan program for water and sewer infrasture improvement programs.

Under Illinois Compiled Statutes, general obligation bonded debt issuances are subject to a legal limitation based on 8.625% of the total assessed value of real estate property for non-home rule communities. Since the City is a home rule community, the City is not subject to these limitations. However, the City shall impose the non-home rule limit upon itself through the approval of its Financial Policies and Procedures by the Crystal Lake City Council. With the inclusion of general obligation bonds proposed for fiscal year 2014/2015, the City's ratio of net bonded debt to estimated full value as determined using the City's 2012 equalized assessed valuation is 3.59%.

**Budgetary Control Basis**

The annual City Budget is prepared on the current financial resources measurement focus for all funds, using the modified accrual basis of accounting, whereas the City's basis for accounting for the Comprehensive Annual Financial Report is on an accrual and modified accrual basis. All annual appropriations lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered. Expenditures may not exceed appropriations at the fund level.

## PERFORMANCE MEASUREMENTS

The budget document continues to be modified to report more quantitative and qualitative performance measurements. A goal of the City is to establish a reporting system which will give the public, City Council and staff the ability to evaluate the level and value of service provided to the community. Future budget documents will serve as the primary source of such reporting. The primary focus of this budget's reporting has been quantitative in nature. City management utilizes performance measures as a way to quantify if expenditures are being used in the most efficient manner.

This budget continues the "Crystal Lake Vital Signs" performance reporting. The measures found in the Vital Signs were selected by a collaboration of Department

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Directors, budget staff, the City Manager, and others in City government. When looked at together, these 18 measures were intended to provide citizens and government with a quick assessment of the health or well-being of the City.

**ACKNOWLEDGEMENTS**

Our organizational culture is one in which each of the strategic commitments is not categorized by department, but rather requires contributions from all levels of the organization, departments, and elected and volunteer commissions. The City of Crystal Lake team, working as one, collectively impacts each strategic commitment. The City of Crystal Lake is in sound financial condition for fiscal year 2014/2015 as evidenced by our continued strong general purpose bond rating, as well as our adherence to external and internal financial policies. We believe the 2014/2015 Annual Budget balances the needs of the City in a fiscally responsible manner.

This budget is the culmination of a major effort by numerous members of the City Staff, City Council and the citizens of Crystal Lake whose input has been utilized to develop policy and spending priorities. We would like to especially thank the Department Directors, Deputy City Manager Eric Helm, Assistant Finance Director Laura Herrig and the Finance and Administrative staff for their help in preparing and assembling this document. On behalf of the Management Team, we are pleased to present the Fiscal Year 2014/2015 City Budget for your consideration.

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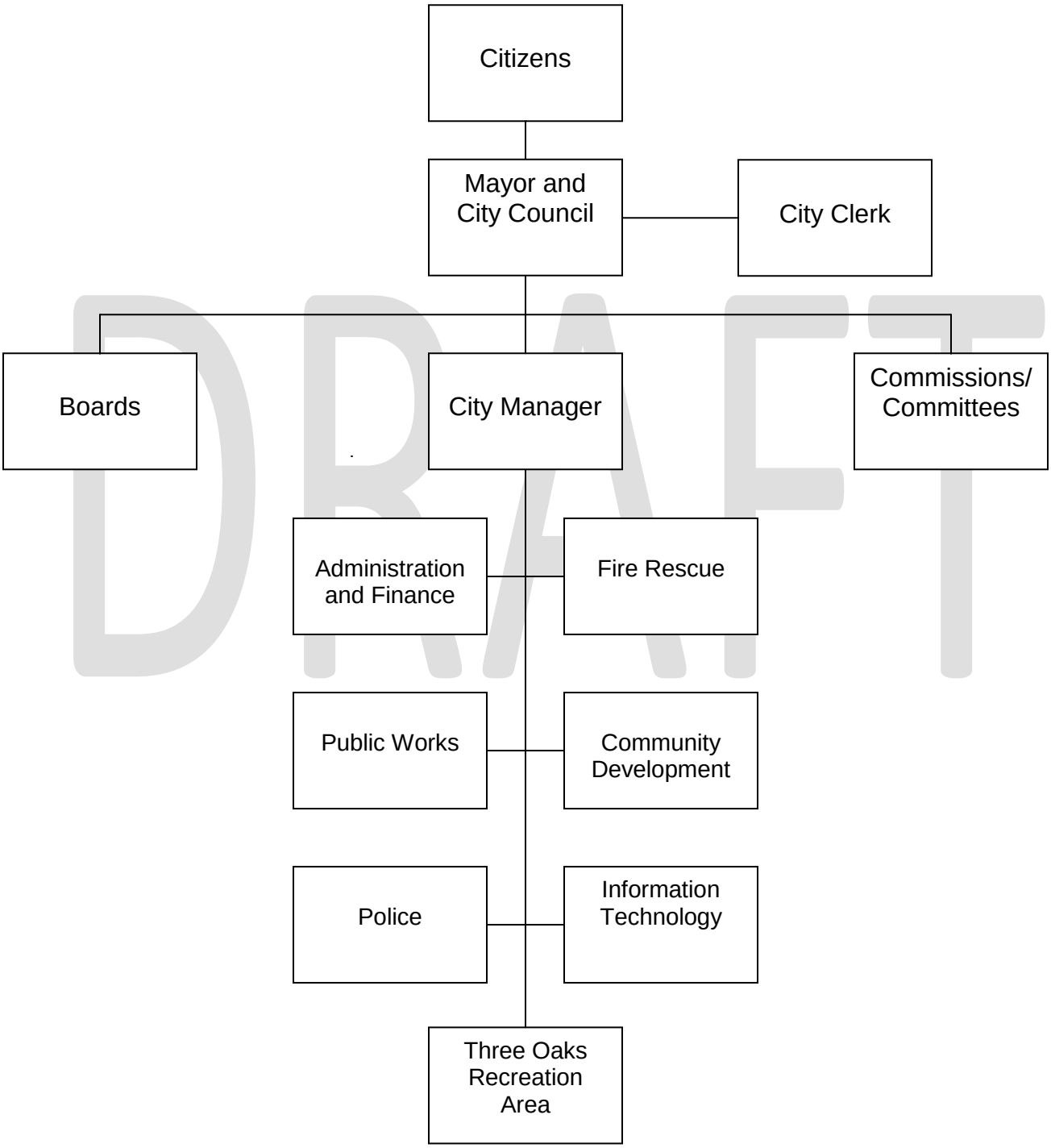
Respectively submitted,

Gary J. Mayerhofer
City Manager

George J. Koczwara
Director of Finance/Treasurer

# CITY OF CRYSTAL LAKE
# ORGANIZATIONAL STRUCTURE

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# Performance Measurement

**Performance Measurement**

Managing a municipality the size of Crystal Lake is, in many ways, like managing a large for-profit corporation. Crystal Lake managers must skillfully steward public dollars to ensure City operations deliver high-quality services at a reasonable cost. Profit-making corporations often translate value in terms of bottom-line profits. Public entities, like the City of Crystal Lake, often look to stakeholder feedback, benchmarking with other cities, industry standards, and achievement of internally established goals to assess the efficiency and effectiveness of its service delivery programs.

Most public entities publish a number of financial tools to convey to their stakeholders how they spend taxpayer dollars. They use legislatively approved budgets to set the course for program operations and infrastructure investments. They report on their financial condition regularly throughout the year and at year-end with an audited Comprehensive Annual Financial Report (CAFR). These reports focus primarily on financial performance, such as how did we spend against a budget, or did tax resources come in as planned. They rarely provide insight into what government programs do, what they accomplish, their challenges, and how well they meet their goals and consumer or stakeholder needs.

Crystal Lake is among a growing number of jurisdictions that produce reports on government performance. These reports attempt to look at what an organization is accomplishing, not just how it spends resources. Along with financial information, they help jurisdictions look at how well they are delivering services, where challenges might exist, and potential opportunities for improvements. The report supports Crystal Lake's goal of being accountable to its residents by providing insight into the accomplishments and challenges faced by the government during the previous year.

Public entities must continually strive to provide their stakeholders with highly efficient, well-managed programs that meet citizen, stakeholder, and policy-maker expectations. Citizens and other stakeholders invest substantial resources in their government and rightfully expect that the government will provide in return quality services at a reasonable cost that meet their needs. This is government's bottom line.

**Building and Maintaining Community Trust**

Cities today are competing with one another to provide the essential services necessary to successfully meet the needs of their rapidly changing communities. In order to help cities think intelligently and grow strategically for these changes, cities require insight and direction to make informed policy decisions and to make their respective city the best place to live. Reliable feedback from citizens gives cities guidance on how to:

- provide the quality of services residents and businesses expect and require,
- deliver the quality of life that attracts and retains businesses and residents,
- allocate a city's increasingly scarce resources to support key outcomes, and
- attract and retain the human and economic resources necessary to support long-term, sustainable economic growth.

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By knowing and providing what a community needs, residents will be more satisfied with their city. Citizen satisfaction surveys have become increasingly more common as many jurisdictions attempt to gauge citizen expectations and satisfaction with government services. They have become important tools for identifying citizen preferences, gauging citizen satisfaction and measuring government performance.

Results from these surveys often focus on both the combined satisfaction ratings and the highest satisfaction ratings.

A review of Crystal Lake's most recent Performance Measures Survey data shows a high level of loyalty to and satisfaction with Crystal Lake. In 2010, the City completed a citizen survey through The National Citizen Survey™ (The NCS). The NCS is a premier citizen survey service from the International City/County Management Association (ICMA) and National Research Center, Inc. The NCS is a service to administer, analyze and report results from a customizable citizen survey. The report compares the results from our jurisdiction with results from other jurisdictions across the U.S. using a database of survey results so that the comparisons can be more precise and useful. Below is a summary of the results of the recently completed statistically significant survey.

- The overall quality of life in the City of Crystal Lake was rated as "excellent" or "good" by 89% of respondents.
- 88% reported they plan on staying in the City of Crystal Lake for the next five years.
- A variety of characteristics of the community were evaluated by those participating in the study. The three characteristics receiving the most favorable ratings were opportunities to participate in religious or spiritual events or activities, the overall image or reputation of Crystal Lake and ease of rail travel in Crystal Lake.
- On average, residents gave very favorable ratings to almost all local government services. City services rated were able to be compared to the benchmark database. Of the 38 services for which comparisons were available, 36 were above the benchmark comparison, none were equal to the benchmark comparison and two were below.
- A Key Driver Analysis was conducted for the City which examined the relationship between ratings of each service and ratings of the City's services overall. Those key driver services that correlated most strongly with residents' perceptions about overall City service quality were:
    - Police services
    - Sewer services
    - Ambulance or emergency medical services
    - Snow removal
    - Public schools

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    - Preservation of natural areas
    - Public information services

- The three characteristics receiving the least positive ratings were employment opportunities, ease of bus travel and traffic flow on major streets.

  Residents in the City of Crystal Lake were civically engaged. While only 22% had attended a meeting of local elected public officials or other local public meeting in the previous 12 months, 96% had provided help to a friend or neighbor. About half had volunteered their time to some group or activity in the City of Crystal Lake, which was higher than the benchmark.

- In general, survey respondents demonstrated trust in local government. A majority rated the overall direction being taken by the City of Crystal Lake as "good" or "excellent." This was higher than the benchmark. The overall image or reputation of Crystal Lake was rated "Excellent" or "Good" by 89%.

- Those residents who had interacted with an employee of the City of Crystal Lake in the previous 12 months gave high marks to those employees. 87% rated their overall impression of employees as "excellent" or "good."

Research on customer satisfaction reveals that a very satisfied customer/resident is nearly six times more likely to be loyal and to repurchase and or recommend a product/service/city than is a customer/resident who is "just satisfied." The average customer/resident with a problem eventually tells nine other people while very satisfied customers tell five other people about their good treatment.

Simply put completely satisfied customers/residents or very satisfied customers/residents are very loyal to a community. Somewhat satisfied customers/residents can be ambivalent and are unpredictable, and dissatisfied customers/residents are very disloyal.

**Citizen Engagement**

The 2011-2012 Budget marked a new chapter in performance reporting for the City of Crystal Lake with the introduction of "Crystal Lake Vital Signs." The measures found in the Vital Signs were selected by a collaboration of department directors, budget staff, the City Manager, and others in city government. When looked at together, these 18 measures were intended to provide citizens and government with a quick assessment of the health or well-being of the City.

A reason for the introduction of Vital Signs is to have citizens validate the performance indicators selected by management. Too often, government performance measures are technical in nature or expressed in language not readily understandable to citizens. Thus, eleven of the eighteen Vital Signs are measures of resident attitudes and opinions, measured via periodic representative surveys of residents. The other seven measures are more technical and actuarial measures. When looked at together, Crystal Lake Vital Signs provides a good indication of the overall health of the City.

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| | City of Crystal Lake<br>Vital Signs | | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2009<br>Actual | 2010<br>Actual | 2011<br>Actual | 2012<br>Actual | 2013<br>Actual | 2014<br>Target |
| Public Safety | | | | | | | |
| 1 | Part I Crimes per 100,000 population | 2506 | 2590 | 2263 | 2143 | 2057 | 2200 |
| 2 | Part II Crimes per 100,000 population | 8123 | 6463 | 6995 | 8478 | 7407 | 6400 |
| 3 | Percent of fires confined to room of origin | 50% | 57% | 46% | 59% | 31% | 50% |
| 4 | Cardiac arrest survival rate (annual %) | 33% | 25% | 26% | 26% | 31% | 25% |
| Quality of Life | | | | | | | |
| 5 | Residents' rating of overall quality of life as excellent or good | 89% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 89% |
| 6 | Residents reporting they plan on staying in the City of Crystal Lake for the next five years | 88% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 88% |
| 7 | Violations of state and federal drinking water | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Water service interruptions per 1,000 service connections | 16.05 | 21.94 | 21.5 | 22.5 | 23.5 | 20.0 |
| Neighborhood Vitality | | | | | | | |
| 9 | Residents rating their neighborhood as a good to excellent place to live | 84% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 85% |
| 10 | Residents satisfied with snow removal | 79% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 80% |
| 11 | Resident rating of safety in their neighborhood after dark as excellent or good | 86% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 87% |
| 12 | Residents rating of overall cleanliness of Crystal Lake as excellent or good | 85% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 86% |
| Financial Excellence & Planning | | | | | | | |
| 13 | Residents' rating of overall image or reputation as excellent or good | 89% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 89% |
| 14 | Residents' rating of services provided by the City of Crystal Lake as excellent or good | 86% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 86% |
| 15 | Standard & Poor's Bond rating | AA+ | AA+ | AA+ | AA+ | AA+ | AA+ |
| 16 | Rating of those residents who had interacted with an employee of the City of Crystal Lake in the previous 12 months as excellent or good | 87% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 87% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sustainability | | | | | | | |
| 17 | Residents rating of overall natural environment in Crystal Lake as excellent or good | 81% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 82% |
| 18 | Residents rating air quality in Crystal Lake as excellent or good | 83% | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | Survey conducted periodically | 84% |

## Public Safety

### 1. Total reported criminal offenses

Safety from violent or property crimes creates the cornerstone of an attractive community. No one wants to live in fear of crime, fire or natural hazards, and communities in which residents feel protected or unthreatened are communities that are more likely to show growth in population, commerce and property value.

Part I Crimes are collectively known as “Index Crimes”. This name is used because the crimes are considered quite serious; aggravated assault, forcible rape, murder, and robbery are classified as violent crimes, while arson, burglary, larceny, theft, and motor vehicle theft are classified as property crimes. In 2013, 838 or 2057 per 100,000 population Part I crimes occurred. This is lower than that was reported during 2012, which was 873 or 2143 per 100,000 population Part I crimes having had occurred.

### 2. Number of violent & property crimes committed per 100,000 population

Part II Crimes include simple assault, curfew and loitering offenses, embezzlement, forgery and counterfeiting, disorderly conduct, DUI, drug offenses, fraud, gambling, liquor, family offenses, prostitution, public drunkenness, runaways, sex offenses, stolen property, vandalism, vagrancy and weapon offenses. In 2013, 3,018 or 7407 per 100,000 population Part II crimes occurred. This is lower than that was reported during 2012, which was 3,454 or 8478 per 100,000 population Part II crimes having had occurred.

### 3. Percent of fires contained to room of origin

As well as its building and fire codes, a key measure of the effectiveness of a community’s fire prevention and suppression programs is the ability to contain a fire to the room of origin. Over the years, the combination of strengthened codes, such as requiring sprinkler systems in commercial occupancies and multi-family housing complexes, newer and more fire-retardant building materials, and proactive prevention programs, has significantly influenced the containment of fires to the room of origin.

A combination of firefighter training, resource positioning and deployment, public education, and code changes have had a positive effect on improved fire safety.

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### 4. Cardiac arrest survival rate

The percentage of patients in full cardiac arrest who have a pulse upon delivery to a medical facility is accepted as an indicator of performance. Survival is dependent on many factors in addition to Fire Rescue Department response time and engagement at the scene. Changes in administering CPR, early access to an Automatic External Defibrillator (AED) and 911 plays a part in the Chain of Survival. A healthy lifestyle, annual physical exams and access to medical care for the patients we treat can play a major part in surviving a heart attack.

## Quality of Life

### 5. Overall Quality of Life

Overall quality of life may be the single best indicator of success in providing the natural ambience, services and amenities that make for an attractive community. The overall quality of life in the City of Crystal Lake was rated as “excellent” or “good” by almost nine out of ten respondents.

### 6. Residents Plan on Staying for the Next Five Years

The most recent citizen survey conducted by the City contained many questions related to quality of community life in the City of Crystal Lake – not only direct questions about quality of life overall and in neighborhoods, but questions to measure residents’ commitment to the City of Crystal Lake. Residents were asked whether they planned to move soon. Intentions to stay provide evidence that the City of Crystal Lake offers services and amenities that work. The citizen survey found that 88% report they plan on staying in the City of Crystal Lake for the next five years.

### 7. Violations of state and federal drinking water standards

Crystal Lake’s water is safe and clean. Again in 2012, Crystal Lake incurred no violations of state and federal drinking water standards. The Public Works Department enforces high design and maintenance standards that translate to quality water.

### 8. Water service interruptions per 1,000 service connections

Reliability of water service is often looked at in relation to the number of water service interruptions per 1,000 service connections. The number of service interruptions for 2013 of 23.5 per 1,000 connections was slightly higher than the 22.5 per 1,000 interruptions reported in 2012 due to the required shutdowns for installation of new water mains and the aging infrastructure. As the infrastructure throughout the City ages, the prevalence of water main breaks will increase, which will cause future service interruptions. To alleviate this issue, the City will make every effort to schedule infrastructure replacement programs around critical sections of water main to ensure the highest level of service to our water consumers.

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## Neighborhood Vitality

### 9. Neighborhood as a place to live

Cities are ultimately defined by the livability of their neighborhoods. Crystal Lake is not an exception. The most recent citizen survey found that 84% consider their neighborhood to be an excellent or good place to live. A sense of community is a driver of one's impression of their neighborhood as a place to live.

### 10. Snow Removal

Crystal Lake realizes the importance of snow removal to our residents, businesses and the travelling public. The City utilizes a "Snow Management Plan" to safely clear all dedicated City roadways as quickly and efficiently as possible. The most recent citizen survey found that almost eight out of ten residents considered the way snow removal is conducted in the City as either excellent or good. Snow removal is a key driver that correlates most strongly with residents' perceptions about overall City service quality.

### 11. Neighborhood Safety After Dark

An important element of neighborhood vitality is how safe neighborhoods are after dark. The most recent citizen survey found that 86% consider the safety of their neighborhood after dark to be excellent or good.

### 12. Overall Cleanliness

Residents value the aesthetic qualities of their hometowns and appreciate features such as overall cleanliness. The most recent citizen survey found that 85% consider the cleanliness of Crystal Lake to be excellent or good.

## Management & Planning

### 13. Overall Image

When local government leaders are trusted, an environment of cooperation is more likely to surround all decisions they make. Cooperation leads to easier communication between leaders and residents and increases the likelihood that high value policies and programs will be implemented to improve the quality of life of the entire community. Trust can be measured in residents' opinions about the overall direction the City of Crystal Lake is taking, their perspectives about the service value their taxes purchase and the openness of government to citizen participation. The overall image or reputation of Crystal Lake was rated as "excellent" or "good" by almost nine out of ten respondents.

### 14. Rating of Services

Resident opinion about services provided by the City of Crystal Lake could be compared to their opinion about services provided by the state and federal governments. If residents find nothing to admire in the services delivered by any level of government, their opinions about the City of Crystal Lake may be colored by their dislike

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of what all levels of government provide. The most recent citizen survey found that 86% consider the services provided by Crystal Lake to be excellent or good.

### 15. City Bond Rating

A municipal bond rating is very similar to an individual's credit rating. In a similar way that a credit rating estimates an individual's financial credit worthiness, a municipal bond rating represents a city's credit worthiness. Crystal Lake's bond rating of AA+ from Standard & Poor's Rating Service is one of the highest provided by one the nation's most respected bond-rating agencies.

The City of Crystal Lake's municipal bonds are judged to be of very good quality and carry a small degree of investment risk. Crystal Lake maintains adequate cash reserves for all of its funds, has little long-term debt, and consistently receives awards of excellence for both budgeting and financial reporting from the Government Finance Officers Association. Simply put, the City of Crystal Lake is well managed and financially strong.

### 16. City Employee Interaction

The employees of the City of Crystal Lake who interact with the public create the first impression that most residents have of the City of Crystal Lake. Front line staff that provide information, assist with bill paying, create service schedules, fight fires and crime and even give traffic tickets are the collective face of the City of Crystal Lake. As such, it is important to know about residents' experience talking with that "face." When employees appear to be knowledgeable, responsive and courteous, residents are more likely to feel that any needs or problems may be solved through positive and productive interactions with the City of Crystal Lake staff.

The most recent citizen survey asked those residents who had interacted with an employee of the City of Crystal Lake to rate their experience. The survey found that 87% rated their interaction as either excellent or good.

## Sustainability

### 17. Natural Environment

These days, increasing attention is paid to proper treatment of the environment. The smell or taste of the air and the overall environment are valued by residents. Treatment of the environment affects air and water quality and, generally, how habitable and inviting a place appears. The most recent citizen survey found that 81% considered the overall quality of the natural environment as excellent or good.

### 18. Air Quality

The most recent citizen survey found that 83% considered the air quality in Crystal Lake as excellent or good.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# Summary of All Funds

# FY2014/2015
# SUMMARY OF FUNDS
# CITY OF CRYSTAL LAKE

The City of Crystal Lake utilizes an accounting system organized on the basis of funds, each of which is considered a separate accounting entity. Accounting for the operations of each fund is accomplished with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and recorded in individual funds based upon purposes for which they are to be spent and the means by which spending activities are controlled.

The City of Crystal Lake maintains thirty-eight individual funds. Five funds consisting of resources received and held by the City as an agent for others, are not subject to appropriation but are reported in the City's Comprehensive Annual Financial Report. Included in this submittal are the budgets for the following funds:

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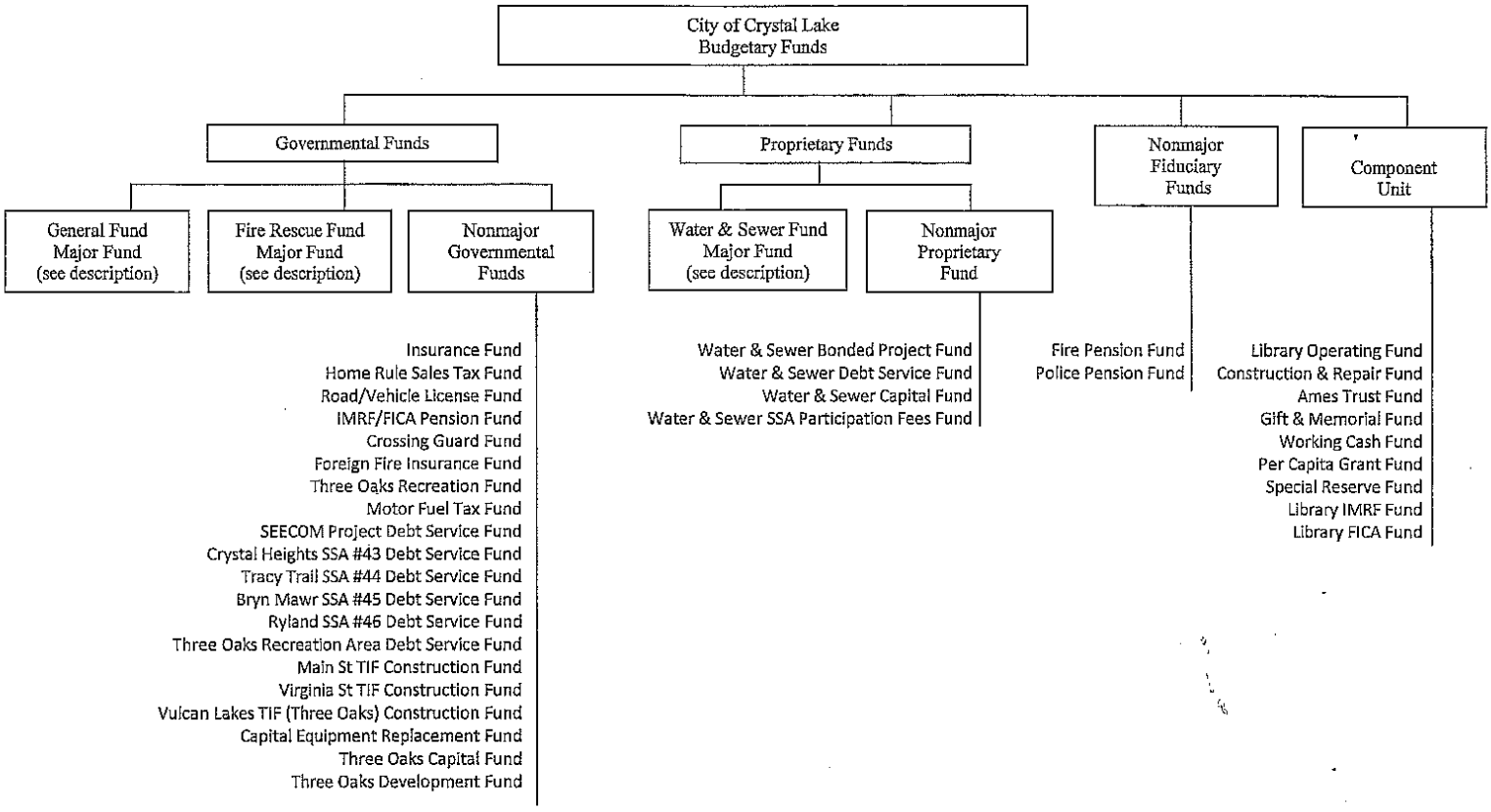

# FY2014/2015
# SUMMARY OF FUNDS (Cont'd)
# CITY OF CRYSTAL LAKE

## Major Fund Descriptions

The **General Fund** accounts for all general government activity not accounted for in other funds of the City. Departmental operating activities such as those of police, streets, planning and economic development, engineering and building as well as general government support services, such as the Mayor's Office, City Manager's Office, Finance and Information Technology are accounted for in the General Fund.

**Fire Rescue Fund** is used to track the operating activities of the Fire Rescue Department. Funding for Fire Rescue Department activities is derived mostly from property taxes. Ambulance user fees, wireless alarm monitoring fees and grant proceeds make up the remainder.

The **Water and Sewer Fund** is comprised of a number of divisions working to maintain a quality water supply system and to collect, convey and treat wastewater effectively and efficiently.

## Organizational Relationships

The presentations of the major funds are divided by departments. A department is a major administrative segment of the City which indicates overall management responsibility for an operation or a group of related operations within a functional area (i.e. Public Works Department). The smallest organizational unit included in this budget submittal is the division. The division indicates responsibility for one operational area, and in many cases these operational areas are put together to demonstrate a broader responsibility. When this is done, the divisions are combined to make up a department.

| DEPARTMENT | FUND | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DIVISION | G | FR | WS | INS | HMR | RVL | IMRF | CG | FF | TO | MFT | DS | TIF | CR |
| Executive Department | X | | | | | | | | | | | | | X |
| Legal & Judiciary Department | X | | | | | | | | | | | | | X |
| City Administration Department | | | | | | | | | | | | | | |
| City Manager/Human Resources/Finance | X | | | X | X | | X | | | X | | X | | X |
| Administrative Adjudication | X | | | | | | | | | | | | | X |
| Shared Services | X | | | | | | | | | | | | | X |
| Special Projects | X | | | | | | | | | | | | | X |
| Police/Firefighter Pension | X | | | | | | | | | | | | | |

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# FY2014/2015
# SUMMARY OF FUNDS (Cont'd)
# CITY OF CRYSTAL LAKE

| DEPARTMENT | FUND | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DIVISION | G | FR | WS | INS | HMR | RVL | IMRF | CG | FF | 3OAK | MFT | DS | TIF | CR |
| Police Department | X | | | | | | | X | | | | | | X |
| Fire Rescue Department | | X | | | | | | | X | | | | | |
| Community Development | X | | | | | X | | | | | X | | X | X |
| Public Works Department | | | | | | | | | | | | | | |
| Public Works Administration | | | X | | | | | | | | | | | |
| Streets | X | | | | | | | | | | | | | X |
| Fleet & Facility Services | X | | | | | | | | | | | | | X |
| Water Operations | | | X | | | | | | | | | | | |
| Sanitary Sewers & Lifts | | | X | | | | | | | | | | | |
| Storm Sewers | X | | | | | | | | | | | | | X |
| Wastewater Treatment | | | X | | | | | | | | | | | |
| Health Department | X | | | | | | | | | | | | | X |
| Information Technology Department | X | | | | | | | | | | | | | X |
| Fire & Police Commission | X | | | | | | | | | | | | | X |

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**G** - General Fund, **FR** - Fire Rescue Fund, **WS** - Water & Sewer Fund, **INS** - Insurance Fund, **HMR** - Home Rule Sales Tax Fund, **RVL** - Road & Vehicle License Fund, **IMRF** - Illinois Municipal Retirement /FICA Fund, **CG** - Crossing Guard Fund, **FF** - Foreign Fire Insurance Tax Fund, **TO** - Three Oaks Recreation Area Funds, **MFT** - Motor Fuel Tax Fund, **DS** - Debt Service Funds, **TIF** - Tax Increment Financing Construction Funds, **CR -** Capital Replacement Fund

# FY2014/2015
# REVENUES & OTHER SOURCES SUMMARY – ALL FUNDS
# CITY OF CRYSTAL LAKE

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Revenues & Other Sources | | | | | |
| General Fund | 24,784,691 | 26,988,017 | 27,733,971 | 26,893,190 | 27,334,820 |
| Home Rule Sales Tax Fund | 4,714,279 | 4,780,047 | 4,685,420 | 4,941,959 | 4,944,100 |
| Insurance Fund | 423,765 | 988 | 213,254 | - | 148,375 |
| Capital Replacement Fund | 3,000,000 | 1,541,874 | 2,526,205 | 2,356,205 | 3,097,933 |
| Fire Rescue Fund | 9,319,212 | 8,444,362 | 8,394,257 | 8,413,257 | 8,820,011 |
| Road/Vehicle License Fund | 1,236,125 | 2,209,356 | 2,287,600 | 2,217,110 | 1,685,199 |
| Crossing Guard Fund | 53,679 | 67,322 | 43,860 | 43,460 | 62,705 |
| IMRF/FICA Fund | 1,054,043 | 1,408,100 | 1,402,764 | 1,402,764 | 1,709,541 |
| Motor Fuel Tax Fund | 1,437,047 | 1,817,742 | 1,440,458 | 1,172,693 | 1,051,193 |
| Foreign Fire Insurance Fund | 61,618 | 62,325 | 60,150 | 61,916 | 60,150 |
| Three Oaks Recreation Fund | 682,813 | 594,708 | 549,839 | 512,675 | 549,145 |
| Three Oaks Capital Fund | - | - | 143,822 | 61,982 | 44,000 |
| Three Oaks Dvlpmnt Fund | - | - | - | 344,015 | 301,413 |
| Three Oaks Debt Svc Fund | 1,030,996 | 1,009,775 | 1,048,949 | 1,050,916 | 1,049,946 |
| Debt Service Funds | 1,236,518 | 3,449,486 | 802,116 | 807,274 | 621,978 |
| Capital Construction Funds | 4,206,857 | 346,636 | 83,000 | 92,232 | 56,400 |
| Water & Sewer Fund | 7,836,790 | 8,781,598 | 8,593,564 | 8,718,371 | 9,336,754 |
| Wtr & Swr Debt Svc Fund | 1,968,533 | 2,577,906 | 1,647,857 | 2,087,300 | 2,510,975 |
| Wtr & Swr Bonded Prj Fund | 765,557 | 4,270,763 | 6,975,519 | 10,272,600 | 167,250 |
| Wtr & Swr Capital Fund | - | - | - | 160,000 | 3,988,000 |
| Wtr & Swr SSA Fees Fund | - | 2,329,774 | - | - | - |
| Police Pension Fund | 2,242,022 | 4,966,681 | 3,473,971 | 3,473,971 | 3,619,564 |
| Fire Pension Fund | 3,115,025 | 3,892,530 | 2,749,940 | 2,749,940 | 2,924,093 |
| Library Funds | 5,099,125 | 4,942,294 | 4,453,104 | 5,037,628 | 4,645,485 |
| Total - All Funds | 74,268,695 | 84,482,284 | 79,309,620 | 82,871,458 | 78,729,030 |

The schedule of Revenues and Other Sources (above) represents operating revenues of the City, interest income, grant receipts, bond proceeds and transfers between City funds for purposes mostly attributable to capital acquisition.

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# FY2014/2015
# EXPENDITURES & OTHER USES SUMMARY – ALL FUNDS
# CITY OF CRYSTAL LAKE

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Expenditures & Other Uses | | | | | |
| General Fund | 28,390,316 | 26,904,821 | 31,684,509 | 30,597,806 | 29,712,751 |
| Home Rule Sales Tax Fund | 5,930,988 | 4,594,917 | 6,607,540 | 6,485,580 | 5,851,552 |
| Insurance Fund | 113,038 | 357,406 | 381,866 | 163,992 | 104,725 |
| Capital Replacement Fund | - | 1,541,874 | 2,526,205 | 2,356,205 | 3,097,933 |
| Fire Rescue Fund | 9,902,053 | 9,691,854 | 8,862,395 | 8,680,320 | 9,320,861 |
| Road/Vehicle License Fund | 2,080,704 | 2,050,107 | 2,365,830 | 2,350,583 | 2,411,080 |
| Crossing Guard Fund | 62,420 | 56,061 | 62,705 | 62,705 | 62,705 |
| IMRF/FICA Fund | 1,457,390 | 1,500,987 | 1,750,951 | 1,665,000 | 1,749,480 |
| Motor Fuel Tax Fund | 3,174,311 | 2,285,970 | 4,463,086 | 1,515,941 | 4,810,122 |
| Foreign Fire Insurance Fund | 49,348 | 28,450 | 60,150 | 60,150 | 60,150 |
| Three Oaks Recreation Fund | 531,735 | 743,367 | 549,839 | 515,094 | 549,145 |
| Three Oaks Capital Fund | - | - | 43,276 | 61,982 | 44,000 |
| Three Oaks Dvlpmnt Fund | - | - | - | - | 398,826 |
| Three Oaks Debt Svc Fund | 1,030,986 | 1,032,276 | 1,048,949 | 1,050,916 | 1,049,946 |
| Debt Service Funds | 1,117,761 | 3,464,094 | 802,116 | 802,116 | 633,516 |
| Capital Construction Funds | 5,234,333 | 567,345 | 50,000 | 55,231 | 47,500 |
| Water & Sewer Fund | 7,103,011 | 6,510,488 | 8,883,636 | 9,233,648 | 10,073,654 |
| Wtr & Swr Debt Svc Fund | 1,713,418 | 3,452,384 | 2,417,454 | 1,960,753 | 2,967,676 |
| Wtr & Swr Bonded Prj Fund | 2,675,158 | 2,541,767 | 9,086,618 | 7,461,403 | 4,837,344 |
| Wtr & Swr Capital Fund | - | - | - | 160,000 | 3,988,000 |
| Wtr & Swr SSA Fees Fund | - | - | - | - | 220,000 |
| Police Pension Fund | 1,680,899 | 1,895,873 | 1,963,100 | 2,078,674 | 2,327,695 |
| Fire Pension Fund | 852,703 | 1,046,481 | 1,120,300 | 1,120,300 | 1,370,560 |
| Library Funds | 4,584,501 | 4,395,618 | 4,978,014 | 6,070,898 | 5,632,143 |
| Total - All Funds | 77,685,073 | 74,662,140 | 89,708,539 | 84,509,297 | 91,321,364 |

The schedule of Expenditures and Other Uses (above) represents operating expenditures of the City, debt service payments, capital acquisition and transfers between City funds for purposes mostly attributable to capital acquisition.

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# FY2014/2015
# REVENUES & EXPENDITURES BY TYPE – ALL FUNDS
# CITY OF CRYSTAL LAKE

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| **Revenues and Other Sources:** | | | | | |
| Charges for services | 13,461,005 | 14,509,780 | 13,878,146 | 14,106,571 | 14,275,662 |
| Licenses and permits | 603,915 | 681,467 | 753,550 | 690,800 | 701,000 |
| Intergovernmental | 1,642,168 | 1,828,584 | 501,561 | 130,140 | 480,403 |
| Fines and forfeits | 681,590 | 581,230 | 845,000 | 532,550 | 557,500 |
| Property taxes | 15,074,746 | 15,392,252 | 15,759,539 | 15,728,501 | 16,746,443 |
| Other taxes | 22,439,403 | 22,704,554 | 22,675,239 | 22,815,316 | 23,029,900 |
| Interest | 1,367,535 | 4,788,067 | 2,011,713 | 1,954,668 | 1,876,249 |
| Miscellaneous | 2,024,228 | 1,928,769 | 1,872,096 | 2,143,290 | 1,730,990 |
| Other sources | 16,974,105 | 22,067,581 | 21,012,776 | 24,769,622 | 19,330,883 |
| **Total** | $74,268,695 | $84,482,284 | **$79,309,620** | $82,871,458 | **$78,729,030** |
| **Expenditures and Other Uses:** | | | | | |
| General government | 7,747,682 | 8,526,195 | 10,129,872 | 9,661,419 | 9,588,804 |
| Public safety | 23,557,852 | 25,336,860 | 25,609,005 | 25,668,961 | 26,887,566 |
| Highways and streets | 4,487,004 | 4,571,002 | 6,050,519 | 5,694,516 | 5,419,606 |
| Waterworks and sewerage | 6,614,448 | 6,451,434 | 7,332,304 | 7,363,173 | 7,428,013 |
| Culture and recreation | 4,401,413 | 4,438,392 | 5,562,129 | 5,044,896 | 5,211,921 |
| Capital outlay | 13,323,501 | 10,123,612 | 19,602,488 | 15,534,879 | 19,841,897 |
| Debt service | 4,239,591 | 8,329,683 | 4,695,546 | 4,240,812 | 5,074,331 |
| Other uses | 13,313,582 | 6,884,962 | 10,726,676 | 11,300,641 | 11,869,226 |
| **Total** | $77,685,073 | $74,662,140 | **$89,708,539** | $84,509,297 | **$91,321,364** |
| Revenues and Other Sources in Excess of Expenditures and Other Uses | (3,416,378) | 9,820,144 | (10,398,919) | (1,637,839) | (12,592,334) |
| Beginning Balance, May 1 | $93,614,020 | $89,813,073 | $99,471,751 | $99,471,751 | $96,763,038 |
| Changes due to Receivables and Payables | (384,569) | (161,466) | ($1,070,874) | (1,070,874) | $0 |
| Ending Balance, April 30 | $89,813,073 | $99,471,751 | $88,001,957 | $96,763,038 | $84,170,704 |

The difference between budgeted revenues and budgeted expenditures are the planned use of reserves to provide for improvements to infrastructure, as well as to fund capital purchases.

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# FY2014/2015
# REVENUES AND EXPENDITURES – BY FUND TYPE
# CITY OF CRYSTAL LAKE

| | *Governmental Funds* | | | |
|---|---|---|---|---|
| | General Fund | Fire Rescue Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| **FY2014/2015 Revenues and Other Sources (Budget):** | | | | |
| Charges for services | $445,500 | $2,589,300 | $519,334 | $3,554,134 |
| Licenses and permits | 456,000 | | 245,000 | 701,000 |
| Intergovernmental | 16,000 | 12,000 | 199,413 | 227,413 |
| Fines and forfeits | 557,500 | | - | 557,500 |
| Property taxes | 3,693,657 | 6,187,211 | 2,484,275 | 12,365,143 |
| Other taxes | 17,079,845 | | 5,950,055 | 23,029,900 |
| Interest | 105,000 | 1,500 | 12,249 | 118,749 |
| Miscellaneous | 1,086,612 | 30,000 | 589,473 | 1,706,085 |
| Other sources | 3,894,706 | | 5,382,279 | 9,276,985 |
| **Total** | $27,334,820 | $8,820,011 | $15,382,078 | $51,536,909 |
| **FY2014/2015 Expenditures and Other Uses (Budget):** | | | | |
| General government | $7,734,599 | | $1,854,205 | $9,588,804 |
| Public safety | 14,333,563 | 8,732,893 | 122,855 | 23,189,311 |
| Highways and streets | 4,843,463 | | 576,143 | 5,419,606 |
| Waterworks and sewerage | | | - | - |
| Culture and recreation | | | 549,145 | 549,145 |
| Capital outlay | | 587,968 | 9,185,818 | 9,773,786 |
| Debt service | 423,193 | | 1,683,462 | 2,106,655 |
| Other uses | 2,377,933 | | 6,899,052 | 9,276,985 |
| **Total** | $29,712,751 | $9,320,861 | $20,870,680 | $59,904,292 |
| Revenues and Other Sources in Excess of Expenditures and Other Uses | ($2,377,931) | ($500,850) | ($5,488,602) | ($8,367,383) |
| Beginning Balance, May 1 | $12,599,316 | $1,309,766 | $13,964,902 | $27,873,984 |
| Ending Balance, April 30 | $10,221,385 | $808,916 | $8,476,300 | $19,506,601 |

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# FY2014/2015
# REVENUES AND EXPENDITURES – BY FUND TYPE
# CITY OF CRYSTAL LAKE

| | *Proprietary Funds* | | | | |
|---|---|---|---|---|---|
| | Water & Sewer Fund | Nonmajor Proprietary Funds | Nonmajor Fiduciary Funds | Component Units | FY2014/2015 Totals |
| **FY2014/2015 Revenues and Other Sources (Budget):** | | | | | |
| Charges for services | $9,320,754 | $138,734 | $1,105,000 | $157,040 | $14,275,662 |
| Licenses and permits | - | - | - | - | 701,000 |
| Intergovernmental | - | 167,250 | - | 85,740 | 480,403 |
| Fines and forfeits | - | - | - | - | 557,500 |
| Property taxes | - | - | - | 4,381,300 | 16,746,443 |
| Other taxes | - | - | - | - | 23,029,900 |
| Interest | 10,000 | - | 1,745,000 | 2,500 | 1,876,249 |
| Miscellaneous | 6,000 | - | - | 18,905 | 1,730,990 |
| Other sources | - | 6,360,241 | 3,693,657 | - | 19,330,883 |
| **Total** | $9,336,754 | $6,666,225 | $6,543,657 | $4,645,485 | $78,729,030 |
| **FY2014/2015 Expenditures and Other Uses (Budget):** | | | | | |
| General government | - | - | $0 | - | $9,588,804 |
| Public safety | - | - | 3,698,255 | - | 26,887,566 |
| Highways and streets | - | - | - | - | 5,419,606 |
| Waterworks and sewerage | 7,428,013 | - | - | - | 7,428,013 |
| Culture and recreation | - | - | - | 4,662,776 | 5,211,921 |
| Capital outlay | 273,400 | 8,825,344 | - | 969,367 | 19,841,897 |
| Debt service | - | 2,967,676 | - | - | 5,074,331 |
| Other uses | 2,372,241 | 220,000 | - | - | 11,869,226 |
| **Total** | $10,073,654 | $12,013,020 | $3,698,255 | $5,632,143 | $91,321,364 |
| Revenues and Other Sources in Excess of Expenditures and Other Uses | ($736,900) | ($5,346,795) | $2,845,402 | ($986,658) | ($12,592,334) |
| Beginning Balance, May 1 | $3,278,455 | $7,456,570 | $54,101,373 | $4,052,656 | $96,763,038 |
| Ending Balance, April 30 | $2,541,555 | $2,109,775 | $56,946,775 | $3,065,998 | $84,170,704 |

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# FY2014/2015
# CHANGES IN FUND BALANCE – ALL FUNDS
# CITY OF CRYSTAL LAKE

| | Estimated Beginning Balance 05/01/14 | FY2014/2015 Revenues & Other Sources | FY2014/2015 Expenditures & Other Uses | Projected Ending Balance 04/30/15 |
|---|---|---|---|---|
| General Fund [1] | 12,599,316 | 27,334,820 | 29,712,751 | 10,221,385 |
| Home Rule Sales Tax Fund [1] | 1,875,871 | 4,944,100 | 5,851,552 | 968,419 |
| Insurance Fund [2] | 1,161,780 | 148,375 | 104,725 | 1,205,430 |
| Capital Replacement Fund | 3,000,000 | 3,097,933 | 3,097,933 | 3,000,000 |
| Fire Rescue Fund [1] | 1,309,766 | 8,820,011 | 9,320,861 | 808,916 |
| Road & Vehicle License Fund [1] | 769,784 | 1,685,199 | 2,411,080 | 43,903 |
| Crossing Guard Fund | 45,502 | 62,705 | 62,705 | 45,502 |
| IMRF/FICA Fund | 703,919 | 1,709,541 | 1,749,480 | 663,980 |
| Motor Fuel Tax Fund [1] | 7,211,857 | 1,051,193 | 4,810,122 | 3,452,928 |
| Foreign Fire Insurance Fund | 187,003 | 60,150 | 60,150 | 187,003 |
| Three Oaks Recreation Fund | - | 549,145 | 549,145 | (0) |
| Three Oaks Capital Fund [1] | - | 44,000 | 44,000 | - |
| Three Oaks Dvlpmnt Fund [3] | 344,015 | 301,413 | 398,826 | 246,602 |
| Thee Oaks Debt Svc Fund | - | 1,049,946 | 1,049,946 | 0 |
| SSA 43 Debt Service [4] | (3,024) | 123,291 | 120,267 | - |
| SSA 44 Debt Service | 157,936 | 68,350 | 68,350 | 157,936 |
| SSA 45 Debt Service [4] | 14,395 | - | 14,395 | - |
| SSA 46 Debt Service | 17,852 | 166,668 | 166,668 | 17,852 |
| SEECOM Debt Service [4] | 167 | 263,669 | 263,836 | - |
| Main Street TIF | 291,869 | 8,900 | - | 300,769 |
| Virginia Street TIF | - | 43,100 | 43,100 | - |
| Vulcan Lakes TIF | (1,814,024) | 4,400 | 4,400 | (1,814,024) |
| Water & Sewer Fund [4] | 3,278,455 | 9,336,754 | 10,073,654 | 2,541,555 |
| Wtr & Swr Debt Svc Fund [4] | 456,701 | 2,510,975 | 2,967,676 | - |
| Wtr & Swr Bonded Prj Fund [1] | 4,670,094 | 167,250 | 4,837,344 | 0 |
| Wtr & Swr Capital Fund | - | 3,988,000 | 3,988,000 | - |
| Wtr & Swr SSA Fees Fund [1] | 2,329,774 | - | 220,000 | 2,109,774 |
| Police Pension Fund [5] | 30,088,508 | 3,619,564 | 2,327,695 | 31,380,377 |
| Fire Pension Fund [5] | 24,012,865 | 2,924,093 | 1,370,560 | 25,566,398 |
| Library Operations Fund | 2,187,830 | 4,056,997 | 4,056,997 | 2,187,830 |
| Library Per Capita Fund | - | 83,740 | 83,740 | - |
| Library IMRF/FICA Funds | 318,518 | 452,903 | 466,694 | 304,727 |
| Library Ames Trust Fund | 366,289 | - | 3,500 | 362,789 |
| Library Gift & Memorial Fund | 577 | 18,905 | 18,905 | 577 |
| Library Repair Fund | 160,032 | 32,940 | 32,940 | 160,032 |
| Library Special Reserve Fund [1] | 969,367 | - | 969,367 | 0 |
| Library Working Cash Fund | 50,043 | - | - | 50,043 |
| | 96,763,038 | 78,729,030 | 91,321,364 | 84,170,704 |

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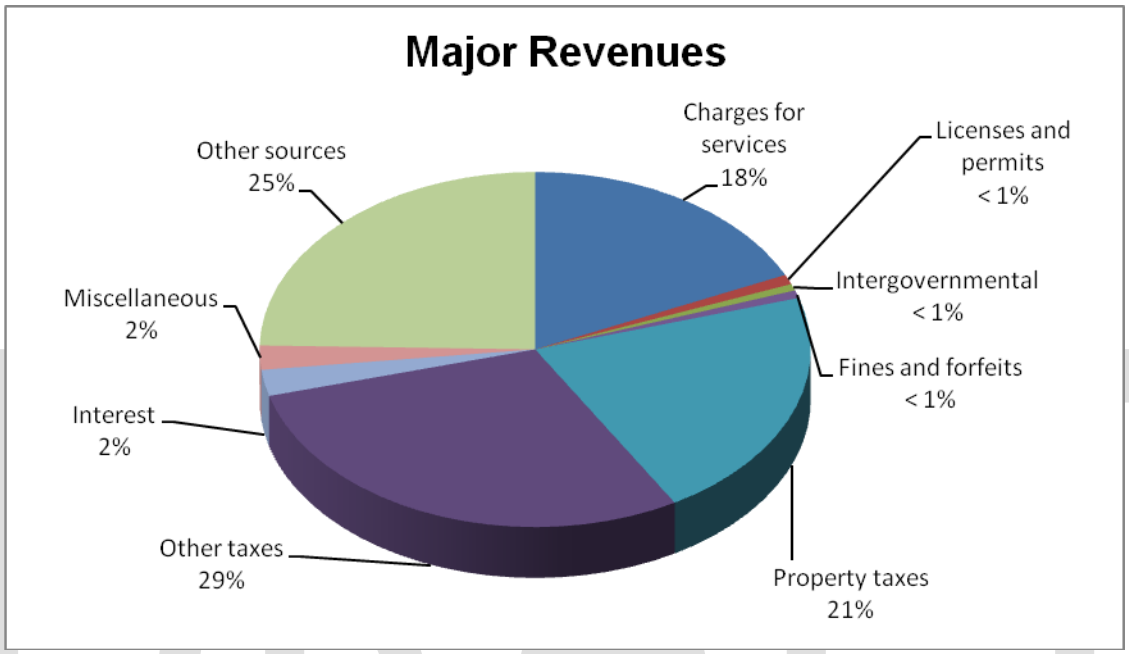
# FY2014/2015
# MAJOR REVENUES
# CITY OF CRYSTAL LAKE

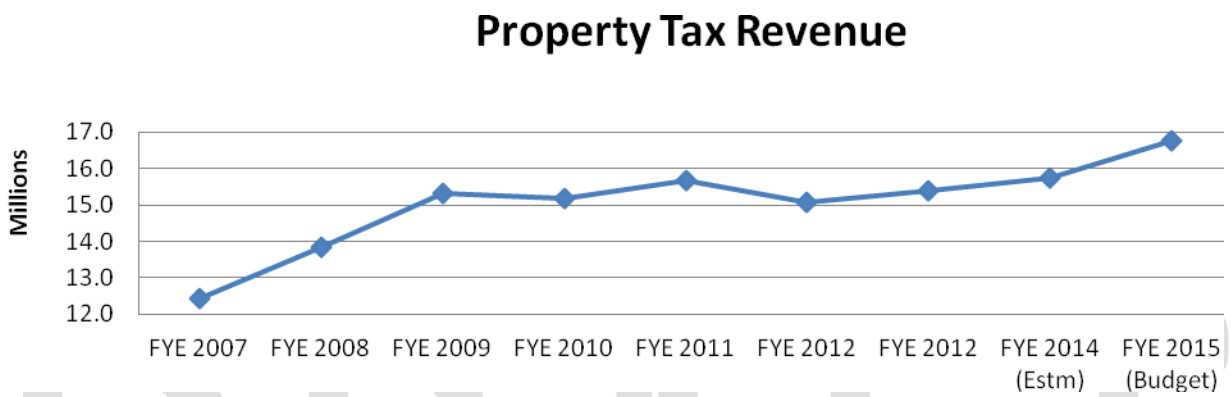



Budget preparation begins with revenue projections. Revenues are projected based on the following:

- Legislative action: The City continues to monitor the legislature through organizations such as the Illinois Municipal League (IML), when in session, to determine potential bills which would directly affect the amount of revenue received from the State.
- Consultation with departments directly involved in evaluating potential and existing revenues: Department heads are required to review their revenue streams during the budget process and make recommendations to the Director of Finance.
- Review of revenue history: The City reviews previous years' revenues to determine revenue projections for the upcoming budget year.
- Economic trends: State of Illinois employment rates, real estate development patterns, interest rates and the Consumer Price Index.
- Consulting with outside sources: The City consults with surrounding communities, County government, financial advisors, and other third-parties to assist in determining revenue forecasts and trends.

Revenue used to support City programs and projects comes from a variety of sources.

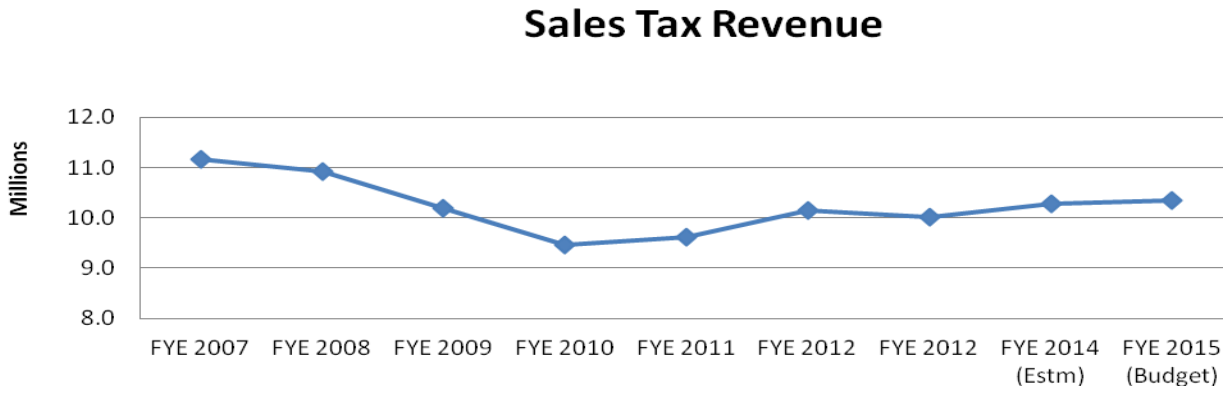
The largest sources of revenue for the City come from property taxes ($16,746,443), sales taxes ($10,340,055), home rule sales taxes ($4,900,000), user-fees for water and sewer ($9,024,966), State income taxes ($3,984,665), telecommunication taxes ($1,553,700), and interest income ($1,876,349). Combined, these sources represent $48,426,178 or more than 81% of all receipts.




**Property taxes** include amounts levied against all real estate in the City. Real property taxes collected during 2013/2014 were levied December 18, 2012 on assessed values as of January 1, 2012, the lien date. Assessed values are established by the County Assessor at 33.33% of appraised market value. Real property taxes are payable semi-annually. The first payment is due in June, the remainder is payable in September each year.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Crystal Lake. The County Treasurer periodically remits to the City its portion of the taxes collected.

Property taxes are levied primarily for purposes of meeting pension obligations, public safety, culture and recreation, and debt service. The City currently has no Corporate Property tax.

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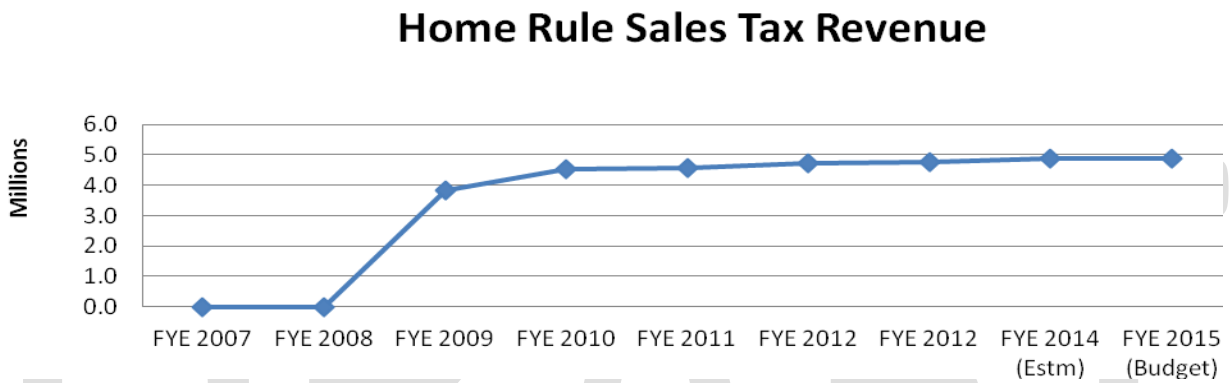
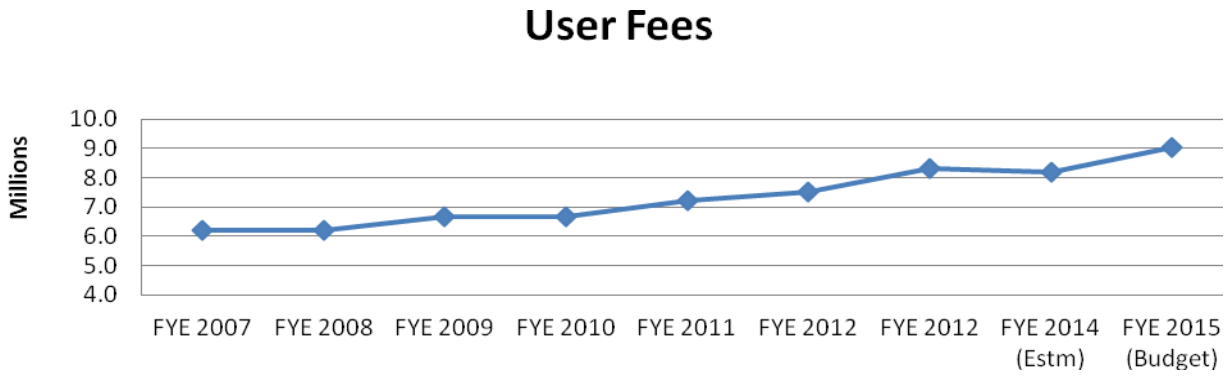
**Sales tax** on general merchandise in the City of Crystal Lake is 7.0%. Of the 7.0%, 1% is returned each month to the City with the remainder being distributed to the State, the RTA, and the County.

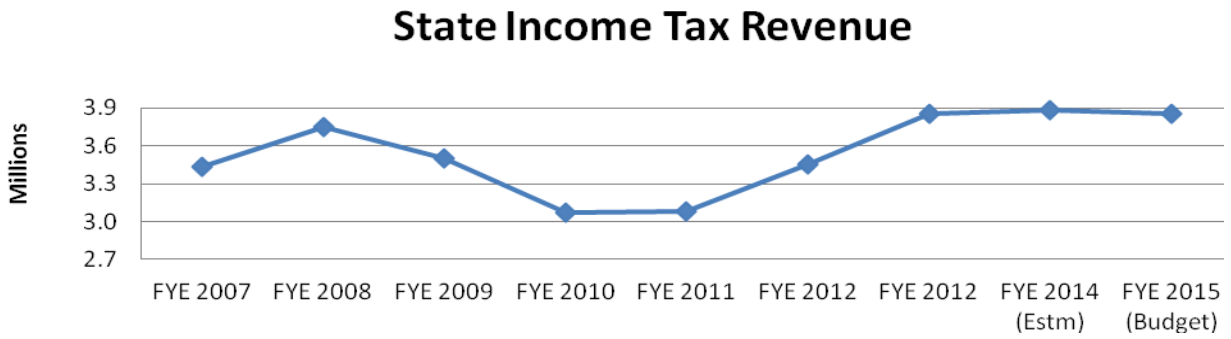
State sales tax revenues are volatile and greatly influenced by the economy. In years past, the City benefited from healthy increases in sales tax revenue but due to the current state of the economy and surrounding area retail growth, it is anticipated that sales tax in 2014/2015 will remain flat.



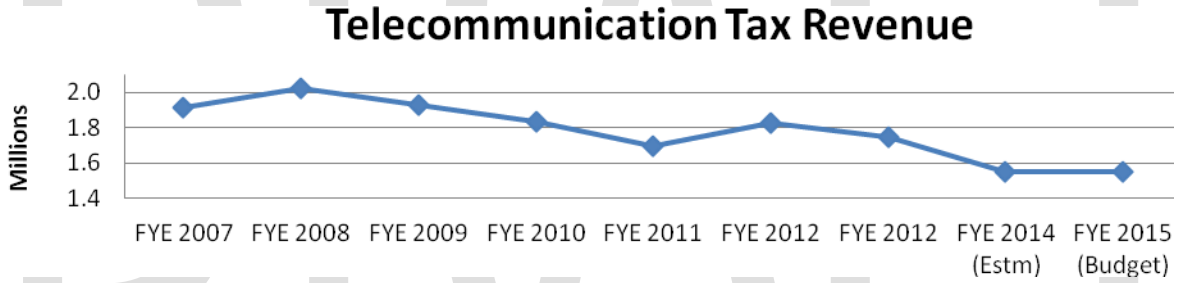

A 0.75% **Home Rule Sales Tax** was implemented under Illinois Home Rule Authority as of July 1, 2008. A Home Rule Sales Tax on general merchandise allows core services of the City to be maintained through fiscal 2014/2015, as well as add programs as outlined in the City's Strategic Plan (traffic services unit in the Police Department, flooding mitigation, document imaging and management, enhanced economic development activities and the operation of the City's Three Oaks Recreation Area).




**User fees** for water and sewer are calculated on the number of gallons of water consumed as determined by a water meter. Meters are read every month. Fees for water and sewer are combined in a monthly bill sent to residents and businesses. Due to the necessity to relocate and replace critical infrastructure, this budget introduces a water and sewer rate increase of 11.4%.

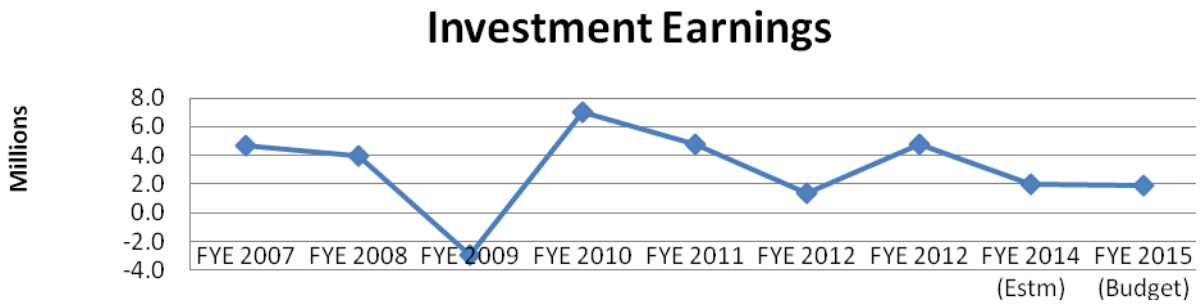



**State income tax** revenues are expected to rise above 2013/2014 receipts as claims for unemployment compensation begin to decline. Budgeted revenues are based on the Illinois Municipal League's per capita projections. The Illinois Municipal League is an organization that provides training and other services to local municipalities throughout Illinois.




**Telecommunication tax** is administered by the Illinois Department of Revenue. Only those municipalities that have imposed the tax by local ordinance or resolution receive distributions of the telecommunication tax.

Economic indicators suggest that a decrease in telecommunications tax receipts is possible as cellular service providers compete for dollars by offering more services for lower prices.

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**Investment Earnings Income** is expected to remain steady as market earning rates remain low. The City continues to monitor its portfolio in order to maximize returns without sacrificing the safety of principal.

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# FY2014/2015
# PERSONNEL SUMMARY – ALL FUNDS
# CITY OF CRYSTAL LAKE

| Full Time Equivalents (FTE's) | FY2012/2013 Actual | FY2013/2014 Budget | FY2014/2015 Budget |
|---|---|---|---|
| City Administration | 15.50 | 15.50 | 14.50 |
| Administrative Adjudication | 1.00 | 1.00 | 1.00 |
| Police | 80.25 | 79.75 | 79.75 |
| Community Development | 25.00 | 25.00 | 22.75 |
| Streets | 19.75 | 20.00 | 20.00 |
| Storm Sewer Maintenance | 8.00 | 8.00 | 7.00 |
| Fleet & Facility Services | 6.50 | 6.50 | 6.50 |
| Information Technology | 2.00 | 2.00 | 2.00 |
| TOTAL GENERAL FUND | 158.00 | 157.75 | 153.50 |
| Public Works Administration | 5.00 | 5.25 | 5.25 |
| Water Operations | 13.00 | 13.00 | 6.00 |
| Wastewater Treatment | 8.50 | 8.50 | 10.00 |
| Sewers & Lifts | 2.00 | 2.00 | 2.00 |
| TOTAL WATER & SEWER FUND | 28.50 | 28.75 | 29.25 |
| Fire Rescue Operations | 67.50 | 67.25 | 67.75 |
| TOTAL FIRE RESCUE FUND | 67.50 | 67.25 | 67.75 |
| **TOTAL ALL FUNDS** | 254.00 | 254.25 | 250.50 |

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During the past few years, the equivalent of seventeen positions has become vacant. These positions have been eliminated. These include two full-time positions in the City Administration Department, one full-time position in the Police Department, six full-time positions in the Community Development, seven full-time positions and one-part time position (0.50 full-time equivalent) in the Public Works Department and one full-time position in the Information Technology Department. One full-time position in the Community Development Department and one full-time position in the Fire Rescue Department were converted to part-time positions (0.75 full-time equivalents). In Fiscal Year 2013/2014 a part-time Public Education Coordinator position (0.50 full-time equivalent) was added to the Fire Rescue Department. During the upcoming budget year, one part-time position (0.50 full-time equivalent) in the Public Works Department will be converted to full-time. As the Public Works Department undergoes reorganization, six positions within the Water Operations Division will be transferred to the Sewers and Lifts Division. One position within the Storm Sewer Division will be transferred to the Wastewater Division.

The Personnel Summary-All Funds does not include elected officials, Planning and Zoning Committee members, paid-on-premise firefighters, crossing guards, Library personnel and seasonal 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.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# General Fund

# FY2014/2015
# REVENUE SUMMARY
# GENERAL FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Tax - Police/Fire Pension | 3,375,658 | 3,372,270 | 3,470,581 | 3,470,581 | 3,693,657 |
| **Total Property Taxes** | 3,375,658 | 3,372,270 | **3,470,581** | 3,470,581 | **3,693,657** |
| Grant Proceeds - State of IL | 16,889 | 515,538 | 15,000 | 4,400 | 4,000 |
| Grant Proceeds - Federal | 10,609 | 41,381 | 5,000 | 25,000 | 12,000 |
| Grant Proceeds - Other | 26,623 | 19,094 | - | 3,000 | - |
| **Total Intergovernmental** | 54,121 | 576,013 | **20,000** | 32,400 | **16,000** |
| Sales Tax | 10,137,309 | 10,016,056 | 10,340,055 | 10,277,500 | 10,340,055 |
| Leased Car Tax | 35,281 | 36,185 | 35,987 | 38,500 | 38,500 |
| State Income Tax | 3,451,994 | 3,854,999 | 3,731,606 | 3,882,000 | 3,984,665 |
| Replacement Tax | 139,013 | 142,419 | 118,161 | 147,700 | 147,700 |
| Use Tax | 599,648 | 645,986 | 625,000 | 690,700 | 725,225 |
| Telecommunications Tax | 1,824,479 | 1,746,976 | 1,860,969 | 1,553,700 | 1,553,700 |
| Hotel Tax | 281,817 | 278,356 | 290,000 | 290,000 | 290,000 |
| **Total Other Taxes** | 16,469,541 | 16,720,977 | **17,001,778** | 16,880,100 | **17,079,845** |
| Liquor Licenses | 99,744 | 96,098 | 112,750 | 100,000 | 100,000 |
| Building Permits | 232,482 | 291,615 | 350,000 | 325,000 | 325,000 |
| Occupancy Permits | 5,610 | 5,440 | 6,000 | 6,000 | 6,000 |
| Miscellaneous Licenses & Permits | 25,740 | 41,175 | 40,000 | 15,000 | 25,000 |
| **Total Licenses & Permits** | 363,576 | 434,328 | **508,750** | 446,000 | **456,000** |
| Police Department Fines | 544,358 | 447,472 | 600,000 | 430,000 | 430,000 |
| Police Towing (DUIs, etc.) | 75,005 | 76,850 | 185,000 | 61,250 | 67,500 |
| Adjudication Fines | 62,227 | 56,908 | 60,000 | 41,300 | 60,000 |
| **Total Fines & Forfeitures** | 681,590 | 581,230 | **845,000** | 532,550 | **557,500** |
| Review Fees | 41,252 | 36,798 | 125,000 | 75,000 | 75,000 |
| Inspection Services Fees | 31,413 | 2,915 | 7,000 | 4,500 | 4,500 |
| Storm Sewer Connection Fees | 1,800 | 720 | - | 3,100 | - |
| Zoning & Subdivision Fees | 21,624 | 23,277 | 21,500 | 20,000 | 20,000 |
| Parking Revenue | 235,637 | 221,435 | 235,000 | 221,000 | 221,000 |
| Special Police Detail | 86,528 | 105,488 | 100,000 | 125,802 | 125,000 |
| **Total Charges for Services** | 418,254 | 390,633 | **488,500** | 449,402 | **445,500** |

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# FY2014/2015
# REVENUE SUMMARY (Cont'd)
# GENERAL FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES (Cont'd) | | | | | |
| Investment Interest | 223,170 | 284,962 | 183,333 | 183,333 | 105,000 |
| **Total Interest Earnings** | 223,170 | 284,962 | **183,333** | 183,333 | **105,000** |
| | | | | | |
| Franchise Fees - Cable | 604,233 | 640,472 | 626,000 | 626,000 | 626,000 |
| Rental Income | 82,607 | 86,025 | 89,273 | 53,300 | 55,112 |
| Transfer Station Host Fees | 219,298 | 334,751 | 285,000 | 311,000 | 315,000 |
| Capital Facilities Fees | 4,744 | 13,959 | 7,140 | - | - |
| Centennial Celebration | - | - | - | 64,600 | - |
| Reimbursed Expenses | 22,033 | 11,244 | 60,000 | 15,000 | 5,500 |
| Miscellaneous | 141,284 | 44,047 | 248,000 | 155,000 | 85,000 |
| **Total Miscellaneous** | 1,074,199 | 1,130,498 | **1,315,413** | 1,224,900 | **1,086,612** |
| | | | | | |
| **Total Revenues** | 22,660,109 | 23,490,911 | **23,833,355** | 23,219,266 | **23,440,114** |

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# FY2014/2015
# EXPENDITURE SUMMARY
# GENERAL FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| EXPENDITURES | | | | | |
| Executive | 324,528 | 405,145 | 617,893 | 600,948 | 517,298 |
| Legal | 355,301 | 309,250 | 413,350 | 413,350 | 413,350 |
| City Administration | 1,773,885 | 1,798,592 | 1,917,131 | 1,887,487 | 1,838,392 |
| Adjudication | 77,692 | 81,882 | 113,977 | 88,292 | 111,953 |
| Police Department | 9,194,098 | 9,589,064 | 10,421,531 | 10,477,930 | 10,609,883 |
| Fire & Police Commission | 7,052 | 39,208 | 30,023 | 29,581 | 30,023 |
| Community Development | 2,729,735 | 3,071,439 | 3,638,793 | 3,548,849 | 3,538,994 |
| Street Division | 2,978,194 | 2,807,709 | 3,425,813 | 3,533,718 | 3,347,742 |
| Health | 116,755 | 94,556 | 130,000 | 106,904 | 130,000 |
| Storm Sewer Maintenance | 724,520 | 1,479,893 | 1,427,325 | 826,427 | 736,810 |
| Fleet & Facility Services | 686,956 | 683,873 | 734,436 | 721,509 | 758,911 |
| Information Technology | 432,900 | 341,936 | 539,498 | 447,926 | 318,783 |
| Special Projects | 426,415 | 472,398 | 1,207,439 | 1,177,439 | 367,700 |
| Shared Services | 352,764 | 431,859 | 478,713 | 483,633 | 498,129 |
| Pension Benefit Obligation | 3,375,658 | 3,372,270 | 3,470,581 | 3,470,581 | 3,693,657 |
| Debt Service | 377,426 | 380,929 | 427,027 | 427,027 | 423,193 |
| **Total Expenditures** | 23,933,879 | 25,360,003 | **28,993,530** | 28,241,601 | **27,334,818** |
| Revenues in Excess of Expenditures | (1,273,770) | (1,869,092) | (5,160,175) | (5,022,335) | (3,894,704) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 2,124,582 | 2,637,118 | 3,900,616 | 3,673,924 | 3,894,706 |
| Bond Proceeds | - | 850,000 | - | - | - |
| Bond Premium | - | 9,988 | - | - | - |
| Transfer Out | (4,456,437) | (1,544,818) | (2,690,979) | (2,356,205) | (2,377,933) |
| **Total Other Sources/ (Uses)** | (2,331,855) | 1,952,288 | **1,209,637** | 1,317,719 | **1,516,773** |
| Change in Fund Balance | (3,605,625) | 83,196 | (3,950,538) | (3,704,616) | (2,377,931) |
| Beginning Balance, May 1 | 19,826,361 | 16,220,736 | 16,303,932 | 16,303,932 | 12,599,316 |
| Ending Balance, April 30 | 16,220,736 | 16,303,932 | 12,353,394 | 12,599,316 | 10,221,385 |
| Nonspendable | (2,191,516) | (2,093,698) | (2,093,698) | (2,093,698) | (2,093,698) |
| Assigned to promote tourism | - | - | - | (101,474) | (80,474) |
| **Unassigned Balance, April 30** | 14,029,220 | 14,210,234 | **10,259,696** | 10,404,144 | **8,047,213** |

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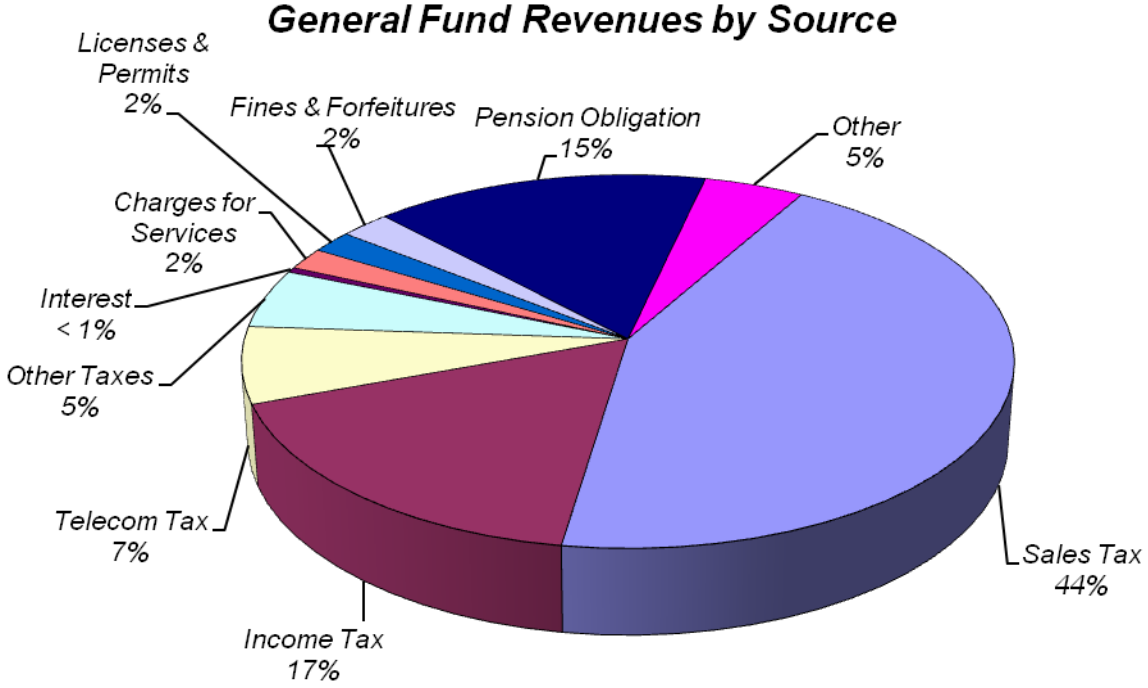
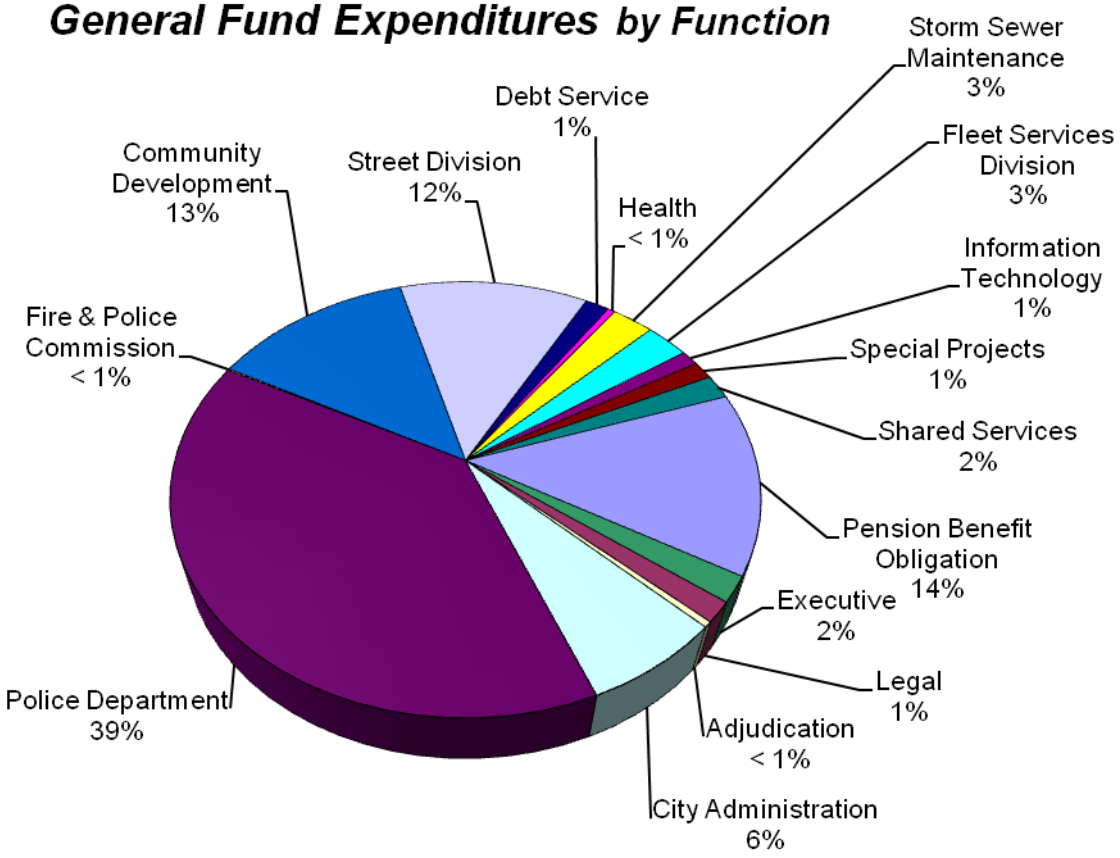
## General Fund Revenues by Source




## General Fund Expenditures by Function



# FY2014/2015
# EXPENDITURE SUMMARY – MAJOR OBJECT
# GENERAL FUND

| | Personnel Services | Contractual Services | Materials & Supplies | Capital Outlay | Debt Service | Grand Total |
|---|---|---|---|---|---|---|
| Executive | 22,800 | 494,498 | - | - | - | 517,298 |
| Legal | - | 413,350 | - | - | - | 413,350 |
| Administration Department | 1,555,153 | 213,700 | 69,538 | - | - | 1,838,392 |
| Adjudication | 53,857 | 54,196 | 3,900 | - | - | 111,953 |
| Police Department | 8,481,797 | 1,735,261 | 392,825 | - | - | 10,609,883 |
| Fire & Police Commission | - | 30,023 | - | - | - | 30,023 |
| Community Development | 2,242,363 | 1,223,324 | 73,307 | - | - | 3,538,994 |
| Street Division | 1,937,785 | 983,383 | 426,574 | - | - | 3,347,742 |
| Health | - | 130,000 | - | - | - | 130,000 |
| Storm Sewer Maintenance | 617,918 | 65,250 | 53,642 | - | - | 736,810 |
| Fleet & Facility Services Division | 664,793 | 45,511 | 48,607 | - | - | 758,911 |
| Information Technology | 247,453 | 22,796 | 48,534 | - | - | 318,783 |
| Special Projects | - | 359,700 | 8,000 | - | - | 367,700 |
| Shared Services | - | 498,129 | - | - | - | 498,129 |
| Pension Benefit Obligation | - | 3,693,657 | - | - | - | 3,693,657 |
| Debt Service | - | - | - | - | 423,193 | 423,193 |
| Total | 15,823,919 | 9,962,778 | 1,124,927 | - | 423,193 | 27,334,818 |
| % Percentage | 57.89% | 36.45% | 4.12% | 0.00% | 1.55% | 100.00% |

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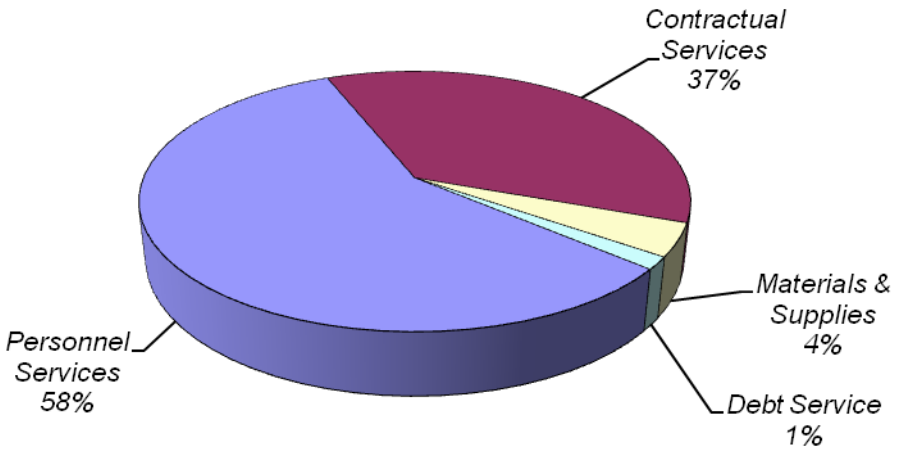
***General Fund Expenditures by Object***



City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# EXECUTIVE DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# EXECUTIVE DEPARTMENT

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.

# FY2014/2015
# ORGANIZATIONAL CHART
# EXECUTIVE DEPARMENT

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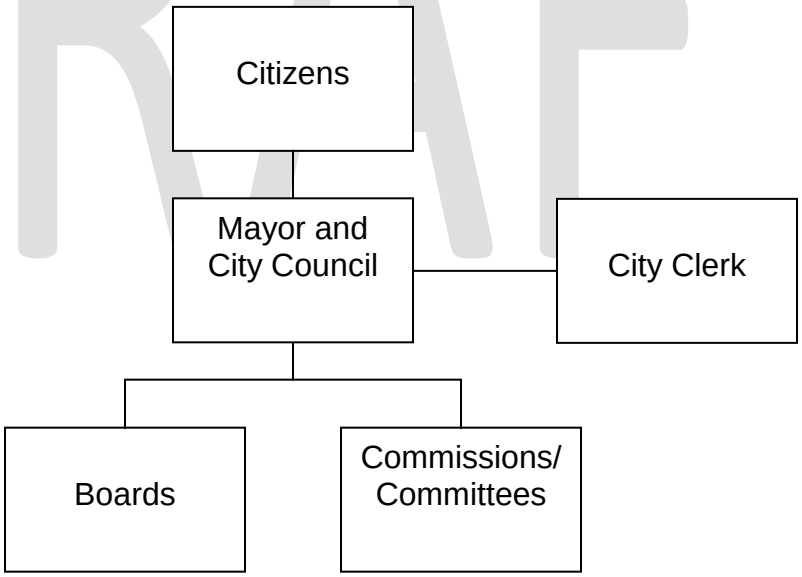

# FY2014/2015
# ANNUAL BUDGET
# EXECUTIVE DEPARTMENT

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 20,570 | 22,510 | 22,800 | 22,800 | 22,800 |
| **Total Personnel Services** | 20,570 | 22,510 | **22,800** | 22,800 | **22,800** |
| Professional Services | 5,550 | 7,944 | 6,000 | 6,000 | 6,000 |
| Training | 6,380 | 5,788 | 6,680 | 6,680 | 6,680 |
| Dues & Subscriptions | 37,052 | 36,460 | 37,216 | 37,369 | 37,216 |
| Insurance & Bonding | 11,407 | 11,407 | 11,902 | 9,804 | 11,902 |
| Community Activities | 36,948 | 36,187 | 241,095 | 226,095 | 119,500 |
| Other / Hotel Tax | 206,621 | 284,849 | 292,200 | 292,200 | 313,200 |
| **Total Contractual Services** | 303,958 | 382,635 | **595,093** | 578,148 | **494,498** |
| Total | 324,528 | 405,145 | **617,893** | 600,948 | **517,298** |

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# FY2014/2015
# ACCOUNT INFORMATION
# EXECUTIVE DEPARTMENT

- A reduction in the Community Activities account best reflects dollars anticipated to be expended on the City's Centennial Celebration. A year of special events to celebrate the City's Centennial (September 23, 1914 to September 23, 2014) will conclude with a closing ceremony in September 2014.
- Other/Hotel tax expenditures reflect City Council approval of funding requests from not-for-profit organizations that promote tourism to the City of Crystal Lake. Funding levels approved by City Council are as follows:

# FY2014/2015
# ACCOUNT INFORMATION (Cont'd)
# EXECUTIVE DEPARTMENT

| Other/Hotel Tax<br>Item Description | 2011/2012<br>Actual | 2012/2013<br>Actual | **2013/2014**<br>**Budget** | 2013/2014<br>Estimate | **2014/2015**<br>**Budget** |
|---|---|---|---|---|---|
| Crystal Lake Chamber of Commerce | 4,359 | 4,963 | 5,000 | 5,000 | 5,000 |
| Historic Downtown Assoc | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Raue Center for the Arts | 96,000 | 144,500 | 150,000 | 150,000 | 150,000 |
| McHenry County Youth Sports Assn | 40,778 | 52,778 | 52,800 | 52,800 | 52,800 |
| Crystal Lake Babe Ruth Baseball | 1,631 | - | 2,000 | 2,000 | 2,000 |
| Lakeside Legacy Foundation | 20,389 | 35,389 | 35,400 | 35,400 | 45,400 |
| McHenry County Music Center | 2,935 | 3,600 | 3,600 | 3,600 | 3,600 |
| Crystal Lake Rowing Club | 2,029 | 2,469 | 2,500 | 2,500 | 2,500 |
| Berkshire Ballet Theatre | 1,000 | 1,900 | 1,900 | 1,900 | 1,900 |
| Convention & Visitors Bureau | 2,500 | 4,000 | 4,000 | 4,000 | 14,000 |
| Williams Street Repertory Theatre Co | - | - | - | - | 1,000 |
| Total | 206,621 | 284,599 | **292,200** | 292,200 | **313,200** |

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# LEGAL AND JUDICIARY

# FY2014/2015
# STATEMENT OF ACTIVITIES
# LEGAL AND JUDICIARY

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.

# FY2014/2015
# ANNUAL BUDGET
# LEGAL AND JUDICARY

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| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Professional | 6,740 | 78,054 | 8,350 | 8,350 | 8,350 |
| Legal | 348,561 | 231,196 | 405,000 | 405,000 | 405,000 |
| **Total Contractual Services** | 355,301 | 309,250 | **413,350** | 413,350 | **413,350** |
| Total | 355,301 | 309,250 | **413,350** | 413,350 | **413,350** |

# FY2014/2015
# ACCOUNT INFORMATION
# LEGAL AND JUDICIARY

- Legal expenditures reflect fees charged by counsel to represent the City in various legal matters except those associated with collective bargaining units of the City and Administrative Adjudication. Legal expenses associated with collective bargaining units of the City are accounted for in the Professional Services account of the Police Department, Fire Rescue Department and Public Works Administration Department. The Administrative Adjudication program budget is presented in subsequent pages of this document.

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# ADMINISTRATION DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# ADMINISTRATION DEPARTMENT

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 procedures. These activities include the recording and reporting of all financial transactions, billing and collection 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 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 labor relations, 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, and training and development for full-time, part-time and seasonal employees of the City of Crystal Lake.

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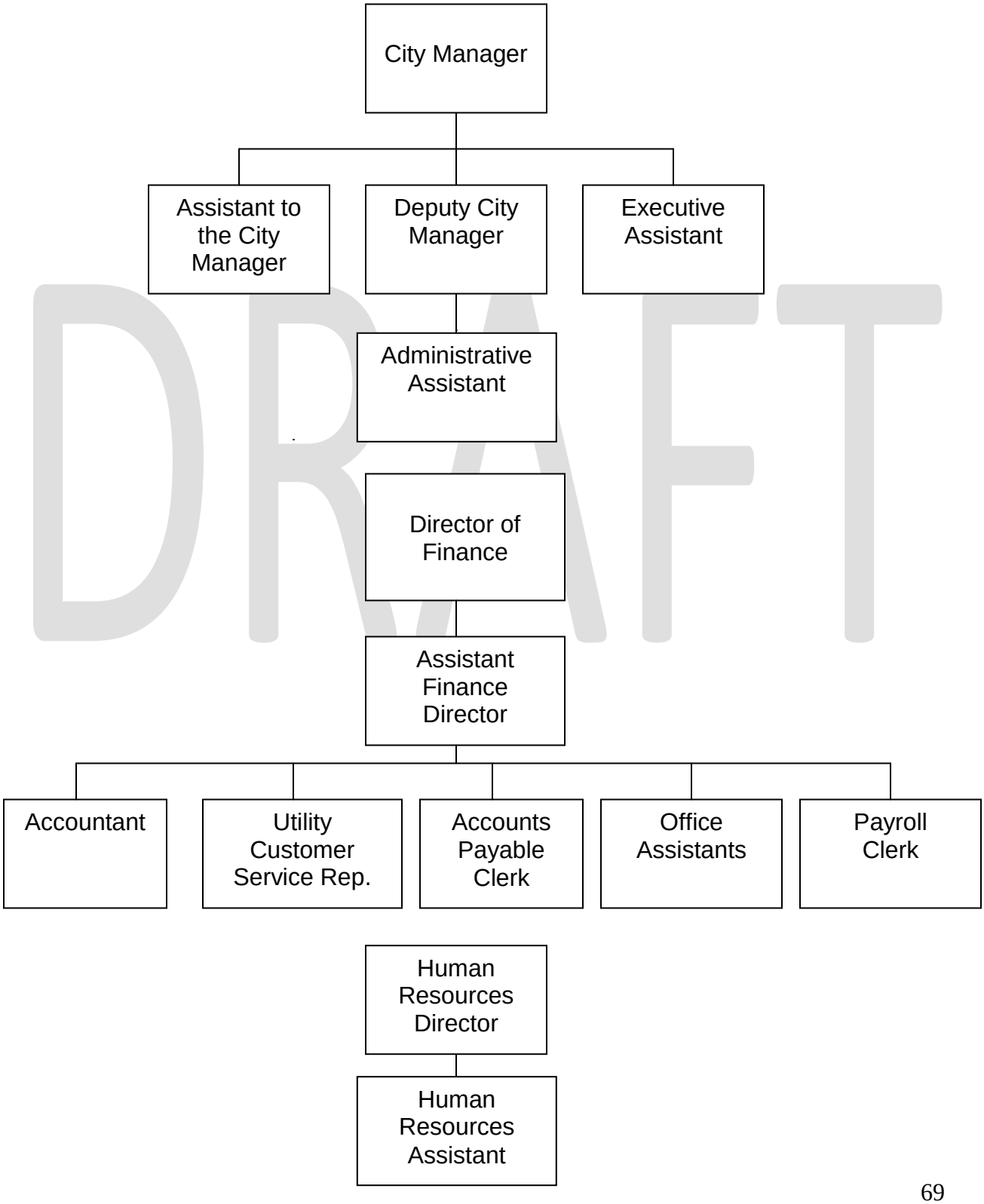
# FY2014/2015
# ORGANIZATIONAL CHART
# ADMINISTRATION DEPARTMENT

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# FY2014/2015
# PERSONNEL SUMMARY
# ADMINISTRATION DEPARTMENT

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| City Manager | 1.00 | 1.00 | 1.00 |
| Director of Finance | 1.00 | 1.00 | 1.00 |
| Deputy City Manager | 2.00 | 2.00 | 1.00 |
| Assistant to the City Manager | 1.00 | 1.00 | 1.00 |
| Director of Human Resources | 1.00 | 1.00 | 1.00 |
| Assistant Finance Director | 1.00 | 1.00 | 1.00 |
| Executive Assistant | 1.00 | 1.00 | 1.00 |
| Human Resources Assistant | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 1.75 | 1.75 | 2.50 |
| Accountant | 1.00 | 1.00 | 1.00 |
| Payroll Clerk | 1.00 | 1.00 | 1.00 |
| Accounts Payable Clerk | 1.00 | 1.00 | 1.00 |
| Office Assistant | 1.75 | 1.75 | 1.00 |
| Total Staff | 15.50 | 15.50 | 14.50 |

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# FY2013/2014
# ACCOMPLISHMENTS
# ADMINISTRATION DEPARTMENT

- Crystal Lake Centennial Celebration: City Staff performed numerous functions to organize and manage the City's Centennial Celebration:
  - *Centennial Committee Operations*: Provided support and guidance to the Centennial Committees.
  - *Centennial "Kick-Off" Celebration*: Organized a three day festival at Three Oaks Recreation Area in September 2013.
  - *Winter Festival*: The City coordinated with the Crystal Lake Park District and Lakeside Legacy Foundation to host the Winter Festival in December 2013.
  - *Speaker Series*: In addition, other events continue to be held to commemorate the City's Centennial, including a monthly speaker series.
  - *Centennial Event Promotion*: City Staff assisted with the coordination of public information regarding centennial events.
  - *Planning of Centennial Closing Event*: City Staff is working with the Committee to organize the Centennial Closing events in September 2014.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# ADMINISTRATION DEPARTMENT

- Managed the Three Oaks Recreation Area: Three Oaks continued to be an attraction in 2013/2014. 88,232 people visited the park this year. City Staff managed the maintenance and operations of the facility.
- The City completed a number of major capital improvement projects including: McHenry Avenue (Route 14 to Rakow Road), City-wide bikeway corridor improvements, Country Club water main, Railroad Street commuter lot expansion and an annual maintenance programs that included resurfacing 8.1 miles of streets, eliminating 200 tripping hazards through the City's sidewalk and curb repair program,
  and crack sealing 74,900 linear feet as a pavement preservation technique for the City. In addition, the City assisted McHenry County in completing the Rakow Road project.
- Implemented an enhanced downtown surface-parking plan which will include the expansion of the existing commuter parking lot along Railroad Street to extend completely between Second Street and Grant Street. Improvements included in this project were: Additional commuter parking spaces, Additional motorcycle parking spaces, Additional bike racks, New roadway lighting along Railroad Street and Grant Street, matching the decorative poles throughout the rest of the Downtown District, and the conversion of the remaining paid parking spaces in the Depot Parking Lot to free 4-hour parking
- The City continued implementation of an electrical aggregation program for its residents which provide cost savings for the supply of electricity. In 2010, the Illinois State Legislature gave cities a tool to help taxpayers save money giving cities the ability to seek competitive pricing for the provision of electricity to residents and small businesses. Following a successful referendum, the City successfully combined electrical service for all individual customers into a single bid, lowering electrical bills for residents and consumers.
- Significant progress continues to be made in implementing the strategic commitments of the first-ever Strategic Plan completed in 2007.
- The proactive economic development program, that encourages business retention and recruitment, continues to be enhanced. Over the past 3 years, nearly 1,000,000 square feet of vacant space has been occupied by new businesses in Crystal Lake, and has created over 1,000 new jobs in Crystal Lake.
- An overall high-quality customer service culture, through increased training and communication, continued to be promoted.
- The City continued to improve and promote effective, positive communication with the community, staff, and elected officials.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# ADMINISTRATION DEPARTMENT

- An overall safety culture, through training and communication, continued to be promoted.
- The City continued to work with METRA, the Union Pacific Rail Line, and PACE suburban bus service to maintain commuter friendly transportation In addition, the City, in cooperation with McHenry County, and the cities of McHenry and Woodstock continued to provide dial-a-ride services through the MCRidge program. The MCRide service makes it easier for suburban to suburban commuters and persons with disabilities to schedule and use dial-a-ride services in McHenry County, improve access to jobs and job related activities, and provide greater mobility to individuals with disabilities.
- The City received the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award from Government Finance Officers' Association.

# FY2014/2015
# OBJECTIVES
# ADMINISTRATION DEPARTMENT

- Continue to promote the development of strategic areas, including the Three Oaks Recreation 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 a number of major capital improvement projects including: South Main Street improvements and associated utility relocations and an annual maintenance program including street resurfacing, eliminating tripping hazards through the City's sidewalk and curb repair program, and crack sealing as a pavement preservation technique for the City. In addition, the City will continue monitoring of the IL Route 176 and IL Route 31 project and coordinate with the State of Illinois on the US Route 14 widening project (Crystal Lake Avenue to Lake Shore Drive in Woodstock).
- Continue to implement the plan to commemorate the City's Centennial.
- Enhance the City's Performance Measurement Program.
- 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 revenues.
- Continue to explore strategic annexation opportunities.

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# FY2014/2015
# OBJECTIVES (Cont'd)
# ADMINISTRATION DEPARTMENT

- 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 government access channel, the development of a City marketing plan, and the City website.
- Continue to 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 promote a workplace that encourages excellence.
- Continue to ensure fiscal responsibility.
- Maintain a prioritized capital improvement plan.
- Coordinate the development of a City-wide GIS system.

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# FY2014/2015
# ANNUAL BUDGET
# ADMINISTRATION DEPARTMENT

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 1,304,506 | 1,322,087 | 1,412,592 | 1,412,592 | 1,295,577 |
| Part-time Salaries | 32,670 | 34,152 | 34,925 | 34,925 | 37,718 |
| Overtime | 12 | - | 2,500 | 2,500 | 2,500 |
| Group Insurance | 223,277 | 220,223 | 217,647 | 196,941 | 219,358 |
| **Total Personnel Services** | 1,560,465 | 1,576,462 | **1,667,664** | 1,646,958 | **1,555,153** |
| Professional | 37,700 | 40,463 | 37,030 | 37,030 | 37,030 |
| Annual Audit | 17,352 | 16,680 | 23,503 | 21,500 | 21,500 |
| Publishing | 3,288 | 4,144 | 6,850 | 6,850 | 7,100 |
| Postage & Freight | 21,769 | 23,422 | 25,638 | 25,638 | 36,238 |
| Training | 7,724 | 9,681 | 9,500 | 9,500 | 9,500 |
| Dues & Subscriptions | 4,455 | 8,054 | 8,116 | 8,116 | 8,116 |
| Insurance & Bonding | 63,097 | 55,237 | 56,866 | 49,931 | 56,866 |
| Physical Examinations | 1,216 | 806 | 2,000 | 2,000 | 2,000 |
| Office Equipment | 3,546 | 4,201 | 5,350 | 5,350 | 5,350 |
| Employee Programs | 1,452 | 10,974 | 11,500 | 11,500 | 30,000 |
| **Total Contractual Services** | 161,599 | 173,662 | **186,353** | 177,415 | **213,700** |
| Office Supplies | 10,213 | 10,729 | 11,300 | 11,300 | 11,300 |
| Motor Fuel & Lub. | 3,999 | 1,875 | 1,750 | 1,750 | 1,750 |
| Comp. Hardware & Software | 9,606 | 7,012 | 5,566 | 5,566 | 9,888 |
| Small Tools & Equipment | 1,515 | 2,682 | 4,800 | 4,800 | 4,800 |
| Automotive Supplies | 1,913 | 1,852 | 2,000 | 2,000 | 2,000 |
| Stationery & Printing | 24,575 | 24,318 | 37,698 | 37,698 | 39,800 |
| **Total Materials & Supplies** | 51,821 | 48,468 | **63,114** | 63,114 | **69,538** |
| Total | 1,773,885 | 1,798,592 | **1,917,131** | 1,887,487 | **1,838,392** |

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# FY2014/2015
# ACCOUNT INFORMATION
# ADMINISTRATION DEPARTMENT

- A reduction in Regular Salaries is attributable to a vacancy in the Director of Finance position. Deputy City Manager, George Koczwara was appointed Interim Director of Finance on November 1, 2013.
- The change in Part-time Salaries reflects wages paid in the prior year coupled with a projected merit increase equal to 2.5%. The prior year budget amount was found to be understated.
- Audit fees reflected in this budget are pursuant to the terms of a contract with an independent audit firm.
- Additional funds have been requested in the Postage and Freight account as well as, the Stationery & Printing account. Additional funds will provide for the continuation of a monthly newsletter to Crystal Lake residents and businesses.
- Additional funds have been requested in the Employee Programs account. Additional funds will provide for employee training city-wide, covering a myriad of topics.
- An increase in Computer Hardware & Software is attributable to annual licensing costs for the City's new GIS mapping software. The GIS mapping software license cost is allocated among all users in various departments of the City.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# ADMINISTRATIVE ADJUDICATION

# FY2014/2015
# STATEMENT OF ACTIVITIES
# ADMINISTRATIVE ADJUDICATION DIVISION

The City's Division of Administrative Adjudication hears a wide range of cases involving violations of municipal ordinances that were once heard in the McHenry County Circuit Court. Having hearings at City Hall expedites compliance, reduces litigation expenses and allows the Circuit Court to focus on more serious offenses. Hearings at City Hall also are more convenient for residents who wish to contest a ticket or other citation. An administrative hearing is a civil, not a criminal proceeding. Cases filed in adjudication are punishable by fines and a variety of other penalties, excluding jail time. Under the administrative hearing system, an Administrative Law Judge, not the City entity that issued the ticket, complaint or notice of violation, hears cases. Administrative Law Judges, all of whom are experienced attorneys, are required to undergo State mandated training to be professional, fair and courteous.

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# FY2014/2015
# PERSONNEL SUMMARY
# ADMINISTRATIVE ADJUDICATION DIVISION

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Administrative Assistant | 1.00 | 1.00 | 1.00 |
| Total Staff | 1.00 | 1.00 | 1.00 |

# FY2013/2014
# ACCOMPLISHMENTS
# ADMINISTRATIVE ADJUDICATION DIVISION

- Continued to successfully implement the Administrative Adjudication Program for the City of Crystal Lake.

# FY2014/2015
# OBJECTIVES
# ADMINISTRATIVE ADJUDICATION DIVISION

- Continue to enhance the Administrative Adjudication process to allow for the fair adjudication of matters unique to the City.

# FY2014/2015
# ANNUAL BUDGET
# ADMINISTRATIVE ADJUDICATION DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Wages | 43,372 | 44,027 | 45,766 | 45,766 | 46,910 |
| Overtime | - | - | - | 500 | - |
| Group Health Insurance | 6,967 | 6,967 | 7,315 | 6,926 | 6,947 |
| **Total Personnel Services** | 50,339 | 50,994 | **53,081** | 53,192 | **53,857** |
| Professional | 25,752 | 29,854 | 53,396 | 30,000 | 53,396 |
| Postage & Freight | 546 | 474 | 2,500 | 600 | 800 |
| **Total Contractual Services** | 26,298 | 30,328 | **55,896** | 30,600 | **54,196** |
| Office Supplies | 76 | 310 | 1,000 | 500 | 500 |
| Comp. Hardware & Software | 188 | 250 | 2,500 | 2,500 | 2,200 |
| Stationery & Printing | 791 | - | 1,500 | 1,500 | 1,200 |
| **Total Materials & Supplies** | 1,055 | 560 | **5,000** | 4,500 | **3,900** |
| Total | 77,692 | 81,882 | **113,977** | 88,292 | **111,953** |

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# FY2014/2015
# ACCOUNT INFORMATION
# ADMINISTRATIVE ADJUDICATION DIVISION

- Administrative Adjudication expenditures reflect operating costs of the City's Administrative Adjudication program. Reflected in expenditures are an independent Administrative Adjudication Hearing Officer, Prosecutor and one City Administrative Assistant.
- Decreases in fiscal year 2014/2015 expenditures best reflects services and supplies needed to operate the Administrative Adjudication program.

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# POLICE DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# POLICE DEPARTMENT

The Police Department is responsible for providing a variety of services to the community on a twenty-four-hour, seven-day-a-week basis. These services include, but are not limited to: traffic services, preventative patrol operations, criminal investigations, youth services, crime prevention, parking enforcement and public education. In addition, the Crystal Lake Police Department remains committed to providing community service built on a philosophy of customer satisfaction. We have made progress by building partnerships with various community groups. Since these partnerships enable a true problem solving environment, specific solutions can occur.

Additionally, the department continues to prioritize retention of public respect and confidence. To illustrate these ideals, the department recently received accreditation through the Commission of Accreditation for Law Enforcement Agencies (CALEA). During the past several years, the department completed more than 450 CALEA standards before receiving accreditation. This was accomplished through a constant and earnest effort from all departmental employees. Our staff is committed to a high professional level of service and remains committed to protecting the lives and enhancing the safety of all residents.

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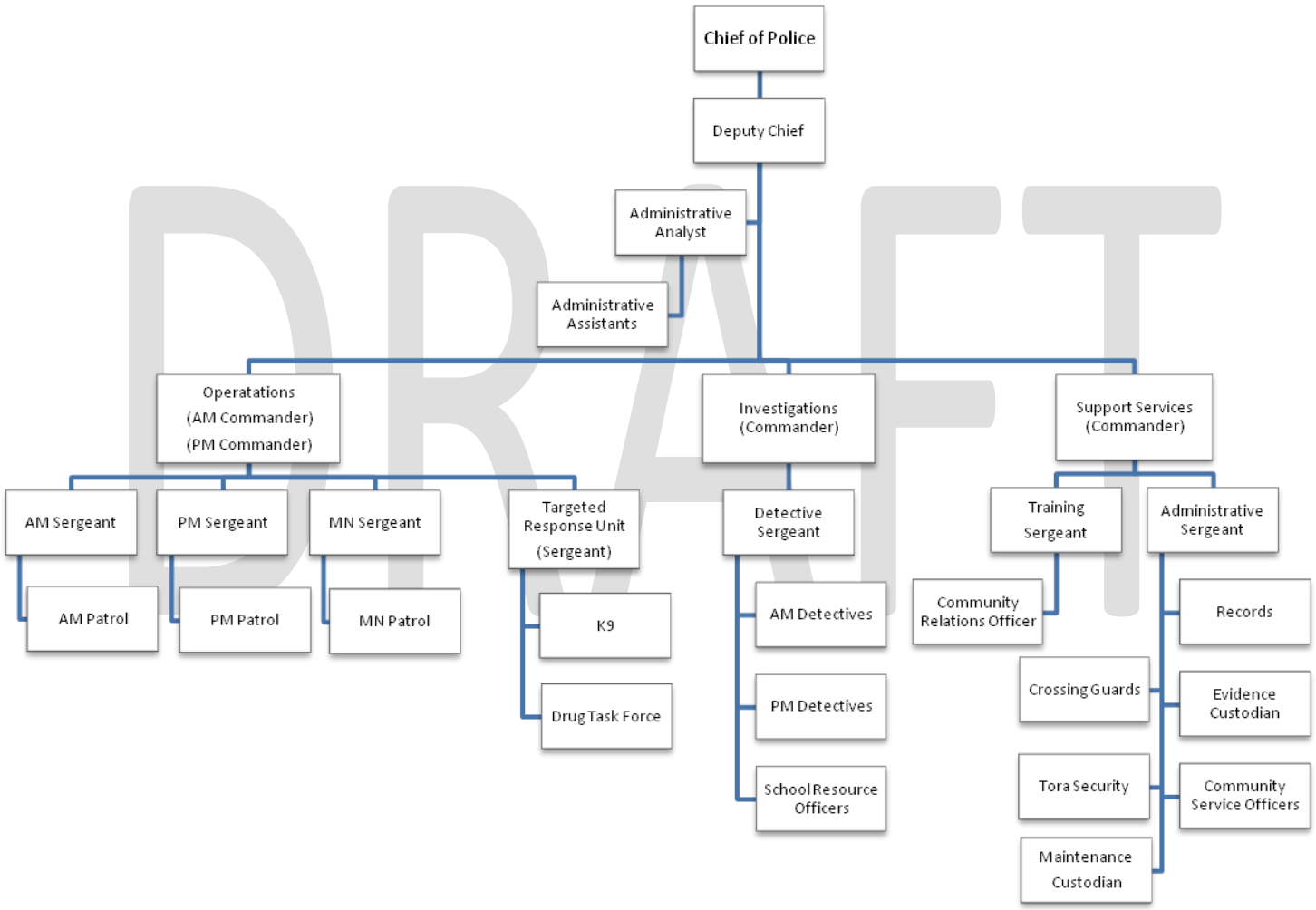
# FY2014/2015
# ORGANIZATIONAL CHART
# POLICE DEPARTMENT

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# FY2014/2015
# PERSONNEL SUMMARY
# POLICE DEPARTMENT

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Police Chief | 1.00 | 1.00 | 1.00 |
| Deputy Police Chief | 1.00 | 1.00 | 1.00 |
| Commander | 3.00 | 4.00 | 4.00 |
| Sergeant | 11.00 | 11.00 | 11.00 |
| Police Officer | 50.00 | 50.00 | 50.00 |
| Community Service Officer | 4.00 | 4.00 | 4.00 |
| Office Coordinator | 1.00 | 0.00 | 0.00 |
| Administrative Assistant | 1.00 | 1.00 | 1.75 |
| Administrative Clerk | 0.75 | 0.75 | 0.00 |
| Police Records Supervisor | 1.00 | 1.00 | 1.00 |
| Administrative Analyst | 1.00 | 1.00 | 1.00 |
| Police Records Assistant | 4.50 | 4.00 | 4.00 |
| Maintenance Custodian | 1.00 | 1.00 | 1.00 |
| Total Staff | 80.25 | 79.75 | 79.75 |

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# FY2013/2014
# ACCOMPLISHMENTS
# POLICE DEPARTMENT

**Goal: Pending acknowledgement of CALEA accreditation in March 2013, maintain compliance of such accreditation standards throughout the reaccreditation phase.**

Status: This goal is met. In March 2013, the Crystal Lake Police Department received initial CALEA accreditation. The department has begun the reaccreditation process and has maintained compliant with all CALEA standards.

**Goal: Research, adopt and implement a Mobile Crash Reporting (MCR) system to electronically document traffic crashes.**

Status: This goal is met. The program has been installed and “train the trainer” was completed. Department personnel are using the program as we continue to complete the training of remaining personnel.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# POLICE DEPARTMENT

**Goal: Implement "Advanced Authentication" for Criminal Justice Information System (CJIS) compliance mandated by the FBI. The mandate sets forth minimum requirements for securing access to the data included within CJIS.**

Status: This goal is partially met. Even though CJIS extended the deadline for Advanced Authentication to September 30th, 2014, the department has researched options, vendors and pricing. The department continues to monitor CJIS on this matter. This goal has been extended into FY 2014/2015 budget.

**Goal: Bring all OSHA/IDOL regulations into compliance. This includes the following remaining areas: occupational noise exposure, respiratory protection, hazard communications, lead exposure, control of traffic through traffic incident management areas, and tuberculosis.**

Status: This goal is partially met. One of the seventeen OSHA regulations requires some attention. All remaining requirements are currently being addressed by the agency training coordinator and training committee. The goal is to complete the remaining tasks before April 30, 2014.

**Goal: Continue to use crime analysis techniques and departmental resources, such as the chronic nuisance ordinance, to further develop problem-oriented strategies that target repetitive problems or quality of life issues.**

Status: This goal is met. For example the department has worked with the Community Development Department to address code and nuisance issues at rental properties.

**Goal: Continue enhancement of supervisory and management training as well as develop leadership and mentoring opportunities for staff. The Department will send at least one Sergeant or Staff Sergeant to the Northwestern University Center for Public Safety Staff and Command training.**

Status: This goal is met. One sergeant is currently attending this training and anticipated to graduate in 2014. In addition, command staff and other supervisors received eight hours of leadership training in December.

**Goal: Continue to meet CALEA requirements and increase the number of in-house training hours by 5%. Also ensure that annual, bi-annual, and tri-annual training required by CALEA is completed.**

Status: This goal is met. The department is currently on pace to increase in-house training by 11 %.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# POLICE DEPARTMENT

**Goal: Develop an advertising campaign to address distracted driving in the community. Cell phone usage and other distracted driving issues are currently not tracked; however, this will change as of January 1st 2013, as this information will now be included on the State crash form. 2013 can be used as a baseline for the campaign and the advertising will be adjusted to address trending distraction areas.**

Status: This goal is in-progress. The department is currently developing this campaign since 2013 will be used as a baseline for future analysis.

**Goal: The Patrol Division will participate in the 2013 Illinois Traffic Safety Challenge. This year-long initiative will include aggressive traffic enforcement, comprehensive training for all staff, and public education efforts in the following areas: seat belt/child safety seats, speeding, and impaired driving.**

Status: This goal is met/in-progress. The department continues to work on the Traffic Safety Challenge. Having completed the first ¾ of the year, we already recognize the number of traffic crashes overall has decreased by 4%, and the number of crashes involving injury has decreased approximately 24%.

**Goal: The Division will continue to work closely with IDOT to acquire grant funding for safety related enforcement efforts; at minimum in line with 2012 participation.**

Status: This goal is in progress. Grant opportunities continue to be a focus, despite budget cuts and tighter restrictions being placed on grant recipients by IDOT. However, due to our efforts, we continue to be a department encouraged by our IDOT liaison to take on more hours and grant money.

**Goal: The Police Department will participate in the now-forming McHenry County Traffic Safety Committee where municipal staff from throughout the County will work to compile traffic crash statistics and their respective causes. This combines efforts and resources to reduce occurrences.**

Status: This goal is in progress. The McHenry County Traffic Safety Committee is still determining how to effectively pursue its goals.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# POLICE DEPARTMENT

**Goal: Develop in-house team building exercises/scenarios that will be used throughout the year. Such training will test the investigators' readiness for a variety of crimes such as gang violence, homicide, and kidnapping/abduction. In addition, this training will also reinforce which outside law enforcement resources are available for specific incidents.**

Status: This goal is met. The Investigation's Commander completed two hours of training on child abduction. The Amber Alert policy was also reviewed and forms and phone numbers were supplied during a power-point presentation. We have also conducted major case training, discussed the utilization of the McHenry County Major Investigation Assistance Team as well as explained how to track leads when conducting any major investigation.

**Goal: Develop our relationship with the Internet Crimes Against Children (ICAC) organization. This organization offers a variety of services that can help our area children with Internet safety. As a member of this organization, staff will be provided training and equipment.**

Status: This goal is met. Internet Crimes Against Children (ICAC) is up and running. Two investigators have received initial training and will continue with regular training updates in the future. All equipment has been purchased and is currently being utilized.

**Goal: For the Emergency Services Team (EST), explore opportunities for training that will develop members at all levels. Hands-on training, educational seminars, and in-house trainings will be considered to assist with this development. Such areas of development that will be sought include tactical decision making, leadership skills, problem solving scenarios, and other basic related skills.**

Status: This goal is in progress. All EST members train on a monthly basis. The department sent three members to the Illinois Tactical Officer's Conference in November of 2013.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# POLICE DEPARTMENT

**Goal: Reduce preventable workers compensation and non-workers compensation accidents as compared to the previous year.**

Status: This goal is not met. To date, there have been 23 accidents reported and reviewed by the department safety committee, compared to 23 in all of 2012. Of the 23 accidents reviewed so far in calendar year 2013, 12 were deemed Preventable and 11 Not-Preventable. In 2012, of the 23 reviewed accidents, 12 were deemed Preventable and 11 were deemed Not-Preventable. Even if there are no other accidents in 2013, there will not have been a reduction of Preventable accidents. After analysis of each preventable incident, the department has concluded there is not a significant trend in one specific area such as slip and falls. Rather, the department experienced a wide range of preventable incidents, with uniqueness to each event.

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# FY2014/2015
# OBJECTIVES
# POLICE DEPARTMENT

**Goal: The Department will again participate in the Illinois Chiefs of Police Association Traffic Safety Challenge, maintaining our commitment to traffic safety.**

- The Department will meet the criteria set forth in the Challenge and submit a year-end report as prescribed.

**Goal: Maintain qualifications under the Incident Command System in order to continue our effective responses during any planned or unplanned major event.**

- Provide introductory training for any newly appointed supervisors.
- Provide two scenario-based training opportunities for police supervisors to practice their skills in a simulated environment.

**Goal: Inform and educate the City's senior population of the various types of scams and exploitation tactics that mainly target their community.**

- We will offer two programs/learning seminars to our senior community so they may better identify when they are the target of suspected criminal activity.

**Goal: Increase the utilization of the McHenry County Peer Jury Program.**

- Increase submissions into the Peer Jury Program by 20% in 2014.
- The Department shall continue to maintain a seat in the McHenry County Juvenile Officers Association.

# FY2014/2015
# OBJECTIVES (Cont'd)
# POLICE DEPARTMENT

**Goal: Implement a Crime Analysis Mapping Program**

- Analyze various options to implement crime analysis mapping to utilize Data-Driven Approaches to Crime and Traffic Safety (DDACTS).
- Create reports from Computer Aided Dispatch and Records Management System to import data into the mapping program.
- Implement the mapping program so it will be accessible in the squad cars for patrol.

**Goal: Members of Targeted Response Unit will continue to conduct sex offender compliance checks to ensure those sex offenders registered within the City are accurately reporting the information required under State law.**

- At least three compliance checks will be conducted.
- One compliance check will be conducted within two weeks prior to Halloween.

**Goal: Continue enhancing supervisory and management training as well as develop leadership and mentoring opportunities.**

- Send at least one Sergeant to the Northwestern University Center for Public Safety to attend a session of Staff and Command.
- Develop executive staff by sending to leadership and other police management training.
- Continue enhancing the department's internship program to ensure mentoring opportunities are available.

**Goal: Maintain CALEA accreditation compliance through the reaccreditation phase.**

- CALEA requires continuous compliance with applicable standards. This involves preparing proofs of compliance and operating by the letter and spirit of the established standards.
- The Department will submit an annual CALEA Agency Status Report summarizing the accreditation maintenance experience for the preceding year. In the report, the agency declares its continued compliance with applicable standards, identifies strengths and weaknesses, and discusses agency risks and future opportunities.

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# FY2014/2015
# OBJECTIVES (Cont'd)
# POLICE DEPARTMENT

**Goal: Implement all recommendations provided during the October 2013 IRMA Management Assessment Program (IMAP) visit.**

- IMAP provides the agency with an evaluation of each risk management program. During this visit, IRMA staff will review, evaluate, and gather supportive documentation and files necessary to accurately assess the agencies overall risk management program.
- Twenty-one risk management programs are evaluated including: safety committees, inspections, behavior observations, accident investigations, performance evaluations, fleet safety, emergency evacuation/disaster preparedness, child protection management, use of force policy, police tactical training, vehicle pursuits, secondary employment and traffic stop policy.
- IRMA will provide a report identifying areas of needed improvement with specific, identifiable recommendations. The goal will be to implement these recommendations.

**Goal: Successfully implement the IDOT Traffic Enforcement Grant Program.**

- Focus efforts on impaired driving, distracted driving, and speeding violations.
- Staff each campaign fully with officers to ensure grant funds are spent as outlined in the grant.
- Ensure minimum production standards for enforcement efforts are adhered to as specified in the grant.
- Complete data reports and grant reimbursement paperwork on time and with a high degree of accuracy with appropriate paperwork forwarded to IDOT and City's Finance Department.

**Goal: Implement "Advanced Authentication" for Criminal Justice Information System (CJIS).**

- Compliance is mandated by the FBI. The mandate sets minimum requirements for securing access to data included in CJIS, a computerized information system that is part of the FBI's National Crime Information Center. CJIS provides law enforcement agencies with access to centralized information such as fingerprint records, criminal histories, and crime reporting systems.
- Advanced Authentication requires a password or physical characteristic (i.e. finger biometrics) to gain computer access to CJIS data.
- For interim compliance a police vehicle shall be considered a physically secure location and will not require Advanced Authentication until September 30, 2014.

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# FY2014/2015
# ANNUAL BUDGET
# POLICE DEPARTMENT

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 6,145,369 | 6,189,591 | 6,486,452 | 6,486,452 | 6,648,613 |
| Part-time Salaries | 48,068 | 64,919 | 66,316 | 66,316 | 71,152 |
| Overtime | 365,823 | 395,731 | 519,251 | 519,251 | 519,251 |
| Group Insurance | 1,051,324 | 1,061,707 | 1,170,361 | 1,227,495 | 1,242,781 |
| **Total Personnel Services** | 7,610,584 | 7,711,948 | **8,242,380** | 8,299,514 | **8,481,797** |
| Professional | 390,599 | 1,137,914 | 1,355,680 | 1,355,680 | 1,289,680 |
| Publishing | 574 | 129 | 100 | 400 | 100 |
| Postage & Freight | 3,255 | 4,697 | 4,000 | 4,000 | 4,000 |
| Training | 48,100 | 50,597 | 64,495 | 64,495 | 65,495 |
| Dues & Subscriptions | 15,102 | 8,592 | 17,950 | 17,215 | 15,290 |
| Insurance & Bonding | 333,198 | 309,756 | 318,326 | 318,326 | 318,326 |
| Building & Offices Maintenance | 889 | - | - | - | - |
| Physical Examinations | 60 | - | 9,815 | 9,515 | 8,800 |
| Operating Equipment | 17,361 | 16,189 | 21,320 | 21,320 | 21,320 |
| Office Equipment | 2,592 | 2,856 | 5,350 | 5,350 | 4,750 |
| Radio Equipment | 1,802 | 2,656 | 7,500 | 7,500 | 7,500 |
| Rental - Buildings & Equip. | - | 5,400 | - | - | - |
| **Total Contractual Services** | 813,532 | 1,538,786 | **1,804,536** | 1,803,801 | **1,735,261** |
| Office Supplies | 11,176 | 12,478 | 11,320 | 11,320 | 11,320 |
| Cleaning Supplies | 258 | 448 | 800 | 800 | 800 |
| Motor Fuel & Lub. | 156,847 | 168,877 | 170,000 | 170,000 | 170,000 |
| Comp. Hardware & Software | 26,229 | 25,673 | 37,205 | 37,205 | 41,360 |
| Small Tools & Equipment | 39,054 | 31,698 | 46,414 | 46,414 | 60,385 |
| Auto. Supplies & Materials | 36,084 | 32,236 | 35,150 | 35,150 | 35,150 |
| Clothing | 43,763 | 53,644 | 63,676 | 63,676 | 63,760 |
| Stationery & Printing | 4,105 | 3,736 | 10,050 | 10,050 | 10,050 |
| **Total Materials & Supplies** | 317,516 | 328,790 | **374,615** | 374,615 | **392,825** |
| Automotive Equipment | 160,170 | - | - | - | - |
| Operating Equipment | 292,296 | 9,540 | - | - | - |
| **Total Capital Outlay** | 452,466 | 9,540 | **-** | - | **-** |
| Total | 9,194,098 | 9,589,064 | **10,421,531** | 10,477,930 | **10,609,883** |

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# FY2014/2015
# ACCOUNT INFORMATION
# POLICE DEPARTMENT

- Additional funds have been requested in the Part-time Salaries account. Additional funds will provide for the reclassification of a part-time Investigations Clerk to a part-time Administrative Assistant. The part-time Administrative Assistant shall assist with administrative functions of the department as an Office Coordinator position was eliminated in fiscal year 2013/2014.
- An increase in group health insurance is attributable to plan changes implemented during fiscal year 2013/2014. Due to favorable claims experience, an anticipated increase of 3.7% in fiscal year 2014/2015 will be mitigated by reserves that have been established with IPBC.
- A decrease in the Professional Services account is attributable to a reallocation of SEECOM dispatch services to the Fire Rescue Fund. The reallocation of costs best matches expenses with calls for service.
- Additional funds have been requested in the Computer Hardware & Software account. Additional funds will provide for crime reporting and tracking software.
- Reflected in the fiscal year 2014/2015 budget for Small Tools and Equipment are dollars to replace existing tasers in the department. The taser replacement program is a multi-year program that will span fiscal year 2014/2015 and 2015/2016.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# FIRE AND POLICE COMMISSION

# FY2014/2015
# STATEMENT OF ACTIVITIES
# FIRE & POLICE COMMISSION

The Board of Fire and Police Commissioners consists of a Chairperson and two Commissioners. The Director of Human Resources for the City of Crystal Lake serves as the staff liaison to the Board of Fire and Police Commissioners. The Board has the authority to provide for promotion of certain positions in the Fire Rescue and Police Departments. As of the new contract with the Police Union, the Board no longer has a role in disciplinary actions and/or terminations of sworn police officers however Police Sergeants would still be subject to the exclusive jurisdiction of the Board of Fire and Police Commissioners according to applicable state law.

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# FY2013/2014
# ACCOMPLISHMENTS
# FIRE & POLICE COMMISSION

- We are currently conducting a promotional examination and process for the position of Fire Rescue Battalion/Bureau Chief and will be launching processes for Police Sergeant and Fire Lieutenant prior to the end of the fiscal year. These processes establish eligibility lists for the positions and new processes are required prior to the expiration of a list or if there should become a risk of any of the current lists being exhausted prior to their expiration dates.
- Continue to fulfill the duties of the Board as listed in the Board of Fire and Police Commission Rules and Regulations. The Rules and Regulations will require a revision as a result of the new agreement with MAP and a revised version will need to come before the City Council within the next few months.

# FY2014/2015
# OBJECTIVES
# FIRE & POLICE COMMISSION

- Conduct promotional examinations and processes as needed for the establishment of eligibility lists for positions of Police Sergeant, Fire Lieutenant or Battalion/Bureau Chief should there become a risk of any of the current active lists being exhausted prior to their expiration dates.
- Complete a revision of and seek Council approval of a revision to the Board of Fire and Police Commission Rules and Regulations.

# FY2014/2015
# ANNUAL BUDGET
# FIRE & POLICE COMMISSION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Professional Services | 630 | 15,301 | - | - | - |
| Publishing | - | 1,122 | 3,520 | 3,520 | 3,520 |
| Postage & Freight | 106 | 23 | 650 | 650 | 650 |
| Training | 90 | - | 1,650 | 1,650 | 1,650 |
| Dues & Subscriptions | 375 | 375 | 395 | 395 | 395 |
| Insurance & Bonding | 2,404 | 2,404 | 2,508 | 2,066 | 2,508 |
| Examinations | 3,447 | 19,983 | 21,300 | 21,300 | 21,300 |
| **Total Contractual Services** | 7,052 | 39,208 | **30,023** | 29,581 | **30,023** |
| Total | 7,052 | 39,208 | **30,023** | 29,581 | **30,023** |

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# COMMUNITY DEVELOPMENT DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# COMMUNITY DEVELOPMENT

The Community Development Department helps the City maintain and improve a vibrant business community while ensuring the safety and well-being of our citizens. The Department accomplishes this through three distinct yet cooperative disciplines: Building, Engineering and Planning and Economic Development.

## BUILDING SECTION

The Building Section works with residents, business owners, and developers to build safe, high-quality improvements to their property. The Section works closely with the property owner throughout the design, permitting, and construction phases to assure that the project meets community standards, City Codes, and addresses life-safety matters through an interactive process that helps keep the projects on schedule, provides a helpful business climate, and puts the customer first. The Building Section works with the public to maintain the high quality of life enjoyed by City residents.

## ENGINEERING SECTION

The Engineering Section enhances and preserves natural resources and oversees public infrastructure design and construction to ensure safe, high-quality improvements in the City. The Engineering Section also reviews and inspects sidewalks, parking lots, driveways, roads, grading, site drainage improvements, utility extensions and connections, and traffic related issues. The Section works with residents, business owners, and developers throughout the review and construction phases to provide a high level of customer service as an advocate for development within the City. The Section also assists residents with minor engineering issues, such as sump pump discharge issues, drainage issues, and traffic control concerns.

## PLANNING & ECONOMIC DEVELOPMENT SECTION

The Planning and Economic Development Section oversees the economic development, planning and zoning aspects of the City's operations. The Section advances business recruitment and retention through several programs and initiatives. The Section also coordinates development proposals as they move through the City process, conducts plan reviews, and coordinates the City Geographic Information Services (GIS) efforts. The Section also participates in several community organizations, such as the Chamber of Commerce and the Downtown Crystal Lake organization.

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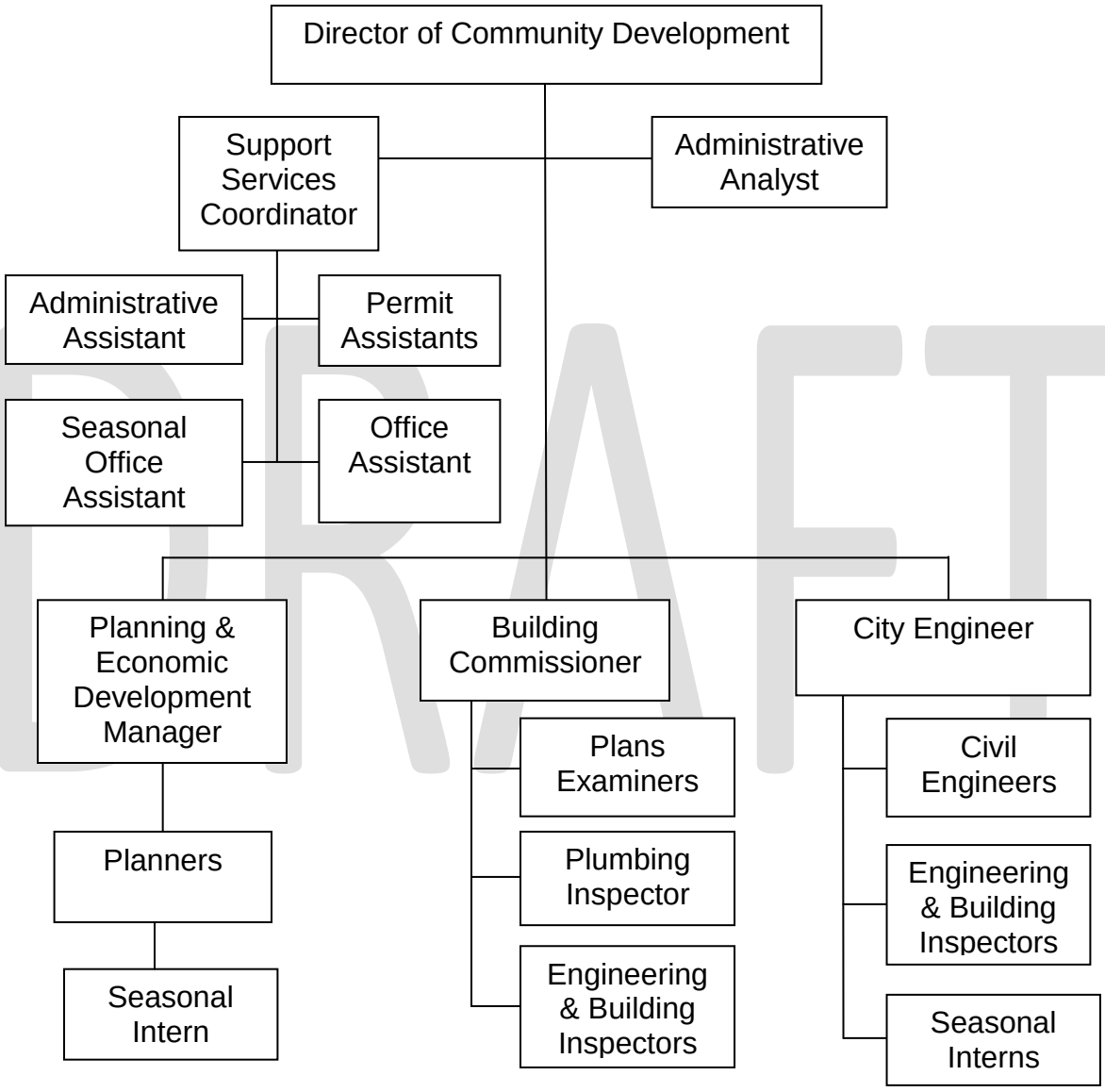
# FY2014/2015
# ORGANIZATION CHART
# COMMUNITY DEVELOPMENT

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# FY2014/2015
# PERSONNEL SUMMARY
# COMMUNITY DEVELOPMENT

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Community Development Director | 0.00 | 0.00 | 1.00 |
| Director of Planning & Economic Development | 1.00 | 1.00 | 0.00 |
| Director of Engineering & Building | 1.00 | 1.00 | 0.00 |
| Building Commissioner | 1.00 | 1.00 | 1.00 |
| City Engineer | 0.00 | 0.00 | 1.00 |
| Assistant City Engineer | 1.00 | 1.00 | 0.00 |
| Planning & Economic Development Manager | 0.00 | 0.00 | 1.00 |
| Assistant Director of Planning & Economic Development | 1.00 | 1.00 | 0.00 |
| Planners | 2.00 | 2.00 | 2.00 |
| Civil Engineer | 2.00 | 2.00 | 2.00 |
| Plans Examiner | 2.00 | 2.00 | 2.00 |
| Support Services Coordinator | 1.00 | 1.00 | 1.00 |
| Plumbing Inspector | 1.00 | 1.00 | 1.00 |
| Engineering & Building Inspector | 7.00 | 7.00 | 6.00 |
| Administrative Analyst | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 1.00 | 1.00 | 1.00 |
| Permit Assistant | 3.00 | 3.00 | 2.75 |
| Total Staff | 25.00 | 25.00 | 22.75 |

# FY2013/2014
# ACCOMPLISHMENTS
# COMMUNITY DEVELOPMENT

## ENGINEERING AND BUILDING SECTION

**BUSINESS ADVOCACY, CUSTOMER SERVICE, AND DEVELOPMENT:**

- ***Pre-Occupancy Analysis Initiative*** – The department continues to support the Economic Development team's initiatives for filling vacant commercial properties by conducting detailed pre-occupancy reviews and inspections with building owners prior to being contacted by prospective tenants to proactively streamline the approval process. Examples include 100 South Main, 150 North Main, and Crystal Lake Plaza.
- ***Department Website Upgrades*** – The format of the road construction page on the City's website was updated this year to include weekly highlights for each ongoing project. The Building Division page was also updated this winter to include easier access to various forms, brochures, and applications.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# COMMUNITY DEVELOPMENT

**PUBLIC SAFETY:**

- ***Disaster Response Preparation –*** The department reviewed emergency response procedures and prepared mitigation checklists for damage assessment and maintaining essential traffic signal operations during extended power outages, tornados, or other disasters. Staff also evaluated a third-party mobile application for the intake of information, damage assessment documentation, and EOC reporting to ensure critical information is disseminated efficiently and accurately to be eligible for federal assistance.
- ***June 26 Flooding Response –*** The department coordinated the damage assessment process for the flooding that resulted from the June 26, 2013 storm. Reported locations of private property damage were inspected and documented for submittal to the McHenry County Emergency Management Agency (EMA) to apply for federal disaster relief.
- ***Zero Fatalities Initiatives:***
    - ***Hands-Free Cellular Device Law –*** The department helped the Police Department coordinate a traffic safety campaign through the City newsletter, signage, and social media (Twitter, Nixle, and Facebook) to remind motorists of the new state law requiring the use of hands-free cellular devices while driving.
    - ***Oak Street Pedestrian Signals –*** Installation of a new pedestrian signal, crosswalk, and curb ramp was completed this year at the intersection of Oak Street and IL Route 176. Prior to this improvement there was no crosswalk or pedestrian signal available for anyone wishing to cross Route 176. This project enhanced safety for pedestrians walking to the shopping center at the northwest quadrant of this intersection as well as Bernotas Middle School or North Elementary School.
    - ***Pedestrian Warning Beacons –*** New rectangular rapid flashing beacons were installed at three locations near major pedestrian generators and along roads with higher-volume and/or higher-speed traffic. The beacons utilize a different flash pattern that has resulted in greater compliance at the existing Three Oaks Recreation Area locations. The beacons were installed on McHenry Avenue at Husmann Elementary & Central High School, Crystal Lake Avenue at Beardsley Middle School, and Pingree Road @ Grandview Drive near the Metra Station.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# COMMUNITY DEVELOPMENT

**TRANSPORTATION AND INFRASTRUCTURE:**

- ***2013 Active Infrastructure Construction Projects:***
  - **Citywide Bikeway Corridor Improvements:** This installation of bike lanes, bike routes, and wayfinding signage for this project was completed in early 2014. Eighty percent of this project was funded using a federal CMAQ grant.
  - **Country Club Area Watermain Project:** Assisted the Public Works Department with the construction of stage 1 of the County Club Area water main improvement project. An alternate installation method utilizing horizontal directional drilling was approved and saved a considerable amount of money given the soil types encountered in the work limits. This also limited the amount of front yard disturbance for the residents.
  - **McHenry Avenue:** Completed the construction of the McHenry Avenue improvements in 2013. In addition to resurfacing the pavement between U.S. Route 14 and Rakow Road, the project was able to take advantage of federal funding to improve traffic at Barlina Road with the addition of a new southbound right turn lane, address some standing water issues with upsized storm sewer near Nash Road, and eliminate a gap in the bike path in front of South High School.
  - **North Shore Drive (Area 1B/1D) Improvement:** The construction of the improved drainage channel and culverts beneath North Shore Drive were completed in late 2012 and early 2013. These improvements functioned as designed during the severe flooding that occurred on June 26, 2013, with access to the North Shore area maintained throughout the storm event. Previous rainfall of this magnitude would have resulted in the closure of the road for a substantial period.
  - **Railroad Street Commuter Lot Expansion:** Construction of the expanded commuter lot along Railroad Street was completed in 2013. This new lot added additional commuter spaces, which allowed the existing Depot lot along Woodstock Street to be resurfaced and converted to free 4-hour parking for downtown businesses. Additional streetscape work, matching the surrounding improvements in the downtown district, were also added.
  - **MCDOT Walkup Road at Route 176:** Coordinated with the County for the second season of the County's Illinois Route 176 and Walkup Avenue improvement. The department was also successful in working with the County to adjust the plan and relocate the Veteran Acres driveway to facilitate a safer mid-block crosswalk to the park with a pedestrian warning beacon. The project was completed in 2013.
  - **IDOT Route 31 at Route 176:** Monitored IDOT's Illinois Route 31 and Illinois Route 176 intersection improvement. Additional coordination with AT&T was initiated with IDOT to resolve outstanding utility conflicts that delayed the project. Monthly newsletter infographics and road signage were added to help remind motorists that local businesses are still open during construction. The project is anticipating a late 2014 completion.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# COMMUNITY DEVELOPMENT

- ***Future Infrastructure Construction Projects:***
  - **Country Club Road Bicycle Path:** The preliminary and design engineering of the Country Club Road Bicycle Path Improvement was initiated in 2014. This project is being partially funded with a federal Safe Routes to School grant and is targeting a 2015 construction.
  - **Crystal Lake Avenue at Main Street:** Continued the preliminary and design engineering of the Crystal Lake Avenue and Main Street Improvement, which also includes streetscape elements matching the other improvements in the downtown district.
  - **North Main Street at Route 176:** The department successfully petitioned IDOT to allow a permanent traffic signal to be installed at the intersection of N. Main Street and IL Route 176. This approval of the traffic signal warrant is subject to additional intersection improvements and will be explored as part of the preliminary engineering that was initiated in 2014.
  - **North Shore (Area 2) Flooding Mitigation Improvement:** The department completed a revised design that provides a 100-year level of protection while addressing some of the resident concerns voiced at previous public meetings. A third public meeting was held to determine final feedback prior to seeking approval to initiate construction.
  - **Other Flooding Mitigation Improvements:** The Department continued to analyze the various areas throughout the City that have a history of flooding as well as completed hydraulic/hydrologic model of the lake. The areas, which were further studied, include:
    - Area 1A (west of US 14/north of Cove Pond)
    - Area 1C (Oriole Trail/Pine Street area)
    - Area 3 (west of the Lake)
    - IL Route 176, west of Terra Cotta Road
    - Intersection of US Route 14 and Keith/Devonshire
    - Washington Street and Pierson Street Area
    - Nash Road from the Crystal Lake Park District Property to Lundahl Middle School
    - College/Uteg Area
    - McHenry Avenue around Paddock Street
    - 345 Crystal Lake Avenue

  - **South Main Street:** Continued the design engineering and right-of-way acquisition for the widening of South Main Street between Route 14 and Rakow Road.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# COMMUNITY DEVELOPMENT

**ENVIRONMENTAL PROTECTION AND SUSTAINABILITY:**

- ***Achieve Bicycle Friendly Community Status*** – The department continued the progress towards the goal achieving Bicycle Friendly Community status through implementation of additional bikeway corridor projects, educational and promotional programs, and the receipt of a CMAP grant to prepare a Bicycle Facility Master Plan. The application for consideration was submitted to the League of American Bicyclists in February with results anticipated during the summer of 2014.
- ***Buffered Bike Lanes –*** The Department implemented new buffered bike lanes and other on-street bike routes as part of a CMAQ funded bikeway project. This project includes the area's first examples of buffered bike lanes, designed to provide the safety of extra separation between cyclists and motor vehicles.
- ***Protect the Crystal Lake Watershed*** – The Department coordinated with the McHenry County Stormwater Commission to advance a county ordinance change to include protective measures for the Crystal Lake Watershed in unincorporated areas and the Village of Lakewood. These changes were approved by the stormwater commission in 2013 and will be presented for adoption by the County Board in early 2014. Other changes will also be included in the upcoming revision to the entire county stormwater management ordinance in late 2014.

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## PLANNING AND ECONOMIC DEVELOPMENT SECTION

- **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**.
    - Active marketing of available sites through email blasts, website, individualized websites, tenant rep solicitations, commercial broker solicitations, ICSC events and incoming inquiries.
    - Business retention visits.
    - Better coordination with McEDC, now represented on the Board of Directors.
- **Expand business retention and workforce development efforts.**
    - Manufacturing facility monthly retention tours coordinated with Chamber, McEDC and EDC.
    - McEDC retooled for recruitment along with retention. City's active role in this effort. Working with McEDC and their manufacturing outreach/education efforts.
    - Timely response to McEDC and State manufacturer site inquiries.
    - Business anniversary awards at City Council meetings.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# COMMUNITY DEVELOPMENT

- **Enhance public communication including proactive positive news and two town meetings a year. Develop overall Crystal Lake marketing plan; promoting development, recreation and tourism opportunities throughout the City and in and around the Three Oaks Recreation Area.**
    - Press outreach through tailored press releases.
    - Developer or other special interest group forums.
    - Monthly newspaper full-color pieces highlighting new businesses.
    - Work with McCVB on marketing Crystal Lake's tourism opportunities, particularly our historic downtown, Three Oaks Recreation Area, Raue Center, etc.
- **Promote commercial redevelopment along Route 14.**
    - 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 development plans for the TIF Districts.
    - Promote commercial and residential development in the Main Street TIF with (former Oak building and former Hines site).
    - Promote redevelopment of Crystal Court property (attract development teams, finalize financial term sheet, shopper amenities plan).
- **Complete a comprehensive annexation policy**
    - Peripheral, strategic areas
    - Commercial pocketed areas
    - Residential pocketed areas
- **Work with Departments to expand the citywide GIS enterprise system to include training, expansion of available info, and end-user experience.**
    - Citywide enterprise GIS implemented in early 2013.
    - Internal application to be completed in November 2013.
    - Continued training to occur for web-based editing.
- **Streamline the Development Review system and work with other departments to improve processes, efficiency, and customer service of the Community Development departments.**
    - Continued re-assessment of internal processes.
- **Continue with training programs: internal, PZC, EDC and HPC.**
    - Training sessions have been conducted with the PZC members.
    - Joint EDC/PZC workshop discussion/training session.
    - Additional topics have been identified and sessions will be held, as the agenda load permits.
- **Development plan for the Northwest Corridor**
    - Utility infrastructure, layout and financial
    - General land uses
    - Conservation design amenities pattern book

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# COMMUNITY DEVELOPMENT

- **Annual analysis and updates to insure that the UDO is current, legally sound and encouraging the most innovative development of property.**
  - Intermittent amendments have been approved throughout the year to ensure this goal is achieved.
- **Matching entryway sign program / gateway enhancements.**
  - The initial phase will be implemented soon once City Council approval is obtained.

# FY2014/2015
# OBJECTIVES
# COMMUNITY DEVELOPMENT

## ENGINEERING AND BUILDING SECTION

**BUILDING SECTION:**

- ***Streamline Data Entry in the Field –*** Explore tools, technology, and process modifications to reduce or eliminate redundant data entry for field inspections and code enforcement until such time that the Springbrook database is upgraded for access via a secure web interface.
- ***Customer Service Surveys*** – Modify the format of the current customer service forms to gather different feedback and encourage additional responses from contractors and business owners.
- ***Emergency Response Damage Assessment*** – Continue to train department personnel on post-disaster damage assessment. Develop new procedures and tools to streamline damage assessment process.
- ***Public Outreach*** – Develop a public outreach program that will educate our citizens on the value of maintaining their property. The City will use multiple methods to reach our citizens.

**ENGINEERING SECTION:**

- ***County Stormwater Management Ordinance Revision*** – Coordinate with McHenry County to provide input into their revised stormwater management ordinance to ensure that usability and technical parameters provide the necessary protections while helping to facilitate economic development.
- ***Emergency Response Damage Assessment*** – Continue to train department personnel on post-disaster damage assessment. Develop new procedures and tools to streamline the damage assessment process.

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# FY2014/2015
# OBJECTIVES (Cont'd)
# COMMUNITY DEVELOPMENT

- ***Maintain Good Relationships with Transportation Partners –*** Continue to work with other transportation agencies, such as the McHenry County Division of Transportation, IDOT, PACE, and Metra. Work with these agencies to identify our resident's transportation needs and develop solutions to meet those needs.
- ***Pursue Grant Funding –*** Continue to research and apply for grant opportunities to help offset costs for needed City improvements.
- ***Illinois Route 31 and Illinois Route 176 Improvement*** - Continue monitoring the State's Illinois Route 31 at Illinois Route 176 intersection improvement.
- ***Country Club Area Water Main Improvement -*** Assist the Public Works Department with the second stage of the County Club Area water main improvement project.
- ***South Main Street Improvement -*** Oversee the construction of the South Main Street Improvements and associated utility relocations.
- ***U.S. Route 14 Improvement –*** Continue to coordinate with IDOT on the U.S. Route 14 Improvement from Lake Shore Drive (City of Woodstock) to Crystal Lake Avenue.
- ***Crystal Lake Avenue and Main Street Improvement -*** Continue the preliminary and design engineering of the Crystal Lake Avenue and Main Street Improvement.
- ***Illinois Route 176 and Main Street Improvement -*** Initiate the preliminary engineering of the Main Street and Illinois Route 176 intersection Improvement.
- **Country Club Road Multi-use Path -** Continue the preliminary and design engineering of the Country Club Road Bicycle Path Improvement.
- **Flooding Mitigation Improvements:**
    - Prioritize the various flooding analyses to create a long-term flooding mitigation improvement plan.
    - Area 4 (south of the lake): Meet with various stakeholders and initiate preliminary engineering.
- **Pavement Preservation Initiatives** – Utilize a trial of GSB 88, a pavement rejuvenator, to evaluate its effectiveness as a long-term pavement preservation technique.

# PLANNING AND ECONOMIC DEVELOPMENT SECTION

- Promote development of strategic areas as part of an overall economic development program to market Crystal Lake, attract retailers/restaurateurs and companies, and retain/expand existing Crystal Lake businesses.
- Expand business retention and workforce development efforts.
    - Working with McEDC and their manufacturing outreach/education efforts
    - Timely response to McEDC and State manufacturer site inquiries
    - Continue with manufacturer site visits
    - Business anniversary awards at City Council meetings

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# FY2014/2015
# OBJECTIVES (Cont'd)
# COMMUNITY DEVELOPMENT

- Enhance public communication including proactive positive news. Continue with overall Crystal Lake marketing; promoting development, recreation and tourism opportunities throughout the City and in and around the Three Oaks Recreation Area.
    - Press outreach packet template
    - Developer or other special interest group forums
    - Overall City marketing plan
    - Work with McCVB on marketing Crystal Lake's tourism opportunities, particularly our historic downtown, Three Oaks Recreation Area, Raue Center, etc.
- Promote commercial redevelopment along Route 14.
    - 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 development plans for the TIF Districts.
    - Promote commercial and residential development in the Main Street TIF with (former Oak building and former Hines site).
    - Promote redevelopment of Crystal Court property (attract development teams, finalize financial term sheet, shopper amenities plan).
- Continued progress with comprehensive annexations to include pocketed commercial and residential areas and peripheral, strategic areas.
- Work with Departments to expand the citywide GIS enterprise system to include training, expansion of available info, and end-user experience.
- Continue with improvements to the Development Review system and work with other departments to improve processes, efficiency, and customer service of the Community Development departments.
- Continue with training programs: internal, PZC, EDC and HPC.

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# FY2014/2015
# ANNUAL BUDGET
# COMMUNITY DEVELOPMENT

| | EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|---|
| 54110 | Regular Salaries | 1,859,321 | 1,892,168 | 2,031,039 | 2,031,039 | 1,800,941 |
| 54115 | Part-time Salaries | 7,400 | 8,100 | 30,000 | 30,000 | 64,175 |
| 54150 | Overtime | 28,718 | 16,486 | 16,000 | 40,000 | 40,000 |
| 54200 | Group Insurance | 352,395 | 353,530 | 371,207 | 384,899 | 337,247 |
| | **Total Personnel Services** | 2,247,834 | 2,270,284 | **2,448,246** | 2,485,938 | **2,242,363** |
| 55010 | Professional | 301,518 | 444,204 | 479,050 | 485,034 | 510,316 |
| 55140 | Publishing | 3,701 | 3,963 | 2,500 | 2,500 | 2,500 |
| 55160 | Postage & Freight | 3,071 | 3,256 | 4,700 | 4,500 | 4,500 |
| 55200 | Training | 9,858 | 12,247 | 18,300 | 16,700 | 17,300 |
| 55220 | Dues & Subscriptions | 4,633 | 3,765 | 4,630 | 4,630 | 4,680 |
| 55240 | Insurance & Bonding | 104,231 | 99,514 | 103,828 | 85,522 | 103,828 |
| 55320 | Operating Equipment | 790 | 21 | 4,500 | 4,500 | 4,500 |
| 55340 | Office Equipment | - | - | 700 | 700 | 700 |
| | **Total Contractual Services** | 427,802 | 566,970 | **618,208** | 604,086 | **648,324** |
| 56000 | Office Supplies | 7,608 | 9,846 | 9,750 | 9,450 | 9,550 |
| 56040 | Motor Fuel & Lubricants | 13,401 | 14,252 | 17,400 | 17,400 | 17,400 |
| 56050 | Comp. Hardware & Software | 17,017 | 18,311 | 26,289 | 26,289 | 26,657 |
| 56060 | Small Tools & Equipment | 1,720 | 3,280 | 3,200 | 3,200 | 4,200 |
| 56070 | Automotive Supplies | 8,272 | 8,727 | 8,000 | 8,000 | 8,000 |
| 56120 | Clothing | 2,877 | 3,290 | 3,300 | 3,300 | 3,300 |
| 56950 | Stationery & Printing | 3,204 | 2,531 | 4,400 | 4,050 | 4,200 |
| | **Total Materials & Supplies** | 54,099 | 60,237 | **72,339** | 71,689 | **73,307** |
| 58910 | Sales Tax Revenue Sharing | - | 173,948 | 500,000 | 387,136 | 575,000 |
| | **Total Other Uses** | - | 173,948 | **500,000** | 387,136 | **575,000** |
| | Total Budget | 2,729,735 | 3,071,439 | **3,638,793** | 3,548,849 | **3,538,994** |

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# FY2014/2015
# ACCOUNT INFORMATION
# COMMUNITY DEVELOPMENT

- Changes in several key positions in the department are reflected in the Regular Salaries and Group Insurance accounts. A vacated City Engineer position shall be filled by the Assistant City Engineer and a vacated Plans Examiner position shall be filled by an Inspector. The Assistant City Engineer and Inspector positions shall be eliminated, as well as a vacated Permit Assistant position.
- Part-time Salaries reflect the hiring of a part-time Office Assistant in fiscal 2013/2014 to assist with duties vacated by the full-time Permit Assistant. Three seasonal positions have been added to assist with increases in requests for permits during the construction season and to assist with economic development activities.
- Additional funds have been requested in the Professional Services account. Additional funds will provide for services relating to property inspections.
- Additional funds are budgeted in the Small Tools and Equipment account for the purpose of purchasing vehicle-mounted radios.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# STREETS DIVISION-

# PUBLIC WORKS DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# STREETS DIVISION

It is the responsibility of the Streets Division to manage, repair, and improve the public streets, traffic control signs, parkways, parkway trees, public grounds, and all municipal buildings in a manner consistent with City policy and regulatory agency requirements. The Division is responsible for the maintenance, repair, and snow removal operations of over 175 centerline miles of public streets, 23 commuter, and public parking lots containing over 1,450 parking spaces, and over 7,400 traffic control signs throughout the City. In addition, the Streets Division is responsible for maintaining pavement markings, curb and gutter maintenance, crack filling, bituminous patching of existing streets, and parkway maintenance. The Streets Division is also responsible for the Spring, Fall, and Emerald Ash Borer tree planting programs, Spring brush pickup, the brush drop off site (April – November), tree trimming, tree removals, including storm damage and those with Dutch Elm disease or Emerald Ash Borer and the maintenance of City owned properties and right-of-ways. Additionally, the Streets Division maintains Gypsy Moth mapping and inventory, and the Emerald Ash Borer inventory and awareness campaign. The Division is also called upon for special projects throughout the year as the Centennial Celebration as well as assistance with the opening and closing and general maintenance at the Three Oaks Recreation Area.

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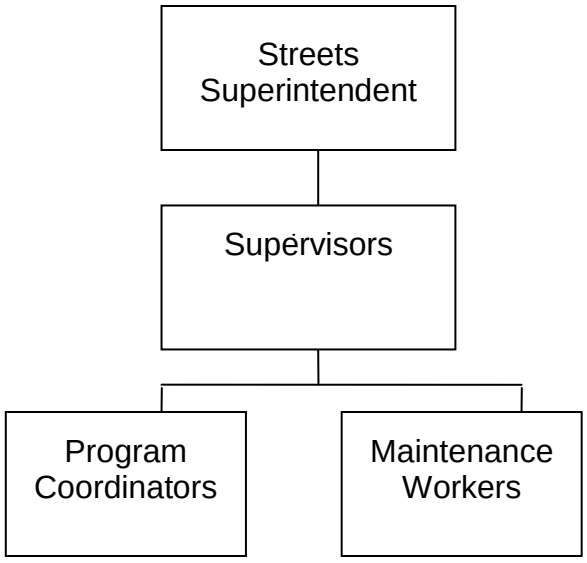
# FY2014/2015
# ORGANIZATIONAL CHART
# STREETS DIVISION



# FY2014/2015
# PERSONNEL SUMMARY
# STREETS DIVISION

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Superintendent | 1.00 | 1.00 | 1.00 |
| Supervisor | 1.00 | 1.00 | 1.00 |
| Program Coordinator | 2.00 | 2.00 | 2.00 |
| Maintenance Worker | 15.00 | 15.00 | 14.00 |
| Administrative Assistant | 0.75 | 1.00 | 1.00 |
| Total Staff | 19.75 | 20.00 | 20.00 |

# FY2013/2014
# ACCOMPLISHMENTS
# STREETS DIVISION

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1. Implement the new sign management and inventory system and adhere to the reflectivity requirements of the MUTCD.

   Status: The Sign Inventory program was completed in November, and has been fully functional since that time.

2. Continue with the City's Stop and Yield sign replacement program becoming fully compliant with MUTCD requirements.

   Status: To date, over 200 Stop and Yield signs including new telspar posts have been changed out within the program.

3. Continue to benchmark all Services through Web QA.

   Status: Benchmarking has been made more streamlined with the help of Gov QA software. All routes have been implemented into GIS mapping and expectations are relayed in daily morning meetings.

4. Utilize forestry truck to decrease tree removal budget and increase productivity and customer service.

   Status: To date, the new forestry truck has been utilized in the removal of over 300 parkway trees resulting in an average savings of over $150,000.00.

5. Maintain same level of services with reduced staff.

   Status: Through the use of daily meetings and increased knowledge of expectations, customer service has been increased and complaints have decreased.

# FY2014/2015
# OBJECTIVES
# STREETS DIVISION

- Incorporate the new sign management and inventory system into routine operations. Adhere to the reflectivity requirements of the MUTCD, and replace all signs not meeting reflectivity requirements by the end of 2014.

- Advance year 2 of the City's Stop and Yield Sign Replacement Program becoming fully compliant with MUTCD requirements.

- Utilize the new grapple truck in conjunction with the forestry truck to effectively manage the City's urban forest and decrease costs associated with tree removal and brush collection while increasing customer service.

- Continue to increase the use of liquid technology during winter operations and reduce road and sidewalk salt usage to minimize the risks chloride contamination.

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# FY2014/2015
# ANNUAL BUDGET
# STREETS DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 1,285,528 | 1,288,232 | 1,440,818 | 1,440,818 | 1,388,518 |
| Part-time Salaries | 33,775 | 41,215 | 16,320 | 16,320 | 32,640 |
| Overtime | 115,121 | 148,056 | 200,960 | 312,010 | 200,960 |
| Group Insurance | 283,733 | 283,733 | 317,195 | 314,050 | 315,667 |
| **Total Personnel Services** | 1,718,157 | 1,761,236 | **1,975,293** | 2,083,198 | **1,937,785** |
| Professional | 45,197 | 48,032 | 102,130 | 102,130 | 118,060 |
| Publishing | 384 | 852 | 650 | 650 | 650 |
| Postage & Freight | 58 | 48 | 698 | 698 | 698 |
| Training | 3,813 | 5,999 | 3,600 | 3,600 | 3,600 |
| Dues & Subscriptions | 1,719 | 694 | 1,985 | 1,985 | 1,760 |
| Insurance & Bonding | 154,886 | 156,955 | 155,575 | 155,575 | 155,575 |
| Animal Control | - | - | 500 | 500 | 500 |
| Physical Examinations | 2,705 | 956 | 3,514 | 3,514 | 3,090 |
| Operating Equipment | 5,570 | 1,746 | 8,700 | 8,700 | 8,700 |
| Office Equipment | - | - | 250 | 250 | 250 |
| Radio Equipment | 155 | 118 | 500 | 500 | 500 |
| Street Lights | 451,765 | 474,832 | 630,000 | 630,000 | 500,000 |
| Tree Removal | 106,877 | 14,256 | 165,000 | 165,000 | 165,000 |
| Rental - Buildings & Equip. | 368 | 9,551 | 22,000 | 22,000 | 25,000 |
| **Total Contractual Services** | 773,497 | 714,039 | **1,095,102** | 1,095,102 | **983,383** |
| Office Supplies | 908 | 1,222 | 1,960 | 1,960 | 1,960 |
| Cleaning Supplies | 1,172 | 2,641 | 2,360 | 2,360 | 4,060 |
| Landscape Materials | 18,357 | 26,926 | 61,800 | 61,800 | 132,700 |
| Motor Fuel & Lub. | 93,688 | 113,240 | 108,500 | 108,500 | 108,500 |
| Comp. Hardware & Software | 897 | 10,940 | 12,188 | 12,188 | 12,294 |
| Small Tools & Equipment | 5,326 | 7,412 | 11,300 | 11,300 | 9,750 |
| Automotive Supplies | 99,140 | 109,643 | 85,000 | 85,000 | 85,000 |
| Materials | 20,661 | 31,635 | 28,460 | 28,460 | 28,460 |
| Clothing | 14,404 | 12,291 | 13,350 | 13,350 | 13,350 |
| Street Signs | 41,631 | 16,484 | 30,000 | 30,000 | 30,000 |
| Stationery & Printing | 165 | - | 500 | 500 | 500 |
| **Total Materials & Supplies** | 296,349 | 332,434 | **355,418** | 355,418 | **426,574** |
| Total | 2,978,194 | 2,807,709 | **3,425,813** | 3,533,718 | **3,347,742** |

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# FY2014/2015
# ACCOUNT INFORMATION
# STREETS DIVISION

- A reduction in Regular Salaries is attributable to a vacancy in a Maintenance Worker position net of bargaining unit increases. The vacated Maintenance Worker position shall be eliminated in fiscal year 2014/2015 in favor of contractual commitments for assistance with tree removal and replacement, tree trimming and snow removal from City-owned lots.
- An increase in Part-time Salaries reflects the addition of four seasonal staff to assist with painting and seasonal operations throughout the City.
- Additional funds have been requested in the Professional Services account. Additional funds will provide for sign management services and assistance in tree trimming operations and snow removal.
- A decrease in the Street Lights account best reflects utility costs associated with powering street lights throughout the City. Street light maintenance costs are budgeted in the Motor Fuel Tax Fund.
- Increased Landscape Materials is attributable to the removal and replacement of trees throughout the City that become infected by the Emerald Ash Borer (EAB).

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City of Crystal Lake
Annual Budget
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# HEALTH DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# HEALTH DEPARTMENT

The Health Department 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.

# FY2013/2014
# ACCOMPLISHMENTS
# HEALTH DEPARTMENT

- 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 Review Committee.
- Worked with the Illinois Department of Agriculture to continue to control gypsy moth infested areas.

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# FY2014/2015
# OBJECTIVES
# HEALTH DEPARTMENT

- Continue to follow the recommendations of the Ad Hoc Mosquito Abatement Review Committee.
- Work with the Illinois Department of Agriculture and McHenry County to continue to control gypsy moth infested areas.

# FY2014/2015
# ANNUAL BUDGET
# HEALTH DEPARTMENT

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Pest Control | 116,755 | 94,556 | 130,000 | 106,904 | 130,000 |
| **Total Contractual Services** | 116,755 | 94,556 | **130,000** | 106,904 | **130,000** |
| Total | 116,755 | 94,556 | **130,000** | 106,904 | **130,000** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# STORM SEWER MAINTENANCE DIVISION-

# PUBLIC WORKS DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# STORM SEWER MAINTENANCE DIVISION

The Storm Sewer Maintenance Division is responsible for the maintenance, operation and management of the storm sewer collection and conveyance system. There are over 60 miles of storm sewer in conjunction with 3 storm water pumping stations that are routinely inspected to verify proper operation. The Storm Sewer Maintenance Division routinely checks the storm sewer system, cleans and televises dedicated areas and performs repairs and upgrades to defective areas of the system.

# FY2014/2015
# ORGANIZATIONAL CHART
# STORM SEWER MAINTENANCE DIVISION

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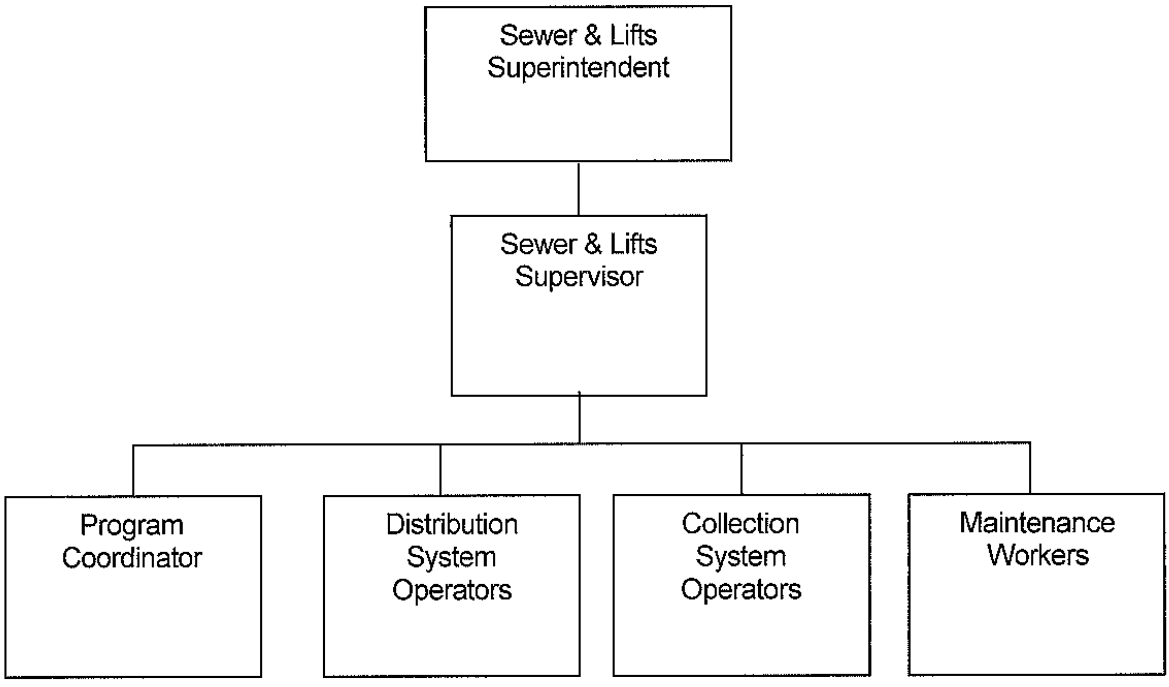

# FY2014/2015
# PERSONNEL SUMMARY
# STORM SEWER MAINTENANCE DIVISION

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Supervisor | 1.00 | 1.00 | 1.00 |
| WW Collection Systems Operator | 4.00 | 4.00 | 3.00 |
| Maintenance Worker | 3.00 | 3.00 | 3.00 |
| Total Staff | 8.00 | 8.00 | 7.00 |

# FY2013/2014
# ACCOMPLISHMENTS
# STORM SEWER MAINTENANCE DIVISION

In FY2013/14 the Storm Sewer Division performed the following activities:

- Cleaned/cleared debris and roots from storm conveyance structures.
- Developed specifications based on the needs of staff for an upsized utility crane truck, capable of pulling the pumps at each of the lift stations.
- Completed the final year of the City's initial five-year Notice of Intent (NOI) for the Illinois Environmental Protection Agency's Municipal Separate Storm Sewer System (MS4) program.
- Worked with a consultant to develop a new five-year NOI for the MS4 program which builds upon the previous program.

# FY2014/2015
# OBJECTIVES
# STORM SEWER MAINTENANCE DIVISION

1. Work with the Streets Division to make adjustments and repairs to depressed or deteriorating storm sewer inlets.
2. Coordinate efforts with the Streets Division and Engineering Division to ensure proper flowage of troubled storm sewer areas that have experienced standing water in the past.
3. Prior to roadway resurfacing, conduct pre-inspections of all affected storm sewer inlets with the Engineering Division to ensure proper repairs are specified.

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# FY2014/2015
# ANNUAL BUDGET
# STORM SEWER MAINTENANCE DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 470,010 | 473,039 | 529,887 | 529,887 | 461,052 |
| Overtime | 19,558 | 20,474 | 20,000 | 32,000 | 20,000 |
| Group Insurance | 130,104 | 130,104 | 136,609 | 155,911 | 136,866 |
| **Total Personnel Services** | 619,672 | 623,617 | **686,496** | 717,798 | **617,918** |
| Professional Services | - | 8,199 | - | - | 2,500 |
| Publishing | 236 | 93 | 100 | 100 | 100 |
| Training | 1,886 | 3,131 | 2,415 | 3,165 | 4,065 |
| Dues & Subscriptions | 2,426 | 2,790 | 2,730 | 2,730 | 3,040 |
| Insurance & Bonding | 26,617 | 26,617 | 27,771 | 27,771 | 27,771 |
| Utilities | 1,641 | 960 | 5,000 | 5,000 | 5,000 |
| Physical Examinations | 876 | 1,075 | 960 | 960 | 960 |
| Operating Equipment | 259 | 766 | 1,150 | 1,150 | 1,150 |
| Office Equipment | - | - | 200 | - | - |
| Rent - Clothing | 1,165 | 1,043 | 1,050 | 1,150 | 1,050 |
| Radio Equipment | 85 | - | 200 | 200 | 250 |
| Storm Sewers | 9,860 | 2,030 | 13,350 | 5,700 | 13,350 |
| Plant Maintenance Services | 4,691 | 2,646 | 5,014 | 5,014 | 5,014 |
| State Filing Fees | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total Contractual Services** | 50,742 | 50,350 | **60,940** | 53,940 | **65,250** |
| Office Supplies | 351 | 279 | 260 | 260 | 260 |
| Landscape Materials | 104 | - | 250 | 250 | 250 |
| Motor Fuel & Lub. | 15,118 | 16,233 | 13,700 | 13,700 | 13,700 |
| Comp. Hardware & Software | 28 | - | 609 | 609 | 612 |
| Small Tools & Equipment | 3,134 | 2,849 | 3,430 | 3,430 | 1,780 |
| Automotive Supplies | 7,119 | 11,216 | 16,900 | 16,900 | 12,300 |
| Materials | 18,645 | 5,676 | 16,700 | 11,500 | 16,700 |
| Clothing | 4,741 | 5,465 | 5,840 | 5,840 | 5,840 |
| Operating Supplies | 607 | 1,745 | 1,700 | 1,700 | 1,700 |
| Plant Maintenance Materials | 4,259 | 401 | 500 | 500 | 500 |
| **Total Materials & Supplies** | 54,106 | 43,864 | **59,889** | 54,689 | **53,642** |
| System Improvements | - | 762,062 | 620,000 | - | - |
| **Total Capital Outlay** | - | 762,062 | **620,000** | - | **-** |
| Total | 724,520 | 1,479,893 | **1,427,325** | 826,427 | **736,810** |

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# FY2014/2015
# ACCOUNT INFORMATION
# STORM SEWER MAINTENANCE DIVISION

- Organizational changes within Public Works results in personnel costs being reallocated for fiscal year 2014/2015. Among the changes is the transfer of one position from the Storm Sewer division to the Wastewater Treatment division. The transfer is reflected in the Regular Salaries account.
- Additional funds have been requested in the Professional Services account. Additional funds will provide for the annual National Pollutant Discharge Elimination System (NPDES) report to be completed by an independent engineer.
- The Small Tools and Equipment account has been reduced as the purchase of a power washer was completed in fiscal year 2013/2014.
- The Automotive Supplies account has been reduced as the purchase of vehicle-mounted radios and global positioning system (GPS) modules were completed in fiscal year 2013/2014.
- Fiscal year 2014/2015 capital and equipment replacement expenditures are accounted for in the Capital and Equipment Replacement Funds of the City.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# FLEET & FACILITY SERVICES DIVISION

# FY2014/2015
# STATEMENT OF ACTIVITIES
# FLEET & FACILITY SERVICES DIVISION

The Fleet and Facility 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 330 vehicles and pieces of equipment, with the Division averaging 300 repairs monthly. Additionally, we coordinate outsourced repairs, new vehicle preparation, technical training, accident repairs, equipment replacement, and equipment disposal. We work with other departments to write specifications for vehicles and equipment necessary to perform the varied requirements of their specific department. We secure titles and licensing of vehicles, monitor and maintain an inventory of fuel, lubricants, and commonly used repair parts, and maintain the fuel dispensing system. We coordinate the annual testing of fire pumps, aerial ladders, and ground ladders for the Fire Department. We also recommend items for surplus and market those items at public auction.

The Facility Services side of the Division performs maintenance, service, building upgrades, and repairs necessary to the daily operations of the Municipal Complex and offers support to the Three Oaks Recreational Area buildings. These services include, but are not limited to the maintenance, service, and repairs of the mechanical systems, including HVAC systems, steam boilers, fire alarm systems, backup generators, elevators, phone systems, surveillance & security systems, and overhead garage doors. We are also responsible for the management of service contracts with outside vendors.

Our goal is to support each department by providing effective and efficient service, preventative maintenance, repairs, and technical assistance necessary to the Municipal Complex, Three Oaks Recreational Area buildings and all City vehicles and equipment while optimizing useful life and reducing downtime. We will do this at the lowest possible cost with the least interference to the operating function of individual departments.

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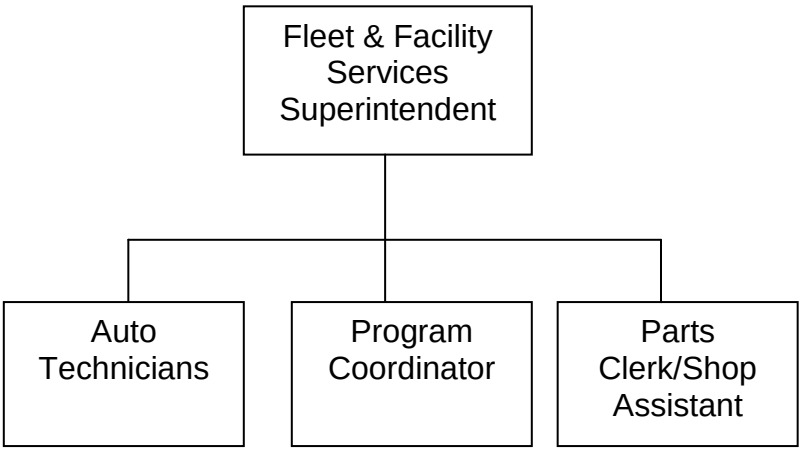
# FY2014/2015
# ORGANIZATIONAL CHART
# FLEET & FACILITY SERVICES DIVISION



# FY2014/2015
# PERSONNEL SUMMARY
# FLEET & FACILITY SERVICES DIVISION

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Superintendent | 1.00 | 1.00 | 1.00 |
| Program Coordinator | 1.00 | 1.00 | 1.00 |
| Automotive Technician | 4.00 | 4.00 | 4.00 |
| Parts Clerk | 0.50 | 0.50 | 0.50 |
| Total Staff | 6.50 | 6.50 | 6.50 |

# FY2013/2014
# ACCOMPLISHMENTS
# FLEET & FACILITY SERVICES DIVISION

1. Utilize the new asset management software to its fullest capability. Train all fleet and facility personnel on the program.

   Status: The new asset management tracking software was installed and rolled out in September. Technicians have been trained on the new “Shop Floor” data entry portal. This update also included a more robust “Electronic Service Request”, which has been greatly received.

2. Continue to grow and maintain fleet technician training and certifications in the areas of Emergency Vehicle Technician (EVT), Automotive Service Excellence (ASE) and maintain the Blue Seal of Excellence certification.

   Status: A technician attended an Aerial Device training seminar through the Illinois Fire Mechanics Association in October 2013. Divisional personnel have added to their EVT certifications, and there are now three (3) EVT Master Ambulance Technicians and two (2) EVT Master Fire Apparatus Technicians. Three (3) fleet technicians and the Superintendent hold ASE Master Automotive Technician certificates, and all fleet technicians and Superintendent have attained the ASE Master Heavy/Medium Duty Truck certificate. For the fourth straight year, the Division has met the criteria for the National Institute for Automotive Service Excellence, Blue Seal of Excellence. The Fleet & Facility Services Division is one of approximately 150 municipal fleet garages nationwide to fulfill the criteria to achieve this status.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# FLEET & FACILITY SERVICES DIVISION

3. Parts room improvement project: Organize the parts room to make more efficient use of parts room space, and complete the bar coding of all parts where applicable.

   Status: While the garage shutdown occurred to facilitate the flooring project, the parts room was completely dismantled and re-assembled. The whole fleet garage and parts room were painted. The bar coding aspect of this goal has been started; however, the departure of our tenured parts clerk has slowed the progress of this goal. Whereas parts were previously stored in several area's we were able to condense much of the parts into the central parts room, making a more efficient use of space.

4. Inventory all tools in the individual technician tool boxes. Create a standard for all toolboxes to ensure a common inventory of hand tools among all technicians.

   Status: All technician toolboxes and the service truck were inventoried. A standard tool list will be developed based on this inventory, and tool deficiencies will be filled where necessary. This goal will be completed by the end of the fiscal year.

5. Utilize seasonal personnel to clean and paint handrails, bollards, and doors. Clean and wash all overhead garage doors and windows, and paint office and work areas within the Public Works space.

   Status: The garage doors were cleaned, windows washed, hand rails and bollards were painted by seasonal, summer employees.

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# FY 2014/2015
# OBJECTIVES
# FLEET & FACILITY SERVICES DIVISION

1. Upgrade fuel distribution hardware, software and site restoration as budget funding allows.

2. Improve direct labor application to all equipment repairs.

3. Complete high priority facility repair requests within two weeks.

4. Complete high priority fleet service requests within two weeks.

5. Continue to grow and maintain fleet technician training and certifications in the areas of Emergency Vehicle Technician (EVT), Automotive Service Excellence (ASE) and maintain the Blue Seal of Excellence certification.

6. Perform a cost/benefit analysis to draft a recommendation to consider utilizing B20 bio-diesel as part of our fuel source.

# FY2014/2015
# ANNUAL BUDGET
# FLEET & FACILITIES SERVICES DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 445,769 | 456,815 | 513,980 | 513,980 | 530,521 |
| Part-time Salaries | 21,435 | 22,498 | 33,633 | 33,633 | 36,387 |
| Overtime | 12,990 | 8,624 | 15,000 | 15,000 | 15,000 |
| Group Insurance | 88,719 | 88,719 | 93,155 | 82,624 | 82,885 |
| **Total Personnel Services** | 568,913 | 576,656 | **655,768** | 645,237 | **664,793** |
| Professional Services | 1,154 | 3,473 | - | - | - |
| Publishing | 146 | 373 | 290 | 290 | 290 |
| Postage & Freight | 372 | 512 | 325 | 325 | 350 |
| Training | 7,194 | 4,529 | 6,410 | 6,410 | 5,790 |
| Dues & Subscriptions | 1,840 | 105 | 235 | 235 | 495 |
| Insurance & Bonding | 36,741 | 30,970 | 29,721 | 27,325 | 29,721 |
| Physical Examinations | 1,104 | 623 | 640 | 640 | 640 |
| Operating Equipment | 4,283 | 3,892 | 4,300 | 4,300 | 4,275 |
| Clothing Rental | 2,624 | 3,059 | 4,250 | 3,750 | 3,850 |
| Radio Equipment | 55 | - | 100 | 100 | 100 |
| **Total Contractual Services** | 55,513 | 47,536 | **46,271** | 43,375 | **45,511** |
| Office Supplies | 806 | 859 | 900 | 900 | 900 |
| Cleaning Supplies | 556 | 969 | 1,100 | 1,100 | 1,000 |
| Motor Fuel & Lub. | 3,490 | 3,869 | 4,000 | 3,000 | 4,000 |
| Comp. Hardware & Software | 4,118 | 5,449 | 6,897 | 6,897 | 8,382 |
| Small Tools & Equipment | 9,872 | 6,655 | 11,500 | 11,500 | 24,475 |
| Automotive Supplies | (4,282) | 35,083 | 1,900 | 3,400 | 3,350 |
| Clothing | 3,391 | 2,977 | 4,000 | 4,000 | 4,400 |
| Operating Supplies | 2,515 | 3,820 | 2,000 | 2,000 | 2,000 |
| Stationery & Printing | - | - | 100 | 100 | 100 |
| **Total Materials & Supplies** | 20,466 | 59,681 | **32,397** | 32,897 | **48,607** |
| Automotive Equipment | 42,064 | - | - | - | - |
| **Total Capital Outlay** | 42,064 | - | - | - | - |
| Total | 686,956 | 683,873 | **734,436** | 721,509 | **758,911** |

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# FY2014/2015
# ACCOUNT INFORMATION
# FLEET & FACILITY SERVICES DIVISION

- The Part-time Salaries account has been increased to reflect the average number of hours (25) per week that the part-time Parts Clerk will be employed during fiscal year 2014/2015.
- A decrease in group health insurance is attributable to plan changes implemented during fiscal year 2013/2014. Due to favorable claims experience, an anticipated increase of 3.7% in fiscal year 2014/2015 will be mitigated by reserves that have been established with IPBC.
- An increase in Computer Hardware & Software is attributable to annual licensing costs for the City's new HVAC Pro software.
- Additional funds have been requested in the Small Tools and Equipment account. Additional funds will provide for the purchase of a gas monitoring sensor and the replacement of four (4) gas-fired heaters in the Public Works garage. The heater replacement program is a multi-year program that will span fiscal year 2014/2015, 2015/2016 and 2016/2017
- Additional funds have been requested in the Automotive Supplies account. Additional funds will provide for maintenance of an aerial boom lift, as well as vehicle repairs.
- Additional funds were budgeted in the Clothing account for fiscal year 2014/2015 in order to provide for safety boots and Nitrile gloves.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# INFORMATION TECHNOLOGY DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# INFORMATION TECHNOLOGY DEPARTMENT

Enclosed please find the proposed budget for the Information Technology Division for the City of Crystal Lake. The Information Technology Division 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 180 desktop computers, over forty (40) laptops, seventeen (17) 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, Wastewater Treatment Plant #2, and Three Oaks Recreation Area, and other miscellaneous network equipment.

The Information Technology Division is also responsible for the implementation and maintenance of a number of software packages contained on the various servers and desktop computers which automate tasks for the various departments. Among these software packages are a number of specialty applications for the Police and Fire Departments, Microsoft Office applications, Springbrook Software, GIS Server Software and desktop applications, and many other small applications.

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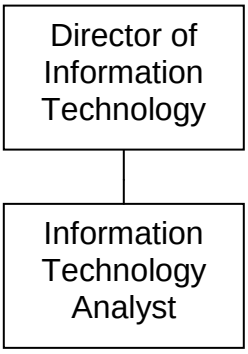
# FY2014/2015
# ORGANIZATIONAL CHART
# INFORMATION TECHNOLOGY DEPARTMENT



# FY2014/2015
# PERSONNEL SUMMARY
# INFORMATION TECHNOLOGY DEPARTMENT

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Information Technology Director | 1.00 | 1.00 | 1.00 |
| Information Technology Analyst | 1.00 | 1.00 | 1.00 |
| Total Staff | 2.00 | 2.00 | 2.00 |

# FY2013/2014
# ACCOMPLISHMENTS
# INFORMATION TECHNOLOGY DEPARTMENT

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1. Implemented the City-wide document management system.
   - All hardware implemented and initial round of training completed.

2. Implemented Master Address Repository with the addition of the revised address layer to the City's GIS system.
   - Database was completed and delivered at the end of October, 2013. Approximately 95% of the addressing is complete and accurate.
   - The layer has been added to the GIS system.
   - Various anomalies are being reviewed and corrected, where possible by the Fire Rescue Department. These should all be completed by the end of March, 2014. Those addressing issues that require policy direction will be brought forth through the process by the Fire Rescue Department.
   - Addressing tool for entering new addresses into the MAR was developed and added to the mapping workstations in Community Development.

3. Continue to assist Departments in their data and layer implementations within the City's upgraded GIS system.
   - Water layer developed by B&W has been added to the new system.
   - Sign layer will be added once completed.

4. Implemented a robust backup system backup system with virtual server capability.

5. Acquired and implemented a more robust a more robust email spam filtering service for the City's email server.

6. Worked in concert with other City departments to implement alternative methods of network connections to remote City sites and facilities.
   - Worked with other departments on ICN potential.

# FY2013/2014
# OBJECTIVES
# INFORMATION TECHNOLOGY DEPARTMENT

- Continue to expand the implementation of the document management system and all its processes throughout all Departments.
- Acquire and install a replacement server and upgraded software for web monitoring and filtering
- Acquire and implement a replacement/upgrade to the City's email archiving appliance.
- Research, acquire and implement upgraded capabilities for malware/virus detection and eradication.
- Acquire and implement wireless Internet at Three Oaks Recreation Area.
- Continue to develop the City's terminal server and the ability for remote access from outside the network for selected users.
- Continue to assist Departments in utilizing the City's website for maximum outreach.
- Acquire and implement a replacement to the City's media file server.
- Continue to assist Departments in actively using the Master Address Repository for daily operations.
- Continue to assist Departments in their data and layer implementations within the City's upgraded GIS system.
- Continue to work in concert with other City Departments to implement alternative methods of network connections to remote City sites and facilities.
- Continue to assist Departments with additional Springbrook implementation.
- Continue to assist Departments with social networking content and initiatives.
- Acquire and install various new and replacement pieces of equipment throughout the Wide Area Network (WAN).
- Continue to maintain the City's network infrastructure with little or no downtime during normal City Hall operating hours.
- Continue PC and printer preventative maintenance program.

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# FY2014/2015
# ANNUAL BUDGET
# INFORMATION TECHNOLOGY DEPARTMENT

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 198,131 | 203,066 | 215,565 | 215,565 | 220,954 |
| Part-time Salaries | - | - | - | - | - |
| Group Insurance | 32,707 | 32,707 | 23,900 | 26,415 | 26,499 |
| **Total Personnel Services** | 230,838 | 235,773 | **239,465** | 241,980 | **247,453** |
| Professional Services | 2,513 | 5,368 | 10,000 | 10,000 | 10,000 |
| Training | - | - | 3,000 | 3,000 | 3,000 |
| Dues & Subscriptions | 325 | 150 | 350 | 350 | 350 |
| Insurance & Bonding | 9,053 | 9,053 | 9,446 | 7,781 | 9,446 |
| **Total Contractual Services** | 11,891 | 14,571 | **22,796** | 21,131 | **22,796** |
| Office Supplies | 808 | 883 | 1,590 | 1,590 | 1,590 |
| Comp. Hardware & Software | 90,516 | 91,477 | 45,197 | 45,197 | 46,494 |
| Small Tools & Equipment | - | 107 | 450 | 450 | 450 |
| **Total Materials & Supplies** | 91,324 | 92,467 | **47,237** | 47,237 | **48,534** |
| Operating Equipment | 98,847 | (875) | 230,000 | 137,578 | - |
| **Total Capital Outlay** | 98,847 | (875) | **230,000** | 137,578 | **-** |
| Total | 432,900 | 341,936 | **539,498** | 447,926 | **318,783** |

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# FY2014/2015
# ACCOUNT INFORMATION
# INFORMATION TECHNOLOGY DEPARTMENT

- An increase in group health insurance is attributable to plan changes implemented during fiscal year 2013/2014. Due to favorable claims experience, an anticipated increase of 3.7% in fiscal year 2014/2015 will be mitigated by reserves that have been established with IPBC.
- A rise in Computer Hardware & Software costs for fiscal year 2014/2015 is attributable to increases in website hosting fees, as well as increases in annual licensing fees associated various applications used by the City in mitigating spam and computer viruses.
- Fiscal year 2014/2015 capital and equipment replacement expenditures are accounted for in the Capital and Equipment Replacement Funds of the City.

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# SHARED SERVICES DIVISION

# FY2014/2015
# STATEMENT OF ACTIVITIES
# SHARED SERVICES DIVISION

The Shared Services Division has been established to account for repair and maintenance costs of the Municipal Building. Expenses include, but are not limited to the maintenance, service, and repairs of the mechanical systems, including HVAC systems, steam boilers, fire alarm systems, backup generators, elevators, and overhead garage doors.

# FY2014/2015
# ANNUAL BUDGET
# SHARED SERVICES DIVISION

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| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Utilities | 147,992 | 205,874 | 218,798 | 218,798 | 218,798 |
| Buildings & Offices | 204,772 | 225,985 | 259,915 | 264,835 | 279,331 |
| **Total Contractual Services** | 352,764 | 431,859 | **478,713** | 483,633 | **498,129** |
| Total Budget | 352,764 | 431,859 | **478,713** | 483,633 | **498,129** |

# FY2014/2015
# ACCOUNT INFORMATION
# SHARED SERVICES DIVISION

- An increase in Buildings & Offices expense is attributable to an increase in maintenance fees associated with financial software used by City. Additional funds were requested also to provide for the maintenance and repair of public safety radio repeaters.

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# SPECIAL PROJECTS DIVISION

# FY2014/2015
# STATEMENT OF ACTIVITIES
# SPECIAL PROJECTS DIVISION

The Special Projects Division 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, commuter parking and facility improvements.

# FY2013/2014
# ACCOMPLISHMENTS
# SPECIAL PROJECTS DIVISION

- Successfully completed the 27th year of providing Dial-A-Ride services to the residents of Crystal Lake.
- Maintained the aesthetics of the Downtown Train Station and the Downtown Area.
- Maintained the City's building facilities.

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# FY2014/2015
# OBJECTIVES
# SPECIAL PROJECTS DIVISION

- Continue to fund the Dial-A-Ride services for the residents of Crystal Lake.
- Continue to maintain the aesthetics of the Downtown Train Station and the Downtown area.
- Continue the maintenance and improvement of City facilities.

# FY2014/2015
# ANNUAL BUDGET
# SPECIAL PROJECTS DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Professional Services | 2,734 | 77,836 | 7,500 | 7,500 | 7,500 |
| Reimbursed Expenses | - | - | 4,200 | 4,200 | 4,200 |
| Buildings & Offices | 317,939 | 229,196 | 1,097,739 | 1,067,739 | 258,000 |
| Radio Equipment | 58 | - | - | - | - |
| Para Transit Services | 93,298 | 42,137 | 90,000 | 90,000 | 90,000 |
| **Total Contractual Services** | 414,029 | 349,169 | **1,199,439** | 1,169,439 | **359,700** |
| Office Supplies | 1,536 | 5,039 | 8,000 | 8,000 | 8,000 |
| Motor Fuel & Lub. | 10,850 | - | - | - | - |
| **Total Materials & Supplies** | 12,386 | 5,039 | **8,000** | 8,000 | **8,000** |
| Land | - | 118,190 | - | - | - |
| **Total Capital Outlay** | - | 118,190 | **-** | - | **-** |
| Total | 426,415 | 472,398 | **1,207,439** | 1,177,439 | **367,700** |

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# FY2014/2015
# ACCOUNT INFORMATION
# SPECIAL PROJECTS DIVISION

- Fiscal year 2014/2015 expenditures associated with the maintenance of the Union Pacific overpass at IL Route 176 and the Prairie Trail underpass at U.S. Route 14, as well as U.S. Route 14 gateway enhancements (Sands Road to Virginia Street) are accounted for in the Capital and Equipment Replacement Funds of the City. Expansion of the Railroad Street parking lot and Raue Center for the Arts building repairs were completed in fiscal year 2013/2014.

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# POLICE & FIREFIGHTERS' PENSION OBLIGATION

# FY2014/2015
# STATEMENT OF ACTIVITIES
# POLICE & FIREFIGHTERS' PENSION OBLIGATION

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

# FY2014/2015
# ANNUAL BUDGET
# POLICE & FIREFIGHTERS' PENSION OBLIGATION

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| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Pension Obligation | 3,375,658 | 3,372,270 | 3,470,581 | 3,470,581 | 3,693,657 |
| **Total Contractual Services** | 3,375,658 | 3,372,270 | **3,470,581** | 3,470,581 | **3,693,657** |
| Total | 3,375,658 | 3,372,270 | **3,470,581** | 3,470,581 | **3,693,657** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# DEBT SERVICE

# FY2014/2015
# STATEMENT OF ACTIVITIES
# DEBT SERVICE

The Debt Service Division provides a budgetary set of account categories for the expenditure of funds to pay general obligations when they come due. Included below are proportionate amounts to provide for a Public Safety Facility (General Obligation Refunding Bonds, Series 2009C) and the flooding mitigation program (General Obligation Bonds, Series 2012). The flooding mitigation program is funded using Home Rule Sales Tax.

# FY2014/2015
# ANNUAL BUDGET
# DEBT SERVICE

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Debt Service Principal | 308,150 | 314,439 | 352,020 | 352,020 | 356,017 |
| Debt Service Interest | 69,276 | 66,490 | 75,007 | 75,007 | 67,176 |
| **Total Debt Service** | 377,426 | 380,929 | 427,027 | 427,027 | 423,193 |
| Total | 377,426 | 380,929 | **427,027** | 427,027 | **423,193** |

City of Crystal Lake
Annual Budget
Fiscal Year 2013/2014

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# HOME RULE SALES TAX FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# HOME RULE SALES TAX FUND BUDGET

Home Rule Sales Tax serves to provide funding for the Target Response Unit in the Police Department, to enhance economic development initiatives, mitigate flooding, and to support existing City services. Remaining funds are dedicated for debt service for major construction projects including the Three Oaks Recreation Area.

Home Rule Sales Tax is segregated for accounting purposes. Transfers from Home Rule Sales Tax are identified in the General Fund as Other Financing Sources.

# FY2014/2015
# ANNUAL BUDGET
# HOME RULE SALES TAX FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Home Rule Sales Tax | 4,710,538 | 4,756,678 | 4,631,820 | 4,892,559 | 4,900,000 |
| Investment Interest | 3,741 | 3,847 | 3,600 | 3,600 | 1,000 |
| **Total Revenues** | 4,714,279 | 4,760,525 | **4,635,420** | 4,896,159 | **4,901,000** |
| Revenues in Excess of Expenditures | 4,714,279 | 4,760,525 | 4,635,420 | 4,896,159 | 4,901,000 |

# FY2014/2015
# ANNUAL BUDGET
# HOME RULE SALES TAX FUND (Cont'd)

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| OTHER SOURCES (USES) | | | | | |
| Transfer In | | | | | |
| Virginia Street Corridor | - | 19,522 | 50,000 | 45,800 | 43,100 |
| Transfer Out | | | | | |
| Target Response Unit | (388,187) | (424,771) | (419,354) | (419,354) | (401,648) |
| Economic Development | (155,000) | (113,038) | (312,000) | (312,000) | (232,000) |
| Flooding Mitigation | - | - | (715,000) | - | (410,000) |
| Flooding Mitigation Debt Svc | - | (3,365) | (52,790) | (52,790) | (52,942) |
| Document Imaging | - | - | (220,000) | (102,000) | (50,000) |
| GIS | (25,000) | (59,150) | (35,000) | (35,000) | (35,000) |
| Route 14 Gateway Enhancements (Sands to Virginia) | | | (100,000) | (100,000) | (250,000) |
| UP Overpass Maintenance | - | - | - | - | - |
| Core Services | (1,556,395) | (2,036,793) | (2,106,472) | (2,712,780) | (3,183,116) |
| Fire Rescue | (550,000) | (46,368) | - | - | - |
| Road Resurfacing | (500,000) | (785,904) | (1,500,000) | (1,500,000) | - |
| Three Oaks Site Engineering | - | - | - | - | - |
| Three Oaks Area Debt Svc | (957,249) | (984,646) | (1,036,449) | (1,046,229) | (1,045,546) |
| Three Oaks Area Operations | - | (140,882) | (110,475) | (110,830) | (147,300) |
| Three Oaks Capital & Equipment Replacement | | | | (94,597) | (44,000) |
| Bryn Mawr Debt Svc | (156,809) | - | - | - | - |
| Virginia Street Corridor | (978,235) | - | - | - | - |
| Residual Chlorides Mgmt | (664,113) | - | - | - | - |
| **Total Other Sources (Uses)** | (5,930,988) | (4,575,395) | **(6,557,540)** | (6,439,780) | **(5,808,452)** |
| Change in Fund Balance | (1,216,709) | 185,130 | (1,922,120) | (1,543,621) | (907,452) |
| Beginning Balance, May 1 | 4,451,071 | 3,234,362 | 3,419,492 | 3,419,492 | 1,875,871 |
| Ending Balance, April 30 | 3,234,362 | 3,419,492 | 1,497,372 | 1,875,871 | 968,419 |
| Nonspendable | - | - | **-** | - | **-** |
| **Unassigned Balance, April 30** | 3,234,362 | 3,419,492 | **1,497,372** | 1,875,871 | **968,419** |

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# WATER & SEWER OPERATING FUND

# FY2014/2015
# ANNUAL BUDGET
# WATER & SEWER OPERATING FUND SUMMARY

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Water Sales | 3,551,784 | 3,976,126 | 3,915,247 | 3,961,500 | 4,371,663 |
| Sewer Sales | 3,618,651 | 3,989,408 | 3,991,995 | 3,926,000 | 4,353,303 |
| Penalties | 334,146 | 352,531 | 300,000 | 303,000 | 300,000 |
| Water Meter Sales | 15,137 | 17,476 | 15,000 | 25,000 | 15,000 |
| Tap On Fees | - | 46,291 | 1,000 | 88,452 | 1,000 |
| Investment Income | 13,432 | 2,778 | 10,000 | 10,000 | 10,000 |
| Reimbursed Expenses | 30,621 | 403 | 350 | 100 | 350 |
| Rental Income | 267,563 | 280,020 | 308,972 | 257,051 | 269,438 |
| Host Fees | - | - | - | - | 10,000 |
| Miscellaneous | 4,145 | 50,723 | 51,000 | 11,600 | 6,000 |
| Grants | 1,311 | 65,842 | - | - | - |
| **Total Revenues** | 7,836,790 | 8,781,598 | **8,593,564** | 8,582,703 | **9,336,754** |
| EXPENDITURES | | | | | |
| Public Works Administration | 630,888 | 690,521 | 759,625 | 757,888 | 804,555 |
| Water Department | 3,267,172 | 3,035,973 | 3,315,888 | 3,316,648 | 2,686,110 |
| Wastewater Department | 2,161,584 | 2,204,502 | 2,720,169 | 2,747,543 | 2,723,067 |
| Sewer & Lifts Department | 551,991 | 579,492 | 709,797 | 714,269 | 1,487,681 |
| **Total Expenditures** | 6,611,635 | 6,510,488 | **7,505,479** | 7,536,348 | **7,701,413** |
| Revenues in Excess of Expenditures | 1,225,155 | 2,271,110 | 1,088,085 | 1,046,355 | 1,635,341 |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | 135,668 | - |
| Bond Proceeds | - | - | - | - | - |
| Transfer Out | (491,376) | - | (1,378,157) | (1,697,300) | (2,372,241) |
| **Total Other Sources (Uses)** | (491,376) | - | **(1,378,157)** | (1,561,632) | **(2,372,241)** |
| Change in Payables/Receivables | 231,166 | (177,268) | (835,356) | (835,356) | - |
| Change in Cash Balance | 964,945 | 2,093,842 | (1,125,428) | (1,350,633) | (736,900) |
| Beginning Cash Balance, May 1 | 1,570,301 | 2,535,246 | 4,629,088 | 4,629,088 | 3,278,455 |
| **Available Cash, April 30** | 2,535,246 | 4,629,088 | **3,503,660** | 3,278,455 | **2,541,555** |

**Water & Sewer Funds are reported in aggregate in the Comprehensive Annual Financial Report (CAFR)*

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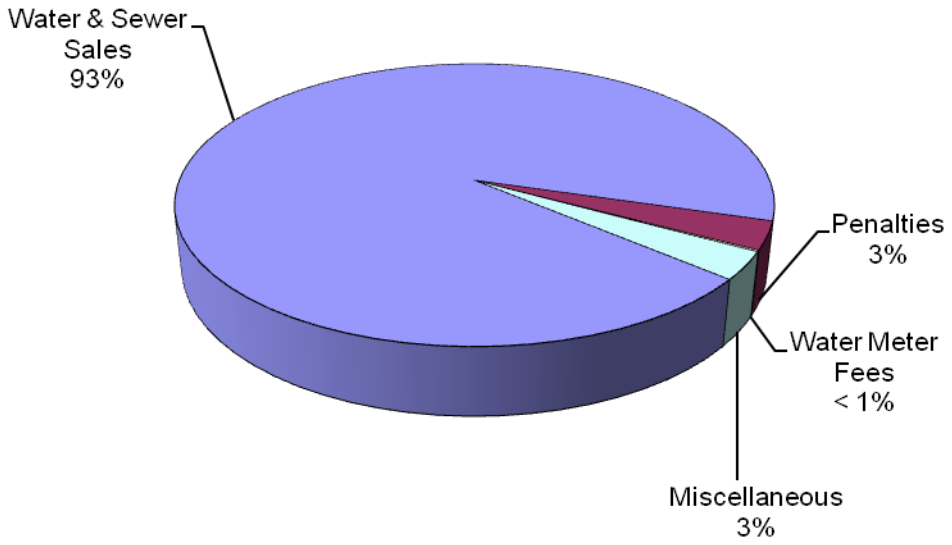
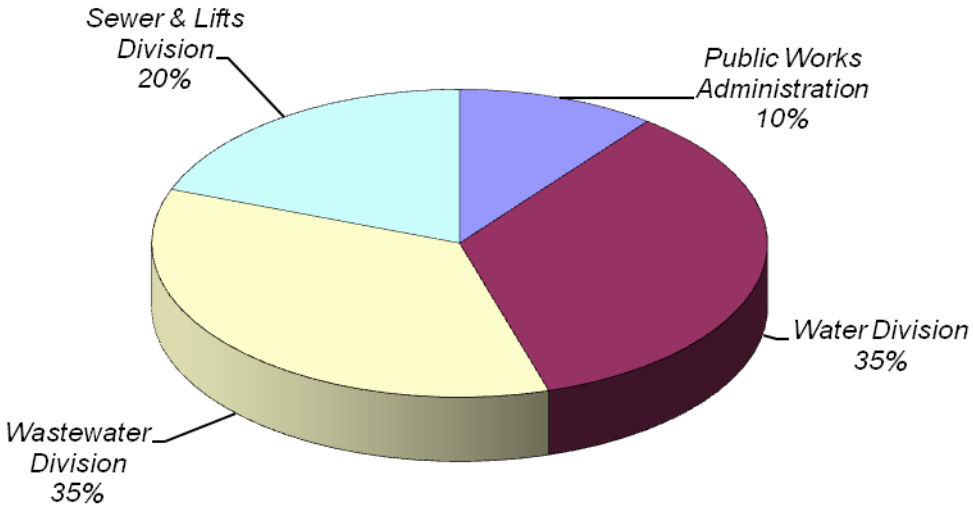
## Water & Sewer Fund Revenues by Source




## *Water & Sewer Expenditures by Function*



# FY2014/2015
# SUMMARY OF EXPENDITURES – MAJOR OBJECT
# WATER & SEWER OPERATING FUND

| | Personnel Services | Contractual Services | Materials & Supplies | Capital Outlay | Debt Service | Grand Total |
|---|---|---|---|---|---|---|
| Public Works Administration | 608,754 | 155,505 | 40,296 | 0 | 0 | 804,555 |
| Water Department | 844,701 | 987,564 | 853,845 | 0 | 0 | 2,686,110 |
| Wastewater Department | 1,154,870 | 937,860 | 630,337 | 0 | 0 | 2,723,067 |
| Sewer & Lifts Department | 869,154 | 520,102 | 98,425 | 0 | 0 | 1,487,681 |
| | 3,477,479 | 2,601,031 | 1,622,903 | 0 | 0 | 7,701,413 |
| % Percentage | 45.15% | 33.77% | 21.07% | 0.00% | 0.00% | 100.00% |

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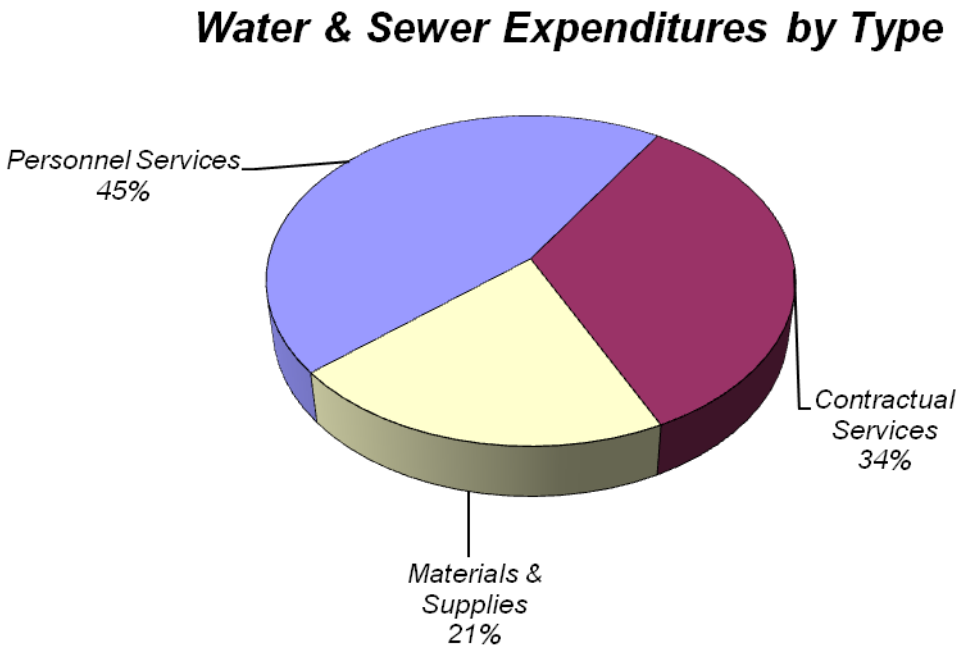

City of Crystal Lake
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Fiscal Year 2014/2015

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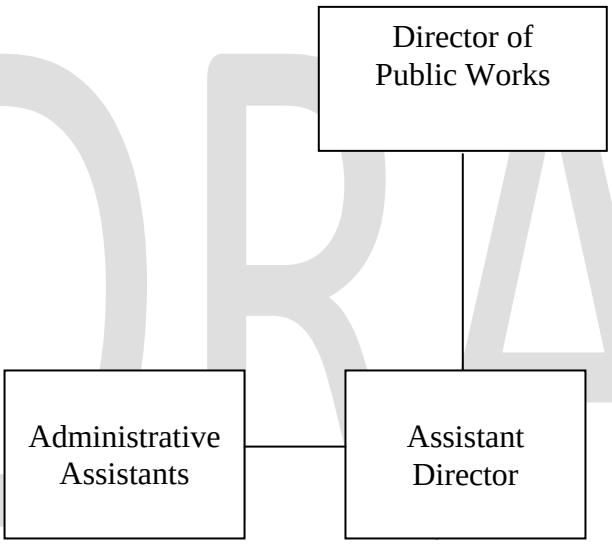
# PUBLIC WORKS ADMINISTRATION DIVISION –

# PUBLIC WORKS DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# PUBLIC WORKS ADMINISTRATION DIVISION

Public Works Administration provides supervision and planning to the Water, Wastewater, Sewer & Lift and Storm Sewer Maintenance, and Street Divisions to ensure that the Public Works Department meets the needs of the community and that the Fleet & Facility Services Division meets the needs of the City's internal customers.

# FY2014/2015
# ORGANIZATIONAL CHART
# PUBLIC WORKS ADMINISTRATION DIVISION

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# FY2014/2015
# PERSONNEL SUMMARY
# PUBLIC WORKS ADMINISTRATION DIVISION

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Director of Public Works | 1.00 | 1.00 | 1.00 |
| Assistant Public Works Director | 0.00 | 1.00 | 1.00 |
| Assistant to the Public Works Director | 1.00 | 0.00 | 0.00 |
| Administrative Assistant | 1.75 | 2.00 | 2.25 |
| Utility Customer Service Representative | 1.00 | 1.00 | 1.00 |
| Office Assistant | 0.25 | 0.25 | 0.00 |
| Total Staff | 5.00 | 5.25 | 5.25 |

# FY2013/2014
# ACCOMPLISHMENTS
# PUBLIC WORKS ADMINISTRATION DIVISION

1. Review the departmental structure to identify areas to maximize efficiencies as well as equipment and personnel resources, and evaluate internal processes to determine any potential benefits of outsourced labor.

   Status: Each division's operations have been thoroughly reviewed for efficiency and effectiveness. Special attention was given to deferred tasks to ensure that proper priorities were employed across all divisions. Outsourced contract help was sought after all internal resources were used.

2. Enhance professional development by giving most of Public Works staff the opportunity to attend the APWA National Congress while it is in Chicago in 2013.

   Status: All superintendents and supervisors were given the opportunity to attend Congress. In addition, the automotive technicians were given the opportunity to visit the showroom floor to become familiar with new equipment and technologies available.

3. Maintain and build upon relationships with Local 150 throughout the collective bargaining process, and execute a favorable contract.

   Status: IUOE Local 150 and the City have executed a contract that will govern the working relationship for the next five years.

4. Explore water conservation Best Management Practices and implement where practical. In addition, participate actively in the Northwest Water Planning Alliance as well as the McHenry County Groundwater Taskforce.

   Status: While McHenry County's Groundwater Taskforce has met less frequently this year, City staff was able to attend their sensible salting seminar for winter operations. The Director has been attending the Northwest Water Planning Alliance Technical Advisory Committee monthly meetings to ensure that the City's interests are represented. He has also been appointed as the McHenry County Council of Governments representative.

5. Guide the process of achieving/implementing a long-term Water Master Plan.

   Status: The Water Master Plan was completed by Baxter & Woodman this year. The recommendations will guide capital improvements for the foreseeable future.

6. Pursue any grant opportunities and Illinois State Revolving Loan funding for capital projects.

   Status: The Department has pursued grants for energy efficient improvements, including the implementation of a Turbo Blower at WWTP#2. With the grant, this project has a return on investment period of less than three years.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# PUBLIC WORKS ADMINISTRATION DIVISION

7. Utilize the new CIP module effectively and ensure that all current bond funded projects are completed in a timely manner.

   Status: Public Works staff has been working closely with the Finance Department to ensure that all bond funds are appropriately accounted for and that projects are completed on time.

8. Develop a consistent daily/weekly divisional assignment scheduling.

   Status: Each division's schedules have been reviewed. While minor modifications have been made, the divisions are formatting their own schedules to meet their needs and account for personnel and equipment.

9. Complete the Self-assessment portion of APWA accreditation.

   Status: Staff has been compiling documentation to meet accreditation requirements. Further documentation will be created and compiled throughout the year. It is still the Department's intention to have an on-site assessment in FY15.

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# FY2014/2015
# OBJECTIVES
# PUBLIC WORKS ADMINISTRATION DIVISION

1. Develop a Command Center staffing plan that that accounts for equitable staff coverage in the Command Center, but also sets the expectations of all public works operations during EOC operations.

2. Utilize findings and recommendations from Water and Wastewater Treatment Master Plans to develop an integrated approach to address chlorides discharged from WWTP3.

3. Research cost-effective solutions to address the asset management needs of the Department.

4. Review and revise position job descriptions to address changes to job duties and technology.

5. Finalize the Self Assessment portion of the APWA Accreditation program and schedule an on-site review with APWA staff.

# FY2014/2015
# ANNUAL BUDGET
# PUBLIC WORKS ADMINISTRATION DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 322,208 | 335,222 | 393,318 | 428,044 | 438,745 |
| Part-time Salaries | 26,665 | 32,273 | 34,726 | - | - |
| Overtime | 50 | - | - | - | - |
| Group Insurance | 46,856 | 48,469 | 80,610 | 73,325 | 78,896 |
| City Portion FICA / Retirement | 19,177 | 18,538 | 26,539 | 26,539 | 27,202 |
| City Portion IMRF | 41,574 | 45,629 | 56,587 | 56,587 | 57,549 |
| City Portion MEDI | 4,486 | 6,400 | 6,207 | 6,207 | 6,362 |
| **Total Personnel Services** | 461,016 | 486,531 | **597,987** | 590,702 | **608,754** |
| Professional Services | 12,180 | 55,051 | 9,600 | 9,600 | 44,600 |
| Annual Audit | 4,964 | 5,545 | 5,545 | 5,545 | 7,200 |
| Publishing | 384 | - | 200 | 200 | 200 |
| Postage & Freight | 59,755 | 61,435 | 61,200 | 61,200 | 64,600 |
| Training | 3,462 | 3,626 | 3,445 | 3,445 | 2,720 |
| Dues & Subscriptions | 492 | 63 | 753 | 753 | 753 |
| Insurance & Bonding | 41,743 | 24,266 | 19,648 | 25,196 | 19,648 |
| Utilities | 6,159 | 6,159 | 6,159 | 6,159 | 6,159 |
| Buildings & Offices | 9,525 | 10,017 | 9,525 | 9,525 | 9,525 |
| Examinations | 441 | 395 | - | - | - |
| Office Equipment | - | - | 100 | 100 | 100 |
| **Total Contractual Services** | 139,105 | 166,557 | **116,175** | 121,723 | **155,505** |
| Office Supplies | 1,325 | 1,489 | 1,300 | 1,300 | 1,300 |
| Motor Fuel & Lub. | 306 | 49 | - | - | - |
| Computer Hardware & Software | 7,046 | 15,776 | 21,503 | 21,503 | 16,336 |
| Small Tools and Equipment | 550 | 5 | 350 | 350 | 350 |
| Automotive Supplies | 53 | - | - | - | - |
| Printing & Stationery | 21,487 | 20,114 | 22,310 | 22,310 | 22,310 |
| **Total Materials & Supplies** | 30,767 | 37,433 | **45,463** | 45,463 | **40,296** |
| Total | 630,888 | 690,521 | **759,625** | 757,888 | **804,555** |

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# FY2014/2015
# ACCOUNT INFORMATION
# PUBLIC WORKS ADMINISTRATION DIVISION

- An increase in Regular Salaries is largely attributable to an upgrade of a part-time Administrative Assistant to full-time (30 hours per week to 40 hours per week) during fiscal year 2013/2014. Offsetting the increase is a reduction in Part-time Salaries.
- A decrease in group health insurance is attributable to plan changes implemented during fiscal year 2013/2014. Due to favorable claims experience, an anticipated increase of 3.7% in fiscal year 2014/2015 will be mitigated by reserves that have been established with IPBC.
- Additional funds have been requested in the Professional Services account for fiscal year 2014/2015. Additional funds will provide for services related to collective bargaining and other legal matters not budgeted in the General Fund.
- Audit fees reflected in this budget are pursuant to the terms of a contract with an independent audit firm and are in addition to funds budgeted in the General Fund and Fire Rescue Fund.
- An increase in Postage & Freight reflects rising costs of U.S. postal services.
- A decrease in the Training account is attributable to a reduction in conference attendance by the Assistant Public Works Director.
- Computer replacements were completed in fiscal year 2013/2014. As a result, computer replacements were not budgeted in the Computer Hardware & Software account again in fiscal year 2014/2015.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# WATER OPERATIONS DIVISION –

# PUBLIC WORKS DEPARTMENT

# FY2014/2015
# STATEMENT OF OPERATIONS
# WATER OPERATIONS DIVISION

The Water Division and its staff of 6 full-time employees provide an adequate supply of quality potable water to the residents and businesses of Crystal Lake. This is accomplished by producing and treating an average of 4.5 million gallons per day. Peak water demands can increase to over 9 million gallons per day in the summer months.

The Water Division is responsible for the operation and maintenance of five water treatment facilities as well as four elevated and four ground water storage reservoirs.

Daily activities include:

- Assuring EPA compliance by performing all bacteriological, fluoride, chlorine, phosphate, and other water samples required by the EPA. Compiles information and creates a monthly report which is a compliance requirement by the EPA.
- Completes regular maintenance and repair work at the water treatment facilities and to the water distribution system.
- Winter months: The Water Division works with the Street Division to remove snow on main routes, cul-de-sac's, and public sidewalks.

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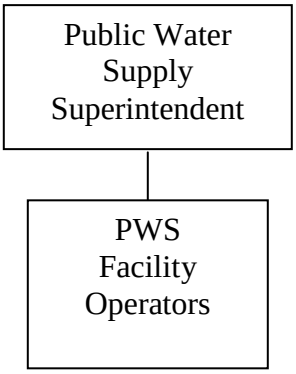
# FY2014/2015
# ORGANIZATIONAL CHART
# WATER OPERATIONS DIVISION



# FY2014/2015
# PERSONNEL SUMMARY
# WATER OPERATIONS DIVISION

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Superintendent | 1.00 | 1.00 | 1.00 |
| Supervisor | 1.00 | 1.00 | 0.00 |
| PWS Facility Operators | 5.00 | 5.00 | 5.00 |
| PWS Distribution System Operators | 2.00 | 2.00 | 0.00 |
| Maintenance Workers | 4.00 | 4.00 | 0.00 |
| Total Staff | 13.00 | 13.00 | 6.00 |

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# FY2013/2014
# ACCOMPLISHMENTS
# WATER OPERATIONS DIVISION

1. Objective: Meet all EPA water standards and receive zero EPA violation.

   Status: As of this time, the Water Division has met all EPA standards and has received no EPA violations.

2. Objective: Receive the Fluoridation Award for the nineteenth consecutive year.

   Status: The Water Division has received this award for the nineteenth year in a row.

3. Objective: Perform maintenance and rehabilitation work on two wells to provide continued reliable water production from the City's water supply.

   Status: Well #12 rehabilitation work was approved by City Council and work will begin in December. This work is required by contract to be completed prior to January 31, 2014. Well #14 rehabilitation work will be completed by March of 2014.

4. Objective: Drill the new Well #18, and have plans and specifications created by an engineering firm for the installation of required equipment to put well into service in 2014.

   Status: Staff has been working with a consultant engineer on this project, and a potential location for a new well has been located on Water Plant 5 property. The test well will be drilled and if test results are acceptable, a permanent Well #18 will be drilled by the spring of 2014.

5. Objective: Replace existing water mains as required by upcoming State and County road projects, and begin our planed watermain replacement program in the Country Club area and View Street.

   Status: Route 176, Country Club, and Broadway watermain projects were completed in 2013. The View Street watermain contract has been awarded and work is scheduled to be completed in early spring of 2014.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# WATER OPERATIONS DIVISION

6. Objective: Have one water tower or storage reservoir recoated.

   Status: Bard Water Tower at WTP#5 recoating has been completed. The contractor will return in the spring to restore the site and landscaping to original conditions.

7. Objective: Replace existing chemical systems at WTP#2 (Highland) and WTP#5 (Bard) to comply with containment regulations and add monitoring through the SCADA system.

   Status: Water Division staff has replaced both chemical systems.

8. Objective: Purchase and install new control valves for the water treatment equipment at Water Treatment Plant #3 (Virginia Rd).

   Status: Control valves have been purchased and staff will complete the installation before March 1, 2014.

9. Objective: Add remote monitoring and alarms at the Fountains pressure reducing valve to improve security and repair response time for the single feed water main supplying the retirement community.

   Status: Equipment is on order and will be installed by City Staff and contractors before May 1, 2014.

10. Objective: Replace the failing parking lot and service drive located at WTP#3 (Virginia).

    Status: This project has been postponed to next year due to the WTP#3 generator project.

11. Objective: Have a long term water master plan created by an engineering firm.

    Status: Baxter and Woodman completed the draft version of the water master plan this year. A final draft will be complete in early 2014.

# FY2014/2015
# OBJECTIVES
# WATER OPERATIONS DIVISION

1. Objective: Meet all EPA water standards and receive zero EPA violation.
2. Objective: Receive the Fluoridation Award for the twentieth consecutive year.
3. Objective: Perform maintenance and rehabilitation work on two wells to provide continued reliable water production from the City's water supply. The specific wells that require rehabilitation work will be prioritized by equipment failure and loss of specific capacity (water produced from the well).
4. Objective: Have plans and specifications created by an engineering firm for the expansion of WTP#5 (Bard) after the successful installation of the new well #18.
5. Objective: Have the two ground storage reservoirs at WTP #4 (Knaack) recoated.
6. Objective: Replace the WTP#3 (Virginia St.) generator and electrical switchgear.

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# FY2014/2015
# ANNUAL BUDGET
# WATER OPERATIONS DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 904,603 | 939,968 | 962,911 | 962,911 | 503,321 |
| Part-time Wages | - | 7,941 | 7,920 | 7,920 | 8,400 |
| Overtime | 82,997 | 77,122 | 91,500 | 91,500 | 91,500 |
| Group Insurance | 203,031 | 211,448 | 222,020 | 235,356 | 117,313 |
| City Portion FICA / Retirement | 58,579 | 55,922 | 65,865 | 65,865 | 37,400 |
| City Portion IMRF | 117,809 | 126,964 | 139,393 | 139,393 | 78,021 |
| City Portion MEDI | 13,700 | 19,307 | 15,404 | 15,404 | 8,747 |
| **Total Personnel Services** | 1,380,719 | 1,438,672 | **1,505,013** | 1,518,349 | **844,701** |
| Professional Services | 47,272 | 41,300 | 174,700 | 124,700 | 124,700 |
| Publishing | 1,091 | 498 | 250 | 1,000 | 500 |
| Postage & Freight | 5,514 | 5,108 | 5,600 | 5,600 | 5,600 |
| Training | 3,988 | 5,616 | 7,000 | 7,000 | 7,000 |
| Dues & Subscriptions | 2,780 | 3,361 | 3,075 | 3,075 | 3,475 |
| Insurance & Bonding | 58,624 | 57,245 | 58,565 | 53,239 | 58,565 |
| Utilities | 694,424 | 465,290 | 548,500 | 548,500 | 548,500 |
| Examinations | 1,018 | 604 | 1,724 | 1,724 | 1,724 |
| Operating Equipment | 267 | 249 | 300 | 300 | 300 |
| Radio Equipment | - | 151 | 3,000 | 3,000 | 3,000 |
| Sidewalks | - | 5,615 | 6,000 | 6,000 | 9,000 |
| Plant Maintenance Services | 23,199 | 172,056 | 226,200 | 226,200 | 206,200 |
| Lines & Sewers | 4,793 | 5,922 | 18,000 | 23,000 | 18,000 |
| Rental - Buildings & Equipment | 474 | 447 | 1,000 | 1,000 | 1,000 |
| **Total Contractual Services** | 843,444 | 763,462 | **1,053,914** | 1,004,338 | **987,564** |
| Office Supplies | 974 | 567 | 1,950 | 1,950 | 1,950 |
| Landscape Materials | 855 | 495 | 950 | 950 | 950 |
| Motor Fuel & Lub. | 28,000 | 30,307 | 32,500 | 32,500 | 32,500 |
| Computer Hardware & Software | 904 | 5,355 | 7,741 | 7,741 | 5,175 |
| Small Tools & Equipment | 6,175 | 7,774 | 11,300 | 11,300 | 18,500 |
| Automotive Supplies | 16,829 | 24,269 | 18,500 | 18,500 | 18,500 |
| Materials | 26,601 | 21,450 | 22,000 | 27,000 | 25,000 |
| Clothing | 7,871 | 8,575 | 9,400 | 9,400 | 9,900 |
| Water Meters and Parts | 4,520 | 33,788 | 62,000 | 82,000 | 90,000 |
| Fire Hydrants and Parts | 11,419 | 11,681 | 35,000 | 35,000 | 35,000 |
| Salt | 324,673 | 307,499 | 390,000 | 390,000 | 390,000 |
| Chemicals & Sealants | 69,665 | 66,750 | 88,000 | 88,000 | 88,000 |
| Laboratory Supplies | 5,158 | 5,007 | 5,750 | 7,750 | 6,500 |
| Water Tap Materials | 12,244 | 14,338 | 13,500 | 23,500 | 23,500 |
| Operating Supplies | 6,396 | 7,609 | 7,000 | 7,000 | 7,000 |
| Plant Maintenance Materials | 45,149 | 53,326 | 50,600 | 50,600 | 100,600 |
| Stationery & Printing | 703 | 134 | 770 | 770 | 770 |
| **Total Materials & Supplies** | 568,136 | 598,924 | **756,961** | 793,961 | **853,845** |

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# FY2014/2015
# ANNUAL BUDGET
# WATER OPERATIONS DIVISION (Cont'd)

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| System Improvement | 474,873 | 234,915 | - | - | - |
| **Total Capital Outlay** | 474,873 | 234,915 | **-** | - | **-** |
| Total | 3,267,172 | 3,035,973 | **3,315,888** | 3,316,648 | **2,686,110** |

# FY2014/2015
# ACCOUNT INFORMATION
# WATER OPERATIONS DIVISION

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- Organizational changes within Public Works results in personnel costs being reallocated for fiscal year 2014/2015. Among the changes is the transfer of six positions from the Water Operations division to the Sewer & Lifts division. Regular Salaries, Group Insurance, City FICA and City IMRF reflect this change for fiscal year 2014/2015.
- Professional Services will be reduced in fiscal year 2014/2015 due to services no longer needed at Water Treatment Plant #1.
- Power washing and inspection of Water Treatment Plant #1 was completed during fiscal year 2013/2014. As a result, power washing and inspection services were not budgeted in the Plant Maintenance Services account again in fiscal year 2014/2015.
- Computer replacements were completed in fiscal year 2013/2014. As a result, computer replacements were not budgeted in the Computer Hardware & Software account again in fiscal year 2014/2015.
- Additional funds have been requested in the Small Tools and Equipment account. Additional funds will provide for the purchase of a trench shoring box during fiscal year 2014/2015. The trench shoring box shall be used during excavations to repair water main breaks.
- Additional funds have been requested in the Plant Materials account for asphalt used in the repair of roadways following water main breaks.
- Additional funds have been requested in the Water Meters and Parts account for fiscal year 2014/2015. Additional funds will provide for the replacement of the mobile data collector used in the collection of monthly water meter readings. The existing mobile collector is no longer supported by the manufacturer due to its age. Additional funds are also needed for purchase of replacement water meters. Due to rising water meter prices, additional funds are needed.
- An increase in Laboratory Supplies for fiscal year 2014/2015 reflects additional supplies required by the new in-line chlorine analyzers.

# FY2014/2015
# ACCOUNT INFORMATION (Cont'd)
# WATER OPERATIONS DIVISION

- Additional funds have been requested in the Water Tap Materials account. Additional funds will provide for the replacement of brass stock material that will be scrapped in order to comply with the new 2014 Reduction of Lead in Drinking Water Act. This act prohibits brass fittings that are in contact with drinking water from containing more than 0.25% lead.
- Additional funds have been requested for Plant Maintenance Materials. The increase in funding is attributable to barium levels at Water Treatment Plant #1.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# WASTEWATER TREATMENT DIVISION –

# PUBLIC WORKS DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# WASTEWATER TREATMENT DIVISION

The Wastewater Treatment Division is responsible for the operation and maintenance of two wastewater treatment facilities, 26 sanitary lift stations, and three storm lift stations. During the fiscal year 2013/14, the treatment plants processed an average of 4.8 Million Gallons per Day (MGD) or 1.7 billion gallons throughout the year, producing an effluent that not only met but also often exceeded the facilities' 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 Sewers and Lifts Division with investigating sewer back-ups related to restaurant and industrial activities.

In addition to routine maintenance and operation, engineering firms were engaged to design the following notable projects in FY14

- Rehabilitation of Lift Station #1 (McHenry Avenue)
- New screening at Lift Station 12 (Route 176)
- Hydraulic Improvements at WWTP #2 (Coventry Drive)
- Solids Handling Improvements at WWTP #2

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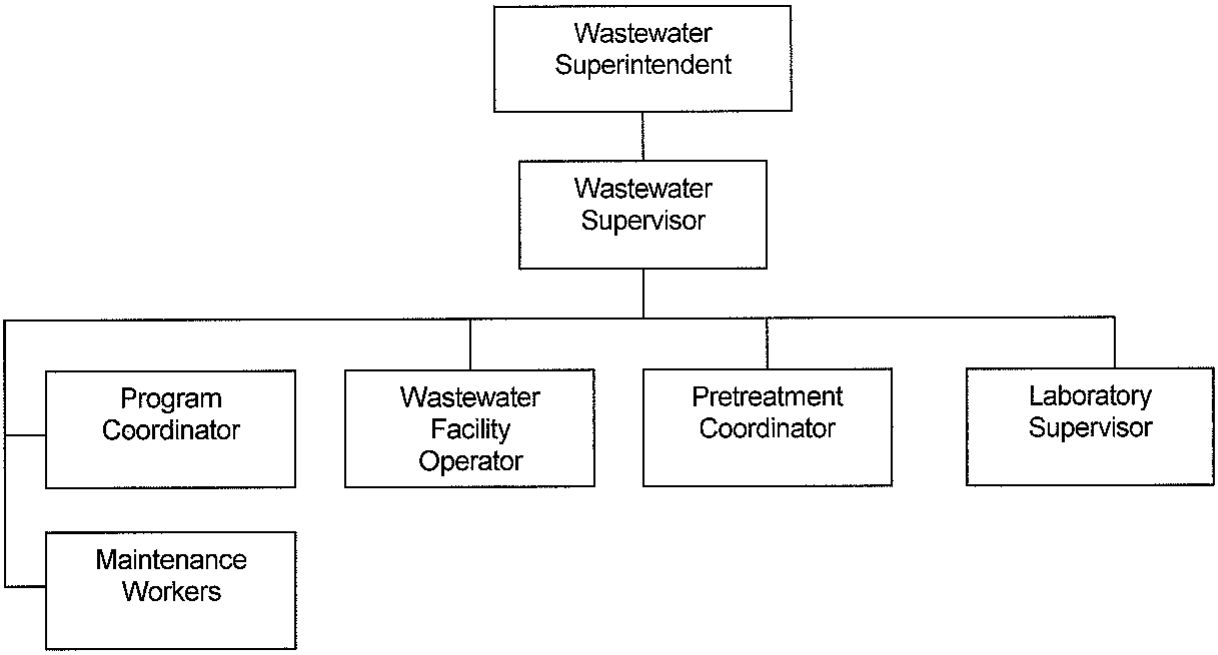
# FY2014/2015
# ORGANIZATIONAL CHART
# WASTEWATER TREATMENT DIVISION



# FY2014/2015
# PERSONNEL SUMMARY
# WASTEWATER TREATMENT DIVISION

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Superintendent | 1.00 | 1.00 | 1.00 |
| Supervisor | 1.00 | 1.00 | 1.00 |
| Laboratory Supervisor | 1.00 | 1.00 | 1.00 |
| Pretreatment Coordinator | 1.00 | 1.00 | 1.00 |
| WW Facility Operator | 2.00 | 1.00 | 1.00 |
| WW Collection Systems Operator | 0.00 | 0.00 | 1.00 |
| Maintenance Workers | 2.50 | 3.50 | 4.00 |
| Total Staff | 8.50 | 8.50 | 10.00 |

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# FY2013/2014
# ACCOMPLISHMENTS
# WASTEWATER TREATMENT DIVISION

1. Objective: Initiate the plant upgrades and advanced maintenance prescribed in the recently completed WWTP Master Plan.

   Status: The Clarifier Drives have been rebuilt. The Biosolids building has been demolished and will be starting erection soon. An engineering firm has been selected for the design and construction oversight of the other high priority projects.

2. Objective: Advance the knowledge of the two new staff members to get them fully acquainted and comfortable with the facilities, and integrate them into the on-call rotation as soon as practical

   Status: We recently made a change placing the two newer employees at WWTP3 to operate the facility. The employees are adjusting well and their progress is ahead of schedule. Both of the new employees received their Class 4 wastewater licenses, and another employee received his Class 3 wastewater license.

3. Objective: Develop a staffing plan to address all advanced maintenance required at the two wastewater treatment facilities, as well as adequate supervision of the operations, pre-treatment program, and the laboratory.

   Status: This work is in progress and will be updated and adjusted as required.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# WASTEWATER TREATMENT DIVISION

4. Objective: Continue to monitor, inspect, and enforce activities as required by the City's approved Pretreatment Program.

   Status: The City had to fine one user over the past year due to reporting deficiencies. The monitoring and inspection program launched last year allowed staff to verify three industries that would not have been possible without the program. One of the samplings led to the issuance of a permit to the facility.

# FY2014/2015
# OBJECTIVES
# WASTEWATER TREATMENT DIVISION

1. Complete the plant upgrades prescribed in the recently completed WWTP Master Plan, prior to the bond due date, and prepare RFPs for the next level of projects.
2. Complete all budgeted plant maintenance projects prior to January 1, 2015.
3. With the recent departure of the volunteer Three Oaks lake sampling program, ensure consistency and continuity of the program.
4. Continue to monitor, inspect, and enforce activities as required by the City's approved Pretreatment Program.

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# FY2014/2015
# ANNUAL BUDGET
# WASTEWATER TREATMENT DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 546,180 | 558,081 | 599,034 | 599,034 | 740,021 |
| Part-time Salaries | 25,043 | 32,717 | 31,800 | 31,800 | 7,920 |
| Overtime | 35,942 | 47,647 | 43,000 | 43,000 | 47,300 |
| Group Insurance | 112,737 | 106,286 | 136,427 | 155,911 | 195,523 |
| City Portion FICA / Retirement | 35,608 | 34,069 | 41,778 | 41,778 | 49,305 |
| City Portion IMRF | 71,633 | 77,995 | 89,081 | 89,081 | 103,270 |
| City Portion MEDI | 8,328 | 11,762 | 9,771 | 9,771 | 11,531 |
| **Total Personnel Services** | 835,471 | 868,557 | **950,891** | 970,375 | **1,154,870** |
| Professional Services | 40,674 | 66,229 | 94,785 | 92,128 | 94,985 |
| Pest Control Services | - | - | - | - | - |
| Publishing | 301 | 370 | 400 | 414 | 450 |
| Postage & Freight | 359 | 2,660 | 1,850 | 3,000 | 3,000 |
| Training | 3,094 | 5,165 | 8,850 | 7,422 | 10,450 |
| Dues & Subscriptions | 190 | 337 | 3,465 | 3,701 | 3,701 |
| Insurance & Bonding | 43,998 | 46,103 | 45,507 | 45,507 | 45,507 |
| Utilities | 452,710 | 334,088 | 479,100 | 479,100 | 377,100 |
| Examinations | 1,579 | 428 | 812 | 812 | 867 |
| Operating Equipment | - | 24,399 | - | - | - |
| Radio Equipment | - | - | 100 | 100 | 100 |
| Plant Maintenance Services | 172,996 | 254,198 | 448,450 | 378,975 | 351,700 |
| State Filing Fees | 47,500 | 47,500 | 47,500 | 47,500 | 47,500 |
| Rental - Buildings & Equipment | 143 | 1,475 | 2,500 | 2,500 | 2,500 |
| **Total Contractual Services** | 763,544 | 782,952 | **1,133,319** | 1,061,159 | **937,860** |
| Office Supplies | 1,378 | 2,274 | 1,500 | 1,800 | 1,800 |
| Landscape Materials | - | 534 | 750 | 750 | 750 |
| Motor Fuel & Lub. | 7,910 | 7,997 | 7,000 | 7,000 | 7,000 |
| Computer Hardware & Software | 4,186 | 2,802 | 12,965 | 12,965 | 8,370 |
| Small Tools & Equipment | 36,197 | 34,010 | 47,500 | 47,500 | 47,500 |
| Automotive Supplies & Materials | 5,057 | 9,486 | 11,500 | 11,500 | 11,500 |
| Public Works Materials | 215 | - | - | - | - |
| Clothing | 5,505 | 5,463 | 7,750 | 7,750 | 9,750 |
| Salt | 160 | - | - | - | - |
| Chemicals & Sealants | 344,318 | 337,911 | 379,027 | 379,027 | 371,700 |
| Laboratory Supplies | 23,352 | 33,345 | 33,467 | 33,467 | 26,467 |
| Operating Supplies | 1,203 | - | - | | - |
| Plant Maintenance Materials | 133,088 | 119,171 | 134,500 | 214,250 | 145,500 |
| **Total Materials & Supplies** | 562,569 | 552,993 | **635,959** | 716,009 | **630,337** |
| Total | 2,161,584 | 2,204,502 | **2,720,169** | 2,747,543 | **2,723,067** |

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# FY2014/2015
# ACCOUNT INFORMATION
# WASTEWATER TREATMENT DIVISION

- Organizational changes within Public Works results in personnel costs being reallocated for fiscal year 2014/2015. Among the changes is the transfer of one position from the Storm Sewer division to the Wastewater Treatment division. Additionally, one Maintenance Worker position shall be reclassified from part-time (30 hours per week) to full-time (40 hours per week). Regular Salaries, Part-time Salaries, Group Insurance, City FICA and City IMRF reflect these changes.
- An increase in Postage & Freight reflects rising costs of sending water samples through the U.S. mail.
- Additional funds have been requested in the Training account to allow the Superintendent to attend training offered by the Central States Water Environment Association (CSWEA), allow the Wastewater Treatment Plant Supervisor to attend training offered by the Illinois Public Service Institute (IPSI) and to provide additional technical training to Division employees.
- A reduction in Utilities best reflects the effects of equipment upgrades on resources, as well as the effects of electrical aggregation.
- Several pieces of equipment were rebuilt in fiscal year 2013/2014. Among them was the pump used to lift the influent wastewater to the treatment facility (raw pump #7). Also during fiscal year 2013/2014, sand filter wheel and rail replacement parts were purchased and the ultraviolet computer system, a critical piece of equipment used for disinfection of the effluent, was upgraded. Budgeted in the Plant Maintenance Services account for fiscal year 2014/2015 is the replacement of a laboratory fume hood and repairs to Return Activated Sludge (RAS) pumps, influent grinder (also known as a Channel Monster) and the rehabilitation of the Primary Effluent Pump (PEP) at Wastewater Treatment Plant #3.
- Several personal computers and tablets were replaced in fiscal year 2013/2014. As a result, computer replacements were not budgeted in the Computer Hardware & Software account again in fiscal year 2014/2015.
- Additional funds have been requested in the Clothing account for fiscal year 2014/2015. Additional funds will provide for the purchase of additional personal protective equipment such as gloves, masks, safety goggles and respirators.
- A decrease in the Chemicals and Sealants account for fiscal year 2014/2015 best reflects amounts of Alum used in the wastewater treatment process.
- A decrease in the Laboratory Supplies account for fiscal year 2014/2015 best reflects amounts of supplies used in the wastewater treatment process.
- An increase in the Plant Maintenance Materials account best reflects amounts of replacement ultraviolet bulbs needed in the disinfection process of the wastewater treatment process.

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City of Crystal Lake
Annual Budget
Fiscal Year 2013/2014

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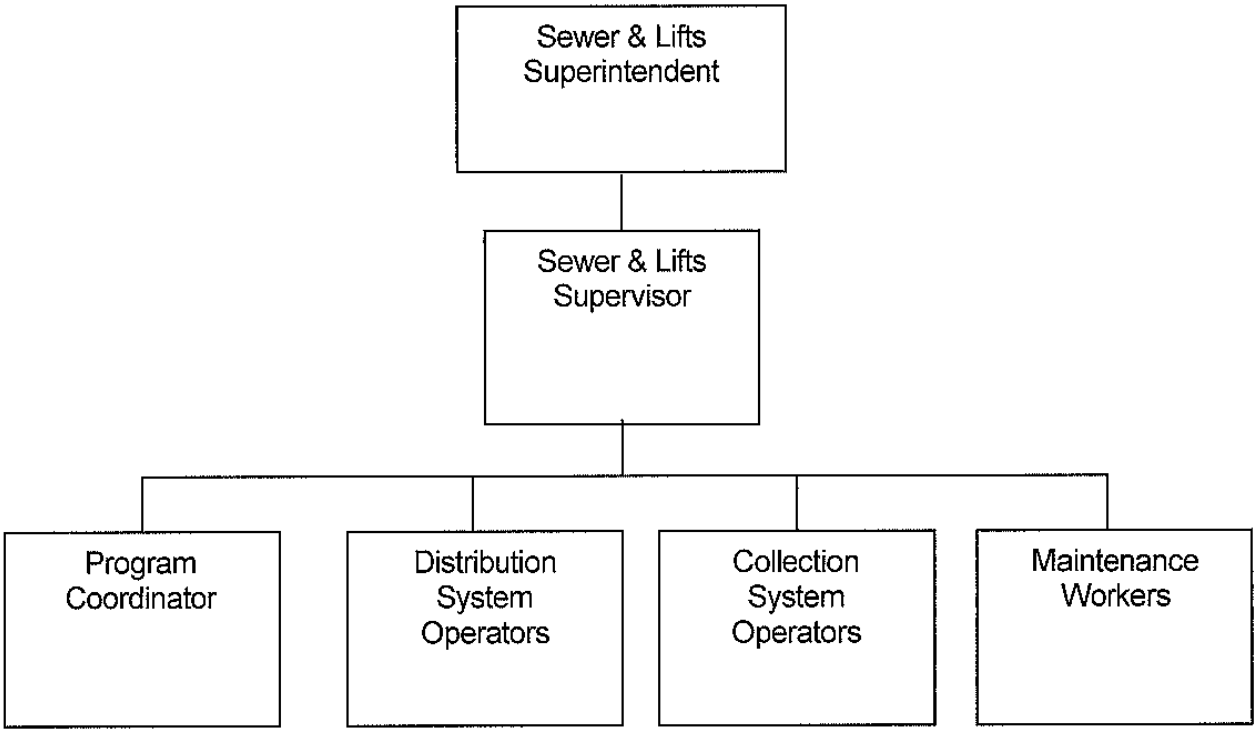
# SEWERS AND LIFTS DIVISION

# PUBLIC WORKS DEPARTMENT

# FY2014/2015
# STATEMENT OF ACTIVITIES
# SEWERS & LIFTS DIVISION

The Sewers and Lifts Division is responsible for the maintenance, operation, and management of the sanitary sewer collection and conveyance system. There are over 166 miles of sanitary sewer in conjunction with 26 sanitary pumping stations.

# FY2014/2015
# ORGANIZATIONAL CHART
# SEWERS & LIFTS DIVISION



# FY2014/2015
# PERSONNEL SUMMARY
# SEWERS & LIFTS DIVISION

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Superintendent | 1.00 | 1.00 | 1.00 |
| PWS Distribution System Operators | 0.00 | 0.00 | 2.00 |
| WW Collection System Operators | 1.00 | 1.00 | 1.00 |
| Maintenance Workers | 0.00 | 0.00 | 4.00 |
| Total Staff | 2.00 | 2.00 | 8.00 |

# FY2013/2014
# ACCOMPLISHMENTS
# SEWERS AND LIFTS DIVISION

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1. Objective: Utilize the dry weather data collected during the 2012 drought and compare with existing wet weather data to identify key areas of inflow and infiltration concerns.

   Status: Flow monitoring data, pumping operations and other information was used to confirm areas of concern when addressing inflow and infiltration. An area-specific sanitary sewer evaluation survey is currently being conducted in a few of these areas.

2. Objective: Review the “Lift Station SCADA Master Plan”, evaluate the options presented, prioritize accordingly, and provide a recommended implementation plan based on approved funding.

   Status: Contract was awarded to an engineering consultant to perform the phase one installation of the lift station SCADA system. The system will allow for overall system review, remote access, data trending and reporting, etc.

3. Objective: Evaluate the rehabilitation needs (lining, pipe bursting, etc.) for sanitary sewer segments found with poor flow characteristics due to age and deterioration.

   Status: Pending the final report of the SSES and its recommendations, multiple sewer segments along Virginia Avenue have been earmarked for lining. Remaining funds will be used to address as many recommendations from the SSES as possible in this budget year.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# SEWERS AND LIFTS DIVISION

4. Objective: Review the root foaming and grease treatment programs for effectiveness and modify if necessary.

   Status: The root foaming products have been thoroughly evaluated and staff has chosen one product for its effectiveness and limited impact on the wastewater treatment process. Grease block products were also evaluated along with the monitoring service provided. One manufacturer stands out among the others and will be the recommendation moving forward.

5. Objective: Should funding allow, provide an implementation plan for lift station backup generators based on the feasibility study completed in 2012/13.

   Status: Three generators will be purchased this fiscal year, two portable units and the final unit for the newly rehabilitated lift station 1. A matrix prioritizing the replacement of existing and the implementation of new generators for lift stations has been created.

6. Objective: Revisit the poor flow characteristics of the "bottleneck" located at Virginia Street and Lakeshore Drive.

   Status: A restriction in pipe size diameter at a manhole was found and removed. While the SSES being conducted will help identify inflow and infiltration issues, the sewer segments along Virginia Avenue slated for lining are upstream of the "bottleneck" and infiltration issues are quite evident.

7. Objective: Develop specifications and oversee the replacement of the undersized force main for Lift Station 8 (237 Lake Shore Dr).

   Status: Previous design plans from the 1980s have been submitted to the engineering firm responsible for the lift station 1 rehabilitation project. The plans will be reviewed with today's standards to ensure the proper specifications are developed and this project is completed in this fiscal year.

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# FY2014/2015
# OBJECTIVES
# SEWERS & LIFTS DIVISION

1. Evaluate the current sewer cleaning program that has been in place for the last few years to enhance and modify it as needed.
2. Utilize the information from the area specific SSES report to address rehabilitation needs as well as the reduction of inflow and infiltration.
3. Replace existing water mains as required by upcoming State road projects (Route 14), and continue with our planed watermain replacement program in the Country Club area.
4. Successfully cross-train staff to operate effectively in both the sewer collection and water distribution systems.

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# FY2014/2015
# ANNUAL BUDGET
# SEWERS & LIFTS DIVISION

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 154,386 | 157,877 | 171,019 | 171,019 | 593,072 |
| Part-time Salaries | - | - | 8,040 | 8,040 | 7,920 |
| Overtime | 4,313 | 3,023 | 5,000 | 5,000 | 5,000 |
| Group Insurance | 32,863 | 32,863 | 34,506 | 38,978 | 138,357 |
| City Portion FICA / Retirement | 9,532 | 9,684 | 11,412 | 11,412 | 37,572 |
| City Portion IMRF | 19,193 | 20,331 | 23,270 | 23,270 | 78,447 |
| City Portion MEDI | 2,229 | 2,265 | 2,669 | 2,669 | 8,787 |
| **Total Personnel Services** | 222,516 | 226,043 | **255,916** | 260,388 | **869,154** |
| Professional Services | - | - | - | - | 15,000 |
| Postage & Freight | 183 | 104 | 600 | 700 | 600 |
| Training | 811 | 1,227 | 1,150 | 1,150 | 2,250 |
| Dues & Subscriptions | 2,398 | 2,847 | 2,590 | 2,590 | 3,080 |
| Insurance & Bonding | 31,321 | 28,286 | 29,532 | 29,532 | 29,532 |
| Utilities | 70,453 | 64,148 | 61,500 | 61,500 | 65,100 |
| Examinations | 280 | - | 240 | 240 | 240 |
| Operating Equipment | 40 | 854 | 1,150 | 1,150 | 1,150 |
| Clothing Rental | 1,106 | 1,062 | 1,050 | 1,150 | 1,050 |
| Radio Equipment | - | - | 300 | 300 | 100 |
| Plant Maintenance Services | 20,238 | 152,367 | 63,395 | 53,095 | 63,200 |
| Lines & Sewers | 8,044 | 13,295 | 223,800 | 223,800 | 338,800 |
| **Total Contractual Services** | 134,874 | 264,190 | **385,307** | 375,207 | **520,102** |
| Office Supplies | 471 | 676 | 600 | 600 | 600 |
| Motor Fuel & Lub. | 14,909 | 16,654 | 13,700 | 13,700 | 13,700 |
| Computer Hardware & Software | - | 867 | 1,909 | 1,909 | 3,110 |
| Small Tools & Equipment | 3,938 | 4,680 | 12,245 | 12,245 | 46,595 |
| Automotive Supplies | 6,412 | 19,160 | 16,600 | 16,600 | 9,600 |
| Materials | 1,716 | 7,866 | 2,500 | 2,500 | 2,500 |
| Clothing | 1,059 | 1,175 | 1,120 | 1,120 | 1,520 |
| Chemicals & Sealants | - | 9,594 | - | - | - |
| Plant Maintenance Materials | 24,561 | 18,510 | 19,900 | 30,000 | 20,800 |
| **Total Materials & Supplies** | 53,066 | 79,182 | **68,574** | 78,674 | **98,425** |
| Operating Equipment | - | 10,077 | - | - | - |
| System Improvement | 141,535 | - | - | - | - |
| **Total Capital Outlay** | 141,535 | 10,077 | **-** | - | **-** |
| Total | 551,991 | 579,492 | **709,797** | 714,269 | **1,487,681** |

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# FY2014/2015
# ACCOUNT INFORMATION
# SEWERS & LIFTS DIVISION

- Organizational changes within Public Works results in personnel costs being reallocated for fiscal year 2014/2015. Among the changes is the transfer of six positions from the Water Operations division to the Sewer & Lifts division. Regular Salaries, Group Insurance, City FICA and City IMRF reflect this change for fiscal year 2014/2015.
- Additional funds have been requested in the Professional Services account for fiscal year 2014/2015. Additional funds will provide engineering assistance in determining factors that contribute to surging at Lift Station #22 and cavitation at Lift Station #16.
- Additional funds have been requested in the Training account to allow the Superintendent to attend training offered by the Illinois Public Service Institute (IPSI).
- Additional funds have been requested in the Dues and Subscriptions account for fiscal year 2014/2015 due to increasing occurrences of JULIE utility locates. The City contracts with an independent party to provide JULIE locate assistance to the City.
- Additional funds have been budgeted in the Utilities account for fiscal year 2014/2015. Additional funds will be used to purchase services from Verizon for the City's Supervisory Control and Data Acquisition (SCADA) system. SCADA allows users to remotely monitor and control lift station operations throughout the City.
- Radio Equipment Maintenance services have been reduced due to the elimination of portable radios used by the Division.
- Additional funds have been requested in the Lines & Sewers Maintenance account for fiscal year 2014/2015. Additional funds will be used to line sewers in the Country Club subdivision. This project will be completed in conjunction with water main replacement and road resurfacing in the area.
- Additional funds have been budgeted in the Computer Hardware & Software account for global positioning system (GPS) services.
- Additional funds have been requested in the Small Tools and Equipment account. Additional funds will provide for the purchase of two (2) additional flow monitors, chain cutter and cleaning nozzles used in the sewer cleaning process.
- Repairs to Vac-All unit #611 were completed during fiscal year 2013/2014. As a result, Vac-All repairs were not budgeted again in the Automotive Supplies account for fiscal year 2014/2015.
- Additional funds have been requested in the Clothing account for fiscal year 2014/2015. Additional funds will provide for the replacement of uniforms for Division personnel.
- Additional funds have been requested in the Plant Maintenance Supplies account for the replacement of auto-dial alarm systems at lift stations not yet utilizing SCADA.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# WATER & SEWER BONDED PROJECT FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# WATER & SEWER BONDED PROJECT FUND

The Water & Sewer Bonded Project Fund provides for the receipt and disbursement of General Obligation Bonds, Series 2012 and Series 2013A. Proceeds of the bonds were used to (i) finance the cost of Wastewater Treatment Plant improvements, and waterworks, sewerage, and wastewater system improvements and (ii) pay certain costs associated with the issuance of the Bonds.

# FY2014/2015
# ANNUAL BUDGET
# WATER & SEWER BONDED PROJECT FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Grant Proceeds | 100,000 | - | **-** | - | 167,250 |
| Investment Interest | 1,344 | 11,266 | - | - | **-** |
| Miscellaneous | 100 | 25 | **-** | 274,200 | - |
| **Total Revenues** | 101,444 | 11,291 | **-** | 274,200 | **167,250** |
| EXPENDITURES | | | | | |
| Professional | 748 | 92,576 | 100,000 | 309,383 | - |
| **Total Contractual Services** | 748 | 92,576 | **100,000** | 309,383 | **-** |
| Small Tools & Equipment | - | - | 32,000 | 28,120 | - |
| **Total Materials & Supplies** | - | - | **32,000** | 28,120 | **-** |
| System Improvement | 2,674,410 | 2,449,191 | 8,954,618 | 6,988,232 | 4,837,344 |
| **Total Capital Outlay** | 2,674,410 | 2,449,191 | **8,954,618** | 6,988,232 | **4,837,344** |
| **Total Expenditures** | 2,675,158 | 2,541,767 | 9,086,618 | 7,325,735 | 4,837,344 |
| Revenues in Excess of Expenditures | (2,573,714) | (2,530,476) | **(9,086,618)** | (7,051,535) | **(4,670,094)** |

# FY2014/2015
# ANNUAL BUDGET (Cont'd)
# WATER & SEWER BONDED PROJECT FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 664,113 | - | 160,000 | - | - |
| Bond Proceeds | - | 4,210,000 | 6,815,519 | 9,465,000 | - |
| Bond Premium | - | 49,472 | - | 533,400 | - |
| Transfer Out | - | - | - | (135,668) | - |
| **Total Other Sources (Uses)** | 664,113 | 4,259,472 | 6,975,519 | 9,862,732 | - |
| Change in Payables/Receivables | (615,735) | - | (235,518) | (235,518) | - |
| Change in Cash Balance | (2,525,336) | 1,728,996 | (2,346,617) | 2,575,679 | (4,670,094) |
| Beginning Cash Balance, May 1 | 2,890,756 | 365,420 | 2,094,416 | 2,094,416 | 4,670,094 |
| Ending Cash Balance, April 30 | 365,420 | 2,094,416 | (252,201) | 4,670,094 | 0 |
| Restricted for Capital Projects | (365,420) | (2,094,416) | 252,201 | (4,670,094) | (0) |
| **Available Cash, April 30** | - | - | - | - | - |

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# FY2014/2015
# ACCOUNT INFORMATION
# WATER & SEWER BONDED PROJECT FUND

- Capital expenditures budgeted for fiscal year 2014/2015 include:
  - Main Replacement – County Club subdivision
  - Main Replacement – IL Route 31 at IL Route 176
  - Main Replacement – Crystal Lake Avenue (Main Street to Erick Street)
  - Main Extension – Water Treatment Plant #4 to View Street
  - New Well #18 construction
  - Generator replacement – Water Treatment Plant #3
  - Tank rehabilitation – Water Treatment Plant #4
  - Secondary Clarifier rehabilitation – Wastewater Treatment Plant #2
  - Hydraulic improvements – Wastewater Treatment Plant #2
  - Screening improvements – Wastewater Treatment Plant #3
  - Lift Station #1 improvements (McHenry Avenue at Barlina Road)

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# WATER & SEWER DEBT SERVICE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# WATER & SEWER DEBT SERVICE FUND

The Water & Sewer Debt Service Fund provides a budgetary set of account categories for the expenditure of funds to pay obligations when they come due. The Fund further 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.

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Connection Fees | 443,654 | 869,785 | 418,180 | 490,000 | 138,734 |
| Investment Income | - | - | - | - | - |
| **Total Revenues** | 443,654 | 869,785 | **418,180** | 490,000 | **138,734** |
| EXPENDITURES | | | | | |
| Professional Services | - | 32,456 | - | - | - |
| **Total Contractual Services** | - | 32,456 | - | - | - |
| Debt Service Principal | 1,287,127 | 2,988,133 | 1,533,639 | 1,533,304 | 1,865,095 |
| Debt Service Interest | 426,291 | 431,795 | 883,815 | 427,449 | 1,102,581 |
| **Total Debt Service** | 1,713,418 | 3,419,928 | 2,417,454 | 1,960,753 | 2,967,676 |
| **Total Expenditures** | 1,713,418 | 3,452,384 | 2,417,454 | 1,960,753 | 2,967,676 |
| Revenues in Excess of Expenditures | (1,269,764) | (2,582,599) | **(1,999,274)** | (1,470,753) | **(2,828,942)** |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 1,524,879 | - | 1,229,677 | 1,597,300 | 2,372,241 |
| Bond Proceeds | - | 1,635,208 | - | - | - |
| Bond Premium | - | 72,913 | | | |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | 1,524,879 | 1,708,121 | **1,229,677** | 1,597,300 | **2,372,241** |
| Change in Payables/Receivables | - | 15,802 | - | - | - |
| Change in Cash Balance | 255,115 | (858,676) | (769,597) | 126,547 | (456,701) |
| Beginning Cash Balance, May 1 | 933,715 | 1,188,830 | 330,154 | 330,154 | 456,701 |
| Ending Cash Balance, April 30 | 1,188,830 | 330,154 | (439,443) | 456,701 | **-** |
| Restricted for Debt Service | (1,188,830) | (330,154) | 439,443 | (456,701) | - |
| **Available Cash, April 30** | - | - | - | - | - |

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# WATER & SEWER CAPITAL & EQUIPMENT REPLACEMENT FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# WATER & SEWER CAPITAL & EQUIPMENT REPLACEMENT FUND

The Water & Sewer Capital & Equipment Replacement Fund provides a budgetary set of account categories for the expenditure of funds to pay for the replacement of water and sewer infrastructure (mains, lift stations, treatment plants, etc.). Revenues are primarily available from the issuance of bonds.

# FY2014/2015
# ANNUAL BUDGET
# WATER & SEWER CAPITAL & EQUIPMENT REPLACEMENT FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Grant Proceeds | - | - | **-** | - | **-** |
| Investment Interest | - | - | - | - | **-** |
| Miscellaneous | - | - | **-** | - | **-** |
| **Total Revenues** | - | - | **-** | - | **-** |
| EXPENDITURES | | | | | |
| Professional | - | - | - | 100,000 | - |
| **Total Contractual Services** | - | - | **-** | 100,000 | **-** |
| Small Tools & Equipment | - | - | - | - | - |
| **Total Materials & Supplies** | - | - | **-** | - | **-** |
| Buildings & Facilities | - | - | - | - | 445,000 |
| Automotive Equipment | - | - | **-** | - | - |
| Operating Equipment | - | - | **-** | - | 25,000 |
| System Improvement | - | - | - | 60,000 | 3,518,000 |
| **Total Capital Outlay** | **-** | **-** | **-** | **60,000** | **3,988,000** |
| **Total Expenditures** | - | - | - | 160,000 | 3,988,000 |
| Revenues in Excess of Expenditures | - | - | **-** | (160,000) | **(3,988,000)** |

# FY2014/2015
# ACCOUNT INFORMATION (CONT'D)
# WATER & SEWER CAPITAL & EQUIPMENT REPLACEMENT FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | 160,000 | 220,000 |
| Bond Proceeds | - | - | - | - | 3,768,000 |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | - | 160,000 | 3,988,000 |
| Change in Payables/Receivables | - | - | **-** | - | **-** |
| Change in Cash Balance | - | - | - | - | - |
| Beginning Cash Balance, May 1 | - | - | - | - | - |
| Ending Cash Balance, April 30 | **-** | **-** | **-** | **-** | **-** |
| Reserved for Capital Projects | - | - | - | - | - |
| **Available Cash, April 30** | - | - | - | - | - |

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# FY2014/2015
# ACCOUNT INFORMATION
# WATER & SEWER CAPITAL & EQUIPMENT REPLACEMENT FUND

- Capital expenditures budgeted for fiscal year 2014/2015 include:
  - Secondary Clarifier rehabilitation – Wastewater Treatment Plant #2
  - Engineering and design of an additional digester at Wastewater Treatment Plant #2
  - Sand filter rail replacement – Wastewater Treatment Plant #3
  - Primary tank and skimming trough replacement – Wastewater Treatment Plant #3
  - Aerobic Digester rehabilitation – Wastewater Treatment Plant #3
  - Sludge drying bed rehabilitation – Wastewater Treatment Plant #3

City of Crystal Lake
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# WATER & SEWER

# SSA PARTICIPATION FEES FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# WATER & SEWER SSA PARTICIPATION FEES FUND

The Water & Sewer SSA Participation Fees Fund was established during Fiscal Year 2012/2013 and was funded initally from fees collected from parties that benefited from public improvements paid in part by SSA participants. The Water & Sewer Participation Fees Fund will provide for future maintenance and replacement of water and sewer infrastructure.

# FY2014/2015
# ANNUAL BUDGET
# WATER & SEWER SSA PARTICIPATION FEES FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Grant Proceeds | - | - | **-** | - | **-** |
| SSA Participation Fees | - | 2,329,774 | | | |
| Investment Interest | - | - | - | - | - |
| Miscellaneous | - | - | **-** | - | **-** |
| **Total Revenues** | - | 2,329,774 | **-** | - | **-** |
| EXPENDITURES | | | | | |
| Professional | - | - | - | - | - |
| **Total Contractual Services** | - | - | **-** | - | **-** |
| Small Tools & Equipment | - | - | - | - | - |
| **Total Materials & Supplies** | - | - | **-** | - | **-** |
| System Improvement | - | - | - | - | - |
| **Total Capital Outlay** | **-** | **-** | **-** | **-** | **-** |
| **Total Expenditures** | - | - | - | - | - |
| Revenues in Excess of Expenditures | - | 2,329,774 | **-** | - | **-** |

# FY2014/2015
# ANNUAL BUDGET (Cont'd)
# WATER & SEWER SSA PARTICIPATION FEES FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | (220,000) |
| **Total Other Sources (Uses)** | - | - | - | - | (220,000) |
| Change in Receivables/Payables | - | - | - | - | - |
| Change in Cash Balance | - | 2,329,774 | - | - | (220,000) |
| Beginning Cash Balance, May 1 | - | - | 2,329,774 | 2,329,774 | 2,329,774 |
| Ending Cash Balance, April 30 | - | 2,329,774 | 2,329,774 | 2,329,774 | 2,109,774 |
| Reserved for Capital Projects | - | - | - | - | - |
| **Available Cash, April 30** | - | 2,329,774 | **2,329,774** | 2,329,774 | **2,109,774** |

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# FIRE RESCUE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# FIRE RESCUE DEPARTMENT

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.

# FY2014/2015
# ORGANIZATIONAL CHART
# FIRE RESCUE DEPARTMENT

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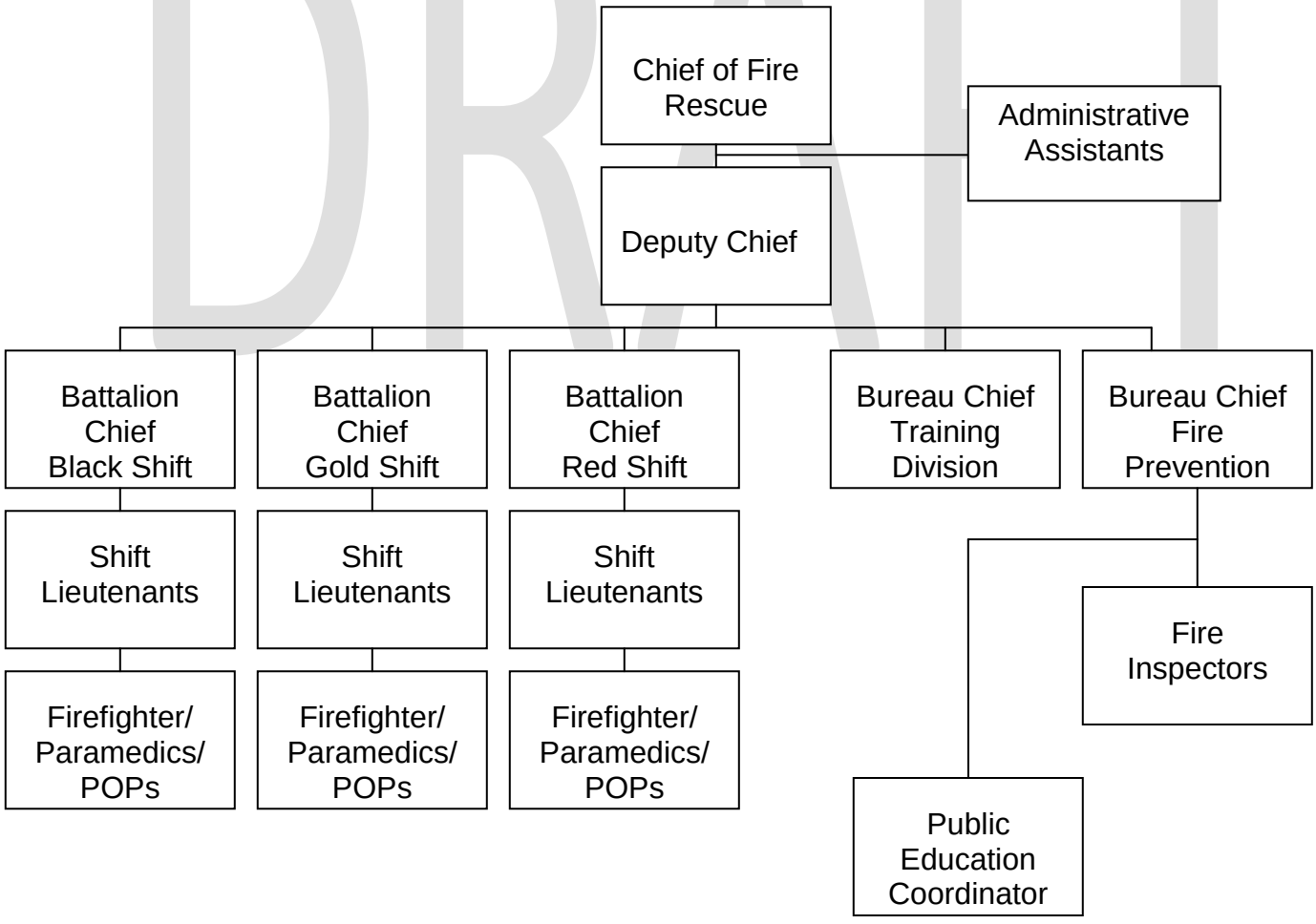

# FY2014/2015
# PERSONNEL SUMMARY
# FIRE RESCUE DEPARTMENT

| Position | Actual FY2012-2013 | Budget FY2013-2014 | Budget FY2014-2015 |
|---|---|---|---|
| Chief of Fire Rescue | 1.00 | 1.00 | 1.00 |
| Deputy Chief | 1.00 | 1.00 | 1.00 |
| Bureau Chief | 2.00 | 2.00 | 2.00 |
| Battalion Chief | 3.00 | 3.00 | 3.00 |
| Fire Lieutenant | 9.00 | 9.00 | 9.00 |
| Firefighter/Paramedic | 48.00 | 48.00 | 48.00 |
| Fire Inspector | 1.50 | 1.50 | 1.50 |
| Administrative Assistant | 1.00 | 1.75 | 1.75 |
| Public Education Coordinator | 0.00 | 0.50 | 0.50 |
| Total Staff | 67.50 | 67.75 | 67.75 |

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# FY2013/2014
# ACCOMPLISHMENTS
# FIRE RESCUE DEPARTMENT

- **Continued development of a dedicated Emergency Operations Center.**
  The construction of a dedicated Emergency Operations Center (EOC) has been completed. The EOC has proven its worth in the management of the June 2013, flooding and summer storm season.

- **Develop a comprehensive Master Address Repository (MAR)**
  The process to develop a comprehensive Master Address Repository has commenced with input from multiple City departments (IT, Fire Rescue, Planning) and our consultant Baxter and Woodman.

- **Provide for prompt, efficient, and dependable emergency response.**
  Ambulance 354 was replaced by a new style ambulance that will provide enhanced reliability during the weather extremes that our region experiences. This new style ambulance has additional cooling capacity for hot weather and four wheel drive for the winter storms.

- **Commence the Fire Service Accreditation Process**
  The Fire Rescue Department has become a registered agency with the Center for Public Safety Excellence and commenced the process of self assessment, benchmarking and obtaining organizational accreditation.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# FIRE RESCUE DEPARTMENT

- **Revise and achieve certification of a City-wide Emergency Operations Plan.**
  The process to revise and recertify the City's EOP has commenced. An Emergency Operations Plan (EOP) is an established and comprehensive disaster and emergency plan which seeks to provide measures which will be taken to preserve life and minimize damage, to respond to emergencies and provide assistance, and to establish a recovery system in order to return the community to its normal state of affairs.

  The State of Illinois requires that EOP's are updated and re-certified every two years. Our current plan was certified in 2011.

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# FY2014/2015
# OBJECTIVES
# FIRE RESCUE DEPARTMENT

- **Establish regular City-wide Emergency Management Training.**
  As described in the "Enhancing Community Life through Service Maintenance and Development" section of the City of Crystal Lake Strategic Plan, emergency management is a priority in the protection of our community.

  The interaction and coordination of all City departments during large scale events is essential to public safety. The regular training along with the use of Command Center and Emergency Operations Center concepts is necessary to build a cohesive approach to emergency management.

- **Provide for prompt, efficient and dependable emergency response.**
  Ambulance 355 is at the end of its useable service life. An essential component of emergency medical service is a reliable transport vehicle. The City works hard to maintain our ambulances. Based upon call load and wear, we keep our ambulances four years in front line response and two years in reserve and call-back response. Vehicle dependability whether front line, reserve or call-back status is essential to the safety and well-being of our patients.

  Engine 340 is at the end of its useable service life with 15 years of emergency service. Along with the age and hours of service, Engine 340 has seen a decrease in dependability. With the replacement of Engine 340 we will be able to extend the service life of Engine 343 which will be a significant cost savings to the City.

  Boat 399 is 20 years old and is moored at Three Oaks Recreation Area. This boat provides for a rapid response to a water rescue incident on the South Lake. This boat is not designed for water rescue and a replacement boat would provide for an improved rescue response.

# FY2014/2015
# OBJECTIVES (Cont'd)
# FIRE RESCUE DEPARTMENT

- **Provide for enhanced customer service in the areas of fire prevention, addressing and emergency management**
  Continued support of the Crystal Lake Wireless Alarm Network (CLWAN) is needed to maintain the City's investment in providing a reliable alarm monitoring system which protects the many businesses in Crystal Lake through subscriber transceivers at the customer location and the head end equipment at the City's regional dispatch center.

  Car 332 is a reassigned police cruiser that is used by the Department's Fire Inspector. The vehicle is not designed to operate off the road. As the Fire Inspector performs inspections at construction sites, a simple SUV with all- wheel drive would be a suitable replacement and would offer another vehicle in the Fire Rescue fleet that would perform well in winter conditions.

- **Continue to work towards gaining National Incident Management System (NIMS) compliance.**
  Continue to provide training to our personnel in order to meet the requirements established by Homeland Security Presidential Directives (HSPD) 5 & 8 for emergency preparedness.

  Provide federally required NIMS training to our elected officials.

- **Improve lifespan of Fire Rescue facilities**
  The current Self-Contained Breathing Apparatus (SCBA) compressor is 15 years old and has experienced an increase in the amount of service calls the last several years. Parts for the compressor are becoming more difficult to obtain. A replacement compressor is needed to maintain quality breathing air for our firefighters and dive rescue members to breathe when exposed to abnormal atmospheres.

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# FY2014/2015
# ANNUAL BUDGET
# FIRE RESCUE FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Taxes | 5,423,158 | 5,417,573 | 5,692,981 | 5,692,981 | 6,187,211 |
| Alarm Fees | 345,310 | 347,289 | 348,000 | 348,000 | 348,000 |
| Ambulance Service Fees | 916,429 | 1,076,017 | 890,000 | 890,000 | 915,900 |
| ambulance fee increase | - | - | - | - | 50,000 |
| Service Contracts | 1,618,659 | 1,477,090 | 1,432,776 | 1,432,776 | 1,275,400 |
| Investment Interest | 3,053 | 4,147 | 1,500 | 1,500 | 1,500 |
| Grants | 17,749 | 28,484 | 12,000 | 12,000 | 12,000 |
| Miscellaneous | 444,854 | 47,394 | 17,000 | 36,000 | 30,000 |
| **Total Revenues** | 8,769,212 | 8,397,994 | **8,394,257** | 8,413,257 | **8,820,011** |
| EXPENDITURES | | | | | |
| Personnel Services | 6,821,758 | 6,927,611 | 7,321,626 | 7,289,016 | 7,506,363 |
| Contractual Services | 1,791,564 | 1,100,297 | 884,034 | 801,942 | 946,524 |
| Materials & Supplies | 279,843 | 304,008 | 318,955 | 278,082 | 304,256 |
| Capital Outlay | 1,008,888 | 1,359,938 | 337,780 | 311,280 | 563,718 |
| **Total Expenditures** | 9,902,053 | 9,691,854 | **8,862,395** | 8,680,320 | **9,320,861** |
| Revenues in Excess of Expenditures | (1,132,841) | (1,293,860) | (468,138) | (267,063) | (500,850) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 550,000 | 46,368 | - | - | - |
| Bond Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | 550,000 | 46,368 | **-** | - | **-** |
| Change in Fund Balance | (582,841) | (1,247,492) | (468,138) | (267,063) | (500,850) |
| Beginning Balance, May 1 | 3,407,162 | 2,824,321 | 1,576,829 | 1,576,829 | 1,309,766 |
| Ending Balance, April 30 | 2,824,321 | 1,576,829 | 1,108,691 | 1,309,766 | 808,916 |
| Nonspendable | (146,489) | (79,404) | (79,404) | (79,404) | (79,404) |
| Assigned for Engine Replacement | - | - | - | - | (250,000) |
| **Assigned for Fire Rescue** | 2,677,832 | 1,497,425 | **1,029,287** | 1,230,362 | **479,512** |

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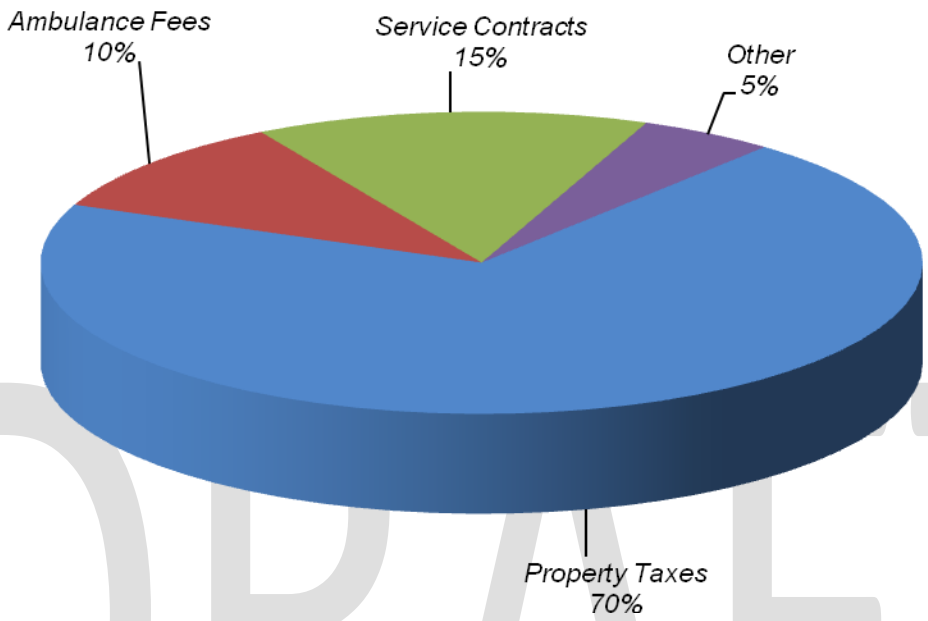
## Fire Rescue Revenues by Source

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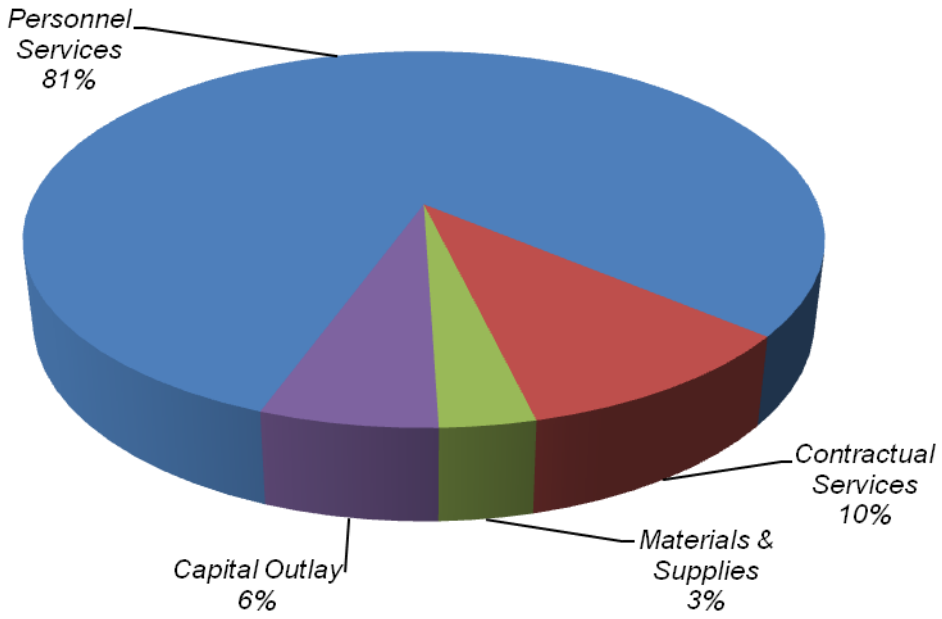
## Fire Rescue Fund Expenditures by Type



# FY2014/2015
# ANNUAL BUDGET
# FIRE RESCUE DEPARTMENT

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Regular Salaries | 5,402,968 | 5,518,552 | 5,871,819 | 5,871,819 | 6,067,868 |
| Part-Time Wages | 117,527 | 90,812 | 102,883 | 95,354 | 105,455 |
| Overtime | 288,943 | 305,927 | 283,066 | 284,784 | 285,000 |
| Group Insurance | 1,012,320 | 1,012,320 | 1,063,858 | 1,037,059 | 1,048,040 |
| **Total Personnel Services** | 6,821,758 | 6,927,611 | **7,321,626** | 7,289,016 | **7,506,363** |
| Professional Services | 939,157 | 275,943 | 10,300 | 10,300 | 86,000 |
| Annual Audit | 3,516 | 4,500 | 4,500 | 4,500 | 4,500 |
| Publishing | 1,210 | 1,146 | 2,250 | 2,000 | 1,750 |
| Postage & Freight | 1,327 | 1,142 | 1,800 | 1,700 | 1,800 |
| Training | 53,445 | 52,428 | 49,530 | 54,405 | 49,530 |
| Dues & Subscriptions | 2,990 | 3,716 | 3,210 | 3,560 | 3,810 |
| Insurance & Bonding | 499,222 | 502,514 | 509,512 | 444,679 | 509,512 |
| Utilities | 44,192 | 44,810 | 59,173 | 59,173 | 59,173 |
| Buildings & Offices | 48,365 | 46,999 | 44,994 | 44,994 | 44,994 |
| Examinations | 16,536 | 16,601 | 22,080 | 22,080 | 22,080 |
| Operating Equipment | 25,846 | 33,437 | 29,200 | 29,151 | 34,200 |
| Office Equipment | 2,331 | 2,035 | 2,500 | 2,500 | 2,500 |
| Radio Equipment | 153,427 | 115,026 | 144,735 | 122,650 | 126,425 |
| Rent - Buildings & Equip | - | - | 250 | 250 | 250 |
| **Total Contractual Services** | 1,791,564 | 1,100,297 | **884,034** | 801,942 | **946,524** |
| Office Supplies | 8,464 | 7,119 | 9,400 | 8,900 | 9,400 |
| Cleaning Supplies | 6,220 | 3,075 | 7,385 | 6,765 | 6,215 |
| Motor Fuel & Lubricant | 70,605 | 90,061 | 84,200 | 84,200 | 91,000 |
| Computer Equipment | 16,904 | 24,381 | 54,730 | 55,330 | 30,480 |
| Small Tools & Equip | 72,416 | 85,124 | 68,195 | 70,754 | 67,191 |
| Auto Supplies | 64,019 | 49,796 | 56,075 | 55,525 | 61,000 |
| Clothing | 41,215 | 44,452 | 38,970 | 40,608 | 38,970 |
| **Total Materials & Supplies** | 279,843 | 304,008 | **318,955** | 322,082 | **304,256** |

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# FY2014/2015
# ANNUAL BUDGET
# FIRE RESCUE DEPARTMENT (Cont'd)

| EXPENDITURES | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Buildings | 62,523 | 1,142,158 | 121,500 | 51,000 | - |
| Automotive Equipment | 868,238 | 217,780 | 181,280 | 181,280 | 498,718 |
| Operating Equipment | 78,127 | - | - | - | - |
| Departmental Equipment | - | - | 35,000 | 35,000 | 65,000 |
| **Total Capital Outlay** | 1,008,888 | 1,359,938 | **337,780** | 267,280 | **563,718** |
| Total | 9,902,053 | 9,691,854 | **8,862,395** | 8,680,320 | **9,320,861** |

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# FY2014/2015
# ACCOUNT INFORMATION
# FIRE RESCUE DEPARTMENT

- A decrease in group health insurance is attributable to plan changes implemented during fiscal year 2013/2014. Due to favorable claims experience, an anticipated increase of 3.7% in fiscal year 2014/2015 will be mitigated by reserves that have been established with IPBC.
- Additional funds have been requested in the Professional Services account for fiscal year 2014/2015. Additional funds will provide for services related to collective bargaining and other legal matters not budgeted in the General Fund. Also reflected in the Professional Services account for fiscal year 2014/2015 is an allocation of SEECOM dispatch services from the General Fund. The reallocation of costs best matches expenses with calls for service.
- A decrease in the Publishing account for fiscal year 2014/2015 best reflects services needed.
- Additional funds have been requested in the Dues and Subscriptions account for fiscal year 2014/2015. Additional funds will allow the Department to subscribe to an emergency management network for sending and receiving alerts.
- Additional funds have been requested in the Operating Equipment Maintenance account for fiscal year 2014/2015. Additional funds will provide for the hydro-testing of self-contained breathing apparatus (SCBA) and scuba equipment. The hydro-testing program is a multi-year program that will span fiscal 2014/2015 and 2015/2016.
- A decrease in the Radio Equipment Maintenance account for fiscal year 2014/2015 best reflects costs associated with the City's wireless alarm network.
- A decrease in the Cleaning Supplies account for fiscal year 2014/2015 is attributable to inventories on-hand for pandemic flu preparedness.

# FY2014/2015
# ACCOUNT INFORMATION (Cont'd)
# FIRE RESCUE DEPARTMENT

- An increase in the Motor Fuel and Lubricants account for fiscal year 2014/2015 is in anticipation of rising fuel costs.
- Several mobile data computers and tablets were replaced in fiscal year 2013/2014. As a result, computer replacements were not budgeted in the Computer Hardware & Software account again in fiscal year 2014/2015.
- An increase in the Automotive Parts account for fiscal year 2014/2015 is in anticipation of replacement parts needed.
- Funds requested in fiscal year 2014/2015 for capital and equipment replacement purposes include the replacement of vehicle #322, the replacement of ambulance #352, the replacement of boat #399 and the replacement of the SCBA compressor. Also budgeted for fiscal year 2014/2015 is the replacement of pumper #340. The cost to replace pumper #340 shall be allocated to fiscal 2014/2015 and 2015/2016.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# LIBRARY FUNDS

# FY2014/2015
# STATEMENT OF ACTIVITIES
# CRYSTAL LAKE PUBLIC LIBRARY

**"Helping people, of all ages and backgrounds, learn, enjoy and better their lives"** is the Mission Statement for the Crystal Lake Public Library.

The Library is open to the public 7 days, 68 hours per week (Sept-May), and during the summer months 6 days, 64 hours per week.

The Library has selected six Strategic Directions to meet its Mission:

### Connect to the Online World – Public Internet Access

Residents will have high-speed access to the digital world with no unnecessary restriction or fees to ensure that everyone can take advantage of the ever-growing resources and services available through the Internet.

### Create Young Readers – Early Literacy

Children from birth to age five will have programs and services designed to ensure that they will enter school ready to learn to read, write, and listen.

### Satisfy Curiosity – Lifelong Learning

Residents will have the resources they need to explore topics of personal interest and continue to learn throughout their lives.

### Stimulate Imagination – Reading, Viewing, and Listening for Pleasure

Residents will have materials and programs that excite their imaginations and provide pleasurable reading, viewing, and listening experiences.

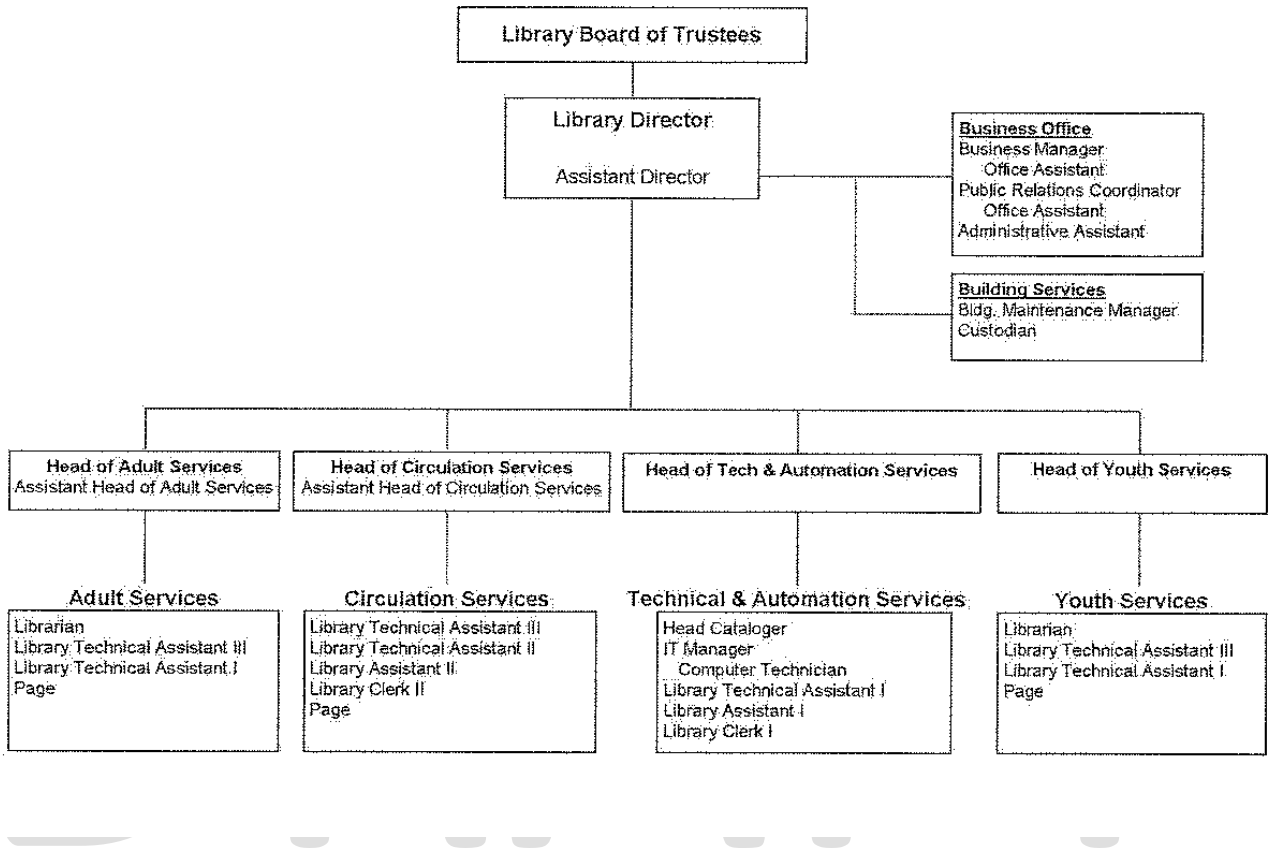
### Understand How to Find, Evaluate and Use Information – Information Fluency

Residents will know when they need information to resolve an issue or answer questions and will have the skills to search for, locate, evaluate, and effectively use information to meet their needs.

### Visit a Comfortable Place – Physical and Virtual Spaces

Residents will have safe and welcoming physical places to meet and interact with others or to sit quietly and read and will have open and accessible virtual spaces that support networking.

# FY2014/2015
# ORGANIZATIONAL CHART
# CRYSTAL LAKE PUBLIC LIBRARY




# FY2013/2014
# ACCOMPLISHMENTS
# CRYSTAL LAKE PUBLIC LIBRARY

**Goal: Customer Service – Identify and deliver, quickly, consistently and in a courteous and helpful manner, the materials, information, and assistance our customers need.**

**Status:** The Crystal Lake Public Library has a reputation for consistently giving outstanding customer service and this continues to be our top priority. In FY 11/12, when our operating budget was reduced to 2007 levels, we engaged in an exercise of identifying all services being provided, evaluating each service relative to the six Strategic Directions, and agreeing on 31 CORE Services upon which we would focus our energies. The operating budget has remained stagnant for several years, so this focus has continued. The CORE services and their relationship to the Strategic Directions are articulated in the following chart.

| CLPL | Strategic Directions: CORE SERVICES | #1 Connect to the Online World | #2 Create Young Readers | #3 Lifelong Learning: Satisfy Curiosity | #4 Reading, Viewing, & Listening for Pleasure: Stimulate Imagination | #5 Understand How to Find, Evaluate, & Use Information | #6 Visit a Comfortable Place |
|---|---|---|---|---|---|---|---|
| 1 | Provide, develop, & maintain a collection for check out & in-house use | | X | X | X | X | X |
| 2 | Participate in CCS membership to extend scope of local collection | | X | X | X | X | |
| 3 | Provide access to information | X | X | X | X | X | X |
| 4 | Databases - in house & remote | X | X | X | X | X | X |
| 5 | Open to the public Monday-Sunday, 68 hours/week | X | X | X | X | X | X |
| 6 | Provide & maintain website; 24/7 access | X | X | X | X | X | X |
| 7 | Renewals in-person, on-line, by phone | | X | X | X | X | X |
| 8 | Holds on items | | X | X | X | X | X |
| 9 | Pay with credit cards; in-house & on-line | | X | X | X | X | X |
| 10 | Answer phones | | X | X | X | X | X |
| 11 | Notices: Overdue, Hold | | X | X | X | X | X |
| 12 | Bookdrops 365 days/yr | | X | X | X | X | X |
| 13 | Check materials out: Circ Desk & Self-checks | | X | X | X | X | X |
| 14 | Answer Reference questions in person, by phone, by email & by IM | | X | X | X | X | X |
| 15 | Reader's advisory services | | X | X | X | X | X |
| 16 | Computers & printers for public use | X | X | X | X | X | X |
| 17 | Assist patrons with computer use | X | X | X | X | X | X |
| 18 | Reservation system for public computer use | X | X | X | X | X | X |
| 19 | Copy machine for public use | | X | X | X | X | X |
| 20 | Create pathfinders | | X | X | X | X | |
| 21 | Provide WiFi service | X | X | X | X | X | X |
| 22 | Conduct school visits & other tours | | X | X | X | X | X |
| 23 | Summer & Winter reading programs | | X | X | X | | X |
| 24 | Assist patrons in use of the Library & its resources | X | X | X | X | X | X |
| 25 | Class tours with storytime or catalog instruction | | X | X | X | X | X |
| 26 | Maintain an Early Literacy learning area (lower level Beacon) | | X | X | X | | X |
| 27 | High-speed Internet Access | X | X | X | X | X | X |
| 28 | Information/educational programs supporting Strategic Directions | X | X | X | X | X | X |
| 29 | Story & outreach programs promoting early literacy | | X | X | X | | X |
| 30 | Literacy theme packets | | X | X | X | | |
| 31 | Display new materials in a prominent location (cases/endcaps/shelves) | | X | X | X | | X |

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# CRYSTAL LAKE PUBLIC LIBRARY

**Goal: Collections – Promote intellectual curiosity and preserve intellectual freedom by providing a balanced collection, in a variety of formats, to meet the diverse needs of customers.**

**Status:** Each of the last five years, CLPL has circulated over 1 million items. Meeting, much less exceeding, the demand from our citizens for materials to check out from its Public Library is a challenging area because the Crystal Lake Public Library does not have a facility that can adequately house a collection large enough to satisfy the service demands of its community. In an effort to expand the breadth of access to materials, in 2002 CLPL joined the Cooperative Computer Services (CCS), a consortium of 24 public libraries, and immediately became one of the leading net borrowers. Each year our borrowing from others increased, reaching 92,030 just before the instability of state funding caused the collapse of the North Suburban Library System and changes to its inter-library delivery system. This resulted in changes in the cooperative borrowing agreements within CCS that have limited our ability to borrow from others. The result of this is that our patrons have to wait longer to get materials and have fewer options from which to choose. Due to space limitations, the Library is very close to withdrawing one item for each one added to the collection, further restricting the breadth and depth of our collection, and negatively impacts the Library's ability to provide the level of customer service that is the Crystal Lake standard.

**Goal: Programs – Promote intellectual curiosity and preserve intellectual freedom by providing programs and displays that promote lifelong learning, entertain, draw interest to the Library, and/or contribute to the culture of the community.**

**Status:** The Library is in the lifelong learning business and continues to provide a wide variety of programs for all ages: computer classes, Storytimes, Job Club, educational programs, book discussions, and films. During Project Shoehorn in 2007, the Library created a 12 seat computer lab with a moveable partition that can be closed to create our computer classroom. The demand for computer instruction is great, classes exceed capacity, resulting in waiting lists that often cannot be satisfied. Additionally, when the computer lab is being used for a computer class, the number of public access computer is cut in half, compromising that aspect of Library services as well.

The Library is one place in our community that many citizens visit on a regular basis so it is often used as a means of educating our residents and communicating current, local information. The Library has a small amount of display space and we often cooperate with other local groups to accomplish the goal stated above. Logically, the public library is also a wonderful place to provide information to the public on government information, such as proposed City or County Transportation plans, and we cooperate as much as we can with the limited available space for this purpose.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# CRYSTAL LAKE PUBLIC LIBRARY

**Goal: Facility and Technology – Provide a setting that is welcoming, well-maintained, safety conscious, accessible, and technologically up-to-date.**

**Status**: The Library Board's Facilities Committee and Library Staff continue to struggle with the current facility to make it welcoming, and to keep it well maintained, and safe. Accessibility in terms of the amount of parking and the stairs at the entry from the parking lot are ongoing challenges. Computer equipment is on a 4-year replacement cycle and annual funding for this is a priority. The Library building's age and inadequacies, in so many areas, continue to be our biggest challenge and one that consumes a great deal of time and energy to continuously seek creative work arounds. Finding a long-term solution to the Library's facility needs continues to be the top priority project.

**Goal: Staff – Provide staff with a safe work environment, opportunities for challenge and growth, a fair wage, and continuous education on Library's policies, procedures and performance expectations.**

**Status**: The Library Staff is our primary resource for providing on-going, excellent customer service. Meeting the "fair wage" goal has been an area of challenge as recent comparative studies have shown CLPL to be below the trend in many areas of our pay structure. After another wage comparison study by Management Association of IL, the Board adopted new Classifications and Pay Ranges; appropriate changes were implemented in October 2013. As a key part of the educational fabric of our Community, it is critical that the Library Staff is up-to-date on current thinking and technological trends; training remains a high priority.

**Goal: Community Outreach – Work cooperatively with other libraries, government agencies, schools, businesses, group of different ages and backgrounds, community groups, and other organizations to enhance access to Library resources.**

**Status**: The Crystal Lake Public Library has many cooperative arrangements. We continue to visit preschools and daycare centers in order to reach children from birth to age five with programs and services designed to ensure that they will enter school ready to learn to read, write, and listen. The Library provides Homebound Delivery service through our Volunteer Program. Another growing outreach service is our visits to nursing homes and elder care facilities: Bickford, Autumn Leaves, the Fountains, the Springs, Fair Oaks, Sunrise Assisted Living, and Crystal Pines.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# CRYSTAL LAKE PUBLIC LIBRARY

**Goal: Marketing – Educate the total Crystal Lake community (City and unincorporated) about the helpful and diverse materials and services available through the Crystal Lake Public Library.**

**Status:** The Library actively communicates with its public via a newsletter mailed to all households six times per year and via electronic newsletters during alternate months. During this last year two more electronic newsletters were added: Coming Soon for the Adults and Kids Beacon.net for parents, grandparents, and caregivers. Library services are marketed at community events such as EXPO, July 4th parade, and the Johnny Appleseed Festival. Information packets are developed for targeted groups such as the annual presentation to all D47 Principals to encourage classes to visit the Library for a field trip. Throughout 2013, the Library celebrated its 100 Year Anniversary of service to the Crystal Lake Community with a variety of on-going and special events.

**Goal: Finance – Maintain adequate funding for the Crystal Lake Public Library facilities, staff, collections, programs, and services.**

**Status:** Funding is very tight. By identifying CORE services, the Library Board and Staff have chosen to focus available funds on the most important areas. Staff works diligently to find the least expensive way to obtain the optimum quality products and services.

**Goal: Governance – Maintain a board of directors that has a broad understanding of the role of the public library, the role of the board, and the commitment required to be effective in that role.**

**Status:** The CLP Library Board is a good mix of dedicated people. During this last year the Board continued to focus on finding a long term solution to the Library's facility needs.

# FY2014/2015
# OBJECTIVES
# CRYSTAL LAKE PUBLIC LIBRARY

- Continue to focus on our six Strategic Directions, provide CORE public library services through excellent customer service, 68-hour, 7-day in-person services, and 24/7 web services.
- Provide access to a wide variety of materials through the Library's physical and virtual collections.
- Use every appropriate opportunity to communicate the enduring value of the Library to the Crystal Lake community.
- Work towards a long-term solution to resolve library facility inadequacies.

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY OPERATING FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Tax | 3,680,466 | 3,676,931 | 3,741,330 | 3,741,339 | 3,928,397 |
| Grants | 3,597 | 399 | 2,000 | 2,000 | 2,000 |
| Library Fees | 45,698 | 45,386 | 45,700 | 45,000 | 43,200 |
| Copy Fees | 9,245 | 9,513 | 10,000 | 8,900 | 8,900 |
| Meeting Room Fees | 305 | 245 | - | - | - |
| Library Fines | 74,739 | 73,981 | 74,740 | 72,000 | 70,000 |
| Investment Income | 3,617 | 18,464 | 2,000 | 2,500 | 2,500 |
| Used Book Sale | 1,539 | 1,218 | - | - | - |
| Miscellaneous | 20,389 | 2,365 | 2,000 | 2,000 | 2,000 |
| **Total Revenues** | 3,839,595 | 3,828,503 | **3,877,770** | 3,873,739 | **4,056,997** |
| EXPENDITURES (Cont'd) | | | | | |
| Regular Salaries | 2,033,680 | 2,034,960 | 2,240,375 | 2,240,375 | 2,324,457 |
| Group Insurance | 283,819 | 272,017 | 431,260 | 431,260 | 590,182 |
| **Total Personnel Services** | 2,317,499 | 2,306,977 | **2,671,635** | 2,671,635 | **2,914,639** |
| Legal/Professional Services | 46,571 | 18,051 | 37,302 | 36,613 | 32,502 |
| Community Relations | 3,569 | 4,951 | 4,642 | 5,011 | 5,011 |
| Publishing | 1,035 | 3,446 | 5,990 | 5,990 | 5,000 |
| Postage & Freight | 29,875 | 27,631 | 31,000 | 29,500 | 29,500 |
| Continuing Education | 17,074 | 6,048 | 20,600 | 19,000 | 19,000 |
| Dues & Subscriptions | 5,937 | 6,226 | 6,400 | 6,400 | 6,720 |
| Insurance & Bonding | 27,558 | 28,891 | 32,292 | 31,088 | 32,228 |
| Utilities | 43,370 | 39,079 | 54,680 | 48,360 | 48,360 |
| Buildings & Offices Maintenance | 93,067 | 95,594 | 146,807 | 143,769 | 147,803 |
| Operating Equipment Maintenance | 120,111 | 126,310 | 96,570 | 99,660 | 100,000 |
| Rental - Buildings & Equipment | 16,396 | 16,944 | 22,500 | 21,120 | 16,980 |
| Stationary & Printing | 26,768 | 24,354 | 31,000 | 30,250 | 30,250 |
| Contingency | - | - | 12,102 | 53,430 | 4,654 |
| **Total Contractual Services** | 431,330 | 397,523 | **501,885** | 530,191 | **478,008** |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY OPERATING FUND (Cont'd)

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| Office & Library Supplies | 31,073 | 29,965 | 35,000 | 33,000 | 35,000 |
| Cleaning & Building Supplies | 9,079 | 7,385 | 9,000 | 8,500 | 8,000 |
| Landscape Materials | - | - | 500 | 300 | 100 |
| Small Tools & Equipment | 25,489 | 4,592 | 2,400 | 7,280 | 800 |
| Library Materials | | | | | |
| Books | 221,391 | 217,281 | 231,000 | 244,850 | 244,850 |
| AV Materials | 114,322 | 117,543 | 123,400 | 121,700 | 121,700 |
| Electronic Resources | 121,746 | 95,235 | 139,150 | 129,000 | 129,500 |
| Periodicals | 15,857 | 16,484 | 18,500 | 17,950 | 17,950 |
| Standing Orders | 19,542 | 19,766 | 24,600 | 23,150 | 22,650 |
| Programs | 23,676 | 15,582 | 26,800 | 26,800 | 26,800 |
| **Total Materials & Supplies** | 582,174 | 523,833 | **610,350** | 612,530 | **607,350** |
| Buildings | | | | | |
| Operating Equipment | 13,720 | 8,524 | 93,900 | 59,383 | 57,000 |
| Departmental Equipment | - | - | - | - | - |
| **Total Capital Outlay** | 13,720 | 8,524 | **93,900** | 59,383 | **57,000** |
| Debt Service - Principal | - | - | - | - | - |
| Debt Service - Interest | - | - | - | - | - |
| Total Debt Service | - | - | - | - | - |
| **Total Expenditures** | 3,344,724 | 3,236,856 | **3,877,770** | 3,873,739 | **4,056,997** |
| Revenues in Excess of Expenditures | 494,871 | 591,647 | - | - | - |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 89 | - | - | - | - |
| Loan Proceeds | - | - | - | - | - |
| Transfer Out | (714,734) | (507,474) | - | (575,401) | - |
| **Total Other Sources (Uses)** | (714,645) | (507,474) | **-** | (575,401) | **-** |
| Change in Fund Balance | (219,774) | 84,173 | - | (575,401) | - |
| Beginning Balance, May 1 | 2,898,832 | 2,679,058 | 2,763,231 | 2,763,231 | 2,187,830 |
| Ending Balance, April 30 | 2,679,058 | 2,763,231 | 2,763,231 | 2,187,830 | 2,187,830 |
| Nonspendable | - | - | - | - | - |
| **Unassigned Balance, April 30** | 2,679,058 | 2,763,231 | **2,763,231** | 2,187,830 | **2,187,830** |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY CONSTRUCTION & REPAIR FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Rental Income | 17,940 | 17,940 | 17,940 | 17,940 | 17,940 |
| Investment Income | 965 | 835 | - | - | - |
| Capital Facility Fees | 3,487 | 15,751 | 6,000 | 15,000 | 15,000 |
| Miscellaneous | - | - | - | - | - |
| **Total Revenues** | 22,392 | 34,526 | **23,940** | 32,940 | **32,940** |
| EXPENDITURES | | | | | |
| Property Taxes | 7,222 | 7,421 | 7,500 | 7,762 | 7,800 |
| Professional Services | - | - | - | - | - |
| Buildings & Offices Maintenance | 3,673 | 5,497 | 10,440 | 10,178 | 10,140 |
| Contingency | - | - | 6,000 | 15,000 | 15,000 |
| **Total Contractual Services** | 10,895 | 12,919 | **23,940** | 32,940 | **32,940** |
| **Total Expenditures** | 10,895 | 12,919 | **23,940** | 32,940 | **32,940** |
| Revenues in Excess of Expenditures | 11,497 | 21,607 | - | - | - |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Loan Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | **-** | - | **-** |
| Change in Fund Balance | 11,497 | 21,607 | - | - | - |
| Beginning Balance, May 1 | 126,928 | 138,425 | 160,032 | 160,032 | 160,032 |
| Ending Balance, April 30 | 138,425 | 160,032 | 160,032 | 160,032 | 160,032 |
| Nonspendable | - | - | - | - | - |
| **Assigned Balance, April 30** | 138,425 | 160,032 | **160,032** | 160,032 | **160,032** |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY AMES TRUST FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Donations | - | - | - | - | - |
| Investment Income | 1,020 | 3,563 | - | - | - |
| Miscellaneous | - | - | - | - | - |
| **Total Revenues** | 1,020 | 3,563 | **-** | - | **-** |
| EXPENDITURES | | | | | |
| Postage & Freight | - | - | - | - | - |
| Contingency | - | - | - | - | - |
| **Total Contractual Services** | - | - | **-** | - | **-** |
| Office & Library Supplies | - | - | - | - | - |
| Cleaning Supplies | - | - | - | - | - |
| Landscape Materials | - | - | - | - | - |
| Small Tools & Equipment | - | - | - | - | - |
| Library Materials | | | | | |
| AV Materials | - | - | - | - | - |
| Electronic Resources | - | - | 5,000 | 5,000 | 3,500 |
| **Total Materials & Supplies** | - | - | **5,000** | 5,000 | **3,500** |
| **Total Expenditures** | - | - | **5,000** | 5,000 | **3,500** |
| Revenues in Excess of Expenditures | 1,020 | 3,563 | (5,000) | (5,000) | (3,500) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Loan Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | **-** | - | **-** |
| Change in Fund Balance | 1,020 | 3,563 | (5,000) | (5,000) | (3,500) |
| Beginning Balance, May 1 | 366,706 | 367,726 | 371,289 | 371,289 | 366,289 |
| Ending Balance, April 30 | 367,726 | 371,289 | 366,289 | 366,289 | 362,789 |
| Nonspendable | - | - | - | - | - |
| **Assigned Balance, April 30** | 367,726 | 371,289 | **366,289** | 366,289 | **362,789** |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY GIFT & MEMORIAL FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Donations | 52,425 | 62,706 | 14,750 | 18,905 | 18,905 |
| Investment Income | - | 1 | - | - | - |
| **Total Revenues** | 52,425 | 62,707 | **14,750** | 18,905 | **18,905** |
| EXPENDITURES | | | | | |
| Legal/Professional Services | 4,048 | - | - | - | - |
| Community Relations | 466 | 88 | 300 | 300 | 300 |
| Postage & Freight | 44 | 18 | 50 | 242 | 100 |
| Publishing | - | 50 | - | 2,447 | - |
| Buildings & Offices Maint | 31,940 | - | 200 | - | - |
| Contingency | - | - | - | 33,059 | 8,115 |
| **Total Contractual Services** | 36,498 | 155 | **550** | 36,048 | **8,515** |
| Landscape Materials | 24 | 53 | 200 | 397 | - |
| Small Tools & Equipment | 1,692 | - | - | 1,665 | - |
| Library Materials | | | | | |
| Books | 5,208 | 2,744 | 4,200 | 3,500 | 3,500 |
| AV Materials | 671 | - | - | - | - |
| Programming | 6,419 | 5,418 | 27,910 | 27,026 | 5,000 |
| Crystal Lake Foundation Events | 1,557 | 1,748 | 1,750 | 1,147 | 1,750 |
| Assisted Family Card | 325 | - | - | 1,000 | - |
| Stationery & Printing | 20 | 1,113 | 50 | 140 | 140 |
| **Total Materials & Supplies** | 15,916 | 11,075 | **34,110** | 34,875 | **10,390** |
| Operating Equipment | 100 | | - | 6,885 | - |
| Total Capital Outlay | 100 | - | - | 6,885 | - |
| **Total Expenditures** | 52,514 | 11,230 | **34,660** | 77,808 | **18,905** |
| Revenues in Excess of Expenditures | (89) | 51,477 | (19,910) | (58,903) | - |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | | - | - | |
| Loan Proceeds | - | | - | - | |
| Transfer Out | - | | - | - | |
| **Total Other Sources (Uses)** | - | - | **-** | - | **-** |
| Change in Fund Balance | (89) | 51,477 | (19,910) | (58,903) | - |
| Beginning Balance, May 1 | 8,092 | 8,003 | 59,480 | 59,480 | 577 |
| Ending Balance, April 30 | 8,003 | 59,480 | 39,570 | 577 | 577 |
| Nonspendable | - | - | - | - | - |
| **Assigned Balance, April 30** | 8,003 | 59,480 | **39,570** | 577 | **577** |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY WORKING CASH FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Investment Income | 34 | 9 | - | - | - |
| Miscellaneous Income | - | - | - | - | - |
| **Total Revenues** | 34 | 9 | **-** | - | **-** |
| EXPENDITURES | | | | | |
| Legal/Professional Services | - | - | - | - | - |
| **Total Contractual Services** | - | - | **-** | - | **-** |
| **Total Expenditures** | - | - | **-** | - | **-** |
| Revenues in Excess of Expenditures | 34 | 9 | - | - | - |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Loan Proceeds | - | - | - | - | - |
| Transfer Out | (89) | - | - | - | - |
| **Total Other Sources (Uses)** | (89) | - | **-** | - | **-** |
| Change in Fund Balance | (55) | 9 | - | - | - |
| Beginning Balance, May 1 | 50,089 | 50,034 | 50,043 | 50,043 | 50,043 |
| Ending Balance, April 30 | 50,034 | 50,043 | 50,043 | 50,043 | 50,043 |
| Nonspendable | - | - | - | - | - |
| **Restricted Balance, April 30** | 50,034 | 50,043 | **50,043** | 50,043 | **50,043** |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY PER CAPITA FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Grants | 40,716 | 41,782 | 83,744 | 83,740 | 83,740 |
| **Total Revenues** | 40,716 | 41,782 | **83,744** | 83,740 | **83,740** |
| EXPENDITURES | | | | | |
| Legal/Professional Services | 7,262 | - | - | - | - |
| Postage & Freight | - | - | - | - | - |
| Continuing Education | 7,789 | 8,664 | 15,400 | 15,400 | 15,400 |
| **Total Contractual Services** | 15,051 | 8,664 | **15,400** | 15,400 | **15,400** |
| Stationery & Printing | 1,500 | 2,989 | 3,000 | 3,000 | 3,000 |
| **Total Materials & Supplies** | 1,500 | 2,989 | **3,000** | 3,000 | **3,000** |
| Operating Equipment | 24,165 | 30,129 | 65,344 | 65,340 | 65,340 |
| **Total Capital Outlay** | 24,165 | 30,129 | **65,344** | 65,340 | **65,340** |
| **Total Expenditures** | 40,716 | 41,782 | **83,744** | 83,740 | **83,740** |
| Revenues in Excess of Expenditures | - | - | - | - | - |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Loan Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | **-** | - | **-** |
| Change in Fund Balance | - | - | - | - | - |
| Beginning Balance, May 1 | - | - | - | - | - |
| Ending Balance, April 30 | - | - | **-** | - | **-** |
| Nonspendable | - | - | - | - | - |
| **Restricted for Capital Projects** | - | - | - | - | - |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY SPECIAL RESERVE FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Investment Income | 1,426 | 3,369 | - | - | - |
| **Total Revenues** | 1,426 | 3,369 | **-** | - | **-** |
| EXPENDITURES | | | | | |
| Contingency | - | - | 500,000 | 749,367 | 749,367 |
| Building & Offices Maintenance | | | | - | - |
| Operating Equipment | - | 21,725 | - | - | - |
| Lega/Professional Services | 36,216 | 166,073 | - | 220,000 | 220,000 |
| **Total Contractual Services** | 36,216 | 187,798 | **500,000** | 969,367 | **969,367** |
| **Total Expenditures** | 36,216 | 187,798 | **500,000** | 969,367 | **969,367** |
| Revenues in Excess of Expenditures | (34,790) | (184,429) | (500,000) | (969,367) | (969,367) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 501,132 | 507,441 | - | 575,401 | - |
| Loan Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | 501,132 | 507,441 | **-** | 575,401 | **-** |
| Change in Fund Balance | 466,342 | 323,012 | (500,000) | (393,966) | (969,367) |
| Beginning Balance, May 1 | 573,979 | 1,040,321 | 1,363,333 | 1,363,333 | 969,367 |
| Ending Balance, April 30 | 1,040,321 | 1,363,333 | 863,333 | 969,367 | - |
| Nonspendable | - | - | - | - | - |
| **Assigned for Capital Projects** | 1,040,321 | 1,363,333 | **863,333** | 969,367 | **-** |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY IMRF FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Tax | 426,486 | 460,119 | 282,100 | 282,102 | 282,102 |
| Investment Interest | 207 | 243 | - | - | - |
| **Total Revenues** | 426,693 | 460,361 | **282,100** | 282,102 | **282,102** |
| EXPENDITURES | | | | | |
| Contingency | - | | - | - | |
| Library Portion IMRF | 384,613 | 397,559 | 282,100 | 282,102 | 288,873 |
| **Library Personnel Services** | 384,613 | 397,559 | **282,100** | 282,102 | **288,873** |
| **Total Expenditures** | 384,613 | 397,559 | **282,100** | 282,102 | **288,873** |
| Revenues in Excess of Expenditures | 42,080 | 62,802 | - | - | (6,771) |
| Other Sources/Uses | | | | | |
| Transfer In | 213,603 | 33 | - | - | - |
| Loan Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources & Uses** | 213,603 | 33 | - | - | - |
| Change in Fund Balance | 255,683 | 62,835 | - | - | (6,771) |
| Beginning Balance, May 1 | - | 255,683 | 318,518 | 318,518 | 318,518 |
| Ending Balance, April 30 | 255,683 | 318,518 | 318,518 | 318,518 | 311,747 |
| Nonspendable | - | - | - | - | - |
| **Restricted for Pension** | 255,683 | 318,518 | **318,518** | 318,518 | **311,747** |

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# FY2014/2015
# ANNUAL BUDGET
# CRYSTAL LAKE PUBLIC LIBRARY FICA FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Tax | - | - | 170,800 | 170,801 | 170,801 |
| Investment Interest | - | - | - | - | - |
| **Total Revenues** | - | - | **170,800** | 170,801 | **170,801** |
| EXPENDITURES | | | | | |
| Contingency | - | | - | - | |
| Library Portion FICA | - | - | 170,800 | 170,801 | 177,821 |
| **Library Personnel Services** | - | - | **170,800** | 170,801 | **177,821** |
| **Total Expenditures** | - | - | **170,800** | 170,801 | **177,821** |
| Revenues in Excess of Expenditures | - | - | - | - | (7,020) |
| Other Sources/Uses | | | | | |
| Transfer In | - | - | - | - | - |
| Loan Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources & Uses** | - | - | - | - | - |
| Change in Fund Balance | - | - | - | - | (7,020) |
| Beginning Balance, May 1 | - | - | - | - | - |
| Ending Balance, April 30 | - | - | **-** | - | **(7,020)** |
| Nonspendable | - | - | - | - | 7,020 |
| **Restricted for Pension** | - | - | - | - | - |

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City of Crystal Lake
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# MOTOR FUEL TAX FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# MFT FUND

The Motor Fuel Tax (MFT) Fund accounts for funds apportioned to the City by the State of Illinois for its highway maintenance responsibilities. The State of Illinois collects a flat tax on every gallon of fuel purchased. The State distributes these funds to municipalities, road districts, and counties. The State allocates MFT funds to municipalities based on population. Municipalities can use the MFT funds for road maintenance and improvement projects within specific guidelines established by the State.

# FY2013/2014
# ACCOMPLISHMENTS
# MFT FUND

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- **McHenry Avenue:** Completed the construction of the McHenry Avenue improvements. In addition to resurfacing the pavement between U.S. Route 14 and Rakow Road, the project was able to take advantage of federal funding to improve traffic at Barlina Road with the addition of a new southbound right turn lane, address some standing water issues with upsized storm sewer near Nash Road, and eliminate a gap in the bike path in front of South High School.
- **Citywide Bikeway Corridor Improvements:** Completed the installation of bike lanes, bike routes, and wayfinding signage throughout the City. Eighty percent of this project was funded using a federal CMAQ grant.
- **MCDOT Walkup Road at Route 176:** Coordinated with the County for the second, and final, season of the County's Illinois Route 176 and Walkup Avenue improvement. The department was also successful in working with the County to adjust the plan and relocate the Veteran Acres driveway to facilitate a safer mid-block crosswalk to the park with a pedestrian warning beacon.
- **IDOT Route 31 at Route 176:** Monitored IDOT's Illinois Route 31 and Illinois Route 176 intersection improvement. Additional coordination with AT&T was initiated with IDOT to resolve outstanding utility conflicts that delayed the project. Monthly newsletter infographics and road signage were added to help remind motorists that local businesses are still open during construction. The project is anticipating a late 2014 completion.
- **Country Club Road Multi-Use Path:** Initiated the preliminary and design engineering of the Country Club Road Multi-Use Path Improvement. This project is being partially funded with a federal Safe Routes to School grant.
- **Crystal Lake Avenue at Main Street:** Continued the preliminary and design engineering of the Crystal Lake Avenue and Main Street Improvement, which also includes streetscape elements matching the other improvements in the downtown district.
- **North Main Street at Route 176:** The department successfully petitioned IDOT to allow a permanent traffic signal to be installed at the intersection of N. Main Street and IL Route 176. This approval of the traffic signal warrant is subject to additional intersection improvements and will be explored as part of the preliminary engineering.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# MFT FUND

- **South Main Street:** Continued the design engineering and right-of-way acquisition for the widening of South Main Street between Route 14 and Rakow Road.
- **Illuminated Street Name Signs:** The illuminated street name signs for Main Street at Congress Parkway and Main Street at Northwest Highway were installed in 2014 following IDOT approval of the plans. This is part of the multi-year program to install illuminated street name signs along major commercial corridors in Crystal Lake, which will help improve visibility, safety, and wayfinding within the City.

# FY2014/2015
# OBJECTIVES
# MFT FUND

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- **South Main Street Improvement:** Oversee the construction of the South Main Street Improvements and associated utility relocations.
- **U.S. Route 14 Improvement:** Continue to coordinate with IDOT on the U.S. Route 14 Improvement from Lake Shore Drive (City of Woodstock) to Crystal Lake Avenue.
- **Illinois Route 31 and Illinois Route 176 Improvement:** Continue monitoring of the State's Illinois Route 31 at Illinois Route 176 intersection improvement.
- **Crystal Lake Avenue and Main Street Improvement:** Continue the preliminary and design engineering of the Crystal Lake Avenue and Main Street Improvement.
- **Illinois Route 176 and Main Street Improvement:** Initiate the preliminary engineering of the Main Street and Illinois Route 176 intersection Improvement.
- **Country Club Road Multi-use Path:** Continue the preliminary and design engineering of the Country Club Road Bicycle Path Improvement.
- **Illuminated Street Name Signs:** Continue the multi-year program to install illuminated street name signs along major commercial corridors in Crystal Lake, which will improve visibility, safety, and wayfinding within the City.

# FY2014/2015
# ANNUAL BUDGET
# MOTOR FUEL TAX FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimated | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Allotments | 1,198,386 | 1,166,453 | 981,641 | 981,641 | 990,055 |
| Grants | 144,674 | 504,738 | 383,817 | - | - |
| Interest | 111,654 | 55,540 | 55,000 | 7,000 | 7,000 |
| Reimbursements | - | 88,674 | - | 177,947 | 54,138 |
| Miscellaneous | (17,667) | 2,337 | 20,000 | 6,105 | - |
| **Total Revenues** | 1,437,047 | 1,817,742 | **1,440,458** | 1,172,693 | **1,051,193** |
| EXPENDITURES | | | | | |
| Professional | 480,029 | 955,018 | 200,000 | 50,000 | 50,000 |
| Street Lights | 18,903 | 21,202 | 40,000 | 40,000 | 40,000 |
| Traffic Signals | 81,392 | 70,560 | 311,813 | 142,064 | 100,063 |
| **Total Contractual Services** | 580,324 | 1,046,780 | **551,813** | 232,064 | **190,063** |
| Salt | 200,141 | 222,101 | 233,000 | 325,215 | 325,000 |
| **Total Materials & Supplies** | 200,141 | 222,101 | **233,000** | 325,215 | **325,000** |
| Land/ROW | 145,967 | - | 988,564 | 700,440 | 59,000 |
| Streets | 601,663 | 1,017,089 | 2,689,709 | 258,222 | 3,236,059 |
| **Total Capital Outlay** | 747,630 | 1,017,089 | **3,678,273** | 958,662 | **3,295,059** |
| **Total Expenditures** | 1,528,095 | 2,285,970 | **4,463,086** | 1,515,941 | **3,810,122** |
| Revenues in Excess of Expenditures | (91,048) | (468,228) | (3,022,628) | (343,248) | (2,758,929) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Transfer Out | (1,646,216) | - | - | - | (1,000,000) |
| **Total Other Sources (Uses)** | (1,646,216) | - | **-** | - | **(1,000,000)** |
| Change in Fund Balance | (1,737,264) | (468,228) | (3,022,628) | (343,248) | (3,758,929) |
| Beginning Balance, May 1 | 9,760,597 | 8,023,333 | 7,555,105 | 7,555,105 | 7,211,857 |
| Ending Balance, April 30 | 8,023,333 | 7,555,105 | 4,532,477 | 7,211,857 | 3,452,928 |
| Nonspendable | - | - | - | - | - |
| **Restricted for Streets** | 8,023,333 | 7,555,105 | **4,532,477** | 7,211,857 | **3,452,928** |

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# FY2014/2015
# ACCOUNT INFORMATION
# MFT FUND

- The fiscal year 2014/2015 budget provides funding for the engineering and construction of several major road improvement projects including: IL Route 176/Main Street intersection improvements (Phase I engineering), Crystal Lake Avenue/Main Street intersection improvements (Phase II engineering), and South Main Street widening. Funds to provide for intersection improvements at IL Route 176/Briarwood Road, IL Route 176/Walkup Avenue, IL Route 176/Main Street have been re-budgeted, as well as those for Pingree Road, McHenry Avenue and Crystal Lake Avenue (Main Street to Erick Street) improvements. These projects are complete; however, the City has not received final construction invoices from the State of Illinois.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# ROAD/VEHICLE LICENSE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# ROAD/VEHICLE LICENSE FUND

The Road/Vehicle License Fund provides street system and related capital improvement funding for the City. This fund contains revenue generated and expenditures related to the annual City vehicle sticker sales. 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.

# FY2013/2014
# ACCOMPLISHMENTS
# ROAD/VEHICLE LICENSE FUND

- **Street Resurfacing Program**: The City resurfaced 8.1 miles of streets. The current Condition Rating Survey (CRS) rating for the entire system is now approximately seven, which meets the goal of maintaining a rating above six, which is considered good condition.
- **Sidewalk and Curb Program**: Nearly 200 locations of sidewalk repairs were completed this year. In addition, a trial was conducted using concrete grinding techniques at 50 to 100 locations to determine if this method is a potential tool for addressing smaller sidewalk displacements in a cost effective manner.
- **Pavement Marking Program**: Thermoplastic pavement markings were refreshed or added with this year's program. A trial was also conducted on McHenry Avenue using inlaid wet reflective pavement markings for the high-visibility crosswalks installed with the recent resurfacing project. These markings are the same product used by MCDOT on Rakow Road and are designed to wear better and provide higher visibility.
- **Downtown Sidewalk Rehabilitation Program**: The latest phase of sidewalk replacement in the downtown was completed on the east side of Main Street north of the railroad tracks and on Beardsley Street.

# FY2014/2015
# OBJECTIVES
# ROAD/VEHICLE LICENSE FUND

- **Street Resurfacing Program**: Maintain a Condition Rating Survey (CRS) average score for the entire roadway network greater than 6.0, which is considered good condition, and keep at least 85 percent of all lane miles in fair condition or better (CRS greater than 4.5).
- **Sidewalk and Curb Program**: Minimize insurance claims related to tripping hazards caused by uneven sidewalks. Consider the continual use of newer concrete grinding techniques for certain locations, in addition to the standard approach of full replacement, as an additional tool to complete the greatest number of repairs in the most cost effective manner.
- **Pavement Marking Program**: Enhance safety for motorists on City streets by refreshing pavement markings for improved visibility.

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# FY2014/2015
# OBJECTIVES(Cont'd)
# ROAD/VEHICLE LICENSE FUND

- **Downtown Sidewalk Rehabilitation Program**: Support the economic development of the historic Downtown by enhancing sidewalk aesthetics that are consistent with other recently completed improvements.
- **Pavement Preservation Initiatives:** Utilize a trial of GSB 88, a pavement rejuvenator, to evaluate its effectiveness as a long-term pavement preservation technique.

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# FY2014/2015
# ANNUAL BUDGET
# ROAD/VEHICLE LICENSE FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimated | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Tax | 459,621 | 469,152 | 472,500 | 472,210 | 440,000 |
| Motor Vehicle License | 240,339 | 247,139 | 244,800 | 244,800 | 245,000 |
| Interest | 36,140 | 587 | 10,000 | 100 | 199 |
| Reimbursed Expenses/Grants | 25 | 706,574 | 60,300 | - | - |
| **Total Revenues** | 736,125 | 1,423,452 | **787,600** | 717,110 | **685,199** |
| EXPENDITURES | | | | | |
| Professional | 20,060 | 33,358 | 50,630 | 44,198 | 44,080 |
| Postage & Freight | 9,093 | 11,487 | 17,550 | 8,500 | 14,000 |
| Street Maintenance & Repair | 1,854,805 | 1,859,435 | 2,135,000 | 2,135,000 | 2,190,000 |
| Sidewalk Maintenance & Repair | 147,862 | 79,928 | 100,000 | 100,000 | 100,000 |
| **Total Contractual Services** | 2,031,820 | 1,984,208 | **2,303,180** | 2,287,698 | **2,348,080** |
| Stationery & Printing | - | 2,881 | 2,650 | 2,885 | 3,000 |
| **Total Materials & Supplies** | - | 2,881 | **2,650** | 2,885 | **3,000** |
| Sidewalks | 48,884 | 63,018 | 60,000 | 60,000 | 60,000 |
| **Total Capital Outlay** | 48,884 | 63,018 | **60,000** | 60,000 | **60,000** |
| **Total Expenditures** | 2,080,704 | 2,050,107 | **2,365,830** | 2,350,583 | **2,411,080** |
| Revenues in Excess of Expenditures | (1,344,579) | (626,655) | (1,578,230) | (1,633,473) | (1,725,881) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 500,000 | 785,904 | 1,500,000 | 1,500,000 | 1,000,000 |
| Transfer Out | - | - | - | - | |
| **Total Other Sources (Uses)** | 500,000 | 785,904 | **1,500,000** | 1,500,000 | **1,000,000** |
| Change in Fund Balance | (844,579) | 159,249 | (78,230) | (133,473) | (725,881) |
| Beginning Balance, May 1 | 1,588,587 | 744,008 | 903,257 | 903,257 | 769,784 |
| Ending Balance, April 30 | 744,008 | 903,257 | 825,027 | 769,784 | 43,903 |
| Nonspendable | (2,881) | (2,500) | (2,500) | (2,500) | (2,500) |
| **Assigned for Streets** | 741,127 | 900,757 | **822,527** | 767,284 | **41,403** |

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# FY2014/2015
# ACCOUNT INFORMATION
# ROAD/VEHICLE LICENSE FUND

- The fiscal year 2014/2015 budget provides funding for the City's annual resurfacing program ($2,000,000), pavement preservation program, pavement marking program, curb and sidewalk repair and replacement program and the pedestrian safety improvement program.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# THREE OAKS RECREATION AREA OPERATING FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# THREE OAKS RECREATION AREA OPERATING FUND

The construction of the Three Oaks Recreation Area (formerly known as Vulcan Lakes) began in Fiscal Year 2009/2010. The operations of this area as a recreational destination began in early fall of 2010. Included in this budget are funds to provide a full year of operations for this recreation area, including training to life guards, attendants and the site supervisor.

Included in this budget are all operational costs, as well as costs for storage and winterizing of all equipment. The concessions stand is operated by Culver's and projected revenues and rent are included in this area.

# FY2013/2014
# ACCOMPLISHMENTS
# THREE OAKS RECREATION AREA OPERATING FUND

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Area #1: Continuous Improvement – Marina and Beach

- Increase sales and customer traffic by adding new watercraft elements.
- Move paddle boarding to south lake to encourage marina traffic.
- Improve customer service survey results.

**Results:**

- From April – June, poor weather depressed boat rentals and negatively impacted yearend figures. Marina revenues decreased 7.1% this year, when compared to 2012. In June alone, 16 days had measurable precipitation. If not for these underperforming months, sales from July – October were up 4.1%.
- It was not necessary to move paddle boarding to the South Lake this year, due to adequate space at the North Lake facility.
- Marina and Beach Customer survey results in 2013 improved from 2012. Customer service and cleanliness satisfaction increased considerably, while "dissatisfaction" decreased.

Area #2: Enhance Revenues

- Successfully implement public scuba diving.
- Seek to diversify revenue and expand park use during "non-peak" hours.
- Create mobile merchandise stands.

**Results:**

- This year, public scuba diving was offered from the public swim beach. Due to improved access, scuba revenues increased 78% this year ($10,390), when compared to 2012 ($5,819).
- The efforts to diversify revenues and increase merchandise sales is still developing due to limited space and facilities.

# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# THREE OAKS RECREATION AREA OPERATING FUND

Area #3: Control Costs

- Create volunteer network to assist with landscaping and other duties. The City has been approached by and will continue to reach out to local groups (boy scouts, churches, garden clubs, MCC).

**Results:**

- At various times during the year, the park used volunteer groups to clean litter and plant trees.
- Salary costs were also 6.4% less than budgeted. These costs were reduced because of slower demand.

Area #4: Guest Service

- Improve guest communication – notifications of marina operations and hours of operation. Create publically distributed rational for why the park/marina closes, so that guests can know the conditions for park/marina closure. Provide guest accurate weather reports at the beginning of the day and throughout the day to communicate staff actions.
- Improve customer service survey results.

**Results:**

- The park served 88,232 patrons in 2013. This was a 7.1% decrease from figures in 2012. As was the case with marina rentals, the months of April – June depressed total attendance figures. Attendance from July – October increased 19% from the same time in 2012.
- The park used its website, Twitter and Facebook tools to provide information to the public.
- Customer survey results in 2013 improved from 2012. Customer service and cleanliness satisfaction increased considerably, while "dissatisfaction" decreased.

Area #5: Marketing

- Set up greater on-line and social media presence: Face book Page / Constant Contact / Twitter
- Advertise in publications (on-line Northwest Herald and Oaklee)
- Partner with local community organizations to serve their interests (i.e. YMCA and Scout Groups).
- Work with area hotels for packages that include Three Oaks rentals/admission.

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# FY2013/2014
# ACCOMPLISHMENTS (Cont'd)
# THREE OAKS RECREATION AREA OPERATING FUND

**Results**

- As a pilot program, the City utilized paid advertising from Facebook. This greatly increased the "likes". In addition, the City purchased a Facebook promotion for paddleboats.
- The City could partner with local hotels to offer package deals to increase customer traffic.
- Attended Chicagoland Fishing Expo in Schaumburg. This greatly increased the park's visibility.

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Area #6: Team Member Training

- Improve employee training program. Set up "Three Oaks Leadership Academy Curriculum" for team leaders and team members.
- Revamp employee handbook so that it is easily relatable by employees.
- Create weekly "tailgate" talks for team groups.
- Organize and facilitate lifeguard training class to recruit future guards.

**Results**

- The following pre-season and ongoing staff training was conducted in 2013: Manager Training / Employee Training / Lake Patrol Training
- All supervisors were mentored and provided training materials on addressing difficult employee issues and leadership.
- Tailgate talks were conducted with employees and focused on employee safety.
- The City also provided two lifeguard classes.

Area #7: Safety

- Implement Three Oaks Lake Patrol by Three Oaks employees to ensure safe use of the lake by the public.
- Create team member post-incident/accident review team to evaluate incidents and identify areas of improvement.
- Create facility safety inspection group that inspects the facility for potentially hazardous conditions.

**Results:**

- Lake Patrol was successfully implemented in 2013.
- All accidents were reviewed and "near misses" were discussed at weekly manager meetings.
- Facility safety inspection sheets were also developed and reviewed periodically throughout the year.

# FY2014/2015
# OBJECTIVES
# THREE OAKS RECREATION AREA OPERATING FUND

Continuous Improvement – Marina and Beach

- Increase customer demand through marketing and promotion. Continue to attend one sporting expo to increase public awareness of the park.
- Respond to customer suggestions noted in 2013 Survey:
  - Review marina pricing and adjust as necessary to reflect market conditions.
  - Investigate other promotions to encourage use of the facility during slow times.
- Improve customer survey results

Enhance Revenues

- Look for opportunities to develop additional revenue sources.
- Pending grant funding, implement dedicated scuba diving facility.

Control Costs

- Continue to leverage community volunteer networks to assist with the maintenance of the park.

Guest Service

- Improve communication with the customers:
- Updated Website: Provide customers immediate notification regarding marina and park hours. Provide customers relevant information regarding pavilion rentals and other amenities.
- Continue to develop the City's social networking sites to communicate with customers.

Team Member Training

- Continue to development leadership/management staff.
- Continue to provide practical customer service, technical, and safety training to all staff.
- Address training item noted in the City's IRMA risk management audit:
  Create a training checklist for all supervisors to ensure that training is completed.

Safety

- Address items noted in the City's IRMA risk management audit:
- Have standardized evaluation forms for seasonal part-time employees
- Create a detailed safety/maintenance inspection list
- Implement a Child Protection Policy, per the IRMA example policy.

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# FY2014/2015
# ANNUAL BUDGET
# THREE OAKS RECREATION AREA FUND OPERATING

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Parking Fees | 94,260 | 87,374 | 85,000 | 82,000 | 82,000 |
| Admission Fees - Beach | 143,003 | 152,684 | 152,684 | 127,404 | 127,404 |
| Annual Facility Pass | 2,140 | 6,580 | 6,070 | 4,100 | 4,100 |
| Rental Income - Boats | 220,833 | 167,089 | 170,536 | 152,850 | 152,850 |
| Rental Income - Pavillion | 8,469 | 5,748 | 3,000 | 4,100 | 4,100 |
| Rental Income - Beach Chair | - | 963 | - | 1,156 | 1,156 |
| Rental Income - Concessions | 11,027 | 10,557 | 10,000 | 9,483 | 9,483 |
| Lake Use Fees (SCUBA) | - | 3,964 | - | 5,643 | 5,643 |
| Consumables | - | 8,167 | - | 8,100 | 8,100 |
| SCUBA Instruction | - | 1,855 | - | 4,746 | 4,746 |
| CPR Instruction | | 390 | - | 963 | 963 |
| Interest Income | 71 | 153 | 250 | 100 | 100 |
| Grant Proceeds | - | 6,894 | - | - | - |
| Miscellaneous Income | 203,010 | 1,408 | 11,824 | 1,200 | 1,200 |
| **Total Revenues** | 682,813 | 453,826 | **439,364** | 401,845 | **401,845** |
| EXPENDITURES | | | | | |
| Part-time Salaries | 374,808 | 351,090 | 372,719 | 348,911 | 362,333 |
| Overtime | 2,555 | 114 | - | - | - |
| Group Insurance | - | - | - | - | - |
| **Total Personnel Services** | 377,363 | 351,204 | **372,719** | 348,911 | **362,333** |
| Professional Services | 10,068 | 11,475 | 10,475 | 10,206 | 12,893 |
| Publishing | 2,028 | 1,474 | 3,200 | 1,860 | 5,314 |
| Postage & Freight | 215 | 116 | 150 | 410 | 500 |
| Training | 3,182 | 2,444 | 3,300 | 2,687 | 3,100 |
| Insurance & Bonding | 3,874 | 3,814 | 3,462 | 3,462 | 3,462 |
| Utilities | 12,482 | 15,879 | 30,004 | 13,866 | 22,517 |
| Physicals | 8,914 | 6,645 | 4,300 | 7,005 | 7,000 |
| Plant Maintenance Services | 64,877 | 67,347 | 66,510 | 78,741 | 80,736 |
| Rent - Buildings & Equipment | 101 | - | - | - | - |
| **Total Contractual Services** | 105,741 | 109,194 | **121,401** | 118,237 | **135,522** |
| Office Supplies | 1,351 | 1,212 | 1,000 | 1,026 | 1,025 |
| Cleaning Supplies | 5,587 | 7,373 | 6,000 | 8,609 | 7,007 |
| Motor Fuel & Lubricants | 88 | 246 | 5,100 | 2,587 | 3,000 |
| Comp. Hardware & Software | 35 | 1,752 | 712 | 1,579 | 2,175 |
| Small Tools & Equipment | 4,127 | 4,593 | 2,000 | 1,005 | 1,000 |
| Automotive Supplies | 2,674 | 3,400 | 4,107 | 2,897 | 3,700 |
| Clothing | 14,725 | 8,969 | 9,600 | 6,189 | 8,600 |
| Operating Supplies | 20,044 | 62,305 | 27,200 | 24,054 | 24,783 |
| **Total Materials & Supplies** | 48,631 | 89,850 | **55,719** | 47,946 | **51,290** |

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# FY2014/2015
# ANNUAL BUDGET (CONT'D)
# THREE OAKS RECREATION AREA OPERATING FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| **Total Expenditures** | 531,735 | 550,248 | **549,839** | 515,094 | **549,145** |
| Revenues in Excess of Expenditures | 151,078 | (96,422) | (110,475) | (113,249) | (147,300) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | 140,882 | 110,475 | 110,830 | 147,300 |
| Transfer Out | - | (193,119) | - | | - |
| **Total Other Sources (Uses)** | - | (52,237) | **110,475** | 110,830 | **147,300** |
| Change in Fund Balance | 151,078 | (148,659) | - | (2,419) | (0) |
| Beginning Balance, May 1 | - | 151,078 | 2,419 | 2,419 | - |
| Ending Balance, April 30 | 151,078 | 2,419 | 2,419 | - | (0) |
| Nonspendable | - | - | - | - | - |
| **Assigned for Recreation** | 151,078 | 2,419 | **2,419** | - | **(0)** |

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# FY2014/2015
# ACCOUNT INFORMATION
# THREE OAKS RECREATION AREA OPERATING FUND

- The operations of this area as a recreational destination began in early fall of 2010 with its first full operational year following in fiscal year 2011/2012. The fiscal year 2014/2015 budget best reflects goods and services needed to continue to provide visitors with an unparalleled recreational experience.

City of Crystal Lake
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# THREE OAKS CAPITAL & EQUIPMENT REPLACEMENT FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# THREE OAKS CAPITAL & EQUIPMENT REPLACEMENT FUND

The Three Oaks Capital Fund will provide for future development of the Three Oaks Recreation Area and for the replacement of capital equipment.

# FY2014/2015
# ANNUAL BUDGET
# THREE OAKS CAPITAL & EQUIPMENT REPLACEMENT FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Impact Fees | - | - | 143,822 | - | - |
| Grants | - | - | - | - | - |
| Interest Income | - | - | - | 30 | - |
| **Total Revenues** | - | - | **143,822** | 30 | **-** |
| EXPENDITURES | | | | | |
| Professional Services | - | - | - | 3,672 | - |
| **Total Contractual Services** | **-** | **-** | - | 3,672 | - |
| Comp. Hardware & Software | - | - | - | - | 1,000 |
| Small Tools & Equipment | - | - | - | - | - |
| Automotive Supplies | - | - | - | - | - |
| **Total Materials & Supplies** | **-** | **-** | - | - | 1,000 |
| System Improvement | - | - | - | - | 10,000 |
| Operating Equipment | - | - | 43,276 | 58,310 | 33,000 |
| **Total Capital Outlay** | **-** | **-** | 43,276 | 58,310 | 43,000 |
| **Total Expenditures** | - | - | 43,276 | 61,982 | 44,000 |
| Revenues in Excess of Expenditures | - | - | 100,546 | (61,952) | (44,000) |

# FY2014/2015
# ANNUAL BUDGET (Cont'd)
# THREE OAKS CAPITAL & EQUIPMENT REPLACEMENT FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | 61,952 | 44,000 |
| Bond Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | | - |
| **Total Other Sources (Uses)** | - | - | **-** | 61,952 | **44,000** |
| Change in Fund Balance | - | - | 100,546 | - | - |
| Beginning Balance, May 1 | - | - | - | - | - |
| Ending Balance, April 30 | - | - | 100,546 | - | - |
| Nonspendable | - | - | - | - | - |
| **Assigned for Recreation** | - | - | **100,546** | - | **-** |

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# FY2014/2015
# ACCOUNT INFORMATION
# THREE OAKS CAPITAL & EQUIPMENT REPLACEMENT FUND

- Budgeted in the Three Oaks Capital and Equipment Replacement Fund for fiscal year 2014/2015 are funds for the addition of a paddle pontoon and wireless area network in the park. Also budgeted are funds to provide for repairs to the Main Street basin and to replace the gator utility vehicle.

City of Crystal Lake
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Fiscal Year 2014/2015

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# CROSSING GUARD FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# CROSSING GUARD FUND

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.

# FY2013/2014
# ANNUAL BUDGET
# CROSSING GUARD FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Tax | 27,962 | 34,910 | 25,000 | 25,000 | 45,116 |
| Investment Interest | 48 | 65 | 500 | 100 | 100 |
| Reimbursed Expenses | 25,669 | 32,347 | 18,360 | 18,360 | 17,489 |
| **Total Revenues** | 53,679 | 67,322 | **43,860** | 43,460 | **62,705** |
| EXPENDITURES | | | | | |
| Part-time Salaries | 62,405 | 56,061 | 62,605 | 62,605 | 62,605 |
| **Total Personnel Services** | 62,405 | 56,061 | **62,605** | 62,605 | **62,605** |
| Small Tools & Equipment | 15 | - | 100 | 100 | 100 |
| Clothing | - | - | - | - | - |
| **Total Materials & Supplies** | 15 | - | **100** | 100 | **100** |
| **Total Expenditures** | 62,420 | 56,061 | **62,705** | 62,705 | **62,705** |
| Revenues in Excess of Expenditures | (8,741) | 11,261 | (18,845) | (19,245) | - |
| Change in Fund Balance | (8,741) | 11,261 | (18,845) | (19,245) | - |
| Beginning Balance, May 1 | 62,227 | 53,486 | 64,747 | 64,747 | 45,502 |
| Ending Balance, April 30 | 53,486 | 64,747 | 45,902 | 45,502 | 45,502 |
| Nonspendable | - | - | - | - | - |
| **Assigned for Crossing Guards** | 53,486 | 64,747 | **45,902** | 45,502 | **45,502** |

City of Crystal Lake
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# IMRF/FICA FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# IMRF/FICA FUND

The IMRF/FICA Fund is used to account for revenues derived from a separate tax levy and disbursement of these funds for contributions to Social Security and the state-sponsored Illinois Municipal Retirement Fund.

# FY2014/2015
# ANNUAL BUDGET
# IMRF/FICA FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Tax - IMRF | 403,781 | 757,255 | 642,218 | 642,218 | 941,341 |
| Property Tax - FICA | 649,340 | 649,305 | 758,046 | 758,046 | 766,700 |
| Investment Interest | 922 | 1,540 | 2,500 | 2,500 | 1,500 |
| **Total Revenues** | 1,054,043 | 1,408,100 | **1,402,764** | 1,402,764 | **1,709,541** |
| EXPENDITURES | | | | | |
| City Portion - IMRF | 808,050 | 851,682 | 992,905 | 917,000 | 981,130 |
| City Portion - FICA | 649,340 | 649,305 | 758,046 | 748,000 | 768,350 |
| **Total Personnel Services** | 1,457,390 | 1,500,987 | **1,750,951** | 1,665,000 | **1,749,480** |
| **Total Expenditures** | 1,457,390 | 1,500,987 | **1,750,951** | 1,665,000 | **1,749,480** |
| Revenues in Excess of Expenditures | (403,347) | (92,887) | (348,187) | (262,236) | (39,939) |
| Change in Fund Balance | (403,347) | (92,887) | (348,187) | (262,236) | (39,939) |
| Beginning Balance, May 1 | 1,462,389 | 1,059,042 | 966,155 | 966,155 | 703,919 |
| Ending Balance, April 30 | 1,059,042 | 966,155 | 617,968 | 703,919 | 663,980 |
| Nonspendable | - | - | - | - | - |
| **Restricted for Pension** | 1,059,042 | 966,155 | **617,968** | 703,919 | **663,980** |

# City of Crystal Lake
# Annual Budget
# Fiscal Year 2014/2015

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# INSURANCE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# INSURANCE FUND

The Insurance Fund is used to account for resources that are reserved for purposes of meeting funding requirements set by the Intergovernmental Risk Management Agency (IRMA) for liability insurance and that of the Intergovernmental Personnel Benefits Cooperative (IPBC) for group health insurance.

# FY2014/2015
# ANNUAL BUDGET
# INSURANCE FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Investment Interest | 831 | 988 | - | - | - |
| Miscellaneous | - | - | - | - | 148,375 |
| **Total Revenues** | 831 | 988 | **-** | - | **148,375** |
| EXPENDITURES | | | | | |
| Group Health Insurance | 407,741 | 622,229 | 331,866 | 113,992 | 104,725 |
| **Total Personnel Services** | 407,741 | 622,229 | **331,866** | 113,992 | **104,725** |
| Insurance & Bonding | (294,703) | (264,823) | 50,000 | 50,000 | - |
| Total Contractual Services | (294,703) | (264,823) | 50,000 | 50,000 | - |
| **Total Expenditures** | 113,038 | 357,406 | **381,866** | 163,992 | **104,725** |
| Revenues in Excess of Expenditures | (112,207) | (356,418) | (381,866) | (163,992) | 43,650 |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 422,934 | - | 213,254 | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | 422,934 | - | **213,254** | - | **-** |
| Change in Fund Balance | 310,727 | (356,418) | (168,612) | (163,992) | 43,650 |
| Beginning Balance, May 1 | 1,371,463 | 1,682,190 | 1,325,772 | 1,325,772 | 1,161,780 |
| Ending Balance, April 30 | 1,682,190 | 1,325,772 | 1,157,160 | 1,161,780 | 1,205,430 |
| Nonspendable | (692,572) | (725,856) | (725,856) | (725,856) | (725,856) |
| **Unassigned Balance, April 30** | 989,618 | 599,916 | **431,304** | 435,924 | **479,574** |

# FY2014/2015
# ACCOUNT INFORMATION
# INSURANCE FUND

- Budgeted in fiscal year 2014/2015 are funds to continue the City's efforts in meeting funding requirements set by the Intergovernmental Risk Management Agency (IRMA) for liability insurance and that of the Intergovernmental Personnel Benefits Cooperative (IPBC) for group health insurance. Liability and group health insurance premiums are budgeted in the various operating departments of the City. Pursuant to the Public Safety Employee Benefits Act, the City's contribution for providing continuing health insurance coverage to eligible participants is budgeted here.

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# FOREIGN FIRE INSURANCE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# FOREIGN FIRE INSURANCE FUND

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.

# FY2014/2015
# ANNUAL BUDGET
# FOREIGN FIRE INSURANCE FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Foreign Fire Insurance Tax | 60,938 | 60,446 | 60,000 | 61,016 | 60,000 |
| Interest Earnings | 666 | 1,863 | 150 | 900 | 150 |
| Miscellaneous | 14 | 16 | - | - | |
| **Total Revenues** | 61,618 | 62,325 | **60,150** | 61,916 | **60,150** |
| EXPENDITURES | | | | | |
| Stipends | 450 | - | 1,500 | 1,500 | 1,500 |
| **Total Personnel Services** | 450 | - | **1,500** | 1,500 | **1,500** |
| Legal | - | - | 500 | 500 | 500 |
| Training | - | - | 1,200 | 1,200 | 1,200 |
| Insurance & Bonding | 100 | 200 | 100 | 100 | 100 |
| Radio Equipment Services | 1,532 | 284 | 5,000 | 5,000 | 5,000 |
| **Total Contractual Services** | 1,632 | 484 | **6,800** | 6,800 | **6,800** |
| Computer Hardware & Software | - | - | 100 | 100 | 100 |
| Small Tools & Equipment | 47,266 | 27,966 | 50,250 | 50,250 | 50,250 |
| Operating Supplies | - | - | 1,500 | 1,500 | 1,500 |
| **Total Materials & Supplies** | 47,266 | 27,966 | **51,850** | 51,850 | **51,850** |
| **Total Expenditures** | 49,348 | 28,450 | **60,150** | 60,150 | **60,150** |
| Revenues in Excess of Expenditures | 12,270 | 33,875 | - | 1,766 | - |
| Change in Fund Balance | 12,270 | 33,875 | - | 1,766 | - |
| Beginning Balance, May 1 | 139,092 | 151,362 | 185,237 | 185,237 | 187,003 |
| Ending Balance, April 30 | 151,362 | 185,237 | 185,237 | 187,003 | 187,003 |
| Nonspendable | - | - | - | - | - |
| **Assigned for Foreign Fire** | 151,362 | 185,237 | **185,237** | 187,003 | **187,003** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# CAPITAL & EQUIPMENT REPLACEMENT FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# CAPITAL & EQUIPMENT REPLACEMENT FUND

The Capital & Equipment Replacement Fund was established during Fiscal Year 2010/2011 and was funded initially from General Fund reserves. The Capital & Equipment Replacement Fund will provide for future replacements of capital and technological equipment. Additional reservations of fund balance may be made from time-to-time as operating surpluses become available or as deemed appropriate as a result of changes to the capital improvement policy.

# FY2014/2015
# ANNUAL BUDGET
# CAPITAL & EQUIPMENT REPLACEMENT FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Miscellaneous Income | - | - | - | - | - |
| **Total Revenues** | - | - | **-** | - | **-** |
| EXPENDITURES | | | | | |
| Professional Services | - | - | 70,000 | 70,000 | 439,943 |
| Sidewalks | - | - | - | - | 60,000 |
| **Total Contractual Services** | **-** | **-** | **70,000** | 70,000 | **499,943** |
| Comp. Hardware & Software | - | 79,102 | 173,870 | 163,870 | 219,900 |
| Small Tools & Equipment | - | 51,753 | 100,550 | 100,550 | - |
| Automotive Supplies | - | 8,568 | - | - | - |
| Street Signs | - | 15,674 | - | - | 263,000 |
| **Total Materials & Supplies** | **-** | 155,097 | **274,420** | 264,420 | **482,900** |
| Buildings & Facilities | - | 577,725 | 905,865 | 755,865 | 378,000 |
| Automotive Equipment | - | 667,669 | 1,073,920 | 1,073,920 | 1,160,000 |
| Operating Equipment | - | 141,383 | 202,000 | 192,000 | 180,000 |
| Systems Improvements | - | - | - | - | 217,090 |
| Land | - | - | - | - | 180,000 |
| **Total Capital Outlay** | **-** | 1,386,777 | **2,181,785** | 2,021,785 | **2,115,090** |
| **Total Expenditures** | - | 1,541,874 | **2,526,205** | 2,356,205 | **3,097,933** |
| Revenues in Excess of Expenditures | - | (1,541,874) | (2,526,205) | (2,356,205) | (3,097,933) |

# FY2014/2015
# ANNUAL BUDGET
# CAPITAL & EQUIPMENT REPLACEMENT FUND (Cont'd)

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 3,000,000 | 1,541,874 | 2,526,205 | 2,356,205 | 3,097,933 |
| Bond Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | 3,000,000 | 1,541,874 | **2,526,205** | 2,356,205 | **3,097,933** |
| Change in Fund Balance | 3,000,000 | - | - | - | - |
| Beginning Balance, May 1 | - | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Ending Balance, April 30 | 3,000,000 | 3,000,000 | **3,000,000** | 3,000,000 | **3,000,000** |
| Nonspendable | - | - | - | - | - |
| **Unassigned Balance, April 30** | 3,000,000 | 3,000,000 | **3,000,000** | 3,000,000 | **3,000,000** |

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# FY2014/2015
# ACCOUNT INFORMATION
# CAPITAL & EQUIPMENT REPLACEMENT FUND

- Funds have been requested in fiscal year 2014/2015 to provide for the purchase or replacement of:
  - Police vehicle replacements (4)
  - CSO vehicle replacement
  - Speed trailer replacement
  - Community Development vehicle replacements (4)
  - Pickup truck replacements (3)
  - Mini-dump replacement
  - 5-yard dump truck replacements (2)
  - JULIE van replacement
  - Combination sewer cleaner replacement
  - Flooding mitigation
  - Sidewalk replacement (downtown shopping district)
  - Gateway enhancements (city-wide)
  - Prairie Trail underpass (at U.S. Route 14) repairs
  - Parking lot design engineering (Brink Street Marketplace)
  - HVAC improvements (computer and telephone rooms)
  - Fuel pump upgrades

# FY2014/2015
# ACCOUNT INFORMATION (Cont'd)
# CAPITAL & EQUIPMENT REPLACEMENT FUND

- Floor scrubber
- Closed circuit camera upgrade
- Computer and server replacements
- Advanced Authentication software
- Online Reporting software (Police)
- Damage Assessment Mobile Application and Database Hosting (Community Development)
- Council Dais upgrade
- HVAC automation system upgrade
- Warning Becon (Fire Station #3)
- Changeable Message Board (Community Development)
- Brine Vessel
- Service delivery review and strategic budget sustainability review consulting services

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# POLICE PENSION FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# POLICE PENSION FUND

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 2013 and is intended to fund the 2014/2015 budget.

# FY2014/2015
# ANNUAL BUDGET
# POLICE PENSION FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Employee Contributions | 528,711 | 526,783 | 525,200 | 525,200 | 546,000 |
| Employer Contributions | 1,834,018 | 1,832,203 | 1,848,771 | 1,848,771 | 1,973,564 |
| Investment Income | (120,707) | 2,607,695 | 1,100,000 | 1,100,000 | 1,100,000 |
| Miscellaneous | - | | - | - | |
| **Total Revenues** | 2,242,022 | 4,966,681 | **3,473,971** | 3,473,971 | **3,619,564** |
| EXPENDITURES | | | | | |
| Pension Payments | 1,566,766 | 1,744,167 | 1,800,000 | 1,913,839 | 2,162,695 |
| **Total Personnel Services** | 1,566,766 | 1,744,167 | **1,800,000** | 1,913,839 | **2,162,695** |
| Professional | 102,153 | 136,016 | 141,000 | 141,000 | 141,000 |
| Legal | 6,703 | 9,103 | 15,000 | 15,000 | 15,000 |
| Training | - | 800 | 1,000 | 2,710 | 2,800 |
| Dues & Subscriptions | 775 | 775 | 1,000 | 1,000 | 1,000 |
| State Filing Fees | 4,502 | 5,012 | 5,100 | 5,125 | 5,200 |
| **Total Contractual Services** | 114,133 | 151,706 | **163,100** | 164,835 | **165,000** |
| **Total Expenditures** | 1,680,899 | 1,895,873 | **1,963,100** | 2,078,674 | **2,327,695** |
| Revenues in Excess of Expenditures | 561,123 | 3,070,808 | 1,510,871 | 1,395,297 | 1,291,869 |
| Change in Fund Balance | 561,123 | 3,070,808 | 1,510,871 | 1,395,297 | 1,291,869 |
| Beginning Balance, May 1 | 25,061,280 | 25,622,403 | 28,693,211 | 28,693,211 | 30,088,508 |
| Ending Balance, April 30 | 25,622,403 | 28,693,211 | 30,204,082 | 30,088,508 | 31,380,377 |
| Nonspendable | - | - | - | - | - |
| **Restricted for Pension** | 25,622,403 | 28,693,211 | **30,204,082** | 30,088,508 | **31,380,377** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# FIREFIGHTERS' PENSION FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# FIREFIGHTERS' PENSION FUND

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 2013 and is intended to fund the 2014/2015 budget.

# FY2014/2015
# ANNUAL BUDGET
# FIREFIGHTERS' PENSION FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Employee Contributions | 490,262 | 507,355 | 485,000 | 485,000 | 559,000 |
| Employer Contributions | 1,541,610 | 1,540,031 | 1,621,810 | 1,621,810 | 1,720,093 |
| Investment Income | 1,083,134 | 1,785,144 | 643,130 | 643,130 | 645,000 |
| Miscellaneous | 19 | 60,000 | - | - | - |
| **Total Revenues** | 3,115,025 | 3,892,530 | **2,749,940** | 2,749,940 | **2,924,093** |
| EXPENDITURES | | | | | |
| Pension Payments | 780,377 | 929,622 | 1,008,000 | 1,008,000 | 1,258,260 |
| **Total Personnel Services** | 780,377 | 929,622 | **1,008,000** | 1,008,000 | **1,258,260** |
| Professional | 57,944 | 94,993 | 86,800 | 86,800 | 86,800 |
| Legal | 11,278 | 18,308 | 20,000 | 20,000 | 20,000 |
| Training | 100 | 100 | 2,000 | 2,000 | 2,000 |
| State Filing Fees | 3,004 | 3,458 | 3,500 | 3,500 | 3,500 |
| **Total Contractual Services** | 72,326 | 116,859 | **112,300** | 112,300 | **112,300** |
| **Total Expenditures** | 852,703 | 1,046,481 | **1,120,300** | 1,120,300 | **1,370,560** |
| Revenues in Excess of Expenditures | 2,262,322 | 2,846,049 | 1,629,640 | 1,629,640 | 1,553,533 |
| Change in Fund Balance | 2,262,322 | 2,846,049 | 1,629,640 | 1,629,640 | 1,553,533 |
| Beginning Balance, May 1 | 17,274,854 | 19,537,176 | 22,383,225 | 22,383,225 | 24,012,865 |
| Ending Balance, April 30 | 19,537,176 | 22,383,225 | **24,012,865** | 24,012,865 | **25,566,398** |
| Nonspendable | - | - | - | - | - |
| **Restricted for Pension** | 19,537,176 | 22,383,225 | **24,012,865** | 24,012,865 | **25,566,398** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# THREE OAKS
# DEBT SERVICE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# THREE OAKS DEBT SERVICE FUND

This project provided for the construction of the Three Oaks Recreation Area and is being funded by Vulcan Lakes Tax Increment Financing and Home Rule Sales Tax. Build America Bonds are amortized over a 15-year period and Recovery Zone Bonds are amortized over 19 years. The final debt service payment is due on or before January 1, 2029. The principal amount of bonds outstanding on April 30, 2014 is $12,868,645.

# FY2014/2015
# ANNUAL BUDGET
# THREE OAKS DEBT SERVICE FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Incremental Property Tax | - | - | 12,500 | - | - |
| Investment Income | 5 | 17 | - | - | - |
| Reimbursements | - | - | - | - | - |
| **Total Revenues** | 5 | 17 | **12,500** | - | **-** |
| EXPENDITURES | | | | | |
| Bond Indebtedness - Principal | 613,195 | 621,425 | 629,656 | 629,656 | 642,002 |
| Bond Indebtedness - Interest | 417,791 | 410,851 | 419,293 | 421,260 | 407,944 |
| Total General Expenses | 1,030,986 | 1,032,276 | 1,048,949 | 1,050,916 | 1,049,946 |
| **Total Expenditures** | 1,030,986 | 1,032,276 | **1,048,949** | 1,050,916 | **1,049,946** |
| Revenues in Excess of Expenditures | (1,030,981) | (1,032,259) | (1,036,449) | (1,050,916) | (1,049,946) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 1,030,991 | 1,009,758 | 1,036,449 | 1,050,916 | 1,049,946 |
| Transfer Out | - | - | - | - | |
| **Total Other Sources (Uses)** | 1,030,991 | 1,009,758 | **1,036,449** | 1,050,916 | **1,049,946** |
| Change in Fund Balance | 10 | (22,501) | - | - | - |
| Beginning Balance, May 1 | 22,491 | 22,501 | - | - | - |
| Ending Balance, April 30 | 22,501 | - | **-** | - | **-** |
| Nonspendable | - | - | - | - | - |
| **Restricted for Debt Service** | 22,501 | - | **-** | - | **-** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# SEECOM PROJECT
# DEBT SERVICE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# SEECOM PROJECT DEBT SERVICE FUND

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. The final debt service payment is due on or before December 15, 2019. The principal amount of bonds outstanding on April 30, 2014 is $1,491,750.

# FY2014/2015
# ANNUAL BUDGET
# SEECOM PROJECT DEBT SERVICE FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Reimbursements | 286,403 | 275,294 | 270,200 | 270,200 | 263,669 |
| Interest Income | - | 166 | - | - | - |
| **Total Revenues** | 286,403 | 275,460 | **270,200** | 270,200 | **263,669** |
| EXPENDITURES | | | | | |
| Bond Issuance Costs | - | 35,064 | - | - | - |
| Bond Indebtedness - Principal | 210,000 | 231,714 | 235,700 | 235,700 | 234,000 |
| Bond Indebtedness - Interest | 76,403 | 44,733 | 34,500 | 34,500 | 29,836 |
| Total General Expenses | 286,403 | 311,511 | 270,200 | 270,200 | 263,836 |
| **Total Expenditures** | 286,403 | 311,511 | **270,200** | 270,200 | **263,836** |
| Revenues in Excess of Expenditures | - | (36,051) | - | - | (167) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | |
| Bond Proceeds | - | 1,744,554 | - | - | - |
| Bond Premium | - | 77,783 | | | |
| Transfer Out | - | - | - | - | |
| Bond Refunding | | (1,786,119) | | | |
| **Total Other Sources (Uses)** | - | 36,218 | - | - | - |
| Change in Fund Balance | - | 167 | - | - | (167) |
| Beginning Balance, May 1 | - | - | 167 | 167 | 167 |
| Ending Balance, April 30 | - | 167 | 167 | 167 | - |
| Nonspendable | - | - | - | - | - |
| **Restricted for Debt Service** | - | 167 | **167** | 167 | **-** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# SSA 43/CRYSTAL HEIGHTS WATER & SEWER PROJECT DEBT SERVICE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# SSA 43/CRYSTAL HEIGHTS WATER & SEWER PROJECT DEBT SERVICE FUND

The Crystal Heights Water and Sewer Project provided for 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. The final debt service payment is due on or before December 15, 2019. The principal amount of bonds outstanding on April 30, 2014 is $680,000.

# FY2014/2015
# ANNUAL BUDGET
# SSA 43/CRYSTAL HEIGHTS WATER & SEWER PROJECT DEBT SERVICE FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Investment Income | 7 | 139 | - | - | - |
| Reimbursements | 140,743 | 94,412 | 123,433 | 123,433 | 123,291 |
| **Total Revenues** | 140,750 | 94,551 | **123,433** | 123,433 | **123,291** |
| EXPENDITURES | | | | | |
| Bond Issuance Costs | - | 21,245 | - | - | - |
| Bond Indebtedness - Principal | 95,000 | 107,619 | 107,673 | 107,673 | 106,667 |
| Bond Indebtedness - Interest | 40,337 | 20,451 | 15,760 | 15,760 | 13,600 |
| Total General Expenses | 135,337 | 149,315 | 123,433 | 123,433 | 120,267 |
| **Total Expenditures** | 135,337 | 149,315 | **123,433** | 123,433 | **120,267** |
| Revenues in Excess of Expenditures | 5,413 | (54,764) | - | - | 3,024 |

# FY2014/2015
# ANNUAL BUDGET (Cont'd)
# SSA 43/CRYSTAL HEIGHTS WATER & SEWER PROJECT DEBT SERVICE FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Bond Proceeds | - | 795,238 | - | - | - |
| Bond Premium | - | 35,456 | - | - | - |
| Transfer Out | - | - | - | - | - |
| Bond Refunding | - | (814,398) | - | - | - |
| **Total Other Sources (Uses)** | - | 16,296 | **-** | - | **-** |
| Change in Fund Balance | 5,413 | (38,468) | - | - | 3,024 |
| Beginning Balance, May 1 | 30,031 | 35,444 | (3,024) | (3,024) | (3,024) |
| Ending Balance, April 30 | 35,444 | (3,024) | (3,024) | (3,024) | **-** |
| Nonspendable | - | 3,024 | 3,024 | 3,024 | - |
| **Restricted for Debt Service** | 35,444 | - | - | - | - |

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City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# SSA 44/TRACY TRAIL PROJECT
# DEBT SERVICE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# SSA 44/TRACY TRAIL PROJECT DEBT SERVICE FUND

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. The final debt service payment is due on or before December 1, 2021. The principal amount of bonds outstanding at April 30, 2013 is $400,000.

# FY2014/2015
# ANNUAL BUDGET
# SSA 44/TRACY TRAIL PROJECT DEBT SERVICE FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Taxes | 32,168 | 52,455 | 70,550 | 70,550 | 68,350 |
| Investment Income | 111 | 176 | - | - | - |
| Miscellaneous | 38,968 | 26,527 | - | - | - |
| **Total Revenues** | 71,247 | 79,158 | **70,550** | 70,550 | **68,350** |
| EXPENDITURES | | | | | |
| Bond Indebtedness - Principal | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Bond Indebtedness - Interest | 24,800 | 22,675 | 20,550 | 20,550 | 18,350 |
| Total General Expenses | 74,800 | 72,675 | 70,550 | 70,550 | 68,350 |
| **Total Expenditures** | 74,800 | 72,675 | **70,550** | 70,550 | **68,350** |
| Excess Revenues over Expenditures | (3,553) | 6,483 | - | - | - |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 120,368 | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | 120,368 | - | **-** | - | **-** |
| Change in Fund Balance | 116,815 | 6,483 | - | - | - |
| Beginning Balance, May 1 | 34,638 | 151,453 | 157,936 | 157,936 | 157,936 |
| Ending Balance, April 30 | 151,453 | 157,936 | 157,936 | 157,936 | 157,936 |
| Nonspendable | - | - | - | - | - |
| **Restricted for Debt Service** | 151,453 | 157,936 | **157,936** | 157,936 | **157,936** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# SSA 45/BRYN MAWR WATER & SEWER PROJECT DEBT SERVICE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# SSA 45/BRYN MAWR WATER & SEWER PROJECT DEBT SERVICE FUND

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 25-year period. The final debt service payment is due on or before February 1, 2031. The principal amount of bonds outstanding on April 30, 2014 is $5,440,000.

# FY2014/2015
# ANNUAL BUDGET
# SSA 45/BRYN MAWR WATER & SEWER PROJECT DEBT SERVICE FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Taxes | 132,609 | 177,280 | 175,000 | 175,000 | - |
| Investment Income | - | 8 | - | - | - |
| Miscellaneous | - | - | - | - | - |
| **Total Revenues** | 132,609 | 177,288 | **175,000** | 175,000 | **-** |
| EXPENDITURES | | | | | |
| Paying Agent Fees | - | 22,579 | - | - | 14,395 |
| Bond Indebtedness - Principal | 170,000 | - | - | - | - |
| Bond Indebtedness - Interest | 291,448 | 143,314 | 175,000 | 175,000 | - |
| Total General Expenses | 461,448 | 165,893 | 175,000 | 175,000 | 14,395 |
| **Total Expenditures** | 461,448 | 165,893 | **175,000** | 175,000 | **14,395** |
| Excess Revenues over Expenditures | (328,839) | 11,395 | - | - | (14,395) |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 321,335 | 2,942 | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | 321,335 | 2,942 | **-** | - | **-** |
| Change in Fund Balance | (7,504) | 14,337 | - | - | (14,395) |
| Beginning Balance, May 1 | 7,562 | 58 | 14,395 | 14,395 | 14,395 |
| Ending Balance, April 30 | 58 | 14,395 | 14,395 | 14,395 | **-** |
| Nonspendable | - | - | - | - | - |
| **Restricted for Debt Service** | 58 | 14,395 | **14,395** | 14,395 | **-** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# SSA 46/RYLAND WATER & SEWER PROJECT DEBT SERVICE FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# SSA 46/RYLAND WATER & SEWER PROJECT DEBT SERVICE FUND

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. The final debt service payment is due on or before March 1, 2036. The principal amount of bonds outstanding on April 30, 2013 is $2,429,000.

# FY2014/2015
# ANNUAL BUDGET
# SSA 46/RYLAND WATER & SEWER PROJECT DEBT SERVICE FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Taxes | 163,773 | 166,967 | 162,933 | 168,086 | 166,668 |
| Investment Income | 33 | 89 | - | 5 | - |
| **Total Revenues** | 163,806 | 167,056 | **162,933** | 168,091 | **166,668** |
| EXPENDITURES | | | | | |
| Bond Indebtedness - Principal | 14,000 | 18,000 | 22,000 | 22,000 | 27,000 |
| Bond Indebtedness - Interest | 145,773 | 146,183 | 140,933 | 140,933 | 139,668 |
| Total General Expenses | 159,773 | 164,183 | 162,933 | 162,933 | 166,668 |
| **Total Expenditures** | 159,773 | 164,183 | **162,933** | 162,933 | **166,668** |
| Excess Revenues over Expenditures | 4,033 | 2,873 | - | 5,158 | - |
| Change in Fund Balance | 4,033 | 2,873 | - | 5,158 | - |
| Beginning Balance, May 1 | 5,788 | 9,821 | 12,694 | 12,694 | 17,852 |
| Ending Balance, April 30 | 9,821 | 12,694 | 12,694 | 17,852 | 17,852 |
| Nonspendable | - | - | - | - | - |
| **Restricted for Debt Service** | 9,821 | 12,694 | **12,694** | 17,852 | **17,852** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# THREE OAKS DEVELOPMENT FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# THREE OAKS DEVELOPMENT FUND

The Three Oaks Development Fund was established during Fiscal Year 2013/2014 and was funded initally from developer donations in lieu of dedications of land for park and recreational purposes. Donations are restricted to the acquisition and development of park and recreation land that serve the needs of the residents of the development for which donations were made.

# FY2014/2015
# ANNUAL BUDGET
# THREE OAKS DEVELOPMENT FUND

DRAFT

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Impact Fees | - | - | - | 344,015 | 100,000 |
| Grants | - | - | - | - | 199,413 |
| Interest Income | - | - | - | - | 2,000 |
| **Total Revenues** | - | - | - | 344,015 | **301,413** |
| EXPENDITURES | | | | | |
| Professional Services | - | - | - | - | - |
| **Total Contractual Services** | **-** | **-** | - | - | - |
| System Improvements | - | - | - | - | 398,826 |
| Operating Equipment | - | - | - | - | - |
| **Total Capital Outlay** | **-** | **-** | - | - | 398,826 |
| **Total Expenditures** | - | - | - | - | 398,826 |
| Revenues in Excess of Expenditures | - | - | - | 344,015 | (97,413) |

# FY2014/2015
# ANNUAL BUDGET (Cont'd)
# THREE OAKS DEVELOPMENT FUND

| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | **-** | - | **-** |
| Change in Fund Balance | - | - | - | 344,015 | (97,413) |
| Beginning Balance, May 1 | - | - | - | - | 344,015 |
| Ending Balance, April 30 | - | - | **-** | 344,015 | 246,602 |
| Nonspendable | - | - | **-** | - | **-** |
| **Restricted for Development** | - | - | **-** | 344,015 | **246,602** |

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# FY2014/2015
# ACCOUNT INFORMATION
# THREE OAKS DEVELOPMENT FUND

- Budgeted in the Three Oaks Development Fund for fiscal year 2014/2015 are funds to add an additional beach area to the park for scuba activities. The City shall secure grant funds from the Illinois Department of Natural Resources' Open Space Lands Acquisition and Development program that will reimburse the City up to 50% of the costs.

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# MAIN STREET TIF FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# MAIN STREET TIF FUND

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

# FY2014/2015
# ANNUAL BUDGET
# MAIN STREET TIF FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Taxes (Incremental) | 72,120 | 48,737 | 33,000 | 9,100 | 8,600 |
| Grants | - | | - | - | - |
| Investment Income | 145 | 288 | - | - | 300 |
| **Total Revenues** | 72,265 | 49,025 | **33,000** | 9,100 | **8,900** |
| EXPENDITURES | | | | | |
| Professional | 2,113 | 703 | - | - | - |
| Total Contractual Services | 2,113 | 703 | - | - | - |
| Public Works Improvements | - | - | - | - | - |
| Total Capital Outlay | - | - | - | - | - |
| **Total Expenditures** | 2,113 | 703 | **-** | - | **-** |
| Revenues in Excess of Expenditures | 70,152 | 48,322 | 33,000 | 9,100 | 8,900 |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | - | - | - | - |
| Bond Proceeds | - | - | - | - | - |
| Transfer Out | - | - | - | - | - |
| **Total Other Sources (Uses)** | - | - | **-** | - | **-** |
| Change in Fund Balance | 70,152 | 48,322 | 33,000 | 9,100 | 8,900 |
| Beginning Balance, May 1 | 164,295 | 234,447 | 282,769 | 282,769 | 291,869 |
| Ending Balance, April 30 | 234,447 | 282,769 | 315,769 | 291,869 | 300,769 |
| Nonspendable | - | - | - | - | - |
| **Assigned for Capital Projects** | 234,447 | 282,769 | **315,769** | 291,869 | **300,769** |

City of Crystal Lake
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Fiscal Year 2014/2015

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# VIRGINIA STREET TIF FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# VIRGINIA STREET TIF FUND

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.

# FY2014/2015
# ANNUAL BUDGET
# VIRGINIA STREET TIF FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Taxes (Incremental) | 153,862 | 84,187 | 50,000 | 45,800 | 43,100 |
| Grants | 1,280,000 | (26,163) | - | - | - |
| Investment Income | 899 | 107 | - | - | - |
| **Total Revenues** | 1,434,761 | 58,131 | **50,000** | 45,800 | **43,100** |
| EXPENDITURES | | | | | |
| Professional | 302,352 | 43,004 | - | - | - |
| Total Contractual Services | 302,352 | 43,004 | - | - | - |
| Public Works Improvements | 4,376,350 | 219,781 | - | - | - |
| Total Capital Outlay | 4,376,350 | 219,781 | - | - | - |
| **Total Expenditures** | 4,678,702 | 262,785 | **-** | - | **-** |
| Revenues in Excess of Expenditures | (3,243,941) | (204,654) | 50,000 | 45,800 | 43,100 |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | 2,624,451 | - | - | - | |
| Bond Proceeds | - | - | - | - | |
| Transfer Out | - | (19,522) | (50,000) | (45,800) | (43,100) |
| **Total Other Sources (Uses)** | 2,624,451 | (19,522) | **(50,000)** | (45,800) | **(43,100)** |
| Change in Fund Balance | (619,490) | (224,176) | - | - | - |
| Beginning Balance, May 1 | 843,666 | 224,176 | - | - | - |
| Ending Balance, April 30 | 224,176 | - | **-** | - | **-** |
| Nonspendable | | | | | |
| **Assigned for Capital Projects** | 224,176 | - | **-** | - | **-** |

City of Crystal Lake
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# VULCAN LAKES TIF FUND

# FY2014/2015
# STATEMENT OF ACTIVITIES
# VULCAN LAKES TIF FUND

The Three Oaks Recreation Area is intended to spur a comprehensive development of this area and will include residential, retail, and recreational facilities.

# FY2014/2015
# ANNUAL BUDGET
# VULCAN LAKES TIF FUND

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| | 2011/2012 Actual | 2012/2013 Actual | **2013/2014 Budget** | 2013/2014 Estimate | **2014/2015 Budget** |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Property Taxes (Incremental) | 73,742 | 25,112 | - | 4,687 | 4,400 |
| Grant Proceeds | - | 21,079 | - | - | - |
| Investment Income | 1,638 | 170 | - | - | - |
| **Total Revenues** | 75,380 | 46,361 | - | 4,687 | **4,400** |
| EXPENDITURES | | | | | |
| Professional | - | 450 | - | - | - |
| Total Contractual Services | - | 450 | - | - | - |
| Public Works Improvements | - | 36,670 | - | - | - |
| Operating Equipment | 479,776 | 222,103 | - | 4,744 | - |
| Total Capital Outlay | 479,776 | 258,773 | - | 4,744 | - |
| **Total Expenditures** | 479,776 | 259,223 | **-** | 4,744 | - |
| Revenues in Excess of Expenditures | (404,396) | (212,862) | - | (57) | 4,400 |
| OTHER SOURCES (USES) | | | | | |
| Transfer In | - | 193,119 | - | 32,645 | - |
| Bond Proceeds | - | - | - | - | - |
| Transfer Out | (73,742) | (25,112) | - | (4,687) | (4,400) |
| **Total Other Sources (Uses)** | (73,742) | 168,007 | **-** | 27,958 | **(4,400)** |
| Change in Fund Balance | (478,138) | (44,855) | - | 27,901 | - |
| Beginning Balance, May 1 | (1,318,932) | (1,797,070) | (1,841,925) | (1,841,925) | (1,814,024) |
| Ending Balance, April 30 | (1,797,070) | (1,841,925) | (1,841,925) | (1,814,024) | (1,814,024) |
| Nonspendable | 1,814,024 | 1,841,925 | 1,841,925 | 1,814,024 | 1,814,024 |
| **Assigned for Capital Projects** | 16,954 | - | **-** | - | **-** |

City of Crystal Lake
Annual Budget
Fiscal Year 2014/2015

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# 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.

**ADJUDICATION:** Administrative Court conducted by the City for compliance issues and no criminal violation of local ordinance violations.

**AD VALOREM PROPERTY TAXES:** In proportion to value. A basis for levy of taxes on property.

**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 a one-year period.

**APS:** Automated Citation Program

**ARRA:** American Recovery and Reinvestment Act of 2009

**ASE:** Automotive Service Excellence

**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.

**ASSIGNED FUND BALANCE:** The portion of a Governmental Fund's net assets to denote an intended use of resources.

**AVL:** Automatic Vehicle Locater

**BALANCED BUDGET:** A plan (Budget) setting forth expenditures and other uses for a given period being equal to or less than proposed revenues and other sources available.

**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 a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

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**BUDGET:** A plan setting forth the financial operations, embodying an estimate of proposed expenditures for a 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 presents recommendations made by the chief executive and designated budget officer.

**CAD:** Computer Aided Dispatch

**CALEA:** The Commission on Accreditation for Law Enforcement Agencies

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

**CAPITAL EXPENDITURES:** A capital expenditure is a purchase of any item over a specified amount depending on the type of asset (i.e., small tools, vehicles and infrastructure) with a useful life of 3 years or more. Items purchased meeting the criteria are tracked in the asset management system.

**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).

**CASH BASIS:** The basis of accounting under which revenues are recorded when received in cash and expenditures (or expenses) are recorded when cash is disbursed.

**CFA:** Computerized Fleet Analysis

**CMAQ:** Congestion Mitigation and Air Quality

**COMMITTED FUND BALANCE:** The portion of a Governmental Fund's net assets with self-imposed constraints or limitations that have been placed by formal action at the highest level of decision making.

**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.

**CSO:** Community Service Officer

**CVERT:** Citizen Volunteers Employing Radar Team

**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.

**EAV:** Equalized Assessed Valuation

**EMS:** Emergency Medical Services

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**ENTERPRISE FUND:** 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.

**EPA:** Environmental Protection Agency

**ERP:** Emergency Repair Program

**ETSB:** Emergency Telephone System Board

**EVOC:** Emergency Vehicle Operators Course

**EVT:** Emergency Vehicle Technician

**EXPENDITURES:** The payment of cash or 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.

**FCC:** Federal Communications Commission

**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.

**FRA:** Federal Rail Administration

**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

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statements of an entity. GAAP encompasses 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 provides 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.

**GIS:** 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 a specified purpose.

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**HPC:** Historical Preservation Commission

**HVAC:** Heating, Ventilating and Air Conditioning

**ICAC:** Internet Crimes Against Children

**ICMA:** International City/Council Management Association.

**ICSC:** International Council of Shopping Centers

**IDOT:** Illinois Department of Transportation

**IMRF:** Illinois Municipal Retirement Fund

**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.

**IPBC:** Intergovernmental Personnel Benefit Cooperative. The IPBC is an entity created under Illinois State laws which allows municipal groups to band together for the purposes of health insurance. The IPBC was created in 1979 and currently includes 59 municipalities or municipal entities as members.

**JSA:** Job Safety Analysis

**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.

**LEXIPOOL:** A system of risk management tools consisting of web based public safety policy manuals and training bulletins.

**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.

**MCDOT:** McHenry County Department of Transportation

**MCR:** Mobile Capture Accident Reporting

**METRA:** Northeast Illinois commuter rail system serving Chicago and area suburbs.

**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.

**NONSPENDABLE FUND BALANCE:** The portion of a Governmental Fund's net assets that are not available to be spent, either short-term or long-term, in either form or through legal restrictions.

**NCS:** National Citizen Survey

**NPDES:** National Pollutant Elimination System

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

**OC SPRAY:** Oleoresin Capsicum or "pepper" spray

**OPEB:** Other Post Employment Benefits

**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.

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**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 includes expenses for outside professional services, advertising, insurance, utility costs, repairs maintenance and miscellaneous costs.

**PACE:** Suburban bus service of the regional transportation authority.

**PERFORMANCE INDICATORS:** A quantitative or qualitative measurement of activity.

**PERSONNEL 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.

**PLC:** Programmable logic controller

**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 to 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.

**PZC:** Planning and Zoning Commission

**REGIONAL TRANSPORTATION AUTHORITY:** Lead public transportation agency for Chicago area suburbs.

**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.

**RESTRICTED FUND BALANCE:** The portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions.

**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.

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**SCADA:** Supervisory Control and Data Acquisition

**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.

**STP:** Surface Transportation Program

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

**TIF:** Tax Increment Financing District.

**TRU:** Targeted Response Unit.

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

**UDO:** Unified Development Ordinance

**UNASSIGNED FUND BALANCE:** Available expendable financial resources in a Governmental Fund that are not the object of a tentative management plan, i.e. designations (Only in the General Fund, unless negative).

**UPRR:** Union Pacific Railroad

**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.

**WAS:** Waste Activated Sludge

**WORKLOADS:** A measure of the services provided

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**WTP:** Water Treatment Plant

**WWTP:** Wastewater Treatment Plant

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# ACCOUNT DESCRIPTIONS

# ACCOUNT DESCRIPTIONS

## Personal Services

**54110 – Regular Salary**
Includes salaries, wages or fees (including over time) of all full-time employees, officials and officers of the City of Crystal Lake

**54115 – Part-time Wages**
Includes salaries, wages or fees (including over time) 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 officers and firefighters 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**
Includes all amounts that are paid by the City of Crystal Lake and reimbursed by an outside agency. Excludes 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

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**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 expenses and cost of miscellaneous publications

**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 –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 telephones, cellular phones, 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,

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automobiles, trucks, shop and plant equipment, traffic signals, instruments of all types, air conditioning equipment and minor apparatus and tools

**55340 – Office Equipment**
Includes costs of maintaining, including labor and materials, performed by outside vendors for maintenance and repair of office equipment; computers, office machines and furniture. 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**

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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.

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**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 stationery, 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 for 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 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, and 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, blueprinting and microfilming services by outside vendors, including City letterhead and return-address labels and envelopes

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**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.

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City of Crystal Lake
Annual Budget
Fiscal Year 2013/2014

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# APPENDICES

# SIGNIFICANT NON-RECURRING PROJECTS

**South Main Street (South of Virginia Road to Liberty Avenue)** – The South Main Street improvement will widen the roadway to two lanes in each direction, which will improve capacity and reduce congestion. The project eliminates a bottleneck between the four-lane sections of Main Street at U.S. Route 14 and at Pyott Road, which was widened with McHenry County's Rakow Road project. The City received $1.5 million in federal STP funding for construction. McHenry County has also agreed to contribute their proportionate share to the project for work on the intersection approaches under their jurisdiction, which is estimated to be $2.1 million. Fiscal year 2014-2015 budget: $700,701. Total project budget: $6,951,930.

**Main Street @ Crystal Lake Avenue Intersection Improvement** – The Main Street and Crystal Lake Avenue improvement will complete modifications to the intersection. The north leg of the intersection was improved in 2008. Dedicated turn lanes in all directions and additional streetscaping elements consistent with recently completed Downtown TIF improvements will be completed. The project will improve traffic flow while enhancing vehicular and pedestrian safety at the intersection which lies at the end of the McHenry County Conservation District's Prairie Trail bike path along Main Street. The City has obtained $1.5 million in federal STP funding for construction. Fiscal year 2014-2015 budget $268,547. Total project budget: $2,361,700.

**Country Club Area** – The Country Club area project will consist of replacing water mains, relining sections of sanitary sewer and resurfacing roads. The Country Club area has a high prevalence of water main breaks as well as undersized 4-inch water mains. The Country Club area improvement is needed to reduce the likelihood of breaks and service interruptions, and improve water quality in the area. Roads in the County Club area are also in need of resurfacing. Fiscal year 2014-2015 budget: $1,295,000. Total project budget: $4,438,194.

**IL Route 176 at Main Street** – The IL Route 176 at Main Street project will consist of reconstructing/resurfacing North Main Street, improve the traffic channelization at the IL Route 176 and North Main Street intersection, improve water main and storm sewer and provide a safer crossing for the existing bike route. The City has received $1.5 million in federal STP funding for construction. Fiscal year 2014-2015 budget: $173,540. Total project budget: $1,213,400.

**Water Treatment Plant #5 Expansion** – This project includes the design and construction of an addition to the existing facility for purposes of pumping and treating water from a new well. The new well #18 will allow the City to increase its capacity to meet demands during high flow events. Fiscal year 2014-2015 budget: $200,000. Total project budget: $2,700,000.

**Digester (Wastewater Treatment Plant #2)** – The Digester project will consist of the design and construction of one (1) additional Digester at Wastewater Treatment Plant #2 in order to improve bio-solids operations through increasing plant capacity while reducing risk of EPA violations due to foam overflow. Fiscal year 2014-2015 budget: $2,500,000. Total project budget: $9,100,000.

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# HISTORY OF CRYSTAL LAKE

The Crystal Lake area's first European settlers, Beman and Polly Tuttle Crandall arrived in February 1836 with their six children, and discovered a sparkling clear lake, tall timber, and vast prairies. By August, 1836, the U.S. government granted homestead rights to the Crandalls. An old trail, forged by the Sac and Fox tribes, extended from Fort Dearborn in Chicago to northwest Wisconsin, with the portion through Crystal Lake known as Route 14. A log cabin inn, the Lyman-King House, stood on Virginia Street near Pomeroy Avenue and served as a stage coach stop and trading post.

The Village of Crystal Lake was platted in 1840 by Beman Crandall, Christopher Walkup, and Abner Beardsley. At the time, the surveyors determined the boundaries to be Virginia Street to the north, Lake Avenue to the south, McHenry Avenue to the east, and Dole Avenue to the west.

The Village of Nunda was established in 1855, with the Chicago, St. Paul and Fond du Lac railroad (the track is now owned by the Union Pacific), the first direct rail connection from Chicago. The train stop in the Village of Nunda established the town as the commercial hub of McHenry County. The street configuration of Crystal Lake's present downtown reflects the railroad's early influence. In 1856, a rail spur line (now Dole Avenue) was built from the Village of Nunda to Crystal Lake to transport ice cut from the lake to Chicago and to bring visitors from Chicago to the area.

Many public infrastructure improvements took place in the early years of the two villages. The Chicago Telephone Company received a right-of-way in 1883. In 1884, wooden sidewalks were constructed. The water system was built in the Village of Nunda in 1899 and in the Village of Crystal Lake in 1912. The Nunda Electric Company built a plant on Walkup Avenue, south of the Union Pacific track, in 1902. Western United Gas and Electric Company began operations in 1909. The City built the wastewater treatment system on McHenry Avenue, south of Barlina Road, in 1919. Road paving became a predominate fixture in the community in 1924 and 1929 with increasing use of the personal automobile.

The Village of Nunda became North Crystal Lake in 1908. Consolidation of Crystal Lake and North Crystal Lake occurred on April 28, 1914. The City of Crystal Lake Charter was adopted on September 23, 1914.

Since World War II, the population and boundaries of the City of Crystal Lake have changed dramatically. Throughout the Chicago area, people have relocated farther from Chicago to places like Crystal Lake in search of more open space, less traffic, cheaper land and safer neighborhoods.

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# COMMUNITY PROFILE

The City of Crystal Lake, located 50 miles northwest of Chicago, currently occupies a land area of 20.234 square miles and serves a certified population of 40,743 with a median family income $85,310.

The region has a varied manufacturing and industrial base that adds to a relatively stable unemployment rate. Major employers in the community are: AptarGroup, Knaack Manufacturing, Covidien, Curran Contracting, and Althoff Industries. Other major employers include: Walmart, Jewel Foodstores, the *Northwest Herald* newspaper, Crystal Lake School District 47, McHenry County College, Crystal Lake School District 177, Crystal Lake Park District and the City of Crystal Lake.

The City of Crystal Lake has operated under the Council-Manager form of government since 1957. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring of the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments, including the City Attorney. The City Council is elected at-large on a non-partisan basis. Council members serve four-year staggered terms.

The City of Crystal Lake provides a full range of services, including police and fire protection; construction and maintenance of highways, streets, and infrastructure; maintenance of the public storm drainage system; water, sanitary sewer service and wastewater treatment; and growth management, planning and development control through the activities of the Community Development Department. In addition to these general governmental activities, the City has certain information relative to the public library (a discretely presented component unit) and police and fire pension systems (blended component units). As such, the activities of the Library and police and fire pension systems have been included in the City of Crystal Lake's financial reporting entity. However, as separate governmental entities, the Crystal Lake Elementary and High

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School Districts, the Crystal Lake Park District, and the Crystal Lake Civic Center Authority have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

Development management represents a significant challenge and priority for the City. Utilization of impact fees and sophisticated policies requiring development to fund its own infrastructure cost illustrates the fact that the City has maintained growth management initiatives. The City's impact fees and growth-funded infrastructure requirements have ensured that the City's taxpayers are not burdened by development.

The non-residential sector of economic activity has continued to be built out, but not at the same pace as prior years, with over one million square feet of re-tenanted occurring over the past two years. The City's property valuation growth has remained constant over the past year through the addition of new non-residential development. This is evidence of the City's continued strong economic activity level and further underscores the City's strong non-residential tax base.

Despite substantial competition that has occurred from commercial growth in many of the areas surrounding Crystal Lake and the difficult retail environment for certain players in the very competitive Chicago arena, the retail sector has remained stable over the past year. The City has continued to maintain strength as a retail base for serving the regular commercial needs for the immediate City population, and has continued as a regional point for commercial activities. In 2011, over 572,000 square feet of vacant space was leased by new businesses, of which 39% was along Route 14. In 2012, over 338,000 square feet of vacant space was leased by new businesses throughout the City. In 2013, nearly 455,000 square feet of business occupancies occurred which included nearly 234,000 square feet by new businesses. Over 194,000 square feet was occupied by existing Crystal Lake businesses that expanded or relocated within the City of Crystal Lake borders. 2013 can be called "the year of the small business" as 78 new small businesses opened in Crystal Lake.

Route 14 serves as a retail corridor for the City of Crystal Lake, highlighted by Crystal Point Shopping Center, Crystal Court Shopping Center and The Commons Shopping Center. The Bohl Farm Marketplace, consisting of nearly 400,000 sq. ft. of retail space, anchors Kohl's department store, a Target store and Buy BuyBaby, and includes other national tenants such as Barnes and Noble, Five Below and a Chili's restaurant.

The Archway East Center development includes a Portillo's restaurant, a new Texas Roadhouse restaurant, Chick fil-A, Sports Authority, Mario Triccoci, Menards and three additional small independent retailers. Chipotle Mexican Grill, Noodles & Company, Culver's, Jameson's Charhouse, Fast Eddie's Car Wash, the Village Squire Restaurant, and the Regal Theaters are all located near this center.

The downtown sector of the City, which has continued to show substantial strength, exhibits a very low vacancy rate of less than 5% and continues to be a viable commercial destination. A Starbuck's and two independent ice cream shops are located in the Downtown area, as well as a number of unique fine dining establishments including Benedict's La Strata, Georgio's Pizzeria, Duke's Alehouse, Tacqueria Las Cumbres, Williams Street Public House, Finn McCool's and Da Baffone Cucina Italiana. Downtown Crystal Lake will also offer Crystal Lake's first microbrewery, Crystal Lake Beer Company,

that is opening in the summer of 2014. The downtown district is home to the Raue Center for the Arts, which is an 800-seat theatre that is one of the finest examples of restored art and decor in the nation. The Raue Center provides a unique draw for the downtown area as the largest performing arts theater in McHenry County.

Along Route 14, streetscape improvements have fostered private redevelopment interest with a major pharmacy proposed to anchor one of the key intersections.

Anderson Motors, a major auto retailer of BMW, Volkswagen, and Mazda vehicles, located on North Route 31, has expanded their service facilities and indoor display areas. As part of a major expansion for this dealership, they are relocating and building a new Volkswagen dealership in the Route 14 corridor and maintaining the remaining two flags at the Route 31 facility. In addition, Pauly Toyota has relocated their auto dealership to the Lutter Center at the intersection of Route 31 and Rakow Road, near a Super Wal-Mart. Brilliance Honda completed a major expansion and relocated also within Crystal Lake. Brilliance Honda consolidated their car inventory locations and rebuilt an automobile dealership located at the northeast corner of Routes 176 and 14.

Crystal Lake continues to be an attractive place to live and conduct business. In 2011 through early 2014, new businesses who have either occupied space or leased space and are under construction, or relocated to larger buildings include: HH Gregg, Five Below, Ross Dress for Less, Superior Health Club, The Fresh Market, Jersey Mikes, Courtesy Motors, Five Guys Burgers, O'Reilly Auto Parts, Harbor Freight Tools, Alternative Garden Supply, Savers, Weight Watchers, Mattress Bargains, Meineke Car Care Center, Randall Road Animal Hospital, Exemplar Financial, Olive Tap, KK Buffet, Gumpas Psychiatry, Advance Auto Parts, Kyoto Restaurant, Electron Marketing, Scali & Assoc. Accounting, The Movement, Suran Built Inc., Action Kung Fu, Supreme Shine Detailing, Comnet Group Staffing, Samsone & Associates, Mr. Cakes, Subway at Healthbridge, Mobil Oil at Routes 31 and 176, The Fit Stop, Sandra's Hair Salon, Colonial Ice Cream & Café, Vanity Cosmetics, The Perfect Pear, Route 14 Dentistry, Crystal Lake Bank & Trust, Chene Chiropractic, Sunshine Travel, Freshly Baked Communication, Mattress Clinic, Straight Shooters Gallery, Panaderia El Molino Azul, N' Focus Photography, Elite Kids, S&M Thurow Salon, Salon 134, Providence Packaging, AL-RO Injection Molding, Phoenix Electronics, RW Technologies, Aptar Group, Phoenix Custom Woodworks, Five Star Pallet, Crystal Lake Ribhouse, Texas Roadhouse, Greeks Pizzeria, Crystal Lake Beer Company, Marvin's Toy Store, Riverside Chocolate Factory, Kitchen Outfitters, Reprographics and National Gift Card.

The City of Crystal Lake is fortunate to have two Metra train stations within our corporate limits. The second station, a 2,000-square-foot Pingree Road Metra Station, was completed in the winter of 2005 at a cost of $2.1 million. Metra funded the construction of the Pingree Road Station as well as recent renovations to the Downtown Train Station, which were completed the summer of 2006. In response to increasing demand for parking, Metra recently completed its expansion of the commuter parking area at the Pingree Station.

Once again, the City has continued to have a very low property tax rate for municipal services compared to other municipalities in southeastern McHenry County. The following graph depicts the 2012 tax rates (excluding Library operations) for surrounding communities.

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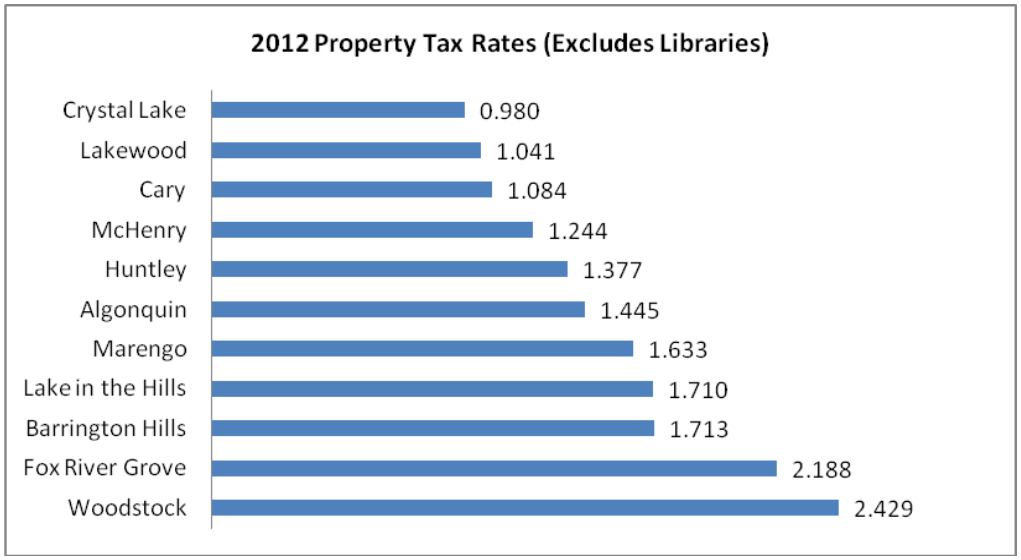


The continued development of the City's non-residential tax base and the stable retail sector of the community have facilitated this position. The City's retail base helps defray the cost of most General Fund supported services, such as police protection, street maintenance, brush and leaf pickup, and other services.

## Principal Employers (September 19, 2013)

| Employer | Product or service | Employees |
|---|---|---|
| Crystal Lake School District 47 | Elementary/middle school education | 1100 |
| McHenry County College | Higher education | 856 |
| Crystal Lake School District 155 | High school education | 798 |
| AptarGroup | Product dispensing systems | 545 |
| Crystal Lake Park District | Parks and recreation | 480 |
| Knaack Manufacturing | Jobsite storage | 381 |
| Covidien | Medical products | 350 |
| Walmart | Department store | 350 |
| City of Crystal Lake | Municipal government | 285 |
| Jewel Foodstores | Grocer | 220 |
| Northwest Herald | Newspaper | 217 |
| Curran Contracting | Paving, excavating | 210 |
| Health Bridge Fitness Center | Health club | 204 |
| Home State Bank | Financial institution | 156 |
| Centegra Health System | Health care | 148 |
| The Fountains of Crystal Lake | Independent Living, Memory Care | 145 |
| General Kinematics Corp | Vibratory and rotary equipment | 135 |
| Technipaq | Sterilizable healthcare packaging | 120 |
| Althoff Industries | Mechanical/electrical controls | 110 |
| Home Depot | Home improvement supply | 110 |
| Prudential First Realty | Real estate services | 107 |
| Sage YMCA of Metro Chicago | Fitness and health facility | 100 |

The above private and public employers have the largest work forces within the City.

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# Demographic Statistics

| Fiscal Year Ended April 30, | Population | | Median Age | Total Housing Units | School Enrollment | Unemployment Rate |
|---|---|---|---|---|---|---|
| 1990 | 21,823 | | - | - | - | - |
| 2000 | 38,000 | | - | - | - | - |
| 2001 | 38,050 | (estimate) | - | - | 12,706 | 3.60 |
| 2002 | 38,100 | (estimate) | - | - | 12,853 | 5.10 |
| 2003 | 38,150 | (estimate) | - | - | 13,471 | 6.50 |
| 2004 | 38,161 | (estimate) | - | - | 13,053 | 4.60 |
| 2005 | 39,788 | | - | - | 15,458 | 5.30 |
| 2006 | 39,900 | (estimate) | - | - | 16,175 | 4.60 |
| 2007 | 40,050 | (estimate) | - | - | 16,011 | 4.10 |
| 2008 | 40,250 | (estimate) | - | - | 16,215 | 4.90 |
| 2009 | 40,500 | (estimate) | - | - | 16,008 | 9.60 |
| 2010 | 40,743 | | 34.1 | 15,176 | 15,471 | 9.50 |
| 2011 | 40,743 | | 35.1 | 15,176 | 15,829 | 8.30 |
| 2012 | 42,349 | (estimate) | 36.1 | 15,176 | 15,800 | 7.50 |
| 2013 | 40,766 | (1) | 36.1 | 15,209 | 14,576 (2) | 7.10 (3) |

(1) State of Illinois Census estimate
(2) Combines total enrollment for Districts 155 and 47
(3) Illinois Department of Employment Security

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# Miscellaneous Statistics

| | |
|---|---|
| Date of Incorporation | September 23, 1914 |
| Form of Government | Mayor - Council |
| Area (square miles) | 22.9 |
| Number of Employees | 269 |
| | |
| Facilities and Services: | |
| Miles of Streets | 160 |
| Number of Street Lights | 1,996 |
| Number of Traffic Signals | 31 |
| | |
| Police Services | |
| Number of Stations | 1 |
| Number of Police Personnel | 79.75 |
| Number of Patrol Units | 23 |
| Law Violations | |
| Physical arrests | 918 |
| Traffic violations | 11,381 |
| Parking violations | 4,569 |
| | |
| Fire/Emergency Medical Services | |
| Number of Stations | 3 |
| Number of Fire Personnel | 67.75 |
| Number of Calls Answered | 5,452 |
| Number of Fire Inspections | 1,060 |
| Number of Life Safety Inspections | 721 |

| | |
|---|---|
| Culture and Recreation | |
| Parks acreage | 1,393 |
| Parks | 45 |
| Tennis courts | 30 |
| Community centers | 8 |
| | |
| Number of Libraries | 1 |
| | |
| Water System: | |
| Water mains (miles) | 230 |
| Fire hydrants | 3,095 |
| Maximum daily capacity (millions of gallons) | 8.54 |
| Average daily consumption (millions of gallons) | 4.40 |
| | |
| Sewer System: | |
| Sanitary sewers (miles) | 166 |
| Storm sewers (miles) | 60 |
| Maximum daily treatment (millions of gallons) | 16.5 |
| Average daily sewage treatment (millions of gallons) | 5 |

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# THE BUDGET PROCESS

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.

**Strategic Action Plan**

Recognizing the many challenges facing the community, City Council members and Department Heads actively engage in strategic planning processes. A Strategic Plan is developed for a five-year period and identifies the most important commitments that will achieve the community's vision where all share in the responsibility of participating in civic life and advance the City's mission 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. Key elements of the City's planning framework include:

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

**Revenue Projections**

Revenue projections for the new fiscal year begin early in the current fiscal year. Projections are made by the departments responsible for the revenues with help from the Finance staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

**Expenditures**

The City of Crystal Lake uses a program-oriented budgeting process. Each budgeting unit is given a target or "baseline" funding level based upon the previous year's funding level. With a few exceptions, no fixed assets or wages and benefits are included in baseline funding. Any funding request that represents new expenditures and programs, or that is in excess of baseline funding, must be submitted as a separate request. Requests for capital purchases (fixed assets) must also be submitted separately.

**Proposed Budget Analysis/Compilation**

The Finance Department reviews and compiles a preliminary draft of departmental budgets to present to the Budget Team, which is comprised of the Budget Officer (City Manager), Department Heads and Assistant Finance Director. During Budget Team meetings, each Department Head answers questions concerning their budget.

Given revenue projections and baseline funding requirements, budget changes in funding are made according to necessity and priority. A total recommended funding level is determined and is weighed against available resources.

**Proposed Budget Development**

The Budget Officer prepares and submits to the Crystal Lake City Council, the Proposed Annual Budget covering the next fiscal year. The Proposed Budget assumes for each fund that operating revenues and resources are equal to, or exceed expenditures. The Budget Officer's message summarizes funding requirements, major changes in programs and

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alternatives for funding.

**City Council Budget Workshop**

A budget workshop is held with the City Council to review and discuss the proposed budget. The workshop is open to the public. Discussions and budget revisions may occur up until the budget is adopted. The corporate authorities make the tentative annual budget conveniently available for public inspection at least ten days prior to the passage of the annual budget.

**Public Hearing/Budget Adoption**

Not less than one week after publication of the tentative annual budget, and prior to final action on the budget, the corporate authorities hold a public hearing on the tentative annual budget, after which hearing the tentative budget may be further revised and passed without any further inspection, notice, or hearing. At the public hearing, citizens may make formal comments concerning the proposed budget. The budget is approved by a vote of two-thirds of the members of the corporate authorities holding office.

**Budget Amendments**

The City Council may delegate authority to delete, add to or change the adopted budget, subject to such limitation or requirement for prior approval by the Budget Officer or City Manager as the Council, upon a majority vote of the members then holding office, may establish. No revision of the budget shall be made increasing the budget in the event funds are not available to effectuate the purpose of the revision.

The City Manager may transfer funds between units in the same fund. With the prior approval of the City Manger, Heads of Departments may transfer funds between line items within the same budgeting unit. Changes at the fund level require the approval of two-thirds of the City Council.

**Basis of Budgeting**

The City's annual budget for all funds is prepared using the inflows and outflows of current financial resources (modified basis of accounting). Current financial resources are cash or items such as receivables that will be converted into cash during the current fiscal period or that will be available soon enough after the end of the period to pay current-period liabilities.

The City's Comprehensive Annual Financial Report contains two categories of basic financial statements, government-wide and fund financial statements. Government-wide financial statements are intended to provide an aggegated overview of the City's net assets and changes in net asses. The government-wide financial statements report on the City as a whole and assist in assessing operational accountability, whether the City has used its resources efficiently and effectively in meeting operating objectives. Operational accountability is best achieved by using essentially the same basis of accounting and measurement focus used by business organizations, the accrual basis and flow of economic resources measurement focus.

Fund financial statements, the other category of basic financial statements, assist in assessing whether the City has raised and spent financial resources in accordance with budget plans and compliance with pertinent laws and regulations. Fund financial statements focus on the short-term flow of current financial resources or fiscal accountability, rather than on the flow of economic resources.

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CITY OF CRYSTAL LAKE
FISCAL YEAR 2014-15 BUDGET CYCLE

| | |
|---|---|
| Friday, June 14, 2013 | Departments to synchronize FY2013-2014 Project Detail in *PlanIt!* with the approved FY2013-2014 budget |
| Friday, July 12, 2013 | Departments to complete FY2014-2015 through FY2018-2019 Project Detail in *PlanIt!* |
| Wednesday, July 31, 2013 | Distribute FY2014-2015 Budget instructions to Departments |
| Friday, August 16, 2013 | FY2014-2015 Position Requisition Forms due from Departments |
| Friday, September 13, 2013 | FY2014-2015 Objectives and Performance Measures due from Departments |
| Wednesday, September 25, 2013 | Distribute FY2013-2014 Mid-Year Review instructions to Departments |
| Friday, October 4, 2013 | FY2014-2015 Budget Request due from Fire Rescue |
| Tuesday, October 15, 2013 | Fire Rescue to review FY2014-2015 Budget Request with the City Manager and Director of Finance |
| Friday, October 18, 2013 | FY2013-2014 Year-End Estimates due from Departments |
| Friday, November 8, 2013 | Distribute Mid-Year Financial Review and 2013 Tax Levy Discussion Memorandum to City Council |
| Friday, November 15, 2013 | FY2014-2015 Budget Request due from Departments<br>FY2014-2015 Account Information due from Departments |
| Tuesday, November 19, 2013 | City Council consideration of a resolution determining the 2013 Tax Levy (the tax levy determination shall not be made less than 20 days prior to the adoption of the tax levy) |
| Saturday, December 7, 2013 | Publish Notice of Truth in Taxation (notice to be published 7-14 days prior to public hearing) |
| Friday, December 13, 2013 | FY2013-2014 Accomplishments due from Departments<br>FY2014-2015 Organization Charts due from Departments |
| Tuesday, December 17, 2013 | Public Hearing and Adoption of the 2013 Tax Levy |
| Wednesday, December 18, 2013 – Friday, January 10, 2014 | Departments to review FY2014-2015 Budget Requests with the City Manager and Director of Finance |

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CITY OF CRYSTAL LAKE
FISCAL YEAR 2014-15 BUDGET CYCLE (CONT'D)

| | |
|---|---|
| Thursday, December 19, 2013 | File 2013 Tax Levy with McHenry County Clerk |
| Friday, February 7, 2014 | Final FY2014-2015 Budget Revisions due from Departments (Accomplishments, Objectives, Performance Measures and Account Information) |
| Wednesday, March 12, 2014 | Distribute Proposed FY2014-2015 Budget to City Council |
| Thursday, March 20, 2014 | Conduct Budget Workshop (Session I) |
| Tuesday, April 1, 2014 | Council consideration of a resolution to display publicly, the Proposed FY2014-2015 Budget and to set the Public Hearing date for the Proposed FY2014-2015 Budget (the tentative budget shall be available for public inspection at least 10 days prior to the passage of the annual budget) |
| Saturday, April 5, 2014 | Conduct Budget Workshop (Session II)<br><br>Publish Notice of Public Hearing for the FY2014-2015 Budget (notice to be published at least one week prior to the time of hearing) |
| Tuesday, April 15, 2014 | Public Hearing and Adoption of the FY2014-2015 City Budget and Salary Ordinance |
| Friday, April 25, 2014 | File Adopted FY2014-2015 Budget with the McHenry County Clerk |

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# City of Crystal Lake

April 15

# 2014

This manual of policies and procedures has been designed to assist all City departments in handling their daily financial transactions. The statements include information related to the purchasing of goods and services, and accounting for financial transactions. This manual presents policy statements to aid in decision-making and procedure steps for implementation.

## Finance Policies and Procedures

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# CITY OF CRYSTAL LAKE

# FINANCE POLICIES & PROCEDURES

## Effective April 15, 2014

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Purchasing Authority Policy and Procedures

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## A. City 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..

## B. Budget Principles

The City of Crystal Lake Budget Policy is based on a set of fundamental principles designed to maintain an organization with a strong financial condition and a proactive approach to serving the needs of its citizens. Adherence to these principles will enable the City to provide services in a cost-effective manner in both good times and in periods of sustained economic downturn and uncertainty. These principles include:

1. The City budget shall reflect a long-term perspective and incorporate policies and management strategies to achieve the City's long-term goals.

2. The City's budget process shall identify broad organizational goals and link the departmental spending plans directly to the accomplishment of these goals.

3. The City shall publish an annual budget which serves as a communication tool, demonstrating the City's accountability for the sources and uses of public funds and providing an operations guide to assist personnel in the responsible management and application of these resources.

4. The focus of budget decisions will be on results and outcomes. The City will continually monitor its financial condition, performance relative to the adopted budget, and stakeholder satisfaction with programs and services and make adjustments as needed.

5. The budget shall be designed to promote involvement from citizens, staff, local businesses and other interested stakeholders. The annual budget shall be provided in its entirety on the City's web-site, and the City will annually exceed statutory requirements for public discussion and deliberation on the budget.

6. The budget will be prepared on the current financial resources measurement focus for all funds, using the modified accrual basis of accounting.

## C. Budget Process

The City of Crystal Lake has adopted the budget system for managing City finances in accordance with Illinois Compiled Statutes 65 ILCS 5/8-2-9.1 et seq. The budget process consists of activities that encompass the development, implementation and evaluation of the budget process, including:

1. *Strategic Plan* – The Mayor, City Council and City Manager will establish broad goals that provide overall direction for the government. This will be completed at the beginning of each budget cycle. These goals will serve as a framework for decision making. The strategic plan shall include the identification of opportunities and challenges for government services, capital assets, and management.

2. *Budget Preparation* – in accordance with Illinois Compiled Statutes, the Finance Director is appointed the Budget Officer. The Budget Officer is responsible for coordinating the overall preparation and administration of the City budget. The Department Heads have primary responsibility for formulating budget proposals that support the priorities and direction provided by the City Council. The Budget Officer will assist the Department Heads in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.

3. *Balanced Budget* – the City shall adopt a balanced operating budget, which is defined as a budget where projected revenues are equal to budgeted expenditures within the current fiscal period. Capital projects funds and other projects funded from existing resources (e.g., fund balances) are excluded from this policy.

4. *Budget Monitoring* – the Finance Department will maintain a system for monitoring the City's budget performance. Interim financial reports comparing actual experience against budgeted revenues and expenditures in the current fiscal period shall be distributed and reviewed with the City Council on a monthly basis. The Finance Department will also provide monthly reports comparing actual experience against budgeted revenues and expenditures in the current fiscal period to Department Heads. The Department Heads have primary responsibility for ensuring their departments stay within their annual adopted budget.

5. *Budget Adjustments and Amendments* - during the course of the year, the City may determine that a significant individual purchase or other unplanned event may cause a budgeted account to exceed the budgeted amount. The City may adjust the original budget using one of the following methods:

    a. Budget adjustment – this involves a reallocation of existing appropriations and does not change the Fund's overall budget. The Budget Officer is authorized to delete, add to, change or create subclasses within object classes budgeted previously to the department, subject to the prior approval of the City Manager.

    b. Budget amendment – this provides an addition to or reduction of existing budget authority which results in a change to the Fund's bottom line. This type of change requires a resolution that amends the original budget and states the sources of funding for the incremental change.

6. *Distinguished Budget Presentation* – the City will seek to prepare its budget based on the requirements of the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award program.

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## D. Revenue Policies

The City must be sensitive to the balance between the need for services and the City's ability to raise fees, charges, and taxes to support those services. The City revenue estimates are to be conservatively forecasted and include the following principles:

1. *Mix of revenues* - the City should strive to maintain a stable and diverse mix of revenues in order to balance the sources of revenue and protect against fluctuations in any one revenue source.

2. *Charges for services* - the City shall have fees for services that benefit specific users established in such a manner which fully support all direct and indirect costs associated with providing the service. Departments that impose fees or service charges should prepare and periodically (i.e., annually) update cost-of-service studies for such services.

3. *One-time revenues* - the City shall avoid the use of one-time or otherwise intermittent revenues to support on-going operational costs.

4. *Grant Agreements* - the City shall explore the award of various local, State and/or Federal grants to support one-time capital or non-recurring expenditures. Prior to application and again prior to acceptance, the City will review the grant agreement to ensure matching requirements are reasonable and attainable, and ensure compliance with regulatory requirements if possible.

5. *Monitoring changes* - the City will monitor changes in key revenues on, at a minimum, a quarterly basis, and report on significant changes in collections or emerging trends.

## E. Operating Expenditure Policies

It is important that the City maintain an adequate and effective cost analysis and containment program.

1. *Public Stewardship* – the City shall maintain a level of expenditures which will provide for the public well-being and the safety of the residents of the community.

2. *Current resources* – the City shall strive to pay for current operating expenses from available operating revenues.

3. *Full cost allocation* – the City budget shall reflect the full cost of providing services and avoid practices which balance current costs at the expense or detriment of future years, such as deferring or postponing necessary expenses.

4. *New programs and services* – the City should avoid the implementation of new programs or services without the identification of a dedicated revenue stream to pay for them.

5. *Employee Staffing* – the City shall allocate staff and resources necessary to safely,

effectively and efficiently meet the needs of its citizens. Any changes to staffing and resource levels shall be consistent with the overall goals and priorities of the City Council.

6. *Employee pension plans* – the City shall provide for the responsible and timely funding of required employee pension plans in accordance with accepted actuarial standards and practices.

## F. Capital Investment Policies

The capital assets of the City and their condition are critical to the quality of services provided and are therefore an important part of determining whether the needs and priorities of stakeholders can be met.

1. *Capital replacement* – the City shall strive to provide a systematic approach for the replacement of City equipment and infrastructure which include funding replacement of these assets over their anticipated useful life. The City should assess the issues, challenges and opportunities affecting the provision of capital assets in the future, including community needs and priorities, the impact of deferred maintenance, funding issues, changes in technology, and any legal or regulatory changes.

2. *Capital project proposals* – the City should include project cost estimates for the Capital Budget that are based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project.

3. *Operating cost impact* - Proposals shall include all reasonable attainable cost estimates for operating and maintenance costs necessary for the life cycle of the asset.

4. *Comprehensive resource plan* – the plan should include the amount and type of resources required, a timeline, and financing strategies to be employed. The resources should be differentiated by phase of the project, where applicable.

5. *Budget cost* – capital projects will be budgeted at the full estimated cost of completing the project, or unique phase for larger projects, in the year the project is expected to be started.

6. *Contingencies* – the City shall include a reasonable amount for contingencies for each project award in the budgeted amount. The amount set aside shall correspond with industry standards and shall not exceed 10%.

7. *Multi-year projects* – capital projects that are not expensed during the budget period may be re-budgeted or carried over to the next fiscal period. Multi-year projects with unexpended funds will be carried over to the next fiscal period.

8. *Capital project funding* - A capital project will not be budgeted unless there is a reasonable expectation that funding is available.

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## G. Investment and Debt Policies

The City investment and debt issuance policies are designed to maintain a strong financial condition and incorporates the following principles:

1. *Asset Preservation* – Preservation and safety of assets is a higher priority than return on investments. Therefore, the City will seek a reasonable return on its investments while also preserving the original capital investment. The City maintains an Investment Policy, approved by the City Council and updated annually.

2. *Debt Issuance* – the City will strive to keep a strong bond rating by monitoring and improving its financial stability. Before debt is issued, consideration will be given to:

    a. Whether the revenue stream is available to repay debt.

    b. Alternate methods of financing.

    c. Whether it would not be cost effective to delay issuing debt.

## H. Reserve Policies

The City will maintain adequate reserves in order to reduce the potential need to borrow to fund operations or abruptly reduce services during periods of economic downturn or other emergencies. It will also place resources into reserve for long-term capital needs. To accomplish these goals, the City has specific reserve requirements in several funds. These detail requirements are incorporated in the City Fund Balance Policy.

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# CHAPTER 1 - INTRODUCTION

## A. Introduction/Statement of Policy

The purpose of this purchasing manual is to provide the City of Crystal Lake staff with guidelines and directions for the acquisition of goods and services. When used with good judgment and common sense, the policies and procedures conveyed within will allow the City to obtain required supplies and services efficiently and economically.

The manual is divided into sections dealing with purchasing policies and procedures. The policy sections contain all the purchasing policies adopted by the City Council, which must be adhered to by City employees. The procedures sections provide a "how to" guide for processing purchase orders, invoices, travel authorization and expense reports and other procedures regarding payment processing.

Employees are expected to read the policy manual and are encouraged to provide the City Manager's Office with feedback regarding the policies and procedures contained within. This manual is designed to be a fluid document and will be modified from time to time to conform to changes in legislation, technology and actual practice. Although it may not answer every question related to purchasing practices, it does provide general guidelines for purchasing activities. Employees who need help dealing with specific situations not covered by the manual should contact the Director of Finance or the City Manager's Office.

The City Manager, or his/her designee, shall be the final authority with regards to enforcement of any of the provisions of this manual. Failure to follow the procedures outlined in this manual may lead to disciplinary action in accordance with the provisions of the City of Crystal Lake Personnel Policies.

## B. Procurement Officer

The City Manager will appoint a current staff member to also serve as the City's Procurement Officer (PO). The PO will be responsible for coordinating the procurement processes for the City as outlined in the City's Procurement Code (Chapter 102). Some of the defined responsibilities of the Procurement Officer include:

- To procure or supervise the procurement of all supplies, services, and construction needed by the City;
- To procure the highest quality of supplies and contractual services at the least expense to the City;
- To maximize value through consolidated purchases where appropriate;
- To preserve the integrity of the purchasing system; and
- To investigate all possibilities of cooperating in a joint purchasing program with other governmental units in order to obtain lower prices through bulk purchases.

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CHAPTER 2 - PURCHASING POLICIES

## A. Code of Ethics

All City personnel engaged in purchasing and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to expenditure of public funds require the highest degree of public trust to protect the interests of the City and the residents of Crystal Lake. City employees shall:

- Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
- Demonstrate loyalty to the City of Crystal Lake by diligently following the lawful instructions of the employer, using reasonable care and only authority granted.
- Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the City of Crystal Lake.
- Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether as payment for services or not; and never accept for himself or herself or for family members, favors or benefits under circumstance which might be construed by reasonable persons as influencing the performance of Governmental duties.
- Engage in no business with the City of Crystal Lake, directly or indirectly, which is inconsistent with the conscientious performance of Governmental duties.
- Handle confidential or proprietary information belonging to employer or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- Never use any information gained confidentially in the performance of Governmental duties as a means of making private profit.
- Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
- Expose corruption wherever discovered.
- Uphold these principles, ever conscious that public office is a public trust.

It shall be the responsibility of the City Manager, or his/her designee, to determine if a violation of this Code of Ethics has occurred and if disciplinary action is necessary in accordance with the City's Personnel Policies.

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**B. Conflict of Interest Policy**

Except as may be disclosed to and permitted by the City Council, it shall be a breach of ethical standards for any employee to participate directly or indirectly in the purchasing process when the employee knows that:

1. The employee is contemporaneously employed by a bidder, vendor or contractor involved in the procurement transaction; or

2. The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offer or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest in the company; or

3. The employee, the employee's partner, or any member of the employee's immediate family has a financial interest arising from the procurement transaction; or

4. The employee, the employee's partner, or any member of the employee's immediate family is negotiating, or has an arrangement concerning prospective employment with a bidder, vendor or contractor.

The employee's immediate family shall be defined as a mother, father, brother, sister, spouse, children, grandchildren, mother-in-law, father-in-law, grandparents, stepmother, stepfather, stepbrother, stepsister and stepchildren and any other person living in the same household as the employee.

It shall be the responsibility of the City Manager to determine if a violation of this Conflict of Interest policy has occurred and if disciplinary action is necessary in accordance with the City's Personnel Policies.

**C. Gifts and Gratuities - City Guidelines for Accepting**

City personnel should be aware that offers of gratitude from vendors can be designed to compromise objective judgment in product or service selection. Accordingly, it is City policy to observe the highest standards of ethics and to shield the employee, the City and the vendor from any suggestion or appearance of conflict of interest (Code of Ethics and Exhibit 1).

No employee shall permit any influence by vendors, which could conflict with the best interest of the City or prejudice the City's reputation. Expenditures of City funds to vendors shall not by intention personally benefit any person officially connected with the City. Employees shall adhere to follow the following guidelines:

1. Tangible gifts or gratuities shall not be accepted where their value suggests something more than merely a social gesture. Such gifts should be returned with a statement of City policy. Promotional or advertising items of nominal value such as key chains, pens, coffee mugs, calendars and holiday candy are acceptable. Gifts that are capable of being shared, such as a box of chocolates, shall be shared within the office or section where the recipient works.

2. Association with vendor representatives at business meals or business organization meetings is occasionally necessary and is neither questionable nor unethical, provided the individual keeps himself/herself free of obligation.

3. Personal loans of money or equipment are not to be accepted from a vendor or an individual associated with a vendor doing business with the City.

4. Solicitation of vendors for merchandise or certificates to serve as door prizes or favors is normally prohibited. However, exceptions may be approved by the City Manager.

5. Corporate discounts granted to City employees are acceptable only if they are offered to all City employees and other corporate clients of the vendor.

If there is any doubt about the propriety of accepting a gift, the matter should be referred to the Department Director who will, if necessary, discuss the matter with the City Manager or his/her designee.

**D. Approval of City Purchases**

No employee shall purchase goods or services on behalf of the City without first seeking approval as required by this policy. All purchases shall require advance approval of the appropriate Supervisor or Manager, Department Director, the Director of Finance and the City Manager in accordance with the guidelines described below:

| Dollar Limits | Required Approvals |
|---|---|
| Under $1,000 | Supervisor or Department Director |
| $1,001-$10,000 | Supervisor, Department Director and Director of Finance |
| $10,001-$19,999 | Supervisor, Department Director, Director of Finance and City Manager |
| $20,000 & Above | Department Director, Director of Finance, City Manager and City Council |

Approval for purchases shall occur before the purchase is made. At the discretion of the Department Director, approval levels for Supervisors may be increased to an amount not to exceed the Department Director's authority. In addition, any person responsible for approving purchases at any level may delegate their approval authority to a designee in the event they are unavailable to approve purchases.

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## CHAPTER 3 - COMPETITIVE QUOTES & EXCEPTIONS TO THE POLICY

### A. General Policy for Soliciting Quotes

Employees are responsible for obtaining quotes for purchases in the instances outlined below. Orders submitted without the required quotes or a satisfactory explanation of why quotes were not obtained (e.g. sole source, emergency, standardized vendor etc.) will be returned to the originator without approval.

| | |
|---|---|
| Up to $1,000 | One verbal quote is required, however, employees are encouraged to seek additional quotes when possible. |
| $1001 - $9,999 | Three written quotes must be obtained. The three quotes shall be attached to the Purchase Order Requisition file in Springbrook. |
| $10,000 - $19,999 | Three written quotes. The quotes must be attached to a Purchase Authorization Form (Exhibit 2) outlining the purchase. Once approved, the quotes, along with the authorization form, shall be attached to the Purchase Order Requisition file in Springbrook. |
| $20,000 & Above | Must be competitively bid in accordance with State law and City ordinances. City Council approval is required for all contracts of this dollar amount. |

Items purchased more than once during a fiscal year (e.g. forms, copier supplies, etc.) do not need quotes every time a purchase is made if it falls under the $19,999 threshold. However, competitive quotes for these items shall be sought at least once each year to ensure that vendors are competitive.

### B. Attaching Documents to Purchase Order Requisitions

Please see Exhibit 3 for instruction on attaching documents to purchase order requisitions in Springbrook.

### C. Cooperative Purchasing

The primary role of public procurement is to obtain quality goods and services to support effective and efficient government while ensuring the prudent use of public funds. Effective public procurement adds value to government purchasing by:

- Providing efficient delivery of products and services;
- Obtaining best value through competition;
- Offering fair and equitable competitive contracting opportunities for suppliers; and
- Maintaining public confidence through ethical and transparent procurement practices.

Cooperative contracts are becoming increasingly popular at the federal, state, and local levels. Cooperative purchasing is popular because it can save significant time and money in contract production as well as lower contract prices through the power of aggregation. In simple terms, cooperative purchasing involves sharing procurement contracts between governments.

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Cooperative procurement contracts are usually based on the common requirements of multiple governments. Most early cooperative purchasing efforts involved bulk commodities with standard specifications, such as cleaning supplies, gasoline, and other fuel or services, including the pick-up and disposal of hazardous waste or used oil.

Today, more complicated procurements, including information technology services, software, and consulting, are often targeted for cooperative purchasing contracts. Other examples of cooperative contracts include office supplies and furniture, digital copiers and printers, carpeting, computer hardware, industrial lab supplies, electronic defibrillators, hazardous incident response equipment, wireless radios, cell phones, and fleet vehicles.

At the December 18, 2012 City Council meeting, the City Council adopted a Procurement Ordinance (as detailed in Chapter 102 of the Crystal Lake City Code) allowing the City to take advantage of cooperative purchasing opportunities by becoming a member of various cooperative purchasing programs in addition to the State of Illinois Joint Purchase Program and the Suburban Purchasing Cooperative. These additional cooperative purchasing programs fall into one of the following three categories:

1. **True Cooperatives -** Two or more organizations combine their requirements and solicit bids or offers for goods or services.

2. **Piggyback Options -** One or more organizations represent their requirements and include an option for other organizations to "ride" or "bridge" the contract as awarded.

3. **Third Party Aggregators -** An organization brings together multiple organizations.

The purchase of goods or services through cooperative purchasing programs shall follow the award levels set forth in the proposed Ordinance. Questions regarding joint purchasing opportunities should be directed to the City Manager's Office. The specific programs that the City is authorized to partner with include:

**State of Illinois Joint Purchase Program**

City employees are authorized to obtain goods and services using the State of Illinois Joint Purchasing program. When available through the State program, it is not necessary for City employees to obtain quotes or to competitively bid the goods or services, which are sought. Employees shall be responsible, however, for ensuring that the goods or services are of a quality sufficient to meet the City's needs and that pricing is competitive. Information regarding available goods or services can be found at www.purchase.state.il.us by clicking on Master Contracts then Joint Purchasing.

When making purchases using the State's assigned vendor, employees shall submit a purchase order to the vendor directly and shall include the State of Illinois contract number and the City's assigned Joint Purchasing member I.D. number (L1260) on the purchase order. All purchases or encumbrances that are $20,000 or above require City Council approval.

**Northwest Municipal Conference/Suburban Purchasing Cooperative**

This Joint Purchasing Program consists of two separate purchasing cooperatives. The first is purchasing opportunities that are exclusive to the Northwest Municipal Conference (NWMC). The second is purchasing opportunities that are available through the Suburban Purchasing Cooperative (SPC). The SPC is comprised of the membership of the South Suburban Mayors and Managers Association, the West

Central Municipal Conference, and the Will County Governmental League in addition to the Northwest Municipal Conference.

**The GSA Schedules**

The U.S. Government's General Services Administration (GSA) maintains a large list of multiple-award purchasing schedules. Contractors are selected for GSA Multiple-Award Schedules through an open and continuous qualification process instead of competitive bids or proposals. GSA users seek competition from multiple GSA contractors at the point of sale by obtaining quotations. The GSA requires most-favored customer pricing, which provides state and local governments with a price advantage based on federal purchasing economies of scale. There is a surcharge associated with GSA purchases called the Industry Funding Fee (IFF).

Section 211 of the E-Government Act of 2002 opened GSA Schedule 70 Contracts (Information Technology and Telecommunications Hardware, Software and Professional Services) for state and local government use. Likewise, the GSA's 1122 Program permits use of GSA contracts for state and local government law enforcement and security purchases. Local governments are also authorized to purchase through the full GSA Schedules to aid in recovery before and after Presidentially declared disasters or acts of terrorism, as well as when expending Federal grant funds in response to public health emergencies declared by the Secretary of Health and Human Services. In addition, eligible local governments can acquire federal surplus personal property through State Agencies for Surplus Property.

**National Joint Powers Alliance (NJPA)**

The NJPA is a government-managed, public, national municipal contracting agency that facilitates the bidding and contracting process on behalf of its members. The NJPA contracts are solicited, awarded, and monitored by a public agency with a publicly elected board of directors. As a result, the NJPA offers its members the opportunity to purchase equipment through nationally leveraged contracts.

Minnesota statute #123A.21 identifies the NJPA as a "Public corporation and agency" with the specific directive to provide "cooperative purchasing services" to its members. Minnesota statute #471.345 identifies the NJPA as a "Municipal Agency" and Minnesota Statute #471.59 defines the ability of two government agencies to enter into an agreement to contract in common through the action of each of the governing bodies. Subd. 10 of that statute expands on the ability to enter into cooperative agreements. As previously noted above, cooperative purchasing in Illinois is authorized by the Illinois Intergovernmental Cooperation Act (5 ILCS 220).

**HGACBuy (Access password is 12-3327)**

Similar to the NJPA, the Houston-Galveston Area Council (HGACBuy) is a government-managed, public, national, municipal contracting agency that facilitates the bidding and contracting process on behalf of its members.

Most states in the United States have either "inter-local cooperation" or "joint powers" authority similar to the Illinois Intergovernmental Cooperation Act to allow local governments in those states to join and participate in programs like HGACBuy.

In 1971, the Texas Legislature passed the Inter-local Cooperation Act [Texas Government Code, Title 7, Chapter 791] to promote activities among local governments. Any local government or non-profit providing government services may contract or agree with one or more local governments under the terms

of this Act to conduct purchasing and other administrative functions. The Board of Directors of HGACBuy is composed of 35 elected officials who award all HGAC cooperative purchasing contracts. Because HGACBuy is a political subdivision of the State of Texas, its Board agendas are publicly posted in advance of its public meetings.

**Public Sourcing Solutions**

Public Sourcing Solutions (PSS), a not-for-profit cooperative purchasing organization, brings contract savings and efficiencies to public entities nationwide. As a division of Educational & Institutional Cooperative Purchasing (E&I), PSS draws on more than 75 years of experience in higher education procurement. E&I was established by members of the National Association of Educational Procurement to provide goods and services to its members at the best possible value. The cooperative is owned by its membership of more than 2,600 colleges, universities, K-12 schools, hospitals, medical research institutions, and hospital purchasing organizations located throughout the United States.

PSS aims to leverage its consortium purchasing expertise to connect state government agencies, cities, municipalities, counties, and school districts (K-12) with high quality, easily accessible contracts. PSS joins with public entities to offer publicly solicited contracts that take advantage of the pooled purchasing power of public agencies to lower the costs of goods and services.

**U.S. Communities Government Purchasing Alliance**

U.S. Communities Government Purchasing Alliance is a government purchasing cooperative founded by the National Association of Counties (NACo), National League of Cities (NLC), Association of School Business Officials (ASBO), National Institute of Governmental Purchasing (NIGP), and the U.S. Conference of Mayors (USCM). U.S. Communities is overseen by an Advisory Board of public procurement professionals.

Additionally, U.S. Communities coordinates the U.S. Communities Government Purchasing Alliance Go Green Program, which is a one-stop source for public agency access to buy green. They offer a broad line of green products, services, and resources. In addition to green contracts that offer eco-friendly products, the program offers green information and resources that can help lower carbon footprints and assist in making educated decisions about the products purchased.

**National Intergovernmental Purchasing Alliance (National IPA), the Cooperative Purchasing Network (TCPN), and the National Cooperative Purchasing Alliance (NCPA) –** The National IPA, TCPN, and NCPA were established through a collaborative effort of public agencies across the United States with the specific purpose of reducing procurement costs by leveraging group volume. Each program consolidates the purchasing power of participating public agencies in order to receive larger volume discounts from suppliers. The National IPA, TCPN, and NCPA programs are for public agencies operating for the benefit of the public.

All contracts offered by the National IPA, TCPN, and NCPA have been competitively solicited by a Principal Procurement Agency, incorporating language allowing intergovernmental contract usage (also known as a piggyback contract).

**D. Sole Source Purchases**

Contracts for parts, supplies or equipment that are available only from a single source are referred to as sole source purchases. Sole source procurements may arise from the following circumstances:



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1. Equipment for which there is no comparable competitive product or is available only from one supplier

2. Public utility services from natural or regulated monopolies

3. A component or replacement part for which there is no commercially available substitute, and which can be obtained only from the manufacturer

4. An item where compatibility is the overriding consideration, such as computer software

5. A used item, for example, a television transmitter tower, that becomes immediately available and is subject to prior sale

These items shall not be subject to requirements for seeking competitive quotes or bids. A contract may be awarded without competition when the Procurement Officer determines in writing submitted to the City Manager (Exhibit 4), after conducting a good faith review of available sources, that there is only one source for the required supply, service, or construction item. A record of sole source procurements shall be maintained as a public record and shall list each contractor's name, the amount and type of each contract, and a listing of the item(s) procured under each contract. If a contract exceeds the established expenditure limit, then the City Council must authorize the contract.

**E. Emergency Purchases Policy**

Emergencies are defined as events that could not have been foreseen where immediate action is necessary to safeguard the public's health and safety. In the event of an emergency affecting the public health and safety, the City Manager, or his/her designee, may authorize a vendor to perform work necessary to resolve such emergency without formal bid solicitation. An emergency purchase order can be issued authorizing a vendor to perform any and all work necessary only if the public health and safety could be affected. If the emergency and the need for immediate action exceed $10,000, documentation shall be presented to the City Manager prior to such authorization.

The following procedures shall be followed in the event an emergency purchase order is needed:

The Department Director requesting the emergency purchase order shall contact the Director of Finance, or his/her designee, in order to have the purchase order issued. After the emergency has been resolved, the department shall enter an order for the goods purchased. Using the order comments option, the department shall, in writing, explain the need for the emergency purchase order and reference the purchase order number that was issued to the vendor.

The Director of Finance, or his/her designee, will then add the order to the emergency purchase order.

**F. Competitive Bidding Exemption**

When, in the ordinary course of City business, no single purchase of, or individual contract for, specific types of supplies, materials or services exceeds $20,000, but the total dollar value of all purchases and/or contracts for said specific types of supplies, materials, or services during the City's fiscal year does exceed said amount, said purchases may not be subject to the competitive bidding requirement and may not require the City Council to waive the competitive bidding requirement. These types of supplies, materials, or services may include water meters, computers, etc. At his/her discretion, the City Manager shall

determine whether these purchases require City Council approval of a waiver of bids. Where a bid waiver is determined to not be necessary, said purchases shall still be subject to the requirements of Chapter 3, Section A of this manual concerning quote solicitation for purchases under $20,000.

It is not the intent of this subsection to encourage the circumvention of the bidding requirements and, to the extent practicable, City staff is encouraged to rely upon the competitive bidding process. Rather, the competitive bidding exemption provided by this section is intended to recognize and address those situations in which a competitive bidding requirement is not necessarily practicable, and can be eliminated without jeopardizing the City's ability to obtain a low and competitive price from a qualified responsible contractor/vendor.

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# CHAPTER 4 - COMPETITIVE BIDDING & REQUESTS FOR PROPOSALS

## A. When a Formal Bid Is Required

All purchases of goods or services exceeding $20,000 shall be subject to the competitive bidding process and shall be let, by free and open competitive bidding after advertisement, to the lowest responsible bidder or any other bidder whom the City Council deems to be in the best interest of the City. Sealed bids shall be sought when a good or service is anticipated to cost more than $20,000 either individually or in aggregate purchases made over the course of one fiscal year.

All bids shall be issued using the City's standard bid document and will follow the Procurement Ordinance 68-68 as detailed in Chapter 102 of the Crystal Lake City Code.

## B. Preparing the Bid Document

1. It is the responsibility of the respective departments to prepare the bid specifications (Exhibit 5).

2. All bid documents must generally contain the following information:

   - Cover sheet
   - General Rules
   - Insurance Documents
   - Specifications/Special Provisions
   - Reference Sheet
   - Bid Sheet

3. After the document has been prepared, it must be reviewed and approved by the applicable Department Director.

4. After Department Director approval is received, the completed bid specification document should be sent to the City Manager's Office for review, approval and incorporation of a complete bid document. The City Manager's Office will be responsible for forwarding the legal notice to the newspaper for publication. A legal notice of the bid must be placed in a newspaper with a general circulation in the City at least ten (10) days prior to the bid opening.

5. After approving the bid, the City Manager's Office will then mail the bids to prospective bidders as well as include the documents on the DemandStar online bidding service. Bid documents should not be mailed to bidders before the notice is placed in the newspaper. This will help ensure that all prospective bidders have the same amount of time to complete the bid document.

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**C. Additional Requirements for the Bid Document**

1. A bid bond, cashier's check, certified check, or other approved security in an amount equal to 10%, or 5% in the case of engineering related bids, of the bid is required to guarantee the successful bidder will sign a contract in the following instances: 1) the bid is for a construction project, 2) any other bid for which the Director of Finance deems it necessary to protect the interest of the City.

2. When preparing the bid document, departments should consider whether to require contractors to provide a performance bond if awarded the contract. In instances where the bid is for construction services or significant building improvements, it is customary to require the contractor to provide a performance bond. A performance bond, issued by a surety company, stipulates a legal, written obligation to guarantee 100% payment for any financial loss caused by default of the contractor. When assigned to the City of Crystal Lake, it grants an assurance as to the performance and successful completion of the terms of the contract and assures payment of the taxes, licenses or assessments associated with the contract. The contractor shall provide the performance bond with the appropriate Labor and Material Bonds within ten (10) calendar days of award of the bid. Bonds required to guarantee performance and payment for labor and material for the work shall be in a form acceptable to the City and shall provide that they shall not terminate on completion of the work, but shall be reduced to ten percent (10%) of the contract sum upon the date of final payment by the City for a period of one (1) year to cover a warranty and maintenance period which Contractor agrees shall apply to all material and workmanship for one (1) year from the date of issuance of the final payment by the City.

3. During the term of the contract, the contractor shall provide the City with a certificate of insurance. The limits of liability shall be specified in the bid document's General Terms and Conditions and shall include comprehensive general liability, auto liability, professional liability (required only where contracts are for professional services), workers compensation (the policy shall include a 'waiver of subrogation'), and umbrella coverage.

4. The aforementioned insurance requirements shall be fulfilled by the contractor by maintaining insurance policies which name the City, its officers, agents, employees, representatives and assigns as additional insureds. The contractor shall furnish to the City satisfactory proof of coverage by a reliable company or companies, before commencing any work. Such proof shall consist of certificates executed by the respective insurance companies and filed with the City together with executed copies of an "Additional Insured Endorsement" form. Said certificates shall contain a clause to the effect that, for the duration of the contract, the insurance policy shall be canceled, expired or changed so as to the amount of coverage only after written notification 30 days in advance has been given to the City. In addition, said certificates shall list the City and its officers, agents and employees as additional insureds on all required insurance policies except the policy for professional liability.

5. All companies or individuals who wish to bid on a good or service must submit their bids in a sealed envelope before the deadline of the bid. The sealed envelope must be labeled as required per the bid documents. Bid document packages should be mailed the day the ad is placed in the paper. It is the responsibility of each department to maintain bid lists for those goods or services for which they are responsible.

6. If a pre-bid conference is conducted, departments should specify in the Notice to Bidders whether attendance is a mandatory or optional condition of bidding. At the pre-bid conference, the responsible department should ensure that all attendees sign a "sign-in" sheet to ensure compliance with this requirement of bidding. Failure to attend a mandatory pre-bid conference shall disqualify a bidder from being awarded the contract unless, at the department's discretion, bidders are allowed to not attend by signing a waiver.

7. Based on questions received at the pre-bid conference or other methods, departments should provide an Addendum to all those who received bids if the answers to the questions can impact the outcome of the bid results. Addendums should also be sent when clarification is required (Exhibit 6).

**D. Bid Opening Procedures**

All sealed bids shall be publicly opened by an employee as assigned by the applicable Department Director at the time stated in the legal notice. At least one other employee shall serve as a witness and tabulate the bid results. All proposals shall be open to public inspection and a tabulation of all bids shall be available. The following procedures must be completed prior to the bid opening:

1. The City Manager's Office will be responsible for reserving a conference room for the day and time utilizing the Microsoft Outlook Calendar function. When reserving the room for the bid, designated employees will be required to attend.

2. All bids must be received before the deadline on the day of the bid. City Hall front desk personnel should be notified of the time and place of the bid opening for that day and reminded that no bids are to be accepted after the deadline for accepting bids.

3. A bid tabulation form must be completed (Exhibit 7). The outline of the bid proposal form may be used to do this. During the bid opening, both the person opening the bids and the person tabulating the bids must sign the bid tabulation sheet as witnesses.

4. Everyone attending the bid opening must sign the bid opening sign-in sheet (Exhibit 8).

If bid deposits are required, they shall be forwarded to the Director of Finance or his/her designee immediately following the bid opening. Procedures for depositing and returning bid deposits are described below in subsection E.

**E. Post Bid Opening Requirements**

After the bid opening has taken place, the responsible employee shall prepare a City Council Agenda Supplement that explains the purpose of the bid, includes the names and addresses of the companies who submitted bids as well as the amount each company bid, and recommends which company should be awarded the bid. (Exhibit 9). The recommendation should be based on the following:

a) The ability, capacity, and skill of the bidder to perform the contract to provide the service required

b) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference



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c) The character, integrity, reputation, judgment, experience and efficiency of the bidder

d) The quality of performance of previous contracts of services

e) The previous and existing compliance by the bidder with laws and ordinance relating to the contract or service

f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service

g) The quality, availability, and adaptability of the supplies or contractual service to the particular use required

h) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract

i) The number and scope of conditions attached to the bid

j) Responsiveness to the exact requirements of the invitation to bid

k) Ability to work cooperatively with the City and its administration

l) Past records of the bidder's transactions with the City or with other entities as evidence of the bidder's responsibility, character, integrity, reputation, judgment, experience, efficiency and cooperativeness

Once approved by the Department Director, the Agenda Supplement must be given to the Executive Assistant in the City Manager's Office by the Wednesday of the week preceding the week of the City Council meeting to be placed on the City Council's agenda.

With the exception of contracts let by the Engineering Division, all bid files shall be maintained by the City Manager's Office (the Engineering Division shall maintain their bid files as required by State law). After the issuing department has prepared the City Council agenda item, the bid file shall be sent to the City Manager's Office along with the bid packages, original bid tabulation sheet, bid opening sign-in sheet and all other documentation. The bids will be stored in the City's Central file room where they can be accessed when necessary (State law requires bid files be maintained for ten (10) years following the bid opening). Within fourteen (14) days following City Council approval of the contract, the Department for whom the item is being purchased will mail letters to all bidders notifying them of the bid results and will contact the successful bidder to have the City's contract signed and to obtain performance bonds and certificates of insurance when required (Exhibit 10). The signed contract will be forwarded to the City Manager's Office after it is received.

Signed contracts, certificates of insurance and performance bonds must be obtained from the contractor before work begins. It is the responsibility of the applicable department to ensure that the City's contract has been signed, and certificate of insurance and performance bond obtained before work begins. Exhibits 10 through 13 provide templates of agreements for different types of projects. Exhibit 14 provides a template of General Terms to include with each purchase order.



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The Department of Finance shall be responsible for handling bid deposits. Each Department will be responsible for maintaining their respective Letters of Credit. If a bid deposit was required, it must be returned to all except the three (3) lowest responsive and responsible bidders on each contract within fourteen (14) calendar days after the opening of the bid and within 24 hours of when the award letter is mailed. The bid deposit of the accepted bidder is to be returned only after acceptance by the City of satisfactory performance bond where such bond is required or completion of contract where no performance bond is required. The remaining bid deposits of each contractor should be returned within fourteen (14) days after the City Council has awarded the contract.

**F. Waiver of Competitive Bidding**

The City Council, by a two-thirds vote of all the Council members holding office, may waive the bidding procedures and enter into a contract or agreement. Requests for bid waivers shall be made only when goods or services are proprietary (i.e. sole source), where standardization is necessary or desirable (e.g. furniture), in emergencies as defined in this manual or when it is in the best interests of the City to do so. In any instance, a statement justifying the need for a bid waiver shall be included in the department's recommendation and accompany the City Council Agenda Supplement for inclusion on the City Council's agenda.

**G. Requests for Professional Services**

Some contracts, by their nature, are not adapted to award by competitive bidding (Exhibit 15). Examples include, but are not limited to, contracts for the services of individuals possessing a high degree of professional skill where the education, experience or character of the individual is a significant factor in determining their ability to meet the City's needs. These contracts generally result from a request for proposal (RFP) solicited from consultants for "Professional Services."

As a Home Rule unit, the City is not required to adhere to the requirements of the Local Government Professional Services Selection Act when hiring an architect, engineer or land surveyor. However, the City will generally adhere to the Act except, 1) Cost will be a selection factor, and 2) a formal selection process will be followed for all services above $20,000. The above procedures must be followed unless 1) the City has a satisfactory relationship for services with one or more firms, or 2) an emergency situation exists and an architect, engineer or land surveyor must be selected in an expeditious manner. If none of these conditions apply, the City must solicit proposals and adhere to the following requirements:

1. Public Notice. Permitting firms engaged in the lawful practice of their professions to annually file a statement of qualifications and performance data with the City. The City must also 1) mail a notice requesting a statement of interest in the specific project to all firms who have a current statement of qualifications and performance data on file with the City and 2) place an advertisement in a secular English language daily newspaper of general circulation throughout the City, requesting a statement of interest in the specific project and further requesting statements of qualifications and performance data from those firms which do not have such a statement on file with the City. Such advertisement shall state the day, hour and place the statement of interest and the statements of qualifications and performance data shall be due.

2. Selection Procedure. The City then must evaluate the firms submitting letters of interest, taking into account qualifications, ability of professional personnel, past record and experience, performance data on file, willingness to meet time and budget requirements, location, workload of the firm and such other factors as the City may determine in writing are applicable. The City may conduct discussions with and require public presentations by firms deemed to be the most qualified regarding their qualifications, approach to the project and ability to furnish the required services.

3. On the basis of evaluations, discussions and presentations, the City shall select no fewer than three (3) firms which it determines to be the most qualified to provide services for the project and rank them in order of qualifications to provide services regarding the specific project. The City shall then contact the firm ranked most preferred and attempt to negotiate a contract at a fair and reasonable compensation, taking into account the estimated value, scope, complexity, and professional nature of the services to be rendered. If fewer than three (3) firms submit letters of interest and the City determines that one or both of those firms are so qualified, the City may proceed to negotiate a contract.

4. Contract Negotiation. The City shall prepare a written description of the scope of the proposed services to be used as a basis for negotiations and shall negotiate a contract with the highest qualified firm at compensation the City determines in writing to be fair and reasonable. In making this decision, the City shall take into account the estimated value, scope, complexity and professional nature of the services to be rendered.

5. If the City is unable to negotiate a contract with the preferred firm, negotiations with that firm shall be terminated. The City shall then begin negotiations with the firm that is next preferred. If the City is unable to negotiate a contract with that firm, negotiations with that firm shall be terminated. The City shall then begin negotiations with the firm that is next preferred.

6. If the City is unable to negotiate a satisfactory contract with any of the selected firms, it shall re-evaluate the architectural, engineering or land surveying services requested, including the estimated value, scope, and complexity and fee requirements. The City shall then compile a second list of not less than three qualified firms and proceed in accordance with these procedures.

All attempts should be made to utilize the City's standard contract template for professional services. If a contract is used other than the City's standard contract, the following items should be included: indemnification, insurance, and venue. If, after reviewing these procedures, employees have questions regarding which services are exempt, they should contact the City Attorney for clarification.

**H. Change Orders To Bids/Request for Proposals/Professional Services**

After a contract has been issued, it may become necessary to change it to include additional quantities, shipping costs, etc. In many cases, a 10% contingency allowance is provided as part of City Council approved contracts. Any use of this 10% contingency must be approved by the City Manager (Exhibit 16).

Change orders to original contracts of $20,000 or more require the prior approval of either the City Manager or City Council. For more information, please refer to the financial policy on change orders included in this manual.

## CHAPTER 5 - METHODS OF PAYMENT PROCESSING

### A. Purchase Orders

No employee shall have the authority to purchase items on the City's behalf without first obtaining the required approvals from supervisory staff or the City Council where applicable. The City will not issue "confirming" purchase orders. Purchase orders will be required for all items exceeding $500 individually or in aggregate. However, employees are encouraged to use purchase orders for items below the $500 threshold as well. Employees shall be responsible for planning for purchases exceeding $500 in advance, and should allow sufficient time to have an order processed and purchase order issued and mailed to the vendor. With the exception of emergency purchase orders, the Department of Finance will not issue purchase order numbers in advance unless an order has been processed and has received the necessary approvals.

### B. Change Orders To Regular Purchase Orders

After a purchase order is issued to the vendor, it may become necessary to change it to include additional quantities, shipping costs, etc. When this occurs, the employee who completed the original order shall process another order for the change order.

Change to existing purchase orders where the total new contract amount is less than $1,000
When an existing change order either increases or decreases, Department Head signature on either the original purchase order or on the final invoice indicating approval of the changed amount.

Change to existing purchase order or contract where the total new contract amounts is from $1,000 to $10,000
A Contract Amendment and Change Order Approval Form (Exhibit 16) must be completed and routed to the Director of Finance.

Change to existing purchase order or contract where the total new contract amounts is from $10,000 to $20,000
A Contract Amendment and Change Order Approval Form (Exhibit 16) must be completed and routed to the Procurement Officer.

Utilization of City Council authorized contract contingency
In many cases, a contingency allowance is provided as part of City Council approved contracts. Often times, this contingency allowance is 10%. Any use of this contingency must be approved by the City Manager prior to authorizing the use of the contingency. A Contract Amendment and Change Order Approval Form (Exhibit 16) must be completed and routed to the Procurement Officer.

Change orders to original contracts of $20,000 or more require the prior approval of either the City Manager or City Council.

### C. Confirming Purchase Orders

Except in the case of emergency purchase orders, the City will not issue confirming purchase orders to

vendors. Each Department is responsible for ensuring that a valid purchase order is issued to the vendor to the acquisition of goods or services.

**D. Prepayments**

The City will not pay for goods and services until the goods are received or the service is rendered.

Exceptions:

1. Deposits on certain jobs when approved by the Director of Finance.
2. Memberships and books or periodicals.
3. Payments to local, State, and Federal government entities.
4. Service and maintenance contracts where necessary.
5. Small orders (under $500.00) where the Department Director approves prepayment.
6. Training or course registration.
7. Approval by the Director of Finance or City Manager.

**E. Manual Checks**

Manual checks are interim checks issued to vendors as payments for goods delivered or services performed. The checks are issued between normal accounts payable cycles when an emergency or other extenuating circumstance as determined by the Director of Finance makes it impractical or unreasonable to process the payment following normal payment methods. As the name implies, manual checks are labor intensive and time consuming to issue, therefore, their use as a method of payment shall be restricted to unique or special circumstances.

All requests for manual checks must be processed by completing a check request form (Exhibit 17). The completed form shall include the vendor's name and address, the account number against which it is being charged, a description of the item purchased, and an explanation in the remarks section as to need for the check. The form shall also include the signature of the applicable Department Director. Completed forms shall be submitted to the Director of Finance for approval.

The Department of Finance will not issue manual checks in instances where reasonable means could have been taken to process the payment following normal payment methods.

**F. Petty Cash**

This policy sets forth procedures for the handling of petty cash monies at the City Hall, Police, and Fire/Rescue Departments. It further establishes the procedures for reporting petty cash disbursements by department to the Department of Finance as well as reimbursements to each petty cash box.



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Petty cash boxes are located at the City Hall, Police Department Administrative Division, Police Department Records Division and Fire Station #1. The persons accountable for these boxes at each of the buildings are the Assistant Finance Director, the Police Department Office Coordinator (Police Department Administrative Division), the Police Records Supervisor (Police Department Records Division) and the Fire Rescue Department Office Coordinator, respectively. They are responsible for seeing that the total number of receipts and cash equal the amounts detailed. The Petty Cash box is subject to audit and the above listed individuals will be accountable for any non-compliance with this procedure or shortage of funds.

All forms needed in order to effectively manage the petty cash process are referred to in the procedures section and are maintained by the respective petty cash representative.

The following policy and procedural guidelines have been established to promote a more efficient and accountable petty cash operation. All departments within the City are responsible for abiding by this policy. There are no exceptions.

**1. Petty Cash Disbursements to Employees**

a. Requests for petty cash may be made to the Assistant Finance Director, the Police Department Office Coordinator, the Police Department Records Supervisor, and the Fire Rescue Department Office Coordinator.

b. There is a $50 limit per petty cash request per day. Any amount above $50 must be reimbursed via a claim voucher submittal through the accounts payable process. Reimbursable expenses incurred by an employee for training expenses, etc. should be reimbursed from petty cash rather than through the accounts payable process.

c. No one is allowed to take money from petty cash without a petty cash request form and/or a receipt, which **must** be signed by the appropriate supervisor. The petty cash request form must also be signed by the employee who will receive the money.

- If a petty cash request form is submitted without a receipt (e.g. money is requested before a receipt has been obtained), the person disbursing the money must mark "HOLD" on the receipt form and the employee must bring back a receipt no later than their **next scheduled working day after** the money is spent, along with the change (if applicable). At this time, the "HOLD" is crossed off the receipt form, it is marked paid, the proper dollar amount is written down and the receipt is put in the petty cash box.

- If a receipt is submitted with the petty cash request form, the employee is reimbursed and no further action by the employee is needed. At this time, the petty cash request form is marked "PAID" with the date on it and put in the petty cash box.

- All receipts **must** be original. If desired, copies may be made and kept by each individual employee, but the original must be given to the respective person responsible for petty cash in each department.

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- If for some reason the employee did not obtain a receipt for submittal with the petty cash request form, supervisory approval **MUST** be noted on the petty cash receipt form.

d. All petty cash request forms must contain the following information:

- Date
- Detailed description of the expenditure
- Name of person(s) to receive money
- Name of person authorizing receipt of money (must be a supervisory employee specifically designated by the department)
- Account number to which the expenditure will be charged
- Receipt (if received, otherwise the petty cash request form will be marked "HOLD")

**2. Reimbursing Each Petty Cash Box**

a. The persons responsible for the various petty cash boxes not only disburse petty cash to various employees, but also must reconcile the petty cash box and request petty cash reimbursements by the payables deadline. It is recommended that this be done on a weekly basis, if possible.

b. The chart below depicts the maximum amount of petty cash allotted for each building.

| DEPARTMENT | PETTY CASH AMOUNT |
|---|---|
| City Hall | $ 750 |
| Police (Administrative) | $ 150 |
| Police (Records) | $ 150 |
| Fire/Rescue | $ 150 |
| Three Oaks Recreation Area | $ 500 |

If the amounts indicated are not sufficient to meet the needs of the department, the Department Director can request an increase in the petty cash allotment. This request must be made to the Accounts Payable Accountant and approved by the Director of Finance and City Manager.

c. The Police and Fire/Rescue Departments are required to submit a Petty Cash Reimbursement sheet by each accounts payable deadline, which is Wednesday at noon. (Exhibit 20) is an example of the petty cash reimbursement sheets that are required to be utilized by all departments.

d. The Petty Cash Reimbursement sheet lists all petty cash transactions for a certain period of time. This sheet must contain the following information:

- Detailed list of account numbers



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- Detailed description of charges for each account number (date, place, name and reason for charge)
- Amount of charges for each account number and correlating description
- All original petty cash receipt slips and corresponding receipts
- Department Head authorization

e. Once the Petty Cash Reimbursement Form is completed, it must be forwarded, along with all required documentation and required signature of preparer, Department Director or designee, to the Accounts Payable Clerk at the City Hall. Upon receipt of the above information, the Accounts Payable Clerk shall forward the form to the Director of Finance for approval and then reimburse the respective department from the City Hall Petty Cash. All information from the other departments shall then be placed in an envelope that contains all other City Hall petty cash information.

f. A formal Petty Cash Reimbursement sheet is not necessary for the City Hall Petty Cash Box. All receipts for City Hall petty cash shall be kept in an envelope and a running total of disbursements is listed on the outside of the envelope. The bottom line total on the outside of the envelope is the same amount that a check is cut for during the accounts payable process. The check is written to the City of Crystal Lake Petty Cash Fund. One check is written for all Petty Cash reimbursements as the other departments are reimbursed out of the City Hall Petty Cash Fund.

g. The envelope with the petty cash request forms and receipts is then attached to the file copy of the check that was cut for reimbursement and is stored with the accounts payable files.

h. Petty Cash will be subject to periodic announced and unannounced audits to determine compliance with these procedures. Any discrepancies with compliance or cash balance shall be immediately reported to the Director of Finance and a written report shall be provided with copies to the City Manager and Department Director.

i. Any questions regarding these procedures may be directed to the Assistant Finance Director.

**G. Credit Card Payments**

The City Council has provided each Department Director and certain other employees with a corporate credit card for use in making purchases. Each Department Director is responsible for the security of the card and should not permit its use for means other than those permitted by the Credit Card Usage Administrative Directive (Exhibit 18). Credit card use shall be limited to the purchase of items under $250 (excluding payment of travel expenses) where a purchase order cannot be used (e.g. airline reservations, restaurants etc.) unless approved by the City Manager. Credit cards shall not be used to circumvent the normal payment process.

As with all purchases made on the City's behalf, goods purchased with a credit card are exempt from sales

tax. Therefore, employees shall provide the vendor with a sales tax exemption form in order to avoid being charged sales tax when possible.

When invoices are received, they should be processed using a Credit Card Transaction Log Worksheet (Exhibit 19) within 48 hours of receipt to avoid late fees and finance charges. Receipts for goods or services purchased with a credit card shall be obtained and submitted to accounts payable when requesting payment. If a receipt is not issued, a packing slip may be provided to accounts payable. Payment will not be made unless receipts (or an explanation as to why receipts are not available) are included with the credit card statement.

The Human Resources Department shall maintain credit card use acknowledgment forms signed by each employee issued a credit card. The Human Resources Department shall request that credit cards be returned prior to termination of employment. Returned cards shall be forwarded to the Director of Finance or his/her designee to be canceled.

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# CHAPTER 6 – CHANGE ORDER AND FIXED ASSET POLICIES

## A. Change Order Policy

The City Code requires City Council approval for all change orders which, when combined with those previously approved, increase or reduce the contract price by more than the contingency amount provided in the approval resolution.

It shall be the responsibility of each Department Director to ensure that all change orders are submitted to the City Manager or City Council for approval. In addition, Department Directors shall be responsible for monitoring all contract payouts and retainages and ensuring that the amount of the change order is correct.

In many cases, a 10% contingency allowance is provided as part of City Council approved contracts. Any use of this 10% contingency must be approved by the City Manager. Change orders to original contracts of $20,000 or more require the prior approval of either the City Manager or City Council.

## B. Fixed Asset Policy

A fixed asset policy is herein established to insure compliance with GAAP governmental financial reporting standards and to safeguard City assets.

Fixed assets shall include land, buildings, machinery, equipment and vehicles with a life expectancy of one year or more. To be included in this definition, the capitalization threshold of the asset or minimum value of the asset at the time of acquisition, is established at $10,000 for the General Fund and $25,000 in the Water Fund. Roads, bridges, streets and similar infrastructure shall also be capitalized.

Responsibility for control of fixed assets rests with the operating department wherein the asset is located. The Director of Finance shall ensure that such control is being maintained by establishing a fixed asset inventory that is updated on a regular basis and which documents all additions and deletions to the fixed asset inventory. Operating departments shall report the disposal or relocation of a fixed asset promptly to the Director of Finance or his/her designee. Assets acquired during the year shall be recorded as expenditure against the appropriate capital expenditure account, which shall be used for financial reporting purposes.

Assets shall be recorded in the fixed asset inventory by using an appropriate description and by recording serial numbers where applicable. Tagging of all assets will not be required. Assets not capitalized under this policy but which, in the opinion of the Director of Finance may, in the aggregate, account for a substantial asset group, shall be inventoried by the appropriate operating department by a means or system suitable for maintaining control of the assets. The Director of Finance shall determine the appropriate means or system to be used in these situations.

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CHAPTER 7 - MISCELLANEOUS PURCHASING POLICIES & GUIDELINES

## A. Travel, Training and Certification Policy

The City promotes the training, development, and education of its employees to improve the efficiency and effectiveness of City services. Travel, training and certification can play an important role in accomplishing the City's mission to provide superior and responsive governmental services to the people of Crystal Lake.

Control of travel, training and certification authorization is the responsibility of each Department Director. Travel, training and certification authorization is a two part process including: 1) approval of all travel, training and certification in advance; and 2) expense reporting following completion of the travel, training or certification. Approval of expense reports is more than a formality. It indicates that expenses submitted have been reviewed and have been found to comply with City regulations regarding travel, training and certification expenses.

All City personnel traveling or incurring business expenses on behalf of the City, and those responsible for the approval of these expenses, are expected to use these measures to assist in maintaining control over travel expenditures. The policies detailed here apply to all funds under City control and are superseded only in those instances where funding agencies apply specific and more restrictive rules and rates.

### 1. Travel Authorization

It is City policy that all travel requiring an overnight stay must be approved in advance by the employee's Department Director, the Director of Finance and City Manager. This applies to all travel of this nature even in instances where the travel has been budgeted or a travel advance is not requested. Requests for travel authorization shall be submitted using the City's travel advance and expense report form (Exhibit 21).

### 2. Travel Arrangements

Whenever possible, travel should be arranged using the least expensive means possible. Employees should use good judgment when determining logical routes for arriving at the intended destination.

### 3. Air Travel

Employees are required to request flights according to approximate arrival and departure time, rather than by specific carrier or flight number, in order to obtain the lowest available fare with logical routing for all trips. In general, lowest available fare is defined as the least costly fare available at the time of ticketing, and may include one stopover or connecting flight. (This is not intended to limit travelers who may wish to arrange air fare using more than one stopover or connecting flight as savings and time permits.) In order to take advantage of available discounted fares, travelers are requested to make reasonable adjustments in their travel plans.

Employees should make air travel arrangements as far in advance as possible to take advantage of special fare savings. Travelers should be aware that some discounts have travel restrictions and cancellation

penalties, and therefore good business judgment should be exercised. All air travel at City expense must be by coach.

**4. Ground Transportation**

It is expected that employees use the most effective ground transportation available, considering cost, time, availability and scheduling.

The cost of public transportation is reimbursable and does not require a receipt unless one can be obtained.

a. **Taxi and Airport Transportation**

Whenever practical, airport or hotel ground transportation should be the preferred method of transportation to hotels or meeting sites. Taxis may be used as necessary taking into consideration the cost of other means of transportation. A receipt is required for reimbursement of these expenses.

b. **Rental Passenger Automobiles**

Rental automobiles may be used as necessary but must be approved in advance by the Department Director, Director of Finance and City Manager. Receipts are required for reimbursement of all expenses related to rental automobile use. It is not necessary to purchase separate or additional coverage for liability on a rented vehicle. However, to obtain the coverage benefits provided by the City's insurance provider coverage document, you **MUST** rent the vehicle in the name of the City when being used for authorized business.

c**. Personal Vehicles**

Expenses of travel by automobile are reimbursable at the IRS authorized rate in effect as of June 1 of each fiscal year. The mileage reimbursement allowance covers all automobile related costs; gasoline, insurance, maintenance etc. Toll charges and parking fees when supported by receipts, are reimbursable in addition to mileage allowance. The total personal automobile expenses shall not exceed the lowest available air fare. Employees using personal vehicles on City business must have adequate automobile insurance coverage.

If an employee is offered the use of a City vehicle, they may take that vehicle to their training, conference, meeting, etc. If they are offered a vehicle and decide to use their personal vehicle, they must be clear that the City will only reimburse them for the gas used on the trip (reimbursement can only be made with receipts) and if anything should happen to their personal vehicle while traveling, it would need to be covered under the employee's personal car insurance.

If there is no city vehicle available for the employee to use, then the employee may use his or her own personal car and receive mileage reimbursement at the current IRS rate.

**5. Meals**

The per diem allowance for meals including taxes and tips while on City business shall not exceed the



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Internal Revenue Service (IRS) standard allowance for the locality (see IRS Publication 1542). If the location traveled to is not included in the IRS list, the standard meal allowance for the nearest city shall apply. Meal expenses exceeding the standard allowance are the responsibility of the employee.

When traveling on City business, employees should select restaurants that are reasonably priced for the locality. In addition, employees shall be aware that the City will not pay for any alcoholic beverages consumed. Detailed receipts are required for meals purchased during the course of the business trip.

Per diem allowances for partial days traveled shall be based on the per meal allowances outlined in Section B below. These allowances shall also apply to employees attending in-state seminars and conferences not requiring an overnight stay. In either event, employees will not receive a per diem allowance but will be reimbursed for meals not included in the registration costs.

**6. Hotels**

Employees are expected to use reasonably priced lodging. When making reservations or registering, the employee shall ask for and use the government or corporate rate. Good judgment should be used in selecting hotels that provide comfortable lodging at reasonable prices.

**7. Accompaniment by an Immediate Family Member**

The City will not reimburse employees for travel costs of immediate family members traveling with employees on official City business. Should a family member accompany the employee for personal reasons, only those costs related to the employee's travel may be reimbursed.

**8. Combined Business/Personal Travel**

Whenever a employee, for his/her convenience, travels by an indirect route or interrupts City travel for personal travel, the additional expenses related to the personal travel are the responsibility of the employee.

**9. Non-Allowable Expenses**

The City's policy is to reimburse its employees for all reasonable and necessary expenses incurred while transacting the affairs of the City. However, there are specific types of expenses that are considered to be personal, and are therefore not reimbursable. These include but are not limited to:

1. Cleaning, pressing, and laundry;

2. Personal entertainment including movies, videos or pay per view services in a hotel room

3. Airline and other trip insurance;

4. Beautician, barber, manicurist and shoe shine;

5. Personal telephone calls except to report changes in schedule, or to talk with family members once per day (15 minute per day maximum);



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6. Repairs on personal automobiles damaged while on company business;

7. Traffic violations and court costs;

8. Membership fees in airline clubs.

9. Rescheduling Fees

10. Passports

11. Alcoholic Beverages

**11. Approved Forms of Payment**

Employees that have City issued credit cards may use them to pay for travel related expenses. However, employees shall still be responsible for obtaining receipts and submitting a completed travel expense report to the Department of Finance when the travel has been completed.

**12. Advances**

Travel advances may be issued to employees to cover travel expenses. The advance will be established at an amount that is reasonable. All travel advances are issued and maintained subject to timely reporting of all travel expenses. A travel advance will be issued upon receipt of a completed travel expense report containing the following information:

1. Name, title and department of employee receiving the travel advance

2. Account number the expenses will be charged to

3. Purpose of the trip

4. Destination

5. Beginning and ending dates of the trip

6. Estimate of all expenses including transportation, lodging, meals, registration and miscellaneous expenses including items paid directly

Advance requests require the signature of the applicable Department Director, Director of Finance and City Manager. Travel advance forms must be completed and submitted to Finance at least thirty (30) days before the date needed unless approved by the Department Head and City Manager. Employees are responsible for ensuring that the completed travel advance form is received by Finance prior to the accounts payable deadline for the date the funds will be needed.

Travel advances must be settled within five (5) days after completion of the travel. A travel advance will not be issued if any prior advance is outstanding. Completed travel advance forms are to be forwarded to



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the Department of Finance with all receipts attached. Any unused travel advance money must accompany this form.

**12. Expense Reporting**

The travel expense form should be filled out in accordance with the instructions noted on the form (Exhibit 22). Travelers should provide as much detailed information of all expenses on the statement as possible including the cost of registration, books, meals, hotel, airfare, etc. regardless of whether it was paid directly to a vendor (e.g. registration fees) or by credit card (e.g. hotel bill). Original receipts must be included except when it is impractical to do so or when specifically exempted by this policy (e.g. cost of public transportation, tips, parking meters, etc.).

Questions regarding any aspect of this policy shall be directed to the Director of Finance.

**B. Reimbursement for Non-Travel Related Meals**

Per meal allowances shall apply to employees attending in-state seminars and conferences not requiring an overnight stay. Employees will be reimbursed for meals not included in the registration costs**.** The following limits shall apply to meals purchased while conducting City business:

**a. Breakfast**
Breakfast will be allowed whenever the incurred travel begins earlier than a normal breakfast (or concludes following breakfast) and no meal is served at the seminar or conference. The per meal allowance for breakfast shall be $15 including tax and tip.

**b. Lunch**
Lunch will be reimbursed provided that the trip begins before the lunch hour (or concludes following the normal lunch hour) and lunch is not included as part of the conference or seminar. The per meal allowance for lunch shall be $15 including tax and tip.

**c. Dinner**
Dinner will be reimbursed when the employee is away from the City for the evening meal or does not return until after the normal dinner hour and no meal was provided as part of the conference or seminar. The per meal allowance for dinner shall be $25 including tax and tip.

Luncheon meetings that are job related either through professional associations or city business will be reimbursed the full cost with approval of the Department Head and Finance Director.

**C. Disposal of City Property**

City property of value may not be sold or traded without prior approval of the City Council.

If the item has value and is a fixed asset (see policy) or if the item has value and is not a fixed asset, departments shall include information identifying the equipment to be disposed, the name of the manufacturer, model number, serial number, and an estimate of salvage value if applicable whenever these items will be disposed of.

## D. Disposal of Scrap Metal

PURPOSE:

To establish policies and procedures for the disposal of scrap metal generated City Operations.

POLICY:

1. Scrap metal is an asset to the City, and its disposal is subject to the same business practices that govern the disposal of all other City surplus assets.

2. It is the policy of the City that scrap metal will be collected and recycled to the maximum practical extent. Whenever possible, revenue will be generated from the disposal of scrap metal and credited to either the General Fund or the Water and Sewer Fund depending on the source of the scrap metal.

DEFINITION:

Scrap Metal – Any metal no longer necessary to City operations, including, but not limited to; iron, steel, aluminum, brass, copper, insulated wire and printed circuit boards.

GUIDELINES:

1. The Fleet and Facility Services Division is responsible for coordinating the sale of scrap metal generated by City Operations, declared surplus or found to be abandoned on City-owned property.

2. If the Fleet and Facility Services Division Superintendent determines that any lot of scrap metal has no commercial value, or otherwise cannot be sold, the City department which generated the scrap is responsible for its disposal, and all costs associated with the removal.

3. The City may utilize contractors for the removal of scrap metal and/or auction. This decision will be the responsibility of the Fleet and Facility Services Division Superintendent approved by the Public Works Director. Selection of a process will be based on what is deemed to be in the best interest of the City of Crystal Lake.

METHOD OF OPERATION:

*A. Responsibility*

The Fleet and Facility Services Division Superintendent shall have the responsibility for the scrap metal accumulation, storage and disposal program.

*B. Accumulation and Storage*

1. The Fleet and Facility Services Division Superintendent shall maintain metal storage at a designated area at the Municipal Complex for the use of all departments.

2. The Fleet and Facility Services Division Superintendent shall arrange the sale of scrap to an authorized

buyer based on the best current market price as determined on an annual basis.

3. Departments shall separate scrap metal as to kind, thereby reducing handling and ensuring the best price. Scrap must be of a kind that is acceptable to the buyer. Questions on the type of scrap acceptable to the buyer shall be directed to the Fleet and Facility Services Division Superintendent.

*C. Sale and Delivery*

1. Scrap metal shall be sold by category and by the hundred weights. The scrap buyer shall be determined through the process determined by the Fleet and Facility Services Division Superintendent to be most advantageous to the City.

a. It will be the responsibility of the Fleet and Facility Services Division to identify surplus scraps metal to the Business Office. All Scrap delivered to the scrap yard will have forwarding documentation in form of shipper delivered to the business office.

2. Only checks from the vendor shall be accepted for the payment of scrap metal and on no occasion shall cash be accepted for the sale of surplus metal.

**E. Purchases Near the End of the Fiscal Year**

When purchases are made near the end of the fiscal year (i.e. April 30), departments shall be responsible for ensuring that they are expensed (i.e. charged) against the fiscal year in which they were budgeted. The date goods are received or services are performed determines which fiscal year they are expensed against. Consequently, goods and services will be expensed in the current fiscal year only if they are received or performed by April 30. This is true regardless of when the purchase order is processed or the purchase order is issued. Items not received on the system by May 31 will be expensed in the next fiscal year.

**F. Use of Sales Tax Exemption Number**

**1.** Use by Employees

City purchases are not subject to sales tax, therefore, employees shall make efforts to inform vendors of the City's tax exempt status and to ensure that sales tax is not paid for purchases made with petty cash or credit cards. Sales tax, if charged, will be the responsibility of the purchaser to pay unless otherwise authorized. Employees shall provide vendors who request them with a sales tax exemption form signed by the Director of Finance (Exhibit 23). Sales tax exemption forms may be obtained from the Accounts Payable Clerk in the Finance Department.

Use of the City's sales tax exemption number is restricted to purchases made on behalf of the City. State law prohibits use of the City's sales tax exemption number to secure exemptions for personal reasons and such use will subject the responsible individual and all guilty parties to a fine of not more than $10,000 or to imprisonment for not more than five years or both, together with costs of prosecutions.

**2**. Use by Outside Contractors or Vendors

The Illinois Department of Revenue regulations allow contractors to use the City's sales tax exemption

number to purchase materials used in construction of public improvements that will be eventually dedicated to the City. Use of the exemption number is limited to purchases directly related to work being done on behalf of the City. Contractors are responsible for any tax due on purchases determined to be non-exempt and for purchases not made on the City's behalf.

Requests by contractors for the City's sales tax exemption number shall be forwarded to the Assistant to the Director of Finance or his/her designee. In order to obtain the number, the contractor shall be required to receive the approval of the Finance Director.

## G. Purchase (Credit) Card Program

The Purchase (Credit) Card Program is intended to streamline and simplify purchasing and payment procedures by consolidating supplier invoices and eliminating form processing. The Purchase Card Program is not intended to avoid or bypass appropriate procurement or payment procedures. Rather, the Program complements the existing processes available. The Purchase Card also gives personnel an opportunity to make practical decisions in obtaining products or services for which they are knowledgeable and reduces administrative burdens. Management information reports are available, enabling the Department Heads to improve management control and decision-making.

This Policy provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other Program information.

The cardholder needs to remember that he/she is committing City funds each time the purchasing card is used. This is a responsibility that should not be taken lightly. The cardholder is the person responsible for all charges made to the card. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal and recovery of all unauthorized purchases.

**The card has no impact on the cardholder's personal credit. Although the card lists an individual's name, the card is actually issued to the City of Crystal Lake.**

The Finance Director is responsible for implementing the Purchase Card Program and is the City's Program Manager for the purchasing card program. The Finance Director is responsible for card issuance, card cancellation and communicating to the purchasing card vendor, who, within the City, receives the cards, monthly billings, additional statements and management reports. The Finance Director will coordinate the program in compliance with the City's Procurement Code.

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## A. Purpose

The Capital Asset Policy and Procedures provides guidelines to establish and maintain capital asset records that comply with governmental financial reporting standards, provides for adequate stewardship over City resources, and provides centralized documentation for insurance and asset management purposes.

## B. Definitions

1. *Accumulated Depreciation* – the total reduction in value over time of an asset since its acquisition, which is recorded for financial statement purposes.

2. *Acquisition Costs* - assets should be recorded and reported at historical costs, which include the vendor's invoice, initial installation cost, modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service. Historical costs also include ancillary charges such as site preparation costs and professional fees.

3. *Capital Assets* - capital assets are tangible and intangible assets acquired for use in operations that will benefit the City for more than a single fiscal period**.**

4. *Construction in Progress* - an asset that is comprised of the substantially incomplete construction costs of, typically, a road, water system or building. Depreciation is not applied to construction in progress.

5. *Depreciation* – a method for allocating the acquisition cost of capital assets over time. Generally Accepted Accounting Principles (GAAP) requires that the value of capital assets must be written off as an expense over the useful life of the asset.

6. *Disposition* - the final status of an asset when it is removed from the capital asset account and is no longer physically located on the City's property. This can be upon sale, scrap or donation.

7. *General Capital Asset Group* - general fixed assets are those capital assets which are acquired or constructed through governmental fund resources and used to provide general government services. As a result of GASB 34 pronouncement, these assets which meet the minimum capitalization threshold are capitalized and depreciated over the estimated useful lives.

8. *Infrastructure* - infrastructure shall include roads (including curbs and gutters), bridges, water and sewer mains, pumping stations, lift stations, traffic lights, streetlights, stormwater, right of ways, easements, etc.

9. *Leased Equipment* - leased equipment should be capitalized if the lease agreement meets any one of the following criteria:

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a. The lease transfers ownership of the property to the City by the end of the lease.
b. The lease contains a bargain purchase option.
c. The lease term is 75 percent or more of the estimated economic life of the leased property.
d. The present value of the minimum lease payments at the inception of the lease, excluding executor costs, equals at least 90 percent of the fair value of the leased property.

10. *Net Book Value* – the difference between the acquisition cost and accumulated depreciation.

11. *Proprietary Capital Assets* - assets acquired or constructed by proprietary funds (Water and Sewer Fund) and meet the minimum capitalization threshold, are capitalized and depreciated over their estimated useful lives. Depreciation is computed using the straight-line method.

12. *Surplus equipment* – An item or items that are no longer needed or required.

13. *Useful Life* – The period over which a capital asset has utility to the City in performing the function for which it was purchased.

## C. Capitalization Threshold

The capitalization threshold or minimum value of an asset at the time of acquisition is established at $25,000 for infrastructure and easements and $10,000 for all other assets. The threshold is applied on an individual basis. All tangible and intangible capital assets that exceed the threshold, as well as all titled vehicles, will be capitalized and depreciated over the asset's useful life.

## D. Depreciation Method

All capital assets are depreciated using the straight line method. All assets are depreciated with a full year of depreciation in the year the asset is placed in service. No depreciation is recorded in the year of disposal.

## E. Useful Lives

Useful lives will be reviewed annually by the Finance Department. The City depreciates over the following useful lives:

| Assets | Years |
|---|---|
| Buildings and improvements | 25-50 |
| Machinery and equipment | 3-15 |
| Infrastructure – streets and bridges | 50-80 |

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| | |
|---|---|
| Infrastructure – water and sewer system | 60 |

## F. Intangibles

The City is in possession of assets that may be considered intangibles assets, including computer software and easements. The City will account for intangibles in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Computer software will be capitalized if the acquisition cost meets the capitalization threshold. Easements will be accounted for as follows:

1. A temporary easement will not be recognized as a capital asset.

2. A permanent easement will be recognized as a capital asset subject to all the following conditions:

    a. The easement is evidenced by a final plat of subdivision and acceptance of related improvements, if appropriate. Any final plat of subdivision should include the total acreage of easements accepted by the City**.**

    b. A permanent easement will be valued at 10% of the current land-cash fee rate for improved land of equivalent acreage.

    c. A permanent easement will be capitalized if it has a value of $25,000 or more. Easements will be aggregated within a general area (e.g., a subdivision) for the purposes of determining whether the $25,000 threshold is met.

    d. A permanent easement associated with a proprietary fund activity will be recorded in the appropriate proprietary fund. Other permanent easements will be recorded in the general fixed asset account group for inclusion in the City's government-wide financial statements.

    e. The value of a permanent easement will not be amortized.

## G. Improvement, Repair and Maintenance Expenses

Routine repair and maintenance costs will be expensed as incurred and will not be capitalized. Street regrinding, patching, etc. is considered maintenance and will not be capitalized. Repairs of water and sewer assets will not be capitalized unless the repairs materially extend the life of the original asset.

## H. Department Responsibilities

Departments are responsible for protecting and controlling the use of City assets assigned to their department.

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## I. Capital Asset Additions

The City may acquire assets through purchase, lease or donation. When an asset is purchased or leased, the department will forward a copy of the invoice to the Finance Department for payment. The Finance Department will identify assets that meet the capitalization requirements. The Finance Department will assign a unique inventory control number to the asset. The Finance Department will then enter the information into the capital asset software system. Individual assets as well as infrastructure are included as entries in the capital asset software.

The City may also acquire assets through donations (e.g., developer conveyance). Prior to acceptance, the City must obtain documentation of the value of the asset being donated. When a donation is accepted through the City ordinance or resolution process, the Finance Department will obtain the supporting documentation and enter the information into the capital asset software system.

## J. Sales and/or Retirements of Assets

Disposal, sale or retirement of an asset may only occur after the asset is declared surplus and approved by the City Council. When a capital asset is disposed of, its cost and accumulated depreciation are removed from the City's books and a gain or loss, if any, is recognized. The Finance Department will remove the item from the capital asset software system and record the disposal in the general ledger.

## K. Physical Inventory

The City and each department will conduct a physical inventory at least once per year at fiscal year-end. The Finance Department will provide each department with an inventory worksheet identifying all capital assets under their control. Each department will be responsible for completing the physical inventory of the items, verifying the existence and condition of each item on the worksheet, and making note of any additions, deletions, or leases of property that are not reflected on the list. The final list will be reviewed by the department head, who will sign as acknowledgement of their approval and then return it to the Finance Department. The inventory should be performed by a team including at least one representative from the department and one individual from an independent department not responsible for the safeguarding of assets.

The Finance Department will perform a sample verification of the physical inventory items and reconcile the listings to the capital asset software system.

## L. Small Inventory Asset Procedures

Assets that do not meet the capitalization requirements, but qualify as a small asset for inventory tracking, shall be expensed when purchased. Small assets include all computer equipment, office equipment, and any other department specific items that are designated as small asset items by the Department Head. The departments will maintain control over their

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small inventory asset listing.

## M. Year End Accounting

At year-end, the Finance Department will generate the following reports from the capital asset software system:

1. Property Accounting Summary – this report summarizes the original cost, accumulated depreciation and book value in a summarized format. Separate reports are generated for the governmental funds and proprietary funds.

2. Net Changes Summary – this report summarizes the additions and disposals in a summarized format.

3. Depreciation Detail – this report includes the beginning accumulated depreciation, current year depreciation and ending accumulated depreciation in detail.

The Finance Department will prepare the necessary journal entries to record changes in capital assets and depreciation. In addition, the Finance Department will prepare all journal entries necessary to present the general fixed asset account group in the government-wide financial statements, in accordance with GASB Statement No. 34.

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## A. Purpose and Goals

This Debt Management Policy sets forth comprehensive guidelines for the financing of capital projects and infrastructure. It is the objective of the policy that the City obtain financing only when necessary; the process for identifying the timing and amount of debt or other financing be as efficient as possible; and the most favorable interest and other costs be obtained.

In following this policy, the City shall pursue the following goals when issuing debt:

1. Maintain at least an AA+ credit rating for each general obligation debt issue, and an AA credit rating for each revenue bond debt issue.

2. Take all practical precautions to avoid any financial decision which will negatively impact current credit ratings on existing or future debt issues.

3. Effectively utilize debt capacity in relation to City population growth and the tax base, or utility rate base to meet long-term capital requirements. The highest priority for the issuance of debt will be to fund the City's Capital Improvement Plan.

4. Consider market timing.

5. Determine the amortization (maturity) schedule which will best fit with the overall debt structure of the City's general obligation debt and related tax levy at the time the new debt is issued. For issuance of revenue bonds, or general obligation bonds paid by revenues (other than property tax) the amortization schedule which will best fit with the overall debt structure of the enterprise fund and its related rate structure will be considered. Consideration will be given to coordinating the length of the issue with the lives of assets, whenever practical, while considering repair and replacement costs of those assets to be incurred in future years as an offset to the useful lives, and the related length of time in the payout structure.

6. Assess financial alternatives to include new and innovative financing approaches, including, whenever feasible, categorical grants, revolving loans or other state/federal aid.

7. Minimize debt interest costs.

## B. Debt Issuances

1. Authority and Purposes of the Issuance of Debt

   The laws of the State of Illinois authorize the issuance of debt by the City. The Illinois Municipal Code confers upon municipalities the power and authority to contract debt, borrow money, and issue bonds for public improvement projects as

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defined therein. Under these provisions, the City may contract debt to pay for the cost of acquiring, constructing, reconstructing, improving, extending, enlarging, and equipping such projects or to refund bonds.

2. Types of Debt Issuances

   A. *Short Term Debt (three years or less):* The City may issue short-term debt which may include, but not be limited to, bond anticipation notes or variable rate demand notes, those instruments which allow the City to meet cash flow requirements or provide increased flexibility in financing programs.

   B. *Long Term Debt (more than three years):* The City may issue long-term debt which may include, but not limited to, general obligation bonds, certificates of participation, debt certificates, installment notes, capital appreciation bonds, special assessment bonds, and double barreled bonds. The City may also enter into long-term leases for public facilities, property, and equipment with a useful life greater than one year.

3. Structure of Debt Issuances

   The duration of a debt issue shall not exceed the economic or useful life of the improvement or asset that the issue is financing. The City shall design the financing schedule and repayment of debt so as to take best advantage of market conditions and, as practical, to recapture or maximize its credit capacity for future use, and moderate the impact to the taxpayer.

4. Sale of Securities

   Indebtedness to be issued by the City will be offered through the competitive bidding process except as expressly approved by the Mayor and City Council. If it is proposed that debt not be issued through competitive bidding, such request will state the compelling reasons why the competitive bidding process is not deemed suitable for the particular issuance of debt.

5. Credit Enhancements

   The City may enter into agreements with commercial banks or other financial entities for the purpose of acquiring letters of credit, municipal bond insurance, or other credit enhancements that will provide the City with access to credit under terms and conditions as specified in such agreements when their use is judged cost effective or otherwise advantageous. Any such agreements shall be approved by the City Council.

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## C. Legal Constraints

1. State Law

   30 ILCS 305/0.01, et. seq.: the short title is "The Bond Authorization Act."

2. Authority for Debt

   The City may, by bond ordinance, incur indebtedness or borrow money, and authorize the issue of negotiable obligations, including refunding bonds, for any capital improvement of property, land acquisition, or any other lawful purpose except current expenses, unless approved by the City Council.

3. General Obligation Debt Limitation

   Under Illinois Compiled Statutes, Municipalities of less than 500,000, unless they are a home rule unit, are limited to the amount of general obligation bonded debt they can incur at any one time to no more than 8.625% of the total assessed value of real estate property. Since the City is a home rule community, the City is not subject to these limitations. However, the City shall impose the non-home rule limit upon itself.

4. Methods of Sale

   All bonds shall be sold at a public sale via sealed proposal or live auction, except that bonds may be sold at a private sale in accordance with 30 ILCS 350/10. The City may issue temporary notes by negotiated sale if the bond ordinance or subsequent resolution so provides.

   A. *Bonds:* All bonds will mature within the period or average period of usefulness of the assets financed; and the bonds will mature in installments, the first of which is payable not more than five years from the dated date of the bonds.

   B. *Financial Advisor*: As a matter of independence, and securities law, the Financial Advisor will not bid on nor underwrite any City debt issues on which it is advising.

5. Credit Implications

   When issuing new debt, the City should not exceed credit industry benchmarks where applicable. Therefore, the following factors should be considered in developing debt issuance plans:

   A. *Ratio of Net Bonded Debt to Estimated Full Value*: The formula for this computation is Net Bonded Debt, which is the total outstanding debt

divided by the current Estimated Full Value as determined by the most recent EAV.

B. *Net Bonded Debt Per Capita*: The formula for this computation is Net Bonded Debt divided by the current population as determined by the most recent census information available.

C. *Median Income*: The computation is obtained from the most current census data.

D. *Ratio of Annual Debt Service to General Government Expenditures*: The formula for this computation is annual debt service expenditures divided by General Government (i.e., General, Special, and Debt Service Funds) expenditures (excluding certain interfund transfers).

E. *Rapidity of Debt Service Repayment*: The City will use only level or declining debt repayment schedules, avoiding back-loaded or balloon repayment schedules or variable-rate-debt. This is to avoid fluctuations in debt service requirements as well as fluctuation in tax levy rates. Only in those circumstances where it is to the City's advantage will debt service be scheduled on a non-even repayment basis.

## D. Debt Administration

1. Review of Financing Proposals

All capital financing proposals that involve a pledge of the City's credit through the sale of securities, execution of loans or lease agreements and/or otherwise directly involve the lending or pledging of the City's credit shall be referred to the Finance Director who shall determine the financial feasibility, and the impact on existing debt of such proposal, and shall make recommendations accordingly to the City Manager.

2. Investment of Bond Proceeds

The City will invest bond proceeds in accordance with the City's adopted investment policy.

3. Establishing Financing Priorities

The Finance Director shall administer and coordinate the City's debt issuance program and activities, including timing of issuance, method of sale, structuring the issue, and marketing strategies. The Finance Director along with the City's financial advisor shall meet, as appropriate, with the City Manager and the City Council regarding the status of the current year's program and to make specific

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recommendations.

4. Ratings Agency Relations

   The City shall endeavor to maintain effective relations with the rating agencies. The City Manager, Finance Director, and the City's financial advisors shall meet with, make presentations to, or otherwise communicate with the rating agencies on a consistent and regular basis in order to keep the agencies informed concerning the City's capital plans, debt issuance program, and other appropriate financial information.

5. Refunding Policy

   The City shall consider refunding outstanding debt when legally permissible and financially advantageous.

6. Investment of Borrowed Proceeds

   The City acknowledges its ongoing fiduciary responsibilities to actively manage the proceeds of debt issued for public purposes in a manner that is consistent with Illinois statutes that govern the investment of public funds, and consistent with the permitted securities covenants of related bond documents executed by the City. The management of public funds shall enable the City to respond to changes in markets or changes in payment or construction schedules so as to (i) optimize returns, (ii) insure liquidity, and (iii) minimize risk.

7. Federal Arbitrage Rebate Requirement

   The City shall maintain or cause to be maintained an appropriate system of accounting to calculate bond investment arbitrage earnings in accordance with the Tax Reform Act of 1986, as amended or supplemented, and applicable United States Treasury regulations related thereto. Such amounts shall be computed annually and transferred from the Bond Construction Fund (i.e., interest earnings revenue account) to the Debt Service Fund escrow account, or other appropriate accounts, for eventual payment to the United States Treasury.

   In order to avoid arbitrage earnings on bond proceeds, City staff shall recommend issuance of debt based upon the cash flow needs of the capital improvement project in which contracts for construction or other goods and services can reasonably be expected to be awarded during the calendar year. Consideration shall be given to the feasibility of obtaining rights-of-way, engineering services, or other matters which may affect the completion of the project in a timely manner, before a recommendation to issue debt is made.

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## E. Disclosures

1. Purpose

Pursuant to the City's responsibilities under the securities laws, including its continuing disclosure undertakings (the *"Undertakings"*) under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (*"Rule 15c2-12"*), and the Securities and Exchange Commission's statements in enforcement actions, it is necessary and in the best interest of the City that the City's (i) preliminary official statements, final official statements and any supplements or amendments thereto (collectively, the *"Official Statements"*), disseminated by the City pursuant to the issuance by the City of any bonds, notes, certificates or other obligations, (ii) Annual Financial Information, as required by and defined in the Undertakings (the *"Annual Financial Information"*) to be filed with the Municipal Securities Rulemaking Board's (*"MSRB"*) Electronic Municipal Market Access (*"EMMA"*) system, and (iii) notices of Material Events or Reportable Events, each as defined in the Undertakings, and any other required or voluntary disclosures to EMMA (each, an *"EMMA Notice"*) comply in all material respects with the federal securities laws. Further, it is necessary and in the best interest of the City that the City adopt policies and procedures to enable the City to create accurate disclosures with respect to its (i) Official Statements, (ii) Annual Financial Information, and (iii) EMMA Notices. Official Statements, Annual Financial Information and EMMA Notices are collectively referred to herein as the *"Disclosures."*

2. Disclosure Officer

The Director of Finance of the City (the "Disclosure Officer") is hereby designated as the officer responsible for ensuring that the Disclosures are made in a timely manner and in compliance with the federal securities laws.

3. Disclosure Procedures

A. *Official Statements.* Whenever an Official Statement must be disseminated in connection with the issuance of obligations by the City, the Disclosure Officer will oversee the process of drafting the Official Statement pursuant to these procedures:

1. The Disclosure Officer will review and make comments on the first draft of the Official Statement prepared by the working group. The Disclosure Officer shall be responsible for ensuring that all descriptions relating to the City are accurate and that any significant information regarding the City, including but not limited to demographic changes, loss of major employers, the addition or loss of major taxpayers or any other material information, is included and properly disclosed. The Disclosure Officer shall also be responsible for ensuring that the financial data presented with regard to the City is accurate and corresponds with the financial information in the City's

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possession, including but not limited to information regarding bonded indebtedness, notes, certificates, outstanding leases, tax rates or any other financial information of the City presented in the Official Statement.

2. After completion of the review set forth in 1. above, the Disclosure Officer shall discuss the draft Official Statement with the appropriate members of the working group. The Disclosure Officer shall consider comments from the working group and whether any additional changes to the Official Statement are necessary or desirable to make the document compliant with the requirements set forth in 1. above.

3. The Disclosure Officer shall continue to review subsequent drafts of the Official Statement in the manner set forth in 2. above.

4. If, in the Disclosure Officer's opinion, the Official Statement does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement not misleading, the Disclosure Officer shall deliver to the City Council of the City (the *"Council"*) a copy of the Official Statement and shall certify such opinion to the Council (such certification may be in the form attached hereto as *Exhibit A*). Upon such certification by the Disclosure Officer, the Official Statement shall be released for dissemination to the public; *provided, however,* that prior to the Official Statement being released, the Disclosure Officer shall have provided each member of the Council with a copy of the Official Statement, which may be in draft form, and the Council shall have had two business days from when the Official Statement is provided to review it and to inform the Disclosure Officer if such member of the Council is aware of any untrue statement of a material fact or an omission of a material fact necessary in order to make the statements made in the Official Statement not misleading.

B. *Annual Financial Information.* If any of the Undertakings require that the City submit Annual Financial Information, as defined in the Undertakings, to EMMA, the following procedures shall apply for generating and ensuring the accuracy of the Annual Financial Information:

1. By October 15th of each year (the same being at least 30 days prior to the last date on which the Annual Financial Information is required to be disseminated pursuant to the related Undertaking), the Disclosure Officer shall prepare (or hire an agent to prepare) a draft of the Annual Financial Information. The Disclosure Officer shall also review the audited or unaudited financial statements, as applicable, to be filed as part of the Annual Financial Information (the *"Financial*

*Statements"*). In addition to the required updating of the Annual Financial Information, the Disclosure Officer should consider whether additional information needs to be added to the Annual Financial Information in order to make the Annual Financial Information, including the Financial Statements, taken as a whole, correct and complete in all material respects. For example, if disclosure of events that occurred subsequent to the date of the Financial Statements would be necessary in order to clarify, enhance or correct information presented in the Financial Statements, in order to make the Annual Financial Information, taken as a whole, correct and complete in all material respects, disclosure of such subsequent events should be made.

2. If in the Disclosure Officer's opinion, the Annual Financial Information, including the Financial Statements, is correct and complete in all material respects, the Disclosure Officer shall deliver to the Council a copy of the Annual Financial Information and shall certify such opinion to the Council (such certification may be in the form attached hereto as *Exhibit B*). Upon such certification by the Disclosure Officer, the Disclosure Officer shall file the Annual Financial Information with EMMA (or confirm that such filing is completed by any agent hired by the City for such purpose) within the timeframe allowed for such filing; *provided, however,* that prior to such filing, the Disclosure Officer shall have provided each member of the Council with a copy of such Annual Financial Information, which may be in draft form, and the Council shall have had two business days from when the Annual Financial Information is provided to review it and to inform the Disclosure Officer if such member of the Council is aware of any information that should be corrected, or any additional information that should be included, in the Annual Financial Information; *provided further, however,* that the Disclosure Officer shall be permitted to file the Annual Financial Information with EMMA immediately upon their certification to the Council, if the requirements of Rule 15c2-12 of filing the Annual Financial Information in a timely manner cannot otherwise be satisfied.

C. *EMMA Notices.* Whenever the Disclosure Officer has notice of information that must be disclosed in an EMMA Notice, or whenever the City decides to make a voluntary filing to EMMA, the Disclosure Officer will oversee the process of drafting the EMMA Notice pursuant to these procedures:

1. The Disclosure Officer shall draft, or oversee the drafting of the EMMA Notice. The EMMA Notice shall be drafted in the form required by the MSRB.

2. The Disclosure Officer shall determine whether any changes to the EMMA Notice are necessary to make the document compliant with the Undertaking.

3. If in the Disclosure Officer's opinion, the EMMA Notice complies with the Undertaking and is correct and complete, the Disclosure Officer shall deliver to the Council a copy of the EMMA Notice and shall certify such opinion to the Council (such certification may be in the form attached hereto as *Exhibit B*). Upon such certification, the Disclosure Officer shall file the EMMA Notice with EMMA (or confirm that such filing is completed by any agent hired by the City for such purpose) within the timeframe allowed for such filing; *provided, however,* that prior to such filing, the Disclosure Officer shall have provided each member of the Council with a copy of such EMMA Notice, which may be in draft form, and the Council shall have had two business days from when the EMMA Notice is provided to review it and to inform the Disclosure Officer if such member of the Council is aware of any information that should be corrected, or any additional information that should be included, in the EMMA Notice; *provided further, however,* that the Disclosure Officer shall be permitted to file the EMMA Notice with EMMA immediately upon their certification to the Council, if the requirements of Rule 15c2-12 of filing the EMMA Notice in a timely manner cannot otherwise be satisfied.

D. *Additional Responsibilities of the Disclosure Officer*. The Disclosure Officer, in addition to the specific responsibilities outlined above, shall have general oversight of the entire disclosure process, which shall include:

1. Maintaining appropriate records of compliance with this Disclosure Policy and decisions made with respect to issues that have been raised;

2. Evaluating the effectiveness of the procedures contained in this Disclosure Policy; and

3. Making recommendations to the Council as to whether revisions or modifications to this Disclosure Policy are appropriate.

E. *Responsibilities of Council Members to Review.* Notwithstanding the certifications of the Disclosure Officer described in sections (b), (c) and (d) above, members of the Council shall inform the Disclosure Officer if such member of the Council is aware of any information that should be corrected or included in such Disclosure.

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4. General Principles

A. All participants in the disclosure process should be encouraged to raise potential disclosure items at all times in the process.

B. The process of revising and updating the Disclosures should not be viewed as a mechanical insertion of current numbers. While it is not anticipated that there will be major changes in the form and content of the Disclosures at the time of each update, the Disclosure Officer should consider the need for revisions in the form and content of the sections for which he or she is responsible at the time of each update.

C. Whenever an issuer releases information, whether in written or spoken form, that may reasonably be expected to reach investors, it is said to be "speaking to the market." The Disclosure Officer and the Council should endeavor to be sure that, when speaking to the market, the released information does not make any untrue statement of a material fact or omit to state a material fact necessary or desirable, in order to make the statements made, in light of the circumstances in which they were made, not misleading.

D. While care should be taken not to shortcut or eliminate any steps outlined in the Disclosure Policy on an ad hoc basis, the review and maintenance of the Disclosures is a fluid process and recommendations for improvement of the Disclosure Procedures should be solicited and regularly considered.

E. The Disclosure Officer is authorized to request and pay for annual training sessions conducted by their disclosure counsel.

## F. Conduit Financing

Under federal and state statutes the City Council has the authority to issue tax-exempt bonds for non-profit organizations organized under Internal Revenue Code 501 (c) (3), and economic development revenue bonds, also known as private activity bonds, under the Tax Reform Act of 1986. These tax-exempt bonds shall be collectively referred to as conduit financings. The City has no liability or responsibility for repayment of the debt authorized under these statutes.

The following policy and procedures shall be followed prior to the issuance of any such debt:

1. The applicant shall contact the Finance Director and submit a formal application for the issuance of a conduit financing.

2. For private activity bonds (economic development revenue bonds), the application shall include a written proposal which should include, but not be limited to, the

following information, where applicable:

A. A description of the project including original issuance, refinancing, recollateralization or other action sought;

B. A statement indicating the amount of funding required for the project and a description of the purpose for which such funding will be used;

C. A description of any proposed financing arrangement for the project (e.g., loan agreement, or City to own the project and lease to applicant);

D. A statement of the public purpose to be served by the issuance of economic development revenue bonds for the project;

E. An anticipated construction schedule and schedule for completing the financing;

F. The name and address of the proposed purchaser of the economic development revenue bonds proposed to be issued, if known;

G. A complete description, with such supporting exhibits as may be appropriate, of the physical aspects of the project;

H. Projected number of vehicles entering the facility area per day;

I. Ability of the streets to carry additional load;

J. Drainage/storm sewer requirements;

K. Utility requirements;

L. Ability of the schools to accommodate possible enrollment increases;

M. Financial stability of the applicant;

N. Description of principal business of applicant;

O. Number of employees anticipated at the new facility;

P. Number of new jobs to be created;

Q. Number of management level employees;

R. Types of skills required by the facility's employees;

S. Yearly payroll/average employee salary;

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T. Projected appraised/assessed value of the facility's real personal property in Crystal Lake;

U. Number of years the prospective tenant has been in business;

3. For the issuance of 501 (c) (3) bonds the proposal shall include all of the information listed in section 2. above as well as the following, as applicable:

A. A statement of the public purpose to be served by the issuance of 501 (c) (3) revenue bonds for the project;

4. The information submitted by the applicant should be reviewed by the Finance Director and the City's financial and legal advisors and a summary of such information, together with an evaluation thereof and the recommendation of the staff should be presented to the City Council as promptly as practicable thereafter. In addition, the City may retain the services of qualified legal counsel to act as special counsel or the City's financial advisor to do a study of the economic viability of the project. The applicant shall be responsible for all fees of the financial and legal advisors and shall deposit with the City a sum sufficient to cover such costs and fees as determined from time to time by the Finance Director.

5. The City Council shall review the report presented to them by the City staff as promptly as practicable after receipt thereof and shall take one of the following actions:

A. Notify the applicant in writing that its proposal has been rejected and refund to the applicant any uncommitted balance of the deposit, if any.

B. Adopt a resolution of intent to proceed with the project and refund to the applicant any uncommitted balance of the deposit, if any.

6. If a resolution of intent is adopted by the City Council, the financing, refinancing, or recollateralization may proceed pursuant to the provisions of this policy. All costs of issuance associated with such financing, including any expenses attributable to the City, shall be borne by the applicant.

## G. TIF Debt

Tax Increment Financing debt is excluded from this policy as it is governed by the specific TIF redevelopment agreement.

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EXHIBIT A

CERTIFICATION

The undersigned hereby certifies and represents to the City Council (the "Council") of the City of Crystal Lake, McHenry County, Illinois (the "City"), that the undersigned is a duly appointed and acting official authorized to execute and deliver this certificate and further certifies to the Council as follows:

(1) This certification is delivered pursuant to the Disclosure Policy of the City dated _____, 2014 (the "Policy"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Policy. As set forth in the Policy, I have been designated as the Disclosure Officer for the City.

(2) In connection with the offering and sale of the _____ Bonds, Series 20__ (the "Bonds"), there has been prepared a [Preliminary] Official Statement, dated _____, 20__, setting forth information concerning the Bonds (the "[Preliminary] Official Statement"), a copy of which is attached hereto.

(3) The information contained in the [Preliminary Official Statement] [Official Statement] does not include any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein not misleading.

IN WITNESS WHEREOF, we have hereunto set our hand this ____ day of _____, 20__.

CITY OF CRYSTAL LAKE,
MCHENRY COUNTY, ILLINOIS

By:_____
Its: Director of Finance

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EXHIBIT B

CERTIFICATION

The undersigned hereby certifies and represents to the City Council (the "Council") of the City of Crystal Lake, McHenry County, Illinois (the "City"), that the undersigned is a duly appointed and acting official authorized to execute and deliver this certificate and further certifies to the Council as follows:

(1) This certification is delivered pursuant to the Disclosure Policy of the City dated _____, 2014 (the "Policy"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Policy. As set forth in the Policy, I have been designated as the Disclosure Officer for the City.

(2) [The City's Annual Financial Information] [An EMMA Notice] has been prepared and will be filed with EMMA, a copy of which is attached hereto.

(3) The information contained in the [Annual Financial Information] [EMMA Notice] is correct and complete in all material respects.

IN WITNESS WHEREOF, we have hereunto set our hand this ____ day of _____, 20__.

CITY OF CRYSTAL LAKE,
MCHENRY COUNTY, ILLINOIS

By:_____
Its: Director of Finance

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## A. Purpose and scope

Fund Balance is defined as the excess of assets over liabilities. This Fund Balance Policy establishes a minimum level (target range) at which the projected end-of-year fund balance should be maintained to provide financial stability, cash flow for operations, and the assurance that the City will be able to respond to emergencies with fiscal strength.

The purpose of this policy is to establish fund balance classifications that establish a hierarchy based on the extent to which the City must observe constraints imposed upon use of the resources that are reported by the governmental funds. More detailed fund balance financial reporting and the increased disclosures will aid the user of the financial statements in understanding the availability of resources.

The fund balance will be composed of three primary categories: 1) Nonspendable Fund Balance, 2) Restricted Fund Balance and 3) Unrestricted Fund Balance.

## B. Definitions

1. *Governmental Funds* - are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.
2. *Fund Balance* – the difference between assets and liabilities in a Governmental Fund.
3. *Nonspendable Fund Balance* – the portion of a Governmental Fund's net assets that are not available to be spent, either short-term or long-term, in either form or through legal restrictions (e.g., prepaid items)
4. *Restricted Fund Balance* – the portion of Governmental Fund's net assets that are subject to external enforceable legal restrictions (e.g., property tax levies).
5. *Unrestricted Fund Balance* - is made up of three components:
    a. *Committed Fund Balance* – the portion of a Governmental Fund's net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making.
    b. *Assigned Fund Balance* – the portion of a Governmental Fund's net assets to denote an intended use of resources.
    c. *Unassigned Fund Balance* – available expendable financial resources in a governmental fund that are not the object of tentative management plan (i.e., assignments). Positive unassigned fund balance can only be reported in the general fund. Any residual fund balance in all other governmental funds is assumed at a minimum to be assigned for the purpose of the fund.

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## C. Minimum Unrestricted Fund Balance Levels

This policy applies to the City's governmental funds as follows:

1. *General Fund* – The General Fund is a major fund and the general operating fund of the City. It is used to account for all financial resources except those that are accounted for in another fund. Each year a portion of the spendable fund balance will be determined as follows:
    a. Restricted - A portion of the fund balance may be restricted through external legal requirements.
    b. Committed – A portion of the fund balance may be committed through formal action of the City Council through a resolution or ordinance adopted before the end of the fiscal year.
    c. Assigned – A portion of the fund balance may be committed by action of the City Manager/Budget Officer. The amount will represent the funds the City intends to use for a specific purpose. This will be adjusted annually.
    d. Unassigned – The unassigned fund balance will be reviewed annually during the budget process. This unassigned fund balance will be maintained at a target level of 25% to 50% of annual budgeted expenditures. Balances in excess of 50% of annual budgeted expenditures may be transferred to the Capital Replacement Fund to support future capital projects.
2. *Special Revenue Funds* – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes other than debt services or capital projects. Financing for most special revenue funds is provided by a specific annual property tax levy. In some cases, financing is received from a motor fuel tax imposed by the state. These proceeds are devoted exclusively to the purposes for which the special tax was authorized.
    a. Motor Fuel Tax Fund – this is a fund established to account for revenues derived from a specific motor fuel allotment and expenses of these monies for the highways and streets throughout the City. Per state statute, Motor Fuel Tax Fund program revenue is legally restricted to the purpose of the fund. Therefore, the entire balance of the fund will be restricted. Furthermore, the fund balance of the Motor Fuel Tax Fund is 100% committed for maintenance and construction. Increases and decreases in fund balances are associated with the specific projects planned. Therefore, no specific target range is established for this fund.
    b. IMRF/FICA Fund - The IMRF/FICA Fund accounts for the activities resulting from the City's participation in the Illinois Municipal Retirement Fund as well as all activities resulting from the City's contributions for social security. Revenues are provided by a specific annual property tax levy which produces a sufficient amount to pay the City's contributions to

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the Fund on behalf of the City's employees. Fund balances in this fund are derived from property taxes and are therefore legally restricted to the purpose of the fund. This fund will be monitored and the taxes levied to support the expenditures will be adjusted to ensure that the Fund operates within the target range. It may take more than one levy cycle to ensure that the funds are operating in the proper range.

c. Fire Rescue Fund – The Fire Rescue Fund accounts for all revenues and expenditures related to the Fire Department. Assigned fund balance shall be created and maintained to provide for day-to-day operations of the Fire Rescue Fund.

3. *Debt Service Fund* – This fund was established to account for financial resources that are restricted, committed, or assigned to payment of principal and interest owed on debt. The City budgets an amount of approximately the principal and interest that is anticipated to be paid. Any fund balance accumulation should be minimum and less than 5%. The Debt Service Fund's fund balance is 100% restricted for debt service.
4. *Capital Project Funds* – These funds are established to account for and report the financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets, excluding those types of capital related outflows financed by proprietary funds.

   The Capital Project Fund's fund balance will be considered restricted, committed, or assigned depending on the intended source/use of the funds.

**D. Flow Assumptions**

Some projects (funds) are funded by a variety of resources, including both restricted and unrestricted (committed, assigned and unassigned). When restricted funds exist, those funds are used first, then unrestricted. For unrestricted funds, committed funds are used first, then assigned, then unassigned.

**E. Authority**

1. Committed Fund Balance – A self-imposed constraint on spending the fund balance must be approved by ordinance or resolution of the City Council. Any modifications or removal of the self-imposed constraint must use the same action used to commit the fund balance.

   Formal action to commit fund balance must occur before the end of the fiscal year. The dollar amount of the commitment can be determined after year-end.

2. Assigned Fund Balance – A self-imposed constraint on spending the fund balance based on the City's intent to use fund balance for a specific purpose. The authority is delegated to the City Manager.

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## F. Minimum Targets

Management will monitor the major revenue collections and the amount of cash available by reviewing the monthly financial reports. During the year, if revenue projections suggest that revenue will not meet expectations and the fund targets will not be met by the end of the year, the Finance Director will take the following actions to reach the goals established in the adopted budget:

- Review expenses with management,
- Reduce capital asset expenditures,
- Reduce operational expenditures, where appropriate, while maintaining the adopted budget goals,
- Present to the City Council other expenditure control options, including those that might modify the goals established in the adopted budget.

## G. Exceptions to the Policy

If the City Council adopts a budget that does not meet the parameters of this policy, then the budget will include a plan for adhering to this Policy within a five-year period.

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## A. Scope

This Policy applies to the cash management and investment activities of the City of Crystal Lake and covers all City funds other than those of the Firefighters Pension Plan and the Police Pension Plan. It is the policy of the City of Crystal Lake to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. With the exception of the Firefighters Pension Fund and the Police Pension Fund, all other funds of the City shall be administered in accordance with the provisions of this policy. The Firefighters Pension Fund and the Police Pension Fund shall be administered in accordance with the contractual and statutory requirements of those funds. Any monies received for the Firefighters Pension Fund and the Police Pension Fund shall be administered by the written order of the Council of Trustees of that Fund.

Pooling of Funds

Except for cash in certain restricted and special funds, the City will consolidate cash and investment balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles monthly.

## B. Objectives

The primary objectives of investment activities, in priority order, shall be Legality, Safety, Liquidity, and Total Return.

1. Legality

   The City's investments will be in compliance with all federal, state and other legal statutes and requirements governing the investment of public funds.

2. Safety

   Safety of principal, along with legality, are the foremost objectives of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk, custodial credit risk, and interest rate risk in the overall portfolio. The City shall diversify its investments to minimize risks regarding individual securities.

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*a. Credit Risk*

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City will minimize credit risk by:

- Limiting investments to the types of securities listed in Section E of this Investment Policy.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section D.1. of this policy.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

*b. Custodial Credit Risk*

Custodial Credit Risk is the risk that, in the event of a bank or counterparty failure, the City's collateral securing uninsured deposits or investments may not be recovered. The City will minimize custodial credit risk over deposits with financial institutions by ensuring that all deposits with financial institutions are insured or collateralized with securities held by the City's agent in the City's name. ~~A~~All investments shall be conducted on a Delivery vs Payment (DVP) basis. Securities will be held by a third-party securities custodian designated by the City separate from where the investment was purchased.

*c. Interest Rate Risk*

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City will minimize interest rate risk by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the weighted average maturity of the portfolio to no more than two years and limiting the maximum maturity of any investment to three years from the date of purchase, unless matched to a specific future cash flow need.

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3. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. Alternatively, a portion of the portfolio may also be placed in local government investment pools which offer same-day liquidity for short-term funds.

4. Total Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the legality, safety and liquidity objectives described above. Return on investments is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

## C. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person,", which states " Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived" and shall be applied in the context of managing the entire portfolio.

Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

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3. Delegation of Authority

Authority to manage the investment program is granted to the Finance Director derived from the following: 30 ILCS 235 et. seq. The Finance Director establishes written procedures and internal controls for the operation of the investment program that is consistent with the investment policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, including outside investment managers.

## D. Safekeeping and Custody

1. Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- Audited financial statements.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Proof of state registration.
- Completed broker/dealer questionnaire.
- Certification of having read and understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Finance Director.

2. Internal Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes



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that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Finance Director shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical-delivery securities.
- Clear delegation of authority to subordinate staff members.
- Written confirmation of telephone transactions for investments and wire transfers.
- Dual authorizations of wire transfers.
- Development of a wire transfer agreement with the lead bank or third party custodian.

See Attachment A: City of Crystal Lake Investment Procedures and Internal Controls Manual.

3. Delivery vs Payment

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible City custodian prior to the release of funds.

4. Safekeeping

Securities will be held by a [centralized] independent third-party custodian selected by the City as evidenced by safekeeping receipts in the City's name and a written custodial agreement. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

## E. Suitable and Authorized Investments

1. Investment Types

Except as modified herein all investments purchased under this policy shall be guided by the



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Public Funds Investment Act 30 ILCS 235 et seq. and all revisions thereto, as may be made by the Illinois Legislature. Below is a summary of acceptable investments as determined by the Finance Director in compliance with the applicable statute:

*a.* U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value and are rated A or better by a nationally recognized ratings agency.

*b.* Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, rated in the three highest tier (e.g., A-1, P-1,D-1, or F- 1 or higher) by a nationally recognized rating agency.

*c.* Investment-grade obligations (rated A or better by a nationally recognized ratings agency) of state, provincial and local governments and public authorities.

*d.* Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities.

*e.* Local government investment pools.

2. Collateralization

Monies held in depository accounts, time deposit accounts, or money market mutual funds, or invested in the certificates of deposit of financial institutions (banks, savings and loan associations, or credit unions) in excess of FDIC or SAIF insurance shall be secured by some form of collateral. The City will accept the following assets as collateral:

(a) U.S. Government securities.

(b) Obligations of federal agencies.

(c) Obligations of federal instrumentalities.

(d) General obligation bonds of any United States state or local government rated "A" or better (i.e., at least upper medium quality) by Moody's Investors Service, Standard & Poor's Rating Service, or Fitch Investors Service.

The Finance Director may reject any form of collateral at any time.

The amount of the collateral provided by a financial institution will not be less than 105% of the market value of the net amount of deposits and investments to be secured. The ratio of market value of collateral to the amount of funds to be secured will be reviewed monthly by the chief investment officer. Additional collateral will be requested of a financial institution when the ratio declines below the required level. Collateral may not be

released without the signature of the chief investment officer. Pledged collateral will be held in safekeeping, by an independent third-party depository, or the Federal Reserve Bank, as designated by the chief investment officer, and evidenced by a safekeeping receipt.

The market value of collateral will be determined based upon quotations reflected in the edition of *The Wall Street Journal* published on the first business day following the quarter concerned. (This edition will report the market value of securities as of the last day of the quarter concerned.) If a security provided as collateral is not listed in *The Wall Street Journal*, its market value will be determined using a comparable source acceptable to the chief investment officer.

Financial institutions pledging collateral will sign a collateral agreement that meets the requirements of the Financial Institution Resource Recovery Enforcement Act (FIRREA) acceptable to the Finance Director.

## F. Investment Parameters

1. Diversification

The investments shall be diversified by:

- Limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities). No more than 10% of the portfolio can be invested in any one investment.
- Limiting investment in securities that have higher credit risks.
- Investing in securities with varying maturities.
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

2. Maximum Maturities

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. The City shall adopt weighted average maturity limitations, consistent with the investment objectives, as previously noted.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in these types of securities shall be disclosed in writing to the City Council.



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Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

## G. Reporting

The Finance Director shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the City Manager and the City Council. The report will include the following:

- Listing of individual securities held, by fund, at the end of the reporting period reporting original cost and current market value of each security.
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investments by maturity date.
- The purchase and safekeeping institutions.

## H. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmark shall have a similar weighted average maturity as the portfolio.

## I. Mark to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This review of the investment portfolio, in terms of value and price volatility, should be performed consistent with the GFOA Recommended Practices on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools". In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

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## J. Policy Consideration

1. Exemption

   Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. Amendments

   This policy shall be reviewed on an annual basis. Any changes must be approved by the City Council in consultation with the individuals charged with maintaining internal controls.

## K. Approval of Investment Policy

The investment policy shall be formally approved and adopted by the City Council of the City of Crystal Lake and reviewed annually.

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A. Introduction

The Finance Department and Finance Director are responsible for conducting cash and investment transactions for all funds (except the Firefighters Pension Fund and the Police Pension Fund) held by or for the benefit of the City of Crystal Lake. The responsibility for the administration of the investment program has been delegated to the Finance Director, who shall implement the following investment procedures and internal controls, as prescribed by the Investment Policy.

B. Objective

The Procedures and Internal Control Manual provides an outline for cash and investment transactions. This manual shall be reviewed on a yearly basis for possible revisions by the Finance Director to ensure that the manual is current with investment industry standards and practices.

C. Prudence and Standard of Prudence

The standard of prudence to be used by the investment staff shall be that of a "prudent person" and shall be applied in the context of managing the overall portfolio. The Finance Director, or persons performing the investment functions, acting in accordance with written policies and procedures and exercising due diligence, shall not be responsible for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control or mitigate adverse developments.

The "prudent person" standard is herewith understood to mean the following:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

D. Investment Decisions

The investment staff, which includes the Finance Director, shall adhere to the guidelines of the City of Crystal Lake's Investment Policy regarding all investment procedures or any other cash and investment transactions.

E. Chain of Command

For the purpose of obtaining approval on investment matters not addressed in the Investment Policy, the following chain of command is appropriate:

1. City Council
2. City Manager
3. Finance Director



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F. Duties and Responsibilities

The Finance Director has specific duties and responsibilities as stated in their respective position descriptions. The Finance Director shall be responsible for the management of the investment program and responsible for the daily operational duties (i.e., purchases, sells, bank transfers, wires, and reports) with another finance department employee responsible for the accounting along with monitoring compliance with the internal control procedures.

G. Ethics and Conflict of Interest

For the protection of the investment staff, it is imperative that full disclosure be made by investment personnel to the City Manager of any material interests which they may hold in a financial institution (brokers/dealers, banks, etc.) which conducts business with the City.

H. Separation of Duties

Investment staff shall observe proper segregation of duties while engaged in investment activities. Persons responsible for approving investment transactions should not be engaged in activities relating to the recording of transactions in the financial records or the reconciliation of cash and safekeeping account statements.

I. Reporting Requirements

A quarterly report shall be prepared and forwarded to the City Manager who in turn shall forward to the City Council. The report shall contain, but not be limited to, the following information:

a) CUSIP ID
b) Purchase date
c) Maturity date
d) Purchase institution
e) Safekeeping institution
f) Par value
g) Original cost value
h) Coupon rate (if applicable)
i) Yield to maturity
j) First interest date (if applicable)

A mark-to-market report shall be prepared on a quarterly basis. This report shall include the market value, book value, and unrealized gain or loss of the securities in the portfolio. These values should be obtained from a reputable and independent source.

J. Operations

"Operations" is defined as those necessary procedures and duties required to maintain a properly working department on a daily basis.

1. Daily Investment Procedures

The following is a basic outline of routine daily procedures necessary to maintain proper documentation on cash and investment transactions.

Each morning, the daily bank balances shall be obtained from the depository bank via computer.



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The Assistant Finance Director shall be responsible for providing the Finance Director with daily information regarding the cash requirements and required maturity dates for all funds.

2. Daily Investment Worksheet ("cash book")

On a daily basis, it is necessary to monitor cash activity within specific bank accounts for the purpose of determining net cash available for investment. A "cash book" shall be maintained by the City Accountant which shall include a summary of daily cash inflows and outflows by bank account and corresponding book balances at the end of each day.

A review of the "cash book" shall be conducted by the Finance Director and shall consider net available cash for investment as well as future anticipated cash flows for the purpose of determining the amount and duration in which funds might be invested.

Proper documentation and authorization shall be required before any cash or investment transaction is executed.

3. Authorized Wire Transfers

Only the Finance Director shall be authorized to originate the wiring of City funds for investment and payment of debt service purposes to established City bank accounts. Wire instructions and personal identification numbers (PIN's) shall be safeguarded by the authorized representatives.

All bank transfer requests shall be in writing and approved by an authorized representative and all requests shall be filed with the investment work-up documents. Phone wire transfers may be performed provided such requests are made over recorded lines and a written confirmation of the transfer is prepared by the bank. The purpose of the bank transfer must be noted as part of the transfer information.

Wire transfers shall be confirmed by a third party independent of the authorization function.

4. Securities' Confirmations

The processing of securities' confirmations, including the filing and reconciling, shall be reviewed by an individual who did not execute the purchase or sale. All confirmations for securities, including certificates of deposit, shall be attached to the daily investment work-up documentation. The original confirmations are not permitted to leave the Finance Department, and only copies will be provided upon request.

Upon receipt, the safekeeping account listing shall be reconciled against the appropriate investment reports.



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5. Coupon Notices

   Securities which periodically pay coupons will require that the amount of the coupon payments be transferred to the appropriate bank account and a journal entry prepared and given to the Finance Director.

6. Safekeeping Procedures

   All securities purchased for the City shall be received by "delivery vs. payment" (DVP) to the City's designated custodian for safekeeping. The City's designated safekeeping institution shall be notified of the trade prior to or on the day of settlement. Confirmation of the delivery will include the type of security purchased/sold, CUSIP, coupon rate (if applicable), maturity, purchase and settlement dates, par value and purchase price.

   Nonnegotiable Certificates of deposit are permitted to be safe kept at the issuing bank provided they are fully collateralized and pledges are held at an independent third party institution. Negotiable certificates of deposit should be on a DVP basis as noted above. All certificates of deposit confirmations must be verified against the appropriate investment reports and general ledger account on a monthly basis.

   Additional requirements and procedures are outlined in the Third-Party Custodial Safekeeping Agreement regarding safekeeping procedures.

K. Accounting for Investment Transactions

Investments shall be recorded in the financial records at original cost. Interest income will be recognized at maturity or amortized as of the last day of the fiscal year according to the effective interest method of amortization.

L. Investment Information

1. Internal Investment Reports

   Investment reports are generated by the Finance Director. Each report shall be checked against the original documentation and the appropriate general ledger accounts to ensure the accuracy of the reports on a monthly basis. Furthermore, the investment reports shall be safe kept by the Finance Department.

2. Market Values

   Market values shall be calculated on a quarterly basis by the Finance Director and a report provided to the City Manager and the City Council.

3. Trust Statements

   Original statements for the City's investment accounts which are held by a custodian

shall be reconciled by the Finance Director on a monthly basis.

M. Selection of Dealers and Bankers

As stated in the City of Crystal Lake's Investment Policy, the Finance Director shall only purchase securities from financial institutions which are qualified as public depositories by the City of Crystal Lake or from broker/dealers that were selected based on credit worthiness that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

The Finance Department shall provide each authorized dealer a copy of the City's Investment Policy and each dealer shall be required to submit, in writing, a statement that they have received, read and understand the City's investment policy. This statement shall be submitted to the Finance Director.

Once all requirements are met, the Finance Department will provide the dealer with a list of staff members who are authorized to conduct cash and investment transactions.

N. Security Selection Process

When purchasing or selling securities, the Finance Director shall select the security which provides both the highest rate of return within the established parameters of the Investment Policy and satisfies the current objectives and needs of the City's portfolio. These selections shall be made based on a minimum of two (2) bids/quotes (unless securities are being purchased at the FED window) being obtained from banks and/or broker/dealers on the securities in question.

Two bids/quotes are not necessary in the following situations:

1. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.

2. When no active market exists for the issue being traded due to the age or depth of the issue.

3. When a security is unique to a single dealer, for example, a private placement.

4. When the transaction involves new issue or issues in the "when issued" market.

When using the competitive bid process, all bids shall become part of the record of the specific security involved.

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## A. Scope

The Revenue and Cash Management Policy applies to all revenue collected, except where state or federal laws supersede. Major revenue sources for the City of Crystal Lake include real estate taxes, franchise revenues, state shared revenues, utility usage, licenses and permits, fines, and charges for services. Proper controls over revenue are essential to maintaining strong financial management practices.

## B. Internal Controls

All aspects of cash receipts and accounts receivable shall be subject to proper internal controls. Management of each department shall be familiar with the Revenue and Cash Management Policy and established internal controls that are properly documented and followed by staff members. Internal controls include:

1. Segregation of duties for authorization, recording and custodian functions.

2. Daily processing of cash receipts and accounts receivable transactions.

3. Timely deposit of funds.

4. Timely reconciliation to the general ledger and other supporting ledgers.

5. Establishment of physical security procedures.

6. Notification of management upon suspicion of fraud. Management shall then notify the appropriate authorities (e.g., law enforcement, state agencies) in a timely manner for further investigation.

   See Attachment A: Revenue and Cash Management Procedures and Internal Control Manual for additional documentation of procedures and controls.

## C. Accounting Procedures

All receipts and receivables shall be recorded in keeping with current authoritative standards and practices, including:

1. Revenue shall be recorded in the proper general ledger account by fund and revenue source.

2. Revenue shall be recorded in the proper fiscal accounting period in accordance with the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for enterprise and internal service fund and governmental and business type activities. The City will strive to minimize differences in revenue recognition for governmental funds and governmental activities.

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## D. Invoicing Procedures

1. General Accounts Receivable

Accounts receivables shall be established for services provided in advance of payment. The City maintains accounts receivable for business licenses, liquor licenses, cigarette licenses, scavenger licenses, amusement licenses, special assessments, traffic signal maintenance, fuel, elevator inspections, alarm monitoring, and ambulance services. In addition, the City invoices for Police Special Details. The Police Special Details bills represent reimbursements for services performed and are billed when incurred.

a) All initiated bills shall have a due date of 30 days from the bill date, unless otherwise stated per ordinance or resolution. Invoices for license renewals shall be generated by April 1, allowing 30 days for payment prior to due date of May 1. Police Special Detail bills shall be generated within 30 days after the payroll date that identifies the special detail assignment.

b) All invoices for license renewals and Police Special Details shall be produced and maintained by the Finance Department.

c) Bills shall be generated in the accounting system software accounts receivable module. The accounts receivable module automatically updates the general ledger upon generation.

2. Water and Sewerage Receivable

The City maintains accounts receivable for water and sewerage services. The City invoices monthly.

a) All initiated bills are dated the 1st day of the month, covering usage for the month ended the last day of the prior month. Bills have a due date on the 21st day of the month.

b) An accounts receivable aging for all water and sewer billings is maintained by the Water Billing Accountant.

c) Bills shall be generated using the accounting system software utility billing module. The meter readings automatically update the utility billing module. The utility billing module automatically updates the general ledger.

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## E. Receipt of Funds

The Finance Department shall serve as primary recipient for all revenue collection sites. Each department with remote collection responsibility shall utilize a separate cash register and establish and maintain an adequate system of internal controls for receipts. Controls shall include, at a minimum, the following:

1. The method of payment (e.g., cash, check or credit card) shall be indicated on the receipt. This is entered into the accounting system software at time of transaction.

2. Wherever possible, the receipt shall allow for immediate revenue account classification in conformance with the established chart of accounts. If not possible, the department and fund shall be indicated.

3. Reconciliation of collections by an individual not involved in the receipting or posting process or establishment of mitigating controls.

4. Recording of receipts in the financial accounting system on a timely basis.

5. Timely posting of adjustments with supervisory approval required

6. Timely reconciliation and deposit of funds received.

See Attachment A: Revenue and Cash Management Procedures and Internal Control Manual for additional documentation of current procedures and controls.

## F. Remote Sites

1. Vehicle Stickers

Customers may pay for vehicle stickers at remote locations in the City. Each vendor holds on to payments collected. For most vendors, a representative from the Finance Department will pick up the cash and checks on a weekly basis. The cash and checks are brought back to City Hall to be counted and balanced to the vehicle sticker forms collected. Several vendors hold onto the cash and checks until the end of the program collection period and then issue the City a check or money order for the payments received. The City will balance the vehicle sticker applications to the payment received from these vendors. Any cash and checks received from local vendors are deposited as part of the City's daily cash deposit.

2. Ambulance Billing

Billing for ambulance services are generated by a third party. Payments are mailed directly to the third party for application to the appropriate account. The third party sends payments via ACH to the City's bank account on a weekly basis. Detailed deposit reports are also forwarded to the City in conjunction with the ACH payment. A summary report is sent to the City at the end of each month for reconciliation purposes.

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3. Police Fines/Tickets

   Police fines and parking ticket payments are collected by Duncan Solutions. At the end of each month, a report with that month's activity is generated and mailed to the City with a check for the City's portion of tickets payments that were collected.

G. **Collections**

Each department shall establish and maintain an adequate system of internal control to provide for timely collection of receivables.

1. All accounts receivable shall be recorded in the accounting system software. The Water Billing Clerk will maintain the Water and Sewerage Aged Trial Balance and Finance Department Accountant will maintain the General Accounts Receivable Aged Trial Balance. The Finance Director will reconcile each subsidiary ledger to the general ledger on a monthly basis.

2. For those accounts that become past due, proper delinquent notice shall be provided to the payee.

3. For those accounts that are greater than 90 days past due and over $10, notice and supporting detail shall be provided to the Finance Department.

4. Assignment to a collection agency shall be considered. When cost effective, the government-wide selected collection agency shall be utilized to assure maximum collections.

H. **Returned Checks**

Each department shall establish and maintain an adequate system of internal controls for returned checks.

1. Unless otherwise stated per ordinance or resolution, all checks returned due to insufficient funds shall be processed by the Finance Department with assistance from the Water Billing Accountant for those returned checks for water and sewerage billing.

2. Fees shall be charged for the returned check in accordance with applicable statutes or established practices. Returned checks shall be processed at least twice through the City's financial institution.

I. **Bad Debt**

Each department shall maintain an adequate system of internal controls to provide for the accurate and timely recognition of an allowance for doubtful account and bad debt expense.

1. The amount of the allowance for doubtful accounts shall be based upon the percentage of receivable method.



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2. The computation of the allowance for doubtful accounts shall be performed annually based upon the aging of the receivables and recent history of write-offs at fiscal year-end, subject to concurrence by the external auditors.

3. For write-offs; accounts with balances less than $10, 360 days delinquent and with no payment activity for 360 days shall be eligible for write-off upon authorization of the Finance Director.

4. For write-offs, balances greater than $10, collection efforts shall be performed for a period equivalent to the statute of limitations or less if bankruptcy has been discharged for an account, business no longer exists, or individual is deceased, at which point such amounts shall be written-off upon department head's written concurrence.

5. For any account written-off, such customer information shall be retained for seven years and service denied on credit until previously written-off balances have been satisfied, unless specifically approved by the City Manager.

J. **Budgetary Review**

Revenue collections and accounts receivable shall be monitored in a timely manner.

1. Revenue initiating departments shall have oversight in the formulation of revenue budgets.

2. Revenue budget estimates shall be supported with documented variable assumptions (base, rate, etc).

3. Monitoring of revenue budget shall be performed in a timely manner throughout the fiscal year and shall include an analysis of actual versus budgeted variances. Revised forecasts shall be communicated to the Assistant Finance Director on a timely basis.

4. Continued compliance of revenue with all laws and/or regulations shall be the responsibility of the revenue initiating department.

K. **Escrowed Funds**

Funds received by the City in advance of revenue recognition or funds anticipated to be remitted back to the payee shall be recorded in an escrow liability account. The City escrow agreement does not provide for the establishment of interest bearing accounts. The Finance Department maintains the Escrow list, which includes an Excel summary of escrow account activity. The City will not maintain a receivable balance for developers. In the event of a net receivable, the developer will be required to replenish the escrow fund within a 30 day time period. The Finance Department reconciles the detail to the general ledger on a monthly basis.

L. **Bond Payable Funds**

Funds received by the City as insurance of performance and anticipated to be remitted back to



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the payee shall be recorded in a bond payable account. The City maintains a detail listing of funds received and returned by permit number. The Finance Department reconciles the detail to the general ledger on a monthly basis.

M. **Forfeited Asset Proceeds**

The City shall maintain an adequate system of internal controls for proceeds from asset forfeitures to ensure compliance with applicable laws and regulations.

1. A separate revenue general ledger account will be maintained for each type of forfeiture proceeds.

2. All interest income generated by forfeiture accounts must be deposited and recorded into the corresponding bank and general ledger account on a timely basis.

3. The Finance Department and Police Department will maintain procedures to ensure expenditures of proceeds are in accordance with applicable laws and regulations.

4. The Finance Department will reconcile the forfeiture general ledger accounts on a monthly basis.

5. All required reports must be completed and filed with the appropriate authority on a timely basis.

NOTE: See Asset Forfeiture Procedures Manual for additional documentation of procedures and controls.

N. **Record Retention**

The City shall retain all records related to revenue and cash management for a period of seven years. All records sent for destruction will be documented and approved by the City Manager prior to destruction.

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## A. Objective

The Revenue and Cash Management Procedures and Internal Control Manual provides an outline for revenue transactions. This manual shall be reviewed on a yearly basis for possible revisions by the current Finance Director and Finance Department to ensure that the manual is current with industry standards and practices.

The responsibility for the administration of the revenue management procedures has been delegated to the Finance Director and the Finance Department, who shall implement the following revenue procedures and internal controls, as prescribed by the Revenue and Cash Management Policy.

## B. Segregation of Duties for Authorization, Recording and Custodian Functions

All City personnel, but in particular Finance Department personnel shall observe proper segregation of duties while engaged in revenue and cash receipts activities. The Finance Department clerks responsible for processing cash receipts will not be engaged in activities related to the recording of journal entry transactions in the financial records or the reconciliation of bank accounts. The Finance Director will be responsible for reviewing the daily cash reconciliation and recording transactions, but will have no responsibility for daily cash receipts processing. An independent consultant will confirm the bank reconciliations.

## C. Daily Processing and Recording of Cash Receipts

1. Real Estate Taxes

The City exclusively receives real estate tax distributions from McHenry County. These distributions are deposited directly into the City bank account. US Bank (Illinois Funds) sends a fax notification upon receipt of an ACH deposit. The Finance Director then obtains the supporting distribution documentation from the Office of the McHenry Cook County Treasurer. The supporting documentation identifies the tax levy year for the deposit. The Accountant prepares a journal entry using a template for the year that allocates the tax deposit according to the levy percentages applicable for that tax year. The Accountant enters the journal entry in the accounting system software using the General Ledger Manual Journal Entry Process.

2. State Shared Revenues

The City receives revenue from the State of Illinois for Income Tax, Sales Tax, Use Tax, Personal Property Replacement Tax and MFT Allotments. These payments are automatically deposited in the City bank account via ACH transaction. US Bank (Illinois Funds) sends a fax directly to the Finance Department upon receipt of an ACH transaction. The Finance Director obtains the corresponding voucher from the Illinois Department of Revenue website www.revenue.state.il.us/localgovernment/disbursements/. The Accountant matches the voucher to the ACH transaction amount and records the transaction in the accounting system software using the General Ledger Manual Journal Entry Process.

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3. Franchise Revenues and Utility Taxes

   The City receives cable franchise fee payments from AT & T via ach and receives telecommunication tax payments from the State of Illinois via ach. Processing for these transactions is consistent with the procedures for State Shared Revenues (see #2 above).

   All other franchise revenue and utility tax payments are received via check. These checks are processed through the City Hall cash receipts window (see #4 below).

4. Water Bills, License, Permits, Fines, and other Miscellaneous

   The City maintains a cash register window at the City Hall for cash, check or credit card payments. All payments received for water bills, license and permit fees, fines, certain utility tax payments and other miscellaneous receipts are processed at the City Hall cash receipts window. This includes all payments received in person, by mail or in the drop box.

   The Finance Department Clerk opens the mail and receives payments from customers. The receipts are stamped paid and entered into the cash register, which automatically updates the cash receipts in the accounting system software.

5. E-Pay Receipts

   The City provides customers with the option of paying their water bill and fines through the E-pay system. The E-pay system is maintained by Gateway, an independent processer. E-pay transactions are initiated by the customers, who enter their customer information, payment amount and transaction reference (i.e., invoice number). On a daily basis, the Finance Department Clerk accesses the E-pay system and prints out the E-pay activity report. This report includes water payments and fines activity.

   The Water Billing Supervisor logs onto the E-pay website to download a file of transactions. This file is then used to automatically update the accounting system software, creating the posting to the customer account and the general ledger cash account. The Finance Department Clerk reconciles the water payment activity from the daily printout to the amounts reported by the Water Billing Supervisor.

## D. Revenue Recognition Guidelines

The City records revenue when received throughout the year. For preparation of the governmental fund financial statements at fiscal year-end, the City uses the current financial resources measurement focus and modified accrual basis of accounting for governmental funds and the accrual basis of accounting for governmental activities and will minimize differences in revenue recognition between governmental funds and governmental activities. Specific guidelines for revenue recognition are as follows:

1. *Property Taxes* - property taxes are recognized as revenues in the year for which they



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are levied (i.e., intended to finance).

2. *Income and Personal Property Replacement Tax* - income and personal property replacement taxes are considered payable to the City upon certification by the State. The voucher date is evidence of this certification. Therefore, receivable and revenue recognition is based on the voucher date.

3. *Use and Sales Taxes* - use taxes and sales taxes are considered payable to the City at the point of transaction. The liability month represents taxes payable when collected by the vendor (i.e., date of transaction). The State voucher identifies the liability and collection months. Receivable and revenue recognition is based on the liability month.

4. *Charges for Services* - charges for services, including water and sewer, are recognized as revenue at the time the goods or services are provided to the user.

5. *Franchise Fees, Telecommunication Tax and Utility Taxes* – Receivable and revenue recognition for franchise fees, telecommunication tax and utility taxes is based on the month the tax becomes payable to the utility or state (the liability month), or date of transaction.

6. *Fines and Permit Revenue* – fines and permit revenue are considered to be measurable and available only when cash is received by the City.

7. *Intergovernmental Revenues* - grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. For expenditure driven grants this is the period when the qualifying expenditure is recognized.

## E. Timely Deposit of Receipts

1. Finance Department Receipts

On the next business day, the Finance Department Clerk prepares the deposit slip for all cash payments received on the prior business day and reconciles the deposit slip to the accounting system software Cash Receipts Register Report. Cash receipts are automatically recorded in the accounting system software at the time of transaction.

2. Community Development Receipts

At the end of each business day, the Community Development Clerk will run the cash receipt reports for the current day and give them, along with any checks or credit card slips, to the Finance Department. All payments received from the Community Development Department are then included with the Finance Department's deposit for that day. Cash receipts are automatically recorded in the accounting system software at the time of transaction.

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3. Police Department Receipts

The Police Department collects payments that are then entered into a cash receipts batch for posting and forwarded to the Finance Department for reconciliation and depositing. All payments are kept in a locked safe until they are forwarded to the Finance Department. Police Department deposits are sent to the bank along with the City's deposit for the current day.

## F. Reconciliation Procedures

Cash receipts are reconciled to the cash drawer by the Finance Department Clerk or Community Development Clerk when preparing the deposit. All reconciliations are forwarded to the Finance Director who reviews the information for proper recording.

On a monthly basis, an independent finance department consultant confirms the bank reconciliation. All cash, ach and credit card receipts are included in this process. The Finance Director is responsible for recording any adjustments to receipts noted during the bank reconciliation process.

## G. Physical Safeguarding

The City maintains appropriate controls over the physical safeguarding of all cash receipts, as follows:

1) City Hall Cash Receipts – The bank will guarantee endorsement for checks collected by the City for deposit. The cash and checks are kept in the locked safe at City Hall. Access to the safe is limited to the Finance Director and Finance Department Staff.

2) Community Development Department Receipts – All checks are restrictively endorsed upon receipt. The cash and checks are kept in a locked cash register drawer at the Community Development Department. Access to the drawer key is limited to the Community Development Clerks.

## H. Suspicion of Fraud

The City administration shall maintain governance practices that encourage ethical behavior. Any transactions related to the revenue and cash management procedures of the City that indicate the possibility of fraud should be reported, either verbally or in writing, to the City Manager or Finance Director.

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## A. Objective

In order to comply with the Federal Trade Commission's – Fair and Accurate Credit Transaction Act requirement to provide for a procedure if any confidential information is compromised (2005) or credit is extended (2008). The following procedures will be followed to alleviate any compromise of confidential information. Before proceeding the City Manager is to be notified of the compromised information and the extent of the breach will be determined.

If a significant compromise of information is determined to have occurred, notification must be made in the most expedient time possible without unreasonable delay. However, time may be taken to determine the scope or the breach as well as to restore the integrity and security of the system.

There are three acceptable means of notification:

- Written notice to identified parties
- Electronic notice
- "Substitute notice" - This is when it is not feasible to provide written or electronic notice because
    - the cost of the notice would exceed $2500 or
    - there are over 500 people to notify or
    - the data collector doesn't have sufficient contact information

If substitute notice was the only option available, then there are three steps that must be taken for substitute notice:

1. Email notice if the data collector has an email address for the identified parties
2. Conspicuous posting of the notice on the data collector's web site or public bulletin boards, i.e. City website.
3. Notification to major statewide media.

## B. Definitions

When used in this Program, the following terms have the meanings set forth opposite their name, unless the context clearly requires that the term be given a different meaning:

Covered Account: The term "covered account" means an account that the Municipality offers or maintains, primarily for personal, family or household purposes, that involves or is designed to permit multiple payments of transactions. (16 CFR 68l.2(b)(3)(i)). A utility account is a "covered account." The term "covered account" also includes other accounts offered or maintained by the Municipality for which there is a reasonably foreseeable risk to customers the Municipality or its customers from identity theft (16 CFR 681 .2(b)(3)(ii)).

Identity Theft: The term "identity theft" means a fraud committed or attempted using the

identifying information of another person without authority. (16 CFR §681.2(b)(8) and 16 CFR §603.2(a)).

Identifying Information: The term "identifying information" means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including any name, social security number, date of birth, official State or government issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number. Additional examples of "identifying information" are set forth in 16 CFR §6O3.2(a).

Red Flag: The term "Red Flag" means a pattern, practice or specific activity that indicates the possible existence of identity theft.

Certain terms used but not otherwise defined herein shall have the meanings given to them in the FTC's Identity Theft Rules (16 CFR Part 681) or the Fair Credit Reporting Act of 1970 (15 U.S.C. §1681 *et seq*.), as amended by the Fair and Accurate Credit Transactions Act of 2003 into law on December 4, 2003. (Public Law 108-159).

## C. Administration of the Program

The initial adoption and approval of the Identity Theft Prevention Program shall be by City Council. Thereafter, changes to the Program of a day-to-day operational character and decisions relating to the interpretation and implementation of the Program may be made by the Director of Finance who shall be the Program Administrator. Major revisions of this policy shall be approved by the City Council.

Development, implementation, administration and oversight of the Program will be the responsibility of the Program Administrator. The Program Administrator will report at least annually to the City Council regarding compliance with this Program.

Issues to be addressed in the annual Identity Theft Prevention Report include:

1. The effectiveness of the policies and procedures in addressing the risk of Identity Theft in connection with the opening of new Covered Accounts and activity with respect to existing Covered Accounts.
2. Service provider arrangements.
3. Significant incidents involving Identity Theft and management's response.
4. Recommendations for material changes to the Program, if needed, for improvement.

## D. Identity Theft Prevention Elements

*Identification of Relevant Red Flags*

The Municipality has considered the guidelines and the illustrative examples of possible Red Flags from the FTC's Identity Theft Rules and has reviewed the Municipality's past history with instances of identity theft, if any. The municipality hereby determines that the following are the

relevant Red Flags for purposes of this Program given the relative size of the Municipality and the limited nature and scope of the services that the Municipality provides to its citizens:

A. Alerts, notifications, or other warnings received from consumer reporting agencies or service providers.

1. A Consumer Reporting Agency alerts the City of a credit freeze, address disparity, or that an account has been noted to have abusive or fraudulent activity.

B. The presentation of suspicious documents.

1. Documents provided for ID do not appear to be genuine and unaltered.
2. The photo or physical description is not consistent with the appearance of the applicant.
3. Information given to open the account is not consistent with the ID of the applicant.

C. The presentation of suspicious personal identifying information, such as a suspicious address change.

1. Personal ID is of the same type associated with fraudulent activity: fictitious address, mail box drop, or prison or phone number is invalid; it is associated with a pager or answering service.
2. Personal ID provided is associated with known fraudulent activity.
3. Personal ID is inconsistent with utility records.
4. The customer fails to provide all needed personal ID upon request.

D. The unusual use of, or other suspicious activity related to, a Covered Account.

1. The utility is notified of unauthorized charges or transactions in connection with a customer's account.
2. Customer notifies utility that they are not receiving their bill.
3. Mail sent to customer is repeatedly returned.
4. Payments are made in a manner associated with fraud. For example, a deposit or initial payment is made and no payments are made thereafter.

E. Notice of Possible Identity Theft.

1. Utility is notified by law enforcement officials or others, that it has opened a fraudulent account for a person engaged in identity theft.

*Detection of Red Flags*

The employees of the Municipality that interact directly with customers on a day-to-day basis shall have the initial responsibility for monitoring the information and documentation provided by the customer and any third-party service provider in connection with the opening of new accounts and the modification of or

access to existing accounts and the detection of any Red Flags that might arise. Management shall see to it that all employees who might be called upon to assist a customer with the opening of a new account or with modifying or otherwise accessing an existing account are properly trained such that they have a working familiarity with the relevant Red Flags identified in this Program so as to be able to recognize any Red Flags that might surface in connection with the transaction.

An Employee who is not sufficiently trained to recognize the Red Flags identified in this Program shall not open a new account for any customer, modify any existing account or otherwise provide any customer with access to information in an existing account without the direct supervision and specific approval of a management employee. Management employees shall be properly trained such that they can recognize the relevant Red Flags identified in this Program and exercise sound judgment in connection with the response to any unresolved Red Flags that may present themselves in connection with the opening of a new account or with modifying or accessing of an existing account. Management employees shall be responsible for making the final decision on any such unresolved Red Flags.

The Program Administrator shall establish from time to time a written policy setting forth the manner in which a prospective new customer my apply for service, the information and documentation to be provided by the prospective customer in connection with an application for a new utility service account, the steps to be taken by the employee assisting the customer with the application in verifying the customer's identity and the manner in which the information and documentation provided by the customer and any third-party service provider shall be maintained. Such policy shall be generally consistent with the spirit of the Customer Identification Program rules (31 CFR 103.121) implementing Section 326(a) of the USA PATRIOT Act but need not be as detailed. The Program Administrator shall establish from time to time a written policy setting forth the manner in which customers with existing accounts shall establish their identity before being allowed to make modifications to or otherwise gain access to existing accounts.

*Response to Detected Red Flags*

If the responsible employees of the Municipality as set forth in the previous section are unable, after making a good faith effort, to form a reasonable belief that they know the true identity of a customer attempting to open a new account or modify or otherwise access an existing account based on the information and documentation provided by the customer and any third-party service provider, the Municipality shall not open the new account or modify or otherwise provide access to the existing account as the case may be. Opening new accounts or the modification or access to existing accounts will be on a non-discriminatory basis based on the City's policies.

The Program Administrator shall establish from time to time a written policy setting forth the steps to be taken in the event of an unresolved Red Flag situation. Consideration should be given to aggravating factors that may heighten the risk of Identity Theft, such as a data security incident that results in unauthorized access to a customer's account, or a notice that a customer has provided account information to a fraudulent individual or website. Appropriate responses to prevent or mitigate Identity Theft when a Red Flag is detected include:

1. Monitoring a Covered Account for evidence of Identity Theft
2. Contacting the customer.
3. Changing any passwords, security codes, or other security devices that permit access to a Covered

Account.
4. Reopening a Covered Account with a new account number.
5. Not opening a new Covered Account.
6. Closing an existing Covered Account.
7. Not attempting to collect on a Covered Account or not selling a Covered Account to a debt collector.
8. Notifying law enforcement.
9. Determining that no response is warranted under the particular circumstances.

## E. Program Management and Accountability

*Initial Risk Assessment - Covered Accounts*

Utility accounts for personal, family and household purposes are specifically included within the definition of "covered account" in the FTC's Identity Theft Rules. Therefore, the Municipality determines that with respect to its residential utility accounts it offers and/or maintains covered accounts. The Municipality also performed an initial risk assessment to determine whether the utility offers or maintains any other accounts for which there are reasonably foreseeable risks to customers or the utility from identity theft. In making this determination the Municipality considered (1) the methods it uses to open its accounts, (2) the methods it uses to access its accounts, and (3) its previous experience with identity theft, and it concluded that it does not offer or maintain any such other covered accounts.

*Program Update - Risk Assessment*

The Program, including relevant Red Flags, is to be updated as often as necessary but at least annually to reflect changes in risks to customers from Identity Theft. Factors to consider in the Program update include:

1. An assessment of the risk factors identified above.
2. Any identified Red Flag weaknesses in associated account systems or procedures.
3. Changes in methods of Identity Theft.
4. Changes in methods to detect, prevent, and mitigate Identity Theft.
5. Changes in business arrangements, including mergers, acquisitions, alliances, joint ventures, and service provider arrangements.

*Training and Oversight*

All staff and third-party service providers performing any activity in connection with one or more Covered Accounts are to be provided appropriate training and receive effective oversight to ensure that the activity is conducted in accordance with policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

## F. Recommended actions

- Review all current administrative processes for confidential information

- Inventory computer systems and databases for confidential information
- Delete confidential data where not absolutely necessary
- Encrypt confidential data, such as SSNs, if they must be used
- Do not permit the storage of confidential data on home computers or laptops
- Do not send confidential data through email unless it is encrypted
- Do not use the web as a file transfer mechanism without adequate protections
- Do not allow commercial search engines to index confidential web sites

After initial notification Information Systems Staff will monitor the effectiveness of the notice and determine if additional course of action is needed. This is a standardized approach to a breach of information or credit. City staff does reserve the right to deviate from the above if a more effective measure is determined.

## G. Other Legal Requirements

Awareness of the following related legal requirements should be maintained:

- 31 U.S.C. 5318 (g) - Reporting of Suspicious Activities
- 15 U.S.C. 1681 c-l (h) - Identity Theft Prevention; Fraud Alerts and Active Duty Alerts - Limitations on Use of Information for Credit Extensions
- 15 U.S.C. 1681 s-2 - Responsibilities of Furnishers of Information to Consumer Reporting Agencies
- 15 U.S.C. 1681 m - Requirements on Use of Consumer Reports

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## J. Purpose

The purpose of this policy is to establish guidelines to maximize the collection of accounts receivable in a professional and consistent manner.

## K. Applicability

The provision of this policy applies to the collection of all accounts receivable. City staff will utilize all legal means to collect payments due to the City under Federal and State Statutes that govern collection practices, including: The Fair Debt Collection Practices Act, The Fair Credit Reporting Act, the Illinois Collection Agency Act and the Illinois Consumer Fraud and Deceptive Practices Act, and the Crystal Lake Municipal Code ("Code").

## L. Capitalization Threshold

The capitalization threshold or minimum value of an asset at the time of acquisition is established at $25,000 for infrastructure and easements and $10,000 for all other assets. The threshold is applied on an individual basis. All tangible and intangible capital assets that exceed the threshold, as well as all titled vehicles, will be capitalized and depreciated over the asset's useful life.

## M. Depreciation Method

All capital assets are depreciated using the straight line method. All assets are depreciated with a full year of depreciation in the year the asset is placed in service. No depreciation is recorded in the year of disposal.

## N. Useful Lives

Useful lives will be reviewed annually by the Finance Department. The City depreciates over the following useful lives:

| Assets | Years |
|---|---|
| Buildings and improvements | 25-50 |
| Machinery and equipment | 3-15 |
| Infrastructure – streets and bridges | 50-80 |
| Infrastructure – water and sewer system | 60 |

## O. Intangibles

The City is in possession of assets that may be considered intangibles assets, including computer software and easements. The City will account for intangibles in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Computer software will be capitalized if the acquisition cost meets the capitalization threshold. Easements will be accounted for as follows:

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1. A temporary easement will not be recognized as a capital asset.

2. A permanent easement will be recognized as a capital asset subject to all the following conditions:

    a. The easement is evidenced by a final plat of subdivision and acceptance of related improvements, if appropriate. Any final plat of subdivision should include the total acreage of easements accepted by the City**.**

    b. A permanent easement will be valued at 10% of the current land-cash fee rate for improved land of equivalent acreage.

    c. A permanent easement will be capitalized if it has a value of $25,000 or more. Easements will be aggregated within a general area (e.g., a subdivision) for the purposes of determining whether the $25,000 threshold is met.

    d. A permanent easement associated with a proprietary fund activity will be recorded in the appropriate proprietary fund. Other permanent easements will be recorded in the general fixed asset account group for inclusion in the City's government-wide financial statements.

    e. The value of a permanent easement will not be amortized.

## P. Improvement, Repair and Maintenance Expenses

Routine repair and maintenance costs will be expensed as incurred and will not be capitalized. Street regrinding, patching, etc. is considered maintenance and will not be capitalized. Repairs of water and sewer assets will not be capitalized unless the repairs materially extend the life of the original asset.

## Q. Department Responsibilities

Departments are responsible for protecting and controlling the use of City assets assigned to their department.

## R. Capital Asset Additions

The City may acquire assets through purchase, lease or donation. When an asset is purchased or leased, the department will forward a copy of the invoice to the Finance Department for payment. The Finance Department will identify assets that meet the capitalization requirements. The Finance Department will assign a unique inventory control number to the asset. The Finance Department will then enter the information into the capital asset software system. Individual assets as well as infrastructure are included as entries in the capital asset software.

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The City may also acquire assets through donations (e.g., developer conveyance). Prior to acceptance, the City must obtain documentation of the value of the asset being donated. When a donation is accepted through the City ordinance or resolution process, the Finance Department will obtain the supporting documentation and enter the information into the capital asset software system.

## J. Sales and/or Retirements of Assets

Disposal, sale or retirement of an asset may only occur after the asset is declared surplus and approved by the City Council. When a capital asset is disposed of, its cost and accumulated depreciation are removed from the City's books and a gain or loss, if any, is recognized. The Finance Department will remove the item from the capital asset software system and record the disposal in the general ledger.

## K. Physical Inventory

The City and each department will conduct a physical inventory at least once per year at fiscal year-end. The Finance Department will provide each department with an inventory worksheet identifying all capital assets under their control. Each department will be responsible for completing the physical inventory of the items, verifying the existence and condition of each item on the worksheet, and making note of any additions, deletions, or leases of property that are not reflected on the list. The final list will be reviewed by the department head, who will sign as acknowledgement of their approval and then return it to the Finance Department. The inventory should be performed by a team including at least one representative from the department and one individual from an independent department not responsible for the safeguarding of assets.

The Finance Department will perform a sample verification of the physical inventory items and reconcile the listings to the capital asset software system.

## L. Small Inventory Asset Procedures

Assets that do not meet the capitalization requirements, but qualify as a small asset for inventory tracking, shall be expensed when purchased. Small assets include all computer equipment, office equipment, and any other department specific items that are designated as small asset items by the Department Head. The departments will maintain control over their small inventory asset listing.

## M. Year End Accounting

At year-end, the Finance Department will generate the following reports from the capital asset software system:

4. Property Accounting Summary – this report summarizes the original cost, accumulated depreciation and book value in a summarized format. Separate reports are generated for the governmental funds and proprietary funds.

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5. Net Changes Summary – this report summarizes the additions and disposals in a summarized format.

6. Depreciation Detail – this report includes the beginning accumulated depreciation, current year depreciation and ending accumulated depreciation in detail.

The Finance Department will prepare the necessary journal entries to record changes in capital assets and depreciation. In addition, the Finance Department will prepare all journal entries necessary to present the general fixed asset account group in the government-wide financial statements, in accordance with GASB Statement No. 34.

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