

The Report of the Roadmap to Sustainability Ad Hoc Committee

Presented to Quincy City Council on October 1, 2018

In recent years the City of Quincy has experienced increased expenses for essential services coupled with decreases or stagnation in several key sources of revenue. Cuts in service and personnel have been made in order to reduce expenses. However, projections for future years provided by the Comptroller and the Treasurer show an increasing gap between expenses and revenues if the City continues on its present course.

On April 30, 2018, the City Council established the Roadmap to Sustainability Ad Hoc Committee to examine options for reducing expenses and diversifying the City's sources of revenue to develop a sustainable model for maintaining and enhancing core services.

The first committee meeting was held May 15, 2018 and continued bi-weekly through September 11, 2018. Members appointed to the committee were: Treasurer Linda Moore, Comptroller Sheri Ray, Alderman Jeff Van Camp (Chairman), Alderman Mike Farha, Alderman Mike Rein, Alderman Paul Havermale, Alderman Jack Holtschlag, *Mayor Kyle Moore (Ex-Officio). Alderman Farha, as Chair of the Finance Committee, opted out of regular participation with the Roadmap to Sustainability Committee.

The following report includes an executive summary, two policy recommendations designed to improve the budget process of the City, and several Revenue and Expense alternatives for review by the City Council and appropriate committees. Each alternative is presented with an explanation, positive and negative consequences, financial implications, and recommended action for the next 90 days. It is the goal that the City Council will examine, discuss, and make decisions on the Committee's work prior to the 2019 Tax Levy presentation.

While the alternatives in this report were discussed and researched at length by the Roadmap to Sustainability Committee, they are presented here without recommendation for approval or denial. It is up to the various Committees and ultimately the Quincy City Council to determine which, if any, of these alternatives should be implemented in order to eliminate the projected gap between expenses and revenues in coming years.

Executive Summary

Background

The City of Quincy General Fund and Capital Fund rely on shared revenue from the State of Illinois and state and local sales tax to fund essential services. Both of these sources are in decline, with little hope that they will rebound. Continued reliance on them is not in the best interests of the City.

The City Council made \$924,193 in budget cuts in services for FY19. Just maintaining the current level of services will require an increase in Y-0-Y General Fund spending in FY20. With our main sources of revenue on the decline, there is a need to either identify alternative revenue streams to replace them or implement more dramatic cuts to expenses and services.

The Work of the Committee

With this in mind, The Roadmap to Sustainability Ad Hoc Committee established the following goals:

- Identify essential services for scope of committee discussion.
- Identify alternative sources of revenue to fund essential services which are both sustainable and offer potential growth.
- Identify potential areas of savings
- Recommend policy changes to aid the budgeting process.
- Identify potential reallocation of underutilized resources to provide cost savings.

Essential Services

The essential services provided by the City of Quincy include Police, Fire, Infrastructure and Utilities. Each service was discussed in depth at an assigned committee meeting, with an emphasis on potential revenue sources and expense analysis for each service. The Waste Management service was not addressed by this committee since a separate ad hoc committee was charged with a review of that service.

Revenue and Expense Options & Alternatives

The committee used a holistic approach to look at city-wide budgeting. While much focus was on General Fund projections, Enterprise Funds were also considered. General Fund revenues and expenses were compared with similar cities. Assumptions were analyzed using historic IML projections and 5-year and 2-year look back averages. An interactive expense and revenue dashboard (See Appendix A, page 30) was developed to 'preview' various alternatives under consideration.

General Fund revenues and expenses were then analyzed for FY19 in great depth (See Appendix B, page 31). Due to the recent rate hikes for sewer and water, the committee did not analyze sewer and water expenses. Jeffrey Conte assured the Committee that current rates would fund operations and future bond obligations, including infrastructure improvements and CSO (combined sewer overflow). However, the committee did consider a presentation by American Water to privatize the water and sewer program.

In the absence of obvious cuts in services to dramatically decrease expenses, the Committee invited representatives from police, fire, planning and development, and engineering to present opportunities within their respective areas for cost containment, cuts in service, or new revenue. Comparative data from similar cities was presented to look at Police and Fire expenses in particular. (See Appendix C, page 32).

The following are summaries of those presentations and conversations:

Police

Additional budget cuts would mean additional service cuts. The first services that would be cut would include the reimbursable positions for the Quincy Housing Authority, school resource officer, D.A.R.E., drug task force officer, and elder service officer. With six officers on patrol per shift, response times are not improving. During this past year, the QPD experienced 36,000 calls from the 9-1-1 system. Overlap of various law enforcement agencies (City, County, State) was discussed. The city's jurisdiction with county and state overlaps; however, law enforcement responsibilities do not overlap. The chief noted the majority of incidents handled by the department are liquor-related. The Chief stated he feels the best way to increase revenue is to charge fees to those who commit crimes – impound fees, increased liquor license fees, or increased liquor tax.

Fire

The present budget does not provide much cushion for cost reduction without closing a station. Chief Henning presented an overview of a four-station model which would reduce city operational costs including future replacement costs of a front line truck (\$450,000), overtime of \$150,000 within the city limits and AARF coverage of \$140,000 annually as the airport could then be covered by regular-duty firemen. The success of a four-station model is somewhat contingent on negotiations with Tri-Township Fire Department, which is ongoing. The cost to build a new station is approximately \$2.5million, with two new stations needed based on a study that was completed a few years ago. The City has set aside \$130,000 in Capital for future debt service which could help defray a small portion of the construction costs. The Chief also felt we could keep Central Fire Station where it is to further reduce costs of a four-station model. The committee suggests an update on the Tri-Township negotiations and a presentation to Council before the next budget year.

Infrastructure

Addressing our current and future infrastructure needs will be key to sustaining a vibrant community. The City of Quincy has 201 miles of city streets of which over 18% are rated poor. The cost to mill and resurface streets is \$600,000 per mile, or more than \$18,000,000 to address only those streets currently in poor condition. With only one vendor in the city capable of road repairs, we can only complete 2-3 miles per year. The alleys are also in very poor shape; however, our in-house staff could repair the alleys if we had the right equipment. Over the next 20 years, our liabilities for infrastructure are \$90million (\$76mil for poor streets, \$5mil for bridges, \$5mil for City Hall, \$3mil for landfills, and \$1mil for traffic signals). Therefore, we need to spend approximately \$4.5million annually. Our current spend is \$2.2million. We have three options to address the deficiency:

- Grow the city/annexation
- Issue bonds where we get better pricing on larger projects

- Engage a private company to do maintenance

Nuisance abatements and blighted housing have grown over the past few years. One of the biggest challenges for planning and development is obtaining the deeds to properties long before they become a “Fix or Flatten” property. A potential solution is the establishment of a Land Trust whereby the city gives its Home Rule Authority to a Land Trust or Land Bank which buys properties BEFORE tax buyers get in line to purchase them. While Land Banks have been successful in larger cities, little is known about the feasibility for rural land banks. Two Rivers Regional Council has applied for a grant to do a feasibility study in our area, at the request of the Illinois Housing Development Authority (IHDA).

A landlord registration or rental property inspection program is a more proactive approach to addressing blight. This program addresses nuisances where they are most likely to occur – on rental properties where the owners are not present and often negligent in maintaining proper housing. Such a program would require landlords to register their properties then pay an inspection fee every three or four years. Each property would be inspected for code violations and landlords would be expected to correct any violations. This approach would send a clear signal to landlords that the City will hold them accountable for maintaining their properties.

Policy Recommendations

The committee recommends the Finance Committee consider the following policies to guide FY20 budget decisions, and recommend both for adoption by the City Council.

- **Cash Reserve Policy:** The purposes of this policy are to provide consistency in the budget process from year to year, ensure adequate cash to address unanticipated needs, and avoid 'overtaxing' citizens by defining how funds above the reserve threshold are to be allocated. The policy sets a defined level of cash reserves, how or when the cash reserves can be utilized, and required action if the cash reserves fall below the pre-set level.
- **Capital Spending Budget Policy:** In order to have a truer picture of the actual costs to provide essential services, this policy shifts most capital expenditures into the budgets of the departments that benefit from or 'own' the asset. The policy further defines the parameters of the Capital Fund 301.

With a budget that includes nearly 90% for personnel related expenses, the committee also discussed the need for personnel policies, including, but not limited to policies that provide oversight to address salary adjustments, authorization of new positions, and staffing changes that impact headcount and/or budget.

Current Action Underway

As a result of committee discussions, several initiatives are already underway by the administration:

- MICA and other Cost Allocations
- City Cell Phones
- Tax Audit

With MICA costs growing each year and premiums for workers comp and property liability over \$2 million, the Comptroller is researching methods of a more accurate cost allocation. The current MICA premium is allocated among forty different accounts across multiple funds and departments. The basis for this allocation is old and needs to be readdressed to assure cost allocation aligns with departmental risk/liability as well as past experience. The Comptroller is currently working with MICA and other MICA pool members to develop a cost allocation plan that is relevant to current trends and that can be updated based on variables related to our changing claims, risk, and property values.

The quantity and use of City cell phones is being reviewed. Currently, there are 103 cell phones by City employees and City Council members with annual costs of approximately \$34,000. Most individuals who have a City phone have one because they do not have an office phone or are required to be on call. Some people use their City cell phone for business and personal use. Those individuals are reimbursing the City at the rate of \$15.00/month. Identifying the need for a City cell phone and minimizing the expense are ongoing by the Director of Information Services and Director of Administrative Services.

After discussions by this committee, a proposal was sent to the Finance Committee to initiate a tax audit to either confirm or correct the amount of sales tax, use tax, and franchise fees received by the City. The Finance Committee recommended the tax audit and City Council approved the engagement of Azavar Government Solutions to conduct the tax audit which will take approximately 6 months, with preliminary results expected in March 2019.

Additional Consideration

Committee discussion also included a number of items that were either beyond the scope of the committee or did not fall within the categories of policy generation, cost containment or revenue generation:

- Annexation Strategy
- Council Committee Assignments
- Consolidation of the Finance functions (City Treasurer's Office and Comptroller's Office)
- Consolidation of the City Township with City Corporate
- Conducting an RFP for Legal Services
- Conducting a Forensic Audit

Summary

A diverse and stable revenue stream is essential to maintain essential services and plan future investments. The Roadmap to Sustainability Ad Hoc Committee was charged with presenting options for developing a sustainable budget model to the City Council.

The Committee presents the following revenue alternatives for review:

- Short –term or Immediate Options
 - Implement a Utility tax on electric or gas
 - Implement a Food & Beverage Tax
 - Implement Landlord Registration and Rental Inspection fees
 - Increase Class I Gaming Licenses including an increase in liquor fees and/or taxes
 - Implement User fees for non-resident public safety calls (ie – a jaws of life tax)
 - Change City Sales Tax Rate

- Mid to Long term Options may require more research. Benefits might not be fully realized for several years.
 - Review Garbage/Recycle/Lawn Waste Program
 - Conduct an RFP to Sell the Water/Sewer Plants
 - Pursue a Casino license
 - Establish a Land Bank

The committee further presents the following expense reduction options:

- Eliminate Outside Agencies from City Health Insurance Plan
- Address Alley Maintenance with City Crews
- Reduce Quincy Public Library Subsidy or Examine the Nature of the Relationship between the City and the Library
- Reduce/Eliminate Subsidies to GREDF, Woodlawn Cemetery, Lincoln Commission and Sister City Commission
- Reduce Alderman Expenses
- Review Size of City Council
- Adopt a four (4) fire station model

The Committee recommends adoption of the proposed Cash Reserve and Capital Spending Budget policies. The committee did not review Reserve Balance for the Health Insurance or Self Insurance Funds but included the historical comparison in Appendix I, page 45.

RECOMMENDED POLICY CHANGES

Cash Reserve Policy

After much discussion, the Committee recommends the following policy:

An appropriate level of cash reserves is essential for any government entity. It is the responsibility of each entity to determine what that appropriate level should be. National organizations such as GFOA recommend as much as 20% of the annual budget. The Cash Reserve Policy, included in Appendix D, page 34, provides for 10% of General Fund expenditures, and outlines the limitations to be applied to the reserve.

The proposal sets a minimum level equal to 10% of the subsequent fiscal year's planned expenditures for the Cash Reserve Fund (the unrestricted fund balance for the General Fund). The Cash Reserve Fund may only be used as follows:

- To supplement a significant decline in revenues
- To pay for expenses related to a natural disaster or other unforeseen expense
- To defray the cost of borrowing.

Any use of the reserve would require passage of a supplemental budget ordinance, which requires a two-thirds majority vote of City Council. Upon an annual review, if the Fund Balance exceeds the 10% level, the excess revenues may then be used for a reduction in debt/liabilities, infrastructure, other one-time expenses deemed appropriate, or carry-over for the following year expenses.

Positive Considerations:

- Allows budgeting process to allocate available reserves over the limit
- Maintains the "rainy day" fund established in FY 2002
- Provides surplus for economic downturn or disaster

Negative Considerations:

- Restricts budget dollars in a tight budget year

Financial Implications:

If this policy is adopted, our current cash reserve is short (by approximately \$70,000) of meeting the 10% of the current General Fund budget. Additionally, the proposed budget for FYE 2019 has unbudgeted fund balance of approximately \$1M that would fall into the "excess" category and require appropriation.

Next Step: The Roadmap to Sustainability recommends review and recommendation from the Finance Committee for approval by the City Council.

Capital Expense and Budget Policy

This policy would restrict the use of the Capital Fund (Fund 301) to the following:

1. Assets with a useful life greater than 10 years
2. Individual items with a cost in excess of \$25,000
3. Projects with different phases and costs over multiple budget years

Capital assets that are purchased with specific intent for one department with a useful life of less than ten years should be budgeted within the fund which has ownership of the asset. (ie the routine purchase of police vehicles should be reported in the general fund budget as a police department capital outlay). The policy provides for a calendar with key dates and deadlines to guide the process for prioritizing and evaluating each project and identifying funding sources.

The Policy is included in Appendix E, page 37.

Positive Considerations:

- Allow the Capital funding allocation to be used on infrastructure
- Re-allocates routine spending from 301 to the proper funds
- Maintains budget integrity within Funds/Departments

Negative Considerations:

- Increases departmental budgets on paper, but not in practice

Financial Implications:

In FY 2019, \$333,500 did not meet this new criteria. This spending would be shifted to the General Fund, which would have increased the General Fund budget by approx 1%. Fund 301 would have realized a reduction of \$333,500 while the General Fund would have seen an increase of \$333,500, thus reducing capital expenditures unless additional revenue would have been identified. Any department with capital expenditures that do not meet this criteria would have an understated budget by the corresponding capital expense.

Next Steps: The Roadmap to Sustainability recommends review and recommendation from the Finance Committee for approval by the City Council.

REVENUE ALTERNATIVES

Implement a Utility Tax

A utility tax rate up to .0515 per therm and .0632 per kwh is likely to generate an estimated \$4.6 million annually. The tax would be added to utility bills and collected by Ameren on behalf of the city. The tax could be implemented in as little as 30 days.

Positive Considerations:

- Ameren adds this tax to the bill
- City determines the rate up to the maximum allowable rate listed below
- A predictable source of revenue
- Assesses the user based on consumption
- Taxes entities that do not pay property tax (medical groups, churches, non profit organizations)
- This tax could REPLACE part of the existing property tax and/or reduce the overall tax burden of property owners.

Negative Considerations:

- Difficult for low and fixed income residents
- Need to consider the impact on heavy energy consumers and commercial, non-profits, schools, and churches.

Financial Implications:

Maximum Electric Rates

Usage Tiers	Maximum Rate per IL Statute (kwh)	Usage Tiers	Maximum Rate per IL Statute (kwh)
First 2,000 kwh:	0.00610	Next 2,000,000 kwh:	0.00320
Next 48,000 kwh:	0.00400	Next 2,000,000 kwh:	0.00315
Next 50,000 kwh:	0.00360	Next 5,000,000 kwh:	0.00310
Next 400,000 kwh:	0.00350	Next 10,000,000 kwh:	0.00305
Next 500,000 kwh:	0.00340	All over 20,000,000 kwh:	0.00300

Based on the rolling 12 months ending May 2018, these rates would result in \$2,269,074.63 annually.

Gas Rates

Based on rolling 12 months ending May 2018, rates for residential, commercial, industrial and gas transport customers, based on therms of use, would result in \$2,405,409.47 annually.

Lowering property tax, and implementing a utility tax could still generate more total revenue for the City while saving most taxpayers money. The challenge would be how to offset the utility tax for families living in older, lower valued homes where city property tax is currently less than \$200. Depending on usage, the utility tax could vary. A preliminary case study was done and is included in Appendix F, Page 39.

Next steps: Refer to Utilities and Finance Committees.

Implement a Food & Beverage Tax

This is a tax on food prepared for immediate consumption and on alcoholic beverages sold by a business which provides for on premise consumption of said food or alcoholic beverages. This includes a tax, paid by consumers, at any place where food or beverage items are served and/or prepared where said food and beverage items are intended to be, or are permitted to be, consumed on the premises, or where alcoholic liquor is sold at retail.

A “Prepared Food and Beverage & Alcoholic Beverage Facility” does not include churches, public or private schools, boarding houses, day care centers, nursing homes, retirement centers or similar residential care facilities or programs for the central preparation of meals to be delivered and consumed at private residences of invalids or the elderly, coin operated automatic food item dispensing machines, grocery stores, confectionary stores that do not serve prepared food, government entities, and the facilities of not-for-profit associations or corporations.

Positive Considerations:

- Tax on the user based on consumption
- Locally collected
- Approximately 40% of receipts from non-residents

Negative Considerations:

- Potential loss of business for area businesses
- 300+ bars and restaurants in Quincy would likely need a short-term project manager to roll out the program

Other Implications:

- An online program for executing and collecting this tax would make the process easier and simpler for the food and beverage establishments. The cost for a program is \$150.00 a month plus a percentage of revenue. The City would need to determine if this is necessary or if this tax could be implemented and collected by participating staff given there are over 300 food and beverage establishments in the City.

Financial Implications:

- Below are a few comparable cities. We estimate \$1.5million for Quincy at a 2% rate.

<u>City</u>	<u>Rate</u>	<u>Revenue</u>	<u>Year</u>	<u>Type</u>
Decatur	2.00%	\$3,438,000	2016	Food & Beverage
Galesburg	2.00%	\$1,580,000	2016	Food & Beverage
Moline	1.50%	\$2,129,843	2016	Food & Beverage
Palatine	1.00%	\$1,274,000	2017	Food & Beverage

Next steps: Review by Finance Committee

Landlord Registration & Rental Inspection Program

The City of Quincy has 6000 rental properties, including apartment units and homes. A Rental Inspection Program would reduce the neglect and blight primarily in the Riverside neighborhoods (River to 12th) but would also be effective from 12th to 24th streets. Every rental property owner would have to register their rental property and once every four years be inspected by a City Inspector.

Positive Considerations:

- Properties that do not conform to the minimum housing standards or are persistent nuisance abatement problems, after city notices, would have their rental occupancy certificates revoked and not be allowed to rent until codes issues are addressed or nuisance issues are permanently resolved.
- A Rental Inspection Program would reduce nuisance abatement associated with rental properties.

Negative Considerations:

- Some rental properties would not be fit for human occupancy; therefore causing homes to be demolished and reducing the number of units available to low income persons.
- Displacement of low income individuals with limited alternatives.
- Land lords could object to establishing an inspection program and fees.

Financial Implications:

- The City inspection staff could potentially increase by three staff members (one clerical and two inspectors) to inspect approximately 6,000 rental units in the city – 1,500 units per year.
- A rental registration fee of at least \$10 per unit and an inspection fee of \$75 per inspection would need to be charged.
- These fees would generate approximately \$150,000 per year to pay for staff cost.

Other Implications:

- City Council members were approached last year regarding establishing a Rental Housing Occupancy Program. There was very little support for establishing the Rental Housing Occupancy program.

Next Steps:

- Review by the Finance Committee and Planning & Development Liaisons.

Increase Class I Gaming Licenses

The City of Quincy currently allows establishments that had a liquor license as of December 18th, 2017 to apply for a Class I Gaming License. This license costs \$10,000 and allows for up to 5 gaming machines. The revenue is directed towards our police and fire pensions. The city could allow for additional Class I licenses by either A) allowing anyone to apply for a Class I with no limit or B) capping the number of Class I licenses available and opening the application to anyone.

Positive Considerations:

- Additional Class I licenses would bring in additional revenue to our police and fire pension costs
- New businesses would open up with out of town gaming parlor companies investing in Quincy

Negative Considerations:

- The gaming market may have saturated, which means an increase in gaming options would decrease the customers to existing gaming businesses
- Gaming parlors could become eyesores in neighborhoods like they have in other towns

Financial Implications:

- Additional licenses would bring in additional revenue, which could offset the pressure on property taxes to pay Quincy's pension liabilities.
- Another option would be to increase the per-machine fee for non Class I establishments. The current rate is \$100/machine for up to 3 machines.

Next Steps:

- Council action to amend video gaming law and/or license fee structure

Implement User Fees for Non-Resident Public Safety Services (ie Jaws of Life Tax)

Some municipalities charge a fee for municipal services utilized by individuals who do not pay for them through tax dollars, especially Fire and Police services. The idea is that if a non-resident has an accident, is the victim of a crime, etc. they would be assessed a fee for the police or fire services they receive.

Positive Considerations:

- Could be limited to certain services that are especially hazardous or time consuming (the 'Jaws of Life', accident reporting,
- Increased revenue to offset departmental budgets, or could be specified for special use

Negative Considerations:

- Could keep people from visiting Quincy

Financial Implications:

- Implications would vary depending on what services were being assessed a fee, and how much the fees would be.
- Expenses would include collections and administration of the program. A long term reduction in revenue from visitors to Quincy is also a likely result.

Next Steps:

- Review by appropriate committees.

Change City Sales Tax Rate

Quincy relies heavily on sales tax for its general operating revenue. This source of revenue has been in decline in recent years due to several factors: a loss of major retailers and “the Amazon effect” of online shopping chief among them. Reducing reliance on sales tax and replacing the revenue with a more stable source was discussed.

Positive Considerations:

- Sales tax receipts have been in decline over the last several years; reducing the city’s reliance on them is prudent for the future.
- Reduced sales tax could encourage more purchasing, leading to higher actual revenues for the city.

Negative Considerations:

- A reduction of even a small percentage in the City’s sales tax rate creates a substantial projected deficit in revenue that would be difficult to fill.
- Approximately 40% of sales tax revenue comes from taxpayers who live outside of Quincy; the potential for shifting a higher percentage of the revenue for operating expenses to the citizens of Quincy is high.

Financial Implications:

Home Rule Tax Base	\$620,000,000
Current Rate of 1.5% tax	\$ 9,300,000
Less State Admin Fee	(186,000)
Current Sales Tax	\$ 9,114,000
Each .25% of tax =	\$ 1,550,000
Less State Admin Fee	(31,000)
Revenue per .25%	\$ 1,519,000

A quarter percent (0.25%) increase or decrease would generate a change of **\$1.5 million** in tax revenue.

Next Steps:

- Review by Finance Committee

Garbage/Recycle/Lawn Waste Program

The City of Quincy operates its' own garbage and recycling program. It currently has a private contractor pick up lawn waste. The garbage service is currently offered through a per-bag sticker option or a tote option. Today, the garbage collection is breaking even, but the City subsidizes recycling and yard waste collection. The city also allows private haulers, which reduces the customers to the city, and causes more trucks on the street. The city currently does not charge for yard waste or recycling. The committee discussed having these services pay for themselves, while leaving the choice on who provides the service to the garbage and recycle committee.

Positive Considerations:

- Privatizing service could lead to crews being used in other needed areas like concrete, alley resurfacing, tree removal, nuisance abatement, etc.
- Going to a model which is a container only system will make our city cleaner.
- The city's workers' compensation liability and exposure decreased by either going to a completely automated service or private service.
- Having one hauler will reduce the negative impacts on our infrastructure from multiple collection vehicles.

Negative Considerations:

- Our current garbage system is a pay what you use, it is more difficult to do that with containers.

Financial Implications:

- If the city does not go with a single source provider, and continues to collect garbage, there is no guarantee an increase in price will necessarily increase revenue, since customers will have alternative options
- The city currently subsidizes the recycling and yard waste contract (see figures attached), closing this budget deficit will allow the city to spend those dollars on core services or reduce its operational deficit

Next Steps:

- Sustainability Committee suggests a review of 3 options
 - Make this an enterprise fund which funds itself
 - Completely privatize the collection of waste
 - Identify this as an essential service and completely fund from the General Fund.
- Garbage and Recycle committee will review solid waste options and present service options to the council with the sustainability committee's recommendation in mind.

Conduct an RFP to Sell the Water Plant

As infrastructures age, environmental pressures and unfunded mandates loom, selling the water supply and delivery system to a large carrier with the ability to share liabilities has been attractive to cities across the nation.

Positive Considerations:

- Could determine the value of our existing assets
- Could eliminate the future liabilities for EPA mandates and infrastructure repairs/replacements
- An immediate source of revenue to fund other essential services and needs
- City would receive property tax from the new owners
- Residents in other municipalities supplied by the private company would subsidize improvements and repairs to Quincy plants

Negative Considerations:

- Customers would see an increase in fees immediately plus a 3-3.5% annual increase
- Quincy residents would subsidize improvements and repairs in other municipalities

Financial Implications:

- Selling the Sewer and Water Plants would eliminate city assets and future liabilities
- Capital would be available for developing the Municipal Dock, the Riverfront, repairs to streets, roads, and alleys, and strategic plan initiatives that could generate future revenue

Next Steps:

- Review by City Council

Pursue a Casino License

Quincy has not pursued a casino license that would be issued by the State of Illinois. The State is currently debating a gaming expansion bill which would offer five additional licenses. It might be a good time to pursue a license and give the city the ability to have a gaming casino.

Positive Considerations:

- A gaming casino would bring additional revenue to the city and other taxing bodies
- It would bring in more tourists, thus increasing our local economy
- It would most likely lead to a larger development
- It would increase the number of jobs available in our community

Negative Considerations:

- A gaming casino in Quincy would most likely be effected by the casino in La Grange, thus reducing the financial impact or closing the La Grange casino, which would the reduce the positive impact to our region.
- Local non-profits, churches and health systems may see increased usage due to negative impacts of gambling addictions
- A casino may take gaming revenue away from Quincy's existing video gaming terminals

Financial Implications:

- Sales Tax and Property Tax receipts would all increase
- Income from local video gaming terminals would likely decrease
- May cause gaming "parlors" and bars reliant on video gaming to close

Next Steps:

- City should discuss with lawmakers the likelihood of being included in a gaming bill before discussing options

Establish a Land Bank

The Land Bank would be established by an Intergovernmental Agreement between the City, the County and other taxing bodies, similar to a TIF District. The Land Bank would buy blighted properties, do minor repairs, and resell the property at a small profit. The profits would then fund other acquisitions.

Positive Considerations:

- The benefits of land banking are alleviating abandonment and blight in the older neighborhoods.
- In areas with persistent nuisance abatement, a land banking program can reduce the impact blight properties have on the neighborhood.
- An aggressive land bank program pushes responsible owners to act early, opening up options for the owners to convey the property voluntarily.
- By obtaining properties earlier in the abandonment process, the property is in better condition (i.e. less blight in the neighborhood) and avoids the tax buyer process.
- Land Banks short circuit the tax buyer process by acquiring vacant properties as a tool to fight blight, reduce government expenses and hopefully increase tax revenue by selling the vacant properties for redevelopment.

Negative Considerations:

- A shortcoming may include not having a sufficient market of homes with value that could be purchased and resold in the Quincy and Adams County for a Land Bank to make a profit and be self funded.
- Land Banks have to buy enough valuable property to sell to be self sustaining.

Financial Implications:

- The City may have to provide funding for a few years to get the land bank operational.
- A staff person trained in real estate to evaluate and detect properties on the verge of abandonment would be a minimum requirement. This would include the evaluation of properties that are not paying property taxes.

Next Steps:

- Two Rivers Regional Council received an Illinois Housing Development Authority grant to perform a feasibility study to determine if there are enough properties of value that could fund a Land Bank. Pending the outcome of the feasibility study, further review by the appropriate City Council committees may be required.

EXPENSE REDUCTIONS

Eliminate Outside Agencies from City Health Insurance Plan

The City currently allows outside agencies such as the Quincy Public Library, Woodlawn Cemetery, Quincy Housing Authority, Quincy Township, and Oakley-Lindsey Center to participate in the Health Insurance Plan. The premiums paid by these agencies are not sufficient to cover the expenses associated with their participation.

Positive Considerations:

- Eliminate approximately \$340K per year in health care expenses (expenses above the contribution rate) covered by the health insurance fund
- Eliminate the potential liability of 80 covered lives
- Potentially have the ability to lower City and employee contribution rates within 2 years.
- Lower fixed costs due to elimination of several unhealthy members
- Potentially lower annual fixed costs of health clinic
- Have the ability to develop programs tailored to city employees
- Potentially lower ACA year-end reporting liability and labor time
- Initially, most outside entities overall costs would remain close to the same

Negative Considerations:

- Placing more health care liability on smaller governmental agencies
- Outside entity employees would see a change in their health insurance plan document
- Outside entities would be responsible for managing their health insurance program
- Two outside agencies would see an increase in overall health insurance costs due to past and current claim totals

Financial Implications:

Contributions vs Claims					
Department	Contributions FY16-FY18 + 1st Q FY19	Claims Same Period	Difference	Health Clinic Benefit	Amount Covered by the City
QHA	\$836,595.87	\$731,775.24	\$104,820.63	(\$17,549.00)	\$87,271.63
Library	\$972,128.23	\$1,588,885.77	(\$616,757.54)	(\$28,529.00)	(\$645,286.54)
Quincy Township	\$215,456.30	\$575,085.06	(\$359,628.76)	(\$4,386.00)	(\$364,014.76)
Woodland Cemetery	\$58,982.45	\$34,961.49	\$24,020.96	(\$2,192.00)	\$21,828.96
Oakley-Lindsey Ctr	\$260,943.60	\$442,329.29	(\$181,385.69)	(\$7,679.00)	(\$189,064.69)
				Total	(\$1,089,265.40)

Next Steps:

- Review by appropriate Council Committee(s).

Address Alley Maintenance with City Crews

Alleys throughout Quincy continue to deteriorate. The committee discussed reallocating city workers to focus on alley maintenance, provided they also had the right equipment. While we have some equipment, additional equipment would be necessary.

Positive Considerations:

- Restoration of severely deteriorated pavement and elimination of gravel surfaces
- Paving could be completed at lower unit rates than a contractor
- Frees up Capital Funds for use in other infrastructure projects
- If garbage or recycling was privatized, crew could be reallocated to paving alleys and vehicle replacement account could fund equipment purchase
- An internal crew would allow us to pave more alleys at a faster rate than if we needed to hire external contractors

Negative Considerations:

- Initial capital investment required for equipment
- Fleet maintenance costs would increase with additional equipment purchases
- Requires four (4) full time employees during May to November
- Pavement crews would need to be reassigned to other departments December through April

Financial Implications:

- Initial capital investment of \$370,000 - 400,000 for equipment
- Salary & benefits expenses for paving crew of \$252,100 at FY19 negotiated labor rates
- Estimated materials cost of \$170,000 (FY20)
- Equivalent paving cost of \$3.00 to \$4.40 per square foot

Next Steps:

- This should be considered in the Garbage/Recycling/Yard Waste discussion.
- Refer to Central Services Committee

Reduce Quincy Public Library Subsidy

The library currently receives a portion of property tax, PPRT, and General Fund subsidies to fund the Library budget. While the committee recognizes the services provided to the community by the Library, taking steps to encourage QPL to reduce their reliance on the General Fund subsidy should be considered.

Positive Considerations:

- Cost reducing measure that does not directly affect city provided services
- Maintains integrity of city dollars working for city purposes with Council oversight
- City could work with Library board to increase the library's portion of property tax to a suitable/acceptable level.

Negative Considerations:

- QPL could potentially have to reduce hours/services offered/make cuts
- QPL could impose additional fines/fees on their users
- The Library receives 10.969% of PPRT, the declining PPRT revenues create additional funding needs

Financial Implications:

- The FY 2019 City budget adopted a Library subsidy of \$1,771,792, which was \$25,398 less than the actual FY 2018 subsidy of \$1,797,191. The FY 2018 actual subsidy was short of budget by 2.62% mainly due to PPRT reductions.

2019 Breakdown of City's Subsidy

	2019 budget
Property Tax	732,045
PPRT	292,933
City Subsidy	746,814
Total Library	<u>1,771,792</u>

- If the City chose to put the subsidy portion (\$746K) on the tax levy, the Tax Levy rate would need to increase from current 1.02837 to 1.14837 (nearly a 12% increase). This assumption is based on EAV growing by 2% and does NOT take into account any levy increase needed for debt/pensions.
- See Appendix G, page 40 for Historical Comparison.

Next Steps:

- Review by appropriate committees.

Reduce/Eliminate Subsidies to GREDF, Woodlawn Cemetery, Lincoln Commission, and Sister City Commission

The City currently subsidizes these organizations from either the General Fund or the UDAG Fund.

Positive Considerations:

- Cost reducing measure that does not directly affect city defined essential provided services
- Maintains integrity of city dollars working for city purposes with Council oversight

Negative Considerations:

- Organizations could potentially have to reduce services offered/make cuts
- Organizations could impose further demands on citizens (fund-raising, fees, etc)
- Woodland Cemetery is a city-owned cemetery and we are obligated to fund it
- Can city-formed commissions go “un-funded”?

Financial Implications:

- The Economic Dev RLF (Fund 701) has supported the GREDF subsidy for at least 20 years. The FYE 2019 GREDF subsidy is \$65,000. This subsidy was increased 30% in FY 2017 from \$50,000 to the current \$65,000.
- The General Fund portion for these subsidies is \$230,000 in the FYE 2019 budget.
Woodland Cemetery \$228,340 (2% reduction from \$233,000 previous years)
Sister City Commission \$ 2,000 (reduced from previous funding of \$5,000 each year)
Lincoln Commission \$ 0 (originally proposed in the FYE 2019 budget at \$2,000 and later eliminated due to budget reductions)

Next Steps:

- Review by appropriate committees.

Reduce Alderman Benefits

The committee considered individual benefits including stipend, expense allowance, cell phones, ipads, and health insurance benefits. Presented here for City Council consideration are the financial implications of amending the benefits offered to the members.

Positive Considerations:

- Cost saving measure that has no burden on services provided
- Business and industry does not generally provide benefits for part-time services

Negative Considerations:

- If the health insurance benefit was discontinued, aldermen who participate in the health insurance plan would need to find health care benefits elsewhere

Financial Implications:

- The City Council budget is 99% salaries and benefits. The breakdown of salary and benefits is:

Alderman Pay	\$ 7,100	
Taxes/IMRF	\$ 1,300	
Health Insurance	\$11,200	
Life Insurance	<u>\$ 1,000</u>	
Salary/Benefits	\$20,600	
Cell Phone line	\$ 700	
Ipad purchase	\$ 600	
Ipad connectivity	\$ 300	
Total Cost per Alderman		\$22,200

- Health Benefits are over 50% of the Alderman budget. No other comparable city offers health insurance to their boards. Eliminating health benefits would save over \$100,000 per year. (FY 2019 Aldermen health insurance benefit was \$112,202)

Next Steps:

- Review by Aldermanic Committee.

Review Size of City Council

The committee considered Council size and number of wards. State statutes (65 ILCS 5/3.1-20-10) suggests 14 aldermen for a city with a population of 40,000; however, many communities have fewer aldermen. Presented here for City Council consideration are the financial implications of changing the size of the Council.

Positive Considerations:

- Smaller board may work better, more cohesively
- Puts Quincy council size in line with other comparable cities

Negative Considerations:

- Could potentially increase workload
- May impose too many committee assignments for fewer staff
- Influence/power may be concentrated in fewer people

Financial Implications:

- The City Council budget is 99% salaries and benefits.
- Reducing the size of Council would definitely save money.
- An average Alderman costs taxpayers approximately \$20,000.

Potential Savings:

- Reduce Council to 10 aldermen – \$89,000 savings
- Reduce Council to 7 aldermen – \$155,000 savings

Comparison with Similar Cities

Illinois City Rank by Population	Population	Number of Wards	Total Size of Council	Number of Alderman per Ward	Population per Alderman
41 Quincy	40,689	7	14	2	2,906
32 Elmhurst	45,742	7	14	2	3,267
36 Belleville	42,729	8	8	1	5,341
35 Moline (1LG)	42,805	7	8	1	5,351
46 Rock Island	38,275	7	7	1	5,468
37 Urbana	41,941	7	7	1	5,992
32 DeKalb	43,269	7	7	1	6,181
12 Bloomington	78,368	9	9	1	8,708

Next Steps: Review by Aldermanic Committee. Action may require referendum. (See State Statutes 65 ILCS 5/3.1-20-10 in Appendix H, Page 41.

Adopt a Fire Department Four-Station Model

Currently, the City has a five-station model. The Chief has agreed that a four-station model identified in a previous study, could serve the needs of residents if each station is properly located to minimize response times in all areas of the City.

Positive Considerations:

- Cost savings potential
- Consistent response times throughout the City
- Location study already completed
- No additional personnel would be needed
- Stations would provide fully-manned trucks
- Lead time for operations would be 6 months once construction plans approved for new stations
- ARFF protection would be provided by on-duty officers, thus eliminating the need for overtime

Negative Considerations:

- Each new station would cost approximately \$2million to build
- No reduction in personnel
- If Central Fire Station is relocated, a historical landmark associated with the Department would be lost.

Financial Implications:

POTENTIAL SAVINGS		POTENTIAL EXPENSES	
Equipment (\$450k over 5 yrs)	\$90,000	Cost per station	\$2,000,000
Overtime	\$150,000	X 2 new stations	
ARF Protection (OT expense)	\$140,000		
Total Annual Savings	\$380,000	Total One-Time Costs	\$4,000,000

Other Considerations:

- Ongoing talks with Tri Township Fire Department

Next Steps:

- Review by Fire Aldermanic Committee
- Determine potential funding source for new stations construction

APPENDIX

APPENDIX A

Revenue and Expense Interactive Worksheet

	Current Value	Current Rate	Growth rate	Notes	FY18/19B	Current Year % of GF Rev	FY19/20	FY19/20 % of GF Rev	FY20/21	FY20/21 % of GF Rev	FY21/22	FY21/22 % of GF Rev	FY22/23	FY22/23 % of GF Rev	Urbans %	Galesburg %	Rock Island %	Belleville %	Demotte %
Property Tax	659,244,172	1.02837	0.75/194	Assumes EAV grows at 2%	\$ 5,032,716	15%	\$ 5,236,037	16%	\$ 5,340,758	17%	\$ 5,447,573	18%	\$ 5,556,525	18%	13	33	23	0	16
State Income Tax	40,633	4.95%	1.0103	599.434 per capita; state keeps 10%	\$ 3,636,285	11%	\$ 3,673,739	11%	\$ 3,711,579	12%	\$ 3,749,808	12%	\$ 3,788,431	12%	12	10	11	15	11
State Sales Tax		6.50%	0.9938	Assume .62% annual decrease	\$ 9,588,598	29%	\$ 9,529,149	30%	\$ 9,470,068	30%	\$ 9,411,354	30%	\$ 9,353,003	30%	15	18	8	23	19
State Use Tax		6.25%	1.01	Assumes 1% annual increase Average decline over 7 years; IDOR says 2% decline;	\$ 1,068,648	3%	\$ 1,079,334	3%	\$ 1,090,128	3%	\$ 1,101,029	4%	\$ 1,112,039	4%	3	3	3	4	3
State PPRT			0.968	Pensions + Library gets 33.71%	\$ 2,670,556	8%	\$ 2,585,098	8%	\$ 2,502,375	8%	\$ 2,422,299	8%	\$ 2,344,785	8%	1	3	7	1	5
State Other (FFT, Auto Rent)			1.01	Assume 1% increase	\$ 20,000	0%	\$ 20,200	0%	\$ 20,402	0%	\$ 20,606	0%	\$ 20,812	0%	0	0	0	0	0
State Video Gaming Tax	\$432,672		1.02	Police/Fire Pension ((M+A)*6)	\$ 288,000	1%	\$ 460,155	1%	\$ 469,358	1%	\$ 478,745	2%	\$ 488,320	2%					
Local Sales Home Rule Tax	75%	1.50%	0.9745	2.55% avg decline 2yrs	\$ 6,842,072	21%	\$ 6,667,599	21%	\$ 6,497,575	21%	\$ 6,331,887	20%	\$ 6,170,424	20%	13	9	6	8	27
Local Utility Tax				Ameran	\$ -		\$ -		\$ -		\$ -		\$ -		12	0	5	13	0
Local Public Safety Fee	\$48			sunsets in 2019	\$ 800,000	2%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	0	0	0	0	0
Franchise Fees/Rebates			0.80	20% decline in CATV fees	\$ 519,724	2%	\$ 415,779	1%	\$ 332,623	1%	\$ 266,099	1%	\$ 212,879	1%	2	4	1	2	2
Business License & permits			1.00	Flat Y-O-Y	\$ 331,800	1%	\$ 331,800	1%	\$ 331,800	1%	\$ 331,800	1%	\$ 331,800	1%	3	1	2	4	0
Fines & Fees			1.00	Flat Y-O-Y	\$ 354,500	1%	\$ 354,500	1%	\$ 354,500	1%	\$ 354,500	1%	\$ 354,500	1%	2	1	1	2	4
Charges for Services			1.01	REIMBURSEMENTS	\$ 280,750	1%	\$ 283,558	1%	\$ 286,393	1%	\$ 289,257	1%	\$ 292,150	1%	1	5	8	12	2
NEW- Local F & B Tax	\$ 65,879,450	0%	1.05	Includes F&B&Liquor; 5% increase spend/year(SIC)	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	4	6	3	0	3
NEW - Gas Tax	\$ 46,706,979.93	0	1.01	Rate up to .0515	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%					
NEW - Electric Tax	\$ 2,269,074.63	0	1.01	.003 to .006 based on usage	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%					
NEW -					\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%					
NEW -					\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%					
NEW -					\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%					
NEW -					\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%					
Transfers - Dock/Fire			1.00	Dock=\$150k; Fire=\$90	\$ 240,000	1%	\$ 240,000	1%	\$ 240,000	1%	\$ 240,000	1%	\$ 240,000	1%	14	4	17	7	0
Transfers - Green Energy				Police/Fire Pension; sunsets in 20	\$ 413,249	1%	\$ 428,958	1%	\$ 208,307	1%	\$ -	-	\$ -	-					
Rent/Sale of city property			1.00	Flat Y-O-Y	\$ 14,050	0%	\$ 14,050	0%	\$ 14,050	0%	\$ 14,050	0%	\$ 14,050	0%	0	0	0	0	0
Investment & Loans			1.43805	Rate increases from .46 to 1.51 for FY18/19; then flat	\$ 15,000	0%	\$ 21,571	0%	\$ 21,571	0%	\$ 21,571	0%	\$ 21,571	0%	0	0	0	0	0
Other/Cost Share				2% admin fee to enterprise funds	\$ 593,000	2%	\$ 593,000	2%	\$ 593,000	2%	\$ 593,000	2%	\$ 593,000	2%	4	0	0	2	2
Other/Police Fire Grants				State/Fed grants for specific use	\$ 33,000	0%	\$ 33,000	0%	\$ 33,000	0%	\$ 33,000	0%	\$ 33,000	0%	4	0	0	2	2
Total General Fund Revenues					\$ 32,741,949	100%	\$ 31,967,528	100%	\$ 31,517,488	100%	\$ 31,106,579	100%	\$ 30,927,290	100%	103	100	100	100	100
FY19 cuts after budget revision			1.02				\$ 920,468		\$ 938,877		\$ 957,655		\$ 976,808						
Savings from 4 station model				(150k OT + 140k OT +(450k/10yrs)							\$ (335,000)		\$ (335,000)						
Total General Fund Expenses					\$ 34,046,237		\$ 36,302,121		\$ 37,437,897		\$ 38,204,996		\$ 39,350,813						
				General Fund Deficit	\$ (1,304,288)		\$ (4,334,593)		\$ (5,920,409)		\$ (7,098,417)		\$ (8,423,522)						
Capital																			
Revenue - Home Rule Tax	\$617,515,000	1.50%	0.9745	25%	\$ 2,313,829		\$ 2,254,826		\$ 2,197,328		\$ 2,141,296		\$ 2,086,693						
Expenses			1.01	1% GROWTH	\$ 3,580,313		\$ 3,616,116		\$ 3,652,277		\$ 3,688,800		\$ 3,725,688						
				Capital Fund Surplus/(Shortfall)	\$ (1,266,484)		\$ (1,361,290)		\$ (1,454,949)		\$ (1,547,504)		\$ (1,638,995)						
Total Operating Revenues					\$ 35,055,777		\$ 34,222,355		\$ 33,714,816		\$ 33,247,875		\$ 33,013,983						
Total Operating Expenses					\$ 37,626,550		\$ 39,918,237		\$ 41,090,175		\$ 41,893,796		\$ 43,076,501						
				Total Operating Surplus/(Shortfall)	\$ (2,570,773)		\$ (5,695,883)		\$ (7,375,358)		\$ (8,645,921)		\$ (10,062,517)						
Beginning Fund Balances																			
				General Fund	\$ 2,250,000		\$ 945,712		\$ (3,388,881)		\$ (9,309,290)		\$ (16,407,707)						
				Capital Fund	\$ 1,350,000		\$ 83,516		\$ (1,277,774)		\$ (2,732,724)		\$ (4,280,228)						
				Cash Reserve Fund	\$ 3,325,000		\$ 3,325,000		\$ 3,325,000		\$ 3,325,000		\$ 3,325,000						
				Total Available Cash	\$ 6,925,000		\$ 4,354,227		\$ (1,341,655)		\$ (8,717,014)		\$ (17,362,935)						

APPENDIX B

General Fund Revenues & Expenses

(NOT ADJUSTED FOR TRANSFERS TO CASH RESERVE FUND)											
	Original Budget Revenues	Revised GF Budget Revenues	GF Actual Revenues	% of BUDGET receipt	Original Budget Expenses	Revised Budget Expenses	GF Actual Expenses	% of budget expense	Original Budget Gain(Loss)	Revised Budgeted Gain (Loss)	Actual Gain (Loss)
FY 2010	29,252,194	29,252,194	27,698,109	94.69%	31,179,871	30,468,654	28,999,244	95.18%	(1,927,677)	(1,216,460)	(1,301,135)
FY 2011	28,600,991	28,600,991	30,225,662	105.68%	28,838,857	29,190,517	28,332,060	97.06%	(237,866)	(589,526)	1,893,602
FY 2012	28,242,370	28,242,370	29,003,083	102.69%	30,108,872	30,564,732	29,406,913	96.21%	(1,866,502)	(2,322,362)	(403,830)
FY 2013	29,247,791	29,297,156	30,215,585	103.13%	31,102,787	30,930,034	30,156,265	97.50%	(1,854,996)	(1,632,878)	59,320
FY 2014	30,019,204	30,296,138	30,944,484	102.14%	31,733,470	32,010,404	30,409,413	95.00%	(1,714,266)	(1,714,266)	535,071
FY 2015	31,002,673	31,428,319	31,868,415	101.40%	32,769,144	33,242,790	31,802,428	95.67%	(1,766,471)	(1,814,471)	65,986
FY 2016	30,721,820	30,725,240	33,240,617	108.19%	31,997,374	33,558,857	32,361,966	96.43%	(1,275,554)	(2,833,617)	878,651
FY 2017	32,913,953	32,913,953	33,129,774	100.66%	33,933,011	34,006,823	32,747,637	100.12%	(1,019,058)	(1,092,870)	382,137
FY 2018	32,767,717	32,767,717	32,861,679	100.29%	33,414,806	34,518,159	33,858,011	98.09%	-647089	(1,750,442)	(996,332)
FY 2019 Proposed	32,721,876		32,721,876		34,046,237		34,046,237				
<i>The above GF expenditures include internal transfers to the Cash Reserve Fund</i>											

APPENDIX C

Police & Fire Comparative Data

FIRE DEPARTMENT											6/1/2018	
	Quincy		Galesburg		Rock Island		Urbana		Danville		Belleville	
	FY19 Budget	% of total	FY 2018 Budget	% of total	CY 2018 Budget	% of total	FY 18 Budget	% of total	FY 18 Budget	% of total	FY 18 Budget	% of total
Salaries & Benefits*	9,585,236	95%	6,385,515	93%	8,977,992	90%	6,719,498	84%	4,631,909	97%	5,830,000	87%
Services	320,466	3%	182,355	3%	723,025	7%	337,525	4%	68,610	1%	638,800	10%
Supplies	123,873	1%	154,680	2%	185,225	2%	116,670	1%	86,000	2%	96,500	1%
Capital Outlay	46,100	0%	-	0%	-	0%	-	0%	-	0%	25,000	0%
Miscellaneous	4,384	0%	157,960	2%	10,595	0%	-	0%	1,600	0%	5,500	0%
Debt Service											72,650	1%
Transfers					74,500	1%	788,434	10%	-	0%	-	0%
Total	10,080,059	100%	6,880,510	100%	9,971,337	100%	7,962,127	100%	4,788,119	100%	6,668,450	100%
*Pension Cost	3,248,945		2,409,180		3,671,000		1,079,516		2,714,000		3,400,000	
Is pension in budget?	Yes		Yes		Yes		Yes		No		No	
Total w/Pension	10,080,059		6,880,510		9,971,337		7,962,127		7,502,119		10,068,450	
Pop. 2010 census	40,633		32,195		39,018		41,250		33,027		44,478	
Pop. 2016 est	38,531		30,960		38,210		42,014		31,597		41,906	
Square Miles	15.91		17.92		17.06		11.87		18.11		23.5	
# Fire Stations	5		3		4		4		3		4	
Staffing:	FTES		FTES		FTES		FTES		FTES		FTES	
Fire Admin	2		2		2		2		3.5		3	
Clerical	2		2		1		0		0.5		2	
Fire Fighters	57		39		56		55		39		58	
Fire Training	1		0		0		0		1			
Fire Prevention	0		0		0		2		0			
	62		43		59		59		44		63	
Sworn Officers	60	97%			58	98%	56	95%	43	98%		
Civilian Positions	2	3%			1	2%	3	5%	1	2%		
	62		0		59		59		44		0	
Cost per Capita (2010)	\$248		\$214		\$256		\$193		\$227		\$226	
Cost per Capita (2016)	\$262		\$222		\$261		\$190		\$237		\$240	
Cost per Station	2,016,012		2,293,503		2,492,834		1,990,532		2,500,706		2,517,113	
Cost per Sq Mile	633,568		383,957		584,486		670,777		414,253		428,445	

Police & Fire

Comparable Cities Comparison

	Quincy	Galesburg	Rock Island	Urbana	Danville	Belleville
General Fund	\$ 32,721,876	\$ 23,280,240	\$ 35,487,219	\$ 33,396,974	\$ 29,107,428	\$ 28,126,230
General Fund Per Capita	\$ 849	\$ 752	\$ 929	\$ 795	\$ 921	\$ 671
GF per capita w/o Police/Fire	\$ 306	\$ 267	\$ 229	\$ 368	\$ 514	\$ 297
FIRE TOTAL	\$ 10,080,059	\$ 6,880,510	\$ 9,971,337	\$ 7,962,127	\$ 4,788,119	\$ 6,668,450
POLICE TOTAL	\$ 11,984,426	\$ 8,747,495	\$ 17,319,662	\$ 9,664,232	\$ 8,647,558	\$ 9,957,760
Population, 2010 census	40,633	32,195	39,018	41,250	33,027	44,478
Population, 2016 estimate	38,531	30,960	38,210	42,014	31,597	41,906
Square Miles	15.91	17.92	17.06	11.87	18.11	23.5
# Personnel - Fire	62	43	57	59	45	63
# Stations	5	3	4	4	3	4
# Personnel - Police	85	66	108	72.25	75	109
<i>Using 2010 population</i>						
Cost per capita - FIRE	\$248	\$214	\$256	\$193	\$145	\$150
Cost per capita - POLICE	\$295	\$272	\$444	\$234	\$262	\$224
<i>Using 2016 estimate</i>						
Cost per capita - FIRE	\$262	\$222	\$261	\$190	\$152	\$159
Cost per capita - POLICE	\$311	\$283	\$453	\$230	\$274	\$238
Cost per Firefighter	\$162,582	\$160,012	\$174,936	\$134,951	\$106,403	\$105,848
Cost per Station	\$2,016,012	\$2,293,503	\$2,492,834	\$1,990,532	\$1,596,040	\$1,667,113
Cost per Police Officer	\$140,993	\$132,538	\$160,367	\$133,761	\$115,301	\$91,356
Cost of Police/Fire per Sq Mile	\$1,386,831	\$872,098	\$1,599,707	\$1,484,950	\$741,893	\$707,498

APPENDIX D
City of Quincy
Fund Balance and Reserve Policy of the General Fund

Purpose:

Fund balance is the measure of net financial resources available in a government fund to finance expenditures of future periods. It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. Fund balance reserve policies are established to avoid cash flow interruptions, generate investment income, and reduce the need for borrowing. The policy should determine the appropriate level of fund balance, define conditions warranting its use, plan for replenishment, and address excess funds if/when reserve exceeds the formal reserve requirement.

Terms:

In the context of financial reporting, the term fund balance is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). There are five categories of fund balances.

Non-spendable Fund Balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required. This would include items not expected to be converted to cash including inventories, prepaid amounts, and receivables.

Restricted Fund Balance are funds subject to legal restrictions such as (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance is fund balance constrained by formal action of the City Council such as Ordinances, Resolutions, etc. Also, such constraints can only be removed or changed by the same form of formal action.

Assigned Fund Balance is the classification to reflect amounts constrained by the government's intent to be used for specific purposes, but meet neither the restricted nor committed forms of constraint; examples would include the budget appropriation.

Unassigned Fund Balance is the residual classification for the general fund only. It is also where negative residual amounts for all other governmental funds would be reported.

Policy/Appropriate Level:

The City of Quincy unrestricted (unassigned) fund balance for the General Fund (also known as the Cash Reserve Fund) will be maintained at minimum level equal to 10% of the subsequent fiscal year's planned expenditures. For example, at the end of fiscal year 2017/2018, the cash reserve fund balance will be 10% of the 2018/2019 budgeted expenditures of the General Fund. Should the unrestricted fund balance of the General Fund drop below the above requirement, Administration will notify the City Council and work with the Finance Committee to develop a plan to replenish.

Policy/Use and Replenishment:

The City of Quincy Cash Reserve Fund can only be committed or spent in the current fiscal year. The conditions warranting the use of the Cash Reserve fund balance are as follows:

- To supplement a significant decline in revenues (e.g. state budget reduction, economic downturn, other unavoidable impacts)
- To pay for expenses related to a natural disaster or other unforeseen expense
- To defer the cost of borrowing

Any use of the reserve would require passage of a supplemental budget ordinance, which requires a two-thirds majority vote of City Council. The City would establish a plan at the time of use of funds to replenish the Cash Reserve Fund within three years or as soon as practical.

Unrestricted Fund Balance Above Policy Requirement.

The unrestricted fund balance for the General Fund will be reviewed annually each fiscal year end. In the instance that the General Fund unrestricted fund balance, including the Cash Reserve Fund, exceeds the required reserve of 10% as set forth by this policy; the City Council shall approve using the excess reserves for any of the following:

- Reduction in debt/liabilities
- Infrastructure
- Other one-time expenses deemed appropriate
- Carry-over for following year expense

APPENDIX E
City of Quincy

Capital Projects Fund (Fund 301) Budget Policy

Purpose:

Governments find it useful to report major capital acquisition and construction separately from the general operating fund. Capital Projects Funds should be reserved for major capital acquisition on construction activities, especially those that would distort financial trend data if not reported separately from a government's operating activities. The City currently has several capital projects funds and this policy is to define the budget policy for the Capital Projects Fund 301.

Policy:

The Fund 301- Capital Projects Fund should include expenses that meet the following criteria:

1. Asset life greater than 10 years
2. Individual item cost in excess of \$25,000
3. Projects with different phases and costs over multiple budget years

Capital Assets that are purchased with specific intent for one department with a useful life of less than ten years should be budgeted for within the fund which has ownership of the asset. For example, the routine purchase of police vehicles should be reported in the general fund budget as a police department capital outlay.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life is not capitalized for accounting purposes and should not be included in the Capital Project Fund budget (or included in the Capital Improvement Plan).

Process:

The capital budget planning/decision making process will include:

1. Establishing a calendar showing key dates along with deadlines
2. Prioritizing projects based on an evaluation of information and criteria: safety, location, return on investment, net payback, public need, connection to other plans, and available funding.
3. Funding sources should be defined, including any issuance of long-term debt/levying additional taxes.

The Capital Projects Fund should be used to fund projects as part of the long term Capital Improvement Plan which is part of the City's annual budget.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life is not capitalized for accounting purposes or included in the Capital Improvement Plan.

APPENDIX F

Property Tax vs Utility Tax											
ASSUMPTIONS: Reduce Property Tax from 1.0278 to .0650 (lowest city rate in state of IL)										PRELIMINARY DATA NOT FOR PUBLIC DISTRIBUTION 9/11/18, LKM	
Add Utility Tax at maxm rate of .0061/kwh for first 2000 kwh/month and .0515/therm/month											
Used Average kwh and therm over previous year											
					0.0061	0.0515				0.0065	
Case #	Ward		Estimated Value	2017 City Tax Paid	Elec kwh month Estimate	Gas Therms month Estimate	x 12	Total Utility Tax Estimate	New city Tax at .0650 Rate	Property Tax Savings	Savings from Combined Prop Tax + Util Tax
1	3	Single	\$38,590	\$397	4.25	1.25	\$66	\$66	\$251	\$146	\$80
2	4	House of 2	\$36,520	\$376	6.44	0.72	\$86	\$86	\$237	\$139	\$53
3	6	House of 3	\$37,550	\$386	6.55	0.25	\$82	\$82	\$244	\$142	\$60
4	3	House of 5	\$33,260	\$342	8.54	2.58	\$133	\$133	\$216	\$126	(\$8)
5	5	House of 4	\$91,890	\$945	12.41	1.24	\$164	\$164	\$597	\$348	\$184
6	3	House of 3	\$52,290	\$537	9.00	0.00	\$108	\$108	\$340	\$197	\$89
7	3	Single	\$32,936	\$332	4.25	2.58	\$82	\$82	\$214	\$118	\$36
8	6	Single	\$22,780	\$173	3.66	0.36	\$48	\$48	\$148	\$25	(\$23)
9	2	House of 2	\$16,190	\$167	3.87	0.48	\$52	\$52	\$105	\$61	\$9

APPENDIX G

Historical Comparison – Quincy Public Library Funding

City Resources Available to fund Quincy Public Library										
Revenue Sources	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 Budget
Property Tax Levy										
001-0000-312-06-00	1,376,695	1,076,339	710,787	794,015	731,582	732,388	723,971	731,763	730,578	732,045
	<i>2008 Levy</i>	<i>2009 Levy</i>	<i>2010 Levy</i>	<i>2011 Levy</i>	<i>2012 Levy</i>	<i>2013 Levy</i>	<i>2014 Levy</i>	<i>2015 Levy</i>	<i>2016 Levy</i>	<i>2017 Levy</i>
Library Levy Request	1,379,570	1,077,950	710,890	793,804	732,045	732,045	732,045	732,045	732,045	732,045
Total City PPRT Collected	2,984,580	3,317,505	2,992,749	2,967,135	3,395,597	3,313,024	3,356,477	3,525,816	2,873,888	2,670,556
10.969% of PPRT	327,379	363,897	328,275	325,465	372,463	363,406	368,172	386,747	315,237	292,933
TOTAL TAX REVENUES	1,704,074	1,440,236	1,039,062	1,119,480	1,104,045	1,095,794	1,092,143	1,118,510	1,045,815	1,024,978
City Resources Transferred to Quincy Public Library										
GF Tax Distribution										
001-1803-407.62-91	1,760,790	1,829,463	1,808,137	1,850,426	1,940,543	1,969,654	1,802,743	1,856,766	1,797,191	1,771,792
Capital Fund Subsidy										
301-1802-407.62-91	50,000	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS	1,810,790	1,829,463	1,808,137	1,850,426	1,940,543	1,969,654	1,802,743	1,856,766	1,797,191	1,771,792
	9%	1%	-1%	2%	5%	2%	-8%	3%	-3%	-1%
Library's bond debt on City's Tax Levy										
Property Tax Levy - Library Bonds										
412-0000-311.01-00		367,823	230,943	310,500	321,578	344,726	355,866	370,376	389,562	403,031
Net Cost incl bonds	106,716	757,050	1,000,018	1,041,446	1,158,076	1,218,587	1,066,466	1,108,632	1,140,938	1,149,845
Quincy Public Library										
Actual Revenues	2,682,693	2,212,198	2,233,637	2,219,181	2,454,367	2,467,800	2,305,791	2,368,146	2,251,916	2,256,519
change over previous year	19.18%	-17.54%	0.97%	-0.65%	10.60%	0.55%	-6.56%	2.70%	-4.91%	0.20%
Actual Expenses	2,371,169	2,025,420	2,132,877	2,186,040	2,336,148	2,515,950	2,296,027	2,395,205	2,542,975	2,256,519
change over previous year	3.78%	-14.58%	5.31%	2.49%	6.87%	7.70%	-8.74%	4.32%	6.17%	-11.26%
City's transfer as % of Library Revenue	67%	83%	81%	83%	79%	80%	78%	78%	80%	79%

APPENDIX H

IL State Statutes 65 ILCS 5/3.1-20-10

(65 ILCS 5/3.1-20-10) (from Ch. 24, par. 3.1-20-10)
Sec. 3.1-20-10. Aldermen; number.

(a) Except as otherwise provided in this Section, Section 3.1-20-20, or as otherwise provided in the case of aldermen-at-large, the number of aldermen, when not elected by the minority representation plan, shall be determined using the most recent federal decennial census results as follows:

- (1) in cities not exceeding 3,000 inhabitants, 6 aldermen;
- (2) in cities exceeding 3,000 but not exceeding 15,000, 8 aldermen;
- (3) in cities exceeding 15,000 but not exceeding 20,000, 10 aldermen;
- (4) in cities exceeding 20,000 but not exceeding 50,000, 14 aldermen;
- (5) in cities exceeding 50,000 but not exceeding 70,000, 16 aldermen;
- (6) in cities exceeding 70,000 but not exceeding 90,000, 18 aldermen; and
- (7) in cities exceeding 90,000 but not exceeding 500,000, 20 aldermen.

(b) Instead of the number of aldermen set forth in subsection (a), a municipality with 15,000 or more inhabitants may adopt, either by ordinance or by resolution, not more than one year after the municipality's receipt of the new federal decennial census results, the following number of aldermen: in cities exceeding 15,000 but not exceeding 20,000, 8 aldermen; exceeding 20,000 but not exceeding 50,000, 10 aldermen; exceeding 50,000 but not exceeding 70,000, 14 aldermen; exceeding 70,000 but not exceeding 90,000, 16 aldermen; and exceeding 90,000 but not exceeding 500,000, 18 aldermen.

(c) Instead of the number of aldermen set forth in subsection (a), a municipality with 40,000 or more inhabitants may adopt, either by ordinance or by resolution, not more than one year after the municipality's receipt of the new federal decennial census results, the following number of aldermen: in cities exceeding 40,000 but not exceeding 50,000, 16 aldermen.

(d) If, according to the most recent federal decennial census results, the population of a municipality increases or decreases under this Section, then the municipality may adopt an ordinance or resolution to retain the number of aldermen that existed before the most recent federal decennial census results. The ordinance or resolution may not be adopted more than one year after the municipality's receipt of the most recent federal decennial census results.

(Source: P.A. 96-1156, eff. 7-21-10; 97-301, eff. 8-11-11; 97-1091, eff. 8-24-12.)

(65 ILCS 5/3.1-20-15) (from Ch. 24, par. 3.1-20-15)

Sec. 3.1-20-15. Division into wards. Except as otherwise provided in Section 3.1-20-20, every city shall have one-half as many wards as the total number of aldermen to which the city is entitled. The city council, from time to time, shall divide the city into that number of wards.
(Source: P.A. 87-1119.)

(65 ILCS 5/3.1-20-20) (from Ch. 24, par. 3.1-20-20)
Sec. 3.1-20-20. Aldermen; restrict or reinstate number.

(a) In a city of less than 100,000 inhabitants, a proposition to restrict the number of aldermen to one-half of the total authorized by Section 3.1-20-10, with one alderman representing each ward, shall be certified by the city clerk to the proper election authorities, who shall submit the proposition at an election in accordance with the general election law, if a petition requesting that action is signed by electors of the city numbering not less than 10% of the total vote cast at the last election for mayor of the city and the petition is filed with the city clerk.

The proposition shall be substantially in the following form:

Shall (name of city) restrict the number of aldermen to (state number) (one-half of the total authorized by Section 3.1-20-10 of the Illinois Municipal Code), with one alderman representing each ward?

If a majority of those voting on the proposition vote in favor of it, all existing aldermanic terms shall expire as of the date of the next regular aldermanic election, at which time a full complement of aldermen shall be elected for the full term.

(b) In a city of less than 100,000 inhabitants, a proposition to restrict the number of aldermen to one alderman per ward, with one alderman representing each ward, plus an additional number of aldermen not to exceed the number of wards in the city to be elected at large, shall be certified by the city clerk to the proper election authorities, who shall submit the proposition at an election in accordance with the general election law, if a petition requesting that action is signed by electors of the city numbering not less than 10% of the total vote cast at the last election for mayor of the city and the petition is filed with the city clerk.

The proposition shall be substantially in the following form:

Shall (name of city) restrict the number of aldermen to (number), with one alderman representing each ward, plus an additional (number) alderman (aldermen) to be elected at large?

If a majority of those voting on the proposition vote in favor of it, all existing aldermanic terms shall expire as of the date of the next regular aldermanic election, at which time a full complement of aldermen shall be elected for the full term.

(c) In a city of less than 100,000 inhabitants where a proposition under subsection (a) or (b) has been successful, a proposition to reinstate the number of aldermen in accordance

with Section 3.1-20-10 shall be certified by the city clerk to the proper election authorities, who shall submit the proposition at an election in accordance with the general election law, if a petition requesting that action has been signed by electors of the city numbering not less than 10% of the total vote cast at the last election for mayor of the city and the petition has been filed with the city clerk.

The election authority must submit the proposition in substantially the following form:

Shall (name of city) reinstate the number of aldermen to (number of aldermen allowed by Section 3.1-20-10)?
The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the proposition vote in the affirmative, then, if the restriction in the number of aldermen has taken effect, all existing aldermanic terms shall expire as of the date of the next regular aldermanic election, at which time a full complement of aldermen shall be elected for the full term and thereafter terms shall be determined in accordance with Section 3.1-20-35.

(Source: P.A. 92-727, eff. 7-25-02.)

(65 ILCS 5/3.1-20-22) (from Ch. 24, par. 3.1-20-22)

Sec. 3.1-20-22. Aldermen; staggered terms. In any city of less than 100,000 inhabitants, a proposition to stagger the terms of aldermen, with as nearly as possible one-half of the aldermen elected every 2 years, shall be certified by the city clerk to the proper election authority, who shall submit the proposition at an election in accordance with the general election law, if a petition requesting that action is signed by electors of the city numbering at least 10% of the total vote cast at the last election for mayor of the city and is filed with the city clerk.

The ballot shall have printed on it, but not as a part of the proposition submitted, the following information for voters: one alderman elected from each even-numbered ward shall serve a term of 2 years; one alderman elected from each odd-numbered ward shall serve a term of 4 years.

The proposition shall be substantially in the following form:

Shall (name of city) adopt a system of staggered terms for aldermen?

If a majority of those voting on the proposition vote in favor of it, then at the next regular election for aldermen one alderman shall be elected from each even-numbered ward for a term of 2 years and one alderman shall be elected from each odd-numbered ward for a term of 4 years. Thereafter, their successors shall be elected for terms of 4 years.

(Source: P.A. 87-1119.)

(65 ILCS 5/3.1-20-25) (from Ch. 24, par. 3.1-20-25)

Sec. 3.1-20-25. Redistricting a city.

(a) In the formation of wards, the number of inhabitants

of the city immediately preceding the division of the city into wards shall be as nearly equal in population, and the wards shall be of as compact and contiguous territory, as practicable. Wards shall be created in a manner so that, as far as practicable, no precinct shall be divided between 2 or more wards.

(b) Whenever an official decennial census shows that a city contains more or fewer wards than it is entitled to, the city council of the city, by ordinance, shall redistrict the city into as many wards as the city is entitled. This redistricting shall be completed not less than 30 days before the first day set by the general election law for the filing of candidate petitions for the next succeeding election for city officers. At this election there shall be elected the number of aldermen to which the city is entitled, except as provided in subsection (c).

(c) If it appears from any official decennial census that it is necessary to redistrict under subsection (b) or for any other reason, the city council shall immediately proceed to redistrict the city and shall hold the next city election in accordance with the new redistricting. At this election the aldermen whose terms of office are not expiring shall be considered aldermen for the new wards respectively in which their residences are situated. At this election, in a municipality that is not a newly incorporated municipality, a candidate for alderman may be elected from any ward that contains a part of the ward in which he or she resided at least one year next preceding the election that follows the redistricting, and, if elected, that person may be reelected from the new ward he or she represents if he or she resides in that ward for at least one year next preceding reelection. If there are 2 or more aldermen with terms of office not expiring and residing in the same ward under the new redistricting, the alderman who holds over for that ward shall be determined by lot in the presence of the city council, in the manner directed by the council, and all other aldermen shall fill their unexpired terms as aldermen-at-large. The aldermen-at-large, if any, shall have the same powers and duties as all other aldermen, but upon the expiration of their terms the offices of aldermen-at-large shall be abolished.

(d) If the redistricting results in one or more wards in which no aldermen reside whose terms of office have not expired, 2 aldermen shall be elected in accordance with Section 3.1-20-35, unless the city elected only one alderman per ward pursuant to a referendum under subsection (a) of Section 3.1-20-20.

(e) A redistricting ordinance that has decreased the number of wards of a city because of a decrease in population of the city shall not be effective if, not less than 60 days before the time fixed for the next succeeding general municipal election, an official census is officially published that shows that the city has regained a population that entitles it to the number of wards that it had just before the passage of the last redistricting ordinance.

(Source: P.A. 97-1091, eff. 8-24-12.)

APPENDIX I

Health Insurance Fund 612 & Self Insurance Fund 611

CITY OF QUINCY												
FUND 612 HEALTH INSURANCE FUND												
City Premium Change	budget amount used to forecast budget. HR provides this amount each FY budget cycle.			4%	1%	8%	9%	12%	0%	-10%	0%	6%
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget
REVENUES												
Interest	92,383	47,200	14,526	14,539	8,938	4,377	3,107	4,380	7,877	8,791	10,550	10,500
Misc Rev	256,875	20,000	-	100					277,889	2,403	936	-
Premiums (Cobra)	9,320	966	-	17,508	7,961	5,696	3,437	6,351	27,436	36,371	13,745	17,000
Premiums-City	2,709,582	3,005,811	3,505,491	3,429,675	3,456,292	3,701,334	3,987,211	4,278,911	4,004,345	3,552,749	3,481,265	3,893,467
Premiums- Employee	601,841	655,218	753,951	741,365	719,986	755,467	813,652	858,400	846,838	931,263	975,197	990,280
Premiums-Outside Ent	383,671	471,462	571,334	647,891	626,205	678,732	742,402	803,306	737,207	743,747	706,135	712,308
Premiums-Retirees	517,214	531,686	614,269	601,172	535,168	587,918	597,975	639,861	488,402	394,515	473,622	486,719
Other Revenues	-	-	-	-								
Total Revenues	4,570,886	4,732,343	5,459,570	5,452,250	5,354,550	5,733,524	6,147,784	6,591,210	6,389,994	5,669,839	5,661,451	6,110,274
% revenues increased	9.1%	3.5%	15.4%	-0.1%	-1.8%	7.1%	7.2%	7.2%	-3.1%	-11.3%	-0.1%	7.9%
EXPENDITURES												
Health Clinic 21-05								40,000	110,000	120,000	152,000	256,004
Claims 21-06	4,250,550	4,903,610	4,815,121	5,189,595	5,101,534	5,094,760	5,250,388	5,873,276	4,297,613	5,457,817	5,106,032	5,066,184
Claims Fixed 21-07	538,476	585,321	547,921	554,755	551,356	583,912	780,532	851,086	641,109	744,679	767,007	839,855
Other/ACA cost								28,195	29,854	22,573	5,480	2,150
Total Expenditures	4,789,025	5,488,931	5,363,042	5,744,349	5,652,890	5,678,672	6,030,920	6,792,556	5,078,576	6,345,069	6,030,519	6,164,193
Excess(deficient) revenues	(218,139)	(756,588)	96,528	(292,100)	(298,340)	54,851	116,863	(201,347)	1,311,418	(675,230)	(369,068)	(53,919)
Year end Cash Balance	1,856,665	1,095,457	1,199,732	901,347	577,406	630,930	722,998	593,267	1,855,488	1,161,964	818,633	764,714
<i>Increase or Decrease in Cash</i>	<i>(220,222)</i>	<i>(761,208)</i>	<i>104,275</i>	<i>(298,385)</i>	<i>(323,941)</i>	<i>53,524</i>	<i>92,068</i>	<i>(129,731)</i>	<i>1,262,221</i>	<i>(693,524)</i>	<i>(343,331)</i>	<i>(53,919)</i>
YE Cash as % of Expenses	39%	20%	22%	16%	10%	11%	12%	9%	37%	18%	14%	12%
NOTE: FY 2008 misc revenue \$256K was MICA rebate used to fund 612												
FY 2016 start BCBS, \$277K misc rev was FY 2015 claims reimb												

FUND 611 SELF INSURANCE FUND												
Premium Change to Depts	-20%	-20%	0%	18%	10%	48%	7.5%	2%	3%	-17%	-17%	5%
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 18	FY 2019
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected
REVENUES												
Interest	125,342	60,827	28,920	18,653	14,412	8,125	9,105	9,193	9,661	13,825	17,254	13,000
Refunds/Reimb												
Restitution	505	1,087	1,856	486	223	757	2,604	1,249	1,987	305	200	
Other	(4,000)	80	-	-	-	-	346	-	-	-	-	-
Premiums	1,550,266	1,333,474	1,333,474	1,572,418	1,797,495	2,497,608	2,764,336	2,818,833	2,820,824	2,353,743	1,953,760	2,055,792
Premium Rebates						213,075						
Premiums-Employer												
Premiums-Outside Ent									82,570	68,534	56,883	59,727
Premiums-Life Insurance	13,179	13,943	15,386	14,398	14,320	14,284	14,419	13,903	12,941	26,940	27,098	26,648
Transfers from GF					213,213							
Transfers from Capital	-	-	-	-								
Total Revenues	1,685,292	1,409,411	1,379,636	1,605,955	2,039,663	2,733,849	2,790,810	2,843,178	2,927,983	2,463,347	2,055,195	2,155,167
% revenues increased	-20.7%	-16.4%	-2.1%	16.4%	27.0%	34.0%	2.1%	1.9%	3.0%	-15.9%	-16.6%	4.9%
EXPENDITURES												
1802 - Subsidies	10,559	10,104	8,741	8,741	8,287	7,539	5,881	5,133	3,476	1,364	1,364	1,375
3810 - Human Resources	358,763	417,822	223,130	243,552	277,967	278,634	248,633	254,990	145,906	108,896	150,796	184,104
3811 Risk Management	97,244	106,722	66,177	62,356	64,480	68,802	148,385	111,606	110,624	109,069	115,914	112,887
3812 Premiums & Benefits												
Board Paid Life Insur	27,531	25,981	26,768	26,916	24,945	27,370	31,905	26,978	26,795	29,715	32,873	30,100
Claims-Vehicles	(1,352)	20,220	5,018	15,873	14,354	13,964	14,336	7,418	5,787	20,111	43,375	25,000
Claims-Property Liability	1,256	(6,262)	321	7,357	(8,173)	17,418	7,934	10,638	4,463	1,856	19,294	15,000
Claims-Equipment	-	-	-	(131)	2,000	4,354	1,138	124	6,051	1,764	3,299	5,000
Claims-Casualty	5,583	6,077	3,015	1,000	3,345	3,087	6,130	1,000	3,000	2,000	5,774	5,000
Claims-Other	-	1,000	1,499	4,000	500	-	1,000	3,917	1,406	1,497	9,000	5,000
MICA premium	1,393,045	1,230,770	1,242,813	1,299,362	1,615,829	2,189,886	2,278,186	2,300,742	2,369,900	1,867,085	1,722,231	2,139,830
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,892,629	1,812,434	1,577,482	1,669,026	2,003,534	2,611,054	2,743,528	2,722,546	2,677,408	2,143,357	2,103,921	2,523,296
% expenditures increased	12%	-4%	-13%	6%	20%	30%	5%	-1%	-2%	-20%	-2%	20%
Excess(deficient) revenues	(207,337)	(403,023)	(197,846)	(63,071)	36,129	122,795	47,282	120,632	250,575	319,990	(48,726)	(368,129)
Year end Cash Balance	2,758,318	2,353,229	2,150,082	2,090,613	2,060,843	2,250,000	2,299,495	2,435,629	2,672,812	2,988,283	2,939,557	2,571,428
YE Cash as % of Expenses	146%	130%	136%	125%	103%	86%	84%	89%	100%	139%	140%	102%
Actual MICA premium increase	6%	-12%	1%	5%	24%	36%	4%	1%	3%	-21%	-8%	24%
premium as % of total	74%	68%	79%	78%	81%	84%	83%	85%	89%	87%	82%	85%