

FINANCE COMMITTEE

**THURSDAY, DECEMBER 14, 2017¹
6:00 P.M. – COMMITTEE ROOM A**

AGENDA

1. Call to Order, Roll Call, and Establishment of a Quorum
2. Approval of Minutes
 - A. Finance Committee Meeting of September 14, 2017
3. Public Participation / Presentations
4. Items for Consent
 - A. Ordinance No. 17-O-0046 – 2018 Annual Budget
 - B. Resolution No. 17-R-0083 - Second Amendment to Reimbursement Agreement with Menards – Traffic Signal
 - C. Resolution No. 17-R-0084 – Authorizing Mayor to Sign Engagement Letter with Auditors for Fiscal Years 2018, 2019, 2020 & 2021
5. Items for Discussion
6. Unfinished Business
7. New Business
8. Reports from Staff
9. Executive Session (if needed)
10. Adjournment

¹ Rescheduled from December 28, 2017

Draft

MINUTES

FINANCE COMMITTEE September 14, 2017 6:00 P.M.

1. Call to Order, Roll Call, and Establishment of a Quorum.

The meeting was called to order at 6:00 P.M. Roll call found Aldermen Dimas, Chassee, Sheahan, Ferguson and Kubinski present. Aldermen Meissner and Stout were absent.

Staff in attendance: City Administrator Michael Guttman, Administrative Services Department Director Linda Martin and Assistant Administrative Services Department Director Nikki Giles.

Others in attendance: Jamie L. Wilkey, Certified Public Accountant – Lauterbach & Amen LLP.

2. Approval of Minutes.

A. Finance Committee Meeting of March 23, 2017.

Alderman Kubinski moved and Alderman Chassee seconded a motion to approve. The minutes were approved as presented by voice vote.

3. Public Participation / Presentations.

A. 2016 Audit - Jamie Wilkey representing the auditing firm of Lauterbach and Amen gave a brief presentation and reviewed the highlights of the 2016 Comprehensive Financial Report. She stated that it has been submitted for consideration of the Certificate of Achievement for Excellence in Financial Reporting award, which is an award of the highest level of reporting in the Government. She thanked Linda Martin and Nikki Giles for their help in preparation of the Audit and the extra effort needed to, as in past years, receive this award.

The Committee thanked the auditors for preparing a well-done, easily understandable document.

4. Items for Consent.

A. Ordinance No. 17-O-0035 - An Ordinance Further Amending the Annual Budget for the City of West Chicago, DuPage County, Illinois for the Fiscal Year Commencing January 1, 2017 and Ending December 31, 2017 Passed and Adopted by Ordinance No. 16-O-0042 – Third Quarter Amendment.

Alderman Chassee moved and Alderman Sheahan seconded a motion to approve Consent Item A. Voting Aye: Aldermen Chassee, Sheahan, Ferguson, Dimas and Kubinski. Voting Nay: 0. Motion carried.

5. Items for Discussion.

**A. City of West Chicago/Village of Winfield Intergovernmental Agreement
Waste Water Treatment Plant (WWTP).**

City Administrator Michael Guttman gave a brief update of the current status of talks with Winfield to amend the Agreement. He stated that because there had been an issue of governance, guidance was needed. The City hired Klein Hall CPAs to complete an analysis. Their recommendation was to create a joint venture between the two entities. Mr. Guttman stated Winfield was receptive to the idea. He further stated operational control would rest on West Chicago's Director of Public Works with oversight by the City Council.

The Committee gave Mr. Guttman direction to proceed with the recommendation of Klein Hall CPAs, and to amend other areas in the Agreement that require change, but are in agreement with both entities.

6. Unfinished Business. None

7. New Business.

1) Cable Com- Mr. Guttman gave a brief background of the City's history with Cable Com. He stated that there is no one currently representing Cable Com and questioned whether, or not, it still had an audience. He suggested "going dark" for a while and revisiting this issue in the early months of 2018. At that time results of feedback will be discussed. Alderman Ferguson asked if there were any legal issues regarding televising/recording meetings. Mr. Guttman stated that we are not legally required to record regularly scheduled meetings.

The Committee agreed and Mr. Guttman was given direction to proceed.

2) Sewer Fees- Mr. Guttman stated that sewer fees have not increased in the past 8 years and informed the Committee at last year's budget meeting that this issue would be looked at and discussed before preparation of the 2018 Budget. He stated that the last increase was billed in increments of 5% per year and was completed over a 6-year period. He felt that percentage increment billing seemed to work well with residents and recommended this option for a future increase. He further stated that he would hold off on the increase, if that is the direction of the Committee, but that it would make a future increase more substantial. He asked the Committee if they are receptive to further exploration of this issue as he will begin an analysis and bring his findings to the Committee.

The Committee agreed and Mr. Guttman was given direction to proceed.

3) Property Tax- Mr. Guttman stated that the City became Home Ruled in 2005 and from that time had the authority to increase its proportion of property taxes. Other non-home ruled entities, such as the fire department, library, park district and school districts have a limited rate relative to the Consumer Price Index (CPI). For budget years 2005-2010, the City's percentage rate was within the 2 to 3-1/2% range, enough to keep up with rising costs. During the economy down-turn years, the City held the line on the property tax rate, levying approximately the same

amount of money from year 2010 to the current year. Administrative Services Director Linda Martin further clarified that even though the City had levied the same amount of money for the past 7 years, the rate would vary due to the Equalize Assessed Value (EAV), a factor of increases or decreases to property values that exist, and new construction.

Due to increased costs and drastic cuts from the State, Mr. Guttman made a recommendation that a 2.1% tax levy rate increase be included in the proposed 2018 budget.

The Committee expressed concern for City residents, but understood that with rising costs and limited monetary assistance from the State, a property tax increase would be necessary to continue the current level of City services. Alderman Chassee reluctantly agreed to the increase and felt the issue should be discussed, evaluated and reviewed by the Committee each year. Alderman Dimas suggested a letter to residents informing them of the rising cost of City services and the decrease of financial support received from the State.

The Committee agreed that an increase is necessary and direction was given to Mr. Guttman to include the increase in the 2018 proposed budget; and that an explanation for the increase is communicated to West Chicago residents.

8. Reports from Staff. None.

9. Executive Session (if needed). None

10. Adjournment.

Alderman Chassee moved and Alderman Kubinski seconded a motion to adjourn. The motion was approved by voice vote and the meeting adjourned at 6:30 P.M.

Respectfully submitted,

Ofelene Fisher

CITY OF WEST CHICAGO

FINANCE COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE: Resolution No. 17-R-0083 – Second Amendment to the Reimbursement Agreement with Menards – Traffic Signal Installation	AGENDA ITEM NUMBER: 4. B. FILE NUMBER: _____ COMMITTEE AGENDA DATE: 12/14/17 COUNCIL AGENDA DATE: 12/18/17
STAFF REVIEW:	SIGNATURE _____
APPROVED BY CITY ADMINISTRATOR:	SIGNATURE _____
ITEM SUMMARY: Final figures are now known since the project was bid. The attached second amendment incorporates those amounts into the reimbursement schedule.	
STAFF RECOMMENDATION: Staff recommends approval of Resolution No. 17-R-0083.	
COMMITTEE RECOMMENDATION:	

RESOLUTION NO. 17-R-0083

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE THE SECOND
AMENDMENT TO THE REIMBURSEMENT AGREEMENT WITH MENARD,
INC. FOR THE INSTALLATION OF A TRAFFIC SIGNAL AT NORTH
AVENUE AND THE ENTRANCE TO THE ST. ANDREWS SQUARE
SHOPPING CENTER**

BE IT RESOLVED by the City Council of the City of West Chicago, in regular session assembled that the Mayor is hereby authorized to execute a Second Amendment to the Reimbursement Agreement with Menard, Inc. for the Installation of a Traffic Signal at North Avenue and the Entrance to the St. Andrews Square Shopping Center, in substantially the form attached hereto, and incorporated herein as Exhibit "A".

APPROVED this 18th day of December 2018.

AYES: _____

NAYES: _____

ABSTAIN: _____

ABSENT: _____

Mayor

ATTEST:

City Clerk

**SECOND AMENDMENT TO THE REIMBURSEMENT AGREEMENT BETWEEN THE
CITY OF WEST CHICAGO AND MENARD, INC., FOR THE INSTALLATION OF A
TRAFFIC SIGNAL AT NORTH AVENUE AND THE RE-ALIGNMENT OF THE ACCESS
AND ACCESS DRIVE TO THE WOOD GLEN/FRANCISCAN WAY SHOPPING CENTER**

This Second Amendment to the Reimbursement Agreement (hereinafter "SECOND AMENDMENT") by and between the City of West Chicago (hereinafter the "CITY"), a municipal corporation with offices at 475 Main Street, West Chicago, Illinois and Menard, Inc. (hereinafter "MENARDS"), a foreign corporation doing business in Illinois, with its principal offices at 5101 Menard Dr., Eau Claire Wisconsin, 54703 (hereinafter collectively the "PARTIES") for the preparation of a traffic study and engineering and installation of a traffic signal at North Avenue and the re-alignment of the access and access drive to the Wood Glen/Franciscan Way Shopping Center (hereinafter the "AGREEMENT") is entered into this 18th day December of 2017.

RECITALS

WHEREAS, the CITY is empowered to make all contracts and to undertake other acts as necessary in the exercise of its statutory powers, pursuant to the Illinois Municipal Code, 65 ILCS 5/2-2-12; and

WHEREAS, the PARTIES, in order to ensure the safety of the motoring public and to facilitate the free flow of traffic, prepared a traffic study, and, have the approval of the State of Illinois, to install a four-leg traffic signal at North Avenue in accordance with Illinois Department of Transportation (hereinafter "IDOT") regulations and standards and with third-party permission, to re-align the access and access drive to the Wood Glen/Franciscan Way Shopping Center to match the full access to the St. Andrews Square Shopping Center (hereinafter the "PROJECT"); and

WHEREAS, the PARTIES entered into an AGREEMENT dated June 5, 2010 and a first amendment to that AGREEMENT (hereafter "FIRST AMENDMENT") dated June 20, 2016 to memorialize that MENARDS will be reimbursed for its costs associated with the PROJECT and to subsequently adjust the estimated costs of the PROJECT; and

WHEREAS, the costs of the PROJECT after opening bids exceed the estimated costs in the FIRST AMENDMENT, and the PARTIES desire a revised reimbursement arrangement; and

WHEREAS, the PARTIES have determined that it is in the best interests of the citizens of the CITY and in the mutual best interests of the PARTIES to enter into this SECOND AMENDMENT.

NOW, THEREFORE, in consideration of the premises, the mutual covenants, terms, and conditions herein set forth, and the understandings of each PARTY to the other, the PARTIES do hereby mutually covenant, promise and agree to amend Section 3.1 of the AGREEMENT as follows:

"3.0 RESPONSIBILITIES OF THE CITY

- 3.1 As used herein, the term "PROJECT cost" shall mean all direct costs incurred by MENARDS for the study, design, engineering, approval and installation of the PROJECT, including the amount of all original contracts and all change orders thereto and \$40,000 in administrative costs.¹ The CITY shall reimburse

¹ The total Project cost shall also include the cost of utility relocations that were not in the construction bid because they are split between MENARDS, Nicor, and ComEd and the final cost to MENARDS will not be known until the work is done; evidence, in the form of an invoice(s) by the utility companies and a cancelled check showing proof of MENARDS' payment, shall be provided to the CITY.

MENARDS according to the following schedule:

- a. Upfront payment 180 days after the PROJECT is accepted by the CITY, equal to \$500,000. Upon completion of the construction of the intersection improvements and installation of the traffic signal, MENARDS shall submit and obtain approval of as-built plans depicting the improvements. After approval of the as-built plans, mylar and digital copies shall be submitted. If there are any improvements conveyed to the CITY, a deed of conveyance, bill of sale and lien waivers shall be submitted to and approved by the CITY.
- b. The balance of the total PROJECT cost to be paid as follows:
 - i. Starting with the fourth calendar year after completion of the PROJECT, the CITY will rebate \$100,000 per year by September 30th of each subsequent year.
 - ii. Annual rebates shall continue until MENARDS is reimbursed for the total PROJECT cost.
 - iii. Sample Schedule:

Year		Balance	
	Amount	Due	
2018	Construction	\$1,833,500	
2019	\$500,000	\$1,333,500	
2020	\$0	\$1,333,500	
2021	\$0	\$1,333,500	
2022	\$100,000	\$1,233,500	
2023	\$100,000	\$1,233,500	
2024	\$100,000	\$1,033,500	
2025	\$100,000	\$933,500	
2026	\$100,000	\$833,500	
2027	\$100,000	\$733,500	
2028	\$100,000	\$633,500	
2029	\$100,000	\$533,500	
2030	\$100,000	\$433,500	
2031	\$100,000	\$333,500	
2032	\$100,000	\$233,500	
2033	\$100,000	\$133,500	
2034	\$100,000	\$33,500	
2035	\$33,500	0"	

AND FURTHER THEREFORE, the PARTIES do hereby mutually covenant, promise and agree to delete Sections 2.6, 2.7, 2.8, 2.9 and all of Section 4.0 of the AGREEMENT, and MENARDS shall complete construction of the PROJECT by September 30, 2018.

IN WITNESS whereof, the parties set their hands and seals as of the date first written above.

Theron J. Berg, Real Estate Manager
Menard, Inc.

ATTEST:

Ruben Pineda, Mayor
City of West Chicago

ATTEST:

Name, Title

Nancy M. Smith, City Clerk

CITY OF WEST CHICAGO

Finance Committee Agenda Item Summary	
ITEM TITLE: Resolution No. 17-R-0084 – Audit Engagement Letter with Lauterbach & Amen, LLP for fiscal years ending December 31, 2018 through December 31, 2021	AGENDA NO. <u>4.C.</u> FILE NO. _____ COMMITTEE AGENDA DATE: December 14, 2017 COUNCIL AGENDA DATE: December 18, 2017
STAFF REVIEW: Linda M. Martin	SIGNATURE _____
APPROVED BY CITY ADMINISTRATOR	SIGNATURE _____
ITEM SUMMARY: <p>With the completion of the annual audit for the fiscal year ended December 31, 2017, the term of the current four-year engagement with Lauterbach & Amen, LLP will conclude. For each fiscal year that Lauterbach & Amen, LLP has audited the City's financial statements, the City has received the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report (CAFR).</p> <p>In order for a CAFR to be considered for the Certificate of Achievement award, the CAFR is evaluated by the Government Finance Officers Association - Certificate of Achievement Program Special Review Committee. That Committee determines if the CAFR meets the program's high standards of financial reporting techniques, full disclosure and clear communication of financial position of the City, as measured by seventeen grading categories for which a grade is determined. Each CAFR submitted during the current four-year engagement with Lauterbach & Amen, LLP has received the highest grade available of "Proficient" for all seventeen grading categories.</p> <p>Attached for your review is the engagement letter from Lauterbach & Amen, LLP that confirms the understanding of audit services to be provided for fiscal years ended December 31, 2018 through December 31, 2021, and additionally presents annual audit fees of \$40,000, \$41,000, \$42,000 and \$43,000 for the respective four years. The fee for auditing services for fiscal year ended December 31, 2017 is \$43,000. Appropriate funds have been budgeted for in the proposed three-year budget for fiscal years 2018, 2019 and 2020, as contained within the attached engagement letter.</p> <p>Due to the City's good working relationship with Lauterbach & Amen, LLP, and technical assistance provided by Lauterbach & Amen with other accounting and intergovernmental agreement matters, staff recommends approval of the engagement letter with Lauterbach & Amen, LLP, as attached.</p>	
ACTIONS PROPOSED: Approve Resolution No. 17-R-0084 authorizing the Mayor to sign a four-year Engagement Letter with Lauterbach & Amen, LLP for annual auditing services, beginning with Fiscal Year 2018.	
COMMITTEE RECOMMENDATION:	

RESOLUTION NO. 17-R-0084

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN
AN ENGAGEMENT LETTER WITH LAUTERBACH & AMEN, LLP
FOR PROFESSIONAL AUDIT SERVICES FOR
FISCAL YEAR 2018 THROUGH 2021

BE IT RESOLVED by the City Council of the City of West Chicago, in regular session assembled, that the Mayor is hereby authorized to sign an Engagement Letter with Lauterbach & Amen, LLP, for the purpose of auditing the basic financial statements of the City of West Chicago for the Fiscal Years ending December 31, 2018 through December 31, 2021, in substantially the form attached hereto and incorporated herein as Exhibit "A".

ADOPTED this 18th day of December 2017.

AYES: _____

NAYES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

Mayor Ruben Pineda

City Clerk Nancy M. Smith



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

668 N. RIVER ROAD • NAPERVILLE, IL 60563
PHONE 630.393.1483 • FAX 630.393.2516
www.lauterbachamen.com

December 8, 2017

The Honorable Mayor
Members of the City Council
City of West Chicago, Illinois

We are pleased to confirm our understanding of the services we are to provide the City of West Chicago, Illinois for the years ended December 31, 2018, December 31, 2019 and December 31, 2020 and December 31, 2021. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the years ended December 31, 2018, December 31, 2019 and December 31, 2020 and December 31, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited: management's discussion and analysis, the budgetary comparison schedules, pension plan employer contribution schedules, changes in the employer's net pension liability schedules, pension plan investment return schedules, and other postemployment benefit obligation funding progress and employer contribution schedules.

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: combining and individual fund statements and budgetary comparison schedules, and other information listed as supplemental schedules.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information: introductory and statistical information.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the Members of the City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Audit Procedures – General (Continued)

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements and required audit adjustments, if any, for the City in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statements previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation in the financial statements in conformity with U.S. generally accepted accounting principles.

Management Responsibilities (Continued)

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

City of West Chicago, Illinois
December 8, 2017
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Engagement Administration, Fees, and Other

Our fees for the December 31, 2018, December 31, 2019, December 31, 2020 and December 31, 2021 audit will be \$40,000, \$41,000, \$42,000, and \$43,000, respectively.

We appreciate the opportunity to be of service to the City of West Chicago, Illinois and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us.

Cordially,

Handwritten signature in blue ink, reading "Jonathan C. Amen" with "CP" at the end.

LAUTERBACH & AMEN, LLP

RESPONSE:

This letter correctly sets forth the understanding of the City of West Chicago, Illinois.

By: _____

Title: _____



WHERE HISTORY & PROGRESS MEET

December 11, 2017

Dear Mayor Pineda and Aldermen:

I hereby present to you the 2018 Fiscal Year Budget for the City of West Chicago, in accordance with Section 2-146 of the West Chicago City Code. The Annual Budget serves as a comprehensive financial plan and strategic guide for our organization. It includes a forecast of anticipated revenues for the coming fiscal year, as well as adopted expenditures that will guide the services provided to our customers, the 27,086 residents and 800+ businesses that call West Chicago their home.

The 2018 Annual Budget totals \$44,854,700 which is a decrease of 7.12% as compared to the 2017 Budget, as amended; specifically, the General Fund reflects a decrease of 4.90% as compared to the 2017 Budget, as amended.

Background

The City has a proud history of providing exceptional services to a diverse group of stakeholders. Over the past decade, the diversity of the City has grown and with it, the challenges of meeting the needs and demands of our customers have grown as well. The departments and staff are continuously challenged to address the growth within the City and develop new and innovative ways of delivering the services that our customers expect. Through flexibility, adaptability, the use of technology, innovative staffing methods, and furthering intergovernmental and public/private partnerships, the organization continues to rise to the challenge to become one of the most efficient municipal corporations in the Chicagoland area.

Budget Strategy

This budget marks the fourteenth year of adhering to the City Council's Budget Policy and implementing a strategy that addresses the structural and cyclical budgetary challenges that were and continue to face the City of West Chicago. This strategy includes five major components:

Reduction in Operating Expenditures

To address the structural problem of rising operating costs coupled with stagnant revenues, the City annually undergoes a target budgeting process to manage the organization's expenditure and revenue patterns. Target Budgeting was initiated to instill budget discipline, establish budgetary priorities, control costs and stabilize finances. Target Budgeting is a modification of zero based budgeting in that it accepts the premise that the City provides certain basic services and attempts to "target funds" for the delivery of those services. Beyond these basic levels, services are discretionary and can be evaluated, prioritized and matched against available revenues. Patterns of services can therefore be modified to meet changing needs without disrupting basic services. Target Budgeting assigns a target goal to each fund based upon its expenditure history and projected revenues as identified in September each year. This year's target for the General Fund was one percent of the initial revenue forecast, which translated into a reduction of expenditures

totaling approximately \$152,000. The target goal for the enterprise funds was a two percent reduction. The proposed 2018 Budget meets the target goals.

Meet Reserve Requirements

The City has again met its reserve requirement of 35% for the operating funds as detailed in Resolution No. 02-R-0073.

Identification and Implementation of New Revenues

The City Council has directed staff to do what it can to relieve the financial burden on our customers, and following such, there are no new tax, fee or rate increases included in the proposed Budget. However, as forecast last year, staff discussed increasing the daily commuter parking rate to \$1.75 (though \$2.00 was desired) and there is a 2.2% increase in the property tax to cover the large increase in police pension costs. In the first quarter of 2018, staff will return to the Finance Committee to discuss a stepped plan to increase sewer rates to cover capital improvements at the WWTP as well as various strategies to close the \$1.8 million gap that is being forecast for 2020. This gap primarily exists for three reasons: (1) increased cost of the West Washington Street clean-up due to the presence of thorium; (2) revenues generated by Police Department employees is down \$300,000 annually; and the State of Illinois is taking another \$325,000 annually from the City (mostly through lower income and personal property replacement tax distributions), and that's on top of previous takes of these revenue sources.

Increased Economic Development Focus

The City's Economic Development Program is designed to increase and diversify the City's sales tax and real estate tax bases, thereby allowing the City to become more self-sufficient, generating revenues from within the City and reducing dependency on outside revenue sources. The importance of our economic development efforts can continue to be realized when looking at our sales tax receipts. Increasing this revenue source has been a primary focus of the organization over the past several years. Mayor Pineda, the Aldermen and staff have devoted a great deal of energy into attracting new sales tax generating businesses, while at the same time, maintaining our existing businesses and helping with their expansion.

Maintain and Improve City Services

The City has a proud history of providing exceptional services. During the implementation of this five-part budgeting strategy, it is imperative that the residents and businesses not experience a reduction in service levels unless absolutely necessary. In fact, through challenging our employees at every level of the organization, the City has been able to improve upon services during this tough economic climate. With few exceptions, the City has been able to provide excellent service with fewer employees and leaner budgets.

We are successful in achieving all of the parameters in the proposed 2018 Budget. The proposed Budget includes a planned spend down of reserves, consistent with the Finance Committee's direction over the last nine years, to make it a balanced budget.

Significant Highlights – All Funds

Personnel Changes – The City now employs 122 full-time employees and two part-time employees, with a few seasonal positions in the Public Works Department. The proposed Budget proposes no new positions and three positions in the Police Department and one in the City Administrator’s Office are not being filled at this time.

Insurance Costs – The City’s general liability/workers’ compensation insurance costs will once again decrease (slightly) in 2018. The premiums will increase by 10% for those employees who get their medical insurance via the Operating Engineers Health and Welfare Plan. For the plan year July 2017 through June 2018, the total premium again increased for those employees who participate in the City’s plans through IPBC. Preliminary figures show that the premiums for both the HMO and PPO plans will increase come July 1, 2018; a six percent increase is reflected in the Proposed Budget.

Customer Impact – There are service reductions proposed in the 2018 Budget. The Finance Committee directed staff to include a 2.2% increase in the property tax levy and the daily rate to park at the commuter lots is increasing 0.25 cents.

The following table shows the difference in budgeted amounts between 2017 and 2018 for each of the Funds:

Fund	2017 Budget	2018 Budget	Percent Change
General Fund	\$19,150,500	\$18,213,000	-4.90%
Capital Equipment Replacement Fund	\$1,893,400	\$999,900	-47.19%
Sewer Fund	\$10,510,500	\$8,678,500	-17.43%
Water Fund	\$8,403,400	\$7,995,300	-4.86%
Capital Projects Fund	\$6,049,800	\$7,453,100	23.20%
Downtown TIF Fund	\$1,585,100	\$1,301,100	-17.92%
Public Benefit Fund	\$400,000	\$0	-100.00%
Oliver Square TIF Fund	\$30,000	\$0	-100.00%
Commuter Parking Fund	\$269,400	\$213,800	-20.64%
All Funds	\$48,292,100	\$44,854,700	-7.12%

General Fund

The General Fund is the all-purpose governmental fund that includes the operations of the municipality not accounted for in a separate fund. Most of the expenditures for City services are budgeted and accounted for in this Fund, except for water and sewer expenses. There are four key revenue sources, which account for 68.60% of the total General Fund revenues:

Sales and Use Taxes	26.36%
Property Tax	22.00%
Income Tax	15.38%
Telecommunications Tax	4.86%

The revenues listed above represent the General Fund's primary growth revenues, which traditionally have paid for annual cost increases. Note that, at one time, the Telecommunications Tax comprised a larger part of the Budget (as much as \$1.3 million), and now it generates about \$775,000 annually.

On the expenditure side, in addition to the increased costs of hardware and software maintenance contracts, service contracts, and dispatch services, among others, the following are some additional changes and highlights within the General Fund:

- City Administrator's Office – Money (\$10,000) has been included to cover the Community Open Project being led by the Community Outreach Specialist as dictated by the Strategic Plan. Also, a component of that Plan, additional money \$30,000). Finally, the cost of the West Washington Street Remediation Project is being shared with the Downtown TIF Fund, with \$400,000 being budgeted here.
- Administrative Services Department – There are no major changes in this Department's budget.
- Police Department – The amount allocated for police pension is \$2,500,000 higher this year (\$142,000). Due primarily to the construction of DUCOMM's second facility, our dispatch costs have increased by \$47,900. The DUCOMM Board is still reviewing its draft Budget, so this figure may be smaller in the end. Legal fees re project to increase by allowing local Ordinances violations to be heard via the City's administrative adjudication system, though there should be offsetting revenues since the City will be able to keep 100% of the fine amounts, instead of sharing them with several County agencies.
- Public Works Department – There are no major changes in this Department's General Fund Budget, except for an anticipated increase in the brush collection contract (\$15,300) and break-even project switches between the MFT Program and the Capital Projects Fund.
- Community Development Department – There are no major changes in this Department's General Fund Budget except for money is included for fireworks (\$15,000) – last year it was funded from contingency – and the addition of \$10,000 for one new special event, both in accordance with the action items in the Strategic Plan.

Capital Equipment Replacement Fund

This Internal Service Fund draws its revenues from the General, Water and Sewer Funds and the following more expensive pieces of rolling stock are scheduled for replacement in 2018: one dump truck (\$120,000); one street sweeper (\$320,000); one television truck (\$174,000); and five police vehicles (\$165,000). Of note, there will be no transfers from the General Fund accounts to the CERF in 2018 due to there being a sufficient fund balance in the latter Fund.

Sewer Fund

In 2018, significant money is again allocated for the Inflow & Infiltration Program (\$875,000) and \$550,000 to engineer and construct improvements to the Aspen Ridge lift station. The primary capital project is completing upgrades to the SCADA system at the Wastewater Treatment Plant (\$750,000).

Water Fund

In 2018, there are no major changes to the operational components of the Water Fund other than the every two year project of cleaning out the sludge lagoons (\$600,000). The primary capital projects that will be undertaken include installation of a generator for Well #3 (\$385,000), the Booster Station #4 Rehabilitation Project (\$350,000) and watermain work associated with the street resurfacing projects (\$421,300).

Capital Projects Fund

With the ¾ cent home rule sales tax in place to supplement the utility tax monies earmarked for this fund, the 2018 Capital Project Fund Budget includes \$1,283,200 for street resurfacing and \$880,700 for the Thomas Engineering Group. There is also money set aside for security and HVAC improvements at City Hall (\$400,000) and a new salt storage facility (\$2,000,000 is included and is being used as a placeholder until further direction is given by the Infrastructure Committee). The Infrastructure Committee approved the 2018 Capital Projects Fund at its November meeting.

Downtown TIF Fund

Background work on and environmental remediation for the West Washington Street Redevelopment Area (\$200,000) will continue (costs shared with the General Fund). Also in 2018, the Downtown TIF Fund will continue to repay the local taxing bodies for their support of the TIF extension (\$85,000). Finally, \$250,000 has been included to begin to complete structural repairs to the first floor ceiling, repair the roof as well as masonry work at 200 Main Street; the Capital Projects Fund is also contributing to this Project.

Public Benefit Fund

There are no expenses forecast for this Fund.

Oliver Square TIF Fund

There are no expenses forecast for this Fund.

Commuter Parking Fund

Funds have been allocated to replace the landscaping, repair a retaining wall and complete parking lot repairs (\$100,000).

Closing Remarks

The 2018 Annual Budget and 2018-2022 Capital Improvement Program will serve as a strategic guide for our organization in the coming year. The Annual Budget reflects the service levels expected by our customers, provides dedicated revenues to support our long-term infrastructure and equipment needs, and lives within our financial means. The budget prioritizes core services and administrative functions and reflects one of the leanest and most efficient municipal

corporations within the Chicagoland area. West Chicago is diligently striving towards providing the highest quality services at one of the lowest costs. To continue in this tradition, all Departments will be challenged to continually evaluate their work teams and performance as well as benchmark their productivity with comparable communities and outside contractors, where applicable. Our employees continue to be the key to the City's operational and financial success.

The Annual Budget is the outcome of a great deal of hard work, dedication and effort of many people. All of the Department Directors and their staff are to be commended for their continued stewardship of the public dollar and assistance in the development of this document.

The support of Mayor Pineda and the Aldermen during this past year as the City continued with our budget strategy was remarkable. You remained supportive of staff, yet continually challenged us to live up to the old adage of "doing more with less". I believe this was achieved throughout the organization. Finally, I would like to thank the senior management team for its tremendous assistance with the budgeting process from preparation through implementation.

Sincerely,

A handwritten signature in dark ink, appearing to read "MLG", with a long, sweeping horizontal line extending to the right.

Michael L. Guttman
City Administrator

BUDGET PHILOSOPHY AND POLICY

Serving the public trust requires that the annual budget provide the best possible balance of allocation to meet the varied needs of all citizens. The budget is a principal management tool for the City administration and, in allocating the City's resources, it both reflects and defines the annual work plan. In this context, the budget provides a framework for us to accomplish our mission, which is:

"To assure a safe, cohesive and dynamic community that is responsive to the needs of both citizens and businesses as it strives for continuous improvement."

The budget should also reflect important organization values such as integrity, teamwork, service excellence, personal growth, and innovation.

In addition to balancing allocations to meet community needs and incorporating our mission and values, a successful annual budget preparation process requires excellent communications, citizen outreach, and a commitment to excellence. To this end, the process must be a cooperative effort of the entire City organization.

West Chicago prides itself on being an increasingly progressive community, willing to challenge the status quo and moving toward the "cutting edge". City staff has accepted this challenge by developing the budget within the context of a search for creative solutions for the delivery of City services. The budget will emphasize policy and procedure reviews to improve the productivity and effectiveness of service delivery to citizens and employees. Teamwork and efficiency enhancements will limit the amount of bureaucratic "red tape" required, both between functional areas within the City, and between City staff and our customers. The overriding goals must be to support the high standards set by the community and to provide long-term value at reasonable cost.

The budget will be based upon timely, consistent and clearly articulated policies. It will be realistic and will include adequate resources to meet assigned work programs. Once adopted, within the parameters of policy guidelines, Department Directors will be given full spending authority for their budget(s).

The budget policies of the City are rooted in a history of conservative budgeting practices. They're based on a commitment to provide quality services while maximizing the return for each dollar spent. Revenue sources are diversified as much as possible to avoid the impacts of fluctuations in a particular revenue source. The following is the Budget Policy the City Council has used as a continuing foundation for fiscal discipline:

- Revenues are conservatively projected using historical trends, reasonably expected changes in the coming year, and an analysis of anticipated economic conditions in the region, the state and the nation.

- The General Fund shall have a fund balance equal to at least 25% of revenues; the City should strive to increase this amount to 35%.
- The budget is flexible within each Department. Over expenditures in one line item should be compensated within the Departmental Budget. Each Department may not overspend its total Departmental Budget without prior approval. Department Directors may not exceed the staffing levels approved in the Budget. The City Administrator may authorize transfers within a fund.
- Major capital expenditures not related to either the water or sewer utilities for the next five years will be identified in the Capital Projects Fund Budget. This Budget will be updated on an annual basis. Smaller capital purchases may be included in each Department's operating budget.
- User fees, such as water and sewer charges, will be reviewed annually. This is done to ensure that fees cover costs, if intended to do so, meet debt service requirements, and are affordable.
- Implementation of the Budget will be monitored continuously. Purchase orders will be issued only when adequate funding is available. Based upon experience with higher prices via the bidding process and after receiving direction from the City Council, information technology equipment purchases and maintenance contracts do not have to be bid, so long as multiple written quotes are obtained to show that the price is reasonable.
- All utility taxes from the consumption of gas and electricity shall be deposited in the Capital Projects Fund. Maintenance activities shall be limited within this Fund.

City of West Chicago

GENERAL FUND PROJECTED REVENUE

01-00		2016 Actual	2017 Budgeted	2017 Estimated	2018 Proposed	2019 Projected	2020 Projected
311000	Personal Property Repl. Tax	160,366	160,000	170,000	138,000	138,000	138,000
311100	Property Taxes	3,498,471	3,430,000	3,487,000	3,505,400	3,610,600	3,719,000
312000	Sales Tax	3,272,859	3,300,000	3,480,000	3,550,000	3,692,000	3,839,700
313000	Income Tax	2,636,660	2,700,000	2,400,000	2,450,000	2,548,000	2,650,000
314000	Motor Fuel Tax Allotments	716,433	700,000	690,000	700,000	700,000	700,000
316000	Use Tax	680,840	600,000	665,000	650,000	676,000	703,100
321000	Grants	15,150	-	3,300	4,000	4,000	4,000
330000	Weed Cutting Fees	350	2,500	600	2,500	2,500	2,500
335000	Brush Collection Fees	77,576	75,000	76,600	75,000	75,000	75,000
336000	Police Counter	12,222	10,000	13,800	10,000	10,000	10,000
336100	Police Contractual	360,774	330,000	370,000	390,000	417,300	446,600
337000	Cemetery Fees	37,100	40,000	59,100	45,000	45,000	45,000
345000	Building Permits	586,801	400,000	401,400	400,000	400,000	400,000
345100	Land Cash Administration	4,446	1,500	900	1,500	1,500	1,500
345200	Change of Occupancy Inspections	89,900	65,000	70,000	65,000	65,000	65,000
345300	Rental Inspection Licensing Fee	217,504	170,000	170,000	170,000	170,000	170,000
345500	False Alarm Fees	-	-	-	-	50,000	50,000
347000	Liquor Licenses	106,015	100,000	114,000	100,000	100,000	100,000
347500	Amusement Tax	108,211	100,000	105,000	100,000	100,000	100,000
348100	Licensing Contractors	42,775	37,000	45,400	37,000	37,000	37,000
348200	Business Registration Program	22,490	25,000	25,000	25,000	25,000	25,000
348000	Business Licenses	74,890	65,000	72,000	70,000	70,000	70,000
351000	Circuit Court Fines	251,949	300,000	245,000	250,000	300,000	325,000
352000	Parking and "P" Tickets	87,238	75,000	73,000	75,000	75,000	75,000
353000	Oversize Truck	28,355	20,000	23,700	20,000	20,000	20,000
354000	Administrative Adjudication Fines	74,601	80,000	92,100	85,000	85,000	85,000
354100	Traffic Signal Enforcement	382,225	400,000	270,000	300,000	300,000	300,000
354500	Administrative Adjudication Fines - Police	-	-	-	15,000	15,000	15,000
355000	Police Towing Charges	27,600	50,000	25,000	25,000	25,000	25,000
357000	Seizures	54,361	-	59,100	-	20,000	-
361000	Planning and Zoning Review Fees	9,650	20,000	9,300	20,000	20,000	20,000
362000	Engineering Fees	355,157	250,000	210,000	250,000	250,000	250,000
365000	Transfer Station Fees	713,942	675,000	648,700	675,000	675,000	675,000
366000	Telecommunications Tax	806,698	775,000	775,000	775,000	775,000	775,000
367000	Cable Franchise Fees	279,676	275,000	280,100	275,000	275,000	275,000
371000	Interest	4,832	3,000	7,100	5,000	5,000	5,000
386000	Other Reimbursements	107,423	50,000	103,600	50,000	50,000	50,000
386100	Health Insurance Contributions	143,857	145,000	165,000	155,000	169,000	174,100
386500	IRMA/PPBC Revenue Adjustment	149,994	200,000	200,000	200,000	200,000	200,000
387800	Rental Income	195,428	180,000	201,000	180,000	180,000	180,000
389000	Miscellaneous Revenue	151,160	100,000	103,000	100,000	100,000	100,000
390000	Transfers	-	-	-	-	-	-
	TOTAL	\$16,546,110	\$15,909,000	15,909,800	\$15,943,400	\$16,455,900	\$16,900,500

City of West Chicago

GENERAL FUND EXPENDITURES

Department	2016 Actual	2017 Budgeted	2017 Estimated	2018 Proposed	2019 Projected	2020 Projected
City Council	172,117	236,800	149,200	174,600	174,600	174,600
City Administrator's Office	344,719	1,100,500	898,600	909,100	537,500	573,600
Administrative Services	2,518,763	2,975,900	2,786,800	3,035,300	3,014,000	3,204,100
Police	9,849,220	10,329,500	10,091,600	10,127,000	10,660,100	11,029,800
Public Works	2,761,469	3,178,000	2,943,800	2,708,500	3,278,400	3,363,500
Community Development	1,141,939	1,329,800	1,229,500	1,258,500	1,282,600	1,309,200
Total	\$16,788,227	\$19,150,500	\$18,099,500	\$18,213,000	\$18,947,200	\$19,654,800

City of West Chicago

CITY COUNCIL

Financial Summary

Program	2016 Actual	2017 Budgeted	2017 Estimated	2018 Proposed	2019 Projected
Operations	172,117	236,800	149,200	174,600	174,600
TOTAL	\$172,117	\$236,800	\$149,200	\$174,600	\$174,600

City of West Chicago

CITY COUNCIL

Performance Report on FYE 2017 Major Program Objectives

A few highlights from the 2017 Fiscal Year:

- o Property taxes account for 21% of the General Fund Budget, and are used to primarily fund police officers and their pensions.
- o The City gets about five cents on the dollar from the property tax bill.
- o The City hasn't raised its levy in six years.
- o The City will have to do with about \$500,000 less from the State of Illinois, due to a variety of cuts/actions including there is now a handling fee for the collection of home rule sales tax and a diversion of local government income tax monies to the State's accounts.
- o Revenues collected due to enforcement done by police officers and other Department staff members has declined dramatically over the last five years, accounting for an estimated \$300,000 reduction this year.

The City continues its pursuit of acquiring Reque Road from the Pietrobon family; most of 2017 was spent battling a traverse action filed by the Defendant.

The City Council decided to place a question before the voters at the March 2018 election to ascertain whether or not they want to allow video gaming in West Chicago.

Staff and the representatives of six other local taxing bodies worked on economic incentive packages for Norix Furniture and Suncast Corporation, both of which are looking to locate within the DuPage Business Center.

City of West Chicago

CITY COUNCIL

Description of Major Activities

The City Council is comprised of the elected Mayor and fourteen Aldermen, two from each Ward. The Council makes policy decisions necessary to maintain and enhance the health, safety and welfare of citizens and visitors to West Chicago. These decisions include, but are not limited to the following: matters of annexation; tax impact; budgets; letting of contracts; citizens' and others' concerns; acceptance of subdivision improvements; establishment of and variations in housing, subdivision, building, drainage, zoning and traffic codes; and establishment of license fees and other charges. The City Clerk is also included here, and that position is responsible for taking meeting minutes and maintaining the City's records.

Ongoing Activity Measures	2016 Actual	2017 Estimated	2018 Proposed	2019 Projected
Liquor Licenses Issued	33	35	35	35
Block Party Permits	13	15	15	15
Full Time Equivalent Positions	0.00	0.00	0.00	0.00

CITY COUNCIL Operations

01-01-10

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
SALARY & WAGES:						
4010 Aldermen-Salary	22,853	33,600	25,000	33,600	33,600	33,600
4011 Mayor-Salary	15,000	15,000	15,000	15,000	15,000	15,000
4012 Corporation Counsel-Salary	3,000	3,000	3,000	3,000	3,000	3,000
4014 City Clerk-Salary	4,500	4,500	4,500	4,500	4,500	4,500
4015 Deputy City Clerk-Salary	-	400	-	-	-	-
4050 FICA & Medicare	3,241	4,100	3,500	4,100	4,100	4,100
Sub-Total	\$48,594	\$60,600	\$51,000	\$60,200	\$60,200	\$60,200
CONTRACTUAL:						
4100 Legal Fees	38,764	72,000	27,000	40,000	40,000	40,000
4105 Consultants	-	1,000	-	1,000	1,000	1,000
4110 Training and Tuition	-	3,000	100	3,000	3,000	3,000
4112 Memberships/Dues/Subscriptions	32,647	45,000	45,000	45,000	45,000	45,000
4200 Legal Notices	890	1,500	1,500	1,500	1,500	1,500
4211 Printing and Binding	7,802	10,000	10,000	10,000	10,000	10,000
4223 Legal Reporter Fees	580	500	600	600	600	600
Sub-Total	\$80,683	\$133,000	\$84,200	\$101,100	\$101,100	\$101,100
COMMODITIES:						
4600 Computer/Office Supplies	858	500	1,200	500	500	500
4613 Postage	71	200	300	300	300	300
4650 Miscellaneous Commodities	1,627	2,000	2,000	2,000	2,000	2,000
4660 Grants	40,000	40,000	10,000	10,000	10,000	10,000
4720 Other Charges	285	500	500	500	500	500
Sub-Total	\$42,840	\$43,200	\$14,000	\$13,300	\$13,300	\$13,300
Total	\$172,117	\$236,800	\$149,200	\$174,600	\$174,600	\$174,600

City of West Chicago

CITY ADMINISTRATOR'S OFFICE

Financial Summary

Program	2016 Actual	2017 Budgeted	2017 Estimated	2018 Proposed	2019 Projected
Administration	212,952	257,900	235,100	277,300	286,800
Special Projects	45,591	575,000	486,500	450,000	50,000
Marketing and Communications	86,175	267,600	177,000	181,800	200,700
TOTAL	\$344,718	\$1,100,500	\$898,600	\$909,100	\$537,500

City of West Chicago

CITY ADMINISTRATOR'S OFFICE

Performance Report on FYE 2017 Major Program Objectives

The City is on track toward completing about 95% of its first year objectives detailed in the Strategic Plan. A few highlights include:

- a. Remediation will begin yet this year on the contamination part of the West Washington Street Redevelopment Area.
- b. The Central Main Street Plan update will be made public by the end of the year for comment.
- c. A Marketing Plan has been approved by the City Council, and the implementation plan component will be done by year's end.
- d. The Open Community Project, an initiative to better engage the City's Latino population, has been created, with implementation set to begin next year.

The Community Outreach Specialist/Latino Ombudsman position was filled in June 2017. An initial assessment of the barriers impeding the Latino population from engaging more in civic activities has been completed, and some recommendations were reviewed/endorsed by the Public Affairs Committee in October.

Staff researched an automated solution to the agenda preparation and dissemination process, and has found one program that should meet the City's needs. Depending on the type of tablets that are chosen for the elected officials, implementation of this program should occur in mid-2018.

Supplementing normal activities of the Marketing/Communications Division as outlined in its Program Description, staff accomplished the following implementation strategies of the West Chicago Strategic Plan: selection and hiring of a Marketing Consultant; continued ongoing efforts to promote West Chicago through Move with the Mayor, Viva Mexico Independence Day Festival, Brilliance in Business Awards and Downtown Halloween events; secured feature community profile in West Suburban Magazine, Mayor on the Move segment on 95.9 The River Radio which showcased three residents touring their individual neighborhoods and three separate West Chicago-connected artist interviews on WGN Radio. Also, staff supported collaborations with the West Chicago Park District on The Shell, People Made Visible and Gallery Theater to find a new home for the theater and DuPage Airport Authority for a Back to School event. Another met objective is elevating current online economic development tools through a new section which celebrates business success stories and a dedicated micro-site.

City of West Chicago

CITY ADMINISTRATOR'S OFFICE *Administration*

Description of Major Activities

The City Administrator and staff direct the administration and execution of policies and goals formulated by the City Council and propose alternative solutions to community problems for City Council consideration. These responsibilities include advising the Council on present and future financial, personnel and program needs, implementing immediate and long-range City priorities, establishing administrative procedures which will assist the City in serving its citizens, preparation of the annual budget, and supervision of City department heads. The office also maintains all records of the City and coordinates the completion of the Freedom of Information Act (FOIA) requests.

FYE 2018 Program Objectives

- (1) Continue to oversee implementation of the Strategic Plan through December 2018.
- (2) Create a Civics Academy by September 2018.
- (3) Implement an automated solution to the agenda preparation and dissemination process by September 2018.

Ongoing Activity Measures	2016 Actual	2017 Estimated	2018 Proposed	2019 Projected
Prepare Agendas and Materials for Council Meetings	24	24	24	24
FOIA Requests Processed	635	640	640	640
Full Time Equivalent Positions	1.00	1.50	1.50	1.50

CITY ADMINISTRATOR'S OFFICE
Administration

01-02-10

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
SALARY & WAGES:						
4020 Administrative - Salary	139,652	175,100	156,000	178,500	185,700	193,200
4050 FICA & Medicare	7,827	13,400	12,000	13,700	14,300	14,800
4052 ICMA - RC	8,663	9,000	9,000	9,300	9,800	10,300
4056 IMRF	18,734	22,200	19,800	22,200	23,100	24,000
Sub-Total	\$174,876	\$219,700	\$196,800	\$223,700	\$232,900	\$242,300
CONTRACTUAL:						
4100 Legal Fees	-	5,000	-	5,000	5,000	5,000
4110 Training and Tuition	-	4,000	1,000	4,000	4,000	4,000
4112 Memberships/Dues/Subscriptions	1,802	2,000	2,000	2,000	2,000	2,000
4125 Software Maintenance	-	-	-	6,300	6,300	6,300
4202 Telephone and Alarms	30,085	20,000	30,000	20,000	20,000	20,000
4300 IRMA General Insurance	4,230	3,900	3,800	3,700	4,000	4,300
Sub-Total	\$36,117	\$34,900	\$36,800	\$41,000	\$41,300	\$41,600
COMMODITIES:						
4600 Computer/Office Supplies	78	200	200	200	200	200
4607 Gas and Oil	1,014	2,000	1,000	1,300	1,300	1,300
4613 Postage	-	100	-	100	100	100
4650 Miscellaneous Commodities	-	-	-	10,000	10,000	10,000
4720 Other Charges	868	1,000	300	1,000	1,000	1,000
Sub-Total	\$1,960	\$3,300	\$1,500	\$12,600	\$12,600	\$12,600
Total	\$212,952	\$257,900	\$235,100	\$277,300	\$286,800	\$296,500

City of West Chicago

CITY ADMINISTRATOR'S OFFICE
Special Projects

Description of Major Activities

This program funds special projects as well as special purchases that come up over the course of the fiscal year.

CITY ADMINISTRATOR'S OFFICE
Special Projects

01-02-07

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
CONTRACTUAL:						
4225 Other Contractual Services	45,591	525,000	461,500	400,000	-	-
4375 Sales Tax Rebate	-	50,000	25,000	50,000	50,000	50,000
Sub-Total	45,591	575,000	486,500	450,000	50,000	50,000
Total	\$45,591	\$575,000	\$486,500	\$450,000	\$50,000	\$50,000

City of West Chicago

CITY ADMINISTRATOR'S OFFICE Marketing and Communications

Description of Major Activities

All efforts of this Program are directed toward promoting the City by providing strategic and creative guidance to developing and executing marketing/business/ communication plans, devising media strategies and maintaining media relations, creating and overseeing graphic designs, producing news releases and other written materials (including City newsletter), editing various publications, assisting in planning and promoting schedules, helping coordinate/marketing special events, and supporting and facilitating communication for inter-departmental initiatives. It also oversees the content and design elements of the City website and collects and prepares information for uploading. Public relations and community outreach are also within the domain of the Marketing and Communications Division. Overall emphasis is placed on monitoring and maintaining the City's image and brand as a city "Where History and Progress Meet".

FYE 2018 Program Objectives

- (1) Maintain two new City social media platforms: Facebook & Instagram by January 2018
- (2) Reinvent an existing weekly blog into a digital Community News Publication by March 2018
- (3) Support creation of new print marketing collateral for economic development by August 2018

Ongoing Activity Measures	2016 Actual	2017 Estimated	2018 Proposed	2019 Projected
Newsletters Produced	6	4	4	4
Press Releases Prepared	143	170	175	175
E-News Releases Prepared	151	150	160	175
Tweets	469	500	600	600
LED Messages Programmed	275	200	250	300
Full Time Equivalent Positions	0.25	0.25	0.25	0.25

CITY ADMINISTRATOR'S OFFICE
Marketing and Communications

01-02-08

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
SALARY & WAGES:						
4020 Administrative - Salary	26,485	43,300	27,000	27,600	28,800	30,000
4050 FICA & Medicare	1,997	3,400	2,100	2,200	2,300	2,300
4056 IMRF	3,551	5,400	3,500	3,500	3,600	3,800
Sub-Total	\$32,034	\$52,100	\$32,600	\$33,300	\$34,700	\$36,100
CONTRACTUAL:						
4100 Legal	-	500	-	500	500	500
4107 Newsletter Creation & Distribution	10,330	20,000	20,000	25,000	25,000	28,000
4110 Training and Tuition	-	3,000	2,000	2,500	2,500	3,000
4112 Memberships/Dues/Subscriptions	851	2,500	1,200	2,500	2,500	2,500
4125 Software Maintenance	1,973	2,000	-	1,000	1,500	2,000
4202 Telephone & Alarms	752	1,000	700	1,000	1,000	1,500
4204 Electric	865	1,000	1,000	1,000	1,500	1,500
4211 Printing & Binding	-	5,000	-	5,000	1,000	1,500
4212 Advertising	5,762	50,000	15,000	38,500	40,000	44,000
4225 Other Contractual Services	24,294	105,000	85,000	42,000	66,000	81,000
Sub-Total	\$44,826	\$190,000	\$124,900	\$119,000	\$141,500	\$165,500
COMMODITIES:						
4600 Computer/Office Supplies	210	1,500	-	500	500	500
4628 Gallery 200	6,000	6,000	6,000	6,000	6,000	7,000
4646 Arts Programming Supplies	2,665	17,500	13,500	22,500	17,500	17,500
4680 Special Activities	-	500	-	500	500	500
4700 Prospect Development	440	-	-	-	-	-
Sub-Total	\$9,315	\$25,500	\$19,500	\$29,500	\$24,500	\$25,500
Total	\$86,175	\$267,600	\$177,000	\$181,800	\$200,700	\$227,100

Human Resources
Accounting
IT
GIS
Administration
Total

Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
\$1,709,903	\$1,788,700	\$1,795,100	\$1,910,000	\$2,007,200	\$2,174,500
\$221,606	\$239,400	\$230,300	\$239,100	\$239,400	\$250,800
\$342,761	\$676,400	\$503,900	\$627,400	\$490,400	\$497,800
\$47,955	\$58,400	\$50,500	\$57,000	\$67,000	\$60,700
\$196,538	\$213,000	\$207,000	\$201,800	\$210,000	\$220,300
\$2,518,763	\$2,975,900	\$2,786,800	\$3,035,300	\$3,014,000	\$3,204,100

ADMINISTRATIVE SERVICES
Human Resources

01-05-01

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
SALARY & WAGES:						
4020 Administrative - Salary	83,439	85,400	82,200	86,000	90,300	94,900
4050 FICA & Medicare	6,297	6,600	6,200	6,600	7,000	7,300
4053 Health/Dental/Life Insurance	1,530,513	1,605,800	1,604,700	1,715,900	1,836,100	1,964,700
4056 IMRF	11,185	10,900	10,400	10,700	11,300	11,800
Sub-Total	\$1,631,434	\$1,708,700	\$1,703,500	\$1,819,200	\$1,944,700	\$2,078,700
CONTRACTUAL:						
4100 Legal Fees	34,485	38,000	70,700	35,000	35,000	40,000
4108 Employment Exams	28,854	20,000	3,500	35,000	5,000	35,000
4110 Training and Tuition	-	2,500	-	2,500	2,500	2,500
4112 Memberships and Dues	785	900	800	1,100	1,100	1,100
4202 Telephone and Alarms	5,371	5,500	5,400	5,500	5,500	5,500
4212 Advertising	680	1,200	1,600	1,500	1,500	1,500
Sub-Total	\$70,175	\$68,100	\$82,000	\$80,600	\$50,600	\$85,600
COMMODITIES:						
4600 Computer/Office Supplies	238	500	100	500	500	500
4650 Miscellaneous Commodities	-	200	-	200	200	200
4674 Safety Budget	3,469	5,200	4,400	3,500	5,200	3,500
4680 Employee Events	4,587	6,000	5,100	6,000	6,000	6,000
Sub-Total	\$8,294	\$11,900	\$9,600	\$10,200	\$11,900	\$10,200
Total	\$1,709,903	\$1,788,700	\$1,795,100	\$1,910,000	\$2,007,200	\$2,174,500

ADMINISTRATIVE SERVICES Accounting

01-05-02

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
SALARY & WAGES:						
4020 Administrative - Salary	141,306	145,500	143,500	146,000	153,300	161,000
4029 Overtime	-	200	-	200	200	200
4050 FICA & Medicare	9,846	11,200	11,000	11,200	11,800	12,400
4052 ICMA-RC	1,197	1,400	1,300	1,400	1,500	1,600
4056 IMRF	18,944	18,500	18,100	18,200	19,100	20,100
Sub-Total	\$171,294	\$176,800	\$173,900	\$177,000	\$185,900	\$195,300
CONTRACTUAL:						
4101 Auditing Fees	15,580	17,700	16,000	16,400	15,300	15,700
4108 Employment Exams	-	100	-	-	-	-
4110 Training and Tuition	-	2,500	-	2,500	2,500	2,500
4112 Memberships/Dues/Subscriptions	325	500	400	500	500	500
4125 Software Maintenance	9,822	10,300	10,500	11,000	11,500	12,100
4202 Telephone and Alarms	10,230	11,000	11,800	11,000	6,000	6,000
4225 Other Contractual Services	3,000	3,000	500	3,000	2,000	3,000
4425 Hardware Maintenance	-	-	-	-	-	-
Sub-Total	\$38,958	\$45,100	\$39,200	\$44,400	\$37,800	\$39,800
COMMODITIES:						
4600 Computer/Office Supplies	256	500	400	500	500	500
4650 Miscellaneous Commodities	-	200	-	200	200	200
4702 Bank Fees	11,099	16,800	16,800	17,000	15,000	15,000
Sub-Total	\$11,355	\$17,500	\$17,200	\$17,700	\$15,700	\$15,700
Total	\$221,606	\$239,400	\$230,300	\$239,100	\$239,400	\$250,800

ADMINISTRATIVE SERVICES
Information Technology

01-05-03

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
SALARY & WAGES:						
4020 Administrative - Salary	56,715	58,100	156,900	59,500	62,400	65,500
4050 FICA & Medicare	4,272	4,500	4,400	4,600	4,800	5,100
4056 IMRF	7,603	7,400	7,100	7,400	7,800	8,200
Sub-Total	\$68,590	\$70,000	\$168,400	\$71,500	\$75,000	\$78,800
CONTRACTUAL:						
4105 Consultants	3,583	3,800	1,200	5,000	5,000	5,000
4109 Network Charges	12,609	13,200	13,700	16,300	16,900	16,900
4110 Training and Tuition	-	2,500	-	2,500	2,500	2,500
4112 Memberships/Dues/Subscriptions	-	400	-	400	400	400
4125 Software Maintenance	72,327	95,000	60,000	81,000	81,300	81,300
4202 Telephone and Alarms	1,939	11,400	2,300	11,400	11,400	11,400
4225 Other Contractual Services	22,738	79,500	40,500	39,000	30,000	30,000
4425 Hardware Maintenance	11,970	27,200	16,200	58,700	62,000	62,000
Sub-Total	\$125,165	\$233,000	\$133,900	\$214,300	\$209,500	\$209,500
COMMODITIES:						
4600 Computer/Office Supplies	2,294	6,500	4,600	6,500	6,500	6,500
Sub-Total	\$2,294	\$6,500	\$4,600	\$6,500	\$6,500	\$6,500
CAPITAL OUTLAY:						
4806 Other Capital Outlay	55,430	243,800	132,000	192,200	120,000	120,000
4812 MIS Replacement	91,282	123,100	65,000	142,900	79,400	83,000
Sub-Total	\$146,713	\$366,900	\$197,000	\$335,100	\$199,400	\$203,000
Total	\$342,761	\$676,400	\$503,900	\$627,400	\$490,400	\$497,800

ADMINISTRATIVE SERVICES Geographic Information System

01-05-04

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
SALARY & WAGES:						
4020 Administrative - Salary	20,598	24,400	21,000	25,000	26,300	27,700
4050 FICA & Medicare	1,576	1,900	1,600	2,000	2,100	2,200
4056 IMRF	2,762	3,100	2,600	3,200	3,300	3,500
Sub-Total	\$24,935	\$29,400	\$25,200	\$30,200	\$31,700	\$33,400
CONTRACTUAL:						
4110 Training and Tuition	2,499	2,500	1,900	2,500	2,500	2,500
4112 Memberships/Dues/Subscriptions	55	100	100	200	100	100
4125 Software Maintenance	19,290	19,500	19,400	19,000	19,500	19,500
4202 Telephone and Alarms	431	600	500	600	600	600
4425 Hardware Maintenance	-	2,700	1,300	1,600	1,700	1,700
Sub-Total	\$22,276	\$25,400	\$23,200	\$23,900	\$24,400	\$24,400
COMMODITIES:						
4600 Computer/Office Supplies	706	3,500	2,000	2,800	2,800	2,800
4607 Gas and Oil	39	100	100	100	100	100
Sub-Total	\$745	\$3,600	\$2,100	\$2,900	\$2,900	\$2,900
CAPITAL OUTLAY:						
4806 Other Capital Outlay	-	-	-	-	8,000	-
Sub-Total	\$0	\$0	\$0	\$0	\$8,000	\$0
Total	\$47,955	\$58,400	\$50,500	\$57,000	\$67,000	\$60,700

ADMINISTRATIVE SERVICES Administration

01-05-10

Expense Item	Actual 2016	Budgeted 2017	Estimated 2017	Proposed 2018	Projected 2019	Projected 2020
SALARY & WAGES:						
4020 Administrative - Salary	142,126	145,500	149,900	138,700	145,600	153,000
4029 Overtime	-	100	-	100	100	100
4050 FICA & Medicare	9,228	11,200	11,500	10,700	11,200	11,800
4052 ICMA-RC	4,789	5,300	5,200	5,500	5,800	6,100
4056 IMRF	19,052	18,500	18,700	17,300	18,100	19,000
Sub-Total	\$175,195	\$180,600	\$185,300	\$172,300	\$180,800	\$190,000
CONTRACTUAL:						
4100 Legal Fees	-	1,500	100	1,500	1,500	1,500
4110 Training & Tuition	-	2,500	-	2,500	2,500	2,500
4112 Memberships/Dues/Subscriptions	1,200	1,500	1,200	1,500	1,500	1,500
4202 Telephone and Alarms	1,699	1,500	1,100	1,500	1,500	1,500
4225 Other Contractual Services	-	1,700	500	2,300	1,500	2,300
4300 IRMA General Insurance	4,230	3,900	3,800	3,700	4,000	4,300
4501 Postage Meter Rental	1,508	1,800	1,500	1,600	1,800	1,800
4502 Copier Rental	2,934	6,000	1,900	3,500	3,500	3,500
Sub-Total	\$11,571	\$20,400	\$10,100	\$18,100	\$17,800	\$18,900
COMMODITIES:						
4600 Office Supplies	3,839	5,300	5,700	5,000	5,000	5,000
4613 Postage	5,812	6,300	5,500	6,000	6,000	6,000
4650 Miscellaneous Commodities	-	200	-	200	200	200
4720 Other Charges	121	200	400	200	200	200
Sub-Total	\$9,772	12,000	\$11,600	\$11,400	\$11,400	\$11,400
Total	\$196,538	\$213,000	\$207,000	\$201,800	\$210,000	\$220,300

City of West Chicago

POLICE DEPARTMENT

Financial Summary

Program	2016 Actual	2017 Budgeted	2017 Estimated	2018 Proposed	2019 Projected
Operations	9,835,037	10,303,000	10,065,100	10,108,000	10,642,300
ESDA	14,181	26,500	26,500	19,000	17,800
TOTAL	\$9,849,217	\$10,329,500	\$10,091,600	\$10,127,000	\$10,660,100

City of West Chicago

POLICE DEPARTMENT

Performance Report on FYE 2017 Major Program Objectives

To build a partnership with the Faith-Based Community of West Chicago, staff met with a group of representatives on July 24th. The goals of this initial meeting were to introduce staff to the attendees and discuss how this partnership could work. It was decided this is a good idea and that additional meetings would be beneficial with a structured format. The future goals of this Program are:

- Strengthen partnerships between law enforcement and the Faith-Based Community.
- Further the Faith-Based Community's role as a partner in crime reduction.
- Identify and address social issues that diminish the quality of life for their members.

Upon researching the implementation of a Police Explorer Post, staff learned that this is a hands-on program open to young men and women who are interested in a career in law enforcement or a related field in the criminal justice system. The program offers young adults a personal awareness of the criminal justice system through training, practical experiences, competition and other activities. Additionally, the program promotes personal growth through character development, respect for the rule of law, physical fitness, good citizenship and patriotism, but most importantly, it enhances the relationship between law enforcement and community youths. Therefore, the City will be starting the first ever West Chicago Police Explorer Post in early 2018.

Two Illinois Law Enforcement Accreditation Program (ILEAP) assessors reviewed the Department on October 12th and 13th to ensure that it is in compliance with its policies and procedures. The on-site assessment went well, and staff fully expects to receive notice that the Department will be accredited by the end of 2017.

The City of West Chicago received a grant from ComEd's 2017 Green Region and Powering Safe Communities Grant Program in the amount of \$9,368.90 for the purchase and installation of a new outdoor warning siren. There are currently seven warning sirens in the City. The City is proposing to install a new siren in the area of Atlantic Drive and Illinois Route 64. At approximately fifteen square miles, the City of West Chicago needs additional coverage from the outdoor warning system. West Chicago will leverage this generous grant with approximately \$15,000 of City funds to meet the estimated total project cost of \$25,000. The siren should be installed and operational in early 2018.