

Department Budget Summary

This section includes a review of the proposed operational budget by department.

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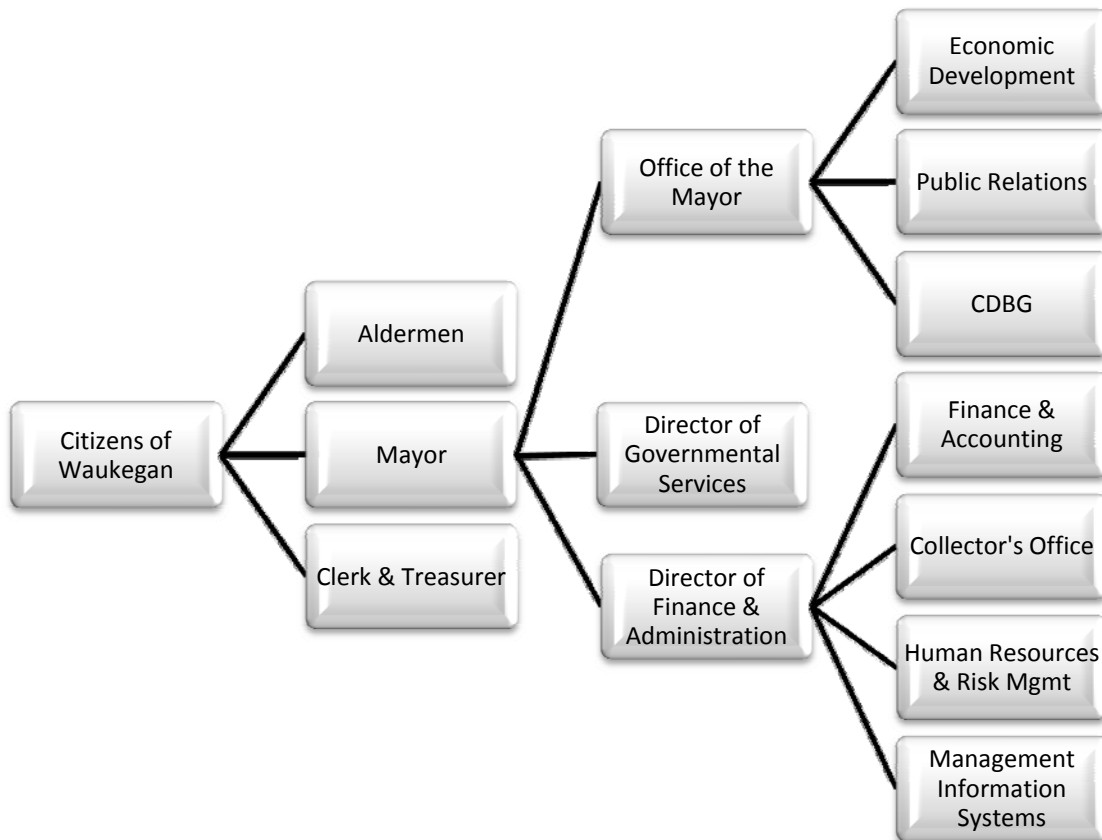
Central Services

Central Services Department Description

The City operates under a Mayor-aldermanic form of government. Administration of City government is headed by the Mayor who is elected on an at-large basis for a four-year term. As head of the local governmental unit, the Mayor serves as the Chief Administrative and Executive Officer of the City. In this capacity the Mayor is responsible for administering the policies enacted by the Council, for making recommendations to the City Council on matters of legislation, finances, capital improvements, and programs and policies as applicable.

The Mayor's Office is responsible for economic development, public relations, marketing, special events and community outreach. In addition, the City administers CDBG programs for the assistance in residential rehabilitation, public services, and limited public facility improvements.

The City Council is comprised of nine aldermen representing nine wards of the City Council. The work of the City Council is shared by seven committees: Judiciary, Finance, Public Safety, Public Works, Insurance/Risk Management, Labor Relations and Genesee Theater.



The City Clerk and City Treasurer are also elected officials. The City Clerk administers Federal, State and Local procedures through which local government representatives are selected. The Clerk assists candidates in meeting their legal responsibilities before, during and after an election. As the key staff for Council meetings, the Clerk prepares the legislative Agenda, verifies legal notices have been posted or published, and completes the necessary arrangements to ensure an effective meeting. By statute, the Clerk is required to maintain and index the Minutes, Ordinances and Resolutions adopted by the legislative body. The City Clerk also ensures that other municipal records are readily accessible to the public. The Clerk also supervises the municipally owned parking garage.

The City Treasurer is responsible for receipt, deposit and recording of all bank and cash deposits, is responsible for management of the city investment program, and is responsible for administering, collecting and processing cash collections.

The Finance and Administration Department includes Finance & Accounting, Collector's Office, Human Resources / Risk Management, and Management Information Systems. The Collector's Office is responsible for the billing and collection of fees and service charges; ensuring the timely collection and recording of all monies collected; diligently applying City Ordinances, regulations and other enforcement aids related to the timely collection and recording of monies.

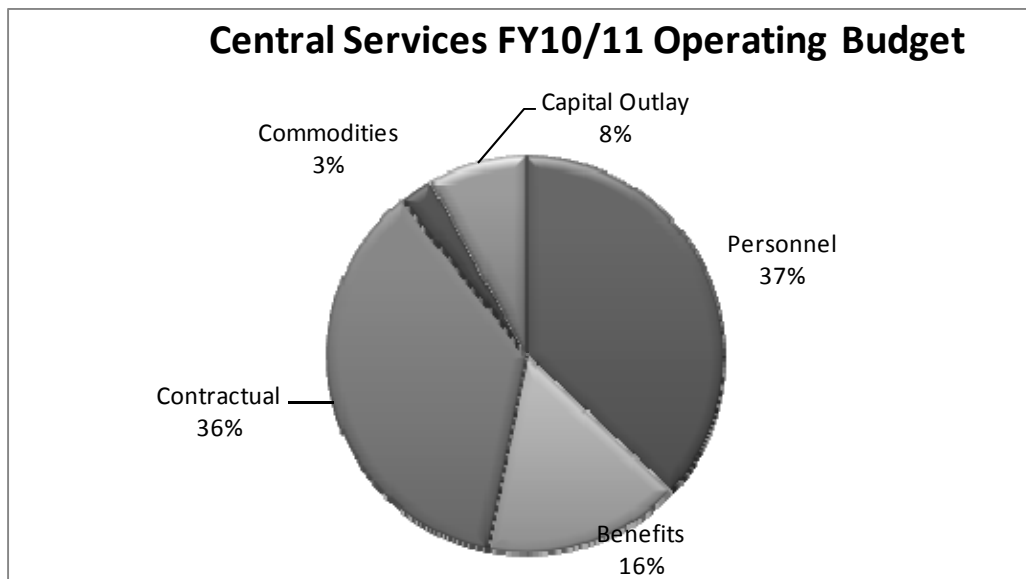
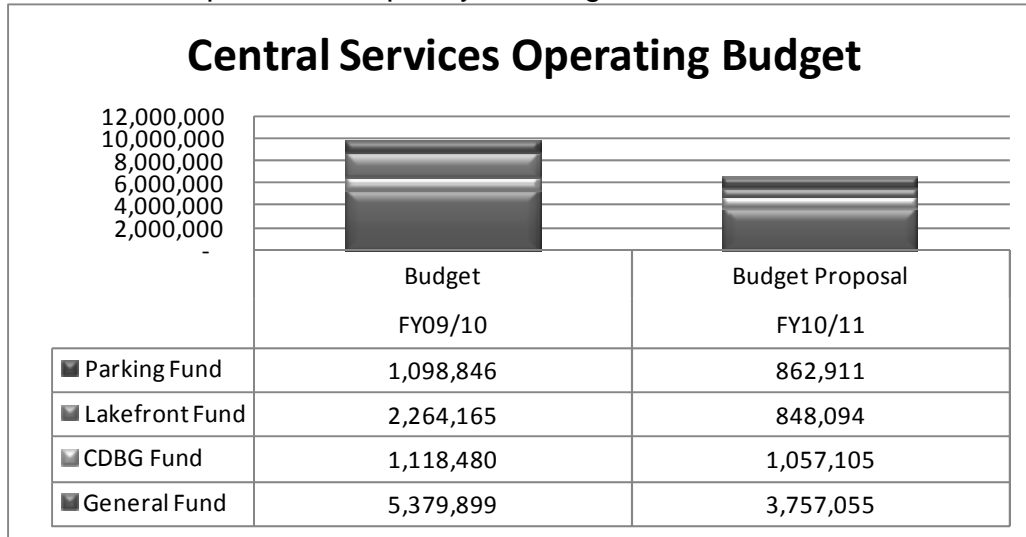
The Finance Department is charged with safeguarding the City's assets; managing and maintaining financial records in conformity with generally accepted accounting principles and in compliance with State and Federal laws; processing vendor and payroll payments in an accurate and timely fashion; developing and maintaining effective and efficient budgets for financial planning, reporting and central support systems in order to support the operating departments in achieving their program objectives; and providing the Mayor and City Council with financial information on a timely and meaningful basis.

Human Resources provides competent, courteous, and professional assistance to all City employee; administers employee benefits and changes in employment status; maintains accurate and confidential records; ensures compliance with City policies and employment and benefit laws; interacts with the larger community in the area of recruitment and hiring; and identifies, evaluates and controls loss exposures faced by the City via the Risk Management program.

The Management Information Systems Department provides functional, reliable, secure information systems of the highest quality through the consulting, design, programming, and operational resources required by City's employees and residents; and works to ensure the input, processing, output, storage, and control of the City's various computerized systems provide end users with timely and useful information.

Central Services Budget Request

The Department's operations and personnel are accounted for in three City funds that will be discussed in this section: the General Fund (Fund 100); the CDGB Community Development Block Grant Fund (Fund 245); the Lakefront & Downtown Redevelopment Fund (Fund 260) and the Motor Vehicle Parking Fund (Fund 595). In the past, Central Services also accounted for personnel in the Internal Service Funds; however, that practice is not being continued for the 10/11 budget proposal. Central Services' total operating budget request for the fiscal year is \$6.5 million, a \$3.3 million or -34% decrease compared to the prior year budget.



Of this total budget request, \$3.5 million, or 53% account for personnel and benefits. Personnel in Central Services include employees covered by the Service Employees International

Union (SEIU) contract, elected officials and non-union personnel.

The planned decrease in headcount includes eliminating Municipal Beach positions, Municipal Band positions as well as cuts to full and part time administrative positions. This will undoubtedly have an adverse impact on customer service levels afforded the City's business and residential customers.

Central Services	<u>FY09/10</u>	<u>FY10/11</u>	<u>Change</u>
General Fund	129	33	(96)
Lakefront / CDBG Funds	6	6	-
Parking Garage	4	2	(2)
Internal Service Funds	4	-	(4)
	143	41	(102)

At the time this proposal the Department's employee groups do not have a COLA bargained or agreed to at the present time related to fiscal year 10/11. It should be noted that this may change

as the collective bargaining process moves forward on contracts set to expire April 30, 2010. All employees are able to receive a step increase upon anniversary date, which varies depending on employee classification, if they are not topped out in their salary range. Employees Grade 12 and above will be subject to twelve unpaid furlough days for the fiscal year.

The Department's full-time employees are part of the City's fringe benefit programs including medical / dental insurance, workers compensation / general liability coverage, and pension plans. The budgeted employer cost per employee for medical/dental coverage is \$12,700 annually. The Department's active employee medical coverage is budgeted at \$489 thousand and the Department's share of retiree health insurance is budgeted at \$65 thousand. Workers compensation insurance is budgeted for \$1,000 annually per employee, and general liability at \$750 per employee. Total Department workers compensation is budgeted for \$29 thousand, and general liability coverage is just over \$21 thousand.

The Department's full-time employees and elected officials participate in the Illinois Municipal Retirement Pension Plan (IMRF). The employer contribution rate is budgeted at 9% of wages paid during the year, for a total budget of \$193 thousand.

The balance of the budget relates to contractual costs, 36%, commodities, 3%, and limited capital outlay at 8%. The majority of these relate to programs in the CDBG or Lakefront Redevelopment Fund to be discussed in more detail later in this report.

Central Services - General Fund

WAUKEGAN CENTRAL SERVICES						
	FY07/08	FY 08/09	FY 09/10	FY 10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel Services	2,169,143	2,207,922	2,312,110	1,915,340	(396,770)	-17%
Benefits	2,096,163	2,172,599	2,200,164	856,478	(1,343,687)	-61%
Contractual Services	1,975,610	1,729,497	689,875	727,108	37,233	5%
Commodities	152,932	81,616	66,750	158,130	91,380	137%
Capital Outlay	85,320	64,774	111,000	100,000	(11,000)	-10%
WAUKEGAN CENTRAL SERV	6,479,167	6,256,408	5,379,899	3,757,055	(1,622,844)	-30%

Central Admin - General Fund	FY09/10	FY10/11	Change
Account Technician	1	1	-
Admin Asst	4	2	(2)
Alderman	9	9	-
Assistant Band Director	1	-	(1)
Assistant Finance Director	1	1	-
Beach Laborer	19	-	(19)
Budget Analyst	1	-	(1)
City Clerk	1	1	-
City Collector	1	1	-
City Treasurer	1	1	-
Clerical Tech	4	2	(2)
Community Liaison Officer	1	1	-
D/P Systems Operator	1	1	-
Deputy City Clerk	1	1	-
Deputy City Treasurer	1	1	-
Director of Governmental Services	1	1	-
Executive Secretary	1	1	-
Director of Finance & Admin.	1	1	-
Finance PT Clerical	1	-	(1)
Fiscal Asst.	1	-	(1)
HR Analyst	1	1	-
HR Director	1	1	-
Licensing Assistant	1	1	-
Mayor	1	1	-
MIS Director	1	1	-
Municipal Band Director	2	-	(2)
Municipal Band Member	64	-	(64)
Office Supervisor	1	-	(1)
PR Director	1	1	-
PT Clerical Collector's Office	1	-	(1)
PT Clerical Treasurer's Office	1	-	(1)
Senior Accountant	2	2	-
	129	33	(96)

A summary of the Central Services General Fund expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown above. Due to Early Retirement Initiative, the Voluntary Separation Plan and layoffs, Central Services is realizing significant budgetary savings compared to the prior year of \$397 thousand, down -17%, and \$1.3 million, down -61%, in the personnel and benefits categories respectively. This dramatic decrease in benefits resulted from moving retiree medical insurance from Central Services to the departments generating those costs – a more accurate reflection of the cost allocation.

Commodities have increased to account for ongoing expenses in addition to the enhancement of marketing collateral and other items. The hopes are to shift the City's perception to one of a viable economic investment opportunity. The Department has held contractual at a 5%

increase, capital outlay category has declined 10%.

Central Services - CDBG & Lakefront Redevelopment Funds

	FY07/08	FY08/09	FY09/10	FY10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
CDBG (Fund 245)						
Personnel Services	256,005	273,290	274,579	275,794	1,215	0%
Benefits	127,599	141,197	149,863	119,638	(30,225)	-20%
Contractual	414,565	360,566	392,843	581,348	188,505	48%
Commodities	5,046	3,796	6,195	5,325	(870)	-14%
Capital	371,274	240,691	295,000	75,000	(220,000)	-75%
Total	1,174,489	1,019,539	1,118,480	1,057,105	(61,375)	-5%

	FY07/08	FY08/09	FY09/10	FY10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Lakefront Redev (Fund 260)						
Personnel Services	147,053	145,570	124,671	120,441	(4,230)	-3%
Benefits	54,740	64,894	52,635	36,523	(16,112)	-31%
Contractual	1,632,883	1,587,340	1,480,859	335,080	(1,145,779)	-77%
Commodities	7,173	22,446	4,000	6,050	2,050	51%
Capital	211,306	423,376	602,000	350,000	(252,000)	-42%
Total	2,053,155	2,243,626	2,264,165	848,094	(1,416,071)	-63%

Central Services - Lakefront & CDBG Funds	<u>FY09/10</u>	<u>FY10/11</u>	<u>Change</u>
Assistant Rehabilitation Coord.	1	1	-
CDBG Director	1	1	-
Compliance Coordinator	1	1	-
Director of Lakefront Development	1	1	-
Fiscal Assistant	1	1	-
Housing Rehabilitation Asst.	1	1	-
	6	6	-

Expenditures in the CDBG are fully reimbursed by Federal and Local sources. A summary of the Central Services CDBG Fund expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown above.

There is no change to personnel levels, and more realistic assumption is now being used for benefit costs.

The Lakefront Redevelopment Fund accounts for one full time position and a reduced amount of economic development projects compared to the previous year. Current funding includes a Citywide marketing plan, facility redevelopment and feasibility studies for future projects.

Central Services – Motor Parking Garage Fund

PARKING FUND EXPENSES	FY07/08	FY 08/09	FY 09/10	FY 10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel	112,268	117,247	117,778	101,810	(15,968)	86%
Benefits	34,841	48,284	48,951	45,851	(3,100)	94%
Contratual	96,748	218,228	104,700	74,500	(30,200)	71%
Commodities	101,121	34,856	38,000	7,250	(30,750)	19%
Princ & Interest	542,634	142,627	639,417	588,500	(50,917)	92%
Capital	7,850	5,565	30,000	-	(30,000)	0%
Misc.	615,898	20,718	120,000	45,000	(75,000)	38%
Total Expenditures	1,511,359	587,524	1,098,846	862,911	(235,935)	79%

Central Services - Parking Lot Fund	<u>FY09/10</u>	<u>FY10/11</u>	<u>Change</u>
Laborer	2	-	(2)
Parking Lot Attendant	1	1	
Parking Lot Supervisors	1	1	-
	4	2	(2)

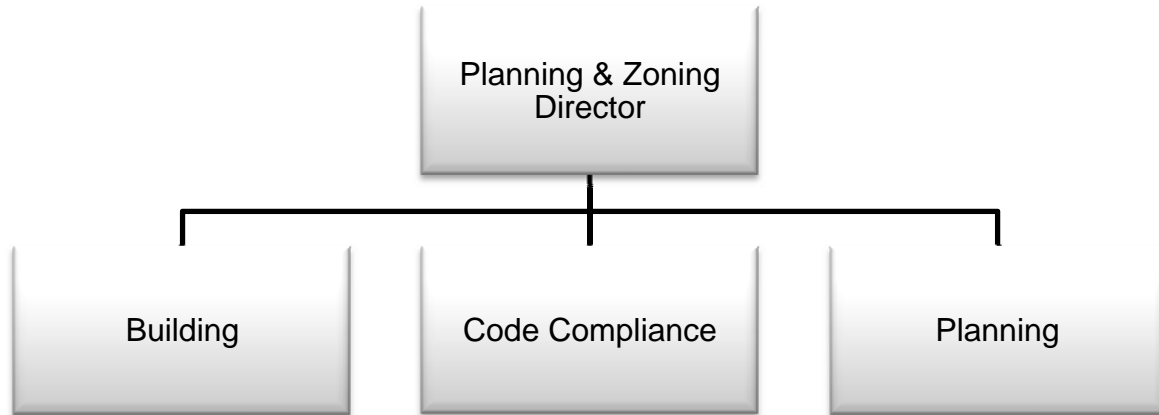
Full and part-time personnel dedicated to the Parking Lot operations are planned to decrease by two positions. Overall expenditures are planned to decrease in

tandem with the declining revenue associated with these operations.

Building, Planning & Development

Building, Planning & Development Department Description

The Waukegan Building, Planning and Development Department reviews plans for development, is responsible for enforcement of property-related ordinances and code compliance, rental inspections and construction inspection.



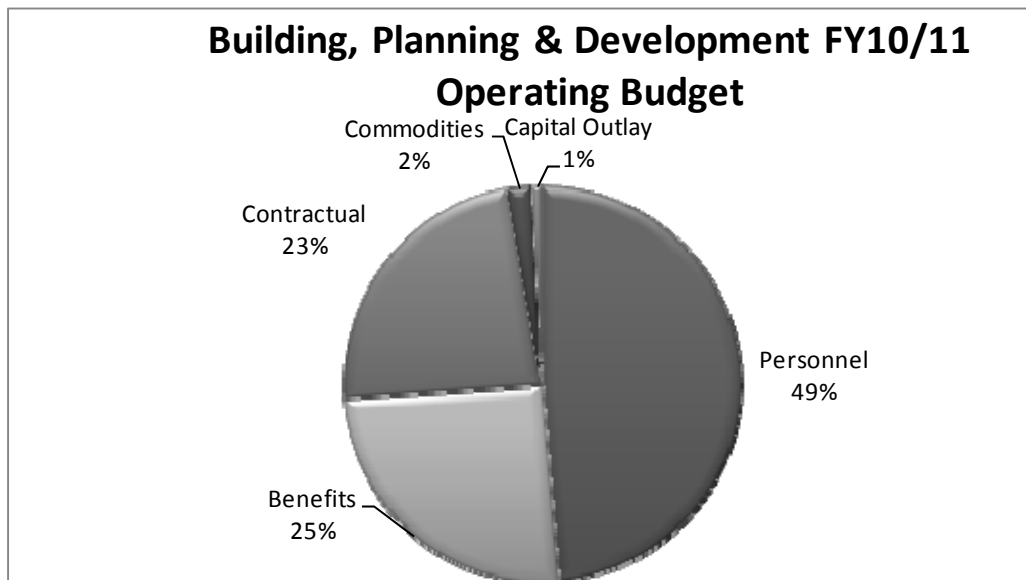
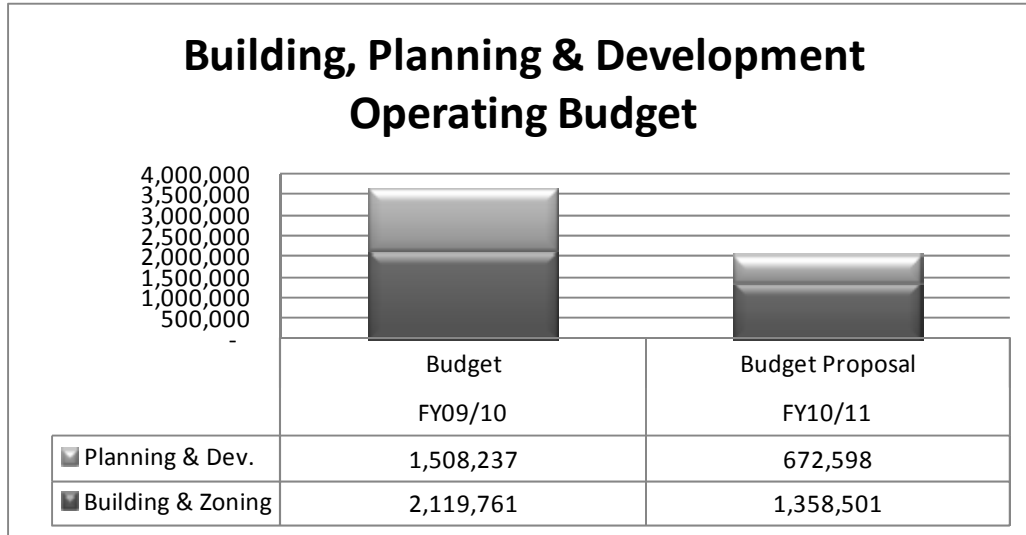
The Planning division provides staff support to the Development Commission and City Council, including reviewing and providing recommendations on all land use matters presented to the Commission and Council. The division also provides staff support to several community groups involved in the historical preservation and future development in the City of Waukegan. The division reviews plans of development for compliance with various City ordinances, including subdivision, landscaping and zoning.

Code Compliance is responsible for various regulations including the BOCA Property Maintenance Code, Sign Ordinance, and Zoning Ordinance, etc. This division also oversees the Rental Inspection Program. It is anticipated that the division will also initiate a program to address the growing vacant property issues in the City.

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

Building, Planning & Development Budget Request

The Department's operations and personnel are accounted for in two cost centers within the General Fund. The Building & Zoning cost center, and the Planning & Development cost center. The total departmental request for fiscal year 10/11 is \$2 million, which is a \$1.6 million, or -44% decreases versus the prior year budget.



Of this total budget request, \$1.5 million, or 74% account for personnel and benefits. Personnel in the Building, Planning and Development Department include employees covered by

the Service Employees International Union (SEIU) contract and non-union personnel.

While there is a planned decrease in workforce, it should be noted that a new

Building, Zoning & Development	<u>FY09/10</u>	<u>FY10/11</u>	<u>Change</u>
Building & Zoning General Fund	26	13	(13)
Planning & Development General Fund	14	3	(11)
	40	16	(24)

ordinance, if approved by Council, may require more man hours than originally anticipated. The vacant property registry, modeled

on Chicago's successful initiative, targets the responsible parties for vacant properties throughout the City. At least at start up, if not throughout program maintenance, this initiative will require the attention of the entire Code Compliance staff. Once established, it should increase efficiency and reduce demands on staff time. While property owners abandon from homes and properties sit vacant and deteriorating, the Code Compliance Department has become increasingly reactionary allowing less time for proactive and lasting improvement planning for the community.

At the time this proposal, the following information was used for budget assumptions. The Department's employee groups do not have a COLA bargained or agreed to at the present time related to fiscal year 10/11. It should be noted that this may change as the collective bargaining process moves forward on contracts set to expire April 30, 2010. All employees are able to receive a step increase upon anniversary date, which varies depending on employee classification, if they are not topped out in their salary range. Employees Grade 12 and above will be subject to twelve unpaid furlough days, and the Waukegan Development Commission will be unpaid for the fiscal year.

The Department's full-time employees are part of the City's fringe benefit programs including medical / dental insurance, workers compensation / general liability coverage, and pension plans. The budgeted employer cost per employee for medical/dental coverage is \$12,700 annually. The Department's active employee medical coverage is budgeted at \$191 thousand and the Department's share of retiree health insurance is budgeted at \$65 thousand. Workers compensation insurance is budgeted for \$1,000 annually per employee, and general liability at \$750 per employee. Total Department workers compensation is budgeted for \$17 thousand, and general liability coverage is just under \$13 thousand.

The Department's full-time employees participate in the Illinois Municipal Retirement Pension Plan (IMRF). The employer contribution rate is budgeted at 9% of wages paid during the year, for a total budget of \$92 thousand.

The balance of the budget relates to contractual costs, 23%, commodities, 2%, and limited capital outlay at 1%.

Building & Zoning - General Fund

WAUKEGAN BUILDING & ZONING						
	FY07/08	FY 08/09	FY09/10	FY 10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel Services	1,259,807	1,324,879	1,297,746	749,700	(548,046)	-42%
Benefits	592,135	662,399	645,280	417,335	(227,945)	-35%
Contractual Services	191,710	188,105	139,785	139,785	-	0%
Commodities	50,053	42,829	36,950	36,950	-	0%
Capital Outlay	15,161	23,065	-	14,731	14,731	N/A
WAUKEGAN BUILDING & ZONING	2,108,866	2,241,277	2,119,761	1,358,501	(761,260)	-36%

Building & Zoning - General Fund	FY09/10	FY10/11	Change
Admin Asst	1	-	(1)
Assistant Bldg Commissioner	1	-	(1)
Asst. Bldg Inspector	1	1	-
Bldg Commissioner	1	1	-
Building Inspector	1	1	-
Clerical Tech	6	1	(5)
Code Enforcement Officer	9	6	(3)
Code Enforcement Supervisor	1	1	-
Electrical Inspector	1	1	-
Office Supervisor	1	-	(1)
PT Clerical	1	-	(1)
Plumbing Inspector	1	1	-
Zoning Inspector	1	-	(1)
	26	13	(13)

A summary of the Building and Zoning General Fund expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown above. Due to Early Retirement Initiative, the Voluntary Separation Plan and layoffs, the Department is realizing significant budgetary savings compared to the prior year of \$548 thousand, down -42%, and

\$228 thousand, down -35%, in the personnel and benefits categories respectively.

The Department has held contractual and commodity budgets flat, further earmarking funding for limited equipment and computer hardware / software in the capital outlay category.

Planning & Development - General Fund

PLANNING & DEVELOPMENT	FY07/08	FY 08/09	FY 09/10	FY 10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel Services	352,224	350,048	328,055	238,200	(89,855)	-27%
Personnel Benefits	158,184	156,377	142,279	95,548	(46,731)	-33%
Contractual Services	1,030,893	759,117	1,033,553	334,850	(698,703)	-68%
Commodities	4,119	2,833	4,350	4,000	(350)	-8%
Capital Outlay	-	825	-	-	-	N/A
PLANNING & DEVELOPMENT	1,545,420	1,269,200	1,508,237	672,598	(835,639)	-55%

A summary of the Planning and Development General Fund expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown above. The total request is \$836 thousand, which is -55% lower than the prior year budget.

Planning & Development - General	FY09/10	FY10/11	Change
Admin Asst	1	-	(1)
Assistant Planner	1	-	(1)
Planning & Zoning Director	1	1	-
Plat Administrator	1	1	-
Senior Planner	1	1	-
Waukegan Development Commission	9	-	(9)
	14	3	(11)

Due to the Voluntary Separation Plan, lay-offs and the waiver of pay for the Commission, the Department has seen a decrease in headcount. As a result, the department is realizing

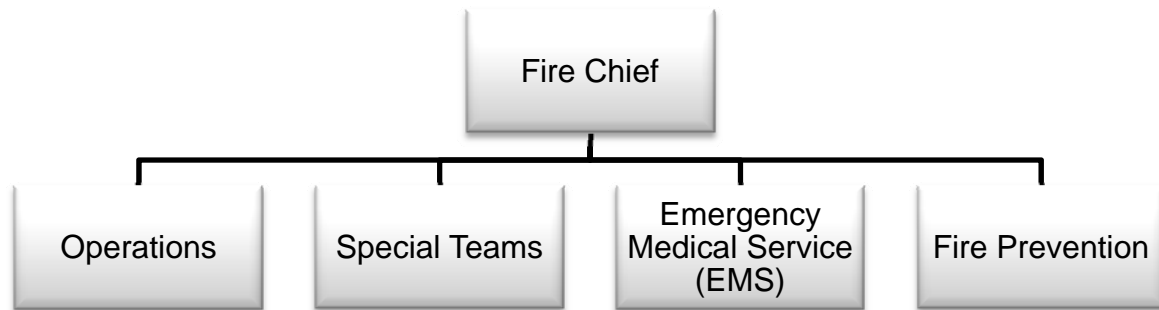
budgetary savings compared to the prior year of \$90 thousand, down -27%, and \$47 thousand, down -33%, in the personnel and benefits categories respectively. The Department's prior year contractual obligations included interest payments on the Fountain Square property line-of-credit, which was refinanced and moved to the more

appropriate Bond Fund. The most significant contractual expense includes sales tax rebates for \$240 thousand.

Fire Department

Fire Department Description

The Waukegan Fire Department serves to safeguard the lives and property of the citizens of Waukegan through professionalism, dedication to duty, integrity and training. The Department strives to enhance lives and foster economic growth through leadership, management and actions as an all life safety response provider. The Department seeks to effectively manage the resources of the Department; develop a system to minimize impacts of disasters and other life safety emergencies; provide an effective Emergency Medical Services System; provide Public Education to all residents; and, provide an effective Fire Prevention Bureau System.



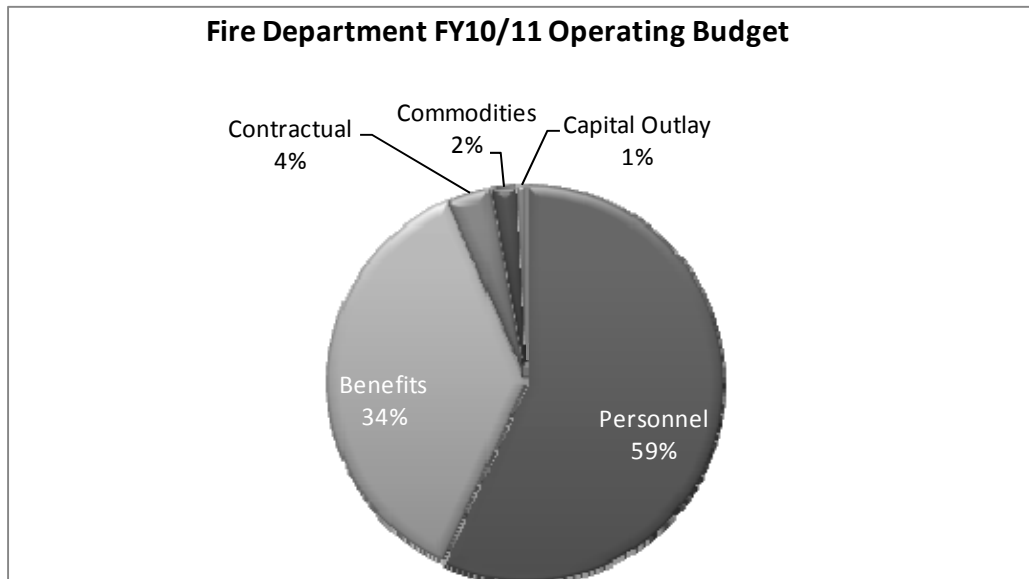
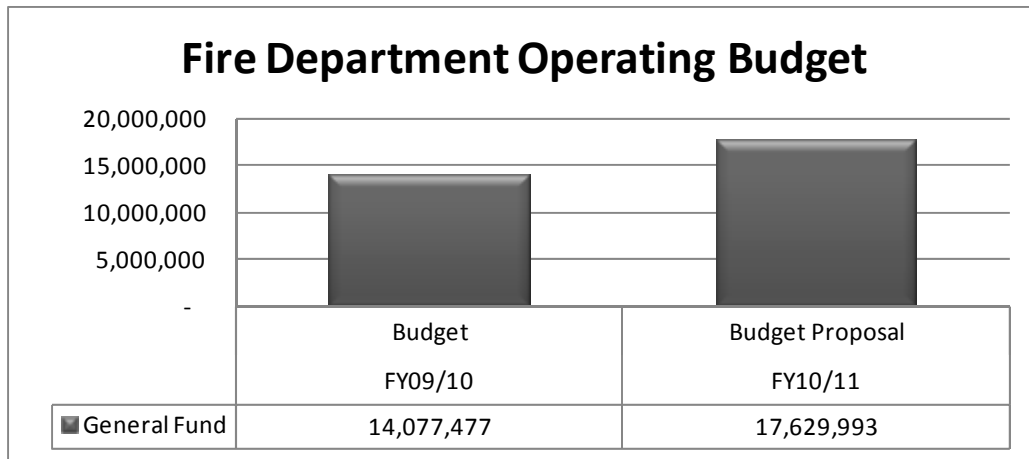
In 2008, the Waukegan Fire Department responded to 10,021 incidents including Emergency Medical Services (EMS), Fire, and Rescue Calls. The Fire Prevention Bureau completed Fire/Life safety inspections on 3,294 properties and conducted 221 plan reviews. These numbers represent a 5% increase in incidents and an 8% decrease in the previous years' inspection numbers due to both the retirement of a Fire Prevention inspector and the lack of building construction and renovation due to the economy.

The training division, Fire Officer Staff, and EMS System conducted or provided oversight on training that totaled 39,287 man-hours for calendar year 2008. Training hours were increased 5% over the previous year. Firefighters and officers spent a total of 16,120 man-hours on Fire Station, Apparatus, and Equipment maintenance. These hours represent an increase of 3% over the previous year. In addition, 3,854 man-hours were invested into various department programs while special projects required 4,850 man-hours to complete. Work on department programs in 2008 also represented a 4% increase over the previous year while special projects increased by 2.5% from a

year ago. The Department continues to conduct training with neighboring Fire/Rescue agencies to improve public safety in our multi-jurisdictional (mutual aid) Automatic Response Areas.

Fire Department Budget Request

The Department’s operations and personnel are accounted for entirely in the General Fund (Fund 100). The total Fire Department operating budget request for fiscal year 10/11 is \$17.7 million, which is a \$3.6 million, or 25% increase over the prior year budget.



Of this total, \$16.5 million, or 94% account for personnel and benefits. Personnel in the Fire Department include employees covered by the following Collective Bargaining Agreements

(CBA): International Association of Firefighters (IAFF), Service Employees International Unions (SEIU), and non-union personnel. The Benefits category is \$3.5 million, or 118%, higher than the prior year. This is most notably due to the fact that in the fiscal year 09/10 budget, the City’s employer contribution to the Fire Pension Fund was not budgeted in the General Fund, and costs associated with retiree health insurance have been moved to the departments generating those costs. In addition, costs of employee

medical insurance, workers compensation and general liability coverage, and employer taxes are expected to rise.

This plan incorporates moving to a minimum of one and a maximum of three jump-stations for daily operations rather than closing a fire station. Arguments for using jump stations rather than closing a station include: all response areas would not have to be configured; dispatch computer system will not need to be reconfigured; ARA agreements will not need to be renegotiated, and all current stations will remain open and be maintained.

WAUKEGAN FIRE DEPARTMENT						
	FY07/08	FY 08/09	FY 09/10	FY 10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel Services	8,682,178	10,149,465	9,976,338	10,038,268	61,930	1%
Benefits	4,722,251	5,111,334	2,955,135	6,445,721	3,490,586	118%
Contractual Services	716,449	507,152	633,949	633,949	-	0%
Commodities	493,425	361,185	386,555	386,555	-	0%
Capital Outlay	1,022,943	2,564	125,500	125,500	-	0%
WAUKEGAN FIRE DEPARTME	15,637,246	16,131,700	14,077,477	17,629,993	3,552,516	25%

At the time of this proposal, the following information was used for budget assumptions. IAFF Lieutenants will receive a deferred \$750 Equity Increase per the Variance Agreement dated July 2009, and the agreed-upon 4% Cost of Living Adjustment (COLA) on May 1, 2010 per the CBA. On May 1st, IAFF Firefighters will receive a deferred \$750 Equity Increase and deferred COLA of 4% per the Variance Agreement dated July 2009. The remaining employee groups do not have a COLA bargained or agreed to at the present time related to fiscal year 10/11. It should be noted that this may change as the collective bargaining process moves forward on contracts set to expire April 30, 2010. All employees are able to receive a step increase upon anniversary date, which varies depending on employee classification, if they are not topped out in their salary range. Managerial employees, including those covered by the City's Salary Ordinances Grade 12 and non-bargained Fire Brass will be subject to twelve unpaid furlough days for the fiscal year.

Fire Dept. - General Fund	FY09/10	FY10/11	Change
Admin Asst	2	1	(1)
Clerical Tech	1	1	-
Fire Battalion Chief	4	4	-
Fire Captain	5	3	(2)
Fire Chief	1	1	-
Fire Deputy Chief	1	1	-
Fire Lieutenant	21	21	-
Fire Marshall	1	1	-
Fire Prevention Inspector	2	1	(1)
Firefighter	83	76	(7)
Master Mechanic	1	1	-
Public Safety MIS Coordinator	1	1	-
	123	112	(11)

Due to Early Retirement Initiative, Voluntary Separation Plan and lay-offs, the Departments overall headcount will decrease versus the prior year. The Department's full-time employees are part of the City's fringe benefit programs including medical / dental insurance, workers compensation / general liability coverage, and pension plans. The budgeted employer cost per employee for

medical/dental coverage is \$12,700 annually. The Department's active employee

medical coverage is budgeted at \$1.4 million, PSEBA medical coverage at \$82 thousand, and the Department's share of retiree health insurance is budgeted at \$520 thousand. Sworn public safety personnel have a higher risk of workers compensation claims therefore, a budget assumption of employer cost for workers compensation is \$15,000 per sworn employee and \$1,000 annually for civilian personnel. An assumption of \$750 annually is made for general liability costs which are also included. Total Department workers compensation is budgeted for \$1.5 million, and general liability coverage is just over \$82 thousand.

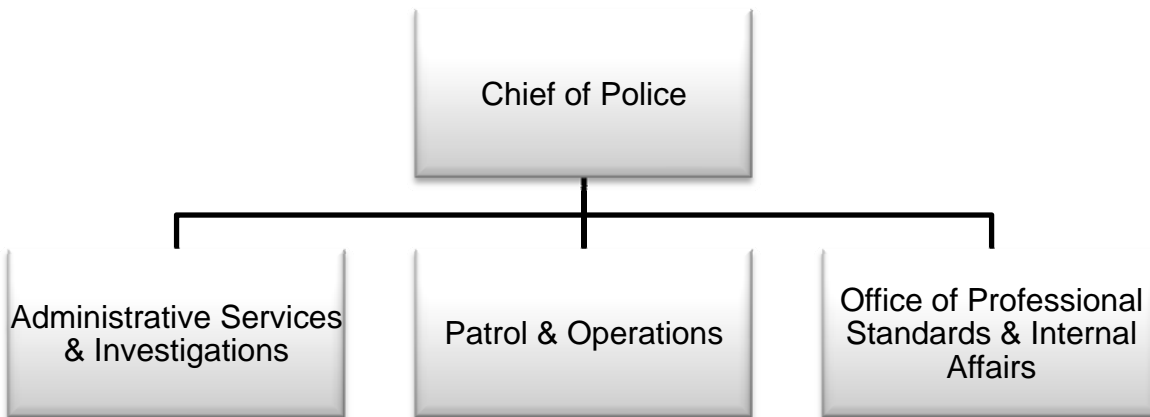
The Department's full-time employees participate in two of the City's pension programs. Non-sworn personnel qualify for the Illinois Municipal Retirement Pension Plan (IMRF). The employer contribution rate is budgeted at 9% of wages paid during the year for a total Department budget of \$146 thousand. Lump sum employer contributions are made to the Fire Pension based upon an independent actuarial calculation. The fiscal year 10/11 lump sum contribution is \$2.6 million for the Fire Pension. This is roughly equal to 29% of sworn officers' base salary.

The remaining \$1.1 million, or 5%, is allocated to contractual, commodities, and capital outlay expenses including equipment lease payments, fuel, supplies, and limited other purchases.

Police Department

Police Department Description

The Waukegan Police Department exists to serve the public, enforce laws, maintain order, and protect the constitutional rights of all people. The Waukegan Police Department subscribes to the Law Enforcement Code of Ethics as adopted by the International Association of Chiefs of Police as a guideline for all personnel in the performance of their duties. All departmental personnel are fully aware of the ethical responsibilities of their position and strive constantly to live up to the highest standards of professional policing. All Officers are sworn to uphold the law as well as protect human life and property.



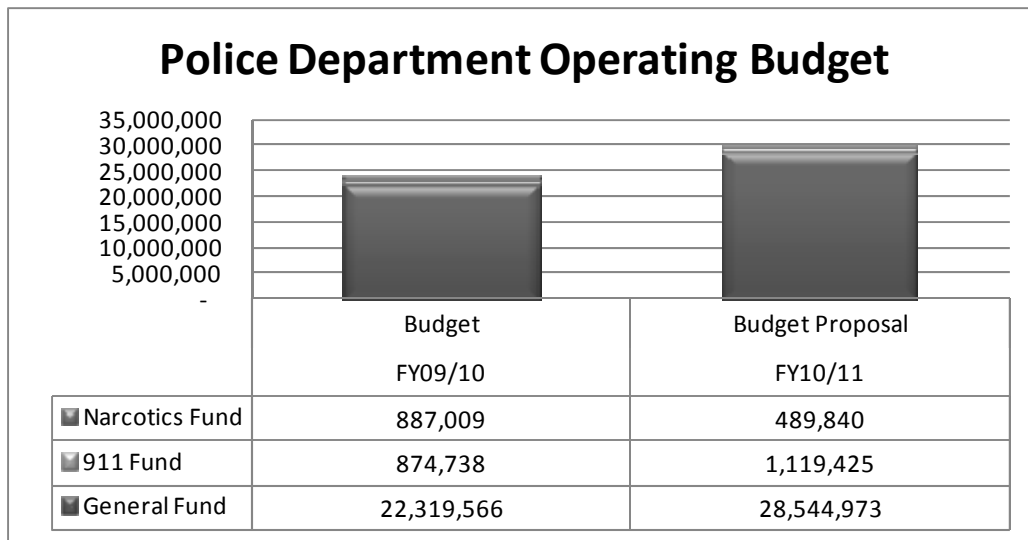
Numerous techniques are used to accomplish the mission of the Waukegan Police Department. Community policing is a concept in use that teams the Department with individual neighborhoods in identifying problems, creating solutions and executing a plan. This approach creates trust in the Department as well as encourages cooperation amongst neighbors. Special Operations enforcement is used to eradicate drug and gang crime through the use of undercover, tactical and interagency actions. Many of the repeat criminal offenders in our society are discovered through this type of police action. Criminal investigations are important to our community as they dedicate resources to the investigation of complex crimes that may involve more than a single victim or those crimes that appear to be related and part of what is traditionally referred to as a “crime spree.” Maintaining a Criminal Investigations Division is important to any community of significant size.

The Waukegan Police Department Evidence Division acts as a repository of all recovered criminal evidence as well as seized contraband, found items and forfeited assets. Thousands of items are submitted to evidence throughout the year. Each is

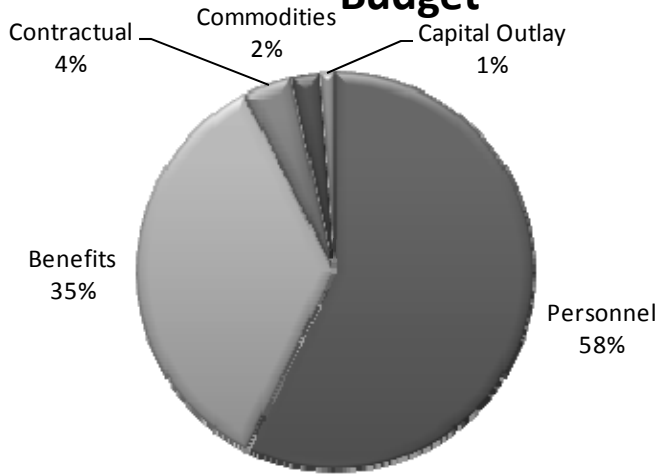
recorded and stored or sent to the Northern Illinois Crime Lab for further processing. The Communications and Records Divisions of the Waukegan Police Department provide collateral support to the law enforcement mission. Communications consists of civilian personnel who answer both emergency 9-1-1 calls and non-emergency calls for fire, police and EMS services. Additionally, Communications personnel maintain interagency law enforcement data systems such as the Law Enforcement Agency Data System (LEADS) and the National Crime Information Computer (NCIC). The Records Division controls all police reports, accident reports, arrest records and fingerprint data. All requests for police-related records must be processed through this division. Dissemination of arrest information is accomplished electronically between various local, state and federal law enforcement entities.

Police Department Budget Request

The Department’s operations and personnel are accounted for in three City funds that will be discussed in this section: the General Fund (Fund 100); the 911 Emergency Telephone System Fund (Fund 232); and the Narcotics Forfeiture Reimbursements Fund (Fund 296). The total Police Department operating budget request for fiscal year 10/11 is \$30.2 million, which is a \$6 million, or 25% increase over the prior year budget.



Police Department FY10/11 Operating Budget



Of this total, \$27.9 million, or 93% account for personnel and benefits. The Police Department includes employees covered by the following Collective Bargaining Agreements (CBA):

American Federation of State, County & Municipal Employees (AFSCME), Metropolitan Alliance of Police (MAP), Police Benevolent Labor Committee (PBLC), Service Employees International Unions (SEIU), and non-union personnel.

Police Department	FY09/10	FY10/11	Change
General Fund	261	222	(39)
911 Fund	2	3	1
Narcotics Fund	5	3	(2)
	268	228	(40)

Due to the Early Retirement Initiative, Voluntary Separation Plan, and lay-offs, the Department is seeing a decline in full and part time

positions versus the prior year. The Department has operated with a steadily reduced work force for several years. In 2004 the authorized strength of sworn personnel within the department was 172 sworn personnel. The budget proposed for 10/11 budget has an authorized strength of 150 sworn personnel. During this time the Department endeavored to maintain the high levels of service that the community has come to expect. This was accomplished by reducing the number of full-time positions and hiring part-time personnel to fill in the operational gaps at a reduced cost to the public. The City was forced to make some hard choices regarding personnel in the past year within the confines of Collective Bargaining Agreements. At that time part-time and seasonal employees with the exception of school crossing guards were laid off. This necessitated a realignment of police services throughout the organization. Further reallocation of sworn personnel may be subject to the following scenarios for the upcoming fiscal year:

- Reassignment of personnel assigned to the N.E.T. (Gang & Drug Units) to the Patrol Division.
- Reassignment of personnel from Fusion and SIG Teams (Patrol Division Street tactical units assigned to address neighborhood issues of crime and disorder) to Patrol Division shifts.
- Reassignment of personnel from the Administrative Community Service Division and DARE (Sex Offender Compliance, Neighborhood Watch, Nuisance

Abatement, Training, Tobacco Enforcement & Alcohol Enforcement Programs, Child ID Program, Landlord Training Program, Crime Prevention Officer, Residential & Business Security Survey Initiatives) to the Patrol Division.

At the time of this proposal, the following information was used for budget assumptions. PBLC employees will receive a 3% Cost of Living Adjustment (COLA) on April 1, 2010 per their CBA. The remaining employee groups do not have a COLA bargained or agreed to at the present time related to fiscal year 10/11. It should be noted that this may change as the collective bargaining process moves forward on contracts set to expire April 30, 2010. All employees are able to receive a step increase upon anniversary date, which varies depending on employee classification, if they are not topped out in their salary range. Managerial employees, including those covered by the City's Salary Ordinances Grade 12 and non-bargained Police Brass will be subject to twelve unpaid furlough days for the fiscal year.

The Department's full-time employees are part of the City's fringe benefit programs including medical / dental insurance, workers compensation / general liability coverage, and pension plans. The budgeted employer cost per employee for medical/dental coverage is \$12,700 annually. The Department's active employee medical coverage is budgeted at \$2.5 million, PSEBA medical coverage at \$118 thousand, and the Department's share of retiree health insurance is budgeted at \$520 thousand for the year. Sworn public safety personnel have a higher risk of workers compensation claims; therefore a budget assumption of employer cost for workers compensation is \$15,000 per sworn employee and \$1,000 annually for civilian personnel. An assumption of \$3,500 for police personnel and \$750 annually for civilian personnel on general liability costs are included as well. Total Department workers compensation is budgeted for \$2.1 million, and general liability coverage is just over \$1.1 million.

The Department's full-time employees participate in two of the City's pension programs. Non-sworn personnel qualify for the Illinois Municipal Retirement Pension Plan (IMRF). The employer contribution rate is budgeted at 9% of wages paid during the year, for a total budget of \$220 thousand. Lump sum employer contributions are made to the Police Pension based upon an independent actuarial calculation. The fiscal year 10/11 lump sum contribution is \$3.6 million. This is roughly equal to 28% of sworn police officers' base salary.

The remaining \$2.3 million, or 7%, is allocated to contractual, commodities, and capital outlay expenses including increased training, equipment lease payments, fuel, supplies, and limited other purchases.

Police Department – General Fund

WAUKEGAN POLICE DEPARTMENT GENERAL FUND						
	FY07/08	FY 08/09	FY 09/10	FY 10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel Services	16,552,597	16,504,013	16,200,850	16,735,569	534,719	3%
Benefits	7,118,509	8,051,253	4,654,956	10,438,575	5,783,619	124%
Contractual Services	1,218,827	1,205,446	713,611	733,497	19,886	3%
Commodities	1,018,526	881,037	750,149	637,332	(112,817)	-15%
Capital Outlay	315,108	0	0	0	-	N/A
WAUKEGAN POLICE DEPARTI	26,223,566	26,641,749	22,319,566	28,544,973	6,225,407	28%

Police Department - General Fund	FY09/10	FY10/11	Change
Admin Asst	9	4	(5)
Animal Warden	1	-	(1)
Civil Service Commission	3	3	-
Clerical Tech	8	6	(2)
Comm/Utilities Manager	1	1	-
Crossing Guard	30	30	-
D/P Systems Operator	1	1	-
Maintenance Worker	2	-	(2)
Part-Time Clerical	1	-	(1)
Patrol Officer	117	114	(3)
Police Auxiliary	8	9	1
Police Chief	1	1	-
Police Commander	4	4	-
Police CSO	14	-	(14)
Police Deputy Chief	3	3	-
Police Lieutenant	8	8	-
Police PT Animal Shelter	1	-	(1)
Police PT Clerical	2	-	(2)
Police PT Communications	1	-	(1)
Police PT Traffic Clerical	1	-	(1)
Police Records PT Clerical	3	-	(3)
Police Records Supervisor	1	1	-
Police Sergeant	17	17	-
Police Traffic PT Clerical	1	-	(1)
Property Evidence Manager	1	1	-
Public Safety MIS Coordinator	1	1	-
Telecommunications Supervisor	4	3	(1)
Telecommunicator	17	15	(2)
	261	222	(39)

A summary of the Police Department’s General Fund expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown above. The total request is \$6.3 million, or 28% higher than the prior year budget. The majority of expenditures are related to the costs associated with personnel and benefits. Due to the Early Retirement Initiative, Voluntary Separation Plan and layoffs, the Department has seen a decrease in headcount as demonstrated in the headcount table. As the majority of Police Department personnel are covered by CBAs, guaranteed increases in pay have increased the Personnel Services category over the prior year request by \$535 thousand, or 3%. The Benefits category is \$5.8 million, or 124%, higher than the prior year. This is

most notably due to the fact that in the fiscal year 09/10 budget, the City’s employer contribution to the Police Pension Fund was not budgeted in the General Fund, and costs associated with retiree health insurance have been moved to the departments generating those costs. In addition, costs of employee medical insurance, workers

compensation and general liability coverage, and employer taxes are expected to increase.

Contractual services are expected to increase \$20 thousand, or 3% as the City has earmarked additional funding for personnel training to balance the increase in workers compensation and general liability claims against the City. As an off-set to the increase in other categories, the Department has decreased the funding allocation for commodities by \$(113) thousand, or -15%. Lastly, the Department has not budgeted for new equipment, computer hardware / software, or vehicles in the General Fund.

Police Department - 911 Emergency Telephone System Fund

WAUKEGAN POLICE DEPARTMENT 911 EMERGENCY TELEPHONE SYSTEM FUND						
	FY07/08	FY08/09	FY09/10	FY10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel Services	114,362	193,727	197,524	164,800	(32,724)	-17%
Benefits	56,925	74,901	77,714	71,325	(6,389)	-8%
Contractual Services	178,774	552,495	553,500	465,500	(88,000)	-16%
Commodities	14,999	33,929	46,000	45,800	(200)	0%
Capital Outlay	-	13,130	-	372,000	372,000	N/A
TOTAL EXPENDITURES	365,060	868,182	874,738	1,119,425	244,687	28%

Police Department - 911 Fund	<u>FY09/10</u>	<u>FY10/11</u>	<u>Change</u>
Telecommunicator	-	2	2
Asst. Telecommunication Manager	1	-	(1)
Telecommunicator Manager	1	1	-
	2	3	1

The Illinois Emergency Telephone System Act authorizes requires municipalities to establish an Emergency Telephone System Board responsible

for directing the spending of surcharge revenues collected from telephone service subscribers. A summary of the Police Department's 911 Emergency Telephone System Fund expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown above. The total request is \$245 thousand, or 28% higher than the prior year budget.

The fund as of the 10/11 budget will support three full-time positions, two transferred from the General Fund and the current manager. Savings on personnel and benefits from not back-filling a 09/10 retirement have been reallocated to contractual services and capital outlay. Suitable projects for expending these funds include 911 system upgrades including controller systems, logging equipment, receivers and siren systems that must be authorized by the ETSB.

Police Department – Narcotics Forfeiture Reimbursement Fund

WAUKEGAN POLICE DEPARTMENT NARCOTICS FORFEITURE FUND						
	FY07/08	FY08/09	FY09/10	FY10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel Services	283,984	696,317	671,283	375,147	(296,136)	-44%
Benefits	55,149	95,154	92,726	109,993	17,267	19%
Contractual	69,315	83,885	110,000	2,000	(108,000)	-98%
Commodities	26,756	18,353	13,000	2,700	(10,300)	-79%
Capital Outlay	69,505	3,725	-	-	-	N/A
TOTAL EXPENDITURES	504,708	897,434	887,009	489,840	(397,169)	-45%

Police Department - Narcotics Forft.	<u>FY09/10</u>	<u>FY10/11</u>	<u>Change</u>
Patrol Officer	4	2	(2)
Police Sergeant	1	1	-
	5	3	(2)

These funds are earmarked to combat illegal drug trafficking in the City of Waukegan governed by Public Act

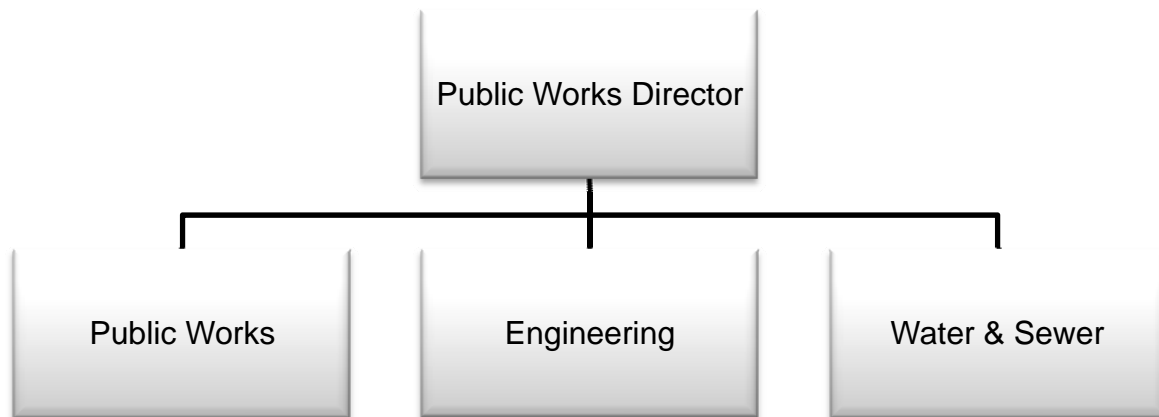
82-940. This program is funded through the confiscation of illegal drugs and of related materials. The total request is \$(397) thousand, or -45% below the prior year budget. To more accurately reflect the work performed, two of the positions previously funded from Narcotics Forfeiture have been moved to the General Fund. The majority of expenditures in this fund continue to be related to personnel and benefits. The overtime allocation in the fiscal year 10/11 budget proposal uses a multi-year average assumption to smooth the year-to-year aberrations related to special assignments. Furthermore, the elimination of the City’s Mounted Patrol program has reduced contractual and commodity amounts needed for budgetary purposes.

Public Works Department

Public Works Department Description

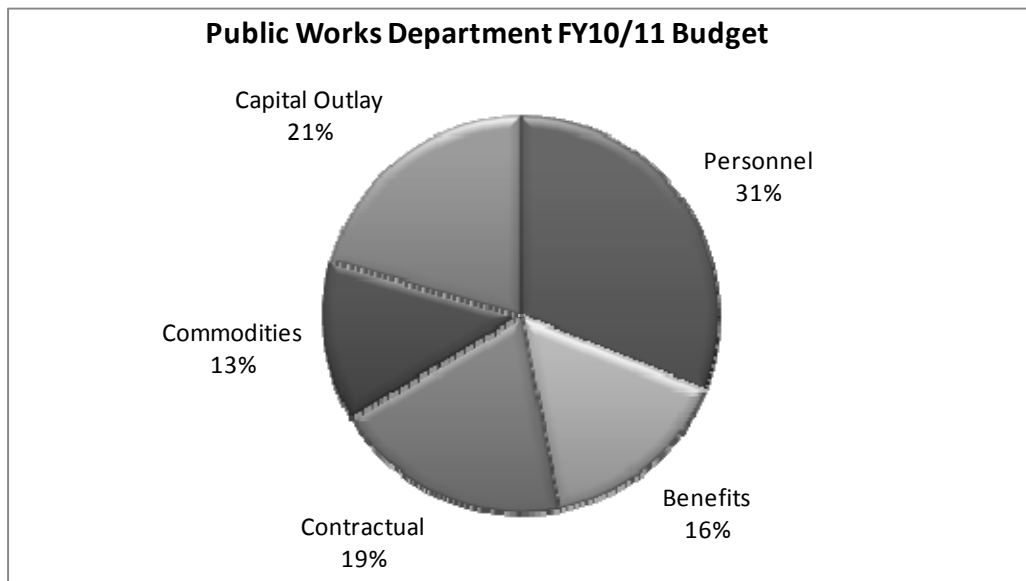
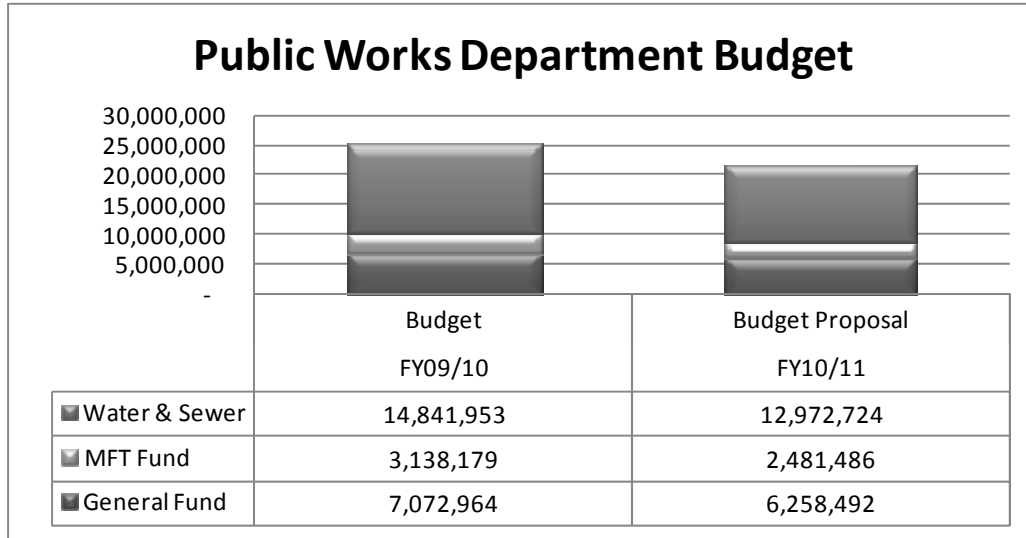
The Public Works Department manages, maintains, operates and repairs the City's infrastructure, facilities, and related assets. The Department is responsible for streets, right-of-way maintenance, building maintenance, forestry and landscape maintenance, traffic control signs, street lighting, storm sewer and detention systems, and vehicle maintenance. During the winter season, the Street Division is responsible for snow and ice control operations. The Division also assists Fire, Police, and Central Services with the maintenance and repairs while still maintaining the Public Works Building. The Vehicle Maintenance Division is responsible for the maintenance of all City vehicles and equipment, with the exception of the Fire Department's vehicles.

The Engineering Division oversees the construction of the City's public infrastructure, maintains records, financial guarantees and maps, administers grants, and annually updates and implements the City's Capital Improvement Program. The Division prepares proposals, specifications, and construction contracts for City Council's approval. Engineering capital improvements are large scale and high-cost physical assets such as streets, drainage facilities, and water and sewer lines. The Water and Sewer Division is responsible for operating and maintaining the City's water treatment / distribution system, sanitary sewer collection system, and storm water pumping system.



Public Works Budget Request

The Department's operations and personnel are accounted for in three City funds that will be discussed in this section: the General Fund (Fund 100); the Motor Fuel Tax Fund (Fund 228); and the Water & Sewer Fund (Fund 555). The total Public Works Department operating budget request for fiscal year 10/11 is \$21.7 million, which is a \$3.3 million, or -13% decrease versus the prior year budget.



Of this total budget request, \$8.7 million, or 40% account for personnel and benefits. Personnel in Public Works include employees covered by American Federation of State, County &

Municipal Employees (AFSCME), Service Employees International Union (SEIU) contract and non-union personnel.

The planned decrease in headcount includes the elimination of part time and seasonal positions due to union contract restrictions, Early Retirement and Voluntary Separation employees as well as lay-offs of full time personnel. This will undoubtedly have an adverse impact on level of service afforded the City's business and residential customers.

Public Works	<u>FY09/10</u>	<u>FY10/11</u>	<u>Change</u>
General Fund	73	40	(33)
MFT Fund	13	13	-
Water & Sewer Fund	58	54	(4)
	144	107	(37)

At the time this proposal the Department's employee groups do not have a COLA bargained or agreed to at the present time related to fiscal year 10/11. It should be

noted that this may change as the collective bargaining process moves forward on contracts set to expire April 30, 2010. All employees are able to receive a step increase upon anniversary date, which varies depending on employee classification, if they are not topped out in their salary range. Employees Grade 12 and above will be subject to twelve unpaid furlough days for the fiscal year.

The Department's full-time employees are part of the City's fringe benefit programs including medical / dental insurance, workers compensation / general liability coverage, and pension plans. The budgeted employer cost per employee for medical/dental coverage is \$12,700 annually. The Department's active employee medical coverage is budgeted at \$1.4 million and the Department's share of retiree health insurance is budgeted at \$130 thousand. Workers compensation insurance is budgeted for \$5,000 annually per public works employee, and general liability at \$750 per employee. Total Department workers compensation is budgeted for \$425 thousand, and general liability coverage is just over \$299 thousand.

The Department's full-time employees and elected officials participate in the Illinois Municipal Retirement Pension Plan (IMRF). The employer contribution rate is budgeted at 9% of wages paid during the year, for a total budget of \$588 thousand.

The balance of the budget relates to contractual costs, commodities, and capital outlay to be discussed in more detail later in this report.

Public Works – General Fund

WAUKEGAN PUBLIC WORKS	FY07/08	FY 08/09	FY 09/10	FY 10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
Personnel Services	3,479,591	3,536,256	3,291,953	2,659,615	(632,338)	-19%
Benefits	1,490,883	1,602,212	1,512,699	1,330,565	(182,134)	-12%
Contractual Services	787,589	811,567	645,266	741,266	96,000	15%
Commodities	1,471,528	1,412,353	1,499,046	1,403,046	(96,000)	-6%
Capital Outlay	79,542	49,899	124,000	124,000	-	0%
WAUKEGAN PUBLIC WORKS	7,309,133	7,412,288	7,072,964	6,258,492	(814,472)	-12%

A summary of the Public Works Department's General Fund expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown above. The

Public Works - General Fund	FY09/10	FY10/11	Change
Admin Asst	3	2	(1)
Asst. Public Works Supervisor	1	-	(1)
Assistant City Engineer	1	-	(1)
City Engineer	1	1	-
Clerical Tech	1	-	(1)
Custodian	6	3	(3)
Engineering Inspector	1	1	-
Engineering Intern	2	-	(2)
GIS Analyst	2	1	(1)
GIS Technician	1	1	-
Laborer	6	5	(1)
Maintenance Worker	20	17	(3)
Mechanic Supervisor	1	1	-
Public Works Director	1	1	-
Public Works Supervisor	9	7	(2)
PW PT Laborer	17	-	(17)
	73	40	(33)

total request is \$814 thousand, or -12% lower than the prior year budget. The majority of expenditures are related to the costs associated with personnel and benefits. Due to the Early Retirement Initiative, Voluntary Separation Plan and layoffs, the Department has seen a decrease in headcount as demonstrated in the headcount table. As a result, there is a budgeted decrease of \$632 thousand, down -19% and a decrease of \$182 thousand, down -12% in the personnel and benefits categories respectively.

Contractual services are expected to increase \$96 thousand, off-set by a \$96 thousand decrease in Commodities. The Capital Outlay category has been held flat over the prior year.

Public Works – Motor Fuel Tax

	FY07/08	FY08/09	FY09/10	FY10/11	FY11 vs FY10 Budget	
	Actual	Actual (Unaudited)	Budget	Budget Proposal	\$	%
MOTOR FUEL TAX FUND						
Personnel Services	870,045	887,057	820,038	781,572	(38,466)	-5%
Benefits	398,743	411,016	391,765	384,914	(6,851)	-2%
Contractual	697,543	1,060,701	960,874	705,000	(255,874)	-27%
Commodities	751,978	837,756	520,000	550,000	30,000	6%
Capital	144,019	1,393,523	445,502	60,000	(385,502)	-87%
Total	2,862,328	4,590,053	3,138,179	2,481,486	(656,693)	-21%

Public Works - Motor Fuel Tax	FY09/10	FY10/11	Change
Laborer	3	3	-
Maintenance Worker	8	8	-
Public Works Supervisor	2	2	-
	13	13	-

A summary of the Public Work's Motor Fuel Tax expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown

above. The total request is \$657 thousand, or -21% below the prior year budget. Unlike the other funds, personnel costs make up less than half of the funding required. These funds are used for ice / snow control and street repairs. As there is an anticipated decline in Motor Fuel Taxes received from the State of Illinois, the overall allocation has been reduced to balance the bottom line in this fund.

Public Works – Water & Sewer Fund

WATER FUND EXPENDITURES & USES						
Personnel Services	3,335,215	3,372,477	3,424,111	3,219,030	(205,081)	-6%
Personnel Benefits	1,510,247	1,610,865	1,656,294	1,686,113	29,819	2%
Contractual Services	2,784,590	2,230,401	2,121,902	2,054,570	(67,332)	-3%
Commodities	1,097,764	1,167,780	1,108,800	875,100	(233,700)	-21%
Capital Outlay	50,125	115,844	11,000	45,000	34,000	309%
Capital Improvements	3,022,042	1,972,193	4,021,000	4,230,000	209,000	5%
Non-Cash Expense	(1,103,613)	4,811	1,400,000	-	(1,400,000)	-100%
Total Expenditures	10,696,370	10,474,371	13,743,107	12,109,813	(1,633,294)	-12%

SEWER FUND EXPENDITURES & USES						
Personnel Services	112,268	117,247	117,778	101,810	(15,968)	-14%
Personnel Benefits	34,841	48,284	48,951	45,851	(3,100)	-6%
Contractual Services	639,382	360,856	784,117	708,000	(76,117)	-10%
Commodities	101,121	34,856	38,000	7,250	(30,750)	-81%
Capital Outlay	7,850	5,565	30,000	-	(30,000)	-100%
Non-Cash Expense	615,898	20,718	80,000	-	(80,000)	-100%
Total Expenditures	1,511,359	587,524	1,098,846	862,911	(235,935)	-21%

A summary of the Water and Sewer expenditures for fiscal year 07/08, 08/09, the 09/10 budget, and the 10/11 funding request is shown above. The total request is \$1.9 million, or -13% lower than the prior year budget. Only 39% of the expenditures relate to Water and Sewer employees, where headcount reductions are planned. The majority of expenditures relate to the contractual, commodities and capital costs of running the City's Water Plant. Savings were identified in almost every area of operation.

PW - Water & Sewer Fund	<u>FY09/10</u>	<u>FY10/11</u>	<u>Change</u>
Admin Asst	2	2	-
Back Flow Coordinator	1	1	-
Clerical Tech	5	2	(3)
Laboratory Supervisor	1	1	-
Laborer	5	5	-
Maintenance Worker	37	37	-
Part-Time Clerical	1	-	(1)
Public Works Supervisor	5	5	-
Water Plan Superintendent	1	1	-
	58	54	(4)

Improvement Plan section of this proposal.

Furthermore, the Enterprise Funds require the recognition of depreciation of assets at fiscal year end. As the City does not budget on an accrual basis, the “non-cash” expense is not budgeted. Several capital projects are planned related to the Water and Sewer Operations, and are discussed more thoroughly in the *Capital*