



3RD WARD MEETING MINUTES – ALDERMAN DENISE RODD

August 14, 2013

AGENDA

- Welcome.
- Popular Annual Financial Report (PAFR) for the City of Des Plaines.
- Denise will stay after meeting for individual issues.

Popular Annual Financial Report

Finance Director, Dorothy Wisniewski presented the Popular Annual Finance Report (PAFR) for residents. Meeting attendees served as a “test group,” as this is the first time that the Finance Department put together a user friendly version of the Comprehensive Annual Financial Report (CAFR) using an understandable and easy-to-read format. Dorothy handed out copies to those present at the meeting. Copies of both the PAFR and the CAFR are available on line and soon be available in the Library. www.DesPlaines.org/cafr or www.DesPlaines.org/pafr

Inside page of document shows the Legislative, Council, and Administration for the City of Des Plaines. Table of Contents outlines what is in the Report.

PAGE 1: An introductory Letter to the Citizens of Des Plaines of the Popular Annual Financial Report for the Fiscal Year ending December 31, 2012.

PAGE 2: Provide facts about Des Plaines, a full-service City, with operations in 6 major departments. City maintains 19 separate funds to account for all budgeted activity. These 19 separate funds run as 19 separate businesses, meaning, each fund is a separate fiscal entity with revenues and expenses.

PAGE 3: General Fund Revenue – Principal Operating Fund of the City. Most of the City Employees (Police/Fire/PW) are paid out of this fund. Much of this revenue comes from property taxes with significant amounts coming from intergovernmental payments. 2012 shows a breakdown of a total of \$16.2M intergovernmental payments. Property taxes are the largest revenue for the city at 36.8%.

PAGE 4: Shows the General Fund and for fiscal year 2012 the City’s General Fund property tax revenue was \$23.1M. 2009 onward shows a decline because of house values, effecting the city overall and a counter effect of increasing City’s tax rate. City’s tax rate is 13% share of a residents total property tax bill. Graph provides property tax breakdown.

PAGE 5: Sales Tax is the 3rd largest source of revenue for the City. Sales taxes have gone up over 2 year period. Sales tax is allocated towards the Capital Projects Fund, which 75% is for infrastructure.

Des Plaines is a Home Rule Community. Sales Tax is set by state – 8.25%-- as a Home Rule Community; a city can have up to 1% over state sales tax. [Home Rule means you can implement rule above what state sets. To be a Home Rule Community, city needs to be above a certain population (Des Plaines meets population) or go to a referendum.]

PAGE 6: Expenditure breakdown of the City’s major services and shows the cost per service per resident or approximately, \$1K. This does not take into effect the revenue side of these departments.

PAGE 7: General Fund Expenditures is shown in two charts. General Fund Expenditures show personnel related costs i.e. salaries. Budgeted Funds Expenditures is all City; Capital Budget, Debt, Insurance, and Infrastructure.

PAGE 8: Recap of Police/Fire Service -- snapshots showing operating indicators by each department.

PAGE 9: Snapshot of Public Works – street resurfacing, sidewalks, snow and ice control. Water main breaks are being looked at and how best to fix.

PAGE 10: Rivers Casino: 2012 \$24.8M
\$10.0M to State
\$ 5.9M to Other Municipalities
\$ 8.9M to City of Des Plaines

2011 provided \$3.6 M to City of Des Plaines, which was used to pay off a Bond. We are in a 1 year lag for Casino money.

- Why not put realistic numbers to the projection? There is a month over month comparison that Dorothy puts into City's projections. 2013 is showing a little down.
- Would new gaming legislation affect Des Plaines and is there a formal statement or document? Calculations have been taken, although there is no official city document. The State legislates the number of machines/tables per casino. Rivers is at their limit.
- Why not a consultant? Could possibly do a base survey of where people are coming from to go to Rivers Casino. This could have an impact on Rivers if another Casino is built.

Resolution is approved and still on books to use casino money for paying down debt and infrastructure.

PAGE 11: Enterprise Funds are run like a business and self-sustaining by receiving from user charges; i.e. parking.

PAGE 12: Water and Sewer: Fund has been hurting. Water rate has 2 components; purchase rate from City of Chicago and the delivery cost. We are looking at other places for water. We are at the mercy of Chicago for water.

PAGE 13: Overview of City's Debt: Historical debt shows a significant debt pay off and doing early debt pay off. City has been paying outstanding debt as well as early pay-off of callable debt i.e. debt that does not carry a penalty for paying off early.

PAGE 14: Statement of Net Position is a snapshot of City finances overall. Over time, net position serves as an indicator on if the City's financial position is improving.

PAGE 15: The Unassigned General Fund shows money on hand. It is good for a City to have money in the bank for emergencies. City is at a more stable \$23M in 2012 as opposed to the dangerously low \$1.1M in 2007.

PAGE 16: Contact information.

QUESTIONS/ANSWERS

Is it possible to do the same style report every year? Yes. Sometimes auditing rules change a report and if departments change within budgeting areas. Benchmarks are in place, which we follow and compare year/year. Historical book shows lots of details, could there be a 1 page summary to show City Financials? Finance Department will take this into consideration.

2014 Budget in Review with Finance Committee with a list of budgetary items being considered.

COMMENTS/QUESTIONS & ANSWERS

- Where has the City Clerk been? City Clerk was attending seminars. The Deputy City Clerk filled in at two Council Meetings.
- City is tearing up streets but why not replace water mains at the same time? Do we not look to see when this is being done so we can do everything at once? CAR submitted for specific area – no answer yet. First Ward Alderman, Patty Haugeberg reports that there is a schedule for water main replacements in the City, and that the streets are listed in priority based on condition of the mains. For the downtown street improvements, water main replacement was not budgeted because of areas higher in priority.
- Three new business opening. Elite Spa opening September 1 in Metropolitan Square. Wing Stop restaurant to open by Library. October will bring Tap House Grill in Metropolitan Square.
- There will be an 8:00 a.m. memorial service the morning of September 11 at the memorial.

NEXT MEETING

Wednesday, September 11, will be a tour of the Emergency Operations Center in City Hall. We will meet as a group outside by the 9/11 memorial for a moment of silence. Parking is available in the City Hall lot just south of the Choo Choo or the Metropolitan Square Parking Garage.

TO CONTACT DENISE

- Please contact Denise at drodd@desplaines.org or call/text (847) 514-6318
- Facebook is set up for the 3rd Ward: www.Facebook.com/DP3rdWard (or search DP3)
 - Twitter: @Denise Rodd
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