

Lake Forest Finance Committee

March 11, 2019

Overview of FY2020 Budget

FY20 Budget Overview

- Budget Message – City Manager
- FY2019 Flash Report – Finance Director
- FY2020 Preliminary Budget vs. FY2019 Estimates

**City of Lake Forest
Fund Balance Spreadsheet**

	Fund Balance	FY19 YE Estimate		Fund Balance	FY20 Preliminary		Fund Balance
	<u>5/1/2018</u>	<u>Rev</u>	<u>Exp</u>	<u>4/30/2019</u>	<u>Rev</u>	<u>Exp</u>	<u>4/30/2020</u>
101 General	28,302,946	37,360,760	34,907,666	30,756,040	36,614,274	34,638,138	32,732,176
120 Flex	93,961	150	8,086	86,025	150	9,800	76,375
122 LF Hospital	314,800	4,640	314,800	4,640	0	0	4,640
124 MS Site Project	569,175	10,000	25,000	554,175	5,000	25,000	534,175
201 Park and Public Land	967,832	149,648	440,145	677,335	102,372	275,000	504,707
202 Motor Fuel Tax	513,285	537,688	37,562	1,013,411	531,097	0	1,544,508
205 Emerg Telephone	331,784	439,000	378,123	392,661	251,000	231,797	411,864
210 Senior Resources	171,593	584,902	581,487	175,008	635,847	632,078	178,777
220 Parks and Recreation	1,300,911	8,698,214	9,104,135	894,990	9,224,657	9,403,841	715,806
223 Parks Equip Reserve	205,775	153,000	150,000	208,775	258,000	255,000	211,775
224 Special Recreation	524,794	479,028	507,898	495,924	489,817	474,817	510,924
230 Cemetery	6,945,741	852,500	1,045,486	6,752,755	2,424,600	3,055,844	6,121,511
245 Foreign Fire	181,451	54,000	175,000	60,451	54,000	100,000	14,451
247 Police Restricted Funds	130,622	35,540	112,353	53,809	34,650	88,459	0
248 Housing Trust	1,417,922	68,000	335,000	1,150,922	68,640	200,000	1,019,562
311 Capital Improvements	5,938,047	7,205,187	8,017,783	5,125,451	4,567,002	7,230,974	2,461,479
322 Laurel/Western TIF	683,921	88,902	797,515	(24,692)	327,930	1,208,944	(905,706)
422 SSA 25 Knollwood Sew	14,492	76,110	74,525	16,077	73,433	72,932	16,578
423 SSA26 Waukegan Sew	4,003	21,064	20,308	4,759	21,056	20,556	5,259
424 SSA 29 Saunders Rd	4,411	148,381	146,278	6,514	148,570	148,070	7,014
425 2004B/2011B Storm	1,422,876	626,015	521,355	1,527,536	644,188	530,280	1,641,444
428 2009 GO Bonds	25,404	284,231	279,245	30,390	279,695	278,695	31,390
429 2010 GO Bonds	34,578	642,690	634,599	42,669	614,599	615,599	41,669
432 2013 Refunding 2010A	15,725	542,504	534,513	23,716	679,763	680,513	22,966
433 2015 GO Bond Issue	397	467,803	465,050	3,150	590,676	590,675	3,151
501 Water and Sewer	7,373,621	8,517,239	8,274,668	7,616,192	8,421,456	8,341,389	7,696,259
508 Wat and Sew Capital	4,670,564	1,520,692	4,425,858	1,765,398	1,448,812	1,055,000	2,159,210
510 Deerpath Golf Course	74,878	1,652,255	1,822,271	(95,138)	2,105,817	2,105,815	(95,136)
601 Fleet	813,177	1,776,625	1,875,000	714,802	1,824,638	1,905,638	633,802
605 Liability Insurance	1,874,807	1,367,348	1,129,044	2,113,111	1,368,148	1,254,744	2,226,515
610 Self Insurance	3,801,119	5,502,000	5,870,343	3,432,776	5,612,040	5,997,000	3,047,816
701 Fire Pension	36,256,485	2,852,958	2,622,880	36,486,563	4,701,568	2,865,030	38,323,101
702 Police Pension	31,650,935	3,513,626	2,974,880	32,189,681	5,234,845	3,330,030	34,094,496
709 Trust Care Funds	538,272	18,500	37,801	518,971	0	0	518,971
		86,251,200	88,646,657		89,358,340	87,621,658	

The City of Lake Forest
Key FY20 Budget Assumptions

	<u>Fund</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
<u>REVENUES</u>						
Property Tax Levy (1)	General	3.10%	3.0%	3.0%	3.0%	3.0%
Sales Tax Revenue (2)	General	2.0%	2.0%	2.0%	2.0%	2.0%
Income Tax Distribution (2)	General	-3.80%	1.5%	1.5%	1.5%	1.5%
Building Permits	General	See Separate Detailed Report				
Real Estate Transfer Tax	Capital Improv	1.5%	1.5%	1.5%	1.5%	1.5%
Water Rate Increase	Water	2.5%	2.5%	2.5%	2.5%	2.5%
Impact Fees	General/PPL	See Separate Detailed Report				

(1) FY2020 approved by City Council 12/3/18.

(2) FY2020 assumptions per Finance Committee 11/26/18.

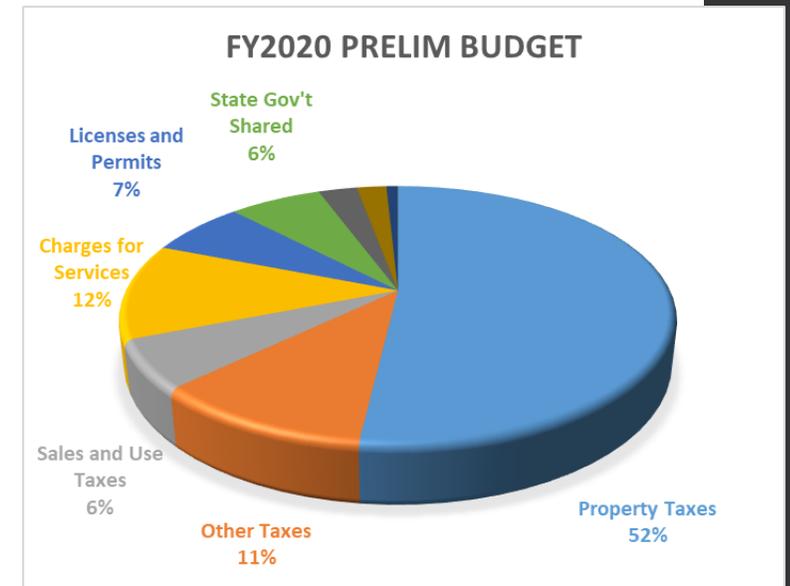
<u>EXPENDITURES</u>						
Salary Increase	All w/staff	2.5%	2.5%	2.5%	2.5%	2.5%
IMRF Rate (as % of Payroll)	All w/staff	12.00%	13.50%	14.00%	14.00%	14.00%
Medical Insurance Increase	All w/staff	2.0%	6.0%	6.0%	6.0%	6.0%
Dental Insurance Increase	All w/staff	6.9%	4.0%	4.0%	4.0%	4.0%
Police and Fire Pension	General	4.6%	5.0%	5.0%	5.0%	5.0%

CITY OF LAKE FOREST PAYROLL FORECAST

General Fund

	FY19 Budget	FY19 Estimate	FY20 Budget	FY21 Forecast	FY22 Forecast	FY23 Forecast	FY24 Forecast
Salaries	14,703,644	14,352,871	14,815,454	15,191,145	15,776,429	16,301,377	16,801,723
2.5% increases			350,691	379,779	394,411	407,534	420,043
Merit pool			145,000	70,000	70,000	70,000	70,000
Step/range increases			25,000	205,505	130,538	92,811	90,824
Overtime	754,178	952,314	837,549	858,488	879,950	901,949	924,497
Longevity	110,602	100,382	106,317	119,290	130,760	140,670	153,430
SS	634,159	638,536	636,302	667,931	694,615	719,081	744,006
IMRF	904,557	824,556	837,397	881,630	923,277	963,202	1,003,864
Medical	2,978,997	2,776,057	3,039,828	3,222,218	3,415,551	3,620,484	3,837,713
Dental	89,058	87,076	95,242	99,052	103,014	107,134	111,420
Police/Fire Pension	4,227,841	4,227,841	4,421,413	4,642,484	4,874,608	5,118,338	5,374,255
FlexiBenefits	26,008	26,008	26,010	26,010	26,010	26,010	26,010
Life	20,004	20,139	20,004	20,404	20,812	21,228	21,653
Unemployment	22,047	22,047	29,788	30,000	30,000	30,000	30,000
Total	24,471,095	24,027,827	25,385,995	26,413,934	27,469,974	28,519,819	29,609,438
\$ Change			914,900	1,027,939	1,056,040	1,049,845	1,089,618
% Change		B to B	3.7%	4.0%	4.0%	3.8%	3.8%
		B to B excl Pol/Fire Pension	3.6%				
		B to Est Actl	5.7%				
FY19 Vacancy Savings:	443,268	Cost Per FTE:	170,088				

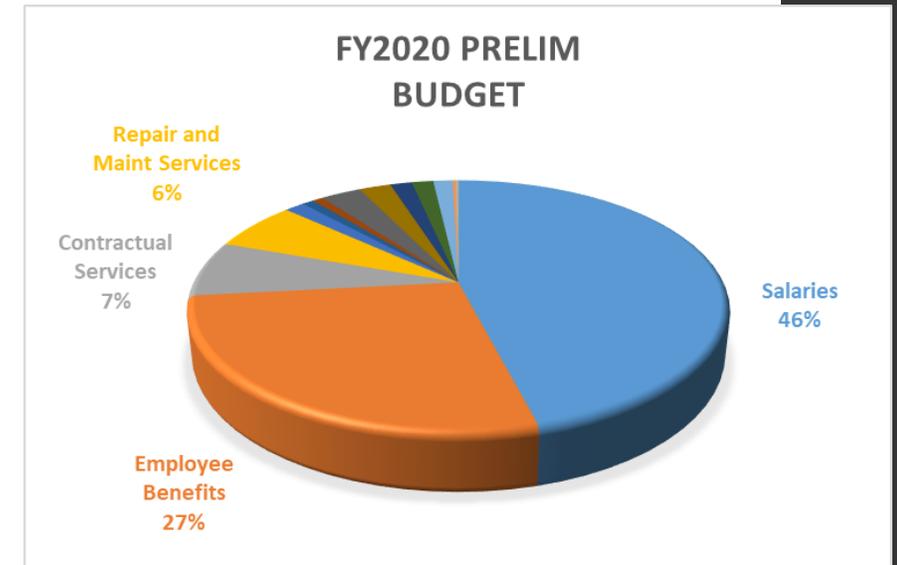
General Fund Revenues



	2018-19 Budget	2018-19 Est. Actual	FY2019 Variance	FY2020 Prelim Budget	Change	
Property Taxes	19,268,005	19,235,330	(32,675)	18,989,621	(278,384)	Transfer \$915,000 to Capital
Other Taxes	3,966,900	4,008,921	42,021	4,026,621	59,721	
Sales and Use Taxes	2,742,000	2,787,000	45,000	2,237,000	(505,000)	Move HRST to .5% Sales Tax Fund
Charges for Services	3,274,898	3,441,263	166,365	4,414,904	1,140,006	Sanitation fee \$915,000
Licenses and Permits	2,483,367	3,363,402	880,035	2,509,156	25,789	
State Gov't Shared	2,063,506	2,442,084	378,578	2,381,000	317,494	Income Tax; Local Use Tax
Government	0	16,380	16,380	0	0	
Federal Government Grant	0	1,172	1,172	0	0	
Other Revenue	542,892	925,267	382,375	993,460	450,568	Interest Revenue
Other Financing Sources	746,841	746,841	0	765,512	18,671	Administrative Services
Fines	277,000	360,500	83,500	287,000	10,000	
Miscellaneous	10,000	32,600	22,600	10,000	0	
TOTAL	35,375,409	37,360,760	1,985,351	36,614,274	1,238,865	
Budget to Budget Increase					3.50%	

General Fund Expenses

	2018-19 Budget	2018-19 Est. Actual	FY2019 Variance	FY2020 Prelim Budget	Change
Salaries	15,578,357	15,411,067	(167,290)	15,929,320	350,963
Employee Benefits	8,923,103	8,622,260	(300,843)	9,456,675	533,572
Contractual Services	2,498,691	2,524,814	26,123	2,485,285	(13,406)
Repair and Maint Services	2,222,337	2,223,907	1,570	2,196,316	(26,021)
Transfer to Capital Fund	1,000,000	1,600,000	600,000	500,000	(500,000)
Transfer to .5% Sales Tax Fund	600,000	594,000	(6,000)	0	(600,000)
Transfer to Parks and Recreation Fund	305,000	305,000	0	285,000	(20,000)
Transfer to Senior Resources Fund	250,529	240,529	(10,000)	265,722	15,193
Insurance	1,012,788	1,012,788	0	1,012,788	0
Supplies - General	828,484	808,397	(20,087)	793,127	(35,357)
Utility	546,850	627,060	80,210	546,250	(600)
Non-Personnel Expenses	458,972	421,830	(37,142)	536,322	77,350
Miscellaneous Expenses	399,214	377,604	(21,610)	483,250	84,036
Communications	94,583	77,136	(17,447)	84,333	(10,250)
Advertising	49,250	48,274	(976)	49,250	0
Capital Outlay	10,000	10,000	0	10,000	0
Rentals	6,212	3,000	(3,212)	4,500	(1,712)
TOTAL	34,784,370	34,907,666	123,296	34,638,138	(146,232)
Budget to Budget Increase					0.42%



Personnel expenses account for 73% of General Fund expenses for FY2020.

**THE CITY OF LAKE FOREST
FUND BALANCE FORECAST
GENERAL FUND**

FY2020 Preliminary Budget

	ACTUAL FY 2018	PROJECTED FY 2019	PROJECTED FY 2020	PROJECTED FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027	PROJECTED FY 2028	PROJECTED FY 2029
Fund Balance 5/1	25,056,431	28,302,946	30,756,040	32,732,176	34,807,045	36,668,521	37,730,344	38,216,364	38,266,295	37,860,765	36,976,580	35,573,130
Revenue	35,808,347	37,360,760	36,614,274	37,459,750	38,526,670	39,006,743	39,756,186	40,598,444	41,459,856	42,350,366	43,247,381	44,243,435
Operating Expenses	31,311,832	33,307,666	34,138,138	35,384,881	36,665,194	37,944,920	39,270,166	40,548,513	41,865,386	43,234,551	44,650,831	46,120,700
Net before CIP	4,496,515	4,053,094	2,476,136	2,074,869	1,861,476	1,061,823	486,020	49,931	(405,530)	(884,185)	(1,403,450)	(1,877,265)
Capital or One Time Expenditures	1,250,000	1,600,000	500,000									
Fund Balance 4/30	28,302,946	30,756,040	32,732,176	34,807,045	36,668,521	37,730,344	38,216,364	38,266,295	37,860,765	36,976,580	35,573,130	33,695,865
Nonspendable Fund Balance 4/30	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038
<i>Assigned FB - Financial System**</i>												
Less: 35% Req Resv+ Sick/Vaca+\$957k Parking* <i>- change to 35% for FY15</i>	14,071,642	14,614,987	14,353,717	14,649,634	15,023,056	15,191,081	15,453,386	15,748,176	16,049,671	16,361,349	16,675,304	17,023,923
Available Funds	14,081,266	15,991,015	18,228,421	20,007,374	21,495,428	22,389,225	22,612,940	22,368,080	21,661,056	20,465,193	18,747,788	16,521,903
Op Revenue increase%	4.1%	4.3%	-2.0%	2.3%	2.8%	1.2%	1.9%	2.1%	2.1%	2.1%	2.1%	2.3%
Op Expense increase %	2.3%	6.4%	2.5%	3.7%	3.6%	3.5%	3.5%	3.3%	3.2%	3.3%	3.3%	3.3%
FB as % of revenue	79.0%	82.3%	89.4%	92.9%	95.2%	96.7%	96.1%	94.3%	91.3%	87.3%	82.3%	76.2%

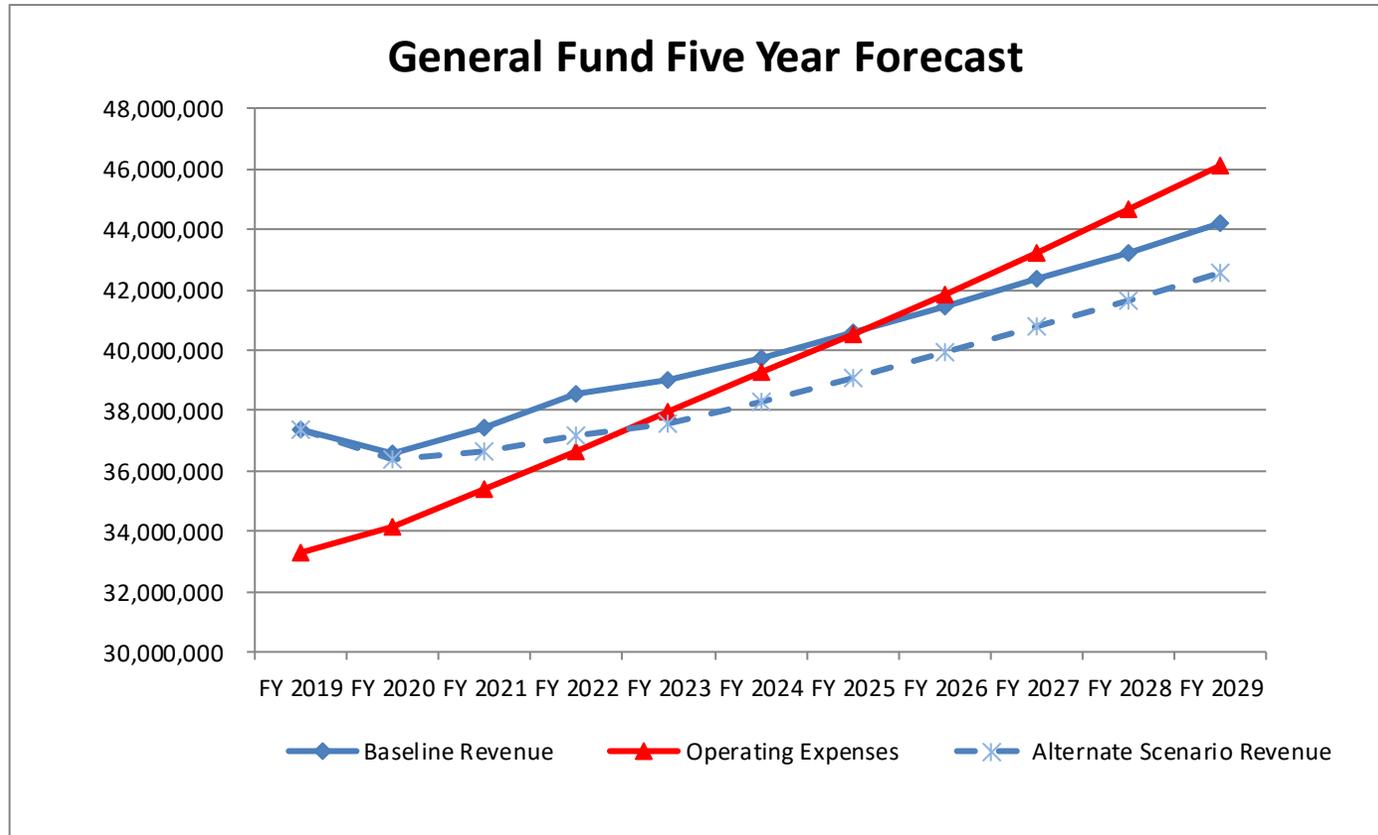
* Parking reserve expended in FY2016 and no longer part of minimum fund balance.

** Financial System reserve transferred to Capital Fund in FY18.

Note: Fund balance schedule in budget includes fund 101 and fund 120 in General Fund line - excluded here.

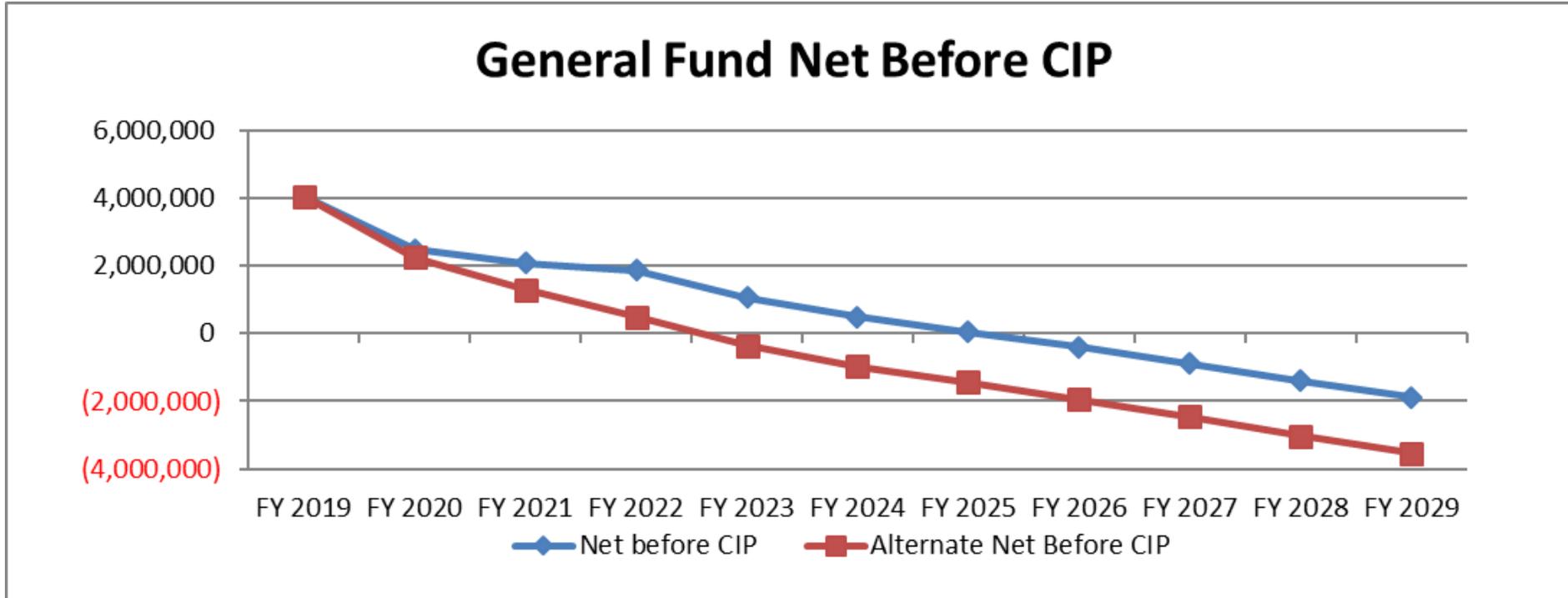
Primary Assumptions: Property Tax Levy (3%), Sales/Utility/Hotel Taxes (2%), Income Tax (90% permanent; 1.5%)

Potential State Impacts



The chart above depicts General Fund revenue and operating expenses for FY2019 estimates and projections for FY2020 through FY2029. Due to growth in operating expenses outpacing growth in revenues, it is projected that operating expenses in the General Fund will exceed revenues in FY2026. An alternate revenue scenario demonstrates the impact of a two year property tax freeze, income tax reductions to 80% and a 20% further reduction in personal property replacement tax.

Potential State Impacts



**THE CITY OF LAKE FOREST
FUND BALANCE FORECAST
GENERAL FUND**

FY2020 Alternative Recommendation

	ACTUAL FY 2018	PROJECTED FY 2019	PROJECTED FY 2020	PROJECTED FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027	PROJECTED FY 2028	PROJECTED FY 2029
Fund Balance 5/1	25,056,431	28,302,946	30,356,040	31,332,176	32,407,045	33,768,521	34,330,344	34,816,364	34,866,295	34,460,765	33,576,580	32,173,130
Revenue	35,808,347	37,360,760	36,614,274	37,459,750	38,526,670	39,006,743	39,756,186	40,598,444	41,459,856	42,350,366	43,247,381	44,243,435
Operating Expenses	31,311,832	33,307,666	34,138,138	35,384,881	36,665,194	37,944,920	39,270,166	40,548,513	41,865,386	43,234,551	44,650,831	46,120,700
Net before CIP	4,496,515	4,053,094	2,476,136	2,074,869	1,861,476	1,061,823	486,020	49,931	(405,530)	(884,185)	(1,403,450)	(1,877,265)
Capital or One Time Expenditures	1,250,000	1,600,000	500,000									
Additional Capital Transfers Recommended		400,000	1,000,000	1,000,000	500,000	500,000						
Fund Balance 4/30	28,302,946	30,356,040	31,332,176	32,407,045	33,768,521	34,330,344	34,816,364	34,866,295	34,460,765	33,576,580	32,173,130	30,295,865
Nonspendable Fund Balance 4/30	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038
<i>Assigned FB - Financial System**</i>												
Less: 35% Req Resv+ Sick/Vaca+\$957k Parking* <i>- change to 35% for FY15</i>	14,071,642	14,614,987	14,353,717	14,649,634	15,023,056	15,191,081	15,453,386	15,748,176	16,049,671	16,361,349	16,675,304	17,023,923
Available Funds	14,081,266	15,591,015	16,828,421	17,607,374	18,595,428	18,989,225	19,212,940	18,968,080	18,261,056	17,065,193	15,347,788	13,121,903
Op Revenue increase%	4.1%	4.3%	-2.0%	2.3%	2.8%	1.2%	1.9%	2.1%	2.1%	2.1%	2.1%	2.3%
Op Expense increase %	2.3%	6.4%	2.5%	3.7%	3.6%	3.5%	3.5%	3.3%	3.2%	3.3%	3.3%	3.3%
FB as % of revenue	79.0%	81.3%	85.6%	86.5%	87.6%	88.0%	87.6%	85.9%	83.1%	79.3%	74.4%	68.5%

* Parking reserve expended in FY2016 and no longer part of minimum fund balance.

** Financial System reserve transferred to Capital Fund in FY18.

Note: Fund balance schedule in budget includes fund 101 and fund 120 in General Fund line - excluded here.

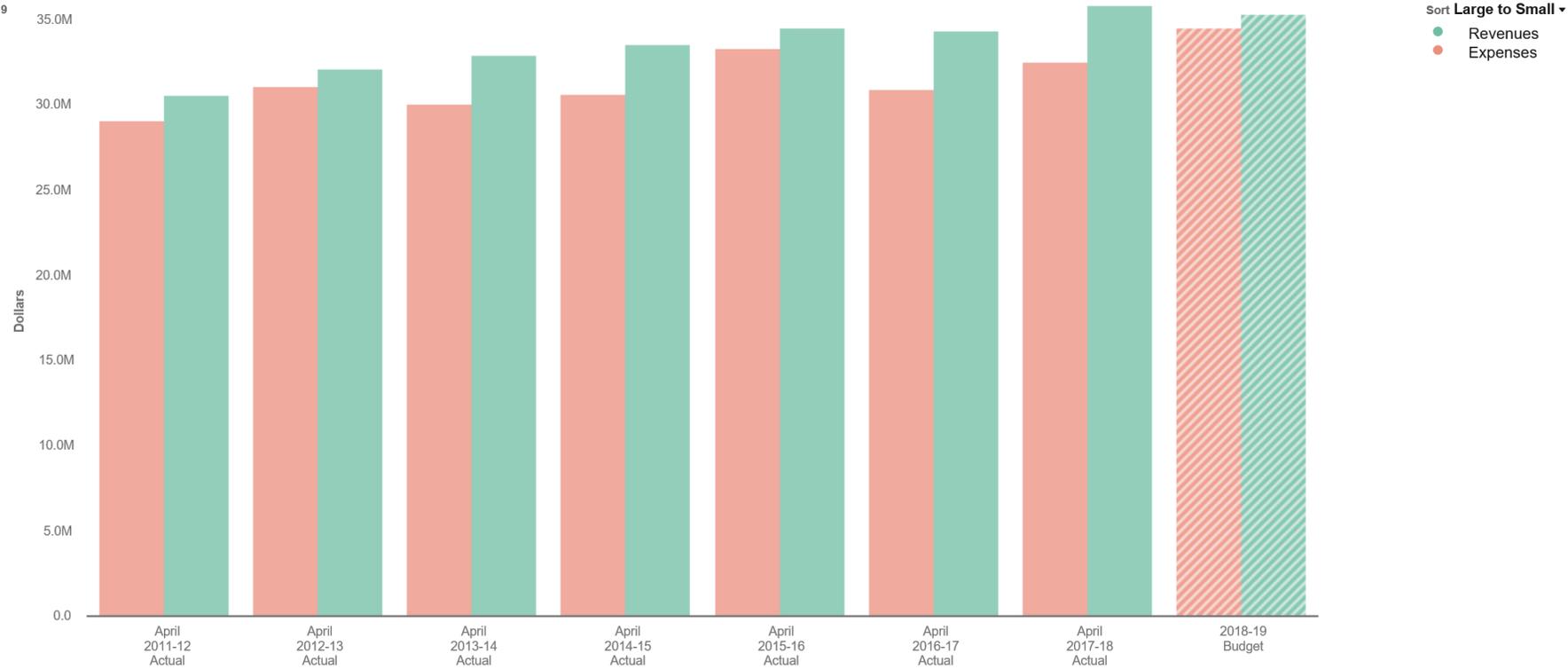
Primary Assumptions: Property Tax Levy (3%), Sales/Utility/Hotel Taxes (2%), Income Tax (90% permanent; 1.5%)

Revenue & Expense Trends

OpenGov

General Fund Revenue & Expense

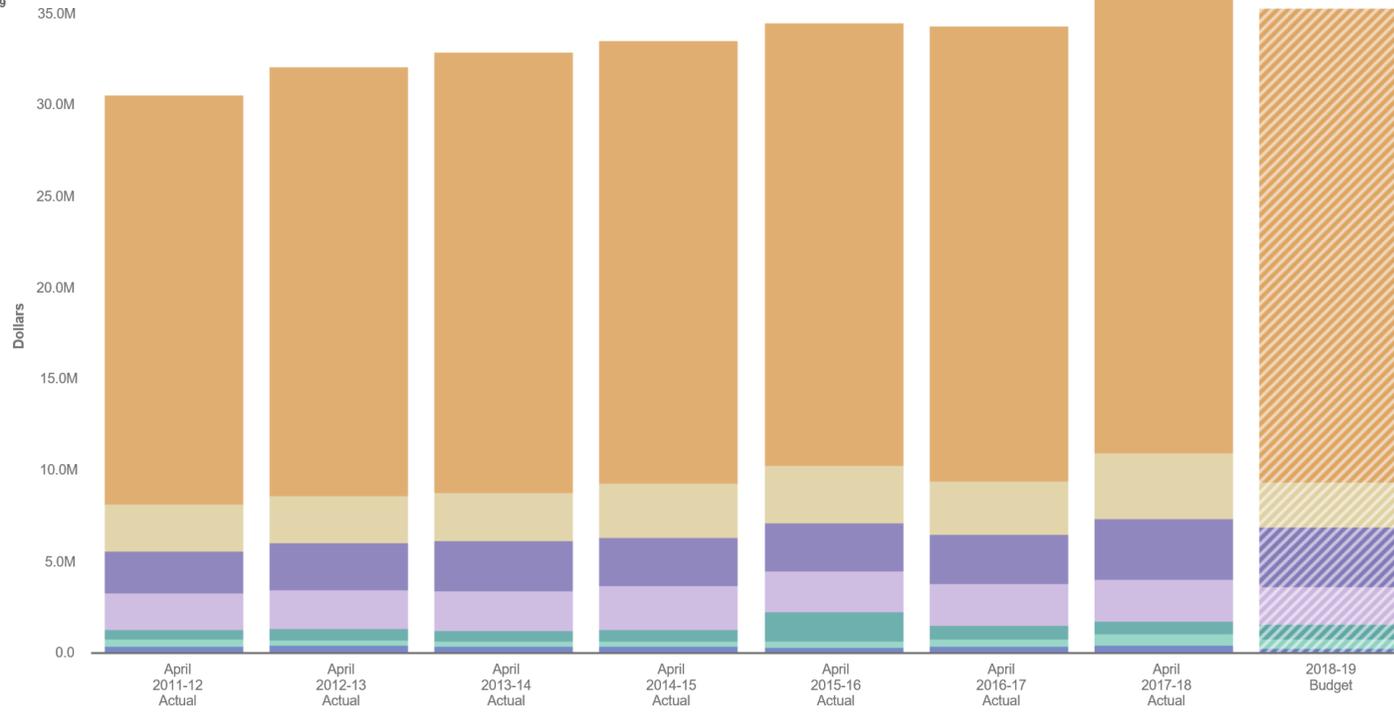
Updated On 1 Mar, 2019



Fiscal Year

Expand All	April 2011-12 Actual	April 2012-13 Actual	April 2013-14 Actual	April 2014-15 Actual	April 2015-16 Actual	April 2016-17 Actual	April 2017-18 Actual	2018-19 Budget
► Revenues	\$ 30,569,073	\$ 32,140,423	\$ 32,963,689	\$ 33,546,478	\$ 34,536,848	\$ 34,398,162	\$ 35,808,338	\$ 35,375,409
► Expenses	29,079,422	31,104,981	30,102,463	30,638,154	33,362,167	30,940,442	32,561,832	34,570,568
Revenues Less Expenses	\$ 1,489,651	\$ 1,035,442	\$ 2,861,226	\$ 2,908,324	\$ 1,174,681	\$ 3,457,720	\$ 3,246,506	\$ 804,841

Data filtered by Types, General and exported on March 6, 2019. Created with OpenGov

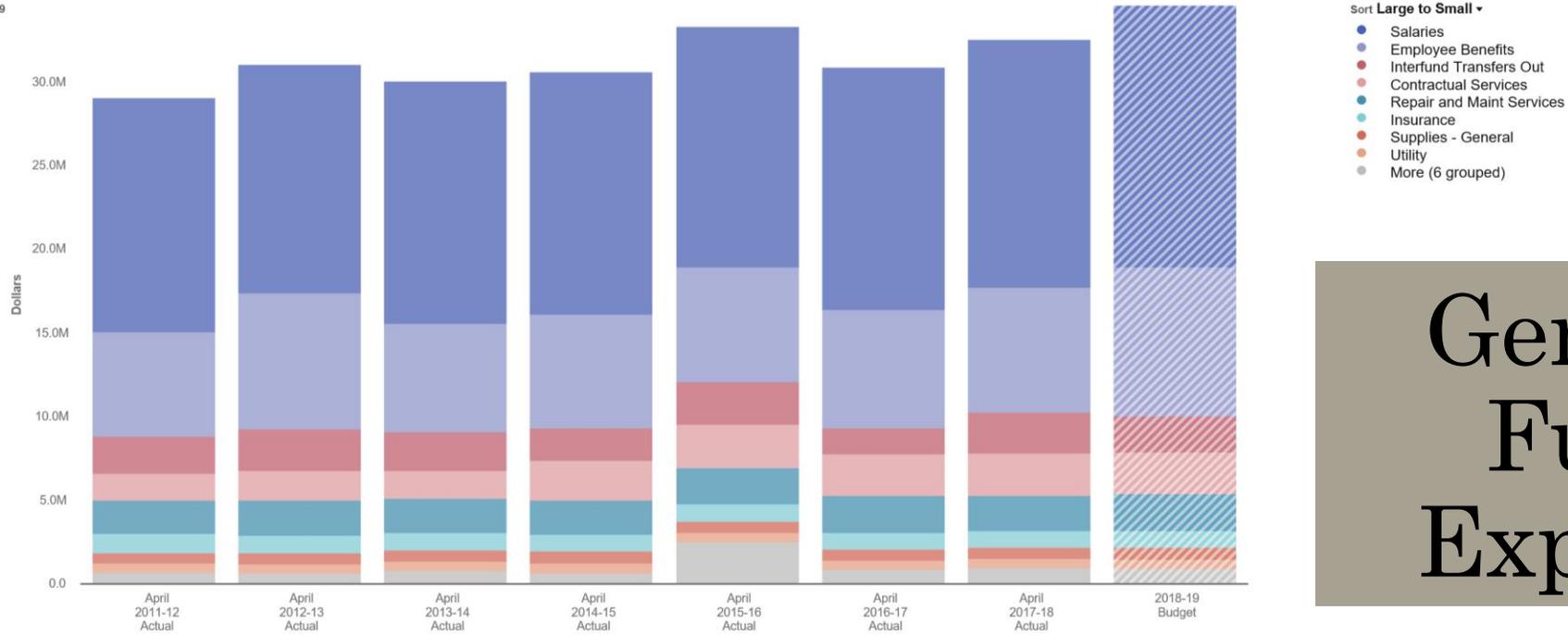


- Sort **Large to Small** ▾
- Property Taxes/Other Tax
 - Licenses and Permits
 - Charges for Services
 - Intergovernmental Revenue
 - Other Financing Sources
 - Other Revenue
 - Fines
 - Miscellaneous

General Fund Revenue

Fiscal Year

Collapse All	April 2011-12 Actual	April 2012-13 Actual	April 2013-14 Actual	April 2014-15 Actual	April 2015-16 Actual	April 2016-17 Actual	April 2017-18 Actual	2018-19 Budget
▼ Property Taxes/Other Tax	\$ 22,365,911	\$ 23,499,496	\$ 24,164,548	\$ 24,235,298	\$ 24,209,230	\$ 24,946,865	\$ 24,811,359	\$ 25,976,905
▶ Property Taxes	15,433,117	16,193,347	16,683,102	17,035,476	17,430,405	18,024,168	18,186,629	19,268,005
▶ Other Taxes	4,355,490	4,122,670	4,433,917	4,348,719	3,889,519	4,093,090	3,935,893	3,966,900
▶ Sales and Use Taxes	2,577,304	3,183,479	3,047,529	2,851,103	2,889,306	2,829,607	2,688,837	2,742,000
▶ Licenses and Permits	2,594,908	2,590,419	2,594,713	2,931,665	3,179,612	2,936,655	3,624,901	2,483,367
▶ Charges for Services	2,313,621	2,531,200	2,743,787	2,670,484	2,623,228	2,677,696	3,279,561	3,264,898
▶ Intergovernmental Revenue	1,967,501	2,133,237	2,192,540	2,388,569	2,251,828	2,314,764	2,291,589	2,063,506
▶ Other Financing Sources	541,478	657,099	566,745	626,215	1,571,224	746,576	729,982	756,841
▶ Other Revenue	361,693	260,820	297,713	318,081	372,759	368,553	607,720	542,892
▶ Fines	402,157	416,971	367,105	340,124	300,936	362,393	416,464	277,000
▶ Miscellaneous	21,804	51,181	36,538	36,042	28,031	44,660	46,762	10,000
Total	\$ 30,569,073	\$ 32,140,423	\$ 32,963,689	\$ 33,546,478	\$ 34,536,848	\$ 34,398,162	\$ 35,808,338	\$ 35,375,409



General Fund Expense

Fiscal Year

Expand All	April 2011-12 Actual	April 2012-13 Actual	April 2013-14 Actual	April 2014-15 Actual	April 2015-16 Actual	April 2016-17 Actual	April 2017-18 Actual	2018-19 Budget
▶ Salaries	\$ 13,974,578	\$ 13,680,484	\$ 14,522,165	\$ 14,470,439	\$ 14,416,781	\$ 14,496,801	\$ 14,826,354	\$ 15,578,357
▶ Employee Benefits	6,277,113	8,113,565	6,474,399	6,801,691	6,806,149	7,098,493	7,472,347	8,923,103
▶ Interfund Transfers Out	2,169,775	2,507,588	2,320,306	1,929,758	2,546,741	1,564,883	2,403,046	2,155,529
▶ Contractual Services	1,616,891	1,773,348	1,637,711	2,421,106	2,618,781	2,471,782	2,566,555	2,471,195
▶ Repair and Maint Services	1,994,590	2,120,663	2,071,006	2,003,861	2,176,628	2,205,161	2,087,711	2,214,036
▶ Insurance	1,182,936	1,012,788	1,012,788	1,012,788	1,012,788	1,012,788	1,012,788	1,012,788
▶ Supplies - General	597,449	687,778	656,530	732,471	677,131	645,345	636,656	740,693
▶ Utility	557,321	545,137	595,851	585,614	578,951	566,192	555,459	546,850
▶ Non-Personnel Expenses	335,650	332,137	346,219	386,483	367,429	345,835	381,643	458,972
▶ Capital Outlay	39,103	6,966	21,205	12,161	1,789,865	0	534,849	10,000
▶ Miscellaneous Expenses	212,637	192,612	323,410	172,297	265,498	426,379	-26,992	309,000
▶ Communications	106,725	116,408	115,305	95,519	98,702	101,038	75,241	94,583
▶ Advertising	3,259	2,476	1,394	3,857	3,647	4,359	34,422	49,250
▶ Rentals	11,395	13,031	4,174	10,109	3,076	1,386	1,753	6,212
Total	\$ 29,079,422	\$ 31,104,981	\$ 30,102,463	\$ 30,638,154	\$ 33,362,167	\$ 30,940,442	\$ 32,561,832	\$ 34,570,568

Data filtered by Expenses, General and exported on March 6, 2019. Created with OpenGov

Costs to Lake Forest Residents

<u>Fiscal Year:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u> Preliminary
Property Taxes (\$800,000 home in 2011)	2,618.49	2,695.59	2,737.27	2,862.24	2,936.75
Deduct: Library Portion	(354.52)	(357.89)	(361.40)	(370.22)	(381.78)
City Portion of Property Tax	2,263.97	2,337.70	2,375.87	2,492.02	2,554.97
Utility Taxes - Electric/Gas/Water	240.00	240.00	240.00	240.00	240.00
Telecommunications Tax	54.00	54.00	54.00	54.00	54.00
Cable Franchise Fees	45.00	45.00	45.00	45.00	45.00
Vehicle Stickers (2 vehicles)	170.00	170.00	170.00	170.00	170.00
Water Charges	1,180.00	1,206.00	1,239.20	1,263.20	1,300.00
Sanitary Sewer Charges	136.00	136.00	136.00	136.00	136.00
Public Safety Pension Fee			40.00	80.00	80.00
Sanitation Fee	96.00	96.00	96.00	96.00	144.00
Total	4,184.97	4,284.70	4,396.07	4,576.22	4,723.97
Change from prior year	\$75.81	\$99.73	\$111.38	\$180.15	\$147.75

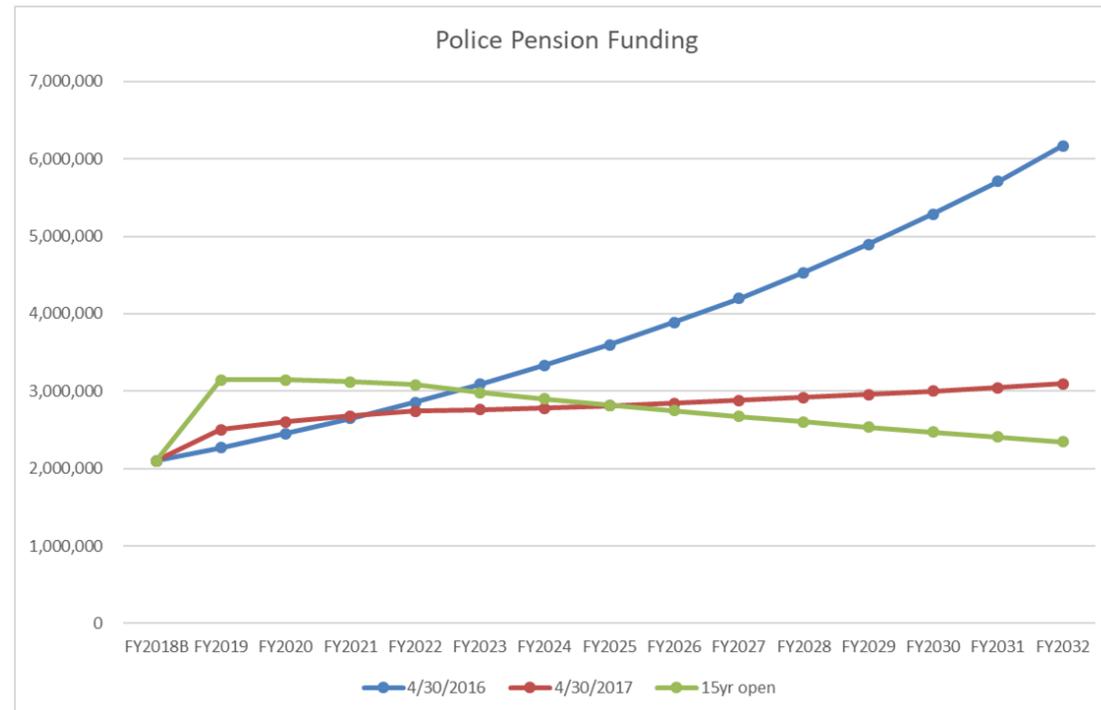
Public Safety Pension Subcommittee Update

Public Safety Pension Subcommittee

- Joint Meeting 2/4/19 with Fire and Police pension boards
 - Overview of current Pension Funding Policy
 - Open Amortization – City’s actuary
 - Actuarial Valuation Assumptions 4/30/19

RECOMMENDATION:

- New mortality table for FY2019 valuations
- Phase in open amortization
 - Memorialize in Pension Funding Policy
- Consider lowering interest rate assumption when financially feasible



Break: Dinner

Department Summaries

Department Summaries

- Strategic Plan Update
- Operating Department Summaries
 - No presentations planned
 - Executive Staff available to answer questions
- NOTE: General Fund department budgets do not yet reflect compensation adjustment and will be revised for City Council budget approval.

FY20 Budget Issues

Capital Improvement Plan and Five Year Forecasts Update

CIP Targets Current and Proposed - 3/11/19 Finance Committee

	FY20	FY20	FY21	FY21	FY22	FY22	FY23	FY23*	FY24	FY24*
Road/Bridge	1,700,000	1,700,000	400,000	400,000	1,700,000	1,700,000	1,700,000	1,855,000	400,000	700,000
Storm Sewer	250,000	250,000	1,550,000	1,550,000	250,000	250,000	250,000	250,000	1,550,000	1,550,000
Ravines								350,000		350,000
Facilities	300,000	300,000	300,000	300,000	300,000	300,000	300,000	350,000	300,000	350,000
Parks/Rec	100,000	100,000	100,000	100,000	100,000	100,000	100,000	150,000	100,000	150,000
Police	50,000	50,000	50,000	50,000	50,000	50,000	50,000	75,000	50,000	75,000
Fire	50,000	50,000	50,000	50,000	50,000	50,000	50,000	75,000	50,000	75,000
Technology	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Cap Equip	450,000	450,000	450,000	450,000	450,000	450,000	450,000	500,000	450,000	500,000
Other	150,000	150,000	150,000	150,000	150,000	150,000	150,000	200,000	150,000	200,000
Sub-Total	3,300,000	4,055,000	3,300,000	4,200,000						

* Revised Targets based on increase in Sanitation Fee to \$12/month and Home Rule Sales Tax Rate to 1.0%.

Additional Revenue:

General Fund	600,000	500,000								
Sales Tax	500,000	600,000			600,000		600,000			600,000
San Fee	300,000	300,000			300,000		300,000			300,000
NBAR Donations	650,000									

Current Year Addl Avail.	2,050,000	1,400,000			900,000		900,000			900,000
Targets Adjusted (above)							(755,000)			(900,000)

CIP Targets Current and Proposed - 3/11/19 Finance Committee

	FY20	FY20	FY21	FY21	FY22	FY22	FY23	FY23*	FY24	FY24*
Current Year Addl Avail.		2,050,000		1,400,000		900,000		900,000		900,000
Score Targets Adjusted (above)								(755,000)		(900,000)
50 Forest Hill Storm Sewer		(920,000)		920,000						
G-70 Everett/Wauk Construct.		600,000		(600,000)						
60 Addl Street Resurfacing		(450,000)								
50 North Beach Pkg Lot		(200,000)								
60 Addl Street Resurfacing				(300,000)						
50 Deerpath Streetscape Des		(150,000)								
G-55 Wauk/Westleigh Eng		(60,000)								
50 Addl NBAR Bluff funding		(245,000)								
55 Deerpath Sidewalk/wall				(150,000)						
55 South Park Entrance/Lot/Roadway				(95,000)		(200,000)				
65 Fire locker room		(375,000)								
50 Ringwood Ravine		(45,000)		(250,000)						
50 McCormick Ravine		(25,000)								
50 Rosemary Ravine		(50,000)		(450,000)						
55 North Shore Pkg Lot				(180,000)						
50 Route 60 Path Des/Eng				(50,000)						
60/55 Recreation Center Equip				(70,000)		(50,000)				
35 Universal Crossover				(400,000)						
50 Burr Oak Storm Sewer - advance						(710,000)				710,000
50 Westleigh Rd Bridge Deck								(145,000)		
Net Change		130,000		(225,000)		(60,000)		0		710,000

Also Water Capital Change

**THE CITY OF LAKE FOREST
FIVE YEAR FUND BALANCE FORECAST
CAPITAL IMPROVEMENT FUND**

	ACTUAL FY 2015	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	PROJECTED FY 2019	PROJECTED FY 2020	PROJECTED FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
Fund Balance 5/1	\$ 4,084,956	\$ 3,332,994	\$ 5,970,787	\$ 4,575,512	\$ 5,938,047	\$ 5,125,451	\$ 2,461,479	\$ 1,416,536	\$ 997,756	\$ 1,912,789
Revenue										
Real Estate Transfer Tax	\$ 1,224,610	\$ 1,288,175	\$ 1,398,160	\$ 1,622,900	\$ 1,449,587	\$ 1,471,331	\$ 1,493,401	\$ 1,515,802	\$ 1,538,539	\$ 1,561,617
Capital Improvements Levy				817,962	816,750	1,730,225	1,538,000	1,541,725	1,539,144	1,541,019
Home Rule Sales Tax (.5%)						500,000	618,120	630,482	643,092	655,954
Demolition Tax	48,000	72,000	48,000	24,000	36,000	36,000	36,000	36,000	36,000	36,000
Close Fund 301										
Sanitation Fee	603,328	611,246	613,310	614,263	610,000	-	-	-	-	-
Proceeds from Land Sale			5,615,219							
Misc/Recycling	85,325	351,898	129,761	209,973	221,364	108,974	112,974	112,974	112,974	112,974
Interest	14,709	23,716	47,110	82,955	133,606	128,136	67,691	38,955	27,438	52,602
Total Taxes and Other	\$1,975,972	\$2,347,035	\$7,851,560	\$3,372,053	\$ 3,267,307	\$3,974,666	\$3,866,185	\$3,875,937	\$3,897,187	\$3,960,166
Grants/Contributions	\$ 231,616	\$ 364,297	\$ 898,520	\$ 274,408	\$ 2,023,080	\$ 92,336	\$ 72,000	\$ -	\$ 397,000	\$ -
Total Grants	\$ 231,616	\$ 364,297	\$ 898,520	\$ 274,408	\$ 2,023,080	\$ 92,336	\$ 72,000	\$ -	\$ 397,000	\$ -
Total Non-Bond Revenue	\$ 2,207,588	\$ 2,711,332	\$ 8,750,080	\$ 3,646,461	\$ 5,290,387	\$ 4,067,002	\$ 3,938,185	\$ 3,875,937	\$ 4,294,187	\$ 3,960,166
CIP Bonds		4,735,960			-	-	-	-	-	-
Total Bond Proceeds		\$ 4,735,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund Transfer	\$ 750,000	\$ 475,000		\$ 1,250,000	\$ 1,600,000	500,000	-	-	-	-
Gen Fund Transfer - Regency Lane SSA		846,139								
Transfer from Other Funds			141,222	1,784,882	314,800					
Gen Fund/.5% sales tax transfer: Balance above policy	32,415	297,580	235,345	41,880	-	-	-	-	500,000	500,000
Grand Total Revenue	2,990,003	9,066,011	9,126,647	6,723,223	7,205,187	4,567,002	3,938,185	3,875,937	4,794,187	4,460,166
Less: Operating Expense	23,767	65,947	404,558	28,918	111,365	76,555	78,852	81,217	83,654	86,163
Net before CIP	\$ 2,966,236	\$ 9,000,064	\$ 8,722,089	\$ 6,694,305	\$ 7,093,822	\$ 4,490,447	\$ 3,859,334	\$ 3,794,720	\$ 4,710,533	\$ 4,374,002
Transfer to Redeem Outstanding GO Bonds			5,615,219							
Forest Park Bluff/NBAR Repairs Option 3a					226,000	2,219,000				
Capital Projects #1 ONLY	3,718,198	6,362,271	4,502,145	5,331,770	7,680,418	4,935,419	4,904,277	4,213,500	3,795,500	2,543,500
Total Capital Expenditures	\$ 3,718,198	\$ 6,362,271	\$ 10,117,364	\$ 5,331,770	\$ 7,906,418	\$ 7,154,419	\$ 4,904,277	\$ 4,213,500	\$ 3,795,500	\$ 2,543,500
Fund Balance 4/30	\$ 3,332,994	\$ 5,970,787	\$ 4,575,512	\$ 5,938,047	\$ 5,125,451	\$ 2,461,479	\$ 1,416,536	\$ 997,756	\$ 1,912,789	\$ 3,743,292

Minimum Fund Balance Target \$1,000,000

Current Forecast provides \$4.2 million per year

**THE CITY OF LAKE FOREST
FUND BALANCE FORECAST
GENERAL FUND**

FY2020 Alternative Recommendation

	ACTUAL FY 2018	PROJECTED FY 2019	PROJECTED FY 2020	PROJECTED FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027	PROJECTED FY 2028	PROJECTED FY 2029
Fund Balance 5/1	25,056,431	28,302,946	30,356,040	31,332,176	32,407,045	33,768,521	34,330,344	34,816,364	34,866,295	34,460,765	33,576,580	32,173,130
Revenue	35,808,347	37,360,760	36,614,274	37,459,750	38,526,670	39,006,743	39,756,186	40,598,444	41,459,856	42,350,366	43,247,381	44,243,435
Operating Expenses	31,311,832	33,307,666	34,138,138	35,384,881	36,665,194	37,944,920	39,270,166	40,548,513	41,865,386	43,234,551	44,650,831	46,120,700
Net before CIP	4,496,515	4,053,094	2,476,136	2,074,869	1,861,476	1,061,823	486,020	49,931	(405,530)	(884,185)	(1,403,450)	(1,877,265)
Capital or One Time Expenditures	1,250,000	1,600,000	500,000									
Additional Capital Transfers Recommended		400,000	1,000,000	1,000,000	500,000	500,000						
Fund Balance 4/30	28,302,946	30,356,040	31,332,176	32,407,045	33,768,521	34,330,344	34,816,364	34,866,295	34,460,765	33,576,580	32,173,130	30,295,865
Nonspendable Fund Balance 4/30	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038	150,038
<i>Assigned FB - Financial System**</i>												
Less: 35% Req Resv+ Sick/Vaca+\$957k Parking* <i>- change to 35% for FY15</i>	14,071,642	14,614,987	14,353,717	14,649,634	15,023,056	15,191,081	15,453,386	15,748,176	16,049,671	16,361,349	16,675,304	17,023,923
Available Funds	14,081,266	15,591,015	16,828,421	17,607,374	18,595,428	18,989,225	19,212,940	18,968,080	18,261,056	17,065,193	15,347,788	13,121,903
Op Revenue increase%	4.1%	4.3%	-2.0%	2.3%	2.8%	1.2%	1.9%	2.1%	2.1%	2.1%	2.1%	2.3%
Op Expense increase %	2.3%	6.4%	2.5%	3.7%	3.6%	3.5%	3.5%	3.3%	3.2%	3.3%	3.3%	3.3%
FB as % of revenue	79.0%	81.3%	85.6%	86.5%	87.6%	88.0%	87.6%	85.9%	83.1%	79.3%	74.4%	68.5%

* Parking reserve expended in FY2016 and no longer part of minimum fund balance.

** Financial System reserve transferred to Capital Fund in FY18.

Note: Fund balance schedule in budget includes fund 101 and fund 120 in General Fund line - excluded here.

Primary Assumptions: Property Tax Levy (3%), Sales/Utility/Hotel Taxes (2%), Income Tax (90% permanent; 1.5%)



RELAUNCHING THE LFPD K9 PROGRAM

ETA SUMMER 2019

*NOT ACTUAL PICTURE OF OUR DOG. WE DON'T HAVE THE REAL ONE YET. BUT THIS DOG LOOKS NICE, DOESN'T HE?



REESTABLISHING A POLICE K9 PROGRAM (2017-PRESENT)

- SECURING FUNDING FOR THE PROGRAM.
- NAVIGATING THE LEGAL AND FLSA PROGRAM REQUIREMENTS.
- NEGOTIATING A CONTRACTUAL AGREEMENT WITH OUR OFFICERS' LABOR UNION.
- SELECTING A PROGRAM SUPERVISOR.
- ADOPTING POLICY.
- SELECTING THE APPROPRIATE HANDLER.
- SECURING A DEDICATED VEHICLE.
- ACQUIRING THE RIGHT DOG.
- BASIC TRAINING FOR HANDLER AND DOG.
- PATROL. TRAIN. REPEAT AS NEEDED.



TOPS Police K9 Training Program



PROGRAM COSTS AND FUNDING

DOG AND BASIC TRAINING (\$13,500)

DONATED BY DAS CHARITABLE

ONGOING K9 MAINTENANCE (\$5,200/YR)

DONATED BY DAS CHARITABLE

DEDICATED SQUAD CAR (\$30,000)

DONATED BY THE LF POLICE FOUNDATION

SQUAD CAR EQUIPMENT (\$20,000)

DONATED BY THE LF POLICE FOUNDATION

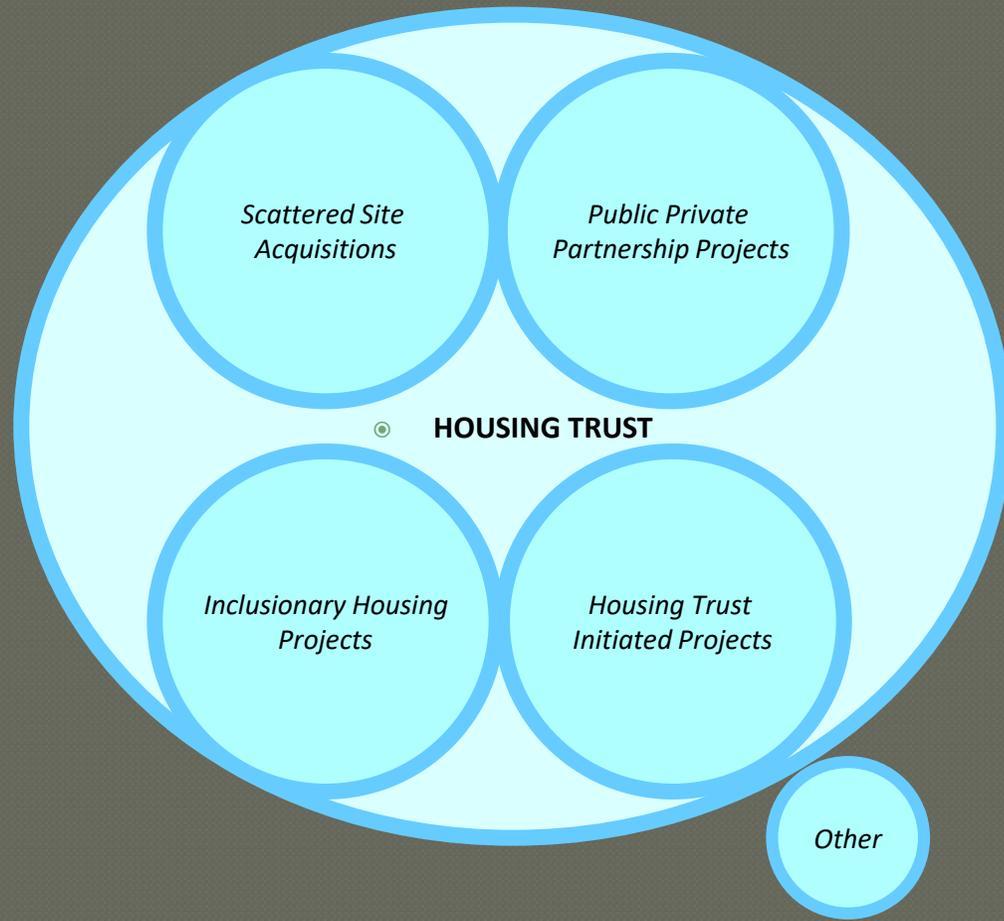


Overview and Update on Affordable Housing

Affordable Housing Framework

- ✓ 2003 - Adoption of Resolution in Support of Affordable/Diverse Housing
- ✓ 2005 – Adoption of Affordable Housing Plan (amended 2010)
- ✓ 2005 – Adoption of Inclusionary Housing Ordinance (amended 2011)
- ✓ 2006 – Housing Trust Fund Board Established (amended 2017)

Affordable Housing Multi-faceted Approach



Scattered Site Acquisition: Purchasing existing units to preserve as affordable rental or deed restricted for-sale.

Inclusionary Housing Projects: Units created by private developers thru the requirements of the Inclusionary Housing Ordinance.

Public Private Partnerships: Units created thru partnerships with local employers, institutions, others, such as LFC, NLFH, Schools. *Examples – Lake Forest Academy and Lake Forest College opportunities.*

Housing Trust Initiated Projects: Opportunities to leverage Trust Fund dollars or acquire outside funding.

Other: Affordable housing developments initiated by other organizations, not-for-profits, with limited direct involvement by Housing Trust.

Affordable Housing Initiative

Target Groups

Provide diverse housing types to meet the needs of those on fixed and limited incomes:

- ✓ Seniors
- ✓ People with Disabilities
- ✓ Young Families
- ✓ Employees of Local Institutions
- ✓ Single Parent/Non-Traditional Households

Affordable Housing Accomplishments

- ✓ **8 Affordable Homes**
 - ✓ **Partnership with Community Partners for Affordable Housing**
 - ✓ **Land Trust Model/Home Ownership**
- ✓ **Senior Cottages Stabilized**
- ✓ **Granny Flats Authorized**
- ✓ **Inclusionary Units Constructed**
 - ✓ **Focus Development – 12 Rental Units**
 - ✓ **McKinley Road Redevelopment – 2 Condominiums**

Affordable Housing Housing Trust Fund

- ✓ **Fund Balance - \$1,150,922**
- ✓ **Approved Expenditures - \$335,000 to CPAH (10/2017)**
 - ✓ **\$150,000 Paid to Date – Acquisition of 2 Houses**
 - ✓ **Pending - \$150,000 - Improvements**
 - ✓ **Pending - \$ 30,000 - CPAH Administration Fees**
 - ✓ **Pending - \$ 5,000 - Consulting Fee**

Affordable Housing Near Term Recommendations

- ✓ **Funding for Additional Home Acquisitions**
- ✓ **Senior Cottage Partnership Project**

Park Master Plan and Facilities Update

Chart Our Future

The City of Lake Forest
Parks and Recreation Department

10-Year Strategic Parks Master Plan
May 2019 - April 2029

DRAFT
11/20/18

CHART OUR FUTURE

- ▶ Year in the making
- ▶ Planning Process
 - ▶ Public Workshops
 - ▶ Focus Groups
 - ▶ Surveys
 - ▶ Joint Board and Foundation Meetings
- ▶ Planning Process Identified
 - ▶ Infrastructure requirements
 - ▶ Recreation trends
 - ▶ Community needs
 - ▶ Resident expectations

CHART OUR FUTURE

- ▶ Detailed Inventory
 - ▶ City's Parks
 - ▶ Open Space
 - ▶ Indoor Recreational Facilities
- ▶ Compared
 - ▶ National Benchmarks
 - ▶ State Benchmarks
 - ▶ Regional Benchmarks

CHART OUR FUTURE

- ▶ **Goals Developed**
 - ▶ Improve existing and/or add new indoor recreational space
 - ▶ Systematically upgrade and improve most utilized and/or aging parks including athletic field conditions and drainage
 - ▶ Evaluate new park amenities to bring into the community

CHART OUR FUTURE

- ▶ Action Plan
 - ▶ Living document
 - ▶ Updated regularly to achieve the targeted objectives in a fiscally responsible manner
 - ▶ Targets the highest priority items early in the timeline
 - ▶ Change as funding or community priorities change

CHART OUR FUTURE

▶ Questions?

Chart Our Future

The City of Lake Forest
Parks and Recreation Department

10-Year Strategic Parks Master Plan
May 2019 - April 2029

DRAFT
11/20/18

Request for Increased Financial Support Friends of Lake Forest Parks & Recreation



FRED JACKSON GOLF CLASSIC



FESTIVAL AND FIREWORKS





FALL FESTIVAL



TREE LIGHTING





DINNER WITH SANTA & COCKTAILS WITH THE CLAUS'

Other Operating Funds

**THE CITY OF LAKE FOREST
FIVE YEAR FUND BALANCE FORECAST
WATER FUND**

501 Operating

Structure Revised	3.00%	Revenue increase assumptions:							
		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

	ACTUAL FY 2015	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	PROJECTED FY 2019	PROJECTED FY 2020	PROJECTED FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
Fund Balance 5/1	\$ 7,290,820	\$ 5,884,559	\$ 6,140,894	\$ 6,252,781	\$ 7,373,621	\$ 7,616,192	\$ 7,696,259	\$ 7,840,753	\$ 8,157,306	\$ 8,490,739
Operating Revenue	\$ 7,515,549	\$ 7,532,964	\$ 7,941,785	\$ 8,398,190	\$ 8,517,239	\$ 8,421,456	\$ 8,612,401	\$ 8,755,638	\$ 8,905,510	\$ 9,103,313
Grant Revenue/Contributions		875,496		752,508						
Less: Operating Expenses	3,769,442	4,111,224	4,061,249	4,414,468	4,399,363	4,453,734	4,565,077	4,679,204	4,796,184	4,916,089
ERI Prepayment to Gen Fund	166,821	166,821	166,820		-	-	-	-	-	-
Debt service	2,210,420	2,210,080	2,201,829	2,215,390	2,475,305	2,487,655	2,502,830	2,359,880	2,375,893	2,080,773
Net before CIP	\$ 1,368,866	\$ 1,920,335	\$ 1,511,887	\$ 2,520,840	\$ 1,642,571	\$ 1,480,067	\$ 1,544,494	\$ 1,716,554	\$ 1,733,433	\$ 2,106,451
Total Transfer to Capital	2,020,000	1,664,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Fund Balance 4/30	\$ 6,639,686	\$ 6,140,894	\$ 6,252,781	\$ 7,373,621	\$ 7,616,192	\$ 7,696,259	\$ 7,840,753	\$ 8,157,306	\$ 8,490,739	\$ 9,197,190
GASB 68 Adjustment	(755,127)									
Less: .33 (rev) + 1X debt serv+500K	\$ 5,190,551	\$ 5,195,958	\$ 5,322,618	\$ 5,486,793	\$ 5,785,994	\$ 5,766,735	\$ 5,844,922	\$ 5,749,241	\$ 5,814,711	\$ 5,584,866
Available Funds	1,449,135	944,936	930,163	1,886,828	1,830,198	1,929,524	1,995,830	2,408,066	2,676,028	3,612,324

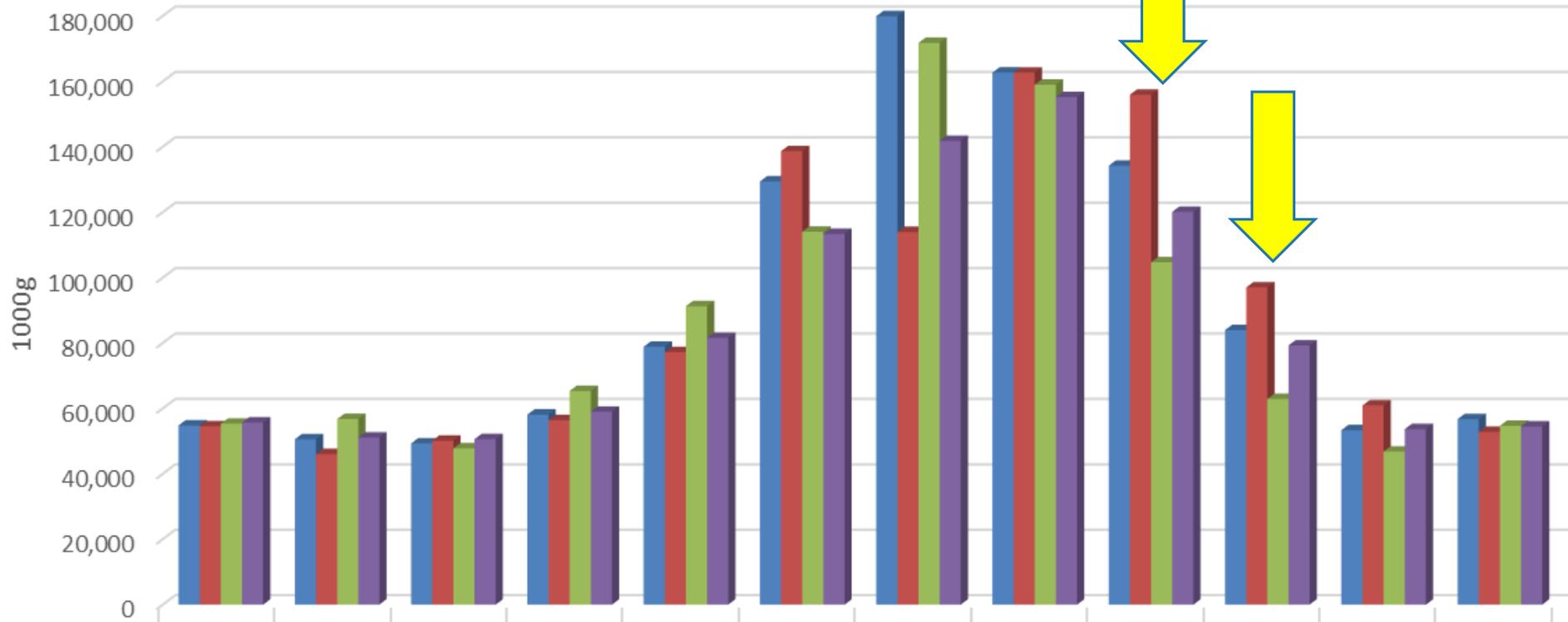
Revenue increase%	-0.4%	0.2%	5.4%	5.7%	1.4%	-1.1%	2.3%	1.7%	1.7%	2.2%
Expense increase %	-3.2%	9.1%	-1.2%	8.7%	-0.3%	1.2%	2.5%	2.5%	2.5%	2.5%

GASB 68 Pens Exp

Series 2002A/2011B bonds mature 12-15-23.

Debt service coverage 1.25	1.69	1.55	1.76	1.80	1.66	1.59	1.62	1.73	1.73	2.01
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Monthly Water Usage



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
■ U16	54,806	50,571	49,314	58,146	78,879	129,437	179,953	162,731	134,226	83,954	53,358	56,716
■ U17	54,566	46,042	50,140	56,429	77,223	138,695	113,951	162,691	155,932	97,008	60,907	52,825
■ U18	55,340	56,775	47,808	65,336	91,268	114,034	171,786	159,030	104,702	62,905	46,826	54,683
■ 5yr avg U	55,689	51,085	50,593	59,015	81,596	113,384	141,814	155,239	120,137	79,252	53,683	54,470

**MONTHLY WATER CONSUMPTION BILLED
COMPARING 2018 to 2019**

MONTH	CONSUMPTION THOUSAND GALLONS		% OF CHANGE	YTD CHANGE	YTD Budget Variance
	FY 2018	FY 2019			
MAY	40,696,000.00	39,811,000.00	-2.17%	-2.17%	861
JUNE	58,810,000.00	60,014,000.00	2.05%	0.32%	18,754
JULY	119,243,000.00	104,942,000.00	-11.99%	-6.39%	(50,829)
AUG	75,090,000.00	80,998,000.00	7.87%	-2.75%	(1,099)
SEPT	144,055,000.00	152,395,000.00	5.79%	0.06%	68,570
OCT	171,419,000.00	181,658,000.00	5.97%	1.72%	160,364
NOV	85,314,000.00	74,126,000.00	-13.11%	-0.10%	111,919
DEC	91,261,000.00	66,720,000.00	-26.89%	-3.21%	(16,677)
Jan-15	81,340,000.00	67,961,000.00	-16.45%	-4.45%	(88,245)
FEB	41,780,000.00	38,924,000.00	-6.84%	-4.56%	(105,116)
MAR	45,079,000.00		-100.00%		
APR	61,848,000.00		-100.00%		
YTD	1,015,935,000.00	867,549,000.00	-14.61%		

**THE CITY OF LAKE FOREST
FIVE YEAR FUND BALANCE FORECAST
PARKS AND RECREATION FUND**

	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Estimate FY 2019	PROJECTED FY 2020	PROJECTED FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
Fund Balance 5/1	2,083,867	2,149,076	2,369,448	2,111,037	1,300,911	894,990	715,806	974,517	1,249,893	1,583,782
Revenue										
Property Tax Revenue	4,814,690	4,900,350	5,058,134	5,078,852	5,200,983	5,315,794	5,475,268	5,639,526	5,808,712	5,982,973
Fee Revenue	2,888,467	2,775,057	2,610,234	2,728,495	2,893,216	3,349,801	3,450,295	3,553,804	3,660,418	3,770,231
Contributions/Other	231,766	235,555	162,911	263,079	224,015	199,062	203,043	207,104	211,246	215,471
General Fund Transfer	285,750	381,021	364,498	308,500	305,000	285,000	285,000	285,000	285,000	285,000
Interest Income	15,483	19,925	31,385	52,250	75,000	75,000	19,685	26,799	34,372	43,554
Total Current Revenue	8,236,156	8,311,908	8,227,162	8,431,176	8,698,214	9,224,657	9,433,291	9,712,233	9,999,748	10,297,229
Expenditures										
Operations and Maintenance	2,561,659	2,432,127	2,419,972	2,527,761	2,699,120	2,553,837	2,604,914	2,657,012	2,710,152	2,764,355
Salaries/Benefits	5,274,904	5,303,993	5,265,251	5,557,375	5,906,666	6,007,323	6,187,543	6,373,169	6,564,364	6,761,295
Adm Serv to City	18,384	159,416	167,350	169,166	173,349	177,681	182,123	186,676	191,343	196,127
Total Operating Expenses	7,854,947	7,895,536	7,852,573	8,254,302	8,779,135	8,738,841	8,974,579	9,216,857	9,465,859	9,721,777
Net Before Equip Reserve	381,209	416,372	374,589	176,874	(80,921)	485,816	458,711	495,376	533,889	575,452
Equipment Reserve Transfer	150,000	150,000	150,000	150,000	150,000	255,000	150,000	170,000	150,000	150,000
Net after Equip Reserve	231,209	266,372	224,589	26,874	(230,921)	230,816	308,711	325,376	383,889	425,452
Transfer to Golf Fund-Oper	166,000	46,000	233,000	337,000	50,000	50,000	50,000	50,000	50,000	50,000
Transfer to Golf Fund-Lewy			125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Short Term Loan - Golf			125,000	375,000	0	235,000	(125,000)	(125,000)	(125,000)	(110,000)
ERI Payoff										
Fund Balance 4/30	2,149,076	2,369,448	2,111,037	1,300,911	894,990	715,806	974,517	1,249,893	1,583,782	1,944,234
Fund Balance - Other Funds	\$ 860,949	\$ 1,102,357	\$ 1,021,619	\$ 1,698,401	\$ 1,382,034	\$ 1,227,406	\$ 1,310,294	\$ 1,981,189	\$ 2,125,473	\$ 2,243,057
Fund Balance as % of Oper Rev (Target is 25 % all funds combined)	37%	42%	38%	36%	26%	21%	24%	33%	37%	41%
Prop Tax Revenue increase %	1.5%	1.8%	3.2%	0.4%	2.8%	2.2%	3.0%	3.0%	3.0%	3.0%
Op Revenue increase %	-5.0%	-3.9%	-5.9%	4.5%	10.8%	15.8%	3.0%	3.0%	3.0%	3.0%
Op Expense increase %	1.5%	0.5%	-0.5%	5.1%	11.8%	-0.5%	2.7%	2.7%	2.7%	2.7%

Excludes dedicated parks and recreation funds not accounted for in Fund 220.

Deerpath Golf Course

FY19 Recap

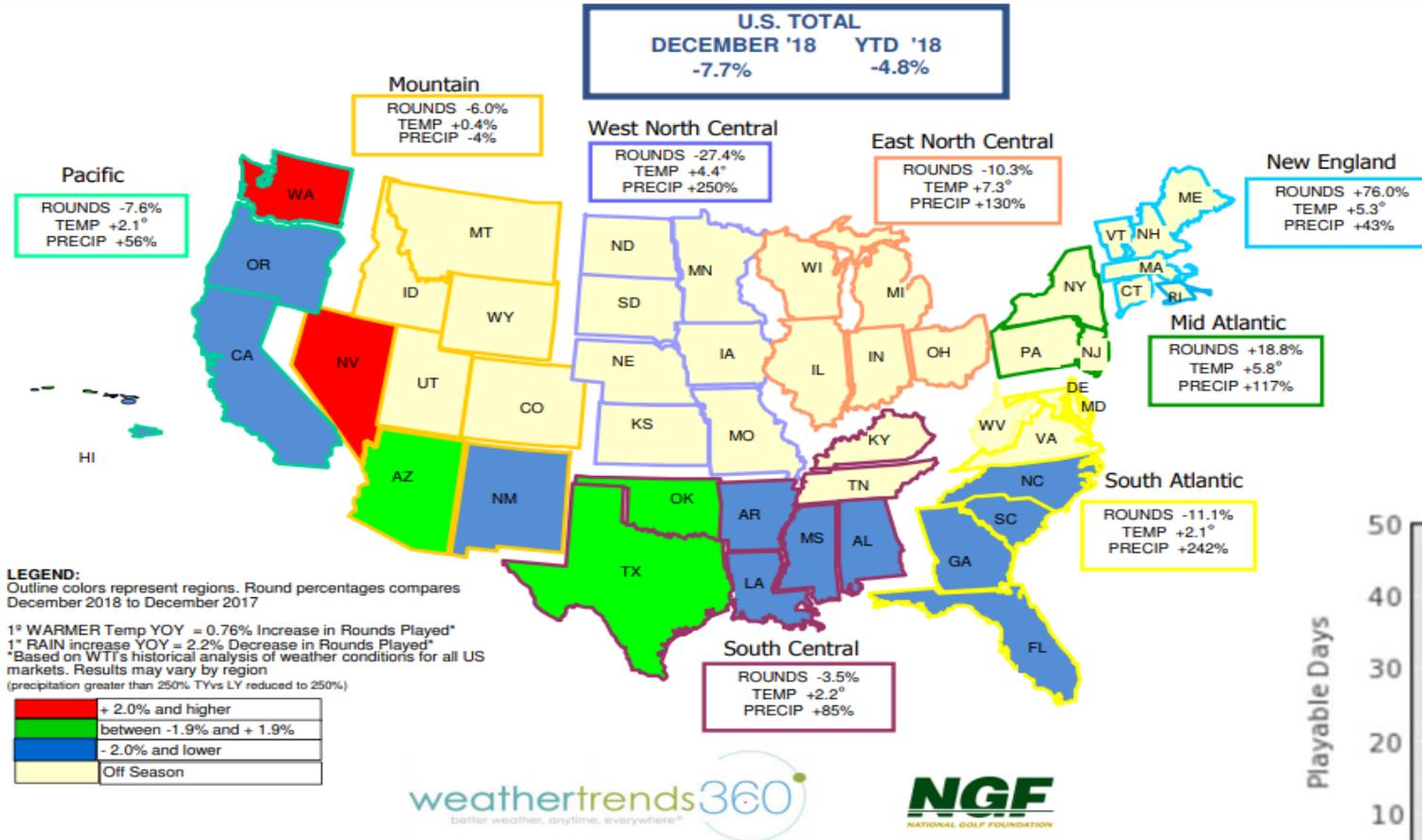
FY20 Overview

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- State of the Industry
- Deerpath Historical Rounds
- Course Utilization FY19
- FY19 Financials
- FY20 Financials
- TrueReview Customer Ratings
- Through The Years

State of the Industry

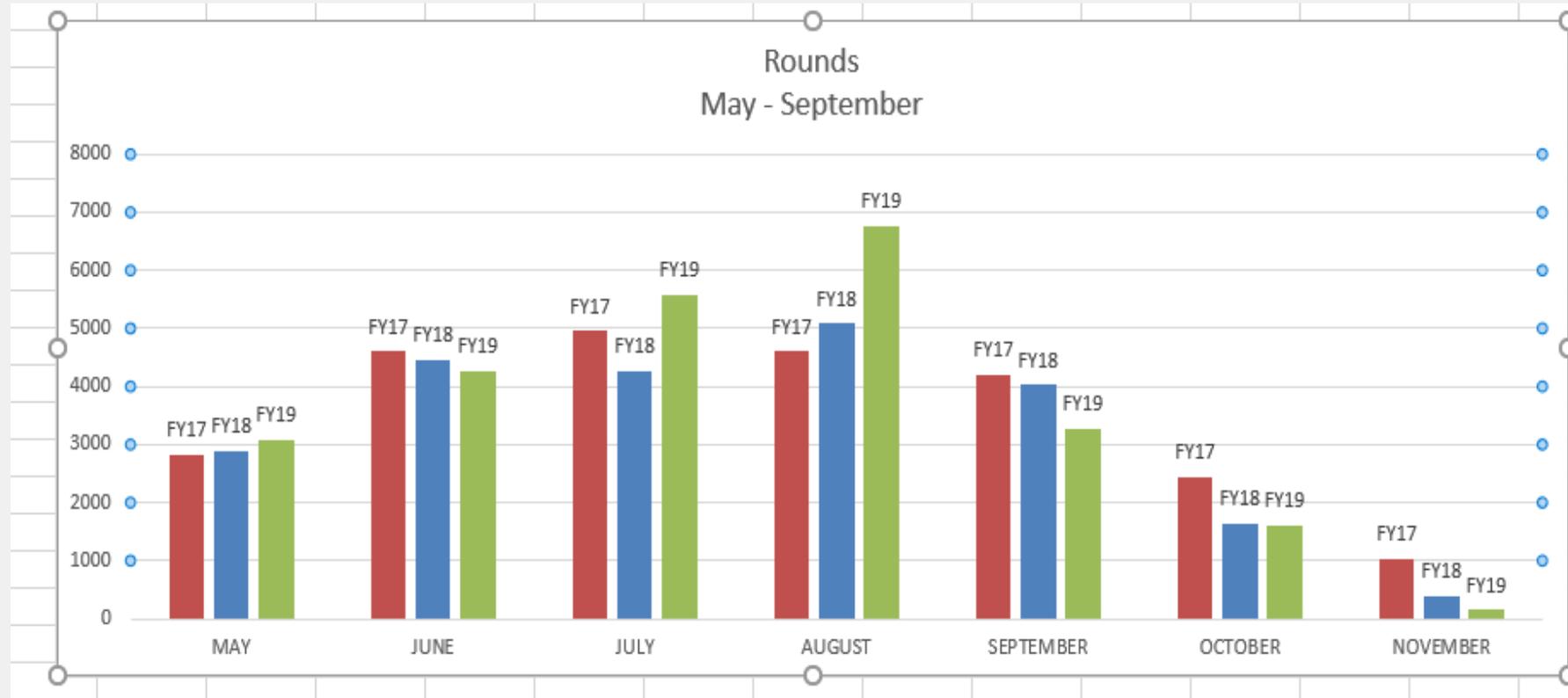
Number of Golfers Down / Rounds Down



2019
Chicago
Rounds down
6.1%



Deerpath Rounds



Deerpath Rounds

FY19	27,306
FY18	24,631
FY17	27,701

Weekend Utilization May – September FY19

	6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	Total
% Utilized	-4.6% ▼	-1.2% ▼	2.7% ▲	-4.3% ▼	4.2% ▲	5.6% ▲	8.1% ▲	4.0% ▲	2.8% ▲	3.4% ▲	-0.3% ▼	6.7% ▲	-0.6% ▼	2.3% ▲
Rounds Avail.	33 ▲	71 ▲	54 ▲	50 ▲	(10) ▼	40 ▲	(104) ▼	(122) ▼	(104) ▼	43 ▲	(58) ▼	(27) ▼	44 ▲	(90) ▼
Rounds Filled	(30) ▼	53 ▲	88 ▲	(3) ▼	39 ▲	83 ▲	18 ▲	(34) ▼	(25) ▼	53 ▲	(22) ▼	67 ▲	(5) ▼	282 ▲
Rounds Unfilled	63 ▲	18 ▲	(34) ▼	53 ▲	(49) ▼	(43) ▼	(122) ▼	(88) ▼	(79) ▼	(10) ▼	(36) ▼	(94) ▼	49 ▲	(372) ▼
Revenue	\$7,168 ▲	\$15,297 ▲	\$18,495 ▲	(\$273) ▼	(\$5,203) ▼	\$530 ▲	(\$209) ▼	\$74 ▲	(\$1,111) ▼	\$1,845 ▲	\$421 ▲	\$1,839 ▲	\$534 ▲	\$39,408 ▲
Rev / Avail Round	\$4.85 ▲	\$11.35 ▲	\$12.65 ▲	(\$1.55) ▼	(\$4.46) ▼	(\$0.03) ▼	\$1.11 ▲	\$1.90 ▲	\$0.22 ▲	\$1.45 ▲	\$0.81 ▲	\$1.83 ▲	\$0.36 ▲	\$2.81 ▲
Rev / Filled Round	\$6.57 ▲	\$12.32 ▲	\$12.63 ▲	(\$0.18) ▼	(\$7.04) ▼	(\$1.47) ▼	(\$0.76) ▼	\$1.57 ▲	(\$0.93) ▼	\$1.18 ▲	\$2.63 ▲	\$1.25 ▲	\$6.93 ▲	\$3.50 ▲
Avg Golf Index	(0.57) ▼	(0.43) ▼	(0.41) ▼	(0.19) ▼	(0.49) ▼	(0.44) ▼	(0.37) ▼	(0.65) ▼	(3.36) ▼	0.17 ▲	0.04 ▲	0.18 ▲	(0.09) ▼	(0.51) ▼
Total Precipitation	2.58 ▲	2.30 ▲	2.77 ▲	0.73 ▲	0.31 ▲	0.20 ▲	0.34 ▲	0.27 ▲	0.29 ▲	0.19 ▲	0.06 ▲	0.06 ▲	0.02 ▲	10.12 ▲

Dates1: 5/1/2018-9/30/2018

	6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	Total
% Utilized	90.6%	94.1%	96.1%	86.8%	82.8%	76.4%	72.3%	61.5%	52.9%	53.1%	33.0%	21.2%	6.6%	64.4%
Rounds Avail.	1323	1226	1387	1142	1110	986	1051	908	969	923	1064	1053	1344	14,486
Rounds Filled	1199	1153	1333	991	919	753	760	558	513	490	351	223	89	9,332
Rounds Unfilled	124	73	54	151	191	233	291	350	456	433	713	830	1255	5,154
Revenue	\$36,443	\$37,859	\$41,994	\$32,434	\$23,333	\$13,723	\$15,026	\$14,012	\$12,578	\$12,301	\$8,959	\$5,471	\$2,092	\$256,225
Rev / Avail Round	\$27.55	\$30.88	\$30.28	\$28.40	\$21.02	\$13.92	\$14.30	\$15.43	\$12.98	\$13.33	\$8.42	\$5.20	\$1.56	\$17.69
Rev / Filled Round	\$30.39	\$32.83	\$31.50	\$32.73	\$25.39	\$18.22	\$19.77	\$25.11	\$24.52	\$25.10	\$25.52	\$24.53	\$23.51	\$27.46
Avg Golf Index	7.50	7.64	7.66	8.02	7.84	7.77	7.84	8.14	3.66	0.45	0.18	0.18	0.14	5.16
Total Precipitation	3.06	2.78	3.25	0.75	0.32	0.23	0.37	0.30	0.32	0.21	0.09	0.09	0.05	11.82

Dates2: 5/1/2017-9/30/2017

	6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	Total
% Utilized	95.3%	95.2%	93.4%	91.0%	78.6%	70.8%	64.2%	57.5%	50.1%	49.7%	33.2%	14.4%	7.2%	62.1%
Rounds Avail.	1290	1155	1333	1092	1120	946	1155	1030	1073	880	1122	1080	1300	14,576
Rounds Filled	1229	1100	1245	994	880	670	742	592	538	437	373	156	94	9,050
Rounds Unfilled	61	55	88	98	240	276	413	438	535	443	749	924	1206	5,526
Revenue	\$29,275	\$22,561	\$23,499	\$32,708	\$28,535	\$13,192	\$15,235	\$13,938	\$13,689	\$10,456	\$8,538	\$3,632	\$1,559	\$216,817
Rev / Avail Round	\$22.69	\$19.53	\$17.63	\$29.95	\$25.48	\$13.95	\$13.19	\$13.53	\$12.76	\$11.88	\$7.61	\$3.36	\$1.20	\$14.87
Rev / Filled Round	\$23.82	\$20.51	\$18.87	\$32.91	\$32.43	\$19.69	\$20.53	\$23.54	\$25.44	\$23.93	\$22.89	\$23.28	\$16.58	\$23.96
Avg Golf Index	8.07	8.07	8.07	8.21	8.33	8.21	8.21	8.79	7.02	0.28	0.14	0.00	0.23	5.66
Total Precipitation	0.48	0.48	0.48	0.02	0.01	0.03	0.03	0.03	0.03	0.02	0.03	0.03	0.03	1.70

FY19 Financials – Projected

FY19 VS. FY18		FY19 Projected	FY18 Actual	FY 17 Actual	19 vs. 17 % Change
Revenue		1,595,303	1,480,615	1,606,654	-0.71%
COGS		151,750	154,947	191,216	-20.64%
Gross Profit		1,443,553	1,325,668	1,415,438	1.99%
Payroll Expense		604,716	556,423	595,120	1.61%
Operating Expenses		729,299	672,767	803,424	-9.23%
EBITDA		109,538	96,478	16,894	↑ 548.38%

- Green Fee revenue up 10% from FY18 to \$684,624
- Cart Fee revenue up 12% from FY18 to \$157,774
- F&B revenue up 3% to \$189,083

Floods in May, June & September. September flood effected revenue by approximately \$50K



OUTINGS ON THE PATIO



CUB SCOUT CAMPOUT

Deerpath – FY19 Overview

- New events / strong permanent tee times promoted green fee increases
- Labor Day weekend flooding affected revenue growth significantly with course closed multiple days. Overall affect on revenue \$50,000.
- Emphasis on continuing to provide best in class service to Lake Forest community while pulling new customers from neighboring communities
- Focus on F&B growth (new events / returning clientele)
- Continue facility improvements / provide first class golf course

FY20 Financials

<u>Deerpath Golf Course</u>	<u>FY20 Budget</u>	<u>FY19 Projected</u>	<u>FY18 Actual</u>	<u>FY17 Actual</u>
Revenue	\$1,820,817	\$1,595,303	\$1,480,615	\$1,606,654
COGS	\$184,879	\$151,750	\$154,947	\$191,216
Gross Profit	\$1,635,938	\$1,443,553	\$1,325,668	\$1,415,438
Payroll Expense	\$632,466	\$604,716	\$556,423	\$595,120
Operating Expense	\$792,245	\$729,299	\$672,767	\$803,424
EBITDA	\$211,227	\$109,538	\$96,478	\$16,894

Deerpath – FY17 to FY20

Deerpath Golf Course	FY20 Budget	FY19 Projected	FY18 Actual	FY17 Actual	Change vs. FY17
Green Fees	691,748	684,624	623,380	602,017	↑ 14.91%
Cart Fees	240,000	157,774	141,464	208,289	↑ 15.22%
Merchandise	125,000	91,035	88,629	134,835	↓ -7.29%
Range	58,840	52,321	49,347	54,041	↑ 8.88%
Other Pro Shop	52,964	46,981	41,770	24,417	↑ 116.91%
F&B	223,365	189,083	183,558	174,257	↑ 28.18%
Clinics / Lessons	423,867	367,367	352,467	407,967	↑ 3.90%
Other Non-Operating	5,033	6,119	0	831	↑ 505.66%
Total Revenue	1,820,817	1,595,303	1,480,615	1,606,654	↑ 13.33%
COGS Merchandise	100,000	69,398	77,885	123,576	↓ -19.08%
COGS F&B	84,879	82,352	77,062	67,640	↑ 25.49%
Payroll	632,466	604,716	556,423	595,120	↑ 6.28%
Operating Expenses	792,245	729,299	672,767	803,424	→ -1.39%
EBITDA	211,227	109,538	96,478	16,894	↑ 1150.31%

Deerpath – FY20 Outlook

- Increase green fee / cart fee revenue through rounds / dynamic pricing increases
- Promote additional community events
 - Wedge fitting(s)
 - Nine & wine
 - Spring scramble
 - Women's guest day
 - Glow Ball – current event
 - Movies on the patio – current event
 - Fall Classic – current event

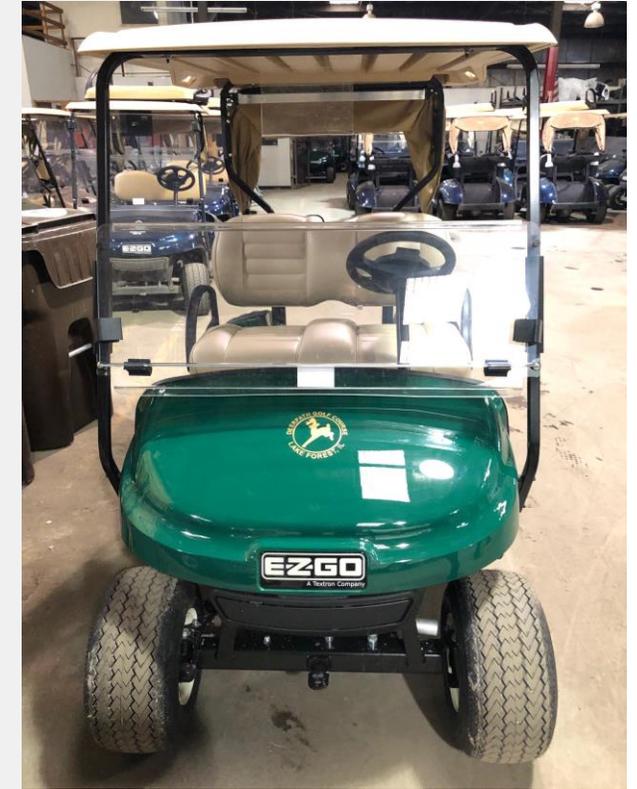
FY20 – Revenue Drivers

- Additional Golf Outings / F&B
 - Terlap Anniversary
 - Wells Park Baseball
 - Illinois Open Qualifier
 - IGL Cross League Event
 - QAS Men's Club
 - Lake Forest High School Reunion
 - Women's Leagues
- 95% rebooking of 2018 events
- Additional merchandise revenue drivers
- Concentration on F&B revenue increases
- Additional Golf Developmental Programs

Deerpath – Driving Revenue / Controlling Costs FY20

- Control payroll through flexible staffing decisions – utilize staffing for additional programming
- Continue to cross utilize employees
- Staff only when necessary
- Preventative maintenance on equipment
- Continue close monitoring of inventories
- Continued improvements drive rounds, revenue and events to the facility

Improvements



Deerpath TrueReview Summary

FY19

	▼						
	NPS	Overall Rating	Service Rating	Course Rating	Food Rating	Recommend Rating	# of Surveys
Goal Index	70.0 70.0						
Totals	76.3	9.0	9.4	8.4	9.2	9.2	367
Deerpath Golf Course	76.3	9.0	9.4	8.4	9.2	9.2	367

FY18

	▼						
	NPS	Overall Rating	Service Rating	Course Rating	Food Rating	Recommend Rating	# of Surveys
Goal Index	70.0 70.0						
Totals	70.5	8.8	9.5	7.9	9.0	9.1	437
Deerpath Golf Course	70.5	8.8	9.5	7.9	9.0	9.1	437

FY17

	▼						
	NPS	Overall Rating	Service Rating	Course Rating	Food Rating	Recommend Rating	# of Surveys
Goal Index	70.0 70.0						
Totals	64.8	8.8	9.3	8.2	8.6	8.9	568
Deerpath Golf Course	64.8	8.8	9.3	8.2	8.6	8.9	568

Deerpath Over The Years 2014-2018

- Junior golf program continues to produce top golfers in Lake Forest – future members
- EBITDA up 23% from FY14
- NPS 53.8 (2014) to 76.3 (2018)
- Bar renovation / patio renovation / cart paths / drainage
- Service ratings 9.0 to 9.4
- Course ratings 7.9 to 8.4
- Food ratings 8.3 to 9.2
- Total rounds beating competition
- Expanded city services - Beach

**THE CITY OF LAKE FOREST
FIVE YEAR FUND BALANCE FORECAST
DEERPATH GOLF COURSE FUND**

	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	PROJECTED FY 2019	PROJECTED FY 2020	PROJECTED FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
Fund Balance 5/1	274,211	239,841	158,712	58,546	199,878	29,862	29,864	(13,254)	(49,569)	(67,454)
Revenue										
Operating revenue	1,414,217	1,759,271	1,606,654	1,480,618	1,595,305	1,820,817	1,863,818	1,903,464	1,933,256	1,999,600
Giving Tree			0							
Interest Income	1,866	2,173	1,593	7,498	6,950	0	0	0	0	0
Total Current Revenue	1,416,083	1,761,444	1,608,247	1,488,116	1,602,255	1,820,817	1,863,818	1,903,464	1,933,256	1,999,600
Less:										
Operations and Maintenance	794,044	1,033,639	1,081,335	912,221	994,833	1,047,847	1,081,643	1,103,915	1,110,013	1,126,235
Salaries/Benefits	628,126	610,422	621,992	590,230	642,828	681,442	685,554	700,395	711,830	736,112
Adm Serv to City	24,120	25,572	26,472	27,132	27,816	28,506	29,219	29,949	30,698	31,465
Total Operating Expenses	1,446,290	1,669,633	1,729,799	1,529,583	1,665,477	1,757,795	1,796,416	1,834,259	1,852,541	1,893,812
Net Before Capital & Debt	(30,207)	91,811	(121,552)	(41,467)	(63,222)	63,022	67,402	69,205	80,715	105,788
Capital Expense	66,275	112,676	122,274		0		50,000	50,000	50,000	50,000
Master Plan - Spec Purp Levy			243,324	1,218,469	63,824	235,000				15,000
Debt Service	103,888	106,264	96,016	96,970	92,970	113,020	110,520	105,520	98,600	95,800
Total Capital/Debt Service	170,163	218,940	461,614	1,315,439	156,794	348,020	160,520	155,520	148,600	160,800
Net after Capital & Debt	(200,370)	(127,129)	(583,166)	(1,356,906)	(220,016)	(284,998)	(93,118)	(86,315)	(67,885)	(55,012)
Rec Transfer - Spec Purpose			125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Recreation Fund Loan			125,000	375,000	(125,000)	110,000	(125,000)	(125,000)	(125,000)	(110,000)
Transfers - Permit Fees				661,238						
Recreation Fund Transfer	166,000	46,000	233,000	337,000	50,000	50,000	50,000	50,000	50,000	50,000
Fund Balance 4/30	239,841	158,712	58,546	199,878	29,862	29,864	(13,254)	(49,569)	(67,454)	(57,466)
Fund Balance Target	\$ 212,412	\$ 264,217	\$ 241,237	\$ 223,217	\$ 240,338	\$ 273,123	\$ 279,573	\$ 285,520	\$ 289,988	\$ 299,940
Over (under) FB Target	\$27,428	(\$105,505)	(\$182,691)	(\$23,339)	(\$210,476)	(\$243,259)	(\$292,827)	(\$335,089)	(\$357,442)	(\$357,406)
Debt service coverage 1.25	1.31	1.30	1.16	3.05	(0.14)	1.00	1.06	1.13	1.33	1.63
Series 2004A bonds were refunded as part of the 2011B refunding issue and mature 12-15-23 (FY24).										
Op Revenue increase%	1.2%	24.4%	13.6%	-15.8%	-0.7%	23.0%	16.8%	4.5%	3.7%	5.1%
Op Expense increase %	6.3%	15.4%	19.6%	-8.4%	-3.7%	14.9%	7.9%	4.3%	3.1%	3.2%

café gross this yr

**THE CITY OF LAKE FOREST
FIVE YEAR FUND BALANCE FORECAST
EMERGENCY TELEPHONE FUND**

	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	PROJECTED FY 2019	PROJECTED FY 2020	PROJECTED FY 2021	PROJECTED FY 2022	PROJECTED FY 2023	PROJECTED FY 2024
Fund Balance 5/1	374,118	163,464	223,159	244,250	331,784	392,661	411,864	430,707	449,550	428,022
Operating Revenue	270,206	251,195	281,590	317,980	439,000	251,000	251,000	251,000	251,000	251,000
Grants	0	0	0	0	0	0	0	0	0	0
Less: Operating Expenses										
Personnel-20% of Dispatch	(505)									
Glenview Contract operations			175,002	175,000	175,000	175,000	175,000	175,000	175,000	175,000
ESRN annual assessment-100% of fee	20,053	20,053	20,053	20,053	11,500	19,800	19,800	19,800	19,800	19,800
AT&T Charges (paid by State eff. 1/1/16)										
Miscellaneous Equipment Maintenance		11,156		5,003	5,000	5,000	5,000	5,000	5,000	5,000
Siren Maintenance	1,539									
Air cards-100% of cost	16,544	16,422	19,020	18,393	20,000	20,000	20,000	20,000	20,000	20,000
Software Maint-53% of cost*	40,974									
Total OP Exp	78,605	47,631	214,075	218,449	211,500	219,800	219,800	219,800	219,800	219,800
Net before CIP	191,601	203,564	67,515	99,531	227,500	31,200	31,200	31,200	31,200	31,200
CIP										
Laptops-New World			34,427		51,819				40,000	
Glenview contract capital	278,755	114,585	11,997	11,997	11,997	11,997	12,357	12,357	12,728	13,110
Other Capital	7,604				102,807					
Radio Frequency Improvements	88,470									
Full Redundancy	27,426	29,284								
Total Capital Expenditures	402,255	143,869	46,424	11,997	166,623	11,997	12,357	12,357	52,728	13,110
Fund Balance 4/30	163,464	223,159	244,250	331,784	392,661	411,864	430,707	449,550	428,022	446,112
Laptop reserve	80,400	106,200	23,333	35,833	13,333	28,500	43,667	58,833	34,000	49,167
5% op rev reserve	13,510	12,560	14,080	15,899	21,950	12,550	12,550	12,550	12,550	12,550
Available Funds 4/30	69,554	104,399	206,837	280,051	357,377	370,814	374,490	378,166	381,472	384,396

Note: Village of Glenview has advised that increase in surcharge is temporary.

Core & Elective Service Analysis

Final Revisions for Finance Committee Approval

FY20 Budget – next steps

- Final Edits
 - Finalize FY19 year end estimates
 - Add South Park Improvements and Grant
 - Revise FY19 Transfer Parks and Recreation to Golf Course
 - Compensation plan adjustment to General Fund department budgets
 - 3/11/19 Finance Committee revisions
- April 15 City Council – approval

Executive Session & Adjournment