

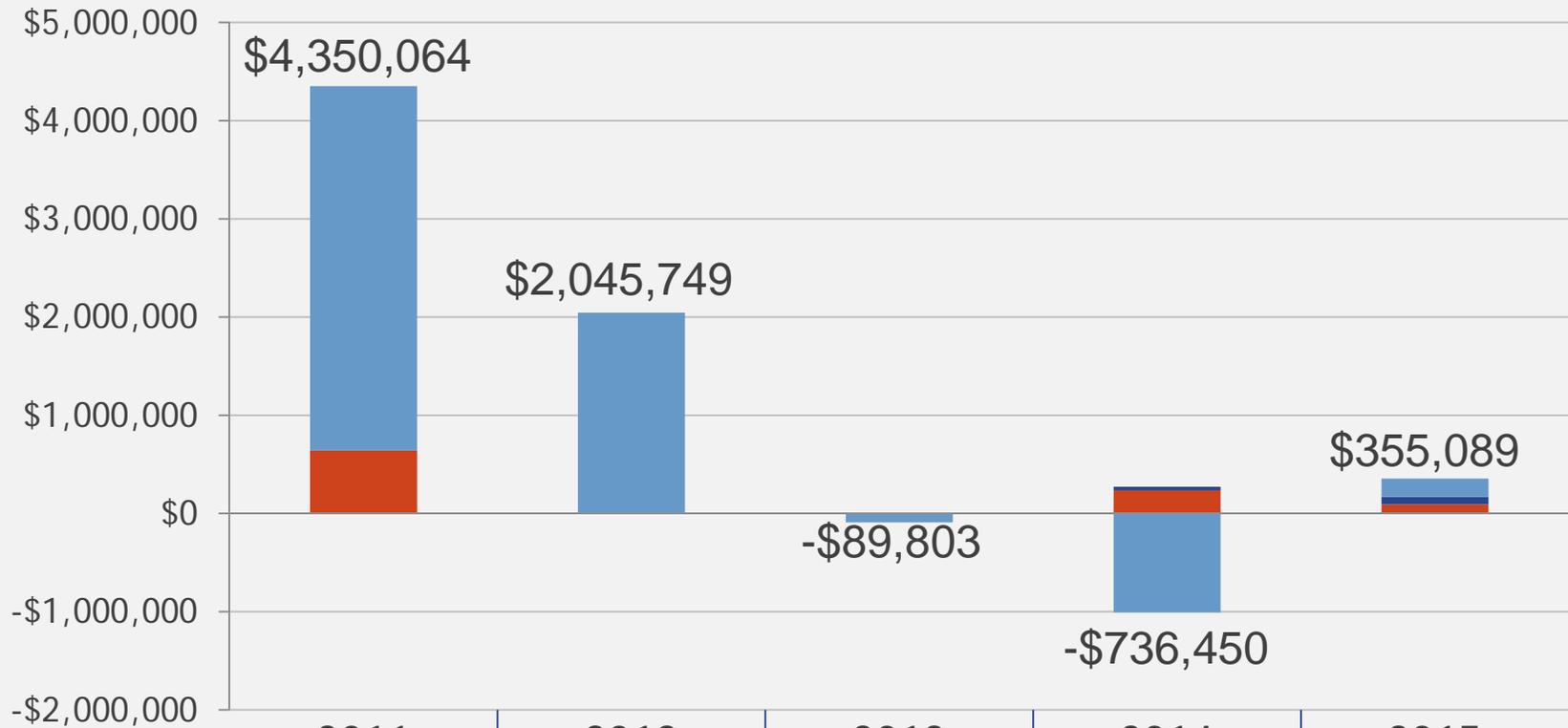
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■ City of Lincoln Park  
Audit Presentation to the City Council

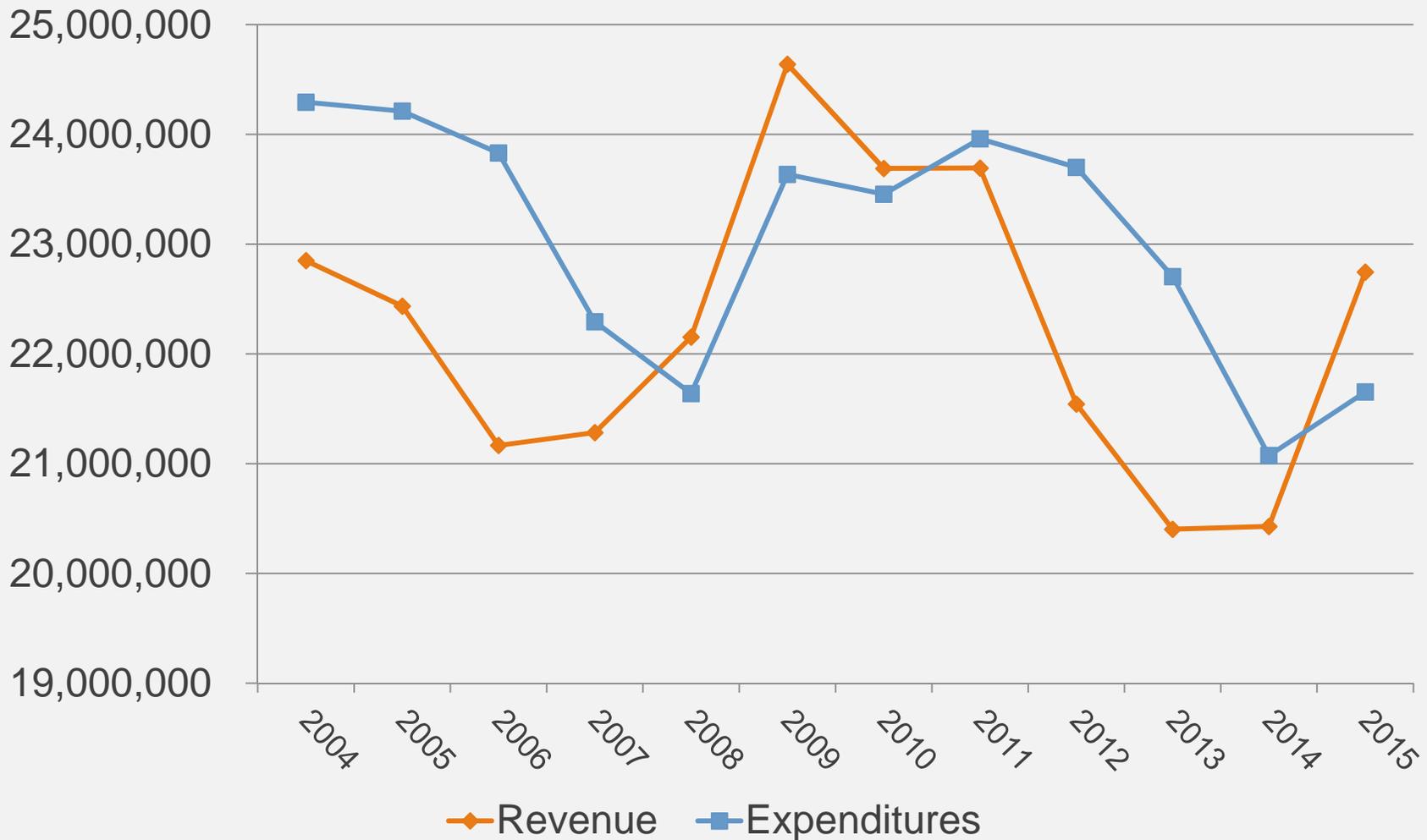
FOR YEAR ENDED JUNE 30, 2015

# City of Lincoln Park Combined General Fund Balance (Deficit) Years Ended June 30



	2011	2012	2013	2014	2015
■ Unassigned	3,708,396	2,045,340	(91,426)	(1,007,245)	186,901
■ Restricted	2,780	409	1,623	36,437	74,145
■ Nonspendable	639,888	0	0	234,358	94,043

# City of Lincoln Park Combined General Fund Revenues and Expenditure History

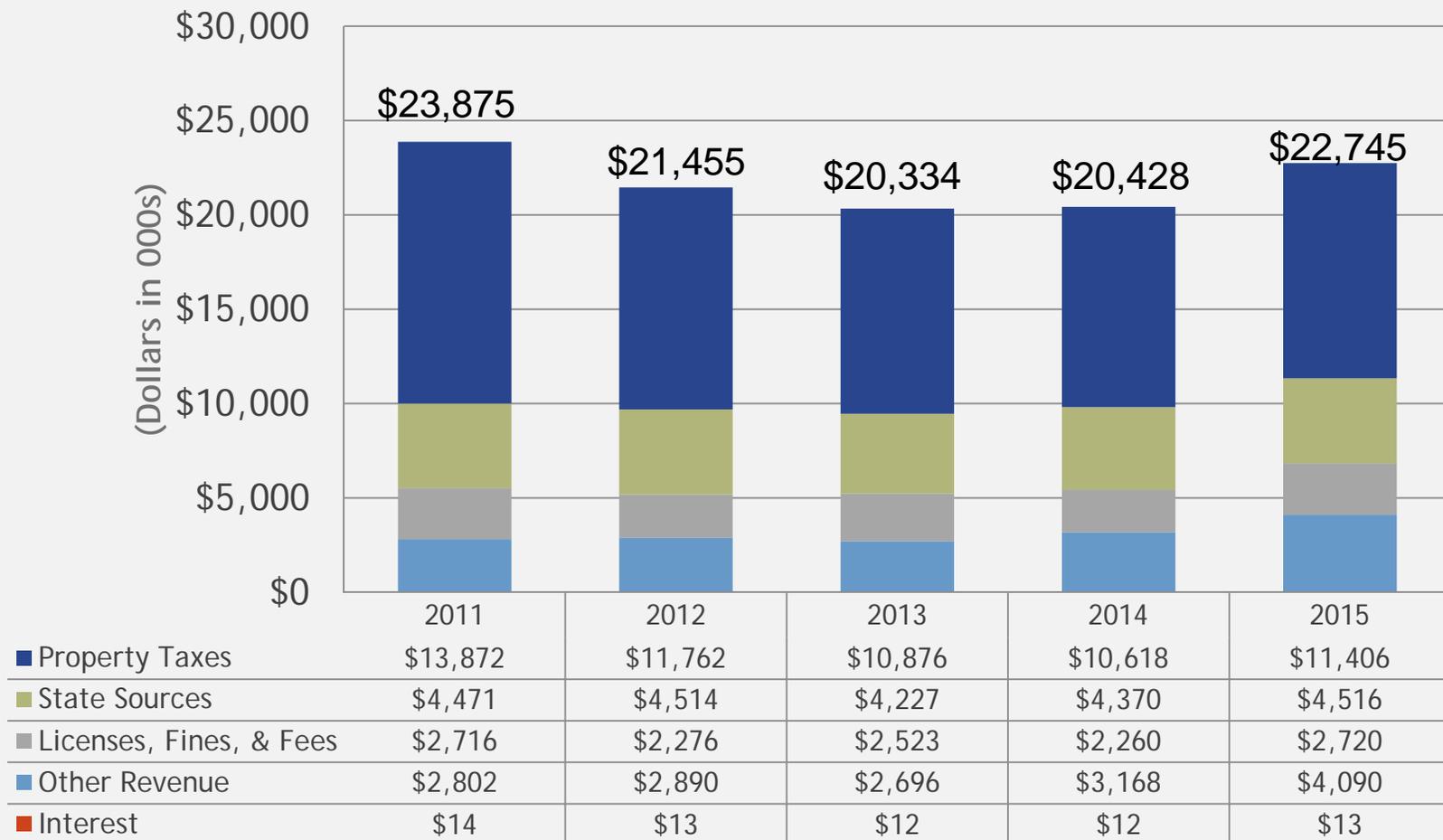


# Why is General Fund Revenue So Much Higher in 2015?

- Honeywell judgment levy - \$884,000
- Sale of cell tower lease - \$535,000
- DDA Sharing agreement - \$196,000
- Higher than avg court fines & fees - \$150,000
- Grants - \$56,000

**Total= \$1,821,000**

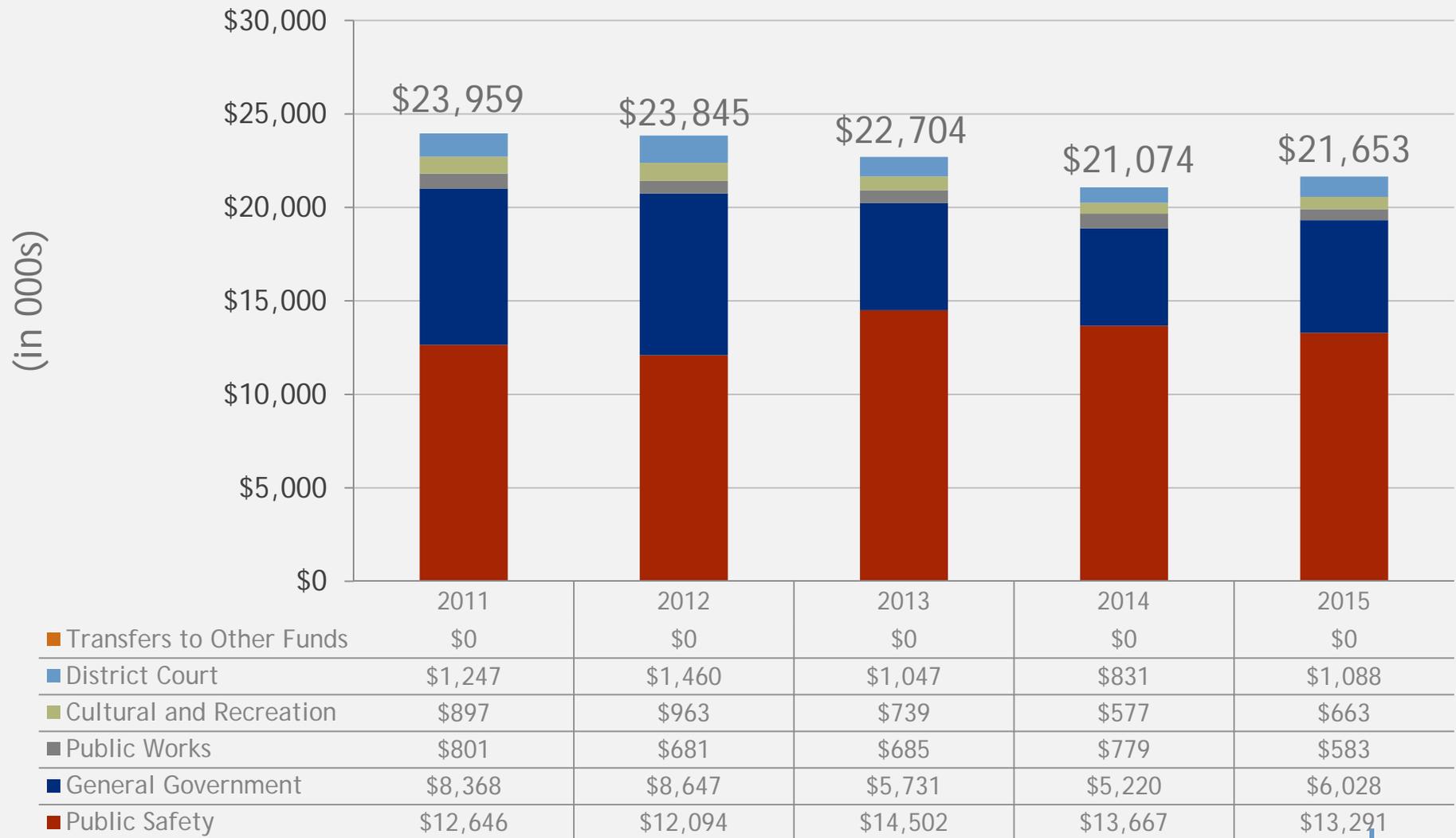
# City of Lincoln Park General Fund Revenue Years Ended June 30



## General Fund Expenditures - 2015

- Overall expenditures are \$580,000 more than 2014
- Expenditure Cuts:
  - Termination benefits reduced by \$297,000
  - Vacation time sold back reduced by \$335,000
  - Pension service credit expense reduced by \$168,000
  - Holiday pay reduced by \$207,000
  - Overtime reduced by \$386,000
- Additional Costs:
  - Pension Contributions increased by \$400,000
  - Retiree Healthcare increased by \$900,000
  - Honeywell payment was \$900,000

# City of Lincoln Park General Fund Expenditures Years Ended June 30



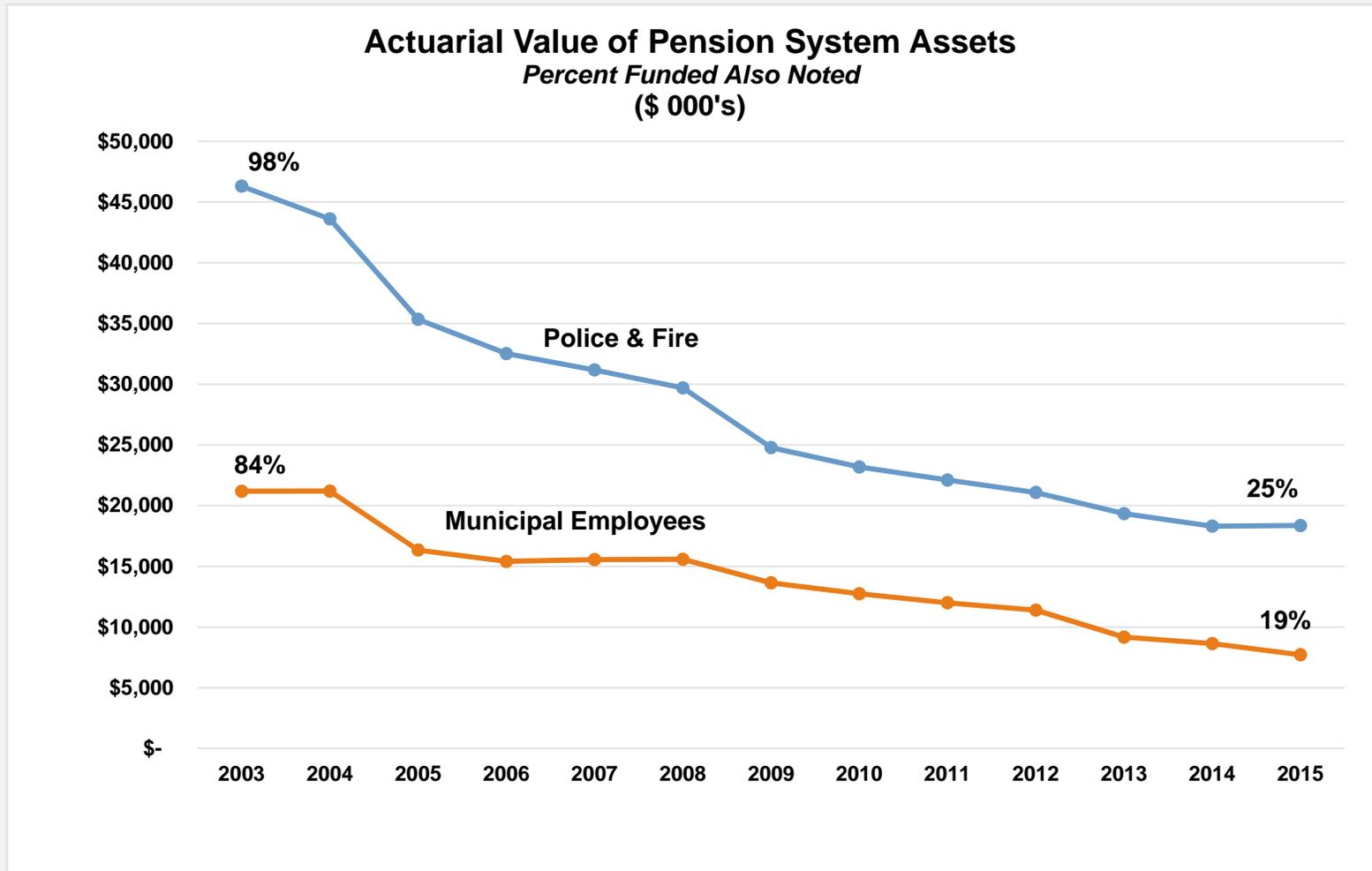
## 2015 General Fund Results

- Revenue is higher
- Expenditures are consistent in total
- Deficit is eliminated

## Looking Ahead

- While positive results were achieved in 2015 the trend is not necessarily expected to continue
- Some of the additional revenue will not recur annually
- The savings from the elimination of retiree healthcare will not be enough to fully fund rising pension contributions

# City of Lincoln Park Funding Progress of Pension Systems



# Retiree Healthcare Savings will not offset increased pension contributions



General Fund	
Estimated savings from the elimination of retiree healthcare	\$2,700,000
Municipal Pension Contributions (increase from PY)	(\$1,052,000)
Police & Fire Pension Contributions (increase from PY)	<u>(\$2,910,000)</u>
Net Additional Expenditures	(\$1,262,000)

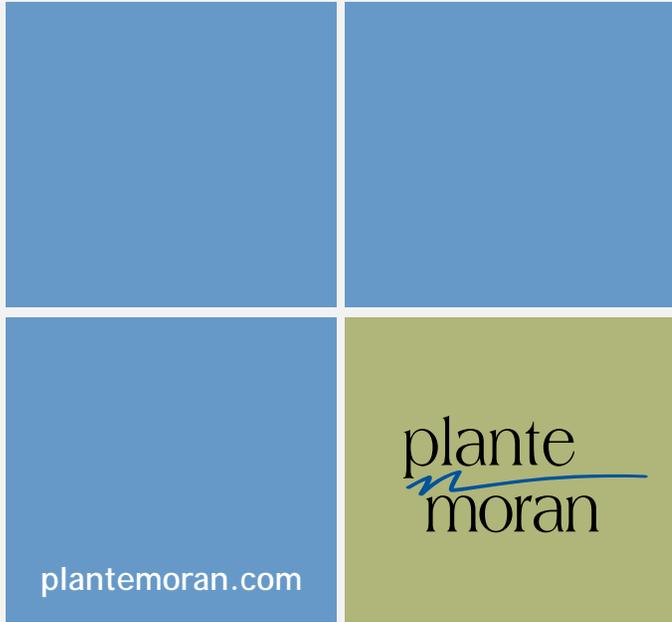
The City budgeted to contribute more to the pension systems in 2016 than in 2015.

**However, the required contribution is over \$1 million more than the amount budgeted**

# City of Lincoln Park General Fund Pension Contributions - in millions



Budget Year	6/30/14	6/30/15	6/30/16 Budgeted	6/30/16 ARC
Municipal Pension Contribution	\$1.1	\$1.3	\$2.0	\$2.4
Public Safety Contribution	<u>3.3</u>	<u>3.5</u>	<u>5.4</u>	<u>6.3</u>
Total Pension Contributions	\$4.4	\$4.8	\$7.4	\$8.7



■ THANK YOU