




CITY OF PARK RIDGE

MEMORANDUM

OFFICE OF THE CITY MANAGER

TO: Mayor & City Council

FROM: Jim Hock, City Manager 

RE: Third Quarter Budget Report

DATE: February 19, 2009

Attached is the third quarter Financial Report of Major Funds. This includes General Fund, TIF Fund, Water and Municipal Waste Fund. I will review the details with you as part of the Budget & Finance agenda during the Committee of the Whole meeting Monday night.

Also attached is a preview of a few pages that will be included in the proposed budget regarding the Uptown TIF fund. As you know, the General Fund has been financing the TIF fund projects since the beginning. As of April 30, 2008 the TIF had a negative fund balance of \$2,697,000. We are committed by contract to budget and complete the other half of the Summit Road improvement project, which will begin in May. However, by the end of the next fiscal year, the TIF fund will be owing the General Fund as much as 6.5 million dollars. While the TIF fund will have enough to complete this project, the General Operating Fund cannot give unlimited advances to the TIF.

To illustrate, on January 31, 2009 the General Operating Fund had \$4.9 million of cash and investments. Several other funds, including the Uptown Tax Increment Financing Fund, IMRF, Municipal Waste, Emergency 911, Special Service Areas, had negative cash balances. At this point in time, it would be impossible for the General Fund to lend the Uptown TIF 6.5 million. This also illustrates that even though the General Operating Fund has almost \$14 million in fund balance, fund balance is not the same thing as cash.

The premise that investment in our Uptown area will pay the City back plus stimulate investment resulting in tax revenues has come true. We just need to give the General Fund some time to get reimbursements and improve our cash position. You will see in the proposed budget, that I am proposing some funding for preparation for projects but not implement any projects until fiscal years 2014/2015. Obviously, this timetable could be modified should some other development potential occur within the TIF District during this interim period.

Our Mission:

THE CITY OF PARK RIDGE IS COMMITTED TO PROVIDING EXCELLENCE IN CITY SERVICES IN ORDER TO UPHOLD A HIGH QUALITY OF LIFE, SO OUR COMMUNITY REMAINS A WONDERFUL PLACE TO LIVE AND WORK.