

*Note: These minutes are not official until approved by the Finance Committee at a subsequent meeting. Please refer to the meeting minutes when these minutes are approved to obtain any changes to these minutes.*

DeKalb County Government  
Sycamore, Illinois

**Finance Committee Minutes  
March 5, 2014**

The Finance Committee of the DeKalb County Board met on Wednesday, March 5, 2014, at 7:00 p.m. in the Administration Building's Conference Room East. Chairman Stephen Reid called the meeting to order. Members present were Anthony Cvek, Charles Foster, Mrs. Haji-Sheikh, Mr. Stoddard and Mrs. Tobias. Mrs. Fullerton was absent.

Also present was Gary Hanson, Pete Stefan, Paul Miller, Christine Johnson, Jim Scheffers, Joan Hanson and Mark Pietrowski.

**APPROVAL OF THE MINUTES**

It was moved by Mrs. Haji-Sheikh, seconded by Mrs. Tobias, and it was carried unanimously to approve the minutes from the Finance Committee meeting of February 5, 2014.

**APPROVAL OF THE AGENDA**

It was moved by Mr. Stoddard, seconded by Mr. Cvek, and it was carried unanimously to approve the agenda as presented.

**FY2013 YEAR-END BUDGET TRANSFERS**

Pete Stefan, DeKalb County Finance Director, explained this was an annual housekeeping item that adjusts the various budget expenditure categories of Salaries and Benefits, Capital Outlays, Commodities and Services, and Fund Transfers for each budget cost center to ensure that no category exceeds its budgeted amount for the fiscal year. He further explained that the adjustments in the proposed Resolution are separated into two schedules – Attachment A lists 34 categories that require additional appropriations from either additional revenue sources or fund balance, and Attachment B lists 29 categories that require additional appropriations from transfers of existing appropriations.

Mr. Stefan continued to highlight and further explain some of the higher numbers in the attachments including: the Broadband Grant due to closing out the grant, the Rehab & Nursing Center due to staffing situations, workers comp situations and other subjects related to Commodities & Services. He also explained some of the Sheriff's Department's additional commodities and elaborated on some additional Election costs.

Mr. Stoddard inquired about the amount in additional funds that are coming out of the fund balance now. Mr. Stefan was unable to provide that amount but Mr. Hanson explained a total amount would not be an accurate depiction because there are several different funds that are

shown on that attached page and each fund stands alone separately. Mr. Stefan also shared that the audit field work in the office was just starting this week so the number could slightly change but the initial General Fund results were a reduction of \$727,000 versus the budgeted amount of \$856,000 which left about \$130,000 in the good and both revenues and expenditures were under budget and the net was a positive \$130,000 from a budget prospective but the draw down was \$727,000.

Mr. Foster announced that based on Mr. Stefan's explanation that the County overall is spending down the fund balance \$100,000 less than originally budgeted; he would like to make a motion to accept the Resolution forward but did ask when the Resolution is presented to the Full Board for approval, that Mr. Stefan give the same explanation as he gave to the Committee to refrain from everyone adding up the different funds. Mrs. Haji-Sheikh added that it would be a lot easier for them to vote for this Resolution if they can see the balances of all of the funds. Mr. Stefan shared that he will tweak the spreadsheet before the Full County Board Meeting so that everyone can see the sum of the different funds.

**Mrs. Foster had made the motion to forward the Resolution with the additional clarifications to the Full County Board for approval and Mr. Stoddard seconded the motion. It carried by a unanimous voice vote.**

#### **LANDFILL HOST COMMUNITY AGREEMENT AMENDMENT**

Mr. Hanson explained that with the court case behind them and the construction permits issued for the landfill, this agenda item is in regards to a proposed amendment to the landfill host community agreement that would waive the minimum tonnage requirement for the first partial year in order to begin collecting host fees earlier than would occur if the minimum tonnage requirement were in effect for the first partial year which is currently in 2015.

The host community agreement amendment is split into three sections with the first waiving the minimum guarantee for 2014 and the other two would be to stipulate out the contributions to Solid Waste Program and the Forest Preserve until 2015 when they would have the minimum guarantee amount.

Mrs. Haji-Sheikh asked what the fee was per ton. Mr. Hanson answered that it would be \$4.60 per ton.

Mr. Cvek asked what the purpose of this would be besides additional revenue, he added there is already an agreement in place so is there a certain project that is in mind for this early revenue. Mr. Hanson answered that his thought would be that the funds would go towards the Jail Expansion Project. Mrs. Tobias reiterated that that was the initial purpose of the funds anyway.

Mr. Cvek expressed his concern with the timeline and the feasibility of proceeding with the Jail Expansion Project.

Mr. Foster shared his concern with recent issues that occurred out at the landfill and expressed that fast tracking this project may be another red flag to the public. He also shared that he wanted to be sure that Cortland Elementary School had their issues resolved first as well. Mr. Miller shared with the Committee a recent update he had from Mr. Briscoe, DeKalb Community School District Superintendent.

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Mr. Foster further asked if this was a timely matter or could the Committee take a month or two to make sure that all issues with the surrounding areas of the landfill are cleared. There was further discussion on unanswered and unclear issues regarding the landfill.

Mr. Foster stated he appreciated the need and desire to do this but there seems to be many unanswered questions so before fast tracking this project he would like to at least take some additional time to receive some more answers.

Mr. Miller asked what exactly the Committee wanted answered. Mr. Stoddard said that he would like to know that all issues with Cortland Middle School have been resolved and the School District and the Landfill are on good terms and he also wanted as much definition as they can get on what exactly happened with the issue that occurred at the landfill a couple months ago. Mrs. Haji-Sheikh stated she would like to know when the first minimum guarantee load will begin.

**Mr. Foster moved to table this item until the April Committee Meeting in order to have more reassurance on the safety of the children and surround citizens of the landfill and have their additional questions answered before voting on the issue. Mr. Stoddard seconded the motion. The motion carried unanimously.**

#### **FACILITY WATER DAMANAGE UPDATE**

Mr. Scheffers provided information to the Finance Committee regarding water damage that occurred at the Courthouse, the Health Facility, and the Legislative Center during the recent weather conditions, as well as measurers that are being taken to prevent future incidents of this nature.

Mr. Scheffers started with the Legislative Center and shared there were three small leaks in the ceiling but fortunately, that roof is still under warranty until 2017 so those repairs are scheduled to be made.

The Health Department roof has had a rough year, especially back by where the generators are, Mr. Scheffers shared. Ice was the main cause of the damage. Facilities Management removed a 4x8 sheet of wall and took out the insulation in the ceiling. The carpet was not damaged but Clean USA did come out the clean the carpets. They are going to hold off on repairing the section until the Spring when a roofing company can come out and check on the roof to make sure there was not any addition damage done by the weather and melting ice.

Lastly Mr. Scheffers shared water damages that occurred in the Courthouse in the new addition as well as the older sections. These damages are thought to be caused by a 6 inch roof drain pipe. The pipe was filled with ice and water but was later plugged up on the roof so the water would run off the building instead. After Facilities Management was able to get the leaking in the building to stop they went to determine how far back the problem is occurring. It was determined that from the outside pit all the way to the inside of the building was plugged with solid ice. There is about 10 feet from the pit to the building. After problem was established Mr. Scheffers indicated that there are a lot of “what ifs” but none of them can really be answered until Spring.

Mr. Cvek asked if there were any preliminary cost estimate of any of these locations. Mr. Scheffers shared that as of right now with everything fixed and back to normal the Courthouse will be about \$10,500, the Health Facility will be about \$5,000 and because the Legislative Center's roof is still under warranty, there should be no addition costs.

The Committee had additional conversations regarding inspecting and keeping a very close eye on possible future issues. The Committee thanked Mr. Scheffers for his information.

## **COUNTY FINANCIAL PLANNING**

Mr. Stefan presented information on the preliminary operating results for FY2013 for the General Fund prior to any audit adjustments. He also shared information regarding some one-time costs that contributed the \$727,000 draw down for the year. The major cause for this is State of Illinois collecting old obtainments of sales tax. For FY2013 they took about \$680,000 that the State took back and over the past two years it has been about \$1.5 million. Also a \$350,000 bump to the fund balance was due to syncing sales tax revenue and used tax revenue suggested by the auditors. So had those one time fees not been included the draw down would have only actually been \$400,000 instead of \$727,000.

Mr. Stefan also went over the attached FY2014 Revenue Summary and the Expenditure Summary, he indicated that he wanted to try and display what revenues and expenditures were controllable and which were more flexible and unrestricted.

Mr. Stefan shared some indexes he tracks regarding Consumer Prices Indexes. The rest of the attached handout articles referred to questions that were asked in regards to the CPI comparing to the County expenditures and salaries and why there is a big discrepancy. He expressed he wanted to share all these handouts with the Committee to see what information they would like staff to put together or gather or survey in order to prepare for the upcoming budget process regarding salaries and commodities and services. The Committee appreciated all of the literature and reports Mr. Stefan shared with them but they would like to take the time to read and digest all of the information before they can think of any additional questions or requests.

Mr. Cvek wanted to hear a little more information regarding the budget review schedule. Mr. Stefan indicated that some of the information he provided was for the FY2014 budget to assist with the planning process and get a feel of where the Committee would like to focus and undergo in-depth review of their respective budgets.

Mr. Cvek also shared that the trial of reviewing budgets was put out last month at the Law & Justice Committee and it was not received well. He further shared his views on what he would like to see put in place. Mr. Hanson indicated his hopes are for the Finance Committee to use the handouts they were given as a guide of where to focus everyone's attention in the upcoming budget process.

Chairman Reid shared there are major budget issues and he doesn't have a problem with people wanting to individually review budgets but he does think that staff is already doing a good job. One issue he wanted to bring up was the aviation fuel tax and asked if there were any further answers with the issue. Mr. Hanson said they did not have an answer yet regarding the tax but they should soon. The Committee further discussed the aviation sales tax and spoke about the plans that are in place if they do not receive that revenue.

**ADJOURNMENT**

It was moved by Mrs. Haji-Sheikh, seconded by Mr. Stoddard, and it was carried unanimously to adjourn the meeting.

Respectfully submitted,

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Stephen Reid, Chairman

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Tasha Stogsdill, Recording Secretary

# **RESOLUTION R2014-16**

## **A RESOLUTION APPROVING EMERGENCY APPROPRIATIONS AND BUDGET TRANSFERS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2013**

**WHEREAS**, several departments have reviewed their 2013 Fiscal Year Budget in relation to expenditures and have now identified a need for transfers and additional appropriations; and

**WHEREAS**, the Finance Committee has reviewed those requests and determined them to be necessary for the operation of said departments;

**NOW, THEREFORE, BE IT RESOLVED**, by the DeKalb County Board that it does hereby approve the emergency appropriations and budget transfers as set forth on the attached schedules A and B for the Fiscal Year ending December 31, 2013.

**PASSED AT SYCAMORE, ILLINOIS, THIS 19TH DAY OF MARCH,  
2014 A.D.**

\_\_\_\_\_  
Chairman, DeKalb County Board

ATTEST:

\_\_\_\_\_  
County Clerk

**DEKALB COUNTY GOVERNMENT**  
**FY 2013 Year-End Budget Adjustments**

**A. Additional Appropriations**

<u>Item</u>	<u>Department</u>	<u>To Category</u>	<u>Amount</u>	<u>Funding Source / Reason</u>
A-1	County Board	Salaries & Benefits	20,000	Fund Balance / Personnel Transfer
A-2	County Clerk	Salaries & Benefits	9,000	Recording Fees / Overtime
A-3	County Clerk	Capital Outlays	5,000	Recording Fees / Computer Equipment
A-4	Elections	Salaries & Benefits	10,000	Fund Balance / Payroll Costs
A-5	Elections	Capital Outlays	4,000	Fund Balance / Computer Equipment
A-6	Elections	Commodities & Services	77,000	Fund Balance / Election Costs
A-7	Judiciary	Salaries & Benefits	10,000	Fund Balance / Bailiff Costs & Health Insurance
A-8	Judiciary	Capital Outlays	2,000	Fund Balance / Computer & Other Equipment
A-9	Judiciary	Commodities & Services	49,000	Fund Balance / Professional Services & Transcripts
A-10	Jury Commission	Commodities & Services	7,000	Fund Balance / Jurors' Expenses & Postage
A-11	Coroner	Capital Outlays	4,000	Donations & Fund Balance / Equipment
A-12	Coroner	Commodities & Services	7,000	Fund Balance / Autopsies
A-13	Local Emergency Planning	Salaries & Benefits	14,000	Grant / Part-Time Salaries
A-14	Sheriff	Capital Outlays	1,000	Fund Balance / Equipment
A-15	Sheriff	Commodities & Services	33,000	Fund Balance / Fuel & Clothing Costs
A-16	Sheriff-Merit Commission	Commodities & Services	4,000	Fund Balance / Public Notices & Professional Svcs.
A-17	Sheriff-Corrections	Commodities & Services	67,000	Fund Balance / Food Program-Monitoring-Training
A-18	Sheriff-Corrections	Fund Transfers	77,500	Fund Balance / Transfer to Court Security Fund
A-19	Micrographics	Capital Outlays	29,000	Fees & Grant / Computer & Specialized Equipment
A-20	Micrographics	Commodities & Services	62,000	Fees & Grant / Software Maintenance & Supplies
A-21	Circuit Clerk-Oper. & Adm.	Commodities & Services	16,000	Administrative Fees / Circuit Clerk Operation Costs
A-22	Law Library	Commodities & Services	31,000	Fund Balance / Reference Material & Supplies
A-23	Child Support	Salaries & Benefits	5,000	Grant & Fund Balance / Payroll Costs
A-24	Federal Highway Matching	Commodities & Services	140,000	State Aid / Traffic Control Material
A-25	Senior Services	Commodities & Services	82,000	Fund Balance / Contributions to Agencies
A-26	Asset Replacement Fund	Capital Outlays	215,000	Fund Balance / Sheriff's Vehicle Program
A-27	Broadband Grant	Salaries & Benefits	52,000	Grant & Fund Balance / Fund Closeout-Salaries
A-28	Broadband Grant	Capital Outlays	337,000	Grant & Fund Balance / Fund Closeout-Network
A-29	Broadband Grant	Fund Transfers	65,000	Grant & Fund Balance / Fund Closeout-Transfer
A-30	Courthouse Expansion	Capital Outlays	96,000	Bond Proceeds / Fund Closeout-Capital
A-31	FEMA Grant-Montoya Proj.	Capital Outlays	153,400	Grant / Acquisition Costs
A-32	FEMA Grant-Montoya Proj.	Commodities & Services	1,200	Grant / Professional Services
A-33	Rehab & Nursing Center	Commodities & Services	475,000	Fund Balance / Workers Comp-Prof. Svcs.-Supplies
A-34	Children's Waiting Room	Commodities & Services	14,000	Fund Balance / Children's Waiting Room Payments

**DEKALB COUNTY GOVERNMENT**  
**FY 2013 Year-End Budget Adjustments**

**B. Appropriation Transfers**

<u>Item</u>	<u>Department</u>	<u>From Category</u>	<u>To Category</u>	<u>Amount</u>	<u>Reason</u>
B-1	Non-Departmental	Salaries & Benefits	Commodities & Services	55,000	VAC Pass-Thru Payments
B-2	Information Management	Commodities & Services	Capital Outlays	200	Computer Equipment
B-3	County Clerk	Commodities & Services	Capital Outlays	3,000	Computer Equipment
B-4	Regional Office of Education	Salaries & Benefits	Commodities & Services	2,000	Equipment Rental
B-5	Jury Commission	Salaries & Benefits	Capital Outlays	200	Computer Equipment
B-6	Sheriff-Communication	Salaries & Benefits	Capital Outlays	1,000	Computer Equipment
B-7	Sheriff-Communication	Salaries & Benefits	Commodities & Services	2,000	Equipment Maintenance
B-8	State's Attorney	Salaries & Benefits	Commodities & Services	31,000	Transcripts-Supplies-Copies
B-9	Court Services	Commodities & Services	Salaries & Benefits	23,000	Payroll Costs
B-10	Probation Services	Commodities & Services	Salaries & Benefits	3,000	Payroll Costs
B-11	Probation Services	Commodities & Services	Capital Outlays	100	Equipment
B-12	Document Storage	Capital Outlays	Salaries & Benefits	28,000	Payroll Costs
B-13	Tax Sale Automation	Commodities & Services	Capital Outlays	1,000	Computer Equipment
B-14	Court Security	Capital Outlays	Commodities & Services	4,000	Equipment Maintenance & Supplies
B-15	Engineering	Salaries & Benefits	Fund Transfers	2,000	Transfer to Township MFT Fund
B-16	Engineering	Commodities & Services	Capital Outlays	1,000	Equipment
B-17	County Motor Fuel Tax	Capital Outlays	Commodities & Services	146,000	Road Salt & Brine Mix
B-18	Public Health	Commodities & Services	Capital Outlays	5,000	Equipment
B-19	Community Mental Health	Salaries & Benefits	Commodities & Services	12,000	Contributions to Agencies
B-20	Community Mental Health	Capital Outlays	Commodities & Services	40,000	Contributions to Agencies
B-21	Community Services	Salaries & Benefits	Capital Outlays	1,500	Computer Equipment
B-22	Community Services	Salaries & Benefits	Commodities & Services	19,500	Assistance Payments & Training
B-23	Community Services	Salaries & Benefits	Fund Transfers	500	Transfer to Tort & Liability Fund
B-24	Solid Waste Program	Commodities & Services	Salaries & Benefits	1,000	Payroll Costs
B-25	Opportunity Fund	Capital Outlays	Commodities & Services	1,000	Public Notices
B-26	Data Fiber Optic Network	Commodities & Services	Capital Outlays	1,000	Network Equipment
B-27	Evergreen Village	Capital Outlays	Commodities & Services	46,000	Project Manager & Expenses
B-28	Drug Court	Salaries & Benefits	Capital Outlays	2,000	Computer & Other Equipment
B-29	Drug Court	Salaries & Benefits	Commodities & Services	1,000	Contributions to Agencies



## **AMENDMENT OF HOST COMMUNITY AGREEMENT**

This Amendment of HOST COMMUNITY AGREEMENT ("Agreement") entered into this 1<sup>st</sup> day of April, 2014 by and between Waste Management of Illinois, Inc., a Delaware corporation authorized to do business in Illinois and having an office at 700 E. Butterfield Road, Lombard, Illinois 60148 ("Waste Management"), and the County of DeKalb, Illinois (the "County").

### **Recitals**

A. Waste Management and the County are parties to a Host Community Agreement dated February 26, 2009 pertaining to the expansion of the DeKalb County Landfill ("Agreement").

B. Waste Management and the County now desire to amend the Agreement in order to facilitate Waste Management beginning to accept waste from outside of DeKalb County at the DeKalb Landfill in calendar year 2014.

NOW, THEREFORE, in consideration of the covenants set forth in this Amendment, the County and Waste Management agree as follows:

1. Section 16.f (Minimum Payment) of the Agreement is hereby amended in its entirety to read as follows:

Effective on January 1, 2015, regardless of the amount of Solid Waste actually received at the Landfill, Waste Management will guarantee that the minimum Host Benefit Fee will be the Host Benefit Fee that would be payable for 375,000 tons per year of non-hazardous Solid Waste.

2. Section 19.b (Solid Waste Recycling Program) of the Agreement is hereby amended in its entirety to read as follows:

The County will utilize a portion of the Host Fee revenues provided for in this Agreement to continue and strengthen its established Solid Waste Education Program including, but is not limited to, school and public education and special recycling community collections and projects. Efforts will be made to expand its recycling efforts to include rural

recycling partnerships between the Solid Waste Program and willing local groups and/or communities within DeKalb County. The County will adopt an ordinance repealing the fees currently imposed under 415 ILCS 5/22.15 et seq. (solid waste tipping fee) and appropriate the initial annual amount of \$200,000 to the Solid Waste Program in support of those activities. This annual appropriation shall begin January 1, 2015 and shall be adjusted annually for inflation in proportion to the CPI adjustments provided for in Section 16a.

3. Section 19.c (Land and Water Conservation and Environmental Education Efforts) is hereby amended in its entirety to read as follows:

The County will continue and strengthen its land and water conservation and environmental education efforts by appropriating an initial annual amount of \$100,000 to the DeKalb County Forest Preserve District from Host Fee proceeds received under the terms of this Agreement. This annual appropriation shall begin January 1, 2015 and shall be adjusted annually for inflation in proportion to the CPI adjustments provided for in Section 16a.

4. No Other Changes. Except as modified above, all other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused the signatures of their legally authorized representatives to be affixed hereto on the day and year indicated below.

WASTE MANAGEMENT OF ILLINOIS, INC.

COUNTY OF DEKALB

By: \_\_\_\_\_  
Its Vice President

By: \_\_\_\_\_  
Its County Board Chairman

ATTEST:

By: \_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Clerk of DeKalb County

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**DEKALB COUNTY GOVERNMENT**  
**FY2014 REVENUE SUMMARY**  
**ALL 43 COUNTY FUNDS**

Line #	Committee	Fund Name	Budgeted Annual Revenues FY 2014	Property Tax Revenue	% of Total Rev	Major Revenue Source Other Than Property Taxes	Major Budgeted Revenues FY 2014	Major Rev is % of Total Revenue
<b>A Uncontrolled Revenue / Restricted Use</b>								
A-1	Finance	Build America Bonds	864,000			Co Farm Sales Tax	765,000	88.5%
A-2	Law & Just	Child Support	29,100			Special Fee	16,000	55.0%
A-3	Law & Just	Children's Waiting Room	24,000			Special Fee	21,000	87.5%
A-4	Law & Just	Circuit Clerk Electronic Citation	15,000			Special Fee	15,000	100.0%
A-5	Law & Just	Circuit Clerk Operations	21,100			Special Fee	21,000	99.5%
A-6	H&HS	Community Services	291,800			Federal & State Grants	274,800	94.2%
A-7	H&HS	Community Services - Revolving Loans	5,000			Loan Repayment	4,200	84.0%
A-8	Highway	County Motor Fuel	1,854,800			Motor Fuel Tax	1,250,000	67.4%
A-9	Law & Just	Court Automation	181,000			Special Fee	180,000	99.4%
A-10	Law & Just	Court Security	460,100			Special Fee	310,000	67.4%
A-11	Law & Just	Document Storage	185,800			Special Fee	185,000	99.6%
A-12	Law & Just	Drug Court	152,400			Special Fee	98,900	64.9%
A-13	Law & Just	Drug Prosecution Program	2,500			Forfeits	2,500	100.0%
A-14	Finance	Employee Health & Life Insurance Clearing	6,343,000			Transfers from Dept & Employees	6,340,000	100.0%
A-15	Highway	Engineering	352,700			Charge for Services	351,900	99.8%
A-16	H&HS	Federal Transportation Grant	820,000			Federal Grant	818,600	99.8%
A-17	P&Z	FEMA Grant - Evergreen Village	4,000,000			Federal & State Grants	4,000,000	100.0%
A-18	Law & Just	Law Enforcement Special Projects	128,800			Narcotics Task Force	50,000	38.8%
A-19	Law & Just	Law Library	45,000			Special Fee	45,000	100.0%
A-20	Econ Dev	Micrographics	155,500			Special Fee; Document Copies	135,000	86.8%
A-21	Law & Just	Probation Services	104,500			Special Fee	103,000	98.6%
A-22	Finance	Recovery Zone Bonds	352,200			Co Farm Sales Tax	225,000	63.9%
A-23	Econ Dev	Tax Sale Automation	30,300			Special Fee	30,000	99.0%
A-24		<b>Sub-Total Category A</b>	<b>16,418,600</b>	<b>0</b>	<b>0.0%</b>	<b>Sub-Total Category A</b>	<b>15,241,900</b>	<b>92.8%</b>
<b>B Flexible Revenue / Restricted Use (by Other Boards)</b>								
B-1	H&HS	Community Mental Health	2,357,000	2,350,000	99.7%	Interest	7,000	0.3%
B-2	H&HS	Public Health	3,442,400	400,000	11.6%	Federal & State Funding	1,817,400	52.8%
B-3	H&HS	Solid Waste Program	90,400			Tipping Fee	90,000	99.6%
B-4	H&HS	Veteran's Assistance	517,100	515,000	99.6%	Copying Services	2,000	0.4%
B-5		<b>Sub-Total Category B</b>	<b>6,406,900</b>	<b>3,265,000</b>	<b>51.0%</b>	<b>Sub-Total Category B</b>	<b>1,916,400</b>	<b>29.9%</b>
<b>C Flexible Revenue / Restricted Use</b>								
C-1	Highway	Aid to Bridges	1,287,000	850,000	66.0%	Transfer from General Fund	275,000	21.4%
C-2	Finance	Asset Replacement	521,000			Transfers from Departments	474,000	91.0%
C-3	Finance	County Farm Land Sale	2,000			Interest	2,000	100.0%
C-4	Finance	DATA Fiber Optic Network	225,000			Participation & Subscriber Fees	175,000	77.8%
C-5	Highway	Fed Hwy Matching Tax	1,032,900	850,000	82.3%	State Aid	182,300	17.6%
C-6	Finance	GIS - Development	7,500			Sale of Tax Maps	5,500	73.3%
C-7	Highway	Highway	2,366,000	1,725,000	72.9%	Transfer from Motor Fuel	400,000	16.9%
C-8	Finance	History Room	13,000			Transfer from General Fund	12,000	92.3%
C-9	Finance	PBC Lease	949,000	775,000	81.7%	Co Home Sales Tax; Land Lease	173,000	18.2%
C-10	H&HS	Rehab & Nursing Center	15,191,100			Medicare & Charge for Services	14,934,800	98.3%
C-11	Finance	Retirement	500			Interest	500	100.0%
C-12	H&HS	Senior Services	430,100	430,000	100.0%	Interest	100	0.0%
C-13	Finance	Tort & Liability Insurance	1,177,100	950,000	80.7%	Charges to Departments	115,100	9.8%
C-14		<b>Sub-Total Category C</b>	<b>23,202,200</b>	<b>5,580,000</b>	<b>24.0%</b>	<b>Sub-Total Category C</b>	<b>16,749,300</b>	<b>72.2%</b>
<b>D Flexible Revenue / Unrestricted Use</b>								
D-1	Various	General Fund - Operating	26,927,000	11,955,000	44.4%	Sales, Income, & Replacement Tax	5,220,000	19.4%
D-2	Finance	Opportunity Fund	373,000			Co Farm/Co Home Sales Tax	370,000	99.2%
D-3	Finance	Special Projects	2,000			Interest	2,000	100.0%
D-4		<b>Sub-Total Category D</b>	<b>27,302,000</b>	<b>11,955,000</b>	<b>43.8%</b>	<b>Sub-Total Category D</b>	<b>5,592,000</b>	<b>20.5%</b>
E-1		<b>Grand Total of Revenues</b>	<b>73,329,700</b>	<b>20,800,000</b>	<b>28.4%</b>	<b>Grand Total Major Revenues</b>	<b>39,499,600</b>	<b>53.9%</b>
F-1	Finance	Utilization of Fund Balances	4,009,200	0	0.0%			
G-1		<b>Total Funds Available</b>	<b>77,338,900</b>	<b>20,800,000</b>	<b>26.9%</b>			

**DEKALB COUNTY GOVERNMENT  
FY 2014 EXPENDITURE SUMMARY  
ALL 43 COUNTY FUNDS**

Line #	Committee	Fund Name	Salaries & Benefits	Commodities Capital	& Services	Transfers	FY 2014 Total Expenses
<b>A Uncontrolled Revenue / Restricted Use</b>							
A-1	Finance	Build America Bonds	0	855,000	1,000	0	856,000
A-2	Law & Just	Child Support	65,000	0	7,200	0	72,200
A-3	Law & Just	Children's Waiting Room	0	1,000	24,000	0	25,000
A-4	Law & Just	Circuit Clerk Electronic Citations	0	0	4,000	0	4,000
A-5	Law & Just	Circuit Clerk Operations	0	0	15,000	0	15,000
A-6	H&HS	Community Services	226,800	0	59,000	6,000	291,800
A-7	H&HS	Community Services - Revolving Loans	0	0	0	0	0
A-8	Highway	County Motor Fuel	566,000	703,350	500,000	400,000	2,169,350
A-9	Law & Just	Court Automation	250,000	98,000	87,000	5,000	440,000
A-10	Law & Just	Court Security	451,000	2,700	11,500	0	465,200
A-11	Law & Just	Document Storage	66,000	75,000	55,000	0	196,000
A-12	Law & Just	Drug Court	161,000	0	71,200	0	232,200
A-13	Law & Just	Drug Prosecution Program	0	0	4,600	0	4,600
A-14	Finance	Employee Health & Life Insurance Clearing	0	0	6,560,000	0	6,560,000
A-15	Highway	Engineering	226,000	43,500	6,800	0	276,300
A-16	Finance	Federal Transportation Grant	20,000	0	800,000	0	820,000
A-17	Finance	FEMA Grant - Evergreen Village	0	3,900,000	100,000	0	4,000,000
A-18	Law & Just	Law Enforcement Special Projects	0	32,000	36,900	45,000	113,900
A-19	Law & Just	Law Library	0	0	66,000	0	66,000
A-20	Econ Dev	Micrographics	93,000	1,500	85,500	20,000	200,000
A-21	Law & Just	Probation Services	0	23,000	170,500	50,500	244,000
A-22	Finance	Recovery Zone Bonds	0	311,000	1,000	0	312,000
A-23	Econ Dev	Tax Sale Automation	2,200	600	5,300	0	8,100
A-24		<b>Sub-Total Category A</b>	<b>2,127,000</b>	<b>6,046,650</b>	<b>8,671,500</b>	<b>526,500</b>	<b>17,371,650</b>
A-25		<b>Percent of Category Total</b>	<b>12.2%</b>	<b>34.8%</b>	<b>49.9%</b>	<b>3.0%</b>	<b>100.0%</b>
<b>B Flexible Revenue / Restricted Use (by Other Boards)</b>							
B-1	H&HS	Community Mental Health	187,100	57,500	2,131,400	41,000	2,417,000
B-2	H&HS	Public Health	3,066,300	2,600	494,700	47,000	3,610,600
B-3	H&HS	Solid Waste Program	43,700	0	36,800	12,000	92,500
B-4	H&HS	Veteran's Assistance	269,000	23,300	213,500	4,000	509,800
B-5		<b>Sub-Total Category B</b>	<b>3,566,100</b>	<b>83,400</b>	<b>2,876,400</b>	<b>104,000</b>	<b>6,629,900</b>
B-6		<b>Percent of Category Total</b>	<b>53.8%</b>	<b>1.3%</b>	<b>43.4%</b>	<b>1.6%</b>	<b>100.0%</b>
<b>C Flexible Revenue / Restricted Use</b>							
C-1	Highway	Aid to Bridges	107,000	1,235,000	250,100	125,000	1,717,100
C-2	Finance	Asset Replacement	0	1,340,000	0	0	1,340,000
C-3	Finance	County Farm Land Sale	0	0	25,000	0	25,000
C-4	Finance	DATA Fiber Optic Network	0	5,000	210,000	10,000	225,000
C-5	Highway	Fed Hwy Matching Tax	0	801,700	0	151,900	953,600
C-6	Finance	GIS - Development	0	1,000	41,000	15,000	57,000
C-7	Highway	Highway	1,387,000	842,700	979,800	7,000	3,216,500
C-8	Finance	History Room	12,000	2,000	4,000	0	18,000
C-9	Finance	PBC Lease	0	0	985,000	0	985,000
C-10	H&HS	Rehab & Nursing Center	8,988,300	385,400	5,452,500	207,600	15,033,800
C-11	Finance	Retirement	175,000	0	0	0	175,000
C-12	H&HS	Senior Services	0	0	443,000	7,000	450,000
C-13	Finance	Tort & Liability Insurance	0	0	983,000	100,000	1,083,000
C-14		<b>Sub-Total Category C</b>	<b>10,669,300</b>	<b>4,612,800</b>	<b>9,373,400</b>	<b>623,500</b>	<b>25,279,000</b>
C-15		<b>Percent of Category Total</b>	<b>42.2%</b>	<b>18.2%</b>	<b>37.1%</b>	<b>2.5%</b>	<b>100.0%</b>
<b>D Flexible Revenue / Unrestricted Use</b>							
D-1	Various	General Fund - Operating	21,520,500	194,700	4,941,900	1,191,000	27,848,100
D-2	Finance	Opportunity Fund	0	0	0	0	0
D-3	Finance	Special Projects	0	155,000	0	50,000	205,000
D-4		<b>Sub-Total Category D</b>	<b>21,520,500</b>	<b>349,700</b>	<b>4,941,900</b>	<b>1,241,000</b>	<b>28,053,100</b>
D-5		<b>Percent of Category Total</b>	<b>76.7%</b>	<b>1.2%</b>	<b>17.6%</b>	<b>4.4%</b>	<b>100.0%</b>
E-1		<b>Grand Total of Expenditures</b>	<b>37,882,900</b>	<b>11,092,550</b>	<b>25,863,200</b>	<b>2,495,000</b>	<b>77,333,650</b>
E-2		<b>Percent of Total</b>	<b>49.0%</b>	<b>14.3%</b>	<b>33.4%</b>	<b>3.2%</b>	<b>100.0%</b>
F-1		<b>Totals without Evergreen Village &amp; Health</b>	<b>37,882,900</b>	<b>7,192,550</b>	<b>19,203,200</b>	<b>2,495,000</b>	<b>66,773,650</b>
F-2		<b>Percent of Total</b>	<b>56.7%</b>	<b>10.8%</b>	<b>28.8%</b>	<b>3.7%</b>	<b>100.0%</b>

03-05-2014

**Consumer Price Index - All Urban Consumers**  
**Original Data Value**

Series Id: CUUR000SA0  
 Not Seasonally Adjusted  
 Area: U.S. city average  
 Item: All items  
 Base Period: 1982-84=100  
 Years: 2003 to 2013

**For PTELL/Tax Cap Calculations**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2	% Increase Dec. to Dec.	% Increase Year Over Year (Jan. to Jan.)	% Increase Year-to-Date (Dec. to Jan.)
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6			
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2	3.3%		
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4	3.4%		
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6	2.5%		
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976	4.1%		
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177	0.1%		
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935	2.7%		
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576	1.5%		
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280	3.0%		
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338	1.7%		
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	232.366	233.548	1.5%		
2014	233.916																1.6%	0.4%

2.1% 3-Year Average (2011-2013)  
 2.1% 5-Year Average (2009-2013)  
 2.4% 10-Year Average (2004-2013)

Illinois Dept. of Revenue  
History of CPI's Used for the PTELL  
01/21/2014

Year	December CPI-U	% Change From Previous December	% Use for PTELL	Comments	Levy Year	Years Taxes Paid
1991	137.900	-	-			
1992	141.900	2.9%	2.9%		1993	1994
1993	145.800	2.7%	2.7%	(5 % for Cook)	1994	1995
1994	149.700	2.7%	2.7%		1995	1996
1995	153.500	2.5%	2.5%		1996	1997
1996	158.960	3.6%	3.6%		1997	1998
1997	161.300	1.5%	1.5%		1998	1999
1998	163.900	1.6%	1.6%		1999	2000
1999	168.300	2.7%	2.7%		2000	2001
2000	174.000	3.4%	3.4%		2001	2002
2001	176.700	1.6%	1.6%		2002	2003
2002	180.900	2.4%	2.4%		2003	2004
2003	184.300	1.9%	1.9%		2004	2005
2004	190.300	3.3%	3.3%		2005	2006
2005	196.800	3.4%	3.4%		2006	2007
2006	201.800	2.5%	2.5%		2007	2008
2007	210.036	4.08%	4.1%		2008	2009
2008	210.228	0.1%	0.1%		2009	2010
2009	215.949	2.7%	2.7%		2010	2011
2010	219.179	1.5%	1.5%		2011	2012
2011	225.672	3.0%	3.0%		2012	2013
2012	229.601	1.7%	1.7%		2013	2014
2013	233.049	1.5%	1.5%		2014	2015

03-05-2014

**Consumer Price Index - All Urban Consumers  
Original Data Value**

Series Id: CUURA207SA0, CUUSA207SA0  
 Not Seasonally Adjusted  
 Area: Chicago-Gary-Kenosha, IL-IN-WI  
 Item: All items  
 Base Period: 1982-84=100  
 Years: 2003 to 2013

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2003	182.7	184.1	184.8	183.4	183.4	184.1	184.1	184.5	186.1	185.8	185.6	185.5	184.5	183.8	185.3
2004	185.4	186.4	186.3	187.2	188.7	189.1	189.2	190.2	190.0	190.8	190.7	189.6	188.6	187.2	190.1
2005	189.9	190.5	191.3	193.2	193.3	194.0	194.2	195.8	198.3	197.9	197.3	196.4	194.3	192.0	196.7
2006	197.5	197.2	197.6	197.7	198.4	199.0	199.3	200.4	199.6	197.5	197.9	197.8	198.3	197.9	198.8
2007	199.401	200.630	202.483	204.019	205.686	206.092	205.561	205.813	206.454	206.696	207.821	207.155	204.818	203.052	206.583
2008	208.757	209.526	211.542	212.662	214.932	215.738	217.459	215.971	215.465	213.363	209.053	205.959	212.536	212.193	212.878
2009	207.616	207.367	207.462	207.886	209.809	211.010	210.906	211.441	211.345	211.708	212.206	211.185	209.995	208.525	211.465
2010	212.104	212.456	212.952	212.929	212.984	212.186	212.535	212.784	213.339	213.332	213.066	213.778	212.870	212.602	213.139
2011	215.155	216.192	217.880	218.762	220.094	220.182	219.277	219.688	220.027	219.592	219.181	218.180	218.684	218.044	219.324
2012	219.585	219.626	222.351	222.416	222.262	222.138	221.611	222.967	223.611	223.227	222.425	221.838	222.005	221.396	222.613
2013	222.251	224.681	224.433	224.522	225.645	225.664	225.375	225.525	225.161	224.422	223.703	222.960	224.545	224.566	224.524
2014	225.027														

**For Landfill Host Fees Agreement Calculations**

% Increase Dec. to Dec.	% Increase Year Over Year (Jan. to Jan.)	% Increase Year-to-Date (Dec. to Jan.)
2.2%		
3.6%		
0.7%		
4.7%		
-0.6%		
2.5%		
1.2%		
2.1%		
1.7%		
0.5%		
	1.2%	0.9%

1.4% 3-Year Average (2011-2013)  
 1.6% 5-Year Average (2009-2013)  
 1.9% 10-Year Average (2004-2013)

# Illinois Municipal Price Index, 2012

BY NORMAN WALZER AND AMANDA DAVIS

Managing municipal finances during difficult economic times such as the current slow economic recovery is difficult at best as local public officials continually struggle to find ways to provide high quality services with fewer, or at best, the same resources. The demands for services are increasing at the same time that lower housing prices and stagnant sales tax revenues are shrinking the economic and tax bases.

Perhaps the one positive note during the Great Recession and ensuing recovery is that inflation has been relatively low compared to earlier periods. Nevertheless, when price increases of goods and services purchased by municipalities to produce municipal services are computed, the drain on municipal budgets during the past decade has been substantial, as is shown in this article.

Rising prices affect all sectors of the economy, public and private, depending on the types and amounts of purchases. Thus, several measures of inflation are regularly published. The Consumer Price Index (CPI) depicts price increases for items purchased by families and related individuals mainly at the retail level and includes food, housing, and other items in the proportions purchased based on expenditure patterns of a national sample of households. The CPI also contains detailed information on price changes for a wide assortment of specific goods and services.

This information can then be used to calculate the impact on bundles of goods and services purchased by specific groups or agencies such as municipalities.

As an alternative, the Producer Price Index (PPI) shows the impact of inflation on non-retail sectors of the economy and is more reflective of large purchases of industrial commodities. The PPI, however, also provides detailed information that can be matched with purchases by municipalities and other agencies.

For more than 40 years, the Illinois Municipal League has supported the compilation of a price index based on the types of goods and services purchased by Illinois municipalities. The index is compiled by weighting the price changes of specific goods and services by their relative importance in municipal expenditures. The value of the MPI for managing municipal finances is that it can help distinguish changes in resources

available for providing public services from expenditure changes that reflect only price increases.

## COMPARISON OF PRICE CHANGES

There is no reason to expect that the Consumer Price Index which is based on household expenditure patterns will accurately reflect the impact of inflation on municipalities. However, the CPI and the MPI can be related especially when municipalities have compensation packages that include cost of living adjustments built into their compensation packages and/or buy goods and services at the retail level.

The CPI, All Items, increased 2.1 percent in 2012 and, between 2000 and 2012, the index increased 33 percent. This means that it took \$133.30 in 2012 to purchase essentially the same goods and services that \$100.00 would have bought in 2000 (Table 1). Thus, consumers whose incomes did not increase at least 33 percent during this period probably had fewer resources available. Maintaining a "constant" bundle of goods and services over time in a price index is difficult, however, since products often improve and/or workers become more productive. When major improvements have been made, the index may overstate the impact of inflation so even the CPI is an approximation to the impact of inflation.

**TABLE 1. PRICE INDICES (2000=100.0)**

Index	2000	2005	2010	2011	2012	Pct. Chg. 2011-12
<b>Consumer Price Index</b>						
All Items	100.0	113.4	126.6	130.6	133.3	2.07
Commodities	100.0	107.4	117.0	123.2	125.7	2.03
Services	100.0	117.8	133.8	136.1	139.0	2.13
Producer Price Index	100.0	118.6	139.2	151.5	152.4	0.59
Illinois Municipal Price Index	100.0	119.4	140.1	143.5	147.0	2.44

NOTE: The entire series is available at <http://www.iira.org/data/mpi.asp>.

Source: U.S. Department of Labor, Bureau of Labor Statistics, and Illinois Institute for Rural Affairs.

The CPI provides data on price increases of specific goods and services and by groups. This distinction is important because the highest proportion of municipal expenditures is for services rather than commodities. In the private sector as reflected by the CPI, the prices of commodities increased 2.0 percent in 2012 compared with a 2.1 percent increase for services. Between 2000 and 2012, however, the prices of commodities increased 25.7 percent compared with 39.0 percent for services.

ILLINOIS MUNICIPAL PRICE INDEX CONTINUES ON PAGE 22



A possible explanation for the higher increase in services is that productivity improvements may be more difficult to reflect in an index. Especially in personal services, the quality of services provided may have increased even though it appears to take the same amount of time to deliver the outcome. This has possible implications for municipal services since productivity increases have helped departments deploy resources more effectively but these improvements may be disguised by the fact that personnel have to spend the same time working with residents to resolve issues.

The Producer Price Index, which essentially measures the price increases in other than retail markets, increased the most since 2000, but this index is affected by wide swings in the prices for energy and other commodities. Nevertheless, according to the PPI, the cost of purchasing essentially the same commodities in 2000 was 52.4 percent higher in 2012. These changes will affect municipalities for items purchased in bulk.

### CONSTRUCTING THE MUNICIPAL INDEX

Since personnel is a relatively large component of the municipal expenditure package, it is important to have accurate data on wage increases paid by Illinois municipalities. Thus, a sample of Illinois cities is surveyed each year to determine average wage increases for a set of common employee classifications and this year 37 municipalities provided detailed information. These data are included by municipal department in the index. Estimating the impact of pensions and changes in benefits is more difficult because they are long-term expenditures. However, they are important components of the expenditure package and changes in benefits for the same employee count the same as a wage increase as far as the price index is concerned. In the MPI, a national employment cost index for total benefits paid to state and local government employees is used as a proxy for employee benefits paid in Illinois. This data likely underestimates the impact of pension increases in Illinois but more accurate measures would require detailed information at the city level and differences among cities would probably still distort the average. In terms of the aggregate municipal expenditures, pensions are a relatively small amount but they can be substantial within a specific department.

The expenditure categories used to weight price increases are based on a survey of Illinois municipalities. The percentage distribution of expenditures by municipal department, and for the city as a whole, is then applied to

the relative price increases for specific goods and/or services in the CPI, PPI, or other specialized indices. While these data are typically based on national trends, they are the most appropriate information available from secondary sources.

In terms of the goods and services purchased by Illinois municipalities, it cost \$147.00 in 2012 to buy what \$100.00 would have purchased in 2000. This information is useful because it can help local officials assess the extent to which resources available to finance public services have changed over time. Thus, the MPI suggests that, absent major productivity improvements, unless revenues increased by 47 percent, the resources available in 2012, in terms of purchasing power were less than in 2000. It is also important to examine population served and other factors such as state or federal mandates that may affect spending for services. At the very least, Illinois municipalities were affected by inflation in the 2000s more than the private economy as measured by the CPI.

As noted earlier, a major reason why municipalities are impacted more is the higher proportion of expenditures for services which also had higher increases in the private sector. Past experiences in compiling the MPI indicate that municipal employees tend to gain in purchasing power during periods of relatively low inflation in the private sector while they lose in purchasing power during periods of high inflation. Therefore inflation has a greater impact on cities. This may not be true when low inflation is accompanied by fiscal austerity and resources available to cities do not allow wage increases to exceed inflation.

### PRICE INDICES BY MUNICIPAL DEPARTMENT

Expenditure packages differ by department within a municipality so the impact of inflation differs also. To provide more meaningful information for local decision-makers, price indices are presented for 10 common municipal departments (Table 2). The overall importance of inflation on city expenditures depends on two aspects. First, the

**TABLE 2. DEPARTMENT PRICE INDICES (2000=100.0)**

Index	2000	2005	2010	2011	2012	Pct. Chg. 2011-12
General Control	100.0	117.6	137.4	141.0	144.6	2.55
Community/Economic Development	100.0	120.3	142.3	145.6	149.0	2.34
Other Sanitation	100.0	118.9	140.9	145.1	148.9	2.62
Building & Health Inspection	100.0	121.2	142.5	146.0	148.9	1.99
Water/Sewer	100.0	118.7	139.5	142.6	146.3	2.59
Parks/Recreation	100.0	121.1	143.7	147.1	150.7	2.45
Police Protection	100.0	116.7	137.5	140.5	143.9	2.42
Fire Protection	100.0	117.2	135.5	138.0	141.4	2.46
Streets	100.0	122.2	143.7	147.9	150.9	2.03
Library	100.0	119.6	137.9	141.2	144.8	2.55

NOTE: The entire series is available at <http://www.iira.org/data/mpj.asp>.

Source: Illinois Institute for Rural Affairs, Western Illinois University, Macomb, IL.

TABLE 3. PRICE CHANGES FOR SELECTED PURCHASES (2000=100.0)						Pct. Chg. 2011-12
Index	2000	2005	2010	2011	2012	
<b>CPI</b>						
Motor Fuel	100.0	151.4	185.0	234.0	241.8	3.33
Auto Maintenance & Repair	100.0	116.7	139.8	142.8	145.3	1.75
Repair of Household Items	100.0	132.1	162.8	167.3	178.1	6.46
Utility (piped) gas service	100.0	163.2	143.7	139.6	126.2	-9.60
Medical Care	100.0	123.9	148.9	153.5	159.1	3.65
<b>PPI</b>						
Fuels and Related Products and Power	100.0	151.1	179.5	208.6	204.9	-1.77
Concrete Ingredient & Related Products	100.0	119.1	149.6	150.0	153.1	2.07
Plumbing Fixtures and Brass Fittings	100.0	109.5	128.3	131.4	133.9	1.90
Paper	100.0	106.5	121.6	127.6	127.8	0.16
<b>Turner Construction Co.</b>						
Building Construction Index	100.0	120.5	134.3	136.5	139.5	2.20
<b>Employment Cost Index</b>						
Total Benefits, State and Local Government (4th Quarter)	100.0	134.4	162.8	166.1	171.8	3.43
<b>Moody's Yield on Seasoned Corporate</b>						
Bonds: All Industries, BAA (not an index)	8.4	6.1	6.0	5.7	4.9	-12.72
<b>Source: U.S. Department of Labor, Bureau of Labor Statistics and Turner Construction Company, Building Cost Index.</b>						

relative size of the department in the total city expenditures determines the importance of the price increases. Second, the composition of expenditures in departments differs which affects the importance of inflation. Thus, users of the price index information should examine both the relative size of the department price index and the size of the department.

Among municipal departments, Other Sanitation had the highest percentage change in 2012 (2.62) followed by Water-Sewer at 2.59 and General Control at 2.55 percent. Police Protection and Fire Protection had percentage increases of 2.42 and 2.46, respectively. Streets and building/health inspection were lower at 2.03 and 1.99 percent change.

Between 2000 and 2012, however, parks/recreation and streets led other departments in terms of overall impact at 150.7 and 150.9, respectively. The composition of expenditures in these departments—services versus energy and petroleum based products definitely affect the size of the index in a specific year. Since police and fire protection represent large components of the budget in most cities, their indices along with that for streets are especially important to monitor.

Examples of the types of purchases included in the Municipal Price Index are provided in Table 3 as additional insights into the relative price changes. Motor fuels, basic repairs, medical care, and construction costs led the list of changes in 2012. Since 2000, fuels including motor fuel and related products

and power led the list so one might expect that municipal departments using extensive amounts of these products experienced relatively high impacts of inflation.

### GENERAL OBSERVATIONS

There are signs of an economic recovery underway and a reversal in the housing market can add to the tax base. However, the recovery has been a long-time coming and municipalities will face fiscal pressures for several more years. During this period, it is important to use as many tools as possible in managing local finances. The Illinois Municipal Price Index is one such tool to assess the extent to which the actual resources available to the city or specific departments have eroded. As shown, not all departments were affected to the same extent.

Inflation during the past several years has not been a major concern but as the economy picks up steam there are indications that prices will increase as well. When that happens, municipalities must recognize the impact on their budgets and the MPI can be a useful tool for that purpose.

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### Illinois Municipal Price Index

The Illinois Municipal Price Index (MPI) is calculated annually by Illinois Institute for Rural Affairs staff with assistance from the Illinois Municipal League. The (MPI) is designed to measure the increases in prices of goods and services purchased by Illinois municipalities.

Comparisons of the price and wage increases are shown for city expenditures as a whole and by major department so that users can determine the extent to which expenditures, in constant dollars, have changed through time. The MPI differs from other indices such as the Consumer Price Index (CPI) or the Producer Price Index (PPI) in that it is constructed based on purchasing patterns of cities rather than consumers or businesses. The MPI is a weighted aggregate of price relatives which means that the price or wage increases are weighted by the relative importance that each represents in the city or departmental budget.

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# Illinois Institute for Rural Affairs

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## Price Indices

Year	MPI 2000=100.0	CPI 1982-84=100.0			PPI 1982=100.0 All Commodities
		All Items	All Commodities	All Services	
1990	68.1	130.7	122.8	139.2	116.3
1991	71.1	136.2	126.6	146.3	116.5
1992	73.9	140.3	129.1	152.0	117.2
1993	76.7	144.5	131.5	157.9	118.9
1994	79.3	148.2	133.8	163.1	120.4
1995	82.2	152.4	133.8	163.1	120.4
1996	86.0	156.9	139.9	174.1	127.7
1997	89.1	160.5	141.8	179.4	127.6
1998	91.9	163.0	141.9	184.2	124.4
1999	95.7	166.6	144.4	188.8	125.5
2000	100	172.2	149.2	195.3	132.7
2001	103.1	177.1	150.7	203.4	134.2
2002	106.3	179.9	149.7	209.8	131.1
2003	109.9	184.4	151.2	216.5	138.1
2004	114.3	188.9	154.7	222.8	146.7
2005	119.4	195.3	160.2	230.1	157.4
2006	124.1	201.6	164.0	238.9	164.7
2007	129.3	207.3	167.5	246.8	172.6
2008	135.6	215.3	174.8	255.5	189.6
2009	137.7	214.5	172.6	259.2	172.9
2010	140.1	218.1	174.6	261.3	184.7
2011	143.5	224.9	183.9	265.8	201.2
2012	147.0	229.6	187.6	271.4	202.2

## Departmental Price Indices (2000=100.0)

Year	General Control	Economic Development	Other Sanitation	Health	Water/ Sewer	Parks/ Recreation	Police Protection	Fire Protection	Streets	Library
1990	61.9	NA	70.5	61.0	73.8	69.6	66.5	66.9	68.9	64.4
1991	65.4	NA	73.2	64.5	75.9	72.5	69.9	70.2	70.7	67.7
1992	68.4	NA	75.6	67.9	77.8	75.2	73.1	73.2	72.7	71.2
1993	71.6	NA	78.1	71.7	79.3	78.0	76.2	76.3	74.9	74.4
1994	74.5	NA	80.6	75.3	82.4	80.7	78.9	79.4	76.9	77.8
1995	76.9	NA	82.7	79.9	84.5	83.1	82.8	82.2	79.1	81.4
1996	81.2	NA	87.7	84.0	87.6	86.1	86.4	85.5	83.8	86.1
1997	84.8	NA	90.3	87.4	90.2	88.9	89.7	88.6	86.7	89.7
1998	90.4	NA	92.3	90.8	92.4	91.7	92.9	92.5	89.1	89.9
1999	94.9	NA	95.9	95.8	96.2	95.3	96.5	96.2	94.4	93.9
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	102.3	103.2	103.1	103.2	102.8	103.5	102.8	104.4	103.0	102.7
2002	105.6	107.8	106.3	106.7	105.4	106.9	105.5	106.9	105.1	106.1
2003	108.9	111.8	109.9	111.9	107.9	110.2	109.5	110.5	108.3	109.1
2004	112.8	115.6	115.0	116.4	112.5	115.4	113.1	113.9	113.9	114.0
2005	117.6	120.3	118.9	121.2	118.7	121.1	116.7	117.2	122.2	119.5
2006	122.7	125.5	123.8	125.5	124.4	126.0	121.2	120.8	129.7	122.0
2007	127.6	131.0	128.7	130.7	130.2	131.2	125.8	125.0	136.6	126.9
2008	133.6	136.9	135.2	136.8	136.1	138.1	131.6	130.4	145.2	133.0
2009	135.1	140.1	137.5	140.0	137.9	140.3	134.7	133.4	141.5	135.8
2010	137.4	142.3	140.9	142.5	139.5	143.7	137.5	135.5	143.7	137.9
2011	141.0	145.6	145.1	146.0	142.6	147.1	140.5	138.0	147.9	141.2
2012	144.6	149.0	148.9	148.9	146.3	150.7	143.9	141.4	150.9	144.8

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