



City of WOODSTOCK

THE POPULAR ANNUAL FINANCIAL REPORT

for the Fiscal Year
Ending 4/30/14

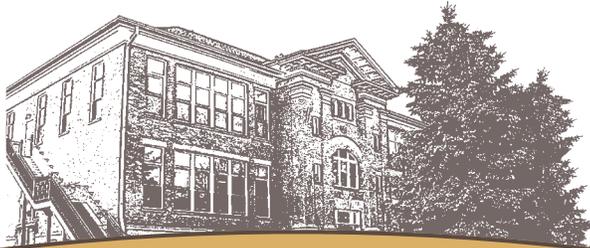
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LETTER FROM THE MAYOR

Fellow Citizens of Woodstock:

I am pleased to present the City of Woodstock's *Popular Annual Financial Report* (PAFR) for the fiscal year ended April 30, 2014. The PAFR is specifically designed to communicate the financial condition of the City through open, user-friendly financial reporting in an effort to increase public awareness and understanding of where City revenues come from and where dollars are spent. The report also provides an overview of the City's property tax levy and economic development efforts.

The financial information presented in this report is derived from the City's Comprehensive Annual Financial Report (CAFR), a highly-detailed financial report prepared in conformity with generally accepted accounting principles and audited by Sikich LLP. Readers who wish a more in-depth analysis of the City's finances are encouraged to view the City's CAFR, which can be found on the City of Woodstock's website at www.woodstockil.gov.

On behalf of the City Council, and in keeping with our commitment to *live within our means*, I am pleased to inform you the City of Woodstock once again ended the fiscal year with a balanced financial situation in which operating expenditures were offset by corresponding revenues. Further, for the third consecutive year, this was accomplished while simultaneously forgoing the inflationary increase allowed by State law on the City's total property tax levy imposed on residents. I am also happy to report the adopted FY14/15 Budget represents yet another prudent, conservative, balanced financial plan in which the City's spending practices remain in check and operating expenses are offset by identified and actual revenue streams. These significant accomplishments have occurred without imposing any new municipal taxes and without further reductions to City services.

In addition to a continued and determined focus on financial stability, the City Council will work with City staff during the current fiscal year on the following priorities:

- For the third consecutive year, dedication of \$1.0 million to street resurfacing projects;
- Economic development through application for an enterprise zone designation;
- Expansion of Route 14 between Crystal Lake and Woodstock, an anticipated two-year project; and
- Continuation of efforts to preserve and protect the Old Courthouse on the Square.

It is important to express my appreciation to the City workforce for their continued willingness to work outside traditional job parameters and commitment to accomplish more with less. I also want to thank our local businesses which continue to invest in Woodstock, our many service organizations that routinely rise to the call for assistance, and to you, the residents of Woodstock, for the opportunity to serve, your encouragement, and the many contributions you make in support of our community, whether financially through local property taxes and donations, a commitment to shop locally, or volunteering. The spirit of community evidenced by your individual and collective commitment to working together to make good things happen is what sets us apart from other communities.

I hope the Popular Annual Financial Report assists you in understanding the City's financial picture and future commitments. Questions, comments and feedback are welcome, so please do not hesitate to contact the City Manager's Office at (815) 338-4301 or e-mail citymanager@woodstockil.gov.

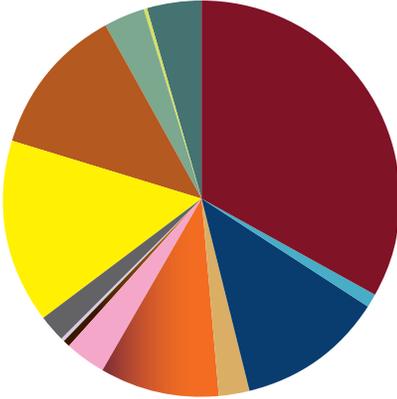
Best regards,

Brian Sager, Ph.D.
Mayor



Mayor Brian Sager

WHERE THE MONEY COMES FROM



PROPERTY TAXES	\$9,862,804	33.3%	MFT	639,841	2.2%
REPLACEMENT TAXES	287,144	1.0%	WATER & SEWER SALES	4,429,817	15.0%
SALES TAXES	3,548,055	12.0%	CHARGES FOR SERVICES	3,620,661	12.2%
TELECOM TAXES	731,457	2.5%	FINES AND FEES	993,331	3.4%
INCOME TAXES	2,856,414	9.6%	INTEREST	107,841	0.4%
INTERGOVERNMENTAL	1,016,445	3.4%	MISCELLANEOUS	1,247,460	4.2%
LICENSES AND PERMITS	187,598	0.6%	TOTAL	\$29,604,143	100%
HOTEL/MOTEL TAX	75,275	0.3%			

Revenues for all funds, excluding Police Pension, increased at the end of FY13/14 by \$1,028,722 or 3.6%, totaling \$29,604,143. This increase was despite a decrease in property taxes received as the City Council for the second consecutive year has chosen to decrease taxes on existing residents' bills. Increases in revenue collected are a direct result of the recovery of the national and local economies from the recession that started in FY07/08.

Income tax increased substantially from the prior year as the amount collected by the State increased sharply as Illinois residents returned to work. Income tax is allocated on a per-capita basis with local governments receiving 6% of the total collection. Sales tax and building permit fees also benefited from the improving economy as the City issued more permits for new construction and existing house improvements. Despite the improving economy, the City experienced a decline in water and sewer sales. This was a result of a wet and mild summer combined with a reduction in demand from industrial users.



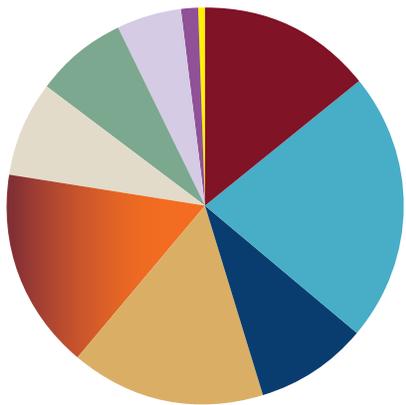
COMPARING SOURCES

	FY12/13	FY13/14	% Change +/-
PROPERTY TAXES	\$9,902,129	\$9,862,804	(0.4%)
REPLACEMENT TAXES	233,058	287,144	23.2%
SALES TAXES	3,387,911	3,548,055	4.7%
TELECOMMUNICATIONS TAXES	790,423	731,457	(7.5%)
INCOME TAXES	2,641,893	2,856,414	8.1%
INTERGOVERNMENTAL	667,185	1,016,445	52.3%
LICENSES AND PERMITS	185,427	187,598	1.2%
HOTEL/MOTEL TAX	70,522	75,275	6.7%
MFT	613,157	639,841	4.4%
WATER & SEWER SALES	4,544,125	4,429,817	(2.5%)
CHARGES FOR SERVICES	3,573,898	3,620,661	1.3%
FINES AND FEES	902,397	993,331	10.1%
INTEREST	110,238	107,841	(2.2%)
MISCELLANEOUS	953,058	1,247,460	30.9%
TOTAL FINANCIAL SOURCES	\$28,575,421	\$29,604,143	



WHERE THE MONEY GOES

Total expenditures for FY13/14 totaled \$30,313,845. This was an increase of 5.4% over the prior year's total of \$28,747,744. A large amount of this increase can be attributed to the City taking advantage of a favorable construction market and spending additional dollars towards capital improvements. In FY13/14 a number of road projects were completed, which in total exceeded \$1,000,000. Along with these road projects a new street sweeper and leaf collection machine were purchased.



GENERAL GOVERNMENT	\$4,351,482	14.4%
PUBLIC SAFETY	6,639,274	21.9%
HIGHWAYS AND STREETS	2,715,161	9.0%
CULTURE AND RECREATION	4,860,742	16.0%
WATER AND SEWER	4,906,188	16.2%
INTERNAL SERVICE FUND	2,366,908	7.8%
CAPITAL OUTLAY	2,347,896	7.7%
PRINCIPLE RETIREMENT	1,542,000	5.1%
INTEREST	494,691	1.6%
OTHER	89,503	0.3%
TOTAL	\$30,313,845	100.0%

Total expenditures for governmental funds for FY13/14 was over \$2.5 million less than FY07/08 as the City continued to restrict or limit its expenditures to essential items only. This is in direct response to the limited economic recovery which has curtailed substantial growth in revenue from such sources as property taxes from new construction. The City continues to operate at these reduced levels by maintaining a number of cost savings initiatives including revisions to employee benefits, reduction in staffing levels, and limiting travel and training.

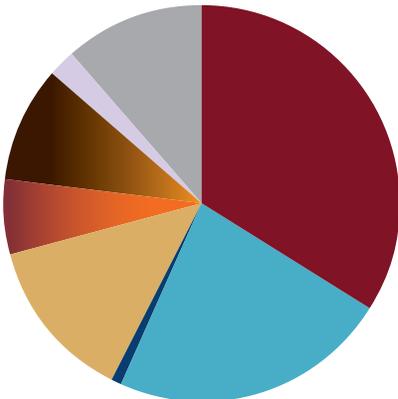
expenditure areas at 16.2% and 16.0% respectively. Culture and recreation include costs to operate the City's over 100-year old historic Opera House. In addition, funds in this category include operating the City's aquatic and recreation center along with their associated programs.

Public Safety continues to encompass the largest portion of the City's budget, representing 21.9%. Since public safety is so reliant on employees to provide services, it is not surprising that 90.5% of all public safety dollars are spent on salaries and benefits. Water and sewer, and culture and recreation are the next two largest

The City is highly reliant on its employees to provide services to its citizens in numerous areas including police protection, water and sewer, and public works to name a few. As such, salaries and benefits are the largest expenditures by type for the City and make up 56.8% of all expenditures.

ALLOCATING THE DOLLARS

SALARIES	\$10,306,967	34.0%
EMPLOYEE BENEFITS	6,906,169	22.8%
PERSONAL SERVICES	236,315	0.8%
CONTRACTUAL SERVICES	4,059,633	13.4%
COMMODITIES	1,873,687	6.2%
CAPITAL OUTLAY	2,797,297	9.2%
INTEREST	688,348	2.3%
OTHER CHARGES	3,445,429	11.4%
TOTALS	\$30,313,845	100.0%



(Figures Shown by Types of Expenditures)



CITY MANAGER'S OFFICE

- Oversees all of the City's Departments.
- Coordinates, prepares and disseminates City Council information/packets.
- Develops and administers the City's annual budget and capital improvement program.
- Approves and coordinates 100+ City special events including Summer in the Park (held in July) and the Senior Program at the Stage Left Café (Tuesday afternoons).
- Coordinates/manages decennial and special census, liquor licenses, regulations, Freedom of Information Act requests, Open Meetings Act, and the City's website.
- Manages the City's information technology.
- Initiates and coordinates the City's grant efforts.

HUMAN RESOURCES

- Provides internal customer service to 143 full-time positions, 21 part-time positions, 65 year round limited part-time employees and 95 seasonal employees.
- Provides employee relations and labor relations expertise to employees and management.
- Oversees and conducts recruitment of employees at all levels.
- Administers employee benefits.
- Manages worker's compensation claims and other areas of risk management.
- Provides employee training and/or communications using in-house resources.

FINANCE

- Oversees all revenue collections and expenditure payments of the City's \$29 million annual budget.
- Serves as the City's central information center.
- Collects over 32,000 water & sewer utility payments each year.

COMMUNITY & ECONOMIC DEVELOPMENT

- Maintains and updates the City's Comprehensive Plan and Unified Development Ordinance to properly manage future land use activities and community growth.
- Reviews and approves residential, commercial, and industrial projects to insure compliance with the City's established land planning and development standards.
- Conducts building plan review and inspections for new construction and remodeling projects and engages in enforcement activities regarding nuisances, code violations and property maintenance to protect existing and future property owners and residents.
- Works with developers, brokers, and current and future businesses to facilitate business attraction, retention and growth within the City, and to enhance existing business activity and opportunities.

POLICE

- Thirty seven (37) sworn officers committed to and accountable for providing public safety and security.
- Responds to more than 15,000 calls for service.
- Offers a host of community service policing initiatives including monthly "Coffee with Chief" meetings, public presentations on safety and crime reduction, Permanent Beat Officers, Bike Officers, Canine Unit, Directed Patrol Initiatives, Explorer Scout and DARE/GREAT programs offered at the local schools.
- Zero tolerance on gang, graffiti and drug activity.

RECREATION

- Provides over 300 programs that serve over 3,600 families per year.
- Woodstock Waterworks accommodates over 40,000 visitors during the summer.
- Operates the Recreation Center that serves over 1,200 members.
- Both of these facilities are required to operate on a self-sufficient basis.
- Participates and helps to organize several community events including the Challenge Road Races, the we.can.tri triathlon, the Halloween Costume Contest, Girls' Fast Pitch Softball Tournament, Summer in the Park, the Hospice Duck Races and Touch a Truck.
- Woodstock, along with 13 other districts, is a member of the Northern Illinois Special Recreation Association (NISRA). NISRA is charged with enriching the lives of people with disabilities through meaningful recreation experiences.

OPERA HOUSE

- The Opera House hosted or assisted in the production of 536 events in the 2013 calendar year including 163 Main Stage events, 236 Café events and an additional 101 events throughout the historic building. Additionally, the Opera House assisted in the coordination and technical support for 36 events hosted in the Woodstock park-in-the-square, including eight performances by the Woodstock City Band now in its 130th consecutive season.
- Is home to five local resident companies including Woodstock Musical Theatre Company, TownSquare Players, Woodstock Fine Arts Association, Woodstock Mozart Festival and the Judith Svalander Dance Theatre.
- Owns and operates the Stage Left Café which hosts a variety of events including artistic performances, musical concerts, lectures, meetings, parties, receptions and private events throughout the year.
- Events and activities presented by the Woodstock Opera House and its facilities have a positive impact to the local economy estimated to exceed \$1.8 million annually.

PUBLIC LIBRARY

- Provides 38 computer work stations with high-speed Internet access and Microsoft Office 2013 for the public to use.
- Circulates more than 300,000 items and maintains a strong online presence offering 24/7 assistance at www.woodstockpubliclibrary.org.
- Maintains a collection of over 187,000 books, e-books, audio-books, DVDs and CDs and conducts more than 400 library programs.
- New gallery space, for local artists as well as library displays, and a renovated and expanded Young Adult area.
- Local history information is available on the Library website, at www.flickr.com and <http://lookatillinois.info/>.
- Provides for a variety of online resources that residents can get access to via the internet on topics such as: eAudiobooks, business, car repairs, genealogy, health, personal investment and many more!

INFORMATION

PUBLIC WORKS ADMINISTRATION

- Oversees 49 full-time equivalent positions and a combined budget which exceeds \$6 million.
- Manages the City's infrastructure improvements.
- Assists the City Manager and City Council with strategic planning for all public facility needs.
- Provides administrative and management assistance to the six (6) operating divisions, training, and support for all public works employees, and administration of capital improvements and engineering services.

PARKS

- Maintains over 550 acres of City parks land, at 23 different locations.
- Maintains 20 ball fields, 8 soccer fields, 9 tennis courts, 9 basketball courts, and 16 playgrounds.
- Installed new playground equipment at Raintree Park.
- Installed Disc Golf Course at Raintree Park.
- Installed mulch at City playgrounds and parks.
- Assisted with excavating, building paths, installing a drinking fountain, and watering plants at Peace Park.
- Prepared fields for approximately 1,500 scheduled ball games and 310 scheduled soccer games.

FLEET MAINTENANCE

- Provides mechanical service to the entire fleet of vehicles and equipment owned by the City; the entire fleet consists of 78 vehicles and 56 pieces of equipment.
- Completed two police car conversions.
- Facilitated the conversion of a Parks truck to alternate fuel use.
- Coordinated the sale of surplus vehicles and equipment.
- Implemented a new fuel delivery system to better track fuel usage.

STREETS

- Manages the maintenance of City streets, street lights, traffic signage, traffic signals, pavement marking, sidewalks, parking lots, storm sewers, snow removal and leaf collection.
- Replaced 7,130 square feet of old or hazardous sidewalk at 30 locations.
- Completed annual maintenance and replacement of approximately 258,300 feet of pavement markings, crosswalks, stop bars and turn lanes to improve safety for both pedestrians and motorist.
- Responded to 849 requests for service.
- Maintained and repaired the City's storm sewer infrastructure.
- Repaired and/or replaced 157 signs.



WATER TREATMENT

- Well capacity in excess of 7.7 million gallons per day (mgd), with 3.3 million gallons of storage.
- Over 878 million gallons of water pumped in 2013.
- Facilities are properly operated and maintained.
- Preventive maintenance was completed on one of the City's water supply wells as planned and the pump on another water supply.
- No violations of any water regulatory standards in FY13/14.
- Average daily demand was 2.265 mgd in 2013, which was slightly less than that of 2012.
- Emergency backup generator was installed at well #8, which serves the First Street plant.
- There were no violations of IDPH standards at the Woodstock Water Works in 2013.

WASTEWATER TREATMENT

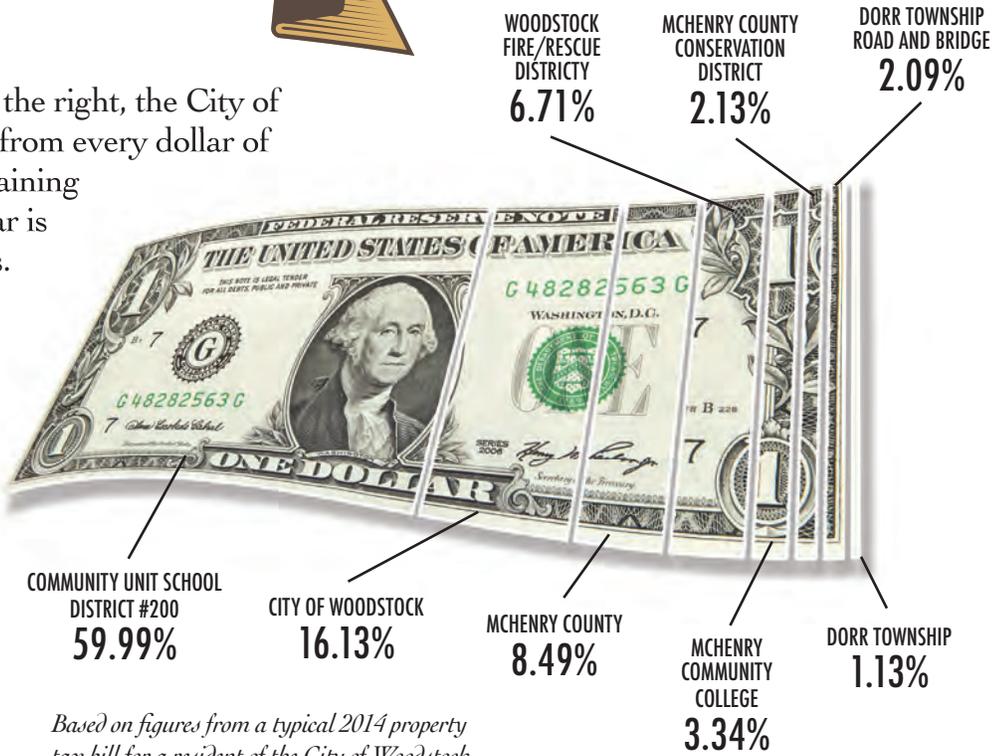
- Operated and maintained the City's two wastewater treatment plants, one off-site lift station, and all related equipment and facilities.
- Fully compliant with our IEPA NPDES operating permits and sludge permits
- Treatment capacity of 15.9 mgd at the City's two wastewater treatment plants.
- Total average flow for both plants was 3.27 MGD in 2013 this is slightly higher than 2012
- Replaced an airline from the rotary blowers to the lower aerobic digesters.
- Treatment plant employees completed numerous in-house projects for building maintenance, equipment repairs, equipment replacements, and grounds improvements to ensure reliable service to the sanitary sewer customers.
- Hosted 6 educational tours for groups with ages ranging from grade school up to college.

SEWER & WATER MAINTENANCE

- Operated and maintained the City's water distribution system (124.9 miles), two water booster stations, sanitary sewer collection system (107 miles), 1,410 fire hydrants and the maintenance and operation of twenty (20) sanitary sewer pumping stations.
- Provides service to customers for meter reading, repairs of meters, and installation of new meters for the City's approximately 8,300 utility customer accounts.
- Completed the City-wide unidirectional hydrant flushing program to improve water quality.
- Installed an emergency generator at one sanitary sewer lift station.
- Implemented a multiyear water meter replacement program to improve accuracy and reading efficiency.

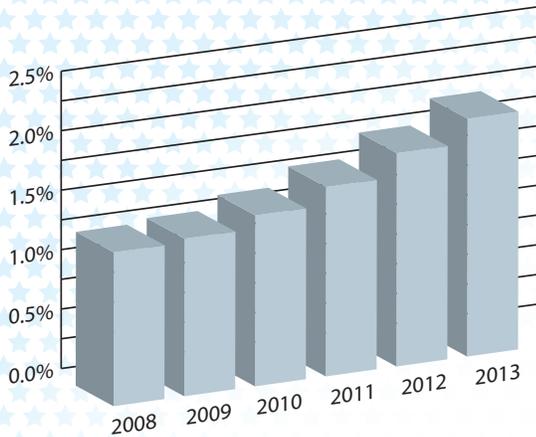
DIVIDING UP THE DOLLARS

As is indicated by the graphic to the right, the City of Woodstock receives 16.13 cents from every dollar of property tax collected. The remaining portion, 83.87 cents of each dollar is allocated to other taxing districts. This important revenue source is used to pay for day-to-day operations along with funding employer social security, medicare and pension contributions. Certain debt service payments, such as the library and aquatic center, which were authorized by referendum, are also paid using property tax dollars.



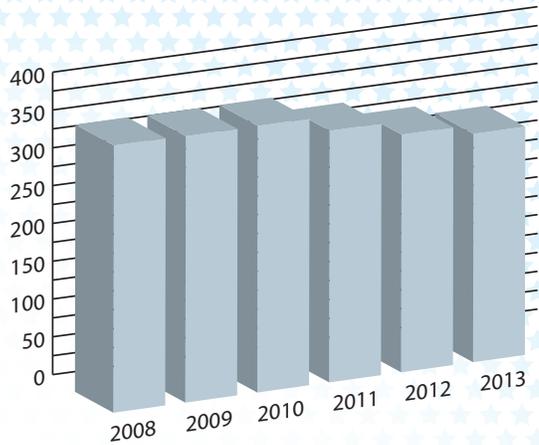
Based on figures from a typical 2014 property tax bill for a resident of the City of Woodstock living in Dorr Township.

WOODSTOCK PROPERTY TAX RATE



The City of Woodstock's Equalized Assessed Value (EAV) peaked in 2008 as a result of increased property values along with new growth. Since then the City has seen a significant decline in EAV as a result of the depressed housing market that was brought on by the economic crisis related to the tightening of credit by financial institutions. As a result of this decrease in EAV, the City's Property Tax Rate has risen from \$1.3460 in 2008 to \$2.0810 in 2013.

ESTIMATED TAX PAID TO CITY OF WOODSTOCK ON HOUSE VALUED AT \$100,000 IN 2008



Despite this significant increase within the tax rate, the average house in Woodstock has actually seen a decrease in taxes paid to the City of Woodstock. A house that was worth \$100,000 in tax year 2008 paid \$367.90 in property taxes. This same house would have paid \$314.40 for tax year 2013, if the EAV declined at the corresponding rate as the City's overall decline in EAV.

ECONOMIC DEVELOPMENT



THE PRIMARY ECONOMIC DEVELOPMENT INITIATIVES OF THE CITY OF WOODSTOCK ARE TO:

- Promote the economic well-being of the City through the retention, expansion and attraction of new commercial and industrial business sectors;
- Encourage commercial development on “in-fill” sites and in coordinated areas of unified design; and,
- Encourage economic revitalization of established areas, including the Downtown Business District.



Economic Development continues to be a primary focus for the City of Woodstock with increased interest in the City and several new and expanding businesses taking advantage of the improving economy. Woodstock Harley-

Davidson continues their expansion and relocation plans to the former K-Mart and Sears Outlet building on Rte. 47. They should complete their move by spring of 2015. Classic Cinemas completed their expansion and historic restoration of the Woodstock Theatre this year. The new 8-screen state-of-the-art movie complex is already breaking attendance records and bringing hundreds of thousands of visitors to Downtown Woodstock.



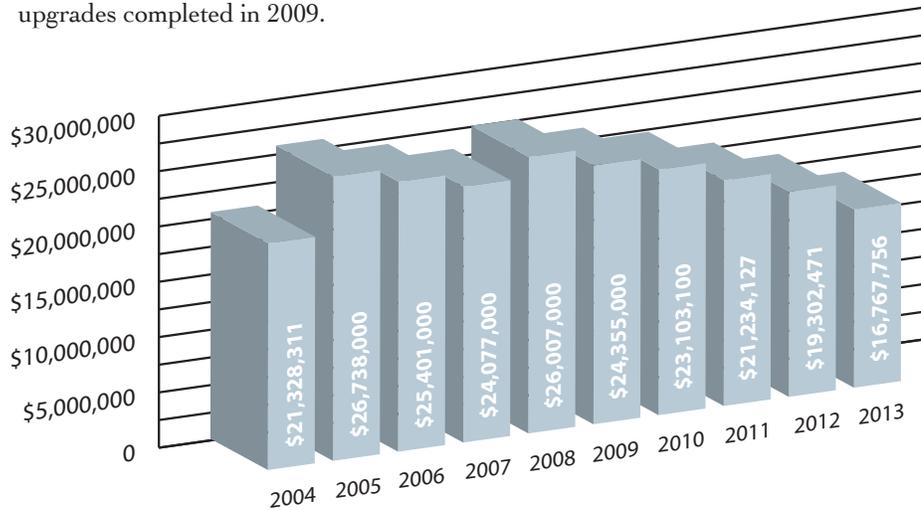
The City recently welcomed a free-standing Sherwin-Williams paint store to Rte. 47. The new store is located directly south of Burger King. Munch! café opened to outstanding reviews in the Golf & Games location on Rte. 47. Golden Rolls sushi continues their expansion into the former Vaughn's Restaurant location and anticipates a late 2014 opening. Penny's, located in the Jewel/Osco center, welcomes video gamers to their relaxed café atmosphere and nearby the new Athletico physical therapy studio is serving patients in need. Several new businesses have opened or expanded in and around the Square including Yofresh Yogurt Café, Off The Rails, Main Street Pour House, A Place to Shine Music, Down 2 Earth and Tre'sors on the Square, as well as the expanded Applecreek Flowers/Weddings on Throop St. In addition, Tequillaville Cantina and Grill, and Supermercado del Sol are both expected to open by the end of the year. Finally, the City looks forward to the opening of the Public House of Woodstock in the Old Courthouse on the Square later this year.



LONG-TERM DEBT UPDATE

The City issues long-term debt to provide funds for the construction of major capital facilities and other major capital improvement projects. One major advantage of utilizing debt financing is to spread the costs of the major capital improvements to the residents who are benefitting from the project. Using funds on hand may result in current residents paying for capital improvements from which they may never derive any benefits. In the end, a blend of both approaches is used by the City to fund capital improvements.

Since 2006, the City's overall outstanding debt has been declining as the City continues to pay off its obligations. The last major improvement funded by debt financing was for the First Street Water Treatment plant upgrades completed in 2009.



The City of Woodstock's credit rating was upgraded from "AA-" to "AA" by Standard and Poor's (S&P) on May 20, 2014. S&P cited the City's solid balance sheet along with strong management as reasons for the credit upgrade.

Woodstock's proximity to Chicago contributed its strong financial position, by allowing Woodstock to capitalize on Chicago's economic diversity for commercial and industrial growth.

With this upgrade it is expected that the City will be able to secure lower interest rates for future debt issuances.

CITY OF WOODSTOCK DEPARTMENT DIRECTORY

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mayor@woodstockil.gov

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Library TDD • 815-334-2295

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