



# **BUDGET 101**

## **Budget Proces Overview**

## BUDGET 101

# - Part 1 - Budget Overview

## BUDGET DEFINITION

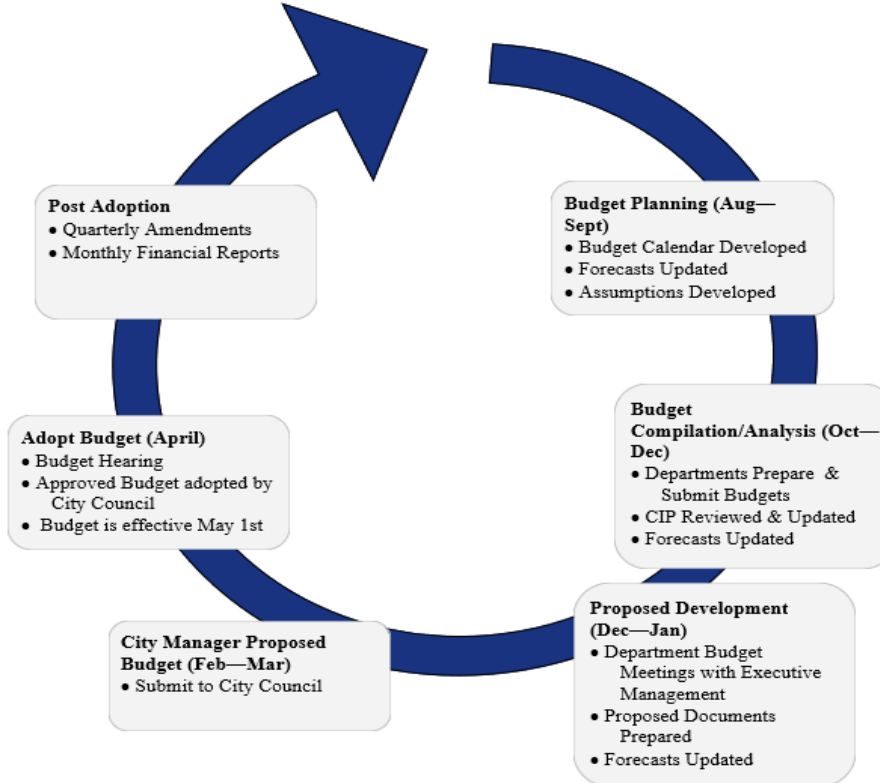
- The Budget is developed by employing five high-level guidelines from the City Council: infrastructure, economic development, public safety, financial planning and downtown initiatives.
- The Budget is an allocation of the City's available resources to services, programs and projects; given the community's priorities & values.
- It is a financial roadmap for this allocation and provides the associated guidance to City Staff.

## BUDGET BASICS - TIMING

- The City's Fiscal Year runs from May 1<sup>st</sup> through April 30<sup>th</sup>.
- The City adopts a legally binding budget (appropriation) in accordance with Chapter 65 of the Illinois Statutes. There are also components outlined in our City code:
  - Must present a proposed budget by March 15<sup>th</sup>.
  - Must adopt the annual budget by April 30<sup>th</sup>.
- The budget document is broken into 3 financial components.
  - Current Fiscal Year Projection
  - Coming Year Appropriation
  - Four Future Years

# BUDGET BASICS - TIMING

The Budget is an extensive document / process that takes nearly 6 months to complete.



## BUDGET 101

# - Part 2 - Financial Structure and Key Concepts

## KEY COMPONENTS

### Total Budgets (FY2024):

- City Wide:                    \$290.1M    (Increase of \$21M / 7.8% over FY 2023)
- General Fund:                \$129.1M    (Increase of \$6.8M / 5.5% over FY 2023)

### Other Highlights:

- Capital Projects:            \$69.7M     (Increase of \$12.8M / 22.5% over FY 2023)
- GF Reserves:                \$43.4M

## FINANCIAL STRUCTURE - FUNDS

- For accounting and reporting purposes, the City is divided into 29 Funds.
- A Fund is an accounting and budgetary tool used to segregate resources related to specific activities.
  - It can be compared to a business unit in a private sector organization.



# FINANCIAL STRUCTURE – FUND LIST

## General Fund

- 1001 General (Largest Fund)
  - \* Administrative (Non-Department, Admin, Clerk, Finance, HR, IS, Legal)
  - \* Parks, Rec & Cultural Arts (Recreation, Aquatics etc.)
  - \* Public Safety (Police and Fire - including Pensions)
  - \* Community Development (Safety, Code, Planning)
  - \* Facilities (Maint, Gov Ctr, Parking Enforcement)
  - \* Public Works (St Maint, Snow, Engineering, Fleet)
  - \* Other (Cty Health, Econ Dev, Public Trans, Sister Cities, Transfers)

## Special Revenue Funds

- 2030 Motor Fuel Tax (State)
- 2070 Board of Elections
- 2090 Drug Enforcement
- 2240 Community Development
- 2250 IHDA Grants
- 2310 Library
- 2320 Library Fixed Assets
- 2410 Park Dedication
- 2510 Empire St Corridor TIF
- 2520 Downtown Southwest TIF
- 2530 Downtown East Washington TIF

## Debt Service Funds

- 3010 General Bond & Interest
- 3060 Arena Bond Redemption Fund
- 3062 Multi-Project Bond Redemption Fund

## Capital Project Funds

- 4010 Capital Improvement
- 4011 Capital Lease Funds
- 4012 Capital Improvement (Asphalt & Concrete)

## Enterprise Funds

- 5010 Water
- 5110 Sewer
- 5310 Storm Water
- 5440 Solid Waste
- 5560 Abraham Lincoln Parking Facility
- 5640 Golf
- 5710 Arena

## Internal Service Funds

- 6015 Casualty Insurance
- 6020 Employee Group Health Care
- 6028 Retiree Group Health Care

## Fiduciary Fund

- 7210 J M Scott

\* General Fund Functional Departments (not all listed)

# FINANCIAL STRUCTURE – FUND RELATIONSHIPS

Fund(s)	Funded By	Services Provided	Notes - Examples
General Fund	Taxes, Direct Fees, Enterprise Allocations	General Services: Public Safety, Econ Dev, Parks, Compliance	Transfers In/Out 'gross up' total City Budget
Special Revenue Funds	Dedicated - Restricted Revenues	Specific to revenue source	State Motor Fuel Tax, Elections, Library, TIFs
Debt Service Funds	General Fund and Enterprise Funds	Accounting Fund - to pay debt service	Transfers In from other Funds - to pay debt
Capital Project Funds	General Fund	Accounting Fund - to pay for capital projects	Transfer In from General Fund - to pay for projects
Enterprise Funds	Direct Service Related Fees	Operations run and financed similar to those of private businesses	Capital projects are paid directly from these funds
Internal Service Funds	General Fund and Enterprise Funds	Accounting Fund - to primarily pay for insurance costs	Transfers In from other Funds - to pay insurance
Fiduciary Fund	Income from Trust Earnings	Program services per fiduciary mandate	Currently, only JM Scott Trust

# FINANCIAL STRUCTURE – SALES TAX ALLOCATIONS

Tax Type	State Controlled			City Controlled		Total Tax	Total City
	State	County	City	Home Rule	Type - Specific		
Retail - General	5.00%	0.25%	1.00%	2.50%	0.00%	8.75%	3.50%
Retail - Grocery/Prescriptions	0.00%	0.00%	1.00%	0.00%	0.00%	1.00%	1.00%
Retail - Cannabis	5.00%	3.25%	1.00%	2.50%	3.00%	14.75%	6.50%
Retail - Vehicle Use	5.00%	0.25%	1.00%	0.00%	0.75%	7.00%	1.75%
Food and Beverage	5.00%	0.25%	1.00%	2.50%	2.00%	10.75%	5.50%
Package Liquor	5.00%	0.25%	1.00%	2.50%	4.00%	12.75%	7.50%
Local Motor Fuel Tax*	na	na	na		8 cents/gal	8 cents/gal	8 cents/gal

\* Local Only - does not include allocation of State portion of tax

## FINANCIAL DEFINITIONS - CONCEPTS

- Accounting Basis: Budgeting is done on the Modified Cash Basis.
  - The Modified Cash Basis ensures that dollars being spent, are recognized as an expense during the year. In accrual accounting, items such as fixed assets would be posted to a balance sheet account and recognized over time (depreciated); resulting in a delay in expense recognition. By utilizing the modified cash basis, managers are better able to monitor activity during the year. At year end, in a period that will not affect budget reporting, transactions are reclassified according to accounting standards.
- Capital Project: Normally an infrastructure type project that will have expenditures in excess of \$50K.
  - General Fund projects are paid out of the Capital Improvement Fund, except Asphalt and Concrete.
  - Enterprise Fund projects are paid directly out of their respective funds.
  - Since some funds accumulate fund balance to pay for capital projects, the timing of projects can have a significant impact on the total budget for the year – without indicating an increase in fees or taxes to the Community.

## FINANCIAL DEFINITIONS – CONCEPTS - Continued

- Fund Balance: Fund Balance is the accumulated reserves-savings of a fund.
  - The Government Finance Officers Association recommends 2 months of reserves for the General Fund – or 16.7 percent of annual expenditures. On a \$129M budget, this would result in a goal of \$21.5M
- Balanced Budget: A budget where sources of funds equals uses of funds
  - Use of Fund Balance: In some instances, Fund Balance will be used to balance the budget. This is a planned use of reserves. This can be confusing as the Budget will show Fund Balance as a source of funds for the year. All things being held equal, in a year where there was a \$500K planned use of fund balance, at the end of the year, the fund will reflect a deficit (loss) of \$500K.

## BUDGET 101

# - Part 3 - Process to Product

## PROCESS

- Line Item Budget: Every one of the +4,000 accounts in the City's budget are determined individually.
  - Finance: Revenues, Inter-Governmental, Insurance / Loss Allocations
    - Major Tax Revenues have been tracked by month for +15 years = to model seasonality etc.
  - Human Resources: Compensation is entered by employee based on union contracts (11), salary bands, health / IMRF (pension) rates etc.
  - Departments: All other operating level accounts (revenue and expenses) and capital projects.
    - Amounts are entered into 4-year average tracking worksheets – for comparison/review purposes. Transaction descriptions are to be included.
- Consolidation: Finance consolidates all information and reviews for variances, etc.
- Balancing: Finance presents findings to City Administration, then to Council and the Community

# ALLOCATION EXAMPLE – GENERAL FUND

Function / Department	2024 Adopted	Percent of Total
Admin-Other (Legal, Finance etc.)	\$ 11,102,222	8.6%
Public Safety	\$ 64,834,823	50.2%
Econ - Comm Dev	\$ 6,403,576	5.0%
Facilities Maint, Govt. Center, Parking	\$ 3,137,116	2.4%
Fleet Maintenance	\$ 4,345,487	3.4%
PW Admin, Street Mnt., Eng. Snow & Ice	\$ 10,115,968	7.8%
Parks, Rec & Cultural Arts	\$ 15,143,219	11.7%
Public Transportation	\$ 910,000	0.7%
McLean County Health	\$ 2,850,000	2.2%
Asphalt & Concrete Transfer	\$ 1,000,000	0.8%
Capital Improvement Fund Transfer	\$ 3,300,000	2.6%
Bonds-Interest Transfer	\$ 576,710	0.4%
Enterprise Funds Subsidy Transfer	\$ 5,355,918	4.1%
<b>Total</b>	<b>\$ 129,075,038</b>	<b>100.0%</b>



## ALLOCATION EXAMPLE – CITY WIDE

Fund	2024 Adopted	Percent of Total
General Fund	129,075,038	44.5%
Water Fund	27,795,003	9.6%
Sewer Fund	12,229,684	4.2%
Storm Water Fund	8,446,869	2.9%
Solid Waste Fund	8,563,100	3.0%
Golf Fund	3,885,815	1.3%
Arena Fund	11,302,940	3.9%
Capital Fund + MFT Fund	42,305,600	14.6%
Library Fund	12,276,961	4.2%
Insurance Internal Service Funds	18,836,612	6.5%
Debt Service Funds	9,530,128	3.3%
All Other Funds	5,886,821	2.0%
<b>TOTAL EXPENSE</b>	<b>290,134,570</b>	<b>100.0%</b>

## BUDGET DOLLARS AT WORK (from FY22 Audit)

- Police: 76,193 calls for service (209 per day)
- Fire: 13,290 fire/rescue runs (36 per day)
- Parks (including Golf):
  - Attendance 369,732 (Rec, Aquatics, Ice, Zoo, Golf, SOAR, BCPA)
  - Maintained 38 parks, 6 public buildings, 3 spray parks, 2 pools, 5 lakes, 30 miles of trail, soccer fields, ice rink, 3 golf courses, skate park, zoo, and cultural arts venue
  - Trees Planted / Year 600 (annual budget of 60K) (5,786 street trees maintained)
- Community Development: 1,853 building permits issued
- Economic Development: 1,103 business contacts made
- Facilities: 1,000,000 square feet of facilities maintained
- Library: 206,793 visitors
- Arena 31,452 attendees

## BUDGET DOLLARS AT WORK (from FY22 Audit)

### ➤ Public Works:

- Streets Maintained 812 lane miles (repair/resurfacing, traffic engineering/lights, snow removal etc.)
- Trash/Recycling Hauled 17,338 tons (34.7 million pounds)
- Brush Hauled 14,969 cubic yards
- Sewer/Water System 1,073 miles maintained
- Water Pumped 4.0 billion gallons annually (10.9M gallons per day)

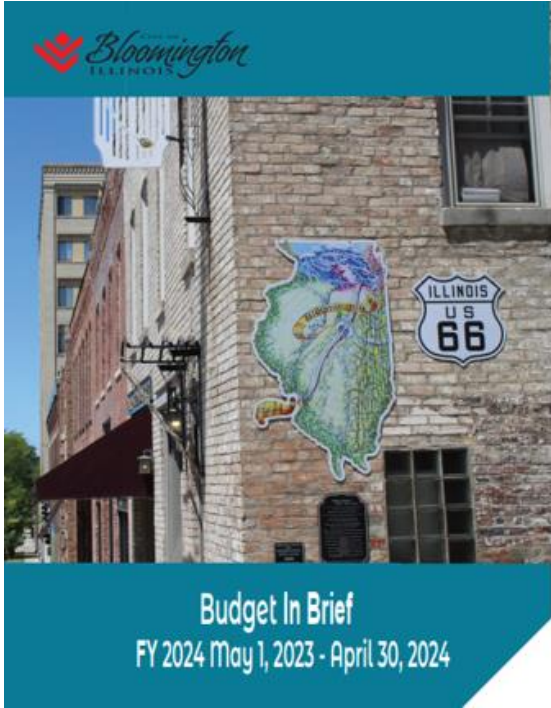
### ➤ Administration:

- Finance: +369,000 utility bills processed (and related payments)
- Clerk: +1,900 FOIAs processed
- Legal: +481 Administrative Court cases processed
- Human Resources: +4,100 applications processed with 100 full-time filled
- Information Services: +3,000 devices + 100 applications maintained over 40 locations

## BUDGET 101

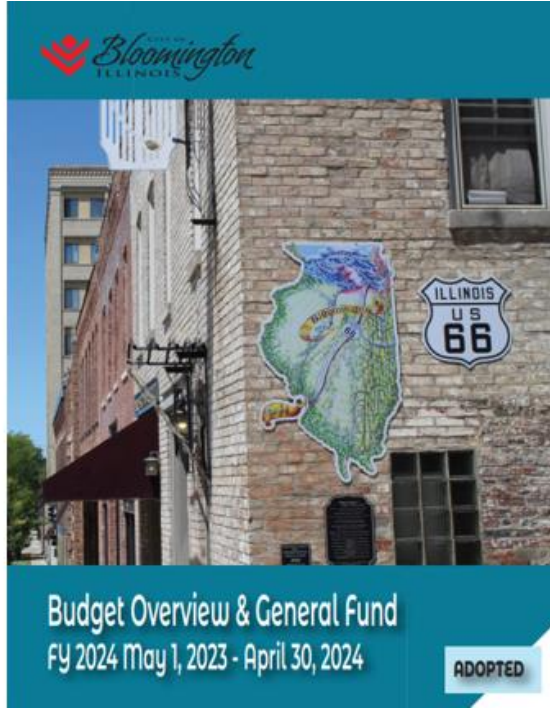
# - Part 4 - References and Monitoring

# REFERENCES – Budget In Brief and Full Budget Books - found at [cityblm.org/budget](http://cityblm.org/budget)



The cover features the City of Bloomington logo at the top left. The main image shows a brick building facade with a large mural of the state of Illinois and a 'ILLINOIS US 66' shield. The bottom section is a teal banner with white text.

**Budget In Brief**  
FY 2024 May 1, 2023 - April 30, 2024



The cover features the City of Bloomington logo at the top left. The main image shows a brick building facade with a large mural of the state of Illinois and a 'ILLINOIS US 66' shield. The bottom section is a teal banner with white text, including an 'ADOPTED' badge.

**Budget Overview & General Fund**  
FY 2024 May 1, 2023 - April 30, 2024

**ADOPTED**



The cover features the City of Bloomington logo at the top left. The main image shows a yellow excavator working on a road construction site. The bottom section is a teal banner with white text, including an 'ADOPTED' badge.

**Other Funds & Capital Improvement**  
FY 2024 May 1, 2023 - April 30, 2024

**ADOPTED**

## REFERENCES – Budget In Brief Content Notes

- City Manager Message
- Summary - Where the Money Comes From – City Wide and General Fund
- Summary - Where the Money Goes – City Wide and General Fund
- Property Tax Breakdown by Taxing Body

## REFERENCES – Budget Books – Major Content

- City Manager Detailed Message
- Demographics and Procedural (budget process) Information
- Variance Review – Comparisons of Revenues and Expenses year over year
- Narratives – Write Ups on all Departments – with detail budgets
- Debt Schedules
- Capital Equipment and Projects
  
- Recommended Sections:
  - City Manager Message: This is located in the Introduction section of the Adopted Budget Overview book. It contains the major assumptions built into the current year and speaks to future concerns and objectives.
  - Capital Improvement Program: This is located in the Other Funds Book and includes a list of all projects scheduled for the year. Additionally, there are detail write ups for each project explaining the need, timing and cost.

# PROCESS – The Rest of the Year

- Budget reports are provided to Department Heads monthly
- Finance has meetings with Department Heads at least quarterly – example below

A	B	C	D	E	F	H	I	J	K	L	M
ORG	OBJECT	PROJECT	ACCOUNT DESCRIPTION	ROLLUP	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	58% USED	Comments
10015210	53310		53310 State of Illinois		-13,000	-13,000	-32,504.47	0.00	19,504	250.03	IDOR Grant-State Fire Marshall
10015210	54480		54480 Report Fees		-200	-200	-45.00	0.00	-155	22.50	
10015210	54910		54910 Activity / Program Incom		-5,200,000	-5,200,000	-3,291,833.94	0.00	-1,908,166	63.30	7 months
10015210	54910	72000	54910 Activity / Program Incom		0	0	-49,996.99	0.00	49,997	0.00	
10015210	57114		57114 Sale of Equipment		-18,000	-18,000	0.00	0.00	-18,000	0.00	
10015210	57310		57310 Donations		-50	-50	-50.00	0.00	0	100.00	
10015210	57440		57440 CIRA Training Reimburse		-40,000	-40,000	0.00	0.00	-40,000	0.00	
10015210	57490		57490 Other Reimbursements		-1,000	-1,000	-56,315.34	0.00	55,315	5,631.53	\$48,679.34-Mutual Aid Box Alarm System-Flood reimbursement mission
10015210	57750		57750 Bad Debt Recovery		-60,000	-60,000	-29,856.13	0.00	-30,144	49.76	
10015210	61100		61100 Salaries - Full Time	5210B	10,890,275	10,890,275	5,814,913.74	0.00	5,075,361	53.40	As of November 30, 2020 we are down 11 full-time positions. As of October 31, 2020 we are 7 full time positions down and have 4 off extended time( 2sick & 2 injured). As we go into November we will have 3 more retirements and continue with the 4 off extended I believe. 3 full-time vacancies and 7 off on job injury/extended leave as of September 30, 2020. 4 full-time vacancies and 7 off on job injury/extended leave as of August 31, 2020. 6 full-time vacancies and 6 off on job injury/extended leave as of July 31, 2020. 6 full-time vacancies and 6 off on job injury/extended leave as of June 30, 2020. Hoping to add 3 possibly in September 2020, but anticipate 4 retirements between September and November 2020. 7 full-time vacancies & 6 out on job injury as of 5/31/2020.

- Financial budgetary reporting is done to the Community monthly via the Finance Director’s Report which is posted to the City website at: [cityblm.org](http://cityblm.org):  
 Government – Transparency – View Budget Monthly Reports (or)  
 Departments – Finance – Annual Budget – Budget Documents - Monthly Reports



## BUDGET 101

- Conclusion –

Thank You for Your Interest!!