



FY 2023 Proposed Budget

March 14, 2022

FY 2023 BUDGET - HIGHLIGHTS

Total Budgets:

- City Wide: \$269.1M (Increase of \$17.4M / 7% over FY 2022)
- General Fund: \$122.3M (Increase of \$13.2M / 12% over FY 2022)

Other Highlights:

- Capital Projects: \$56.9M (Decrease of \$4.4M / 7% under FY 2022)
- GF Fund Balance: +\$32.0M (2023 Projection with a \$1.8M operating use of fund balance – and pending FY 2022 Final)
- Cash for Equipment: \$6.3M (General Fund all cash - \$4.9M)

FY 2023 BUDGET – GROWTH REVIEW (\$ in millions)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total City Wide Budget	186.3	207.6	214.1	210.1	227.5	230.3	251.7	269.1
Capital Projects *	20.5	22.1	24.9	26.7	40.1	40.9	61.3	56.9
Strategic Additions **	-	4.7	4.7	4.7	4.7	4.7	4.7	4.7
Nonrecurring: ARPA, Library	-	-	-	-	-	-	-	12.7
Net Operating Budget	165.8	180.8	184.5	178.7	182.7	184.7	185.7	194.8
Actuals-includes encumbrances	172.1	189.4	191.2	189.0	193.6	198.9	N/A	N/A

Growth from 2016	19.90	29.00
Annual Growth Rate	2.0%	2.5%

* Larger projects are paid from accumulated fund savings = can vary significantly year to year.
In addition, some get rolled / rebudgeted in the following year - due to timing issues etc.

** Non-Capital Strategic Additions since 2016:

HR Sales Tax - Cty / Mntl Hlth FY17	2.3
Utility Tax - Pensions FY17	2.4
	<u>4.7</u>

FY 2023 BUDGET – MAJOR TAX REVENUES

Revenue Source	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Property Tax Levy	26,008,629	27,254,285	1,245,656	4.79%	Library increase of 850K for bond/expansion, remainder EAV related
Home Rule Sales Tax	22,053,823	27,810,298	5,756,475	26.10%	Increase due to Level the Playing Field Legislation (online retailers)
State Sales Tax	14,500,000	16,500,000	2,000,000	13.79%	Increase due to Level the Playing Field Legislation (online retailers)
Income Tax	8,000,000	9,000,000	1,000,000	12.50%	Increase due to Corporate Income Tax increases. Per capita revenue.
Utility Tax	5,858,063	5,463,016	(395,047)	-6.74%	Reduction in Telecomm
Food & Beverage Tax	4,000,000	4,522,062	522,062	13.05%	Increase due to less COVID restrictions than prior year
Local Motor Fuel Tax	4,000,000	4,100,000	100,000	2.50%	Pre-COVID 4.7M
Local Use Tax	2,400,000	3,030,000	630,000	26.25%	Increase per trend. Per capita revenue.
Franchise Tax	1,922,636	1,922,636	-	0.00%	Agreements in place with utilities/status quo
Replacement Tax	1,600,000	2,500,000	900,000	56.25%	Increase due to Corporate Income Tax / IML estimate
Hotel & Motel Tax	900,000	1,750,000	850,000	94.44%	Increase due to Rivian construction
Package Liquor	1,400,000	1,503,002	103,002	7.36%	Small increase per trend
Amusement Tax	800,000	1,020,000	220,000	27.50%	Increase due to addition of streaming - triggered by State statute change
Video Gaming Tax	850,000	1,200,000	350,000	41.18%	Increase due to COVID restrictions relaxed/betting limit increase
TOTAL MAJOR REVENUES	94,293,151	107,575,299	13,282,148	14.09%	

2022 Redux from 2021

(3,600,000)

Levy

(1,245,656)

Net Increase

8,436,492

(\$+5M due to new sources of online retail tax, cannabis and streaming)

FY 2023 BUDGET – GENERAL FUND - REVENUES

Revenues	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Use of Fund Balance	3,397,506	2,804,200	(593,306)	-17.5%	Restricted Pension Reserves-\$1M, remainder to Capital
Taxes	86,130,956	92,634,065	6,503,109	7.6%	Increase due to online retail tax, cannabis and streaming
Licenses	621,945	710,045	88,100	14.2%	Liquor license increase
Permits	820,975	813,500	(7,475)	-0.9%	
Intergov Revenue	264,918	6,968,904	6,703,986	2530.6%	American Rescue Plan Act of 5.6M; 600K fire dept grant for equipment
Charges for Services	13,008,054	13,403,037	394,983	3.0%	
Fines & Forfeitures	665,700	736,000	70,300	10.6%	Reflects trend
Investment Income	111,175	160,529	49,354	44.4%	Reflect impact from investment advisor engagement
Misc Revenue	517,865	540,687	22,822	4.4%	
Sale Capital Assets	28,500	24,374	(4,126)	-14.5%	
Transfer In	3,499,107	3,516,411	17,304	0.5%	
TOTAL REVENUE	109,066,701	122,311,750	13,245,049	12.1%	

FY 2023 BUDGET – GENERAL FUND - EXPENSES

Expenditures	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Salaries	42,318,251	44,712,639	2,394,388	5.7%	Various staffing to advance City initiatives (primarily IT)
Benefits	12,333,409	13,120,079	786,670	6.4%	Staffing increases, health insurance incr of 6%
Contractuals	13,546,742	13,727,602	180,860	1.3%	
Commodities	7,823,700	8,285,060	461,360	5.9%	Increase for concrete, asphalt and fuel
Capital Expenditures	600,000	5,402,485	4,802,485	0.0%	\$4.9M in cash for equipment
Principal Expense	2,357,280	1,776,522	(580,758)	-24.6%	Reduction related to paying cash for equipment
Interest Expense	248,823	143,046	(105,777)	-42.5%	Reduction related to paying cash for equipment
Other Intergov Exp	17,662,606	17,764,149	101,543	0.6%	
Other Expenditures	3,616,894	8,695,369	5,078,476	140.4%	ARPA grant assumed 5.6M expenditure - placeholder
Transfer Out	8,558,997	8,684,800	125,803	1.5%	
TOTAL EXPENSE	109,066,701	122,311,750	13,245,049	12.1%	

FY 2023 General Fund – By Function

Department	2022 Budget	2023 Proposed	Dollar Change	2023 Proposed as % of total	Dollar Change Notes	2023 Expense Net of non-tax revenue	Revenue Notes
Admin-Other (Legal, Finance etc.)	\$ 8,896,448	\$ 15,948,019	\$ 7,051,572	13.0%	ARPA placeholder 5.6M, 800K increase in IT staffing	na	
Public Safety	\$ 58,602,205	\$ 60,996,452	\$ 2,394,246	49.9%	1.7M Sal & Ben increase, 1.7M cash for Eq. increase	\$ 53,816,368	Ambulance, Towing, Resource officers
Econ - Comm Dev	\$ 5,221,085	\$ 5,473,444	\$ 252,359	4.5%	200K increase due to FTE add	\$ 3,843,245	Permits
Facilities Maint, Govt. Center, Parking	\$ 2,484,329	\$ 2,694,984	\$ 210,654	2.2%	200K increase Government Center Maintenance	\$ 2,487,749	Parking fees
Fleet Maintenance	\$ 3,353,464	\$ 3,860,002	\$ 506,539	3.2%	400K increase fuel	\$ 3,665,002	Fuel charges to outside agencies
PW Admin, Street Mnt., Eng. Snow & Ice	\$ 7,912,146	\$ 8,549,372	\$ 637,226	7.0%	580K cash for Equipment	\$ 7,743,872	Pavement cut repairs, IDOT reimbursements
Parks, Rec & Cultural Arts	\$ 11,746,257	\$ 13,245,484	\$ 1,499,226	10.8%	1.4M cash for equipment	\$ 8,513,492	Ice, Zoo, Rec Programs, Aquatics, BCPA
Public Transportation	\$ 1,451,681	\$ 1,486,265	\$ 34,584	1.2%	Connect Transit subsidy	na	
McLean County Health	\$ 2,205,382	\$ 2,781,030	\$ 575,648	2.3%	Increase in HRST	na	
Asphalt & Concrete Transfer	\$ 6,205,382	\$ -	\$ (6,205,382)	0.0%	Remove transfer for 10% HRST and LMFT to Asphalt & Concrete Fund	na	
Capital Improvement Fund Transfer	\$ -	\$ 2,630,366	\$ 2,630,366	2.2%	Transfer to complete FY 2023 proposed projects	na	
Bonds-Interest Transfer	\$ 540,316	\$ 828,877	\$ 288,561	0.7%	Bond payment schedule	na	
Enterprise Funds Subsidy Transfer	\$ 448,004	\$ 3,817,454	\$ 3,369,450	3.1%	Arena 3.2M, ALG 636K	na	
TOTAL EXPENSE	\$ 109,066,701	\$ 122,311,750	\$ 13,245,049	100%			

FY 2023 CITY WIDE BUDGET - REVENUES

Revenues	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Use of Fund Balance	34,615,199	33,090,695	(1,524,504)	-4.4%	Restricted Pension Reserves-\$1.0M, \$1.8 GF, \$19.4M MFT projects, \$5.0M Water projects
Taxes	95,522,152	109,574,299	14,052,148	14.7%	Increase due to online retail tax, cannabis, streaming, property tax for Library
Licenses	663,945	752,045	88,100	13.3%	
Permits	836,975	829,500	(7,475)	-0.9%	
Intergov Revenue	12,727,228	21,111,998	8,384,770	65.9%	\$6.7M ARPA, \$500K Grant BCPA Creativity Center, \$600K possible Fire State Grant
Charges for Services	70,643,571	73,195,933	2,552,361	3.6%	Annual increase in Ambulance, Sewer, Storm Water and Solid Waste fees
Fines & Forfeitures	1,131,200	1,177,500	46,300	4.1%	
Investment Income	1,427,471	1,308,111	(119,360)	-8.4%	
Misc Revenue	15,242,536	9,774,748	(5,467,788)	-35.9%	Decrease as pool borrowing was estimated at \$11.7M in FY 2022 Budget
Sale Capital Assets	47,675	43,549	(4,126)	-8.7%	
Capital Lease Proceeds	5,333,115	3,628,844	(1,704,271)	-32.0%	Decrease due to paying cash for equipment in GF-\$4.9M in FY 2023
Transfer In	13,544,622	14,614,664	1,070,042	7.9%	Increase due to Library transfer to City to pay Bond.
TOTAL REVENUE	251,735,690	269,101,886	17,366,196	6.9%	

FY 2023 CITY WIDE BUDGET - EXPENSES

Expenditures	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Salaries	55,459,768	58,034,667	2,574,899	4.6%	Various staffing to advance City initiatives (primarily IT)
Benefits	16,618,153	17,335,530	717,378	4.3%	Staffing increases, health insurance incr of 6%, decrease in IMRF rate
Contractuals	49,851,182	51,671,561	1,820,379	3.7%	
Commodities	15,485,919	18,327,947	2,842,028	18.4%	Increase for concrete, asphalt and fuel
Capital Expenditures	63,441,995	62,692,654	(749,341)	-1.2%	Capital Projects \$4.4M lower than FY 2022/\$6.3M Cash for equipment in FY 2023
Principal Expense	10,707,328	10,018,828	(688,500)	-6.4%	Reduction related to paying cash for equipment in GF
Interest Expense	2,000,795	1,577,645	(423,150)	-21.1%	Reduction related to paying cash for equipment in GF
Other Intergov Exp	17,743,606	17,845,149	101,543	0.6%	
Other Expenditures	6,882,322	16,983,240	10,100,918	146.8%	ARPA grant assumed \$6.7M expenditure - placeholder. Storm \$1.5M, Sewer \$1.3M, GBI \$1.0 Cont. to FB
Transfer Out	13,544,622	14,614,664	1,070,042	7.9%	Increase due to Library transfer to City to pay Bond.
TOTAL EXPENSE	251,735,690	269,101,886	17,366,196	6.9%	

FY 2023 CITY WIDE BUDGET – BY FUND

Fund	2022 Budget	2023 Proposed	Dollar Change	2023 Proposed as % of total	Dollar Change Notes
General Fund	\$109,066,701	\$122,311,750	\$13,245,049	45.45%	\$5.6M ARPA, \$4.9M Cash for Eq., \$3.2 Comp
MFT	\$20,272,966	\$25,205,000	\$4,932,034	9.37%	Capital Projects
Library	\$5,698,096	\$9,069,231	\$3,371,135	3.37%	Increase for FF&E & Bond for Expansion
Bond (debt service)	\$5,938,439	\$6,485,013	\$546,574	2.41%	
Capital Funds	\$25,739,615	\$14,859,210	(\$10,880,405)	5.52%	O'Neil Pool in FY 2022-\$11.7M
Water	\$29,654,428	\$26,238,252	(\$3,416,176)	9.75%	\$5M less in Capital Projects than FY 2022
Sewer	\$11,134,398	\$11,561,675	\$427,277	4.30%	\$1M less in Capital Projects, Cont. to FB \$1.3M
Storm Water	\$5,535,000	\$7,839,853	\$2,304,853	2.91%	Increase in Capital Projects vs. FY 2022
Solid Waste	\$8,237,505	\$8,194,055	(\$43,451)	3.04%	Decrease due to recycle/air burner
Golf	\$2,512,220	\$2,776,522	\$264,302	1.03%	Increase for 2 small capital projects
Grossinger Motors Arena	\$5,122,444	\$7,852,176	\$2,729,732	2.92%	RTU Units
Insurance (internal service)	\$18,350,860	\$19,975,829	\$1,624,969	7.42%	Premiums
All Other Funds	\$4,473,018	\$6,733,320	\$2,260,302	2.50%	\$750K increase CDBG, \$600K increase Abraham Lincoln Parking Deck work, \$550K increase BEC
TOTAL EXPENSE	\$251,735,690	\$269,101,886	\$17,366,196	100.00%	

FY 2023 – Budget at Work – Capital Improvements

Fund	FY2022	FY2023	Change
Capital Improvement	13,206,500	4,230,366	(8,976,134)
Asphalt and Concrete	7,200,000	7,000,000	(200,000)
MFT (State)	20,272,966	25,205,000	4,932,034
Water	12,938,750	7,901,750	(5,037,000)
Sewer	5,861,000	4,792,000	(1,069,000)
Storm Water	1,711,000	2,642,000	931,000
Arena	100,000	3,800,000	3,700,000
BCPA Capital Campaign	-	500,000	500,000
Lincoln Parking Deck	-	600,000	600,000
Golf Fund	-	235,000	235,000
	61,290,216	56,906,116	(4,384,100)

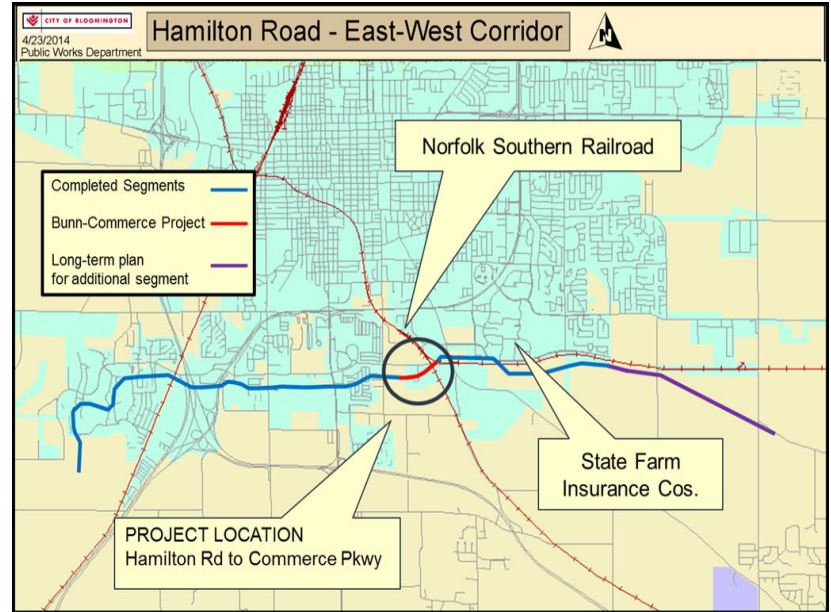
State Motor Fuel Tax – Capital Project Sheet

PROJECT TITLE	ACCOUNT NUMBER
Hamilton Road: Bunn Street to Morrissey Drive	20300300-70051, 20300300-72510,
	20300300-72530, Grants-72510, Grants-53310

PROJECT DESCRIPTION/JUSTIFICATION

This is the last section of Hamilton Road needed to complete this four lane arterial from Fox Creek Elementary to Hershey Road. This project includes crossing the Norfolk Southern Railroad at grade. Rhodes Lane will be reconstructed to "tee" into the new Hamilton Road. Rhodes Lane will have new cul-de-sac that will cut off access to Morrissey Drive. Negotiations with Norfolk Southern Railroad have been ongoing for several years. Hanson Professional Services was hired in 2015 to perform a Phase I preliminary design services for this project which concluded in FY20. The work proposed on this sheet includes land acquisition, Norfolk Southern Railway design review expenses, final design documents, and construction of the roadway improvements. \$5,920,000 in Federal STU funds is allocated for this project with the remainder coming from state MFT funds. Funding is included on the MCRPC Transportation Improvement Program for FY 2022- 2026.

Operating Impact: When completed this project will alleviate traffic on Veterans Parkway (Business 55) and the new four lane arterial will provide future economic development opportunities. In addition, while a new railroad crossing will be added, two current crossings will be closed. Maintenance in future years will include patching and paving and will be incorporated into the City's annual resurfacing budget.

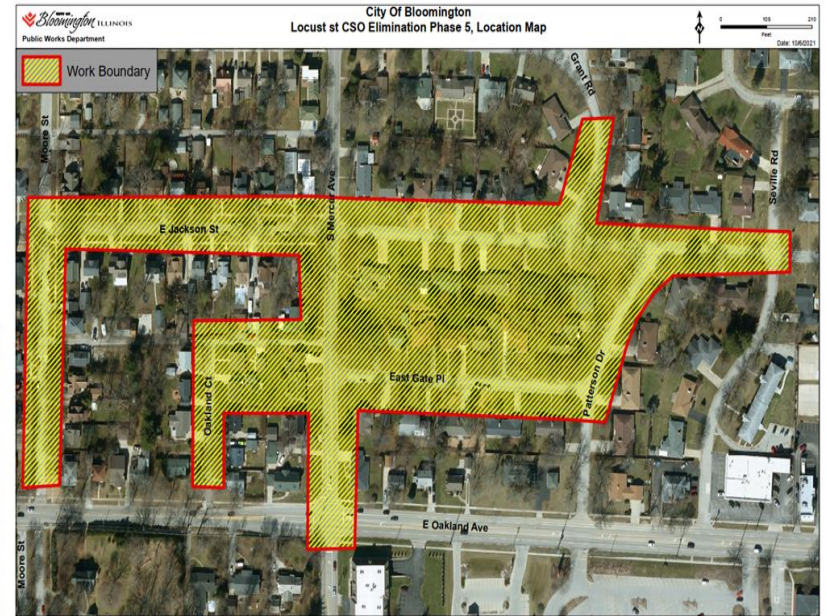


Water-Sewer-Storm Water Capital Project

PROJECT TITLE	ACCOUNT NUMBER
Locust Colton CSO Elim. & W.M. Replace Phase 4 + 5	50100120-72540, 72510
	51101100 / 53103100-72550, 72510

PROJECT DESCRIPTION/JUSTIFICATION
 The Illinois Environmental Protection Agency (IEPA) has provisionally authorized the City to discharge combined sewer overflow (CSO) effluent at Locust Street and Colton Avenue, with the requirement that the City eliminate combine sewer overflow (CSO) before the expiration of the provisional permit in 2030. The City intends to use borrowing and a portion of ARPA funds to construct Phase 4 and 5 of a multi-phase plan to eliminate that CSO. Final CSO elimination is expected to be complete in 2026, to maintain compliance with the IEPA permit.

Operating Impact: Funds are available from the water, sanitary sewer and storm water portion (enterprise funds) of the citizen's utility bill.



Capital Improvement Fund-Arena Capital Project

PROJECT TITLE	ACCOUNT NUMBER
Arena RTU Replacement & Ice Center Dehumidification Improvements	57107110-70051/57107110-72520
40100100-72520	
PROJECT DESCRIPTION/JUSTIFICATION	
<p>There are two primary Roof Top Units (RTUs) which provide cooling and dehumidification for the Arena. Both of these units are original and showing excessive corrosion from the elements. In addition, both units have been repaired numerous times during their 14 years of service. Furthermore, both units use R-22 refrigerant which can no longer be purchased. This extensive repair history combined with the R-22 refrigerant issue provides few options and replacing the units is recommended. The new units will use the latest refrigerant that is environmentally friendly and much less expensive. Since the units currently provide both cooling and dehumidification, some design cost will be incurred to evaluate a stand alone dehumidifier. This option may reduce the size and required cooling capacity of the replacement units, which could result in considerable savings. In addition, an evaluation of the dehumidification equipment in the ice center and the design of improvements or equipment changes will also be performed.</p> <p>Operating Impact: A transfer from the General Fund is needed to address the replacement of these 2 units. Although costly, the replacement will save on maintenance, address the dehumidification issue and right size the units to the building size.</p>	



FY 2023 – Budget Dollars At Work - Services

- Police: 71,249 calls for service (195 per day)
- Fire: 12,967 fire/rescue runs (36 per day)
- Parks (including Golf):
 - Attendance 159,455 (Rec, Aquatics, Ice, Zoo, Golf, SOAR, BCPA)-FY 21/CY 20 539,429-FY 20/CY19
 - 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
- Community Development: 2,173 building permits issued (Calendar 2021) 1,964 building permits issued (Calendar 2020)
- Economic Development: 1,110 business contacts made (Calendar 2021)
- Facilities: 1,000,000 square feet of facilities maintained
- Library: 107,287 visits (FY 2021) 277,302 visits (FY 2020)
- Arena 26,380 attendees (FY 2021) 113,814 attendees (FY 2020)

FY 2023 – Budget Dollars At Work - Services

- Public Works:
 - Streets Maintained 812 lane miles (repair, traffic engineering/lights, snow removal - resurfacing oversight)
 - Trash/Recycling Hauled 21,482 tons (43 million pounds)
 - Brush Hauled 43,775 cubic yards
 - Sewer/Water System 1,073 miles maintained
 - Water Pumped 3.8 billion gallons annually (10.5M gallons per day)
- Administration:
 - Finance: +360,000 utility bills processed (and related payments)
 - Clerk: +1,800 FOIAs processed (CY 21) +1,475 FOIAs processed (CY 20)
 - Legal: +319 Administrative Court cases processed (CY 21)
 - Human Resources: +3,290 applications processed with 70 full-time filled
 - Information Services: +3,000 devices + 100 applications maintained over 40 locations

FY 2023 Budget

Next Steps

- The Proposed Budget can be viewed in detail - Via the Web at: www.cityblm.org/budget
 - Budget Book Highlights:
 - Book 1 - Budget Overview section: Year over Year Summary of Revenues / Expenditures
 - Book 2 - Capital Improvement Program section: Summary and Details on Infrastructure Projects
 - Both Books - Department - Fund Narratives: Department - Fund description and highlights
 - Additional Resources: Budget Video Series, City Comprehensive Annual Financial Report, Statistical Section, which describes assets and services supported by the Budget. All can be located on the City's website a: www.cityblm.org/government/departments/finance
- Remaining FY 2023 Budget Schedule:
 - Budget Public Hearing: March 28, 2022
 - Final Budget Adoption: April 11, 2022

FY 2023 Budget

Questions - Comments