



# **FY 2025 Budget Discussion**

## **February 12, 2024**

# FY 2025 BUDGET - HIGHLIGHTS

## Total Budgets:

- City Wide:                    \$331.7M    (Increase of \$41.5M / 14% over FY 2024)
- General Fund:                \$143.1M    (Increase of \$14M / 11% over FY 2024)

## Other Highlights:

- Capital Projects:            \$88.5M    (Increase of \$18.8M / 27% over FY 2024)
- GF Fund Balance:    +\$43.5M    (2025 Projection with an \$8.6M use  
of fund balance– and pending FY 2024 Final)
- Cash for Equipment:    \$13.4M    (General Fund all cash - \$9.5M)

# FY 2025 BUDGET – GROWTH REVIEW (\$ in millions)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Total City Wide Budget	186.3	207.6	214.1	210.1	227.5	230.3	251.7	269.1	290.1	331.7
Capital Projects *	20.5	22.1	24.9	26.7	40.1	40.9	61.3	56.9	69.7	88.5
Strategic Addition **	-	2.3	2.3	2.3	2.3	2.3	2.3	2.8	2.9	3.0
Nonrecurring ***	-	-	-	-	-	-	-	12.7	8.7	8.2
Net Operating Budget	165.8	183.2	186.9	181.1	185.1	187.1	188.1	196.7	208.9	232.0
								<b>Annualized Growth from 2016</b>		<b>3.99%</b>
Population	78,005	78,368	77,962	77,330	78,680	78,680	78,680	78,680	78,680	78,680
Operating cost / person	2,126	2,338	2,397	2,342	2,353	2,378	2,391	2,500	2,654	2,949
								<b>Annualized Growth from 2016</b>		<b>3.87%</b>
Actual + Encumbrances	172.1	189.4	191.2	189.0	193.6	198.9	253.5	223.2	N/A	N/A
Total Cost / person	2,206	2,417	2,452	2,444	2,461	2,528	3,222	2,837		
							21.2	Library Exp -not budgeted		

\* Larger projects are paid from accumulated fund savings = can vary significantly year to year. In addition, some get rolled to the next year due to timing etc.

\*\* Non-capital Strategic Addition since 2016 = HR Sales Tax increase for County Mental Health. (not including increase for Connect Transit, Pensions etc.)

\*\*\* Nonrecurring material items such as ARPA (FY23), Library Contribution to FB (4.8M in FY24) and Subsidy Transfers to other funds (3.9M in FY24).

\*\*\*5.2M Contribution to Fund Balance-All Funds in FY25, +3M Equipment in FY 2025

# FY 2025 BUDGET – By Fund

Fund	2024 Budget	2025 Proposed	Dollar Change	Percent Change	Notes
General Fund	129,075,038	143,089,385	14,014,346	11%	+5.4M Comp, +4.3M Contractuals, +1.5M Roads Subsidy, +3.3M Equipment
Motor Fuel Tax Fund	26,693,600	32,952,358	6,258,758	23%	Capital Project carryforwards for Hamilton & Fox Creek, plus addtl components
Board of Elections Fund	688,372	884,327	195,955	28%	Presidential Election in FY 2025 = increase in Election Judges needed
Drug Enforcement Fund	228,450	274,098	45,648	20%	
Community Development	1,711,392	1,990,693	279,301	16%	CDBG carry over from FY24 plus Lead Based Paint/Healthy Homes programs
IHDA Fund	293,650	239,760	(53,890)	-18%	Grant cycles and FY24 included COVID related carryovers
Library Fund	12,276,961	7,855,653	(4,421,308)	-36%	Decrease due to Library Expansion project completion
Park Dedication Fund	30,000	403,715	373,715	1246%	Capital Projects
TIF Funds	659,514	676,778	17,264	3%	
Debt Service Funds	9,530,128	8,181,374	(1,348,754)	-14%	Equipment Leases rolling off and other debt retirements
Capital Improvements Fund	5,612,000	10,951,851	5,339,851	95%	Capital Projects - funded via transfer from GF
Cap Improv Asphalt/Concrete	10,000,000	11,997,021	1,997,021	20%	10M Streets / Sidewalks-with ARPA revenue utilized
Water Fund	27,795,003	41,557,485	13,762,482	50%	Capital Expenditures
Sewer Fund	12,229,684	16,146,577	3,916,893	32%	Capital Expenditures
Storm Water Fund	8,446,869	12,223,578	3,776,710	45%	Capital Expenditures
Solid Waste Fund	8,563,100	8,848,000	284,900	3%	
Abraham Lincoln Parking	1,485,000	455,000	(1,030,000)	-69%	Large Capital project budgeted in FY 2024
Golf Fund	3,885,815	2,917,666	(968,149)	-25%	Decrease in Capital Expenditures
Arena Fund	11,302,940	8,861,393	(2,441,547)	-22%	Arena RTU Units budgeted in FY 2024
Insurance Internal Service Funds	18,836,612	20,373,516	1,536,904	8%	Increase in Health Premiums
J M Scott Healthcare Fund	790,443	788,764	(1,679)	0%	
<b>TOTAL EXPENSE</b>	<b>290,134,571</b>	<b>331,668,992</b>	<b>41,534,421</b>	<b>14%</b>	

# FY 2025 BUDGET – MAJOR TAX REVENUES

Revenue Source	2024 Adopted	2025 Proposed	Dollar Change	Percent Change	Notes
Property Tax Levy	29,234,034	29,549,777	315,742	1.08%	Library- \$309K increase for operations/EAV.
Home Rule Sales Tax	28,500,000	30,305,712	1,805,712	6.34%	Increase due to trend (inflation).
State Sales Tax	18,000,000	21,000,000	3,000,000	16.67%	Increase due to trend (inflation).
Income Tax	10,000,000	12,900,000	2,900,000	29.00%	Increase due to Corp Inc Tax increases.
Utility Tax	5,964,354	5,545,200	(419,154)	-7.03%	Reduction in Telecom continues, decrease in Natural Gas Rates.
Food & Beverage Tax	5,100,000	6,000,000	900,000	17.65%	Increase due to trend (inflation).
Local Motor Fuel Tax	4,000,000	4,200,000	200,000	5.00%	Small increase based on trend.
Local Use Tax	3,100,000	3,067,383	(32,617)	-1.05%	Small decrease per trend.
Franchise Tax	1,922,636	1,880,453	(42,183)	-2.19%	Agreements in place with utilities / small decrease.
Replacement Tax	3,000,000	4,245,969	1,245,969	41.53%	Increase due to Corporate Income Tax / IML estimate.
Hotel & Motel Tax	1,750,000	2,100,000	350,000	20.00%	Increase due to trend.
Package Liquor	1,450,000	1,500,000	50,000	3.45%	Small increase based on trend.
Amusement Tax	1,140,000	1,500,000	360,000	31.58%	Increase due to additional streaming.
Video Gaming Tax	1,300,000	1,250,000	(50,000)	-3.85%	Small decrease per trend.
<b>TOTAL MAJOR REVENUES</b>	<b>114,461,024</b>	<b>125,044,494</b>	<b>10,583,470</b>	<b>9.25%</b>	

Note: Not all revenues in the above exhibit are General Fund related (Property Tax Levy-Library, TIF's, Bond Fund/ Home Rule Sales Tax-10% Asphalt & Concrete Fund and a portion for Arena Debt/ Local Motor Fuel Tax = 100% Asphalt & Concrete Fund/ A portion of the Replacement Tax shared with Library, Police/Fire Pension and Bond Funds.

# FY 2025 BUDGET – CITY WIDE REVENUES

Revenues	2024 Budget	2025 Proposed	Dollar Change	Percent Change	Notes
Use of Fund Balance	43,746,121	43,554,197	(191,923)	-0.4%	GF \$8.7M, MFT \$27.8M, Multi-Proj Bond Fund \$1.2M, Cap Imp \$1.6M, Water \$3.1M.
Taxes	116,601,024	127,188,310	10,587,286	9.1%	Increase due to Sales Taxes, Income/Replacement Tax, Streaming, Library Property tax.
Licenses	757,011	753,276	(3,735)	-0.5%	
Permits	905,800	931,500	25,700	2.8%	
Intergov Revenue	11,572,379	23,829,795	12,257,417	105.9%	\$9.1M IEPA Loan for Locust Colton Phase 8. \$5.5M ARPA deferred Revenue for projects.
Charges for Services	78,569,065	85,670,012	7,100,947	9.0%	Water, Sewer, Storm, Solid Waste and Arena (Hockey).
Fines & Forfeitures	1,607,500	1,774,500	167,000	10.4%	
Investment Income	4,095,065	4,485,851	390,786	9.5%	Interest rates and Investment Advisor's impact.
Misc Revenue	11,404,475	22,942,686	11,538,211	101.2%	Enterprise Fund borrowings.
Sale Capital Assets	31,175	52,675	21,500	69.0%	
Capital Lease Proceeds	2,930,675	1,637,706	(1,292,969)	-44.1%	Reduction in Enterprise Fund related leased equipment purchases.
Contribution Revenue	50,503	50,503	-	0.0%	
Transfer In	17,863,778	18,797,982	934,204	5.2%	Net General Fund Subsidy increase to other funds.
<b>TOTAL REVENUE</b>	<b>290,134,570</b>	<b>331,668,992</b>	<b>41,534,422</b>	<b>14.3%</b>	

# FY 2025 BUDGET – CITY WIDE EXPENSES

Expenditures	2024 Budget	2025 Proposed	Dollar Change	Percent Change	Notes
Salaries	63,232,436	69,540,214	6,307,778	10.0%	Staff adds to advance initiatives, increases for performance, 11 union contracts and minimum wage.
Benefits	16,798,150	17,726,285	928,135	5.5%	Increase in health plan costs. Increase in IMRF rate.
Contractuals	56,939,249	67,203,767	10,264,517	18.0%	+\$1.5M Premiums/Claims, +3.3M Repr/Maint. +\$3M A&E/Oth Prof & Tech, +\$1.2M Other Services.
Commodities	19,152,674	21,398,002	2,245,328	11.7%	Increase for concrete, asphalt, utilities.
Capital Expenditures	73,449,711	96,313,356	22,863,645	31.1%	Capital Projects \$18.8M. Capital Equipment \$4.9M.
Principal Expense	9,766,947	8,350,281	(1,416,666)	-14.5%	Reduction related to paying cash for equipment in GF, and other debt retirements.
Interest Expense	2,268,090	2,018,057	(250,033)	-11.0%	Reduction related to paying cash for equipment in GF, and other debt retirements.
Other Intergov Exp	16,884,460	20,246,070	3,361,610	19.9%	+\$2.4M to Police/Fire Pensions. City's Connect Transit annual contribution increased by \$800K.
Other Expenditures	13,779,074	10,074,979	(3,704,095)	-26.9%	-\$4M Ambulance adjustments now netted against revenues in Charges for Services.
Transfer Out	17,863,778	18,797,982	934,204	5.2%	Net General Fund Subsidy increase to other funds.
<b>TOTAL EXPENSE</b>	<b>290,134,570</b>	<b>331,668,992</b>	<b>41,534,422</b>	<b>14.3%</b>	

# FY 2025 BUDGET – GENERAL FUND - REVENUES

Revenues	2024 Budget	2025 Proposed	Dollar Change	Percent Change	Notes
Use of Fund Balance	3,435,307	8,733,072	5,297,765	154.2%	Nonrecurring: Equip +3M, Cap Imp Fund +4M, Arena 500K (above averages).
Taxes	99,825,290	108,675,960	8,850,670	8.9%	Primarily Sales and Income Tax increases .
Licenses	715,011	711,276	(3,735)	-0.5%	
Permits	887,800	913,500	25,700	2.9%	
Intergov Revenue	272,361	1,369,318	1,096,957	402.8%	ARPA Deferred Revenue, DCEO Grant.
Charges for Services	17,380,922	15,965,399	(1,415,523)	-8.1%	Ambulance revenues (adjustments now netted). See Other Expenditures.
Fines & Forfeitures	703,000	742,500	39,500	5.6%	
Investment Income	1,802,050	1,801,000	(1,050)	-0.1%	
Misc Revenue	512,347	420,032	(92,315)	-18.0%	
Sale Capital Assets	12,000	50,500	38,500	320.8%	
Transfer In	3,528,951	3,706,828	177,877	5.0%	Reflects charges to Enterprise Funds for Admin Services.
<b>TOTAL REVENUE</b>	<b>129,075,038</b>	<b>143,089,385</b>	<b>14,014,346</b>	<b>10.9%</b>	



# FY 2025 BUDGET – GENERAL FUND - EXPENSES

Expenditures	2024 Budget	2025 Proposed	Dollar Change	Percent Change	Notes
Salaries	48,366,072	53,104,512	4,738,440	9.8%	Staff adds, increases for performance, union contracts and minimum wage.
Benefits	12,455,084	13,185,929	730,844	5.9%	Increase in Health Insurance cost, IMRF rate increase.
Contractuals	16,495,843	20,837,839	4,341,996	26.3%	1M redux in Savings Offset, 500K Govt. Center, 400K Stryker (Fire).
Commodities	9,891,987	10,647,785	755,798	7.6%	+350K Electricity, +130K Water.
Capital Expenditures	6,249,855	9,533,753	3,283,897	52.5%	Equip: 950K increase IT, 2.7M increase for Fire.
Principal Expense	1,452,800	1,170,514	(282,286)	-19.4%	Leases rolling off due to paying cash for equipment.
Interest Expense	99,893	69,466	(30,427)	-30.5%	Leases rolling off due to paying cash for equipment.
Other Intergov Exp	16,803,460	20,165,070	3,361,610	20.0%	Public Safety pensions +2.4M
Other Expenditures	5,650,623	2,091,732	(3,558,891)	-63.0%	Ambulance adjustments (now netted vs. revenues). See Charges for Services.
Transfer Out	11,609,422	12,282,785	673,364	5.8%	Subsidies for Arena-2M, Streets/Sidewalks-2.5M, Capital Projects-7M.
<b>TOTAL EXPENSE</b>	<b>129,075,038</b>	<b>143,089,385</b>	<b>14,014,346</b>	<b>10.9%</b>	

## FY 2025 BUDGET – CAPITAL PROJECTS – BY FUND

Fund	FY2024	FY2025	Change
Capital Improvement	5,612,000	10,951,851	5,339,851
Asphalt and Concrete	10,000,000	10,000,000	-
MFT (State)	26,693,600	32,952,358	6,258,758
Water	9,466,250	18,592,082	9,125,832
Sewer	6,467,500	8,769,500	2,302,000
Storm Water	4,367,500	6,769,500	2,402,000
Solid Waste	150,000	-	(150,000)
Arena	5,000,000	50,000	(4,950,000)
Park Dedication	-	373,715	373,715
Lincoln Parking Deck	1,100,000	-	(1,100,000)
Golf Fund	865,000	30,000	(835,000)
<b>TOTAL</b>	<b>69,721,850</b>	<b>88,489,006</b>	<b>18,767,156</b>

## FY 2025 BUDGET – HIGHLIGHTS

### Capital Projects of \$88.5M:

- \$43.0M Streets and Sidewalks (\$10.0M Asphalt/Concrete + \$33.0M MFT)
- \$34.1M Water-Sewer-Storm Water Infrastructure
- \$11.4M Taking Care of What We Have - Facility Maintenance; Quality of Life – Parks / Rec Golf

### Other Highlights:

- \$14.7M Public Safety Pensions at 100%
- \$15.1M Equipment (Safety/Security Cameras, Emergency Ops Ctr, Fire Engine / 2 Ambulances etc.)
- +89,000 Supported Police/Fire Svc Runs (\$70M for Public Safety = 21% of Total, 49% of GF)
- +1,000 Miles of Sewer and Water Lines Maintained (4 billion gallons of water provided)
- +17,000 Tons of Trash / Recycling Hauled (+34 million pounds)
- +675,000 Parks, Cultural and Library Attendees / Visitors

Ultimate Goal – Good Stewards of the Taxpayer's Funds

## FY 2025 BUDGET – NEXT STEPS

### Remaining FY 2025 Budget Schedule:

- COTW – Budget Update – Capital Projects: February 19, 2024
- Council - Budget Update: February 26, 2024
- Council - Proposed Budget Presentation: March 11, 2024
- Council - Proposed Budget Public Hearing: March 25, 2024
- Council - Final Budget Adoption: April 8, 2024

# FY 2025 BUDGET

## Questions - Comments