



Mary Jo Pemberton
City Clerk

Creativity Redefined!

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**CITY OF MT. VERNON, ILLINOIS
CITY COUNCIL WORKSHOP MEETING
Thursday, April 8, 2021**

The Mt. Vernon City Council called a Workshop Meeting for Thursday, April 8, 2021 at 4 p.m. at City Hall, 1100 Main Street, Council Chamber Room, 2nd Floor, Mt. Vernon, Illinois.

Mayor John Lewis called the meeting to order.

ROLL CALL

Roll call showed present: Council Member Joe Gliosci, Council Member Donte Moore, Council Member Mike Young, and Mayor John Lewis. Absent: Council Member Ray Botch.

Also present City Manager Mary Ellen Bechtel, Finance Director Steve Tate, Deputy City Clerk Becky Barbour, City Engineer Brad Ruble, Police Chief Trent Page, Assistant Police Chief Robert Brands, Fire Chief Kevin Sargent, Fleet Services Director Mike Shannon, and Tourism Director Angela Schrum.

VISITORS/CITIZEN'S REQUESTS/ADDRESSES FROM THE AUDIENCE

No visitors spoke at the meeting.

REVIEW AND DISCUSSION ON THE PROPOSED 2021-2022 BUDGET

City Manager Mary Ellen Bechtel distributed the 2021-22 Tentative Budget. The proposed Budget will be in the Clerk's Office for the public review. It will be on the Agenda for Final Approval at a future Council Meeting. City Manager Bechtel thanked Finance Director Steve Tate for all his hard work and all the Department Heads for the budgets they submitted. The City was fortunate by receiving \$600,000 CURES Grant, and the sale of equipment for approximately \$175,000.

City Manager Bechtel turned the meeting over to Finance Director Steve Tate.

Finance Director Steve Tate stated he will talk about each budget from the revenues and expenses side, then City Manager Bechtel will discuss the capital projects and infrastructure in each of those funds.

All Funds Budget Summary

Looking at \$15,326,916 Working Fund Balance at the end of April 30, 2022. Last year the budget was calling for \$15.7 Million of Working Fund Balance, so the City is close on the proposal from last year.

ALL FUNDS BUDGET SUMMARY

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	PROPRIETARY FUNDS	ALL FUNDS TOTAL
FUND BALANCE 4/30/2020	\$ 5,831,446	\$ 6,020,201	\$ 4,728,742	\$ 16,580,389
ESTIMATED REVENUES FY 2020-2021	15,579,652	48,033,687	15,039,020	78,652,359
FUNDS AVAILABLE	21,411,098	54,053,888	19,767,762	95,232,748
ESTIMATED EXPENSES FY 2020-2021	(14,330,041)	(34,883,077)	(13,318,922)	(62,532,040)
ESTIMATED FUND BALANCE 4/30/2021	7,081,057	19,170,811	6,448,840	32,700,708
PROPOSED REVENUES FY 2021-2022	15,371,539	13,560,289	20,910,000	49,841,828
FUNDS AVAILABLE	22,452,596	32,731,100	27,358,840	82,542,536
PROPOSED EXPENSES FY 2021-2022	(16,369,060)	(29,837,145)	(21,009,415)	(67,215,620)
PROPOSED FUND BALANCE 4/30/2022	<u>\$ 6,083,536</u>	<u>\$ 2,893,955</u>	<u>\$ 6,349,425</u>	<u>\$ 15,326,916</u>

General Corporate Fund and Aquatic Zoo

The General Funds are made up of the General Corporate Fund and the Aquatic Zoo Fund. Together, they comprise the major operating fund of the City. The Aquatic Zoo Fund is separate from the General Corporate Fund to track its operating results. Total Working Fund Balance for both funds is projected to be \$6,083,536 as of April 30, 2022.

	GENERAL CORPORATE	AQUATIC ZOO	GENERAL FUNDS TOTAL
FUND BALANCE 4/30/2020	\$ 5,741,511	\$ 89,935	\$ 5,831,446
ESTIMATED REVENUES FY 2020-2021	15,465,976	113,676	15,579,652
FUNDS AVAILABLE	21,207,487	203,611	21,411,098
ESTIMATED EXPENSES FY 2020-2021	(13,992,233)	(337,808)	(14,330,041)
ESTIMATED FUND BALANCE 4/30/2021	7,215,254	(134,197)	7,081,057
PROPOSED REVENUES FY 2021-2022	14,994,589	376,950	15,371,539
FUNDS AVAILABLE	22,209,843	242,753	22,452,596
PROPOSED EXPENSES FY 2021-2022	(15,950,882)	(418,178)	(16,369,060)
PROPOSED FUND BALANCE 4/30/2022	<u>\$ 6,258,961</u>	<u>\$ (175,425)</u>	<u>\$ 6,083,536</u>

Proprietary Funds Budget

These are the funds that generate revenues to stand on their own and meet their own expenses. A \$6,349,425 working fund balance is projected in these funds as of April 30, 2022.

PROPRIETARY FUNDS BUDGET SUMMARY

	SANITATION	HEALTH INSURANCE (INTERNAL SERVICE FD)	PUBLIC UTILITIES WATER OPERATING & CAPITAL	PUBLIC UTILITIES SEWER OPERATING & CAPITAL	PROPRIETARY FUNDS TOTAL
FUND BALANCE 4/30/2020	\$ 139,000	\$ 1,784,790	\$ 167,403	\$ 2,637,549 (1)	\$ 4,728,742
ESTIMATED REVENUES FY 2020-2021	1,154,842	2,451,318	6,847,411	4,585,449	15,039,020
FUNDS AVAILABLE	1,293,842	4,236,108	7,014,814	7,222,998	19,767,762
ESTIMATED EXPENSES FY 2020-2021	(1,190,622)	(1,411,042)	(6,456,275)	(4,260,983)	(13,318,922)
ESTIMATED FUND BALANCE 4/30/2021	103,220	2,825,066	558,539	2,962,015	6,448,840
PROPOSED REVENUES FY 2021-2022	1,154,560	2,618,984	9,867,451	7,269,005	20,910,000
FUNDS AVAILABLE	1,257,780	5,444,050	10,425,990	10,231,020	27,358,840
PROPOSED EXPENSES FY 2021-2022	(1,228,711)	(2,372,730)	(8,791,776)	(8,616,198)	(21,009,415)
PROPOSED FUND BALANCE 4/30/2022	\$ 29,069	\$ 3,071,320	\$ 1,634,214	\$ 1,614,822	\$ 6,349,425

(1) SEWER FUND WAS SEPARATED FROM THE WATER FUND ON MAY 1, 2018

Special Revenue Funds

This is your Motor Fuel Tax, Tourism, CDAP, Quality of Life, Home Rule Sales Tax, General Corporate, Special Service Area, Pension Sales Tax and TIF's. A \$2,893,955 fund balance is projected on April 30, 2022.

SPECIAL REVENUE FUNDS BUDGET SUMMARY

	MOTOR FUEL TAX	TOURISM	CDAP	QUALITY OF LIFE/ECONOMIC DEVELOPMENT	HOME RULE SALES TAX	GENERAL CORPORATE CAPITAL PROJECTS	SPECIAL SERVICE AREA #1	PENSION SALES TAX	DOWNTOWN TIF	INDUSTRIAL PARK (WESTSIDE) TIF	RTE 15/ I-57 (EASTSIDE) TIF	SPECIAL REVENUE FUNDS TOTAL
FUND BALANCE 4/30/2020	\$ 787,784	\$ 153,004	\$ -	\$ 1,497,838	\$ 2,838,237	\$ 474,089	\$ 4,360	\$ (217,627)	\$ 282,480	\$ 109,826	\$ 90,210	\$ 6,020,201
ESTIMATED REVENUES FY 2020-2021	876,513	349,392	-	22,084,722	9,753,625	11,740,251	76,066	1,217,568	1,075,861	533,415	326,274	48,033,687
FUNDS AVAILABLE	1,664,297	502,396	-	23,582,560	12,591,862	12,214,340	80,426	999,941	1,358,341	643,241	416,484	54,053,888
ESTIMATED EXPENSES FY 2020-2021	(309,535)	(370,510)	-	(15,986,992)	(3,278,966)	(11,971,986)	(72,873)	(1,274,476)	(1,050,314)	(298,485)	(268,940)	(34,883,077)
ESTIMATED FUND BALANCE 4/30/2021	1,354,762	131,886	-	7,595,568	9,312,896	242,354	7,553	(274,535)	308,027	344,756	147,544	19,170,811
PROPOSED REVENUES FY 2021-2022	897,433	423,566	450,000	1,824,300	3,664,700	3,250,893	76,520	1,645,332	467,972	533,394	326,179	13,560,289
FUNDS AVAILABLE	2,252,195	555,452	450,000	9,419,868	12,977,596	3,493,247	84,073	1,370,797	775,999	878,150	473,723	32,731,100
PROPOSED EXPENSES FY 2021-2022	(1,011,421)	(581,917)	(450,000)	(9,153,621)	(12,619,599)	(3,073,949)	(76,770)	(1,273,389)	(725,963)	(595,083)	(275,533)	(29,837,145)
PROPOSED FUND BALANCE 4/30/2022	\$ 1,240,774	\$ (26,465)	\$ -	\$ 266,247	\$ 357,997	\$ 419,298	\$ 7,303	\$ 97,508	\$ 50,036	\$ 283,067	\$ 198,190	\$ 2,893,955

The General Corporate Fund

Expected to end 2020-2021 with an operating surplus of \$1,448,128 even after an anticipated revenue loss of \$550,000 due to the COVID-19 virus. This surplus is attributable to operating revenues expected to be \$384,000 over budget of which includes: one-time revenues of \$630,000 from the CURES Grant, the auction sale of surplus vehicles and equipment for \$175,000, and the sale of property to outside parties for \$80,000. Additionally, operating expenses are expected to be \$918,000 under budget.

The General Corporate Working Fund Balance for Operations projected on April 30, 2022 is \$5,978,645 (includes a \$1 million transfer to the Capital Projects Fund), with total expenditures for Operations projected at \$14,950,882. A surplus in operations of \$33,007 in the General Corporate Fund for the year ending April 30, 2022. After this surplus, the City is projected to have 4.8 months' worth of operating expenditures in our operating working fund balance.

The estimated 1% State Sales Tax and 1% Home Rule Sales Tax for 2021-2022 is 4% higher than the projected amounts for 2020-2021. Sales Tax revenue is projected to be up for 2021-2022 3.4% from the previous year and Home Rule Sales Tax up 1.5%.

Council Member Donte Moore stated that the City planned for a loss last year, but now the City is projecting a gain. City Manager Bechtel responded this is a 4% increase from the lower number from last year. Tate added there are some streams of revenue expected and he is unsure of what they will be. One is the internet sales tax starting January 1, 2021. State of Illinois is collecting sales tax on internet purchases and the sales tax will be given to each City based on their tax rate. City Manager Bechtel added that the cannabis sales which started in 2020 will help this year.

Council Member Donte Moore questioned the \$1,000,000 purchase of homes from General Corporate Fund from two years ago and if the money was back in the budget. City Manager Bechtel responded the program is ongoing. \$400,000 is due to the City and is accounted for in the budget. Four homes still need finalized. When program is over, the City can claim the property and be reimbursed by the State. It is accounted for in the budget.

Finance Director Steve Tate continued that 2021-2022 will be the fourth full year since the price of liquor licenses and video gaming licenses were raised. No increase in our property taxes from the previous year, with the Council passing a 0.25% increase in our Home Rule Sales Tax, effective July 1, 2020, to subsidize the tax levy for the three pension funds of the City.

All City Departments were required to have no increase in their 2021-2022 operating budgets from their 2020-2021 operating budgets, exclusive of payroll.

As discussed more completely below, our self-insured health insurance rates were not increased on January 1, 2021 for the fourth year in a row. No increase is budgeted on January 1, 2022. General Corporate's repayment for labor and equipment from the Motor Fuel Tax Fund has been zero for three years and has also been budgeted at \$0 for 2021-2022.

The six union contracts effective May 1, 2018 are a four-year contract with a 1% longevity raise and an additional 1.75% raise. The same raise was assumed for our non-union employees.

**GENERAL CORPORATE FUND
ANNUAL OPERATING BUDGET SUMMARY**

	BUDGET FY 2021				BUDGET FY 2022		
	TOTAL BUDGETED	TOTAL OPERATING ESTIMATED	TOTAL RESTRICTED ESTIMATED	TOTAL ESTIMATED	TOTAL PROPOSED OPERATING	TOTAL PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 5,536,910	\$ 5,497,510	\$ 244,001	\$ 5,741,511	\$ 6,945,638	\$ 269,616	\$ 7,215,254
REVENUE	15,056,057	15,440,361	25,615	15,465,976	14,983,889	10,700	14,994,589
TOTAL REVENUES	15,056,057	15,440,361	25,615	15,465,976	14,983,889	10,700	14,994,589
EXPENDITURES							
MAYOR AND COUNCIL	(31,226)	(21,495)	-	(21,495)	(27,361)	-	(27,361)
CITY MANAGER	(325,802)	(319,242)	-	(319,242)	(334,227)	-	(334,227)
CITY CLERK	(97,733)	(106,963)	-	(106,963)	(123,722)	-	(123,722)
CITY TREASURER	(8,304)	(8,216)	-	(8,216)	(3,111)	-	(3,111)
HUMAN RESOURCES	(159,898)	(160,837)	-	(160,837)	(173,404)	-	(173,404)
LEGAL	(161,913)	(145,554)	-	(145,554)	(161,913)	-	(161,913)
PARKS & RECREATION	(625,510)	(540,387)	-	(540,387)	(607,209)	-	(607,209)
FINANCE	(442,015)	(382,260)	-	(382,260)	(308,579)	-	(308,579)
ENGINEERING	(425,298)	(398,403)	-	(398,403)	(429,811)	-	(429,811)
POLICE	(5,525,275)	(5,026,513)	-	(5,026,513)	(5,652,317)	-	(5,652,317)
FIRE	(3,129,235)	(3,112,443)	-	(3,112,443)	(3,196,747)	-	(3,196,747)
EMERGENCY MANAGEMENT AGENCY	(18,229)	(14,338)	-	(14,338)	(19,491)	-	(19,491)
PUBLIC WORKS	(1,678,305)	(1,612,063)	-	(1,612,063)	(1,712,762)	-	(1,712,762)
FLEET SERVICES	(525,133)	(545,922)	-	(545,922)	(490,741)	-	(490,741)
GENERAL GOVERNMENT - GENL EXPENSES	(1,616,171)	(1,457,845)	-	(1,457,845)	(1,569,735)	-	(1,569,735)
DEBT SERVICE	(139,752)	(139,752)	-	(139,752)	(139,752)	-	(139,752)
	(14,909,797)	(13,992,233)	-	(13,992,233)	(14,950,882)	-	(14,950,882)
ANNUAL CHANGES IN WORKING FUND BALANCE	146,260	1,448,128	25,615	1,473,743	33,007	10,700	43,707
TRANSFER TO CAPITAL PROJECTS FUND					(1,000,000)	-	(1,000,000)
WORKING FUND BALANCE ENDING	\$ 5,683,170	\$ 6,945,638	\$ 269,616	\$ 7,215,254	\$ 5,978,645	\$ 280,316	\$ 6,258,961
ONE MONTH OF OPERATING EXPENDITURES		\$ 1,166,019			\$ 1,245,907		
NO. OF MONTHS INCL IN WORKING FD BALANCE		6.0 months			4.8 months		
AMT OF REC FROM DOWNTOWN TIF INCL IN THE ABOVE		\$ 250,000			\$ 250,000		

Overall, we are expecting a \$5.9 Million Working Fund Balance in General Corporate with a \$33,000 surplus in operations this year. We expect that to be around 4.8% months of expenditures. Looking back at last year's budget, we had expected 4.4% months of expenditures. It is looking good – turning in a positive direction. The hotel/motel tax took a big hit this year – down around 30%. Also video gaming was shut down and took a hit, but the months it was open, it was taking in about \$48,000 a month, normally takes in around \$35,000 a month on that.

SPECIAL REVENUE FUNDS BUDGETARY HIGHLIGHTS:

The City has eleven "Special Revenue Funds" whose revenues are earmarked for specific purposes and are not to be used for general operating purposes.

Motor Fuel Tax

The Motor fuel tax fund is projected to be ending FY 2022 with a working fund balance of \$1.24 million. Revenues from the fund come from the City's share of State of Illinois motor fuel tax FY 2020-2021 was the first year of the Rebuild Illinois Grant Funding which equals \$335,605. We are proposing \$1.01 million of expenditures in this fund.

MOTOR FUEL TAX ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 743,767	\$ 787,784	\$ 787,784	\$ 1,354,762	\$ 1,354,762
REVENUE	518,350	876,513	876,513	897,433	897,433
REVENUE ALLOCATED TO CAPITAL		-		-	
TOTAL REVENUES	518,350	876,513	876,513	897,433	897,433
EXPENDITURES	(372,620)	(309,535)	(309,535)	(1,011,421)	(1,011,421)
ANNUAL CHANGES IN WORKING FUND BALANCE	145,730	566,978	566,978	(113,988)	(113,988)
WORKING FUND BALANCE ENDING	\$ 889,497	\$ 1,354,762	\$ 1,354,762	\$ 1,240,774	\$ 1,240,774

City Manager Mary Ellen Bechtel spoke about the capital projects and expenditures.

Sanitation Fund

It records the revenues and expenses associated with garbage collection, recycling, yard waste pick-up and bulk trash pick-up. The monthly rates were changed to \$19.00 per month effective May 1, 2016 and will not be raised again on May 1, 2021. The working fund balance on April 30, 2022 is projected to be \$29,069.

SANITATION ANNUAL BUDGET SUMMARY

ASSUMING CUSTOMER RATE OF \$19.00 PER MONTH (0% INCREASE) FOR BUDGET FY 2022

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 138,855	\$ 139,000	\$ 139,000	\$ 103,220	\$ 103,220
REVENUE	1,149,960	1,154,842	1,154,842	1,154,560	1,154,560
TRANSFER FROM GENERAL CORPORATE FUND	-	-	-	-	-
TOTAL REVENUES	1,149,960	1,154,842	1,154,842	1,154,560	1,154,560
TOTAL EXPENDITURES	(1,182,863)	(1,190,622)	(1,190,622)	(1,228,711)	(1,228,711)
ANNUAL CHANGES IN WORKING FUND BALANCE	(32,903)	(35,780)	(35,780)	(74,151)	(74,151)
WORKING FUND BALANCE ENDING	\$ 105,952	\$ 103,220	\$ 103,220	\$ 29,069	\$ 29,069
WORKING FUND BALANCE REQUIRED BY FINANCIAL POLICY		\$ 99,219		\$ 102,393	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		1.04 MONTHS		0.28 MONTHS	

City Manager Mary Ellen Bechtel stated we are budgeting for another Electronic Recycling this year.

Aquatic Zoo

The City manages the Aquatic Zoo with internal staff. With the facility closed for part of the season and only allowed to operate at a reduced capacity for the remainder, revenues were \$263,000 under budget. This has resulted in the fund to have a negative working fund balance of \$134,000 on April 30, 2021. It is estimated to have a projected operating deficit for 2021-2022 of \$41,228. 2021-2022 will be the eighth season of operations.

AQUATIC ZOO ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	ESTIMATED OPERATING	TOTAL ESTIMATES
WORKING FUND BALANCE BEGINNING	\$ 1,779	\$ 89,935	\$ 89,935	\$ (134,197)	\$ (134,197)
REVENUE	376,300	113,676	113,676	376,950	376,950
TOTAL REVENUES	376,300	113,676	113,676	376,950	376,950
EXPENDITURES	(443,407)	(337,808)	(337,808)	(418,178)	(418,178)
ANNUAL CHANGES IN WORKING FUND BALANCE	(67,107)	(224,132)	(224,132)	(41,228)	(41,228)
WORKING FUND BALANCE ENDING	\$ (65,328)	\$ (134,197)	\$ (134,197)	\$ (175,425)	\$ (175,425)
ONE MONTH OF OPERATING EXPENSES		\$ 28,151		\$ 34,848	
NO. OF MONTHS INCLUDED IN WORKING FUND BALANCE		-4.8 MONTHS		-5.0 MONTHS	

CDAP FUND

The next fund is the CDAP Fund. It did not have any money generated in revenues or expenses for this current budget year. The projection is \$450,000 of revenue and \$450,000 of expenditures. This is a Grant from HUD and used to rehab housing. It is money in and money out. It will have a zero working fund balance every year.

C.D.A.P. ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	FY 2020-2021 CURRENTLY BUDGETED	FY 2020-2021 ESTIMATED OPERATING	FY 2020-2021 TOTAL ESTIMATES	FY 2021-2022 PROPOSED OPERATING	FY 2021-2022 TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE	450,000	-	-	450,000	450,000
REVENUE ALLOCATED TO CAPITAL	-	-	-	-	-
TOTAL REVENUES	450,000	-	-	450,000	450,000
TOTAL EXPENDITURES	(450,000)	-	-	(450,000)	(450,000)
ANNUAL CHANGES IN WORKING FUND BALANCE	-	-	-	-	-
WORKING FUND BALANCE ENDING	\$ -	\$ -	\$ -	\$ -	\$ -

Quality of Life Fund

This is a special revenue fund. Included in this class of funds is the Quality of Life/Economic Development Fund, which accounts for the 0.5% Home Rule Sales Tax started on July 1, 2012. The 2012 General Obligation Bonds issued in October 2012 allocated to this fund were later refunded in September 2020. The refunding resulted in a payment reduction of approximately \$155,000 per year. Approximately \$6.4 million of additional bonds were issued at the time of refunding to pay for construction costs for a new police station. The annual payments for this are approximately \$370,000. This fund is limited to expenditures that improve the quality of life of our citizens or provide economic development to our City. Approximately 55% of the now refunded 2012 General Obligation Bonds were allocated to this fund based on anticipated expenditures from this fund. The City is projecting a total working fund balance on April 30, 2022, of \$266,247 in this fund. In the Quality-of-Life Fund, the proposal is to spend a total of \$9.12 million for capital and infrastructure expenditures and related debt service expenses during 2021-2022.

QUALITY OF LIFE/ECONOMIC DEVELOPMENT FUND ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED	TOTAL ESTIMATED	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 867,521	\$ 1,497,838	\$ 1,497,838	\$ 7,595,568	\$ 7,595,568
REVENUE	1,822,990	22,084,722	22,084,722	1,824,300	1,824,300
TOTAL REVENUES	1,822,990	22,084,722	22,084,722	1,824,300	1,824,300
EXPENDITURES	(2,377,464)	(15,986,992)	(15,986,992)	(9,153,621)	(9,153,621)
TRANSFER TO CAPITAL PROJECTS FUND	-	-	-	-	-
TOTAL EXPENDITURES	(2,377,464)	(15,986,992)	(15,986,992)	(9,153,621)	(9,153,621)
ANNUAL CHANGES IN WORKING FUND BALANCE	(554,474)	6,097,730	6,097,730	(7,329,321)	(7,329,321)
WORKING FUND BALANCE ENDING	\$ 313,047	\$ 7,595,568	\$ 7,595,568	\$ 266,247	\$ 266,247

City Manager Mary Ellen Bechtel spoke about the capital expenditures projected.

Council Member Donte Moore asked about the Hall School Storm Sewer project and if the money being expended will take care of all the problems there. City Manager Bechtel explained it will take care of some of it, but not all of it.

Tourism Fund

The Tourism Fund is expected to end FY 2020-2021 with a \$21,118 deficit in operations. This is due to a roughly 30% drop in Hotel/Motel Tax revenue and a 40% decline in tourism grant funding from the State. We are expecting this fund to end FY 2021-2022 with a working fund balance of minus - \$26,465. This fund was affected greatly due to COVID.

TOURISM ANNUAL BUDGET SUMMARY

	BUDGET FY 2021				BUDGET FY 2022		
	CURRENTLY BUDGETED	ESTIMATED OPERATING	ESTIMATED CAPITAL RELATED	TOTAL ESTIMATES	PROPOSED OPERATING	PROPOSED CAPITAL RELATED	TOTAL PROPOSED
WORKING-FUND BALANCE BEGINNING	\$ 129,421	\$ 153,004	\$ -	\$ 153,004	\$ 131,886	\$ -	\$ 131,886
REVENUE	688,239	349,392	-	349,392	423,566	-	423,566
REVENUE ALLOCATED TO CAPITAL	-	-	-	-	-	-	-
TOTAL REVENUES	688,239	349,392	-	349,392	423,566	-	423,566
OPERATING EXPENDITURES	(737,963)	(370,510)	-	(370,510)	(581,917)	-	(581,917)
TRANSFER TO QUALITY OF LIFE/ECON DEVELOPMENT FD	-	-	-	-	-	-	-
TOTAL EXPENSES	(737,963)	(370,510)	-	(370,510)	(581,917)	-	(581,917)
ANNUAL CHANGES IN WORKING-FUND BALANCE	(49,724)	(21,118)	-	(21,118)	(158,351)	-	(158,351)
WORKING-FUND BALANCE ENDING	\$ 79,697	\$ 131,886	\$ -	\$ 131,886	\$ (26,465)	\$ -	\$ (26,465)

ONE MONTH OF OPERATING EXPENSES	\$ 30,876	N/A	\$ 48,493	N/A
NUMBER OF MONTHS INCLUDED IN WORKING-FUND BALANCE	4.27 MONTHS		-0.66 MONTHS	

Home Rule Sales Tax Fund

Also included in the Special Revenue Funds is the Home Rule Sales Tax Fund, which was created to account for the 1% Home Rule Sales Tax that went into effect on January 1, 2018. The City Council restricted the use of this funding to expenses incurred for capital construction projects for the Water and Sewer Funds, capital vehicle and equipment purchases for all City Departments, capital expenditures for road construction or road maintenance, early retirement of existing indebtedness and nuisance abatement expenditures including demolition of dangerous and dilapidated structures. A total of \$6.14 million of general obligation bonds issued September 2020 was allocated to this fund for various road projects. The annual payments for these bonds will be approximately \$387,000. A total of \$9.9 million has been budgeted in this fund for equipment, capital, and infrastructure expenditures in 2021-2022. The working fund balance in this fund is projected to be \$357,997 on April 30, 2022.

HOME RULE SALES TAX FUND ANNUAL BUDGET SUMMARY

	BUDGET FY 2021					BUDGET FY 2022			
	CURRENTLY BUDGETED	ESTIMATED RESTR. CAPL REV & EXPEND GEN PURPOSES	ESTIMATED RESTR. CAPL REV & EXPEND WATER	ESTIMATED RESTR. CAPL REV & EXPEND SEWER	TOTAL ESTIMATES	ESTIMATED RESTR. CAPL REV & EXPEND GEN PURPOSES	ESTIMATED RESTR. CAPL REV & EXPEND WATER	ESTIMATED RESTR. CAPL REV & EXPEND SEWER	TOTAL PROPOSED
WORKING-FUND BALANCE BEGINNING	\$2,676,370	\$2,838,237	\$0	\$0	\$2,838,237	\$9,312,896	\$0	\$0	\$9,312,896
TOTAL REVENUES	\$10,344,325	\$2,838,237	\$0	\$0	\$2,838,237				\$0
REVENUE	\$10,344,325	\$7,959,977	\$896,824	\$896,824	\$9,753,625	\$1,842,500	\$911,100	\$911,100	\$3,664,700
EXPENDITURES	(\$8,908,250)	(\$1,485,318)	\$0	\$0	(\$1,485,318)	(\$10,797,399)	\$0	\$0	(\$10,797,399)
TRANSFER TO WATER FUND	(\$911,100)	\$0	(\$896,824)	\$0	(\$896,824)	\$0	(\$911,100)	\$0	(\$911,100)
TRANSFER TO SEWER FUND	(\$911,100)	\$0	\$0	(\$896,824)	(\$896,824)	\$0	\$0	(\$911,100)	(\$911,100)
TOTAL EXPENDITURES	(\$10,730,450)	(\$1,485,318)	(\$896,824)	(\$896,824)	(\$3,278,966)	(\$10,797,399)	(\$911,100)	(\$911,100)	(\$12,619,599)
ANNUAL CHANGES IN WORKING-FUND BALANCE	(\$386,125)	\$6,474,659	\$0	\$0	\$6,474,659	(\$8,954,899)	\$0	\$0	(\$8,954,899)
WORKING-FUND BALANCE ENDING	\$2,290,245	\$9,312,896	\$0	\$0	\$9,312,896	\$357,997	\$0	\$0	\$357,997

City Manager Mary Ellen Bechtel presented the proposed expenditures for the upcoming budget.

City Manager Bechtel read a report from Assistant Police Chief Brands regarding the video cameras placed in the City. The cameras have been invaluable in helping solve and disprove crimes. They have saved many man hours on investigations.

Council Member Donte Moore asked a question regarding the Scuba Equipment and how often it is replaced. City Manager Bechtel reported it is replaced every 15 years. Last year the City had scuba equipment on the budget and that was for the scuba fill stations. This year all the scuba equipment will be replaced.

Council Member Joe Gliosci asked about the 42nd Street right turn lane project. City Engineer Brad Ruble responded that it has been bid out and awarded. The City has to coordinate with the State.

Pension Sales Tax Fund

A new Special Revenue Fund, the Pension Sales Tax Fund, was created for the 0.25% Home Rule Sales Tax that went into effect on July 1, 2020. This sales tax will subsidize the property taxes levied for pension funds, including IMRF, FICA, Medicare, Police Pension and Firefighters' Pension. The working fund balance in this fund is projected to be \$97,508 on April 30, 2022.

The Special Revenue Funds are listed on the Special Revenue Funds Budget Summary in the front part of this budget. Three TIF (Tax Increment Financing) Funds are included in these funds. The working fund balance of all the Special Revenue Funds on April 30, 2022 is projected to be \$2,893,955.

PENSION SALES TAX FUND ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED	TOTAL ESTIMATES	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 37,653	\$ (217,627)	\$ (217,627)	\$ (274,535)	\$ (274,535)
REVENUE	1,416,917	1,217,568	1,217,568	1,645,332	1,645,332
TOTAL REVENUES	1,416,917	1,217,568	1,217,568	1,645,332	1,645,332
EXPENDITURES					
EXPENDITURES OTHER THAN TRANSFERS	(500)	(1,582)	(1,582)	(1,600)	(1,600)
TRANSFER TO GENERAL CORPORATE FUND	(816,656)	(788,368)	(788,368)	(785,191)	(785,191)
TRANSFER TO TOURISM FUND	(34,405)	(31,716)	(31,716)	(33,688)	(33,688)
TRANSFER TO WATER FUND	(38,200)	(38,200)	(38,200)	(38,200)	(38,200)
TRANSFER TO POLICE PENSION FUND	(79,853)	(175,596)	(175,596)	(175,596)	(175,596)
TRANSFER TO FIRE PENSION FUND	(156,270)	(239,014)	(239,014)	(239,014)	(239,014)
TOTAL EXPENDITURES	(1,125,884)	(1,274,476)	(1,274,476)	(1,273,289)	(1,273,289)
ANNUAL CHANGES IN WORKING FUND BALANCE	291,033	(56,908)	(56,908)	372,043	372,043
WORKING FUND BALANCE ENDING	\$ 328,686	\$ (274,535)	\$ (274,535)	\$ 97,508	\$ 97,508

City Manager Mary Ellen Bechtel discussed pension funds. Council Member Joe Gliosci asked if this is the year that we join the Investment Group. Finance Director Tate stated this year they will consolidate all the Pension Funds for the Downstate Fire and Police for the State of Illinois, this will give better returns in the future.

Capital Projects Fund

General Corporate Capital Projects Fund is another Special Revenue Fund, created on May 1, 2012 to account for the 1% Food and Beverage Tax, 2 cents per gallon Diesel Fuel Tax, and the additional 1% Telecommunications Tax which have been restricted by the City Council to be used to finance capital and infrastructure expenditures and related debt service expenses. These restricted funds, in addition to occasional transfers from the General Corporate Fund, are used to pay the debt service on a portion of the 2010 and 2012 bonds, which were later refunded in September 2020, other loan debt service expenditures, and various capital and infrastructure improvements. The refunding of the 2010 and 2012 bonds resulted in an annual payment reduction of approximately \$184,000. This fund is projected to have a total working fund balance of \$419,298 on April 30, 2022. In the Capital Projects Fund, we are proposing to spend a total of \$3.03 million for capital and infrastructure expenditures and related debt service expenses during 2021-2022.

GENERAL CORPORATE CAPITAL PROJECTS FUND ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED	TOTAL ESTIMATED	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ (231,379)	\$ 474,089	\$ 474,089	\$ 242,354	\$ 242,354
REVENUE	3,325,487	11,740,251	11,740,251	2,250,893	2,250,893
TRANSFER FROM GENERAL CORPORATE	-	-	-	1,000,000	1,000,000
TOTAL REVENUES	3,325,487	11,740,251	11,740,251	3,250,893	3,250,893
EXPENDITURES	(3,078,010)	(11,971,986)	(11,971,986)	(3,073,949)	(3,073,949)
TRANSFER TO QUALITY OF LIFE FUND	-	-	-	-	-
TRANSFER TO PUBLIC UTILITIES FUND	-	-	-	-	-
TOTAL EXPENDITURES	(3,078,010)	(11,971,986)	(11,971,986)	(3,073,949)	(3,073,949)
ANNUAL CHANGES IN WORKING FUND BALANCE	247,477	(231,735)	(231,735)	176,944	176,944
WORKING FUND BALANCE ENDING	\$ 16,098	\$ 242,354	\$ 242,354	\$ 419,298	\$ 419,298

City Manager Mary Ellen Bechtel explained the proposed expenditures.

PROPRIETARY FUNDS BUDGETARY HIGHLIGHTS:

The City has four "Proprietary Funds" whose operating expenses are intended to be funded by their operating revenues.

Sanitation Fund

It records the revenues and expenses associated with garbage collection, recycling, yard waste pick-up and bulk trash pick-up. The monthly rates were changed to \$19.00 per month effective May 1, 2016 and will not be raised again on May 1, 2021. The working fund balance on April 30, 2022 is projected to be \$29,069.

SANITATION ANNUAL BUDGET SUMMARY

ASSUMING CUSTOMER RATE OF \$19.00 PER MONTH (0% INCREASE) FOR BUDGET FY 2022

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 138,855	\$ 139,000	\$ 139,000	\$ 103,220	\$ 103,220
REVENUE	1,149,960	1,154,842	1,154,842	1,154,560	1,154,560
TRANSFER FROM GENERAL CORPORATE FUND	-	-	-	-	-
TOTAL REVENUES	1,149,960	1,154,842	1,154,842	1,154,560	1,154,560
TOTAL EXPENDITURES	(1,182,863)	(1,190,622)	(1,190,622)	(1,228,711)	(1,228,711)
ANNUAL CHANGES IN WORKING FUND BALANCE	(32,903)	(35,780)	(35,780)	(74,151)	(74,151)
WORKING FUND BALANCE ENDING	\$ 105,952	\$ 103,220	\$ 103,220	\$ 29,069	\$ 29,069
WORKING FUND BALANCE REQUIRED BY FINANCIAL POLICY		\$ 99,219		\$ 102,393	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		1.04 MONTHS		0.28 MONTHS	

Health Insurance Fund

The City maintains a self-insured Health Insurance Fund, which is also treated as a Proprietary Fund. It is considered an "Internal Service Fund". The City's health insurance is one of its largest line-item expenses. The City did not have increases from the beginning of 2018 through 2021, after substantial increases during 2016 and 2017. Estimating no increase in our rates effective January 1, 2022. Effective May 1, 2016, we transferred our health insurance coverage for 56 retirees to Medicare Plan F coverage and have since transferred additional retirees to this plan. The City is projecting a working fund balance of \$3,071,320 on April 30, 2022.

HEALTH INSURANCE FUND ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 1,625,444	\$ 1,784,790	\$ 1,784,790	\$ 2,825,066	\$ 2,825,066
REVENUE	2,545,500	2,451,318	2,451,318	2,618,984	2,618,984
TOTAL REVENUES	2,545,500	2,451,318	2,451,318	2,618,984	2,618,984
TOTAL EXPENDITURES	(2,369,800)	(1,411,042)	(1,411,042)	(2,372,730)	(2,372,730)
ANNUAL CHANGES IN WORKING FUND BALANCE	175,700	1,040,276	1,040,276	246,254	246,254
WORKING FUND BALANCE ENDING	\$ 1,801,144	\$ 2,825,066	\$ 2,825,066	\$ 3,071,320	\$ 3,071,320
ONE MONTH OF OPERATING EXPENSES		\$ 117,587		\$ 197,728	
NO. OF MONTHS INCLUDED IN WORKING FUND BALANCE		24.0 MONTHS		15.5 MONTHS	

City Manager Mary Ellen Bechtel explained that we have done well since becoming self-insured.

Special Service Area Fund

It is generating enough revenues from property taxes to pay its expenses. However, we do not know if that is going to be the case going forward in future years. The Equalized Assessed Value (EAV) in the downtown district has declined in the last year. \$83,000 of property tax was expected for the special service area, and it only came in at \$76,000.

SPECIAL SERVICE AREA #1 ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATED	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 3,091	\$ 4,360	\$ 4,360	\$ 7,553	\$ 7,553
REVENUE	83,412	76,066	76,066	76,520	76,520
REVENUE ALLOCATED TO CAPITAL	-	-	-	-	-
TOTAL REVENUES	83,412	76,066	76,066	76,520	76,520
TOTAL EXPENDITURES	(81,755)	(72,873)	(72,873)	(76,770)	(76,770)
ANNUAL CHANGES IN WORKING FUND BALANCE	1,657	3,193	3,193	(250)	(250)
WORKING FUND BALANCE ENDING	\$ 4,748	\$ 7,553	\$ 7,553	\$ 7,303	\$ 7,303
ONE MONTH OF OPERATING EXPENSES		\$ 6,073		\$ 6,398	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		1.24 MONTHS		1.14 MONTHS	

City Manager Mary Ellen Bechtel commented that all the expenses are for maintenance. Everything is invested into that special service area either in wages, for employees or pension management.

Water Fund

The Public Utilities - Water Fund operates the water distribution system of the City. The Water Fund is projected to have an operating surplus of \$492,085 for 2021-2022. The fund is also projecting a working fund balance for operations on April 30, 2022 of \$1,030,685 and total expenditures for operations of \$3,933,481. The City is proposing \$4.52 million of capital expenses, infrastructure improvements and related debt service expenses in the Water Fund for 2021-2022. Approximately 19.5% of the 2010 and 2012 general obligation bonds were allocated to the water fund. These were refunded in September 2020, which resulted in an annual payment reduction of roughly \$188,000.

WATER FUND ANNUAL BUDGET SUMMARY

ASSUMING 0% OPERATING INCREASE & 2% CAPITAL INCREASE ON 11/1/2021

	BUDGET FY 2021					BUDGET FY 2022			
	CURRENTLY BUDGETED	ESTIMATED OPERATING	ESTIMATED RESTRICTED 3% INCREASES	ESTIMATED RESTRICTED 2% 1/4% HM RULE TAX	TOTAL ESTIMATED	PROPOSED OPERATING	PROPOSED RESTRICTED 3% INCREASES	PROPOSED RESTRICTED 2% 1/4% HM RULE TAX	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ (419,714)	\$ 300,875	\$ 13,461	\$ (146,933)	\$ 167,403	\$ 870,600	\$ 283,892	\$ (595,953)	\$ 558,539
REVENUE	10,397,829	4,369,254	739,650	1,738,507	6,847,411	4,425,566	701,495	4,740,390	9,867,451
TOTAL REVENUES	10,397,829	4,369,254	739,650	1,738,507	6,847,411	4,425,566	701,495	4,740,390	9,867,451
EXPENDITURES									
PUBLIC UTILITIES-WATER PURCHASES	(2,009,000)	(2,031,323)	-	-	(2,031,323)	(2,098,709)	-	-	(2,098,709)
PUBLIC UTILITIES-OTHER OPERATING	(1,634,496)	(1,319,541)	-	-	(1,319,541)	(1,719,314)	-	-	(1,719,314)
PUBLIC UTILITIES-BILLING SERVICES	(115,660)	(116,665)	-	-	(116,665)	(115,458)	-	-	(115,458)
PUBLIC UTILITIES-CAPITAL & DEBT SERVICE	(5,464,643)	-	(469,219)	(2,187,527)	(2,656,746)	-	(584,859)	(3,941,436)	(4,526,295)
TOTAL EXPENDITURES	(9,223,799)	(3,467,529)	(469,219)	(2,187,527)	(6,124,275)	(3,933,481)	(584,859)	(3,941,436)	(8,459,776)
ANNUAL CHANGES IN WORKING FUND BALANCE	1,174,030	901,725	270,431	(449,020)	723,136	492,085	116,636	798,954	1,407,675
WATER OPERATING TRANSFER TO SEWER FUND	(332,000)	(332,000)	-	-	(332,000)	(332,000)	-	-	(332,000)
WORKING FUND BALANCE ENDING	\$ 422,316	\$ 870,600	\$ 283,892	\$ (595,953)	\$ 558,539	\$ 1,030,685	\$ 400,528	\$ 203,001	\$ 1,634,214
ONE MONTH OF OPERATING EXPENDITURES		\$ 288,961	N/A	N/A		\$ 327,790	N/A	N/A	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		3.01 MONTHS				3.14 MONTHS			

City Manager Mary Ellen Bechtel commented there is a lot going in water and sewer. We are seeing the benefits of the meters and improvements.

Sewer Fund

The Public Utilities - Sewer Fund operates the sanitary sewer systems of the City. The Sewer Fund was separated out of the previous Public Utilities Fund on May 1, 2018, leaving the Water Fund to operate separately as well. The Sewer Fund is projected to have an operating deficit of \$139,825 for 2021-2022, a working fund balance for operations on April 30, 2021 of \$644,147 and total expenditures for operations of \$3,085,592. The City will save \$300,000 from Veolia in FY 2021-2022. The Revenues in this fund are projected to be approximately \$184,000 under budget for 2020-2021. As a consideration of the impact of the COVID pandemic on the community, the Council chose not to implement the 5% scheduled rate increase. To arrive at the working fund balances above, we have projected an operating transfer from the Water Fund to the Sewer Fund in the amount of \$332,000 to partially offset the operating deficit of the Sewer Fund. We are proposing \$5.57 million of capital expenses, infrastructure improvements and related debt service expenses in the Sewer Fund for 2021-2022.

The City has restricted Water and Sewer revenue from a 3% rate increase on May 1, 2009 and 3% rate increases on November 1, 2009, 2010, 2011 and 2012 that have been restricted by the City Council for capital, infrastructure, and related debt service expenses. These funds are maintained and accounted for in the Water Fund.

Effective November 1, 2016, and each November 1 since then, an additional 2% increase in water and sewer rates was implemented and was also restricted by the City Council for capital, infrastructure, and related debt service expenses. These funds are being separately accounted for in the Water and Sewer Funds. The City is proposing a 0% increase for operations in the water fund and a 5% increase in operations for the sewer fund.

PUBLIC UTILITIES - SEWER - OPERATING & CAPITAL FUNDS ANNUAL BUDGET SUMMARY

ASSUMING 5% OPERATING INCREASE ON 5/1/2021 & 2% CAPITAL INCREASE ON 11/1/2021

	BUDGET FY 2021						BUDGET FY 2022				
	FY 2020-2021 CURRENTLY BUDGETED FOR OPERATIONS	FY 2020-2021 ESTIMATED REVENUE (EXPEND) 0% INCREASE	FY 2020-2021 ESTIMATED RESTR. 3% INCR. & CTA SUSP SOLIDS REV & (EXPEND)	FY 2020-2021 ESTIMATED RESTR. 2% INCR. & 1/4% HM RULE TAX REV & (EXPEND) 2% INCREASE	FY 2020-2021 ESTIMATED RESTR. REFUND OF EMC FACILITY PMT REV & (EXPEND)	FY 2020-2021 TOTAL ESTIMATES	FY 2021-2022 PROPOSED OPERATING REVENUE (EXPEND) 5% INCREASE	FY 2021-2022 PROPOSED RESTR. 3% INCR. & CTA SUSP SOLIDS REV & (EXPEND)	FY 2021-2022 PROPOSED RESTR. 2% INCR. & 1/4% HM RULE TAX REV & (EXPEND) 2% INCREASE	FY 2021-2022 PROPOSED RESTR. REFUND OF EMC FACILITY PMT REV & (EXPEND)	FY 2021-2022 TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 2,636,134	\$ 661,360	\$ 2,291	\$ 1,362,217	\$ 611,681	\$ 2,637,549	\$ 451,972	\$ 2,291	\$ 1,896,071	\$ 611,681	\$ 2,962,015
REVENUE	7,673,085	2,760,679	318,266	1,174,504	-	4,233,449	2,945,767	320,606	3,670,632	-	6,937,005
TOTAL REVENUES	7,673,085	2,760,679	318,266	1,174,504	-	4,233,449	2,945,767	320,606	3,670,632	-	6,937,005
EXPENDITURES											
PUBLIC UTILITIES-SEWER TREATMENT	(2,396,842)	(2,396,842)	-	-	-	(2,396,842)	(2,096,842)	-	-	-	(2,096,842)
PUBLIC UTILITIES-OTHER SEWER OPERATIN	(833,193)	(728,849)	-	-	-	(728,849)	(830,622)	-	-	-	(830,622)
PUBLIC UTILITIES-BILLING SERVICES	(115,660)	(133,908)	-	-	-	(133,908)	(115,660)	-	-	-	(115,660)
PUBLIC UTILITIES-SEWER CAP'L & DEBT SVS	(4,139,607)	(42,468)	(318,266)	(640,630)	-	(1,001,384)	(42,468)	(320,606)	(4,880,000)	(330,000)	(5,573,074)
TOTAL EXPENDITURES	(7,505,302)	(3,302,067)	(318,266)	(640,630)	-	(4,260,983)	(3,085,592)	(320,606)	(4,880,000)	(330,000)	(8,616,198)
ANNUAL CHANGES IN WORKING FUND BALAN	\$ 167,783	\$ (541,388)	\$ -	\$ 533,854	\$ -	\$ (7,534)	\$ (139,825)	\$ -	\$ (1,209,368)	\$ (330,000)	\$ (1,679,193)
TRANSFER FROM PUD WATER	332,000	332,000				332,000	332,000				332,000
WORKING FUND BALANCE ENDING	\$ 3,135,917	\$ 451,972	\$ 2,291	\$ 1,896,071	\$ 611,681	\$ 2,962,015	\$ 644,147	\$ 2,291	\$ 686,703	\$ 281,681	\$ 1,614,822
ONE MONTH OF OPERATING EXPENDITURES		\$275,172	N/A	N/A	N/A		\$277,133	N/A	N/A	N/A	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		1.64 MONTHS					2.51 MONTHS				

Council Member Donte Moore questioned if that would be a total of 10% increase (5% last year and 5% this coming year). City Manager Mary Ellen Bechtel explained that it would just be the 5% for the coming year, the Council chose not to implement the 5% scheduled rate increased for last year. There would be an Ordinance to cancel out the 5% for last year and implement 5% for next year. That will be a Council decision as what to do moving forward. We can wait until the Governor waives his Executive Order or we can disregard that and do an Ordinance that is not under the Governor's Orders. There was additional discussion regarding the increased. It will be on the Agenda for a future Council Meeting.

City Manager Mary Ellen Bechtel explained the projects and expenditures in the Sewer Fund.

TIF Funds

The Downtown TIF fund has approximately a \$50,000 working fund balance next year. This fund is generated from property tax revenue and the Post Office Rental. The expenses are for the TIF agreements that are in place and some public infrastructure. We are going to redo some sidewalks in the TIF area, property demolition, and some site preparation.

**DOWNTOWN TIF
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 370,617	\$ 282,480	\$ 282,480	\$ 308,027	\$ 308,027
REVENUE	1,015,049	1,075,861	1,075,861	467,972	467,972
TOTAL REVENUES	1,015,049	1,075,861	1,075,861	467,972	467,972
TOTAL EXPENDITURES	(1,311,118)	(1,050,314)	(1,050,314)	(725,963)	(725,963)
ANNUAL CHANGES IN WORKING FUND BALANCE	(296,069)	25,547	25,547	(257,991)	(257,991)
WORKING FUND BALANCE ENDING	\$ 74,548	\$ 308,027	\$ 308,027	\$ 50,036	\$ 50,036

*NOTE: THE WFB ASSUMES THAT THE \$250,000 LOAN FROM GENERAL CORPORATE WILL NOT BE REPAYED.

Industrial Park TIF

The Industrial Park TIF is projected to have a working fund balance of \$283,000 at the end of next year. This also generates revenue from the property tax. That has gone up because this is the first full year of the Menard's TIF money. It went from a projected \$322,320 to \$533,415.

INDUSTRIAL PARK CONSERVATION AREA (WESTSIDE) TIF ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	ESTIMATED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 109,826	\$ 109,826	\$ 109,826	\$ 344,756	\$ 344,756
REVENUE	322,320	533,415	533,415	533,394	533,394
TOTAL REVENUES	322,320	533,415	533,415	533,394	533,394
TOTAL EXPENDITURES	(311,115)	(298,485)	(298,485)	(595,083)	(595,083)
ANNUAL CHANGES IN WORKING FUND BALANCE	11,205	234,930	234,930	(61,689)	(61,689)
WORKING FUND BALANCE ENDING	\$ 121,031	\$ 344,756	\$ 344,756	\$ 283,067	\$ 283,067

Route 15/I-57 (Eastside) TIF

This fund is expected to have a working fund balance of \$198,190 in it. It generates money from the TIF and property taxes in that area. This also pays out some of the TIF agreement money we have in place for those.

RTE 15/I-57 (EASTSIDE) TIF ANNUAL BUDGET SUMMARY

	BUDGET FY 2021			BUDGET FY 2022	
	FY 2020-2021 CURRENTLY BUDGETED	FY 2020-2021 ESTIMATED OPERATING	FY 2020-2021 TOTAL ESTIMATES	FY 2021-2022 PROPOSED OPERATING	FY 2021-2022 TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 90,357	\$ 90,210	\$ 90,210	\$ 147,544	\$ 147,544
REVENUE	296,190	326,274	326,274	326,179	326,179
TOTAL REVENUES	296,190	326,274	326,274	326,179	326,179
TOTAL EXPENDITURES	(272,990)	(268,940)	(268,940)	(275,533)	(275,533)
ANNUAL CHANGES IN WORKING FUND BALANCE	23,200	57,334	57,334	50,646	50,646
WORKING FUND BALANCE ENDING	\$ 113,557	\$ 147,544	\$ 147,544	\$ 198,190	\$ 198,190

EXECUTIVE SESSION

No Executive Session was held.

ADJOURNMENT

Council Member Mike Young motioned to adjourn. Seconded by Council Member Joe Gliosci. Yeas: Gliosci, Moore, Young, and Lewis.

The meeting was adjourned at 5:25 p.m.

Respectfully submitted,



Becky Barbour
Deputy City Clerk