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**CITY OF MT. VERNON, ILLINOIS
CITY COUNCIL WORKSHOP MEETING
Wednesday, April 13, 2022**

The Mt. Vernon City Council called a Workshop Meeting for Wednesday, April 13, 2022 at 3:30 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 Ray Botch, Council Member Joe Gliosci, Council Member Donte Moore, Council Member Mike Young, and Mayor John Lewis.

Also present: City Manager Mary Ellen Bechtel, Finance Director Steve Tate, Assistant City Manager Nathan McKenna, and Deputy City Clerk Becky Barbour.

VISITORS/CITIZEN’S REQUESTS/ADDRESSES FROM THE AUDIENCE

No visitors spoke at the meeting.

REVIEW AND DISCUSSION ON THE PROPOSED 2022-2023 BUDGET

City Manager Mary Ellen Bechtel distributed the 2022-23 Tentative Budget, along with the Budget Summary pages. The proposed Budget has been advertised in the newspaper and has been, and will remain, in the Clerk’s Office for public review. It will be on the Agenda for Final Approval at a future Council Meeting. City Manager Bechtel turned the meeting over to Finance Director Steve Tate. He stated that everyone has a complete 2022-23 Budget. It is for all of the funds except for the Police and Firefighters’ Pension Funds. The total City-wide budgeted expenditures for the fiscal year ending April 30, 2023 are \$79,374,296.

**ALL FUNDS
BUDGET SUMMARY**

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	PROPRIETARY FUNDS	ALL FUNDS TOTAL
FUND BALANCE 4/30/2021	\$ 8,371,486	\$ 19,585,114	\$ 6,991,093	\$ 34,947,693
ESTIMATED REVENUES FY 2021-2022	18,703,148	18,817,078	16,069,337	53,589,563
FUNDS AVAILABLE	27,074,634	38,402,192	23,060,430	88,537,256
ESTIMATED EXPENSES FY 2021-2022	(18,488,277)	(13,889,203)	(18,377,876)	(50,755,356)
ESTIMATED FUND BALANCE 4/30/2022	8,586,357	24,512,989	4,682,554	37,781,900
PROPOSED REVENUES FY 2022-2023	15,938,516	16,018,233	30,340,098	62,296,847
FUNDS AVAILABLE	24,524,873	40,531,222	35,022,652	100,078,747
PROPOSED EXPENSES FY 2022-2023	(15,934,095)	(36,588,681)	(26,851,520)	(79,374,296)
PROPOSED FUND BALANCE 4/30/2023	\$ 8,590,778	\$ 3,942,541	\$ 8,171,132	\$ 20,704,451

GENERAL FUNDS BUDGET SUMMARY

	GENERAL CORPORATE	AQUATIC ZOO	GENERAL FUNDS TOTAL
FUND BALANCE 4/30/2021	\$ 8,492,310	\$ (120,824)	\$ 8,371,486
ESTIMATED REVENUES FY 2021-2022	18,362,663	340,485	18,703,148
FUNDS AVAILABLE	<u>26,854,973</u>	<u>219,661</u>	<u>27,074,634</u>
ESTIMATED EXPENSES FY 2021-2022	(18,111,473)	(376,804)	(18,488,277)
ESTIMATED FUND BALANCE 4/30/2022	<u>8,743,500</u>	<u>(157,143)</u>	<u>8,586,357</u>
PROPOSED REVENUES FY 2022-2023	15,593,216	345,300	15,938,516
FUNDS AVAILABLE	<u>24,336,716</u>	<u>188,157</u>	<u>24,524,873</u>
PROPOSED EXPENSES FY 2022-2023	(15,500,767)	(433,328)	(15,934,095)
PROPOSED FUND BALANCE 4/30/2023	<u>\$ 8,835,949</u>	<u>\$ (245,171)</u>	<u>\$ 8,590,778</u>

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 4/30/2021	\$ 106,912	\$ 2,624,905	\$ 828,731	\$ 3,430,545	\$ 6,991,093
ESTIMATED REVENUES FY 2021-2022	1,132,120	2,636,932	6,599,875	5,700,410	16,069,337
FUNDS AVAILABLE	<u>1,239,032</u>	<u>5,261,837</u>	<u>7,428,606</u>	<u>9,130,955</u>	<u>23,060,430</u>
ESTIMATED EXPENSES FY 2021-2022	(1,200,783)	(2,167,409)	(7,849,004)	(7,160,680)	(18,377,876)
ESTIMATED FUND BALANCE 4/30/2022	<u>38,249</u>	<u>3,094,428</u>	<u>(420,398)</u>	<u>1,970,275</u>	<u>4,682,554</u>
PROPOSED REVENUES FY 2022-2023	1,304,712	2,639,241	14,677,228	11,718,917	30,340,098
FUNDS AVAILABLE	<u>1,342,961</u>	<u>5,733,669</u>	<u>14,256,830</u>	<u>13,689,192</u>	<u>35,022,652</u>
PROPOSED EXPENSES FY 2022-2023	(1,337,922)	(2,405,793)	(11,362,423)	(11,745,382)	(26,851,520)
PROPOSED FUND BALANCE 4/30/2023	<u>\$ 5,039</u>	<u>\$ 3,327,876</u>	<u>\$ 2,894,407</u>	<u>\$ 1,943,810</u>	<u>\$ 8,171,132</u>

**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 4/30/2021	\$ 1,529,648	\$ 130,327	\$ -	\$ 7,621,610	\$ 8,879,075	\$ 756,736	\$ 10,763	\$ 165,921	\$ (2,093)	\$ 345,583	\$ 147,544	\$ 19,585,114
ESTIMATED REVENUES FY 2021-2022	933,445	657,779	450,000	5,229,546	4,500,928	3,729,924	74,545	1,848,456	512,610	549,918	329,927	18,817,078
FUNDS AVAILABLE	2,463,093	788,106	450,000	12,851,156	13,380,003	4,486,660	85,308	2,014,377	510,517	895,501	477,471	38,402,192
ESTIMATED EXPENSES FY 2021-2022	(363,428)	(536,004)	(450,000)	(2,572,750)	(6,477,024)	(1,073,052)	(85,308)	(1,145,936)	(596,790)	(316,679)	(272,232)	(13,889,203)
ESTIMATED FUND BALANCE 4/30/2022	2,099,665	252,102	-	10,278,406	6,902,979	3,413,608	-	868,441	(86,273)	578,822	205,239	24,512,989
PROPOSED REVENUES FY 2022-2023	793,418	657,566	-	5,412,721	3,823,734	2,250,500	-	1,690,841	509,453	550,000	330,000	16,018,233
FUNDS AVAILABLE	2,893,083	909,668	-	15,691,127	10,726,713	5,664,108	-	2,559,282	423,180	1,128,822	535,239	40,531,222
PROPOSED EXPENSES FY 2022-2023	(1,694,592)	(655,672)	-	(15,274,465)	(10,565,939)	(5,373,167)	-	(1,157,913)	(389,173)	(955,033)	(522,727)	(36,588,681)
PROPOSED FUND BALANCE 4/30/2023	\$ 1,198,491	\$ 253,996	\$ -	\$ 416,662	\$ 160,774	\$ 290,941	\$ -	\$ 1,401,369	\$ 34,007	\$ 173,789	\$ 12,512	\$ 3,942,541

GENERAL FUNDS BUDGETARY HIGHLIGHTS:

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. We have separated the Aquatic Zoo Fund from the General Corporate Fund to track its operating results of the Aquatic Zoo.

The General Corporate Fund is expected to end 2021-2022 with an operating surplus of \$234,958 which includes transfers of \$2 million each to the Capital Projects and Quality of Life Funds. This surplus is attributable to operating revenues expected to be \$3,290,374 over budget and operating expenses are expected to be \$839,409 under budget. This leaves a balance of \$8,504,939.

If you take the expenses and average those out over the amount of fund balance, it comes out 7.2 months for operating expenses at the end of this corporate year. We have had \$18.3 million of revenues and \$14.1 million of expenses and then the two transfers to Capital Projects and Quality of Life.

2022-2023 will be the fifth full year since we raised the fees for liquor and video gaming licenses. We had 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.

The General Corporate working fund balance for operations projected on April 30, 2023 in this fund is \$8,586,688, with \$15,582,516 of projected revenues and \$15,500,767 of expenditures, which leaves a proposed surplus in operations of \$81,749 in the General Corporate Fund for the year ending April 30, 2023. After this surplus, we expect to have 6.6 months' worth of operating expenditures in our operating working fund balance.

**GENERAL CORPORATE FUND
ANNUAL OPERATING BUDGET SUMMARY**

	BUDGET FY 2021-2022				BUDGET FY 2022-2023		
	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	\$ 8,269,981	\$ 222,329	\$ 8,492,310	\$ 8,504,939	\$ 238,561	\$ 8,743,500
REVENUE	15,056,057	18,346,431	16,232	18,362,663	15,582,516	10,700	15,593,216
TOTAL REVENUES	14,994,589	18,346,431	16,232	18,362,663	15,582,516	10,700	15,593,216
EXPENDITURES							
MAYOR AND COUNCIL	(27,361)	(26,115)	-	(26,115)	(28,934)	-	(28,934)
CITY MANAGER	(334,227)	(326,736)	-	(326,736)	(339,445)	-	(339,445)
CITY CLERK	(123,722)	(118,780)	-	(118,780)	(125,653)	-	(125,653)
CITY TREASURER	(3,111)	(1,754)	-	(1,754)	-	-	0
HUMAN RESOURCES	(173,404)	(174,485)	-	(174,485)	(174,560)	-	(174,560)
LEGAL	(161,913)	(152,467)	-	(152,467)	(148,134)	-	(148,134)
PARKS & RECREATION	(607,209)	(596,686)	-	(596,686)	(775,623)	-	(775,623)
FINANCE	(308,579)	(310,016)	-	(310,016)	(334,164)	-	(334,164)
ENGINEERING	(429,811)	(406,563)	-	(406,563)	(445,858)	-	(445,858)
POLICE	(5,652,317)	(5,208,860)	-	(5,208,860)	(5,675,609)	-	(5,675,609)
FIRE	(3,196,747)	(3,101,024)	-	(3,101,024)	(3,315,318)	-	(3,315,318)
EMERGENCY MANAGEMENT AGENCY	(19,491)	(19,247)	-	(19,247)	(21,050)	-	(21,050)
PUBLIC WORKS	(1,712,762)	(1,683,855)	-	(1,683,855)	(1,848,380)	-	(1,848,380)
FLEET SERVICES	(490,741)	(412,366)	-	(412,366)	(520,348)	-	(520,348)
GENERAL GOVERNMENT - GENL EXPENSES	(1,569,735)	(1,432,768)	-	(1,432,768)	(1,607,940)	-	(1,607,940)
DEBT SERVICE	(139,752)	(139,751)	-	(139,751)	(139,751)	-	(139,751)
	(14,950,882)	(14,111,473)	-	(14,111,473)	(15,500,767)	-	(15,500,767)
ANNUAL CHANGES IN WORKING FUND BALANCE	43,707	4,234,958	16,232	4,251,190	81,749	10,700	92,449
TRANSFER TO CAPITAL PROJECTS FUND	(1,000,000)	(2,000,000)	-	(2,000,000)	-	-	-
TRANSFER TO QUALITY OF LIFE FUND	-	(2,000,000)	-	(2,000,000)	-	-	-
WORKING FUND BALANCE ENDING	\$ 5,580,617	\$ 8,504,939	\$ 238,561	\$ 8,743,500	\$ 8,586,688	\$ 249,261	\$ 8,835,949
ONE MONTH OF OPERATING EXPENDITURES		\$ 1,175,956			\$ 1,291,731		
NO. OF MONTHS INCL IN WORKING FD BALANCE		7.2 months			6.6 months		
AMT OF REC FROM DOWNTOWN TIF INCL IN THE ABOVE		\$ 250,000			\$ 250,000		

MOTOR FUEL TAX

The Motor Fuel Tax is projected with a \$570,017 surplus for 2022, which leaves the ending fund balance of \$2,099,665. If you take revenues next year of \$793,418 and expenditures of \$1,694,592 this leaves a fund balance of \$1,198,491. The expenditures include oil chip materials, street patching materials, asphalt and primer which have all significantly increased. This also includes the Shiloh Drive repair, Exit 94 Bridge repair, a project for Woodglen Acres overlay and a project which includes from Lake Street to Columbia. City Manager Bechtel spoke about the capital projects and expenditures.

**MOTOR FUEL TAX
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 1,354,762	\$ 1,529,648	\$ 1,529,648	\$ 2,099,665	\$ 2,099,665
REVENUE	897,433	933,445	933,445	793,418	793,418
REVENUE ALLOCATED TO CAPITAL					
TOTAL REVENUES	897,433	933,445	933,445	793,418	793,418
EXPENDITURES	(1,011,421)	(363,428)	(363,428)	(1,694,592)	(1,694,592)
ANNUAL CHANGES IN WORKING FUND BALANCE	(113,988)	570,017	570,017	(901,174)	(901,174)
WORKING FUND BALANCE ENDING	\$ 1,240,774	\$ 2,099,665	\$ 2,099,665	\$ 1,198,491	\$ 1,198,491

SANITATION FUND

The Sanitation Fund records the revenues and expenses associated with garbage collection, recycling, yard waste pick-up and bulk trash pick-up. We have a deficit of \$68,663 in our Sanitation Fund, which brings the working fund balance down to \$38,249 at the end of April this year. The proposed budget includes a rate increase of \$2.50 per customer per month effective May 1, 2022. The monthly rates were last changed to \$19.00 per month effective May 1, 2016. Even with the increase in rates, there will still be a fund deficit of \$33,210. We are hopeful that with the increase in revenues the fund will have a working fund balance on April 30, 2023 of \$5,039.

**SANITATION
 ANNUAL BUDGET SUMMARY**

ASSUMING CUSTOMER RATE OF \$21.50 PER MONTH FOR BUDGET FY 2023

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 103,220	\$ 106,912	\$ 106,912	\$ 38,249	\$ 38,249
REVENUE	1,154,560	1,132,120	1,132,120	1,304,712	1,304,712
TRANSFER FROM GENERAL CORPORATE FUND	-	-	-	-	-
TOTAL REVENUES	1,154,560	1,132,120	1,132,120	1,304,712	1,304,712
TOTAL EXPENDITURES	(1,228,711)	(1,200,783)	(1,200,783)	(1,337,922)	(1,337,922)
ANNUAL CHANGES IN WORKING FUND BALANCE	(74,151)	(68,663)	(68,663)	(33,210)	(33,210)
WORKING FUND BALANCE ENDING	\$ 29,069	\$ 38,249	\$ 38,249	\$ 5,039	\$ 5,039
WORKING FUND BALANCE REQUIRED BY FINANCIAL POLICY		\$ 100,065		\$ 111,494	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		0.38 MONTHS		0.05 MONTHS	

AQUATIC ZOO FUND

The Aquatic Zoo Fund is projected to end with a deficit of \$36,319 at the end of this budget. That leaves a negative fund balance of -\$157,143 on April 30, 2022. We are projecting an \$88,028 deficit for next year and that would leave a -\$245,171 deficit in the working fund balance for the Aquatic Zoo for 2022-2023. This is the ninth season for the Aquatic Zoo.

AQUATIC ZOO ANNUAL BUDGET SUMMARY

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	ESTIMATED OPERATING	TOTAL ESTIMATES
WORKING FUND BALANCE BEGINNING	\$ (134,197)	\$ (120,824)	\$ (120,824)	\$ (157,143)	\$ (157,143)
REVENUE	376,950	340,485	340,485	345,300	345,300
TOTAL REVENUES	376,950	340,485	340,485	345,300	345,300
EXPENDITURES	(418,178)	(376,804)	(376,804)	(433,328)	(433,328)
ANNUAL CHANGES IN WORKING FUND BALANCE	(41,228)	(36,319)	(36,319)	(88,028)	(88,028)
WORKING FUND BALANCE ENDING	\$ (175,425)	\$ (157,143)	\$ (157,143)	\$ (245,171)	\$ (245,171)
ONE MONTH OF OPERATING EXPENSES		\$ 31,400		\$ 36,111	
NO. OF MONTHS INCLUDED IN WORKING FUND BALANCE		-5.0 MONTHS		-6.8 MONTHS	

TOURISM FUND

Tourism had a good year compared to the prior year. It is projected to end with \$121,775 surplus, which gives it a fund balance of \$252,102 on April 30, 2022. Looking at next year, we are looking at about \$1,894 surplus and that gives a fund balance of \$253,996.

TOURISM ANNUAL BUDGET SUMMARY

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 131,886	\$ 130,327	\$ 130,327	\$ 252,102	\$ 252,102
REVENUE	423,566	657,779	657,779	657,566	657,566
TOTAL REVENUES	423,566	657,779	657,779	657,566	657,566
OPERATING EXPENDITURES	(581,917)	(536,004)	(536,004)	(655,672)	(655,672)
TRANSFER TO QUALITY OF LIFE/ECON DEVELOPMENT FD	-	-	-	-	-
TOTAL EXPENSES	(581,917)	(536,004)	(536,004)	(655,672)	(655,672)
ANNUAL CHANGES IN WORKING FUND BALANCE	(158,351)	121,775	121,775	1,894	1,894
WORKING FUND BALANCE ENDING	\$ (26,465)	\$ 252,102	\$ 252,102	\$ 253,996	\$ 253,996
ONE MONTH OF OPERATING EXPENSES		\$ 44,667		\$ 54,639	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		5.64		4.65	

CDAP FUND

The next fund is CDAP Fund. We did not budget anything for that for next year. City Manager Bechtel explained that there is a grant application in to the State of Illinois for sewer relining in the south part of the town. We have the match budgeted in the sewer fund and if we receive that grant, we will make an adjustment. We are not eligible to apply for the housing CDAP Grants for another year.

**C.D.A.P.
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	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/ECONOMIC DEVELOPMENT FUND

The Quality of Life/Economic Development Fund is limited to expenditures that improve the quality of life of our citizens or provide economic development to our city and accounts for the 0.5% Home Rule Sales Tax started on July 1, 2012. This fund is projected in with \$2,656,796 surplus, which gives it a \$10,278,406 fund balance. We will be drawing from this fund by doing several projects, including the L & N Reservoir, Muni-West building improvements, Veterans Park walking path improvements, and the new Police Station. The 2020 bonds are also paid out of this fund. We will be receiving \$1,000,753 from ARPA (American Recovery Plan Act) Grant. We are projecting a total working fund balance on April 30, 2023, of \$416,662 in this fund.

**QUALITY OF LIFE/ECONOMIC DEVELOPMENT FUND
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED	TOTAL ESTIMATED	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 7,595,568	\$ 7,621,610	\$ 7,621,610	\$ 10,278,406	\$ 10,278,406
REVENUE	1,824,300	5,229,546	5,229,546	5,412,721	5,412,721
TOTAL REVENUES	1,824,300	5,229,546	5,229,546	5,412,721	5,412,721
EXPENDITURES	(9,153,621)	(2,572,750)	(2,572,750)	(15,274,465)	(15,274,465)
TOTAL EXPENDITURES	(9,153,621)	(2,572,750)	(2,572,750)	(15,274,465)	(15,274,465)
ANNUAL CHANGES IN WORKING FUND BALANCE	(7,329,321)	2,656,796	2,656,796	(9,861,744)	(9,861,744)
WORKING FUND BALANCE ENDING	\$ 266,247	\$ 10,278,406	\$ 10,278,406	\$ 416,662	\$ 416,662

HOME RULE SALES TAX FUND

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 the 2020 general obligation bonds was allocated to this fund for various road projects. The annual payments for these bonds will be approximately \$373,000. A total of \$7.75 million has been budgeted in this fund for equipment, capital, and infrastructure expenditures in 2022-2023. The Working Fund balance in this fund is projected to be \$160,774 on April 30, 2023.

HOME RULE SALES TAX FUND ANNUAL BUDGET SUMMARY

	BUDGET FY 2022					BUDGET FY 2023			
	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	\$9,312,896	\$8,879,075	\$0	\$0	\$8,879,075	\$6,902,979	\$0	\$0
TOTAL REVENUES	\$0	\$8,879,075	\$0	\$0	\$8,879,075				\$0
REVENUE	\$3,664,700	\$2,273,732	\$1,113,598	\$1,113,598	\$4,500,928	\$1,912,368	\$955,683	\$955,683	\$3,823,734
EXPENDITURES	(\$10,797,399)	(\$4,249,828)	\$0	\$0	(\$4,249,828)	(\$8,654,573)	\$0	\$0	(\$8,654,573)
TRANSFER TO WATER FUND	(\$911,100)	\$0	(\$1,113,598)	\$0	(\$1,113,598)	\$0	(\$955,683)	\$0	(\$955,683)
TRANSFER TO SEWER FUND	(\$911,100)	\$0	\$0	(\$1,113,598)	(\$1,113,598)	\$0	\$0	(\$955,683)	(\$955,683)
TOTAL EXPENDITURES	(\$12,619,599)	(\$4,249,828)	(\$1,113,598)	(\$1,113,598)	(\$6,477,024)	(\$8,654,573)	(\$955,683)	(\$955,683)	(\$10,565,939)
ANNUAL CHANGES IN WORKING FUND BALANCE	(\$8,954,899)	(\$1,976,096)	\$0	\$0	(\$1,976,096)	(\$6,742,205)	\$0	\$0	(\$6,742,205)
WORKING FUND BALANCE ENDING	\$357,997	\$6,902,979	\$0	\$0	\$6,902,979	\$160,774	\$0	\$0	\$160,774

PENSION SALES TAX 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. This fund did really well last year which leveled off the contribution. The fund ended up with a \$702,520 surplus, which would give us a \$868,411 working fund balance at the end of fiscal year 2022. The working fund balance in this fund is projected to have a \$532,928 surplus leaving a \$1,401,369 working fund balance on April 30, 2023.

PENSION SALES TAX FUND ANNUAL BUDGET SUMMARY

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED	TOTAL ESTIMATES	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ (274,535)	\$ 165,921	\$ 165,921	\$ 868,441	\$ 868,441
REVENUE	1,645,332	1,848,456	1,848,456	1,690,841	1,690,841
TOTAL REVENUES	1,645,332	1,848,456	1,848,456	1,690,841	1,690,841
EXPENDITURES					
EXPENDITURES OTHER THAN TRANSFERS	(1,600)	(1,727)	(1,727)	(1,727)	(1,727)
TRANSFER TO GENERAL CORPORATE FUND	(785,191)	(624,651)	(624,651)	(593,430)	(593,430)
TRANSFER TO TOURISM FUND	(33,688)	(23,475)	(23,475)	(24,556)	(24,556)
TRANSFER TO WATER FUND	(38,200)	(38,200)	(38,200)	(38,200)	(38,200)
TRANSFER TO POLICE PENSION FUND	(175,596)	(181,872)	(181,872)	(200,000)	(200,000)
TRANSFER TO FIRE PENSION FUND	(239,014)	(276,011)	(276,011)	(300,000)	(300,000)
TOTAL EXPENDITURES	(1,273,289)	(1,145,936)	(1,145,936)	(1,157,913)	(1,157,913)
ANNUAL CHANGES IN WORKING FUND BALANCE	372,043	702,520	702,520	532,928	532,928
WORKING FUND BALANCE ENDING	\$ 97,508	\$ 868,441	\$ 868,441	\$ 1,401,369	\$ 1,401,369

GENERAL CORPORATE 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. This fund is projected to end with a \$2,656,872 surplus in this budget year, which gives a \$3,413,608 working fund balance. In the Capital Projects Fund, we are proposing to spend a total of \$5.34 million for capital and infrastructure expenditures and related debt service expenses during 2022-2023. This fund is projected to have a total working fund balance of \$290,941 on April 30, 2023.

**GENERAL CORPORATE CAPITAL PROJECTS FUND
 ANNUAL BUDGET SUMMARY**

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED	TOTAL ESTIMATED	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 242,354	\$ 756,736	\$ 756,736	\$ 3,413,608	\$ 3,413,608
REVENUE	2,250,893	1,729,924	1,729,924	2,250,500	2,250,500
TRANSFER FROM GENERAL CORPORATE	1,000,000	2,000,000	2,000,000	-	-
TOTAL REVENUES	3,250,893	3,729,924	3,729,924	2,250,500	2,250,500
EXPENDITURES	(3,073,949)	(1,073,052)	(1,073,052)	(5,373,167)	(5,373,167)
TRANSFER TO QUALITY OF LIFE FUND	-	-	-	-	-
TRANSFER TO PUBLIC UTILITIES FUND	-	-	-	-	-
TOTAL EXPENDITURES	(3,073,949)	(1,073,052)	(1,073,052)	(5,373,167)	(5,373,167)
ANNUAL CHANGES IN WORKING FUND BALANCE	176,944	2,656,872	2,656,872	(3,122,667)	(3,122,667)
WORKING FUND BALANCE ENDING	\$ 419,298	\$ 3,413,608	\$ 3,413,608	\$ 290,941	\$ 290,941

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. We did not have increases from the beginning of 2018 through 2022, after substantial increases during 2016 and 2017. Also, we are estimating no increase in our rates effective January 1, 2023. 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. We are looking at a \$469,523 surplus this year and are projecting a \$233,448 surplus next year with a working fund balance of \$3,327,876 on April 30, 2023.

**HEALTH INSURANCE FUND
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 2,825,066	\$ 2,624,905	\$ 2,624,905	\$ 3,094,428	\$ 3,094,428
REVENUE	2,618,984	2,636,932	2,636,932	2,639,241	2,639,241
TOTAL REVENUES	2,618,984	2,636,932	2,636,932	2,639,241	2,639,241
TOTAL EXPENDITURES	(2,372,730)	(2,167,409)	(2,167,409)	(2,405,793)	(2,405,793)
ANNUAL CHANGES IN WORKING FUND BALANCE	246,254	469,523	469,523	233,448	233,448
WORKING FUND BALANCE ENDING	\$ 3,071,320	\$ 3,094,428	\$ 3,094,428	\$ 3,327,876	\$ 3,327,876
ONE MONTH OF OPERATING EXPENSES		\$ 180,617		\$ 200,483	
NO. OF MONTHS INCLUDED IN WORKING FUND BALANCE		17.1 MONTHS		16.6 MONTHS	

SPECIAL SERVICE AREA #1

This account will be drawn down to zero at the end of this year and nothing is budgeted for next year because the Special Service Area #1 has been closed out and dissolved.

**SPECIAL SERVICE AREA #1
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATED	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 7,553	\$ 10,763	\$ 10,763	\$ -	\$ -
REVENUE	76,520	74,545	74,545	-	-
REVENUE ALLOCATED TO CAPITAL	-	-	-	-	-
TOTAL REVENUES	76,520	74,545	74,545	-	-
TOTAL EXPENDITURES	(76,770)	(85,308)	(85,308)	-	-
ANNUAL CHANGES IN WORKING FUND BALANCE	(250)	(10,763)	(10,763)	-	-
WORKING FUND BALANCE ENDING	\$ 7,303	\$ -	\$ -	\$ -	\$ -
ONE MONTH OF OPERATING EXPENSES		\$ 7,109		\$ -	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		0.00 MONTHS		0.00 MONTHS	

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 \$649,080 for 2021-2022. We are looking at \$1,242,632 working fund balance at the end of this budget for operations. The fund is also projecting a working fund balance for operations on April 30, 2023 of \$528,400 and total expenditures for operations of \$3,981,225. We are proposing \$7.04 million of capital expenses, infrastructure improvements and related debt service expenses in the Water Fund for 2022-2023. This leaves a working fund balance of \$2,894,407.

WATER FUND ANNUAL BUDGET SUMMARY

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

	BUDGET FY 2022					BUDGET FY 2023			
	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	\$ 558,539	\$ 925,552	\$ (20,710)	\$ (76,111)	\$ 828,731	\$ 1,242,632	\$ 94,452	\$ (1,757,482)	\$ (420,398)
REVENUE	9,867,451	4,412,842	700,015	1,487,018	6,599,875	4,509,625	689,534	9,478,069	14,677,228
TOTAL REVENUES	9,867,451	4,412,842	700,015	1,487,018	6,599,875	4,509,625	689,534	9,478,069	14,677,228
EXPENDITURES									
PUBLIC UTILITIES-WATER PURCHASES	(2,098,709)	(2,167,958)	-	-	(2,167,958)	(2,150,652)	-	-	(2,150,652)
PUBLIC UTILITIES-OTHER OPERATING	(1,719,314)	(1,467,579)	-	-	(1,467,579)	(1,675,609)	-	-	(1,675,609)
PUBLIC UTILITIES-BILLING SERVICES	(115,458)	(128,225)	-	-	(128,225)	(154,964)	-	-	(154,964)
PUBLIC UTILITIES-CAPITAL & DEBT SERVICE	(4,526,295)	-	(584,853)	(3,168,389)	(3,753,242)	-	(584,778)	(6,464,420)	(7,049,198)
TOTAL EXPENDITURES	(8,459,776)	(3,763,762)	(584,853)	(3,168,389)	(7,517,004)	(3,981,225)	(584,778)	(6,464,420)	(11,030,423)
ANNUAL CHANGES IN WORKING FUND BALANCE	1,407,675	649,080	115,162	(1,681,371)	(917,129)	528,400	104,756	3,013,649	3,646,805
WATER OPERATING TRANSFER TO SEWER FUND	(332,000)	(332,000)	-	-	(332,000)	(332,000)	-	-	(332,000)
WORKING FUND BALANCE ENDING	\$ 1,634,214	\$ 1,242,632	\$ 94,452	\$ (1,757,482)	\$ (420,398)	\$ 1,439,032	\$ 199,208	\$ 1,256,167	\$ 2,894,407
ONE MONTH OF OPERATING EXPENDITURES		\$ 313,647	N/A	N/A		\$ 331,769	N/A	N/A	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		3.96 MONTHS				4.34 MONTHS			

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 Fund is projected to have a -\$261,962 deficit in operations for this budget year. With the \$332,000 transfer from the Water Fund, this leaves a balance of \$238,659 fund balance. The Sewer Fund is projected to have an operating deficit of -\$142,096 for 2022-2023, a working fund balance for operations on April 30, 2023 of \$428,563 and total expenditures for operations of \$3.165 million. We have projected again 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 \$8.3 million of capital expenses, infrastructure improvements and related debt service expenses in the Sewer Fund for 2022-2023. We are also proposing a 5% increase in the sewer rate effective May 1, 2022 to offset the rising cost of operations.

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 have been 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.

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.

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

ASSUMING 5% OPERATING INCREASE ON 5/1/2022 & 2% CAPITAL INCREASE ON 11/1/2023

	BUDGET FY 2022					BUDGET FY 2023					
	CURRENTLY BUDGETED FOR OPERATIONS	ESTIMATED OPERATING REVENUE (EXPEND) 0% INCREASE	ESTIMATED RESTR 3% INCR & CTA SUSP SOLIDS REV & (EXPEND)	ESTIMATED RESTR 2% INCR & 1/4% HM RULE TAX REV & (EXPEND) 2% INCREASE	ESTIMATED RESTR REFUND OF EMC FACILITY PMT REV & (EXPEND)	TOTAL ESTIMATES	PROPOSED OPERATING REVENUE (EXPEND) 5% INCREASE	PROPOSED RESTR 3% INCR & CTA SUSP SOLIDS REV & (EXPEND)	PROPOSED RESTR 2% INCR & 1/4% HM RULE TAX REV & (EXPEND) 2% INCREASE	PROPOSED RESTR REFUND OF EMC FACILITY PMT REV & (EXPEND)	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 2,962,015	\$ 168,621	\$ 2,290	\$ 2,662,959	\$ 596,675	\$ 3,430,545	\$ 238,659	\$ 2,273	\$ 1,157,946	\$ 571,397	\$ 1,970,275
REVENUE	6,937,005	2,882,214	331,135	2,155,061	-	5,368,410	3,023,831	331,152	8,031,934	-	11,386,917
TOTAL REVENUES	6,937,005	2,882,214	331,135	2,155,061	-	5,368,410	3,023,831	331,152	8,031,934	-	11,386,917
EXPENDITURES											
PUBLIC UTILITIES-SEWER TREATMENT	(2,096,842)	(2,019,782)	-	-	-	(2,019,782)	(2,068,659)	-	-	-	(2,068,659)
PUBLIC UTILITIES-OTHER SEWER OPERATIN	(830,622)	(959,927)	-	-	-	(959,927)	(932,801)	-	-	-	(932,801)
PUBLIC UTILITIES-BILLING SERVICES	(115,660)	(122,000)	-	-	-	(122,000)	(122,000)	-	-	-	(122,000)
PUBLIC UTILITIES-SEWER CAP'L & DEBT SVS	(5,573,074)	(42,467)	(331,152)	(3,660,074)	(25,278)	(4,058,971)	(42,467)	(331,152)	(7,918,303)	(330,000)	(8,621,922)
TOTAL EXPENDITURES	(8,616,198)	(3,144,176)	(331,152)	(3,660,074)	(25,278)	(7,160,680)	(3,165,927)	(331,152)	(7,918,303)	(330,000)	(11,745,382)
ANNUAL CHANGES IN WORKING FUND BALANC	\$ (1,679,193)	\$ (261,962)	\$ (17)	\$ (1,505,013)	\$ (25,278)	\$ (1,792,270)	\$ (142,096)	\$ -	\$ 113,631	\$ (330,000)	\$ (358,465)
TRANSFER FROM PUD WATER	332,000	332,000				332,000	332,000				332,000
WORKING FUND BALANCE ENDING	\$ 1,614,822	\$ 238,659	\$ 2,273	\$ 1,157,946	\$ 571,397	\$ 1,970,275	\$ 428,563	\$ 2,273	\$ 1,271,577	\$ 241,397	\$ 1,943,810
ONE MONTH OF OPERATING EXPENDITURES		\$262,015	N/A	N/A	N/A		\$263,827	N/A	N/A	N/A	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		0.91 MONTHS					1.62 MONTHS				

DOWNTOWN TIF FUND

The Downtown TIF Fund is projected in with a deficit of \$84,180 and a working fund balance of -\$86,273. The TIF Fund revenues are projected at \$509,453 and expenditures are coming down and projected at \$389,173, leaving a working fund balance of \$34,007.

**DOWNTOWN TIF
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 308,027	\$ (2,093)	\$ (2,093)	\$ (86,273)	\$ (86,273)
REVENUE	467,972	512,610	512,610	509,453	509,453
TOTAL REVENUES	467,972	512,610	512,610	509,453	509,453
TOTAL EXPENDITURES	(725,963)	(596,790)	(596,790)	(389,173)	(389,173)
ANNUAL CHANGES IN WORKING FUND BALANCE	(257,991)	(84,180)	(84,180)	120,280	120,280
WORKING FUND BALANCE ENDING	\$ 50,036	\$ (86,273)	\$ (86,273)	\$ 34,007	\$ 34,007

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

INDUSTRIAL PARK CONSERVATION AREA (WESTSIDE) TIF

The Industrial Park Conservation Area (Westside) TIF Fund is projected in at \$233,239 and a working fund balance of \$578,822. The revenues are projected at \$550,000 and expenditures are projected at \$955,033, leaving a working fund balance of \$173,789 at the end of fiscal year of 2022-2023.

**INDUSTRIAL PARK CONSERVATION AREA (WESTSIDE) TIF
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2022			BUDGET FY 2023	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	ESTIMATED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 344,756	\$ 345,583	\$ 345,583	\$ 578,822	\$ 578,822
REVENUE	533,394	549,918	549,918	550,000	550,000
TOTAL REVENUES	533,394	549,918	549,918	550,000	550,000
TOTAL EXPENDITURES	(595,083)	(316,679)	(316,679)	(955,033)	(955,033)
ANNUAL CHANGES IN WORKING FUND BALANCE	(61,689)	233,239	233,239	(405,033)	(405,033)
WORKING FUND BALANCE ENDING	\$ 283,067	\$ 578,822	\$ 578,822	\$ 173,789	\$ 173,789

RTE 15/I-57 (EASTSIDE) TIF

The RTE 15/I-57 (Eastside) TIF Fund is projected in at \$57,695 surplus and a working fund balance of \$205,239. The revenues are projected at \$330,000 and expenditures are projected at \$522,727, leaving a working fund balance of \$12,512 at the end of fiscal year of 2022-2023.

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

	BUDGET FY 2022			BUDGET FY 2023	
	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	\$ 147,544	\$ 147,544	\$ 147,544	\$ 205,239	\$ 205,239
REVENUE	326,179	329,927	329,927	330,000	330,000
TOTAL REVENUES	326,179	329,927	329,927	330,000	330,000
TOTAL EXPENDITURES	(275,533)	(272,232)	(272,232)	(522,727)	(522,727)
ANNUAL CHANGES IN WORKING FUND BALANCE	50,646	57,695	57,695	(192,727)	(192,727)
WORKING FUND BALANCE ENDING	\$ 198,190	\$ 205,239	\$ 205,239	\$ 12,512	\$ 12,512

EXECUTIVE SESSION

No Executive Session was held.

ADJOURNMENT

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

The meeting was adjourned at 4:43 p.m.

Respectfully submitted,



Becky Barbour
 Deputy City Clerk