



City Council Work Session

2027 Budget

Strategic Goals and Priorities



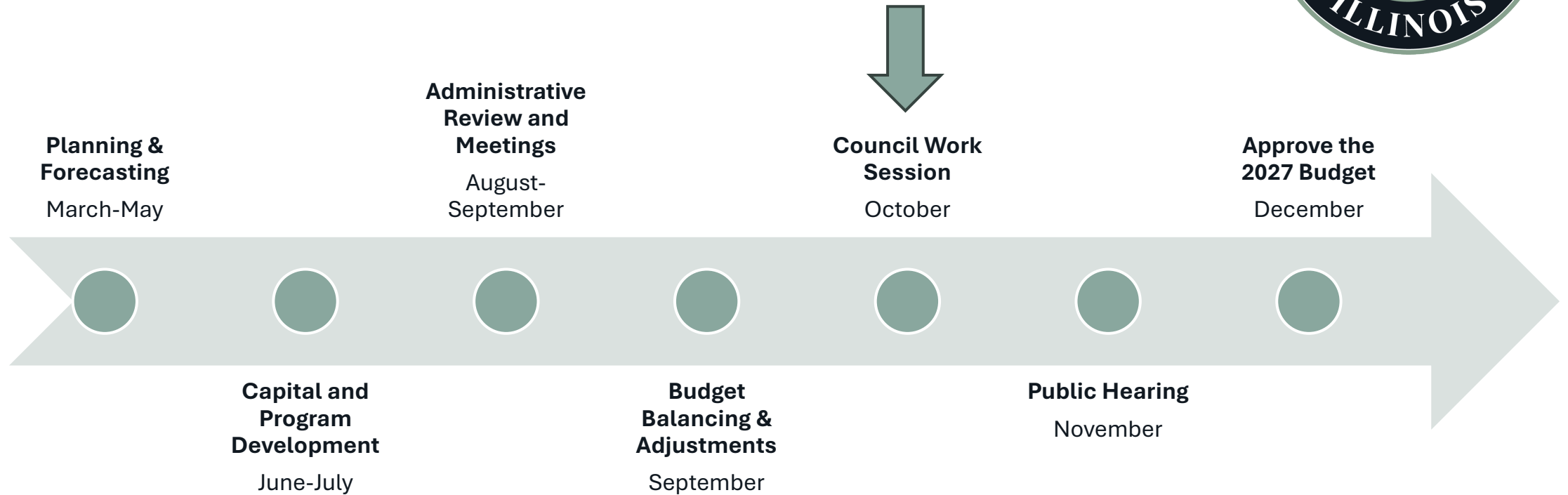
Community Development & Beautification

Economic Development & Job Creation

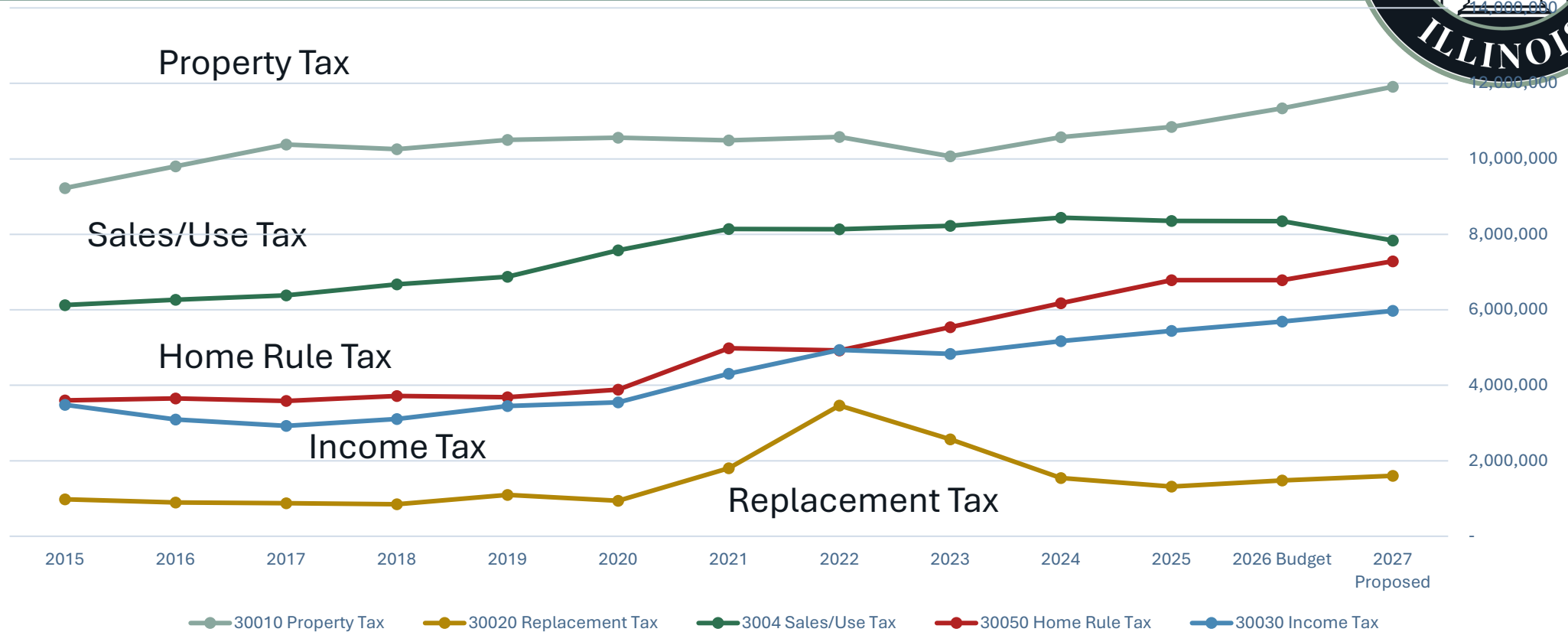
Community Engagement & Governance

Infrastructure & Housing Improvements

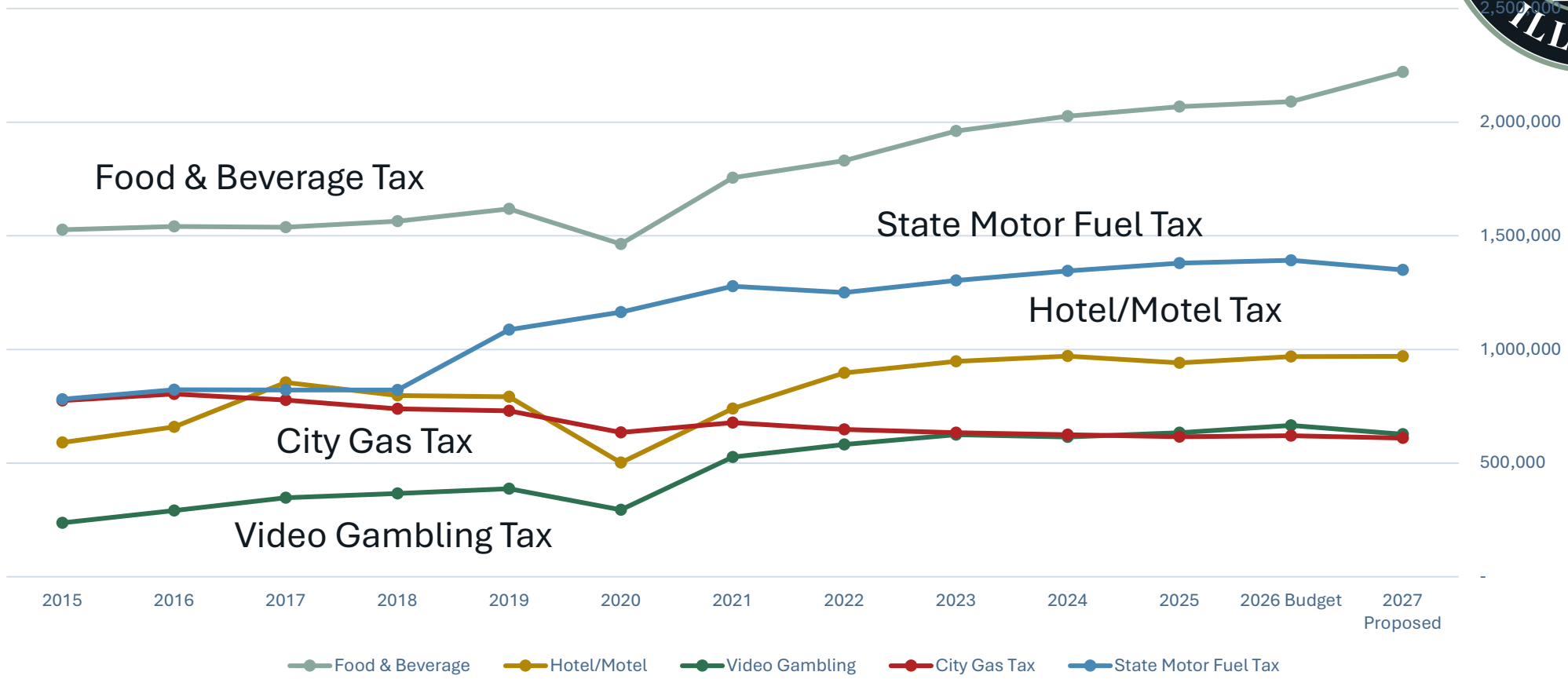
Budget Calendar



Tax History



Tax History



Property Tax



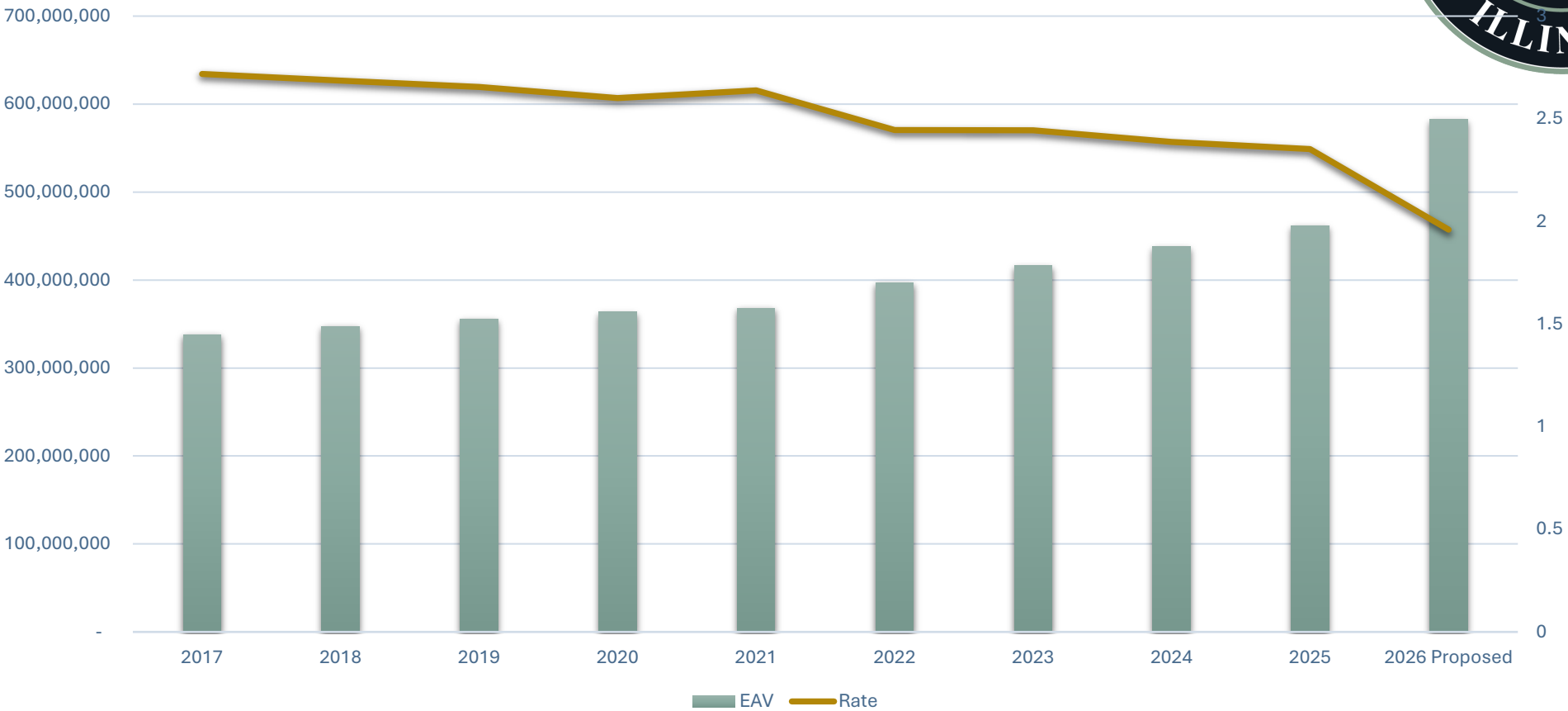
Equalized Assessed Value (EAV)

- Township & County Assessor determines the Fair Market Value (FMV)
- Property is assessed at 1/3 of the FMV
- IL Department of Revenue determines a multiplier
 - Estimated at 1.00 for 2026
 - Equalization factor of 7.5%

Tax Year	Rate Setting EAV	% Change
2017	338,014,245	
2018	347,323,679	2.75%
2019	355,551,263	2.37%
2020	363,713,908	2.30%
2021	367,918,987	1.16%
2022	396,985,017	7.90%
2023	416,662,504	4.96%
2024	437,929,179	5.10%
2025	461,866,304	5.47%
2026 (estimate)	582,481,053	26.11%



EAV vs Tax Rate

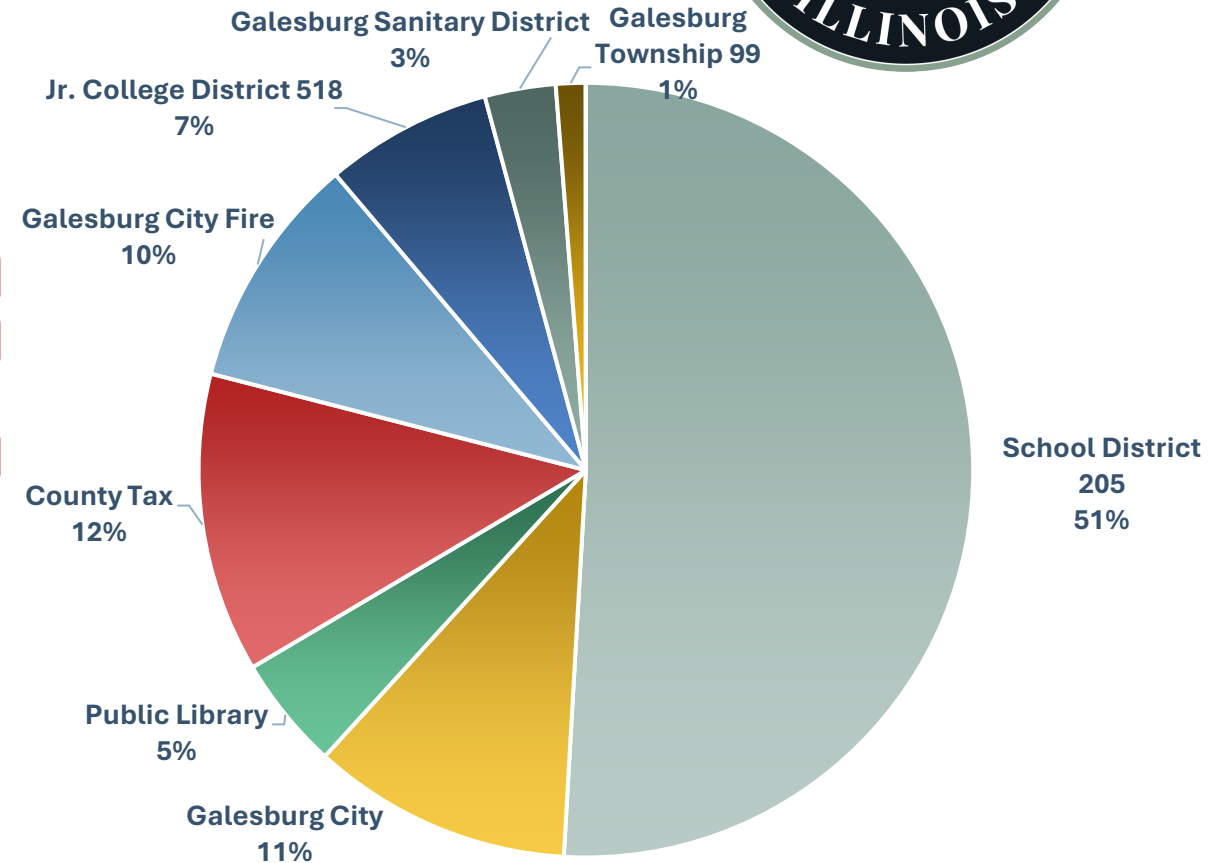


Property Tax



Taxing Bodies – 2025 Levy

Taxing Bodies	Rate	%
School District 205	4.71601	50.91%
Galesburg City	1.00593	10.86%
Public Library	0.43807	4.73%
County Tax	1.15868	12.51%
Galesburg City Fire	0.90857	9.81%
Jr. College District 518	0.64637	6.98%
Galesburg Sanitary District	0.27425	2.96%
Galesburg Township 99	0.11481	1.24%
Knox County Soil & Water Conservation	0.00051	0.01%
Total 2025 Levy Rate	9.26320	100.00%



Property Tax Recommendation



Lowest proposed rate since 1998

Description	<u>2025 Levy</u> Rate	<u>2025</u> Extension
General/Park & Rec	\$ 0.26064	\$ 1,203,808
IMRF	\$ 0.06556	\$ 302,800
Social Security	\$ 0.05753	\$ 265,712
Policemen Pension	\$ 0.62220	\$ 2,873,732
Library	\$ 0.43807	\$ 2,023,298
General - Fire	\$ 0.33224	\$ 1,536,750
Firemen Pension	<u>\$ 0.57633</u>	<u>\$ 2,665,769</u>
Total	\$ 2.35257	10,871,869

Description	<u>2026 Proposed</u> Rate	<u>2026 Proposed</u> Extension
General/Park & Rec	\$ 0.22181	\$ 1,292,002
IMRF	\$ 0.05579	\$ 324,983
Social Security	\$ 0.04896	\$ 285,178
Policemen Pension	\$ 0.51053	\$ 2,973,732
Library	\$ 0.36473	\$ 2,124,463
General - Fire	\$ 0.28273	\$ 1,646,875
Firemen Pension	<u>\$ 0.47483</u>	<u>\$ 2,765,769</u>
Total	\$ 1.95938	11,413,002

Property Tax Estimation



Current Tax Rate

- Fair Market Value = \$125,000
- Assessment = 33.33%
- Assessed Value = \$41,662.50
- City Tax Rate = \$2.35257
- City Property Tax Paid = \$980.14

Proposed Tax Rate with 7.5% Multiplier

- Fair Market Value = \$134,375
- Assessment = 33.33%
- Assessed Value = \$44,787.19
- City Tax Rate = \$1.95938
- City Property Tax Paid = \$877.55

Savings = \$102.59

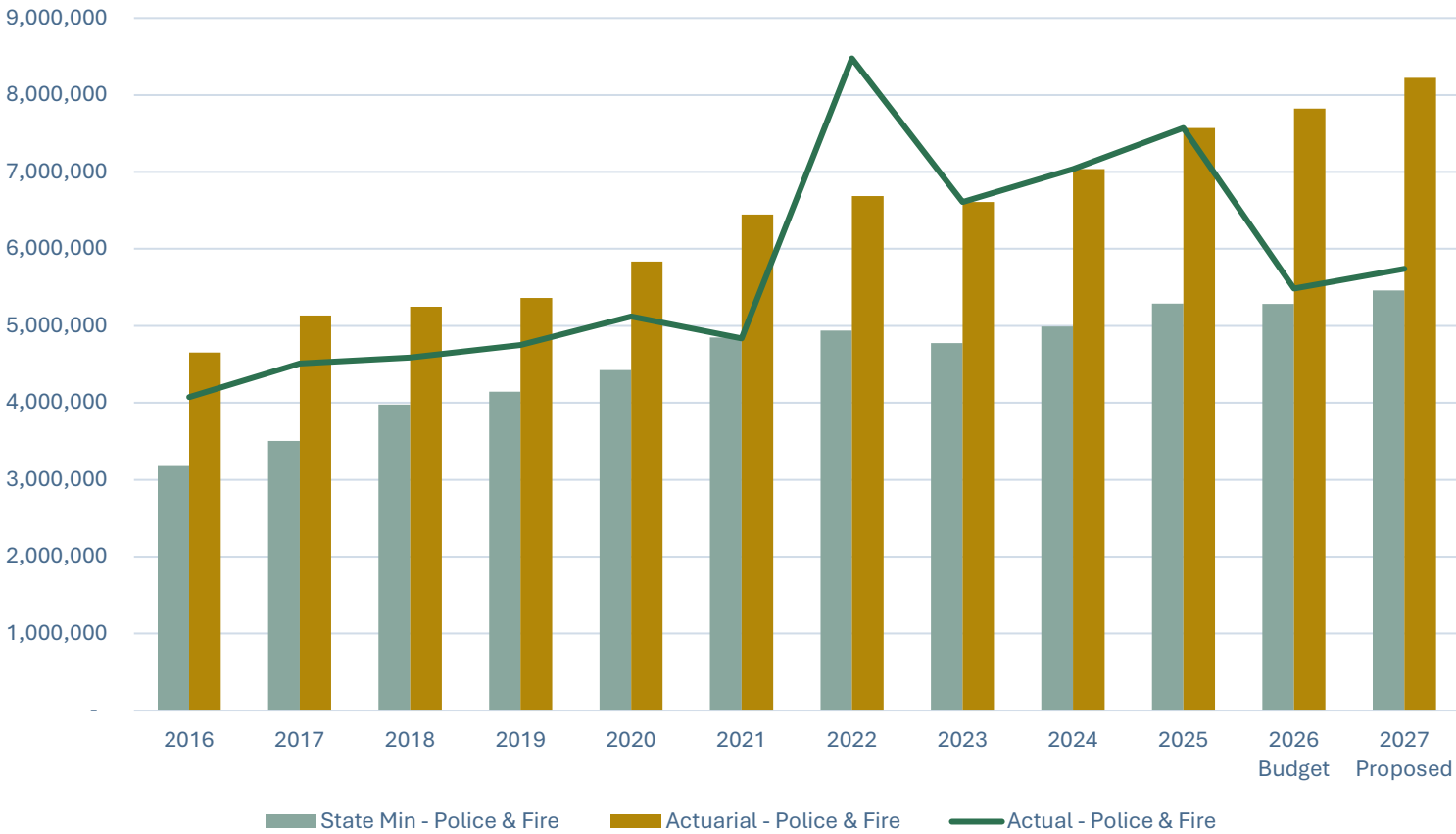
Public Safety Pensions



- The City makes contributions to Public Safety Pensions based on a State required minimum and an Actuarially determined amount
- The State funded Target is 90% funded over 16 years
 - Minimum Contribution is based on funding parameters outlined in the IL State Statutes for pension funding
- The Actuarially Recommended Contribution (ARC) is 100% funded in 15 years
 - This target is determined by the Police and Fire Pension Boards



Public Safety Pension Funding



- From 2016-2025 the City has contributed \$57,570,229
- This is \$13,489,625 over the State minimum
- Percent Funded
 - Police – 56.00%
 - Fire – 54.07%

Public Safety Pension Contribution Recommendation



Recommending adding an additional \$100,000 on top of the prior year levy.

	<u>Fire</u>		<u>Police</u>		<u>Total</u>
2026 Levy	2,665,769	+	2,873,732	=	5,539,501
2027 State Minimum	2,744,443	+	2,715,033	=	5,459,476
2027 ARC Recommendation	4,067,555	+	4,155,298	=	8,222,853
2027 City Recommendation	2,765,769	+	2,973,732	=	5,739,501



2027 Proposed Budget

Revenues



Taxes

- Largest share of revenue
- Includes both State and City taxes

Licenses & Permits

- Licenses and permits established by City Council
- Ex: Liquor license, Animal Control license, Entertainment permits

Fines & Costs

- Fines and fees for violating City ordinance
- Ex: Adjudication Court costs, non-moving Traffic violations

Use of Money & Property

- Includes interest income and property rentals
- Ex: Airport Hanger Rentals, Recreation fees; Sale of Water

Intergovernmental Revenue

- Funds received from other Governmental agencies
- Ex: State and Federal Grant revenues, County reimbursements

Charges for Current Services

- Fee based services provided by the City
- Ex: Demolitions, Administrative services, Lawn Mowing/Weed removal

Other Revenue & Reimbursements

- All other revenues and reimbursements
- Ex: Sale of Property, Bond Proceeds, Legal Settlements, Donations

2027 vs 2026 Revenues



Fund	2027 Proposed Revenues	2026 Approved Budget	Change
General	33,570,055	32,938,080	631,975
Park Fund	5,799,995	5,742,585	57,410
Economic Development	5,041,210	1,474,605	3,566,605
Public Transportation Services	3,658,660	3,088,720	569,940
Storm Water Utility	795,170	809,885	(14,715)
Other Special Revenue Funds	17,811,290	13,020,390	4,790,900
Debt Service Funds	1,495,545	1,494,195	1,350
Replacement Program Funds	2,084,825	1,783,115	301,710
Planning Fund	183,875	169,215	14,660
Utility Tax Capital Projects	1,601,580	1,640,865	(39,285)
Other Capital Project Funds	721,920	690,475	31,445
Water Operations	8,741,240	8,474,375	266,865
Refuse	3,739,560	3,614,585	124,975
Risk Management	8,181,805	8,698,815	(517,010)
Trust Funds	1,107,260	149,820	957,440
Permanent Funds	31,100	28,895	2,205
Grand Total - All Funds	94,565,090	83,818,620	10,746,470

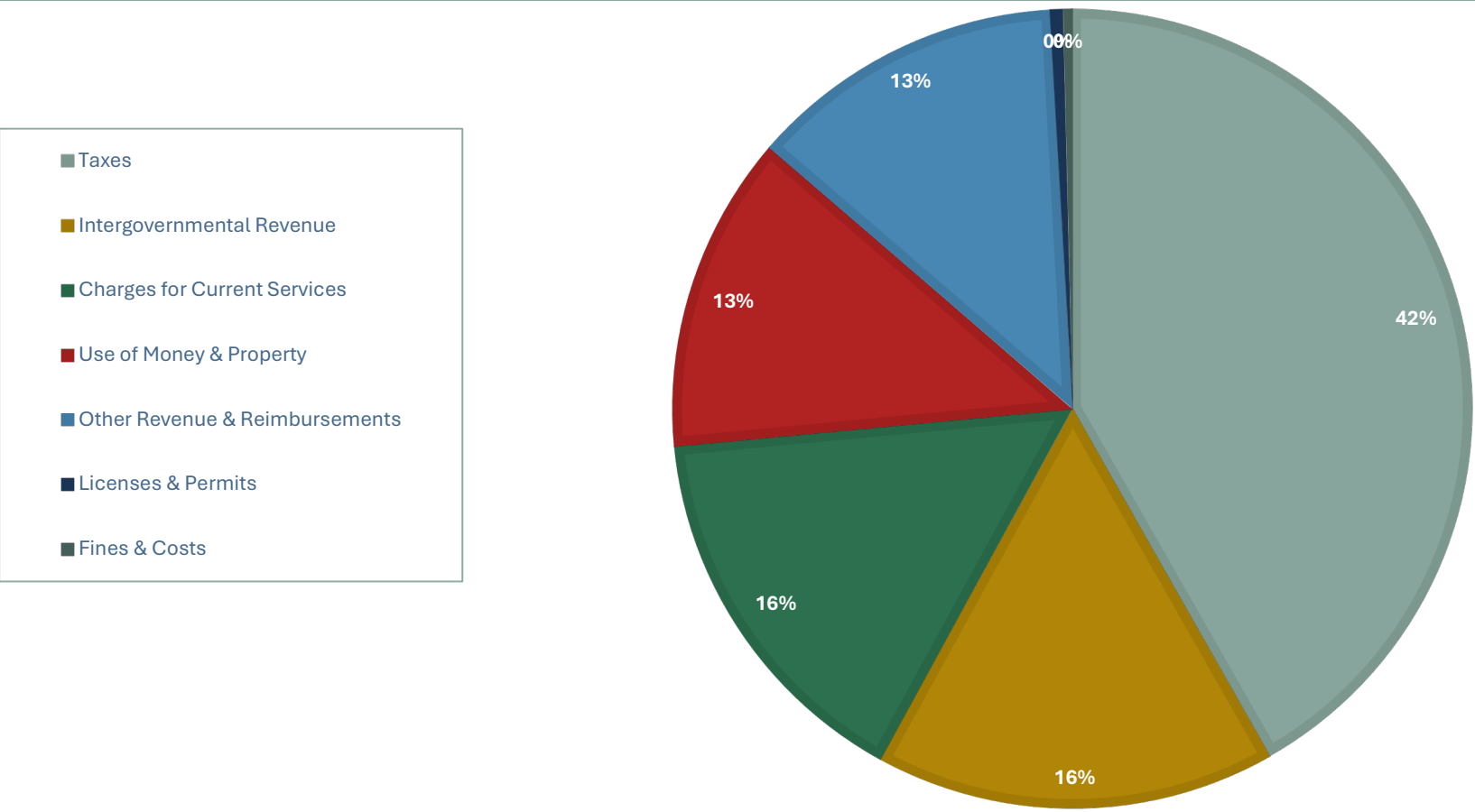
Revenue Changes



- Revenues are increasing by \$10,746,470 in all funds.
 - Majority of the increase can be seen in the Economic Development Fund and Other Special Revenue Funds
- Economic Development Fund
 - \$3.5 million increase due to an anticipated property sale
- Other Special Revenue Funds
 - \$4.5 million increase due to Grant funding



Revenue Distribution – All Funds



Expenses



Personnel Services

- Salaries and fringe benefits for employees
- Largest expense for the City

Contractual Services

- Services provided from outside vendors

Commodities

- Tangible goods or supplies
- Cost is less than \$25,000

Capital

- Acquisition or construction of long term assets
- City threshold is \$25,000

Other Charges

- Other expenses not included elsewhere
- Ex: Replacement programs, lease payments, interfund transfers

2027 vs 2026 Expenses



Fund	2027 Proposed Expenses	2026 Approved Budget	Change
General	33,858,575	33,088,465	770,110
Park Fund	6,173,305	5,868,735	304,570
Economic Development	1,917,095	1,843,640	73,455
Public Transportation Services	3,648,655	3,085,635	563,020
Storm Water Utility	976,405	1,345,715	(369,310)
Other Special Revenue Funds	19,773,335	13,805,305	5,968,030
Debt Service Funds	1,495,545	1,494,195	1,350
Replacement Program Funds	2,853,895	1,968,140	885,755
Planning Fund	565,000	796,000	(231,000)
Utility Tax Capital Projects	1,327,485	1,645,520	(318,035)
Other Capital Project Funds	2,389,075	3,232,580	(843,505)
Water Operations	9,716,295	7,528,050	2,188,245
Refuse	3,739,005	3,615,090	123,915
Risk Management	7,451,755	7,981,040	(529,285)
Trust Funds	1,107,260	149,820	957,440
Permanent Funds	31,100	15,575	15,525
Grand Total - All Funds	97,023,785	87,463,505	9,560,280

Expenditure Changes

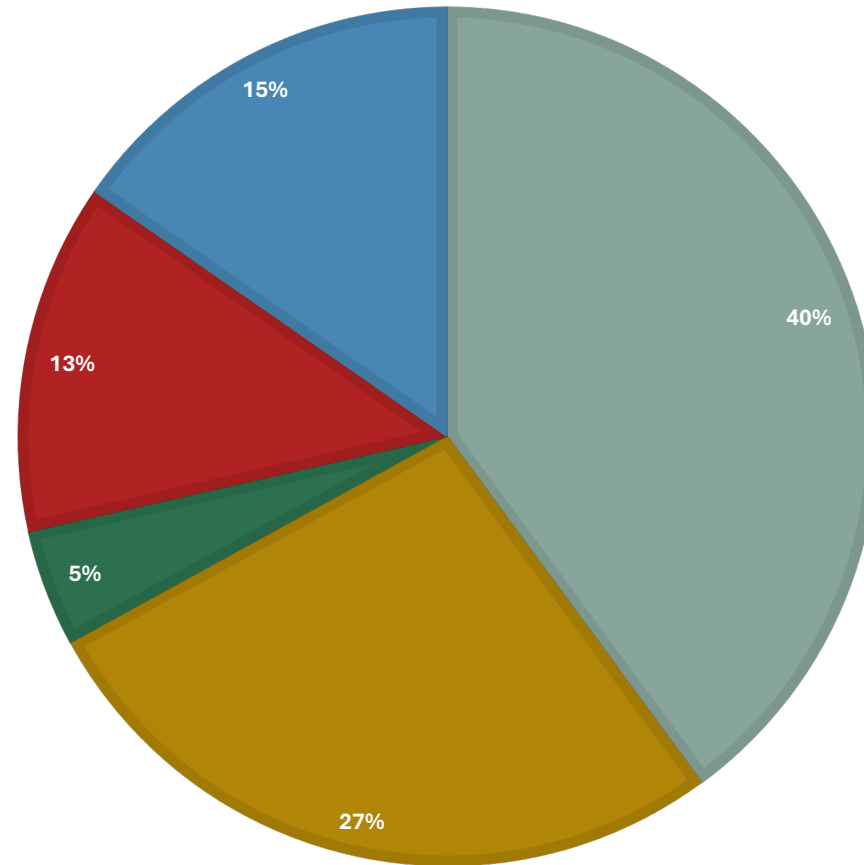


- Expenditures are increasing \$9,560,280
 - Majority of increase is Other Special Revenue Funds and Water Operations
- Other Special Revenue Funds increasing \$5,968,030
 - Motor Fuel Tax Fund increasing \$1.4 million
 - Applying for ITEP & HSIP grants for Simmons Street Streetscape and E. Main Engineering
 - Grant Funds increasing \$4.5 million
- Water Operations increasing \$2,188,245
 - Transmission main inspections and meter replacements

Expenses – All Funds



- Personnel Services
- Contractual Services
- Commodities
- Capital
- Other Charges





2027 General Fund

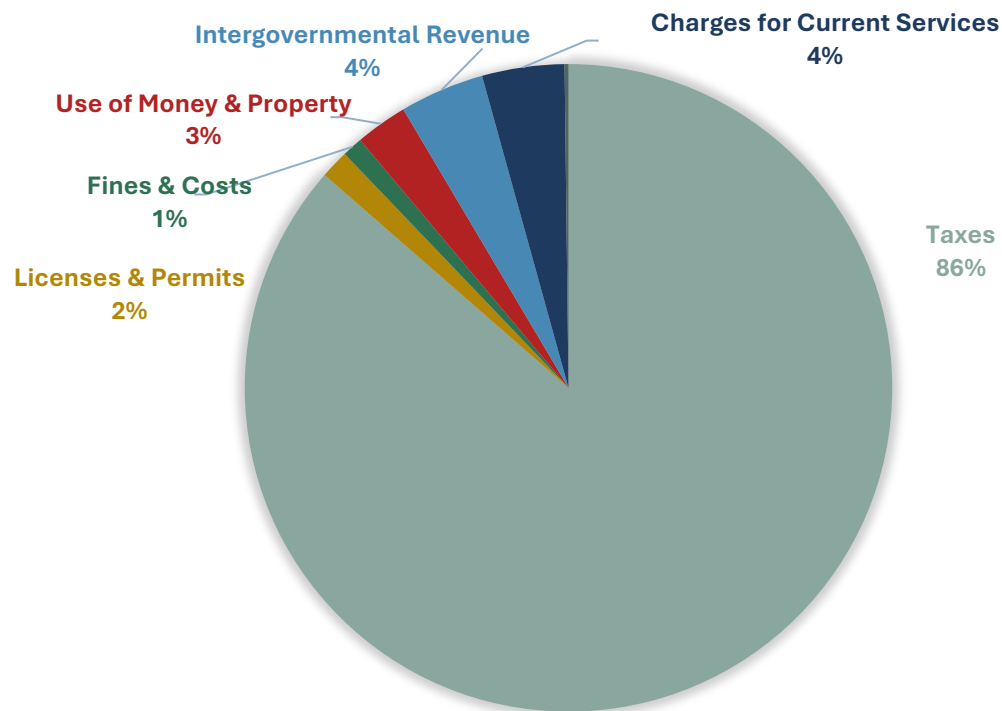
General Fund Overview



- Main operating funds for the City
 - Represents 34.9% of the entire City budget
- Focuses on the provision of City services
 - Public Safety – 67.40%
 - Public Works – 10.75%
 - Contracts – 6.60%
 - Community Development – 5.77%
 - Finance – 3.09%
 - Information Management – 2.55%
 - Administration – 1.78%
 - City Clerk – 1.21%
 - Human Resources – 0.85%



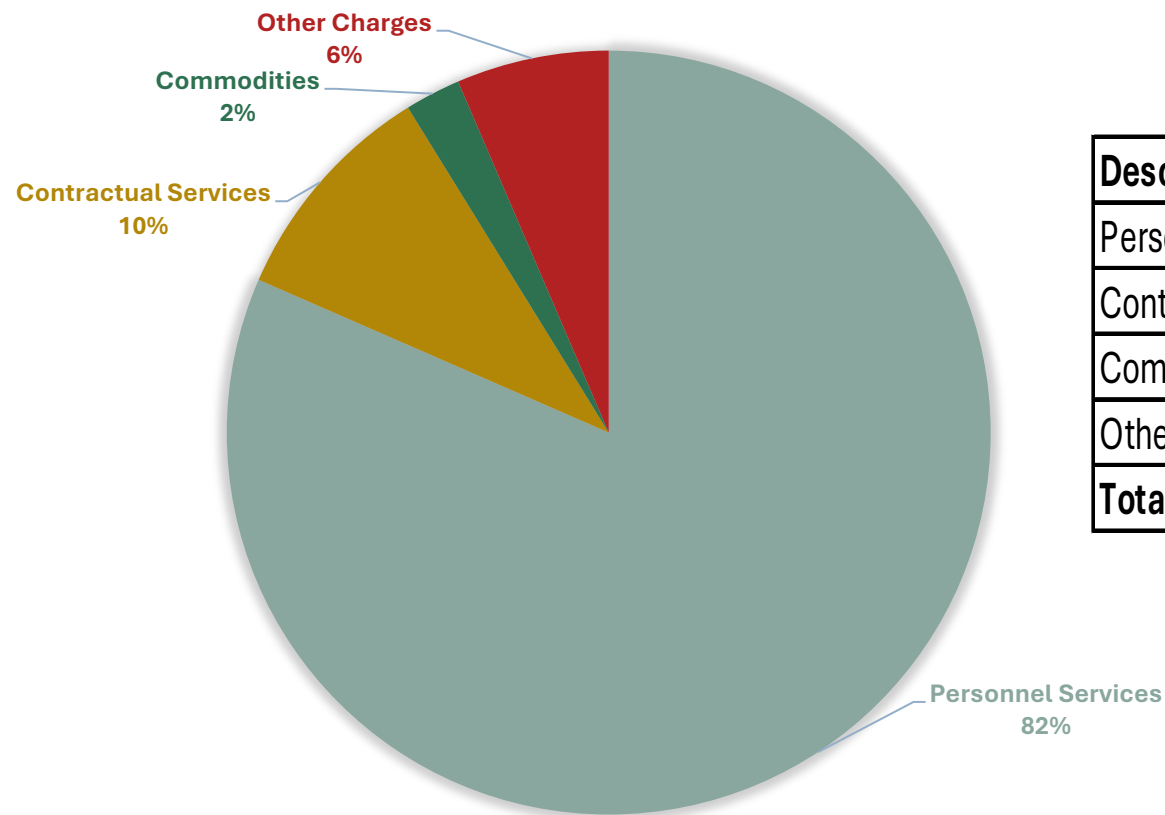
General Fund Revenues



Description	2027 Proposed	2026 Budget	\$ Change	% Change
Taxes	29,010,650	28,245,340	765,310	2.7%
Licenses & Permits	481,295	446,090	35,205	7.9%
Fines & Costs	343,515	384,425	(40,910)	-10.6%
Use of Money & Property	873,625	1,005,440	(131,815)	-13.1%
Intergovernmental Revenue	1,416,750	1,520,950	(104,200)	-6.9%
Charges for Current Services	1,379,220	1,273,835	105,385	8.3%
Other Revenue	65,000	62,000	3,000	4.8%
Total Revenues	33,570,055	32,938,080	631,975	1.9%



General Fund Expenses



Description	2027 Proposed	2026 Adopted	\$ Change	% Change
Personnel Services	27,611,165	26,818,330	792,835	2.96%
Contractual Services	3,264,750	3,207,800	56,950	1.78%
Commodities	798,525	755,995	42,530	5.63%
Other Charges	2,184,135	2,306,340	(122,205)	-5.30%
Total	33,858,575	33,088,465	770,110	2.33%



2027 Parks & Recreation Fund

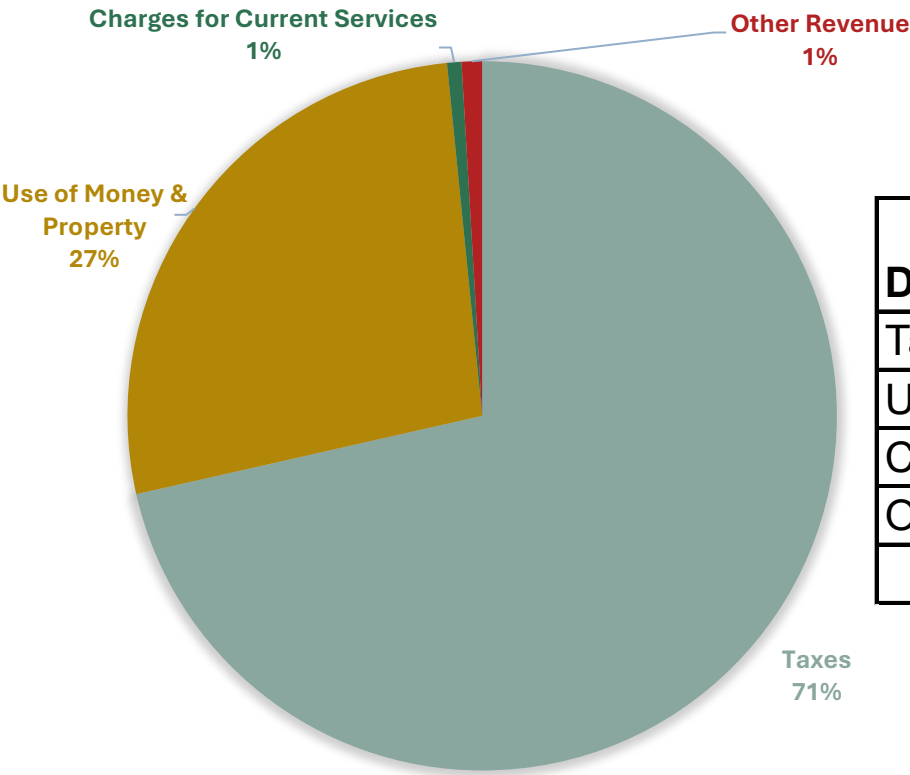
Parks & Rec Fund Overview



- Established to manage and maintain the City's public parks, open spaces, and recreational facilities
- Funds are used for day-to-day operations and maintenance



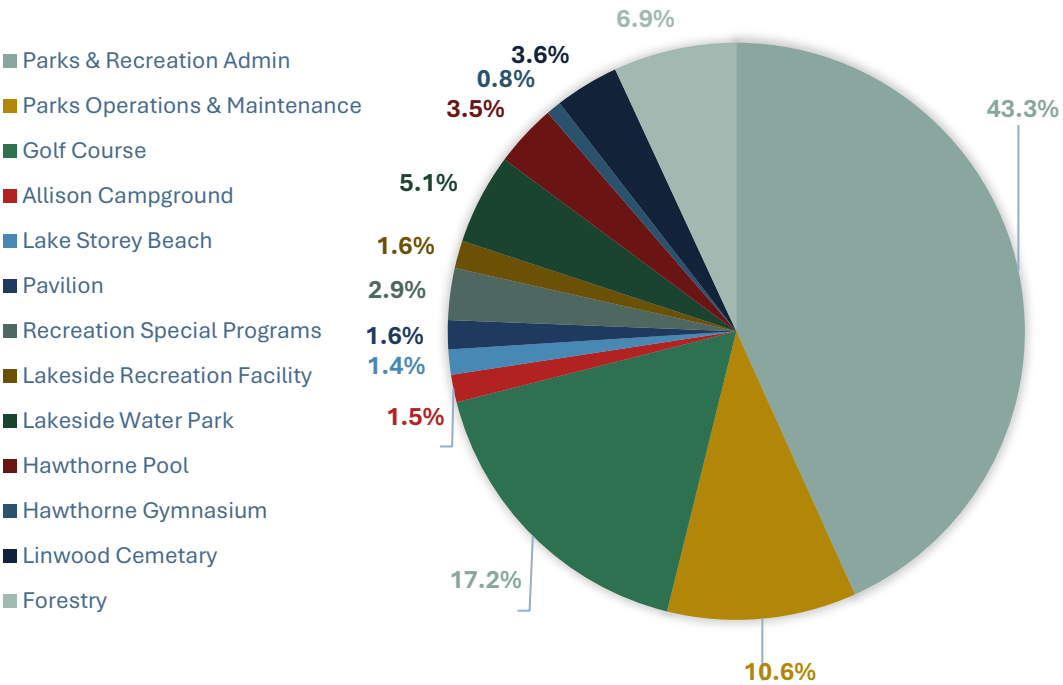
Park & Rec Fund Revenues



Description	2027 Proposed	2026 Budget	\$ Change	% Change
Taxes	4,144,375	4,086,670	57,705	1.4%
Use of Money & Property	1,563,720	1,573,915	(10,195)	-0.6%
Charges for Current Services	38,000	35,000	3,000	8.6%
Other Revenue	53,900	47,000	6,900	14.7%
Total Revenues	5,799,995	5,742,585	57,410	1.0%



Parks & Rec Fund Expenses



Fund Name	2027 Proposed	2026 Budget	\$Change	% Change
Parks & Recreation Admin	2,670,480	2,419,360	251,120	10.38%
Parks Operations & Maintenance	654,570	701,375	(46,805)	-6.67%
Golf Course	1,060,820	986,485	74,335	7.54%
Allison Campground	95,245	98,530	(3,285)	-3.33%
Lake Storey Beach	86,920	84,255	2,665	3.16%
Pavilion	100,400	113,105	(12,705)	-11.23%
Recreation Special Programs	179,110	230,315	(51,205)	-22.23%
Lakeside Recreation Facility	95,720	97,085	(1,365)	-1.41%
Lakeside Water Park	313,890	320,170	(6,280)	-1.96%
Hawthorne Pool	216,830	140,995	75,835	53.79%
Hawthorne Gymnasium	51,780	52,640	(860)	-1.63%
Linwood Cemetary	221,895	210,380	11,515	5.47%
Forestry	425,645	414,040	11,605	2.80%
Total Parks & Recreation	6,173,305	5,868,735	304,570	5.19%

Parks & Rec Fund Facilities



Description	2027 Proposed Revenues	2027 Proposed Expenses	Profit/(Loss)
Bunker Links Golf Course	880,650	1,060,820	(180,170)
Campground	121,500	95,245	26,255
Lake Storey Beach & Concessions	25,100	86,920	(61,820)
Hawthorne Pool & Gym	59,000	216,830	(157,830)
Lakeside Pool	165,100	313,890	(148,790)
Lakeside Recreation Facility	33,100	95,720	(62,620)
Pavilion Revenues	45,000	100,400	(55,400)
Recreation Programs	142,350	179,110	(36,760)
Total Recreation Facilities & Programs	1,471,800	2,148,935	(677,135)



Water Fund

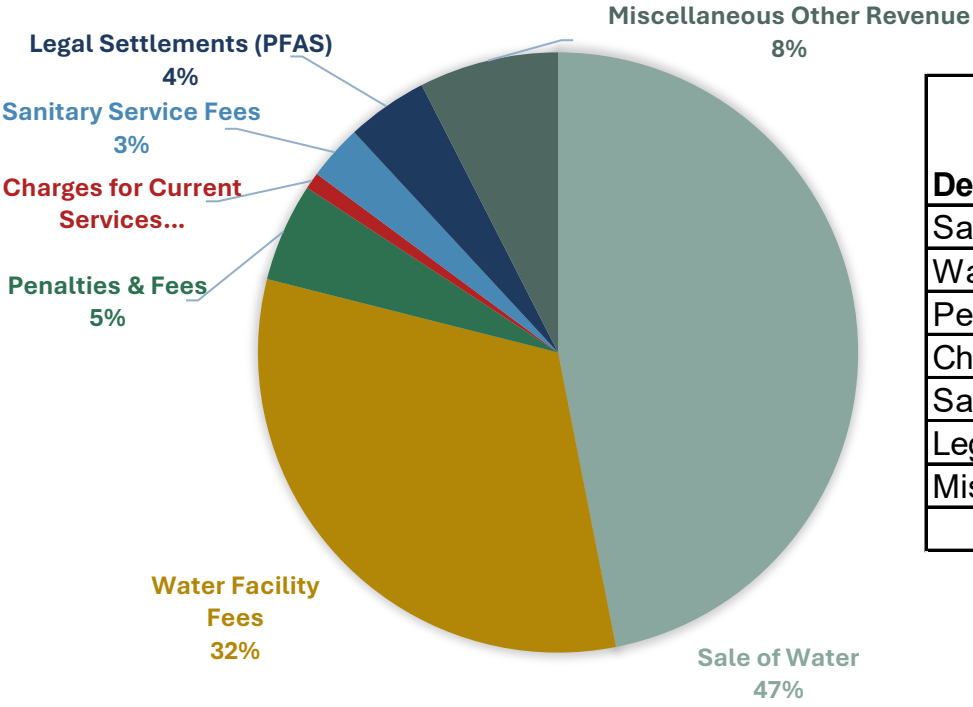
Water Fund Overview



- The Water Fund is categorized as an Enterprise Fund
- Goods & services are provided to users
- Fee based



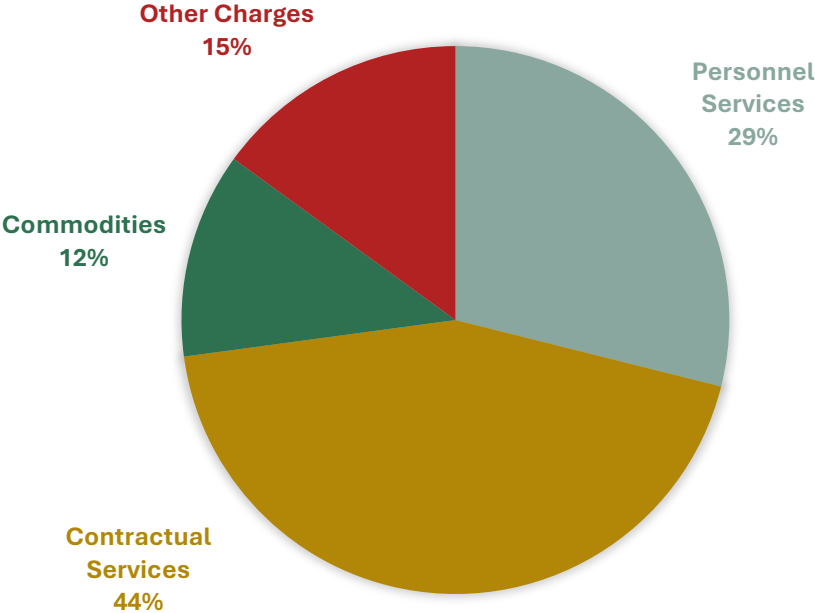
Water Fund Revenue



Description	2027 Proposed	2026 Adopted	2025 Actual	\$ Change	% Change
Sale of Water	4,100,000	4,054,000	4,144,924	46,000	1.13%
Water Facility Fees	2,800,000	2,854,000	2,851,559	(54,000)	-1.89%
Penalties & Fees	464,000	440,000	563,548	24,000	5.45%
Charges for Current Services...	78,300	72,300	98,425	6,000	8.30%
Sanitary Service Fees	260,000	250,000	268,358	10,000	4.00%
Legal Settlements (PFAS)	383,000	328,485	3,977,129	54,515	16.60%
Miscellaneous Other Revenue	655,940	475,590	747,913	180,350	37.92%
Total Revenues	8,741,240	8,474,375	12,651,857	266,865	3.15%



Water Fund Expenses



Description	2027 Proposed	2026 Adopted	\$ Change	% Change
Personnel Services	2,808,775	2,780,100	28,675	1.03%
Contractual Services	4,271,270	2,117,215	2,154,055	101.74%
Commodities	1,179,380	1,105,650	73,730	6.67%
Other Charges	1,456,870	1,525,085	(68,215)	-4.47%
Total Expenses	9,716,295	7,528,050	2,188,245	29.07%

Water Rates



Monthly water costs for a household with consumption of 4,488 gallons (6 units)

	Water		Sewer*		Refuse	Monthly Utility Bill for 6 Units
	Unit Rate	Facility Fee	Unit Rate	Facility Fee	Unit Rate	
2023	\$2.68	\$17.04	\$4.49	\$10.00	\$24.29	\$94.34
2024	\$2.77	\$17.64	\$4.86	\$12.50	\$25.47	\$101.40
2025	\$2.87	\$18.26	\$5.24	\$15.00	\$26.23	\$108.13
2026	\$2.87	\$18.26	\$5.24	\$16.00	\$27.54	\$110.44
2027	\$2.87	\$18.26	\$5.24	\$16.00	\$28.78	\$111.68

*Sanitary District updates for 2027 are unknown. Their rates change on March 1st.

Big Picture



- City Budget has been prepared within the guidelines of the Council approved financial policies
- The tax rate for the City is decreasing
- Challenges ahead:
 - Infrastructure challenges
 - Tax revenue
 - Economic Factors
- Total Revenues \$94.5M
 - Operating Funds = \$58.7M
 - Grants = \$12.5M
 - Economic/Prop Development = \$6.3M
 - Debt = \$2.0M
 - Risk Mgmt = \$9.3M
 - Replacement/Maint = \$2.0M
- Approximately \$4.0M available for projects

What's New?



- Annual Maintenance
 - Vehicle Replacement = \$1,901,150
 - 15 vehicles/equipment to be replaced
 - Building Repair and Maintenance = \$414,635
 - HVAC, flooring, Amtrak maintenance, irrigation design
 - Resurfacing/Seal Coat Roads = \$1,475,000
 - Park Maintenance Projects = \$75,000
 - Demolitions = \$500,000
- Total = \$4,365,785

What's New?



- Grant Funded Projects

- Awarded

- Lake Storey Path = \$655,560
 - Airport Apron Rehab = \$1,773,235
 - Community Center = \$3,290,000
 - Standish Park = \$2,350,000
 - Home Repair & Community Revitalization = \$350,480
 - Housing Grant = \$251,850

- Not Yet Awarded

- E. Main Street Engineering = \$1,373,285
 - Simmons Street Streetscape = \$2,295,000

Total of \$8,671,125
grant funded projects

What's New?



- Capital Expenses
 - Public Safety Building Generator = \$300,000
 - Simmons Street Fiber = \$50,000
 - Brick Street Repair (bond issue) = \$472,715
 - ERP System Consultant = \$150,000
 - Bunker Links Tee Renovation = \$50,000
 - Transmission Main Inspections = \$1,000,000
- Total = \$2,022,715

Strategic Goals and Priorities



Community Development & Beautification

- Demolition of blighted or unsafe structures
- Project 350 – Beautification through urban forestry
- Lake Storey path expansion
- Standish Park revitalization

Economic Development & Job Creation

- Investments in development projects
- Railroad Hall of Fame

Community Engagement & Governance

- Updated website
- Community Center

Infrastructure & Housing Improvements

- Home Repair and Accessibility Program
- Brick street repairs
- Transmission Main for water quality assurance



Questions?