

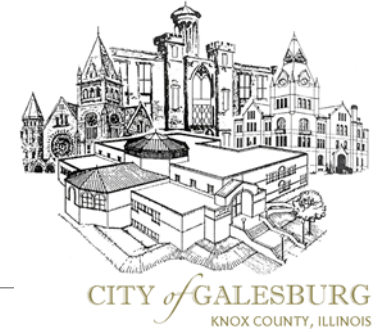
# FY 2019 Budget Work Session

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NOVEMBER 16, 2018

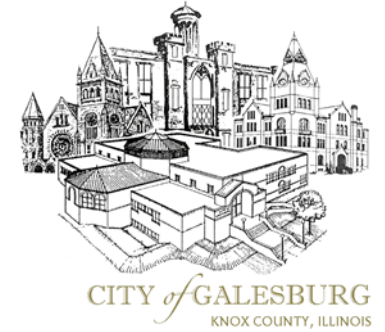
# Adoption Schedule

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- November 5
  - 2018 Estimation of Property Taxes Resolution
  - Budget Available for Inspection
  
- November 19
  - Public Hearing – FY 19 Budget
  - Fees Schedule and Rates – 1st
  - 2018 Property Tax Levy – 1<sup>st</sup>
  - November 26 – Work Session
  
- December 3
  - 2018 Property Tax Levy – Final
  - Capital Improvement Program
  - Fees Schedule and Rates - Final
  - Approve 2019 Annual Budget

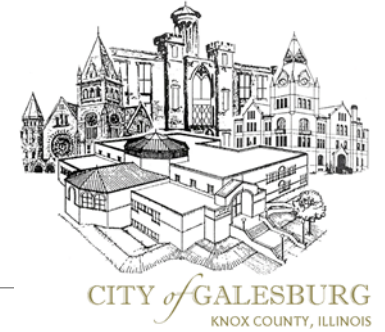
# Overview



Fund	Revenues	Other Sources	Expenditures	2018	% Change
General	\$23,547,515	\$170,000	\$23,717,515	\$23,280,240	2%
Storm Water	742,880	-	623,265	1,070,845	-42%
Park	5,036,630	-	5,036,630	5,309,870	-5%
Property Redevelopment	1,190,245	8,950	1,199,195	61,375	1854%
Economic Development	1,047,000	1,605	1,048,605	1,043,495	0%
Other Special Revenue	11,172,220	3,376,265	14,544,985	9,223,155	58%
Debt Service	1,674,690	-	1,674,690	1,711,690	-2%
2016 GO Capital Projects	-	850,000	850,000	3,607,000	-76%
TIF	1,183,890	1,008,635	2,192,525	2,635,945	-17%
Replacement Programs	1,560,660	1,130,660	2,691,320	635,790	323%
Other Capital Projects	1,548,660	872,495	2,421,155	2,380,005	2%
Water	6,619,195	-	6,263,815	6,464,850	-3%
Refuse	2,634,475	6,285	2,640,760	2,585,020	2%
Risk Management	630,865	-	627,695	522,170	20%
OPEB Trust	133,145	-	500	-	
Permanent	24,800	-	16,000	13,200	21%
Library	1,738,430	-	1,649,540	1,741,005	-5%
<b>TOTAL</b>	<b>\$60,485,300</b>	<b>\$7,424,895</b>	<b>\$67,198,195</b>	<b>\$62,285,655</b>	<b>8%</b>

# Balanced Operating Budget

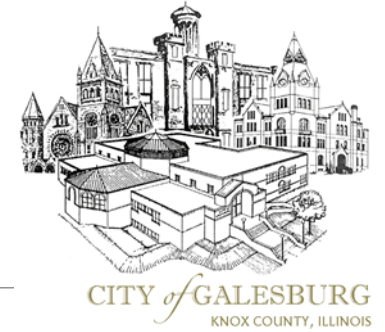
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■ Personnel	\$ 759,950
■ Spendable Reserves	\$ 170,000
■ Fire Pension Contribution	\$ 305,098
■ Police Pension Contribution	\$ 292,168
■ Reduction in Expenses/Projects	\$ 276,755
Total	\$ 1,803,971

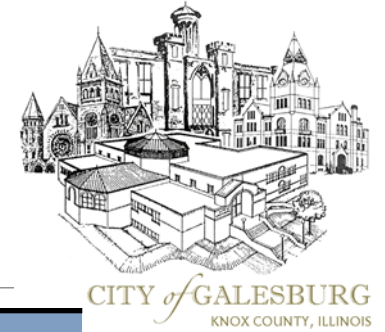
# FY 19 General Fund Proposed Revenues & Expenditures

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Description	Estimate
Total Proposed Revenues	\$23,547,515
Total Proposed Expenditures	\$23,717,515
Revenues Over/(Under) Expenditures	(\$170,000)

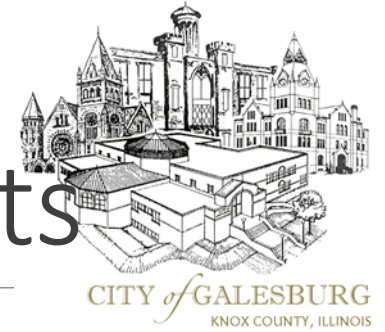
# FY 19 Budget Proposed for General Fund Revenues



Revenue	2019 Proposed	2018 Adopted	\$ Change	% Change
Taxes	\$19,915,125	\$19,433,770	\$481,355	2%
Licenses & Permits	341,650	327,170	14,480	4%
Fines	364,940	327,970	36,970	11%
Use of Money/Property	996,425	1,075,845	(79,420)	(7%)
Intergovernmental	938,985	975,360	(36,375)	(4%)
Charges for Current Services	957,590	1,116,225	(158,635)	(14%)
Other	32,800	23,900	8,900	37%
<b>Total</b>	<b>\$23,547,515</b>	<b>\$23,280,240</b>	<b>\$267,275</b>	<b>1%</b>

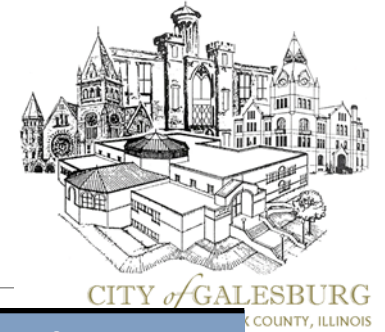
# FY19 General Fund Revenue Highlights

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- Income tax receipt estimated increase \$177,500 or 8%
- Sales tax receipt estimated increase \$128,700 or 3%
- Home rule tax receipt estimated increase \$72,465 or 3%
- Video gambling revenue anticipated increase to \$379,000 (increase of \$39,000)
- Reduction of telecommunication fee to \$444,080 (decrease of \$75,920 or 14.6%)
- Move weed mowing/demolitions to Property Redevelopment Fund (23) decrease of \$183,000 invoicing for mowing/demo services

# FY19 Budget Proposed for General Fund Expenditures

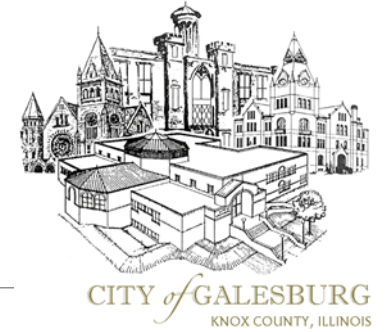


Expenditure	2019 Proposed	2018 Adopted	\$ Change	% Change
Personnel	\$19,105,085	\$19,906,290	(\$801,205)	(4%)
Contractual Services	2,125,540	2,037,730	87,810	3%
Commodities	785,630	564,970	220,660	39%
Capital Outlay	-	-	-	-
Other Charges	1,701,260	771,250	930,010	121%
Total	\$23,717,515	\$23,280,240	\$437,275	2%



# FY19 General Fund Expenditure Highlights

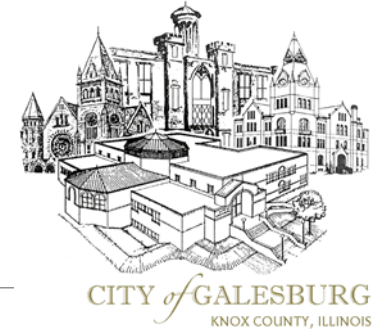
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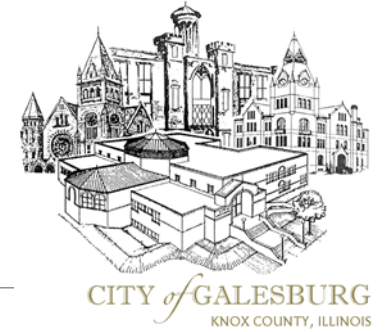
- Full-time employee wages decreased \$152,100 or 1.5%; reallocation of positions in street division decrease \$584,205; police department increase \$101,265; fire department increase \$157,995; all other divisions increase \$172,845
- Health insurance premiums decreased \$525,960 or 19%
- Pension contributions decreased \$148,475 or 2.8%; retirements decreased \$128,380; street division decreased \$82,250 and fire department increased \$119,430; all other divisions decreased \$57,275
- Private property maintenance decreased \$85,000; moved property maintenance to Property Redevelopment Fund
- Risk management contributions increased \$109,450 or 45%; total budgeted \$350,935
- Minor computer equipment increased \$140,400; City and public safety divisions' budgets; \$170,000 budgeted for software for Inspections and City Clerk's office for rental program; total budgeted \$204,500
- Transfer to Property Redevelopment Fund budget amount \$889,970; \$100,000 for demolitions and \$789,970 for 5 x 5 housing program
- Replacement program contributions increased \$223,020; FY18 decreased contributions by \$512,580 to \$280,380; total budget amount for all 3 programs at \$503,400

# Public Safety Pension Funding

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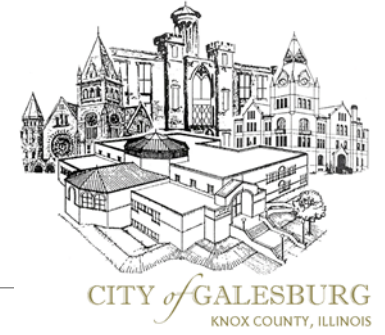
# 2019 Public Safety Contributions



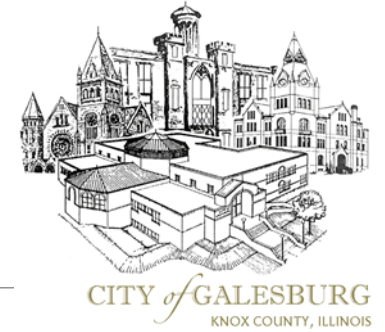
	Police	Fire	Total
Actuary Recommend	\$ 2,528,343	\$ 2,833,708	\$ 5,362,051
State Required	\$ 1,931,121	\$ 2,210,533	\$ 4,141,654
Proposed	\$ 2,236,175	\$ 2,528,610	\$ 4,764,785
% of State Required	116%	114%	115%

# Reserves

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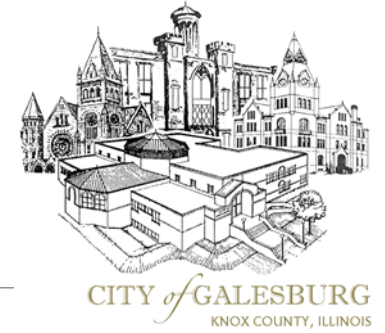
# Estimated General Fund and Park Fund - Fund Balances



Fund	01/01/18 Unassigned Fund Balance	12/31/18 Estimated Revenues Over Expenses	12/31/18 Estimated Unassigned Fund Balance	12/31/18 Estimated Required Unassigned Fund Balance	Estimated Reserve Over/ (Under) Requirement	FY 19 Proposed Revenues	FY 19 Proposed Expenses	FY 19 Revenues Over/ (Under) Expenses	Estimated Over/ (Under) Required 12/31/18 Fund Balance
General	6,991,851	200,000	7,191,851	6,825,830	366,021	23,547,515	23,717,515	(170,000)	135,000
Park & Rec	1,114,055	(550,000)	564,055	247,524	316,531	5,036,630	5,036,630	0	327,000

# Property Tax

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# Estimated 2018 City Property Tax Levy – Overall 0% Increase from FY 2018 Property Tax Levy (1.52% Corporate Increase)



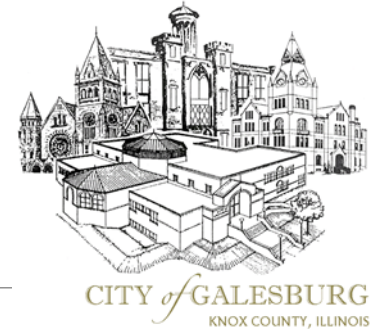
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ILLINOIS

Description	Current Tax Rate	Est. Tax Rate	Current Levy Amount	Projected Levy Amount	\$ Change	% Change	Current % of Levy	New % of Levy
General	\$.754	\$.751	\$2,548,391	\$2,548,391	\$0	0%	28%	27%
IMRF	.118	.084	400,040	284,806	(115,234)	(29%)	4%	3%
Social Security	.040	.074	134,766	250,000	115,234	86%	2%	3%
Police Pension	.654	.657	2,210,681	2,229,732	19,051	1%	24%	24%
Fire Pension	.710	.743	2,401,388	2,522,121	120,733	5%	26%	27%
Bonds	.000	.0000	0	0	0	0%	0%	0%
Library	.442	.440	1,492,468	1,492,468	0	0%	16%	16%
<b>Total</b>	<b>\$2.718</b>	<b>\$2.749</b>	<b>\$9,187,734</b>	<b>\$9,327,518</b>	<b>\$139,784</b>	<b>1.5%</b>	<b>100%</b>	<b>100%</b>

# Impact

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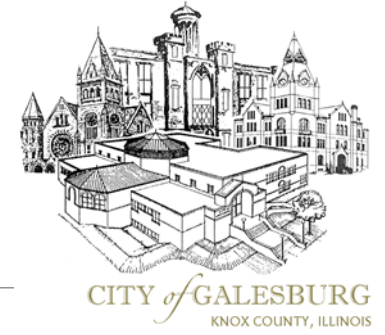
- Current tax for \$50,000 value \$453
- Estimated tax for \$50,000 value \$458
- \$5 increase per \$50,000 value from 2017 rate





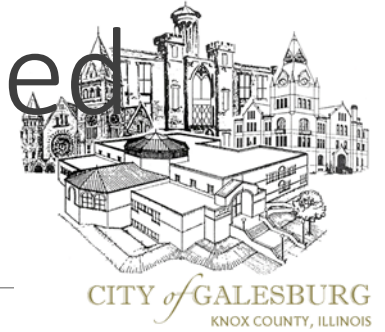
# Park Fund

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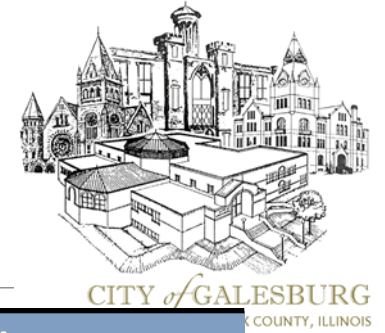
# FY 19 Park & Recreation Fund Proposed Revenues & Expenditures

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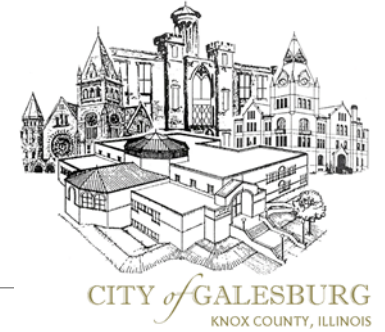
Description	Proposed
Total Proposed Revenues	\$5,036,630
Total Proposed Expenditures	\$5,036,630
Revenues Over/(Under) Expenditures	0

# FY19 Budget Proposed for Park & Recreation Fund Revenues



Revenue	2019 Proposed	2018 Adopted	\$ Change	% Change
Taxes	\$3,811,500	\$3,581,435	230,065	6%
Use of Money & Property	1,150,530	1,102,530	48,000	4%
Intergovernmental Revenue	-	-	-	-
Charges for Current Services	38,500	40,300	(1,800)	(4%)
Other Revenue	25,600	26,705	(1,105)	(4%)
Transfer From Other Funds	10,500	8,900	1,600	18%
<b>Total</b>	<b>\$5,036,630</b>	<b>\$4,759,870</b>	<b>276,760</b>	<b>6%</b>

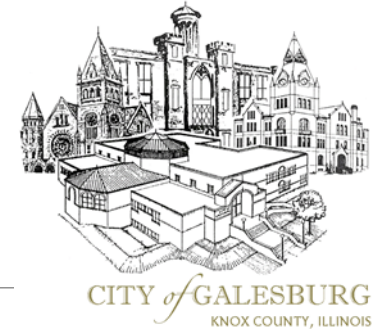
# FY19 Budget Proposed for Park & Recreation Fund Expenditures



Expenditure	2019 Proposed	2018 Adopted	\$ Change	% Change
Personnel	\$2,551,090	\$2,797,900	(\$246,810)	(9%)
Contractual Services	1,464,460	1,482,475	(18,015)	(1%)
Commodities	644,235	604,640	39,595	7%
Capital Outlay	-	-	-	-
Other Charges	376,845	424,855	(48,010)	(11%)
<b>Total</b>	<b>\$5,036,630</b>	<b>\$5,309,870</b>	<b>(\$273,240)</b>	<b>(5%)</b>

# FY19 Park & Recreation Fund Expenditure Highlights

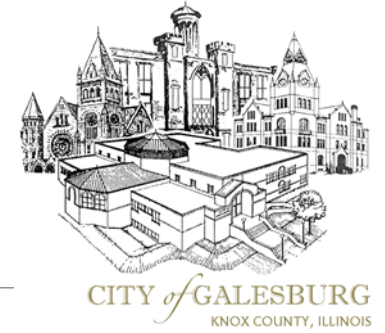
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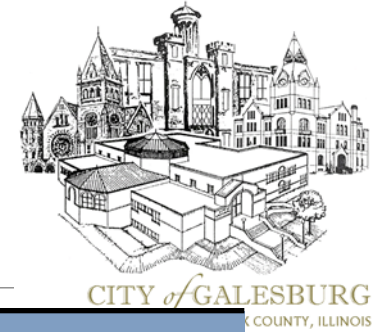
- Full-time employee wage expenses decreased \$40,390 or 3%; Admin wages decreased \$52,500; all other divisions increased \$ 12,110
- Temporary employees wages increased \$22,350 or 4%; Admin division increased \$25,965; Lakeside Waterpark increased \$20,280; all other divisions decreased \$23,895
- Health insurance premiums decreased \$35,610 or 11%; total budgeted \$281,480
- Pension contributions decreased \$192,965 or 58%; Admin division decreased \$184,670; all other divisions \$8,295
- Risk management contributions decreased \$75,210 or 45%; total budgeted \$91,245
- Contributions to replacement programs decreased \$50,820 or 14%; total budget \$308,580

# Storm Water Utility Fund

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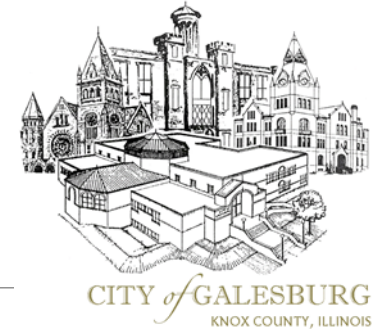
# 2019 Storm Water Utility Fund



Description	Amount	Examples of Budgeted Items
Revenue:		
Taxes and Interest Income	<u>\$742,880</u>	1/3 of estimated utility tax; \$5000 interest income
Expenditures:		
Personnel	\$389,710	
Contractual Services	22,375	Landfill; insurance admin; repairs
Commodities	46,000	Gasoline, sweeper parts, culverts, inlet frames and castings
Capital	150,000	Storm sewer project
Other Charges	<u>15,180</u>	Vehicle replacement contributions
Total Expenditures	<u>\$623,265</u>	

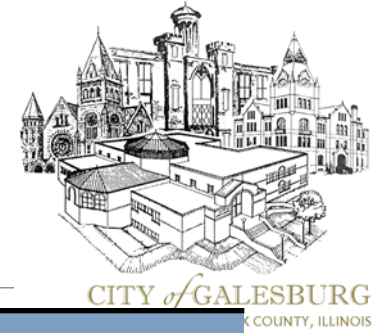
# Economic Development Fund

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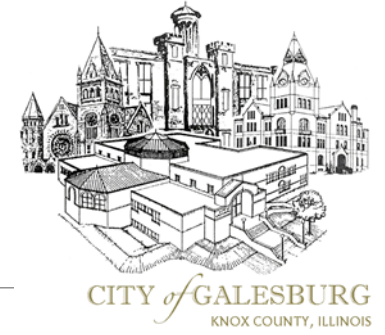
# 2019 Economic Development Fund

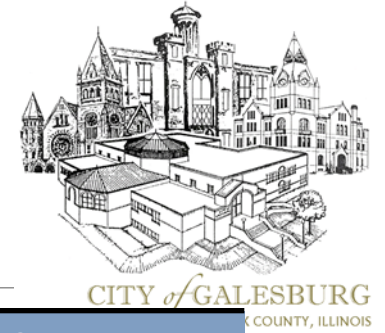


Description	Amount	Examples of Budgeted Items
Revenue:		
Taxes	\$916,110	25% of home rule tax
Use of Money/Property	30,890	Interest income
TIF 3 Regency transfer	\$100,000	Repayment of bond payments
<b>Total Revenue</b>	<b><u>\$1,047,000</u></b>	
Expenditures:		
Personnel	\$133,210	Economic development salaries
Contractual	249,580	Professional services, Knox Co Partnership, annual YMCA soccer complex payment
Other Charges	665,815	External agencies, business grants, tax rebate, taxes, bond payments
<b>Total Expenditures</b>	<b><u>\$1,048,605</u></b>	

# Water Fund

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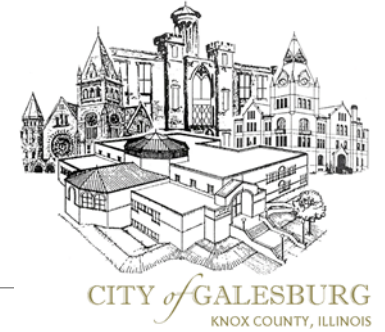


# FY 19 Water Fund Revenues

Description	FY 19 Proposed	FY 18 Adopted	\$ Change	% Change
Sale of water/facility fee	\$6,113,595	\$5,884,375	\$229,220	3.9%
Penalties	118,000	115,000	3,000	2.6%
Turn on service	44,600	44,000	600	1.4%
Delinquent	80,000	75,000	5,000	6.7%
Meter resale/misc.	20,300	20,200	100	.50%
Interest income	100,000	75,000	25,000	33.3%
Charges for current services	61,200	65,500	(4,300)	(6.6%)
Other (Sanitary fees)	81,500	81,500	0	0%
<b>Total Revenues</b>	<b>\$6,619,195</b>	<b>\$6,360,575</b>	<b>\$258,620</b>	<b>4.1%</b>

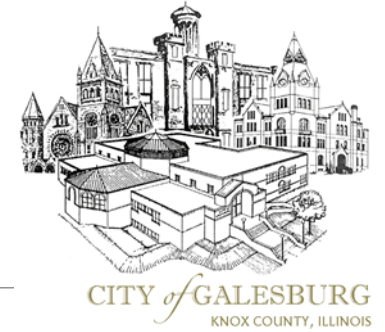
# FY19 Water Fund Revenue Highlights

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- Inside water rate proposed to change from \$2.31 per CCF (748 gallons) to \$2.40
- Meters less than 1" facility fee changed from \$15.30 to \$15.90

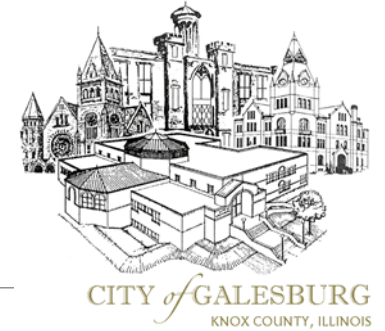
# FY 19 Water Fund Expenses



Description	FY 19 Proposed	FY 18 Adopted	\$ Change	% Change
Personnel	\$2,199,960	\$2,118,595	81,365	3.8%
Contractual	1,616,435	1,469,895	146,540	10.0%
Commodities	800,025	879,380	(\$79,355)	(9.0%)
Other Charges	1,647,395	1,996,980	(\$349,585)	(17.5%)
<b>Total Expenses</b>	<b>\$6,263,815</b>	<b>\$6,464,850</b>	<b>(\$201,035)</b>	<b>(3.1%)</b>

# FY19 Water Fund Expense Highlights

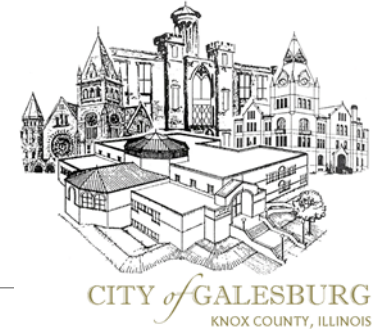
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- Full-time employee wages increased \$127,560 or 10%; reduction of .50% account clerk I
- Add water engineer position for in-house design of water main projects, perform construction inspections on capital projects, review plans from consultants, propose capital improvement plans, and provide guidance when needed to our production and distribution teams. The cost for this position would be partially offset by having less engineering done from outside.
- Health insurance premiums decreased \$59,900 or 17.6%; total budget \$281,195
- Materials to maintain equipment increased \$40,000; sand, rock, cold patch, water distribution supplies
- Professional services decreased \$64,365 or 44%; legal fees decreased; includes a water rate study
- Maintenance of Buildings & Improvements expense increased \$142,920 or 277%; Rehab street building for Water use \$85,000; survey ¼ of distribution system for leaks \$50,000

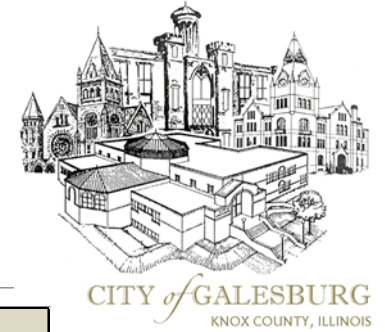
# Water Costs at Past, Current and Proposed Rates

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- Monthly water cost for a typical household with consumption of 4,488 gallons (6 Units)
  - Past 2017 = \$28.17
  - Existing 2018 = \$29.16
  - **Recommended 2019 = \$30.30 (3.9 % increase)**

# Current 2018 Water Rates (All Rates Based on Meter Less than 1")



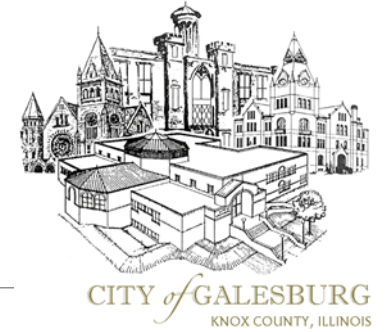
Water Supply	Rate per 2,000/gal consumed/month (2 units)	Rate per 4,000/gal consumed /month (5 units)	Rate per 25,000/gal consumed /month (33 units)
Macomb	\$12.94	\$26.31	\$138.40
Knoxville	\$16.00	\$24.00	\$108.00
Kewanee	\$16.56	\$31.92	\$173.92
Abingdon	\$18.57	\$33.93	\$136.33
Normal	\$18.75	\$31.63	\$166.87
Monmouth	\$18.90	\$37.80	\$218.09
Moline	\$19.17	\$31.78	\$134.47
<b>Galesburg</b>	<b>\$19.92</b>	<b>\$26.85</b>	<b>\$91.53</b>
Canton	\$20.54	\$39.13	\$194.98
IL Amer-Pekin	\$24.08	\$30.92	\$88.25
Windwood Water (Westport)	\$24.24	\$43.34	\$252.33
Rock Island	\$27.88	\$36.88	\$131.51
IL Amer-Peoria / Sterling/Alton	\$28.75	\$43.40	\$166.27
Aqua - Oak Run	\$35.38	\$52.82	\$190.14

\*Rates are for water only



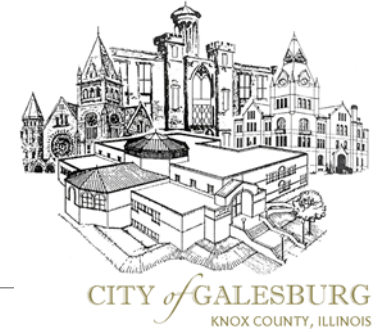
# 2018 Accomplishments

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- Completed installation of new water mains at the following locations:
  - Brooks Street ( Lombard Street to Oak Street) – 19 lead service lines replaced
  - Prairie Street ( Dayton Street to Park Lane) – 20 lead service lines replaced
  - Berrien Street ( Henderson Street to Holton Street) - 6 lead service lines replaced
- Assisted Contractor in replacing 500 lead service lines (IEPA Loan)
- Replaced majority of water meters for the 500 lead service lines being replaced.
- Installed new water main with City crew in Gale Village Subdivision – 1,150 ft

# 2019 Debt Service



Instrument	Original Issue	Final Payment Year	Term	Annual Debt Service
2015 Ref. GO	\$8.29M	2032	18 Years	\$ 624,313
2017 Ref. GO	\$8.32M	2033	17 Years	\$ 714,631
2009 IEPA	\$1.2M	2031	20 Years	\$ 41,405
			TOTAL	\$1,380,349

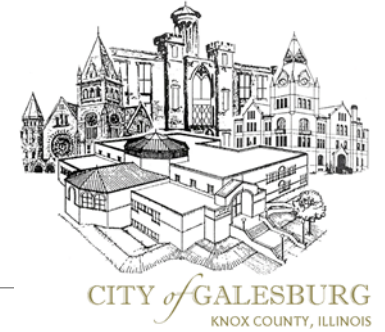
# 2018-2024 Cash Flow



Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Operating revenue	6,285,575	6,519,195	6,773,846	7,038,540	7,313,677	7,599,670	7,896,949
Investment income	75,000	100,000	112,433	67,596	42,357	23,239	(6,489)
<b>Total Cash Inflows</b>	<b>6,360,575</b>	<b>6,619,195</b>	<b>6,886,279</b>	<b>7,106,136</b>	<b>7,356,034</b>	<b>7,622,909</b>	<b>7,890,460</b>
Operating expenses	(4,510,150)	(4,619,105)	(4,724,537)	(4,922,968)	(5,129,733)	(5,293,081)	(5,515,391)
Capital investments/other	(902,370)	(3,064,000)	(4,315,000)	(2,055,000)	(1,515,000)	(3,255,000)	(1,905,000)
Long-term debt	(1,375,199)	(1,380,349)	(1,380,749)	(1,371,149)	(1,380,199)	(1,378,699)	(1,376,099)
<b>Total Cash Outflows</b>	<b>(6,787,719)</b>	<b>(9,063,454)</b>	<b>(10,420,286)</b>	<b>(8,349,117)</b>	<b>(8,024,932)</b>	<b>(9,926,780)</b>	<b>(8,796,490)</b>
Increase/(Decrease) in cash	(427,144)	(2,444,259)	(3,534,007)	(1,242,981)	(668,898)	(2,303,871)	(906,030)
Ending Operating Reserve Balance	1,353,045	1,385,732	1,417,361	1,476,890	827,486	(1,476,387)	(2,382,417)
Ending Available Cash for operating/capital projects	7,364,588	4,887,642	1,322,004	19,493			
<b>Ending Cash</b>	<b>8,717,633</b>	<b>6,273,374</b>	<b>2,739,365</b>	<b>1,496,383</b>	<b>827,486</b>	<b>(1,476,387)</b>	<b>(2,382,417)</b>

# 2019 Projects

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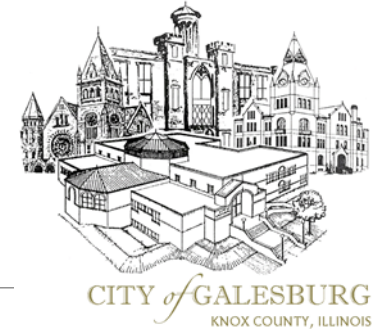


- Filter Room Rehab – Oquawka Treatment Plant - \$700,000
- Gravel Pack Well #5 - \$ 1,100,000
- Frank St. Water Main -\$120,000
- Academy Street Water Main - \$170,000
- Ranney Well Rehab - \$350,000
- Monroe Street Water Main - \$245,000
- Oquawka Road Rehab - \$110,000
- Inspection of Transmission Line - \$80,000
- Building and Equipment Repairs/Replacements -\$139,000
- Water Rate Study - \$50,000
- Total = \$ 3,064,000
- Lead Service Line Replacement Project - \$2 M estimated 500 Replacements

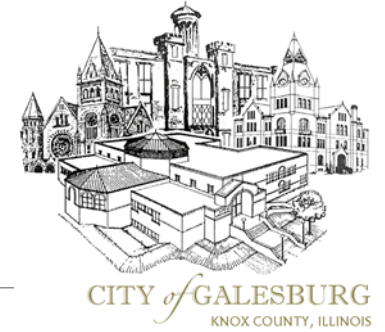
*The City will need to invest \$10.95 million in its water system between 2019 and 2022*

# Refuse Fund

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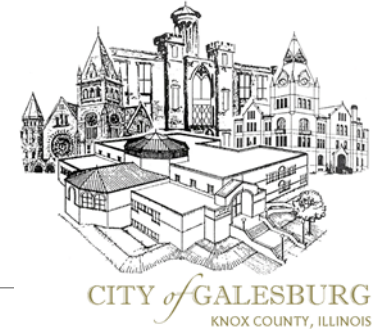


# FY 19 Refuse Fund Revenues



Description	FY 19 Proposed	FY 18 Adopted	\$ Change	% Change
Refuse fees	\$2,580,590	\$2,496,445	\$84,145	3.4%
Refuse penalties	45,000	45,000	0	0%
Interest income/Misc.	8,885	4,760	4,125	86.7%
<b>Total Revenues</b>	<b>\$2,634,475</b>	<b>\$2,546,205</b>	<b>\$88,270</b>	<b>3.5%</b>

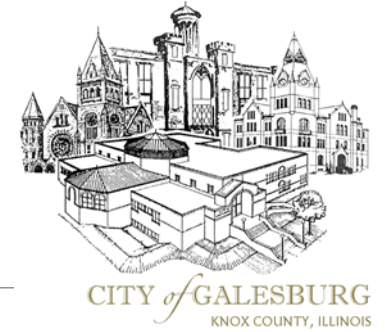
# FY 19 Refuse Fund Expenses



Description	FY 19 Proposed	FY 18 Adopted	\$ Change	% Change
Personnel	\$34,085	\$44,220	(\$10,135)	(22.9%)
Contractual	2,580,775	2,514,575	66,200	2.6%
Commodities	1,850	2,350	(500)	(21.3%)
Other Charges	24,050	23,875	175	0.7%
<b>Total Expenses</b>	<b>\$2,640,760</b>	<b>\$2,585,020</b>	<b>\$55,740</b>	<b>2.2%</b>

# 2019 Refuse Expenditures

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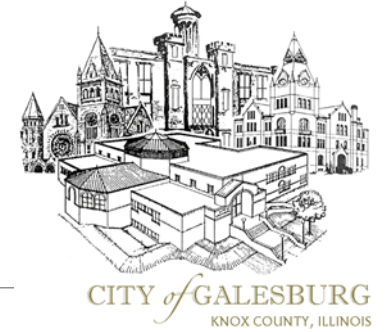


- Pension contribution decreased \$17,990 or 91.3% - FY18 budgeted for Associate Planner retirement
- Refuse Collection/Disposal Contract Services - \$61,860 increase or 2.7% increase



# FY 19 Refuse Fund Highlights

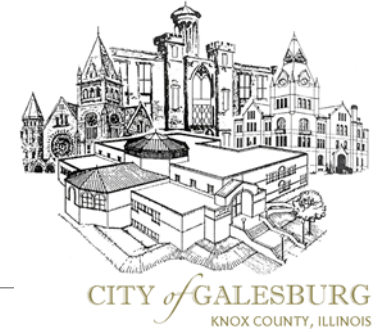
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- Quarterly refuse fees recommended to adjust from \$19.47 to \$20.20 per month or an increase of \$0.73 or 3.7%
- Refuse disposal and collection contract budgeted \$2,320,180 (\$61,860 or 2.7% increase)

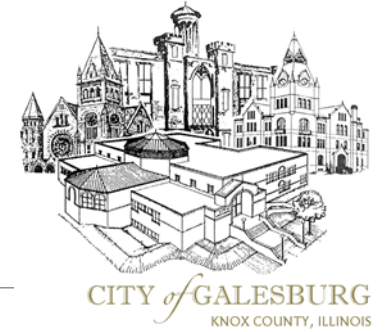
# 2018 Highlights

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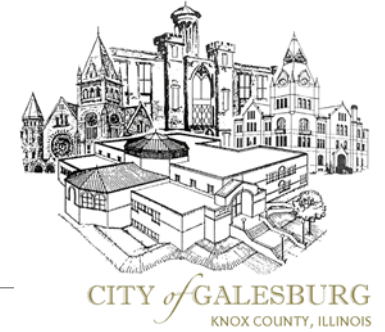


- Will have held two City wide clean up days by the end of the year. April 2018, 578 tons was picked up and September 2018 638 tons refuse picked up. (120 tons less than in 2017)
- Curbside recycling participation is approximately 76.74% of the residents.
- The paint recycling program had over 430 participant, 44,725 pounds of materials were collected.
- The Hypodermic Needle Collection Program and the IEPA Used/Expired medicine collection program continue to be popular programs.
- Will provide Christmas Tree Disposal services. Last year there was 3,050 pounds of trees dropped off at Lowe's.

# Solid Waste Statistics



Year	Refuse Tons	Recycling Tons	Yard Waste Tons	Electronics Customers
2018 (6 months)	4,409.46	711.8	816.32	1,086
2017	9,004.22	1,430.69	2,034.2	2,358
2016	9,352.17	1,537.24	2,735.3	2,622
2015	9,143.57	1,700.7	3,040.0	2,211
2014	9,071.34	1,547.16	2,496.0	1,377



# Refuse Quarterly Fee History

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- Rate for Fiscal Year 2018 \$58.41 (3.0% increase)
- Rate for Fiscal Year 2017 \$56.70 (5.0% increase)
- Rate for Fiscal Year 2016 \$54.00 (2.0% increase)
- Rate for Fiscal Year 2015 \$52.95 (2.7% increase)
- Rate for Fiscal Year 2014 \$51.54 (3.5% increase)
- Over past 5 years Refuse Fund fee increased 13.3 % or average 2.67% per year
- *City policy has been to increase Refuse Fund fee in increments each fiscal year to cover Refuse Fund expenditures*

# Public Comment

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