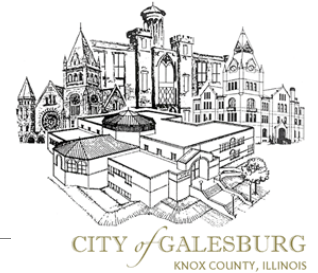


FY 2020 Budget Work Session

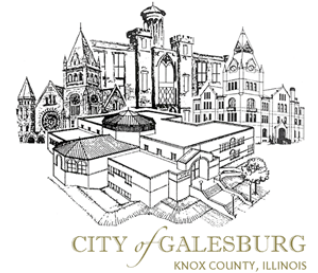
SEPTEMBER 30, 2019

Schedule

September 30	Introduce proposed budget
October 7	Budget submitted to Council
October 28	Council Work Session
November 4	Estimated Tax Levy Resolution
November 18	Public Hearing
November 25	Council Work Session
December 2	Final reading revenue adjustments & Property tax levy Approve 2020 Budget & CIP

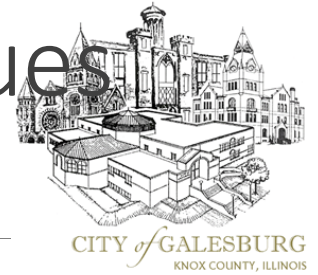


Overview



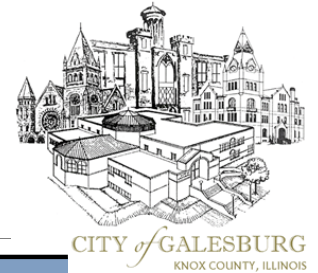
Fund	Revenues	Other Sources	Expenditures	2019	% Change
General	\$24,408,065	\$934,670	\$25,342,735	\$23,717,515	7%
Storm Water	776,935	109,275	886,210	623,265	42%
Park	4,530,490	766,955	5,297,445	5,036,630	5%
Property Redevelopment	973,980		877,155	1,199,195	-27%
Economic Development	1,084,825	29,150	1,113,975	1,048,605	6%
Other Special Revenue	8,900,635	3,832,885	12,733,520	14,544,985	-12%
Debt Service	1,169,795		1,063,240	1,674,690	-37%
Utility Tax	1,595,120	547,265	2,142,385	2,689,115	-20%
TIF	1,450,850	930,755	2,381,605	2,192,525	9%
Replacement Programs	2,151,080	68,740	2,219,820	2,691,320	-18%
Other Capital Projects	31,075		27,075	882,040	-97%
Water	6,780,750		6,307,535	6,263,815	1%
Refuse	2,720,570		2,709,110	2,640,760	3%
Risk Management	659,165	3,685	662,850	627,695	6%
OPEB Trust	135,550		800	500	
Permanent	42,500		23,000	16,000	44%
TOTAL	\$57,411,385	\$7,223,380	\$63,788,460	\$65,848,655	-3%

FY 20 General Fund Proposed Revenues & Expenditures



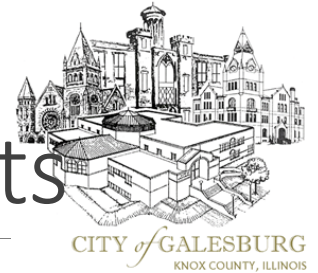
Description	Estimate
Total Proposed Revenues	\$24,408,065
Total Proposed Expenditures	\$25,342,735
Revenues Over/(Under) Expenditures	(\$934,670)

FY 20 Budget Proposed for General Fund Revenues



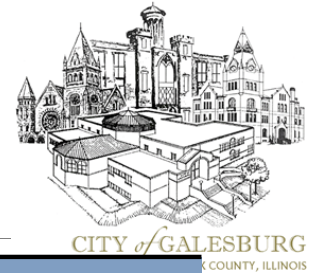
Revenue	2020 Proposed	2019 Adopted	\$ Change	% Change
Taxes	\$20,700,765	\$19,915,125	\$785,640	3.9%
Licenses & Permits	351,425	341,650	9,775	2.9%
Fines	356,075	364,940	(8,865)	(2.4%)
Use of Money/Property	984,990	996,425	(11,435)	(1.1%)
Intergovernmental	1,017,730	938,985	78,745	8.4%
Charges for Current Services	965,530	957,590	7,940	0.8%
Other	31,550	32800	(1,250)	(3.8%)
Total	\$24,408,065	\$23,547,515	\$860,550	3.7%

FY20 General Fund Revenue Highlights



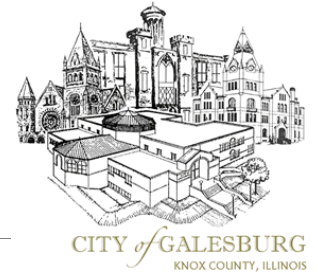
- Income tax receipt estimated increase \$451,330 or 18.3%; 1% increase and distribution change from 85% to 93.5% with Park & Rec Fund
- Local use tax receipt estimated increase \$172,075 or 26.6%; 12% increase and distribution change from 75% to 84.5% with Park & Rec Fund
- Sales and home rule tax receipt estimated increase \$56,510 or 1%
- Property tax estimated to increase by \$87,125 or 1%
- Telecommunication fee estimated to decrease by \$34,580 or 8%

FY20 Budget Proposed for General Fund Expenditures



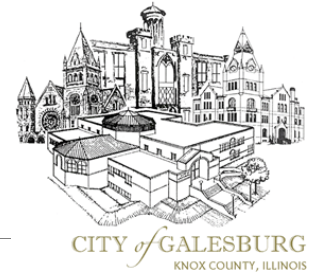
Expenditure	2020 Proposed	2019 Adopted	\$ Change	% Change
Personnel	\$20,977,900	\$19,105,085	\$1,872,815	9.8%
Contractual Services	1,827,425	2,125,540	(298,115)	(14.0%)
Commodities	625,080	785,630	(160,550)	(20.4%)
Capital Outlay	-	-	-	
Other Charges	1,912,330	1,701,260	211,070	12.4%
Total	\$25,342,735	\$23,717,515	\$1,625,220	6.9%

FY20 General Fund Expenditure Highlights



- Full-time employee wages increased \$991,535 or 9.8%; reclassification of positions in street division from City Gas Tax Fund increase \$651,005; communications division increase \$87,610; engineering division increase \$52,605; inspections divisions increase \$47,515; all other divisions increase \$152,800
- Health insurance premiums increased \$79,565 or 3.4%
- Pension contributions increased \$530,330 or 10.4%; police department increased \$201,600; fire department increased \$179,710; all other divisions decreased \$149,020
- Overtime increased \$190,300 or 39%; police division increased \$90,000; fire division increased \$57,700; street division increased \$42,000; all other divisions \$600
- Electricity decreased \$312,890 or 92%; total budgeted \$26,485; moved \$295,180 to City Gas Tax
- 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 \$521,760; decrease of \$368,210 or 41%
- Replacement program contributions increased \$490,620; FY19 decreased contributions; total budget amount for all 3 programs at \$994,020

Property Tax



Estimated 2019 City Property Tax Levy – Overall 0.50% Increase from FY 2018 Property Tax Levy

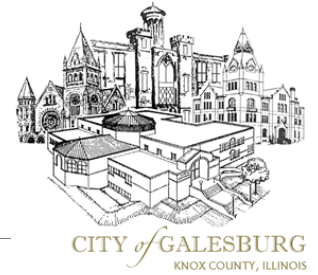


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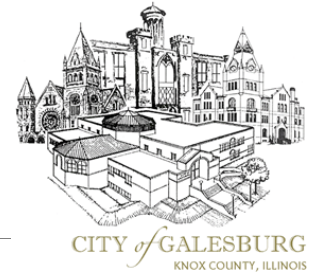
Description	Current Tax Rate	Est. Tax Rate	Current Levy Amount	Projected Levy Amount	\$ Change	% Change	Current % of Levy	New % of Levy
General	\$.751	\$.654	\$2,548,391	\$2,218,270	\$(330,121)	(13%)	27%	24%
IMRF	.084	.084	284,806	284,805	(1)	0%	3%	3%
Social Security	.074	.074	250,000	250,000	0	0%	3%	2%
Police Pension	.657	.715	2,229,732	2,427,605	197,873	9%	24%	26%
Fire Pension	.743	.796	2,522,121	2,701,005	178,884	7%	27%	29%
Bonds	.000	.0000	0	0	0	0%	0%	0%
Library	.440	.440	1,492,468	1,492,468	0	0%	16%	16%
Total	\$2.749	\$2.763	\$9,327,518	\$9,374,153	\$46,635	0.50%	100%	100%

Impact

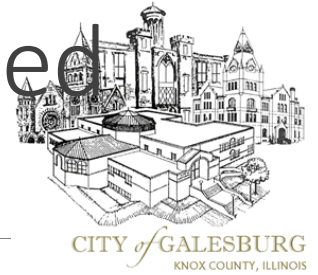
- Current tax for \$50,000 value \$458
- Estimated tax for \$50,000 value \$460
- \$2 increase per \$50,000 value from 2018 rate



Park Fund

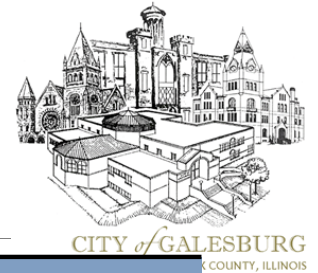


FY 20 Park & Recreation Fund Proposed Revenues & Expenditures



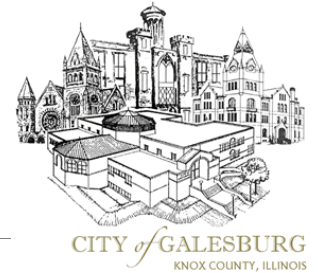
Description	Proposed
Total Proposed Revenues	\$4,530,490
Total Proposed Expenditures	\$5,297,445
Revenues Over/(Under) Expenditures	(\$766,955)

FY20 Budget Proposed for Park & Recreation Fund Revenues



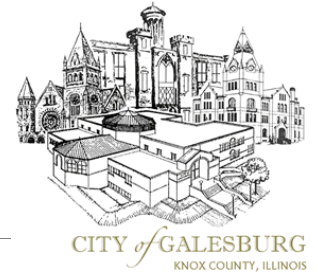
Revenue	2020 Proposed	2019 Adopted	\$ Change	% Change
Taxes	\$3,485,865	\$3,811,500	(\$325,635)	(8.5%)
Use of Money & Property	968,650	1,150,530	(181,880)	(15.8)
Intergovernmental Revenue	-	-	-	-
Charges for Current Services	33,300	38,500	(5,200)	(13.5%)
Other Revenue	25,675	25,600	75	0.30%
Transfer From Other Funds	17,000	10,500	6500	61.9%
Total	\$4,530,490	\$5,036,630	(\$506,140)	(10.0%)

FY20 Budget Proposed for Park & Recreation Fund Expenditures



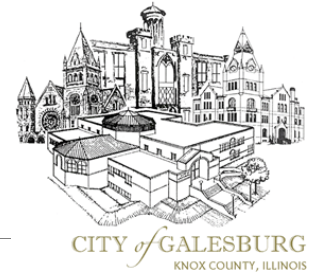
Expenditure	2020 Proposed	2019 Adopted	\$ Change	% Change
Personnel	\$2,705,270	\$2,551,090	\$154,180	6.0%
Contractual Services	1,432,325	1,464,460	(32,135)	(2.2%)
Commodities	642,095	644,235	(2,140)	(0.3%)%
Capital Outlay	-	-	-	-
Other Charges	517,755	376,845	140,910	37.4%
Total	\$5,297,445	\$5,036,630	\$260,815	5.2%

FY20 Park & Recreation Fund Expenditure Highlights

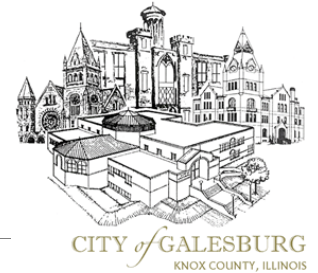


- Temporary employee wages increased \$167,710 or 27.4%; minimum wage scheduled to increase to \$9.25 in Jan 2020 and to \$10 in July 2020
- Maintenance of building improvements and botanical & agric. supplies decreased \$44,500 and \$44,150 respectively
- Minor tools and apparatus increased by \$62,875; (1915)purchase of batwing mower, power rake;(1965) – 2 stand on mowers
- Created Airport Fund; subsidy from Park & Rec Fund - \$48,950
- Contributions to replacement programs increased \$107,580 or 35%; total budget \$416,160

Reserves

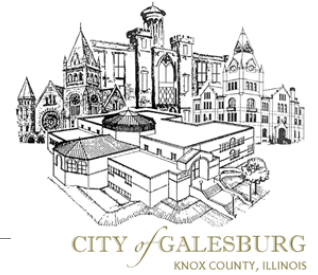


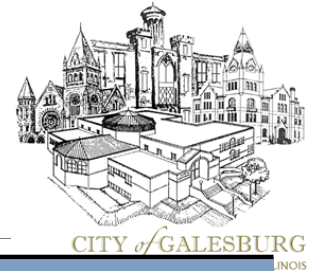
Estimated General Fund and Park Fund - Fund Balances



Fund	12/31/19 Estimated Unassigned Fund Balance	FY 20 Proposed Revenues	FY 20 Proposed Expenses	FY 20 Revenues Over/ (Under) Expenses	12/31/20 Estimated Unassigned Fund Balance	Estimated Over/ (Under) Required 12/31/20 Fund Balance
General	\$8,102,593	\$24,408,065	\$25,342,735	(\$934,670)	\$7,167,923	\$106,836
Park & Rec	\$1,202,023	\$4,530,490	\$5,297,445	(\$766,955)	\$435,068	\$193,451

Storm Water Utility Fund

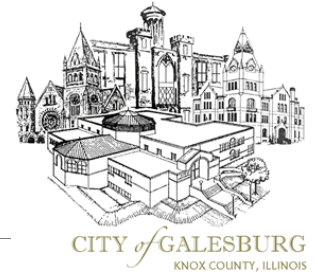




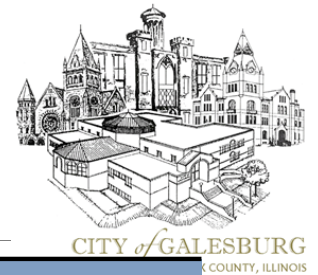
2020 Storm Water Utility Fund

Description	Amount	Examples of Budgeted Items
Revenue:		
Taxes and Interest Income	<u>\$776,935</u>	1/3 of estimated utility tax; \$6055 interest/misc. income
Expenditures:		
Personnel	\$413,845	
Contractual Services	29,565	Landfill; insurance admin; repairs; maintenance
Commodities	51,420	Gasoline, sweeper parts, culverts, inlet frames and castings
Capital	300,000	Storm sewer project
Other Charges	<u>91,380</u>	Vehicle replacement contributions
Total Expenditures	<u>\$886,210</u>	

Economic Development Fund

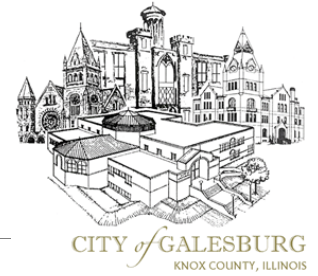


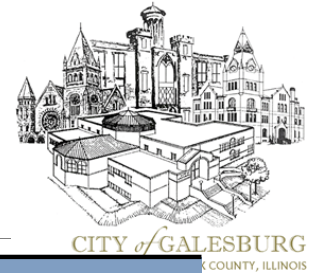
2020 Economic Development Fund



Description	Amount	Examples of Budgeted Items
Revenue:		
Taxes	\$922,500	25% of home rule tax
Use of Money/Property	62,325	Interest income
TIF 3 Regency transfer	\$100,000	Repayment of bond payments
Total Revenue	<u>\$1,084,825</u>	
Expenditures:		
Personnel	\$164,175	Economic development salaries
Contractual	301,340	Professional services, Knox Co Partnership, annual YMCA soccer complex payment; Lake Storey feasibility study
Other Charges	648,460	External agencies, business grants, tax rebate, taxes, bond payments; website rebuild
Total Expenditures	<u>\$1,113,975</u>	

Water Fund

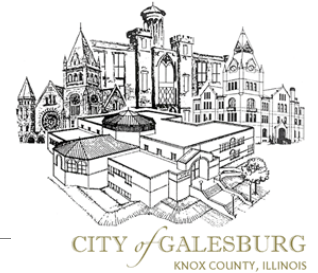




FY 20 Water Fund Revenues

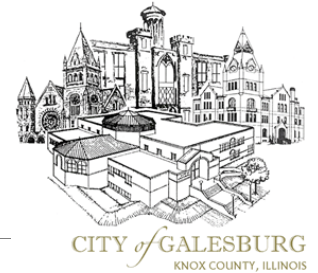
Description	FY 20 Proposed	FY 19 Adopted	\$ Change	% Change
Sale of water/facility fee	\$6,033,000	\$6,113,595	(\$80,595)	(1%)
Penalties	118,000	118,000	0	0%
Turn on service	44,000	44,600	(600)	(1%)
Delinquent	235,000	80,000	155,000	194%
Meter resale/misc.	24,250	20,300	3,950	19%
Interest income	150,000	100,000	50,000	50%
Charges for current services	69,500	61,200	8,300	14%
Other (Sanitary fees)	107,000	81,500	25,500	31%
Total Revenues	\$6,780,750	\$6,619,195	\$161,555	2%

FY20 Water Fund Revenue Highlights



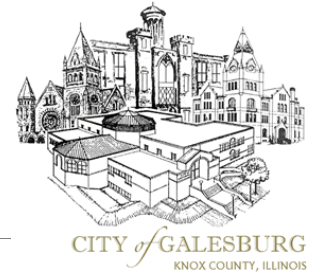
- Inside water rate proposed to change from \$2.40 per CCF (748 gallons) to \$2.50
- Meters less than 1" facility fee changed from \$15.30 to \$15.91 (FY19 rate remained the same as the FY 18 amount of \$15.30)

FY 20 Water Fund Expenses



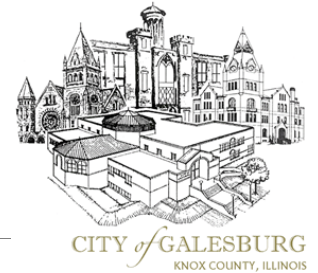
Description	FY 20 Proposed	FY 19 Adopted	\$ Change	% Change
Personnel	\$2,053,410	\$2,199,960	(\$146,550)	(6.7%)
Contractual	1,625,845	1,616,435	9,410	0.6%
Commodities	928,080	800,025	128,055	16.0%
Other Charges	1,700,200	1,647,395	52,805	3.2%
Total Expenses	\$6,307,535	\$6,263,815	43,720	0.7%

FY20 Water Fund Expense Highlights



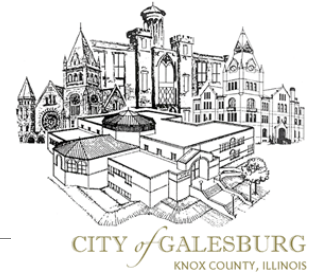
- Full-time employee wages decreased \$121,380 or 8.3%; change from 10 maintenance workers to 8; 3 heavy equipment operators to 4; and info systems technician wages moved to General Fund
- Health insurance premiums decreased \$59,900 or 17.6%; total budget \$281,195
- Maintenance of equipment increased \$61,465; includes main switchgear and main starters; generator maintenance
- Professional services increased \$54,120 or 66%; includes water rate study and ARC flash
- Maintenance of Buildings & Improvements expense decreased \$67,420 or 35%
- Materials to maintain equipment and building improvements increased \$45,000 and \$44,485 respectively

Water Costs at Past, Current and Proposed Rates

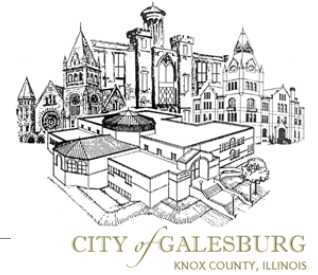


- Monthly water cost for a typical household with consumption of 4,488 gallons (6 Units)
 - Past 2018 = \$29.16
 - Current 2019 = \$29.70
 - **Recommended** **2020** = **\$30.91 (4 % increase)**

Refuse Fund

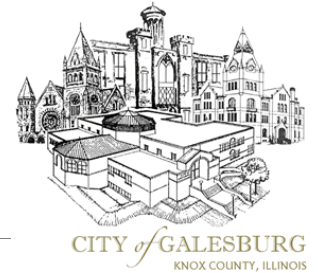


FY 20 Refuse Fund Revenues



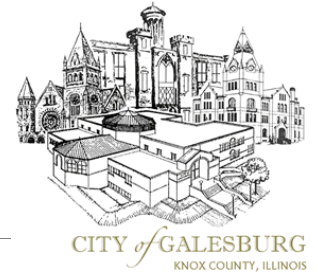
Description	FY 20 Proposed	FY 19 Adopted	\$ Change	% Change
Refuse fees	\$2,667,670	\$2,580,590	\$87,080	3%
Refuse penalties	40,000	45,000	(5,000)	(11%)
Interest income/Misc.	\$12,900	8,885	4,015	45%
Total Revenues	\$2,720,570	\$2,634,475	\$86,095	3%

FY 20 Refuse Fund Expenses



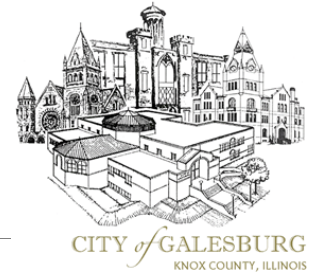
Description	FY 20 Proposed	FY 19 Adopted	\$ Change	% Change
Personnel	\$41,665	\$34,085	\$7,580	22.2%
Contractual	2,645,280	2,580,775	64,505	2.5%
Commodities	1,050	1,850	(800)	(43.2%)
Other Charges	21,115	24,050	(2,935)	(12.2%)
Total Expenses	\$2,709,110	\$2,640,760	\$68,350	2.6%

2020 Refuse Expenditures



- Refuse Collection/Disposal Contract Services - \$53,350 increase or 2.75% increase
- Included 5% of Director of Community Development salary in the personnel expenses

FY 20 Refuse Fund Highlights



- Monthly refuse fees recommended to adjust from \$20.20 to \$21.00 per month or an increase of \$0.80 or 3.96%
- Refuse disposal and collection contract budgeted \$2,373,530 (\$61,860 or 2.3% increase)
- Included 5% of Director of Community Development salary in the personnel expenses

Public Comment

