



# **FY 2023 Budget Discussion**

## **February 28, 2022**

## FY 2023 BUDGET - HIGHLIGHTS

### Total Budgets:

- City Wide:                    \$269.1M    (Increase of \$17.4M / 7% over FY 2022)
- General Fund:                \$122.3M    (Increase of \$13.2M / 12% over FY 2022)

### Other Highlights:

- Capital Projects:            \$56.9M    (Decrease of \$4.4M / 7% under FY 2022)
- GF Fund Balance:    +\$32.0M    (2023 Projection with a \$1.8M operating use of fund balance – and pending FY 2022 Final)
- Cash for Equipment:    \$6.3M    (General Fund all cash - \$4.9M)

# FY 2023 BUDGET – GROWTH REVIEW (\$ in millions)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total City Wide Budget	186.3	207.6	214.1	210.1	227.5	230.3	251.7	269.1
Capital Projects *	20.5	22.1	24.9	26.7	40.1	40.9	61.3	56.9
Strategic Additions **	-	4.7	4.7	4.7	4.7	4.7	4.7	4.7
Nonrecurring: ARPA, Library	-	-	-	-	-	-	-	7.6
Net Operating Budget	165.8	180.8	184.5	178.7	182.7	184.7	185.7	199.9
Actuals-includes encumbrances	172.1	189.4	191.2	189.0	193.6	198.9	N/A	N/A

Growth from 2016	19.90	34.10
Annual Growth Rate	2.0%	2.9%

\* Larger projects are paid from accumulated fund savings = can vary significantly year to year.

In addition, some get rolled / rebudgeted in the following year - due to timing issues etc.

\*\* Non-Capital Strategic Additions since 2016:

HR Sales Tax - Cty / Mntl Hlth FY17	2.3
Utility Tax - Pensions FY17	2.4
	<u>4.7</u>

# FY 2023 BUDGET – MAJOR TAX REVENUES

Revenue Source	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Property Tax Levy	26,008,629	27,254,285	1,245,656	4.79%	Library increase of 850K for bond/expansion, remainder EAV related
Home Rule Sales Tax	22,053,823	27,810,298	5,756,475	26.10%	Increase due to Level the Playing Field Legislation (online retailers)
State Sales Tax	14,500,000	16,500,000	2,000,000	13.79%	Increase due to Level the Playing Field Legislation (online retailers)
Income Tax	8,000,000	9,000,000	1,000,000	12.50%	Increase due to Corporate Income Tax increases. Per capita revenue.
Utility Tax	5,858,063	5,463,016	(395,047)	-6.74%	Reduction in Telecomm
Food & Beverage Tax	4,000,000	4,522,062	522,062	13.05%	Increase due to less COVID restrictions than prior year
Local Motor Fuel Tax	4,000,000	4,100,000	100,000	2.50%	Pre-COVID 4.7M
Local Use Tax	2,400,000	3,030,000	630,000	26.25%	Increase per trend. Per capita revenue.
Franchise Tax	1,922,636	1,922,636	-	0.00%	Agreements in place with utilities/status quo
Replacement Tax	1,600,000	2,500,000	900,000	56.25%	Increase due to Corporate Income Tax / IML estimate
Hotel & Motel Tax	900,000	1,750,000	850,000	94.44%	Increase due to Rivian construction
Package Liquor	1,400,000	1,503,002	103,002	7.36%	Small increase per trend
Amusement Tax	800,000	1,020,000	220,000	27.50%	Increase due to addition of streaming - triggered by State statute change
Video Gaming Tax	850,000	1,200,000	350,000	41.18%	Increase due to COVID restrictions relaxed/betting limit increase
<b>TOTAL MAJOR REVENUES</b>	<b>94,293,151</b>	<b>107,575,299</b>	<b>13,282,148</b>	<b>14.09%</b>	

2022 Redux from 2021

(3,600,000)

Levy

(1,245,656)

Net Increase

8,436,492

(\$+5M due to new sources of online retail tax, cannabis and streaming)

# FY 2023 BUDGET – GENERAL FUND - REVENUES

Revenues	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Use of Fund Balance	3,397,506	2,804,200	(593,306)	-17.5%	Restricted Pension Reserves-\$1M, remainder to Capital
Taxes	86,130,956	92,634,065	6,503,109	7.6%	Increase due to online retail tax, cannabis and streaming
Licenses	621,945	710,045	88,100	14.2%	Liquor license increase
Permits	820,975	813,500	(7,475)	-0.9%	
Intergov Revenue	264,918	6,968,904	6,703,986	2530.6%	American Rescue Plan Act of 5.6M; 600K fire dept grant for equipment
Charges for Services	13,008,054	13,403,037	394,983	3.0%	
Fines & Forfeitures	665,700	736,000	70,300	10.6%	Reflects trend
Investment Income	111,175	160,529	49,354	44.4%	Reflect impact from investment advisor engagement
Misc Revenue	517,865	540,687	22,822	4.4%	
Sale Capital Assets	28,500	24,374	(4,126)	-14.5%	
Transfer In	3,499,107	3,516,411	17,304	0.5%	
<b>TOTAL REVENUE</b>	<b>109,066,701</b>	<b>122,311,750</b>	<b>13,245,049</b>	<b>12.1%</b>	

# FY 2023 BUDGET – GENERAL FUND - EXPENSES

Expenditures	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Salaries	42,318,251	44,712,639	2,394,388	5.7%	Various staffing to advance City initiatives (primarily IT)
Benefits	12,333,409	13,120,079	786,670	6.4%	Staffing increases, health insurance incr of 6%
Contractuals	13,546,742	13,727,602	180,860	1.3%	
Commodities	7,823,700	8,285,060	461,360	5.9%	Increase for concrete, asphalt and fuel
Capital Expenditures	600,000	5,402,485	4,802,485	0.0%	\$4.9M in cash for equipment
Principal Expense	2,357,280	1,776,522	(580,758)	-24.6%	Reduction related to paying cash for equipment
Interest Expense	248,823	143,046	(105,777)	-42.5%	Reduction related to paying cash for equipment
Other Intergov Exp	17,662,606	17,764,149	101,543	0.6%	
Other Expenditures	3,616,894	8,695,369	5,078,476	140.4%	ARPA grant assumed 5.6M expenditure - placeholder
Transfer Out	8,558,997	8,684,800	125,803	1.5%	
<b>TOTAL EXPENSE</b>	<b>109,066,701</b>	<b>122,311,750</b>	<b>13,245,049</b>	<b>12.1%</b>	

# FY 2023 CITY WIDE BUDGET - REVENUES

Revenues	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Use of Fund Balance	34,615,199	33,090,695	(1,524,504)	-4.4%	Restricted Pension Reserves-\$1.0M, \$1.8 GF, \$19.4M MFT projects, \$5.0M Water projects
Taxes	95,522,152	109,574,299	14,052,148	14.7%	Increase due to online retail tax, cannabis, streaming, property tax for Library
Licenses	663,945	752,045	88,100	13.3%	
Permits	836,975	829,500	(7,475)	-0.9%	
Intergov Revenue	12,727,228	21,111,998	8,384,770	65.9%	\$6.7M ARPA, \$500K Grant BCPA Creativity Center, \$600K possible Fire State Grant
Charges for Services	70,643,571	73,195,933	2,552,361	3.6%	Annual increase in Ambulance, Sewer, Storm Water and Solid Waste fees
Fines & Forfeitures	1,131,200	1,177,500	46,300	4.1%	
Investment Income	1,427,471	1,308,111	(119,360)	-8.4%	
Misc Revenue	15,242,536	9,774,748	(5,467,788)	-35.9%	Decrease as pool borrowing was estimated at \$11.7M in FY 2022 Budget
Sale Capital Assets	47,675	43,549	(4,126)	-8.7%	
Capital Lease Proceeds	5,333,115	3,628,844	(1,704,271)	-32.0%	Decrease due to paying cash for equipment in GF-\$4.9M in FY 2023
Transfer In	13,544,622	14,614,664	1,070,042	7.9%	Increase due to Library transfer to City to pay Bond.
<b>TOTAL REVENUE</b>	<b>251,735,690</b>	<b>269,101,886</b>	<b>17,366,196</b>	<b>6.9%</b>	

# FY 2023 CITY WIDE BUDGET - EXPENSES

Expenditures	2022 Budget	2023 Proposed	Dollar Change	Percent Change	Notes
Salaries	55,459,768	58,034,667	2,574,899	4.6%	Various staffing to advance City initiatives (primarily IT)
Benefits	16,618,153	17,335,530	717,378	4.3%	Staffing increases, health insurance incr of 6%, decrease in IMRF rate
Contractuals	49,851,182	51,671,561	1,820,379	3.7%	
Commodities	15,485,919	18,327,947	2,842,028	18.4%	Increase for concrete, asphalt and fuel
Capital Expenditures	63,441,995	62,692,654	(749,341)	-1.2%	Capital Projects \$4.4M lower than FY 2022/\$6.3M Cash for equipment in FY 2023
Principal Expense	10,707,328	10,018,828	(688,500)	-6.4%	Reduction related to paying cash for equipment in GF
Interest Expense	2,000,795	1,577,645	(423,150)	-21.1%	Reduction related to paying cash for equipment in GF
Other Intergov Exp	17,743,606	17,845,149	101,543	0.6%	
Other Expenditures	6,882,322	16,983,240	10,100,918	146.8%	ARPA grant assumed \$6.7M expenditure - placeholder. Storm \$1.5M, Sewer \$1.3M, GBI \$1.0 Cont. to FB
Transfer Out	13,544,622	14,614,664	1,070,042	7.9%	Increase due to Library transfer to City to pay Bond.
<b>TOTAL EXPENSE</b>	<b>251,735,690</b>	<b>269,101,886</b>	<b>17,366,196</b>	<b>6.9%</b>	



# FY 2023 CITY WIDE BUDGET – BY FUND

Fund	2022 Budget	2023 Proposed	Dollar Change	2023 Proposed as % of total	Dollar Change Notes
General Fund	\$109,066,701	\$122,311,750	\$13,245,049	45.45%	\$5.6M ARPA, \$4.9M Cash for Eq., \$3.2 Comp
MFT	\$20,272,966	\$25,205,000	\$4,932,034	9.37%	Capital Projects
Library	\$5,698,096	\$9,069,231	\$3,371,135	3.37%	Increase for FF&E & Bond for Expansion
Bond (debt service)	\$5,938,439	\$6,485,013	\$546,574	2.41%	
Capital Funds	\$25,739,615	\$14,859,210	(\$10,880,405)	5.52%	O'Neil Pool in FY 2022-\$11.7M
Water	\$29,654,428	\$26,238,252	(\$3,416,176)	9.75%	\$5M less in Capital Projects than FY 2022
Sewer	\$11,134,398	\$11,561,675	\$427,277	4.30%	\$1M less in Capital Projects, Cont. to FB \$1.3M
Storm Water	\$5,535,000	\$7,839,853	\$2,304,853	2.91%	Increase in Capital Projects vs. FY 2022
Solid Waste	\$8,237,505	\$8,194,055	(\$43,451)	3.04%	Decrease due to recycle/air burner
Golf	\$2,512,220	\$2,776,522	\$264,302	1.03%	Increase for 2 small capital projects
Grossinger Motors Arena	\$5,122,444	\$7,852,176	\$2,729,732	2.92%	RTU Units
Insurance (internal service)	\$18,350,860	\$19,975,829	\$1,624,969	7.42%	Premiums
All Other Funds	\$4,473,018	\$6,733,320	\$2,260,302	2.50%	\$750K increase CDBG, \$600K increase Abraham Lincoln Parking Deck work, \$550K increase BEC
<b>TOTAL EXPENSE</b>	<b>\$251,735,690</b>	<b>\$269,101,886</b>	<b>\$17,366,196</b>	<b>100.00%</b>	

## FY 2023 – CAPITAL PROJECTS – BY FUND

➤ Capital Improvement	\$ 4.2M
➤ Creativity Center	\$ 0.5M
➤ Asphalt and Concrete	\$ 7.0M
➤ Motor Fuel Tax	\$25.2M
➤ Water*	\$ 7.9M
➤ Sewer*	\$ 4.8M
➤ Storm Water*	\$ 2.7M
➤ Lincoln Garage	\$ 0.6M
➤ Golf	\$ 0.2M
➤ Arena	\$ 3.8M

Total Capital Projects: \$56.9M

\* Includes acceleration of Phase 4 and 5 of the Locust Colton Project

# FY 2023 – CAPITAL PROJECTS

Ward	Arena	
6	Arena RTU & Ice Center Dehumidification Improvements	\$ 3,800,000

	<b><u>Fire Capital Improvement Projects</u></b>	
6	Headquarters Parking Lot	\$ 150,000
	<b><u>Facilities Capital Improvement Projects</u></b>	
Citywide	Unforeseen Major Facility Repairs	\$ 100,000
6	Police Administration HVAC Controls Upgrade	\$ 300,000
6	Jackson St. Building Remodel - Phase 2	\$ 150,000
6	City Hall ADA & Life Safety Improvements (HVAC & Elevator)	\$ 850,000
6	City Hall Genset Replacement	\$ 60,000
	<b><u>Parking Capital Improvement Projects</u></b>	
6	Market Street Garage Structural Repairs	\$ 275,000

Ward	Abraham Lincoln Parking Fund	
6	Abraham Lincoln Garage Improvements	\$ 600,000

# FY 2023 CAPITAL PROJECTS

Ward	Capital Campaign Funds	
4	Creativity Center Repairs Covered by Grant	\$ 500,000
Ward	Capital Improvement Fund/General Fund	
	<b><u>Parks Capital Improvement Projects</u></b>	
3	Sweeney Park Playground and amenities	\$ 300,000
3	McGraw Tennis Court Resurface	\$ 220,000
9	Tipton Trails Park and Constitution Trail on GE Repair	\$ 50,000
County	Route 66 Trail Funk's Grove to McLean 4.8 miles, Section 6	\$ 205,000
County	Route 66 Trail-Towanda to Lexington-(Design Phase 1 & 2, Construction & CE)	\$ 20,715
6	Arena RTU & Ice Center Dehumidification Improvements	\$ 500,000
Ward	Golf Fund	
2	Den Irrigation Pump Station & Building	\$ 195,000
2	Prairie Vista Ancillary Shed Demo & Replacement with Rinsate Pad	\$ 40,000

# FY 2023 CAPITAL PROJECTS

Ward	Motor Fuel Tax	
2	Fox Creek Bridge & Road Improvements: Danbury Drive to Beich Road - Design	\$ 70,000
2	Fox Creek Bridge & Road Improvements: Danbury Drive to Beich Road - Land	\$ 170,000
2	Fox Creek Bridge & Road Improvements: Danbury Drive to Beich Road - RR	\$ 40,000
2	Fox Creek Bridge & Road Improvements: Danbury Drive to Beich Road - Utility Relocation	\$ 50,000
2	Fox Creek Bridge & Road Improvements: Danbury Drive to Beich Road - Construction	\$ 8,995,000
Citywide	Street Lighting Charges	\$ 500,000
1, 2, 8	Hamilton Road (Bunn Street - Morrissey Drive) - Phase II Design	\$ 40,000
1, 2, 8	Hamilton Road (Bunn Street to Morrissey Drive) - Land	\$ 110,000
1, 2, 8	Hamilton Road (Bunn Street to Morrissey Drive) - RR	\$ 5,585,000
1, 2, 8	Hamilton Road (Bunn Street to Morrissey Drive) - Utility Relocation	\$ 75,000
1, 2, 8	Hamilton Road (Bunn Street to Morrissey Drive) - Construction (City Share)	\$ 7,370,000
7	Cottage Avenue Bridge Replacement Design	\$ 400,000
5	Jersey Avenue Bridge Replacement - Construction	\$ 1,800,000

# FY 2023 CAPITAL PROJECTS

Ward	Capital Improvement Fund/General Fund	
	<b><u>Public Works Capital Improvement Projects</u></b>	
8	The Grove on Kickapoo Creek Subdivision Pavement Oversizing	\$ 100,000
Citywide	Public Works Citizens Convenience Center Land Acquisition	\$ 350,000
7	Wylie Dr & Maple Hill Rd Intersection Improvement - Construction	\$ 599,651

Ward	Capital Improvement (Asphalt & Concrete) Fund	
	<b><u>Public Works Capital Improvement Fund (Asphalt &amp; Concrete) Projects</u></b>	
Citywide	Multi-Year Street & Alley Resurface Program	\$ 5,650,000
Citywide	Multi-Year Sidewalk Repair Program	\$ 1,150,000
Citywide	Multi-Year Street, Alley & Sidewalk Repairs	\$ 200,000

# FY 2023 CAPITAL PROJECTS

Ward	Enterprise Fund(s)	
	<b>Water Fund</b>	
2	Fox Creek Road Bridge & Road Improvements: Danbury to Beich Road	\$ 500,000
4 & 8	Locust Colton CSO Elim & WMR, Phase 4+5 Land Acquisition	\$ 50,000
4 & 8	Locust Colton CSO Elim & WMR, Phase 4+5 Construction	\$ 2,470,000
1	Locust Colton CSO Elim & WMR, Phase 8, Design, IEPA SRF non-Loan Expense	\$ 546,000
8	The Grove on Kickapoo Creek Subdivision Oversizing	\$ 35,000
Citywide	Multi-Year GIS Consultant Services	\$ 38,750
Citywide	Multi-Year Consultant Leak Detection for Water Loss Prevention	\$ 200,000
6	Van Schoick St WMR - Construction Phase Engineering	\$ 40,000
6	Van Schoick St WMR - Construction	\$ 307,000
Citywide	WTP Lime Grit Removal System - Design	\$ 60,000
Citywide	Water Treatment Plant Chlorine Gas Scrubber - Construction	\$ 750,000
Citywide	Water Treatment Plant Ammonia System - Construction	\$ 750,000
Citywide	Reservoir Shoreline/Stream Erosion -Planning	\$ 25,000
Citywide	Multi-Year Reservoir Shoreline / Stream Erosion Control Imp.	\$ 200,000
Citywide	Watershed Improvements	\$ 200,000
Citywide	Lake Bloomington Maintenance Facility Construction & Construction Observation	\$ 565,000
Citywide	Lake Bloomington Seawall Replacement	\$ 100,000
Citywide	Boiler Replacement Division St Admin Building	\$ 65,000
Citywide	Ft Jesse Generator Replacement	\$ 1,000,000

# FY 2023 CAPITAL PROJECTS

Ward	Sewer Fund	
Citywide	Multi-Year Sanitary Sewer Assessment	\$ 200,000
4 & 8	Locust Colton CSO Elim & WMR, Phase 4+5 Land Acquisition	\$ 25,000
4 & 8	Locust Colton CSO Elim & WMR, Phase 4+5 Construction	\$ 2,165,000
Citywide	Mutli-Year Sanitary Sewer Rehabilitation	\$ 1,270,000
1	Locust Colton CSO Elim & WMR, Phase 8, Design, IEPA SRF non-Loan Expense	\$ 302,000
8	The Grove on Kickapoo Creek Subdivision Sewer Oversizing	\$ 680,000
Citywide	Hydraulic Modeling Phase I	\$ 150,000

Ward	Storm Water Fund	
4 & 8	Locust Colton CSO Elim & WMR, Phase 4+5 Land Acquisition	\$ 25,000
4 & 8	Locust Colton CSO Elim & WMR, Phase 4+5 Construction	\$ 2,165,000
1	Locust Colton CSO Elim & WMR, Phase 8, Design, IEPA SRF non-Loan Expense	\$ 302,000
Citywide	Hydraulic Modeling Phase I	\$ 150,000



## FY 2023 BUDGET – NEXT STEPS

### Remaining FY 2023 Budget Schedule:

- Proposed Budget Presentation: March 14, 2022
- Proposed Budget Public Hearing: March 28, 2022
- Final Budget Adoption: April 11, 2022

### Other Resources

- The Budget 101 Video Series can be found on the Finance-Annual Budget page of the City's website at [cityblm.org](http://cityblm.org).