



FY 2025 Draft Budget Work Session

SEPTEMBER 30, 2024

Topics



- FY25 Budget Calendar
- FY24 Overview
- Fire and Police Pension Funds
- Property Tax Estimation
- FY25 Draft Budget
 - General Fund
 - Park & Recreation Fund
 - Economic Development Fund
 - Water Fund



Budget Schedule

- ✓ May - June – Forecast performed by departments
- ✓ July – Budgets due from departments
- ✓ August – Recommended revenue adjustments due from departments
- September – Balance/Discuss budget; provide draft budgets to Council
- October – First and Second readings on revenue adjustments; property tax estimation resolution
- November – Public hearing for budget; first and second readings on property taxes
- December – Approve budget; provide tax levy ordinances to County Clerk

2024 Review



2024 Budget

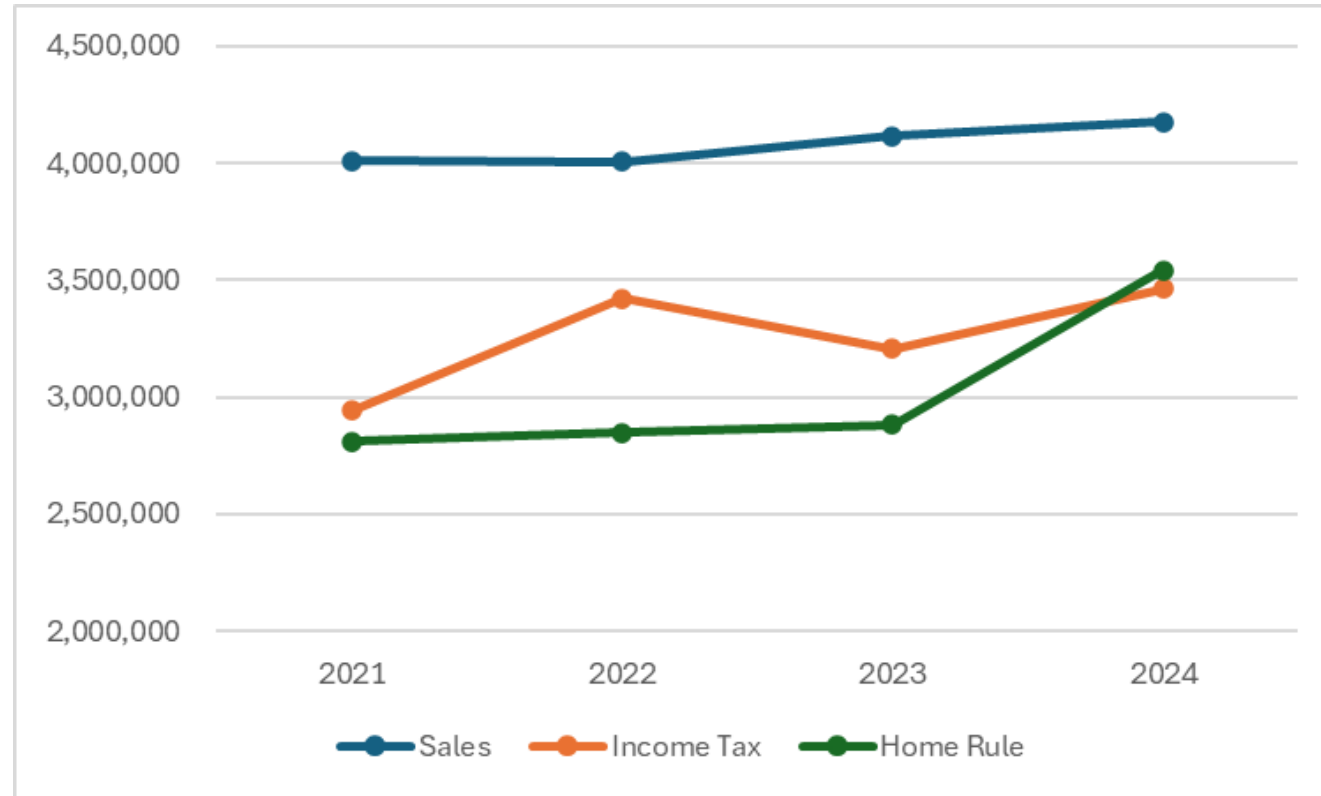


Fund	2024 Revenues	Other Sources	2024 Expenses	2023 Expenses
General	29,991,225	686,560	30,677,785	28,022,330
Park Fund	5,425,910	911,795	6,337,705	5,835,755
Economic Development	1,246,375	93,440	1,339,815	1,494,915
Public Transportation Services	2,736,985	-	2,736,985	2,532,610
Storm Water Utility	758,100	378,285	1,136,385	1,024,600
Other Special Revenue	10,776,535	1,806,750	12,396,350	14,323,625
Debt Service Funds	1,477,630	-	1,477,630	1,085,405
TIF Funds	385,610	21,460	587,390	1,010,370
Replacement Program Funds	944,005	552,845	1,496,850	1,442,370
Utility Tax Capital Projects	1,564,200	801,730	2,365,930	2,175,935
Other Capital Project Funds	184,700	8,510,000	8,504,700	1,369,610
Water Operations	7,694,600	-	6,953,360	6,571,250
Refuse	3,262,165	-	3,238,605	3,120,785
Risk Management	1,191,725	-	1,128,720	1,152,545
OPEB Trust	1,241,455	-	1,241,455	1,800
Permanent Funds	32,500	-	21,500	18,700
Grand Total - All Funds	68,913,720	13,762,865	81,641,165	71,182,605

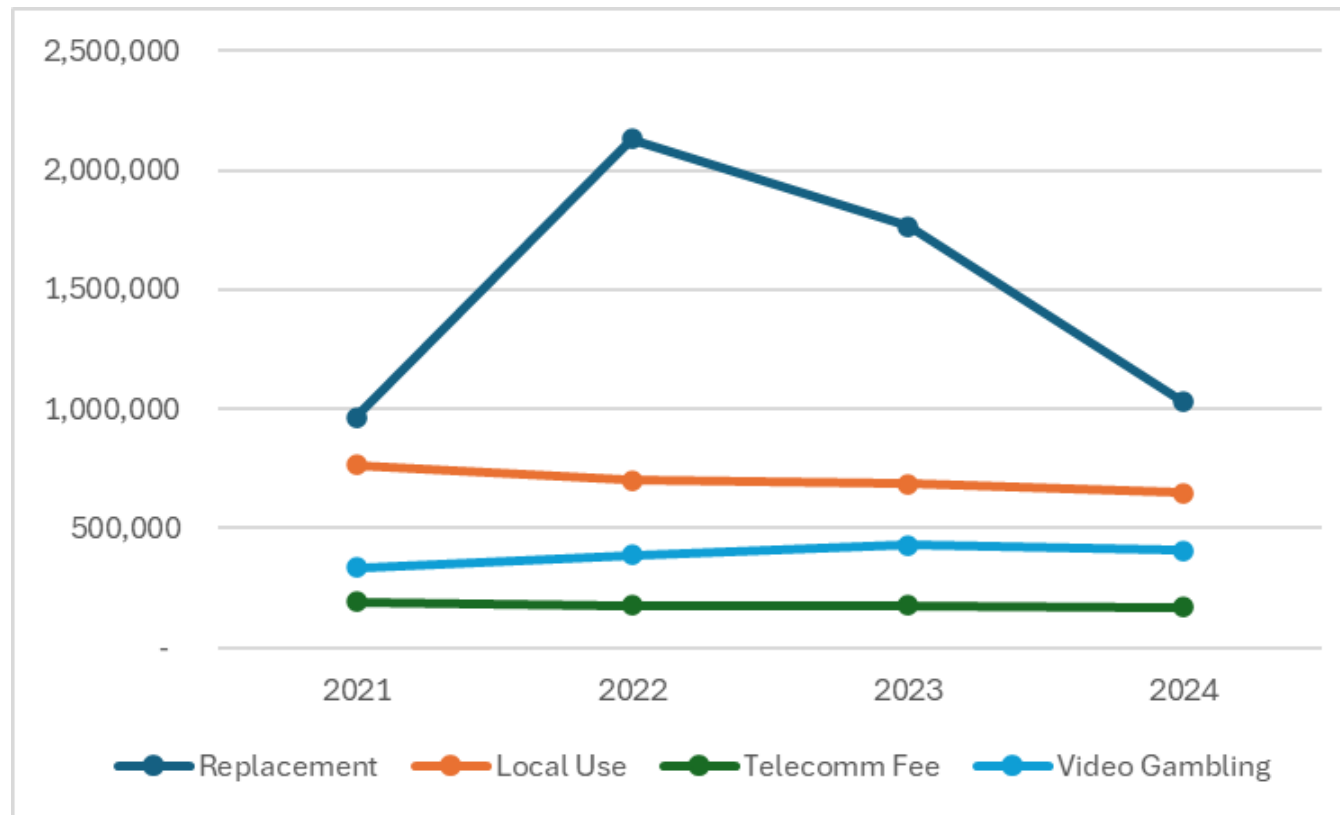
2024 Tax Revenue Highlights



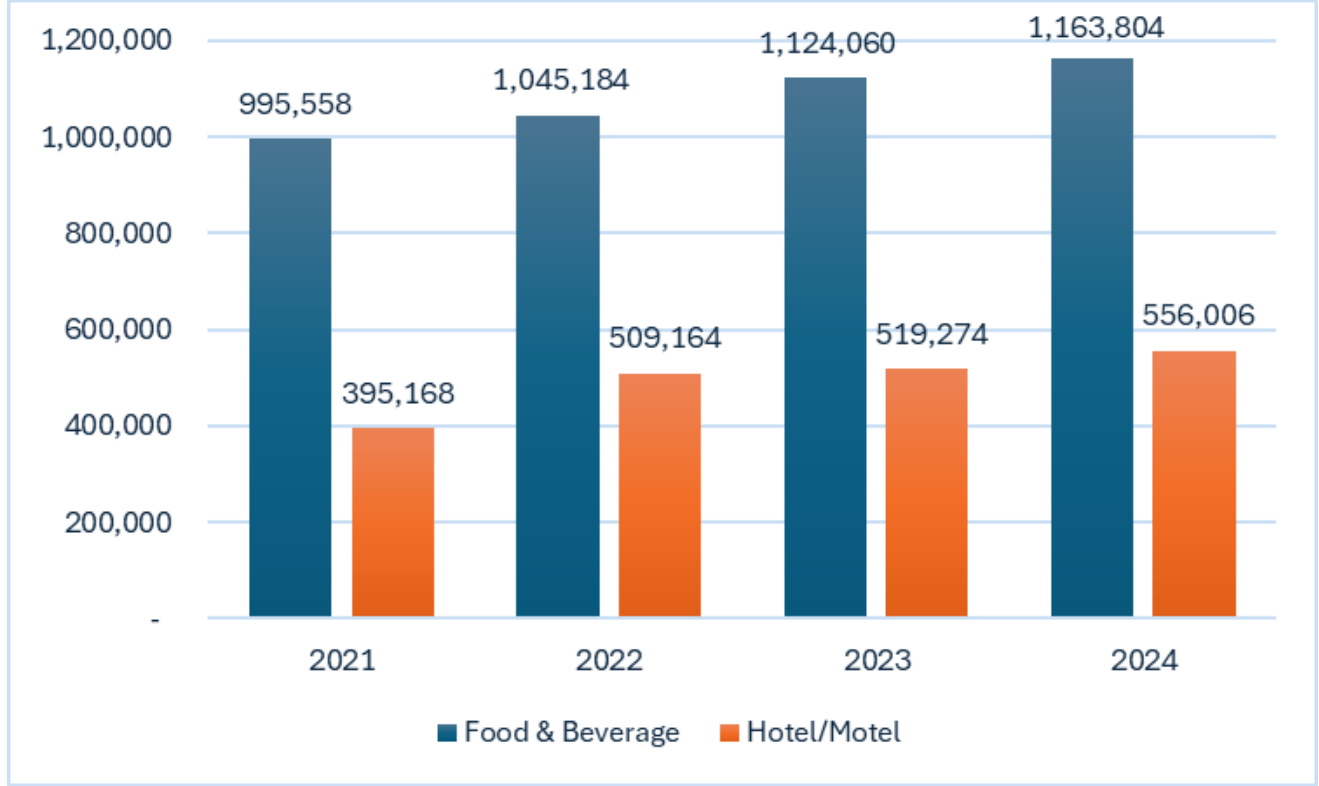
Shared Tax Comparisons As of September 2024



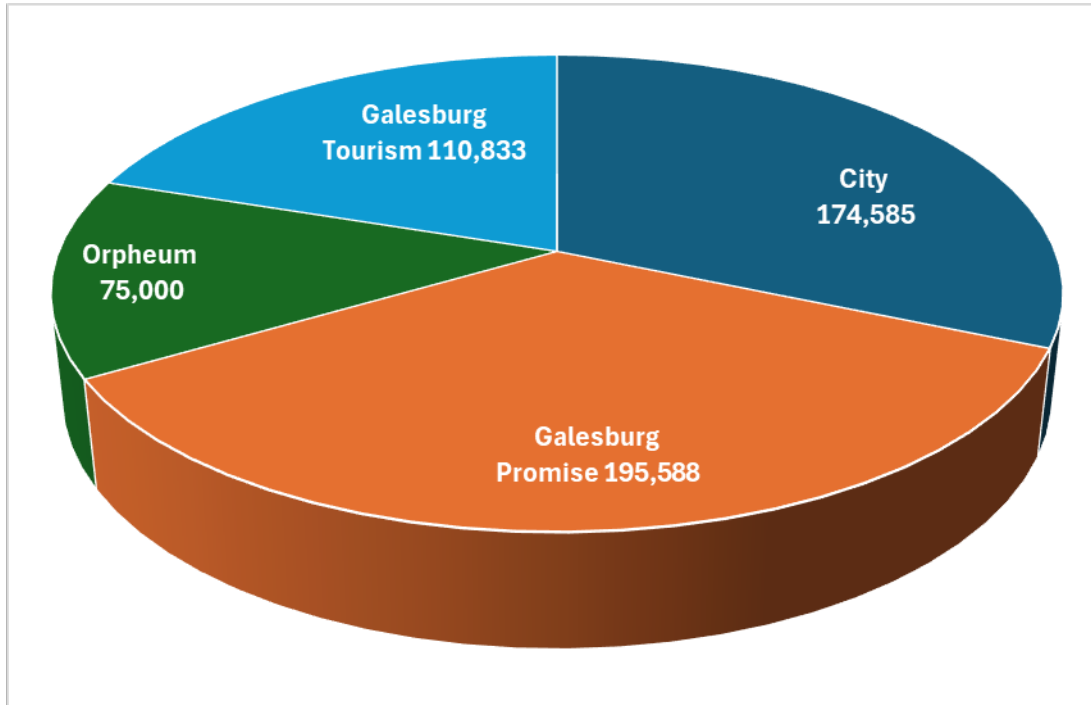
Shared Tax Comparisons As of September 2024



Food & Beverage and Hotel/Motel Taxes as of August



Hotel/Motel Tax Distribution As of July 2024

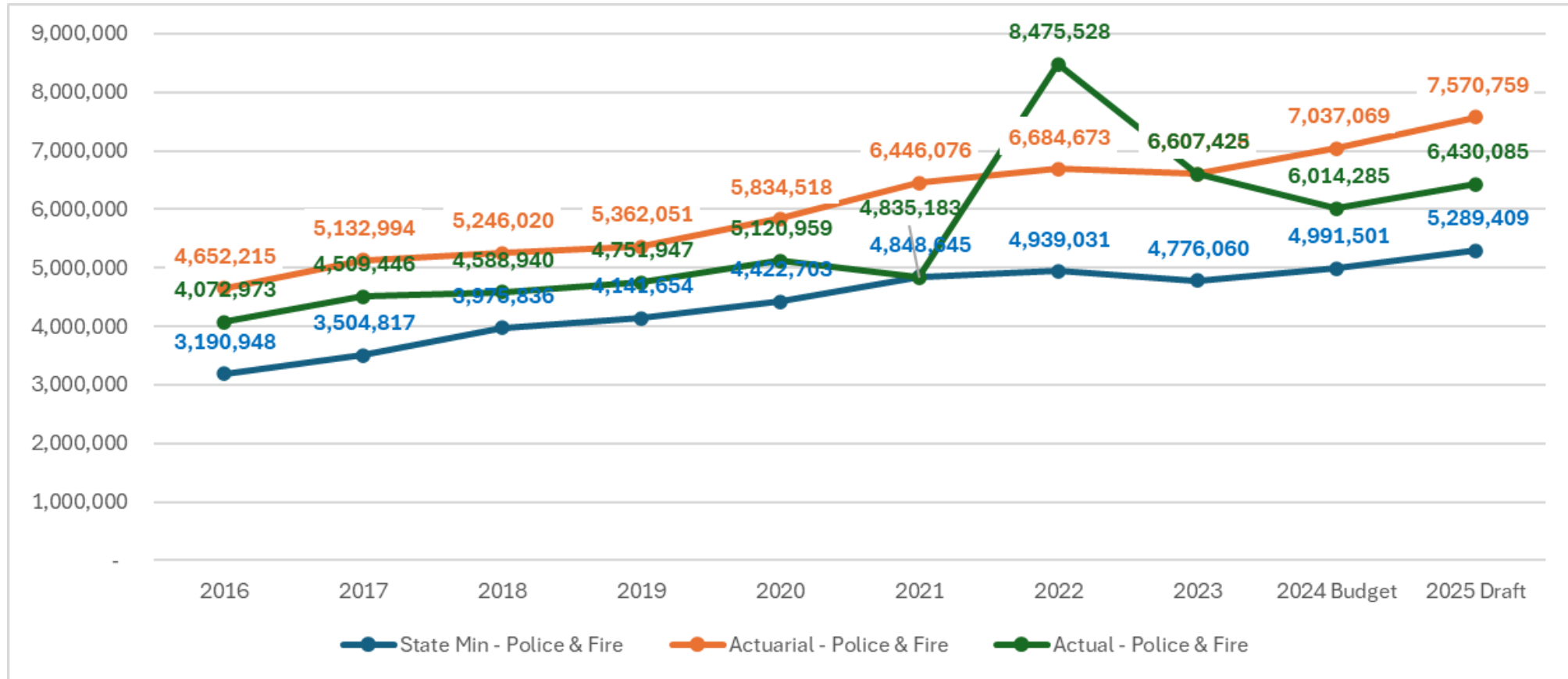


10.8% Total Hotel/Motel Tax Rate	
Distribution of Hotel/Motel Tax	
City	\$ 174,585
Galesburg Promise - 3.8%	\$ 195,588
Orpheum Contract \$100,000	\$ 75,000
Galesburg Tourism Contract \$190,000	\$ 110,833

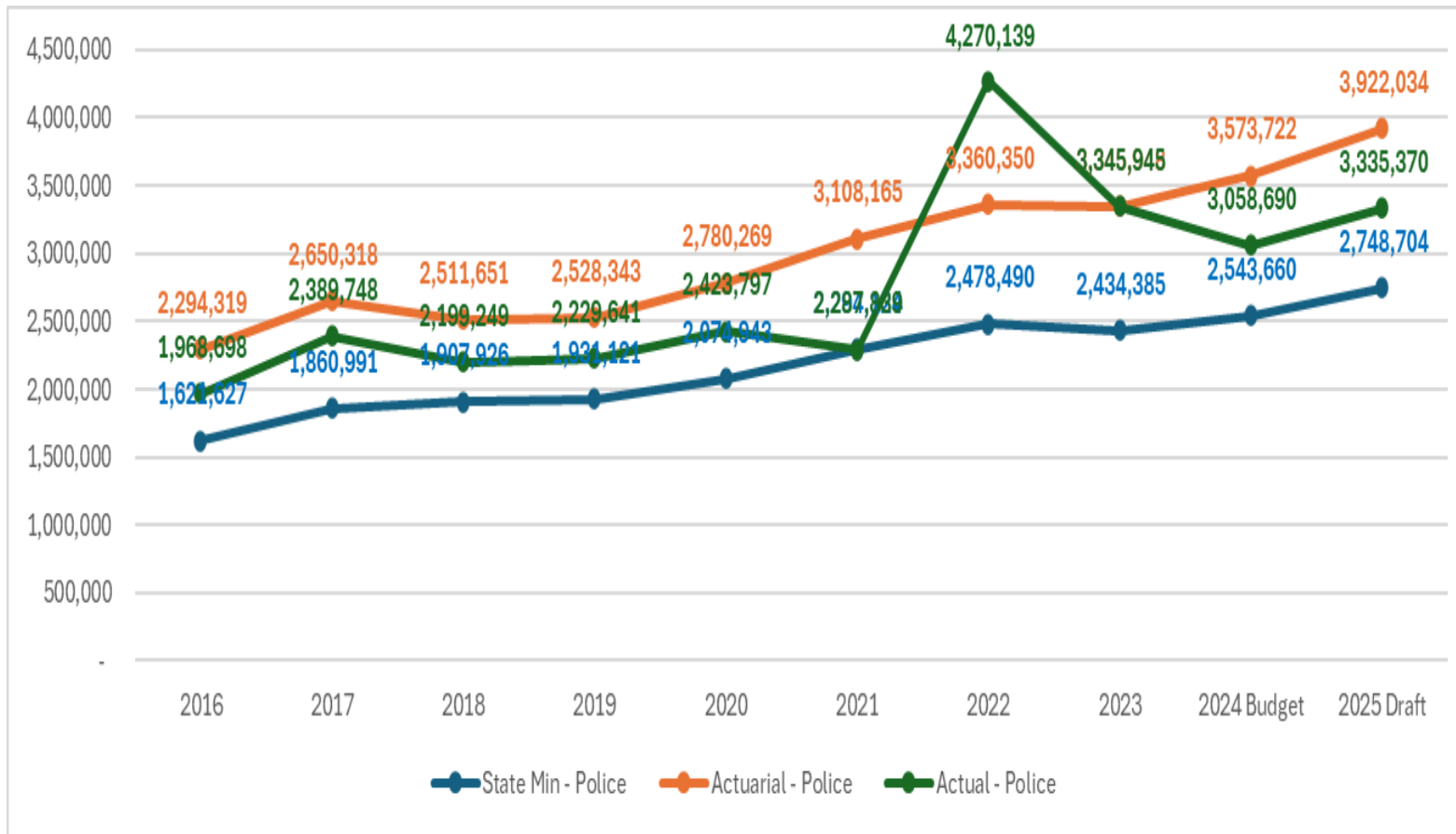
Fire & Police Pension Funds



Public Safety Pensions Actual Vs. Actuarial Amounts

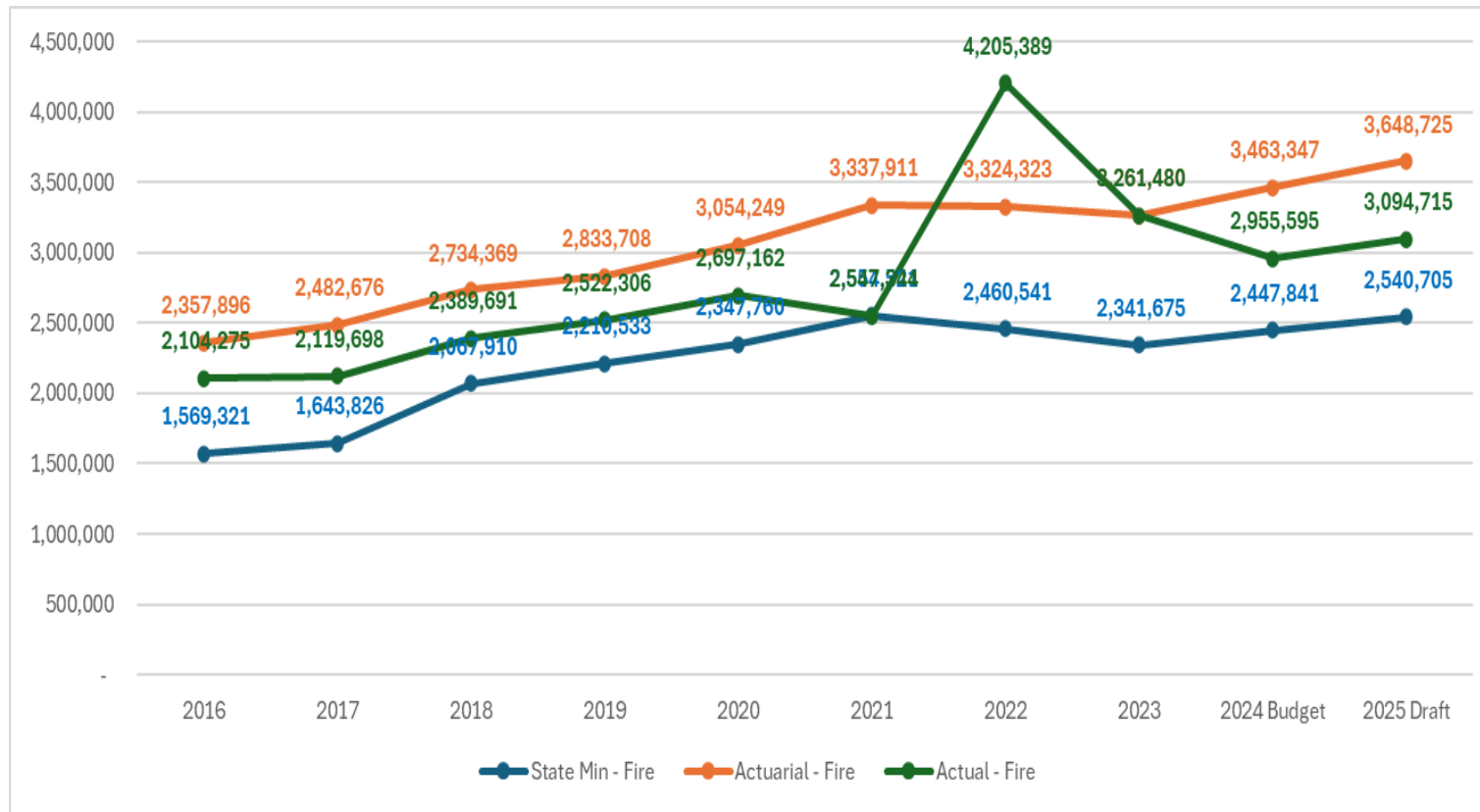


Police Pension Funding FY 2016 - 2025



- Based on actuarial recommended contribution (ARC) amount
- Actuarial values of assets \$35,018,428
- Actuarial accrued liability \$69,712,793
- Unfunded actuarial accrued liability \$34,694,365
- Percent funded 50.23%

Fire Pension Funding FY 2016 - 2025



- Based on actuarial recommended contribution (ARC) amount
- Actuarial values of assets \$30,902,439
- Actuarial accrued liability \$61,623,927
- Unfunded actuarial accrued liability \$30,721,488
- Percent funded 50.15%

Public Safety Employer Pension Contribution Options



Pension	FY24 Levy
Fire	2,497,850
Police	2,593,682
Total	5,091,532

FY25 State Minimum	FY25 Median	FY25 Actuary (ARC)
2,540,705	3,094,715	3,648,725
2,748,704	3,335,370	3,922,034
5,289,409	6,430,085	7,570,759

FY24 Fire ARC recommendation \$3,463,347; State minimum \$2,447,841

FY24 Police ARC recommendation \$3,573,722; State minimum \$2,543,660

FY24 public safety pension levy is \$1,945,537 less than total ARC

Public Safety Pensions FY25 Property Tax Options



Fire and Police Pension Levy Amounts				All Levy Line Items for City			
Public Safety Pensions Levy Criteria	Public Safety Pension Amounts	Public Safety \$ Increase from FY24 Levy	Public Safety % Increase from FY24 Levy	Estimated Tax Rate	Estimated Tax Amount per \$50k	\$ Change from FY23 Levy Per \$50k	*Truth in Taxation Hearing Required
State Minimum	5,289,409	197,877	3.89%	\$2.42	\$403.43	-\$3.87	No
Minimum + \$100k	5,389,409	297,877	5.85%	\$2.44	\$407.30	\$0.00	No
Median	6,430,085	1,338,553	26.29%	\$2.69	\$447.56	\$40.26	Yes
Actuary	7,570,759	2,479,227	48.69%	\$2.95	\$491.68	\$84.38	Yes

Proposed FY25 Property Tax Comparison to FY24 Property Tax



Description	FY24 Rate	FY24 Extension	FY25 Est. Rate	FY25 Proposed Levy	\$ Change	% Change	Current % of Levy	New % of Levy
General/Park & Rec	\$ 0.315	1,310,737	\$ 0.267	1,133,340	(177,397)	-14%	13%	11%
IMRF	\$ 0.068	285,039	\$ 0.067	285,023	(16)	0%	3%	3%
Social Security	\$ 0.060	250,123	\$ 0.059	250,112	(11)	0%	2%	2%
Police Pension	\$ 0.622	2,593,682	\$ 0.659	2,798,715	205,033	8%	25%	27%
Library	\$ 0.455	1,895,023	\$ 0.469	1,989,769	94,746	5%	19%	19%
General - Fire	\$ 0.324	1,349,945	\$ 0.331	1,450,079	100,134	7%	13%	14%
Fire Pension	\$ 0.599	2,497,850	\$ 0.592	2,590,714	92,864	4%	25%	25%
Total	\$ 2.444	10,182,399	\$ 2.444	10,497,752	315,353	3.10%	100.00%	100.00%

Property Tax Estimation Examples



\$50,000 Home Value

FY24 Current	FY25 Estimate	Change
\$407.30	\$407.30	\$0.00

\$100,000 Home Value

FY24 Current	FY25 Estimate	Change
\$814.60	\$814.60	\$0.00

2025 Draft Budget



2025 Draft Budget



Fund	2025 Revenues	Other Sources	2025 Expenses
General	31,365,710	948,375	32,314,085
Park Fund	5,980,410	1,135,090	7,115,500
Economic Development	1,372,100	592,355	1,964,455
Public Transportation Services	2,821,325	-	2,821,325
Storm Water Utility	841,175	187,660	1,028,835
Other Special Revenue	8,004,395	2,535,705	10,510,105
Debt Service Funds	1,490,845	-	1,490,845
TIF Funds	407,315	259,955	617,700
Replacement Program Funds	1,233,065	-	1,040,720
Utility Tax Capital Projects	1,700,435	6,970	1,707,405
Other Capital Project Funds	401,505	2,481,495	2,876,265
Water Operations	8,194,795	-	7,397,475
Refuse	3,352,035	67,925	3,419,960
Risk Management	1,306,070	-	1,257,865
OPEB Trust	1,146,725	-	1,146,725
Permanent Funds	26,330	-	18,450
Grand Total - All Funds	69,644,235	8,215,530	76,727,715

FY25 General Fund



FY25 General Fund Fund Balance Estimate



Description	Amount
1/1/2024 Unassigned Fund Balance	10,753,601
FY24 Budgeted Revenues	29,991,225
FY24 Budgeted Expenditures	<u>(30,677,785)</u>
12/31/24 Estimated Unassigned Fund Balance	10,067,041
FY25 Budgeted Revenues	31,365,710
FY25 Budgeted Expenditures	<u>(32,314,085)</u>
12/31/25 Estimated Unassigned Fund Balance	<u><u>9,118,666</u></u>

Note: FY25 fire and police pension funds are budgeted at the median of the annual required contribution amount (ARC) and State minimum which is **\$1,140,676** above the State minimum and below the ARC recommendation

General Fund Revenues by Category



Description	2025 Proposed	2024 Budget	\$ Change	% Change
Taxes	26,991,925	25,979,845	1,012,080	3.9%
Licenses & Permits	435,380	417,800	17,580	4.2%
Fines & Costs	289,260	290,200	(940)	-0.3%
Use of Money & Property	1,137,175	1,104,060	33,115	3.0%
Intergovernmental Revenue	1,398,275	1,283,530	114,745	8.9%
Charges for Current Services	1,064,695	875,790	188,905	21.6%
Other Revenue	49,000	40,000	9,000	22.5%
Total Revenues	31,365,710	29,991,225	1,374,485	4.6%

Taxes make up 86% of revenue

General Fund Expenditure Highlights



- Personnel Services increase of \$1.5 million
 - Use of additional sources other than property taxes for Police and Fire pension contributions to bring up to the median amount totals \$1,040,656:
 - \$536,655 additional funds for police pension contribution
 - \$504,001 additional funds for fire pension contribution
 - Additional 2 FTE being charged to General Fund
- Funding the vehicle, building, and computer replacement programs - \$357,780

General Fund Expenditures by Department



Department	2025 Proposed	2024 Adopted	2023 Actual	2022 Actual	\$ Change	% Change
Administration	4,124,530	4,054,570	3,155,215	2,551,071	69,960	2%
Finance and IT	1,739,205	1,519,480	1,368,750	1,257,416	219,725	14%
Community Development	1,067,070	1,038,435	983,467	963,706	28,635	3%
Public Works	3,329,400	3,249,715	2,967,007	3,215,787	79,685	2%
Police	13,040,040	12,112,080	12,198,905	12,397,538	927,960	8%
Fire	9,013,840	8,703,505	8,299,586	9,068,445	310,335	4%
Total	32,314,085	30,677,785	28,972,930	29,453,963	1,636,300	5%

FY25 budgets for the police and fire departments increased by \$1,238,295 or 76% of total increases for the General Fund.

General Fund Expenditures by Category



Description	FY25% of Budget	2025 Proposed	2024 Adopted	\$ Change	% Change
Personnel Services	83%	26,727,955	25,173,355	1,554,600	6%
Contractual Services	11%	3,528,040	3,489,770	38,270	1%
Commodities	3%	1,018,450	843,745	174,705	21%
Other Charges	3%	1,039,640	1,170,915	(131,275)	-11%
Expense	100%	32,314,085	30,677,785	1,636,300	5%

FY25 Park & Recreation Fund



Park & Recreation Fund Fund Balance Estimate



Description	Amount
1/1/2024 Unassigned Fund Balance	2,762,874
FY24 Budgeted Revenues	5,425,910
FY24 Budgeted Expenditures	<u>(6,337,705)</u>
12/31/24 Estimated Unassigned Fund Balance	1,851,079
FY25 Budgeted Revenues	5,980,410
FY25 Budgeted Expenditures	<u>(7,115,500)</u>
<u>12/31/25 Estimated Unassigned Fund Balance</u>	<u><u>715,989</u></u>

Park & Recreation Fund Revenues by Category



Description	2025 Proposed	2024 Budget	\$ Change	% Change
Taxes	4,367,280	4,050,395	316,885	7.8%
Use of Money & Property	1,522,880	1,263,990	258,890	20.5%
Charges for Current Services	40,000	50,000	(10,000)	-20.0%
Other Revenue	39,200	47,725	(8,525)	-17.9%
Transfer from Other Funds	11,050	13,800	(2,750)	-19.9%
Total Revenues	5,980,410	5,425,910	554,500	10.2%

Taxes make up 80% of revenue

Use of Money & Property makes up 28% of revenue

Park & Recreation Fund Facility Revenues



Description	2025 Proposed	2024 Adopted	2023 Actual	2022 Actual	\$ Change	% Change
Bunker Links Golf Course	812,400	694,450	762,753	647,278	117,950	17%
Campground	132,500	132,500	122,084	127,932	-	0%
Lake Storey Beach & Concessions	29,300	22,200	27,908	18,018	7,100	32%
Hawthorne Pool & Gym	39,500	25,000	20,157	14,469	14,500	58%
Lakeside Pool	142,600	132,400	173,631	113,438	10,200	8%
Lakeside Recreation Facility	31,130	25,130	33,395	26,307	6,000	24%
Pavilion Revenues	48,000	40,000	46,429	24,298	8,000	20%
Recreation Programs	159,460	97,800	118,458	91,609	61,660	63%
Parks & Rec Rental Facilities	10,000	12,500	6,424	86	(2,500)	-20%
Total Recreation Facilities & Programs	1,404,890	1,181,980	1,311,239	1,063,435	222,910	19%

Park & Recreation Fund Expenditures by Category



Description	FY25% of Budget	2025 Proposed	2024 Adopted	\$ Change	% Change
Personnel Services	49%	3,515,230	3,172,700	342,530	11%
Contractual Services	28%	2,018,625	1,973,065	45,560	2%
Commodities	11%	804,805	769,960	34,845	5%
Other Charges	11%	776,840	421,980	354,860	84%
Expense	100%	7,115,500	6,337,705	777,795	12%

Personnel services is 50% of total expenses and contractual services is 28% of total expenses

Park & Recreation Fund Expenditures by Division



Division Name	2025 Proposed	2024 Adopted	2023 Actual	2022 Actual	\$ Change	% Change
Parks & Recreation Admin	2,424,760	2,335,635	2,124,678	2,232,776	39,125	4%
City Hall Bldg & Grounds	298,550	223,075	187,571	171,214	75,475	34%
PSB Bldg & Grounds	193,595	194,470	166,772	144,661	(875)	0%
Parks Operations & Maintenance	1,026,395	697,790	665,032	663,662	328,605	47%
Golf Course	1,293,780	1,056,945	797,846	729,643	236,835	22%
Allison Campground	86,280	84,440	89,460	141,877	1,840	2%
Lake Storey Beach	107,870	94,770	75,022	55,593	13,100	14%
Pavilion	130,475	117,580	86,736	88,024	12,895	11%
Recreation Special Programs	310,845	236,435	207,133	185,716	74,410	31%
Lakeside Recreation Facility	85,035	159,000	79,330	93,286	(73,965)	-47%
Lakeside Water Park	371,550	495,910	246,800	250,864	(124,360)	-25%
Hawthorne Pool	131,200	145,230	45,796	59,355	(14,030)	-10%
Hawthorne Gymnasium	42,675	37,320	31,798	44,760	5,355	14%
Linwood Cemetary	245,440	198,810	159,427	169,476	46,630	23%
Forestry	367,050	260,295	185,425	193,018	106,755	41%
Total Parks & Recreation	7,115,500	6,337,705	5,148,825	5,223,925	727,795	12%

FY25 Economic Development Fund



Economic Development Fund Fund Balance Estimate



Description	Amount
1/1/2024 Unassigned Fund Balance	2,987,270
FY24 Budgeted Revenues	1,246,375
FY24 Budgeted Expenditures	<u>(1,339,815)</u>
12/31/24 Estimated Unassigned Fund Balance	2,893,830
FY25 Budgeted Revenues	1,372,100
FY25 Budgeted Expenditures	<u>(1,964,455)</u>
12/31/25 Estimated Unassigned Fund Balance	<u>2,301,475</u>

Economic Development Fund Revenues



Description	2025 Proposed	2024 Budget	\$ Change	% Change
Taxes	1,155,715	1,100,000	55,715	5%
Interest	122,240	61,500	60,740	99%
Property Rental	94,145	94,875	(730)	-1%
Total Revenues	1,372,100	1,256,375	115,725	9%

Economic Development Fund Expenses



Description	2025 Proposed	2024 Adopted	2023 Actual	2022 Actual	\$ Change	% Change
Personnel Services	175,940	171,975	117,241	107,133	3,965	2%
Contractual Services	306,155	239,155	244,484	204,821	67,000	28%
Other Charges	1,482,360	928,685	596,410	476,665	553,675	60%
Total Economic Development	1,964,455	1,339,815	958,135	788,619	624,640	47%

FY25 Water Fund



Water Fund FY23 vs FY24 Revenue Highlights



SALE OF WATER

Month	FY 2024	FY 2023	\$ Change	% Change
January	337,376	348,819	(11,443)	-3%
February	345,757	304,974	40,783	13%
March	306,357	280,076	26,281	9%
April	302,918	355,395	(52,477)	-15%
May	337,302	309,183	28,119	9%
June	381,699	377,521	4,178	1%
July	350,971	405,185	(54,214)	-13%
August	314,088	330,138	(16,050)	-5%
Total	2,676,468	2,711,291	(34,823)	-1%

FACILITY FEES

Month	FY 2024	FY 2023	\$ Change	% Change
January	229,633	222,106	7,527	3%
February	229,642	222,009	7,633	3%
March	229,334	221,729	7,605	3%
April	229,778	221,236	8,542	4%
May	230,201	222,062	8,139	4%
June	230,399	222,041	8,358	4%
July	230,360	222,165	8,195	4%
August	230,345	221,847	8,498	4%
Total	1,839,692	1,775,195	64,497	4%

Amounts shown are revenue that is booked but does not mean revenue received

Water Costs at Past, Current and Proposed Rates



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

Fiscal Year	Unit Rate	Facility Fee	Total Cost of 6 Units (4,488 Gallons)	\$ Increase for Total Water Fees for 6 Units	% Increase for Total Water Fees for 6 Units
2023	\$2.68	\$17.04	\$33.12	\$1.11	3.56%
2024	\$2.77	\$17.64	\$34.26	\$1.14	3.44%
2025	\$2.87	\$18.26	\$35.48	\$1.22	3.56%

Total Water Revenue FY 2023 - 2025



Description	2025 Proposed	2024 Adopted	2023 Actual	\$ Change	% Change
Sale of Water	4,290,160	4,165,000	4,004,911	125,160	3%
Water Facility Fees	2,854,000	2,731,000	2,664,240	123,000	5%
Penalties	140,000	140,000	160,947	-	0%
Turn On Fees	39,040	37,000	42,240	2,040	6%
Delinquent Fees	150,000	150,000	186,733	-	0%
Charges for Current Services	72,265	68,000	78,030	4,265	6%
Sanitary Service Fees	200,000	200,000	243,755	-	0%
Miscellaneous Other Revenue	449,330	203,600	549,133	245,730	121%
Total Revenues	8,194,795	7,694,600	7,929,989	500,195	7%

Water Fund Expenses by Category



Description	2025 Proposed	% of FY25 Budget	2024 Adopted	% of FY24 Budget	\$ Change	% Change
Personnel Services	2,551,005	34%	2,477,835	36%	73,170	3%
Contractual Services	2,155,300	29%	1,830,350	26%	324,950	18%
Commodities	1,150,110	16%	1,094,830	16%	55,280	5%
Other Charges	1,541,060	21%	1,550,345	22%	(9,285)	-1%
Total Expenses	7,397,475	100%	6,953,360	100%	444,115	6%

Questions



- September – Balance/Discuss budget; provide draft budgets to Council
- October – First and Second readings on revenue adjustments; property tax estimation resolution
- November – Public hearing for budget; first and second readings on property taxes
- December – Approve budget; provide tax levy ordinances to County Clerk