

FY 2023 Recommended Budget & FY 2024 Preview

City of Geneva
Special Committee of the Whole
January 24, 2022



What is a Municipal Budget?

- A legally required *plan* of expenditures balanced by revenues for the fiscal year
 - required for all municipal accounting entities
 - including the Enterprise Funds supported by non-tax revenues (user fees) such as electric, water/wastewater, refuse, cemetery, commuter parking
 - requires Governmental Fund Accounting
 - each stream of revenue and associated expenses can be accounted for and tracked within a specific governmental fund
 - budget must be balanced
 - Revenues (plus budgeted reserves) must be more than or equal to budgeted expenditures

Budgeting Roles and Responsibilities

- **City Council** has
 - sole authority by majority vote to adopt or amend (2/3 vote) annual budget
- **City Administrator (Budget Officer)** has the responsibility to
 - prepare, present and execute the budget
- **Finance Director** has the responsibility for
 - collecting and providing financial data to Mayor/City Council
 - timely notice of budget hearing
- **Assistant City Administrator/DOAS** has the responsibility for
 - preparing, justifying, and reporting cost estimates for personnel expenses
- **Department Heads (and other supervisory staff)** are responsible for
 - preparing, justifying and reporting cost estimates for operations, maintenance and capital requirements for fiscal year

Understanding the Budget

- The budget is not a forecast of the amount the local government expects to spend; it is **the maximum amount** that is allowed to be spent (absent an approved amendment).
- As such, many expenditure categories may appear to be below budget at the end of a fiscal year, to ensure not over-budget in compliance with the law.
- Expect actual results to be somewhat better than the budget.

Financial Excellence

- Moody's
 - Re-affirmed Aa2 bond rating
- Government Finance Officers Association (GFOA)
 - Distinguished Budget Presentation Award (11)
 - Certificate of Achievement for Excellence in Financial Reporting (8)
 - Popular Annual Financial Reporting Award (5)

MOODY'S

Rating: Aa2



*Distinguished
Budget
PRESENTATION
Award*



*Certificate
of Achievement
FOR EXCELLENCE IN
Financial Reporting*



**AWARD for OUTSTANDING
ACHIEVEMENT
Popular Annual
Financial Reporting**

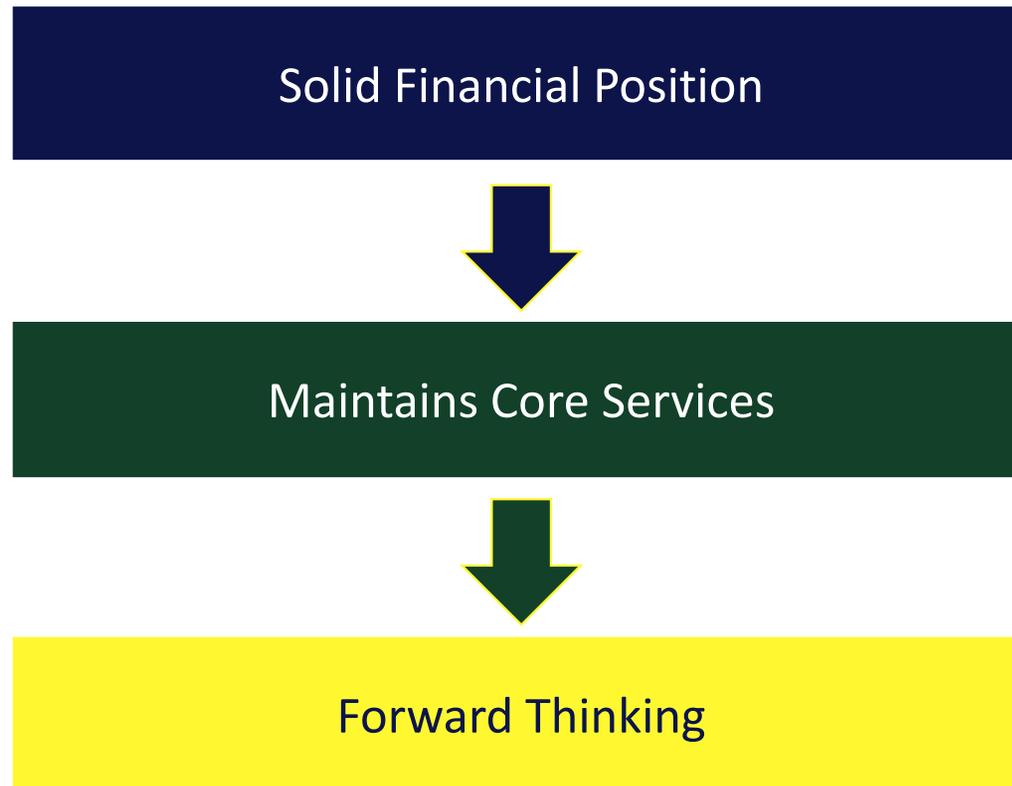
Economic News

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



Note: Shaded area represents recession as determined by National Bureau of Economic Research
Source: U.S. Bureau of Labor Statistics

Prudent Planning & Strategic Thinking



Strategic Plan Priorities

Theme – Objective	PRIORITY OBJECTIVES FOR FY 2023
EV – II	Develop a resilient local economy through the development of new commercial and industrial opportunities to add to the City’s tax base.
ES – II	Take actions to promote long-term sustainability and reduce the City’s carbon footprint.
EMS-II	The City provides equipment, infrastructure and facilities necessary to maintain efficient and reliable public services.
QL-III	The City is recognized as an inclusive community that is welcoming to people of all ages, backgrounds, abilities, and ethnicities.
EV – I	Maintain an economically healthy population through support of new housing opportunities and changes that may allow for greater variety of housing available to individuals at all stages of life and income levels.

FY 2023 Budget Summary – General Fund

Revenues: \$20.7 M (+5.4%*),
including \$500k from fund balance
(reappropriation)

Operations: \$19.4M (+4%*)

Transfers Out: \$1.3M (+26.5%*), including
\$500k to General Capital Projects Fund &
\$800k Capital Equipment Fund

*FY2022 Budgeted v. FY2023 Proposed

Annual Property Tax Liability

Market Value of Home: **\$350,000**

Estimated Tax Levy Rate: **\$0.512251**

Assessed Valuation: **\$116,655**

To determine assessed valuation, multiply Market value by 33.33%:
 $350,000 \times 33.33\% = \$116,655$

Annual Tax Liability for City Services: \$597.57

To calculate the annual tax bill, multiply the assessed valuation by the tax levy rate and divide the result by 100. $\$116,655 \times 0.512251 = \$59,755.64$; $\$59,755.64 \div 100 = \597.57

Monthly Expenses for City Services: \$49.80

To determine the monthly tax expenses for City services, divide the tax liability by 12 months:
 $\$597.57 \div 12 = \49.80

Debt Service Property Tax Levy



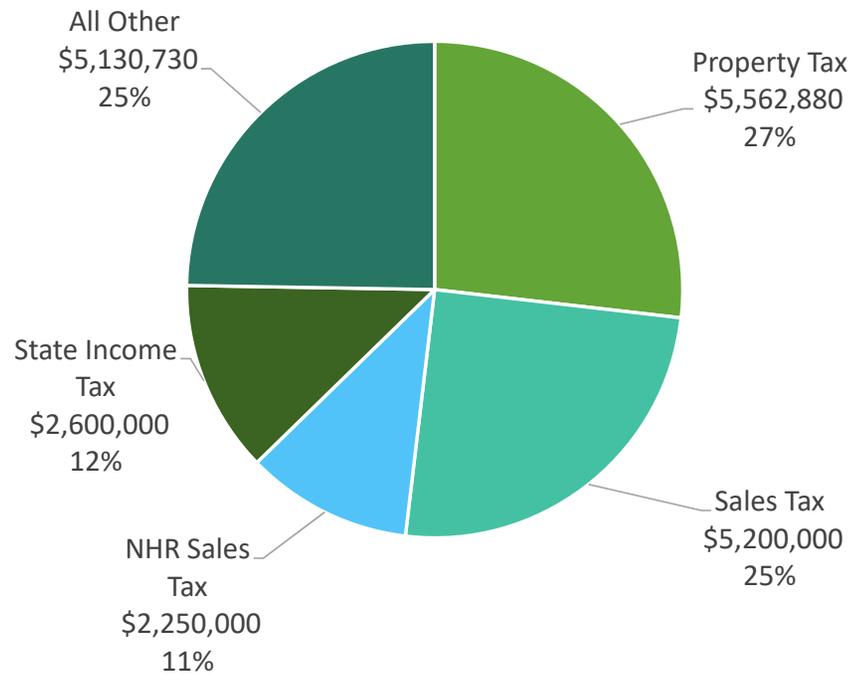
* FY 2020 levy was less than the debt service due to proceeds related to the sale of wetland credits.

City Services
received for
~\$600/annually

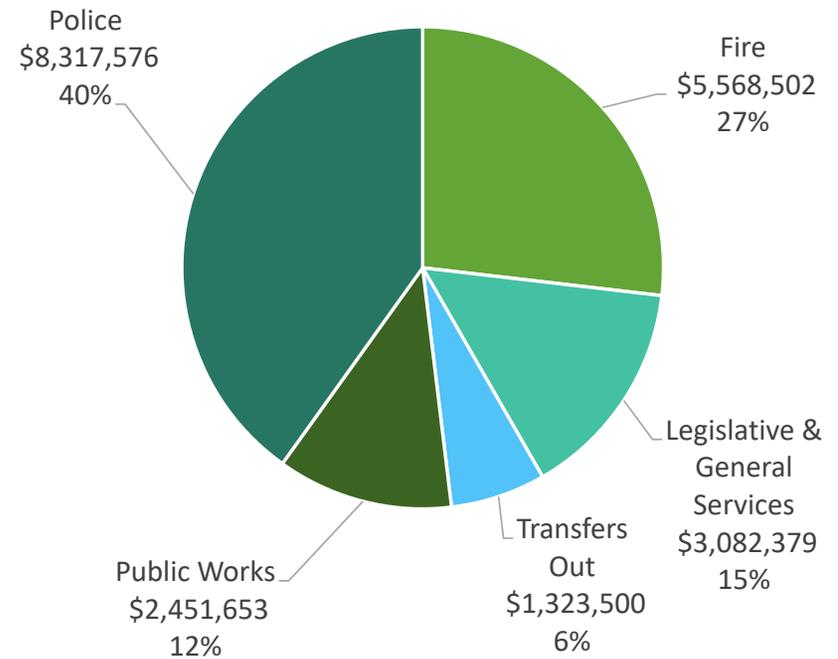
- Fire & EMS Services
- Police Services
- Street Maintenance & Snow Plowing
- Parkway Tree Maintenance
- Stormwater Management
- Engineering & GIS
- Economic Development
- Community Development
- General City Services

General Fund

Revenues



Expenditures



Fund Highlights

- Personnel
 - Elimination of Community Development Intern position
 - Addition of Assistant City Planner
 - Addition of Firefighter (as negotiated in CBA)
- Operational
 - Conduct assessment of network and physical security (IT)
 - Research opportunities to replace vehicles with electric vehicles (ES-II)
 - Procure and implement new software (EMS-II)
 - Fire enterprise resources planning program
 - Tracking system for State mandated training for Police Officers
 - Conduct Review, Assessment, and Policy Discussion regarding long range planning documents (EV-II, EV-I, QL-III)

General Fund Transfers

Cultural Arts Commission	\$	10,000
Strategic Plan Advisory Committee	\$	3,500
Beautification	\$	10,000
General Capital Projects	\$	500,000
Capital Equipment	\$	800,000
Total Transfers	\$	1,323,500

Highlights

General Capital Projects

- Facility Building Repairs & Improvements (\$850k) – EMS-II
- Firearms Simulator (\$30k)
- Garden Club Park Improvements (\$150k*)
- Fuel Dispensing System (\$20k**) – ES-II
- Downtown Market Study (\$20k)

Capital Equipment

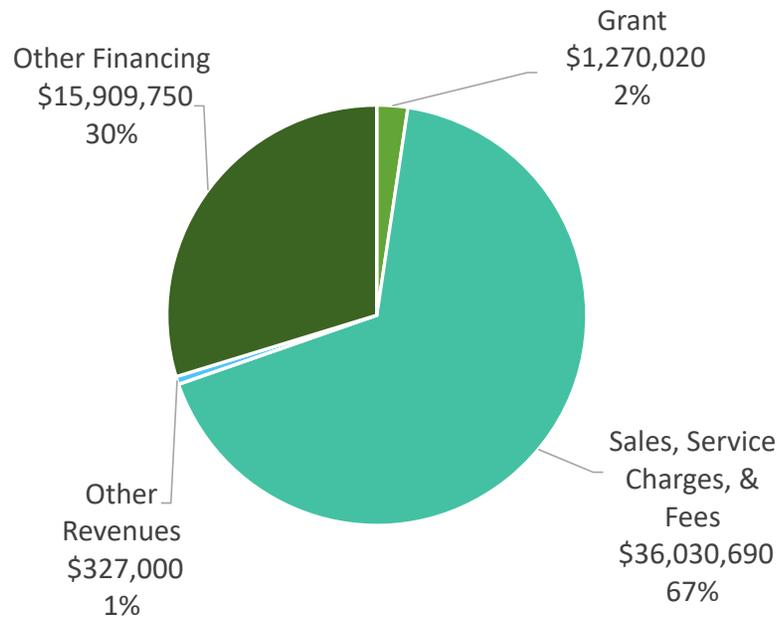
- Fire Station Alerting System Replacement (\$75k) – EMS-II
- Sidewalk Snow Machine Replacement (\$55k)
- Brush Mower (\$23k**)
- Vehicles (~\$900k) – EMS-II
- Computer Replacements (\$43k) – EMS-II

*Joint project with Geneva Park District (city-share)

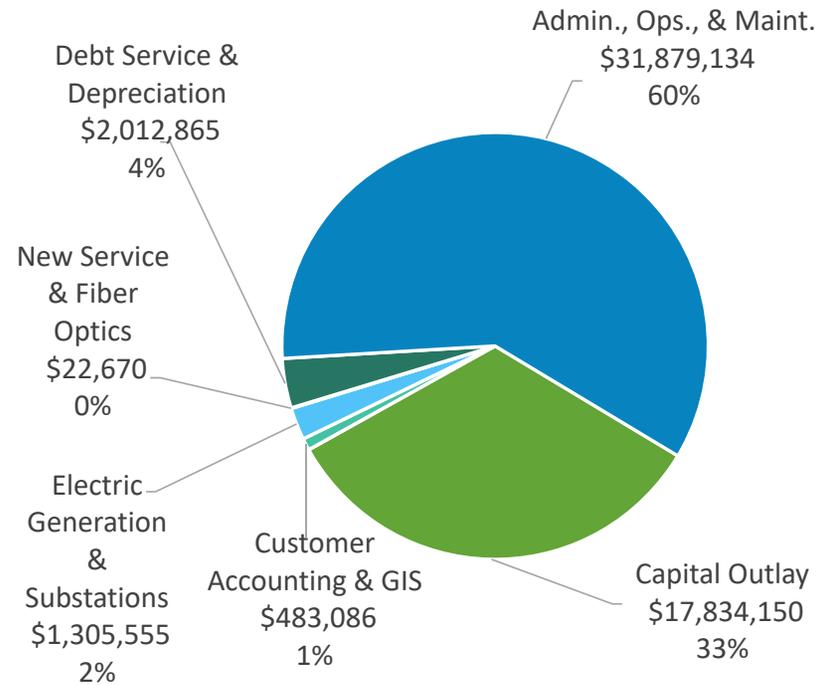
**Total expense split with other funds (GCP-share)

Electric Fund

Revenues



Expenditures



Fund Highlights & Capital Outlay

In Calendar Year 2021

- Installed >1,400 ERT Meters
- On average, a customer experiences a sustained outage once every three years (excluding interruptions by ComEd)
- 50.22 minutes – average length of outage

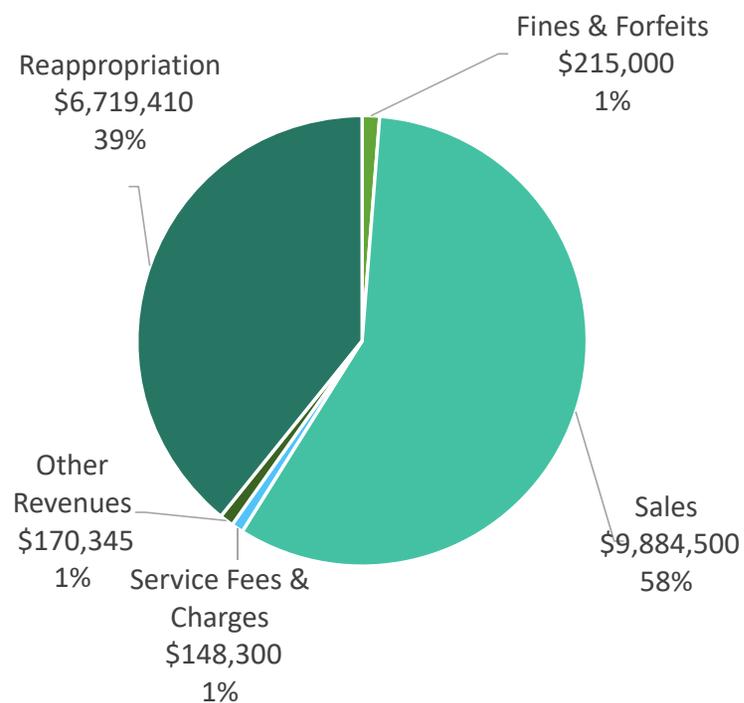
Proposed FY 2023 Capital

- Fabyan Parkway Underground Cable Upgrades (~\$430k)
- SEMP Substation & Feeders (~\$15.5M*)
- Vehicle (\$75k) – EMS-II

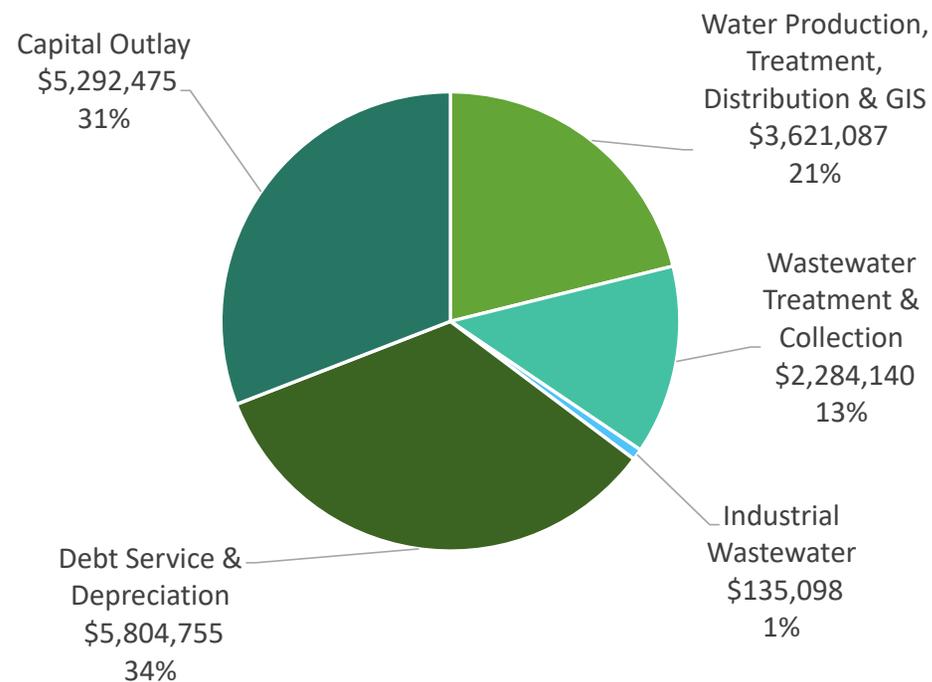
*Grant Funding & Bond Issuance

Water/Wastewater Fund

Revenues



Expenditures



Fund Highlights & Capital Outlay

In Fiscal Year 2021

- 21 Water Main breaks repaired
- 2,988 feet of Water Mains Replaced
- 1.148 Billions of Gallons of Wastewater treated
- 5,285 feet of Sanitary Sewer lined and/or replaced

Proposed FY 2023 Capital

- Sanitary Sewer River Crossing Design Engineering (\$860k)
- Logan Water Tower Cleaning and Spot Light Replacement (\$24k)
- N. Bennett from State Street to Jefferson Water Main Infrastructure Replacement (\$700k)

Miscellaneous Funds

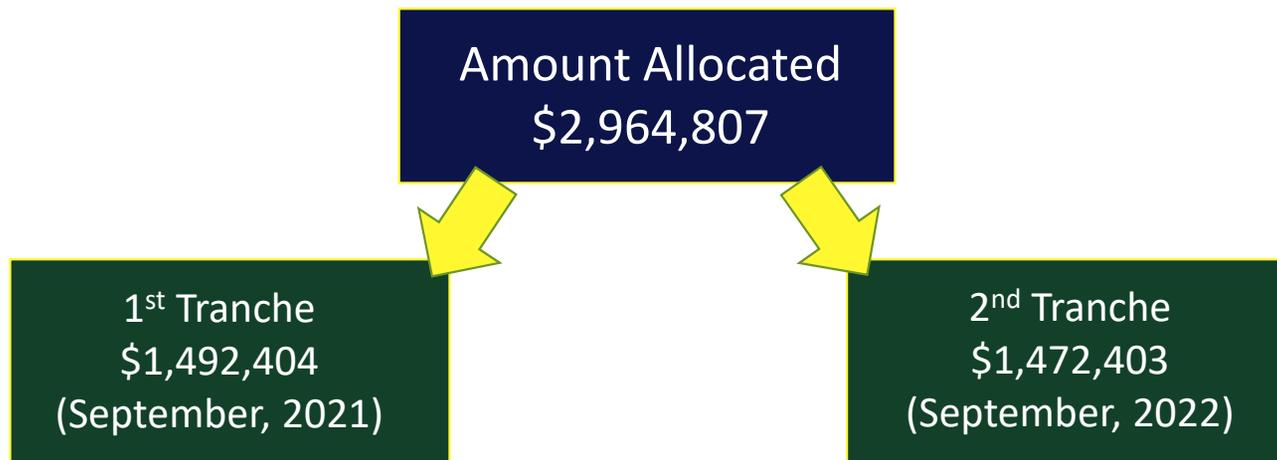
Special Revenue Funds (20)	\$	2,479,975
Capital Project Funds (6)	\$	12,130,330
Enterprise Funds (3*)	\$	2,234,015
Internal Service Funds (2)	\$	1,008,355
Trust & Agency Funds (2)	\$	5,403,205
Total Miscellaneous Funds	\$	23,255,880

*Excludes Electric and Water/Wastewater Funds

Fund Highlights & Capital Outlay

- SPAC
 - Funding for DEI Task Force for professional facilitation and support to assist with gathering community input for final report and recommendations (QL-III)
- Tourism Fund
 - Funding for Geneva History Museum
 - Fund Balance at end of FY 2023 estimated at 19.78%
- Restricted Police Fines
 - Live Scan Fingerprint System (EMS-II)
- TIF #2 & TIF #3
 - East State Street ROW Acquisition (EV-II)

American Rescue Plan Act of 2021



Qualified expenditures must be budgeted by December 31, 2024
And expended by December 31, 2026

Final Guidelines/Rules were released on January 6, 2022

Summary of All Funds

Fund	FY 2022 Amended Budget	FY 2023 Proposed Budget	FY 2024 Forecast	% Increase (Decrease) FY 2022 – FY 2023
General	\$ 19,632,815	\$ 20,743,610	\$ 20,778,365	5.4%
Special Revenue Funds (20)	\$ 2,533,735	\$ 2,479,975	\$ 2,137,560	(2.2%)
Capital Projects Funds (6)	\$ 8,761,035	\$ 12,130,330	\$ 5,442,135	28%
Enterprise Funds (5)	\$ 67,060,750	\$ 72,909,030	\$ 53,826,260	8%
Internal Service Funds (2)	\$ 1,048,965	\$ 1,008,355	\$ 1,053,545	(4%)
Trust and Agency Funds (2)	\$ 3,208,590	\$ 3,254,765	\$ 3,479,745	1.5%
Total Expenditures	\$ 102,245,890	\$ 112,526,065	\$ 86,717,610	9.2%

In Summary

- The budget is a plan outlining anticipated maximum expenditures for all funds
- All funds are balanced
budgeted revenues \geq budgeted expenditures
- Estimates are only as good as the ability to predict the future
- Just because it is in the budget does not mean it will be spent (must have revenue or fund balance)
- Budget may be changed or amended throughout the year to address changes in estimates or unanticipated needs

Next Steps

- Questions by City Council submitted by noon on Friday, will be posted the following Monday on the City's website
- Monday, January 31, 2022
 - Special Committee of the Whole, if desired
- Monday, February 7, 2022
 - Public Hearing
 - Adoption of FY 2023 Budget with FY 2024 Forecast

