



Special Committee of the Whole Budget Discussion – Feb. 9, 2026

Council Questions & City Staff Responses

Before each City Council meeting, questions that have been posed by the City Council relating to the agenda for that evening will be posted to the City's website. Below are the responses to this week's questions.

Grant Funding

Q: Where is grant funding accounted for in the budget, and how much grant revenue is reserved or anticipated for the next fiscal year?

A: Grant revenues total \$2,506,835 for fiscal year 2027. A breakdown can be found in the following funds:

- General Fund: \$2,670 (Bulletproof vests)
- American Rescue Plan Act Fund: \$921,440
- General Capital Fund: \$1.5 million (French Pavilion, Police Department Generator)
- Infrastructure Capital Fund: \$82,775 (Scott Boulevard Detention)

Depreciation

Q: What amount is budgeted for depreciation, and can you explain how depreciation — while not a cash expenditure — functions within the City's budgeting and financial reporting framework?

A: Electric Division depreciation is budgeted at \$2.25 million
Water/Wastewater Division depreciation is budgeted at \$3.6 million

Depreciation is an accounting practice that spreads the cost of expensive assets, like watermains, substations, and equipment, across their useful life. This helps the utilities invest in physical assets and avoid the appearance of financial loss from large upfront expenses and matches the cost of assets with the revenue they help generate over time. Doing this gives a clearer financial health and performance of the utility.

Pension Contributions

Q: Why did pension fund contributions increase significantly this year?

A: Police and Fire pension contributions increased by \$204,125 based on the employer contribution requirements calculated in the City's annual independent actuarial valuations for the Police and Fire Pension funds.

Q: Please identify the primary drivers (e.g., actuarial assumptions, payroll growth, amortization changes, or prior underfunding).

A: Pension contribution increases are primarily driven by statutory funding requirements in the Illinois Pension Code, which requires municipal Police & Fire pension funds to be funded to 90% of actuarial accrued liabilities by 2040.

As of April 30, 2025, the Police Pension Fund is 59.04% funded, and the Firefighter Pension Fund is 67.85% funded, which necessitates accelerated funding to close the unfunded liability within the remaining statutory timeframe.

- Primary drivers include:
 - Remaining amortization period to achieve the 90% by 2040.
 - Payroll growth actuals are slightly above assumed payroll growth for the Police Pension Fund.
 - Investment returns for the consolidated funds are improving, we anticipate this upward trend will mitigate increases in employer contributions.

Q: Kudos on the returns for the pension investments! Do we think that was a blip, or something that might be repeated in the future?

A: Investment portfolio performance for the consolidated funds is inherently influenced by economic and financial market pressures, including interest rate movements and equity market volatility. As of Dec. 31, 2025, interest income for the Police and Firefighter Pension Funds significantly exceeded budget expectations, reaching approximately 429% and 393% of the total adopted budget, respectively. This overperformance reflects favorable market conditions during the year rather than a guaranteed or recurring trend.

Public Safety

Q: What are the City's options for the fire tower truck at the end of the lease term in 2028? What has the City's experience been? Is this something worth pursuing again in the future?

A: The Fire Department's tower ladder was purchased with a seven-year lease-to-own financial agreement. At the time of the purchase, the cost of financing was very advantageous to the City versus using available cash. In the future, this type of financing should be evaluated to see if it is still advantageous to the City.

Q: Where is the budget for crossing guards reflected, and what is the current status of implementation of the crossing guard program?

A: The crossing guard budget may be found in "Other Contractual Services" under the Community Service Division of the Police Department General Fund. The program is close to implementation, and we will be moving forward before the close of the school year. The 2026-27 school year will be the first full year of the program.

French Market Pavilion

Q: How many public restrooms are planned as part of the Market Pavilion project?

A: Two public restrooms are anticipated, however, the exact number has not been determined. Presently, the City is working with the Illinois Department of Commerce and Economic Opportunity (DCEO) to finalize the funding agreement. Once the agreement is ready, it will be reviewed at future Committee of the Whole & City Council meetings.

Q: When is construction currently anticipated, and how might that timing affect the French Market Pavilion during that year?

A: The exact project timeline will be determined by DCEO in the funding agreement. The City is aiming for construction this season and has worked with the market operator to secure an alternative location for the French Market this season to facilitate construction as soon as possible. The license agreement will come forward to the Committee of the Whole and City Council in the very near future.

Q: Has a request for proposal been issued for the Downtown Market Pavilion project?

A: Yes, the City issued an RFP and an inter-departmental review committee interviewed five of the top candidates in late 2025. This work was completed so the City could be ready to initiate work as soon as authorized. The City cannot engage the services of the design professional until the funding agreements with the state are approved.

Prairie Green Preserve

Q: Is there an opportunity for fire training prior to demolishing the Prairie Green barn?

A. The Fire Department determined the barn would not serve training needs. Further, when the previous on-site farmhouse structure was scheduled for live fire training, the City received community opposition, which resulted in the structure being demolished. As such, City staff is pursuing a similar process of demolition.

Q: What is currently envisioned for the Prairie Green site following demolition of the barn?

A: Open green space.

Q: Are there opportunities to salvage or reuse materials before demolition occurs?

A: The structure is composed of commercially available sawn lumber and concrete blocking and has minimal salvage value.

Vehicles

Q: The budget notes Service Truck G-1003 entered service in April 2024 and is recommended for replacement every 12 years. Just checking that this is a 2014 misprint.

A: Yes, the service date should be listed as 2014 for Truck 1003

Facilities

Q: After reviewing the budget, are we comfortable with the levels budgeted for City maintenance, taking into consideration the condition and needs of several of our facilities?

A: There are different facility-related items reflected in the proposed fiscal year 2027 budget. There are some larger-ticket items, for example, the HVAC "phase one" for Public Works, and there are line items for smaller general repairs.

The continued implementation of the issues outlined in the Facilities Master Plan will need a dedicated funding source, which this budget does not include. City staff is working to create an "Asset Management Database," a comprehensive guide with dates of major repairs, maintenance, replacements, etc. for City Facilities. The information-gathering stage of this database will happen over the next year, concurrent with community education conversations about home rule per the process approved by the City Council.

Q: Can you explain the scope and allocation process for the miscellaneous building repair budget?

A: This portion of the budget is to address unexpected/unanticipated facility needs. There are actual building repairs/projects reflected in the fiscal year 2027 budget, for example, what we are referring to as "phase one" of the HVAC project at the Public Works building. This line item is for unexpected repairs, etc.

Q: How are projects prioritized and assigned?

A: If funds in this line item are not utilized, they will be put towards general (non-emergent) maintenance needs.

Q: Would this funding be allocated differently if the referendum does not pass?

A: Not likely. If the referendum does not pass, we will still keep an account for general maintenance needs for facilities other than the police department.

Infrastructure Capital Projects Fund Revenues

Q: Broadly speaking, how is revenue generated from Infrastructure capital projects?

A: Revenues for the Infrastructure fund are primarily generated from the 0.5% Non-Home Rule Sales Tax.

Commuter Parking Lot Improvements

Q: I was not aware that improvements to the commuter parking lot were planned this year. Can you explain the scope, rationale, and funding source for these improvements?

A: The City purchased the Union Pacific Parking lots in fall 2025 for \$1.34 million. Commuter parking lot reserves were used for the acquisition.

Commuter Parking Revenue

Q: What was the commuter parking revenue for the last three fiscal years?

A:

City of Geneva

Revenue Annual Budget by Account Classification Report

	Summary		
	2023 Actual Amount	2024 Actual Amount	2025 Actual Amount
Fund: 660 Commuter Parking			
Revenue			
448 - State/Local Grants	\$0.00	\$0.00	\$0.00
451 - Parking Violations	(\$3,300.57)	\$13,471.25	\$16,086.01
477 - Parking Lot Fees	\$236,406.74	\$265,025.21	\$269,793.72
481 - Interest Income	\$27,969.21	\$75,085.93	\$84,832.95
484 - Sale of Capital Assets	\$0.00	\$22,895.00	\$0.00
489 - Miscellaneous	\$102,499.98	\$75,729.14	\$71,666.64
499 - Reappropriation	\$0.00	\$0.00	\$0.00
Fund Total: Commuter Parking	\$363,575.36	\$452,206.53	\$442,379.32
Revenue Grand Totals:	\$363,575.36	\$452,206.53	\$442,379.32
Expenditure Grand Totals:	\$0.00	\$0.00	\$0.00
Net Grand Totals:	\$363,575.36	\$452,206.53	\$442,379.32

Masonry Wall Repair (Prior-Year Item)

Q: What is the status of the masonry wall repair project that was included in last year’s budget? Was it completed, deferred, or re-scoped, and where is it reflected in the current budget, if at all?

A: The project, as it was originally budgeted, was not completed. It was up for consideration as part of the fiscal year 2027 cycle, and the request will be re-submitted by Public Works in fiscal year 2028.

Pedestrian Bridge / Walkway Widening

Q: Where is the pedestrian bridge walkway widening and railing work accounted for in the budget (operating vs. capital), and in which fund or project line is it carried.

A: The pedestrian bridge walkway widening project was deferred in order to free up funding for the City’s portion of the State Street widening. The project will be re-submitted for fiscal year 2028.

Alternate Revenues Sources

Q: With the decrease in revenue from cable franchise fees expected to decline, and with streaming becoming more prevalent, is there an opportunity to receive revenue from internet service providers or another source?

A: As a non-home rule community, the City’s authority to impose new taxes or fees on internet service providers or streaming platforms is constrained by state law.

Illinois EPA Loan Revenues

Q: Please explain the Illinois EPA Loans & timing related to our enterprise fund revenue.

A: The City is currently completing the IEPA loan process for the River Crossing and Screening Building project for the Water/Wastewater Fund in the amount of \$12.9 million. IEPA loan proceeds are received on a reimbursement basis; accordingly, the City first incurs eligible project costs and then submits those costs to IEPA for reimbursement. As reimbursements are received throughout the fiscal year, they are recorded as revenue in the Enterprise Fund. At fiscal year-end, these amounts are adjusted as necessary to ensure compliance with Generally Accepted Accounting Principles (GAAP).

Compliance Fines

Q: What are compliance fines, and where do they come from?

A: Compliance fines are penalties imposed on properties for failure to comply with applicable City codes (e.g., mowing violations).

Miscellaneous & Other Financing Sources

Q: On page 40, what goes into the "miscellaneous" and "other financing source" categories?

A: Miscellaneous includes Police Report Fees (General Fund), NSF fees, sales of scrap metal (meters), tampering fees, household hazardous waste fees, audit entries related to leases. Other Financing Sources include IEPA loan proceeds for the Water Wastewater Fund.

Aurora Area Convention & Visitors Bureau (AACVB)

Q: Where within the Hotel Operators Occupation Tax Fund expenditure line items is the cost for the contractual obligations for the AACVB?

A: Contractual Obligations are found within the 'Other Professional Services' line item in the Hotel Operator Occupation Tax Fund.

Q: What is the total amount budgeted for AACVB contributions this year, and how does this compare to prior years?

A: The City's agreement with the AACVB is "ninety percent of the first three percent of the Hotel-Motel Tax collected by the City, paid to them on a monthly basis" (R2024-108). Of this amount, 40% is dedicated to the Municipal Marketing Co-Op Program specific for Geneva as detailed at the AACVB presentation to City Council on Jan. 20, 2026. The total amount included in the budget for fiscal year 2026 is \$175,920. The amount included in the fiscal year 2027 budget is \$192,000.

Q: If growth occurs within that fund, what obligations or expectations does the City have with respect to the AACVB? Does the City have any other contractual obligation encumbering this fund?

A: The hotel/motel tax use is governed by State Law. Any allocations need to be used within the confines outlined there. As for the AACVB, as outlined above, the City's agreement is "ninety percent of the first three percent of the Hotel-Motel Tax collected by the City, paid to them on a monthly basis." The fund does include internal commitment as well as a few external contractual obligations in addition to the AACVB. It should be noted that

there were several proposed projects and initiatives designed to enhance tourism and to address and improve visitor amenities that had to be removed from the proposed budget due to shortfalls.

Q: The hotel/motel occupation tax is projected to grow after a slight decline. Could City staff share the key assumptions behind that forecast?

A: When looking at the revenue side, the budgeted amounts for fiscal years 2026 and 2027 are the same. The FY26 ending balance is a projection of where we anticipate to close the year. At this point, the projection is approximately \$15,000 less than the budgeted amount.

External Partnerships / Economic Development - Chamber of Commerce

Q: If City Council were to consider a potential partnership with the Chamber of Commerce, what City objectives or economic development goals could such an arrangement support?

A: The City is currently engaged in conversation with the Geneva Chamber of Commerce. It is premature for us to comment on any future arrangement as we are waiting for responses to information requests.

Q: Could you please provide us with the current budget allocated to support the Geneva Chamber of Commerce?

A: There is no budget allocation/line item "dedicated" specifically to support the Geneva Chamber of Commerce in the proposed fiscal year 2027 budget. Prior funding to the Chamber has been provided for the delivery of specific service to the City as a City contractor, and, because the City opted to purchase a festival sponsorship from the Chamber. There are funds in the budget to cover in-kind City services for anticipated events and additional funds dedicated to working with partners to improve Geneva's destination appeal. The City is currently engaged in conversations with the Chamber, and we are awaiting responses to determine a path forward.

Q: From a budget and policy perspective, what funding source and structure would City staff view as most appropriate if such a partnership were considered?

A: As referenced above, the City is engaged in conversations with the Geneva Chamber of Commerce and is awaiting further information. From a policy and budgetary perspective, it is reasonable to operate in the same fashion as any other organization that receives City funds. For example, an application that allows for oversight and transparent reporting of how tax dollars are used.

Q: Is there an opportunity for a potential increase in funding or a formal partnership with the Chamber?

A: It is premature to comment on this, as we are currently engaged in conversation and are awaiting responses to requests for information.

Geneva Community Mental Health Fund

Q: How is the funding amount for the Geneva Community Mental Health Fund determined?

A: The Geneva Community Mental Health Fund is part of the City's overall property tax levy. The City shares the limiting rate of the property tax rate between the General Fund and the Community Mental Health Fund.

Special Service Area (SSA) No. 2

Q: What was the historical use of SSA No. 2?

A: SSA No. 2 is for Geneva East Estates. The SSA covered alleyways and lighting (Ordinance 83-03). This SSA is inactive.

Tree Replacement Program

Q: The Tree Replacement Program shows a notable increase in 2029. Could City staff share what is driving that change?

A: The Tree Replacement Program has historically been budgeted \$180,000 annually for tree replacements. The budget was reduced to \$75,000 in fiscal years 2027 and 2028 to offset the additional funds needed for East State Street construction. A \$180,000 budget was reinstated in fiscal year 2029 and beyond after the completion of the East State Street project.

Q: For Annual Tree Replacement Program, under fiscal year 2031, the line-item amount is \$1.8M. This is a 10x increase from the \$180,000 for previous years 2029 and 2030. Is this correct for 2031? If yes, to what is that substantial increase attributed?

A: No, this is not correct. Thank you for bringing this to our attention. The budget amount has been corrected to \$180,000.

Lead Service Lines

Q: At the current funding level, how many lead service lines are anticipated to be replaced annually, and what is the estimated timeline for completing the program citywide?

A: Lead water service replacement has been limited to the reimbursement program, whereby residents who have lead service lines can replace them and be reimbursed. About 50 lead services can be replaced under the current budget. The current law requires all lead water services to be replaced by 2037. Starting in fiscal year 28, the City must replace lead service lines at a minimum average annual rate of 10% calculated across a rolling three-year period based on inventory levels. This will mean roughly 60-80 replacements per year for the first three years.

Other Water Main Replacement

Q: Could City staff clarify the purpose and scope of the "Other Water Main Replacement" line item?

A: These are water mains that have resulted in excessive service disruptions or water quality problems. Fiscal year 2027 currently has City engineers designing plans for the replacement of a section of water main on Belter Court and a water main extension on Foxford Lane. The project will then be bid out for construction, and City engineers will handle the construction engineering.

Annual Roadway Infrastructure Program

Q: The Annual Roadway Infrastructure Program reflects a significant and ongoing increase.

Could City staff let us know the primary factors contributing to that trend?

A: Costs related to East State Street are the primary driver for the increase in fiscal year 2027. Costs related to South and Seventh Street Improvements are budgeted should the City receive direct funding from Kane Kendall Council of Mayor's (KKCOM) STP-L Program (Resolution 2026-02).

South & South Seventh Street Improvements

Q: Could City staff provide additional detail on the scope of the South and South Seventh Street roadway improvements and what residents should expect once the project is complete?

A: The project scope would entail constructing roadway, bicycle and pedestrian facilities improvements on South Street and South Seventh Street between Kaneville Road and West State Street (Route 38). (Resolution 2026-02).

Computer Replacements

Q: Fiscal year 2027 reflects a higher level of computer replacements. Could City staff outline which departments are included and whether this represents a scheduled replacement cycle?

A: Computers are replaced on a four-year replacement schedule managed by the IT Division. Servers are replaced less frequently. The goal is to replace 25% of the City's computers each year.

- The FY 2027 budget of \$92,400 for General Fund scheduled computers replacements is down from the FY 2026 budget of \$104,990.
- The PEG Fund FY 2027 budgeted computer replacement of \$30,525 is above the FY 2026 budget of \$0. The increase is related to the scheduled replacement of City Hall Council Chamber computers.
- The Electric Fund computer replacement budget for FY 2027 totals \$312,600 as compared to the FY 2026 total of \$34,575. The increase is primarily driven by SCADA upgrades for distribution and Geneva Generation Facility, totaling \$300,00. Annual computer replacements for the Electric fund are less than the FY 2026 budget.
- The Water Fund scheduled computer replacement FY 2027 budget of \$21,510 is higher than the FY 2026 budget of \$13,895 due to an increase in the number of replacements in FY 2027.

Capital Grants

Q: Are the grants for fiscal year 2026 for the City's portion of East State Street fully locked in? Are there any grants here that are from federal agencies?

A: Based on the most recent Division of Cost identified in Resolution 2025-50, the funding plan for the City's portion of the East State Street project includes about \$8.5 million in federal funding. In addition, the project includes about \$6.5 million in state funding; however, it is currently unclear whether any portion of the state funding is derived from federal pass-through sources. While the federal funds identified in the resolution are currently programmed, it is important to note federal grant funding is subject to change and may be impacted by future federal actions, including Executive Orders or policy changes. As a result, while the grants are anticipated, they cannot be considered "fully locked in."