

April 1, 2024

Mayor Manier and Council Members:

Attached is the proposed budget for the City of Washington, Illinois for the fiscal year May 1, 2024 through April 30, 2025. Nothing is accomplished singularly. Thank you to the Council members and all the Department Heads for their efforts in arriving at this juncture. This document reflects the collaborative efforts of the City's elected officials and staff. Department Heads - Finance Director Joanie Baxter, Public Works Director Brian Rittenhouse, Planning & Development Director Jon Oliphant, City Engineer Dennis Carr, Police Chief Mike McCoy, Deputy Chief Jeff Stevens, City Clerk Valeri Brod, and Administrative Assistant Lisa Anderson.

Collectively, hundreds of hours have been put into this budget. It is a team effort and reflects the commitment that the administrative leadership of the City of Washington have to the Mayor, Council and residents of Washington. An All Funds Summary of the City of Washington's FY2025 budget in comparison to the prior year is included under the Fund Summaries section. Revenues and expenses across all funds have been grouped into common categories for comparative purposes. While these data are useful in providing summary information and general trends, substantive conclusions should only be made following a more thorough evaluation of the budget detail provided for each individual fund.

EXPENSE OVERVIEW

The budget appropriates \$41,406,832 to meet the City's anticipated expenses for the fiscal year beginning May 1, 2024, a \$6,582,758 or 18.9% increase compared to the prior year when excluding all transfers. Of the major service categories and functions, expenses related to the City's core services (sanitary sewer, streets, public safety and water) account for over 67% of total budgeted expenditures when including transfers.

The proposed budget continues to include a significant reinvestment in the City's infrastructure, most notably to maintain aging streets and utility distribution systems. Capital expenditures are estimated to total approximately \$22.95M in the coming year, 55.4% of total budgeted expenses, including \$2.98M for capital expenditures that have been fully funded in the Capital Replacement, Building Maintenance, and Motorized Equipment Replacement Funds or are partially funded by Grant Proceeds.

Personnel expenses are estimated to total \$9.8M in FY2025 and account for 23.8% of total expenditures. Total City employment (72.25 FTE) represents an increase of 1.0 FTE compared to the prior year due to the addition of one Sergeant in the Police Department. About 46% of the City's workforce is engaged in public safety services; 43% is committed to public works; 8% to general administration and cemetery and 3% to planning, zoning and economic development. Joining the Intergovernmental Personnel Benefit Cooperative (IPBC) during FY2018 has proven to be a wise decision in containing health insurance costs. With the increase of 5.5% effective January 1, 2025, the eight-year total still shows a net increase of only 2.96%. As a result, the City has realized significant savings in health care costs over the past eight years.

Operations costs are projected to increase by about \$397,793 or 5.8% in the coming year. Operations category includes a wide variety of expenses: utilities (electric, natural gas and phone); professional fees (legal, engineering and data processing); repair and maintenance of buildings, grounds, office equipment, and public infrastructure (streets, sidewalks, storm sewers); training; property insurance; chemicals (mostly those used in the treatment of water and wastewater); janitorial supplies and various commodities. Annual debt service expenses of \$1.4M is an increase of \$265,308 over the prior year which reflects the first interest payment on the 2023 Stormwater Management GO Bond. Of this total, \$526,628 is payable from sewer revenues, \$261,315 from water revenues, and \$623,868 is payable from General Fund income, including the Stormwater Management GO Bond debt service paid from the .5% Home Rules Sales Tax for Stormwater Management that was effective July 1, 2022.

REVENUE OVERVIEW

Sales and use taxes make up the largest source of monies to fund the FY2025 budget. These revenues are generated from four component parts: the 1% municipal sales tax (\$4.04M), the 1.25% home rule sales tax (\$3.21M), the additional .5% home rule sales tax for infrastructure and for stormwater management (\$1.28M each), and the local use tax (\$675,000). Revenues remained strong throughout FY2024 despite weakened economic conditions as a result of rising inflation. Sales taxes have been boosted by the Internet sales tax that was effective January 2021 and continue to positively impact revenue. Projections are still remaining conservative, especially in light of the potential elimination of the 1% sales tax on groceries and medicine as proposed by the Governor, which would directly impact the City should such an action be taken.

Surplus funds have resulted from an accumulation of funds and continue to be utilized for one-time capital projects in the General Fund. As emphasized in prior budgets, the funding of certain capital projects requires the City to accumulate monies in some years in order to pay for projects that occur in later years. Furthermore, accumulated cash reserves that are realized through normal operations can be safely spent on one-time capital projects provided the City maintains sufficient reserves to meet its minimum cash reserve requirements, its cash flow needs and prudent contingencies for unanticipated expenses.

After budgeting the expenditure of \$4.14M of surplus funds, the resulting ending General Fund balance of \$12.7M is still 60% of total expenditures as compared to the minimum standard balance of 25% of budgeted expenditures.

CHALLENGES & OPPORTUNITIES

The U.S. economy these past two years has experienced the largest spike in interest rates and inflation in a generation. So far, we have not seen an economic slowdown as a result of these changes. Local housing demand and jobs remain strong. Since we are heavily reliant on sales tax to fund our operations, we need to track these economic developments accordingly. The FY2025 Budget will reflect the previous year's trends in revenue. An ongoing financial challenge facing the City continues to be the ability to keep pace with necessary improvements that sustain existing infrastructure and enable economic growth. The City Council has taken significant steps towards the funding of infrastructure with the increased sales tax and utility rates and fees. These revenue projections are reflected in the budget as well as a robust Capital Improvement project list. The Capital Improvement Plan (CIP) will continue to be an important document as we move forward with infrastructure planning and implementation of the plan in future years.

SUMMARY AND ACKNOWLEDGEMENTS

In summary, the development of the budget began in December 2023 and has included four (4) public meetings beginning with the Strategic Planning Meeting on January 29, 2024. I would like to thank the Finance Director, Joanie Baxter for her efforts in assembling this spending plan and the Department Heads for their team approach. In addition, I would like to thank the Mayor and City Council for their commitment to developing a realistic spending plan that funds the provision of excellent core services for the residents and businesses of Washington.

Respectfully submitted,

Jim Snider

City Administrator

**CITY OF WASHINGTON
FY2025 POSITION BUDGETING REPORT**

Department	Base Salary - Full-Time	Part-Time based on FTE
Administration	216,549	39,177
Engineering	269,294	
Finance	394,477	83,839
Planning & Development	177,408	
Public Safety	2,549,038	119,684
Public Works	1,064,172	67,392
Elected Officials	67,435	53,502
	4,738,373	363,594

ADMINISTRATION

Position	Base Salary - Full-Time	Part-Time based on FTE
City Administrator	161,362	
Administrative Assistant	59,122	
Human Resource Manager		39,177

ENGINEERING

Position	Base Salary - Full-Time	Part-Time based on FTE
City Engineer	139,335	
Engineering Tech	64,376	
GIS Specialist	65,583	

FINANCE

Position	Base Salary - Full-Time	Part-Time based on FTE
Finance Director	140,037	
Customer Service Supervisor	74,682	
Finance Support Specialist	68,436	
Customer Service Specialist II	64,937	
Customer Service Specialist I	46,385	
P-T Accountant		83,839

PLANNING & DEVELOPMENT

Position	Base Salary - Full-Time	Part-Time based on FTE
Planning & Development Director	111,825	
Building & Zoning Coordinator	65,583	

**CITY OF WASHINGTON
FY2025 POSITION BUDGETING REPORT**

PUBLIC WORKS

Position	Base Salary - Full-Time	Part-Time based on FTE
Public Works Director	116,971	
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Water Treatment Plant Supervisor	80,683	
Water Treatment Plant Operator	67,678	
Water Treatment Plant Assistant Operator	56,302	
Sewer Treatment Plant Supervisor	80,683	
Sewer Treatment Plant Laborer	64,593	
Sewer Treatment Plant Laborer	49,747	
Sewer Treatment Plant Laborer	44,819	
Distribution and Collections Supervisor	70,283	
Distribution and Collections Foreman	55,724	
Distribution and Collections Laborer	49,747	
Distribution and Collections Laborer	48,097	
Distribution and Collections Laborer	46,446	
Distribution and Collections Laborer	44,824	
Streets Supervisor	70,283	
Fleet Mechanic	71,320	
Streets Foreman	67,850	
Streets Laborer	61,273	
Streets Laborer	57,952	
Streets Laborer	56,302	
Streets Laborer (2)	54,674	
Streets Laborer	51,375	
Streets Laborer	49,747	
Grounds Maintenance		67,392

ELECTED OFFICIALS

Position	Full-Time per Ordinance	Part-Time per Ordinance
Mayor*		14,449
Treasurer*		13,244
Clerk*	67,435	
Alderspersons** (total for 8)		25,809

*increased by CPI of 3.4% effective 5/1/2024.

**Annual rate of \$3,120 increased by 3.4% effective 5/1/2024.

**CITY OF WASHINGTON
FY2025 POSITION BUDGETING REPORT**

PUBLIC SAFETY

Position	Base Salary - Full-Time	Part-Time based on FTE
Police Chief	144,740	
Deputy Chief	114,185	
Sergeant (2)	93,967	
Sergeant (2)	92,312	
Sergeant	89,828	
Sergeant	77,087	
Patrol Officer	83,787	
Patrol Officer	83,058	
Patrol Officer (2)	82,326	
Patrol Officer (3)	81,595	
Patrol Officer	75,048	
Patrol Officer (6)	79,400	
Patrol Officer	68,247	
Patrol Officer (2)	62,853	
Patrol Officer (2)	59,672	
P-T Sergeant (2)		16,887
P-T Officer (5)		65,887
Administrative Assistant	66,561	
Administrative Officer	59,122	
Police Admin. Support Specialist	66,767	
Police Admin. Support Specialist	59,481	
Police Admin. Support Specialist	57,682	
P-T Police Admin. Support Specialist		36,910