

To: Mayor Russell and Council Members

From: Mark Latham and Patrick Pianalto

Date: November 7, 2024

Subject: 2025 Budget

The 2025 budget began with goals established by all department heads, along with fixed assets and any additional personal request.

Secondly, the framework of the budget is 85% of the projected revenue is the benchmark for Operating and Maintenance, 10% for fixed assets, and 5% for reserves. The 2025 budget demonstrates the same as the 2024 budget of 91% of revenue dedicated to operating, 5% for fixed assets, and 3% going to reserve. I have enclosed a copy of a proposed **Financial Management Policy**.

Thirdly, the large capital is based on the ten-year plan the council approved in September 2023 has been updated to include specific grants that will be applied for in 2025. I have enclosed a copy of the **10-year CIP and grant list**.

Finally, some adjustments to salaries are included based on the development of a new Salary Administration Procedure Guide that establishes a grade structure for all employees. The Public Works employees, administration, and planning did not have formal job descriptions and therefore have been completed to address overall responsibilities for the position.

The general budget reflects a conservative increase in revenue of 4% compared to the 2024 projected income. We are seeing a slight rise in sales tax, increase in franchise tax, and a conservative 2% projected increase in the property tax EAV with hopes that a 3% to 5% increase occurs year end based on recent developments. The overall city general expenditure increase is 6% compared to the 2024 expenses. This includes an investment in one command fire employee and one police officer. The Museum is requesting additional hours be added to the current part time employee.

The Water and Sewer departments reflect an overall increase in revenue of 13%, with a 12% increase in operating compared to last year's budget. The overall Water and Sewer budget includes fixed assets of \$105,000.

The budget is expected to place \$150,200 in reserves for the city general, \$54,250 for the street budget and \$250,800 water and sewer.

After the completion of the Comprehensive Plan, staff prepared the 2025 budget that reflects the desire to invest in aging infrastructure while continuing to improve current facilities and building the reserves.

Police Department will continue to move forward on construction of a new police station with the approval of the bond issue. Investment in protective gear and radios is requested in fixed assets for \$65,500. One new position is requested for a new Police Officer.

Fire Department request a new position as Battalion Chief and \$190,000 in fixed assets. Staff will be working on a grant to purchase the new engine through FEMA and an increase of \$5,000 to Central EMS contract.

Community Development will continue to work on the development of the Impresa Business Center at 612/412, implement Phase 2 of the Storm Water plan which includes the South Pinalto area and South Barrington. The fixed asset is to replace the inspector's vehicle.

Street Department will complete the second year of the 20-year street maintenance plan, complete the design and apply for ROW and Utility relocation for the 412/Barrington intersection improvements, and utilize Impact fees to complete Mantegani road improvement. The bond issue passed, and work will begin on Fletcher. Fixed assets at \$80,000 for one truck, radios, and temporary storage.

Park and Recreation is looking to improve Harry Sbanotto Park with the new park plan. The bond issue has passed, and a plan needs to be completed to utilize funds for park development and community center.

Public Works will continue its course to improve the water and sewer infrastructure. This year the new water tower is to be built with bond refinancing. Fixed assets are requested at \$105,000.

I want to thank Patrick Pinalto, Mayor Russell, and Department Heads for their hard work on the budget.