

CITY OF GALENA, ILLINOIS

101 Green Street, PO Box 310, Galena, Illinois 61036



MEMORANDUM

TO: Honorable Mayor Renner and City Council

FROM: Mark Moran, City Administrator

DATE: March 5, 2019

RE: FY 2019-20 Operating Budget Transmittal

I am attaching for your consideration the Fiscal Year 2019-20 (FY 20) City of Galena Operating Budget. The fiscal year begins May 1 and extends through April 30. This report is intended to provide you with an overview of the budget in preparation for our upcoming budget work sessions. The first work session is scheduled for Monday, April 1 at 5:00 p.m. at City Hall.

In preparing the budget, the staff and I attempt to be realistic and cautious when projecting revenues and reserved when allocating expenses. We enter the budget process with the goal of balancing revenues and expenses for all 20 funds and the overall budget. While four individual funds have proposed deficits for the budget year, I am pleased to present a budget with an overall surplus.

I believe the proposed budget is an important indication that the City's finances may still be characterized as healthy and stable. I expect the City to complete the present fiscal year with fund balances across all funds totaling \$5.2 million. With the implementation of the proposed budget, the combined fund balance would end the coming fiscal year at \$5.5 million—a similar strong position.

I am hopeful that this report will assist you in understanding my goals in formulating the budget, the proposed operations and projects, the condition of the individual funds, and the condition of the overall City finances.

BUDGET GOALS

Focusing on long-term financial sustainability across all funds, I approached the budget with the following goals:

- Achieve 100% compliance with our Minimum Fund Balance Policy
- Balance the overall budget so expenses do not exceed revenues
- Balance each of the 20 individual funds
- Avoid new debt and fully fund all scheduled debt service
- Fully fund all contractual obligations
- Maintain or improve the level of services provided to our citizens and businesses
- Implement the Capital Improvement Plan (CIP) as adopted in December 2018
- Identify potential operational efficiencies to reduce expenses
- Improve energy efficiency and implement environmentally sustainable practices

While there will always be budgetary challenges for our local government, I believe the proposed budget controls costs to ensure that operations are supported into the foreseeable future by available revenues.

REVENUE AND EXPENSE SUMMARY

Total revenues, including transfers, are projected to decrease 22% to \$9,637,015. Total expenses are proposed to decrease 25% to \$9,317,570. The dramatic reductions are caused primarily by the one-time revenue and expense of \$2.4 million for the Gear Street Project. The revenue was fully received in the current fiscal year and the proposed budget assumes that all Gear Street Project expenses will be incurred before the start of the new budget year. The comparison of revenues and expenses from the current (including council approved amendments) and proposed budgets is shown in Table 1 below. The revenue and expense summary for each fund is provided in “Addendum A”. I encourage you to review the budget for each individual fund for a more detailed comparison of proposed revenues and expenses to those of past years.

Table 1. Revenue and Expense Summary: FY 2019 and FY 2020

	FY 18-19	Proposed FY 19-20	Change
General Fund Revenues	\$4,185,395	\$4,015,455	-4.1%
Other Revenues	\$8,282,508	\$5,621,560	-32.1%
Total Revenues	\$12,467,903	\$9,637,015	-22.7%
General Fund Expenses	\$4,098,093	\$3,985,175	-2.8%
Other Expenses	\$8,368,768	\$5,332,395	-36.3%
Total Expenses	\$12,466,861	\$9,317,570	-25.3%

INTERFUND TRANSFERS

More than half the 20 individual funds derive a portion of their revenue or have expenditures from scheduled interfund transfers. Interfund transfers reflect the cost of specific improvements and/or goods and services provided from one fund to another fund. For purposes of consistency and transparency, transfers-in are considered revenue and transfers-out are considered expenses. Interfund activity is included in the entity-wide consolidated budget totals. Interfund transfers for FY 20 total \$843,680 and are listed in “Addendum B”.

REVENUES: FEES AND TAXES

The City collects revenue from a wide variety of sources. For many of the revenue sources, the City has the discretion to modify the tax rate or the fee. With the exception of the property tax and the monthly water use base fee, no changes are proposed to existing taxes or fees. No new taxes or fees are proposed. Accordingly, the Food and Beverage Tax, Amusement Tax, sewer fees, garbage fees, recycling fees, liquor license fees, building permit fees and all other license fees are proposed to remain unchanged.

When adopting the property tax levy in November 2018, the city council approved a levy that would slightly increase the tax rate for individual property owners. The rate would increase from \$1.39 to \$1.41 per \$100 of equalized assessed valuation. This equates to a \$7.00 annual tax increase for every \$100,000 of fair market value. The increase is expected to generate \$18,830 of new revenue. Property tax represents 15% of total City revenue.

An increase of the monthly base fee for water accounts is proposed as part of a watermain improvement project on the east side of the community. A more detailed description of the project is provided in the Water Fund section later in this report.

GENERAL FUND

As the largest fund, the General Fund is perhaps the best single indicator of the current fiscal condition of the City. General Fund revenues are unrestricted and may cross into other funds. In the proposed budget, the General Fund has a surplus of \$30,280.

With the surplus budget, the projected FY 20 year-end General Fund balance is expected to increase slightly to \$1.4 million. This represents 42% of annual operating expenses for the General Fund, slightly above the 40% required by our Minimum Fund Balance Policy. Annual operating expenses were calculated at \$3.3 million. The payment of hotel tax revenue to the Greater Galena Marketing Initiative (GGMI) is included in the General Fund budget but not was included in the calculation of annual operating expenses. The City collects the tax revenue and passes it through to GGMI as a net zero transaction. The hotel tax revenue and expense are estimated as \$620,000 in the proposed budget.

As in the past, the General Fund budget includes expenses/transfers to balance other funds whose revenues do not support operations. Those other funds include: Parks, Turner Hall, and Pool. In the proposed budget, a total of \$321,600 would be transferred from the General Fund to zero the deficits in those three funds.

OTHER MAJOR GOVERNMENTAL FUNDS

Other Major Governmental Funds are the Parks and Recreation Fund and the Debt Service Fund.

Parks and Recreation Fund

The proposed budget maintains our commitment to quality parks, open spaces and recreation. All facilities are expected to remain open with full maintenance by City employees. The scope of parks maintenance is very broad. In addition to maintaining our ten parks, we maintain 8.3 miles of recreational trail and numerous landscaped areas, including those near the welcome signs and at various downtown locations. The final segment of the Galena River Trail opened late last year, adding 2.7 miles to the trail system. Our parks crew is responsible for mowing and weeding approximately 90 acres, most of it at least weekly during the growing season. The proposed budget includes \$50,000 (\$25,000 in the Parks Fund) for seasonal employees to assist with mowing, weeding, watering, and general cleaning in the downtown and in the parks.

Considerable progress was made in FY 19 on the Grant Park Improvement Project. Completed projects included the construction of the oval garden, the replacement of the basketball court, and the reconstruction of the south and middle entrances. For FY 20, work is planned to improve the north entrance and the entrance at the Kohlstadt Bridge. New parking for persons with disabilities is planned near the pavilion. Work is also planned to improve drainage from a low area on the north end of the park. The estimated cost for all the projects is \$32,000. A grant from the Galena Foundation is expected to offset \$14,500 of the cost. The Grant Park Committee continues to provide valuable planning support for the Grant Park restoration.

A transfer of \$122,715 from the General Fund is proposed to support Parks Fund expenses and prevent a year-end deficit.

Debt Service Fund

A critical measure of financial sustainability is our ability on a year-to-year basis to service the City's debt. All scheduled debt service, including the debt payable through the Debt Service Fund (non-enterprise fund debt), is fully funded in the proposed budget. The total principal and interest payments for all Debt Service Fund obligations are \$483,140 for the year (total principal and interest payments across all funds, including Debt Service *and* enterprise funds, total \$1,270,400). This means that the City will achieve a pay down of nearly \$1.3 million of principal and interest for the year. All Debt Service Fund debt is scheduled to be repaid within four years.

No new debt is proposed for the Debt Service Fund. New enterprise fund debt is proposed for the Water Fund and will be explained in the Water Fund section of this report. This would be the first new debt in the last seven years.

Beginning in FY 20, the total indebtedness of the City will be \$9,233,051 of principal, plus \$2,848,079 of interest (\$12,081,130 total). The distribution of the debt by project is shown on Chart 1 of "Addendum C". After all budgeted debt payments, the total indebtedness will drop to \$10,810,730, exclusive any new debt in the Water Fund.

For the fiscal year ending April 30, 2018, the statutory debt limit for the City was \$8,641,144. This represents the amount of general obligation debt the City may legally incur. The actual general obligation debt on April 30, 2018 was \$2,157,739 or 24% of the limit. The statutory debt limit applies to all general obligation debt (backed by property tax) and does not apply to enterprise fund debt, including that debt incurred to finance the construction of the wastewater treatment facility and the Industrial Park well and water tower. The City's debt/bond rating was upgraded by Standard and Poor's Rating Service in August 2015 from AA- to AA. I have no reason to expect the rating to change during the coming fiscal year.

After all year-end transfers, the two Other Major Governmental Funds are expected to have zero balances in compliance with the Minimum Fund Balance Policy.

ENTERPRISE FUNDS

Enterprise Funds include: Water, Sewer, Shuttle, Turner Hall, and the Swimming Pool. An Enterprise Fund operates like a business with operational expenses financed or recovered through user charges.

Water Fund

Proposed revenues exceed expenses by \$89,305 for the Water Fund budget. Revenues for the fund, primarily water use fees, are stable.

Improvements to the water distribution system on the east side is the most significant project planned for the Water Fund. The project will improve system supply, reliability, firefighting capability, and water quality. Project planning and design has been underway for more than one-year and the project is nearly ready for bidding. An application for a low-interest EPA loan has been submitted and the loan agreement has been authorized by the city council. The loan financing is attractive, with an expected interest rate of 1.38% and 75% of the principal forgivable. The availability of the loan will not be confirmed until after bidding and the start of the state fiscal year on July 1, 2019. Construction is expected to take place in two phases. The first phase, to replace the water main under Highway 20 between Park Avenue and Fourth Street, would commence in 2019. The remainder of the work would be completed in the summer of 2020.

The estimated cost for the east side project is \$1,577,000. With 75% principal forgiveness, the loan amount would be \$394,250. An increase of the water service monthly base fee from \$4.03 to \$4.96 is proposed to take effect on August 1, 2019 to generate the revenue needed to service the debt for the project. Annual debt service for the 20-year loan would be \$22,575. The first payment on the loan is not expected until fiscal year 2021.

IIW Engineers and Surveyors continues to work on computer modeling the water system to help determine if the Franklin Street water tower is still needed. The final report is expected in the spring of this year.

Notable proposed Water Fund expenditures include: \$330,000 for the operations and maintenance contract with Veolia (currently out for proposals), \$162,100 for debt service on the Industrial Park well and tower, \$20,000 (one-half of total cost) for a new truck, \$10,000 for replacing remote read devices and water meters, \$12,500 for replacing hydrants, \$10,000 for painting hydrants, and \$10,000 for valve replacements.

Under the proposed budget, the Water Fund would end the fiscal year with a fund balance of approximately \$774,000.

Sewer Fund

Debt service continues to be the largest expenditure in the Sewer Fund. There are two projects covered by the debt, the wastewater plant and the solar array. The wastewater plant debt extends to 2035 and totals more than \$568,000 for the coming year. The solar array debt will be paid in full in 2023 and is less than \$40,000 of the total debt.

The computer software and hardware system used to monitor and control water, wastewater and flood control operations has reached the end of its useful life. The highly customized supervisory control and data acquisition (SCADA) system was engineered in 2003 following the construction of the new wastewater treatment plant. The update of the SCADA system started in the present fiscal year. The proposed budget includes the final \$20,000 of the \$60,000 project cost.

Other significant expenses include: \$330,000 for the operations and maintenance contract with Veolia, \$10,000 for the purchase of a video camera for pipe inspections, \$12,000 for repairs to a sewer main under the east side levee, \$19,500 for replacing the influent samplers and a controller at the treatment plant, and \$20,000 (one-half of total cost) for purchasing a new truck.

Like the Water Fund, the primary revenue source for the Sewer Fund is monthly sewer use fees. This revenue source is stable. The proposed budget for the Sewer Fund has a slight deficit of \$16,965. A year-end fund balance of \$1.21 million is expected for fund.

Shuttle and Parking Fund

Revenue for the Shuttle and Parking Fund is generated entirely from paid parking in the Commerce Street, City Hall, and Winery parking lots. Parking fees are estimated to total \$56,000 for the year.

An expense of \$10,000 is proposed for engineering and design for the reconstruction of the Commerce Street parking lot. Construction would begin in the spring of 2020. The fund is expected to end the coming budget year with approximately \$251,000 in reserve. This fund balance should be sufficient for completing the Commerce Street parking lot project.

Turner Hall Fund

With the vision and commitment of our elected officials, the Turner Hall Committee, and City staff, Turner Hall has been reborn in recent years as a desirable venue for public and private events. Considerable work has been accomplished to maintain, improve, and market the hall. A five-year prioritized capital improvement plan was adopted as part of the December 2018 CIP as a guide for planning and budgeting. The plan is attached as "Addendum D".

For FY 20, grant revenue of \$35,000 is expected from the Galena Foundation. The grant is a reimbursement for work already completed. The major City-funded expense would be the replacement of the multi-tiered, fire-resistant stage curtains. The estimated cost of the new curtains is \$45,000.

A year-end transfer from the General Fund of \$11,000 is budgeted to balance the Turner Hall Fund. Given the strong and stable hall rentals and revenue, the Turner Hall fund should be self-sustaining in years void of large projects or purchases.

Swimming Pool Fund

As with Turner Hall, a five-year prioritized capital improvement plan was adopted in December 2018 for the swimming pool. The goal of the plan is to insure the maintenance and safe operation of the facility. The plan is included as "Addendum E".

Staff wages are the largest component of the Pool Fund expense budget, totaling \$106,700. The proposed budget would facilitate an ambitious year of maintenance and improvements. Proposed projects and expenditures for FY 20 include: sandblasting and painting all pool surfaces, protective coating of the water slide, replacing shower head fixtures, replacing flow meters, replacing chemical

controllers/feeders, installing a new pump, and a new storage shed for chemicals. These projects and purchases total \$102,000.

Revenues for the Pool Fund are from admissions, season passes, lessons, and concessions. Revenues are relatively stable year-to-year but are dependent on the weather during the pool season.

The Pool Fund is expected to carry a surplus of approximately \$20,695 into FY 20. A year-end subsidy from the General Fund of \$187,885 is planned to zero the projected pool deficit at the end of FY 20.

All Enterprise Funds are expected to comply with the Minimum Fund Balance Policy at the end of FY 20. A comparison of projected year-end balances to the desired minimum fund balances is shown for all funds in "Addendum F".

SPECIAL REVENUE FUNDS

Special revenue funds include: Audit, Emergency Services, Garbage, Motor Fuel Tax, Social Security, Illinois Municipal Retirement Fund (IMRF), Liability, Flood Control, Fire Protection, Capital Projects, and Accrued Employee Benefits Liability.

Special Revenue Funds depend almost exclusively on the local property tax for revenue. For most of these funds, costs are expected to increase as their expenses are largely tied to payroll and private or outside service providers. As in past years, the property tax levies for the Special Revenue Funds and some interfund transfers are expected to generate revenues sufficient to make sure the funds remain in compliance with the Minimum Fund Balance Policy.

Motor Fuel Tax Fund

Motor Fuel Tax Fund revenue is a per capita share of the Illinois Motor Fuel Tax. Based on an Illinois Municipal League estimate of \$25.55 per capita, the annual revenue projection for the fund is \$87,600.

Fund expenses are related to the maintenance of streets, and include: traffic signal maintenance, street lighting energy, road salt, and materials for street repairs. The Illinois Department of Transportation reimburses the City for 50 percent of the cost of traffic signal maintenance performed by the City.

The Motor Fuel Tax Fund is projected to end FY 20 with a fund balance of \$253,150, the equivalent of more than two years of typical annual operating expenses.

Capital Projects Fund

In the Capital Projects Fund, an expense of \$298,100 is proposed to fund the street improvement projects from the approved Capital Improvement Plan. The projects, part of a \$1.8 million five-year plan, include blacktop resurfacing of part or all of West Street, Fourth Street, Meeker Street, High Street, Jackson Street, Harrison Street, and Soldiers' Monument Drive. Seal coat surfacing of South Bench Street and Mississippi Street is also included in the funding.

An additional \$10,000 is budgeted for engineering of the Spring Street Reconstruction Project utility relocations. An equal amount of revenue is budgeted since IDOT reimburses the City for all engineering costs. The Spring Street project is tentatively scheduled to begin in the spring of 2020.

The Economic Development Revolving Loan Fund and the Community Development Revolving Loan Fund were dissolved in early 2018. In accordance with State of Illinois requirements, the combined fund balance of \$373,000 was returned to the state. The City has since applied for and received a non-competitive grant to recoup the full fund balance. All grant funds will be used for downtown sidewalk and crosswalk replacement. A contract for the work was awarded early in 2019. Work will begin in the spring and be completed in mid-summer.

The other major expenditures planned for the Capital Projects Fund are debt service payments for completed reconstruction projects like North Main Street, Meeker Street, Dewey Avenue, Jackson Street, and the downtown flood pumps. Except for the Spring Street project that is funded by the state, and the revolving loan fund grant, revenue from the locally imposed one-half percent sales tax funds all the Capital Projects Fund expenses, including debt service. In 2017, the State of Illinois imposed a 2% administrative fee on all locally imposed sales taxes. The fee was reduced to 1.5% in 2018. The sales tax revenue estimate of \$440,000 for FY 20 assumes flat taxable sales and the 1.5% fee.

The proposed budget for the Capital Projects Fund has a deficit of \$16,965 but is projected to end the budget year with a fund balance of \$50,000. Our Fund Balance Policy states that there is no minimum balance required for the fund, but we attempt to maintain a reserve of \$50,000 for emergencies.

Emergency Services Fund

Our Emergency Services Fund is primarily intended to maintain the civil defense warning sirens throughout the community. Expenses include phone service, electricity and maintenance. According to state law, the tax levy for the fund cannot exceed 25% of the city population. This equates to only \$857. The fund is expected to end the coming fiscal year with a balance of approximately \$7,650. A transfer from the Fire Protection Fund of \$3,000 provides supplemental revenue for the Emergency Services Fund.

Fire Protection Fund

In fiscal year 2017, the Fire Department purchased a new aerial truck at a cost of \$1.4 million. The truck was received in the summer of 2018.

Expenses of \$15,000 and \$55,000 are proposed for miscellaneous equipment and replacing the windows at the firehouse, respectively. No other major expenses are planned in FY 20.

The primary revenue source for the Fire Fund is the property tax levy. Property taxes are expected to generate \$365,185 in FY 20. For the proposed budget, revenues exceed expenses by \$228,515. The projected year-end fund balance for the proposed budget year is \$803,000.

Accrued Benefits Liability Fund

The Accrued Benefits Liability Fund was created in 2011 to save for previously unfunded employee benefit accrued liabilities, including sick leave and vacation leave. According to the fund policy, a specified percentage of the total accrued benefit liability must be reserved. Fund reserves are utilized to compensate employees for unused leave time (in accordance with the city code) when they leave the employment of the City. The proposed budget includes a transfer of \$16,550 from the General Fund to the Accrued Benefits Liability Fund. The projected fund balance at the end of FY 20 is \$185,540.

MAJOR EXPENDITURES

Proposed Capital Improvement Plan projects and other purchases of \$10,000 or more that are included in the proposed budget are listed and described in "Addendum G". These expenses total more than \$1.6 million. Revenue from grants is expected to offset \$613,000 of the expenses.

COMMUNITY EVENTS AND SUPPORT FOR SERVICES

Several expenditures are proposed for community events and to support community groups providing governmental-type services. These expenditures total \$26,000 and are listed in Table 2 below.

Table 2. Proposed Events and Donations Expenses for FY 2019-20

Item	Line Item	Amount
Historical Museum: Utilities Reimbursement	01.11.929.03	\$5,000
Kiwanis Club: Fourth of July Celebration	01.11.929.04	\$3,500
Chamber of Commerce: Halloween Parade	01.11.929.05	\$2,500
Art and Recreation Center: Youth Sports Programming	01.11.929.06	\$15,000
TOTAL		\$26,000

PERSONNEL EXPENDITURES

The City currently employs 29 full-time, 12 part-time, and approximately 50 seasonal employees. Most of the part-time employees are police officers from other departments who cover open shifts or officers of the Fire Department. Forty-five of the seasonal employees work at the pool. The other seasonal employees work in the Public Works/Parks Department. No new positions or staff reductions are proposed as part of the budget.

Seven police officers are members of the Fraternal Order of the Police union. The current collective bargaining contract expires April 30, 2020. The contract includes a pay increase of 2.0% on May 1, 2019 plus a longevity bonus of 1% for every fifth year of employment. The longevity bonus applies to two employees in FY 20. The proposed expense budget includes funds to comply with the contract.

Eight Public Works employees are members of the Teamsters union. The current collective bargaining contract expires April 30, 2021. According to the contract, the Public Works employees

receive a \$.50 per hour pay increase in FY 20. One Public Works employee will receive a longevity bonus of 1%. Additionally, two employees will move to the next pay classification in accordance with their current skills and duties. The proposed expense budget includes funds to comply with the contract.

Pay rates for non-union employees are established at the discretion of the council. The proposed budget does not include any increase for full-time non-union employees or regular part-time employees. Three full-time non-union employees will receive the 1% longevity stipend for reaching a five-year employment milestone. If the council were to consider wage increases for the 14 non-union employees comparable to the union increases, the budgetary cost would be approximately \$22,000. Annual pay for full-time and part-time positions is shown in "Addendum H". The compensation breakdown by full-time employee group is shown below in Table 3.

Table 3. Full-time Employee Compensation for FY 2019-20

Employee Group	Number of Employees	Budgeted Pay Increase	Longevity Pay
Police Union	7	2%	+1% every 5 years
Public Works Union	8	\$.50/hour	+1% every 5 years
Non-Union	14	0%	+1% every 5 years

BALANCING THE BUDGET

To achieve a balance budget, \$351,900 of capital projects and purchases were omitted from the proposed expenses. Some of the projects are included in the five-year Capital Improvement Plan, others are not. A complete list of the omissions is provided in Table 4 on the following page. While the proposed budget is my attempt to prioritize expenses and balance the budget, the content of the final budget is clearly the decision of the city council.

Table 4. Projects and Purchases Not Funded in Proposed Budget

Fund	In CIP?	Capital Project Description	Estimated Cost	Amount Not Funded
General	Yes	Public Works Garage Floor Repair/Resurfacing	\$60,000	\$60,000
General	Yes	Annual Sidewalk Replacement Program	\$10,000	\$10,000
General	Yes	Paint Highway 20 Bridge Railings	\$12,000	\$12,000
Capital Projects	Yes	Street Improvement Program	\$310,000	\$11,900
Turner Hall	Yes	Exterior Tuckpointing of Turner Hall	\$35,000	\$35,000
General	No	319 Grant for Stormwater Detention Projects	\$77,000	\$77,000
General	No	Comprehensive Plan Update	\$50,000	\$50,000
General	No	Curb and Gutter Replacement/Installation	\$10,000	\$10,000
General	No	Public Works Bucket Truck Purchase	\$20,000	\$20,000
General	No	Gear Street Sidewalk	\$66,000	\$66,000
		TOTAL	\$650,000	\$351,900

SUMMARY

The proposed budget controls expenses and still maintains the services and amenities that our residents, businesses and visitors have come to expect in our distinctive city. The budget also facilitates the replacement of important equipment and the maintenance and improvement of public buildings and infrastructure. At the same time, the implementation of the budget would retire more than \$1.3 million of existing debt.

I believe that a projected year-end fund balance of \$5.5 million across all funds, a surplus General Fund, a balanced total budget, and compliance with our Minimum Fund Balance Policy across all funds, are indicators that we continue to be fiscally responsible and financially sustainable. As always, I hope you will appreciate the ongoing efforts of our dedicated staff to operate and budget cost-effectively. Thank you for your consideration of the FY 20 budget.

Addendum A

REVENUE AND EXPENSE COMPARISON: ALL FUNDS

FY 2019-20 Budget

Fund No.	Budget Funds	FY 19-20 Revenues	FY 19-20 Expenditures	Revenues minus Expenses
1	General Fund	\$ 4,015,455	\$ 3,985,175	\$ 30,280
11	Audit	\$ 22,900	\$ 22,900	\$ -
12	Emergency Services	\$ 3,920	\$ 3,250	\$ 670
13	Garbage	\$ 259,735	\$ 256,360	\$ 3,375
14	Liability	\$ 178,450	\$ 241,965	\$ (63,515)
15	Motor Fuel Tax	\$ 94,600	\$ 94,600	\$ -
16	IL Municipal Retirement Fund	\$ 167,520	\$ 154,700	\$ 12,820
17	Parks	\$ 356,015	\$ 356,015	\$ -
19	Social Security	\$ 154,000	\$ 154,000	\$ -
20	Flood	\$ 80,200	\$ 66,650	\$ 13,550
22	Fire	\$ 416,235	\$ 187,720	\$ 228,515
41	Capital Projects Fund	\$ 824,130	\$ 840,725	\$ (16,595)
51	Water	\$ 935,110	\$ 845,805	\$ 89,305
52	Sewer	\$ 1,189,710	\$ 1,206,675	\$ (16,965)
53	Shuttle	\$ 57,600	\$ 15,600	\$ 42,000
58	Turner Hall	\$ 92,600	\$ 92,600	\$ -
59	Pool	\$ 287,665	\$ 308,360	\$ (20,695)
60	Debt Service Fund	\$ 483,140	\$ 483,140	\$ -
77	Cable TV Fund	\$ 50	\$ -	\$ 50
78	Accrued Benefits Liability Fund	\$ 17,980	\$ 1,330	\$ 16,650
TOTALS		\$ 9,637,015	\$ 9,317,570	\$ 319,445

Addendum B

FY 2019-20 INTERFUND BUDGET TRANSFERS

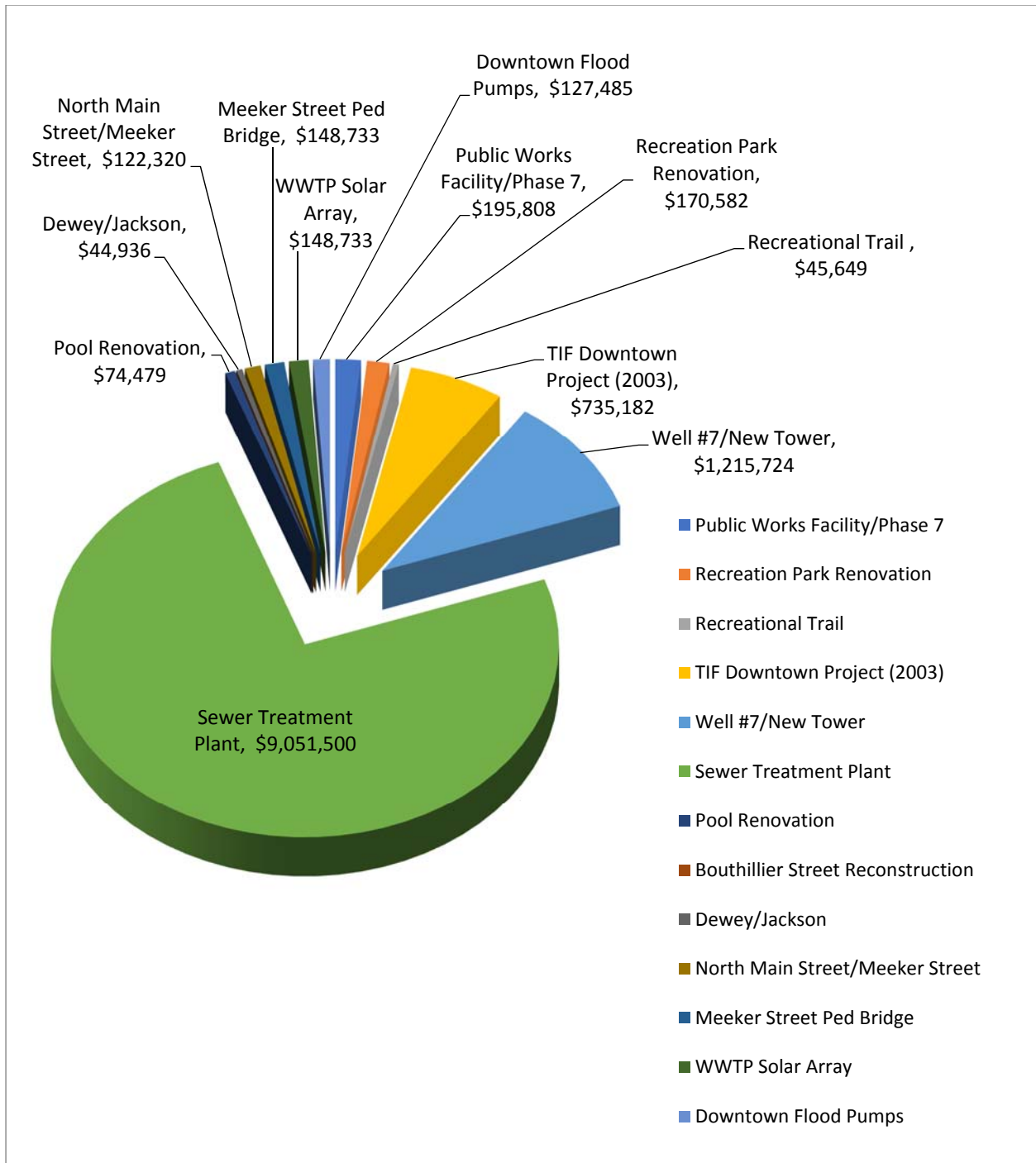
From	Account	Amount	To	Account	Amount	Purpose
Water	51.99.999.01	\$ 1,570	Audit	11.399.0	\$ 1,570	Annual audit expense
Sewer	52.99.999.01	\$ 1,570	Audit	11.399.0	\$ 1,570	Annual audit expense
		\$ 3,140			\$ 3,140	
Fire Fund	22.22.902.14	\$ 3,000	Emergency Services	12.399.1	\$ 3,000	Support of Emergency Services expenses
General Fund	01.99.999.05	\$ 122,715	Parks	17.399.0	\$ 122,715	Balance projected year-end fund deficit
Water	51.99.999.05	\$ 7,250	Social Security	19.395.3	\$ 7,250	Balance projected year-end fund deficit
Sewer	52.99.999.05	\$ 9,000	Social Security	19.395.4	\$ 9,000	Balance projected year-end fund deficit
		\$ 16,250			\$ 16,250	
General Fund	01.99.999.06	\$ 11,000	Turner Hall	58.399.0	\$ 11,000	Balance projected year-end fund deficit
General Fund	01.99.999.07	\$ 187,885	Swimming Pool	59.399.0	\$ 187,885	Balance projected year-end fund deficit
Parks	17.99.999.01	\$ 42,455	Debt Service	60.399.1	\$ 42,455	Principal and interest payments of existing debt
Parks	17.99.999.02	\$ 11,360	Debt Service	60.399.1	\$ 11,360	Principal and interest payments of existing debt
		\$ 53,815			\$ 53,815	
Capital Projects	41.99.999.02	\$ 44,940	Debt Service	60.399.4	\$ 44,940	Debt service for 2009 Sale Tax Projects: Dewey, Jackson Streets
Capital Projects	41.99.999.03	\$ 81,375	Debt Service	60.399.4	\$ 81,375	Debt service for 2010 Sales Tax Projects: Main Street, others
Capital Projects	41.99.999.04	\$ 32,910	Debt Service	60.399.4	\$ 32,910	Debt service for 2012 downtown flood pump upgrades
		\$ 159,225			\$ 159,225	
General Fund	01.99.999.04	\$ 48,735	Debt Service	60.399.5	\$ 48,735	Debt service for Public Works building
General Fund	01.99.999.11	\$ 182,970	Debt Service	60.399.5	\$ 182,970	Debt service for 2003 downtown project
General Fund	01.99.999.23	\$ 38,395	Debt Service	60.399.5	\$ 38,395	Debt service for 2012 Meeker Street pedestrian bridge
		\$ 270,100			\$ 270,100	
General Fund	01.99.999.18	\$ 16,550	Accrued Benefits	78.399.1	\$ 16,550	Funds portion of the liability of accrued benefits of employees
TOTAL		\$ 843,680	TOTAL		\$ 843,680	

Mark Moran
City Administrator

Date

Addendum C

CHART 1: TOTAL INDEBTEDNESS, INCLUDING PRINCIPAL AND INTEREST, MAY 1, 2019



TOTAL INDEBTEDNESS (P & I) = \$12,081,130

**APPENDIX I: TURNER HALL MAINTENANCE AND IMPROVEMENT PLAN
(FY 2020-2024)**

Project #	Year	Project		Estimated Cost
1	FY 18/19	High	Sprinkler system repair (current year project)	\$30,000
FY 2018-19 TOTAL				\$30,000

Project #	Year	Project		Estimated Cost
1	FY 19/20	High	Curtains	\$40,000
2	FY 19/20	Medium	Tuckpointing projects	\$35,000
FY 2019-20 TOTAL				\$75,000

Project #	Year	Project		Estimated Cost
1	FY 20/21	Medium	Floor care / refinishing	\$2,500
2	FY 20/21	Medium	Tuckpointing projects	\$35,000
FY 2020-21 TOTAL				\$37,500

Project #	Year	Project		Estimated Cost
1	FY 21/22	Medium	Energy efficiency projects / upgrades / emergency repairs	\$15,000
2	FY 21/22	Medium	Tuckpointing projects	\$35,000
FY 2021-22 TOTAL				\$50,000

Project #	Year	Project		Estimated Cost
1	FY 22/23	No projects identified		\$0
FY 2022-23 TOTAL				\$0

Project #	Year	Project		Estimated Cost
1	FY 23/24	Boiler Replacement		\$25,000
FY 2023-24 TOTAL				\$25,000
TOTAL 5-YEAR PLAN				\$187,500

FUTURE PROJECTS		Project	Estimated Cost
		Building addition and remodel with kitchen, bathrooms & storage	\$500,000
		Rooftop HVAC unit replacement estimated 2023-2028	\$100,000

**SWIMMING POOL MAINTENANCE AND IMPROVEMENT PLAN
(FY 2020-2024)**

Project #	Year	Priority	Project	Estimated Cost	Project Start
1	FY 18/19	High	Replace 6 pool drains (current year project)	\$13,000	Pre-Season 2019
				FY 18/19 TOTAL	\$13,000

Project #	Year	Priority	Project	Estimated Cost	Project Start
1	FY 19/20	High	Sand blast and resurface kiddie pool	\$20,000	Pre-Season 2019
2	FY 19/20	High	Sand blast and resurface entire pool vessel	\$60,000	Pre-Season 2019
3	FY 19/20	High	Replace flowmeters	\$10,000	Pre-Season 2019
4	FY 19/20	High	New Becks Chemtroller	\$6,500	Pre-Season 2019
5	FY 19/20	Med	Storage shed for chemicals	\$5,000	Fall 2019
6	FY 19/20	Low	Protection and slide fast surface annually	\$1,000	Pre-Season 2019
				FY 19/20 TOTAL	\$102,500

Project #	Year	Priority	Project	Estimated Cost	Project Start
1	FY 20/21	Medim	Protection and slide fast surface annually	\$1,000	Pre-Season 2020
2	FY 20/21	High	Add enzyme feeder	\$2,000	Pre-Season 2020
3	FY 20/21	High	Chlorinator	\$20,000	Fall 2021
				FY 20/21 TOTAL	\$23,000

Project #	Year	Priority	Project	Estimated Cost	Project Start
1	FY 21/22		Maintenance and updates	\$10,000	
				FY 21/22 TOTAL	\$10,000

Project #	Year	Priority	Project	Estimated Cost	Project Start
1	FY 22/23		Maintenance & updates	\$10,000	
				FY 22/23 TOTAL	\$10,000

Project #	Year	Priority	Project	Estimated Cost	Project Start
1	FY 23/24		Maintenance & updates	\$10,000	
				FY 22/23 TOTAL	\$10,000
				TOTAL 5-YEAR PLAN	\$155,500

FUTURE PROJECTS			Project	Estimated Cost
			New large waterslide	\$120,000

Addendum F

**Projected Year-End Fund Balances vs. Fund Balance Policy
FY 2018-19 and FY 2019-20**

Fund No.	Fund	Projected Fund Balance 4/30/2018	Percent of Annual Expenses	Compliant with Policy? Yes/No		Projected Fund Balance 4/30/2019	Percent of Annual Expenses	Compliant with Policy? Yes/No
1	General	\$ 1,379,698	41%	Yes		\$ 1,409,978	42%	Yes
11	Audit	\$ 25,844	113%	Yes		\$ 25,844	113%	Yes
12	Emergency Services	\$ 6,984	215%	Yes		\$ 7,654	236%	Yes
13	Garbage	\$ 211,353	82%	Yes		\$ 214,728	84%	Yes
14	Liability	\$ 189,813	78%	Yes		\$ 126,298	52%	Yes
15	Motor Fuel Tax	\$ 253,156	268%	Yes		\$ 253,156	268%	Yes
16	IL Municipal Retirement Fund	\$ 132,566	86%	Yes		\$ 145,386	94%	Yes
17	Parks	\$ -	0%	Yes		\$ -	0%	Yes
19	Social Security	\$ 70,986	46%	Yes		\$ 70,986	46%	Yes
20	Flood	\$ 37,997	57%	Yes		\$ 51,547	77%	Yes
22	Fire	\$ 575,463	307%	Yes		\$ 803,978	428%	Yes
41	Capital Projects Fund	\$ 66,609	8%	Yes		\$ 50,014	6%	Yes
51	Water	\$ 684,605	81%	Yes		\$ 773,910	91%	Yes
52	Sewer	\$ 1,232,496	102%	Yes		\$ 1,215,531	101%	Yes
53	Shuttle	\$ 209,123	1341%	Yes		\$ 251,123	1610%	Yes
58	Turner Hall	\$ -	0%	Yes		\$ -	0%	Yes
59	Pool	\$ 20,695	7%	Yes		\$ -	0%	Yes
60	Debt Service Fund	\$ -	0%	Yes		\$ -	0%	Yes
77	Cable TV Fund	\$ 5,134	\$5000 + Int.	Yes		\$ 5,184	\$5000 + Int.	Yes
78	Benefits Liability	\$ 168,890	NA	Yes		\$ 185,540	NA	Yes
	TOTALS	\$ 5,271,411				\$ 5,590,856		

Addendum G

Capital Projects and Purchases

FY 2020: May 1, 2019 to April 30, 2020

Expense Account	Fund	Description	Estimated Cost	Grant Funded
01.13.511.01	General	City Hall ADA Door Openers/ADA Drinking Fountain	\$10,000	\$0
01.13.830.00	General	New Computers for City Hall (8)	\$12,500	\$0
01.21.684.00	General	New Computers for Police Department (12)	\$15,000	\$0
01.21.918.01	General	New Police Vehicle	\$20,000	\$0
01.41.613.12	General	Tree Removal (Emerald Ash Borer)	\$105,000	\$0
01.41.840.01	General	New Public Works Dump Truck (\$110,000 minus trade)	\$90,000	\$0
01.41.863.17	General	Outdoor Painting (Riverside Drive Street and Traffic Lights)	\$10,000	\$0
01.41.863.18	General	Storm Sewer Project (Gear and Dodge, Hill and Bench)	\$17,000	\$0
01.41.890.06	General	Kohlstadt Bridge Repairs	\$12,500	\$0
17.52.830.01	Parks	Riding Mower Replacement	\$10,500	\$0
17.52.870.03	Parks	Canoe/Kayak Project	\$110,000	\$110,000
17.52.870.04	Parks	Grant Park Improvement Projects--City Funded	\$17,500	\$0
17.52.890.00	Parks	Grant Park Improvement Projects-Galena Foundation Funded	\$14,500	\$14,500
20.25.515.00	Flood Control	New Controller for Riverside Drive Pump Station	\$12,000	\$12,000
20.25.832.04	Flood Control	Purchase New Riding Mower	\$10,500	\$0
22.22.840.00	Fire	Miscellaneous New Equipment for Fire Department	\$15,000	\$0
22.22.844.04	Fire	Window Replacement at Fire Department	\$55,000	\$0
41.61.860.02	Capital Projects	Street Improvement Program	\$298,100	\$0
41.61.860.07	Capital Projects	Spring Street Project Utility Design	\$10,000	\$10,000
41.61.860.09	Capital Projects	Downtown Sidewalk Replacement	\$373,400	\$373,400
51.42.831.00	Water	Meter Upgrades	\$10,000	\$0
51.42.831.01	Water	New Vehicle (other 50% in Sewer Fund)	\$20,000	\$0
51.42.831.04	Water	East Side Water System Improvement Project (US 20 Section)	\$125,000	\$93,750
51.42.831.07	Water	Replacement of Old Hydrants	\$12,500	\$0
51.42.831.08	Water	Hydrant Painting	\$10,000	\$0
51.42.831.09	Water	Water Valve Replacement	\$10,000	\$0
52.43.532.02	Sewer	SCADA Computer System Upgrades	\$20,000	\$0
52.43.850.06	Sewer	New Truck (other 50% in Water Fund)	\$20,000	\$0
52.43.850.07	Sewer	Purchase TV Camera for Sewers	\$10,000	\$0
52.43.850.08	Sewer	Repairs to Water Crossing to East Side	\$12,000	\$0
53.48.541.01	Shuttle	Design Engineering for Commerce Street Parking Lot	\$10,000	\$0
58.54.820.01	Turner Hall	New Stage Curtains	\$45,000	\$0
59.55.511.01	Pool	Chemical Shed, Slide Surfacing, Showers Maintenance, Other	\$14,500	
59.55.511.01	Pool	Pump Room/Chemical Feed Improvements	\$22,500	
59.55.511.01	Pool	Sandblast, Repair, and Paint Entire Pool	\$65,000	\$0
TOTAL CAPITAL EXPENSES			\$1,625,000	\$613,650
NET COST			\$1,011,350	

ADDENDUM H

CITY OF GALENA, ILLINOIS: FY 2019-2020 DISTRIBUTION OF WAGES BY FUND (Draft 1)

	TOTAL GROSS WAGES	FUND														TOTAL
		Public Works	Garbage	Parks	Water	Sewer	Flood Control	Admin	Engineering	Finance	Zoning	Building	Police	Fire	Pool	
DEPARTMENT OF PUBLIC WORKS																
Rigdon, James (Director)	\$74,132	75%			10%	10%	5%									\$74,132
		\$55,599			\$7,413.24	\$7,413.24	\$3,707									
Jason Bingham (Assistant Foreman)	\$57,402	73%		4%	10%	10%	3%									\$57,402
		\$41,903		\$2,296	\$5,740	\$5,740	\$1,722									
Rury, David (Assistant Foreman)	\$54,997			50%			50%									\$54,997
				\$27,499			\$27,499									
Tim Bussan (Operator 1)	\$51,230	70%		7%	10%	10%	3%									\$51,230
		\$35,861		\$3,586	\$5,123	\$5,123	\$1,537									
Kuhn, Brian (Operator 1)	\$53,845	70%		7%	10%	10%	3%									\$53,845
		\$37,692		\$3,769	\$5,385	\$5,385	\$1,615									
Miller, Jeff (Parks Laborer)	\$43,289	70%		7%	10%	10%	3%									\$43,289
		\$30,302		\$3,030	\$4,329	\$4,329	\$1,299									
Montgomery, Rusty (Operator 2)	\$50,315	70%		7%	10%	10%	3%									\$50,315
		\$35,221		\$3,522	\$5,032	\$5,032	\$1,509									
Wiener, Matt (Laborer)	\$42,245	70%		7%	10%	10%	3%									\$42,245
		\$29,571		\$2,957	\$4,224	\$4,224	\$1,267									
Sinagra, Kevin (Laborer)	\$43,289	70%		7%	10%	10%	3%									\$43,289
		\$30,302		\$3,030	\$4,329	\$4,329	\$1,299									
Seasonal	\$50,000															\$50,000
		\$25,000		\$25,000												
ADMINISTRATIVE																
Price, Deb (Admin. Asst.)	\$38,252				47.5%	47.5%					5%					\$38,252
					\$18,170	\$18,170					\$1,913					
Keffer, Janelle (Facilities Manager)	\$52,936	25%		20%	30%			25%								\$52,936
		\$13,234		\$10,587	\$15,881			\$13,234								
Hyde, Mary Beth (Office Manager)	\$39,965		25%					25%		50%						\$39,965
			\$9,991					\$9,991		\$19,983						
Oldenburg, Matt (Zoning Administrator)	\$53,130										100%					\$53,130
											\$53,130					
Pepple, Cindy (Finance Director)	\$69,814				5%	5%				90%						\$69,814
					\$3,491	\$3,491				\$62,833						
Moran, Mark (City Administrator)	\$104,577	10%			10%	20%		60%								\$104,577
		\$10,458			\$10,458	\$20,915		\$62,746								
Nack, Joe (City Attorney)	\$55,800				0%	0%		66%			14%	10%	10%			\$55,800
					\$0	\$0		\$36,828			\$7,812	\$5,580	\$5,580			
Lewis, Andy (City Engineer)	\$82,584	25%			12.0%	48.0%	5.0%		10.0%							\$82,584
		\$20,646			\$9,910	\$39,640	\$4,129		\$8,258							
Miller, Jonathan (Building Inspector)	\$51,795	30%										70%				\$51,795
		\$15,538										\$36,256				
Miller, Jonathan (Electrical Inspector)	\$5,225												5%			\$5,225
													\$5,225			
Johnson, Shirley (Receptionist/Admin.Asst.)	\$38,164							50%					50%			\$38,164
								\$19,082					\$19,082			
POLICE DEPARTMENT																
Johnson, Nathan (Officer)	\$48,377												100%			\$48,377
													\$48,377			
Davis, Mary (Clerk/Disp./Sec.)	\$43,527												100%			\$43,527
													\$43,527			
Hefel, Eric (Ltn.)	\$66,123												100%			\$66,123
													\$66,123			
Werner, Chuck (Sgt.)	\$63,580												100%			\$63,580
													\$63,580			
Huntington, Lori (Chief of Police)	\$74,500												100%			\$74,500
													\$74,500			
Hatfield, Kim (Officer)	\$48,377												100%			\$48,377
													\$48,377			
Salzman, William (Ltn.)	\$66,123												100%			\$66,123
													\$66,123			

	TOTAL GROSS WAGES	FUND														
		Public Works	Garbage	Parks	Water	Sewer	Flood Control	Admin	Engineering	Finance	Zoning	Building	Police	Fire	Pool	TOTAL
Wubben, Tim (Officer)	\$51,122												100%			\$51,122
Yett, Tony (Officer)	\$51,489												100%			\$51,489
Devin Halstead (Officer)	\$48,377												100%			\$48,377
Brandel, Keith (Officer)	\$53,299												100%			\$53,299
Vacant (Seasonal Public Safety Officer)	\$8,352												100%			\$8,352
White, Elaine (Custodian)	\$11,612												100%			\$11,612
FIRE DEPARTMENT																
Beadle, Randy (Fire Chief)	\$6,000												100%			\$6,000
Connley, Bob (Assistant Fire Chief)	\$3,000												100%			\$3,000
Calvert, Matt (Secretary)	\$1,500												100%			\$1,500
Werner, Terry (Vehicle Maintenance)	\$1,500												100%			\$1,500
Benson, Dan (Fire House Janitor)	\$5,500												100%			\$5,500
Temperly, Brett (Fire Prevention Inspector)	\$9,120												100%			\$9,120
Beadle, Randy (Assistant Fire Prevention Insp.)	\$1,500												100%			\$1,500
SWIMMING POOL	\$106,700													100%		\$106,700
TOTAL	\$1,882,665	\$381,328	\$9,991	\$85,277	\$99,484	\$123,791	\$45,583	\$141,882	\$8,258	\$94,427	\$62,854	\$66,143	\$628,826	\$28,120	\$106,700	\$1,882,665