



To: Department Directors and Top Management

CC: Mayor, City Council, Elected Officials

Date: December 11, 2020

Subject: Budget Memo

The City Council has determined that the Property Tax Levy will slightly increase this year to cover Police Pension costs and no additional funds will be available for operations. The Tax Levy will cover Civil Defense, Audit, Liability Fund, IMRF obligations, Social Security and Police Pensions and a portion of the Fire and Rescue Operations. The General Fund will again be required to fund the balance of the Fire Department Operations.

Fire Fund	\$ 86,023
Ambulance Fund	\$ 174,625
Civil Defense Fund	\$ 4,142
Audit Fund	\$ 29,000
Liability Fund	\$ 100,000
Illinois Municipal Retirement Fund	\$ 362,000
Social Security/Medicare Tax Fund	\$ 316,000
Police Pension Fund	<u>\$ 657,500</u>
TOTAL	\$1,729,290

This year staff will be utilizing the new TYLER software to develop the budget. We anticipate that this will provide additional background and historical information. Because of the need to learn this new process we have included additional time to develop and review the budget. Also, the City Council will have access to review proposed operation and capital budget detail online this year for which training will be provided at the Committee of the Whole meeting in February.

In addition, we will also be including the Committees in the early development of Departmental Budgets. The January and early February Committee Meetings will include an Agenda item that will allow discussion by the Department Directors to give the Committee an overview of your Departments, any new initiatives or projects you would like to include in the budget as well as discuss any staffing changes. This should provide input early in the process by Council.

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The total impact of COVID-19 is unknown. The Finance Director and I will be utilizing information from the Illinois Municipal League (IML) as well as other resources to estimate revenue and guidance on how the state and national economies could impact Washington. It is important to keep in mind that we will need to be cautious in our spending and make sure that we have developed our budgets with the understanding that things could change if the pandemic lasts longer than anticipated and/or the recovery period gets stalled along the way. We are fortunate that we have not been impacted like some of the surrounding communities. However, it does not mean we are immune to the impacts. Careful consideration should be taken as you look at expanded services, major purchases and staffing needs.

We have had a very successful start to the Capital Improvement Plan with one year of construction under our belts with Dennis, Ross, Kevin and Brian leading the way. I anticipate that 2021/2022 will continue this momentum with some modifications and corrections. While many of the near-term projects are in the design phase, there is a lot of work to do to plan and make improvements/amendments to the process to eliminate some of the challenges during construction. I would like to see the City's MFT projects developed with a strategy to enhance the reconstruction projects and help to maintain our roadways as long as we can. Implementing the recommendations from the Capital Improvement Plan, including the Building Improvement portion will be important in the development of the Public Works and Engineering Budgets. I would also like to see a focus on continued investment in maintenance, repairs and preemptive spending on our utilities and infrastructure. This will also extend the life of our infrastructure so that the reconstruction plan can be more efficient and effective. We need to continue our investment in training and equipment so that our employees are able to be more efficient and safer as they work on our underground utilities and streets. Strategic investments should be a priority.

The Comprehensive Plan is a significant project that will kick off in January and last throughout 2021. This Plan will be a guide for development by the private sector and the City and more importantly, help to establish the long-term capital improvement needs including utility and roadway infrastructure. This is a big project for the Planning & Development Department and will require a lot of input from all of the Department Directors. While there may be little fiscal impact in the 2021/2022 budget, you will want to be mindful of budget needs for implementation of the Comprehensive Plan.

My key Budget Message to Department Directors and Management is to look at the development of your budget with an eye on maintaining strong core services, staff development and succession planning and the facilitation and continuance of a well-diversified, welcoming community which will enhance the local economy and create increased interest in investment by the private sector and new residents to Washington. We have a solid Management Team and I look to you to be the leaders in the creation of a budget which shows your commitment to the elected officials and residents of Washington.

Following is the proposed Budget Review/Adoption Schedule.

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