

April 7, 2025

Mayor Manier and Council Members:

Attached is the proposed budget for the City of Washington, Illinois for the fiscal year May 1, 2025 through April 30, 2026. This document reflects the collaborative efforts of the City's elected officials and staff. Department Heads/Managers - Finance Director Joanie Baxter, City Engineer Dennis Carr, Planning & Development Director Jon Oliphant, Police Chief Mike McCoy, and Deputy Chief Jeff Stevens

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 FY2026 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 \$35,686,226 to meet the City's anticipated expenses for the fiscal year beginning May 1, 2025, a \$5,720,606 or 13.8% decrease 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 47% of total budgeted expenditures when including transfers.

The proposed budget continues to include significant reinvestment in the City's infrastructure, most notably to maintain aging streets and utility distribution systems. Capital expenditures are estimated to total approximately \$16.3M in the coming year, 45.8% of total budgeted expenses, including \$3.9M 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 \$10.27M in FY2026 and account for 28.8% of total expenditures. Total City employment (73.56 FTE) represents an increase of 1.86 FTE compared to the prior year due to the addition of one Police Officer in the Police Department, a part-time Office Assistant at City Hall and two partial-year trainees for the replacement of the Finance Director and Building and Zoning Coordinator. About 46% of the City's workforce is engaged in public safety services; 42% is committed to public works; 8% to general administration and cemetery and 4% 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 8.6% effective January 1, 2026, the nine-year total still shows a net increase of less than 12%. As a result, the City has realized significant savings in health care costs over the past nine years.

Operations costs are projected to increase by about \$250,608 or a modest 3.5% 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 \$1.6M is an increase of \$205,514 over the prior year which reflects the first full payment on the 2023 Stormwater Management GO Bond. Of this total, \$526,700 is payable from sewer revenues, \$262,000 from water revenues, and \$828,625 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 FY2026 budget. These revenues are generated from four component parts: the 1% municipal sales tax (\$4M), the 1.25% home rule sales tax (\$3.21M), the additional .5% home rule sales tax for infrastructure and for stormwater management (\$1.31M each), and the local use tax (\$315,000). Revenues remained strong throughout FY2025; however, it is anticipated that the local use tax will show a significant drop per IML projections, thus a decrease of \$360,000 is reflected. 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 elimination of the 1% sales tax on groceries and medicine as approved by the legislature, which will directly impact the City, should the revenue source not be restored through a locally-imposed tax.

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 \$1.3M of surplus funds, including the final funding for the Evidence Building, the resulting ending unrestricted General Fund balance of \$14.3M is still 79% of total expenditures as compared to the minimum standard balance of 25% of budgeted expenditures.

## **CHALLENGES & OPPORTUNITIES**

The U.S. economy is somewhat in a holding period due to new policies and initiatives by the Trump Administration and it remains to be seen if there will be any impact locally. 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 FY2026 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**

In summary, the development of the budget began in December 2024 and has included four (5) public meetings including a Public Hearing. We 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,

Joanie Baxter, Budget Officer

CITY OF WASHINGTON  
FY2026 POSITION BUDGETING REPORT

Department	Base Salary - Full-Time	Part-Time based on FTE
Administration	236,797	41,673
Engineering	283,011	
Finance	459,477	101,744
Planning & Development	198,202	
Public Safety	2,609,721	89,397
Public Works	1,537,076	69,414
Elected Officials	69,432	42,973
	5,393,717	345,201

ADMINISTRATION

Position	Base Salary - Full-Time	Part-Time based on FTE
City Administrator	174,000	
Administrative Assistant	62,797	
Human Resource Manager		41,673

ENGINEERING

Position	Base Salary - Full-Time	Part-Time based on FTE
City Engineer	144,908	
Engineering Tech	68,098	
GIS Specialist	70,004	

FINANCE

Position	Base Salary - Full-Time	Part-Time based on FTE
Finance Director	145,638	
Deputy Finance Director (4 months)	43,329	
Customer Service Supervisor	79,198	
Finance Support Specialist	70,489	
Customer Service Specialist II	68,770	
Customer Service Specialist II	52,053	
P-T Accountant		86,349
P-T Office Assistant		15,395

PLANNING & DEVELOPMENT

Position	Base Salary - Full-Time	Part-Time based on FTE
Planning & Development Director	116,298	
Building & Zoning Coordinator	70,004	
Planner/Building & Zoning Coord. (2 months)	11,900	

**CITY OF WASHINGTON**  
**FY2026 POSITION BUDGETING REPORT**

**PUBLIC SAFETY**

Position	Base Salary - Full-Time	Part-Time based on FTE
Police Chief	150,529	
Deputy Chief	118,753	
Sergeant	97,638	
Sergeant	96,786	
Sergeant	95,934	
Sergeant (2)	95,082	
Sergeant	92,523	
Patrol Officer	86,301	
Patrol Officer (2)	85,549	
Patrol Officer (2)	84,795	
Patrol Officer	84,043	
Patrol Officer (3)	83,289	
Patrol Officer (2)	81,782	
Patrol Officer (2)	74,611	
Patrol Officer	70,294	
Patrol Officer (4)	63,065	
Patrol Officer	61,462	
P-T Sergeant (3)		17,398
P-T Officer (5)		32,602
Administrative Assistant	70,489	
Administrative Officer	62,797	
Police Admin. Support Specialist (2)	61,266	
Police Admin. Support Specialist	53,879	
P-T Police Admin. Support Specialist		39,397

**CITY OF WASHINGTON**  
**FY2026 POSITION BUDGETING REPORT**

**PUBLIC WORKS**

Position	Base Salary - Full-Time	Part-Time based on FTE
Public Works Director	121,650	
Water Treatment Plant Supervisor	83,103	
Water Treatment Plant Operator	71,584	
Water Treatment Plant Assistant Operator	59,690	
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Sewer Treatment Plant Supervisor	83,103	
Sewer Treatment Plant Laborer	66,531	
Sewer Treatment Plant Laborer	49,540	
Sewer Treatment Plant Laborer	46,164	
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Distribution and Collections Supervisor	70,283	
Distribution and Collections Foreman	59,183	
Distribution and Collections Laborer	52,916	
Distribution and Collections Laborer	52,916	
Distribution and Collections Laborer	49,540	
Distribution and Collections Laborer	47,841	
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Streets Supervisor	70,283	
Fleet Mechanic	73,460	
Streets Foreman	69,885	
Streets Laborer	64,810	
Streets Laborer	61,390	
Streets Laborer	59,690	
Streets Laborer (2)	57,991	
Streets Laborer	54,615	
Streets Laborer	52,916	
Grounds Maintenance		69,414

**ELECTED OFFICIALS\***

Position	Full-Time per Ordinance	Part-Time per Ordinance
Mayor		14,449
Treasurer		13,642
Clerk	69,432	
Alderspersons (total for 8)		14,882

\*increased by CPI of 2.9% effective 5/1/2025