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**CITY OF MT. VERNON, ILLINOIS
CITY COUNCIL WORKSHOP
Thursday, August 13, 2026**

The Mt. Vernon City Council called a Workshop Meeting for Thursday, August 13, 2026 at 2:00 p.m. at City Hall, 1100 Main Street, Council Chamber Room, 2nd Floor, Mt. Vernon, Illinois.

Mayor John Lewis called the meeting to order.

ROLL CALL

Roll call showed present: Council Member Joe Gliosci, Council Member Donte Moore, Council Member Mike Young, and Mayor John Lewis. Also present: City Manager Nathan McKenna, Finance Director Dan Plumb, Assistant to City Manager Kendra Donoho, Administrative Assistant Lauren Smith, and City Clerk Becky Barbour. Absent: Council Member Jay Tate

VISITORS/CITIZEN'S REQUESTS/ADDRESSES FROM THE AUDIENCE

None.

REVIEW AND DISCUSSION ON THE PROPOSED 2026-2027 BUDGET

Mayor Lewis turned the meeting over to City Manager Nathan McKenna. McKenna stated this meeting is for the first quarter budget review for 2026-27. Everything seems to be on track. There are some budget adjustments that will need to be made, and the plan is to have those ready for the first council meeting in September.

GENERAL CORPORATE FUND

The General Corporate Fund 01 - City Manager Nathan McKenna stated the City has a working fund balance of \$19,390,360, which is almost 12 months of a working fund balance. We do have some budget adjustments to this fund. One is \$700,000 transfer to the Tourism Fund and also \$1,045,950 which is the result of union negotiations. That will reduce the working fund balance down to 10.9 months.

**GENERAL CORPORATE FUND 01
QUARTERLY BUDGET REVIEW**

	BUDGET FY 2026				BUDGET FY 2027		
	TOTAL BUDGETED	TOTAL OPERATING ESTIMATED (1)	TOTAL RESTRICTED ESTIMATED	TOTAL ESTIMATED	TOTAL PROPOSED OPERATING	TOTAL PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 13,589,195	\$ 18,335,918	\$ 251,057	\$ 18,586,975	\$ 18,984,658	\$ 255,119	\$ 19,239,777
REVENUE	22,132,437	19,978,113	1,823,573	21,801,686	19,989,830	1,858,450	21,848,280
TOTAL REVENUES	22,132,437	19,978,113	1,823,573	21,801,686	19,989,830	1,858,450	21,848,280
EXPENDITURES							
MAYOR AND COUNCIL	(41,254)	(27,600)	-	(27,600)	(35,746)	-	(35,746)
CITY MANAGER	(422,107)	(331,123)	-	(331,123)	(357,601)	-	(357,601)
CITY CLERK	(155,656)	(177,250)	-	(177,250)	(183,906)	-	(183,906)
CITY TREASURER	-	-	-	-	-	-	-
HUMAN RESOURCES	(243,668)	(202,862)	-	(202,862)	(200,022)	-	(200,022)
LEGAL	(167,066)	(136,599)	-	(136,599)	(171,666)	-	(171,666)
PARKS & RECREATION	(1,652,530)	(1,522,782)	-	(1,522,782)	(1,614,169)	-	(1,614,169)
FINANCE	(502,980)	(425,172)	-	(425,172)	(404,384)	-	(404,384)
ENGINEERING	(811,017)	(757,813)	-	(757,813)	(582,776)	-	(582,776)
POLICE	(7,454,688)	(7,099,270)	-	(7,099,270)	(7,070,272)	-	(7,070,272)
FIRE	(4,254,509)	(4,318,899)	-	(4,318,899)	(4,517,894)	-	(4,517,894)
EMERGENCY MANAGEMENT AGENCY	(59,667)	(45,775)	-	(45,775)	(67,730)	-	(67,730)
PUBLIC WORKS	(1,999,485)	(1,912,463)	-	(1,912,463)	(1,895,220)	-	(1,895,220)
FLEET SERVICES	(674,825)	(659,490)	-	(659,490)	(617,565)	-	(617,565)
GENERAL GOVERNMENT - GENL EXPENSES	(4,500,761)	(1,660,213)	(1,819,511)	(3,479,724)	(1,830,496)	(1,849,700)	(3,680,196)
1201 CASEY	(230,308)	(52,062)	-	(52,062)	(34,681)	-	(34,681)
DEBT SERVICE	-	-	-	-	-	-	-
	(23,170,521)	(19,329,373)	(1,819,511)	(21,148,884)	(19,584,128)	(1,849,700)	(21,433,828)
ANNUAL CHANGES IN WORKING FUND BALANCE	(1,038,084)	648,740	4,062	652,802	405,702	8,750	414,452
TRANSFER TO CAPITAL PROJECTS FUND					-	-	-
WORKING FUND BALANCE ENDING	\$ 12,551,111	\$ 18,984,658	\$ 255,119	\$ 19,239,777	\$ 19,390,360	\$ 263,869	\$ 19,654,229
ONE MONTH OF OPERATING EXPENDITURES	\$ 1,610,781				\$ 1,632,011		
NO. OF MONTHS INCL IN WORKING FD BALANCE		11.8 months				11.9 months	
AMT OF REC FROM DOWNTOWN TIF INCL IN THE ABOVE	\$ 250,000				\$ 250,000		
(1) Audited 24-25 WFB Ending less restricted revenues:							1ST QTR ADJUSTMENTS \$ (1,852,100.00)
		Q1 Activity	Budget Remaining	% Remaining			WFB ENDING AFTER ADJUSTMENTS \$ 17,802,129
Revenues	\$	6,291,506	\$ 18,556,775	71.20%			
Expenses	\$	5,042,710	\$ 16,391,118	76.47%			
						10.9 months in new WFB	

MOTOR FUEL TAX

The Motor Fuel Tax Fund 10 – We begin with a \$1,326,405 working fund balance. We have already received the pricing for the in-house materials. We also have bid results for the contracted out, which we had budgeted \$900,000 for those and they came in above that. We will have a Resolution for the amended contracted amount for IDOT.

**MOTOR FUEL TAX 10
QUARTERLY BUDGET REVIEW**

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING (1)	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 572,647	\$ 1,582,368	\$ 1,582,368	\$ 1,326,405	\$ 1,326,405
REVENUE	1,082,236	736,271	736,271	675,853	675,853
REVENUE ALLOCATED TO CAPITAL	-	-	-	-	-
TOTAL REVENUES	1,082,236	736,271	736,271	675,853	675,853
EXPENDITURES	(1,339,593)	(992,234)	(992,234)	(1,345,000)	(1,345,000)
ANNUAL CHANGES IN WORKING FUND BALANCE	(257,357)	(255,963)	(255,963)	(669,147)	(669,147)
WORKING FUND BALANCE ENDING	\$ 315,290	\$ 1,326,405	\$ 1,326,405	\$ 657,258	\$ 657,258

(1) Audited 24-25 WFB Ending

	Q1 Activity	Budget Remaining	% Remaining
Revenue	\$ 170,552	\$ 505,301	74.76%
Expenses	\$ 463,890	\$ 881,110	65.51%

SANITATION FUND

Sanitation Fund 12 – This is our final year of the contract with Republic. We have two options. We can extend the current contract for another 3-to-5-year term or if the Council chooses, we can put out for bid to see if there are any other services that want to bid on it. Previously, Republic was the only one that offered all of those services.

SANITATION FUND 12 QUARTERLY BUDGET REVIEW

ASSUMING CUSTOMER RATE OF \$23.00 PER MONTH (0% INCREASE) FOR BUDGET FY 2027

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
		(1)			
WORKING FUND BALANCE BEGINNING	\$ 132,745	\$ 150,862	\$ 150,862	\$ 131,939	\$ 131,939
REVENUE	1,400,738	1,391,946	1,391,946	1,391,946	1,391,946
TRANSFER FROM GENERAL CORPORATE FUND	-	-	-	-	-
TOTAL REVENUES	1,400,738	1,391,946	1,391,946	1,391,946	1,391,946
TOTAL EXPENDITURES	(1,336,655)	(1,410,869)	(1,410,869)	(1,422,449)	(1,422,449)
ANNUAL CHANGES IN WORKING FUND BALANCE	64,083	(18,923)	(18,923)	(30,503)	(30,503)
WORKING FUND BALANCE ENDING	\$ 196,828	\$ 131,939	\$ 131,939	\$ 101,436	\$ 101,436
WORKING FUND BALANCE REQUIRED BY FINANCIAL POLICY	\$	117,572		\$	118,537
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		1.12 MONTHS			0.86 MONTHS

(1) Audited 2024-2025 WFB Ending

		Q1 Activity	Budget Remaining	% Remaining
Revenue	\$	344,493	\$ 1,047,453	75.25%
Expenses	\$	247,689	\$ 1,174,760	82.59%

REC CENTER FUND

Rec Center Fund 16 – This is the operating fund for the rec center. There is no activity in it. We have budgeted to hire someone toward the end of this budget year to start working with Parks Director McKenzie May on developing the programs and having a schedule for when the facility is up and running, we can begin day one with programs. We are hoping that this will be out for bid in October, 2026, with construction completed in March, 2028.

RECREATION CENTER FUND 16 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ -	\$ -	\$ -	\$ 297,169	\$ 297,169
REVENUE	360,000	297,367	297,367	297,368	297,368
TOTAL REVENUES	360,000	297,367	297,367	297,368	297,368
TOTAL EXPENDITURES	-	(198)	(198)	(35,345)	(35,345)
ANNUAL CHANGES IN WORKING FUND BALANCE	360,000	297,169	297,169	262,023	262,023
WORKING FUND BALANCE ENDING	\$ 360,000	\$ 297,169	\$ 297,169	\$ 559,192	\$ 559,192

		Q1 Activity	Budget Remaining	% Remaining
Revenue	\$	72,588	\$ 224,780	75.59%
Expenses	\$	348	\$ 34,997	99.01%

TOURISM FUND

Tourism Fund 20 – Finance Director Dan Plumb had discovered an issue with the Tourism Fund. He found this fund was significantly short and this is where the \$700,000 one-time transfer from the General Corporate Fund goes. Once that budget adjustment is made, this will leave a \$357 working fund balance. Tourism Director Angela Schrumm is working on several grants for next fiscal year.

TOURISM FUND 20 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026				BUDGET FY 2027		
	CURRENTLY BUDGETED	ESTIMATED OPERATING	ESTIMATED CAPITAL RELATED	TOTAL ESTIMATES	PROPOSED OPERATING	PROPOSED CAPITAL RELATED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 142,104	(1) \$ 5,341	\$ -	\$ 5,341	\$ (312,666)	\$ -	\$ (312,666)
REVENUE	857,314	696,535		696,535	616,405		616,405
REVENUE ALLOCATED TO CAPITAL	-	-	-	-	-	-	-
TOTAL REVENUES	857,314	696,535	-	696,535	616,405	-	616,405
OPERATING EXPENDITURES	(983,127)	(1,014,542)		(1,014,542)	(1,001,438)		(1,001,438)
TRANSFER TO QUALITY OF LIFE/ECON DEVELOPMENT FD	-	-	-	-	-	-	-
TOTAL EXPENSES	(983,127)	(1,014,542)	-	(1,014,542)	(1,001,438)	-	(1,001,438)
ANNUAL CHANGES IN WORKING FUND BALANCE	(125,813)	(318,007)	-	(318,007)	(385,033)	-	(385,033)
WORKING FUND BALANCE ENDING	\$ 16,291	\$ (312,666)	\$ -	\$ (312,666)	\$ (697,699)	\$ -	\$ (697,699)

ONE MONTH OF OPERATING EXPENSES

\$ 84,545	N/A
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\$ 83,453	N/A
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NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE

-3.70 MONTHS

-8.36 MONTHS

1ST QTR
ADJUSTMENTS
\$ 698,056.00

(1) Audited 24-25 WFB Ending

	Q1 Activity	Budget Remaining	% Remaining
Revenues	\$ 224,282	\$ 392,123	63.61%
Expenses	\$ 287,425	\$ 714,013	71.30%

WFB ENDING AFTER
ADJUSTMENTS
\$ 357

months in new WFB 0

C.D.A.P. FUND

C.D.A.P. Fund 21 – This is the fund for the housing rehab grant that Crosswalk administers. The City receives the money and Crosswalk administers it. We received \$650,000 and the city's match is \$20,000. This is close to being completed. We are in the process of applying for another one to be awarded in 2027 for 2028. The amount has been increased to \$800,000 and the city's match would be \$20,000.

C.D.A.P. FUND 21 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ -	\$ -	\$ -	\$ 51,900	\$ 51,900
REVENUE	650,000	395,825	395,825	254,175	254,175
Revenue Match	20,000	-	-	20,000	20,000
TOTAL REVENUES	670,000	395,825	395,825	274,175	274,175
TOTAL EXPENDITURES	(670,000)	(343,925)	(343,925)	(326,075)	(326,075)
ANNUAL CHANGES IN WORKING FUND BALANCE	-	51,900	51,900	(51,900)	(51,900)
WORKING FUND BALANCE ENDING	\$ -	\$ 51,900	\$ 51,900	\$ -	\$ -

	Q2 Activity	Budget Remaining	% Remaining
Revenues	\$ 122,375	\$ 151,800	55.37%
Expenses	\$ 223,675	\$ 102,400	31.40%

QUALITY OF LIFE/ECONOMIC DEVELOPMENT FUND

Quality of Life/Economic Development Fund 24 – This started out with a working fund balance of \$3,737,725. First quarter adjustment dropped the amount approximately \$38,000. Some of the projects include the tennis and pickleball courts. That was a little over a \$600,000 project which is almost totally completed. This also included the Veterans Park skate park and basketball courts. Parks Director May is applying for a \$500,000 grant for the skate park and basketball courts, and we have budgeted \$500,000 for our portion of that expense. We budgeted \$150,000 for improvements at Jamison Park which includes upgrading the playground equipment and turf. Optimist Park – finalizing plans for the dog park and new basketball court there. The 8th and Rushton storm sewer project is also included in this budget.

QUALITY OF LIFE/ECONOMIC DEVELOPMENT FUND 24 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED (1)	TOTAL ESTIMATED	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 4,464,612	\$ 4,915,218	\$ 4,915,218	\$ 5,564,956	\$ 5,564,956
REVENUE	6,057,638	3,409,226	3,409,226	3,687,259	3,687,259
TOTAL REVENUES	6,057,638	3,409,226	3,409,226	3,687,259	3,687,259
EXPENDITURES	(9,795,363)	(2,759,488)	(2,759,488)	(5,664,003)	(5,664,003)
TRANSFER TO CAPITAL PROJECTS FUND	-	-	-	-	-
TOTAL EXPENDITURES	(9,795,363)	(2,759,488)	(2,759,488)	(5,664,003)	(5,664,003)
ANNUAL CHANGES IN WORKING FUND BALANCE	(3,737,725)	649,738	649,738	(1,976,744)	(1,976,744)
WORKING FUND BALANCE ENDING	\$ 726,887	\$ 5,564,956	\$ 5,564,956	\$ 3,588,212	\$ 3,588,212

(1) Audited 24-25 WFB Ending

				1ST QTR ADJUSTMENTS \$ (38,163.00)
Revenues	\$ 777,902	\$ 2,909,357	% Remaining 78.90%	
Expenses	\$ 771,233	\$ 4,773,220	84.27%	
				WFB ENDING AFTER ADJUSTMENTS \$ 5,550,049

HOME RULE SALES TAX FUND

Home Rule Sales Tax Fund 25 – We had budgeted with this fund ending with a balance of \$7,017,320. The biggest item is the Rec Center. Holland Construction is starting to put the plan sets together to get ready for bidding. They are estimating the actual construction cost at \$28,348,420 and owner costs, which include architect, engineering fees, and equipment is a little over \$3.7 million. That brings the total design budget to \$32,059,332. They are estimating that a third gym could add \$2.4 million if that ends up being an option. There are some costs that potentially can be cut that could reduce the total to around the \$30 million dollar total.

HOME RULE SALES TAX FUND 25 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026					BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED RESTR. CAPL REV & EXPEND GEN PURPOSES	ESTIMATED RESTR. CAPL REV & EXPEND WATER	ESTIMATED RESTR. CAPL REV & EXPEND SEWER	TOTAL ESTIMATES	ESTIMATED RESTR. CAPL REV & EXPEND GEN PURPOSES	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$4,616,060	\$6,815,472	(2)	(2)	\$0	\$37,402,686	\$37,402,686
REVENUE	\$5,275,751	\$3,081,855				\$2,735,645	\$2,735,645
GOB BOND 2026	\$26,000,000	\$30,002,148				\$0	\$0
TOTAL REVENUES	\$31,275,751	\$33,084,003	\$0	\$0	\$33,084,003	\$2,735,645	\$2,735,645
EXPENDITURES	(\$5,626,344)	(\$2,309,933)	\$0	\$0	(\$2,309,933)	(\$3,121,011)	(\$3,121,011)
TRANSFER TO WATER FUND	(\$1,227,020)	\$0	\$0	\$0	\$0	\$0	\$0
TRANSFER TO SEWER FUND	(\$1,615,187)	\$0	\$0	\$0	\$0	\$0	\$0
REC CENTER CONSTRUCTION	(\$26,000,000)	(\$186,856)	\$0	\$0	(\$186,856)	(\$30,000,000)	(\$30,000,000)
TOTAL EXPENDITURES	(\$34,468,551)	(\$2,496,789)	\$0	\$0	(\$2,496,789)	(\$33,121,011)	(\$33,121,011)
ANNUAL CHANGES IN WORKING FUND BALANCE	(\$3,192,800)	\$30,587,214	\$0	\$0	\$30,587,214	(\$30,385,366)	(\$30,385,366)
WORKING FUND BALANCE ENDING	\$357,997	\$37,402,686	\$0	\$0	\$37,402,686	\$7,017,320	\$7,017,320

(1) Audited 24-25 WFB Ending

(2) Water and Sewer Funds no longer transferred effective FY 24-25

				1ST QTR ADJUSTMENTS \$ (420,010.00)
Revenue	\$ 970,322	\$ 1,765,323	% Remaining 64.53%	
Expenses	\$ 2,561,114	\$ 30,559,896	92.27%	
				WFB ENDING AFTER ADJUSTMENTS \$ 6,597,310

PENSION SALES TAX FUND

Pension Sales Tax Fund 26 – This fund is showing \$3,197,480 working fund balance.

PENSION SALES TAX FUND 26 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED (1)	TOTAL ESTIMATES	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 2,820,918	\$ 3,586,467	\$ 3,586,467	\$ 2,995,508	\$ 2,995,508
REVENUE	1,277,079	2,142,992	2,142,992	1,979,276	1,979,276
TOTAL REVENUES	1,277,079	2,142,992	2,142,992	1,979,276	1,979,276
EXPENDITURES					
EXPENDITURES OTHER THAN TRANSFERS	(181,000)	(5,000)	(5,000)	(5,000)	(5,000)
TRANSFER TO GENERAL CORPORATE FUND	(745,183)	(713,768)	(713,768)	(713,768)	(713,768)
TRANSFER TO TOURISM FUND	(30,000)	(28,233)	(28,233)	(28,233)	(28,233)
TRANSFER TO WATER FUND	(135,000)	(120,303)	(120,303)	(120,303)	(120,303)
TRANSFER TO POLICE PENSION FUND	(206,039)	(667,774)	(667,774)	(305,000)	(305,000)
TRANSFER TO FIRE PENSION FUND	(360,621)	(1,198,873)	(1,198,873)	(605,000)	(605,000)
TOTAL EXPENDITURES	(1,657,843)	(2,733,951)	(2,733,951)	(1,777,304)	(1,777,304)
ANNUAL CHANGES IN WORKING FUND BALANCE	(380,764)	(590,959)	(590,959)	201,972	201,972
WORKING FUND BALANCE ENDING	\$ 2,440,154	\$ 2,995,508	\$ 2,995,508	\$ 3,197,480	\$ 3,197,480

(1) Audited 24-25 WFB Ending

		Q1 Activity	Budget Remaining	% Remaining
Revenues	\$	393,155	\$ 1,586,121	80.14%
Expenses	\$	157,956	\$ 1,619,348	91.11%

GENERAL CORPORATE CAPITAL PROJECTS FUND

General Corporate Capital Projects Fund 30 – We estimated ending with a working fund balance of \$80,988. We do have a couple of budget adjustments which leaves us with a \$116,027 negative balance. Finance Director Dan Plumb stated this was from a fleet service vehicle and the refurbishment on a fire truck that wasn't carried forward. We also have our estimated share of the training tower in this account. The only thing in here is debt service on 2020 bonds and fire truck loans. This should work itself out with the next budget.

GENERAL CORPORATE CAPITAL PROJECTS FUND 30 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED (1)	TOTAL ESTIMATED	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 1,523,466	\$ 3,386,799	\$ 3,386,799	\$ 373,919	\$ 373,919
REVENUE	1,565,500	1,846,935	1,846,935	1,701,042	1,701,042
LOAN PROCEEDS FIRE TRUCK	1,000,000	-	-	-	-
TOTAL REVENUES	2,565,500	1,846,935	1,846,935	1,701,042	1,701,042
EXPENDITURES	(3,625,108)	(4,859,815)	(4,859,815)	(1,993,973)	(1,993,973)
TRANSFER TO QUALITY OF LIFE FUND	-	-	-	-	-
TRANSFER TO PUBLIC UTILITIES FUND	-	-	-	-	-
TOTAL EXPENDITURES	(3,625,108)	(4,859,815)	(4,859,815)	(1,993,973)	(1,993,973)
ANNUAL CHANGES IN WORKING FUND BALANCE	(1,059,608)	(3,012,880)	(3,012,880)	(292,931)	(292,931)
WORKING FUND BALANCE ENDING	\$ 463,858	\$ 373,919	\$ 373,919	\$ 80,988	\$ 80,988

(1) Audited 24-25 WFB Ending

	Q1 Activity	Budget Remaining	% Remaining	1ST QTR ADJUSTMENTS \$ (197,015.00)
Revenues	\$ 429,671	\$ 1,271,371	74.74%	
Expenses	\$ 397,035	\$ 1,596,938	80.09%	
				WFB ENDING AFTER ADJUSTMENTS \$ (116,027)

HEALTH INSURANCE FUND

Health Insurance Fund 40 – We have met with Tedrick to go over the annual renewal. We had a good year but there will be a slight increase in our cost. This is showing a working fund balance of \$1,687,904, which is 6.6 months of a working fund balance. That could change if there is a catastrophic year or large claims.

HEALTH INSURANCE FUND 40 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 3,042,090	(1) \$ 2,032,677	\$ 2,032,677	\$ 1,700,714	\$ 1,700,714
REVENUE	2,657,721	2,739,016	2,739,016	3,055,169	3,055,169
TOTAL REVENUES	2,657,721	2,739,016	2,739,016	3,055,169	3,055,169
TOTAL EXPENDITURES	(2,657,721)	(3,070,979)	(3,070,979)	(3,067,979)	(3,067,979)
ANNUAL CHANGES IN WORKING FUND BALANCE	-	(331,963)	(331,963)	(12,810)	(12,810)
WORKING FUND BALANCE ENDING	\$ 3,042,090	\$ 1,700,714	\$ 1,700,714	\$ 1,687,904	\$ 1,687,904
ONE MONTH OF OPERATING EXPENSES		\$ 255,915		\$ 255,665	
NO. OF MONTHS INCLUDED IN WORKING FUND BALANCE		6.6 MONTHS		6.6 MONTHS	

(1) Audited 24-25 WFB Ending

	Q1 Activity	Budget Remaining	% Remaining
Revenues	\$ 761,466	\$ 2,293,703	75.08%
Expenses	\$ 643,956	\$ 2,424,023	79.01%

CDBG GRANT FUND

CDBG Grant Fund 55 – This is one of the sewer grant funds. This project is completed and we have to keep it on the books one final year before we can close it out. There is no activity.

CDBG GRANT FUND 55 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ACTUAL OPERATING	TOTAL	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE GRANT	483,308	483,308	483,308	-	-
MATCH FROM FUND 61	350,000	-	-	-	-
TOTAL REVENUES	833,308	483,308	483,308	-	-
TOTAL EXPENDITURES	(833,308)	(483,308)	(483,308)	-	-
ANNUAL CHANGES IN WORKING FUND BALANCE	-	-	-	-	-
WORKING FUND BALANCE ENDING	\$ -	\$ -	\$ -	\$ -	\$ -
NO. OF MONTHS INCLUDED IN WORKING FUND BALANCE					

Q1 NO ACTIVITY AND NO BUDGET FY27

COMMUNITY INVESTMENT SEWER GRANT FUND

Community Investment Sewer Grant Fund 56 – This is an EPA Grant for sewer relining in the south side of town. We are getting ready to start Phase 2 of this project.

COMMUNITY INVESTMENT SEWER GRANT FUND 56 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ACTUAL OPERATING	TOTAL	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ -	\$ -	\$ -	\$ 241,572	\$ 241,572
REVENUE GRANT	3,200,000	241,572	241,572	2,170,324	2,170,324
MATCH FROM FUND 61	500,000	-	-	-	-
TOTAL REVENUES	3,700,000	241,572	241,572	2,170,324	2,170,324
TOTAL EXPENDITURES	(3,700,000)	-	-	(2,411,896)	(2,411,896)
ANNUAL CHANGES IN WORKING FUND BALANCE	-	241,572	241,572	(241,572)	(241,572)
WORKING FUND BALANCE ENDING	\$ -	\$ 241,572	\$ 241,572	\$ -	\$ -

	Q1 Activity	Budget Remaining	% Remaining
Revenues	0	2,170,324	100.00%
Expenses	0	2,411,896	100.00%

WATER FUND

Water Fund 60 – This was showing ending with a proposed \$11,620,198 working fund balance. There is an adjustment of \$76,000 bringing this down to a \$10,594,062 working fund balance. Finance Director Dan Plumb explained that during last year's audit, it showed we had a working fund balance of \$1.6 million, and the audit showed \$19 million. When he began investigating in our Tyler system, there were several other funds that add up to the \$19 million in the audit. This included restricted funds that were set aside the last several years from 2% and 3% increases that compound over the years, and there was a 5% increase in 2016. That money is sitting there shown as restricted. That was not included in the budget, but if it needs to be unrestricted in the future, we can do that and it can be kept tract of separately. City Manager McKenna stated the restricted funds were what was supposed to be used for the payments on the IEPA loans that the City has been doing over the last several years. However, those have been paid from the 1/4% sales tax or other unrestricted funds that have been in the water fund. We have budgeted \$4.5 million for an IEPA loan project, and we did not get that loan.

City Council Member Donte Moore asked about when we need to start replacing water meters. City Manager McKenna stated that would be paid from this fund.

City Council Member Joe Gliosci asked when the numbers would be reconciled for this account. Finance Director Plumb stated he is going through all the Ordinances and Resolutions to double-check everything in the account and get through one more audit. City Manager McKenna stated that the audit is being conducted now and we should have a much better picture of this when audit completed.

City Manager McKenna added that the Water Fund also has \$3 million that has been earmarked for the new Public Works building.

WATER FUND 60 QUARTERLY BUDGET REVIEW

ASSUMING 0% OPERATING INCREASE & 2% CAPITAL INCREASE ON 11/1/2026

	BUDGET FY 2026					BUDGET FY 2027			
	CURRENTLY BUDGETED	ESTIMATED OPERATING	ESTIMATED RESTRICTED 3% INCREASES	ESTIMATED RESTRICTED 2% 1/4% HM RULE TAX	TOTAL ESTIMATED	PROPOSED OPERATING	PROPOSED RESTRICTED 3% INCREASES	PROPOSED RESTRICTED 2% 1/4% HM RULE TAX	TOTAL PROPOSED
	(1)								
WORKING FUND BALANCE BEGINNING	\$ 3,683,898	\$ 11,128,210	\$ -	\$ -	\$ 11,128,210	\$ 13,090,157	\$ -	\$ -	\$ 13,090,157
REVENUE	15,668,075	8,373,796	-	-	8,373,796	11,145,198	373,594	576,064	12,094,856
TOTAL REVENUES	15,668,075	8,373,796	-	-	8,373,796	11,145,198	373,594	576,064	12,094,856
EXPENDITURES									
PUBLIC UTILITIES-WATER PURCHASES	(2,258,185)	(2,362,109)	-	-	(2,362,109)	(2,480,210)	-	-	(2,480,210)
PUBLIC UTILITIES-OTHER OPERATING	(2,131,130)	(1,135,132)	-	-	(1,135,132)	(1,756,362)	-	-	(1,756,362)
PUBLIC UTILITIES-BILLING SERVICES	(365,199)	(496,414)	-	-	(496,414)	(507,629)	-	-	(507,629)
PUBLIC UTILITIES-CAPITAL & DEBT SERVICE	(10,405,296)	(2,418,194)	-	-	(2,418,194)	(8,820,614)	-	-	(8,820,614)
TOTAL EXPENDITURES	(15,159,810)	(6,411,849)	-	-	(6,411,849)	(13,564,815)	-	-	(13,564,815)
ANNUAL CHANGES IN WORKING FUND BALANCE	508,265	1,961,947	-	-	1,961,947	(2,419,617)	373,594	576,064	(1,469,959)
WATER OPERATING TRANSFER TO SEWER FUND	(332,000)	-	-	-	-	-	-	-	-
WORKING FUND BALANCE ENDING	\$ 1,634,214	\$ 13,090,157	\$ -	\$ -	\$ 13,090,157	\$ 10,670,540	\$ 373,594	\$ 576,064	\$ 11,620,198
ONE MONTH OF OPERATING EXPENDITURES	\$ 534,321	N/A	N/A	N/A		\$ 1,130,401	N/A	N/A	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE	24.50 MONTHS					9.44 MONTHS			
(1) Audited 24-25 WFB Ending (Unrestricted)									
	Q1 Activity	Budget Remaining	% Remaining			1ST QTR ADJUSTMENTS			
Revenues	1,880,354	10,214,502	84.45%			\$ (76,478.00)			
Expenses	1,246,642	12,318,173	90.81%			WFB ENDING AFTER ADJUSTMENTS			
						\$ 10,594,062			
						9.37 months in new WFB			

SEWER FUND

Sewer Fund 61 – This started out with an anticipated working fund balance at \$10,269,57 and we are looking at ending with a \$9,475,708 working fund balance which gives 16.1 months. We do have some larger projects that we are starting engineering on. Most of the sewer system that was failing has been addressed and the only thing remaining is the northeast side of the town. We have to get an engineering firm to study that, and we have \$500,000 budgeted to start that process. We have a sewer that runs under several buildings, and we have \$500,000 budgeted for that. The 9th Street storm sewer during major storms sees a very large influx of water getting to it. We have a proposal from Heneghan & Associates to figure out the best fix for that. City Manager McKenna stated he has a meeting with Veolia within the next couple of months to start addressing the improvements at the waste water treatment plant, which could be anywhere from \$5 million to \$10/\$15 million.

SEWER FUND 61 QUARTERLY BUDGET REVIEW

BUDGET FY 2026						BUDGET FY 2027					
FY 2025-2026 CURRENTLY BUDGETED FOR OPERATIONS	FY 2026-2026 ESTIMATED REVENUE (EXPENSE) 0% INCREASE	FY 2025-2026 ESTIMATED RESTR. 3% INCR. & CTA SUSP SOLIDS REV & (EXPENSE) 2% INCREASE	FY 2025-2026 ESTIMATED RESTR. 2% INCR. & 14% HM RULE TAX REV & (EXPENSE) 2% INCREASE	FY 2025-2026 ESTIMATED RESTR. REFUND OF EMC FACILITY PMT REV & (EXPENSE)	FY 2025-2026 TOTAL ESTIMATES	FY 2026-2027 PROPOSED OPERATING REVENUE (EXPENSE) 0% INCREASE	FY 2026-2027 PROPOSED RESTR. 3% INCR. & CTA SUSP SOLIDS REV & (EXPENSE) 2% INCREASE	FY 2026-2027 PROPOSED RESTR. 2% INCR. & 14% HM RULE TAX REV & (EXPENSE) 2% INCREASE	FY 2026-2027 PROPOSED RESTR. REFUND OF EMC FACILITY PMT REV & (EXPENSE)	FY 2026-2027 TOTAL PROPOSED	
(1)											
WORKING FUND BALANCE BEGINNING	\$ 2,316,542	\$ 11,913,867	\$ -	\$ -	\$ -	\$ 11,913,857	\$ 12,320,427	\$ -	\$ -	\$ -	\$ 12,320,427
REVENUE	6,169,860	5,506,123	-	-	-	5,506,123	4,538,859	337,542	456,327	-	5,332,728
TOTAL REVENUES	6,169,860	5,506,123	-	-	-	5,506,123	4,538,859	337,542	456,327	-	5,332,728
EXPENDITURES											
PUBLIC UTILITIES-SEWER TREATMENT	(3,856,174)	(3,233,195)	-	-	-	(3,233,195)	(3,506,737)	-	-	-	(3,506,737)
PUBLIC UTILITIES-OTHER SEWER OPERATIN	(12,000)	(180,399)	-	-	-	(180,399)	-	-	-	-	-
PUBLIC UTILITIES-BILLING SERVICES	(164,000)	(233,559)	-	-	-	(233,559)	(233,559)	-	-	-	(233,559)
PUBLIC UTILITIES-SEWER CAP'L & DEBT SVS	(2,637,326)	(1,452,400)	-	-	-	(1,452,400)	(3,291,395)	-	-	-	(3,291,395)
TOTAL EXPENDITURES	(6,669,502)	(5,099,553)	-	-	-	(5,099,553)	(7,031,691)	-	-	-	(7,031,691)
ANNUAL CHANGES IN WORKING FUND BALANCE	\$ (499,642)	\$ 406,570	\$ -	\$ -	\$ -	\$ 406,570	\$ (2,492,832)	\$ 337,542	\$ 456,327	\$ -	\$ (1,698,963)
TRANSFER TO FUD WATER	(331,152)	-	-	-	-	-	(351,887)	-	-	-	(351,887)
WORKING FUND BALANCE ENDING	\$ 1,485,748	\$ 12,320,427	\$ -	\$ -	\$ -	\$ 12,320,427	\$ 9,475,708	\$ 337,542	\$ 456,327	\$ -	\$ 10,269,577
ONE MONTH OF OPERATING EXPENDITURES	\$424,963	N/A	N/A	N/A	N/A		\$585,974	N/A	N/A	N/A	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE	28.99 MONTHS						16.17 MONTHS				
						1ST QTR ADJUSTMENTS \$ (43,071.00)					
(1) Audited 24-25 WFB Ending (unrestricted)											
Revenues:	Q1 Activity 1,383,630	Budget Remaining 3,949,098	% Remaining 74.06%			WFB ENDING AFTER ADJUSTMENTS \$ 9,432,637					
Expenses:	1,067,483	6,326,094	86.68%			16.10 months in new WFB					

DOWNTOWN TIF FUND

Downtown TIF Fund 71 – There is really no activity in this account. We have a couple of long-standing payments from previous TIF agreements and a couple of payments for The Commons. This is showing an anticipated working fund balance of \$888,533. This includes \$250,000 loan from general corporate from when the fund was started. When this expires in 2032, if that \$250,000 is still there, it will be paid back to the general corporate fund. If there is anything left after that, the money will be paid back to all of the taxing bodies based off of their share of the property taxes. There is also \$300,000 set aside for the Howard and Casey Building.

DOWNTOWN TIF FUND 71 QUARTERLY BUDGET REVIEW

BUDGET FY 2026			BUDGET FY 2027	
CURRENTLY BUDGETED	ESTIMATED OPERATING (1)	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 865,650	\$ 688,100	\$ 883,369	\$ 883,369
REVENUE	513,882	862,088	676,442	676,442
TOTAL REVENUES	513,882	862,088	676,442	676,442
TOTAL EXPENDITURES	(783,427)	(666,819)	(671,278)	(671,278)
ANNUAL CHANGES IN WORKING FUND BALANCE	(269,545)	195,269	5,164	5,164
WORKING FUND BALANCE ENDING	\$ 596,105	\$ 883,369	\$ 888,533	\$ 888,533

*NOTE: THE WFB ASSUMES THAT THE \$250,000 LOAN FROM GENERAL CORPORATE WILL NOT BE REPAID.

(1) Audited 24-25 WFB Ending

	Q1 Activity	Budget Remaining	% Remaining
Revenue	\$ 20,019	\$ 656,423	97.04%
Expenses	\$ 259,378	\$ 411,900	61.36%

INDUSTRIAL PARK CONSERVATION AREA (WESTSIDE) TIF

Industrial Park Conservation Area (Westside) TIF 72 – There is not a lot of activity in this fund. Menards and Phoenix Elevator still have a few years of payments left. We are showing the working fund balance ending with a \$1,455,058 balance. This is not being extended, and it will expire in 2034. One thought which could benefit Mt. Vernon High School, residents, and for future growth, is to extend Davidson down to Ambassador. A rough engineering estimate would be about a \$5 million project if that is something that the Council would be interested in considering.

INDUSTRIAL PARK CONSERVATION (IPC) TIF FUND 72 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	ESTIMATED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 148,661	(1) \$ 757,368	\$ 757,368	\$ 1,112,083	\$ 1,112,083
REVENUE	557,500	582,972	582,972	572,975	572,975
TOTAL REVENUES	557,500	582,972	582,972	572,975	572,975
TOTAL EXPENDITURES	(685,996)	(228,257)	(228,257)	(230,000)	(230,000)
ANNUAL CHANGES IN WORKING FUND BALANCE	(128,496)	354,715	354,715	342,975	342,975
WORKING FUND BALANCE ENDING	\$ 20,165	\$ 1,112,083	\$ 1,112,083	\$ 1,455,058	\$ 1,455,058

(1) Audited 24-25 WFB Ending

		Q1 Activity	Budget Remaining	% Remaining
Revenue	\$	6,904	\$ 566,071	98.80%
Expenses	\$	-	\$ 230,000	100.00%

RTE 15/I-57 (EASTSIDE) TIF

Route 15/I-67 (Eastside) TIF 73 – This fund is showing a working fund balance of \$533,727. The only project that is receiving any funding out of is the Drury project. The new hotel project has begun, and they have received funding from this, which will be about 15% of their total project cost. The City is still anticipating receiving revenue from the State to reimburse for some of the expense of the South 44th Street project.

RTE 15/I-57 TIF FUND 73 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	FY 2025-2026 CURRENTLY BUDGETED	FY 2025-2026 ESTIMATED OPERATING	FY 2025-2026 TOTAL ESTIMATES	FY 2026-2027 PROPOSED OPERATING	FY 2026-2027 TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 157,273	(1) \$ 1,528,544	\$ 1,528,544	\$ 425,157	\$ 425,157
REVENUE	710,061	453,392	453,392	415,570	415,570
TOTAL REVENUES	710,061	453,392	453,392	415,570	415,570
TOTAL EXPENDITURES	(1,502,823)	(1,556,779)	(1,556,779)	(307,000)	(307,000)
ANNUAL CHANGES IN WORKING FUND BALANCE	(792,762)	(1,103,387)	(1,103,387)	108,570	108,570
WORKING FUND BALANCE ENDING	\$ (635,489)	\$ 425,157	\$ 425,157	\$ 533,727	\$ 533,727

(1) Audited 24-25 WFB Ending

		Q1 Activity	Budget Remaining	% Remaining
Revenue	\$	2,590	\$ 412,980	99.38%
Expenses	\$	-	\$ 307,000	100.00%

N 42nd STREET TIF

There is no activity shown, however City Manager McKenna stated that he believes there will be a Redevelopment Agreement with KRP Properties, LLC, on the next agenda and this will be moving forward. They are asking for 75% of the increment generated, and we are working with School Districts #80 and #201 and they will get 20% generated split between them based off of the tax bills. The remaining 5% will remain in the TIF fund for any infrastructure improvements or repairs needed later.

N 42ND ST TIF FUND 75 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	FY 2025-2026 CURRENTLY BUDGETED	FY 2025-2026 ESTIMATED OPERATING	FY 2025-2026 TOTAL ESTIMATES	FY 2026-2027 PROPOSED OPERATING	FY 2026-2027 TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ -	\$ -	\$ -	\$ (1,150)	\$ (1,150)
REVENUE	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-
TOTAL EXPENDITURES	-	(1,150)	(1,150)	-	-
ANNUAL CHANGES IN WORKING FUND BALANCE	-	(1,150)	(1,150)	-	-
WORKING FUND BALANCE ENDING	\$ -	\$ (1,150)	\$ (1,150)	\$ (1,150)	\$ (1,150)

Q1 NO ACTIVITY

N 42nd STREET TIF

City Manager McKenna stated he has not seen finalized plans yet on the hotel. He has spoken with them, and they are moving forward but have not given him a timeline yet.

N 44TH ST TIF FUND 76 QUARTERLY BUDGET REVIEW

	BUDGET FY 2026			BUDGET FY 2027	
	FY 2025-2026 CURRENTLY BUDGETED	FY 2025-2026 ESTIMATED OPERATING	FY 2025-2026 TOTAL ESTIMATES	FY 2026-2027 PROPOSED OPERATING	FY 2026-2027 TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
ANNUAL CHANGES IN WORKING FUND BALANCE	-	-	-	-	-
WORKING FUND BALANCE ENDING	\$ -	\$ -	\$ -	\$ -	\$ -

Q1 NO ACTIVITY

City Manager Nathan McKenna stated everything is going well and we will have the budget adjustments probably at the first meeting in September.

EXECUTIVE SESSION

No Executive Session was held.

ADJOURNMENT

Council Member Mike Young made a motion to adjourn. Seconded by Council Member Joe Gliosci. Yeas: Gliosci, Moore, Young, and Lewis. Absent: Tate.

The meeting was adjourned at 2:55 p.m.

Respectfully submitted,

Becky Barbour

Becky Barbour
City Clerk