



Rebecca Barbour  
City Clerk

*Creativity Redefined!*

City of Mt. Vernon  
1100 Main PO Box 1708  
cityclerk@mtvernon.com

618-242-6815  
FAX 618-242-6867  
www.mtvernon.com

**CITY OF MT. VERNON, ILLINOIS  
CITY COUNCIL WORKSHOP  
Tuesday, March 24, 2026**

The Mt. Vernon City Council called a Special Meeting for Tuesday, March 24, 2026 at 3:00 p.m. at City Hall, 1100 Main Street, Council Chamber Room, 2<sup>nd</sup> 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 Jay Tate, and Mayor John Lewis. Also present: City Manager Nathan McKenna, Finance Director Dan Plumb, Assistant to City Manager Kendra Donoho, and City Clerk Becky Barbour. Absent: Council Member Mike Young.

**VISITORS/CITIZEN'S REQUESTS/ADDRESSES FROM THE AUDIENCE**

None.

**REVIEW AND DISCUSSION ON THE PROPOSED 2025-2026 BUDGET**

Mayor Lewis turned the meeting over to City Manager Nathan McKenna. McKenna stated this meeting is to present the tentative budget for the year 2026-27. He stated that Finance Director Dan Plumb has worked very hard on the budget. The City is doing a reset on how things have been done in the last several years. There are some notable changes that will be addressed as we go through the budget. The gray column on the spreadsheet represents what we thought the budget was when this fiscal year was started. The yellow column is this fiscal year budget with what is known as to where 2024-25 truly ended with the working fund balances and the City's known expenses from May 2025 through December 2025 and then what was projected for January 2026 through April 2026 to finish out the current fiscal year's budget. Then the blue column represents that estimated number. The following three columns are the proposed fiscal year budget for the next fiscal year – May 1, 2026 through April 30, 2027.

Finance Director Dan Plumb stated that the first yellow column under Budget FY 2025 is what the auditors stated are the fund balances at 2024-25. This was confirmed by checking the amounts from the auditors with the fund balances in our accounting software and bank balances.

**GENERAL CORPORATE FUND**

The General Corporate Fund 01 - City Manager Nathan McKenna stated that the City is expecting to end this fiscal year with a working fund balance of \$19,239,777. One month of operating expenditures is \$1,610,781. With these numbers, this reflects 11.8 months of a working fund balance. Council has set the precedent of establishing a working fund balance between 6 months to a year. Council Member Moore stated that it is precedent, however, he thought the Ordinance states one month. McKenna believes it is higher. Mayor Lewis stated that our attorney was researching that all communities on average have at least six months to a year and thought our Ordinance had been changed. McKenna stated he will look into that further. Moving into next year, we anticipate our total revenue at \$19,989,830, and total expenditures of \$19,562,128, leaving a balance of \$427,702 which gives us a working fund balance expected of \$19,412,360.

**GENERAL CORPORATE FUND  
ANNUAL OPERATING BUDGET SUMMARY**

	BUDGET FY 2026				BUDGET FY 2027		
	TOTAL BUDGETED	TOTAL OPERATING ESTIMATED	TOTAL RESTRICTED ESTIMATED	TOTAL ESTIMATED	TOTAL PROPOSED OPERATING	TOTAL PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 13,589,195	\$ 18,335,918 <sup>(1)</sup>	\$ 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
<b>TOTAL REVENUES</b>	<b>22,132,437</b>	<b>19,978,113</b>	<b>1,823,573</b>	<b>21,801,686</b>	<b>19,989,830</b>	<b>1,858,450</b>	<b>21,848,280</b>
<b>EXPENDITURES</b>							
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)	(7,055,272)	-	(7,055,272)
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)	(1,823,496)	(1,849,700)	(3,673,196)
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)	(19,562,128)	(1,849,700)	(21,411,828)
<b>ANNUAL CHANGES IN WORKING FUND BALANCE</b>	<b>(1,038,084)</b>	<b>648,740</b>	<b>4,062</b>	<b>652,802</b>	<b>427,702</b>	<b>8,750</b>	<b>436,452</b>
TRANSFER TO CAPITAL PROJECTS FUND					-	-	-
<b>WORKING FUND BALANCE ENDING</b>	<b>\$ 12,551,111</b>	<b>\$ 18,984,658</b>	<b>\$ 255,119</b>	<b>\$ 19,239,777</b>	<b>\$ 19,412,360</b>	<b>\$ 263,869</b>	<b>\$ 19,676,229</b>
ONE MONTH OF OPERATING EXPENDITURES		\$ 1,610,781			\$ 1,630,177		
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

**MOTOR FUEL TAX**

The Motor Fuel Tax Fund 10 - Current budget was anticipated ending with \$315,290 working fund balance. Using the 2024-25 audit numbers carrying through, we are anticipating ending this budget year with a \$1,326,405 balance. We receive approximately \$675,853 in motor fuel tax. We started this budget with the idea that we would be spending approximately \$600,000, which has been increased to \$900,000 for road resurfacing.

**MOTOR FUEL TAX  
 ANNUAL BUDGET SUMMARY**

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 572,647	\$ 1,582,368 <sup>(1)</sup>	\$ 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

**SANITATION FUND**

Sanitation Fund 12 – This is for our trash service with Republic. This is our final year of that contract, so the City will be looking to renew that. This fund shows ending with a \$101,436 working fund balance.

**SANITATION  
 ANNUAL BUDGET SUMMARY**

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
WORKING FUND BALANCE BEGINNING	\$ 132,745	\$ 150,862 <sup>(1)</sup>	\$ 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

**REC CENTER FUND**

**Rec Center Fund 16** – This is reflecting the revenue and the expenditures for the facility. Revenue for this is from the 3% Home Rule Cannabis Tax. The City does anticipate hiring staff at the beginning of 2027 to start with programming and schedules. This shows an ending working fund balance of \$559,192.

**RECREATION CENTER  
ANNUAL BUDGET SUMMARY**

	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

**TOURISM FUND**

**Tourism Fund 20** – It is shown that the anticipated beginning working fund balance of \$142,104 and would end with a working fund balance of \$16,291. After the audit was completed, the working fund balance began with \$5,341. \$696,535 was received in revenue, however, operating expenses were \$1,014,542. It is anticipated that this budget will end with a \$312,666 deficit. Fiscal year 2026-27, it is anticipated that it would end with a \$698,299 deficit. The City is considering a one-time transfer from general corporate to bring the balance to zero. This was caused from overestimating hotel/motel tax and grant awards over a 3-year period. The beginning balance was not accounted for properly and reconciled after the audit, which caused the deficit and those numbers were relied on going forward. Nothing was spent fraudulently, the department was relying on the beginning numbers.

**TOURISM  
ANNUAL BUDGET SUMMARY**

	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	\$ 5,341	(1) \$ -	\$ 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)	(1,002,038)	-	(1,002,038)
TRANSFER TO QUALITY OF LIFE/ECON DEVELOPMENT FD	-	-	-	-	-	-	-
TOTAL EXPENSES	(983,127)	(1,014,542)	-	(1,014,542)	(1,002,038)	-	(1,002,038)
ANNUAL CHANGES IN WORKING FUND BALANCE	(125,813)	(318,007)	-	(318,007)	(385,633)	-	(385,633)
WORKING FUND BALANCE ENDING	\$ 16,291	\$ (312,666)	\$ -	\$ (312,666)	\$ (698,299)	\$ -	\$ (698,299)
ONE MONTH OF OPERATING EXPENSES		\$ 84,545	N/A		\$ 83,503	N/A	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		-3.70 MONTHS			-8.36 MONTHS		

(1) Audited 24-25 WFB Ending

**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.

**C.D.A.P. FUND 21  
 ANNUAL BUDGET SUMMARY**

	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	\$ -	\$ -

**QUALITY OF LIFE/ECONOMIC DEVELOPMENT FUND**

**Quality of Life/Economic Development Fund 24** – The majority of this fund is dedicated toward the payment of the 2020 bonds, projects, and capital equipment. This budget year was estimated to begin at \$4,464,612 working fund balance and would end with \$726,887. After comparing to audit, 2024-25 started with \$4,915,218 and ended with a working fund balance of \$5,564,956. The previous budget must be and will be reconciled with the previous budget so that the next year will be budgeted correctly. With that projected working fund balance carried over to next year, the City is anticipating \$3,687,259 in revenue. That revenue is made up from 1/2% of the home rule sales tax, which is projected to be \$2,462,559, using a 5-year average of activity. Other revenue is \$500,000 for the Brownfield Grant the City received for Phase 1 and Phase 2 on properties within the City. We are also anticipating a \$500,000 Oslad Grant for a park project we are currently working on. Other projects include moving the radio tower from the old police department building, city hall improvements, improvements at Cusumano baseball fields, adding more bus shelters, Optimist Park project and potentially adding a dog park, Fire Station #4 improvements, additional Veterans Park improvements, and 2020 bond payments.

## QUALITY OF LIFE/ECONOMIC DEVELOPMENT FUND ANNUAL BUDGET SUMMARY

	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)	(5,569,003)	(5,569,003)
TRANSFER TO CAPITAL PROJECTS FUND	-	-	-	-	-
TOTAL EXPENDITURES	(9,795,363)	(2,759,488)	(2,759,488)	(5,569,003)	(5,569,003)
ANNUAL CHANGES IN WORKING FUND BALANCE	(3,737,725)	649,738	649,738	(1,881,744)	(1,881,744)
WORKING FUND BALANCE ENDING	\$ 726,887	\$ 5,564,956	\$ 5,564,956	\$ 3,683,212	\$ 3,683,212

(1) Audited 24-25 WFB Ending

### HOME RULE SALES TAX FUND

**Home Rule Sales Tax Fund 25** – This is the fund for construction of the Rec Center. The 2025-26 working fund balance was believed to be \$4,616,060, ending with \$357,997. After comparing to audit, this started at \$6,815,472 working fund balance and will end with \$37,589,542, which includes the \$30,000,000 bond money. \$33,121,011 expenditures are budgeted which includes repairs of sidewalks, \$300,000 toward demolition, fleet leased vehicles, camera system server needs replaced at the police department, balance owing on police department body cameras, new tasers for the police department, HRT truck repairs, 3 new squad cars, fencing around dispatch area at the police department, and the 2026 bond payments. Then the \$30,000,000 rec center construction is shown as an expenditure.

## HOME RULE SALES TAX FUND ANNUAL BUDGET SUMMARY

	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	ESTIMATED RESTR CAPL REV & EXPEND WATER	ESTIMATED RESTR CAPL REV & EXPEND SEWER	TOTAL PROPOSED	
WORKING FUND BALANCE BEGINNING	\$4,616,060	\$6,815,472 (1)	\$0	\$0	\$6,815,472	\$37,402,686	(2)	\$0 (2)	\$0	\$37,589,542
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	\$0	\$0	\$0	\$2,735,645
EXPENDITURES	(\$5,626,344)	(\$2,309,933)	\$0	\$0	(\$2,309,933)	(\$3,121,011)	\$0	\$0	\$0	(\$3,121,011)
TRANSFER TO WATER FUND	(\$1,227,020)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRANSFER TO SEWER FUND	(\$1,615,187)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
REC CENTER CONSTRUCTION	(\$26,000,000)	(\$186,856)	\$0	\$0	(\$26,000,000)	(\$30,000,000)	\$0	\$0	\$0	(\$30,000,000)
TOTAL EXPENDITURES	(\$34,468,551)	(\$2,496,789)	\$0	\$0	(\$2,309,933)	(\$33,121,011)	\$0	\$0	\$0	(\$33,121,011)
ANNUAL CHANGES IN WORKING FUND BALANCE	(\$3,192,800)	\$30,587,214	\$0	\$0	\$30,774,070	(\$30,385,366)	\$0	\$0	\$0	(\$30,385,366)
WORKING FUND BALANCE ENDING	\$357,997	\$37,402,686	\$0	\$0	\$37,589,542	\$7,017,320	\$0	\$0	\$0	\$7,204,176

(1) Audited 24-25 WFB Ending

(2) Water and Sewer Funds no longer transfer

**PENSION SALES TAX FUND**

**Pension Sales Tax Fund 26** – It was anticipated ending with a \$2,440,154 working fund balance. After reconciling with the audit, it is anticipated ending with a \$2,995,508 working fund balance. Finance Director Dan Plumb stated that for the 2026-27 budget, the same number is used for the required minimum police and fire pensions. He does not expect it to go down, but it may go up some. This 2026-27 budget takes care of making the 2023-24, 2024-25 payments, plus the 2025-26 payment that will be made next month making it fully funded.

**PENSION SALES TAX FUND  
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED	TOTAL ESTIMATES	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 2,820,918	(1) \$ 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

**GENERAL CORPORATE CAPITAL PROJECTS FUND**

**General Corporate Capital Projects Fund 30** – When budget was completed last year, the working fund balance was shown at \$463,858. After reconciling with the 2024-25 audit, that working fund balance is ending with \$373,919. Revenue comes from the telecommunications tax, the food and beverage tax and the 2-cent diesel tax. The expenditures budgeted include \$300,000 toward the joint venture with the Jefferson County Fire for the training tower, \$52,335 for a storm warning siren, fuel additive for the diesel engines, and two new dump trucks. This leaves a \$80,988 working fund balance.

**GENERAL CORPORATE CAPITAL PROJECTS FUND  
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED RESTRICTED	TOTAL ESTIMATED	PROPOSED RESTRICTED	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 1,523,466	(1) \$ 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

**HEALTH INSURANCE FUND**

**Health Insurance Fund 40** – It was anticipated ending with a \$3,042,090 working fund balance. It actually ended at \$1,700,714. This is a self-charge out of general corporate. The City pays \$1,399.50 per employee that is covered. We anticipate ending with a working fund balance of \$1,687,904, which is 6.6 month working fund balance.

**HEALTH INSURANCE FUND 40  
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	PROPOSED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 3,042,090	\$ 2,032,677 <sup>(1)</sup>	\$ 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 WFR Ending

**CDBG GRANT FUND**

**CDBG Grant Fund 55** – This is one of the sewer grant funds. This is the sewer lining in the downtown area east of 12<sup>th</sup> Street. This project is completed.

**CDBG GRANT FUND  
ANNUAL BUDGET SUMMARY**

	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					

**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 have received 2.1 million in grant funding. This project should be completed this year.

## COMMUNITY INVESTMENT SEWER GRANT FUND ANNUAL BUDGET SUMMARY

	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	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,700,000</b>	<b>241,572</b>	<b>241,572</b>	<b>2,170,324</b>	<b>2,170,324</b>
<b>TOTAL EXPENDITURES</b>	<b>(3,700,000)</b>	<b>-</b>	<b>-</b>	<b>(2,411,896)</b>	<b>(2,411,896)</b>
<b>ANNUAL CHANGES IN WORKING FUND BALANCE</b>	<b>-</b>	<b>241,572</b>	<b>241,572</b>	<b>(241,572)</b>	<b>(241,572)</b>
<b>WORKING FUND BALANCE ENDING</b>	<b>\$ -</b>	<b>\$ 241,572</b>	<b>\$ 241,572</b>	<b>\$ -</b>	<b>\$ -</b>

### WATER FUND

**Water Fund 60** – With this budget, the ending working fund balance was estimated at \$1,634,214, after reconciliation with the audit, we are anticipating ending with a working fund balance of \$13,090,157. Carrying that number forward, with expenditures and projects we have, we are proposing that we will end up with \$11,628,698. We do have many water projects that need completed which includes replacing water mains on Casey Avenue, Cherry Street, Broadway, Crownview Drive, 21<sup>st</sup> Street, East Harrison Street, Castleton Avenue, Logan Street, Industrial Drive, Benton Road, 15<sup>th</sup> Street, Central Avenue, College Street, White Avenue, Linnview Drive and Waterworks Road. \$100,000 is budgeted to complete the lead service replacement, telemetry equipment for the L & N Water Tower, and some repairs at the Eagle Court ground water storage.

### WATER FUND ANNUAL BUDGET SUMMARY

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
WORKING FUND BALANCE BEGINNING	\$ 3,683,898	\$ 11,128,210 <sup>(1)</sup>	\$ -	\$ -	\$ 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
<b>TOTAL REVENUES</b>	<b>15,668,075</b>	<b>8,373,796</b>	<b>-</b>	<b>-</b>	<b>8,373,796</b>	<b>11,145,198</b>	<b>373,594</b>	<b>576,064</b>	<b>12,094,856</b>
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)	(499,129)	-	-	(499,129)
PUBLIC UTILITIES-CAPITAL & DEBT SERVICE	(10,405,296)	(2,418,194)	-	-	(2,418,194)	(8,820,614)	-	-	(8,820,614)
<b>TOTAL EXPENDITURES</b>	<b>(13,159,810)</b>	<b>(6,411,849)</b>	<b>-</b>	<b>-</b>	<b>(6,411,849)</b>	<b>(13,556,315)</b>	<b>-</b>	<b>-</b>	<b>(13,556,315)</b>
<b>ANNUAL CHANGES IN WORKING FUND BALANCE</b>	<b>508,265</b>	<b>1,961,947</b>	<b>-</b>	<b>-</b>	<b>1,961,947</b>	<b>(2,411,117)</b>	<b>373,594</b>	<b>576,064</b>	<b>(1,461,459)</b>
WATER OPERATING TRANSFER TO SEWER FUND	(332,000)	-	-	-	-	-	-	-	-
<b>WORKING FUND BALANCE ENDING</b>	<b>\$ 1,634,214</b>	<b>\$ 13,090,157</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,090,157</b>	<b>\$ 10,679,040</b>	<b>\$ 373,594</b>	<b>\$ 576,064</b>	<b>\$ 11,628,698</b>
ONE MONTH OF OPERATING EXPENDITURES	\$ 334,321	N/A	N/A	N/A	N/A	\$ 1,129,693	N/A	N/A	N/A
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE	24.50 MONTHS	24.50 MONTHS	24.50 MONTHS	24.50 MONTHS	24.50 MONTHS	9.45 MONTHS	9.45 MONTHS	9.45 MONTHS	9.45 MONTHS

(1) Audited 24-25 WFB Ending (Unrestricted)

### SEWER FUND

**Sewer Fund 61** – The projected working fund balance was \$1,485,748, after reconciliation with the audit, we are ending with a working fund balance of \$12,320,427 balance. \$3,000,000 had been budgeted for the new building at Public Works. With total revenue and our working fund balance, we

are anticipating ending 2026-27 with a working fund balance of \$10,769,577. Within the next 5 years, we have to consider improvements to the waste water treatment plant which is approximately a \$10 million dollar project. We are also budgeting \$500,000 to start engineering and evaluating the service lines and a complete redesign of the northeast portion of Mt. Vernon.

**PUBLIC UTILITIES - SEWER - OPERATING & CAPITAL FUNDS  
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2026					BUDGET FY 2027					
	FY 2025-2026 CURRENTLY BUDGETED FOR OPERATIONS	FY 2025-2026 ESTIMATED OPERATING REVENUE (EXPEND) 0% INCREASE	FY 2025-2026 ESTIMATED RESTR. 3% INCR. & CTA SUSP SOLIDS REV & (EXPEND)	FY 2025-2026 ESTIMATED RESTR. 2% INCR. & 14% HM RULE TAX REV & (EXPEND) 2% INCREASE	FY 2025-2026 ESTIMATED RESTR. REFUND OF EMC FACILITY PMT REV & (EXPEND)	FY 2025-2026 TOTAL ESTIMATES	FY 2026-2027 PROPOSED OPERATING REVENUE (EXPEND) 5% INCREASE	FY 2026-2027 PROPOSED RESTR. 3% INCR. & CTA SUSP SOLIDS REV & (EXPEND)	FY 2026-2027 PROPOSED RESTR. 2% INCR. & 14% HM RULE TAX REV & (EXPEND) 2% INCREASE	FY 2026-2027 PROPOSED RESTR. REFUND OF EMC FACILITY PMT REV & (EXPEND)	FY 2026-2027 TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 2,316,542	\$ 11,913,857	\$ -	\$ -	\$ -	\$ 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 OPERATING	(12,000)	(180,399)	-	-	-	(180,399)	-	-	-	-	-
PUBLIC UTILITIES-BILLING SERVICES	(164,000)	(233,559)	-	-	-	(233,559)	(233,559)	-	-	-	(233,559)
PUBLIC UTILITIES-SEWER CAPL & DEBT SVS	(2,657,328)	(1,452,400)	-	-	-	(1,452,400)	(2,791,395)	-	-	-	(2,791,395)
TOTAL EXPENDITURES	(6,689,502)	(5,099,553)	-	-	-	(5,099,553)	(6,531,691)	-	-	-	(6,531,691)
ANNUAL CHANGES IN WORKING FUND BALANCE	\$ (499,642)	\$ 406,570	\$ -	\$ -	\$ -	\$ 406,570	\$ (1,992,832)	\$ 337,542	\$ 456,327	\$ -	\$ (1,198,963)
TRANSFER TO FUD WATER	(331,152)	-	-	-	-	-	(351,887)	-	-	-	(351,887)
WORKING FUND BALANCE ENDING	\$ 1,485,748	\$ 12,320,427	\$ -	\$ -	\$ -	\$ 12,320,427	\$ 9,975,708	\$ 337,542	\$ 456,327	\$ -	\$ 10,769,577
ONE MONTH OF OPERATING EXPENDITURES		\$434,963	N/A	N/A	N/A		\$544,308	N/A	N/A	N/A	
NUMBER OF MONTHS INCLUDED IN WORKING FUND BALANCE		28.99 MONTHS					18.33 MONTHS				

(1) Audited 24-25 WFR Ending (unrestricted)

**DOWNTOWN TIF FUND**

**Downtown TIF Fund 71** – The anticipated ending balance was \$596,105. After reconciliation, it is anticipated to end with \$883,369. At this time there are no projects. There is \$300,000 set aside for the Howard and Casey Building. We anticipate ending with a \$888,533 balance.

**DOWNTOWN TIF  
ANNUAL BUDGET SUMMARY**

	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	\$ 688,100	\$ 883,369	\$ 883,369
REVENUE	513,882	862,088	862,088	676,442	676,442
TOTAL REVENUES	513,882	862,088	862,088	676,442	676,442
TOTAL EXPENDITURES	(783,427)	(666,819)	(666,819)	(671,278)	(671,278)
ANNUAL CHANGES IN WORKING FUND BALANCE	(269,545)	195,269	195,269	5,164	5,164
WORKING FUND BALANCE ENDING	\$ 596,105	\$ 883,369	\$ 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

**INDUSTRIAL PARK CONSERVATION AREA (WESTSIDE) TIF**

**Industrial Park Conservation Area (Westside) TIF 72** – This is the west side of the interstate. This is not being extended and the term ends in 2034. The working fund balance was anticipated at \$20,165 and is ending with a balance of \$1,112,083 after reconciliation. This was partly because of underestimating revenue.

**INDUSTRIAL PARK CONSERVATION AREA (WESTSIDE) TIF  
ANNUAL BUDGET SUMMARY**

	BUDGET FY 2026			BUDGET FY 2027	
	CURRENTLY BUDGETED	ESTIMATED OPERATING	TOTAL ESTIMATES	ESTIMATED OPERATING	TOTAL PROPOSED
WORKING FUND BALANCE BEGINNING	\$ 148,661	\$ 757,368 (1)	\$ 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

**RTE 15/I-57 (EASTSIDE) TIF**

**Route 15/I-67 (Eastside) TIF 73** – This TIF was extended for the additional twelve years. It was anticipated ending with a negative balance of -\$635,489. This is the fund that the extension of South 44<sup>th</sup> Street was paid out of. After being reconciled with the 2024-25 audit, it is ending with a working fund balance of \$425,157. There are no current projects, however there is an upcoming project of the Hilton Home2Suites that will be starting soon.

**RTE 15/I-57 (EASTSIDE) TIF  
ANNUAL BUDGET SUMMARY**

	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	\$ 1,528,544 (1)	\$ 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

**N 42<sup>nd</sup> STREET TIF and N 44<sup>th</sup> STREET TIF**

These last two are the funds set up for the new TIF's. There is no activity except for the \$1,150 expense in the N. 42<sup>nd</sup> Street TIF.

**N 42ND ST TIF  
ANNUAL BUDGET SUMMARY**

	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)

**N 44TH ST TIF  
ANNUAL BUDGET SUMMARY**

	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	\$ -	\$ -	\$ -	\$ -	\$ -

City Manager Nathan McKenna stated that this will be compiled, gone through one more time, and a summary sheet of all of the projects will be provided. First reading will be at the first meeting in April, and the second reading and vote on the budget will be at the second meeting in April.

**EXECUTIVE SESSION**

No Executive Session was held.

**ADJOURNMENT**

**Council Member Joe Gliosci motion to adjourn. Seconded by Council Member Jay Tate. Yeas: Gliosci, Moore, Tate, and Lewis. Absent: Young.**

The meeting was adjourned at 4:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Becky Barbour".

Becky Barbour  
City Clerk