



Fiscal Year 2026-2027  
Draft Budget Presentation .v2

March 30, 2026

# Purpose Of The Budget

- ▶ The purpose of the City's annual budget process is to present the City Council with a budget which best addresses the intent of how resources will be spent on behalf of the stakeholders of the City of Crest Hill.
- ▶ This process will provide City Council with an opportunity to verify that the City is maintaining its current service levels to its residents and community stakeholders, and that it is allocating the necessary funding for infrastructure improvements, while working within the constraints of increases in costs that have resulted from inflationary pressures and supply chain issues.
- ▶ The budget serves as a financial plan, an operations guide, and a communications device.

# Legal Requirements

- ▶ On February 6, 2023, City Council amended its ordinance and adopted sections 5/8-2-9.1 through and including sections 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes (Municipal Code) which provide for a municipality's financial operations under an annual budget in lieu of an appropriation ordinance.
- ▶ State law requires that all general-purpose local governments pass an appropriation ordinance within the first quarter of each fiscal year, or an annual budget shall be adopted by the corporate authorities before the beginning of each fiscal year to which it applies.

# Budget Overview by Fund

	Fiscal Year 2026-2027 Budget
<b>General Fund Revenue</b>	\$ 13,805,592
Officials	\$ 100,449
Police	\$ 5,732,938
Streets	\$ 2,154,097
Facilities Maintenance	\$ 512,272
Treasurer's Office	\$ 8,462
IT	\$ 650,951
Fleet Vehicle Maintenance	\$ 614,176
Administration	\$ 1,710,966
Clerks	\$ 340,763
Finance	\$ 407,948
Community Development	\$ 1,240,472
Expenditures	\$ 13,473,494
Fund Surplus/(Deficit)	\$ 332,098

## Budget Overview by Fund (cont.)

Fiscal Year 2026-2027 Budget

### Motor Fuel Tax

Revenue	\$ 1,033,787
Expenditures	<u>\$ 982,000</u>
Fund Surplus/(Deficit)	\$ 51,787

### Non-Home Rule Tax

Revenue	\$ 2,369,000
Expenditures	<u>\$ 2,365,815</u>
Fund Surplus/(Deficit)	\$ 3,185

### Enterprise Fund

Water Revenue	\$ 16,025,366
Garbage Revenue	<u>\$ 1,495,370</u>
Revenue	\$ 17,520,736
Water Expenditures	\$ 4,814,215
Sewer Expenditures	\$ 1,223,347
STP Expenditures	\$ 2,487,990
Water Administration Expenditures	\$ 7,497,078
Garbage Expenditures	<u>\$ 1,495,370</u>
Expenditures	\$ 17,518,000
Fund Surplus/(Deficit)	\$ 2,737

## Budget Overview by Fund (cont.)

Fiscal Year 2026-2027 Budget

### Capital Replacement Program

Revenue	\$ 955,582
Expenditures	<u>\$ 874,510</u>
Fund Surplus/ (Deficit)	\$ 81,072

### Water/Sewer/STP Capital

Revenue	\$ 10,000,000
Expenditures	<u>\$ 18,505,557</u>
Fund Surplus/ (Deficit)	\$ (8,505,557)

Transfer from Water Sewer fund balance

### Capital Improvement Projects

Revenue	\$ 0
Expenditures	<u>\$ 8,165,000</u>
Fund Surplus/ (Deficit)	\$ (8,165,000)

## Budget Overview by Fund (cont.)

Fiscal Year 2026-2027 Budget

### TIF Larkin/30

Revenue \$ 30,900

Expenditures \$ 30,900

Fund Surplus/ (Deficit) \$ 0

### TIF Weber/Division

Revenue \$ 103,000

Expenditures \$ 103,000

Fund Surplus/ (Deficit) \$ 0

### Water Sewer Debt

Revenue \$ 3,931,548

Expenditures \$ 3,931,546

Fund Surplus/ (Deficit) \$ 2

### Capital Construction Debt

Revenue \$ 858,325

Expenditures \$ 858,325

Fund Surplus/ (Deficit) \$ 0

## Budget Overview by Fund (cont.)

West Plant Rehab.	Fiscal Year 2026-2027 Budget
Revenue	\$ 9,349,470
Expenditures	<u>\$ 9,269,470</u>
Fund Surplus/(Deficit)	\$ 80,000
<b>Police Pension</b>	
Revenue	\$ 2,105,098
Expenditures	<u>\$ 1,852,762</u>
Fund Surplus/(Deficit)	\$ 252,336
<b>Police Special Assets</b>	
Revenue	\$ 0
Expenditures	<u>\$ 0</u>
Fund Surplus/(Deficit)	\$ 0

## Budget Overview by Fund (cont.)

### Fiscal Year 2026-2027 Budget

Total Revenue

\$ 62,063,039

Total Expenditures

\$ 77,930,380

Total Fund Surplus/ (Deficit)

**\$(15,867,341)**

# Fiscal Year 2026-2027 General Fund Highlights

- ▶ The City's General Fund is currently showing a **budget surplus of approximately \$332,098.**
- ▶ Below is a summary of relevant information and key assumptions used related to the General Fund revenue and expenditures for Fiscal Year 2026-2027:
  - ▶ **Police Pension Contribution:** The revenue the City receives from its property tax levy has historically been split 50%~50% between the General Fund and the Police Pension Fund. This year the split will be 58% for the Police Pension Fund and 42% for the General Fund. The current Actuary Recommended Contribution (ARC) for the City for Fiscal Year 2026-2027 was to contribute \$1,606,921. City Ordinance #974 requires an additional \$150,000 also be contributed towards the Police Pension Fund until the fund reaches 80% funded status. The total to be contributed for Fiscal Year 2026-2027 is \$2,105,098. Of this amount, \$1,606,921 will come from the property tax levy, \$150,000 will come from the General Fund, \$29,907 from Employer Contributions, and \$318,270 from Plan Member Contributions.
  - ▶ **Staffing:** The Draft Fiscal Year 2026-2027 Budget added additional employees for restructuring the Public Works Department by adding three (3) superintendent positions, accounting for two (2) newly promoted crew leaders, and merged two (2) part-time inspectors into one (1) full-time inspector. There are also funds budgeted for a possible promotion, an Administration Intern, and an Engineering Assistant/Inspector for ½ of a year.
  - ▶ Currently, for non-union employees there is a 2% COLA increase in this draft budget for all non-union employee salaries and a merit pool of \$40,000.

# Fiscal Year 2026-2027 General Fund Highlights

- ▶ Per the CBAs, the salaries for all MAP union employees increased by 3.5% + steps over the previous year.
- ▶ The City will be negotiating with Local 150 and are currently analyzing possible salaries adjustments that would be included in a successor collective bargaining agreement.
- ▶ Water revenues are projected to increase by 22%, due to the rate increases required for the Grand Prairie Water Commission capital projects coming in the near future. At this point, Water expenditures are projected to increase by 49% as capital improvements are made as part of the Grand Prairie Water Commission project continues.
- ▶ Scheduled for June or July, the City's website refresh will launch.
- ▶ There are funds for a Grant Consultant to assist in getting and managing grants.

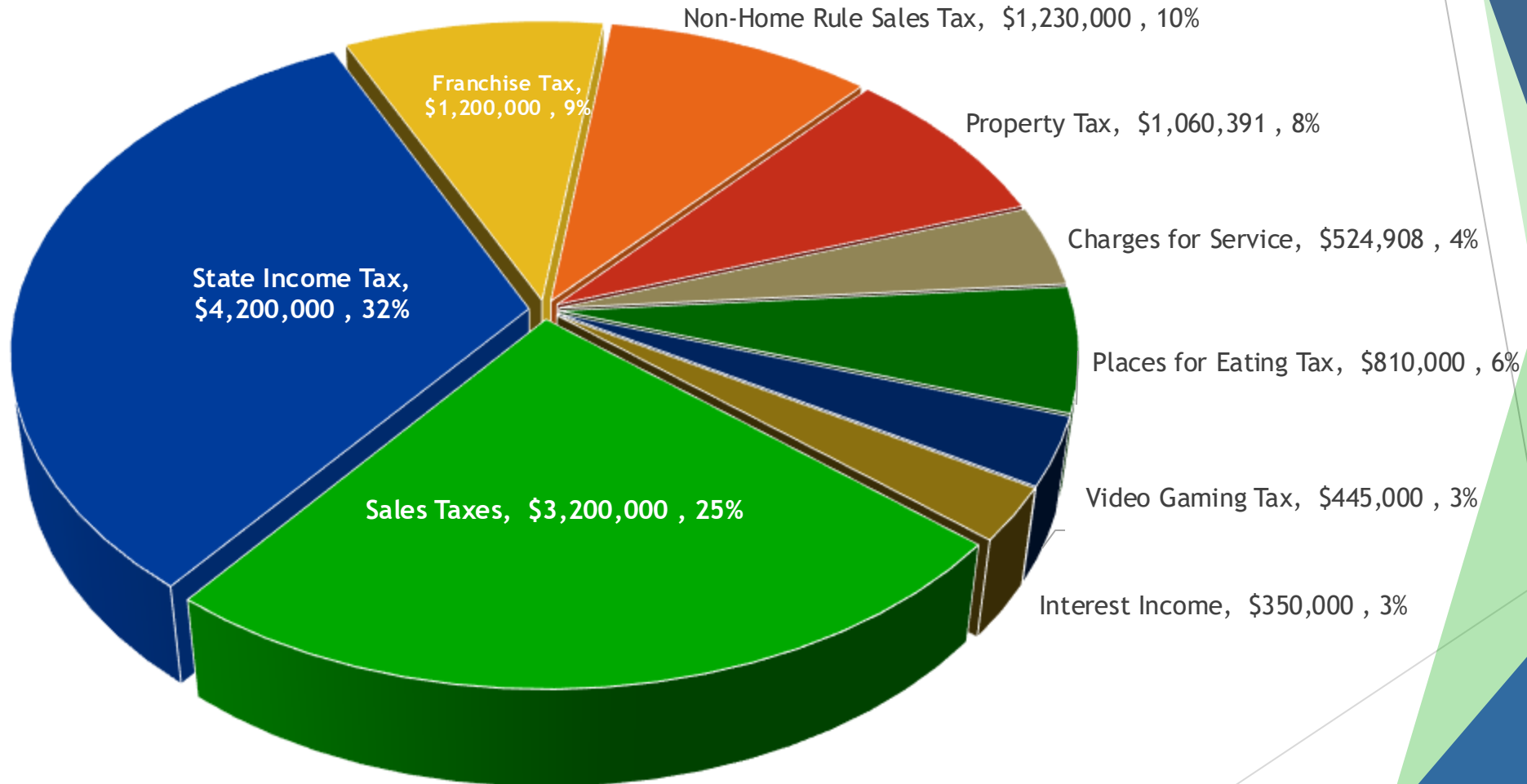
# General Fund: *Revenue*

- ▶ The City estimates the General Fund revenue to be **\$13,805,592** for Fiscal Year 2026-2027.
- ▶ This is an increase from the previous year's annual budgeted revenue of \$1,161,860 or 9%. This is due to the City taking advantage of recent changes in Illinois Statutes that allows the use of Non-Home Rule Sales tax to be used for General fund operations.
- ▶ We anticipated \$10,000 of grant revenue expected from ComEd Powering Safe Communities Grant during the FY 2026-27.
- ▶ The City implemented Illinois Municipal League's July 2025 preliminary revenue projections for state funding for projections for Fiscal Year 2026-2027 for the categories below on a per-capita basis:
  - State Income Tax
  - State Use Tax
  - Motor Fuel Tax
  - Cannabis

# General Fund - Major Sources of Revenue

<u>Revenue Source</u>	<u>Amount</u>
▶ State Income Tax	\$4,200,000 (30% of the total)
▶ Sales Tax	\$3,200,000 (23% of the total)
▶ Non-HR Sales Tax	\$1,230,000 (9% of the total)
▶ Franchise Tax	\$1,200,000 (9% of the total)
▶ includes:	
• Telecommunications	
• ComEd/Nicor	
• Comcast Franchise Fee	
▶ Property Taxes	\$1,060,391 (8% of the total)
▶ Places for Eating Tax	\$ 810,000 (6% of the total)
▶ Charges for Services	\$ 524,908 (4% of the total)
▶ Video Gaming Tax	\$ 445,000 (3% of the total)
▶ Interest Income	\$ 350,000 (3% of the total)
▶ Other	<u>\$ 785,293 (6% of the total)</u>
▶ Total	<b>\$13,805,592</b>

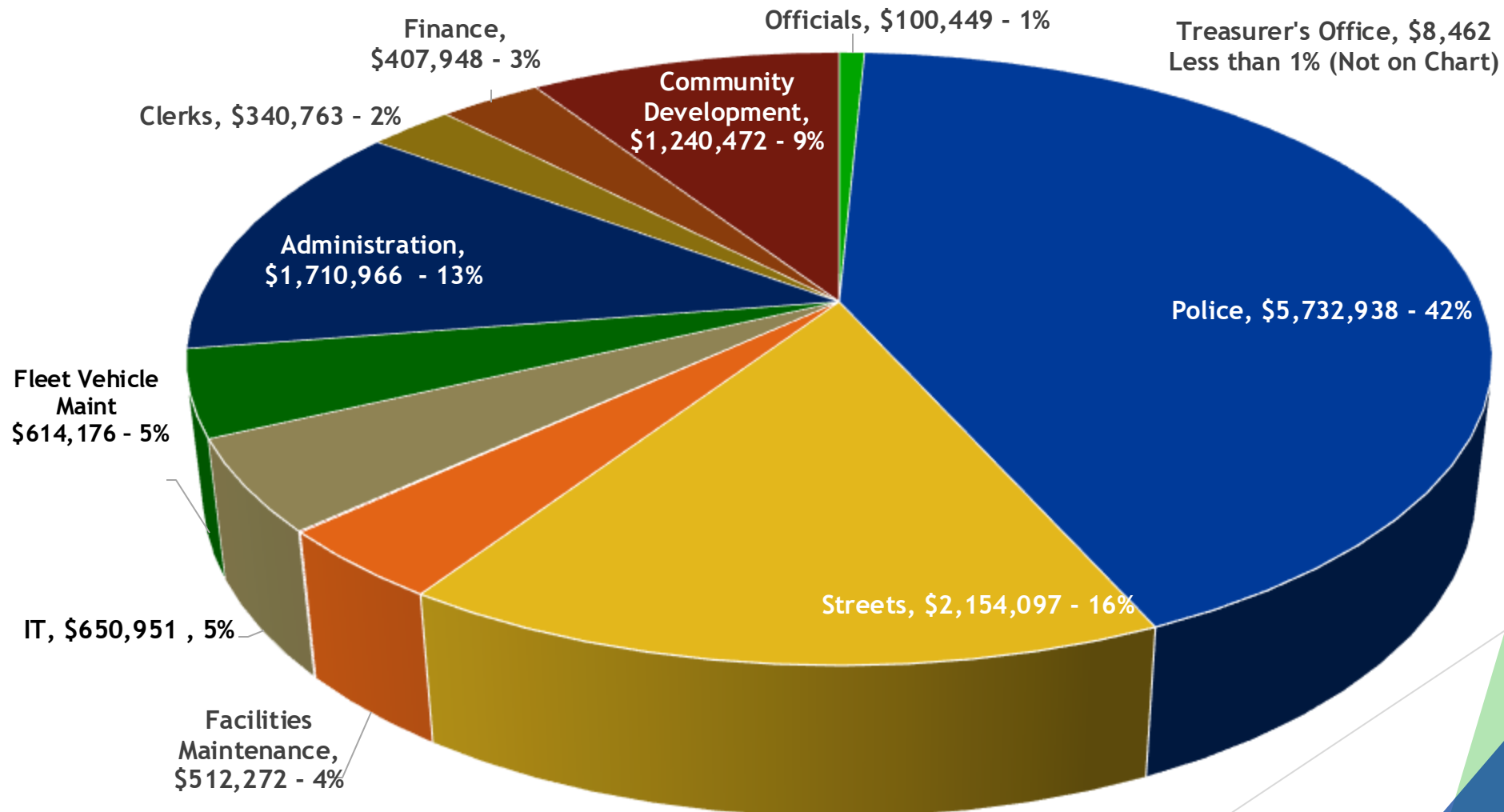
# Fiscal Year 2026-2027 Budgeted Revenue



# General Fund: *Expenditures*

- ▶ The City is estimating the General Fund expenditures to be \$13,473,494 for Fiscal Year 2026-2027.
- ▶ Many of the increased expenditures in select departments, such as Public Works and Administration, were due to staffing matters.
- ▶ Inflation is factored into this Draft budget at 3% to account for the increase in prices for the purchase of goods and services compared to the previous fiscal year.

# General Fund Expenditures by Department Budgeted Fiscal Year 2026-2027



# Motor Fuel Tax and Federal Transportation Funds Budgeted

- ▶ Capital Construction (Sidewalk Cutting, Concrete R & R, Caton Farm Rd over EJ&E RR)
  - ▶ \$475,000
- ▶ Engineering Design and Construction Engineering (Engineering, Testing, Survey, Traffic Study – Weber at Division)
  - ▶ \$375,000
- ▶ Materials and Supplies (Salt and Brine Purchase)
  - ▶ \$132,000
- ▶ **Total \$982,000**

# Non-Home Rule Sales Tax Fund

▶ This is the fourteenth year of the Non-Home Rule Sales Tax. The Non-Home Rule Sales Tax Fund records the receipts of the revenue generated from the approval of the one percent sales tax.

▶ The Non-Home Rule Sales Tax revenue is budgeted to fund the following:

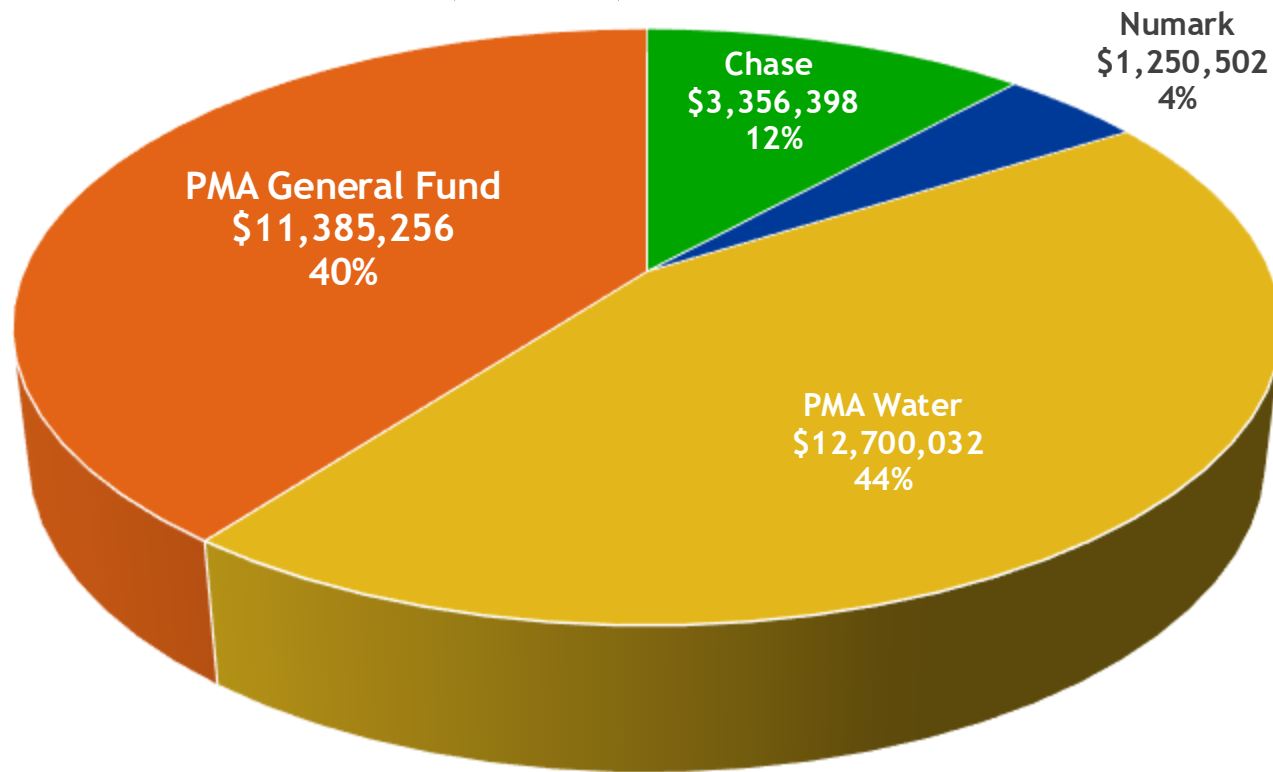
• General Fund Operations	\$1,230,000
• Annual Debt Service Payment	\$ 858,000
• Property Tax Rebate Program	\$ 278,000
• Economic Incentive	<u>\$ 3,000</u>
▶ Total	<b>\$2,369,000</b>

# Liquid Assets as of February 28, 2026

Total General Fund \$15,992,156

Total Water \$12,700,032

Grand Total \$28,692,188



# Capital Projects Fund

- ▶ The purpose of this fund is to evaluate the current City infrastructure and reserve funding for future construction needs.
- ▶ Projects below are proposed Capital projects. The following slide features Annual Street improvement program projects.

▶ City Center Plaza Construction	\$2,000,000
▶ Street Rehabilitation Construction	\$1,500,000
▶ Division East of Weber Roadway Rehab	\$2,100,000
▶ Lidice At Churnovic Widening	\$90,000
▶ Theodore Retaining Across from El Guer	\$125,000
▶ Caton Farm Rd. over CN RR	\$700,000
▶ McGilvery Widening	\$150,000
▶ Weber Rd-Landscaping at City Center Blvd.	\$125,000
▶ GPWC Gaylord/Cedarwood (seed money)	\$250,000
▶ Potential Property Purchase	\$550,000
▶ Capital Construction CE Services	\$375,000

Total Fund Amount = **\$8,540,000**

# Capital Projects Fund - Streets

## 2026 Street Rehabilitation Locations

- Kingsbrook Dr. from Borio Dr. to North End.
- Longmeadow Dr. from Borio Dr. from Kingsbrook Dr.
- Carlton St. from Gaylord Rd to Prestwick Dr.
- Dundee Dr. from Carlton Dr. to Loch Ln.
- Chaney Ave. from Oakland Ave. to Hoffman St.
- Hoffman St. from Chaney to Elsie Ave.
- Elsie Ave. from Clement to Hoffman St.
- Stern Ave. from Oakland to Clement St.
- Foxtail Ct.
- Fox Meadow Dr. from Gaylord Rd to Springside Dr.
- Silver Rock Dr. from Fox Meadow Dr. to Springside Dr.
- Caton Farm Rd from Oakland to Broadway

**Total = \$1,500,000**

*Presented to Council on October 13, 2025*

# Water/Sewer Capital Projects Fund

- ▶ **The Water/Sewer Capital Projects fund was created to manage the capital improvements for the water sewer system.**

Listed below are the Capital Water/Sewer Capital Expenses that have been included in the FY 2027 budget.

- Eastern and Western Receiving Station and 2.5 M Storage Tank-GPWC - **\$5,700,000**
  - Water Main Replacement **\$4,465,000**
    - Innercircle from Hosmer Ln to Marlboro Dr.
    - Oakland From Ludwig to Theodore
    - Imperial from Root to Lynwood
  - Water Main Lining (Broadway from Chaney to Theodore and Theodore to West of Center **\$4,400,000**
  - Sanitary Sewer Lining and Repair - \$1,250,000
  - Other Engineering/Study projects - \$1,640,000
  - Public Works Equipment and Vehicles - \$600,000
  - Well Maintenance - \$450,000
- ▶ Total Fund Amount (of which \$10,000,000 will be reimbursed through the IEPA, DCEO and CDBG grants) = **\$18,505,000**

# Grand Prairie Water Commission Highlights

- ▶ On January 17, 2022, the City Council voted to join the Regional Water Commission (RWC) renamed the Grand Prairie Water Commission (GPWC) to provide Crest Hill with Lake Michigan water by the year 2030.
- ▶ As part of joining the RWC, the City will complete infrastructure projects, including water main improvements.
- ▶ The projects will occur over the next five years.
- ▶ These improvements will accommodate the City's infrastructure to seamlessly tap into Lake Michigan water by December 2030.
- ▶ The City performed a water/sewer rate study to ensure that it will be able to recoup costs associated with joining the Grand Prairie Water Commission and this will be accomplished through water/sewer rate increases that will occur over the next five years.

# Water/Sewer Debt Fund

- ▶ This fund pays the City's multiple debt issuances that relate to water and sewer projects.
- ▶ The debt issuances were issued to support the construction and the improvement of the City's water supply facilities and wastewater treatment plants.
- ▶ There is one General Obligation refunding bond (Alt Rev Source), Series 2019A and four IEPA loans.

# West Plant Rehabilitation Fund

- ▶ This fund is used to track expenditures related to improvements to the City's existing west sewage treatment plant that was built in 1960 and was last upgraded in the early 1990s.
- ▶ Listed below are the budgeted projects for the West Plant Rehabilitation Fund:
  - Construction costs to be reimbursed from the IEPA           \$ 7,674,000
  - West construction engineering costs                             \$ 905,075
  - Loan Interest Payments   \$ 690,000
- ▶ Total Fund Amount   **\$ 9,269,075**  
(of which \$7,754,395 will be reimbursed through the IEPA)

# Refuse: Contracted Services

- ▶ The City's current Refuse contract is with Republic Services. The current contract (expiring in 2027), states there will be a 3.5% rate increase every year. The City will correspondingly raise its refuse rates by 3.5% from the Fiscal Year 2026-2027 rates.
- ▶ Customers are currently billed every two months for trash, recycling, and yard waste collection services.

# Police Pension Fund

- ▶ The Police Pension Fund of the City of Crest Hill is an Illinois local government, as such, it is a separate legal entity with its own management and budget authority. This fund exists solely to provide pension benefits for the City's police officers and beneficiaries. Lauterbach & Amen currently manages the police pension fund.
- ▶ Participating employees must contribute 9.91% of their salary to the plan. The City must contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially decided by an enrolled actuary.
- ▶ The City funds its contributions to the Police Pension Plan through its annual tax levy. The City implemented a long-range plan for a fully funded police pension by 2038. The plan includes adding \$150,000 to this fund each year for the next nine years, which is above the requested annual amount. State law requires police pension funds to be 90% funded by 2040.
- ▶ As of April 30, 2025, the Actuarial Value of Assets for the Police Pension fund was 75.08% funded.

# Conclusion

- ▶ The Fiscal Year 2026-2027 budget presents a sound financial plan which embodies the City's disciplined approach to spending, and dedication to its vision and striving for continuous improvement of the community.
- ▶ The budget will be closely monitored during the next Fiscal Year and will follow the City Council's vision for the community.

# Questions?

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