

These are the minutes of the 2010 Budget Hearing held on December 7, 2009 at 5:30 p.m. in the City Municipal Building.

Mayor Williams called the Public Hearing to order. On roll call were Alderpersons Jensen, LaQuee, Newberg, Robinson, Suhr, Mayor Williams and Administrator Ellisor. Alderperson Manthey was excused.

Administrator Ellisor distributed a 2010 Budget Report Memorandum. The report gave the Revenue and Expenditures Equalized Value Comparison for 2009 and 2010. Various portions of the 2010 budget composing the proposed budget were explained by Administrator Ellisor and discussion followed on some of the relevant trends and projections of the City's finances:

The anticipated mill rate (pre-TIF millage is the millage rate applied for General Fund operating expenses) should be \$3.35 and the anticipated General Fund mill rate (after TIF) should be \$4.42. This will generate \$285,500, the same as the 2009 budget.

State Shared Revenue, the largest revenue component of the General Fund operating budget (approx. 65%) at \$615,250, decreased \$13,100. The General Transportation Aid funding did realize an increase over the prior year, \$149,942 to \$153,938.67 increase of 2.6%.

Administrator Ellisor pointed out the operating expenses continue to increase, such as the ambulance contract, wages and health insurance. The health insurance will increase 9% for 2010. The adopted budget allows for the same level of City services that have been offered in previous years, with no increase proposed for the water & sewer utilities. Other expenditure challenges were \$18,000 Debt Service increase and \$4,000 Fire District increase (under budgeted last year). He reviewed the strategies employed to meet the 2010 budget, they were: Capital Equipment restructure, which involves the Channel 4 cash balance to the Capital Equipment, and the franchise fee to the General Fund, allocate portion of the Administrative/Clerk expenditures to TIF 2 and TIF 3, transfer \$7,000 of special assessment collections to the General Fund to help pay Debt Service, reduce Audit, fuel, telephone, internet, rug/towel, and energy expenditures.

Administrator Ellisor drew up a cost comparison scenario depicting the rate and tax expenses a resident in the City would face versus the same in the Village of Friendship.

The City's projected after TIF mill rate for 2010 has been set at 4.42 mills. The 2010 mill rate represents the same over the 2009 rate. The mill rate is relevant because it serves as the multiplier for annual property tax billings. The City mill rate equates to \$4.42 for every \$1,000 of assessed property value. The City's assessed value and the State equalized value is a 100% match. In most instances, the property owner will see a change to the *City Portion* of the property owner's tax bill.

Motion by LaQuee, second by Jensen to adjourn the budget hearing. Roll call vote, all voted aye.

Janet L. Winters
Clerk/Treasurer