

City of Minonk FY2012 Operating Budget Highlights April 4, 2011

General Fund Revenues:

State shared revenues are down (income tax, motor fuel tax)

The state is several months behind paying the local share of income tax.

There are ongoing threats to the Local Government Distributive Fund (LGDF) by the Governor's Taxpayer Action Board, the Civic Committee of the Commercial Club of Chicago and the Illinois Policy Institute. The danger is that the State of Illinois will try to fix its budget woes on the back of local government by reducing or eliminating the local government share of income tax, sales tax, motor fuel tax and personal property replacement tax. Minonk's total of those four state-shared revenues for FY2012 is \$388,334 which represents a significant portion of the City's operating budget.

Minonk's population in the 2010 census is 4% less than the 2000 census. State shared revenues that are based on population (income tax, motor fuel tax) will be less because of the lower census.

A bright note: sales tax is up; 14% increase in FY2011, slight increase in FY2012

A Department of Justice grant for the new police car will be received thanks to the efforts of Police Chief Nick Cavera

Expenditures:

\$20,000 budgeted for crack sealing on Chestnut Street; extend life of Chestnut

Sidewalk repairs budgeted; summer workers to concentrate on sidewalk work of increased fuel costs

Lighting upgrade at public works garage

New backhoe \$63,500; 1/3 from streets, 1/3 from water, 1/3 from sewer

\$90,000 to reconstruct the sidewalk and handicapped ramp at SW corner of 6th & Chestnut (Sweet Shop corner); \$25,000 to come from a grant; \$65,000 from TIF 2. The engineering design was completed in FY2011.

Four (4) summer workers to be hired with expenditure capped at \$10,000. Primary focus will be sidewalk repairs and painting curbs & crosswalks in business district.

Parks & Recreation Fund

Replace electrical feed to center field lights on the east diamond at Veterans' Park

Backstop improvement or replacement on the east diamond at Veterans' Park

Refrigerator and shelving for concession stand at Veterans' Park

\$8,700 for new mower; 50% to be paid from Park budget

Complete the development of the Nature Trail and Miner's Trail started in FY2011

Motor Fuel Tax Fund

Revenue is approximately \$50,000/year (state-shared revenue, based on population)

- * Will receive approximately \$5,000 less revenue than last year
- * Plan to do approximately \$30,000 in seal coating this summer
- * Will also do spray patching again this year
- * Future planning
 - o Mill and overlay Chestnut Street, cost not yet determined
 - o Rehab W. 5th Street: estimated at \$105,000 in 2009
 - o Rehab parking lot behind City Hall (probably not an MFT eligible expense)

Water Fund

1.8% increase in water rates effective with the May 1 billing, per ordinance based on Consumer

Price Index for Urban Wage Earners (CPI-W)

Water tower maintenance is an ongoing concern

City's participation in NIMEC has resulted in considerable savings in electrical costs

Public Works will purchase pressure relief valves to use when tower is offline.

A portion of the new backhoe cost (1/3) will be paid from the water fund

60 automated radio-read meters will be purchased. This will complete the installation for the entire city. A few larger, commercial style meters will continue to be read manually because the cost to replace with automated meters is greater than the benefit that would be realized.

\$50,000 will be transferred Water Capital Reserve Fund for future water tower maintenance and painting.

Sewer Fund

1.8 % increase in sewer rate with May 1 billing, per ordinance and CPI-W & \$45,000 is budgeted for repairs to the 6th Street pump station

IEPA requires that wastewater treatment: plan and permit documents be updated. The engineering cost to make the updates is included in the sewer budget.

The cost of a new overhead door at WWTP lab building is included in sewer budget.

\$8,700 for new mower; 50% paid from sewer fund

A portion of the new backhoe cost (1/3) will be paid from the sewer fund

Replacement or repair of the aerators is included in the sewer budget

The cost of the 2010 Storm Drainage Plan is included in the sewer budget. The FY2012 budget has a placeholder of \$850,000 for this major construction project. Final cost will be determined when bids are opened on April 28, 2011.

Future projects:

- o Investigate, analyze, design and construct a solution to the problem of increased flows to the 6th Street pump station during rain events

Garbage Pick-Up Fund

Rate increases to \$13.95/month effective with May 1 billing

3-year contract with Titan Environmental Services was recently renewed by City Council. Titan's cost is only 4% higher than previous 3-year contract.

The current recycling program with ADDWC will continue.

There is a concern that the metal recycling program will be discontinued if patrons continue to dump non-metal items, tires, garbage, waste and junk in the metal recycling dumpster.

Ambulance Fund

Professional Billing Services (PBS), the new billing agency, is working out well

Several overdue charges have been collected recently

Ambulance Chief Deb Stewart and her grant committee have applied for a grant to pay 95% of the cost of a replacement ambulance. If the grant is not received, the ambulance will not be replaced.

The ambulance squad is transitioning from an Intermediate Life Support (ILS) service to an Advanced Life Support (ALS) service due to changes by the EMS division of Illinois Department of Public Health (IDPH-EMS)

Minonk's ambulance service is a well-managed service that is highly respected by neighboring EMS services; however, the service continues to be fiscally challenged with annual operating costs exceeding available revenues. Efforts to find additional revenue sources to maintain a viable ambulance service in the Minonk area will be a priority in FY2012.