

CITY OF GENOA  
Committee of the Whole Meeting Minutes  
March 4, 2008

Mayor Walker called the meeting of the Committee of the Whole to order at 7:20 p.m. Roll call vote taken. Aldermen Wesner, Carroll, Curley, Sheahan, Pizano, Watson and Hansen were present. Alderman Jursich was absent.

Amendments to the agenda—none

Motion made by Alderman Carroll to accept the minutes of the previous Committee of the Whole meeting of January 28, 2008, seconded by Alderman Curley. Voice vote taken. All voted yes. Motion carried.

OLD BUSINESS—none

NEW BUSINESS

Discuss City of Genoa budget—Financial Advisor Jepson distributed information regarding the budget and its process. One of the most important responsibilities of elected officials is to adopt an annual budget. It is the fiscal plan for providing services and improvements. It demonstrates that elected officials have made a responsible effort to put together a prudent plan for the City of Genoa. We operate under the Budget Act, and it must be approved prior to the fiscal year. It becomes the authority to expend money for the coming year. There are four budget principles; taking inventory, estimating resources, evaluating needs and desires and establishing priorities. The City of Genoa has a number of funds to account for and budget. There are three separate basic funds; the General Fund, Water and Sewer Fund and Special Revenue Funds. The General Fund is the primary operating fund. The Water and Sewer Fund is the utility operating fund. The Special Revenue Funds are designated for specific purposes. He reviewed the General Fund figures comparing last years numbers to this years projected revenues and expenditures. He estimates expenditures to be \$152,835 more than the revenues for this fiscal year. Reviewing the Water and Sewer Operating Fund, there is an expected \$30,240 in excess of revenues over expenditures. The Water Capital Improvement Fund has been drawn down due to improvement of fire hydrants and services throughout the City. The expected total of the Water and Sewer Funds will be close to \$2,000,000. In the Special Revenue Funds, balances are being built upon for specific purposes. The Motor Fuel Tax Fund will be for certain street projects, the CDAP Loan Fund is for business loans and the Developer Contributions Fund is targeted for a vehicle bridge. These monies are not available for every day operations. He expects these funds to end with a total close to \$4,000,000. In his projections for next year, he expects to receive additional tax funds based on the Special Census results. Overall, he estimates revenues to increase next year by 2.8% or roughly \$64,600. This year, there were additional expenses incurred because of rising fuel prices and excessive snow

removal costs. Another cost incurred as the population grows is the Police Pension System. Starting out, this fund will require between 30 to 40 percent of salaries. His projections indicate an excess of expenditures over revenues of \$232,850 for the next fiscal year, which would leave the General Fund with a balance of \$407, 647. As a non-home rule municipality, the City of Genoa is limited on revenue sources. The City plans to continue running on a lean budget and explore possible revenue sources. Non-home rule communities need either legislative relief or citizens authorizing tax increases in order to receive additional revenues. Mayor Walker encouraged the Aldermen to communicate with the staff to formulate this budget. Administrator Misurelli reiterated that many communities share our challenges. The Municipal League has created a task force to improve pension programs in terms of fiscal responsibility. Neighboring communities are increasing their local sales tax to compensate for their deficits, but Genoa does not have this option as a non-home rule community. With interest rates declining, investment income is reduced and property taxes are capped which contribute to limited revenues. In general, the economy is experiencing declining retail sales that result in lower sales tax revenues to the City. The proposed budget will be presented in April for adoption by the City Council.

Discuss annual water and sewer rate increases and water and sewer connection fee increases—Director Gentile submitted proposed water and sewer rate increases and water and sewer connection fee increases and there were no objections to move forward with these proposals. With the trash removal contract expiring this year, the City conducted a bid and received competitive prices.

Review proposed miscellaneous offense fines—Chief Solar proposes increasing municipal fines which streamline the process as opposed to enforcing long-form complaints. Currently, the set fines are not adequate to deter certain behaviors. The general consensus of the Council was to adopt these proposed increases. This will come before the Aldermen at a City Council meeting for approval.

Review ordinance regulating railroad crossing obstructions—In the City Code, there is a provision for the City to regulate blocked crossings. This ability has been overturned by the Supreme Court who has determined municipalities do not have this authority. Based on this ruling, it is proposed to remove this ordinance from the City Code.

## DEPARTMENT REPORTS

Administrator's report—none

Public Works—Director Gentile reinforced his project plans as stated in his memo as soon as the frost is out of the ground.

Police Department—Chief Solar announced the “Franks for Frank” fundraiser held during the Expo raised about \$200 for the canine program.

Mayor's report—Mayor Walker commented that Ace Hardware had a full parking lot this weekend and the former store being occupied by NAPA is filling their shelves preparing for business.

#### ANNOUNCEMENTS

Alderman Carroll announced that the Methodist Church is having a corned beef and cabbage dinner Saturday night.

Motion to adjourn the Committee of the Whole meeting made by Alderman Wesner, seconded by Alderman Curley. Voice vote taken. All voted yes. Motion carried. Meeting adjourned.