

CITY OF GENOA  
Committee of the Whole Meeting Minutes  
February 22, 2010

Mayor Walker called the meeting of the Committee of the Whole to order at 6:30 p.m. Roll call taken. Aldermen Curley, Sheahan, Pizano, Watson, Hansen and Vicary were present. Aldermen Wesner and Carroll were absent.

Following the Committee of the Whole meeting will be a Special Meeting of the City Council.

Amendments to the agenda—none

Motion made by Alderman Watson to accept the minutes of the previous Committee of the Whole meeting of January 25, 2010, seconded by Alderman Sheahan. Voice vote taken. All voted yes. Motion carried.

OLD BUSINESS—none

NEW BUSINESS

Budget presentation—Financial Advisor Jepson was in attendance to make the presentation. One of the first steps in the budget cycle is to make a thorough review of the current year budget. They analyze it and then make a projection as to what the amount will be as of April 30<sup>th</sup>. Generally, the projections have been pretty accurate. The revenue projections are difficult to project because of the state of the economy. The state shared revenues are distributed based on the population. The IML provides estimates on what the value of these revenues are going to be. According to these predictions, we expected to receive \$137.50 per capita. By the updated September 2009 information, we expect to get \$121.25 per capita; a 12% reduction which translates into about \$83,000. Based upon the best information we have, we still try to make the projections for the end of the year. All this information is compiled and we determine the fund balance that will begin the fiscal year. We have to retain a balance in the General Operating Fund for contingencies and working capital. The auditor stated that the General Fund has been drawing down. Expenditures are easier to estimate. In most cases, those estimates are fairly reliable. This becomes the basis for putting together the next budget. There have been some major changes in the budget to balance it. As police positions were vacated, they were not replaced. The building inspector position was not filled. A public works employee is retiring and that position will not be replaced. Certain expenditures were funded by alternate funds. Last year, we anticipated that revenues would be over expenditures by \$8,000. Our practice has been to review the budget after 9 months of activity. Financial Advisor Jepson then reviewed his budget summaries. We expected \$2,212,000 in the General Fund and are now projecting receipt of \$2,065,000; a decrease of \$146,840. Regarding expenditures, we budgeted \$2,204,000 and project them to be \$2,175,000; down \$28,000 less than what had been budgeted. This includes medical insurance increases of 30%. A serious effort has been made to reduce expenditures as shown by the last two years figures, which shows a decrease of \$222,000 over a 2 year period.

The issue this year is not expenditures, it is revenues; they are down 6.6%. Some of the major contributors to the reduction in revenue are Utility Taxes, Sales Taxes, State Income Taxes, Other State Taxes, Fines and Forfeits just to mention a few. The total impact of this is that even though we expected to have revenues over expenditures of \$8,000, the reality is that expenditures will be over revenues by \$110,000. This will draw down the fund balance. Mayor Walker reiterated that it was not that expenditures exceeded the budget; it is the shortage of revenues. He continues to work on next year and balancing the budget. Financial Advisor Jepson stated that the Water and Sewer Funds are on target. The Utility Tax Fund has absorbed the snow and ice control costs and a portion of our costs for the W. Main Street project. Administrator Misurelli said that communities all over the state are facing the same challenges.

Discuss liquor license request from Genoa Township Park District—Mayor Walker stated that originally, the Fire Protection District made a request to have a beer garden in the parking area across from the former City Hall. At that time, the Council was supportive of that request. Since then, they have changed their position and the Park District and Lions Club are requesting permission for the same concept. Alderman Sheahan had concerns that this might interfere with the existing businesses in town. Paul Bafia of the Park District thought that it would not have a great impact on them and the beer garden will have limited hours. The Council discussed the impact and the general consensus was that they thought it would not affect the businesses adversely. Mayor Walker would like the neighbors notified of the intent so that they may voice their concerns. The Council was willing to try it for this year.

## DEPARTMENT REPORTS

With the meeting to follow and nothing to report, Mayor Walker chose to forgo the Department Reports.

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