

Budget Study Session  
Tuscola City Hall  
March 24, 2014  
6:45 PM

Treasurer Long and Administrator Hoel went over the draft budget for FY 2015. The final budget will be approved at the last April meeting. Long called council's attention to a few notable changes Administrative Revenues for FY 15:

The state income tax is projected to be lower, according to an IML estimate.

There will be an estimated 2% increase in the state sales tax, and no transfer of sales tax.

A projected 2% increase in the home rule sales tax and no home rule tax for the schools.

Changes in Administrative Expenses include salary increases (to be decided by council in Executive Session), extra audit funds, office furniture and phone upgrades.

The FY 15 municipal building budget includes \$2000 for tree planting; the street department shows an increase in the sidewalk reimbursement program and the annual chip and tar expense.

Projected budget expenses for the parks include ball diamond fencing expenses of \$50,000, for Ervin Park. This is a continuation of the multi year project for ball diamond upgrades. A possible expense for dog run fencing @ \$25,000 is included in the parks budget, along with funds for new lights on the volleyball court at Ervin Park. Projected upgrades to Wimple Park include a boat ramp and road plus dirt hauling and fish.

The pool budget shows new umbrellas and an additional shade area. The pool budget also has funds built in for unexpected repairs/maintenance, Long added.

The police department budget allows for an increase in training, supplies, and uniform expenses. The fire department budget shows a decrease in salaries and small equipment and an increase in vehicle maintenance and repairs and maintenance. The repairs and maintenance includes a fire alarm system for the firehouse.

Long discussed the water and sewer departments, stating they will be tight for the next few years. The water bonds will be fully funded in 2017; sewer in 2018. Long believes we can squeak by without a rate increase for these funds. If Illinois American raises rates, council will need to act quickly and implement a rate increase. Administrator Hoel added a catastrophic event or required process changes at the water or sewer plant would also be reasons for quick rate increases. Mayor Kleiss agrees with Long's suggestion. He'd like to hold off on rate increases and try to get through the debt service period. Long reported we have completed over \$2.5 million in capital projects the past three years. No major projects are planned for these departments.

The capital plan for FY 15 includes \$10,000 in water and sewer each for accounting and billing software and ½ the cost (split with general fund) of a jetter nozzle camera for the sewer department.

The TIF budget includes funds for the comprehensive plan update, Amishland infrastructure, the Dixie project, streetlight painting, stoplight battery backups, community building remodel and possible police station remodel. Administrator Hoel reminded council we have more TIF projects than we can pay for right now and he expects to issue \$1.5 to \$2 million bond payroll out of TIF in the next six months.

The only expenditure in MFT is paying outstanding debt from the 2010- 2012 resurfacing project.

The tourism budget was approved by the committee and shows an increase in advertising for FY 15. Long pointed out the addition of the tourism staff makes it possible to do more advertising than has been done in the past. Another tourism expense is a \$10,000 commitment to the Douglas County Museum for personnel.

The Library budget has also been approved by their board, Long stated. They are limited by their tax levy and have a flat budget. Administrator Hoel pointed out the library board has budgeted a 5.5% increase for salaries. Hoel has not had a chance to speak with any of the board members about this.

The budget for equipment replacement includes expenses for replacing vehicles, a mower and roller. Also included are the jetter nozzle camera and the accounting and billing software.

Any questions or concerns about the FY 15 budget should be directed to Treasurer Long and Administrator Hoel.