



The City of Sterling, Illinois

FY 2001-2002 Budget-in-Brief

Sterling, Illinois (15,451) operates under the manager form of government as prescribed by Illinois law. The City Manager is appointed by the Mayor and City Council to implement the Council's policies and programs and to manage day-to-day operations. The Mayor is elected at-large and is a voting member of the seven person City Council.

Sterling's fiscal year runs from May 1 to April 30. The budget is generally adopted at the second regular council meeting in April. Adoption of the budget requires a simple majority vote. The budget is then forwarded to the County per Illinois statutory requirement.

Figuring Residential Property Taxes Owed to the City of Sterling



Fair Market Value of your home (\$80,000)
x The Whiteside Co. Assessment Rate of 33.3%
= Assessed Value (\$26,666.67)

Assessed Value (\$26,666.67)
x Sterling's Mill Levy of 1.4010 mills
= Your Property Tax in Mills (37360.005mills)

$\frac{37360.005 \text{ mills}}{100}$
= Property Tax Owed to City in Dollars (\$373.60)

FY 2001-2002 Operating Budget

The Annual Operating Budget is the City's plan for providing services to the community during the fiscal year. Creating the budget requires the Council and the City Manager to establish priorities for serving the community. Resources are then allocated among the competing interests based on the established priorities.

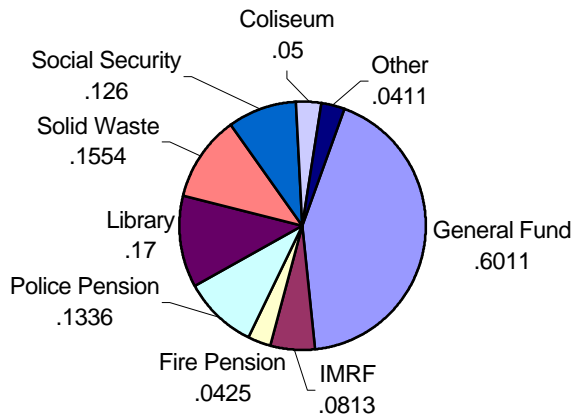
The Fiscal Year 2001-2002 budget requests spending authority of \$14,294,518 for the City's eighteen budgeted funds. Revenues are anticipated to be \$16,116,622. Property taxes comprise \$1,814,106 or 11.3% of total operating revenues. The property tax levy for the FY 2001-2002 budget dropped to 1.4010 mills. In simpler terms, property owners pay \$1.4010 for every \$1,000 in assessed property value. Sterling has an equalized assessed valuation on real estate of \$129,492,340 through FY 2001-2002, an increase of 2.66% over FY 2000-2001.

Sales tax receipts are projected at \$3,373,000, or 20.9% of operating revenues. The sales tax rate for the State of Illinois and City of Sterling is \$.0625 per dollar, of which the City's portion is \$.01 per dollar.

The remainder of projected revenues are as follows:
Intergovernmental Transfers: \$2,742,611 or 17%
User Charges: \$1,668,547 or 10.4%
Insurance & Pension Contributions: \$917,756 or 5.7%
Licenses: \$256,690 or 1.6%
Fines & Forfeitures: \$216,000 or 1.3%
Permit Fees: \$57,400 or 0.4%
Misc. & Other (donations, interest, sale of property, reimbursements, etc.): \$5,070,512 or 31.5%

FY 2001-2002 Mill Levy Breakdown

Levy = 1.4010 mills



Budget Accounts

The operating budget for the City is comprised of eighteen separate accounts, each distinguished by the revenue source and nature of the expenditure.

General Operating Fund

This fund provides for most of the City's services. The fund consumes \$7,118,196 or 49.8% of the City's operating expenditures as well as the majority of the property tax revenues. Requested expenditures for the FY 2001-2002 General Fund have increased by \$466,203 over the FY 2000-2001 request. New rules requiring pension fund property tax levies to be funneled through the general fund and increased health insurance costs account for most of the change.

Motor Fuel Tax Fund

Revenues from this fund go directly toward improving the roadways in our community. This fiscal year, the City anticipates spending \$603,855. Projects include an added turn lane at the Polo Road/Rte 2 intersection, \$175,000 in various overlays, debt service payments and general maintenance, such as pothole patching, sealing, crack filling and overlaying.

Library Board

The Sterling Public Library's revenues are expected to drop slightly, as there are no major projects with outside funding scheduled for the new fiscal year. Expenditures are projected at \$441,365.

Band Commission

The Band Commission's proposed expenditures remains steady at \$84,930.

Industrial Development Commission

The Sterling Industrial Development Corporation is maintaining an aggressive approach to economic development. Their budget reflects the impending infrastructure improvements for the Meadowlands Business Park. As in the past, SIDC/GSDC will work toward the CSAP Housing Grant to rehabilitate blighted homes in areas of economic decline. The FY 2001-2002 budget is \$1,493,000.

Coliseum Board

Total expenditures budgeted for FY 2001-2002 are \$122,164. The operational portion of the budget remains steady for the next year. Capital expenditures do not keep pace with repairs needed to the old structure. Next year's capital purchases include a new boiler overflow tank and the first of several replacements of portions of the roof.

Illinois Municipal Retirement Fund

The IMRF fund expenses decreased slightly to \$173,000 for the fiscal year. No significant changes are anticipated for the fund.

Social Security Fund

This fund has not maintained an adequate cash reserve balance since the property tax adjustment in 1997/98 that was necessitated by the Northwestern Steel and Wire tax appeal settlement. Expenditures will rise slightly to \$183,050, up \$5,550.

Civil Defense Fund

Expenditures for this fund include new portable radios and pagers for the police and fire departments. Expenditures are proposed at \$8,130.

TIF Fund

The proposed expenditures for FY 2001-2002 are \$781,987. Revenues will rise for one year as the TIF bond is refinanced and the bond reserve account becomes accessible. The extra cash flow will aid in several projects, including Streetscape work, road improvements around 2nd Street and Avenue C, demolition of the “Dano Building,” and parking improvements along 1st Avenue.

Special Service Area Fund

This fund will carry no expense for the FY 2001-2002.

Capital Improvement Expenses

The CIF derives its revenue from a multitude of sources, including: donations, bonds, grants and interfund transfers. FY 2001-2002 anticipates \$1,102,037 in expenditures. A partial list of capital improvement projects is shown on page 4.

Sewer Fund

Budgeted expenditures are at \$1,367,493. With this year’s budget, we hope to do a sewer lining project in the area of 19th Avenue and 22nd Avenue. We also have a sewer separation project planned for the area of 14th Street and 6th Avenue. The change reflects a sewer bond which was repaid during the previous fiscal year. Projected revenues are at \$1,404,423, reflecting an eight cents per 100 cubic feet of water. The increase covers increased operating costs and increased projects due to regulations imposed on the City from the State and Federal regulatory agencies.

Solid Waste Fund

Projected revenues are up slightly for FY 2001-2002, reflecting the five cent increase to the base fee to help cover increasing collection costs to the City. FY 2001-2002 expenditures are down this fiscal year to \$476,356 because of increased bag credits, derived from ten cent increases to bag and sticker prices. Next year the City is adding a white goods collection service for Sterling residents. Collection of white goods will require a new white goods sticker available for \$13.50.

Health Insurance Fund

Expenditures for the fund have increased \$162,800 to \$746,000. The revenues were budgeted at \$866,586. The City faces higher premiums each year, far outpacing inflation due to increased claims and the rising cost of medical care.

Foreign Fire Insurance Fund

Anticipated revenues total \$17,575 for the fiscal year, while expenditures are budgeted at \$14,000

Police Pension Fund

The City is continuing efforts to fully fund the Police Pension Fund. Budgeted revenues of \$1,012,636 and expenditures of \$362,560 will result in a fund balance increase of \$648,076.

Fire Pension Fund

Revenues are projected at \$1,009,240 for FY 2001-2002. Expenditures, pension payments, are budgeted for \$399,782 an increase of \$609,458 in the fund balance.

Departmental Budgets

Policy and Administration - \$430,002

Mayor and City Council - Your aldermen are elected for four year terms and charged with setting policy and direction for the City. Four aldermen are elected by ward, while the Mayor and two additional aldermen are elected at-large.

City Manager’s Office - The City Manager’s office implements policy as directed by the Council. The manager directs and coordinates the day-to-day functions of the City.

City Clerk’s Office - The Clerk’s office is responsible for recording and maintaining the City’s records.

Finance Division - Accounting, billing, payroll and purchasing functions are processed within this office.

Code Enforcement Office - \$199,575

All building and land use codes and ordinances are enforced and all building inspections are conducted by this department.

Fire Department - \$1,372,612

Our Fire Department engages in fire prevention, education and inspections, as well as fire suppression.

Planning Commission - \$680,065

The Planning Commission reviews all development plans before making recommendations to the City Council.

Police and Fire Commission - \$17,665

This Commission is in charge of promotions, recruiting and hearings for the Police and Fire departments.

Police Department - \$2,143,775

The Police Department, currently 29 sworn officers strong, enforces all laws from the federal, state and local government.

Public Works - \$1,530,852

Clearly the most visible, public works maintains our vital infrastructure, including roads and sewer.

Bond and Debt Information

Sterling is proud of it's superior credit ratings. Standard & Poor's rated Sterling's bonds as AAA. Moody's investment rating for Sterling is A2.

rating. The investment services give our bonds these exceptional ratings because they carry the smallest degree of investment risk. This allows the City to issue bonds at the lowest available interest rates, saving the City thousands of dollars in interest payments.

The City currently has \$13,672,644 of which only \$3,157,755 is general obligation debt. \$6,728,426 is held in TIF Revenue Bonds. The remainder of the debt is in Sewer Bonds (\$266,187), Special Service Area Bonds (\$364,000 and EPA Loans \$3,156,276.

Capital Improvement Project Highlights

- ◆ Streetscape Improvements
- ◆ Chaney Building Demolition
- ◆ New Fire Department Brush Truck
- ◆ New Fire Department Pumper Truck
- ◆ Mobile Data Terminals for Police Squad Cars
- ◆ Street Sweeper
- ◆ Remodel Old City Shop Buildings
- ◆ 4x4 Plow Truck
- ◆ 16th Avenue Sewer Extension
- ◆ Sewer Improvements - 6th Avenue & 14th Street
- ◆ Sewer Lining - Area of 19th and 22nd Avenues
- ◆ Inflow & Infiltration Studies
- ◆ Ammonia Effluent Study
- ◆ Polo Road/Rte 2 Turn Lane
- ◆ W. Lefevre Road Improvements
- ◆ Various Street Overlays totaling over \$262,000

Who to Call

Mayor's Office -	622-2221	Emergency -	911
Aldermen -	622-2221	Fire (non-emergency) -	626-0154
City Manager -	622-2221	Library -	625-1370
City Hall FAX	622-2239	Police (non-emergency) -	622-2240
City Clerk/Records -	622-2229	Public Works -	625-6040
Code Enforcement -	622-2224	Wastewater -	626-8378
Coliseum Building -	622-2228	BFI (Garbage/Recycling) -	625-1281
Community Services -	622-2224	Greater Sterling Dev. Corp. -	625-5255
Finance/Billing -	622-2232	Whiteside County -	772-5100

Further information on the budget may be obtained by contacting the City Manager's Office at: 212 Third Avenue, Sterling, IL 61081; or by calling: (815) 622-2221; or by e-mailing to: citymgr@essex1.com