

# CITY OF STERLING

## FY 2007-2008 BUDGET-IN-BRIEF

Sterling, Illinois (15,596) 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 (\$90,000)  
x The Whiteside Co. Assessment Rate of 33.3%  
= Assessed Value (\$30,000)

Deduct Qualified Exemptions on File w/ County  
(Senior - \$3,000; Homestead - \$5,000)  
Homestead Exemption Used for this Example:  
Assessed Value (\$30,000) - Exemption (\$5,000)  
= \$25,000

\$25,000 x Sterling's Mill Levy of 1.5400 mills  
= Your Property Tax in Mills (38,500 mills)

38,500 mills / 100  
= Property Tax Owed to City in Dollars (\$385.00)

### FY 2007-2008 OPERATING BUDGET

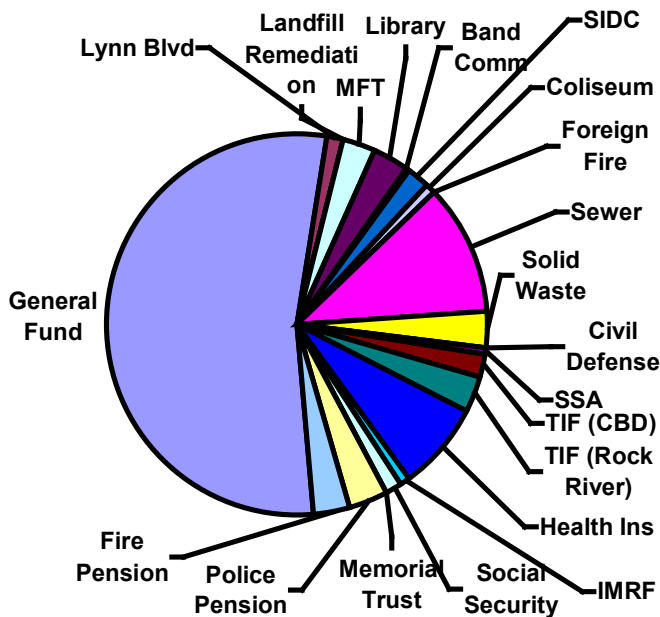
The Annual Operating Budget is the City's plan for providing services to the community during the fiscal year. Creating the budget requires the Council and the City Manager to establish priorities for serving the community. Resources are then allocated among the competing interests based on the established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

The Fiscal Year 2007-2008 budget requests spending authority of \$18,925,705 for the City's twenty-one budgeted funds. Revenues are anticipated to be \$20,353,405. Property taxes comprise \$3,058,327 or 15.03% of revenues. The property tax levy for the FY 2007-2008 budget is 1.5400 mills, .0025 less than last year. In simpler terms, property owners pay \$15.40 for every \$1,000 in assessed property value, which is 1/3 of market value, after exemptions. Sterling has a total estimated equalized assessed valuation on real estate of \$152,830,000

Sales tax receipts are projected at \$4,747,880, or 23.3% of operating revenues. The sales tax rate for the State of Illinois and City of Sterling is \$.0675 per dollar, of which the City's portion is \$.015 per dollar. The remaining projected revenues:

- Intergovernmental Transfers: \$2,948,608 or 15.1%
- User Charges: \$2,252,949 or 11.5%
- Insurance & Pension Contributions: \$1,471,515 or 7.5%
- Licenses & Permits: \$572,400 or 2.9%
- Fines & Forfeitures: \$289,800 or 1.5%
- Misc. & Other (donations, interest, bond proceeds, reimbursements, etc.): \$1,400,507 or 7.2%
- Interfund Transfers: \$309,615 or 1.6%
- Tax Increment: \$641,007 or 3.3%
- Bond & Loan Proceeds: \$60,000 or 0.3%
- Interest & Investments: \$1,754,720 or 9.0%

## CITY FUNDS



The City maintains 21 separate funds for the City.

#### The General Fund - \$10,210,007

This fund contains the heart of traditional city services, including policing, firefighting and public works. It also includes the City Clerk's office, Finance, Community Services (Building, Zoning, Planning), and Information Technology.

#### Sewer Fund - \$2,098,515

The second largest fund in the City provides a vital service in ensuring sewage is transported and treated to help keep us safe and the environment clean.

#### Health Insurance - \$1,415,320

The City covers its employees through a self-funded insurance program. Fast rising medical costs make this a large part of the City budget.

#### Police Pension - \$642,570

The City maintains a pension fund for the sworn police officers under the rules of Illinois State Statutes.

#### TIF (Rock River) - \$578,910

TIFs are special districts which capture new property taxes from within the district and use them to finance infrastructure or other improvements. Much of the Rock River TIF spending is to remediate environmental concerns from old industry.

#### Fire Pension - \$576,050

Similar to the police pension fund, the fire pension fund is run in accordance with Illinois Statutes to fund the pensions of firefighters.

#### Library - \$573,652

The Library operates under its own Board of Directors who set their budget and tax levy. Though semi-autonomous, the Library is still a part of the City.

#### Solid Waste - \$559,371

The City contracts its recycling, yard waste and trash pickup through a third party. The solid waste expense is in direct relation to the cost of picking up all of those waste items.

#### Motor Fuel Tax (MFT) - \$516,324

Every time you purchase gas in Illinois, you contribute to the fund which is then partially redistributed to cities for maintaining roads or traffic signals.

#### TIF (Central Business District) - \$410,640

The CBD TIF collects property taxes and some sales tax within the downtown and uses that revenue to repay the bonds that financed much of the downtown work in the late 1980's and early 1990's.

#### SIDC (Sterling Industrial Dev. Comm.) - \$351,665

SIDC is a fund for working with the business incubator, economic development and business park development. Much of the revenue is generated through land sales, rentals donations and grants.

#### Lynn Boulevard - \$238,671

This fund is used to repay the bonds that were issued to finance the NW extension of Lynn Boulevard. This project is funded through the local option sales tax, which is used solely for the purpose of roadwork in the community.

Social Security - \$230,080

This fund is used for paying the employer's portion of social security taxes to the federal government.

Coliseum - \$163,210

The Coliseum Fund is used to maintain the Coliseum Building. The Coliseum is home to the police department, the City Council chambers, and several other City departments. The Coliseum also has an auditorium used for community events.

IMRF (Illinois Municipal Retirement Fund) - \$161,746

IMRF is the statewide retirement fund for municipal employees not covered by police, fire or education retirement funds. IMRF sets the contribution rates for municipalities annually.

Band Commission - \$88,650

The Band Commission Fund is overseen by a Commission, which is appointed by the Mayor and Council. The Municipal Band performs regularly through the summer at the Grandon Civic Center and also puts on other concerts during the year.

SSA (Special Service Area) - \$71,944

Special Service Areas are districts set up by the City at the request of property owners to fund infrastructure improvements that service their specific area. The City has two such districts. Owners in the districts pay a special assessment, which is then used by the City to pay off bonds, which financed infrastructure improvements.

Foreign Fire - \$18,000

The Foreign fire Insurance Fund derives its revenues from a special State fund. Funds must be used to enhance the daily operations of firefighters

Civil Defense - \$12,880

The Civil Defense Fund provides for emergency equipment and the maintenance of it, including radios and tornado sirens.

Landfill Remediation - \$7,500

The City of Sterling is participating in the remediation of a "clean" landfill that has since closed. The funding is provided by other parties, while the City has provided some labor and equipment.

Memorial Trust - \$0

The Memorial Trust Fund is a fund set up to hold funds for a memorial.

**BOND AND DEBT  
INFORMATION**

Sterling is proud of its superior credit ratings. Standard & Poor's rated Sterling's bonds as AAA. Moody's rated Sterling's bonds Aaa, their highest rating. The investment services give our bonds 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 \$12,982,589 of long-term debt, of which \$5,610,000 is general obligation debt. \$574,611 in Special Service Area Bonds, \$4,245,000 is held in TIF Revenue Bonds. EPA Loans in the amount of \$2,431,388 for the Clarifier, Sewer Separation and Diffuser projects constitute a portion of the debt. The remainder of the debt is in the form of lease and loan payments on property and equipment.

**Who to Call**

Mayor's Office -	632-6621	Emergency -	911
Aldermen -	632-6621	Fire (non-emergency) -	626-0154
City Manager -	632-6621	Library -	625-1370
City Hall FAX	622-2239	Police (non-emergency) -	622-2240
City Clerk/Records -	632-6630	Public Works -	625-6040
Code Enforcement -	632-6624	Wastewater -	626-8378
Coliseum Building -	632-6628	Garbage/Recycling -	625-1281
Community Services -	632-6624	Greater Sterling Dev. Corp. -	625-5255
Finance/Billing -	632-6632	Whiteside County -	772-5100

Further information on the budget may be obtained by contacting the City Manager's Office at: (815) 632-6621; or by e-mailing to: [info@ci.sterling.il.us](mailto:info@ci.sterling.il.us) or visit [www.sterling-il.gov](http://www.sterling-il.gov)