



# Mayor's Report on the Budget: The Plan for Coordinating Revenues and Expenditures.

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*(Alton, IL)* - Every year, the City of Alton, as required by Illinois State Statute, prepares and adopts a new budget. The City's fiscal year starts April 1<sup>st</sup> and ends March 31<sup>st</sup>. Illinois law requires a municipality to adopt a budget within one quarter of the end of the fiscal year.

The creation of a budget is not a simple or quick process. The City must adopt a balanced budget and live within its means. Due to limited resources, the various departments and elected officials must prioritize which items get funded and the amount that should be included in each line item. City staff and I started the budget process this year by focusing on the most important objectives.

Recognizing the importance of your tax dollars and the trust that you have placed in those of us elected to serve you, a planning process was implemented to ensure that the most vital and necessary projects were funded. Using past revenue trends as an indicator of future revenues, we started with a policy driven budget. As past information was gathered, we tried to identify our strengths, weaknesses, opportunities, and threats and incorporated positive policies to correct deficiencies. A strong emphasis was placed on the over all condition of our state revenues and disbursements, gaming trends, new sources of revenue, and future employment. Reliability on revenue sources must be diversified to improve the ability to handle fluctuations.

A clearly defined budget policy has several advantages. This type of budget creates a vision for our community in the short and long term and also offers a defined direction for staff and department heads to follow. All departments have incorporated a mission

statement, with the end result being a cohesive organization with all parties working toward a common goal of citizens' safety, confidence, and essential services. When preparing the budget, the administration had two objectives: increasing transparency and implementing resiliency through long term planning. I also believe that all one time sources of revenue should have a defined purpose and limitation to that purpose solely.

With the current economic climate, our reserve levels and contingency fund have fallen to unacceptable levels. The good news is we survived a \$2 Million Dollar deficit in the last fiscal year, protected the reserves which were on hand, and dealt with unexpected financial shortfalls and expenditures. I am proud to say the City came in at **\$1,607,613, or 5.07%, under budget. This is a remarkable feat and all department heads and all employees deserve praise for an excellent job. This was not accomplished without a great deal of sacrifice by our employees who stepped up to the plate in a time of need. This prevented additional layoffs and helped stabilize our financial condition for the new fiscal year. Unfortunately, the revenue side is still insufficient without changes.**

Overtime in the Fire Department was reduced by \$56,793 over the first six months of last year and by \$54,839 in the Police Department over the same period. This trend continues as non-union employees went six months without a pay raise, saving \$34,000. Many employees implemented an option to bank their sick time, saving another \$34,000. We reduced our Illinois Municipal<