

## MEMORANDUM

TO: Village President and Board of Trustees  
Residents of the Village of Beecher

FROM: Robert O. Barber, Village Administrator

DATE: 4/19/17

### **RE: MESSAGE FOR PROPOSED BUDGET, FY 2017/2018**

Attached is the proposed budget for the fiscal year beginning May 1, 2017 through April 30, 2018. This budget is the result of several staff meetings, three drafts, over seven hours of Finance Committee deliberations, and a one hour budget workshop with the Board of Trustees on March 27, 2017 where the budget was reviewed by department and fund. This is the final draft of the budget as recommended by the Village Board in workshop for public hearing.

Despite the poor fiscal condition of the State, we do not anticipate any changes to our revenue stream in the coming fiscal year. The lack of cooperation at the State level is so bad that the status quo is expected to continue through the next general election in the Fall of 2018. However, a brick wall looms somewhere in the 2019 timeframe and there will be severe cuts in State spending or default. This will place all 3,000 local governments in harms way. Since we cannot predict exactly when and how much this will affect the Village of Beecher, we are moving forward as usual for one more year. Building permits for new home construction appear to be on the rise for the coming fiscal year with the acquisition of Nantucket Cove by Olthof Homes. Water and Sewer Revenues are based on actual billings from 2016 which was an average year having average temperatures and precipitation. The General Fund is balanced and no reserve cash is projected for operations. The exception is \$50,000 in reserves planned to enhance the old downtown area. The Water and Sewer Funds (O+M) will use only \$20,000 in reserve cash to cover the last payment to the General Fund for the new Village Hall. The declining balance in O+M over the last three years is a concern and the Public Works Committee is planning to address this problem later this Fall which may require a rate increase. The decline in operating fund balance has nothing to do with Penfield watermain replacement which is separately funded or the sewer plant rehab project which is funded from debt service. We have an operating revenue problem.

Listed below is the history and the projection of fund balance across the major funds of the Village. These are actual cash values and do not include accruals.

**FUND BALANCES AT THE END OF EACH FISCAL YEAR  
APRIL 30, 2005 THROUGH APRIL 30, 2018 (PROJECTED)**

	General Fund	W/S Operations	W/S Capital (Watermains)	W/S Debt
4/30/05	\$303,233	\$156,770	\$ 685,168	\$108,060
4/30/06	\$454,351	\$179,333	\$1,125,515	\$170,918
4/30/07	\$427,442	\$205,083	\$ 943,001	\$202,162
4/30/08	\$153,597	\$ 49,572	\$ 380,427	\$258,506
4/30/09	\$371,280	\$147,094	\$145,066	\$357,948
4/30/10	\$368,866	\$200,767	\$167,550	\$348,925
4/30/11	\$565,823**	\$205,051**	\$154,127	\$335,104
4/30/12	\$465,673***	\$240,715	\$196,223	\$321,000
4/30/13	\$592,976	\$328,687	\$128,542	\$289,804
4/30/14	\$324,605****	\$226,565****	\$112,993	\$364,430
4/30/15	\$373,474	\$160,202	\$155,004*****	\$380,255
4/30/16	\$527,316	\$ 98,955	\$263,193	\$318,628
4/30/17*	\$540,157*	\$ 122,831*	\$385,000*	\$ 221,879*(1)
4/30/18*	\$490,157*	\$ 102,831*	\$447,167*	\$ 521,879*

\* = projected

\*\* = \$100,000 moved out of General and \$50,000 moved out of W/S Operations in this fiscal year to create the Capital Equipment Replacement Sinking Fund in March, 2011.

\*\*\*=\$195,000 in reserves were used to pay off the OSLAD loan for Firemen's Park in October, 2011.

\*\*\*\*= \$390,000 moved from various funds into the 625 Dixie Highway Improvements Account.

\*\*\*\*\* = first year of funding in the Watermain Replacement Account which is a significant source of capital.

(1) = all of the reserves are pledged to sewer plant Phase II Design which will be reimbursed by IEPA loan.

The key objective to our entire budget process in the last ten years since the Great Recession of 2007 was to preserve fund balance and prevent any type of deficit spending while minimizing the impact to Village residents in terms of cost increases and service reductions. The need to replace equipment in the public works department also had to be addressed. Despite these competing objectives, the Village Board was able to cut a sufficient amount from the operating expenses of these funds to accomplish the Board's goals. Several desired programs were reduced or eliminated, and the employees were asked to do more with less. Alternative revenue sources had to be found, such as funding the Village newsletter with ad revenue. So far we have survived, and although some services were reduced, the public has not yet had to feel the service cuts other than some inconvenience. We now await to see what the State of Illinois is going to do us as the legislature struggles with huge deficits resulting from poor spending practices and the lack of producing a State budget.

A key component of the budget is the policy of freezing the Village property tax levy while balancing the budget. This will be the sixth year in which the tax levy has remained the same (2011, 2012, 2013, 2014, 2015 and 2016 levies), and the fifth straight year in which budgeted reserves are not used to meet operations. The General Fund is balanced for now, with the exception of using \$50,000 in reserves for the Gould Street boardwalk. If the State does reduce our LGDF and does not provide alternative revenue, staff has produced a plan to deal with this during the course of the fiscal year.

Across all of the funds IMRF contributions dropped from 0.1162 to 0.1108. This is due to the Village being closer to full funding and the good investment climate paying returns. IPBC EWBC PPO Health Insurance Rates did increase by 8.8% in the coming year and this is due to the volatile market as no one knows the future of Obama Care and the EWBC rate experience has been over-utilized (178%). That is a recipe for a substantial increase. HMO is up by 5.7% and the Teamsters Plan for the police officers increased by 10%.

There is the planned use of only \$20,000 in reserve cash in the Water and Sewer Department budgets to provide the last of five payments to General for the renovation of the new Village Hall. Water and Sewer Capital Improvements is planned to use all of its remaining reserves if no new tap-in fees are collected to cover 1/2 of the SCADA system upgrade (\$16,000), SSES CMOM Report (\$15,000), and \$29,400 for the replacement of 100 meters.

There is also a planned use of \$290,000 in reserves in the Water and Sewer Debt Service Fund to finance the last half of the Phase II design of the Sewer Plant Rehabilitation. 1/1/2018 is the target date for this project to commence. The \$600,000 spent on Phase II will be reimbursed to the Village when the loan is approved in late 2017.

The table below compares the total expenditures of all funds from prior years to the proposed year:

<b>FISCAL YEAR</b>	<b>CORPORATE, ENTERPRISE, MFT, CAPITAL AND DEBT VILLAGE FUNDS</b>	<b>INTERNAL SERVICE, EXTERNAL FUNDS</b>	<b>ALL FUNDS</b>
2007/2008	\$ 7,151,957	\$ 418,400	\$ 7,570,357
2008/2009	\$ 6,491,486	\$ 510,020	\$ 7,001,506
2009/2010	\$ 6,653,899	\$ 378,240	\$ 7,032,139
2009/2010 (amended)	\$ 6,527,405	\$ 378,240	\$ 6,905,645
2010/2011	\$ 5,907,057	\$1,772,720	\$ 7,679,777
2011/2012	\$ 5,491,770	\$ 669,574	\$ 6,161,344
2012/2013	\$ 4,511,213	\$1,007,815	\$ 5,539,028
2013/2014	\$ 4,279,389	\$1,228,767	\$ 5,508,156
2013/2014(amended)	\$ 4,749,389	\$1,228,767	\$ 5,978,156
2014/2015	\$ 4,324,249	\$1,418,422	\$ 5,742,671
2015/2016	\$ 5,314,972	\$1,053,352	\$ 6,368,324
2016/2017	\$ 6,617,839	\$ 819,515	\$ 7,437,354
2017/2018(proposed)	\$14,645,180	\$ 856,540	\$15,507,390
Change from non-amended prior year	+ 8,027,341 + 121.29%	+ 37,025 + 4.52%	+ 8,070,036 +108.51%

The increase in spending is due to several factors not related to the operating budgets. \$1,182,000 in IEPA loan proceeds are projected to be used for the Penfield/Birch/Elm Street watermain projects, \$290,000 for the completion of Phase II design of the sewer plant, and \$8,200,000 for sewer plant construction.

The following is a synopsis of each of the funds and the departments within each fund.

## GENERAL FUND

### Revenues

The property tax levy remains frozen for operations but went up \$10,000 due to the increase in the bond levy due to our refinancing which removes the end load from the bonds. Most other revenues remain flat as total General Fund revenue is only \$40,000 more than the prior year. Telecommunication tax continues to decline as CATV franchise and video gaming fees continue to rise. Sales taxes remain flat as State Income Tax receipts (LGDF) continue to decline.

The wild card in all this continues to be the local income tax, or LGDF. The Governor has proposed in the past taking 1/2 of this tax away from municipalities. In preparation for some type of reduction in this fund, or any other cuts to State funding, we have prepared a plan to deal with this reduction should it occur, but the impact to local governments across the State would be devastating. There was even a proposal to eliminate the LGDF altogether. Staff believes that in 2019 there will be a significant increase in the state income tax to patch the State budget hole but local governments will not see any of this new money. Only \$50,000 in reserve cash is budgeted to complete the Gould Street Boardwalk, a capital item. No reserve cash will be used to fund operations. There was some discussion of completing the quiet zone project this year but the project does not have funding and the Village now plans to ask the CSX to fund the project. This will be a topic of the future.

### President and Board of Trustees

We have budgeted for up to four elected officials to attend the IML Conference in October, but have been advised to provide as many Trustees that want to go. The newsletter will continue to be funded by advertising sales for one more year, and we have budgeted memberships in two COG's: the SSMMA and the WCGL.

### Advisory Boards and Commissions

This is where the \$40,000 land use plan update is budgeted. \$32,000 will come from a CMAP LTA Grant and \$8,000 will be Village funds.

### Department of Administration

No changes in this department for the coming year with the exception of a jump in telephone costs.

### Department of Inspectional Services

Charges by Safebuilt are based on building permit spreadsheet provided. Code Enforcement has moved to the police department budget as advised by the Finance Committee.

### ESDA

This is the department that has experienced the largest increase in funding as a salary of the EMA director has been set at \$5,850, and \$17,000 in new spending is proposed to maintain the volunteer pool and the fleet of the EMA. This is the newest program of the Village which will be under review in the coming budget cycle. Siren maintenance, the NIXLE and Smart Phone applications are also funded out of this department.

### Department of Police

This department is 51.5% of the General Fund's expenses; an increase of 0.5% from last year's ratio. However, code enforcement, community policing, and extra part-time and overtime hours were provided. Wages for officers increased by 3%. The Teamster's health insurance plan increased by 10%. The total number of funded hours for police patrol and investigations increased by 256 hours. There are no new items in the budget with the exception of a squad car replacement. Phone costs also increased. The Youth Commission is funded in the police department budget at \$4,000. Code Enforcement Officer Pay (\$17,500) and Director of Community Policing Pay (\$5,850) was also added to the police department budget.

### Department of Environmental Health and Sanitation

Mosquito abatement costs were cut in half for the coming year since we have sufficient inventory to make it through the year. Next year this line item may have to increase to prior year's levels.

### Department of Streets and Alleys

Overall spending increased in this department by \$13,475. Tree trimming and removal this year was moved to MFT so we can complete the ash tree removal program. Two new projects are budgeted in the Street Department: improved drainage for the east side of the Trim Creek Business Park for \$5,000 and a pilot project to improve the appearance of the Hunter's Chase East Pond by controlling weeds in the pond for \$5,300. No new equipment is planned for purchase for the Street Department in the coming year.

## Department of Buildings and Public Properties

We now have a pretty clear idea of what it costs per year to own and maintain the new Village Hall. Increased phone costs of \$1,500 per year, natural gas of \$480 per year, janitorial supplies of \$300 per year, and increased contractual cleaning of \$4,160 per year for a total of \$6,440 per year, or about \$2.68 per square foot per year. A billboard for the depot and bronze plaques for historical buildings also remain in the budget at the request of the Historical Preservation Commission. The depot does not require any large maintenance cost in the coming year.

## Capital Improvements

The only capital item in General is the \$50,000 budgeted for the Gould Street Boardwalk.

## Comprehensive Expenses

The General Fund is repaying the Capital Equipment Sinking Fund \$9,850 annually for the replacement of the Boomer 41 tractor in Firemen's Park, the L225 skid steer loader, and the 2005 bucket truck. The transfer of property tax dollars to the bond fund has increased by \$10,000 to \$86,000 and this will be a rather consistent figure for the next fourteen years.

Sales tax reimbursements include Walt's (\$133,377). Property tax reimbursements include Dutch American foods (\$6,540) and Ohlendorf Trust (\$790). Comprehensive insurance costs continue to increase as we try to remain fully funded with the IPRF Worker's Compensation Insurance Pool. The cost of funding worker's compensation is approaching \$130,000 per year. We hope to see this decrease now over time as we settle some long-lingering claims.

## Parks and Recreation Department

This year's project includes upgrading the ice rink with new kick boards and a new liner. \$1,900 is budgeted for mulching all the playgrounds. Four port-a-johns will be rented for Lion's Park, Welton Stedt Park, and two for Firemen's Park. The Fourth of July Commission continues to pay for a part-time employee to mow and maintain Firemen's Park which is of great help to the men.

Youth Commission and Developer's Escrow Accounts are shown in the budget merely as pass-through accounts.

## CAPITAL EQUIPMENT SINKING FUND

A total of \$27,493 is now being collected annually from payments due from other funds in the budget. This money, in addition to the \$37,605 currently on account and the \$27,493 transferred next year will make available \$92,500 to purchase a tandem axle dump truck with plow and spreader replacing the F800. The F800 will then become the sludge truck.

## REFUSE FUND

This fund is another pass-through for collections and payment to Homewood Disposal and reflects the rates to be charged which now go up an average of \$0.50 per month each year. \$8,000 is budgeted for the purchase of yardwaste bags which are sold out of the Village Hall to residents. \$25,223 is also transferred to the General Fund to assist in paying for brush and leaf collection.

## PARKS AND RECREATION CAPITAL FUND

This fund was eliminated in the Summer of 2016 but the Village Board has recently decided to eliminate the “due to” in the budget from park impact fees to General and begin accumulating park impact fees once again for future park improvements. This account will become active again next year.

## MOTOR FUEL TAX FUND

Revenue for this fund is based on \$25.62 per capita. \$174,553 is budgeted for engineering work on Penfield Street reconstruction. This project is slated for a 2020 start so the reimbursement budgeted for this engineering work from the STP Grant probably will not come in until next fiscal year. MFT Reserves will have to be used to float this period of time. The Safe Routes to Schools project should also be completed this Summer. New street lights for Willow and Chestnut are also budgeted at \$10,000 and \$11,200 is budgeted for cement to be purchased for sidewalk and curb repairs. The amount of road salt to be ordered was cut from 600 to 300 tons for next year dramatically reducing the cost of this line item for at least one year. Tree trimming and removals is budgeted at \$16,000 and this should get us through another year of ash tree removals. \$17,000 is being banked for use in future years.

## JOINT FUEL FUND

This is also an intergovernmental pass-through fund for the purchase and sale of fuel to the other taxing bodies. The Village acts as fiduciary agent of this account. This year we are purchasing fuel at a flat price of \$2.10 per gallon for 46,000 gallons 87 UNL and \$2.35 per gallon for 28,000 gallons of diesel.



TREE DONATION ACCOUNT, FOURTH OF JULY ACCOUNT AND BEAUTIFICATION ACCOUNT are pass-through accounts. The Commissions established by the Village create their own budgets with the Village acting as fiduciary. Since the Village is required to appropriate for these accounts, we include them in our budgets but do not maintain an internal general ledger on these accounts. This now becomes the responsibility of each of the Commission's Treasurers.

#### GENERAL OBLIGATION BOND ACCOUNT

This account receives property tax levies for bond and interest payments through transfers from the General Fund and makes the payments out of this account to the bondholders. These bonds were for the new public works facility built in 2009. In 2017 these bonds were refinanced and extended out another 14 years and the interest rate was reduced from 5.0% to 2.6%. A flat levy of approximately \$86,000 was set so that taxes will not rise to cover bonded debt for the next 14 years. Taxpayers also saved over \$87,000 as a result of this deal.

#### PUBLIC INFRASTRUCTURE ACCOUNT

This account has as its revenue source the 1/2% infrastructure sales tax, which now generates about \$138,000 per year. This year the Account is committed to repaying the \$32,000 as the second of 5 loan payments for the \$150,000 borrowed to complete the Phase I Report for the Penfield STP Project, \$25,000 for annual crack-sealing, \$20,000 for sidewalk repair and \$20,000 for curb failure repair. \$5,000 is also budgeted for the mudjacking of handicapped ramps that have sunk and no longer meet ADA requirements. Mudjacking has proven itself successful as a new technology for leveling heaved sidewalks that are still in good shape. The road resurfacing program scheduled for this coming year has been pushed back at least one more year as the Village ramps up the Penfield STP project.

#### WATER FUND

Revenues projections were based on actual 2016 collections on 111,215,000 billed gallons (\$544,767) plus \$11,122 in new \$0.10 rate collections starting 3/1/17 for total water collection revenue of \$713,377. \$6,430 was also charged against this revenue for credits which remain in the system that will be applied in the coming year. This year, no reserve cash is being planned for use from the O+M Account since it has a fund balance that is lower than desired. This is due to the credits being applied to disputed water bills when over-reading meters were proven to be in use and the new housing water credit incentive. Corrections have been made to transfers to bring O+M back sufficient level of fund balance but there is no excess of reserves here for capital projects at this time. The only use of reserve cash will be \$20,000 being transferred to General as a payment for the new Village Hall per the 2013 agreement.

Other projects in the Water Department this year include turning 1/3 of the valves in the system (\$7,000), the replacing of two hydrants, five valves, four b-boxes and two large commercial meters. \$16,000 is budgeted for the Water Fund's share of the last phase of improvement to the

SCADA system. 30 residential meters are budgeted here bringing the total number of meters to be replaced at 130 for the coming year including those budgeted in the Water and Sewer Capital Account. \$3,000 remains in the budget as an incentive for public works employees to attain and/or retain their technical licenses. The six public works employees are also scheduled to receive upgraded 4G platform phones for \$1,200 since the current 3G network is being phased out. \$6,000 is also budgeted for a concrete breaker attachment on the front of the skid steer; the only new piece of equipment being purchased by the water and sewer system this year. The Village plans to transfer \$151,367 to the Watermain Replacement Account and \$10,038 to the debt service fund as partial payment on the 2002 water tank and booster station loan. The second of 15 payments of \$4,970 will be made to the CESFA for the F450 dump. \$11,200 is also budgeted to hire one Summer employee this year. The seasonal worker is returning from last year and will be working June 12<sup>th</sup> and stay on through leaf season for 1,000 hours. This worker will be used to mow grass, water flowers and work the leaf machine as primary duties.

## SEWER FUND

Consistent with the forecast for water revenue, actual 2016 collections were taken (\$467,718) and \$11,122 was added for the \$0.10 rate increase effective 3/1/17 for a total revenue of \$478,933. The only reserve cash being used is \$20,000 as a payment for the new Village Hall to the General Fund per the 2013 plan. After all transfers, the balance remaining in O+M should be \$102,000 which is sufficient cushion for 30 days of operation. We would prefer to have a 60 day cushion so our target fund balance is \$204,000. If we have a warmer or drier Summer the extra water metered could be retained in this account.

Projects in the Sewer Department this year include sludge removal (\$16,900), and sewer license promotion training and specialty pay (\$3,000). We are trying to limp the existing sewer plant equipment along to 2018 when we plan to complete a total rehab of the plant using a 20 year, \$8 million IEPA loan.

\$110,400 in debt charges is being transferred to the debt fund as coverage on the 2018 IEPA loan and as an advance for Phase II Engineering costs. \$12,673 is being transferred to the capital equipment sinking fund as payment for two trucks and a skid steer loader purchased on behalf of this department. The \$20,000 transfer to the General Fund from O+M as the last of five payments for the 625 Dixie Highway project is also provided for in this department budget.

## WATER AND SEWER CAPITAL IMPROVEMENTS

This fund now only has tap-in fees as its source of revenue. Watermain replacement charges are now placed into a separate and distinct account. Since tap-in fees are not budgeted, reserves have to be used for all expenses in the fund. At the present rate, this fund will be depleted after this year. However, the Village does collect tap-ins each year which offset some of the expenses. In order to sustain \$51,400 in recurring annual expenses budgeted in this fund the Village needs to collect 8 tap-in fees per year. This appears to be doable.

We have set aside \$9,000 for any type of water or sewer unforeseen emergency, \$4,500 for economic development purposes, \$6,000 for Village Planner services, and \$29,400 for the purchase of 100 additional meters and MXU's to be installed in the system. The Sewer Department's \$16,000 share of the \$32,000 SCADA upgrade has also been budgeted in this Capital Account since the Sewer Department could not afford it. This will be a one time expense. \$15,000 is also budgeted for a one-time SSES CMOM Report required by the IEPA on our sanitary sewer collection system and this report will be prepared and submitted to by Baxter and Woodman later this Summer. Last but not least is the huge \$8,200,000 wastewater treatment plant rehab project offset by an IEPA loan of equal amount. This project is expected to begin during this coming fiscal year.

## WATER AND SEWER DEBT SERVICE FUND

Revenue for this fund comes from the utility tax on natural gas and electric (\$186,736), transfers of debt charges on water and sewer billing collections (\$120,438), the second 1/2% of the infrastructure sales tax (\$138,424) and \$289,272 in reserve cash which was collected in prior years when debt charges and utility taxes exceeded debt payments. These reserves will be used to pay off the last 1/2 of the Phase II design of the wastewater treatment plant project (\$300,000), and the \$350,000 loan from FCB+T which paid for the first 1/2 of the engineering. There is also a payment of \$81,642 to Midland States Bank for the 2002 water tank and booster station loan which will mature in 2023. The 1996 IEPA loan was paid off in 2016 and this revenue is now being banked for the 2018 loan process.

As of this printing, the Village has \$248,800 in outstanding engineering fees for Phase II Design of the wastewater treatment plant. This amount, combined with the 5/14/17 payment of \$81,642 on the 2002 water tank loan makes a cash requirement of \$330,442. The current balance in the Debt Fund is \$222,998 and \$98,882 in transfers provides a current balance of \$321,880. On January 1, 2018 an additional \$155,000 in utility taxes and \$115,000 in 1/2% sales taxes will be collected bringing the 1/1/18 balance to \$591,880. This gives the Village sufficient cash to pay off the balloon loan of \$350,000. The IEPA will then reimburse the Village \$580,000 in design fees bringing the cash balance back up to \$821,880. This cash will then be used to front the payments to the contractor as we draw down on the IEPA loan. Assuming the project is completed on 1/1/19 the Village should have \$1,186,478 in cash in the Debt Service Fund. The Village then pays off the water tank loan for \$355,000 and all revenue coming into the fund can be used for debt service. Assuming no changes from the current revenue stream, this will leave \$455,598 available for annual payments. This current revenue stream would allow the Village to borrow at 1.86% for 20 years the sum of \$7,700,000 (\$456,610 in annual payments.) The Village would also have \$831,478 and since we would want one year of debt service on account (\$456,610) we would have \$375,000 available for the project. This brings us to the magical "do not exceed" number on the construction of the sewer plant project to \$8,075,000.

## WATERMAIN REPLACEMENT ACCOUNT

This is a new account set up last year to separate the charges coming in for this specific purpose. This account will have annual operating revenues of \$151,367 and this year proceeds from the IEPA loan for Penfield/Birch/Elm will be \$1,182,000. After all is said and done, this fund will increase its reserves by \$146,167 barring any unforeseen project which will increase fund balance from \$325,915 to \$472,082. This funding will be sufficient to replace the mains on Gould Street or along Indiana Avenue in FY 18/19.

### Cost to Residents

How does the budget as a whole affect what the current resident will pay to the Village this year compared to last year? There is a combined water and sewer rate increase of \$0.20 per 1,000 gallons which went into effect on March 1<sup>st</sup>. This rate increase will pay for the increasing cost of pumping water, chemical injection, and overall maintenance of water and sewer systems. This will cost the average water customer \$2.80 per billing on an average 14,000 gallon water bill, or \$16.80 per year. The property tax levy was frozen for the coming year so the Village will not receive any new dollars from property taxes for operations. A new debt service levy was adopted which increased the annual levy by \$10,000 in the first year but then froze that levy at \$86,000 for the next fourteen years instead of the old levy which increased to \$175,000 within 10 years. The small increase paid today will mean a significant savings down the road. A charge of \$5.88 will be assigned to this year only as an increase in the property tax to residents.

It must be stated that although levies are “frozen”, declining assessed value may not mean there is no change in the Village property tax rate to residents. The property tax paid to the Village by a property owner is a function of the assessed value of the property and the tax rate. There will also be a \$0.50 per month (or \$1.00 per billing) increase in the refuse rates effective July 1, 2017. Therefore, a typical single family home valued at \$235,000 using 14,000 gallons of water per billing will pay on average \$28.68 more to the Village of Beecher in fiscal year 2017/2018 than it did in fiscal year 2016/2017.

This is a synopsis of the cost to the Village resident:

Increased water and sewer rates (\$0.20/1,000 gl x 14,000 gl)	\$ + 16.80
No change from prior year's operating levy	
\$10,000 increase in bonded debt levy (2017 only)	
And impact on a \$235,000 market value home	+ 5.88
Refuse rate increase of \$1.00 per billing beginning 7/1/14	+ 6.00
<b>NET INCREASE TO A TYPICAL FAMILY</b>	<b>\$ + 28.68</b>

## Summary

All funds of the Village are balanced for the coming year with the exception of \$50,000 in the General Fund for the Gould Street boardwalk , \$20,000 in reserves from the Water and Sewer O+M Fund to repay the General Fund for the 625 Dixie Highway Project, , \$79,750 in reserves from the Water and Sewer Capital Fund, and \$289,272 in Water and Sewer Debt Fund Reserves for completion of the Phase II wastewater treatment plant design.

There are several projects scheduled for this year, which include replacing over 130 aging meters, \$16,000 in SCADA upgrades, replacing the watermain on Penfield from Dixie to Reed and the Elm/Birch watermain, Phase II design of the Beecher WWTP and Phase II design of Penfield along with the bridge. Funds have also been budgeted for the purchase of a concrete breaker, installing a swale in the rear of the Trim Creek Business Park, a pilot project for the maintenance of the Hunter's Chase East pond, and new street lights for Chestnut and Willow. The Village also plans to update its land use plan using a CMAP LTA Grant.

The use of conservative revenue estimates and the ability to spot trends in the five year financial plan have allowed the Village to achieve an AA+ rating from Standard and Poors. This rating is contingent on the Village holding significant reserves in the future and this may not be obtainable due to our capital needs and the State affecting our revenues. However, this rating should be appreciated and cherished while we have it. This budget also does not foresee the use of any cash reserves to fund operations.

If this budget holds true in the coming year, the following fund balances are projected on April 30, 2018:

General Fund:	\$ 490,157
Refuse Fund:	\$ 55,000
Park Improvement Fund:	\$ -0-
Motor Fuel Tax Fund:	\$ 147,000
Joint Fuel Fund:	\$ 47,000
Bond Redemption	\$ 1,000
Public Infrastructure:	\$ 260,000
Capital Equipment Replac.	\$ 65,000
Operations and Maint.:	\$ 103,000
Water and Sewer Capital:	\$ 1,000
Watermain Replacement:	\$ 447,000
Water and Sewer Debt:	\$ 522,000

**TOTAL FUND BALANCE ON 4/30/18: \$ 2,138,157**

This compares to a current projected fund balance of \$1,800,000 on April 30, 2017. This amount is 35.78% of the total budget of \$5,974,390 and would fund more than 60 days of operation. The 1996 Village Board target for fund balance was 60 days of operation and the municipal standard

is 90 days of operation or 25% per fund. These fund balances will have to be watched closely in future years and efforts should continue to maintain fund balance while providing quality service to residents. This will be the most difficult task facing local elected officials in the years ahead, considering the fiscal condition of the State and its ability to transfer the burden to local governments.