

March 11, 2020

To: President Hoerner, Pro tempore Neumann, and Councilmembers:

I am delighted to present, for council approval, the budget for Fiscal Year (FY) 2020-2021. The FY 2020-2021 budget totals \$3,034,779 and it is balanced in accordance with the Uniform Budgeting and Accounting Act, PA 2 of 1968. The General Fund is \$962,928, with an additional use of fund balance in the amount of \$190,000 for road projects, totaling \$1,152,928.

Wages & Benefits

This budget includes a 2% wage increase for all full-time employees covered by the personnel policy manual, as approved by Village Council in 2018. This budget continues a commitment to fiscal responsibility in paying down our long-term liabilities. I have responsibly budgeted \$298,601 towards our MERS outstanding obligations and over \$36,500 towards our Other Post-Employment Benefits (OPEB) responsibilities. I have also taken auditors suggestions by cleaning up unnecessary accounts, and have accounted by fund, showing where our liabilities truly rest. We must pay our promises of the past with our eyes to the future.

General Fund

For the 36th consecutive year, the Village of St. Charles will operate on 12.8029 mills. Property tax revenues were increased 1.5%, and according to the most recent reports from Lansing, revenue sharing is expected to increase 1.8%. The \$20,000 in Village Hall and Ground repairs and maintenance fund will add new asphalt and landscaping to the Village Office. The General Fund will transfer \$165,000 to pave Hosmer and Fulton Streets. Also, the Village is looking to replace the 2014, purchased used, copy machine - included in this budget.

Major Street Fund

The 2020/2021 FY budget prepares for road and drainage work, and allocates money for Act 51 projects as required by state law. Sidewalks on major street ways will see repair. Fulton and Hosmer Streets will receive fresh asphalt.

Local Street Fund

The Local Street Fund will continue with routine maintenance and updating street signage. Act 51 sidewalk projects will be completed as needed.

Downtown Development Authority

The DDA has reinstated the Façade Grant Program. For the initial year, \$10,000 have been allocated for this program. We have increased the Community Projects budget to \$15,000 within the DDA fund for special events.

Sewer Fund

The Sewer Fund will see sewer reconstruction on Hosmer and Fulton, budgeting \$100,000, as well as \$25,000 in Cure-In-Place Pipe (CIPP) liners to extend the life of our pipelines throughout the Village for twenty to thirty years.

Water Fund

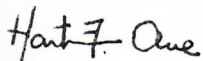
The Water Fund will upgrade \$165,000 in water main construction along Hosmer and Fulton Streets. This fund also sets aside resources for (CIPP) liners, \$25,000, to extend our underground pipes for decades.

Equipment Fund

The Equipment Fund will be using reserve funds to purchase a Loader through Sourcewell bidding, without exceeding the maximum allotted amount of \$143,000. We are upgrading long over due equipment to increase efficiency, limit potentially excessive overtime payments, and move snow away from downtown in a timelier manner.

This budget provides a balanced approach to investing in our employees, continuing to pay off our long-term obligations, and providing fundamental services to the community. Thank you for your time in reviewing this proposal and suggesting necessary changes. I appreciate your effort and commitment to the Village of St. Charles.

Yours in service,



Hartmann Aue
Village Manager