



## Budget Season Begins for Burr Ridge

As the calendar turns to 2018, the Village staff begins the annual process of preparing a budget for the upcoming fiscal year (which begins on May 1). The process begins with an evaluation of current revenues and expenses to ensure a balanced ledger at the end of the current fiscal year. The next step is to set budget goals and estimate revenues and expenses for the upcoming year. Budget workshops will be held by the Board of Trustees in February and March with a public hearing scheduled at the second Board meeting in March. Adoption of the budget for fiscal year 2018-19 is then scheduled for the first Board meeting in April.

The Village budget is actually 12 different budgets which are referred to as “Funds”. The General Fund is essentially the Village Budget as it is used to pay all operating costs of the Village including salaries, contractual services, and operating expenses. The General Fund receives revenues from property taxes, sales taxes, state income taxes, and permit and license fees. ***The General Fund budget approved by the Board of Trustees is always a balanced budget.*** And, if revenues fall short of projections, cuts are made to ensure a balanced General Fund budget at the end of each fiscal year (with the only exceptions being during the Great Recession of 2008 where reserves had to be used due primarily to significant reductions in sale tax revenue).

The other 11 budgets or funds range from the water and sewer enterprise funds which are closed funds (i.e. water bill revenues are used exclusively to pay for the cost of providing water to customers) to basic “savings account funds” whereby money is put aside each year to pay for future expenses. For example, money is put into the equipment replacement fund each year to pay for future purchases of large equipment. These funds will often show up as being in a deficit for a single year due to the purchase of one or more expensive pieces of equipment. They may also cause the combined single year expenditures of the Village to exceed the gross revenue for that year. Such an occurrence does not represent the lack of a balanced budget; rather it simply means the Village has spent money saved in previous years for anticipated expenses.

The Village of Burr Ridge has always maintained a fiscally sound budget and a balanced budget. All ongoing operating expenses are paid for through current revenues. Funds are set aside for capital and equipment expenses. Our fiscally responsible approach is reflected in our current Aa1 credit rating with Moody’s Investor Service; the second highest possible credit rating.

If residents have any questions or comments regarding the Village budget, please feel free to contact staff or go to the published budget available in our web site.

**- Village Administrator Doug Pollock**