

Flossmoor's budget focuses on water and sewer needs

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It's budget season in the Village of Flossmoor.

Elected officials and administrators held the first in a planned series of discussions about the preliminary fiscal year 2023 budget. Talks on March 7 opened with Village Manager Bridget Wachtel comparing the general fund of FY22 and FY23, and the same for the water and sewer fund.

"It's been an ongoing concern," Wachtel said of the latter.

The Vollmer Reservoir rehabilitation and water main replacement have had positive impacts, Wachtel said. But the village continues to bill less to residential customers than it is purchasing because of faults in the system. The ratio of water billed to customers compared to how much the village purchased rose from 59% to 83% in 2018, but it has fallen back to 74%.

"This poor performance is alarming," the executive summary reads.

Flossmoor's transition with Homewood to a new water supply is still expected during this calendar year. And the village's water meter replacement project is still a priority in FY23, which is expected to help with billing, Wachtel said. After be-

ing deferred in recent years, the project is budgeted once again for FY23 at a cost of \$1.5 million.

The FY22 budget originally called for a surplus of \$124,414 in the water and sewer fund, but it is now being projected to come out \$203,501 in the red, according to a board document, because supply costs were over budget and combined water and sewer sales are trending downward. The total fund could be looking at a deficit of \$215,696 in FY23 based on rising supply costs and usage trends, though the executive summary notes that a new supply contract is "the best of a bad situation." Wachtel noted this fund cannot be self-sustaining without an accumulated fund balance.

But overall projections for FY22 are "far, far better" than budgeted, according to Wachtel. The village budgeted for a deficit of \$1.07 million in the general fund but is projecting FY22 may come out \$738,911 ahead in total. Improved sales tax revenues, deferred capital and operating expenses, and vacant positions led to that potential surplus, according to Wachtel's presentation.

The preliminary budget for FY23 shows an operating deficit of \$125,446 in the general fund and use of fund balance. The Equalized Assessed Value for 2020 was a

15.3% increase over the 2019 EAV, which still leaves the current EAV at a 2006 level to support a 2022/2023 budget, according to Wachtel. So, sales tax has been imperative to maintaining services in Flossmoor, as personnel and fixed costs account for 88% of the total budget. The preliminary budget does not consider salary adjustments or carryovers, Wachtel explained.

The executive summary notes that there is an "adequate" fund balance to close the gap between revenues and expenditures in the short-term, with some of the fund balance spending planned.

The good news is that the village has increased sales tax revenue by 121% since FY18 — before non-home rule sales tax, Wachtel showed. Flossmoor also went from an annual average of \$250,000 in sales tax before construction of the Meijer store and is projecting \$1.12 million in FY22 after Meijer and other southwest Flossmoor developments came to town.

"The village should be very proud of the work you've done in that area," Wachtel said.

Additional budget discussions are planned for April 4 and April 18. A five-year-projection analysis is to be done this summer and fall. All budget figures are subject to being modified before final approval, which is expected this month.

The village's fiscal year runs from May 1 to April 30 of the following year.

At the March 21 meeting, the board considered a request from the Flossmoor Hills and Highlands Civic Association to clear certain sidewalks of snow in those neighborhoods.

Wachtel presented the request as an "additional funding" consideration for the FY23 budget because it goes beyond current services. The association asked for several rear-yard walkways along Flossmoor Road to be clear because that area is used by students to get to the high school.

Wachtel noted the village has provided snow clearing services in Pinewood Manor, and around the concession stand in Flossmoor Park. It also has received requests for plowing on Dixie Highway to the downtown area for commuters.

Public Works Director John Brunke noted staff currently spends eight hours on roughly 1.6 miles of sidewalk the village has agreed to clear. The proposed new sections would be on the north side of Flossmoor Road between Hamlin Avenue and Kedzie Avenue, as well as between Carroll Parkway and Dixie Highway. It would be a total of 1.1 miles for a roughly six-hour commitment, Brunke said.




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