

**THE VILLAGE OF FOREST HILLS  
ANNUAL BUDGET SUMMARY  
FISCAL YEAR 2017-2018**

*Budget Committee:  
Stephanie Gibson, Finance Officer  
Carl Hooper, Council  
Kolleen Begley, Mayor*

May 10, 2017 (*& Amended August 1, 2017*)

Village Council,

**INTRODUCTION**

Enclosed is the proposed budget for fiscal year beginning July 1, 2017 and ending June 30, 2018 for your consideration. The preparation of this budget would not have been possible without the dedicated efforts of all of the volunteers and Village personnel. The budget was prepared in accordance with applicable laws, policies, and procedures while considering the priorities identified by the Council, the Planning Board, and the community.

**TAX RATE**

The Village has one fund, the General Fund, and this budget as proposed is based on no tax increase or decrease. We recommend that the Village tax rate remain at a rate of .15 cents per \$100 of property valuation. The Ad Valorem revenues of \$45,000 is a good estimate based on actual historical revenues and the current valuation information provided by Jackson County. Jackson County has an approximate 96% tax collection rate.

**BUDGET**

The total budget is \$89,500. This is an increase of \$4,200 from fiscal year 2016-2017. The net increase is due to the approximate \$4,200 correction in actual ad valorem taxes due to the countywide revaluation of property values made effective in 2016.

**DEBT**

The Village currently has no debt service.

**CAPITALIZATION THRESHOLD**

The capitalization threshold will remain at \$5,000 for 2017-2018 for all capital purchases or improvements.

## **MINIMUM FUND BALANCE POLICY**

The Village should keep a minimum of \$100,000 in unreserved funds. (See policy below)

**Village of Forest Hills  
Minimum Fund Balance Policy  
Originally adopted April 1, 2014  
Amended June 7, 2016**

After careful consideration of the current and potential future needs of the Village, assessing potential risks, and considering the services provided to the taxpayers, the board unanimously voted in favor of retaining **\$100,000** as a minimum undesignated fund balance policy. This will secure and maintain investment grade credit ratings, meet cash flow requirements, and reduce susceptibility to emergency or unanticipated expenditures or to revenue shortfalls.

In the event the fund balance is greater than \$100,000 at the end of any fiscal year, the excess may be used for any expenditures pre-approved by the Council.

If at the end of a fiscal year, the fund balance falls below \$100,000, the Budget Committee shall prepare and submit a plan for expenditure reductions and/or revenue increases to the Council. The Council shall take action necessary to restore the minimum, undesignated fund balance to the acceptable level within one year.

This policy shall remain in place until modified by motion of the board. A review of this policy should be done every 3 years, or before the onset of any change to the scope of the Village boundaries, budget, or services.

## **RECOMMENDATIONS**

- 1) The Budget Committee recommends keeping the amount allocated to the Cullowhee Fire Department at \$7,500 this fiscal year and will reevaluate this amount next year pending the potential Cullowhee Fire Tax from Jackson County.
- 2) The Budget Committee recommends allotting \$5,000 toward Professional Outside Services, an \$8,000 decrease from last fiscal year's budget since prior planning goals have been accomplished thus far. Since the Village does not have hired and paid qualified staff in every municipal department, the Budget Committee recommends continuing to allot funds to professional outside services to assist the Council in making sound decisions for use of public funds. Professional Outside Services may include but is not limited to surveying, mapping, process consulting, and planning where other qualified resources aren't available at no cost.
- 3) The Budget Committee recommends researching potential grant opportunities available where applicable.
- 4) The Budget Committee recommends adopting the same Fee Schedule that was in place for the 2016-2017 fiscal year.
- 5) The Budget Committee recommends maintaining the compensation (with no increase) of \$25/mo. for each sitting Councilmember, \$25/mo. for the Ordinance Administrator position, and \$400/mo. for the Finance Officer+Clerk position.
- 7) The Budget Committee recommends allotting \$13,000 to Attorney Services in anticipation of municipal attorney assistance for land use and other legal specialization.

## **CONCLUSION**

The budget committee attempted to allocate the largest percentage of expenditures to the 2 defined services: Police Patrol/Safety and Street Maintenance/Improvements while taking into consideration discussions and defined goals from the Planning Board, Council, and the community regarding infrastructure improvements and potential future development ideas (yet to be presented.) There are election expenses for this fiscal year budget for the Village of Forest Hills, and each of the other line item expenditures were evaluated and considered based on historical and verified projected costs.