

Public comments for March 14, 2023 Village of Homewood Board Meeting

By John Farris, Homewood Resident

Several comments to consider in preparation of 2023-24 Budget.

What Is a Performance Budget?

A performance budget is **one that reflects both the input of resources and the output of services for each unit of an organization**. The goal is to identify and score relative performance based on goal attainment for specified outcomes. [wikipedia]

What am I getting for my money? Focus on efficiency and effectiveness. Not just line-item, lump sum budgeting, but budgeting based on production of services or permanent products.

Example, public works budget; pave 15 miles of road at \$15,000 per mile, budget is 15x\$15,000 or \$225,000. This is done for direct activities in all departments and overhead of management might be then applied. You are purchasing certain products at estimated unit costs and you budget those costs, and then compare to actual. Compare to outside contract provision versus inhouse production; Think cost accounting. ARE YOU GETTING A GOOD DEAL?

<https://www.google.com/search?client=firefox-b-1-d&q=PERFORMANCE+BUDGET>

ex·ces·sive /ik'sesiv/

adjective: **excessive** “more than is necessary, normal, or desirable; immoderate”

Fund Balance

GFOA [Government Finance Officers Association] Two months of expenditure or revenues: 17%.

<https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund>

See exhibit. Long term schedule or analysis would reveal the same, excessive accumulation.

Long term projects, establish capital improvements fund and transfer balances. Show real commitment and plan for capital needs.

Taxes and fees can be adjusted to limit excess and still be financially sound. Many communities “rebate” the excess.

Miscellaneous revenues

Concept of **Fiscal Illusion** – residents do clearly see the multiple taxes being applied and are “nickel and dimed” as they cannot effectively communicate with the government to limit or eliminate these taxes/fees that were instituted at one time when there might have been a need but those taxes/fees are not reexamined to see if they are still appropriate or reasonable with changes in the economy or consumer behavior. They just keep chugging along like the *Energizer Bunny*.

Place of eating tax; 2021: \$1,276,134; 2022: \$1,697, 623

Utility taxes; what do the natural gas, electricity or telecom taxes have to do with the village and the provision of those utility services? The spikes in the cost of natural gas can have real impacts same volume, but much higher prices, why should the village reap the excess revenue?

Natural gas - 2021: \$293,166; 2022 \$455,585,

Ambulance fees – 2021: \$603,000; 2022 \$696,000

Ambulance fees – just because you can bill health insurance, does not mean you should.
