



## COUNCIL ACTION SUMMARY SHEET

**MEETING DATE:** March 9, 2026

**TOPIC** Goal 1, Promote Sound and Prudent Financial Management, Objective 1.2 Establish A Revised Process For Budget Development – Establish Preset Expenditure Targets

**PREPARED BY:** George Dandalides

**BACKGROUND BRIEF:** During the goal setting working sessions held January 26, 2026, and February 9, 2026, council established under Goal 1, Promote Sound and Prudent Financial Management, Objective 1.2 Establish A Revised Process For Budget Development – Establish Preset Expenditure Targets. Specific target(s) were not set as part of that discussion, deferring specifics to later council discussion. (Ref: Meeting Minutes of the February 9, 2026 goal setting meeting, page 2)

The village is currently facing substantial financial needs for infrastructure and the current CIP places significant burden on village residents through increased water/sewer rates, significant additional bond debt, and special assessments. Both Village Council and Village Administration have an obligation to look at all opportunities to lessen that burden on our residents, and this goal was established as a step to identify and execute some of those opportunities.

The current process for budget development has been for village administration to develop a proposed budget by department that balances both the needs of each department to the projected revenues of the village. That proposed budget is then reviewed in a series of special meetings between administration and council where details are reviewed, any clarification required is addressed and concludes with approval of the budget with any minor revisions that were identified in that process. In effect, the focus has historically focused on a balanced budget.

During the goal setting meetings held in January and February of this year, council agreed to establish goals with consideration given to “**SMART**” goals – goals that were **S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**ime-bound. During the discussion, council recognized this goal needed more definition to meet the SMART attributes.

As the goal reads, council needs to “establish preset expenditure targets”. As we begin the 2026-27 fiscal year budget development activity, it is prudent to establish those targets prior to starting the process.

Looking at the 2025-26 fiscal year budget as approved, the property tax millage (not including the police millage) was \$1,513,672 (budget line 101-000-402-000). I believe a good target would be to develop a budget for fiscal year 2026-27 that yields a 10% reduction from the current fiscal year budget, or a \$150,000 reduction. (roughly 10% of the \$1,513,672) I would further recommend this \$150,000 be set aside to help fund our CIP obligations. Setting this \$150,000 target would put Goal 1, Objective 1.2 in step with our SMART goal targets.

**SUMMARY OF PREVIOUS COUNCIL ACTION:** During the goal setting working sessions held January 26, 2026, and February 9, 2026, council established under Goal 1, Promote Sound and Prudent Financial Management, Objective 1.2 Establish A Revised Process For Budget Development – Establish Preset Expenditure Targets. Specific target(s) were not set as part of that discussion, deferring specifics to later council discussion. (Ref: Meeting Minutes of the February 9, 2026 goal setting meeting, page 2)

**FINANCIAL IMPACT:** A balanced 2026-27 fiscal year budget that yields a reduction in spending of \$150,000 from the current year, with that \$150,000 reduction being set aside to offset infrastructure needs identified in the village CIP.

**RECOMMENDED MOTION:** Direct the Village Manager to work with the village administration in the development of the 2026-27 fiscal year budget that reduces forecast spending by \$150,000 from the current year budget, setting this \$150,000 aside to offset infrastructure needs identified in the village CIP. As part of this process, it is recognized there will likely be policy direction required by council in support of some of the identified reductions, and those policy direction requirements will be brought before council for adoption in support of the budget as part of the approval process.