

## **2022 Budget summary comments**

The 2022 budget projects a deficit of \$ 1,469,276 due to some large infrastructure improvement projects planned during the year. They are:

- \$ 1,200,000 capital improvement for a water main replacement and upsizing from the plant to Gast Rd at the corner of Lemon Creek. This estimate is based on an engineering estimate completed a few years ago and adjusted for inflation. This was recommended by our engineer some time ago and due to Covid and a potential road project on Lemon Creek it was delayed. We feel it is more critical now as the pipe size will increase from 8" to 16" and alleviate a "bottle neck" from the plant to the tower since Gast South is 16" also. It also has an added benefit of having a larger supply line to the property Cornerstone is marketing at Lemon Creek and Gast Roads for development. The main should last 30-50 years.
- The water department also has several smaller projects including \$ 100,000 for replacing distribution valves, the final phase of a major software upgrade estimated at \$ 80,000, roofing at the low service station, a new furnace in the distribution bay and other smaller projects.
- \$ 212,000 membrane plant filter replacement project at the water plant. The existing filters are nearing the end of their useful life and requiring frequent maintenance to continue to operate efficiently. New filters should last 8-10 years and will be installed by our staff.
- \$ 200,000 budgeted for all new irrigation and spickets at Graceland Cemetery. The current system has failed and is very old. In order to keep the cemetery looking nice this project is necessary. We are continuing to look at estimates and lower cost solutions. The cemetery also has capital budgeted for a new road in the newer part of the cemetery, a new columbarium, roof repairs and other smaller projects.
- The park is budgeting \$ 136,5000 total capital improvements including \$ 30,000 for renovation of the two concession buildings in bad need of repair, \$ 81,500 in engineering expense for a trail from the High School to the park, and some other smaller projects. The recreation survey recently completed showed all of these items are important to Lake Township and the surrounding areas. We hope to get a grant to cover some of the engineering costs and trail construction but won't know until next fall if we will be approved. Aarpa Covid relief funds can also be used for recreation and trails.
- The fire department still has the final firetruck payment of \$ 200,000 budgeted for 2022 as further delays to receiving the truck have happened. This is carried over from 2021 and previous years. Also budgeted is equipment and supplies for the new truck.

## **Summary**

The budget takes into consideration a 5% water and sewer rate increase proposed for 2022. The current budget still does not have the W/S rate supporting both operating and plant capital projects. Without it the deficit would even be greater. As Covid continues and supply chains are affected, we anticipate increases in the costs of fuel, electricity, chemicals, and many of the items we need to operate to continue. Inflation this year is projected to be at all-time highs. Even with the projected increase our budget would balance and show fund growth if not for the several larger projects. The fund balance has continued to grow over the past several years and the board believes we should use some of the surplus for infrastructure and capital projects that will benefit the Township for many years to come. We are hopeful we will garner new water customers and the Cornerstone site will be developed bringing revenues and increased tax base to the Township.