

RESERVE ACCOUNTS – PLANNING FOR THE FUTURE

Another important part of our financial planning is building and maintaining reserve accounts.

Historically, it can be easy for municipalities to focus on what needs to be paid for today and deal with larger expenses when they arise. The problem with that approach is that major equipment replacements, infrastructure projects and unexpected costs don't wait until it is convenient financially.

As part of the foundation of our 5-year financial plan, we have started budgeting funds to be set aside into appropriate reserve accounts.

The purpose of these reserves is to plan ahead for future costs rather than continually reacting to the them.

For example, when we know that a piece of equipment will eventually need to be replaced, or that a major infrastructure project will be required in the future (such as our water treatment plant expansion), we can begin setting money aside now. That way, when the time comes, the Village is not starting from zero or suddenly facing the full financial burden in one year.

Building reserves also gives the Village greater financial stability and helps us prepare for unexpected expenses without immediately putting that entire cost onto the current year's budget, or taxpayers.

The goal is to build reserves gradually, responsibly and with a purpose – not simply to accumulate money, but to have funds available when we know a future need is coming.

This is part of the bigger shift we are working toward: planning ahead, building financial stability and making sure the Village is better prepared for the future rather than continually trying to catch up.