

Village of Montgomery, Illinois

Annual Budget
May 1, 2018 – April 30, 2019



Matthew Brolley, Village President
Jeff Zoephel, Village Administrator
Justin VanVooren, Director of Finance

Stan Bond, Trustee
Peter Heinz, Trustee
Steve Jungermann, Trustee
Denny Lee, Trustee
Doug Marecek, Trustee
Theresa Sperling, Trustee

Village of Montgomery, Illinois
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Chapter 1: *Introduction*

MONTGOMERY, ILLINOIS

SETTLED IN 1835



Chapter 1: *Introduction*

VILLAGE OF MONTGOMERY Principal Officials

Village President

Matthew Brolley
(Term expires April 2021)

Village Trustees

Steve Jungermann
(Term Expires April 2021)

Stan Bond
(Term Expires April 2019)

Denny Lee
(Term Expires April 2021)

Pete Heinz
(Term Expires April 2019)

Theresa Sperling
(Term Expires April 2021)

Doug Marecek
(Term Expires April 2019)

Village Clerk

Penny Fitzpatrick
(Term Expires April 2021)

Management Staff

Jeff Zoephel

Village Administrator

Phil Smith

Chief of Police

Rick Radde

Director of Public Works

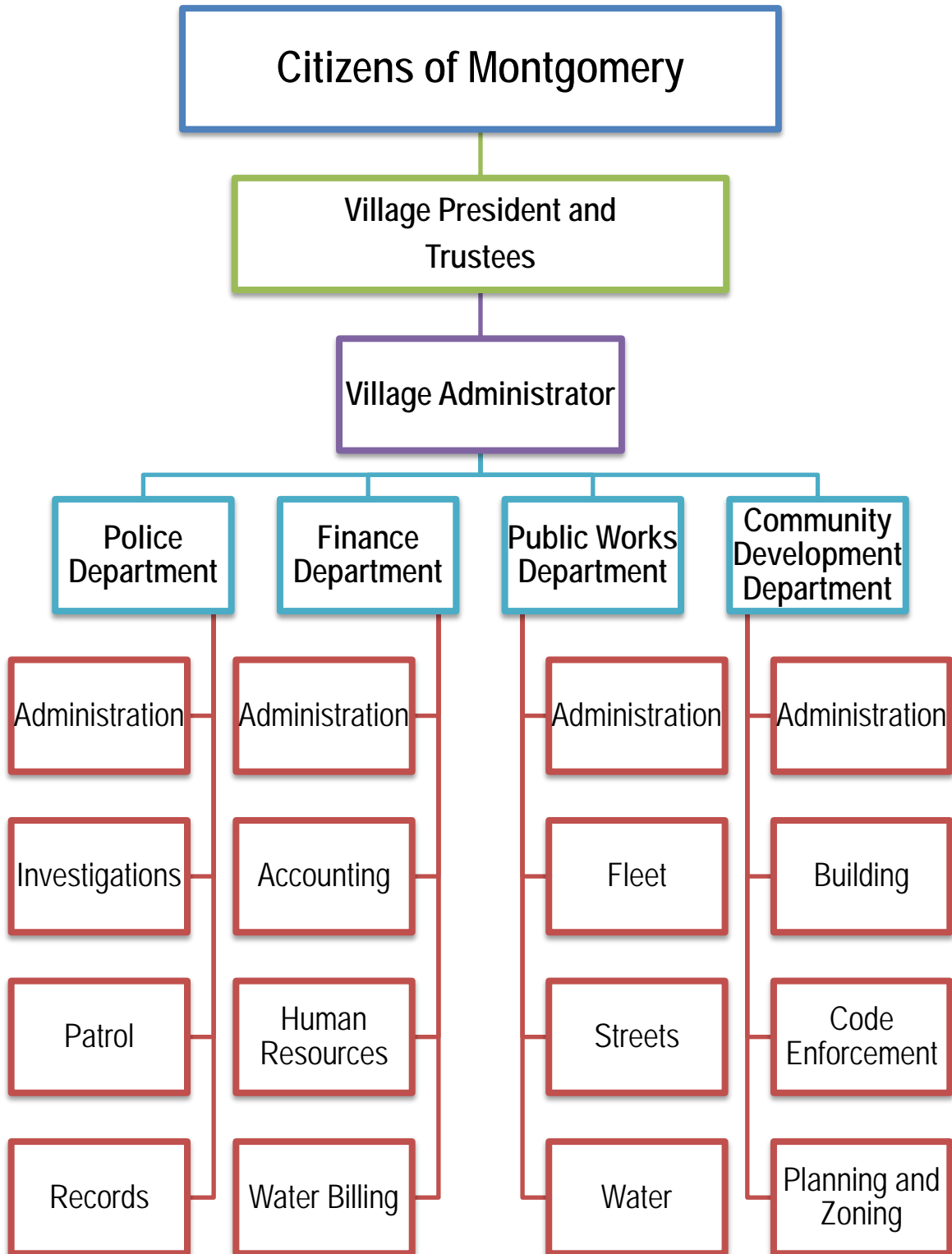
Justin VanVooren

Director of Finance

Richard Young

Director of Community Development

Chapter 1: Introduction



The above organizational chart shows the duties of each department within the Village of Montgomery. The Village contracts out their engineering services to Engineering Enterprises, Inc. (EEI), their legal services to Mickey, Wilson, Weiler, Renzi and Andersson; and their information technology services to Responsive Services.

Chapter 1: *Introduction*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Village of Montgomery
Illinois**

For the Fiscal Year Beginning

May 1, 2017

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **Village of Montgomery, Illinois** for its annual budget for the fiscal year beginning **May 1, 2017**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Chapter 2: Transmittal Letter



March 26, 2018

The Honorable Village President
Members of the Board of Trustees
Village Administrator
Citizens of the Village of Montgomery

We are pleased to present to you the Village of Montgomery Budget for fiscal year 2019. This budget represents the culmination of efforts by the Village President, Board of Trustees and staff to present a plan honoring our commitment to our residents to maintain financial strength, fiscal responsibility and plan for long-term sustainability of the Village. The following budget message presents an overview of the budget and the overall financial condition of the Village.

INTRODUCTION

This budget reflects our determination to allocate resources in a responsible and resourceful fashion. It was prepared to enable the Village Board, residents of Montgomery, investors, creditors, and other governmental units to gain the maximum understanding of the Village's programs and financial operations. The following principles guide the planning and spending decisions when compiling the annual budget:

- Provide funding for the improvement of the Village's streets, water and sewer infrastructure and municipal facilities.
- Maintain financial strength, fiscal responsibility and plan for long-term sustainability.
- Provide the highest possible services to the Village's citizens, visitors and businesses while keeping charges at a minimum.

The budget process is an opportunity for the Village to assess and evaluate how it commits its financial resources and makes decisions regarding their continued use. The process, if conducted effectively, will result in a clearly spelled out plan for the future of this organization and a general collective understanding of how and where limited fiscal resources will be directed. The Village President and Board of Trustees met in a number of workshops to review the fiscal year 2019 budget. Topics during these workshops included an analysis of estimated revenues and expenditures; discussion on capital projects and purchases; and analysis of current and future staffing needs. The final budget document presents the plan that will provide direction to staff and guide day to day performance as we continue to provide essential services to our residents.

Chapter 2: *Transmittal Letter*

A government budget containing special terminology, forms, charts and organization can become a challenge to the user. The main objective of this document is to communicate this information to the reader in a clear and understandable manner. This guide has been included to help the reader understand the organization of this document and to help inform the reader where to look for certain types of information. The Budget document is comprised of three (3) major sections; Introduction, Financial, and Appendices.

The Introduction section (Chapters 1 – 6) contains basic information about the Village, this letter, the budget process itself, a brief history of the community, personnel and property tax related information, and selected demographics.

The Financial section (Chapters 7 – 9) contains summary level budget information for the community as a whole, as well as explanatory budget material about each of the funds listed. The budget is presented as a collection of separate funds, each of which consists of a self-contained set of revenues, expenditures, interfund transfers, and fund equity amounts. In addition, it includes detailed accomplishments and goals for each department.

The Appendix (Chapter 10) includes definitions of terms and acronyms and the classification of sources and uses of funds used throughout the report. This appendix is intended to assist the reader in gaining a basic understanding of the terminology and classification used due to the specialized nature of accounting and financial reporting for government entities.

LEGAL REQUIREMENTS

State law requires that all general-purpose local governments pass an appropriation ordinance within the first quarter of each fiscal year or an annual budget shall be adopted by the corporate authorities before the beginning of each fiscal year to which it applies. The Village has chosen to adopt sections 5/8-2-9.1 through and including sections 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes (Municipal Code) which provide for a municipality's financial operation under an annual budget in lieu of an appropriation ordinance. The annual budget represents the single most important policy adopted each year in any organization.

The corporate authorities shall make the tentative annual budget conveniently available to public inspection for at least ten days prior to the passage of the annual budget, by publication in the journal of the proceedings of the corporate authorities or in such other form as the corporate authorities may prescribe. Not less than one week after the publication of the tentative annual budget, and prior to final action on the budget, the corporate authorities shall hold at least one public hearing on the tentative annual budget, after which hearing or hearings the tentative budget may be further revised and passed without any further inspection, notice or hearing. Notice of this hearing shall be given by publication in a newspaper having a general circulation in the municipality at least one week prior to the time of the hearing.

The legal level of budgetary control is the level at which a government's management may not reallocate resources without special approval from the legislative body is at the department level. Although the Village is allowed to change direction and amend its budget during the year, the Village has chosen not to do so in the recent past. The same procedures delineated above, including availability for public inspection, publication of hearing notice, public hearing, and passage, would need to be followed if management deemed it necessary to amend the budget.

Chapter 2: Transmittal Letter

OVERALL FINANCIAL SUMMARY

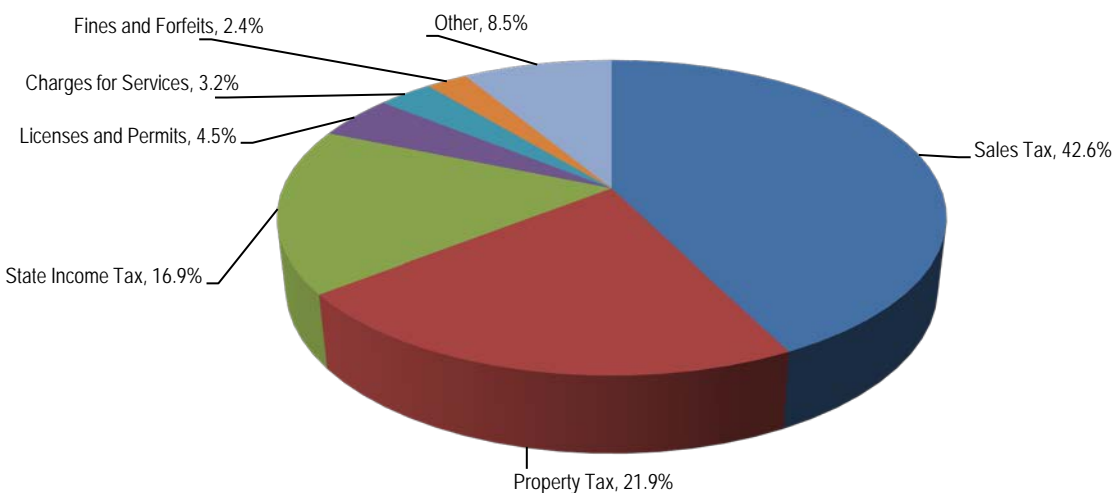
Mindful of the above principles, the current economic environment, future prognostications and the potential for the unexpected, Montgomery has seen only a 2% overall increase in expenditures over the fiscal year 2018 budget. Department heads are asked to reduce expenditures whenever possible. With assistance from staff, a balanced budget is hereby presented. A balanced budget is a budget in which revenues meet or exceed expenditures and reserves or fund balance.

Financial forecasting is the process of projecting revenues and expenditures over a long-term period and aligning financial capacity with service objectives, to achieve long-term sustainability considering the government's service objectives and financial challenges. Montgomery acknowledges the importance of long-term financial planning and added two additional years of budget projections to our budget document for a total of five years (current budget plus 4 years of projections). This has stimulated discussion among the Village Board and allows Village staff to plan farther ahead and prevent financial challenges. The following information will cover the major issues that have impacted both this and future years' budgets. This information will include key budget decisions and processes and talk about the impact of the economy.

The fiscal year 2019 Budget was adopted on March 26, 2018 in compliance with State Statutes. The fiscal year 2019 Budget has total revenues of \$31,405,308 and total expenditures of \$34,234,045.

GENERAL FUND

The General Fund is the basic operating fund of the Village. The General Fund includes revenues and expenditures of all governmental activities, except those funds that must be accounted for independently under Illinois law. Most of the major revenues the Village receives are allocated to this fund. The Village's revenues include the Village's property tax, sales tax, income tax, charges for services, licenses and permits, fines and forfeitures, intergovernmental, and investment income. Fiscal year 2019 General Fund revenues are \$10,451,919 compared with total expenditures of \$10,319,163. The following graph shows the percentage of revenue received from each source.



Chapter 2: Transmittal Letter

ALL FUNDS

The following tables detail the breakdown of revenues and expenditures by Fund showing one year of history, the prior year budget and estimated actual, the current year budget, and four years of projections. Funds included in this summary are the General, Motor Fuel Tax, Montgomery Development, Forfeiture and Seizure, Emergency 911 (E-911), Capital Improvement, Lakewood Creek Project, Infrastructure Improvement, Tax Increment Financing (TIF) #1, Tax Increment Financing (TIF) #2, Tax Increment Financing (TIF) #3, Debt Service, Water, Water Improvement, Employee Insurance, Vehicle Reserve, Refuse, Police Pension, Police Gifts, and the Special Service Area Funds. The adopted budgets strategically provide for the usage of available fund balances to minimize the need for incremental funding in fiscal year 2019.

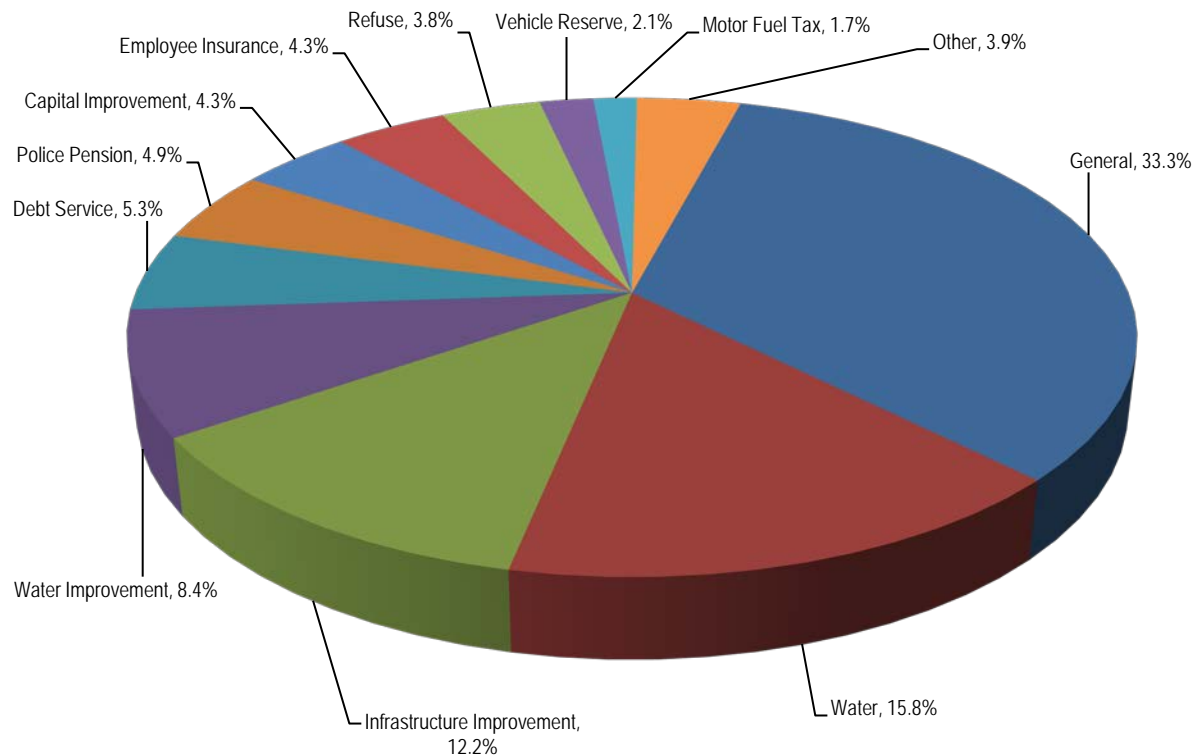
REVENUES - ALL FUNDS								
REVENUES	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
General	\$ 9,845,496	\$ 10,286,597	\$ 10,153,680	\$ 10,451,919	\$ 10,751,128	\$ 11,062,475	\$ 11,391,509	\$ 11,734,574
Motor Fuel Tax	517,503	524,779	523,569	523,279	523,029	523,279	523,029	523,279
Montgomery Development	10,722	10,120	7,728	14,839	14,546	14,232	13,907	13,585
Capital Improvement	1,510,891	1,540,064	1,455,823	1,355,622	1,397,188	1,466,295	1,482,697	7,499,334
Lakewood Creek Project	81,797	60,002	60,132	60,100	60,100	60,100	60,100	60,100
Infrastructure Improvement	2,785,840	3,005,750	2,988,463	3,839,216	3,301,498	3,965,573	3,637,852	3,818,745
TIF #1	39,630	40,000	33,680	35,000	36,000	37,000	38,000	39,000
TIF #2	188,195	396,000	197,474	817,231	1,390,739	8,552,461	1,475,435	1,519,698
TIF #3	-	-	-	-	-	50,000	75,000	100,000
Debt Service	1,084,076	1,123,190	1,123,015	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
Water	5,502,311	5,043,623	6,885,580	4,965,648	5,196,621	5,278,122	5,424,757	5,552,910
Water Improvement	421,139	3,702,250	1,560,550	2,633,414	923,100	1,609,700	1,191,170	779,870
Employee Insurance	1,097,061	1,201,117	1,201,110	1,347,880	1,428,410	1,515,027	1,518,122	1,614,087
Vehicle Reserve	706,441	617,415	767,341	646,991	646,991	651,991	656,991	656,991
Refuse	1,333,956	1,416,396	1,199,390	1,197,206	1,243,520	1,291,348	1,340,502	1,391,601
Police Pension	1,340,763	1,472,950	1,463,372	1,534,923	1,616,955	1,703,863	1,796,119	1,894,232
Police Gift	2,800	250	450	250	250	250	250	250
Special Service Areas	369,100	316,000	315,996	322,500	342,000	340,500	338,000	340,500
TOTAL REVENUES	\$ 26,837,721	\$ 30,756,503	\$ 29,937,353	\$ 31,405,308	\$ 30,482,928	\$ 39,313,525	\$ 32,150,974	\$ 38,731,308

Total revenues are \$631,905 or 2.1% more than the fiscal year 2018 budget and \$4,547,472 or 16.9% more than the fiscal year 2017 revenues. The change in revenue from the fiscal year 2018 budget can be attributed mainly to the Infrastructure Improvement, TIF #2, Debt Service and Water Improvement Funds.

The Village has budgeted an increase in Infrastructure Improvement Fund revenues due to a full year of non-home rule sales tax for several stores and a \$500,000 Local Agency Functional Overlay (LAFO) grant in fiscal year 2019. The TIF #2 Fund will receive the first year, albeit partial, of increment from the United Sugars and Nexeo developments. There is an increase in the Debt Service Fund due to a balloon payment on the Series 2008A bonds. The Water Improvement Fund revenues are scheduled to decrease due to the issuance of bonds in fiscal year 2018 to pay for the Village's watermain replacement program, replacement of lead service lines, and lift station improvements.

Chapter 2: Transmittal Letter

The following chart shows the Village's total revenues for all funds classified by fund for fiscal year 2019. The General Fund brings in the most revenue at 33.3% followed by the Water Fund at 15.8%, Infrastructure Improvement Fund at 12.2%, Water Improvement Fund at 8.4%, and Debt Service Fund at 5.3%.



Several of the Village's revenue sources are elastic revenues which are dependent on the economy and as such are expected to show increasing growth over the next few fiscal years due to the recovery in the economy.

Chapter 2: Transmittal Letter

EXPENDITURES - ALL FUNDS

EXPENDITURES	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
General	\$ 9,821,504	\$ 10,270,018	\$ 10,235,810	\$ 10,319,163	\$ 10,624,547	\$ 10,984,298	\$ 11,233,843	\$ 11,476,991
Motor Fuel Tax	237,224	1,161,279	868,849	140,750	911,250	142,250	923,250	156,250
Montgomery Development	808	156,000	2,213	181,000	1,000	1,000	1,000	1,000
Forfeiture and Seizure	36,030	3,000	63,424	-	-	-	-	-
E-911	71,622	111,015	109,872	-	-	-	-	-
Capital Improvement	1,297,810	1,400,987	1,380,611	1,688,643	1,610,853	1,191,309	1,187,534	7,192,552
Lakewood Creek Project	66,022	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Infrastructure Improvement	1,792,263	2,943,807	2,261,031	5,704,642	3,169,075	3,809,100	3,131,602	3,505,602
TIF #1	129,291	61,520	100,329	56,170	1,180	1,190	1,200	1,210
TIF #2	152,055	360,520	203,068	543,595	788,107	4,866,664	4,849,021	779,823
TIF #3	-	38,000	-	38,000	500	500	1,300	1,320
Debt Service	1,089,965	1,123,190	1,123,215	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
Water	5,496,676	5,114,881	4,478,740	6,845,921	5,439,604	5,744,505	5,580,916	5,227,597
Water Improvement	393,331	3,702,250	1,549,934	2,633,414	923,100	1,609,700	1,191,170	779,870
Employee Insurance	1,137,919	1,201,117	1,201,110	1,347,880	1,428,410	1,515,027	1,518,122	1,614,087
Vehicle Reserve	940,692	692,115	692,115	744,710	302,523	208,773	171,309	113,170
Refuse	1,332,282	1,416,396	1,204,041	1,197,206	1,243,520	1,291,348	1,340,502	1,391,601
Police Pension	576,469	653,492	575,282	684,360	707,675	730,514	750,091	770,378
Police Gifts	441	1,380	1,651	1,400	1,400	1,400	1,400	1,400
Special Service Areas	331,938	305,981	328,742	387,901	309,379	330,852	309,379	330,852
TOTAL EXPENDITURES	\$ 24,904,342	\$ 30,776,948	\$ 26,440,037	\$ 34,234,045	\$ 29,132,976	\$ 33,679,739	\$ 33,439,173	\$ 34,596,255

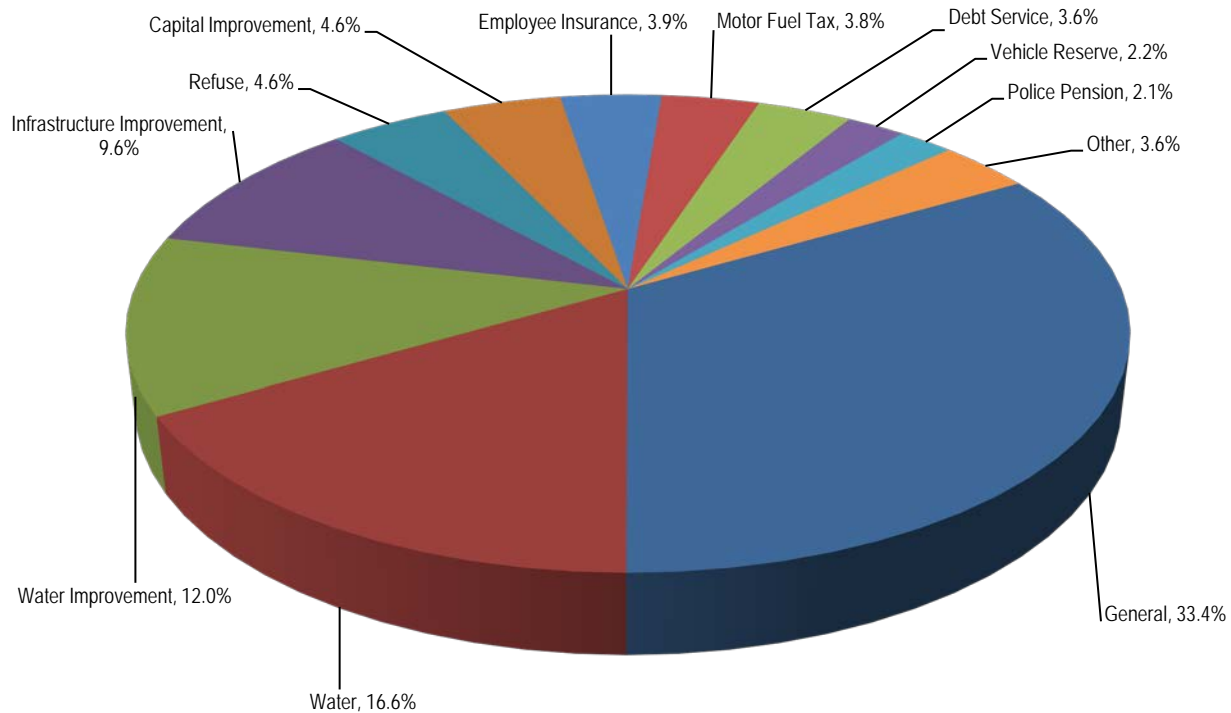
Total expenditures are \$3,457,097 or 11.2% more than the fiscal year 2018 budget and \$9,329,703 or 37.5% more than the fiscal year 2017 expenditures. The change in expenditures from the fiscal year 2018 budget can be attributed mainly to the Motor Fuel Tax, Infrastructure Improvement, Water and Water Improvement Funds.

The increase in the Motor Fuel Tax Fund is due to the Village scheduling higher dollar projects every other year to take advantage of economies of scale. The number and value of projects in the Infrastructure Improvement Fund has been able to expand further in fiscal year 2019 due to a full year of non-home rule sales tax for several stores, cost sharing of an intersection improvement, and road resurfacing with the LAFO grant discussed on page 14. The Water Fund expenses will increase due to the transfer of Series 2017 bond funds to the Water Improvement Fund for projects. The Water Improvement Fund expenses are scheduled to decrease from the fiscal year 2018 budget, but increase from the fiscal year 2018 estimated expenses, mainly due to the carryover of several Village watermain replacements, replacement of lead service lines, and lift station improvements.

Chapter 2: Transmittal Letter

The Village, as a service driven organization, continues to expend the greatest percentage of its operating budget (second largest overall) on personal services (wages and benefits). For fiscal year 2019, personal services expenditures are expected to total \$7,983,426 or 23.3% of total budgeted expenditures. This is an increase of 4.9% over the fiscal year 2018 budgeted expenditures of \$7,608,274.

The following chart shows the Village's total expenditures for all funds classified by fund for fiscal year 2019. The Village is a service provider and the General Fund is the main operating fund of the Village, accounting for 33.4% of all expenditures. The General Fund is followed by the Water Fund at 16.6%, Water Improvement Fund at 12.0%, and Infrastructure Improvement Fund at 9.6%.



PENSION FUNDS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Village is committed to making 100% of its annual required contribution to these funds.

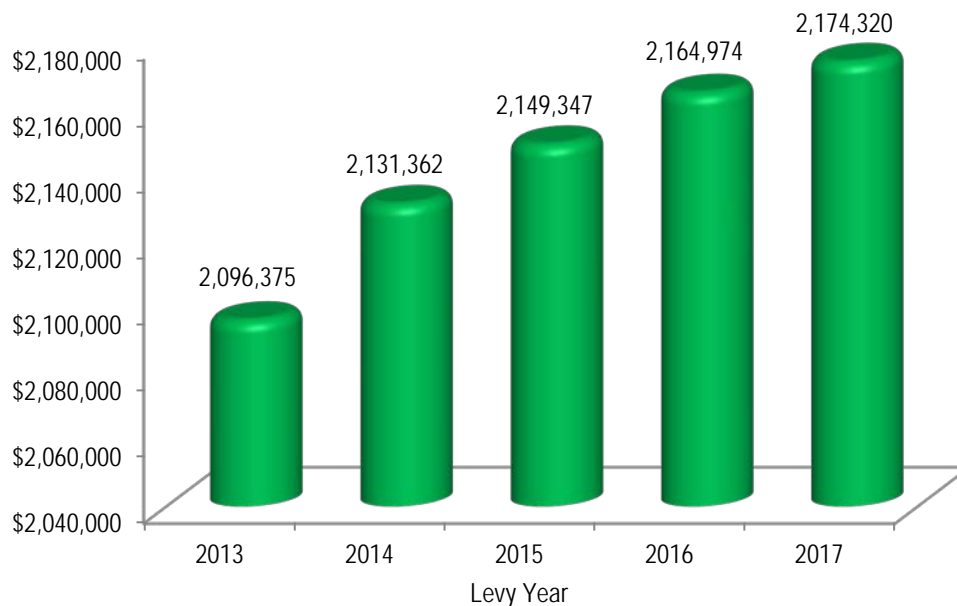
Chapter 2: Transmittal Letter

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Employees covered by the Illinois Municipal Retirement Fund (IMRF) contribute 4.5% of their gross pay, while the Village contributes 11.16% (for calendar year 2018) of each employee's gross pay. The employer's share is expensed in each operating function and is estimated to decrease to 8.46% in calendar year 2019.

Full-time sworn police personnel are covered by the Montgomery Police Pension Plan. Employees covered by the Police Pension contribute 9.91% of their basic wages (no overtime), while the Village contributes 25.17% (for fiscal year 2017 – most recent available) of each employee's basic wages. The employer's contribution to the Police Pension Fund is expensed through the Police Department budget and is financed through General Fund revenues. The contribution is actuarially determined as adequate for funding pension payments and for amortizing any deficiency. Additional income is derived from investment earnings.

PROPERTY TAX LEVY

The 2017 Property Tax Levy for all Village funds, excluding Special Service Areas, is projected at \$2,174,320. This represents an increase of 0.4% from the adopted 2016 extension. The levy has increased due to the new buildings in the Village.



ECONOMIC OUTLOOK

Municipal revenue streams traditionally have been reasonably constant and predictable. However, the financial health of the Village is in part dependent on the strength of the local economy. Many factors affect the local economy including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions demographic characteristics population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

Chapter 2: *Transmittal Letter*

Residential development has yet to recover from the Great Recession. New single-family home permits have continued to decrease from 31 in 2014, 28 in 2015, 4 in 2016, and only 2 in 2017. However, the Village has seen renewed interest in new multi-family homes with 1 in 2016 and 4 in 2017. In addition, the Village Board approved a 468-unit upscale apartment complex, to be built by S.R. Jacobson Companies, on the east side of the Village which will start construction in summer 2018. Lastly, there are 3 developments with buildable single-family lots. A builder is actively selling homes in the first development, another builder has purchased the lots in a second development, and the owner of the third development has a contract pending with a third builder. Although permits have been low, the Village sees all the interest as a positive sign.

The Village saw commercial and industrial development rebound beginning in 2015, through 2016, and even further into 2017. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. We have seen several new businesses build from the ground up over the last year including a 2 unit in-line building (Mattress Firm and AT&T) and Fuller's Car Wash, as well as other new businesses occupying vacant buildings like U-Haul, 9ers Grill, Pig Dog Pub, and Binny's Beverage Depot. As the economy continues the steady recovery, many small business owners are exploring expansion and growth strategies. One great example is the expansion of the White Eagle Auto Body.

Commercial development has helped the Village's sales tax, our single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed fairly consistent even through the Great Recession. The Village began collecting non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. Although we budgeted \$150,000 per month, non-home rule sales tax has averaged approximately \$210,000. This new revenue source is being utilized to maintain or build infrastructure throughout the community.

The largest industrial project by far was the announcement by American Crystal and United Sugars Corporation (USC) of the ground breaking on a new bulk sugar storage and transfer facility. The 20-acre facility consists of a 26,000 square-foot bulk storage dome, a 17,000 square foot transfer facility and 5,500 feet of rail track space. The dome itself will stand 134 feet high and 183 feet wide. There is also room for a second dome. The dome holds over 60,000 metric tons or 1.3 million hundredweights of sugar and enables the transfer of nearly twice that amount to many of the largest sugar users in the U.S. The facility is not attached to a producing sugar factory, making it the largest freestanding sugar storage facility of its kind in the country. United Sugars' Montgomery facility will be the largest single sugar storage asset in the U.S. and began operations in late 2016.

In addition, Nexeo Solutions and Old Dominion Freight Line have also built industrial buildings in the Village within the last year. Nexeo Solutions, the largest global chemical and plastics distributor, completed a \$12 million, 158,000 square-foot warehouse and plastics distribution facility in early 2017. Old Dominion Freight Line, an industry-leading domestic and global shipper, began construction in November 2016 of a \$13 million, 52,000 square-foot freight depot that was completed in June 2017.

Chapter 2: *Transmittal Letter*

USC and Nexeo are both located within the Aucutt Road TIF District (TIF #2). The two industrial buildings will be assessed at approximately 50% of their estimated value for fiscal year 2019, which will result in nearly \$600,000 of additional tax increment. When fully assessed in fiscal year 2020, those two projects alone will produce \$1.2 million of tax increment to be used to assist development in the area. Accordingly, the Village initiated a storm sewer overflow study during fiscal year 2018 to determine what improvements could be made to recapture buildable land within the District. As improvements are made, the Village anticipates other businesses to join USC and Nexeo and continue to build upon the successful Aucutt Road TIF District.

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2019 budget includes an additional 1.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include 1 patrol officer the replacement of a part-time records clerk with a full-time records clerk (Public Safety). Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has a contract with Public Works Local 150 which expires April 30, 2018. Negotiations are ongoing, and the Village expects to agree on a new contract during fiscal year 2019. The Village successfully negotiated and approved a new contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020 and cost of living increases ranging from 2.00% to 2.25% and pay for performance increases ranging from 4.00% to 6.00%.

The development above has helped the Village to maintain a solid financial position. However, the local economy and the Village's financial position may be effected by state, national, and international decisions and events.

Caterpillar is one of the largest employers in the area and bordered on 2 sides by the Village. Caterpillar announced on March 31, 2017 that 800 manufacturing jobs would be moved to Decatur, Illinois and Little Rock, Arkansas. Although it is not within the corporate limits of the Village, there are residents who work at the facility that will be affected. Accordingly, we have been proactive and had several meetings with Caterpillar to discuss job training for employees with the local community college, annexation, and working together to redevelop the property.

The Illinois Budget Impasse lasted from July 1, 2015 to August 31, 2017. It was a 793-day-long budget crisis where the State of Illinois was without a complete state budget for fiscal years 2016, 2017, and part of 2018. After more than two years of political sparring, missed payments to creditors, plunging credit ratings, and adverse effects on Illinois' economy, Illinois ended a stalemate that saw Illinois \$15 billion behind on bills and warnings that its credit rating might fall to junk status. As part of its fiscal year 2018 budget, the State reduced its distribution to local governments of income tax by 10% and placed an administrative fee of 2% on the collection of locally imposed sales tax. This resulted in the Village receiving approximately \$250,000 less revenue than fiscal year 2017. The Village continues to have concerns about the fiscal year 2019 budget, further reduction of state shared revenues, property tax freezes, debt issuance only by passage of referendum, and pension reform.

The United States (US) economy continues to see steady growth between 2 – 3% per year. The unemployment rate dropped to 3.9% in April 2018, its lowest level since 2000. Many economists say the US is now at or near full employment, meaning the unemployment rate won't go down significantly more. US underemployment, which includes Americans in part-time jobs and those at different lengths of

Chapter 2: *Transmittal Letter*

unemployment, hit its lowest mark of 7.8% in April 2018, its lowest level since 2001. Due to the strengthening economy, the Federal Reserve has raised the target range for the federal funds rate six times since December 2015, to the current level of 1.50 – 1.75%. This may result in additional investment income to the Village, although at the same time it may make borrowing more expensive (if necessary).

Internationally, there continue to be concerns over terrorism, political unrest, military confrontations, and a global economic slowdown related to the escalation of trade wars across the globe and rising oil prices.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the Village of Montgomery for its annual budget for fiscal year 2018. This was the sixth consecutive year the Village has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for a seventh certificate.

In addition, the Village also received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting award for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2017. This was the fifteenth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

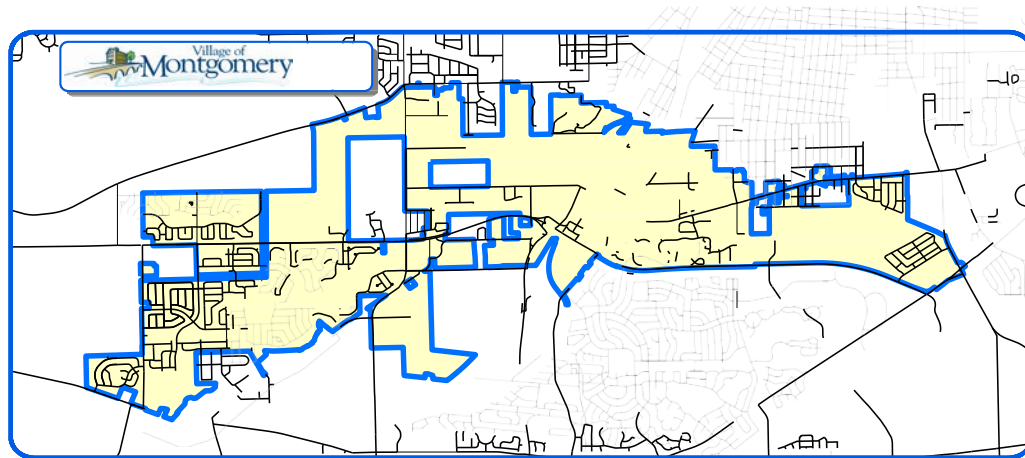
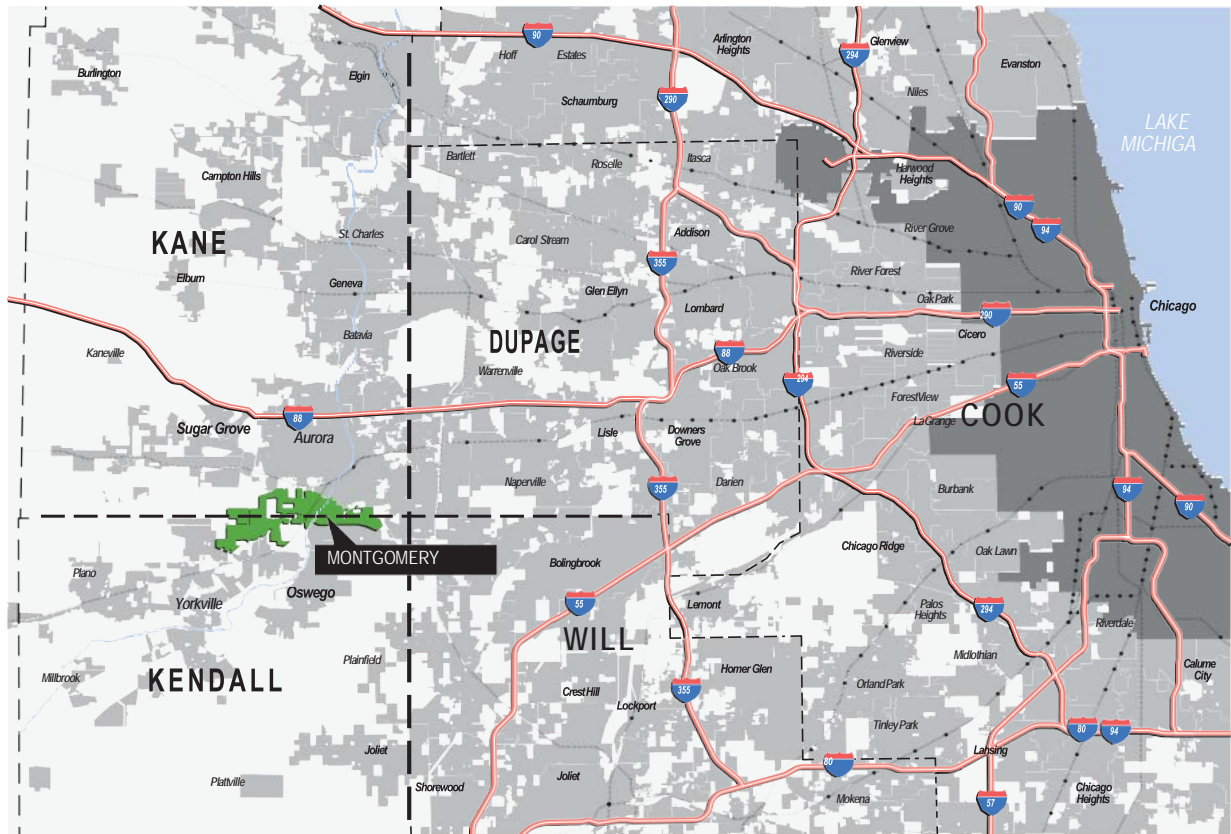
The preparation of this report would not have been possible without the efficient and dedicated services of the Village Administrator and staff of the Finance Department. I would also like to express my appreciation to each department and their staff who assisted and contributed to the preparation of this report. Lastly, I would like to express my sincere appreciation to the Village President and Village Trustees for their unfailing support in maintaining the highest standards of professionalism in the management of the Village's finances. The entire Village staff is truly committed to the future of the Village and providing the most efficient and effective government services in a fiscally responsible and courteous manner.

Respectfully submitted,

Justin E. VanVooren, CMA, CPA
Director of Finance

Chapter 3: Village Profile

The Village of Montgomery is a growing community nestled along the banks of the Fox River in northern Illinois, located in both southern Kane and northern Kendall counties. Situated approximately 40 miles southwest of Chicago, the Village is bordered by Aurora to the north and east, Oswego and Boulder Hill to the south, Sugar Grove to the northwest, and Yorkville to the southwest. Montgomery also sits at a strategic nexus of multiple regional transportation routes. One of its primary assets is its access to major transportation corridors, including U.S. Route 30, U.S. Route 34, IL Route 47, and Interstate 88, which runs east-west approximately 3.5 miles north of the Village.



Chapter 3: *Village Profile*

GOVERNANCE

Policy making and legislative authority are vested in the Village Board, which consists of the Village President and six Village Trustees. The President is elected at-large to a four-year term and the Trustees are elected at-large to staggered four-year terms. The Village Clerk is also elected to a four year term. The Village Board is responsible for, among other things, passing ordinances and resolutions, adopting the budget, and appointing a full-time professional Village Administrator. The Village Administrator is responsible for the day-to-day operations and staffing of the Village.



The Village Board, pictured from left to right, includes: front row – Village Trustee Theresa Sperling, Village Trustee Denny Lee, Village President Matt Brolley, former Village Clerk Tiffany Francis, Village Trustee Pete Heinz; back row – Village Trustee Steve Jungermann, Village Trustee Doug Marecek, and Village Trustee Stan Bond. Village Clerk Penny Fitzpatrick was appointed to complete Ms. Francis term and was elected in April 2017 to serve through April 2021.

The Village of Montgomery is committed to providing their citizens with a full range of services including police protection, the construction and maintenance of highways, streets and infrastructure, water treatment and distribution, planning and zoning, and general administrative services. These services are provided by

Chapter 3: Village Profile

GOVERNANCE (Continued)

63 full-time employees and 13 part-time employees out of three separate buildings. Village services are divided among five departments and within each department are specialized divisions, with further delineating responsibility centers.

Constructed in 2008, the Village Hall is located in Downtown Montgomery. It houses the Community Development, Finance, and Administration Departments, and meeting rooms for the Village Board and its committees. The Village provides assistance in building, permitting, zoning, and code enforcement through the Community Development Department. The Finance Department specializes in overseeing the daily finances, along with collecting water bills, accounts receivable, accounts payable, and information technology functions. The Administration Department centers on human resources, intergovernmental and interdepartmental work, along with coordinating all the community events.



A new Police Department Facility was built in 2005, providing officers with a better environment to keep the citizens safe. The Police Department keeps the community safe by providing protection and assistance to those in need.

The Public Works Department is concerned with residents' safety and they are always on call for water main leaks or breaks, snow storms, and downed trees.



Chapter 3: Village Profile

COMMUNITY INVOLVEMENT

Village of Montgomery residents are served by several other governmental entities. The Village of Montgomery is part of two counties (Kane and Kendall), four townships (Aurora, Bristol, Oswego, and Sugar Grove), two library districts, five fire protection districts, five school districts, and two park districts.

The Village of Montgomery is served by two library districts. Most Montgomery residents are served by the Oswego Public Library District which has a facility in nearby Oswego and the other within the Village boundaries, appropriately named the Montgomery Campus. The Sugar Grove Public Library District is located in Sugar Grove and serves Montgomery residents in the Foxmoor and Fairfield Way subdivisions. Both districts provide quality library service which meet the informational, educational, and recreational needs of district residents of all ages.

The Village of Montgomery does not have a municipal fire department. The Village is served by a total of five different fire protection districts including the Aurora Township Fire Protection District, Bristol-Kendall Fire Protection District, Montgomery-Countryside Fire Protection District, Oswego Fire Protection District, and the Sugar Grove Fire Protection District. The Districts ensure effective fire protection and emergency response to the residents of Montgomery.

Residents of Montgomery are served by five school districts, with three elementary schools located within in the Village's boundaries. The districts include Yorkville Community Unit School District #115, West Aurora School District #129, East Aurora School District #131, Kaneland Community Unit School District #302, and Community Unit School District #308. Together, these school districts provide a well-respected and highly regarded school system for Montgomery students. The Village's strong school system educates local youth and provides gathering places for the community. Montgomery schools also play a crucial role in building and maintaining home values due to increased demand from families who want to live within these school district boundaries and the Village. Waubensee Community College, located in nearby Sugar Grove, offers Associate of Arts degrees in 24 majors. The college also offers Applied Science degrees in 26 different occupational fields and specialized certificate programs in 55 career areas.

Montgomery is served by both the Fox Valley Park District and the Oswegoland Park District. Montgomery is home to an impressive range of environmental and recreational amenities that contribute greatly to local quality of life, image, character, desirability, and aesthetic appeal. Together, the Fox Valley Park District, the Oswegoland Park District, and the Kendall County Forest Preserve District manage 21 parks, as well as one forest preserve, in the Village, comprising over 640 acres of designated park and open space land within the community. These include the Fox River, the Virgil Gilman and Fox River Trails, Blackberry Creek, Stuart Sports Complex, and numerous parks. Enhanced recreational opportunities, better open space connectivity, and a network of trails for biking and walking help make Montgomery a healthier community, by encouraging and providing for increased activity and recreation.



Chapter 3: Village Profile

COMMUNITY INVOLVEMENT (Continued)

The Village of Montgomery hosts many community events to help involve citizens and connect individuals. Many of these events would not be possible without the assistance of the Village's Beautification, Historic Preservation, and Intergovernmental and Community Committees.

Montgomery Fest is held annually on the second weekend in August. This three day event is held at Montgomery Park which is located next to the Fox River and across the street from the Village Hall. Activities during the Fest include a parade, food booths, craft fair, food vendors, car show, fishing derby, musical entertainment, talent show, and carnival rides.



The 5K and 10K River Run is held annually on the first weekend in October. This event attracts runners from around the Chicagoland area and begins and finishes in front of the Village Hall. Awards are given for age categories, as well as groups that run the race together.

Montgomery hosts many other events during the year such as the cemetery walk, eagle presentations, photo contests, the brick paver program, Easter egg hunt, senior activities, tree lighting ceremony, Festival of Trees, luncheons and open houses.



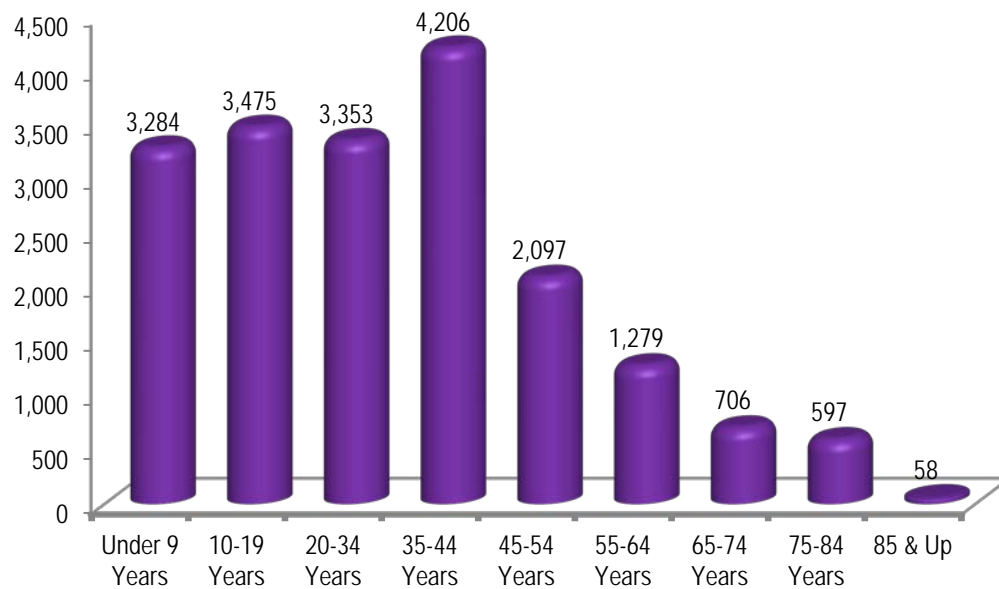
Chapter 3: Village Profile

DEMOGRAPHICS

General

Population	19,701
Median household income	80,900
% Below poverty level	5.2%
Crime rate per 100,000	2,920.0
Crime index	125.7
Median age (years)	33.1
Male population	50.0%
Female population	50.0%

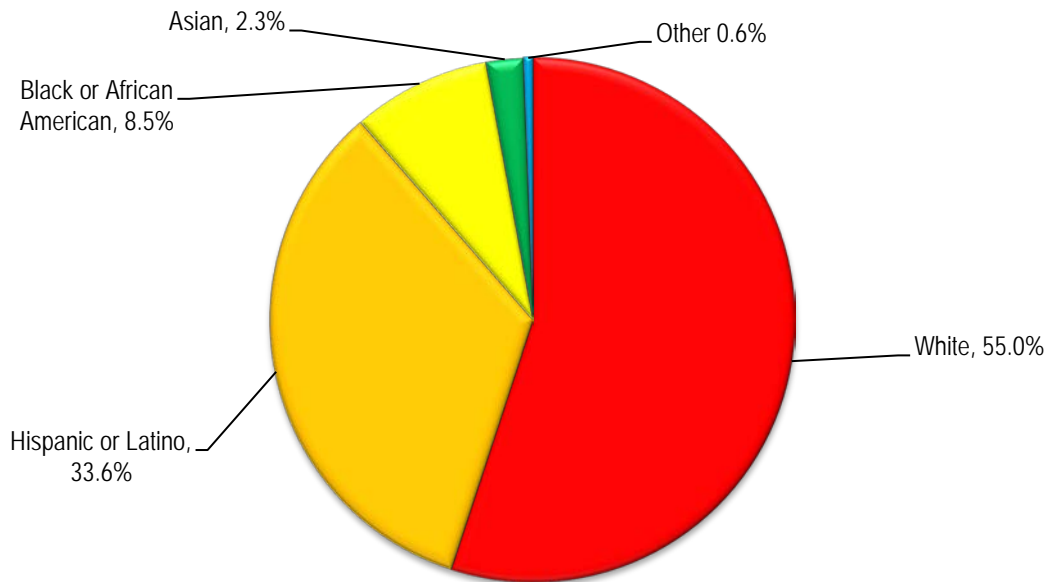
Age



Chapter 3: Village Profile

DEMOGRAPHICS (Continued)

Race



Education

High school graduate or higher	91.3%
Bachelor's degree or higher	32.3%

Housing

Housing units	6,563
Homeownership rate	79.6%
Median home value	\$192,600

Chapter 3: Village Profile

DEMOGRAPHICS (Continued)

Principal Property Tax Payers

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
United Facilities	\$ 10,474,669	1	2.61%
Wal-Mart Stores, Inc.	4,353,035	2	1.08%
Menards, Inc.	3,567,231	3	0.89%
Allsteel 900 Knell LLC	2,709,745	4	0.67%
Fox River Foods, Inc.	2,702,098	5	0.67%
Stag Montgomery, LLC	2,674,643	6	0.67%
IP Eat Five	2,476,918	7	0.62%
JC Penny Properties, Inc.	1,961,769	8	0.49%
Monmouth Capital Corp.	1,900,314	9	0.47%
Rochester Property, LLC	1,866,667	10	0.46%
	<u>\$ 34,687,089</u>		<u>8.63%</u>
2016 EAV	<u>\$ 401,706,662</u>		

Employment

Annual Average Unemployment Rates

Calendar Year	Village of Montgomery	Kane County	Kendall County	State of Illinois
2009	4.8%	10.5%	10.1%	10.2%
2010	11.1%	11.0%	10.1%	10.4%
2011	9.9%	9.8%	9.3%	9.7%
2012	9.0%	8.9%	8.4%	9.0%
2013	9.0%	8.7%	8.4%	9.0%
2014	7.0%	6.9%	6.4%	7.1%
2015	5.5%	5.8%	5.2%	6.0%
2016	5.5%	5.5%	5.1%	5.8%
2017	N/A	4.7%	4.5%	5.0%
2018 (April)	N/A	3.8%	3.2%	3.6%

Chapter 4: *Budget Process and Organization*

BUDGET PROCESS

The overall goal of the budget process is to present the Village Board with a budget that best addresses the needs and desires of the Village of Montgomery in the most efficient and effective manner possible. The budget process is an opportunity for the Village to assess and evaluate how it commits its financial resources and makes decisions regarding their continued use. The process, if conducted effectively, will result in a clearly spelled out plan for the future of this organization and a general collective understanding of how and where limited fiscal resources will be directed.

The budget serves as a policy document, financial plan, operations guide, and communications device. As a policy document, it contains a statement of entity-wide financial policies and non-financial goals and objectives of the Village. As a financial plan, it serves as the Village's primary instrument for promoting solvency, efficiency, and collective choices regarding the distribution and allocation of available resources. As an operations guide, it articulates the departmental action plans and how each of these plans will be accomplished. As a communications device, it contains information pertaining to key issues facing the Village, priorities for the coming year, accomplishments of prior years, and more.

The budget process for the Village of Montgomery involves the citizens, the Village President and Village Board, Village Administrator, Department Heads, supervisors and many others throughout the organization. Each person plays a critical role in the development of the budget for the upcoming year. Department Heads are responsible for evaluating the needs of their departments and divisions, soliciting input from supervisors and staff, and compiling those needs and priorities into a cohesive and straightforward budget request. The Village Board is critical in evaluating the budget, asking questions, and eventually approving the budget. Residents and their needs are, of course, the driving force behind the budget process. In addition, residents have opportunities to view the budget proposal and attend the Board meetings and public hearing when the budget is addressed.

The Village has adopted sections 5/8-2-9.1 through and including sections 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes (Municipal Code) providing for a municipality's financial operation under an annual budget in lieu of an appropriation ordinance. The budget process in the Village of Montgomery extends over seven months and culminates in April with the Village Board's adoption of the Village budget in advance of the beginning of the new fiscal year on May 1. The approved budget provides the authority to expend funds in the new fiscal year. Although much of the time and effort in preparing the budget takes place during the months of October through March, the development, implementation, monitoring and review of the Village's budget is part of a comprehensive process that occurs throughout the entire year.

Phase 1: Preparation

Staff begins preparing the next year's budget nine (9) months prior to adoption of the budget. In August, the Finance Department begins the process of moving the prior year budget numbers to the correct column (in Excel) so Departments can update as necessary. A budget form for each line item is required and additional details should be added to the budget forms where possible. This process ends with the budget/CIP kickoff meeting in early September.

Chapter 4: *Budget Process and Organization*

BUDGET PROCESS (Continued)

All Departments are required to attend the kickoff meeting and receive a Department Budget Preparation Manual (Manual). The Manual includes the purpose and legal basis for the budget, as well as the budget calendar and instructions to complete the budget form noted above. In addition, separate forms are provided for new personnel (PRF), program (BRF), and capital (CRF) requests. Each Department then utilizes September through December to update the line item forms which include the following:

- Fiscal year 2018 budget – as approved by the Village Board
- Fiscal year 2018 year-to-date (YTD) – print out or review the activity and determine if something has been categorized incorrectly
- Fiscal year 2018 projections – estimate of what will be spent (or received for revenue) by the end of April
- Fiscal year 2019 to 2023 budgets – start with prior year budget

Each operating department is responsible for submitting its own budget requests following the detailed instructions in the Manual. The budget forms, vehicle requests, personnel requests, program requests, and capital requests are submitted to the Finance Department in mid-December.

Phase 2: Integration

The Director of Finance prepares revenue estimates in December based upon historical trends, economic forecasts of authoritative sources, and anticipated activities and events in the community which are expected to have a local economic impact. The Director of Finance consolidates all the information gathered from departments in order to analyze budget requests as a whole. Additional information is collected, and any minor adjustments are made by the Director of Finance. The product is the budget as requested by all departments to the Village Administrator.

The Village Administrator and Director of Finance review each department's requests and make any necessary recommendations to achieve a balanced budget. The Village Administrator and Director of Finance then meet with the director of each department individually in late January or early February to discuss each respective budget request and any recommendations. The Village Administrator reviews the entire budget, ensures that it is consistent with the priorities and guidance of the Village Board, and fashions a feasible fiscal plan. The overall goal of the process is to have the Village Administrator recommend a balanced budget to the Village Board for review starting in February. A balanced budget is a budget in which revenues meet or exceed expenditures, and cash reserves or fund balance is not considered a revenue source. The Village may drawdown cash reserves or fund balance with a plan to return the reserves to a desired level.

Chapter 4: *Budget Process and Organization*

BUDGET PROCESS (Continued)

Phase 3: Adoption

The Village Board and staff conduct a series of meetings beginning in February and ending in March. The first meeting is held to review the General Fund budget as proposed, along with any new personnel or programs. The second meeting is held to review any governmental capital requests, while a third meeting is held to discuss the Water Fund, proprietary capital requests, and any other items not previously covered. A public hearing is held in March in order to allow for input on the process by residents of the community and to meet the Village's statutory obligations. Notices to participate in public meetings are provided in the local newspaper and on the Village's website. The Village Administrator, Director of Finance, and Department Heads are present at the hearings to address the issues and concerns by the Village President, Trustees and general public.

Based upon staff recommendations and its own findings, the Village Board may direct additions, deletions, or revisions to the proposed budget. The Director of Finance revises the proposed budget as directed by the Village Board and the Director of Finance submits it to the Village Board for formal approval in late March. The final budget is adopted by ordinance. As noted previously, the budget ordinance must be adopted prior to the start of the fiscal year and filed with the county clerk within 30 days of adoption.

The Village's current budgetary control is at the department level and a budget is adopted for every fund. Total expenditures may not exceed the total amount approved for each fund unless a budget amendment is approved by the Village Board. If necessary, the annual budget may be amended by the Village Board during the year, increasing or decreasing total revenues or expenditures for a particular fund. These budget amendments are usually necessary if anticipated expenditures are expected to exceed the total amount budgeted at the fund level due to changing priorities or unexpected occurrences.

The calendar on the following page illustrates the timeline of events that make up the entire budget process in the Village of Montgomery for fiscal year 2019.

Chapter 4: *Budget Process and Organization*

BUDGET CALENDAR (Bold Items Involve the Village Board)

9/6/2017	Budget/CIP kickoff meeting
11/13/2017	Announce and review tax levy (Village Board Meeting)
11/27/2017	Public hearing on tax levy (Village Board Meeting)
12/11/2017	Approval of tax levy (Village Board Meeting)
9/6/2017 – 12/15/2017	Departments prepare budget and CIP requests
12/15/2017	Submittal to Director of Finance <ul style="list-style-type: none">- Revenue updates and projections- Expense updates and projections- Vehicle requests- Personnel requests- CIP requests
12/15/2017 – 1/16/2018	Review of updates, projections, and requests by Director of Finance
1/16/2018	Budget submittal to Village Administrator
1/22/2018 – 1/26/2018	Departmental budget review with Village Administrator and Director of Finance
2/12/2018	Review General Fund (Village Board Meeting)
2/26/2018	Review Capital/Infrastructure Improvement Funds (Village Board Meeting)
3/1/2018	Notice of public hearing published and budget/CIP put on display for citizen review
3/12/2018	Public hearing (Village Board Meeting) First reading of budget ordinance Review Water Fund and other budgets
3/20/2018	Additional review if necessary (Committee of the Whole Meeting)
3/26/2018	Second reading of budget ordinance (Village Board Meeting) Approval of budget

Chapter 4: *Budget Process and Organization*

CLASSIFICATION OF REVENUES AND EXPENDITURES

The classification of revenues in the Village of Montgomery budget document is segregated by three levels of organization: fund, source, and account. The classification of expenditures in the Village of Montgomery budget document is segregated by six levels of organization: fund, function, organizational unit, character, object, and account. Each successive level of organization is more detailed and narrow in terms of the amount of expenditures. In other words, object codes are a subset of character codes and function codes are a subset of funds. This section explains this system of organization and identifies how the levels interrelate. The following are the glossary definition of each term:

FUND: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations (e.g., General Fund).

SOURCE: Revenue classification according to how and where the revenues were raised.

FUNCTION: A group of related activities aimed at accomplishing a major service for which a government is responsible (e.g., Public Safety).

ORGANIZATIONAL UNIT: A responsibility center within a government (e.g., Police).

CHARACTER: Expenditure classification according to the periods expenditures are presumed to benefit. The three character groupings are (a) current – presumed to benefit the current fiscal period; (b) debt service – presumed to benefit prior fiscal periods as well as current and future periods; and (c) capital – presumed to benefit the current and future fiscal periods.

OBJECT: This classification is used to describe the service or commodity obtained as the result of a specific expenditure (e.g., Personal Services).

ACCOUNT: This classification is a further subdivision of the object classification above detailing what service or commodity is being obtained (e.g. Salaries and Wages – Regular).

ORGANIZATION OF FINANCIAL PRESENTATION

Most of the financial information presented in this document appears in a tabular format, with the columns across the top of the table representing various fiscal years. For certain fiscal years, the data appears in multiple columns, reflecting the varying stages of the budget process. Each of those stages is explained below:

- **FY2017 Actual** – This column refers to the actual expenditures from the most recently completed fiscal year: FY2017 (May 1, 2016 through April 30, 2017). The source of this information is the Village's Comprehensive Annual Financial Report and financial software system.

Chapter 4: Budget Process and Organization

ORGANIZATION OF FINANCIAL PRESENTATION (Continued)

- FY2018 Budget – This column refers to the amount approved by the Village Board for the current fiscal year.
- FY2018 Estimated – This column refers to staff's estimate of the amount to be received or expended at the end of the current fiscal year. Assumptions are made about expenditures in the final few months of the fiscal year and added to year to date actual expenditures to arrive at an estimate for the entire year. This process of estimation is conducted separately by each director or staff person responsible for a given set of accounts and is reviewed by the Finance Department.
- FY2019 Approved – This column refers to the amount approved by the Village Board for the upcoming fiscal year.
- FY2020 through FY2023 Projected – These columns refer to the revenue and expenditure amounts projected for fiscal years beyond the fiscal year approved by the Village Board. The method used for determining projections varies depending on the account type. Revenues follow the same trends as discussed on pages 65 through 72 of this report. Personnel costs are determined by applying an increment depending on the anticipated raises and the amount of staff growth expected. Contractual services and commodities are normally determined by keeping the same level of expenditure as the previous year unless a Department is aware of a particular increase or decrease. Debt service is determined based on future debt service schedules. Capital outlay is determined based on the Capital Improvement Program.

FUND GROUPS AND BASIS OF BUDGETING

There are three fund categories used by the Village: 1) Governmental Funds, 2) Proprietary Funds, and 3) Fiduciary Funds. The three fund categories, as well as fund types underneath each category, are described below. See Table 2 – 1 below for a graphic of the fund categories and types.

Fund category	Fund type	Measurement focus		Basis of accounting	
		Economic resources	Current financial resources	Accrual	Modified accrual
Governmental funds	General fund		X		X
	Special revenue fund		X		X
	Debt service fund		X		X
	Capital projects fund		X		X
	Permanent fund		X		X
Proprietary funds	Enterprise fund	X		X	
	Internal service fund	X		X	
	Pension (and other employee benefit)				
Fiduciary funds	trust fund	X		X	
	Investment trust fund	X		X	
	Private-purpose trust fund	X		X	
	Agency fund	Not applicable		X	

Chapter 4: *Budget Process and Organization*

FUND GROUPS AND BASIS OF BUDGETING (Continued)

The Village establishes annual budgets for all of its funds except the agency funds. The Village prepares its governmental fund budgets on the same basis and its proprietary fund budgets on a different basis as the annual financial statements in accordance with accounting principles generally accepted in the United State of America (GAAP). GAAP are uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP for state and local governments is the Governmental Accounting Standards Board.

The budgets of the governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due (e.g. upon employee retirement or termination or debt payment). General capital asset acquisitions are reported as expenditures in governmental funds.

The financial statements of the proprietary and fiduciary funds are reported using the economic resources measurement focus (except the agency funds which do not have a measurement focus) and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Under the budgetary basis of accounting, the receipt of long-term debt proceeds, capital outlays, and debt service principal payments are reported in revenues and expenses, while GAAP excludes those. Allocations for depreciation and amortization expense are included in operations for the financial statement presentation, but excluded for budgetary purposes.

Property taxes are recognized as revenues in the year for which they are levied. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are principally supported by taxes and intergovernmental revenues. The Village administers the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and highways and streets.

Chapter 4: *Budget Process and Organization*

FUND GROUPS AND BASIS OF BUDGETING (Continued)

The Capital Improvement Fund accounts for the acquisition, construction and improvement of major governmental capital assets excluding infrastructure (not being financed by proprietary funds). Activities are financed by utility taxes and developer contributions.

The Infrastructure Improvement Fund accounts for the acquisition, construction and improvement of major governmental infrastructure assets (not being financed by proprietary funds). Activities are financed by non-home rule sales tax.

The Debt Service Fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds (Series 2008, Series 2011, and Series 2014). Activities are financed by transfers from the Capital Improvement Fund.

In addition, the Village manages the following non-major governmental funds (fund type in parentheses):

- Motor Fuel Tax Fund (Special Revenue)
- Community Improvement Fund (Special Revenue)
- Forfeiture & Seizure Fund (Special Revenue)
- Emergency 911 Fund (Special Revenue)
- Lakewood Creek Special Assessment Project Fund (Capital Projects)
- Montgomery Preserve TIF #1 Fund (Special Revenue)
- Aucutt Road TIF #2 Fund (Special Revenue)
- TIF #3 Fund (Special Revenue)
- Vehicle Reserve Fund (Capital Projects)
- Police Gift Fund (Special Revenue)
- Montgomery Crossing SSA Fund (Special Revenue)
- Blackberry Crossing SSA Fund (Special Revenue)
- Fairfield Way SSA Fund (Special Revenue)
- Arbor Ridge SSA Fund (Special Revenue)
- Foxmoor SSA Fund (Special Revenue)
- Saratoga Springs SSA Fund (Special Revenue)
- Orchard Prairie North SSA Fund (Special Revenue)
- Blackberry Crossing West SSA Fund (Special Revenue)
- Fieldstone Place SSA Fund (Special Revenue)
- Balmorea SSA Fund (Special Revenue)
- Marquis Point SSA Fund (Special Revenue)
- Ogden Hill SSA Fund (Special Revenue)

Proprietary Funds are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost of providing goods or services on a continuing basis be financed or recovered primarily through user fees and charges. The Village administers the following major enterprise fund:

Chapter 4: Budget Process and Organization

FUND GROUPS AND BASIS OF BUDGETING (Continued)

The Water Fund (Water and Water Improvement Funds are consolidated in the financial statements) accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

In addition, the Village manages the following non-major proprietary funds (fund type in parentheses):

- Refuse Fund (Enterprise)
- Employee Insurance Fund (Internal Service)

The following matrix identifies the relationship between the major governmental and proprietary funds and departments:

Table 2 - 2					
Fund	Administration	Community Development	Finance	Police	Public Works
General	X	X	X	X	X
Capital Improvement	X	X	X	X	X
Infrastructure Improvement					X
Debt service			X		
Water			X		X

Lastly, the Village administers fiduciary (pension trust and agency) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees, bondholders and other governments. There is not a direct relationship between the departments and fiduciary funds since these funds are held for others. The Village oversees the following fiduciary funds (fund type in parentheses):

- Police Pension Fund (Pension Trust)
- Talma Street SSA Fund (Agency)
- Escrow Fund (Agency)
- Flexible Benefits Fund (Agency)
- Lakewood Creek Special Assessment Agency Fund (Agency)
- Blackberry Crossing West SSA Agency Fund (Agency)
- Cornell Avenue SSA Fund (Agency)
- Temporary Certificate of Occupancy Fund (Agency)

Chapter 5: *Mission, Vision, and Long-Term Planning*

MISSION STATEMENT:

To create an environment of service, leadership and civic commitment for a diverse, sustainable Village and vibrant, high-quality community life.

OUR VISION:

Our Downtown projects a beautiful sense of place, a vibrant center of retail, business services and social and recreational activity.

Our high-quality transportation network offers efficient mobility options and minimizes travel delays.

Montgomery stakeholders enjoy a rich palette of public services and amenities as a result of intergovernmental collaboration.

Quality open space and environmentally sound policies and actions exemplify our avid commitment to sustainability.

We are exceptional stewards of Village resources.

GUIDING PRINCIPLES:

Our behavior is governed by our guiding principles and values, and our success depends on consistently living these values both as an organization and as a community.

- We act ethically, with integrity, honesty, and are worthy of trust.
- We are respectful of people, property, and the environment.
- We are open, cooperative, collaborative, and value teamwork.
- We are accountable to ourselves, each other, and the community.
- We embrace a standard of excellence and competence.
- We generate excitement, vitality, and pride in our community.

OBJECTIVES:

Consistent with the Village's mission statement are operational objectives that provide direction for the Village policies and procedures as set by the Village President and Board of Trustees. These objectives do not change from year to year and are the main consideration for all planning endeavors and projects undertaken by Village staff as directed by the Village Board. These operational objectives are as follows:

- To maintain a safe and healthy atmosphere in which to live and work.
- To provide for the Village's long-term financial stability.
- To respond in an efficient and effective manner to community needs.

Chapter 5: *Mission, Vision, and Long-Term Planning*

LONG-TERM PLANNING

Alan Lakein is a well-known author on personal time management who stated, "Planning is bringing the future into the present so that you can do something about it now." Proper plans that are formulated ahead of time help leaders and organizations to execute projects, reach their goals, and fulfill their vision. In planning ahead, the Village has been able to assess risks, transform risks to opportunities, become proactive in our response, and improve performance. By improving the Village's performance through good planning and preparation, staff will be clearer about what to do next. The sections below illustrate long-term planning efforts and the impact each has on the budget.

Operating Budget Forecast

The Operating Budget Forecast has been expanded to 5 years to facilitate long-term financial planning. Finance staff works together with each Department during all three stages of the budget process, as shown on pages 31 through 33, to determine key forecast assumptions to project major revenue sources and expenditures. This forecast impacts the budget by providing for stability, planning, and direction for future resource allocation and decision making. During fiscal year 2019 budget discussions, the long-term outlook led the Village to only hire on patrol officer (impact of staffing on future budgets), need to examine fee structures on a regular basis (community development and police will look at these during fiscal year 2019), and reduce the number of capital improvement projects (based on available funding sources). This has been very insightful and extremely helpful in maintaining long-term sustainability.

Capital Improvement Program

The Village is required to maintain a 5-year Capital Improvement Program (CIP) in accordance with its fiscal policies. The CIP may include land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure including, but not limited to roads, sanitary sewer system, waterworks system, stormwater system. This program is used to identify and prioritize future capital needs and possible funding sources, impacting the budget by including the first three years in the Operating Budget Forecast noted above. The fiscal year 2019 through fiscal year 2023 CIP is shown on page 75.

Pavement Management Report

The purpose of the Pavement Management Report is to create a tool to aid the Village in developing a 5-year plan to maintain or improve roadways in the community. An annual update is provided to the Village Board for approval. The report results in a systematic approach to roadway maintenance that will impact the budget by identifying the annual costs that should be expended to meet the desired goal. This report provides for infrastructure needs that integrate with the Capital Improvement Program noted above.

Computer Equipment Replacement

The Finance Department worked with our IT consultant to establish a Computer Equipment Replacement schedule. Computer equipment is often below the capitalization threshold, but usually includes information sensitive in nature. This 5-year plan impacts the budget by allowing for annual replacement at an established base level. Replacement decisions are determined based on software technology, economic issues, maintenance costs, and potential downtime.

Chapter 5: Mission, Vision, and Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan

The Village recognizes the importance to develop and manage programs, services, and their related resources as efficiently and effectively as possible. Accordingly, the Board approved the Strategic Plan to establish the direction of the Village. Senior Management have identified specific goals and initiatives to accomplish the key outcome indicators (KOI), the 5 main strategic priorities, and ultimately the Strategic Plan as a whole. This 4-year plan allows for the reallocation of resources to annual Departmental goals and initiatives that will be identified in Chapter 9 by listing the strategic priority in the color matching the KOI, Goal, and Initiatives. The Village has budgeted in fiscal year 2019 for a consultant to assist in updating its mission and vision statements, as well as a new 5-year strategic plan that includes specific steps to achieve its strategic priorities.

To better understand the Village's plan, it is necessary to provide a short explanation of each main heading. The Strategic Priorities are the issues the Village feels are most important for the community. The Key Outcome Indicators (KOI) are ongoing objectives used to maintain focus on the desired results for each Priority. Goals are long-term and broad in nature and provide concepts to help move the Village toward accomplishment of each KOI. Last are short-term, specific initiatives that will help the Village achieve the desired Goals. The format developed below allows staff to show the results of our work thus far.

Strategic Priority	Key Outcome Indicator (KOI)	Goal	Initiatives	Results
Downtown	Mixed Use Development	Identify developers	Explore TIF #4 (Avaya)	
			Explore TIF #5 (downtown)	
			Investigate business district	
		Identify funding		
		Identify sites		
	Fox River	Dam modification	Identify funding source	
			Engage IDNR	
			Work with park districts	
		Improve access	River clean up	
			Vegetation control	
			Boat/kayak launch	
		Promote and increase Use	Whitewater feature	
	Attractions	Dining	Identify specific businesses	South Moon BBQ (2016)
			Zipline	Montgomery in Motion (2016)
			Library agreement	
		Entertainment	Internet café	
			Running	
			Bicycling	
		Services	Theatre	
			Montgomery in Motion	
			Cruise Night	
	Transportation	Metra station	Work with City of Aurora	Meeting with Metra (2015)
			Work with Metra	Meeting with Metra (2016)
			Work with Pace	
		Bicycling	Investigate use of Diwy	
			Work with other public entities	
		Park and Ride		

Chapter 5: Mission, Vision, and Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan (Continued)

Strategic Priority	Key Outcome Indicator (KOI)	Goal	Initiatives	Results
Development	Industrial	150,000 square feet	Marketing plan	Michels (2015)
			Partnership with SBDC	Heinz (2015)
			Partnership with EDC	American Crystal (2016)
		Desirable jobs	Supply chain integration	Lakin (2016)
			Partnership with Waubensee	Nexeo (2017)
			Incentive policy	Old Dominion (2017)
	Commercial	80,000 square feet		
		Service provider diversity	Incentive policy	Speedway (2015)
			Marketing plan/corridor planning	Chiquita (2015)
			Explore TIF #3	U-Haul (2016)
			Use of sales tax rebates	9ers (2016)
			Use of revolving loan fund	Mattress Firm/AT&T (2016)
			Sit down restaurants	Pig Dog Pub (2016)
			Attract niche markets	Binny's Beverage Depot (2016)
		50 new home permits per year	Business friendly	Fullers Car Wash (2017)
			Service provider diversity	Ricky Rockets (2018)
			Competitive fees structure	
	Residential	120 new platted sites	Land use up-to-date	
			Efficient process	
		200 infill lots		

Strategic Priority	Key Outcome Indicator (KOI)	Goal	Initiatives	Results
Image	Public Safety	Enhance public perception	Staff training plan	
			Emergency Operations Plan	
			Citizens Police Academy	
		Succession	Community involvement	
			- Schools and neighborhoods	
			Regular communication	
	Community Interaction	Planning	Continuity of Operations Plan	
		Civic Engagement	Regular communication	Montgomery Fest (2015)
			Montgomery in Motion (brand)	River Run (2015)
			Fox Valley Park District launch	Sunday in the Park (2016)
		Marketing plan	Paddleboards	Montgomery in Motion logo (2016)
			Village events	Trunk or Treat (2016)
			- Regalia/Venetian night	McDole ice control event (2016)
			- Airboat race/kid's sailboat race	
	Community Perception	Residents	- Monthly cruise night	
			- West side event	
			Mission statement review	New Snow Plan (2015)
		Businesses	Vision statement review	
			Annual Village HOA meeting	
			Community wide survey	
		Outside Entities	Customer service training	
			Business meetings - existing	
			Signage - gateway and wayfinding	
			Infrastructure quality	
			Water quality	

Chapter 5: Mission, Vision, and Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan (Continued)

Strategic Priority	Key Outcome Indicator (KOI)	Goal	Initiatives	Results
Financial Stability	Budget	Forecasting	Long-term financial plan	3 year financial plan (2015)
			Long-term staffing plan	Line item detail (2015)
			Budget to actual disclosure	NHR sales tax (2015)
		Local revenues		
		Transparency		
	Debt Management	Bond rating of AA+	Meet pension funding requirements	Full amount to IMRF and PP (2015)
			- IMRF/Police Pension	Timely continuing disclosure (2015)
			Opportunity for refunding	
		Debt issuance	Financial policy review	
			Continuing disclosure	
		Pension		
	Policies	Financial	Annual policy review	CIP (2015)
			Village wide purchasing policy	
			Annual Capital Improvement Program	
		Capital	Expand fund reserve policy	
			Investment program review	
			Internal control review	
		Cash management		

Strategic Priority	Key Outcome Indicator (KOI)	Goal	Initiatives	Results
Capital Investment	Technology	Hardware and software	Explore village-wide software	Replacement schedule (2015)
			Board room audio/visual	Financial software update (2016)
			Fiber optic/wifi	Police software update (2016)
		Building systems		New phone system (2016)
				New door system (2016)
		Self-service options		
	Infrastructure	Maintenance of existing	Cross-reference program plans	Road Maintenance Program (2015)
			Annual update to programs	Sidewalk and Path Program (2016)
			Water Rate Study	Waterworks Master Plan (2017)
		Future improvements	Identify funding opportunities	Water Rate Study (2018)
			- Grants, loans, and bonds	
			Street light program	
		Capital needs	Mapping	
			Forestry program	
			Sub-regional water supply	
	Fleet	Efficiency	Match equipment with needs	Shared equipment resolution (2016)
			Preventive maintenance	Part-time mechanic (2016)
			Investigate alternate fuels	Revised Fleet Replacement (2016)
		Maintain reliability	Evaluate share services	Reserve fully funded (2017)
			- Mechanic and fueling	
	Building	Maintenance of existing	Identify funding sources	Public Works space planning (2016)
			Identify major systems	Improved internal use of space (2016)
			- HVAC, electric, and water	Public Works security cameras (2017)
		Public Works update		

Chapter 5: *Mission, Vision, and Long-Term Planning*

LONG-TERM PLANNING (Continued)

Vehicle and Equipment Replacement

Per Village policy, each department shall contribute for Vehicle and Equipment Replacement on an annual basis in order to maintain a “pay-as-you-go” basis. This 15-year plan impacts the budget by allowing for funding of replacements annually at an established base level. The Public Works Department works together with other departments to determine the useful life and condition of certain vehicles and equipment. This ensures that the condition of the fleet is at an optimum level, reducing fleet maintenance and service costs.

Comprehensive Plan

The Go Montgomery 2035 Comprehensive Plan is a 20-year plan meant to inform and share decisions about land use and development, transportation and mobility, parks and open space, community facilities and infrastructure, and hazard mitigation and sustainability. The plan recognizes changes in economic climate, represents the Village’s vision for the future, and serves as the official policy and guide for improvement and development throughout the community. The Community Development Department follows the goals and vision set forth to review development proposals to ensure they meet the guidelines set forth in the plan. It is used to identify development that works for specific areas through appropriate design, functionality, and uses, as well as to guide policy that leads to economic development opportunities.

Marketing

The Comprehensive Plan identified a lack of community identity. Some think that the Village’s ambiguous identity is linked to the Village’s multiple taxing districts, particularly its five school districts. Although invisible, these district boundaries inadvertently create separate communities. Others find the identity of Montgomery can be explained through the Village’s market makeup. Montgomery used to be acclaimed as “The Village of Industry,” but recent loss of industry and additional residential and commercial development may no longer make this an accurate definition of the Village. Residents noted that creating a stronger core and central gathering place could be the answer to strengthening the Village’s identity.

We started a marketing campaign for the community called “Montgomery in Motion”. This campaign is intended to represent the many areas the Village is in motion, including:

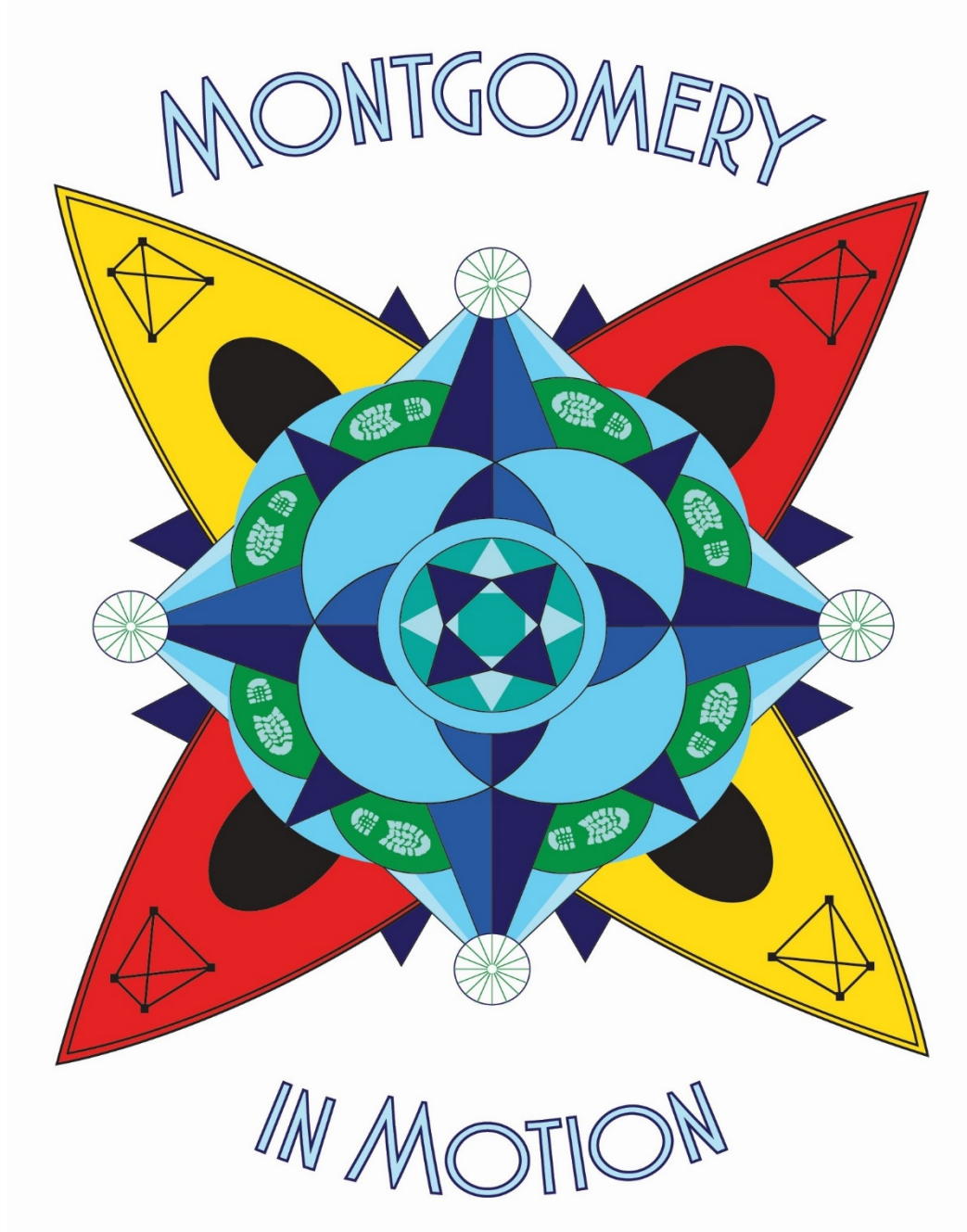
- Water in the Fox River;
- Walking, running, or biking opportunities throughout the Village and it’s neighborhoods;
- Development providing additional services and jobs; and
- Concepts to continue to move the Village forward.

The Village requested designs from the Oswego High School Graphic Communications class depicting their interpretation of Montgomery in Motion. We feel the winning design, shown on the following page, is a starting point to bring the community together.

Chapter 5: Mission, Vision, and Long-Term Planning

LONG-TERM PLANNING (Continued)

Marketing (Continued)



The Village worked with a marketing professional during fiscal year 2018 to help develop this idea and will continue to do so into fiscal year 2019. We feel the development of a consistent message will serve the Village and our residents well into the future.

Chapter 5: *Mission, Vision, and Long-Term Planning*

LONG-TERM PLANNING (Continued)

Waterworks System Master Plan

The Waterworks System Master Plan was undertaken by the Village of Montgomery to help identify a long-term sustainable water source for the community and was completed in fiscal year 2017. The Village Engineer worked with the Village and 2 other local communities (Oswego and Yorkville) to determine the best solution for future water needs of each community, as well as a sub-regional solution for all 3 together. The plan allows for each community to budget for current costs, starting in fiscal year 2018, needed to test each source of water. This 30-year plan will factor into the budget discussion each year including, but not limited to, the governance of a sub-regional solution (if applicable), land purchase, and ultimately the design and construction of a new or expanded Waterworks System plant.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES

The revised financial policies below were formally adopted by the Village Board in February 2018. The Village Board also adopted a revised investment policy, as well as brand new debt, purchasing, and purchasing card policies at the same time. The capital asset policy was reviewed, but no revisions to the September 2015 version was needed.

Purpose

The Village of Montgomery has a tradition of sound municipal financial management. The Village has a responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely, and to plan for the funding of services and facilities required by the public. The main financial goal is to preserve our quality of life by providing and maintaining adequate financial resources necessary to sustain a sufficient level of municipal services, and to respond to changes in the economy, the priorities of governmental and non-governmental organizations, and other changes that may affect our financial well-being.

Financial policies are general statements that ensure a decision will contribute to the attainment of the goal above. Financial policies are central to a strategic, long-term approach to financial management. These policies are intended to establish a framework for providing quality services to the community in an efficient and effective manner within the limitations established in the policies. The policies of the Village are designed to ensure the continued financial health of the Village by meeting the following objectives:

- Promote stability and continuity by institutionalizing good financial management practices.
- Provide financial principles to promote long-term strategic thinking.
- Offer the Board accurate, timely information so that policy decisions can be made in a judicious manner.
- Define boundaries within which staff can innovate to realize the Village's strategic plan.
- Ensure legal compliance with the budget through a system of internal controls.
- Manage risk to financial condition by providing a strategic context for controls.
- Protect and maintain the Village's credit rating.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Accounting, Auditing and Reporting Policy

- A. The Village will establish and maintain a high standard of accounting practices in conformance with accounting principles generally accepted in the United States of America (GAAP) for governmental entities as promulgated by the Governmental Accounting Standards Board (GASB).
- B. Governmental funds will be reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred.
- C. The government-wide, proprietary fund, and fiduciary trust fund financial statements will be reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.
- D. Fiduciary agency funds will be reported using the accrual basis of accounting to recognize receivables and payables. However, they do not have a measurement focus since they report only assets and liabilities, and do not report equity or changes in equity.
- E. The Village's financial accounting system will maintain records on a basis consistent with accepted standards for local government accounting (according to GASB).
- F. An audit of the Village's financial statements will be performed annually in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of certified public accountants, who will publicly issue an opinion that will be incorporated into the financial statements.
- G. As an additional independent confirmation of the quality of the Village's financial reporting, the Village will submit its Comprehensive Annual Financial Report (CAFR) annually to the Government Finance Officers Association (GFOA) for the purpose of obtaining the Certificate of Achievement for Excellence in Financial Reporting.
- H. The Village will promote full disclosures in its financial statements in accordance with, but not limited to, the requirements of the GASB.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Budget Policy

The budget represents one of the most important documents adopted each year in any organization. The budget serves as a policy document, financial plan, operations guide, and communications device. As a policy document, it contains a statement of entity-wide financial and non-financial goals and objectives of the Village. As a financial plan, it serves as the Village's primary instrument regarding the distribution and allocation of available resources. As an operations guide, it articulates the departmental action plans and how each of these plans will be accomplished. As a communications device, it contains information pertaining to key issues facing the Village, priorities for the coming year, and accomplishments of prior years.

A. Budget guidelines

1. Illinois law requires that all general-purpose local governments pass an appropriation ordinance within the first quarter of each fiscal year or an annual budget shall be adopted by the corporate authorities before the beginning of each fiscal year to which it applies. The Village has chosen to adopt sections 5/8-2-9.1 through and including sections 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes (Municipal Code) which provide for a municipality's financial operation under an annual budget in lieu of an appropriation ordinance.
2. The Village establishes annual budgets for all of its funds except the agency funds. The Village prepares its governmental fund budgets on the same basis and its proprietary fund budgets on a different basis as the annual financial statements in accordance with accounting principles generally accepted in the United State of America (GAAP). GAAP are uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP for state and local governments is the Governmental Accounting Standards Board.
 - a. Governmental fund budgets are reported using the current financial resources measurement focus and the modified accrual basis of accounting.
 - b. Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the budgetary basis of accounting, the receipt of long-term debt proceeds, capital outlays, and debt service principal payments are reported in revenues and expenses, while GAAP excludes those. Allocations for depreciation and amortization expense are included in operations for the financial statement presentation, but excluded for budgetary purposes.
3. The Village's current budgetary control is at the department level. If necessary, the annual budget may be amended by the Village Board during the year.
4. The Village will adopt and maintain a balanced budget in which expenditures will not be allowed to exceed reasonably estimated revenues and other available funds at the same time maintaining recommended fund balances.
5. The budget shall contain:
 - a. Recommended revenues and expenditures for the fiscal year for which the budget is drafted;

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Budget Policy (continued)

- b. Budget and estimated revenues and expenditures for the year immediately preceding, as well as actual revenues and expenditures for the second year preceding the fiscal year for which the budget is prepared; and
- c. Development of projected revenues and expenditures for at least 4 years beyond the fiscal year for which the budget is drafted and compare the projected balances to the fund balance policy. This will allow the Village to identify potential problems early enough to correct them.

B. Budget principles

- 1. The Village's annual budget will be developed in accordance with the policies and priorities set forth in the Capital Improvement Program, Pavement Management Report, Strategic Plan, Comprehensive Plan, the Waterworks System Master Plan, the needs of the community, and federal and state laws.
- 2. The Village seeks to maximize the value the public receives through its spending. Accordingly, staff should develop budget tools and methods to maximize value, particularly by critically examining existing spending patterns to make sure they continue to provide value.
- 3. Maintain the quality of existing core services before adding new services unless there is an explicit decision to lower the quality of an existing service in favor of providing a new service.
- 4. It is the intent of the Village to fund the current portion of long-term liabilities in the budget so as to maintain the trust of creditors and to avoid accumulating an unmanageable liability.

C. Budget process

The overall goal of the budget process is to present the Village Board with a budget that best addresses the needs and desires of the Village of Montgomery in the most efficient and effective manner possible. The budget process is an opportunity for the Village to assess and evaluate how it commits its financial resources and make decisions regarding their continued use. The process, if conducted effectively, will result in a clearly spelled out plan for the future of this organization and a general collective understanding of how and where limited fiscal resources will be directed.

The budget process for the Village of Montgomery involves the citizens, the Village President and Village Board, Village Administrator, Department Heads, supervisors and many others throughout the organization. Each person plays a critical role in the development of the budget for the upcoming year. Department Heads are responsible for evaluating the needs of their departments and divisions, soliciting input from supervisors and staff, and compiling those needs and priorities into a cohesive and straightforward budget request. The Village Board is critical in evaluating the budget, asking questions, and eventually approving the budget. Residents and their needs are, of course, the driving force behind the budget process. In addition, residents have opportunities to

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Budget Policy (continued)

view the budget proposal and attend the Board meetings and public hearing when the budget is addressed.

1. The budget should allow for the implementation of specific goals and objectives as developed by each department.
2. All Departments are required to attend a kickoff meeting and receive a Department Budget Preparation Manual. In addition, separate forms are provided for new personnel (PRF), program (BRF), and capital (CRF) requests. Each operating department is responsible for submitting its own budget requests.
3. The Director of Finance will prepare revenue estimates and consolidate all the information gathered from departments in order to analyze budget requests as a whole.
4. The Village Administrator and Director of Finance will meet with each Department Head individually to discuss each respective budget request and any recommendations.
5. The Village Administrator will review the entire budget to ensure that it is consistent with the priorities and guidance of the Village Board, and fashions a feasible fiscal plan.
6. The tentative annual budget shall be made conveniently available to public inspection prior to the passage of the annual budget. The Village shall hold at least one public hearing on the tentative annual budget prior to final action on the budget.
7. The Director of Finance will revise the proposed budget as directed by the Village Board and submit it to the Village Board for formal approval by ordinance.

D. Budget control

1. The Finance Department will maintain a system for monitoring the Village's budget performance. Interim financial reports comparing actual experience against budgeted revenues and expenditures in the current fiscal period shall be distributed and reviewed with the Village Board on a quarterly basis. The Finance Department will also provide monthly reports comparing actual experience against budgeted revenues and expenditures in the current fiscal period to Department Heads. The Department Heads have primary responsibility for ensuring their departments stay within their annual adopted budget.
2. The annual budget should effectively communicate meaningful and understandable information to the Village residents, Village Board, Village Staff, and other readers. To accomplish this goal the Village will prepare and submit its annual budget to the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award Program.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Cash Management Policy

The cash management system is designed to accurately monitor and forecast revenues and expenditures, thus enabling the Village to invest funds to the fullest extent possible.

The essential purpose of Village investments is to maximize interest income while preserving principal and maintaining sufficient liquidity to meet expenditure obligations.

An investment policy has been adopted by the Village Board as a separate document, and is incorporated into these financial policies by reference. The investment policy describes the parameters for investing the Village's funds. The major components of the investment policy are as follows:

1. The Village commingles its cash and investments, excluding those that are legally required to be held separately, to maximize investment earnings and to increase efficiencies with regard to pricing, safekeeping, and administration.
2. The primary objectives, in order of priority, of all investment activity are: safety, liquidity, and return on investment.
3. Investments and deposits of public funds shall be made with judgment and care, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs.
4. The Village will maintain a list of authorized financial institutions including depositories, investment advisors, and broker/dealers.
5. The amount of collateral provided will not be less than 105% of the market value of the net amount of public funds secured..
6. State statutes and the investment policy noted above, govern the investment of public funds and provide the general framework for investment activity and fiduciary responsibilities.
7. To the extent possible, the Village of Montgomery will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than five years from the date of purchase.

Capital Planning Policy

Capital investments and their condition are critical to the quality of services provided to Village residents. The Village should assess the issues, challenges, and opportunities affecting the provision of these capital investments, including community needs and priorities; the impact of deferred maintenance; funding issues; changes in development, population, or technology; and any legal or regulatory changes.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Capital Planning Policy (Continued)

A capital asset policy has been adopted by the Village Board as a separate document, and is incorporated into these financial policies by reference. The objective of the capital asset policy is to establish and maintain capital asset records to comply with governmental financial reporting standards, to ensure adequate control and appropriate use of capital assets, and to provide accountability for property control.

Capital planning is an instrument used by the Village to provide funding for strategic investments at a given time and location. This systematic effort ensures all Village decisions and initiatives regarding capital assets are planned and executed to maximize the functionality and value of the Village's capital assets. This effort encompasses a collection of processes that requires effective leadership and the involvement and cooperation of all Village departments. These processes include:

A. Capital Improvement Program

The Village will develop and maintain a five-year Capital Improvement Program (CIP).

1. Capital improvements refer to major, non-recurring physical expenditures such as land, buildings, and public infrastructure.
2. The Village should include a description, timeline, amount required, and financing strategies to be employed. In addition, future operating and maintenance costs associated with the capital improvement should be included.
3. A capital improvement will not be budgeted unless there is a reasonable expectation that funding is available. Funding sources may include, but are not limited to:
 - a. Grants;
 - b. Non-home rule sales tax;
 - c. Utility taxes;
 - d. Water and sewer revenues; and
 - e. Long-term debt, where applicable.
4. The condition of Village infrastructure will be evaluated to appropriately prioritize and schedule maintenance and replacement. Components of the evaluation include, but are not limited to:
 - a. Pavement Management Report;
 - b. Shared Use Path Maintenance Plan;
 - c. Sidewalk Gap Installation Plan; and
 - d. Waterworks System Master Plan.
5. The CIP should be reviewed and updated annually to reflect changing community needs, priorities, and funding opportunities.

B. Capital budget

The Village will enact an annual capital budget based on the multi-year Capital Improvement Program.

1. The capital budget outlines specific projects and is the authorization of needed spending for the first year in the Capital Improvement Program as a part of the Village's annual budget.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Capital Planning Policy (Continued)

B. Capital budget (Continued)

2. This is the critical link that brings capital planning into reality.
3. Projects and financing sources outlined for subsequent years are not authorized until the annual budget for those years is legally adopted.
4. The out years serve as a guide for future planning and are subject to further review and modification.

C. Equipment replacement

The Village will project its equipment replacement needs as part of its capital planning process.

1. The Village will establish a fifteen-year vehicle and equipment replacement schedule.
 - a. A report on the replacement of vehicles will be prepared on an annual basis and presented as part of the Village's annual budget.
 - b. Each department shall contribute to the Vehicle and Equipment Replacement Fund (VERF) on an annual basis.
 - c. The VERF provides for the orderly replacement and most cost-effective method to maintain its fleet while minimizing the annual fluctuations in expenditures from the operating funds.
 - d. The Public Works Department will evaluate all vehicles due for replacement on an annual basis and make a recommendation for a change in useful life or replacement. This ensures that the condition of the fleet is at an optimum level, reducing fleet maintenance and service costs.
 - e. Vehicle and equipment replacement is based on several factors including mileage, hours, reliability, maintenance and repair costs, and age.
 - f. The Village will attempt to obtain the highest sale value for its used vehicles and equipment. This may be achieved through trade-in, sale, or auction and any proceeds shall be applied to the VERF.
2. The Village will establish a five-year computer equipment replacement schedule.
 - a. Computer equipment is often below the capitalization threshold, but includes items that are sensitive in nature. Therefore, the Village will maintain an inventory of computer equipment and update it on an annual basis.
 - b. A report on the replacement of computer equipment will be prepared on an annual basis and presented as part of the Village's annual budget.
 - c. The cost of computer equipment will be included in the annual operating budget in the applicable department/division who utilizes the equipment.
 - d. The replacement cost and general useful life guidelines of computer equipment will be reviewed on an annual basis.
 - e. Computer equipment replacement is on software technology, economic issues, maintenance costs, and potential downtime.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Debt Administration Policy

The debt administration system is designed to obtain financing only when necessary, establish conditions to obtain financing at the lowest cost, retain the highest practical credit rating, and to maintain full and complete financial disclosure and reporting.

A debt management policy has been adopted by the Village Board as a separate document, and is incorporated into these financial policies by reference. The debt management policy provides the parameters for debt financing. The major components of the debt management policy are as follows:

1. The Village will abide by applicable Federal law, U.S. Securities and Exchange Commission (SEC) regulations, and Illinois Compiled Statutes (ILCS).
2. As a non-home rule community, the statutory limit on the amount of general obligation debt outstanding cannot exceed 8.625% of equalized assessed valuation. The legal debt limit specifically excludes general obligation alternate revenue bonds and other debt which is being repaid by a revenue source other than property taxes. Maintaining significantly lower debt levels provides for greater flexibility in issuing additional bonds should the need arise.
3. The Village will not use long-term debt financing to fund operating expenditures.
4. The Village will analyze market conditions, and long-term capital needs assessments, prior to debt issuance to determine the most advantageous average life. The debt structure may be lengthened during low interest rates and shortened during high rates.
5. The Village will confine long-term borrowing to those capital improvements or one-time obligations that cannot be financed from current financial resources.
6. Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the reasonably expected useful life of the improvement.
7. The Village will maintain communications with bond rating agencies about its financial condition. The Village will follow a policy of full disclosure on every financial report and bond prospectus.
8. The Village will consider the refunding of outstanding debt when at least a 2% present value savings can be obtained for a current refunding and at least a 3% present value savings can be obtained for an advance refunding, as long as it is beneficial to the Village.
9. Continuing disclosures will be filed annually as required by the Village's outstanding debt in accordance with Securities and Exchange Commission (SEC) Rule 15c2-12.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Reserve Policy

Reserves are the cornerstone of financial flexibility. This policy establishes a minimum level (target) at which reserves should be maintained to provide financial stability, cash flow for operations, and the assurance that the Village will be able to respond to emergencies with fiscal strength. In addition, it is the Village's philosophy to support long-term financial strategies where fiscal sustainability is its first priority, while also building funds for future growth. It is essential to maintain adequate levels of reserves to not only provide a government with options to respond, but also mitigate unexpected issues and other forms of current and future risks. Reserves are a crucial consideration in long-term financial planning which credit rating agencies carefully monitor to evaluate the Village's continued creditworthiness.

Governmental

Governmental funds are used to account for and report all or most of the Village's general activities, which are primarily supported by taxes, grants, and similar revenue sources. All governmental funds utilize a current financial resources measurement focus where only current financial assets and liabilities are generally included on their balance sheets (no capital assets or long-term debt). Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Fund balance is defined as the difference between assets and liabilities in a governmental fund. Reserves typically comprise a portion of total fund balance in governmental funds. The Village will spend the most restricted dollars before less restricted, in the following order:

- Nonspendable (if funds become spendable) – inherently nonspendable, such as prepaid items, inventories, and the long-term portion of a receivable;
- Restricted – subject to external enforceable legal restrictions;
- Committed – self-imposed limitations imposed by the Village Board;
- Assigned – denotes an intended use of resources; and
- Unassigned – resources not subject to restrictions noted above.

1. General fund

- 1) Governmental fund type used to account for and report all financial resources not accounted for in some other fund. The general fund serves as the chief operating fund of the Village.
- 2) The Village will strive to maintain a minimum unrestricted fund balance (committed, assigned, or unassigned) in the General Fund to fund operations for a period of at least three months. The General Fund reserve is adjusted with the adoption of the annual budget and is calculated as three months (25%) of current year expenditures.

Chapter 6: Financial Policies

FINANCIAL POLICIES (Continued)

Reserve Policy (continued)

- 3) The Village desires to maintain a prudent level of financial reserves to guard its citizens against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. The fund equity has been accumulated to meet this purpose, enhance long-term financial planning, maintain good standing with rating agencies, and provide stability and flexibility to respond to unexpected adversity or opportunities.
 - 4) The Village will avoid the use of fund balance for recurring operating expenditures. If the utilization of fund balance is necessary to maintain the quality or level of current services, an explanation of the circumstances and strategy to address the future use will be brought to the Village Board. If the fund balance is anticipated to fall below 25%, a plan will be developed and implemented to restore the fund balance to an acceptable level within a reasonable period of time.
2. Special revenue funds
 - 1) Governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects. Financing is provided by property tax, fees, intergovernmental receipts, fines and forfeitures, and other restricted, committed, or assigned revenues.
 - 2) Special revenue funds are designed to help determine and demonstrate that resources have been spent for their intended purpose. Therefore, a reserve is not needed.
3. Debt service funds
 - 1) Governmental fund type used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest (excluding debt related inflows and outflows by proprietary funds). Financing is provided by transfers from the Capital Improvement Fund.
 - 2) The Village budgets an amount equal to the principal and interest to be paid and any fund balance accumulation should be minimal. Therefore, a reserve is not needed.
4. Capital projects funds
 - 1) Governmental fund type used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of facilities, infrastructure, and other capital assets (excluding capital related outflows by proprietary funds). Financing is provided by non-home rule sales tax, utility taxes, grants, contributions, and debt financing.
 - 2) Capital projects funds can be a valuable management tool for multi-year projects where all the fund resources eventually will be expended. Therefore, a reserve is not needed.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Reserve Policy (continued)

Proprietary

Proprietary funds are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost of providing goods or services on a continuing basis be financed or recovered primarily through user fees and charges. All proprietary funds utilize an economic resources measurement focus where all assets and liabilities associated with their activities are reported (including capital assets and long-term debt). The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. Net position is defined as the difference between proprietary fund assets and liabilities, is not equivalent to the fund balance reported in governmental funds, and does not have the same role in a reserve policy as fund balance does for governmental funds. In addition, proprietary funds categorize net position based on the accessibility of the underlying resources. The Village will spend the most restricted dollars before less restricted, in the following order:

- Net investment in capital assets – wholly inaccessible because it represents capital assets less outstanding debt related to said assets;
- Restricted – expendable, but subject to external enforceable legal restrictions; and
- Unrestricted – resources not subject to restrictions noted above.

A. Enterprise funds

Proprietary fund type used to account for and report operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services (including capital costs) be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

1. Water fund

- a. The Village will strive to maintain working capital in the water fund to fund operations for a period of at least three months. The water fund reserve is adjusted with the adoption of the annual budget and is calculated as three months (25%) of water operating budget expenses.
- b. Working capital is defined as current assets less current liabilities, and indicates the relatively liquid portion of assets available in the water fund.
- c. If the water fund reserve is anticipated to fall below 25%, a plan will be developed and implemented to restore the working capital to an acceptable level within a reasonable period of time.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Revenue Policy

1. The Village endeavors to maintain a broad-based, well-diversified, and stable portfolio of revenues to reduce the impacts of short-term fluctuations in any one revenue source. The revenue mix combines elastic and inelastic revenue sources to minimize the effects of an economic downturn.
2. The Village will fund current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures or accruing future revenues.
3. Each existing and potential revenue source will be examined annually on an objective, reasonable, and conservative basis. The Village will project each revenue source for at least the next five years and will update this projection through a financial forecast process.
4. The Village will maintain a revenue monitoring system to assist in trend analysis and revenue forecasting.
5. All charges for services, fees, licenses, permits, etc. will be reviewed regularly to ensure that rates are maintained at a level that correlates to the cost of providing such services and are competitive with others providing similar services in the area. In implementing this goal, a comprehensive analysis of Village costs and fees should be made at least every three years.
6. Enterprise fund fees and user charges shall be set at a level that fully supports the cost of providing the services, providing for debt service, and maintaining the capital structure of the systems. Water, sewer, and refuse rates will be reviewed annually and set at levels adequate to meet expenditures for the next five years.
7. One-time revenues will not be used to support operating expenditures, except in emergency situations. The identification of new, one-time revenue opportunities will be used to fund capital projects.
8. The Village will strive to strengthen its revenue base by bringing in additional commercial and industrial development with the assistance of the Montgomery Economic Development Corporation.
9. The Village will actively seek out, apply for, and effectively administer federal, state, and other grants that address the Village's priorities and policy objectives and provide a positive benefit to the Village. Prior to application and acceptance, the Village will review the grant agreement to ensure matching requirements are attainable and regulatory compliance is possible.

Chapter 6: *Financial Policies*

FINANCIAL POLICIES (Continued)

Expenditure Policy

1. The Village will maintain a level of expenditures which will provide for the public well-being and safety of the residents and businesses of the community.
2. Methods to increase efficiency and effectiveness of the delivery of Village services through technology improvements should receive priority funding.
3. Funding for new programs and services in operating funds should be limited to the extent that they can be reasonably funded long-term.
4. Expenditures will be within the confines of generated revenue and/or reserve balances. Services will parallel and adjust to the Village's elastic and inelastic revenue sources in order to maintain the highest level of service.
5. The Village will project expenditures for at least the next five years and will update this projection through a financial forecast process. This forecast will take into account anticipated increases in operating expenditures, significant changes in operating and staffing needs, and future capital projects and improvements that have been identified as needed for the community.
6. The annual operating budget will include the corresponding capital projects identified in the five-year Capital Improvement Program (CIP).
7. Personnel
 - 1) The Village strives to provide excellent service to the community at all times, and supports this standard by promoting organizational value including customer service, productivity, accountability, innovation, initiative, and ethics.
 - 2) To achieve our service standards, the Village must attract and retain highly qualified employees who exemplify our organizational values.
 - 3) The Village is committed to providing a competitive compensation package as part of an overall strategy of attracting and retaining highly qualified employees. The compensation package will be consistent with sound economic policies and is based on both internal and external considerations including, but not limited to, internal relationships and responsibilities, other communities comparable to the Village, and the overall fiscal health of the Village.
8. The Village will project the replacement of vehicle, equipment, and computer needs for a minimum of five years and will update the projection each year.
9. The Village will contract with an independent actuary to determine the annual contribution to the police pension fund and utilize the independent actuary selected by IMRF. The Village will contribute the full recommended amount based on the application of a generally accepted actuarial method of funding its pension systems.

Chapter 7: Executive Summary

ALL FUNDS SUMMARY

The following table represents the fiscal year 2017 audited actual, fiscal year 2018 estimated, and fiscal year 2019 budgeted revenues for the Village of Montgomery as a whole.

REVENUES	Actual FY2017	Estimated FY2018	Budget FY2019
General	\$ 9,845,496	\$ 10,153,680	\$ 10,451,919
Motor Fuel Tax	517,503	523,569	523,279
Community Improvement	10,722	7,728	14,839
Capital Improvement	1,510,891	1,455,823	1,355,622
Lakewood Creek Project	81,797	60,132	60,100
Infrastructure Improvement	2,785,840	2,988,463	3,839,216
TIF #1	39,630	33,680	35,000
TIF #2	188,195	197,474	817,231
TIF #3	-	-	-
Debt Service	1,084,076	1,123,015	1,659,290
Water	5,502,311	6,885,580	4,965,648
Water Improvement	421,139	1,560,550	2,633,414
Employee Insurance	1,097,061	1,201,110	1,347,880
Vehicle Reserve	706,441	767,341	646,991
Refuse	1,333,956	1,199,390	1,197,206
Police Pension	1,340,763	1,463,372	1,534,923
Police Gifts	2,800	450	250
Special Service Areas	369,100	315,996	322,500
TOTAL REVENUES	\$ 26,837,721	\$ 29,937,353	\$ 31,405,308

Chapter 7: Executive Summary

ALL FUNDS SUMMARY (Continued)

The following table represents the 2017 audited actual, fiscal year 2018 estimated, and fiscal year 2019 budgeted expenditures for the Village of Montgomery as a whole.

EXPENDITURES	Actual FY2017	Estimated FY2018	Budget FY2019
General	\$ 9,821,504	\$ 10,235,810	\$ 10,319,163
Motor Fuel Tax	237,224	868,849	140,750
Community Improvement	808	2,213	181,000
Capital Improvement	1,297,810	1,380,611	1,688,643
Lakewood Creek Project	66,022	60,000	60,000
Infrastructure Improvement	1,792,263	2,261,031	5,704,642
TIF #1	129,291	100,329	56,170
TIF #2	152,055	203,068	543,595
TIF #3	-	-	38,000
Debt Service	1,089,965	1,123,215	1,659,290
Water	5,496,676	4,478,740	6,845,921
Water Improvement	393,331	1,549,934	2,633,414
Employee Insurance	1,137,919	1,201,110	1,347,880
Vehicle Reserve	940,692	692,115	744,710
Refuse	1,332,282	1,204,041	1,197,206
Police Pension	576,469	575,282	684,360
Police Gifts	441	1,651	1,400
Special Service Areas	331,938	328,742	387,901
TOTAL EXPENDITURES	\$ 24,796,690	\$ 26,266,741	\$ 34,234,045

Chapter 7: Executive Summary

ALL FUNDS SUMMARY (Continued)

The following table represents the estimated fund equity at the beginning and ending of fiscal year 2019, as well as the revenues (page 62) and expenditures (page 63), for the Village of Montgomery as a whole.

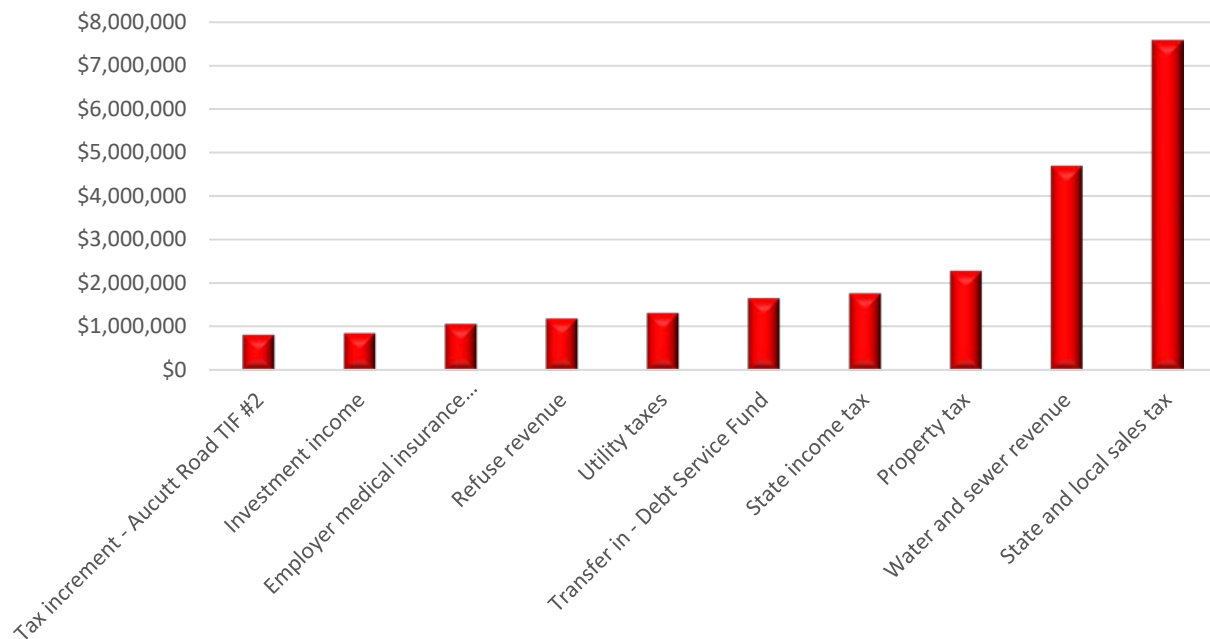
FUND EQUITY	Estimated Balance May 1, 2018	Approved Revenues FY2019	Approved Expenditures FY2019	Estimated Balance April 30, 2019	Percent Change in Fund Equity
General	\$ 3,953,760	\$ 10,451,919	\$ 10,319,163	\$ 4,086,516	3.4%
Motor Fuel Tax	209,707	523,279	140,750	592,236	182.4%
Community Improvement	1,631,337	14,839	181,000	1,465,176	-10.2%
Capital Improvement	801,262	1,355,622	1,688,643	468,241	-41.6%
Lakewood Creek Project	23,982	60,100	60,000	24,082	0.4%
Infrastructure Improvement	2,693,976	3,839,216	5,704,642	828,550	-69.2%
TIF #1	26,579	35,000	56,170	5,409	-79.6%
TIF #2	872	817,231	543,595	274,508	31380.3%
TIF #3	-	-	38,000	(38,000)	0.0%
Debt Service	50,000	1,659,290	1,659,290	50,000	0.0%
Water	26,277,650	4,965,648	6,845,921	24,397,377	-7.2%
Water Improvement	-	2,633,414	2,633,414	-	0.0%
Employee Insurance	211,501	1,347,880	1,347,880	211,501	0.0%
Vehicle Reserve	576,238	646,991	744,710	478,519	-17.0%
Refuse	7,393	1,197,206	1,197,206	7,393	0.0%
Police Pension	10,002,777	1,534,923	684,360	10,853,340	8.5%
Police Gifts	7,283	250	1,400	6,133	-15.8%
Special Service Areas	811,057	322,500	387,901	745,656	-8.1%
TOTAL FUND EQUITY	\$ 47,285,374	\$ 31,405,308	\$ 34,234,045	\$ 44,456,637	-6.0%

Major changes in fund equity will be discussed in Chapters 8 and 9 under the applicable fund.

Chapter 7: Executive Summary

MAJOR REVENUES

The desire of the Village of Montgomery is to maintain a broad-based, well-diversified, and stable portfolio of revenues. Early in the budget process each revenue account is analyzed and the current fiscal year's budgeted amounts are revised in order to form a more accurate basis for the next fiscal year's budgeted revenues. The detail revenue accounts are provided at the beginning of each fund in this budget document. The following revenue descriptions, assumptions and trends are provided only for the ten most significant or major revenue sources which explain 75% of the total revenues budgeted for fiscal year 2019, while all other revenues represent the remaining 25%. These revenues collectively support all Village operational and capital commitments.

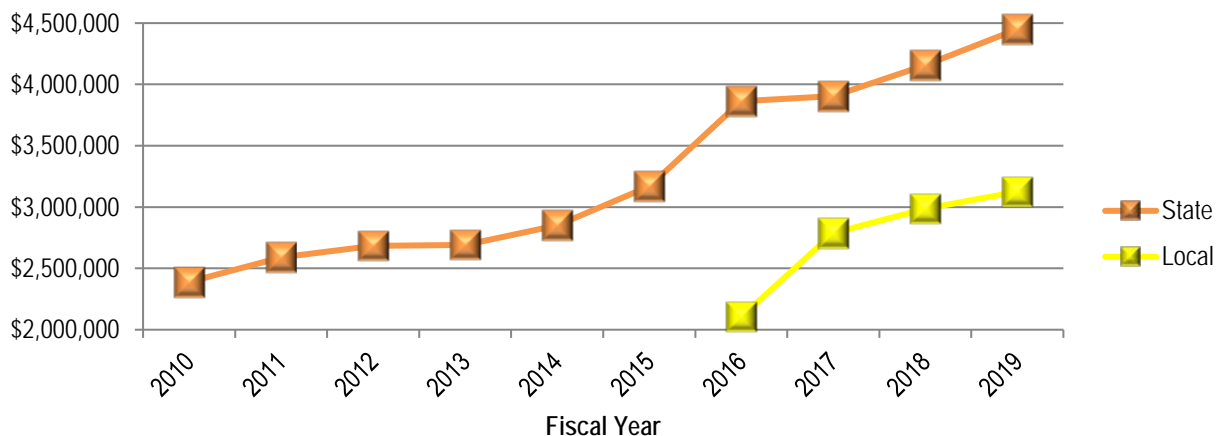


The trend information in charts below includes audited revenues from fiscal year 2010 through fiscal year 2017, estimated revenues for fiscal year 2018, and budgeted revenues for fiscal year 2019. Although this budget document includes projections for fiscal year 2020 through fiscal year 2023, the Village feels it is most important to include more actual data from the past for trend analysis.

Chapter 7: Executive Summary

State and local sales tax (\$7,575,842 or 24.1%)

The Village's single largest revenue source is sales tax. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed fairly consistent even through the Great Recession. The Village began collecting non-home rule sales tax on July 1, 2015, which is collected on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. The increase in state sales tax for fiscal year 2016 is due to the addition of a major business, while the increase in local sales tax for fiscal year 2017 is due to collection of only 10 months in fiscal year 2016. The State of Illinois enacted a 2% administrative fee on local sales tax on July 1, 2017 to balance the State budget and reduced the fee to 1.5% starting July 1, 2018. The historical growth between fiscal year 2010 through fiscal year 2018 is approximately 7%; however, the Village has chosen to be conservative and is estimating fiscal year 2019 to increase by only 5%.

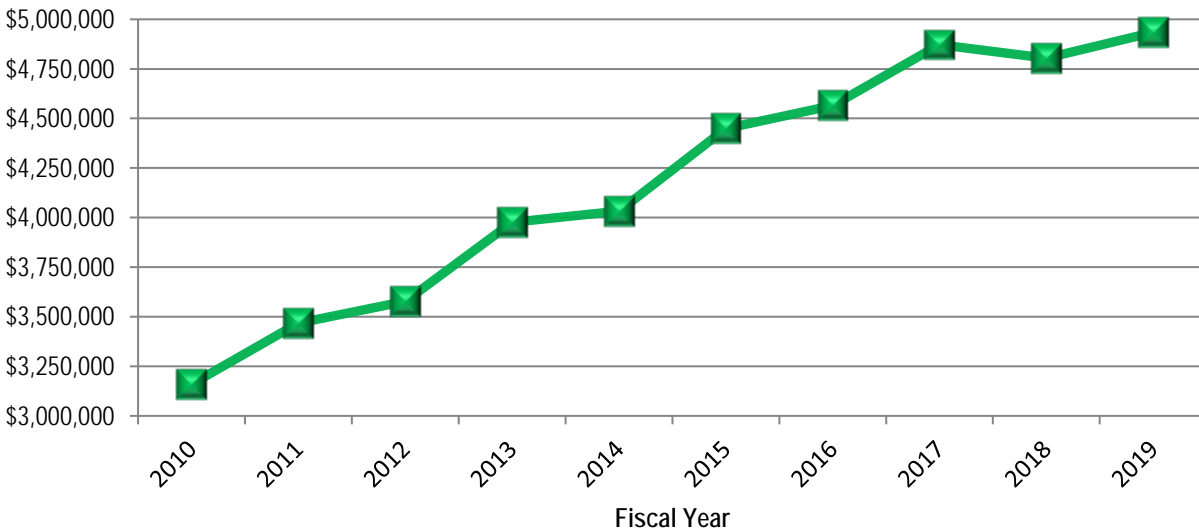


Water and sewer revenue (\$4,694,667 or 15.7%)

The Village owns a water and sewer utility and charges customers for using those services which constitutes the second largest revenue source for the Village. The revenue is based upon the immediate prior year's usage by existing residents along with the additional housing units brought online by new permits. The fiscal year 2019 budget includes an increase in the water usage rates of 3% as of May 1, 2018. The Village worked with Engineering Enterprises, Inc. during fiscal year 2018 to complete an updated 5-year water rate study and expects to present the results in July 2018. We anticipate a decision from the Village Board in late August or early September 2018 on the rate structure for fiscal year 2020 and beyond. This revenue stream is dependent on weather conditions and will vary based on how warm it is or how much rain the Village receives. The large increase in fiscal year 2013 was due to a drought during the summer months of 2012, while the decrease in fiscal year 2018 was due to a plant closing by a major customer, Butterball. The recovery in fiscal year 2019 is due to the following:

- Carl Buddig & Company subsequently purchased the Butterball building and expects to start processing product in June 2018.
- The 468 unit apartment complex mentioned on page 19 will start construction in summer 2018.

Chapter 7: Executive Summary

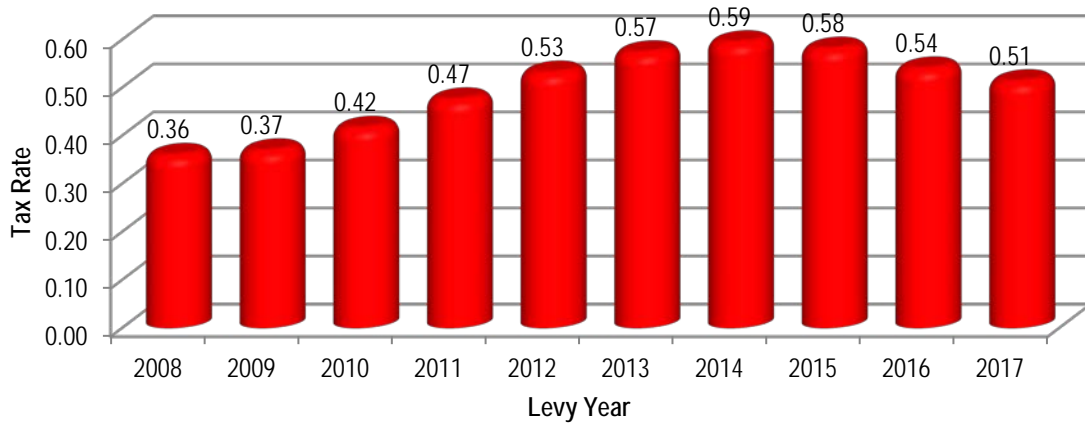
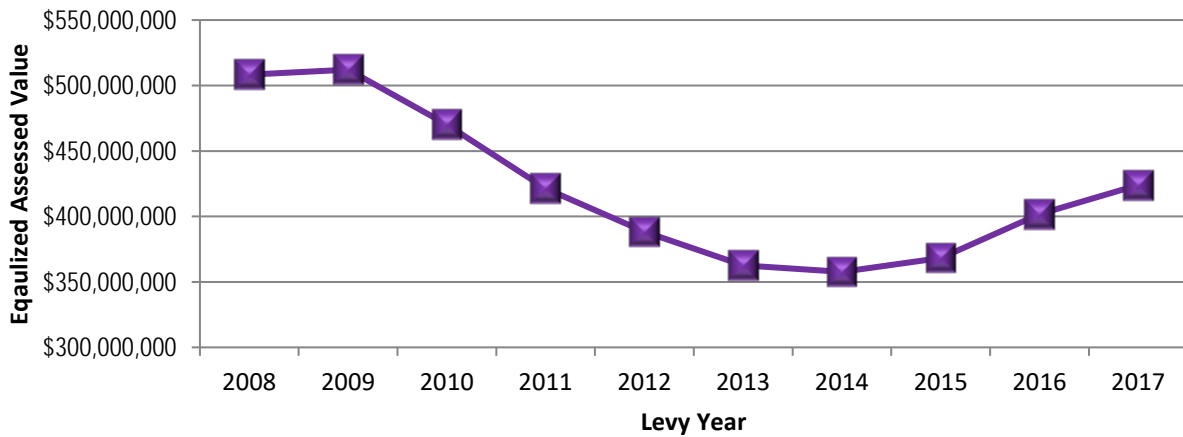
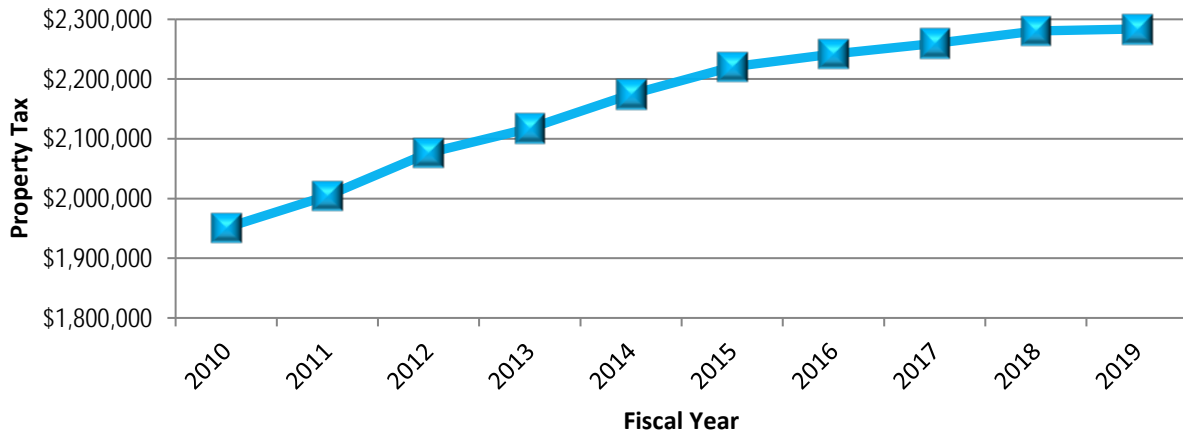


Property tax (\$2,283,860 or 7.3%)

Local property tax revenues, the third largest revenue source, have risen in recent years as a result of the residential and commercial growth that has taken place within the Village. The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Kane and Kendall Counties and issued on or about May 15 and August 1, and are payable in two installments which are due on or about June 15 and September 1. Property taxes are billed, collected and remitted periodically by the County Treasurers to the Village. Both counties provide the Village with its levy year 2017 tax rate in April 2018, which is collectible in calendar year 2018 and reflected in fiscal year 2019. The increase in total property tax revenue is limited by the Property Tax Extension Limitation Act (tax cap), which provides that operating levy increases cannot exceed the Consumer Price Index increase for the prior calendar year, plus new growth. New growth consists of annexations of property and new building activity. The Village estimated new growth in calendar year 2017 at approximately \$9 million and the Village Board froze property taxes for the fifth year on existing buildings. The two combined elements equated to an increase of approximately \$7,000 for fiscal year 2019.

The history of the property tax within Montgomery is rather interesting due to Montgomery's extreme population growth. Sizable growth in property tax revenue took place prior to the Great Recession due to the residential development was taking place, but leveled off and has been fairly stable since fiscal year 2010. The second graph depicts the equalized assessed value (1/3 of actual value and what property tax bills are based on) which started to go down shortly after the housing downturn. The Village's equalized assessed value increased in levy year 2015 for the first time since levy year 2009, continued to increase in levy year 2016 and 2017, and is expected to continue upward as residential construction starts in earnest. The third graph represents the direct tax rate paid by residents for Village property taxes only. There is an inverse relationship between equalized assessed value and the Village's direct tax rate due to the tax cap.

Chapter 7: Executive Summary

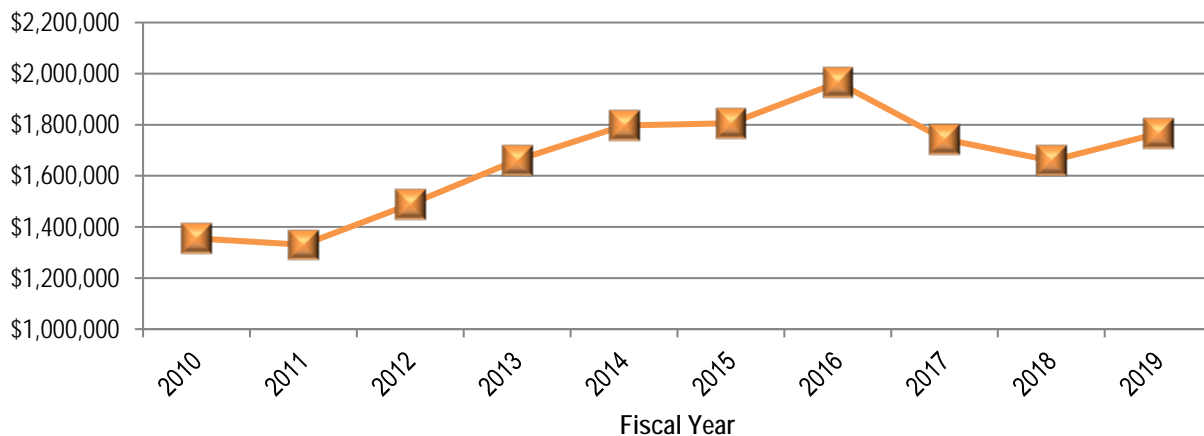


Chapter 7: Executive Summary

State income tax (\$1,766,360 or 5.6%)

The Village's fourth largest revenue source is the State shared income tax which comes from the State of Illinois Local Government Distributive Fund (LGDF). LGDF is collected by the State and was distributed to the Village on per capita basis three months after the liability occurs through June 30, 2017. The State reduced the amount of income tax received by municipalities by 10% effective July 1, 2017 to balance the State budget, after which the State began to reduce the amount of time to distribute the LGDF. As of April 30, 2018, the State distributes the LGDF only one month after the liability occurs. Lastly, the State reduced the percentage to 5% effective July 1, 2018.

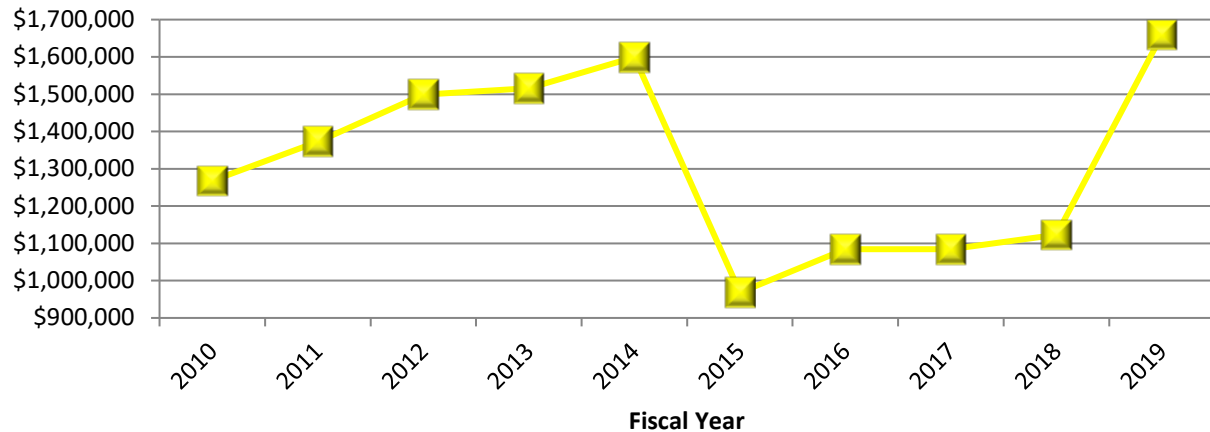
The Illinois Municipal League (IML) estimates every four months the amount each municipality receives per capita. Although the IML initially estimated the per capita collections for fiscal year 2018 at \$101.00, the estimate was revised to \$90.00 due to the 10% reduction noted above. The IML increased the amount for fiscal year 2019 to \$95.80 per capita to reflect the continued economic recovery, as unemployment decreases, and companies see profits increase. The Village has used its 2010 Census population of 18,438 residents for 12 months of the year.



Transfers in – Debt Service Fund (\$1,659,290 or 5.3%)

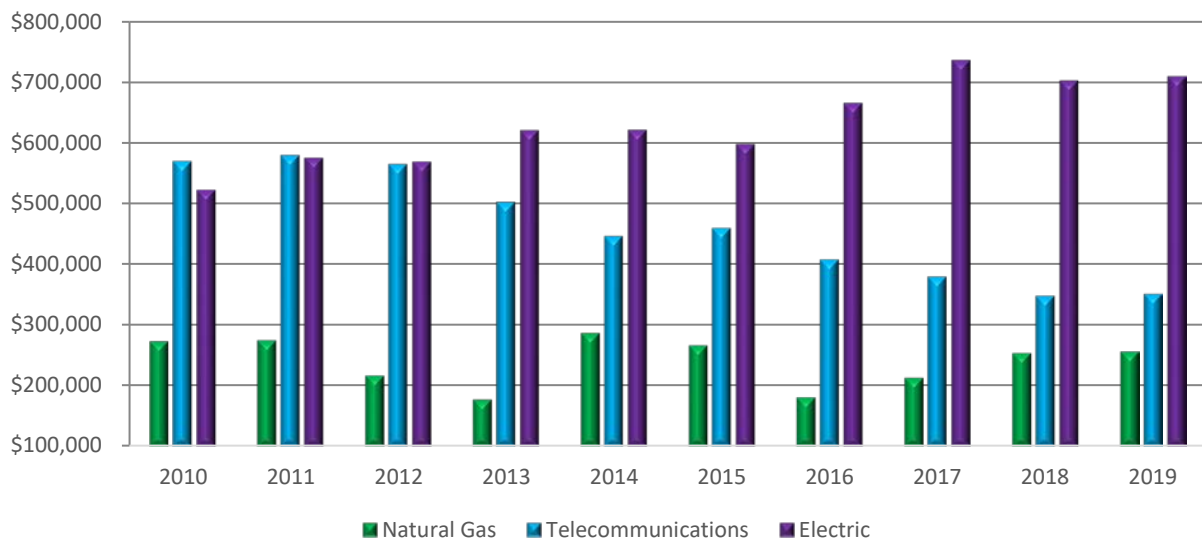
Transfers to the Debt Service Fund is the fifth largest revenue. The Debt Service Fund is used to accumulate monies for the Village's General Obligation Alternate Revenue Source Series 2008, 2011, and 2014 Bonds. The alternate revenue source bonds pledge income derived from sales and utility taxes. In addition, these bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2008, 2011, and 2014 Bonds and transfers money in from the Capital Improvement Fund to pay for this debt. The large decrease in fiscal year 2015 is due to restructuring of the Village's governmental debt to more closely align with our utility tax projections, while the large increase in fiscal year 2019 is due to balloon payments on the Series 2008 bonds of \$1 million each in fiscal year 2019 and fiscal year 2020.

Chapter 7: Executive Summary



Utility taxes (\$1,317,491 or 4.2%)

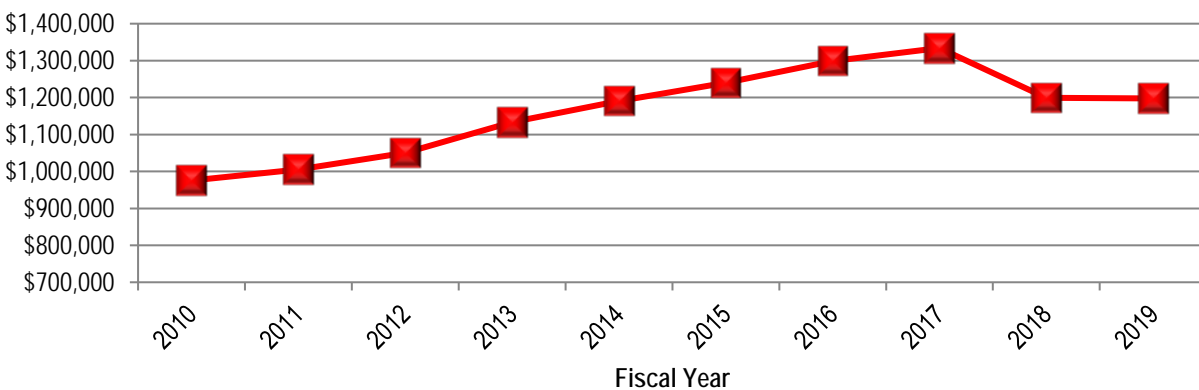
Utility taxes consist of three components, which together make up the sixth largest revenue source. First, telecommunications tax of 6% appears on the local and cellular phone bills of residents and businesses within Village limits, is collected by the State and remitted to the Village three months after the liability occurs. Second, electricity tax of 5% appears on the electric bills, and is collected by Commonwealth Edison and remitted to the Village the month after the liability occurs. Third, natural gas tax of 5% appears on the natural gas bills, and is collected by Nicor Gas and remitted to the Village the month after the liability occurs. These revenue streams are somewhat unpredictable and will rise and fall due to the severity of climate changes (electricity and natural gas tax). The reduction in telecommunications tax is due to residents continuing to move to cell service only, while the movement of natural gas tax is due to variation in winter temperatures and the price of natural gas. Last, electricity tax has stayed somewhat constant since 2016. The Village expects to see revenues rise slowly as the economy rebounds and residential, commercial, and industrial development continues to increase.



Chapter 7: Executive Summary

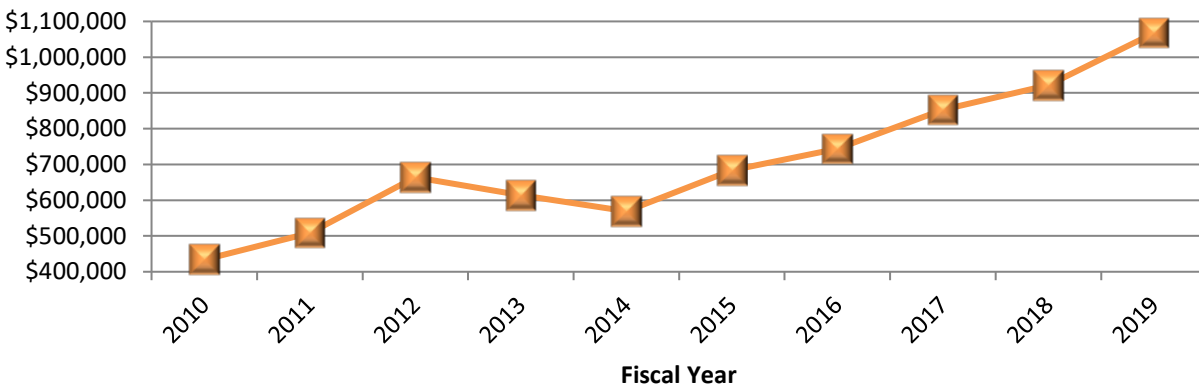
Refuse revenue (\$1,197,206 or 3.8%)

The Village charges residents for these services on their bi-monthly utility bill, which is the seventh largest revenue source for the Village. Refuse services were provided by Republic Services until July 31, 2017 for \$19.65 per month. The Village Board approved a 7-year contract with DC Trash of Illinois effective August 1, 2017 for a full range of refuse services, saving our residents nearly \$300,000 a year. These services include refuse, recycling, yard waste, bulk items, white goods (i.e. large appliances), and quarterly electronics recycling and household hazardous waste events. The rate for DC Trash of Illinois started at \$16.47 per month on August 1, 2017, will increase to \$16.96 per month on August 1, 2018, and 3% per year thereafter. The large decrease in fiscal year 2018 reflects 3 months at \$19.65 per month and 9 months at \$16.47 per month, while fiscal year 2019 reflects 3 months at \$16.47 per month and 9 months at \$16.96 per month. The budgeted amount for direct customer refuse billing is based on the contract rate and the existing number of homes.



Employer medical insurance contributions (\$1,067,439 or 3.4%)

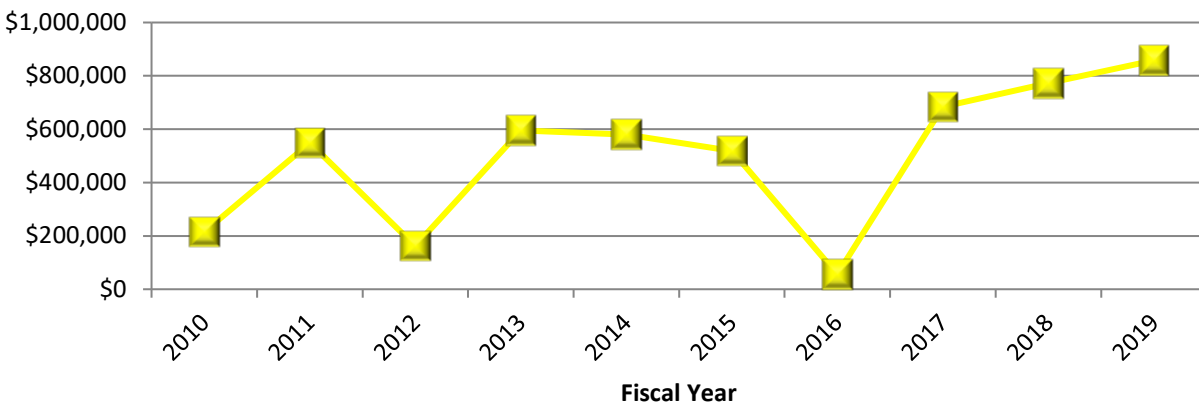
The Village currently offers health insurance to regular full-time employees. The medical insurance premium for health coverage for eligible employees and their covered dependents is split between the Village and the employee. The Village will cover 86% of the cost of the respective plan through plan year ending December 31, 2018 and will lower that amount to 85% effective January 1, 2019. The Village joined the Intergovernmental Personnel Benefit Cooperative on January 1, 2018, whose long-term average renewal is 1.5%, which is the increase the Village budgeted for fiscal year 2019. Contributions, the Village's eight largest revenue, is accounted for in the Employee Insurance Fund, the Village's only internal service fund.



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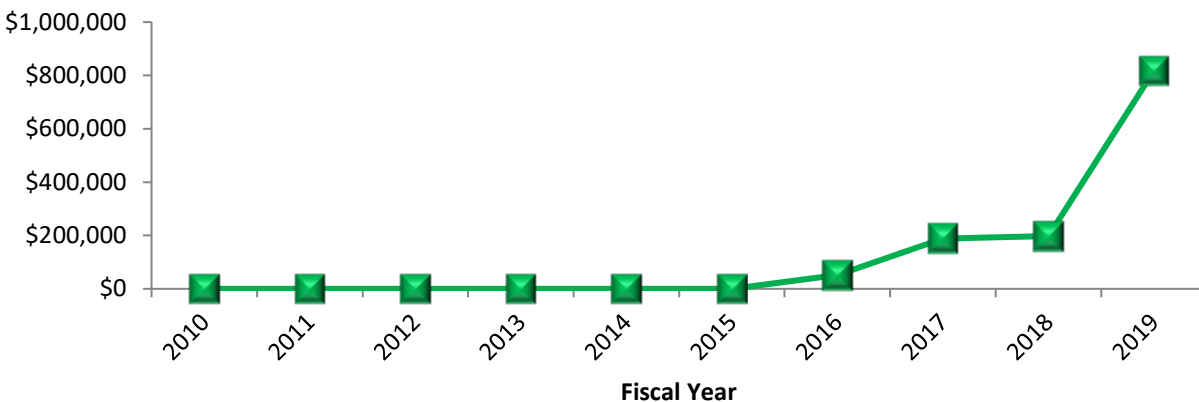
Investment income (\$857,899 or 2.7%)

The Village invests cash temporarily idle during the year in demand deposits, certificates of deposit, investment pools, and other investments allowed by state statute. The Police Pension Fund is governed by a different statute and allowed to invest in certain additional securities including, but not limited to corporate debt, insurance company contracts, stocks, and mutual funds. Investment income, the Village's ninth largest revenue, is highly dependent on the economy, as well as the amount available to invest, as shown by the graph below. The large decrease in fiscal year 2016 is due to a negative return on the Police Pension Fund. The General, Capital Improvement, Infrastructure Improvement, and Water Funds are budgeted at 1.5% to be conservative based on the average return of 1.8% on the Village's short-term investments (0 – 5 years). The Police Pension Fund is budgeted at 7% based on the long-term expected return.



Tax increment – Aucutt Road TIF #2 (\$817,231 or 2.6%)

The Village established the Aucutt Road Tax Increment Financing District #2 on January 13, 2014. The Aucutt Road corridor is one of Montgomery's most prominent industrial areas, representing significant growth potential. The most significant influence on the success of TIF #2 is the presence of extensive floodplain and wetlands associated with Blackberry Creek. Accordingly, a storm sewer overflow study was completed during fiscal year 2018. Four private developments (Butterball, Michels, United Sugars, and Nexeo) comprise over 75% of the tax increment in TIF #2, the Village's tenth largest revenue. The large increase in fiscal year 2019 is due to United Sugars and Nexeo new buildings, which were assessed at 50% of their value in fiscal year 2019 and will rise to 100% of assessed value in fiscal year 2020.



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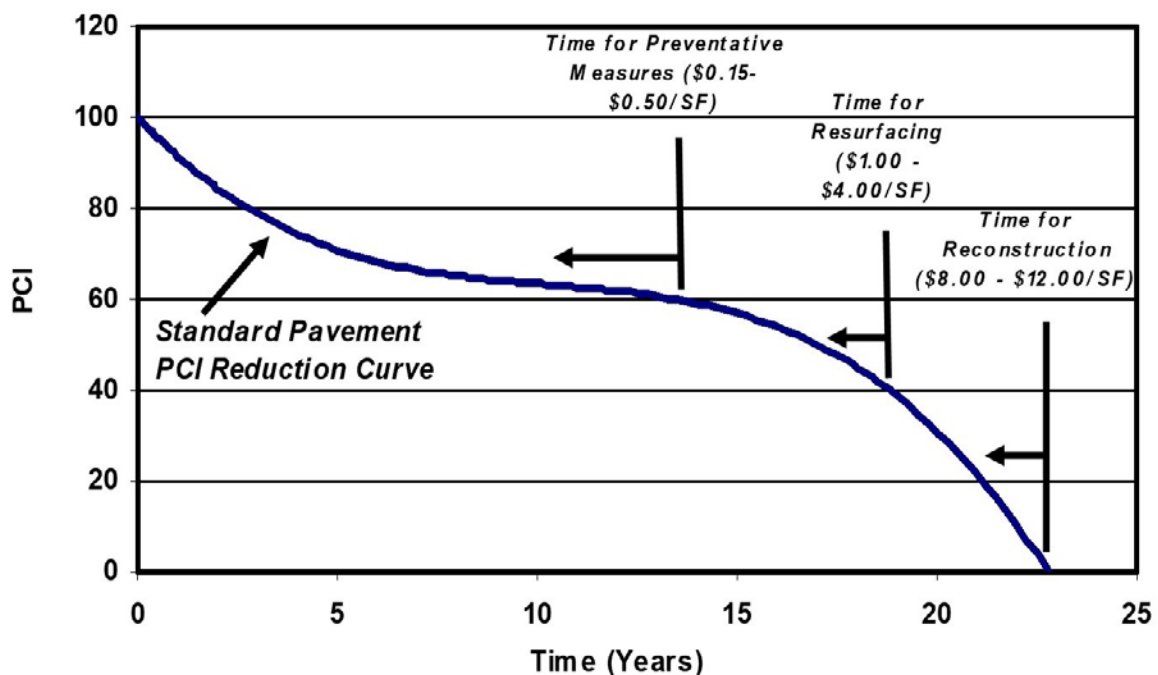
MAJOR EXPENDITURES

Capital Outlay

The Village of Montgomery plans to devote the largest portion of its annual budget to capital projects; in order to maintain or improve the level of service expected by its citizens. That level of service can only be assured if adequate consideration is given to maintaining and expanding public facilities and infrastructure. If a government fails to maintain its capital assets; equipment, facilities and infrastructure will deteriorate more quickly and necessitate costly emergency allocations of financial resources.

Capital project costs can range from \$25,000 for the one-time acquisition of a piece of equipment to millions of dollars for the construction of new facilities. The total amount of capital outlay for fiscal year 2019 is \$9,527,230 or 27.8% of total budgeted expenditures. The largest projects and the applicable percent of capital outlay expenditures are as follows:

- Infrastructure Road Program (IRP) – \$4,301,467 or 45.1% – The Village will utilize non-home rule (NHR) sales tax and motor fuel tax to fund the IRP and plan road maintenance over the next 5 years. The Village started the IRP during fiscal year 2017 with approximately \$1.7 million in projects and have more than doubled that to \$4.3 million in fiscal year 2019. The Pavement Condition Index (PCI) is a numerical index between 0 and 100 which is used to indicate the general condition of a pavement. The Village's funding prior to fiscal year 2017 would allow for a 71-year rehabilitation cycle, whereby the Village's Pavement Condition Index (PCI) continued to decrease. The addition of the NHR sales tax will now allow for a 15 to 20-year cycle, reducing the cost of maintenance over time by more than 1000%, as shown in the graph below.



Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Capital Outlay (Continued)

- Watermain Replacement Program (WRP) – \$1,147,224 or 12.0% – Our water main replacement program started during fiscal year 2018 and replaces aging, critical infrastructure with new mains that provide more reliable service, better water pressure, and high-quality water. To maintain our complex water system, our annual water main replacement program prioritizes those mains that are most likely to require attention. The program is continuously being assessed and updated to reflect changes in break rates and interruptions to supply. We prioritize the replacement of our water mains based on several factors including:
 - Likelihood of future water main failures (i.e. previous failure history)
 - Consequence of water main failures (i.e. customer interruption)
 - If the water main is causing a restriction (i.e. low supply flow)
 - Economic efficiency

We seek to balance the level of service provided against the expense of replacing the mains and understand both factors can impact our customers. We do not prioritize water mains for replacement based on pipe age, as water mains traditionally have an asset life of approximately 100 years. Some may last longer, and others may need to be replaced sooner. However, a pipe's age is not always an indication of its quality. Both younger and older pipes have the potential to fail due to the following:

- Ground movement
- Corrosion – both internal and external to the pipe
- Type of material used
- Water pressure inside the main

Our engineering consultant performed a water audit as part of the Village's Waterworks System Master Plan completed in fiscal year 2017 and water rate study completed in fiscal year 2018. Unfortunately, the Village's non-revenue water equated to approximately 211 million gallons per year, averaging 23.7% of the treated water entering the system, at a cost of over \$200,000 per year. The WRP is an important start to help reduce the Village's non-revenue water and overall cost of water production.

- Lift station rehabilitation – \$961,700 or 10.1% – The Jefferson Street and Route 25 lift stations have reached the end of their useful design lives and need to be rehabilitated. Funding for this project is provided by the Series 2017 general obligation alternate revenue bonds issued during fiscal year 2018. The debt service for the lift station rehabilitation will cost the Village \$70,000 annually for the next 20 years.

The Village will realize improved reliability of the lift station, enhanced site safety and security for its employees, increased longevity of the mechanical and electrical components, and a small decrease in electricity cost due to energy efficient pumps. Fox Metro Water Reclamation District provides annual lift station maintenance, so the Village will not recognize most operations and maintenance savings.

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Capital Outlay (Continued)

- Vehicle and equipment replacement (\$744,710 or 7.8%) – The ability to provide services to Village residents in an effective and efficient manner is partly dependent on a fleet of vehicles and other equipment (equipment). The Village's equipment replacement policy is located on page 55 of this document. The Village established a replacement schedule during fiscal year 2015 to track 55 pieces of equipment valued at nearly \$4 million. The schedule provides for the orderly replacement and most cost-effective method to maintain the fleet while minimizing the annual fluctuations in expenditures from the operating funds. The fiscal year 2019 budget includes replacement of 10 pieces of equipment. Contributions to the Equipment Reserve Fund are made by each department who utilizes the fleet based on the estimated useful life of equipment and the replacement cost at the end of its useful life. Public Works evaluates each piece of equipment scheduled for replacement using a combination of vehicle age, mileage, and condition, as well as current and historical repair costs. The Village expects vehicle repair and maintenance costs to decrease roughly 10% from its current level of \$100,000.

Capital outlay should not be confused with a Capital Improvement Program (CIP). A CIP, which assists in the long-term planning and future allocation of funds, is a blueprint for planning a community's capital expenditures. The development of this multi-year program helps create a plan to ensure the availability of funds linked to various capital improvements while also focusing on the maintenance and integrity of Village property. The table below shows the CIP for fiscal year 2019 through fiscal year 2023.

Project Title	Type	FY2019	FY2020	FY2021	FY2022	FY2023
MFT Road Maintenance	Street	131,000	912,000	143,000	924,000	157,000
Sales Tax Infrastructure Projects	Street	4,031,467	2,652,604	2,346,898	2,756,500	2,843,500
Police Department Parking Lot and Drives Resurfacing	Street	-	-	-	-	368,000
Gordon Road Extension	Street	-	-	210,170	315,240	6,364,015
Traffic Signal at Concord and Galena	Street	280,000	-	-	-	-
Pavement Management Program	Street	10,000	85,000	10,000	10,000	10,000
Aucutt Road LAFO	Street	742,650	-	-	-	-
Concord Drive LAFO	Street	-	52,740	975,560	-	-
Shared Use Path Maintenance	Street	34,013	35,629	28,370	-	-
Sidewalk Gap Installation Plan and Implementation	Street	205,000	198,000	140,000	231,000	150,000
BNSF Quiet Zone Study	Street	2,052	-	-	-	-
Water Rehabilitation Reserve Expenditure	Water	243,470	235,280	637,880	300,150	225,000
Water Meters - Commercial Retrofit	Water	31,020	31,020	31,020	31,020	31,020
Water Main Replacements	Water	1,320,500	383,800	664,800	581,000	241,850
Sanitary Sewer Inspection/Lining	Water	100,000	100,000	100,000	100,000	100,000
Computers and Software Upgrades	Water	10,000	10,000	30,000	10,000	10,000
Water Meters - Replacement Program	Water	112,000	115,000	118,000	121,000	124,000
Jefferson Street & Route 25 Lift Station Improvements	Water	961,700	-	-	-	-
Water Meter - New Construction	Water	18,000	18,000	18,000	18,000	18,000
Wells 10 & 13 Generator Connection Modifications	Water	14,000	-	-	-	-
Water Quality Testing/Planning for Regional Water Supply	Water	20,000	20,000	20,000	20,000	20,000
Water Rate Study	Water	2,500	2,500	2,500	32,000	-
Lead Service Line Replacements	Water	35,000	991,500	-	-	-
Test Well	Water	15,000	40,000	-	-	-
Former Spatz Property Rough Grading and Reseed	Storm	55,000	-	-	-	-
Overflow Improvement Feasibility Study & Implementation	Storm	305,000	45,000	750,000	750,000	-
Aucutt Road Widening / Reconstruction	Street	-	278,000	804,400	3,328,300	-
Knell and Orchard Road Signalization	Street	20,000	50,000	550,000	-	-
Aucutt Road Water Main Replacement	Water	-	190,000	2,410,000	-	-
		8,699,372	6,446,073	9,990,598	9,528,210	10,662,385

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Personal Services

The Village, as a service driven organization, continues to expend the greatest percentage of its operating budget (second largest overall) on personal services (wages and benefits). For fiscal year 2019, personal services expenditures are expected to total \$7,983,426 or 23.32% of total budgeted expenditures. This is an increase of 4.93% over the fiscal year 2018 budgeted expenditures of \$7,608,274.

Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has a contract with Public Works Local 150 which expires April 30, 2018. Negotiations are ongoing and the Village expects to agree on a new contract during fiscal year 2019. The Village successfully negotiated and approved a new contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020 and cost of living increases ranging from 2.00% to 2.25% and pay for performance increases ranging from 4.00% to 6.00%.

The fiscal year 2019 budget includes an additional 1.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include 1 patrol officer the replacement of a part-time records clerk with a full-time records clerk (Public Safety).

Department	Actual				Budget	Change
	FY 2015	FY2016	FY2017	FY2018	FY2019	
General Government						
Administration	1.880	1.880	1.880	2.880	2.880	-
Finance	6.000	6.000	6.000	5.000	5.000	-
Community Development	5.000	5.000	5.000	5.000	5.000	-
General Government - Total	12.880	12.880	12.880	12.880	12.880	-
Public Safety						
Sworn Officers	25.000	25.000	28.000	30.000	31.000	1.000
Civilians/Other	3.000	3.000	3.750	3.750	4.250	0.500
Public Safety - Total	28.000	28.000	31.750	33.750	35.250	1.500
Public Works						
Administration	2.000	2.000	2.000	2.000	2.000	-
Street Maintenance	9.000	9.000	10.500	11.000	11.000	-
Water Operations	3.000	3.000	3.000	4.000	4.000	-
Building Maintenance	1.000	1.000	1.000	1.000	1.000	-
Fleet Maintenance	1.000	1.000	1.500	1.500	1.500	-
Public Works - Total	16.000	16.000	18.000	19.500	19.500	-
Total Village Employees	56.880	56.880	62.630	66.130	67.630	1.500

Although there doesn't appear to be much change in the table above, five employees retired as of April 30, 2018 with over 135 years of service between them. The Village wishes them well; however, the institutional knowledge leaving with them will be difficult to replace. In addition, there were several employees resign near or shortly after April 30, 2018. Human Resources set up interviews for a total of twelve (12) positions, including the Chief of Police and Director of Public Works which were completed prior to May 1, 2018. The Village looks forward to our welcoming new employees, their energy, and their ideas.

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Personal Services (Continued)

The Village includes a five-year staffing plan in its budget each year due to the amount spent on personal services. It also helps to anticipate future personnel costs.

Description	Approved FY2019	Projected FY2020	Projected FY2021	Projected FY2022	Projected FY2023
Village Administrator's Office					
Village Administrator	1.00	1.00	1.00	1.00	1.00
Human Resources Manager	1.00	1.00	1.00	1.00	1.00
Executive Assistant	0.88	0.88	0.88	0.88	0.88
	2.88	2.88	2.88	2.88	2.88
Finance Department					
Director of Finance	1.00	1.00	1.00	1.00	1.00
Accounting Manager	1.00	1.00	1.00	1.00	1.00
Accounts Payable Clerk	1.00	1.00	1.00	1.00	1.00
Water Billing Clerk	2.00	2.00	2.00	2.00	2.00
	5.00	5.00	5.00	5.00	5.00
Community Development					
Director of Community Development	1.00	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00	1.00
Planner	-	-	-	0.50	0.50
Chief Building Official	1.00	1.00	1.00	1.00	1.00
Building Inspector	1.00	1.00	1.00	1.00	1.00
Code Enforcement Officer	-	-	0.50	0.50	0.50
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Building Clerk	-	-	-	-	0.50
	5.00	5.00	5.50	6.00	6.50
Police					
Chief of Police	1.00	1.00	1.00	1.00	1.00
Deputy Police Chief	1.00	1.00	1.00	1.00	1.00
Police Sergeant	6.00	6.00	6.00	6.00	6.00
Police Officer	23.00	24.00	24.00	24.00	24.00
Management Analyst	1.00	1.00	1.00	1.00	1.00
Police Records Clerk	3.25	3.25	3.25	3.25	3.25
	35.25	36.25	36.25	36.25	36.25
Public Works					
Director of Public Works	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Streets Superintendent	1.00	1.00	1.00	1.00	1.00
Arborist	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I	3.00	3.00	4.00	4.00	4.00
Maintenance Worker II	4.00	4.00	4.00	4.00	4.00
Seasonal Help	2.00	2.00	2.00	2.00	2.00
Water and Sewer Superintendent	1.00	1.00	1.00	1.00	1.00
Water Plant Operator	3.00	3.00	3.00	3.00	3.00
Building Maintenance Technician	1.00	1.00	1.00	1.00	1.00
Fleet Mechanic	1.50	1.50	1.50	1.50	1.50
	19.50	19.50	20.50	20.50	20.50
Total	67.63	68.63	70.13	70.63	71.13
Employee's per 1,000 residents	3.67	3.72	3.80	3.83	3.86

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Debt Service Summary

The Village of Montgomery's commitment to its citizens and business community is to continue providing exceptional quality services in a cost-effective manner. To achieve that end, the Village has issued bonds and received loans to finance many infrastructure projects to meet the rapid and extraordinary economic and population growth in recent years. Since 2000, the Village's population has grown from just over 5,000 residents to 18,438 residents (2010 decennial census) or a 237% increase in ten years.

The payments of principal and interest on debt is the third largest expenditure. The Village of Montgomery currently has general obligation alternate revenue bonds and Illinois Environmental Protection Agency (IEPA) loans outstanding as of the beginning of fiscal year 2019. Principal and interest payments for outstanding debt, the third largest expenditure, account for \$2,959,452 or 8.62% of total budgeted expenditures. The fiscal year 2019 debt service is split nearly even between governmental (\$1,658,090) and proprietary (\$1,301,362) debt. More detail will be provided in the applicable fund about the outstanding debt.

The Village issued \$3,370,000 of general obligation alternate revenue bonds during fiscal year 2018. The Series 2017 bonds were issued to pay for watermain replacement, lift station improvements, and lead service line replacement (on behalf of residents).

General obligation bonds

The Village has issued general obligation alternate revenue source bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The alternate revenue source bonds pledge income derived from sales tax, utility taxes, and net water revenues. In addition, these bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2007, Series 2008, Series 2011, Series 2013, Series 2014, and Series 2017 bonds. The table below summarizes the status of the Village's general obligation bonds:

Debt Issuance	Total Debt Issued	Principal Outstanding (as of 4/30/2018)	Principal Due for FY2019	Interest Due for FY2019	Proposed Funding Source FY2019
Series 2007	\$ 3,020,000	\$ 365,000	\$ 365,000	\$ 14,418	Net water revenues (Water Fund)
Series 2008	2,000,000	2,000,000	1,000,000	100,000	Utility taxes (Capital Improvement Fund)
Series 2011	4,410,000	2,865,000	375,000	76,750	Utility taxes (Capital Improvement Fund)
Series 2013	4,590,000	4,090,000	135,000	154,900	Net water revenues (Water Fund)
Series 2014	3,335,000	3,335,000	-	106,340	Utility taxes (Capital Improvement Fund)
Series 2017	3,370,000	3,370,000	-	151,923	Net water revenues (Water Fund)
Total	<u>\$ 20,725,000</u>	<u>\$ 16,025,000</u>	<u>\$ 1,875,000</u>	<u>\$ 604,331</u>	

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Debt Service Summary (Continued)

General obligation bonds (continued)

As of April 30, 2019, debt service requirements to maturity on the outstanding general obligation bonds, including interest are as follows:

Fiscal Year Ending April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,375,000	\$ 283,090	\$ 1,658,090	\$ 500,000	\$ 321,241	\$ 821,241
2020	1,385,000	224,652	1,609,652	275,000	261,787	536,787
2021	1,025,000	165,508	1,190,508	285,000	253,537	538,537
2022	1,050,000	136,734	1,186,734	285,000	244,987	529,987
2023	1,085,000	106,753	1,191,753	295,000	236,437	531,437
2024	1,120,000	75,253	1,195,253	305,000	227,587	532,587
2025	1,160,000	38,913	1,198,913	315,000	218,437	533,437
2026				325,000	207,387	532,387
2027				340,000	195,988	535,988
2028				350,000	184,038	534,038
2029				365,000	171,738	536,738
2030				375,000	158,888	533,888
2031				390,000	145,688	535,688
2032				400,000	131,938	531,938
2033				415,000	117,838	532,838
2034				430,000	102,700	532,700
2035				450,000	87,000	537,000
2036				460,000	69,000	529,000
2037				480,000	50,600	530,600
2038				505,000	31,400	536,400
2039				280,000	11,200	291,200
	<u>\$ 8,200,000</u>	<u>\$ 1,030,903</u>	<u>\$ 9,230,903</u>	<u>\$ 7,825,000</u>	<u>\$ 3,429,416</u>	<u>\$ 11,254,416</u>

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Debt Service Summary (Continued)

Illinois Environmental Protection Agency (IEPA) loans

The Village has entered into three loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans have been issued for business-type activities only. The IEPA loans pledge net water and sewer revenues. The table below summarizes the status of the Village's IEPA loans:

Debt Issuance	Total Debt Issued	Principal Outstanding (as of 4/30/2018)	Principal Due for FY2019	Interest Due for FY2019	Proposed Funding Source for FY2019
2002 Loan	\$ 1,128,780	\$ 347,851	\$ 65,923	\$ 8,867	Net water revenues (Water Fund)
2011 Loan	4,310,177	3,212,981	211,376	39,504	Net water revenues (Water Fund)
2014 Loan	2,482,931	2,217,487	110,762	43,689	Net water revenues (Water Fund)
Total	<u>\$ 7,921,888</u>	<u>\$ 5,778,319</u>	<u>\$ 388,061</u>	<u>\$ 92,060</u>	

As of April 30, 2019, debt service requirements to maturity on the outstanding IEPA loans, including interest are as follows:

Fiscal Year	Business-Type Activities		
Ending April 30	Principal	Interest	Total
2019	\$ 388,061	\$ 92,060	\$ 480,121
2020	394,708	85,413	480,121
2021	401,480	78,641	480,121
2022	408,380	71,741	480,121
2023	415,409	64,712	480,121
2024	347,284	58,047	405,331
2025	352,558	52,773	405,331
2026	357,916	47,415	405,331
2027	363,360	41,971	405,331
2028	368,891	36,440	405,331
2029	374,510	30,821	405,331
2030	380,221	25,110	405,331
2031	386,024	19,307	405,331
2032	391,920	13,411	405,331
2033	146,248	8,203	154,451
2034	149,179	5,272	154,451
2035	152,170	2,281	154,451
	<u>\$ 5,778,319</u>	<u>\$ 733,618</u>	<u>\$ 6,511,937</u>

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

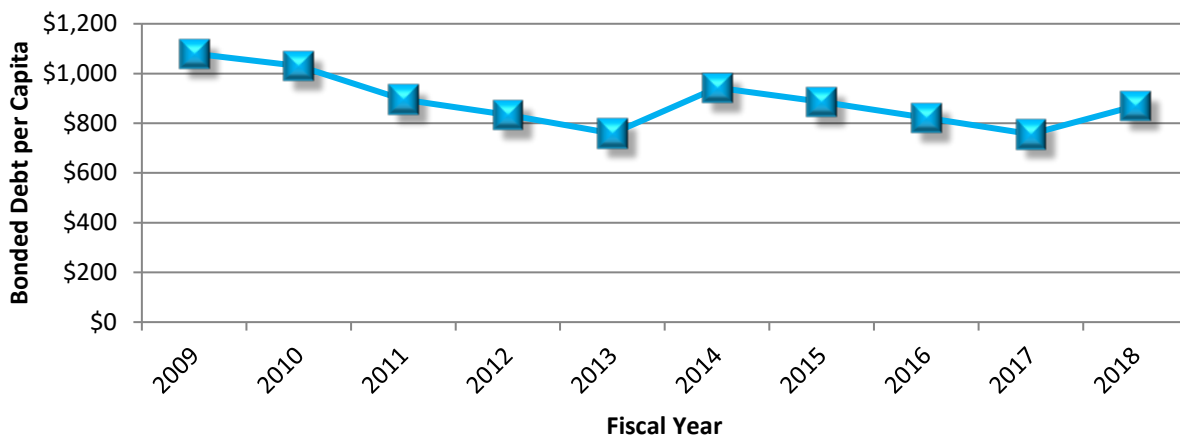
Debt Service Summary (Continued)

Legal debt margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained be the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979".

Assessed Valuation - 2017		\$	423,888,453
Legal Debt Limit - 8.625% of Assessed Value		\$	36,560,379
General Obligation Debt:			
Series 2007	\$	365,000	
Series 2008A		2,000,000	
Series 2011		2,865,000	
Series 2013		4,090,000	
Series 2014		3,335,000	
Series 2017		3,370,000	
Total General Obligation Debt		16,025,000	
Less: Alternate Revenue Source Bonds		(16,025,000)	
Total Applicable Debt			-
Legal Debt Margin		\$	36,560,379

The diagram below indicates the bonded debt per capita for all the Village's General Obligation Debt. The earlier years show when the Village issued debt for infrastructure to meet the community's rapid growth. The increased population and debt payments since have allowed the Village to reduce the bonded debt per capita over time.



Chapter 8: Fund Summary

The Fund Summary contains information on all funds except the General Fund which is reviewed by Department in Chapter 9: Departmental Summary.

MOTOR FUEL TAX FUND

The Motor Fuel Tax (MFT) Fund accounts for motor fuel tax revenues from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program. The mission of the Motor Fuel Tax Fund is to utilize revenues from the State of Illinois to cost effectively maintain Village streets. Village streets are selected for resurfacing or major rehabilitation based on the Infrastructure Road Program (IRP) noted on page 73.

Motor Fuel Tax Funds are disbursed to the Village from the Illinois Department of Transportation on a per capita basis. Motor Fuel Taxes are derived from a tax on the privilege of operating motor vehicles upon public highways based on the consumption of motor fuel. Use of Motor Fuel Tax Funds is restricted to direct expenses associated with, but not limited to, street improvements and maintenance, storm sewers and bicycle parking facilities, paths, signs and markings based upon the appropriate Illinois State Statutes. Motor Fuel Tax operations include: micro-surfacing, concrete curb and gutter replacement, street rebuilding and improvements. The Village has changed to higher dollar projects, awarded to an outside contractor based on bid results received, every other year to take advantage of economies of scale. An \$800,000 project decreased fund balance in fiscal year 2018, while the Village will build the fund balance in fiscal year 2019 in preparation for a large project in fiscal year 2020.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Intergovernmental, Grants, and Contributions								
Alloments - High Growth Cities	49,470	49,500	48,432	48,000	48,000	48,000	48,000	48,000
Alloments - Motor Fuel Tax	467,339	474,779	474,779	474,779	474,779	474,779	474,779	474,779
Total Intergovernmental, Grants, and Contributions	516,809	524,279	523,211	522,779	522,779	522,779	522,779	522,779
Investment Income								
Investment Earnings - Interest Income	694	500	358	500	250	500	250	500
Total Investment Income	694	500	358	500	250	500	250	500
Total Revenues	517,503	524,779	523,569	523,279	523,029	523,279	523,029	523,279
EXPENDITURES								
Contractual Services - Property								
Infrastructure Repair and Maintenance - Streets and Alleys	130,922	976,279	806,357	-	775,000	-	775,000	-
Total Contractual Services - Property	130,922	976,279	806,357	-	775,000	-	775,000	-
Commodities								
Public Works Supplies - Snow Removal	106,302	185,000	62,492	140,750	136,250	142,250	148,250	156,250
Total Commodities	106,302	185,000	62,492	140,750	136,250	142,250	148,250	156,250
Total Expenditures	237,224	1,161,279	868,849	140,750	911,250	142,250	923,250	156,250
Net Change in Fund Balance	280,279	(636,500)	(345,280)	382,529	(388,221)	381,029	(400,221)	367,029
Beginning Fund Balance	274,708	554,987	554,987	209,707	592,236	204,015	585,044	184,823
Ending Fund Balance	554,987	(81,513)	209,707	592,236	204,015	585,044	184,823	551,852

Chapter 8: Fund Summary

MONTGOMERY DEVELOPMENT FUND

The Montgomery Development Fund (MDF) accounts for the Village's loan program established to provide financial support to new or expanding business in the Village; encourage economic development by supporting projects that create or retain jobs; encourage area financial institutions to work with the Village and to utilize MDF programs to better serve its customers; and support projects and investments that protect and expand the tax base. The MDF consists of two programs:

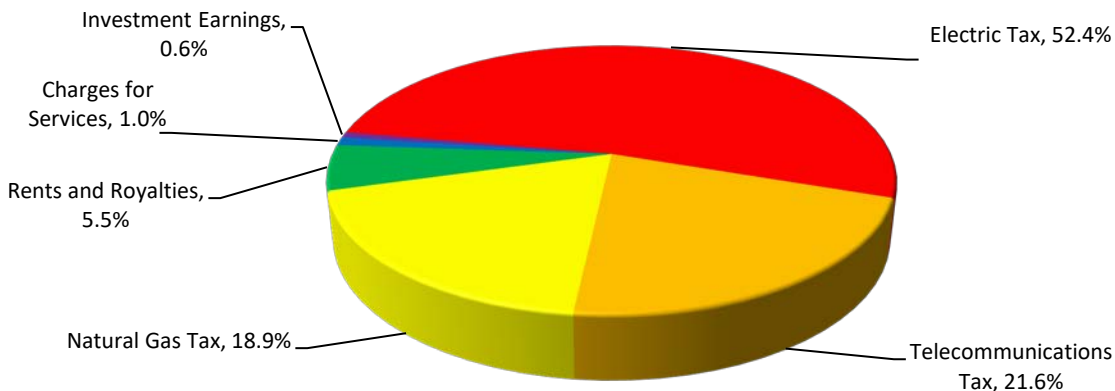
- The Forgivable Loan Program will be capitalized by approximately \$500,000 and is focused on retail and commercial businesses. Businesses will be required to continue operating in the Village for at least three (3) years from the date of project approval to receive forgiveness of the loan. The maximum forgivable loan is \$10,000. Activities that could be funded through this program include façade or streetscape improvements such as painting; window or door repairs or replacement; restoration of historic or architectural details; signage; and landscaping. Two forgivable loans were approved during fiscal year 2018 for a total of \$16,200.
- The Low Interest Loan Program will be capitalized with approximately \$1,000,000 and can be used for retail, commercial, industrial, and manufacturing or distribution center projects. The interest rate will be fixed for the term of the loan and may vary as a function of the amount, equity, security and purpose of the loan. Activities that could be funded through this program include acquisition of land, buildings, machinery, or equipment; site preparation including clearance, demolition, removal of buildings and improvements; construction or rehabilitation of commercial or industrial buildings, as well as the necessary infrastructure improvements. One low interest loan was approved during fiscal year 2018 for \$43,500.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Charges or services								
Planning fees - development application fees	-	-	500	1,000	1,000	1,000	1,000	1,000
Total Charges for Services	-	-	500	1,000	1,000	1,000	1,000	1,000
Investment Income								
Interest Income - Cash and Investments	823	750	4,162	12,500	12,500	12,500	12,500	12,500
Interest Income - Loans	9,899	9,370	3,066	1,339	1,046	732	407	85
Total Investment Income	10,722	10,120	7,228	13,839	13,546	13,232	12,907	12,585
Total Revenues	10,722	10,120	7,728	14,839	14,546	14,232	13,907	13,585
EXPENDITURES								
Contractual Services - Professional and Technical								
Legal services - development (village)	-	-	1,500	1,000	1,000	1,000	1,000	1,000
Professional Services - Economic Development	808	1,000	713	-	-	-	-	-
Total Contractual Services - Professional and Technical	808	1,000	2,213	1,000	1,000	1,000	1,000	1,000
Capital Outlay								
Gateway Enhancement Program	-	30,000	-	30,000	-	-	-	-
Downtown Streetscape Enhancement	-	125,000	-	150,000	-	-	-	-
Total Capital Outlay	-	155,000	-	180,000	-	-	-	-
Total Expenditures	808	156,000	2,213	181,000	1,000	1,000	1,000	1,000
Net Change in Fund Balance	9,914	(145,880)	5,515	(166,161)	13,546	13,232	12,907	12,585
Beginning Fund Balance	1,615,908	1,625,822	1,625,822	1,631,337	1,465,176	1,478,722	1,491,954	1,504,861
Ending Fund Balance	1,625,822	1,479,942	1,631,337	1,465,176	1,478,722	1,491,954	1,504,861	1,517,446

Chapter 8: Fund Summary

CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund accounts for the acquisition, construction and improvement of major governmental capital assets (not infrastructure or those being financed by proprietary funds). Activities are financed by utility taxes, grants, rent on Village properties, and developer contributions. The chart below shows more than 90% of the revenue for the fiscal year 2019 Capital Improvement Fund comes from utility taxes (electric, natural gas, and telecommunications).



It is important for the Village to maintain an adequate balance between contributions to capital improvements and non-capital expenditures. Both capital and non-capital expenditures play an important role in the long-range financial health of the Village and both must be planned for, implemented, and controlled with equal care to prevent them from precipitating future financial crises. The Village transfers a large percentage of the utility taxes to the Debt Service Fund to pay for debt issued to build the Police Station and Village Hall.

The Village does not have another large dedicated funding source, like utility taxes, for governmental capital improvements. Thus, it is difficult for the Village to conduct many projects without the necessary funding available. However, the Village was able to complete two smaller projects in fiscal year 2018 including the replacement of Village Board room audio visual equipment and the Light Road crossing repair, paid by a 100% grant from the Illinois Commerce Commission.

The Village started to accumulate fund balance in fiscal year 2014 after restructuring the Village's governmental debt. Fund balance will decrease over \$300,000 in fiscal year 2019 and over \$200,000 in fiscal year 2020 when the Village pays the balloon payments on the Series 2008 bonds of \$1 million per year. Due to the long-term financial plan (5-year), the Village has been able to schedule debt issuance in fiscal year 2023 to pay for the construction of a new Public Works Center.

Chapter 8: Fund Summary

CAPITAL IMPROVEMENT FUND (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Other Taxes								
Utility Tax - Electric	737,676	764,035	703,470	710,505	717,610	724,786	732,034	739,354
Utility Tax - Natural Gas	212,613	213,523	253,230	255,762	258,320	260,903	263,512	266,147
Utility Tax - Telecommunications	316,466	324,794	289,788	292,686	295,613	298,569	301,555	304,571
Total Other Taxes	1,266,755	1,302,352	1,246,488	1,258,953	1,271,543	1,284,258	1,297,101	1,310,072
Charges for Services								
Development Fees - Marquis Pointe	3,400	6,800	6,800	13,600	27,200	54,400	54,400	54,400
Total Charges for Services	3,400	6,800	6,800	13,600	27,200	54,400	54,400	54,400
Intergovernmental, Grants, and Contributions								
State Grant - LAFO	-	-	4,841	-	-	-	-	-
Local Grant - ICC (Light Road)	1,817	115,000	115,000	-	-	-	-	-
Other Reimbursements - Miscellaneous	92,950	35,000	-	-	-	-	-	-
Total Intergovernmental, Grants, and Contributions	94,767	150,000	119,841	-	-	-	-	-
Investment Income								
Interest Income - Cash and Investments	4,592	9,000	10,782	9,000	9,000	9,000	9,000	9,000
Total Investment Income	4,592	9,000	10,782	9,000	9,000	9,000	9,000	9,000
Miscellaneous								
Rents and Royalties - Water Tower Rental	141,377	71,912	71,912	74,069	89,445	118,637	122,196	125,862
Total Miscellaneous	141,377	71,912	71,912	74,069	89,445	118,637	122,196	125,862
Long-Term Debt Issue								
Bond Proceeds	-	-	-	-	-	-	-	6,000,000
Total Long-Term Debt Issue	-	-	-	-	-	-	-	6,000,000
Total Revenues	1,510,891	1,540,064	1,455,823	1,355,622	1,397,188	1,466,295	1,482,697	7,499,334
EXPENDITURES								
Contractual Services - Professional and Technical								
Engineering Services - Municipal Projects	21,080	18,500	15,000	2,052	-	-	-	-
Total Contractual Services - Professional and Technical	21,080	18,500	15,000	2,052	-	-	-	-
Contractual Services - Property								
Infrastructure Repair and Maintenance - Streets and Alleys	72,733	31,500	-	-	-	-	-	-
Total Contractual Services - Property	72,733	31,500	-	-	-	-	-	-
Contractual Services - Other								
Municipal Audit Contingency	19,997	19,997	13,821	7,787	-	-	-	-
Total Contractual Services - Other	19,997	19,997	13,821	7,787	-	-	-	-
Capital Outlay								
Capital Outlay - Public Works Facility	56,454	-	-	-	-	-	-	6,000,000
Capital Outlay - Village Hall	37,542	75,000	106,725	19,514	-	-	-	-
Capital Outlay - Light Road Crossing Repair	1,817	115,000	115,000	-	-	-	-	-
Capital Outlay - NPDES MS4 Permit	293	-	-	-	-	-	-	-
Capital Outlay - Concord Bridge Maintenance	3,818	-	-	-	-	-	-	-
Total Capital Outlay	99,924	190,000	221,725	19,514	-	-	-	6,000,000
Transfers								
Transfer Out - General Fund	-	17,800	7,050	-	-	-	-	-
Transfer Out - Debt Service	1,084,076	1,123,190	1,123,015	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
Total Transfers	1,084,076	1,140,990	1,130,065	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
Total Expenditures	1,297,810	1,400,987	1,380,611	1,688,643	1,610,853	1,191,309	1,187,534	7,192,552
Net Change in Fund Balance	213,081	139,077	75,212	(333,021)	(213,665)	274,986	295,163	306,782
Beginning Fund Balance	512,969	726,050	726,050	801,262	468,241	254,576	529,562	824,725
Ending Fund Balance	726,050	865,127	801,262	468,241	254,576	529,562	824,725	1,131,507

Chapter 8: Fund Summary

INFRASTRUCTURE IMPROVEMENT FUND

The Infrastructure Improvement Fund accounts for the revenue and expenditures restricted to governmental infrastructure improvements throughout the community. The residents of the Village approved a 1% non-home rule sales tax referendum in November 2014 restricted to pay for infrastructure and property tax relief. The Village Board enacted the tax effective July 1, 2015 and approved an average 15% property tax rebate for residential homeowners. Engineering Enterprises Inc. (EEI), the Village's engineering firm, created the Infrastructure Road Program (IRP) to plan road maintenance over the next 5 years. The Village started the IRP during fiscal year 2017 with approximately \$1.7 million in projects and have more than doubled that to \$4.3 million in fiscal year 2019.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Charges for Services								
Other Reimbursements - Streets	12,014	10,000	-	198,980	-	-	-	-
Total Charges for Services	12,014	10,000	-	198,980	-	-	-	-
Intergovernmental, Grants, and Contributions								
NHR Sales Tax	2,725,682	2,986,750	2,976,415	3,125,236	3,281,498	3,445,573	3,617,852	3,798,745
State Grant - LAFO	47,488	-	2,604	500,000	-	500,000	-	-
Total Intergovernmental, Grants, and Contributions	2,773,170	2,986,750	2,979,019	3,625,236	3,281,498	3,945,573	3,617,852	3,798,745
Investment Income								
Interest Income - Cash and Investments	656	9,000	9,444	15,000	20,000	20,000	20,000	20,000
Total Investment Income	656	9,000	9,444	15,000	20,000	20,000	20,000	20,000
Total Revenues	2,785,840	3,005,750	2,988,463	3,839,216	3,301,498	3,965,573	3,637,852	3,818,745
EXPENDITURES								
Contractual Services - Professional and Technical								
Engineering Services - Municipal Projects	507,891	520,520	493,000	649,500	559,742	710,219	464,190	511,170
Total Contractual Services - Professional and Technical	507,891	520,520	493,000	649,500	559,742	710,219	464,190	511,170
Contractual Services - Property								
Infrastructure Repair and Maintenance - Streets and Alleys	1,152,795	2,198,952	1,636,255	4,918,040	2,476,231	2,965,779	2,534,310	2,861,330
Total Contractual Services - Property	1,152,795	2,198,952	1,636,255	4,918,040	2,476,231	2,965,779	2,534,310	2,861,330
Contractual Services - Other								
Property Tax Rebate	115,147	146,335	119,530	133,102	133,102	133,102	133,102	133,102
Municipal Audit Contingency	16,430	18,000	12,246	4,000	-	-	-	-
Total Contractual Services - Other	131,577	164,335	131,776	137,102	133,102	133,102	133,102	133,102
Capital Outlay								
Huntington Chase Improvements	-	60,000	-	-	-	-	-	-
Total Capital Outlay	-	60,000	-	-	-	-	-	-
Total Expenditures	1,792,263	2,943,807	2,261,031	5,704,642	3,169,075	3,809,100	3,131,602	3,505,602
Net Change in Fund Balance	993,577	61,943	727,432	(1,865,426)	132,423	156,473	506,250	313,143
Beginning Fund Balance	972,967	1,966,544	1,966,544	2,693,976	828,550	960,973	1,117,446	1,623,696
Ending Fund Balance	1,966,544	2,028,487	2,693,976	828,550	960,973	1,117,446	1,623,696	1,936,839

Chapter 8: Fund Summary

LAKEWOOD CREEK PROJECT FUND

The Lakewood Creek Project Fund accounts for the revenue restricted to capital improvements in the Lakewood Creek neighborhood. The public improvements are complete, and the fees paid for third-party management of the Lakewood Creek Special Assessment now flow through this fund.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Investment Income								
Investment Earnings - Interest Income	11	2	132	100	100	100	100	100
Total Investment Income	11	2	132	100	100	100	100	100
Transfers								
Lakewood Creek SAA Fund	81,786	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Transfers	81,786	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Revenues	81,797	60,002	60,132	60,100	60,100	60,100	60,100	60,100
EXPENDITURES								
Contractual Services - Professional and Technical								
Other Professional Services	66,022	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Contractual Services - Professional and Technical	66,022	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Expenditures	66,022	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Net Change in Fund Balance	15,775	2	132	100	100	100	100	100
Beginning Fund Balance	8,075	23,850	23,850	23,982	24,082	24,182	24,282	24,382
Ending Fund Balance	23,850	23,852	23,982	24,082	24,182	24,282	24,382	24,482

TAX INCREMENT FINANCING (TIF) #1 FUND

The Tax Increment Financing (Montgomery Preserve TIF District) #1 Fund accounts for property taxes collected on the incremental increase in the equalized assessed value within the district. TIF #1 completed one of three scheduled projects during fiscal year 2017. Rough grading on a Village owned parcel and flood measures will be completed during fiscal year 2018.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - TIF	39,630	40,000	33,680	35,000	36,000	37,000	38,000	39,000
Total Property Taxes	39,630	40,000	33,680	35,000	36,000	37,000	38,000	39,000
Total Revenues	39,630	40,000	33,680	35,000	36,000	37,000	38,000	39,000
EXPENDITURES								
Contractual Services - Professional and Technical								
Engineering Services - Development (Reimbursable)	48	-	-	-	-	-	-	-
Engineering Services - Development (Village)	39,723	-	5,300	-	-	-	-	-
Legal Services - Development (Village)	6,795	300	300	300	300	300	300	300
Economic Development Services - TIF Consultant	-	500	-	500	500	500	500	500
Accounting and Auditing Services - General	700	720	360	370	380	390	400	410
Total Contractual Services - Professional and Technical	47,266	1,520	5,960	1,170	1,180	1,190	1,200	1,210
Capital Outlay								
Capital Outlay - Pearl Street Storm Sewer	78,381	-	84,369	-	-	-	-	-
Capital Outlay - Village Land Maintenance	3,644	60,000	10,000	55,000	-	-	-	-
Total Capital Outlay	82,025	60,000	94,369	55,000	-	-	-	-
Total Expenditures	129,291	61,520	100,329	56,170	1,180	1,190	1,200	1,210
Net Change in Fund Balance	(89,661)	(21,520)	(66,649)	(21,170)	34,820	35,810	36,800	37,790
Beginning Fund Balance	182,889	93,228	93,228	26,579	5,409	40,229	76,039	112,839
Ending Fund Balance	93,228	71,708	26,579	5,409	40,229	76,039	112,839	150,629

Chapter 8: Fund Summary

TAX INCREMENT FINANCING (TIF) #2 FUND

The Tax Increment Financing (Aucutt Road TIF District) #2 Fund accounts for property taxes collected on the incremental increase in the equalized assessed value within the district. The Village established the Aucutt Road Tax Increment Financing District #2 on January 13, 2014. The Aucutt Road corridor is one of Montgomery's most prominent industrial areas, representing significant growth potential.

Four private developments (Butterball, Michels, United Sugars, and Nexeo) comprise over 75% of the tax increment in TIF #2. The large increase in fiscal year 2019 is due to United Sugars and Nexeo new buildings, which were assessed at 50% of their value in fiscal year 2019 and will rise to 100% of assessed value in fiscal year 2020. The most significant influence on the success of TIF #2 is the presence of extensive floodplain and wetlands associated with Blackberry Creek. Accordingly, a storm sewer overflow study was completed during fiscal year 2018. Based on the study, the Village will begin engineering of regional detention storage in fiscal year 2019. In addition, the Village will begin to build up the fund balance for future projects such as widening Aucutt Road and upsizing watermain.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property taxes								
Property Tax - TIF	188,195	396,000	197,474	817,231	1,390,739	1,432,461	1,475,435	1,519,698
Total property taxes	188,195	396,000	197,474	817,231	1,390,739	1,432,461	1,475,435	1,519,698
Long-term debt issue								
Property Tax - TIF	-	-	-	-	-	7,120,000	-	-
Total long-term debt issue	-	-	-	-	-	7,120,000	-	-
Total Revenues	188,195	396,000	197,474	817,231	1,390,739	8,552,461	1,475,435	1,519,698
EXPENDITURES								
Contractual services - professional and technical								
Engineering Services - Development (Village)	(3,508)	61,000	61,000	-	-	-	-	-
Legal Services - Development (Village)	350	2,500	500	1,000	1,000	1,000	1,000	1,000
Economic Development Services - TIF Consultant	-	500	-	500	500	500	500	500
Accounting and Auditing Services - General	-	720	360	370	380	390	400	410
Planning Services - General	6,375	-	3,175	-	-	-	-	-
Total contractual services - professional and technical	3,217	64,720	65,035	1,870	1,880	1,890	1,900	1,910
Contractual services - other								
Other Contractual Services - Tax Districts	148,838	295,800	138,033	216,725	223,227	229,924	236,822	243,927
Total contractual services - other	148,838	295,800	138,033	216,725	223,227	229,924	236,822	243,927
Capital outlay								
Capital outlay - streets	-	-	-	-	278,000	804,400	3,328,300	-
Capital outlay - watermain	-	-	-	-	190,000	2,410,000	-	-
Capital outlay - stormsewer	-	-	-	305,000	45,000	750,000	750,000	-
Capital outlay - traffic signal	-	-	-	20,000	50,000	550,000	-	-
Total capital outlay	-	-	-	325,000	563,000	4,514,400	4,078,300	-
Debt service								
Principal payment - 2021	-	-	-	-	-	-	350,000	315,000
Interest payment - 2021	-	-	-	-	-	-	181,549	218,536
Fiscal Agent Fees	-	-	-	-	-	450	450	450
Issuance Costs	-	-	-	-	-	120,000	-	-
Total debt service	-	-	-	-	-	120,450	531,999	533,986
Total Expenditures	152,055	360,520	203,068	543,595	788,107	4,866,664	4,849,021	779,823
Net Change in Fund Balance	36,140	35,480	(5,594)	273,636	602,632	3,685,797	(3,373,586)	739,875
Beginning Fund Balance	(29,674)	6,466	6,466	872	274,508	877,140	4,562,937	1,189,351
Ending Fund Balance	6,466	41,946	872	274,508	877,140	4,562,937	1,189,351	1,929,226

Chapter 8: Fund Summary

TAX INCREMENT FINANCING (TIF) #3 FUND

The Tax Increment Financing #3 Fund was established to explore the possibility of creating an additional TIF district within the Village.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - TIF	-	-	-	-	-	50,000	75,000	100,000
Total Property Taxes	-	-	-	-	-	50,000	75,000	100,000
Total Revenues	-	-	-	-	-	50,000	75,000	100,000
EXPENDITURES								
Contractual Services - Professional and Technical								
Engineering Services - Development (Village)	-	5,000	-	5,000	-	-	-	-
Legal Services - Development (Village)	-	8,000	-	8,000	500	500	500	500
Economic Development Services - TIF Consultant	-	25,000	-	25,000	-	-	-	-
Accounting and Auditing services - general	-	-	-	-	-	-	800	820
Total Contractual Services - Professional and Technical	-	38,000	-	38,000	500	500	1,300	1,320
Total Expenditures	-	38,000	-	38,000	500	500	1,300	1,320
Net Change in Fund Balance	-	(38,000)	-	(38,000)	(500)	49,500	73,700	98,680
Beginning Fund Balance	-	-	-	-	(38,000)	(38,500)	11,000	84,700
Ending Fund Balance	-	(38,000)	-	(38,000)	(38,500)	11,000	84,700	183,380

DEBT SERVICE FUND

The Debt Service Fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds (Series 2008, Series 2011, and Series 2014) for payment of the principal and interest on governmental debt (non-proprietary). Utility tax revenues are transferred from the Capital Improvement Fund to finance the annual payment requirements. Principal payments are due in December and interest payments are made twice a year in June and December.

Governmental activities long-term debt payable through the Debt Service Fund at April 30, 2018 consists of:
General Obligation Alternate Revenue Source Bonds dated August 1, 2008 (Series 2008) due in annual installments of \$1,000,000 plus interest of 5.00% through December 1, 2019.

General Obligation Alternate Revenue Source Bonds dated December 15, 2011 (Series 2011) due in annual installments of \$205,000 to \$450,000 plus interest of 2.000% to 3.125% through December 1, 2024.

General Obligation Alternate Revenue Source Bonds dated April 29, 2014 (Series 2014) due in annual installments of \$630,000 to \$710,000 plus interest of 3.00% to 3.50% through December 1, 2024.

Chapter 8: Fund Summary

DEBT SERVICE FUND (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Transfers								
Transfer From Capital Improvement Fund	1,084,076	1,123,190	1,123,015	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
Total Transfers	1,084,076	1,123,190	1,123,015	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
Total Revenues	1,084,076	1,123,190	1,123,015	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
EXPENDITURES								
Debt Service								
Principal Payment - 2008	-	-	-	1,000,000	1,000,000	-	-	-
Principal Payment - 2010	550,000	605,000	605,000	-	-	-	-	-
Principal Payment - 2011	205,000	205,000	205,000	375,000	385,000	395,000	405,000	420,000
Principal Payment - 2014	-	-	-	-	-	630,000	645,000	665,000
Interest Payment - 2008	100,000	100,000	100,000	100,000	50,000	-	-	-
Interest Payment - 2010	42,075	24,200	24,200	-	-	-	-	-
Interest Payment - 2011	84,950	80,850	80,850	76,750	68,313	59,169	49,294	38,662
Interest Payment - 2014	106,340	106,340	106,340	106,340	106,340	106,340	87,440	68,090
Fiscal Agent Fees	1,600	1,800	1,825	1,200	1,200	800	800	800
Total Debt Service	1,089,965	1,123,190	1,123,215	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
Total Expenditures	1,089,965	1,123,190	1,123,215	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552
Net Change in Fund Balance	(5,889)	-	(200)	-	-	-	-	-
Beginning Fund Balance	56,089	50,200	50,200	50,000	50,000	50,000	50,000	50,000
Ending Fund Balance	50,200	50,200	50,000	50,000	50,000	50,000	50,000	50,000

WATER FUND

The Water Fund (Water and Water Improvement Funds are consolidated in the financial statements) accounts for the provision of water and sewer services to the residents of the Village. All activities (revenues and expenses) necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, repair, and replacement. The chart below shows the Water Fund revenues and a summary of expenses. The detail of Water Administration and Water Plant Operations is included on subsequent pages, followed by the Water Improvement Fund.

Revenues

There is a water consumption rate increase of 3% included in fiscal year 2019, which is necessary to address goals for continued system operation, maintenance, repair, and replacement. The rate will increase from \$5.62 to \$5.79 per thousand gallons for residents and \$6.75 to \$6.95 per thousand gallons for non-residents.

Chapter 8: Fund Summary

WATER FUND (Continued)

Revenues (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Charges for Services								
Service Fees - Water Sales	3,637,302	3,792,651	3,550,681	3,680,120	3,825,556	3,977,470	4,116,343	4,236,596
Service Fees - Late Charges	132,905	129,551	140,676	144,896	149,243	153,720	158,332	163,082
Service Fees - Water Service Charges	353,647	352,742	359,104	353,887	355,687	357,487	359,287	361,087
Service Fees - Delinquent Fees	59,600	50,000	66,390	67,100	67,100	67,100	67,100	67,100
Service Fees - Sewer Maintenance Charges	151,151	150,864	150,983	151,800	153,000	154,200	155,400	156,600
Service Fees - BH Infrastructure Fee	509,626	508,860	508,860	508,860	508,860	508,860	508,860	508,860
Service Fees - Fox Metro Reading Fee	27,621	27,705	27,695	27,735	27,885	28,035	28,185	28,335
Total Charges for Services	4,871,852	5,012,373	4,804,389	4,934,398	5,087,331	5,246,872	5,393,507	5,521,660
Investment Income								
Investment Earnings - Interest Income	24,775	30,000	34,284	30,000	30,000	30,000	30,000	30,000
Total Investment Income	24,775	30,000	34,284	30,000	30,000	30,000	30,000	30,000
Miscellaneous								
Service Fees - Non Sufficient Funds Fee	1,425	1,250	1,350	1,250	1,250	1,250	1,250	1,250
Other Reimbursements - Insurance	17,134	-	25,209	-	-	-	-	-
Total Miscellaneous	18,559	1,250	26,559	1,250	1,250	1,250	1,250	1,250
Total Revenues	4,915,186	5,043,623	4,865,232	4,965,648	5,118,581	5,278,122	5,424,757	5,552,910
EXPENSES								
Water Utility - Administration	2,370,893	1,350,451	1,350,623	1,511,705	1,231,746	1,238,671	1,235,484	1,271,994
Water Utility - Plant Operations	2,913,756	3,627,180	3,128,117	3,206,192	4,207,858	3,225,368	3,219,262	3,240,733
Total Expenses	5,284,649	4,977,631	4,478,740	4,717,897	5,439,604	4,464,039	4,454,746	4,512,727
Income (Loss) Before Transfers	(369,463)	65,992	386,492	247,751	(321,023)	814,083	970,011	1,040,183
Transfer In (Out) - Water Improvement Fund	(212,027)	(137,250)	2,020,348	(2,128,024)	78,040	(1,280,466)	(1,126,170)	(714,870)
Contributions	587,125	-	-	-	-	-	-	-
Change in Net Position	5,635	(71,258)	2,406,840	(1,880,273)	(242,983)	(466,383)	(156,159)	325,313
Beginning Net Position	23,865,175	23,870,810	23,870,810	26,277,650	24,397,377	24,154,394	23,688,011	23,531,852
Ending Net Position	23,870,810	23,799,552	26,277,650	24,397,377	24,154,394	23,688,011	23,531,852	23,857,165

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Administration

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees (60%)	107,093	104,758	104,578	108,425	112,220	116,148	120,213	124,420
Wages - Overtime (General)	98	300	75	300	300	300	300	300
Total Personal Services - Salaries and Wages	107,191	105,058	104,653	108,725	112,520	116,448	120,513	124,720
Personal Services - Employee Benefits								
Insurance - Health	8,435	9,120	9,120	9,178	9,637	10,119	10,625	11,156
Insurance - Dental	413	472	472	521	547	574	603	633
Insurance - Life and AD&D	90	88	88	44	44	44	44	44
Insurance - Workers' Compensation	600	600	600	600	600	600	600	600
Insurance - Unemployment	459	583	377	377	377	377	377	377
Retirement - Social Security	6,016	6,514	6,488	6,741	6,976	7,220	7,472	7,733
Retirement - Medicare	1,407	1,523	1,517	1,577	1,632	1,688	1,747	1,808
Retirement - IMRF	13,284	12,365	12,318	12,134	12,557	12,996	13,449	13,919
Education - Conferences and Training	1,004	600	600	1,100	600	600	600	600
Equipment - Clothing Allowance	240	240	240	240	240	240	240	240
Total Personal Services - Employee Benefits	31,948	32,105	31,820	32,512	33,210	34,458	35,757	37,110
Contractual Services - Professional and Technical								
Engineering Services - General	45,767	50,000	50,000	52,500	52,500	52,500	52,500	82,000
Other Professional Services - Cash Management	26	-	-	-	-	-	-	-
Total Contractual Services - Professional and Technical	45,793	50,000	50,000	52,500	52,500	52,500	52,500	82,000
Contractual Services - Property								
Utilities - Telephone	-	-	-	-	-	-	-	-
Utilities - Cell Phone	302	-	-	-	-	-	-	-
Utilities - Internet Access	3,087	3,216	3,578	3,696	3,696	3,696	3,696	3,696
Total Contractual Services - Property	3,389	3,216	3,578	3,696	3,696	3,696	3,696	3,696
Contractual Services - Other								
Printing and Publishing - Legal Notices	-	500	250	500	500	500	500	500
Printing and Publishing - Publications	1,847	3,000	2,500	3,000	3,000	3,000	3,000	3,000
Other Purchased Services - Dues	121	860	860	860	860	860	860	860
Bad Debt	2,171	1,000	2,000	1,000	1,000	1,000	1,000	1,000
Total Contractual Services - Other	4,139	5,360	5,610	5,360	5,360	5,360	5,360	5,360
Commodities								
General Supplies - Office	592	750	500	750	750	750	750	750
General Supplies - Postage	2,621	5,000	5,000	5,000	5,000	5,000	5,000	5,000
General Supplies - Tools	19	500	500	500	500	500	500	500
General Supplies - Books and Periodicals	614	500	500	500	500	500	500	500
General Supplies - Cleaning	-	-	-	-	-	-	-	-
Total Commodities	3,846	6,750	6,500	6,750	6,750	6,750	6,750	6,750
Capital Outlay								
Capital Outlay - Equipment (Computer)	1,359	-	-	-	-	-	-	-
Total Capital Outlay	1,359	-	-	-	-	-	-	-

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Administration (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Debt Service								
Principal Payment - IEPA Low Interest Loan #1	-	64,194	64,194	65,923	67,698	69,521	71,393	73,316
Principal Payment - 2007 Refunding	-	350,000	350,000	365,000	-	-	-	-
Principal Payment - IEPA Low Interest Loan #2	-	208,758	208,758	211,376	214,027	216,710	219,427	222,179
Principal Payment - 2013 Bonds	-	130,000	130,000	135,000	140,000	145,000	145,000	150,000
Principal Payment - IEPA Low Interest Loan #3	-	108,585	108,585	110,762	112,983	115,248	117,559	119,915
Principal Payment - 2017 Bonds	-	-	-	-	135,000	140,000	140,000	145,000
Principal Payment - IEPA Low Interest Loan #4	-	-	-	-	500,000	-	-	-
Interest Payment - IEPA Low Interest Loan #1	11,582	10,596	10,596	8,867	7,092	5,269	3,397	1,474
Interest Payment - 2007 (Refunding)	35,961	28,242	28,242	14,418	-	-	-	-
Interest Payment - IEPA Low Interest Loan #2	44,635	42,121	42,121	39,504	36,853	34,170	31,452	28,701
Interest Payment - 2013 Bonds	160,988	158,800	158,800	154,900	150,850	146,650	142,300	137,950
Interest Payment - IEPA Low Interest Loan #3	47,073	45,866	45,866	43,689	41,469	39,203	36,892	34,535
Interest Payment - 2017 Bonds	-	-	-	151,923	110,938	106,888	102,688	98,488
Fiscal Agent Fees	800	800	1,300	800	800	800	800	800
Total Debt Service	301,039	1,147,962	1,148,462	1,302,162	1,517,710	1,019,459	1,010,908	1,012,358
Amortization and Depreciation								
Amortization Expense	(10,203)	-	-	-	-	-	-	-
Depreciation Expense	1,882,921	-	-	-	-	-	-	-
Total Amortization and Depreciation	1,872,718	-	-	-	-	-	-	-
Total Water - Administration	2,371,422	1,350,451	1,350,623	1,511,705	1,731,746	1,238,671	1,235,484	1,271,994

Business-type activities long-term debt payable through the Water Fund at April 30, 2018 consists of:

General Obligation Alternate Revenue Source Bonds dated December 3, 2007 (Series 2007) due in annual installments of \$5,000 to \$365,000 plus interest of 3.95% through December 1, 2018.

General Obligation Alternate Revenue Source Bonds dated June 11, 2013 (Series 2013) due in annual installments of \$120,000 to \$280,000 plus interest of 3.00% to 4.00% through December 1, 2038.

General Obligation Alternate Revenue Source Bonds dated July 18, 2017 (Series 2017) due in annual installments of \$135,000 to \$235,000 plus interest of 3.00% to 4.00% through December 1, 2037.

Illinois Environmental Protection Agency Loan (2002) for \$1,128,780 for new construction. The loan bears interest at 2.675% and requires semiannual payments through December 1, 2022.

Illinois Environmental Protection Agency Loan (2011) for \$4,310,177 for rehabilitation of the water treatment plant, drilling of well #15, installation of well #15 water main, and improvements to well #14. The loan bears interest at 1.25% and requires semiannual payments through April 19, 2032.

Illinois Environmental Protection Agency Loan (2014) for \$2,482,931 for replacement of approximately 18,000 feet of water main in the unincorporated Boulder Hill Subdivision to remediate water main quality, small diameter water main, and water main looping issues. The loan bears interest at 1.995% and requires semiannual payments through April 1, 2035.

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Plant Operations

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	403,002	473,259	494,891	442,647	453,713	465,056	476,682	488,599
Overtime - General	66,195	45,000	75,638	60,000	60,000	60,000	60,000	60,000
Total Personal Services - Salaries and Wages	469,197	518,259	570,529	502,647	513,713	525,056	536,682	548,599
Personal Services - Employee Benefits								
Insurance - Health	76,521	90,712	90,712	145,648	152,930	160,577	132,578	139,207
Insurance - Dental	3,810	4,622	4,622	4,853	5,096	5,351	5,619	5,900
Insurance - Life and AD&D	523	586	586	513	513	513	513	513
Insurance - Workers' Compensation	7,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Insurance - Unemployment	3,653	3,888	2,849	2,514	2,514	2,514	2,514	2,514
Retirement - Social Security	29,784	32,132	35,373	31,164	31,850	32,553	33,274	34,013
Retirement - Medicare	6,966	7,515	8,273	7,288	7,449	7,613	7,782	7,955
Retirement - IMRF	51,924	60,999	67,151	56,095	57,330	58,596	59,894	61,224
Education - Conferences and Training	4,658	8,100	4,500	8,100	8,100	8,100	8,100	8,100
Equipment - Clothing Allowance	2,800	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Total Personal Services - Employee Benefits	187,639	219,754	225,266	267,375	276,982	287,017	261,474	270,626
Contractual services - professional and technical								
Information technology services - software maintenance	-	-	390	960	960	960	960	960
Total contractual services - professional and technical	-	-	390	960	960	960	960	960
Contractual Services - Property								
Utilities - Electric	339,047	354,126	313,209	325,000	325,000	325,000	325,000	325,000
Utilities - Natural Gas	5,512	7,640	10,381	10,692	11,013	11,343	11,683	12,033
Utilities - Telephone	2,466	2,412	2,412	2,508	2,484	2,484	2,484	2,484
Utilities - Cell Phone	4,956	6,984	6,093	6,510	6,510	6,510	6,510	6,510
Building Repair and Maintenance - Other	99,551	111,152	80,000	125,652	125,652	125,652	105,652	105,652
Sewer Repair and Maintenance - Lift Stations	18,410	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Sewer Repair and Maintenance - Sanitary Sewer	78,725	65,000	65,000	75,000	75,000	75,000	75,000	75,000
Water Utility Repair and Maintenance - Hydrants	34,012	40,000	40,000	35,000	30,000	30,000	30,000	30,000
Water Utility Repair and Maintenance - Water Meters	22,042	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Water Utility Repair and Maintenance - Service Pipes	22,473	520,000	20,000	55,000	1,011,500	20,000	20,000	20,000
Water Utility Repair and Maintenance - Storage Tank	499	1,500	5,500	1,500	1,500	1,500	1,500	1,500
Water Utility Repair and Maintenance - Wells and Pumps	15,660	33,000	20,000	40,000	51,000	11,000	11,000	11,000
Water Utility Repair and Maintenance - Watermains	67,049	86,108	66,000	86,163	86,221	86,282	86,346	86,413
Water Utility Repair and Maintenance - Valves	16,572	16,000	16,000	20,000	16,000	16,000	16,000	16,000
Water Utility Repair and Maintenance - Spoils Disposal	23,936	20,000	32,625	10,000	10,000	10,000	10,000	10,000
Total Contractual Services - Property	750,910	1,299,922	713,220	829,025	1,787,880	756,771	737,175	737,592
Contractual Services - Other								
Other Contractual Services - Dues	1,346	1,755	1,755	1,755	1,755	1,755	1,755	1,755
Other Contractual Services - Sludge Removal	60,305	65,000	55,000	65,000	65,000	65,000	65,000	65,000
Other Contractual Services - Water Testing	12,205	35,000	35,000	30,000	30,000	30,000	30,000	30,000
Other Contractual Services - Leak Survey	14,323	18,000	18,000	22,000	22,000	22,000	22,000	22,000
Other Contractual Services - JULIE Notification	5,260	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Other Contractual Services - SCADA Maintenance	11,591	30,000	26,000	10,000	10,000	12,500	30,000	10,000
Total Contractual Services - Other	105,030	157,755	143,755	136,755	136,755	139,255	156,755	136,755

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Plant Operations (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Commodities								
General Supplies - Safety	2,674	8,100	8,100	6,250	2,250	2,250	2,250	2,250
General Supplies - Uniforms	3,975	6,000	6,000	6,000	6,000	6,000	6,000	6,000
General Supplies - Computer Equipment	-	2,300	1,400	-	3,600	-	1,400	800
Vehicle Supplies - Tools	4,519	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Public Works Supplies - Water Chemicals	291,701	235,500	291,000	298,000	298,000	298,000	298,000	298,000
Public Works Supplies - JULIE	8,033	5,800	4,000	4,000	4,000	4,000	4,000	4,000
Minor equipment - Public Works	-	10,500	10,387	-	-	-	-	-
Total Commodities	310,902	270,200	322,887	316,250	315,850	312,250	313,650	313,050
Transfers								
Transfer Out - General Fund	904,258	961,626	952,406	950,917	973,455	1,001,796	1,010,303	1,030,888
Transfer Out - Vehicle Reserve Fund	185,820	199,664	199,664	202,263	202,263	202,263	202,263	202,263
Total Transfers	1,090,078	1,161,290	1,152,070	1,153,180	1,175,718	1,204,059	1,212,566	1,233,151
Total Water - Water Plant Operations	2,913,756	3,627,180	3,128,117	3,206,192	4,207,858	3,225,368	3,219,262	3,240,733

WATER IMPROVEMENT FUND

The Water Improvement Fund (Water and Water Improvement Funds are consolidated in the financial statements) accounts for the acquisition, construction and improvement of major proprietary capital assets being financed by the Water Fund. These improvements are financed through the administration of service charges, tap-on fees, and the issuance of long-term debt to pay for certain improvements over the useful life of those assets.

The main capital outlay projects in the Water Improvement Fund for fiscal year 2019 are:

- Our water main replacement program started during fiscal year 2018 and replaces aging, critical infrastructure with new mains that provide more reliable service, better water pressure, and high-quality water. The program will replace approximately 3,500 feet of existing water main with new larger 8-inch water main in fiscal year 2019. The Village will begin to see savings immediately due to fewer main breaks in the areas being replaced.
- The Jefferson Street and Route 25 lift stations have reached the end of their useful design lives and need to be rehabilitated. Funding for this project is provided by the Series 2017 general obligation alternate revenue bonds issued during fiscal year 2018. The debt service for the lift station rehabilitation will cost the Village \$70,000 annually for the next 20 years. The Village will realize improved reliability of the lift station, enhanced site safety and security for its employees, increased longevity of the mechanical and electrical components, and a small decrease in electricity cost due to energy efficient pumps.

Chapter 8: Fund Summary

WATER IMPROVEMENT FUND (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Charges for Services								
Other Reimbursements - Water Meters	17,584	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Other Reimbursements - Tap and Footage Fees	191,528	45,000	45,000	485,390	485,390	309,234	45,000	45,000
Total Charges for Services	209,112	65,000	65,000	505,390	505,390	329,234	65,000	65,000
Transfers								
Transfer From Water Fund	212,027	137,250	(2,020,348)	2,128,024	(78,040)	1,280,466	1,126,170	714,870
Total Transfers	212,027	137,250	(2,020,348)	2,128,024	(78,040)	1,280,466	1,126,170	714,870
Long Term Debt								
Bond Proceeds	-	3,500,000	3,515,898	-	-	-	-	-
IEPA Loan	-	-	-	-	495,750	-	-	-
Total Long Term Debt	-	3,500,000	3,515,898	-	495,750	-	-	-
Total Revenues	421,139	3,702,250	1,560,550	2,633,414	923,100	1,609,700	1,191,170	779,870
EXPENSES								
Capital Outlay								
Capital Outlay - Watermain Replacement	-	1,870,000	620,000	1,147,224	383,800	664,800	581,000	241,850
Capital Outlay - Sanitary Sewer Televising	43,474	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay - Water Meters (Replacement Program)	177,620	180,020	180,020	161,020	184,020	187,020	190,020	193,020
Capital Outlay - Replacement and Rehab Reserve	3,927	426,830	426,830	243,470	235,280	637,880	300,150	225,000
Boulder Hill Water System Improvements	-	-	1,705	-	-	-	-	-
Chlorine System Improvements	120,390	-	509	-	-	-	-	-
Jefferson Street Lift Station Rehabilitation	-	1,015,400	88,600	961,700	-	-	-	-
Water Works System Master Plan	47,920	-	-	-	-	-	-	-
Water Quality Testing and Regional Planning	-	40,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Capital Outlay	393,331	3,632,250	1,437,664	2,633,414	923,100	1,609,700	1,191,170	779,870
Debt Service								
Issuance Costs	-	70,000	112,270	-	-	-	-	-
Total Debt Service	-	70,000	112,270	-	-	-	-	-
Total Expenses	393,331	3,702,250	1,549,934	2,633,414	923,100	1,609,700	1,191,170	779,870
Change in Net Position	27,808	-	10,616	-	-	-	-	-
Beginning Net Position	(38,424)	(10,616)	(10,616)	-	-	-	-	-
Ending Net Position	(10,616)	(10,616)	-	-	-	-	-	-

Chapter 8: Fund Summary

EMPLOYEE INSURANCE FUND

The Employee Insurance Fund accounts for the internal contributions (employer and employee) for providing group health, dental, and life insurance to Village employees. This internal service fund is reported as part of the governmental activities since it provides services primarily to the Village's governmental funds/activities.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Charges for Services								
Internal Service Fees - Employer Medical Contributions	853,149	922,172	922,172	1,067,439	1,120,811	1,176,853	1,145,624	1,202,905
Internal Service Fees - Employer Dental Contributions	47,084	52,216	52,216	56,319	59,134	62,089	65,195	68,455
Internal Service Fees - Employee Medical Contributions	114,070	133,321	133,321	133,321	153,319	176,317	202,765	233,180
Internal Service Fees - Retiree Medical Contributions	78,271	88,861	88,861	86,530	90,857	95,400	100,170	105,179
Internal Service Fees - Employer Life Contributions	4,487	4,547	4,540	4,271	4,289	4,368	4,368	4,368
Total Charges for Services	1,097,061	1,201,117	1,201,110	1,347,880	1,428,410	1,515,027	1,518,122	1,614,087
Total Revenues	1,097,061	1,201,117	1,201,110	1,347,880	1,428,410	1,515,027	1,518,122	1,614,087
EXPENSES								
Contractual Services - Other								
Insurance - Medical (HMO)	1,053,491	1,144,354	1,144,354	1,287,290	1,364,987	1,448,570	1,448,559	1,541,264
Insurance - Medical (PPO)	30,125	-	-	-	-	-	-	-
Insurance - Dental	50,001	52,216	52,216	56,319	59,134	62,089	65,195	68,455
Insurance - Life	4,302	4,547	4,540	4,271	4,289	4,368	4,368	4,368
Total Contractual Services - Other	1,137,919	1,201,117	1,201,110	1,347,880	1,428,410	1,515,027	1,518,122	1,614,087
Total Expenses	1,137,919	1,201,117	1,201,110	1,347,880	1,428,410	1,515,027	1,518,122	1,614,087
Change in Net Position	(40,858)	-	-	-	-	-	-	-
Beginning Net Position	252,359	211,501	211,501	211,501	211,501	211,501	211,501	211,501
Ending Net Position	211,501	211,501	211,501	211,501	211,501	211,501	211,501	211,501

Chapter 8: Fund Summary

VEHICLE RESERVE FUND

The Vehicle Reserve Fund accounts for contributions made to pay for the replacement of vehicles and equipment. The Village estimates the useful life of each vehicle, replacement cost at the end of its useful life, and transfers the applicable amounts from the General Fund and Water Fund. Contributions slowed when the Great Recession hit and was made a priority by the Village Board to rebuild this fund beginning in fiscal year 2014. The Village averaged the contributions over the next 15 years and expects the Vehicle Reserve Fund to be fully funded by 2029. The Village made a concerted effort during fiscal year 2016 to study the useful life of our vehicles and equipment, as well as determining if we had the correct vehicles and equipment. This allowed the Village to decrease the contribution for fiscal year 2017 forward. The fiscal year 2019 budget includes replacement of 10 pieces of equipment. Lastly, the Village moved fine revenue restricted for various purposes to the Vehicle Reserve Fund. The restrictions are met when a squad is upfitted with all the necessary equipment.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Charges for Services								
Internal Service Fees - Vehicle Reserve Contributions	594,393	616,915	616,915	618,241	618,241	618,241	618,241	618,241
Total Charges for Services	594,393	616,915	616,915	618,241	618,241	618,241	618,241	618,241
Fines and Forfeitures								
Kane County - Drug Fines	-	-	-	1,000	1,000	1,000	1,000	1,000
Kane County - DUI Prevention	-	-	-	7,500	7,500	7,500	7,500	7,500
Article 36 Forfeiture	-	-	-	1,000	1,000	1,000	1,000	1,000
Kane County - E-Citation	-	-	-	3,500	3,500	3,500	3,500	3,500
Kendall County - Drug Fines	-	-	-	1,500	1,500	1,500	1,500	1,500
Kendall County - DUI Prevention	-	-	-	4,000	4,000	4,000	4,000	4,000
Kendall County - E-Citation	-	-	-	250	250	250	250	250
Total Fines and Forfeitures	-	-	-	18,750	18,750	18,750	18,750	18,750
Investment Income								
Investment Earnings - Interest Income	(676)	500	5,000	10,000	10,000	15,000	20,000	20,000
Total Investment Income	(676)	500	5,000	10,000	10,000	15,000	20,000	20,000
Miscellaneous								
Other Reimbursements - Miscellaneous	-	-	36,284	-	-	-	-	-
Sale of Capital Assets	112,724	-	109,142	-	-	-	-	-
Total Miscellaneous	112,724	-	145,426	-	-	-	-	-
Total Revenues	706,441	617,415	767,341	646,991	646,991	651,991	656,991	656,991
EXPENDITURES								
Capital Outlay								
Capital Outlay - Vehicles	940,692	692,115	692,115	744,710	302,523	208,773	171,309	113,170
Total Capital Outlay	940,692	692,115	692,115	744,710	302,523	208,773	171,309	113,170
Total Expenditures	940,692	692,115	692,115	744,710	302,523	208,773	171,309	113,170
Net Change in Fund Balance	(234,251)	(74,700)	75,226	(97,719)	344,468	443,218	485,682	543,821
Beginning Fund Balance	735,263	501,012	501,012	576,238	478,519	822,987	1,266,205	1,751,887
Ending Fund Balance	501,012	426,312	576,238	478,519	822,987	1,266,205	1,751,887	2,295,708

Chapter 8: Fund Summary

REFUSE FUND

The Refuse Fund accounts for refuse services contracted by the Village for the benefit of its citizens, but performed by a private entity. This fund is financed by fees charged to residents on their bi-monthly utility bill. Refuse services were provided by Republic Services until July 31, 2017 for \$19.65 per month. The Village Board approved a 7-year contract with DC Trash of Illinois effective August 1, 2017 for a full range of refuse services, saving our residents nearly \$300,000 a year. These services include refuse, recycling, yard waste, bulk items, white goods (i.e. large appliances), and quarterly electronics recycling and household hazardous waste events. The rate for DC Trash of Illinois started at \$16.47 per month on August 1, 2017, will increase to \$16.96 per month on August 1, 2018, and 3% per year thereafter. The large decrease in fiscal year 2018 reflects 3 months at \$19.65 per month and 9 months at \$16.47 per month, while fiscal year 2019 reflects 3 months at \$16.47 per month and 9 months at \$16.96 per month. The budgeted amount for direct customer refuse billing is based on the contract rate and the existing number of homes.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Charges for Services								
Service Fees - Refuse Removal	1,333,956	1,416,396	1,199,390	1,197,206	1,243,520	1,291,348	1,340,502	1,391,601
Total Charges for Services	1,333,956	1,416,396	1,199,390	1,197,206	1,243,520	1,291,348	1,340,502	1,391,601
Total Revenues	1,333,956	1,416,396	1,199,390	1,197,206	1,243,520	1,291,348	1,340,502	1,391,601
EXPENSES								
Contractual Services - Other								
Other Contractual Services - Solid Waste Disposal	1,332,282	1,416,396	1,204,041	1,197,206	1,243,520	1,291,348	1,340,502	1,391,601
Total Contractual Services - Other	1,332,282	1,416,396	1,204,041	1,197,206	1,243,520	1,291,348	1,340,502	1,391,601
Total Expenses	1,332,282	1,416,396	1,204,041	1,197,206	1,243,520	1,291,348	1,340,502	1,391,601
Change in Net Position	1,674	-	(4,651)	-	-	-	-	-
Beginning Net Position	10,370	12,044	12,044	7,393	7,393	7,393	7,393	7,393
Ending Net Position	12,044	12,044	7,393	7,393	7,393	7,393	7,393	7,393

POLICE PENSION FUND

The Police Pension Fund accounts for the resources necessary to provide retirement and disability pension benefits to full-time sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employer and employee contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

Chapter 8: Fund Summary

POLICE PENSION FUND (Continued)

Financing is provided by the Village contributions, employee payroll withholdings, and investment income. Employees are required to contribute 9.91% of their base salary, while the Village is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan (as determined annually by an actuary). The pension fund has their own board which contracts for professional investment management, approves expenditures, and reviews requests for retirement and/or disability pensions. The Village will continue to build up the Net Position in fiscal year 2019 as determined by the Village's actuary.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
ADDITIONS								
Contributions								
Employer Contributions - Police Pension Property Tax	456,842	583,505	580,602	557,399	568,547	579,918	591,516	603,346
Employer Contributions - Police Pension	64,145	-	-	-	-	-	-	-
Employee Contributions - Police Pension	205,654	222,170	226,139	247,564	256,848	266,480	276,473	286,841
Total Contributions	726,641	805,675	806,741	804,963	825,395	846,398	867,989	890,187
Investment Income								
Interest Income - Cash and Investments	259,129	667,275	400,000	729,960	791,560	857,465	928,130	1,004,045
Investment Income - Realized Gain/Loss	1,054,639	-	75,000	-	-	-	-	-
Investment Income - Unrealized Gain/Loss	(699,646)	-	181,631	-	-	-	-	-
Total Investment Income	614,122	667,275	656,631	729,960	791,560	857,465	928,130	1,004,045
Total Additions	1,340,763	1,472,950	1,463,372	1,534,923	1,616,955	1,703,863	1,796,119	1,894,232
DEDUCTIONS								
Personal Services - Employee Benefits								
Retirement - Police Pension Payments (Retirees)	404,357	491,926	414,377	520,271	541,018	561,301	578,140	595,486
Retirement - Police Pension Payments (Widows)	20,816	20,816	20,816	20,816	20,816	20,816	20,816	20,816
Retirement - Refund of Contributions	18,728	-	-	-	-	-	-	-
Retirement - Police Pension Payments (Disability)	101,816	101,815	101,816	101,815	101,815	101,815	101,815	101,815
Education - Conferences and Training	1,600	10,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Personal Services - Employee Benefits	547,317	624,557	542,009	647,902	668,649	688,932	705,771	723,117
Contractual Services - Professional and Technical								
Legal Services - Other	2,909	2,500	3,000	3,000	3,000	3,000	3,000	3,000
Accounting and Auditing Services - General	1,200	1,220	1,220	1,240	1,260	1,280	1,300	1,320
Accounting and Auditing Services - Actuary Report	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Professional Services - Cash Management	20,125	19,065	23,080	26,070	28,270	30,624	33,148	35,860
Total Contractual Services - Professional and Technical	26,284	24,835	29,350	32,360	34,580	36,954	39,498	42,230
Contractual Services - Other								
Physicals/Testing	432	1,500	1,458	1,500	1,500	1,500	1,500	1,500
Dues	2,436	2,600	2,465	2,598	2,946	3,128	3,322	3,531
Total Contractual Services - Other	2,868	4,100	3,923	4,098	4,446	4,628	4,822	5,031
Total Deductions	576,469	653,492	575,282	684,360	707,675	730,514	750,091	770,378
Change in Net Position	764,294	819,458	888,090	850,563	909,280	973,349	1,046,028	1,123,854
Beginning Net Position	8,350,393	9,114,687	9,114,687	10,002,777	10,853,340	11,762,620	12,735,969	13,781,997
Ending Net Position	9,114,687	9,934,145	10,002,777	10,853,340	11,762,620	12,735,969	13,781,997	14,905,851

Chapter 8: Fund Summary

POLICE GIFT FUND

The Police Gift Fund accounts for contributions from donors to be used for educational and equipment purchases for the police force.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Miscellaneous								
Donations - Other	2,800	250	450	250	250	250	250	250
Total Miscellaneous	2,800	250	450	250	250	250	250	250
Total Revenues	2,800	250	450	250	250	250	250	250
EXPENDITURES								
Commodities								
Police Supplies - Too Good for Drugs Program	-	380	380	400	400	400	400	400
Police Supplies - Other	441	1,000	1,271	1,000	1,000	1,000	1,000	1,000
Total Commodities	441	1,380	1,651	1,400	1,400	1,400	1,400	1,400
Total Expenditures	441	1,380	1,651	1,400	1,400	1,400	1,400	1,400
Net Change in Fund Balance	2,359	(1,130)	(1,201)	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)
Beginning Fund Balance	6,125	8,484	8,484	7,283	6,133	4,983	3,833	2,683
Ending Fund Balance	8,484	7,354	7,283	6,133	4,983	3,833	2,683	1,533

SPECIAL SERVICE AREA FUNDS

The Village has numerous Special Service Areas (SSA) throughout the Village. SSA's are a financing technique that allows the cost of a subdivision's continuing maintenance costs to be borne by the subdivision itself (rather than the Village as a whole). The amount is added to each resident's property tax bill and is only for the cost of the maintenance of the subdivision's public areas (examples include: stormwater basins, landscaping, etc.). It is not a fixed amount and cannot be paid off as the maintenance is a continuing cost. By ordinance, the Village has established SSA's for each new neighborhood.

Activation of an SSA takes place once the Village has adequate certainty that the development will be ready for acceptance within the next calendar year. Once accepted, the Developer/Homeowners Association discontinues maintenance responsibility of the stormwater basins, which is then transferred to the Village. When an SSA is activated for a development, the tax the residents pay toward the SSA will only be used for that SSA and any surplus will be put in a reserve fund for future use on that neighborhood only.

The following is a list of all SSA's currently controlled by the Village:

- Montgomery Crossing
- Blackberry Crossing
- Fairfield Way
- Arbor Ridge
- Foxmoor
- Saratoga Springs
- Orchard Prairie North
- Blackberry Crossing West
- Fieldstone Place
- Balmorea
- Marquis Pointe
- Ogden Hill

Chapter 8: Fund Summary

MONTGOMERY CROSSING SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Montgomery Crossing SSA	52,977	48,000	47,986	51,500	55,000	55,000	55,000	55,000
Total Property Taxes	52,977	48,000	47,986	51,500	55,000	55,000	55,000	55,000
Total Revenues	52,977	48,000	47,986	51,500	55,000	55,000	55,000	55,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	45,997	33,980	33,980	44,480	33,980	44,480	33,980	44,480
Grounds Maintenance - Subdivision	7,028	17,688	19,163	22,560	19,163	15,857	19,163	15,857
Total Contractual Services - Property	53,025	51,668	53,143	67,040	53,143	60,337	53,143	60,337
Total Expenditures	53,025	51,668	53,143	67,040	53,143	60,337	53,143	60,337
Net Change in Fund Balance	(48)	(3,668)	(5,157)	(15,540)	1,857	(5,337)	1,857	(5,337)
Beginning Fund Balance	135,052	135,004	135,004	129,847	114,307	116,164	110,827	112,684
Ending Fund Balance	135,004	131,336	129,847	114,307	116,164	110,827	112,684	107,347

BLACKBERRY CROSSING SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Blackberry Crossing SSA	10,999	8,000	8,001	16,000	20,000	20,000	20,000	20,000
Total Property Taxes	10,999	8,000	8,001	16,000	20,000	20,000	20,000	20,000
Total Revenues	10,999	8,000	8,001	16,000	20,000	20,000	20,000	20,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	8,585	6,185	6,185	8,285	6,185	8,285	6,185	8,285
Grounds Maintenance - Subdivision	3,643	9,104	9,104	12,170	9,104	7,326	9,104	7,326
Total Contractual Services - Property	12,228	15,289	15,289	20,455	15,289	15,611	15,289	15,611
Total Expenditures	12,228	15,289	15,289	20,455	15,289	15,611	15,289	15,611
Net Change in Fund Balance	(1,229)	(7,289)	(7,288)	(4,455)	4,711	4,389	4,711	4,389
Beginning Fund Balance	63,069	61,840	61,840	54,552	50,097	54,808	59,197	63,908
Ending Fund Balance	61,840	54,551	54,552	50,097	54,808	59,197	63,908	68,297

Chapter 8: Fund Summary

FAIRFIELD WAY SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Fairfield Way SSA	39,977	25,000	24,935	22,500	25,000	27,500	30,000	32,500
Total Property Taxes	39,977	25,000	24,935	22,500	25,000	27,500	30,000	32,500
Total Revenues	39,977	25,000	24,935	22,500	25,000	27,500	30,000	32,500
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	20,616	12,360	16,860	15,240	12,360	15,240	12,360	15,240
Grounds Maintenance - Subdivision	12,589	22,850	27,506	34,089	25,144	22,335	25,144	22,335
Total Contractual Services - Property	33,205	35,210	44,366	49,329	37,504	37,575	37,504	37,575
Total Expenditures	33,205	35,210	44,366	49,329	37,504	37,575	37,504	37,575
Net Change in Fund Balance	6,772	(10,210)	(19,431)	(26,829)	(12,504)	(10,075)	(7,504)	(5,075)
Beginning Fund Balance	171,888	178,660	178,660	159,229	132,400	119,896	109,821	102,317
Ending Fund Balance	178,660	168,450	159,229	132,400	119,896	109,821	102,317	97,242

ARBOR RIDGE SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Arbor Ridge SSA	18,216	20,000	19,928	22,000	22,000	22,000	22,000	22,000
Total Property Taxes	18,216	20,000	19,928	22,000	22,000	22,000	22,000	22,000
Total Revenues	18,216	20,000	19,928	22,000	22,000	22,000	22,000	22,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	30,407	6,790	11,171	8,990	7,690	8,990	7,690	8,990
Grounds Maintenance - Subdivision	4,132	11,890	11,890	12,486	11,890	8,123	11,890	8,123
Total Contractual Services - Property	34,539	18,680	23,061	21,476	19,580	17,113	19,580	17,113
Total Expenditures	34,539	18,680	23,061	21,476	19,580	17,113	19,580	17,113
Net Change in Fund Balance	(16,323)	1,320	(3,133)	524	2,420	4,887	2,420	4,887
Beginning Fund Balance	44,410	28,087	28,087	24,954	25,478	27,898	32,785	35,205
Ending Fund Balance	28,087	29,407	24,954	25,478	27,898	32,785	35,205	40,092

Chapter 8: Fund Summary

FOXMOOR SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Foxmoor SSA	42,923	43,000	42,833	47,500	52,000	52,000	52,000	52,000
Total Property Taxes	42,923	43,000	42,833	47,500	52,000	52,000	52,000	52,000
Total Revenues	42,923	43,000	42,833	47,500	52,000	52,000	52,000	52,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	20,824	16,254	16,254	19,134	16,254	19,134	16,254	19,134
Grounds Maintenance - Subdivision	16,638	38,071	41,062	49,314	38,071	29,771	38,071	29,771
Total Contractual Services - Property	37,462	54,325	57,316	68,448	54,325	48,905	54,325	48,905
Total Expenditures	37,462	54,325	57,316	68,448	54,325	48,905	54,325	48,905
Net Change in Fund Balance	5,461	(11,325)	(14,483)	(20,948)	(2,325)	3,095	(2,325)	3,095
Beginning Fund Balance	119,213	124,674	124,674	110,191	89,243	86,918	90,013	87,688
Ending Fund Balance	124,674	113,349	110,191	89,243	86,918	90,013	87,688	90,783

SARATOGA SPRINGS SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Saratoga Springs SSA	12,000	13,500	13,543	16,000	20,000	20,000	20,000	20,000
Total Property Taxes	12,000	13,500	13,543	16,000	20,000	20,000	20,000	20,000
Total Revenues	12,000	13,500	13,543	16,000	20,000	20,000	20,000	20,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	10,928	8,411	8,411	11,891	9,791	11,891	9,791	11,891
Grounds Maintenance - Subdivision	2,546	5,731	5,731	4,880	5,731	4,664	5,731	4,664
Total Contractual Services - Property	13,474	14,142	14,142	16,771	15,522	16,555	15,522	16,555
Total Expenditures	13,474	14,142	14,142	16,771	15,522	16,555	15,522	16,555
Net Change in Fund Balance	(1,474)	(642)	(599)	(771)	4,478	3,445	4,478	3,445
Beginning Fund Balance	37,580	36,106	36,106	35,507	34,736	39,214	42,659	47,137
Ending Fund Balance	36,106	35,464	35,507	34,736	39,214	42,659	47,137	50,582

Chapter 8: Fund Summary

ORCHARD PRAIRIE NORTH SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Orchard Prairie SSA	27,000	29,000	28,981	31,000	33,000	33,000	33,000	33,000
Total Property Taxes	27,000	29,000	28,981	31,000	33,000	33,000	33,000	33,000
Total Revenues	27,000	29,000	28,981	31,000	33,000	33,000	33,000	33,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	13,073	11,096	12,724	13,196	11,096	13,196	11,096	13,196
Grounds Maintenance - Subdivision	8,417	14,102	17,860	18,764	14,102	12,182	14,102	12,182
Total Contractual Services - Property	21,490	25,198	30,584	31,960	25,198	25,378	25,198	25,378
Total Expenditures	21,490	25,198	30,584	31,960	25,198	25,378	25,198	25,378
Net Change in Fund Balance	5,510	3,802	(1,603)	(960)	7,802	7,622	7,802	7,622
Beginning Fund Balance	29,005	34,515	34,515	32,912	31,952	39,754	47,376	55,178
Ending Fund Balance	34,515	38,317	32,912	31,952	39,754	47,376	55,178	62,800

BLACKBERRY CROSSING WEST SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Blackberry Crossing West SSA	63,132	50,000	50,056	37,000	37,000	37,000	37,000	37,000
Total Property Taxes	63,132	50,000	50,056	37,000	37,000	37,000	37,000	37,000
Miscellaneous								
Developer Contributions	22,832	-	-	-	-	-	-	-
Total Miscellaneous	22,832	-	-	-	-	-	-	-
Total Revenues	85,964	50,000	50,056	37,000	37,000	37,000	37,000	37,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	44,257	33,740	33,740	36,940	31,900	36,940	31,900	36,940
Grounds Maintenance - Subdivision	12,451	9,478	9,478	12,167	9,478	9,123	9,478	9,123
Total Contractual Services - Property	56,708	43,218	43,218	49,107	41,378	46,063	41,378	46,063
Total Expenditures	56,708	43,218	43,218	49,107	41,378	46,063	41,378	46,063
Net Change in Fund Balance	29,256	6,782	6,838	(12,107)	(4,378)	(9,063)	(4,378)	(9,063)
Beginning Fund Balance	117,772	147,028	147,028	153,866	141,759	137,381	128,318	123,940
Ending Fund Balance	147,028	153,810	153,866	141,759	137,381	128,318	123,940	114,877

Chapter 8: Fund Summary

FIELDSTONE PLACE SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Fieldstone Place SSA	6,488	5,500	5,463	5,000	5,000	5,000	4,000	4,000
Total Property Taxes	6,488	5,500	5,463	5,000	5,000	5,000	4,000	4,000
Total Revenues	6,488	5,500	5,463	5,000	5,000	5,000	4,000	4,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	5,028	3,320	3,320	4,620	3,320	4,620	3,320	4,620
Grounds Maintenance - Subdivision	788	811	-	-	-	-	-	-
Total Contractual Services - Property	5,816	4,131	3,320	4,620	3,320	4,620	3,320	4,620
Total Expenditures	5,816	4,131	3,320	4,620	3,320	4,620	3,320	4,620
Net Change in Fund Balance	672	1,369	2,143	380	1,680	380	680	(620)
Beginning Fund Balance	18,034	18,706	18,706	20,849	21,229	22,909	23,289	23,969
Ending Fund Balance	18,706	20,075	20,849	21,229	22,909	23,289	23,969	23,349

BALMOREA SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Balmorea SSA	34,500	35,000	35,212	35,000	35,000	35,000	35,000	35,000
Total Property Taxes	34,500	35,000	35,212	35,000	35,000	35,000	35,000	35,000
Total Revenues	34,500	35,000	35,212	35,000	35,000	35,000	35,000	35,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	33,009	21,581	21,581	28,956	21,581	28,956	21,581	28,956
Total Contractual Services - Property	33,009	21,581	21,581	28,956	21,581	28,956	21,581	28,956
Total Expenditures	33,009	21,581	21,581	28,956	21,581	28,956	21,581	28,956
Net Change in Fund Balance	1,491	13,419	13,631	6,044	13,419	6,044	13,419	6,044
Beginning Fund Balance	(416)	1,075	1,075	14,706	20,750	34,169	40,213	53,632
Ending Fund Balance	1,075	14,494	14,706	20,750	34,169	40,213	53,632	59,676

Chapter 8: Fund Summary

MARQUIS POINTE SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Marquis Pointe SSA	14,028	14,000	14,029	14,000	14,000	14,000	14,000	14,000
Total Property Taxes	14,028	14,000	14,029	14,000	14,000	14,000	14,000	14,000
Total Revenues	14,028	14,000	14,029	14,000	14,000	14,000	14,000	14,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	11,778	9,608	9,608	11,003	8,339	11,003	8,339	11,003
Total Contractual Services - Property	11,778	9,608	9,608	11,003	8,339	11,003	8,339	11,003
Total Expenditures	11,778	9,608	9,608	11,003	8,339	11,003	8,339	11,003
Net Change in Fund Balance	2,250	4,392	4,421	2,997	5,661	2,997	5,661	2,997
Beginning Fund Balance	23,256	25,506	25,506	29,927	32,924	38,585	41,582	47,243
Ending Fund Balance	25,506	29,898	29,927	32,924	38,585	41,582	47,243	50,240

OGDEN HILL SSA FUND

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUES								
Property Taxes								
Property Tax - Ogden Hill SSA	24,028	25,000	25,029	25,000	24,000	20,000	16,000	16,000
Total Property Taxes	24,028	25,000	25,029	25,000	24,000	20,000	16,000	16,000
Total Revenues	24,028	25,000	25,029	25,000	24,000	20,000	16,000	16,000
EXPENDITURES								
Contractual Services - Property								
Grounds Repair and Maintenance - Detention Basins	19,204	12,931	13,114	18,736	14,200	18,736	14,200	18,736
Total Contractual Services - Property	19,204	12,931	13,114	18,736	14,200	18,736	14,200	18,736
Total Expenditures	19,204	12,931	13,114	18,736	14,200	18,736	14,200	18,736
Net Change in Fund Balance	4,824	12,069	11,915	6,264	9,800	1,264	1,800	(2,736)
Beginning Fund Balance	27,778	32,602	32,602	44,517	50,781	60,581	61,845	63,645
Ending Fund Balance	32,602	44,671	44,517	50,781	60,581	61,845	63,645	60,909

Chapter 9: Departmental Summary

The Departmental Summary contains information on the General Fund while all other funds are included in Chapter 8: Fund Summary. The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and highways and streets. The following presents the General Fund as a whole, while the subsequent pages will show each Department and the Divisions within each Department.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
REVENUE								
Property Taxes	2,259,646	2,296,031	2,280,650	2,283,860	2,327,560	2,372,138	2,417,611	2,463,996
Other Taxes	133,039	134,559	162,101	160,538	161,123	161,714	162,311	162,914
Licenses and Permits	525,473	458,055	459,685	469,821	482,731	495,731	508,823	522,010
Charges for Services	413,581	336,692	360,876	329,521	339,330	346,514	360,059	370,979
Intergovernmental, Grants, and Contributions	6,117,967	6,563,170	6,441,543	6,779,389	7,002,594	7,236,588	7,480,915	7,740,885
Fines and Forfeitures	235,742	303,000	216,963	249,500	261,500	273,500	285,500	297,500
Investment Income	28,826	49,500	49,269	49,500	49,500	49,500	49,500	49,500
Miscellaneous	131,222	127,790	175,543	129,790	126,790	126,790	126,790	126,790
Transfers	-	17,800	7,050	-	-	-	-	-
Total Revenue	9,845,496	10,286,597	10,153,680	10,451,919	10,751,128	11,062,475	11,391,509	11,734,574
EXPENDITURES								
Elected Officials	161,010	183,844	165,756	185,522	183,677	182,617	183,757	182,697
Village Administrator	368,807	406,689	407,734	389,122	399,595	413,875	422,777	461,921
Finance	503,733	559,430	554,252	513,641	530,296	554,489	564,661	582,683
Community Development								
Planning and Zoning	303,640	302,378	306,569	311,462	326,326	337,397	349,189	360,015
Code Enforcement and Inspections	344,912	377,298	363,933	348,288	358,795	369,966	383,215	393,579
Economic Development	1,085,747	993,201	920,639	782,069	830,135	883,439	942,915	900,920
Police								
Administration	618,572	659,157	677,692	635,579	617,705	608,893	631,251	628,802
Support Services	473,251	474,118	488,533	527,495	543,293	563,911	562,882	579,556
Patrol	3,416,899	3,761,059	3,708,976	3,912,203	4,080,535	4,260,366	4,384,538	4,534,119
Investigations	291,475	295,170	396,281	404,888	421,899	434,697	448,486	463,868
Police Commission	9,386	6,577	7,834	8,377	4,577	7,377	3,577	6,377
ESDA	2,056	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Public Works								
Administration	109,564	109,591	111,005	122,361	114,283	120,726	123,493	125,592
Streets	1,059,654	1,056,592	1,055,863	1,063,819	1,079,504	1,097,690	1,067,640	1,078,264
Vehicle Maintenance	226,153	232,569	230,647	231,928	244,109	237,778	241,825	246,773
Buildings and Grounds	396,081	409,645	393,391	431,753	416,662	438,921	423,981	424,669
Stormwater	14,861	50,000	45,425	43,956	48,956	30,456	40,456	30,456
Legal Services	149,171	171,500	148,562	179,500	187,000	194,500	202,000	209,500
Engineering Services	286,532	219,000	250,518	225,000	235,000	245,000	255,000	265,000
Total Expenditures	9,821,504	10,270,018	10,235,810	10,319,163	10,624,547	10,984,298	11,233,843	11,476,991
Net Income (Loss)	23,992	16,579	(82,130)	132,756	126,581	78,177	157,666	257,583
Beginning Fund Balance	4,011,898	4,035,890	4,035,890	3,953,760	4,086,516	4,213,097	4,291,274	4,448,940
Ending Fund Balance	4,035,890	4,052,469	3,953,760	4,086,516	4,213,097	4,291,274	4,448,940	4,706,523

Chapter 9: Departmental Summary

REVENUES

Fiscal year 2019 General Fund revenues are budgeted at \$10,451,919 which is an increase of \$165,322 over fiscal year 2018 budget and an increase of \$305,289 over fiscal year 2018 estimated. The increase over budget is attributable to an increase in sales tax and a decrease in income tax, while the increase over estimated actual is attributable to an increase in sales tax and an increase in income tax. A discussion on sales tax and income tax is included in major revenues on page 66 and page 69, respectively.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Property Taxes								
Property Tax - Corporate	972,713	556,975	556,720	583,217	594,881	606,779	618,915	631,293
Property Tax - Police Pension	456,842	583,505	580,602	557,399	568,547	579,918	591,516	603,346
Property Tax - Social Security	225,721	238,591	237,431	238,569	243,340	248,207	253,171	258,234
Property Tax - IMRF	225,721	229,591	228,471	229,658	234,251	238,936	243,715	248,589
Property Tax - Insurance	265,867	294,799	293,350	294,876	300,774	306,789	312,925	319,184
Property Tax - Police Protection	-	265,000	263,695	265,062	270,363	275,770	281,285	286,911
Property Tax - TIF Surplus	-	14,788	16,138	10,836	11,161	11,496	11,841	12,196
Other Taxes - Road and Bridge Tax	112,782	112,782	104,243	104,243	104,243	104,243	104,243	104,243
Total Property Taxes	2,259,646	2,296,031	2,280,650	2,283,860	2,327,560	2,372,138	2,417,611	2,463,996
Other Taxes								
Other Taxes - Video Gaming Tax	69,783	69,600	104,143	102,000	102,000	102,000	102,000	102,000
Fees - Infrastructure Maintenance Fee	63,256	64,959	57,958	58,538	59,123	59,714	60,311	60,914
Total Other Taxes	133,039	134,559	162,101	160,538	161,123	161,714	162,311	162,914
Licenses and Permits								
Licenses - Liquor Licenses	31,600	30,900	30,900	29,650	29,650	29,650	29,650	29,650
Licenses - Other Licenses	1,922	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Licenses - Amusement Machine Licenses	225	150	150	150	150	150	150	150
Licenses - Tobacco Licenses	425	350	400	350	350	350	350	350
Licenses - Contractors	28,000	28,125	26,400	28,125	31,250	34,375	37,500	40,625
Permits - Building Permits	172,749	125,000	125,000	130,000	135,000	140,000	145,000	150,000
Permits - Oversized Vehicle Permit	26,700	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Permits - Solicitor	1,980	1,500	3,540	3,000	3,000	3,000	3,000	3,000
Permits - Other	720	500	500	500	500	500	500	500
Fees - Cable Franchise Fee	261,152	258,480	259,745	264,996	269,781	274,656	279,623	284,685
Total Licenses and Permits	525,473	458,055	459,685	469,821	482,731	495,731	508,823	522,010
Intergovernmental, Grants, and Contributions								
Sales Tax	3,839,387	4,157,976	4,238,672	4,450,606	4,673,136	4,906,793	5,152,133	5,409,740
State Income Tax	1,742,848	1,862,238	1,659,420	1,766,360	1,766,360	1,766,360	1,766,360	1,766,360
Other Taxes - Corporate Replacement Tax	60,490	51,086	47,232	52,900	52,900	52,900	52,900	52,900
Other Taxes - Road and Bridge Replacement Tax	7,977	6,386	5,904	6,613	6,613	6,613	6,613	6,613
Other Taxes - Local Use Tax	456,796	466,481	469,228	484,919	484,919	484,919	484,919	484,919
State Grants - Body Armor (Police)	2,041	2,363	4,447	1,351	2,026	2,363	1,350	3,713
State Grants - ILCC Tobacco (Police)	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760
State Grants - Traffic Safety Grant (Police)	6,668	14,880	14,880	14,880	14,880	14,880	14,880	14,880
Total Intergovernmental Revenue	6,117,967	6,563,170	6,441,543	6,779,389	7,002,594	7,236,588	7,480,915	7,740,885
Charges for Services								
Service Fees - Refuse Removal	9,937	7,000	4,000	-	-	-	-	-
Inspection Fees - Plumbing Inspections	24,627	17,000	22,000	22,000	22,000	22,000	22,000	22,000
Inspection Fees - Engineering Inspections	1,900	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Inspection Fees - reinspections	-	-	120	250	250	250	250	250
Inspection Fees - Elevators	180	1,600	1,600	1,600	1,600	1,600	1,600	1,600

Chapter 9: Departmental Summary

REVENUES (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Charges for Services (continued)								
Planning Fees - Plan Commission Applications	9,000	6,000	7,000	6,000	6,000	6,000	6,000	6,000
Professional Service Reimbursements - Dispatch	13,052	13,302	13,052	-	-	-	-	-
Professional Service Reimbursements - Engineering	241,388	170,100	170,100	170,100	175,770	181,440	187,110	192,780
Professional Service Reimbursements - Legal	18,328	31,500	31,500	31,500	36,750	42,000	47,250	52,500
Professional Service Reimbursements - Planning	26,962	10,500	20,000	10,500	13,125	13,125	15,750	15,750
Professional Service Reimbursements - Publishing	-	500	500	500	500	500	500	500
Police Reimbursements - Training	11,029	13,452	13,452	15,944	12,208	8,472	8,472	8,472
Police Reimbursements - Special Duty	1,126	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Police Reimbursements - Other	3,050	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Police Reimbursements - Firing Range	240	500	500	500	500	500	500	500
Other Reimbursements - Streets	14,192	11,680	18,000	11,680	11,680	11,680	11,680	11,680
Other Reimbursements - Miscellaneous	8,229	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Other Reimbursements - Lawn (Kaneland Schools)	7,610	5,418	8,207	8,207	8,207	8,207	8,207	8,207
Other Reimbursements - Credit Card Fees	19,994	23,400	25,200	25,200	25,200	25,200	25,200	25,200
Rents and Royalties - Municipal Building Rental	2,737	2,040	2,945	2,840	2,840	2,840	2,840	2,840
Total Charges for Services	413,581	336,692	360,876	329,521	339,330	346,514	360,059	370,979
Fines and Forfeitures								
Police Reimbursements - Tow Impoundment Fee	84,000	120,000	78,000	100,000	105,000	110,000	115,000	120,000
Village - Court Fines	24,195	27,000	19,904	23,000	25,000	27,000	29,000	31,000
Kane County - Court Fines	102,349	125,000	95,490	100,000	105,000	110,000	115,000	120,000
Kane County - Patrol Car Maintenance	4,855	12,000	7,933	10,000	10,000	10,000	10,000	10,000
Kendall County - Court Fines	11,343	12,000	9,369	10,000	10,000	10,000	10,000	10,000
Kendall County - Patrol Car Maintenance	1,245	2,000	1,267	1,500	1,500	1,500	1,500	1,500
Code Enforcement Fines	7,755	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Fines and Forfeits	235,742	303,000	216,963	249,500	261,500	273,500	285,500	297,500
Investment Income								
Investment Earnings - Interest Income	28,826	49,500	49,269	49,500	49,500	49,500	49,500	49,500
Total Investment Income	28,826	49,500	49,269	49,500	49,500	49,500	49,500	49,500
Miscellaneous								
Salable Items - History Books	105	350	350	350	350	350	350	350
Salable Items - Miscellaneous	-	100	100	100	100	100	100	100
Recycling income	2,852	4,000	2,000	2,000	2,000	2,000	2,000	2,000
Other Reimbursements - Insurance	35,977	30,000	80,000	30,000	30,000	30,000	30,000	30,000
Donations - Montgomery Fest	58,985	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Donations - Beautification	7,485	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Donations - River Run	11,166	12,340	11,240	15,340	12,340	12,340	12,340	12,340
Donations - Garage Sale	1,230	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Donations - Seller's Cottage	274	500	500	500	500	500	500	500
Donations - HPC Brick Paver Program	-	500	500	500	500	500	500	500
Donations - Senior Luncheon	1,535	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Donations - Parkway Tree Program	9,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Donations - Car Show	2,613	3,000	2,153	2,500	2,500	2,500	2,500	2,500
Donations - Halloween safety event	-	-	1,700	1,500	1,500	1,500	1,500	1,500
Total Miscellaneous	131,222	127,790	175,543	129,790	126,790	126,790	126,790	126,790
Transfers								
Transfer In	-	17,800	7,050	-	-	-	-	-
Total Transfers	-	17,800	7,050	-	-	-	-	-
Total Revenue	9,845,496	10,286,597	10,153,680	10,451,919	10,751,128	11,062,475	11,391,509	11,734,574

Chapter 9: *Departmental Summary*

ELECTED OFFICIALS

Village President and Board of Trustees

Policy-making and legislative authority are vested in the Village Board, which consists of the Village President and six Village Trustees. The President is elected at-large to a four-year term and the Trustees are elected at-large to staggered four-year terms. The legislative branch of the Village is responsible for interpreting the aspirations of the community and determining the policies under which the Village operates.

Boards, Commissions, and Committees

- **The Beautification Committee** works on beautification projects throughout the Village of Montgomery, such as banners and flower plantings. The mission of the Beautification committee is "To positively impact the beauty of the community and enhance cultural opportunities for the Village of Montgomery through plantings, gardens, enhancement of natural habitats, and encouragement of the arts through volunteer efforts". Each April, businesses and are invited to participate in the "Business Planter Program" and residents to participate in the "Adopt-a-Flower-Box" program to sponsor flower boxes on the Mill Street bridge. Lastly, the Beautification Committee sponsors the annual holiday decorations recognition program.
- **The Board of Fire and Police Commissioners** functions only in matters pertaining to the Police Department since Montgomery does not have a municipal fire department. The activities of the Commission are included in the Police Department budget. The Police Commission is responsible for the following:
 - Advertise, accept applications, and conduct testing of police applicants in order to establish an eligibility list for the Police Department.
 - Conduct testing of current officers in order to establish an eligibility list for promotions within the Police Department.
 - Determine disciplinary action regarding officers when charges are brought by the Chief of Police against any member of the Police Department.
- **The Historic Preservation Commission** operates Settler's Cottage Museum. In 2006, the Historic Preservation Committee began working to restore a 1840s home in downtown Montgomery. This house is the oldest remaining structure in the Village and was originally owned by Daniel Gray, the founder of Montgomery. They actively seek donations of photos and other historic memorabilia that they catalogue and preserve for future generations. The Historic Preservation Committee organizes two major events each year; the Car Show during Montgomery Fest in August and the Cemetery Walk in October.
- **The Intergovernmental & Community Committee** works to plan several events each year including the Festival of Trees, photo contest, shredding event(s), egg hunt, concerts in the park, and the Montgomery Fest celebration. Montgomery Fest is a weekend of old-fashioned family fun. It is held the second weekend in August along the banks of the Fox River. Highlights of the Fest include musical performances, carnival rides, a wide range of food vendors, free pony rides and petting zoo, a fishing derby, a car show and a parade.
- **The Plan Commission** was created to provide guidance, direction and control of the growth and development or redevelopment of the Village and contiguous territory. The activities of the Commission are included in the Community Development Department budget. Duties of the Plan Commission include:

Chapter 9: *Departmental Summary*

ELECTED OFFICIALS (Continued)

- Prepare and recommend to the Board of Trustees a Comprehensive Plan for the present and future development or redevelopment of the Village and contiguous unincorporated territory, including reasonable standards of design for subdivisions and for re-subdivisions of unimproved land.
 - Designate land suitable for annexation to the municipality and recommend a zoning classification for such land upon annexation.
 - Cooperate with municipal or regional planning commissions and other agencies or groups to further the local planning program and assure harmonious and integrated planning for the area.
- **The Police Pension Board**, as provided by State Statute, operates the Police Pension Fund for full-time sworn police officers, invests the Police Pension Funds, maintains records, grants pensions, and considers applications for disability pensions.
- **The Montgomery Development Fund Committee** processes requests from businesses seeking assistance through the Montgomery Development Fund, to oversee the administration of the Montgomery Development Fund, and to make recommendations to the Village Board regarding the award of such loans from the Montgomery Development Fund. The Montgomery Development Fund (MDF) accounts for the Village's loan program established to provide financial support to new or expanding business in the Village; encourage economic development by supporting projects that create or retain jobs; encourage area financial institutions to work with the Village and to utilize MDF programs to better serve its customers; and support projects and investments that protect and expand the tax base.
- **The Zoning Board of Appeals** was created to hear and decide an appeal from an administrative order, requirement, decision or determination made by the Zoning Officer. The activities of the Board are included in the Community Development Department budget. The Zoning Board of Appeals is vested with the following jurisdiction and authority:
 - To hear and decide all other matters referred to it upon which it is required to decide.
 - To hear all applications for variations and thereafter submit reports of findings and recommendations thereon to the Village Board.
 - The concurring vote of four members of the Zoning Board of Appeals is necessary to reverse any requirement, decision or determination of the Zoning Officer, or to decide in favor of the applicant in any manner upon which it is required to decide.

Village Clerk

The Village Clerk is also elected to a four-year term. The Village Clerk is responsible for the maintenance of the official records of the Village as required by statute and by the Village President and Board of Trustees. The Clerk acts as custodian of the Village seal which is required on many documents, publishes legal notices, oversees Village elections, and performs other duties as stated in Statutes or Ordinances.

Overview

The budget included on the next page contains expenditures for all the above unless specifically stated otherwise. The Village Board undertook a Strategic Plan during fiscal year 2015, the results of which are included on pages 42 through 44, to direct the future actions of the Board and Village staff.

Chapter 9: Departmental Summary

ELECTED OFFICIALS (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Elected Officials	61,200	61,200	61,200	61,200	61,200	61,200	61,200	61,200
Total Personal Services - Salaries and Wages	61,200	61,200	61,200	61,200	61,200	61,200	61,200	61,200
Personal Services - Employee Benefits								
Retirement - Social Security	3,782	3,794	3,794	3,794	3,794	3,794	3,794	3,794
Retirement - Medicare	887	887	887	887	887	887	887	887
Retirement - IMRF	1,784	1,695	1,666	1,607	1,607	1,607	1,607	1,607
Education - Conferences and Training	1,703	3,290	2,190	2,190	3,290	2,190	3,290	2,190
Total Personal Services - Employee Benefits	8,156	9,666	8,537	8,478	9,578	8,478	9,578	8,478
Contractual Services - Professional and Technical								
Information Technology Services - Software Maintenance	-	1,680	1,390	2,010	2,010	2,010	2,010	2,010
Other Professional Services - Photography	-	300	300	300	300	300	300	300
Other Professional Services	72	250	250	250	250	250	250	250
Other Professional Services - Recording of Meetings	1,800	1,875	1,725	1,875	1,875	1,875	1,875	1,875
Total Contractual Services - Professional and Technical	1,872	4,105	3,665	4,435	4,435	4,435	4,435	4,435
Contractual Services - Property								
Utilities - Telephone	1,171	1,128	1,161	1,164	1,164	1,164	1,164	1,164
Total Contractual Services - Property	1,171	1,128	1,161	1,164	1,164	1,164	1,164	1,164
Contractual Services - Other								
Printing and Publishing - Publications	2,756	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Travel	323	250	250	250	250	250	250	250
Community Relations - Montgomery Fest	53,882	53,000	54,000	53,000	53,000	53,000	53,000	53,000
Community Relations - Other Community Events	4,387	6,250	5,650	6,250	6,250	6,250	6,250	6,250
Community Relations - Senior Services	3,621	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Community Relations - River Run	10,853	12,000	12,000	15,000	12,000	12,000	12,000	12,000
Other Contractual Services - Dues	10,823	26,770	11,168	27,610	27,655	27,685	27,715	27,745
Other Contractual Services - Document Recording	49	200	200	200	200	200	200	200
Total Contractual Services - Other	86,694	105,070	89,868	108,910	105,955	105,985	106,015	106,045
Commodities								
General Supplies - Office	1,077	500	500	500	500	500	500	500
General Supplies - Postage	-	50	200	200	200	200	200	200
General Supplies - Books and Periodicals	840	525	525	535	545	555	565	575
General Supplies - Kitchen	-	100	100	100	100	100	100	100
General Supplies - Computer Equipment	-	1,500	-	-	-	-	-	-
Total Commodities	1,917	2,675	1,325	1,335	1,345	1,355	1,365	1,375
Total Elected Officials	161,010	183,844	165,756	185,522	183,677	182,617	183,757	182,697

Chapter 9: Departmental Summary

ADMINISTRATION DEPARTMENT

Description

The Administration Department provides a direct link between Montgomery residents, the Board of Trustees and Village staff. The Department organizes and prepares information for the Village Board, responds to citizen requests, and works with Montgomery's other taxing bodies. The department is led by the Village Administrator, who is responsible to the Village President and Board of Trustees for the proper administration of all day-to-day affairs, departments, and offices of the Village.

The Human Resources Division is responsible for the coordination of all personnel related matters. Duties range from the oversight of the hiring process, processing of the bi-weekly payroll, and coordination of employee benefit programs and risk management.

Responsibilities

- Promote an overall customer service culture.
- Communicate with residents, community groups, and other agencies.
- Ensure the delivery of services in a cost-effective manner.
- Provide clear, concise reports and recommendations to the Village Board.
- Manage and respond to Village Board issues.
- Provide vision, guidance, and oversight to departments.
- Identify and prioritize legislative initiatives and direct lobbying efforts.
- Participate in community leadership efforts.
- Plan and coordinate Village events.
- Respond to citizen inquiries, complaints, and concerns in a professional manner.
- Develop a motivated workforce through professional employee evaluations and training.
- Responsible for all Human Resource functions

Core Strategies

- ❖ Serve as a primary and effective resource to residents, visitors and businesses.
- ❖ Provide exceptional customer service to all customers (internal and external).
- ❖ Continually look for ways to improve the level of service provided to the community.
- ❖ Empower all levels of the organization to participate in the exchange of ideas and suggestions. Encourage employees to take responsibility and accountability for actions.
- ❖ Communicate information in a timely manner with all levels of the organization and the public in an open and honest manner.
- ❖ Encourage public participation.

Fiscal Year 2018 Accomplishments

- ✓ Continued the shared services program with the Village of Oswego and United City of Yorkville to provide cost savings and operational efficiencies to all three communities. The Villages of Sugar Grove and North Aurora were added to the program, thereby expanding the opportunities for partnerships, savings and increased efficiencies. (Financial Stability – Budget)
- ✓ Provided leadership team learning activities for Department Directors and other key staff to promote a progressive and innovative local government.

Chapter 9: Departmental Summary

ADMINISTRATION DEPARTMENT (Continued)

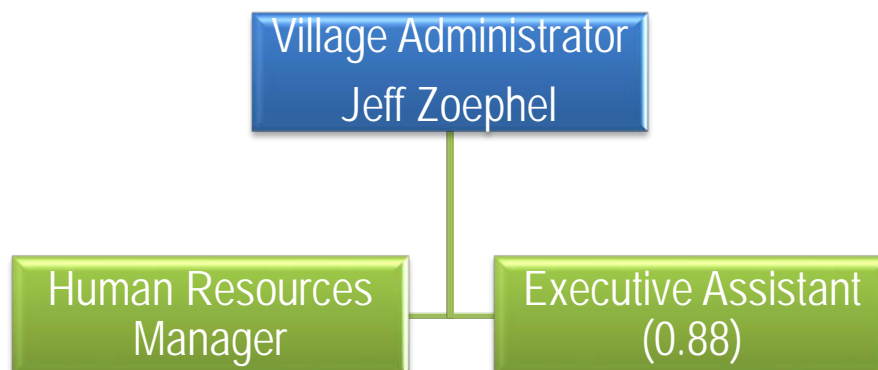
Fiscal Year 2018 Accomplishments (Continued)

- ✓ Actively participated in professional, civic and social organizations to promote and protect Village programs. (Image – Community Perception)
- ✓ Grew the Village of Montgomery's Facebook page to over 4,600 followers, providing residents with continued communication and updates. (Image – Community Interaction)
- ✓ Directed painting of the Montgomery in Motion logo on the street in front of Village Hall (Downtown – Attractions)
- ✓ Organized and planned annual community events including: Cemetery Walk, Concerts in the Park, Easter Egg Hunt, Festival of Trees, Montgomery Fest, Senior Luncheons, Sunday in the Park, and Tree Lighting Ceremony. (Image – Community Interaction)
- ✓ Hosted battery recycling, electronic recycling (including old televisions), and paper shredding programs.
- ✓ Arranged for the installation of sign honoring Medal of Honor Winner, and refurbishment of cannon from the Spanish-American War. (Image – Community Perception)

Fiscal Year 2019 Goals and Initiatives

- Develop a succession plan for critical Village positions. (Financial Stability – Budget)
- Continue to enhance citizen/government interaction through the Village website and social media. (Image – Community Interaction)
- Work with the Village Board to create policies that will help grow Montgomery. (Image – Community Perception)
- Continue to successfully plan community events, creating a welcoming atmosphere for all citizens and visitors of Montgomery. (Image – Community Interaction)
- Consider organizing a cruise night in downtown Montgomery during the summer. (Image – Community Interaction)
- Continue hosting electronic recycling events for residents and add additional recycling options as available, including an option for the recycling of old televisions. (Image – Community Perception)
- Continue planning for development of sustainable future water supply, working with neighboring communities on a joint solution. (Capital Investment – Infrastructure)

Organization Chart



Chapter 9: Departmental Summary

ADMINISTRATION DEPARTMENT (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	203,042	205,781	205,560	210,229	217,587	225,203	233,085	241,243
Overtime - General	527	600	600	600	600	600	600	600
Total Personal Services - Salaries and Wages	203,569	206,381	206,160	210,829	218,187	225,803	233,685	241,843
Personal Services - Employee Benefits								
Insurance - Health	35,709	38,047	38,047	38,374	40,293	42,308	44,423	46,644
Insurance - Dental	1,967	2,246	2,246	2,231	2,343	2,460	2,583	2,712
Insurance - Life and AD&D	150	147	140	135	135	135	135	135
Insurance - Workers' Compensation	1,500	1,500	1,500	1,000	1,000	1,000	1,000	1,000
Insurance - Unemployment	765	1,458	629	629	629	629	629	629
Retirement - Social Security	11,177	11,489	11,337	11,562	12,018	12,490	12,979	13,485
Retirement - Medicare	2,861	2,993	2,914	3,057	3,164	3,274	3,388	3,507
Retirement - IMRF	26,319	24,291	23,835	23,529	24,350	25,200	26,079	26,990
Education - Conferences and Training	4,466	6,825	6,125	11,550	11,550	11,550	11,550	11,550
Total Personal Services - Employee Benefits	84,914	88,996	86,773	92,067	95,482	99,046	102,766	106,652
Contractual Services - Professional and Technical								
Information Technology Services - System Management	42,834	40,000	52,000	40,000	40,000	40,000	40,000	40,000
Information Technology Services - Website	3,957	4,000	4,400	4,420	4,520	4,620	4,720	4,820
Information Technology Services - Software Maintenance	3,482	6,180	6,060	6,180	6,180	6,180	6,180	6,180
Other Professional Services	-	21,000	10,000	5,000	5,000	5,000	5,000	21,000
Total Contractual Services - Professional and Technical	50,273	71,180	72,460	55,600	55,700	55,800	55,900	72,000
Contractual Services - Property								
Utilities - Telephone	4,622	4,536	4,664	4,680	4,680	4,680	4,680	4,680
Utilities - Cell Phone	787	844	1,219	894	894	894	894	894
Equipment Repair and Maintenance - Office	2,073	1,460	1,758	1,850	1,850	1,850	1,850	1,850
Rental - Equipment	5,191	7,017	7,017	7,017	7,017	7,017	7,017	7,017
Total Contractual Services - Property	12,673	13,857	14,658	14,441	14,441	14,441	14,441	14,441
Contractual Services - Other								
Insurance - Official Bonds	1,658	1,660	1,786	1,920	1,920	1,920	1,920	1,920
Printing and Publishing - Publications	89	100	100	100	100	100	100	100
Travel	1,814	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Community Relations - Historic Preservation	6,996	3,250	3,250	3,250	4,650	3,250	3,250	3,250
Community Relations - Chamber of Commerce	-	300	300	300	300	300	300	300
Other Contractual Services - Messenger/Delivery	-	50	-	-	-	-	-	-
Other Contractual Services - Dues	1,994	2,470	2,470	2,470	2,470	2,470	2,470	2,470
Other Contractual Services - Document Destruction	633	600	600	600	600	600	600	600
Total Contractual Services - Other	13,184	9,630	9,706	9,840	11,240	9,840	9,840	9,840
Commodities								
General Supplies - Office	561	1,500	1,500	1,500	1,500	1,500	1,500	1,500
General Supplies - Postage	601	845	845	845	845	845	845	845
General Supplies - Books and Periodicals	796	800	832	800	800	800	800	800
General Supplies - Computer Equipment	-	13,500	14,800	3,200	1,400	5,800	3,000	14,000
Total Commodities	1,958	16,645	17,977	6,345	4,545	8,945	6,145	17,145
Capital Outlay								
Capital outlay - equipment (office)	2,236	-	-	-	-	-	-	-
Total Capital Outlay	2,236	-	-	-	-	-	-	-
Total Administration Department	368,807	406,689	407,734	389,122	399,595	413,875	422,777	461,921

Chapter 9: Departmental Summary

FINANCE DEPARTMENT

Description

The Finance Department is responsible for maintaining the integrity of the financial systems, records and functions of the Village in accordance with applicable laws, ordinances, policies and procedures. The Finance Department's primary functions include all accounting services, investment and cash management activities and coordination of capital financing, purchasing, budget preparation and control, payroll processing, risk management, and overall information technology coordination.

The Accounting Division is responsible for the accurate recording and reporting of the Village's financial activity. To accomplish this, staff coordinates all aspects of the accounts payable and accounts receivable processes and works with all Village departments to ensure proper purchasing procedures are followed. Staff also monitors financial activity to ensure the budget is followed. The Accounting Division is also responsible for the preparation and presentation of the annual audit and property tax levy.

The Utility Billing Division is responsible for invoicing residents for water usage, sanitary sewer maintenance and garbage service on a bi-monthly basis. This division is also responsible for the investigation and resolution of customer concerns regarding utility bills.

<u>Responsibilities</u>
<ul style="list-style-type: none">➤ Maintain financial records and transactions➤ Account for all revenues that flow into and all expenditures that flow out of the government➤ Establish an internal control structure➤ Safeguard assets by maintaining accountability and control➤ Provide financial information and support to external and internal customers➤ Oversee the financial information system (Superion)➤ Formulate and administer operating budget in cooperation with all departments➤ Develop long-range plans for facilities and infrastructure improvements➤ Prepare Annual Tax Levy and Abatement Ordinances➤ Invest Village funds in accordance with cash and investment policies➤ Administer the Village debt program➤ Coordinate the Village's risk management activities and claims process➤ Produce the Comprehensive Annual Financial Report➤

Core Strategies

- ❖ Provide centralized public financial services in accordance with established financial policies.
- ❖ Emphasize customer service in the ongoing development of more cost-effective programming.
- ❖ Properly account for and report all financial activities.
- ❖ Develop and implement policies and procedures to ensure employee satisfaction.

Chapter 9: *Departmental Summary*

FINANCE DEPARTMENT (Continued)

Fiscal Year 2018 Accomplishments

- ✓ Successfully completed the fiscal year 2019 Annual Budget
- ✓ Received the GFOA Budget Award for fiscal year 2018
- ✓ Received the GFOA CAFR Award for fiscal year 2017
- ✓ Administered sale of Series 2017 General Obligation Alternate Revenue Bonds
- ✓ Administered refunding of Series 2006 Special Assessment Bonds with Series 2018
- ✓ Managed contract to install updated audio-visual equipment in Board room

Fiscal Year 2019 Goals and Initiatives

- Fiscal year 2020 annual budget (Financial Stability – Budget)
- Maintain the Distinguished Budget Presentation Award from GFOA (Financial Stability – Policies)
- Fiscal year 2018 audit and Comprehensive Annual Financial Report (Financial Stability – Policies)
- Maintain the Certificate of Achievement for Excellence in Financial Reporting from GFOA (Financial Stability – Policies)
- Update strategic plan (Image – Community Perception)

Organization Chart



Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Performance Measures

	FY2015	FY2016	FY2017	FY2018
1. General statistics				
A. Population	18,438	18,438	18,438	18,438
B. Equalized assessed value (EAV)	357,669,326	368,205,911	401,706,662	423,888,453
C. Actual value	1,073,007,978	1,104,617,733	1,205,119,986	1,271,665,359
2. GFOA certifications				
A. Certificate of Achievement	Received	Received	Received	*
B. Distinguished Budget Award	Received	Received	Received	Received
3. Accounts payable				
A. Checks issued	2,455	4,206	4,916	5,186
B. ACH transactions	58	65	113	227
C. Percent of accounts payable as ACH	2.3%	1.5%	2.2%	4.2%
D. Voided checks	23	22	57	69
E. Percent of accounts payable voided	0.9%	0.5%	1.1%	1.3%
4. Payroll				
A. Direct deposits	1,506	1,477	1,600	1,710
B. Checks issued	402	334	326	271
C. Percent of payroll as direct deposits	78.9%	81.6%	83.1%	86.3%
5. Utility billing				
A. Number of accounts	9,114	9,111	9,145	9,196
B. Water and sewer revenue	\$ 3,765,136	\$ 3,842,996	\$ 4,142,100	\$ 3,994,328
C. Average bi-monthly bill	\$ 68.85	\$ 70.30	\$ 75.49	\$ 72.39
D. Payment types				
- Epayment (Village website, IVR, mobile)	N/A	26.0%	31.1%	26.4%
- Lockbox	N/A	27.6%	25.2%	29.8%
- Bill pay (bank websites)	N/A	11.8%	14.2%	16.9%
- Credit card	N/A	5.5%	5.5%	2.5%
- Direct debit	N/A	4.4%	4.5%	6.2%
- Other	N/A	24.7%	19.5%	18.2%
E. Fees				
- Epayment total	N/A	\$ 705,980	\$ 917,971	\$ 1,126,927
- Epayment fees	N/A	\$ 35,488	\$ 20,822	\$ 16,220
- Average fee	N/A	5.0%	2.3%	1.4%
- Credit card (in person) total	N/A	\$ 244,665	\$ 201,277	\$ 183,496
- Credit card (in person) fees	N/A	\$ 6,756	\$ 2,586	\$ 2,167
- Average fee	N/A	2.8%	1.3%	1.2%
6. Debt				
A. Bond rating	AA	AA	AA	AA
B. Total debt	\$ 23,089,592	\$ 21,694,438	\$ 20,104,856	\$ 21,803,319
- Total debt per capita	\$ 1,252	\$ 1,177	\$ 1,090	\$ 1,183
- Total debt as a percent of EAV	6.5%	5.9%	5.0%	5.1%
C. General obligation (GO) debt	\$ 16,330,000	\$ 15,160,000	\$ 13,945,000	\$ 16,025,000
- GO debt per capita	\$ 886	\$ 822	\$ 756	\$ 869
- GO debt as a percent of EAV	4.6%	4.1%	3.5%	3.8%

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Accounting

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	284,018	293,259	293,415	303,135	313,745	324,726	336,091	347,854
Total Personal Services - Salaries and Wages	284,018	293,259	293,415	303,135	313,745	324,726	336,091	347,854
Personal Services - Employee Benefits								
Insurance - Health	79,009	60,893	60,893	61,451	64,524	67,750	71,138	74,695
Insurance - Dental	4,523	3,705	3,705	3,681	3,865	4,058	4,261	4,474
Insurance - Life and AD&D	299	293	293	270	293	293	293	293
Insurance - Workers' Compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - Unemployment	1,555	1,944	1,324	1,257	1,257	1,257	1,257	1,257
Retirement - Social Security	16,555	18,182	17,151	18,794	19,452	20,133	20,838	21,567
Retirement - Medicare	3,872	4,252	4,011	4,395	4,549	4,709	4,873	5,044
Retirement - IMRF	36,742	34,517	33,976	33,830	35,014	36,239	37,508	38,821
Education - Conferences and Training	3,770	6,500	5,200	6,500	6,500	6,500	6,500	6,500
Other Benefits - Health Club Reimbursement	400	600	300	500	500	500	500	500
Other Benefits - Broker Services	2,908	2,952	3,071	1,620	1,620	1,620	1,620	1,620
Total Personal Services - Employee Benefits	151,633	135,838	131,924	134,298	139,574	145,059	150,788	156,771
Contractual Services - Professional and Technical								
Information Technology Services - System Management	5,783	7,500	5,790	6,000	6,000	6,000	6,000	6,000
Information Technology Services - Software Maintenance	22,723	28,461	28,694	29,860	31,329	32,871	34,491	36,192
Accounting and Auditing Services - General	22,880	21,050	20,850	23,700	21,850	24,500	22,650	25,300
Other Professional Services - Cash Management	11,499	9,540	10,227	12,504	19,004	19,004	19,004	19,004
Total Contractual Services - Professional and Technical	62,885	66,551	65,561	72,064	78,183	82,375	82,145	86,496
Contractual Services - Property								
Utilities - Telephone	2,873	2,856	2,998	3,024	3,024	3,024	3,024	3,024
Utilities - Cell Phone	1,174	844	1,220	906	906	906	906	906
Utilities - Internet Access	3,609	3,660	3,968	6,120	6,120	6,120	6,120	6,120
Total Contractual Services - Property	7,656	7,360	8,186	10,050	10,050	10,050	10,050	10,050
Contractual Services - Other								
Insurance - Liability	294,799	369,821	370,404	291,635	300,594	309,843	319,392	329,253
Insurance - Deductible Payments	6,451	20,000	25,000	25,000	25,000	25,000	25,000	25,000
Printing and Publishing - Legal Notices	777	1,070	847	870	870	870	870	870
Personnel Administration - Recruitment	834	6,200	2,000	1,200	1,200	1,200	1,200	1,200
Personnel Administration - Physicals/Testing	1,854	1,250	1,250	825	825	825	825	825
Employee Relations - Employee Recognition	1,515	1,150	-	-	-	-	-	-

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Accounting (Continued)

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Contractual Services - Other (Continued)								
Insurance - Liability	294,799	369,821	370,404	291,635	300,594	309,843	319,392	329,253
Insurance - Deductible Payments	6,451	20,000	25,000	25,000	25,000	25,000	25,000	25,000
Printing and Publishing - Legal Notices	777	1,070	847	870	870	870	870	870
Personnel Administration - Recruitment	834	6,200	2,000	1,200	1,200	1,200	1,200	1,200
Personnel Administration - Physicals/Testing	1,854	1,250	1,250	825	825	825	825	825
Employee Relations - Employee Recognition	1,515	1,150	-	-	-	-	-	-
Employee Relations - Gifts/Flowers	114	500	300	300	300	300	300	300
Employee Relations - Employee Appreciation	73	1,200	2,035	3,130	3,160	2,955	3,700	3,335
Other Purchased Services - Dues	2,283	2,365	2,415	2,810	2,455	2,475	2,870	2,515
Municipal Audit Contingency	16,430	18,000	12,246	4,082	-	-	-	-
Total Contractual Services - Other	325,130	421,556	416,497	329,852	334,404	343,468	354,157	363,298
Commodities								
General Supplies - Office	3,184	2,500	2,500	2,500	2,500	2,500	2,500	2,500
General Supplies - Agency	335	650	650	650	650	650	650	650
General Supplies - Postage	1,603	1,320	1,320	1,320	1,320	1,320	1,320	1,320
General Supplies - Books and Periodicals	105	250	-	250	250	250	250	250
General Supplies - Safety	80	100	1,350	350	350	350	350	350
General Supplies - Computer Equipment	-	3,000	2,350	1,600	2,800	13,400	2,800	1,600
Total Commodities	5,307	7,820	8,170	6,670	7,870	18,470	7,870	6,670
Capital Outlay								
Capital Outlay - Equipment (Computer)	2,926	-	-	-	-	-	-	-
Total Capital Outlay	2,926	-	-	-	-	-	-	-
Transfers and Charges								
Service Charges - Water Fund	(335,822)	(372,954)	(369,501)	(342,428)	(353,530)	(369,659)	(376,440)	(388,456)
Total Transfers and Charges	(335,822)	(372,954)	(369,501)	(342,428)	(353,530)	(369,659)	(376,440)	(388,456)
Total Finance - Accounting	503,733	559,430	554,252	513,641	530,296	554,489	564,661	582,683

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Utility Billing

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	79,301	81,969	82,819	84,656	87,619	90,686	93,860	97,145
Overtime - General	144	250	2,000	250	250	250	250	250
Total Personal Services - Salaries and Wages	79,445	82,219	84,819	84,906	87,869	90,936	94,110	97,395
Personal Services - Employee Benefits								
Insurance - Health	21,650	22,846	22,846	23,077	24,231	25,443	26,715	28,051
Insurance - Dental	1,278	1,459	1,459	1,848	1,940	2,037	2,139	2,246
Insurance - Life and AD&D	150	147	147	135	135	135	135	135
Insurance - Workers' Compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - Unemployment	846	972	1,230	629	629	629	629	629
Retirement - Social Security	4,646	5,098	4,964	5,264	5,448	5,638	5,835	6,038
Retirement - Medicare	1,087	1,192	1,161	1,231	1,274	1,319	1,365	1,412
Retirement - IMRF	10,277	9,677	9,754	9,476	9,806	10,148	10,503	10,869
Education - Conferences and Training	59	500	500	500	500	500	500	500
Total Personal Services - Employee Benefits	40,993	42,891	43,061	43,160	44,963	46,849	48,821	50,880
Contractual Services - Professional and Technical								
Information Technology Services - System Management	1,012	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Information Technology Services - Software Maintenance	7,795	6,980	7,702	7,244	7,519	7,808	8,110	8,426
Other Professional Services - Cash Management	28,511	22,740	24,778	24,600	24,600	24,600	24,600	24,600
Total Contractual Services - Professional and Technical	37,318	31,720	34,480	33,844	34,119	34,408	34,710	35,026
Contractual Services - Property								
Utilities - Telephone	1,176	1,104	1,127	1,128	1,128	1,128	1,128	1,128
Utilities - Cell Phone	238	328	228	378	378	378	378	378
Rental - Equipment	1,089	984	847	847	847	847	847	847
Total Contractual Services - Property	2,503	2,416	2,202	2,353	2,353	2,353	2,353	2,353
Contractual Services - Other								
Printing and Publishing - Forms and Maps	15,988	15,000	16,600	16,600	16,600	16,600	16,600	16,600
Other Contractual Services - Dues	-	10	50	20	20	20	20	20
Total Contractual Services - Other	15,988	15,010	16,650	16,620	16,620	16,620	16,620	16,620
Commodities								
General Supplies - Office	976	1,500	1,500	1,500	1,500	1,500	1,500	1,500
General Supplies - Postage	25,058	23,835	23,322	25,250	27,050	28,850	30,650	32,450
General Supplies - Computer Equipment	-	1,500	821	-	3,800	1,000	-	-
Total Commodities	26,034	26,835	25,643	26,750	32,350	31,350	32,150	33,950
Capital Outlay								
Capital Outlay - Equipment (Computer)	1,934	-	-	-	-	-	-	-
Total Capital Outlay	1,934	-	-	-	-	-	-	-
Transfers and Charges								
Service Charges	(204,215)	(201,091)	(206,855)	(207,633)	(218,274)	(222,516)	(228,764)	(236,224)
Total Transfers and Charges	(204,215)	(201,091)	(206,855)	(207,633)	(218,274)	(222,516)	(228,764)	(236,224)
Total Accounting - Utility Billing	-	-	-	-	-	-	-	-

Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT

Description

The Community Development Department is responsible for ensuring that correct procedures and codes are used and followed for the planning and permitting of all residential, commercial and industrial developments in the Village. The main responsibility of the Community Development Department is to assist developers, local businesses and citizens through the approval process from beginning to end. The Department is responsible for providing efficient and timely planning of Montgomery's existing, ongoing and future development. This is done through the use of well-established planning and building practices and techniques. The department also provides customer service assistance and public education throughout any planning and development process.

The Building Division of the Community Development Department is responsible for building permits and inspections, contractor licenses, temporary use permits, enforcing building-related portions of the Village Code of Ordinances, and enforcing property maintenance codes.

The Planning Division follows the goals and vision for the Village as set in the Comprehensive Plan. Staff reviews individual development proposals to ensure that they meet the guidelines set forth in the Comprehensive Plan and the regulations found within the Zoning Ordinance and Subdivision Regulations. To accomplish this, staff coordinates all aspects of the plan review including land use, engineering, landscaping, legal issues, and economic development. In addition, the Planning Division serves as staff liaison to the Plan Commission and Zoning Board of Appeals by providing information and recommendations.

The mission of the Economic Development Division is to create a business-friendly environment so that existing businesses will choose to remain and new businesses will locate in the Village. This is accomplished by helping the development community and businesses with access to needed data, identifying potential sites and coordinating Village approvals. Community Development staff works collaboratively with the Montgomery Economic Development Corporation (MEDC) to provide any building, planning or zoning information needed by the business and development community.

Responsibilities

- Improve the efficiency and effectiveness of the review, permitting and inspection process.
- Evaluate updated building codes to verify that buildings are safe for owners and residents.
- Update Village ordinances to reflect current trends.
- Enforce regulations and zoning requirements.
- Promote the redevelopment and reuse of vacant buildings and sites.
- Update and maintain a GIS mapping system for the Village.
- Maintain and update the Zoning Map and Street Maps.

Core Strategies

- ❖ Provide effective code enforcement, permitting and building inspection services, along with zoning and planning services.
- ❖ Create awareness of development opportunities within the Downtown-Mill District area.
- ❖ Provide additional focus on economic development.
- ❖ Apply for grants and alternative funding through a variety of county, state and federal programs.
- ❖ Protect and enhance environmental quality throughout the community.

Chapter 9: *Departmental Summary*

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Core Strategies (Continued)

- ❖ Encourage public-private developments partnerships through the use of TIF funds and sales tax incentive agreements.
- ❖ Promote energy conservation and encourage the use of renewable energy resources.
- ❖ Promote, encourage, and provide exceptional customer service.
- ❖ Promote protection of public infrastructure and preparedness for emergency management.
- ❖ Provide a friendly environment for local businesses and residents alike.
- ❖ Promote a diversified economic base that can provide adequate employment opportunities, satisfy the needs for commercial goods and business services, and support the fiscal responsibilities of the Village.

Fiscal Year 2018 Accomplishments

- ✓ Completed change-over from the Revolving Loan Fund (RLF) to the Montgomery Development Fund (MDF) for business small grants and low interest loans.
- ✓ With consultants, developed a hotel revenue/available rooms (RevPAR) report for the region and development /redevelopment opportunities review for the village.
- ✓ Coordinated the review and approval of the construction projects in the first phase of the Aurora University Sports Complex.
- ✓ Coordinated the review and approval of the annexation agreement amendment for the Montgomery Place Apartment development in the Ogden Hill PUD area.
- ✓ Coordinated review and approval of new businesses occupying both new and vacant buildings along Douglas Road, Orchard Road, Commerce Drive and in the Mill District.
- ✓ Completed Zoning Ordinance text amendment for off-street parking requirements.
- ✓ With the MEDC, coordinated a commercial and industrial real estate broker tour of available building and sites.
- ✓ Coordinated the review and approval of an annexation agreement amendment for the Huntington Chase Subdivision.
- ✓ Completed the administrative review and approval of reasonable accommodations under the Federal Fair Housing Act for support animals for a disabled veteran.
- ✓ Completed the review and approval of four of six Building Code section updates.
- ✓ Staffing support to Finance Department during time of staff storage within the Water Billing Division.
- ✓ Received two-year CMAP grant for assistance in the establishment of new Zoning/Subdivision Form Based Code.
- ✓ Coordinated the approval of a four-party agreement for the transfer of 6.5 acres for land to the Oswegoland Park District within the Marquis Point development.

Fiscal Year 2019 Goals and Initiatives

- With the help of CMAP and their grant program, start the two-year process for the adoption of a new Zoning/Subdivision Form Based Code. (Development – Residential, Commercial, Industrial)
- With consultants, complete an updated Hotel Study and promote and help to establish a hotel within the Village. (Development – Commercial)
- Update the Intergovernmental Boundary Agreements with the City of Aurora. (Development – Residential)

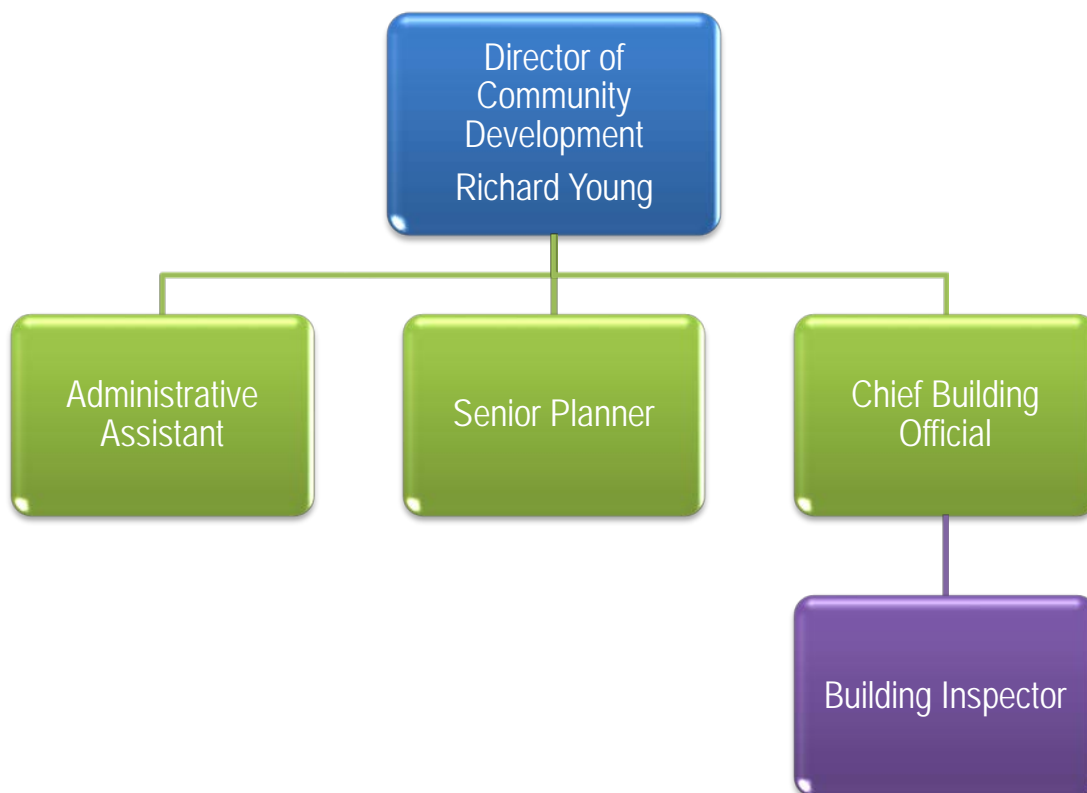
Chapter 9: *Departmental Summary*

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Fiscal Year 2019 Goals and Initiatives (Continued)

- Coordinate economic development strategies with the MEDC for major corridors within the Village. (Development – Commercial, Industrial)
- Complete the annexation and zoning of the 262 acres located on the west side of Orchard Road near Aucutt Road. (Development – Commercial)
- Continue to review the concept of a TIF III development area for the west side of Orchard Road. (Development – Commercial)
- Review the idea of a bike sharing program with the City of Aurora and the Fox Valley Park District. (Downtown – Transportation)
- Continue the process for the adoption for the final two sections of the Building Code updates. (Development – Residential, Commercial, Industrial)
- Complete the three-year update of the ISO flood insurance rate program. (Image – Community Perception)
- Re-establish interest with civic groups and the Village Board for entry monument/gateway signage at key locations around the village. (Image – Community Perception)
- Process a large increase in the number of residential building permits in a timely fashion, for the Huntington Chase and Balmorea Subdivisions along with permits for the first buildings within the Montgomery Place Apartments development. (Development – Residential)

Organization Chart



Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Planning and Zoning

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	190,387	196,467	196,655	204,675	211,839	219,253	226,927	234,869
Wages - Part-Time Employees	-	-	2,025	-	-	-	-	-
Wages - Boards and Committees	2,940	2,940	1,995	1,960	1,960	1,960	1,960	1,960
Total Personal Services - Salaries and Wages	193,327	199,407	200,675	206,635	213,799	221,213	228,887	236,829
Personnel Services - Employee Benefits								
Insurance - Health	20,821	22,265	22,265	22,482	23,606	24,786	26,025	27,326
Insurance - Dental	1,378	1,574	1,574	1,563	1,641	1,723	1,809	1,899
Insurance - Life and AD&D	150	147	147	135	135	135	135	135
Insurance - Workers' Compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - Unemployment	765	972	689	629	629	629	629	629
Retirement - Social Security	11,667	12,363	12,178	12,811	13,256	13,715	14,191	14,683
Retirement - Medicare	2,729	2,891	2,848	2,996	3,100	3,208	3,319	3,434
Retirement - IMRF	24,627	23,124	22,771	22,842	23,641	24,469	25,325	26,211
Education - Conferences and Training	6,625	4,700	4,700	4,900	4,900	4,900	4,900	4,900
Total Personal Services - Employee Benefits	69,762	69,036	68,172	69,358	71,908	74,565	77,333	80,217
Contractual Services - Professional and Technical								
Information Technology Services - System Management	3,410	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Information Technology Services - Software Maintenance	9,406	1,340	1,242	1,340	1,340	1,340	1,340	1,340
Planning Services - General	1,212	7,000	11,000	8,000	9,000	10,000	10,000	10,000
Planning Services - Development (Reimbursable)	7,309	10,000	10,000	10,000	12,500	12,500	15,000	15,000
Total Contractual Services - Professional and Technical	21,337	21,340	25,242	22,340	25,840	26,840	29,340	29,340
Contractual Services - Property								
Utilities - Telephone	1,115	1,032	1,122	1,128	1,128	1,128	1,128	1,128
Utilities - Cell Phone	1,629	1,568	1,736	1,692	1,692	1,692	1,692	1,692
Equipment Repair and Maintenance - Office	-	150	-	-	-	-	-	-
Rental - Equipment	3,361	3,360	3,287	3,144	3,144	3,144	3,144	3,144
Total Contractual Services - Property	6,105	6,110	6,145	5,964	5,964	5,964	5,964	5,964
Contractual Services - Other								
Printing and Publishing - Legal Notices	2,619	1,000	1,000	1,000	1,250	1,250	1,500	1,500
Printing and Publishing - Publications	-	250	100	100	100	100	100	100
Other Contractual Services - Dues	3,026	2,420	2,420	2,715	2,715	2,715	2,715	2,715
Other Contractual Services - Document Recording	261	500	500	500	500	500	500	500
Bad Debt	5,254	-	-	-	-	-	-	-
Total Contractual Services - Other	11,160	4,170	4,020	4,315	4,565	4,565	4,815	4,815
Commodities								
General Supplies - Office	1,504	1,500	1,500	1,500	1,500	1,500	1,500	1,500
General Supplies - Postage	350	345	345	345	345	345	345	345
General Supplies - Books and Periodicals	95	470	470	1,005	1,005	1,005	1,005	1,005
General Supplies - Computer Equipment	-	-	-	-	1,400	1,400	-	-
Total Commodities	1,949	2,315	2,315	2,850	4,250	4,250	2,850	2,850
Total Community Development - Planning and Zoning	303,640	302,378	306,569	311,462	326,326	337,397	349,189	360,015

Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Code Enforcement and Inspections

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	182,941	189,097	177,672	192,734	199,480	206,462	213,688	221,167
Overtime - General	475	-	-	-	-	-	-	-
Total Personal Services - Salaries and Wages	183,416	189,097	177,672	192,734	199,480	206,462	213,688	221,167
Personal Services - Employee Benefits								
Insurance - Health	57,453	60,404	60,404	46,154	48,462	50,885	53,429	56,100
Insurance - Dental	2,907	3,993	3,993	2,900	3,045	3,197	3,357	3,525
Insurance - Life and AD&D	224	220	220	202	202	202	202	202
Insurance - Workers' Compensation	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Insurance - Unemployment	1,193	1,458	1,001	943	943	943	943	943
Retirement - Social Security	10,833	11,724	10,582	11,950	12,368	12,801	13,249	13,712
Retirement - Medicare	2,533	2,742	2,475	2,795	2,892	2,994	3,098	3,207
Retirement - IMRF	23,802	22,257	20,667	21,509	22,262	23,041	23,848	24,682
Education - Conferences and Training	570	450	450	450	450	450	450	450
Equipment - Uniform Allowance	600	800	800	1,200	1,200	1,200	1,200	1,200
Total Personal Services - Employee Benefits	102,615	106,548	103,092	90,603	94,324	98,213	102,276	106,521
Contractual Services - Professional and Technical								
Information Technology Services - System Management	3,861	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Information Technology Services - Software Maintenance	-	11,060	11,217	11,360	11,660	11,960	12,260	12,560
Inspection Services - General	-	1,000	500	500	500	500	500	500
Inspection Services - Plumbing	25,400	17,000	22,000	22,000	22,000	22,000	22,000	22,000
Inspection Services - Elevator	3,366	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Inspection Services - Sewer	60	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Contractual Services - Professional and Technical	32,687	35,560	40,217	40,360	40,660	40,960	41,260	41,560
Contractual Services - Property								
Utilities - Telephone	1,773	1,644	1,693	1,692	1,692	1,692	1,692	1,692
Utilities - Cell Phone	1,440	1,088	1,809	1,812	1,812	1,812	1,812	1,812
Equipment Repair and Maintenance - Office	18	300	200	200	200	200	200	200
Grounds Repair and Maintenance - Lawn Care Violations	4,000	23,000	19,000	3,000	3,000	3,000	3,000	3,000
Total Contractual Services - Property	7,231	26,032	22,702	6,704	6,704	6,704	6,704	6,704
Contractual Services - Other								
Printing and Publishing - Publications	-	100	100	100	100	100	100	100
Printing and Publishing - Forms and Maps	-	600	600	600	600	600	600	600
Travel	-	100	100	100	100	100	100	100
Other Contractual Services - Dues	545	390	390	390	390	390	390	390
Total Contractual Services - Other	545	1,190	1,190	1,190	1,190	1,190	1,190	1,190
Commodities								
General Supplies - Office	444	1,000	1,000	1,000	1,000	1,000	1,000	1,000
General Supplies - Agency	-	400	400	400	400	400	400	400
General Supplies - Postage	255	165	165	165	165	165	165	165
General Supplies - Books and Periodicals	-	130	319	390	130	130	390	130
General Supplies - Computer Equipment	-	3,000	3,000	1,400	1,400	1,400	2,800	1,400
Total Commodities	699	4,695	4,884	3,355	3,095	3,095	4,755	3,095
Capital Outlay								
Capital Outlay - Equipment (Computer)	4,462	-	-	-	-	-	-	-
Total Capital Outlay	4,462	-	-	-	-	-	-	-
Transfers								
Transfer to Vehicle Reserve Fund	13,257	14,176	14,176	13,342	13,342	13,342	13,342	13,342
Total Transfers	13,257	14,176	14,176	13,342	13,342	13,342	13,342	13,342
Total Community Development - Code Enf. and Insp.	344,912	377,298	363,933	348,288	358,795	369,966	383,215	393,579

Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Economic Development

One of the largest individual line items within Community Development is economic development incentives. The Village has six (6) agreements with various companies to rebate a portion of the sales tax collected within a certain development or individual store. The Village distributed the last payment on a seventh agreement during fiscal year 2018, which accounts for the large decrease in fiscal year 2019.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Contractual Services - Professional and Technical								
Economic Development Services - Marketing	5,735	7,660	6,000	7,660	7,660	7,660	7,660	7,660
Economic Development Services - EDC	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total Contractual Services - Professional and Technical	95,735	97,660	96,000	97,660	97,660	97,660	97,660	97,660
Other								
Other - Economic Development Incentives	990,012	895,541	824,639	684,409	732,475	785,779	845,255	803,260
Total Other	990,012	895,541	824,639	684,409	732,475	785,779	845,255	803,260
Total Community Development - Economic Development	1,085,747	993,201	920,639	782,069	830,135	883,439	942,915	900,920

Chapter 9: Departmental Summary

POLICE DEPARTMENT

Description

The Montgomery Police Department provides protection and policing services to over 18,500 residents and businesses within the Village limits. The department strives hard to provide exceptional services, demonstrate community pride, and maintain public safety throughout the community. The Police Department is active in the community in the following areas: Truck Overweight, Traffic Enforcement, DUI Enforcement, Crime Prevention, Neighborhood Watch, Too Good for Drugs, and Gang Awareness.

Mission Statement

The Village of Montgomery Police Department is committed to providing exceptional public service by protecting the life, liberty and property of citizens in the Village. We strive to build community partnerships that preserve public trust, foster mutual respect and enhance the quality of life for all.

Responsibilities

- Ensure implementation of policies that meet national accreditation standards.
- Manage all departmental training; ensure compliance with mandated training standards.
- Promote and organize Community Policing.
- Proactively address community problems.
- Maintain a visible presence in the community.
- Respond to emergency and non-emergency calls for service.
- Assist in the safe and expedient movement of vehicular and pedestrian traffic.
- Investigate adult and juvenile-related crimes.
- Proactively enforce and investigate narcotics and vice.
- Process crime scenes and prepare evidence for laboratory analysis.
- Manage detention center operations.
- Make safety a part of the organizational culture.
- Maintain updated and current sex offender list and ensure they are compliant.

Values

Members of the Montgomery Police Department are committed to our citizens and to each other. We will:

- Be courteous. We will on all occasions be courteous and considerate toward all members of the public and to each other.
- Be honest. We will base our integrity on truthfulness and will tell the truth on all records, statements, and testimony.
- Respect diversity. We will treat the public and each other the same, regardless of sex, race, religion, age, sexual orientation, ethnicity, disability or national origin.
- Emphasize integrity. We will be honest, morally upright and sincere in the use of the power and authority that has been given to us.
- Foster cooperation. We will help each other succeed by assisting each other at every opportunity by following the highest standards and best practices of the law.

Chapter 9: *Departmental Summary*

POLICE DEPARTMENT (Continued)

Core Strategies

- ❖ Public Service
- ❖ Policies and Procedures
- ❖ Community Oriented
- ❖ Harmonious Work Environment
- ❖ High Quality of Life

Fiscal Year 2018 Accomplishments

- ✓ Completed community-oriented police projects including Cops on Top, Special Olympics Spring Games, Law Enforcement Torch Run, Special Olympics Summer Games, National Night Out, and our Halloween Safety Event.
- ✓ Donated \$7209 to Illinois Special Olympics.
- ✓ Contributed to the annual holiday clothing and toy drive for three families from our elementary schools who were in need of clothing and toys for Christmas.
- ✓ Awarded \$18,240 through the Illinois Department of Transportation (IDOT) traffic enforcement campaigns.
- ✓ Awarded \$2,090 through the Illinois Liquor Commission for tobacco and liquor compliance checks.
- ✓ Awarded \$2,460 through the U.S. Department of Justice (DOJ) Bullet Proof Vest Program.
- ✓ Completed implementation of New World System field-based reporting software.
- ✓ Sergeant Greg Mayyou received the Public Safety Award of Achievement from Northwestern University for Public Safety for his successful completion of 200-hour series on Criminal Forensic Investigative Techniques.
- ✓ Completed department training with Kendall County Coroner's Office, Faces4.org personnel, and the Community Wellness Division of Aunt Marth's Health and Wellness Organization.
- ✓ Deputy Chief Sanders successfully completed the FBI National Academy session #271.
- ✓ Sergeant Gregory Mayyou continued assignment to the Kane County Accident Reconstruction Team.
- ✓ Sergeant Jacob Niete received the employee of the year award for 2017 for the Montgomery Police Department.
- ✓ Sergeant Jacob Niete was nominated as Kane County Officer of the Year.
- ✓ Records Clerk/Police Services Specialist Kimberly Winkler was awarded the 2017 Civilian of the Year at the Annual Kendall County Respect for Law Banquet.
- ✓ Sergeant Jacob Niete was received a Lifesaving Award at the Annual Kendall County Respect for Law Banquet.
- ✓ Sergeant Greg Mayyou received a Lifesaving Award at the Annual Kendall County Respect for Law Banquet.
- ✓ Officer Daniel Godinho received a Lifesaving Award at the Annual Kendall County Respect for Law Banquet.
- ✓ Officer Tony Hull received a Valor Award at the Annual Kendall County Respect for Law Banquet.
- ✓ Officer Anthony Bertellotti continued assignment to the Kendall County Special Response Team.
- ✓ Officer Chris Johnson continued assignment as a member of the ILEAS Mobile Field Force.
- ✓ Successfully participated in a statewide Distracted Driving awareness campaign.

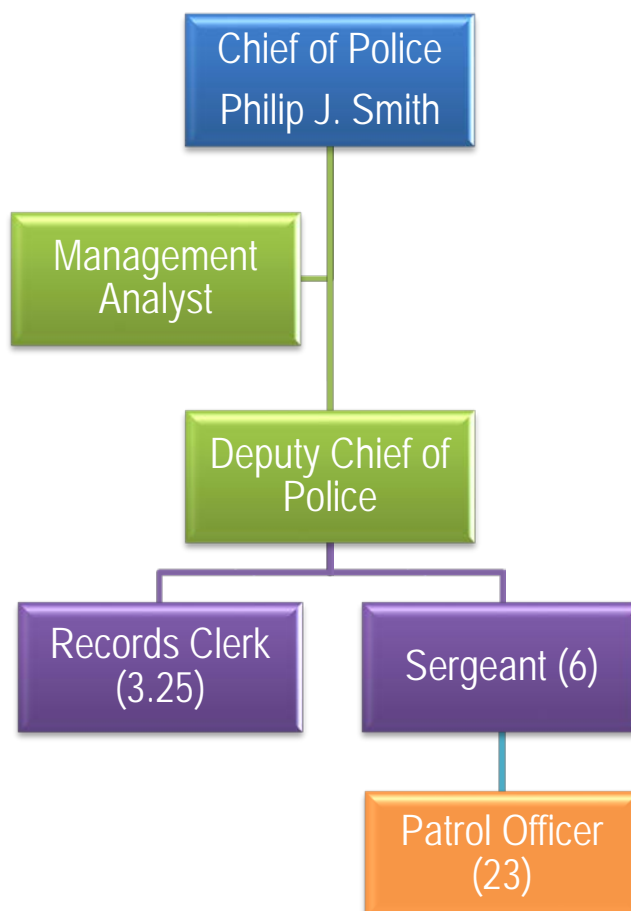
Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Fiscal Year 2019 Goals and Initiatives

- Successful transition with new Chief Phillip J. Smith. (Image – Public Safety)
- Develop a succession plan for the department. (Financial Stability – Budget)
- Enhance community interaction with residents and schools. (Image – Public Safety)
- Promote traffic safety through continued participation in IDOT campaigns. (Image – Public Safety)
- Successfully train 2 new hire officers. (Image – Public Safety)
- Participate in sponsored events including Cops on Top, Law Enforcement Torch Run, National Night Out, and our Halloween Safety Event. (Image – Community Interaction)
- Building strategic partnerships with businesses to promote safety. (Image – Public Safety)
- Train with neighboring agencies. (Image – Public Safety)
- Utilize social media outlets to communicate with and educate residents. (Image – Community Interaction)
- Obtain mobile radios in squad cars for better communication and reception with our consolidated dispatch center. (Image – Public Safety)
- Commit a member to the Kendall County Cooperative Police Assistance Team and Criminal Intelligence Unit. (Image – Public Safety)

Organization Chart



Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Administration

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	297,066	304,257	352,527	303,909	314,546	325,555	336,949	348,742
Total Personal Services - Salaries and Wages	297,066	304,257	352,527	303,909	314,546	325,555	336,949	348,742
Personal Services - Employee Benefits								
Insurance - Health	57,453	60,404	60,404	76,681	80,515	84,541	70,754	74,292
Insurance - Dental	3,496	3,993	3,993	3,966	4,164	4,372	4,591	4,821
Insurance - Life and AD&D	224	220	220	202	202	202	202	202
Insurance - Workers' Compensation	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Insurance - Unemployment	1,147	1,458	944	944	944	944	944	944
Retirement - Social Security	17,671	18,845	21,089	18,842	19,502	20,184	20,891	21,622
Retirement - Medicare	4,178	4,412	4,932	4,407	4,561	4,721	4,886	5,057
Retirement - IMRF	8,279	7,714	7,593	7,534	7,797	8,070	8,353	8,645
Education - Conferences and Training	5,341	5,314	9,314	5,314	5,314	5,314	5,314	5,314
Equipment - Clothing Allowance	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
Total Personal Services - Employee Benefits	102,064	106,635	112,764	122,165	127,274	132,623	120,210	125,172
Contractual Services - Professional and Technical								
Information Technology Services - System Management	25,432	30,000	36,828	30,000	30,000	30,000	30,000	30,000
Information Technology Services - Software Maintenance	81,982	89,229	84,483	60,285	49,465	28,195	28,772	29,368
Total Contractual Services - Professional and Technical	107,414	119,229	121,311	90,285	79,465	58,195	58,772	59,368
Contractual Services - Property								
Utilities - Natural Gas	1,773	2,000	2,150	2,400	2,700	3,000	3,000	3,000
Utilities - Telephone	6,599	6,228	6,947	6,984	6,984	6,984	6,984	6,984
Utilities - Cell Phone	2,768	2,232	2,690	2,406	2,406	2,406	2,406	2,406
Utilities - Internet Access	4,661	6,456	5,204	5,436	5,436	5,436	5,436	5,436
Utilities - Leads/IMN Access	16,240	14,330	15,642	18,876	18,876	18,876	18,876	18,876
Building Repair and Maintenance - Other	18,954	54,812	15,900	46,400	17,900	17,900	17,900	17,900
Equipment Repair and Maintenance - Office	7,422	720	720	720	720	720	720	720
Equipment Repair and Maintenance - Other	3,701	3,650	3,650	3,650	3,650	3,650	3,650	3,650
Equipment Repair and Maintenance - Communications	1,167	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Rental - Equipment	6,374	9,242	8,777	9,242	9,242	9,242	9,242	9,242
Total Contractual Services - Property	69,659	104,670	66,680	101,114	72,914	73,214	73,214	73,214
Contractual Services - Other								
Travel	200	200	200	200	200	200	200	200
Personnel Administration - Physicals/Testing	716	896	896	896	896	896	896	896
Other Contractual Services - Animal Control	2,025	3,000	1,400	2,000	2,000	2,000	2,000	2,000
Other Contractual Services - Dues	2,964	2,150	2,150	4,630	4,630	4,630	4,630	4,630
Other Contractual Services - Document Destruction	250	500	500	500	500	500	500	500
Total Contractual Services - Other	6,155	6,746	5,146	8,226	8,226	8,226	8,226	8,226
Commodities								
General Supplies - Office	3,801	3,500	3,500	3,500	3,500	3,500	3,500	3,500
General Supplies - Agency	43	-	-	-	-	-	-	-
General Supplies - Postage	3,407	2,400	2,760	2,760	2,760	2,760	2,760	2,760
General Supplies - Books and Periodicals	3,023	1,920	1,920	1,920	1,920	1,920	1,920	1,920
General Supplies - Safety	421	500	500	500	500	500	500	500
General Supplies - Computer Equipment	-	9,300	10,584	1,200	6,600	2,400	25,200	5,400
Total Commodities	10,695	17,620	19,264	9,880	15,280	11,080	33,880	14,080
Capital Outlay								
Capital Outlay - Equipment (Computer)	25,519	-	-	-	-	-	-	-
Total Capital Outlay	25,519	-	-	-	-	-	-	-
Total Police - Administration	618,572	659,157	677,692	635,579	617,705	608,893	631,251	628,802

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Support Services

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	108,475	110,352	110,090	126,337	130,759	135,336	140,073	144,976
Wages - Part-Time Employees	35,683	33,980	38,364	17,500	17,500	17,500	17,500	17,500
Overtime - General	3,333	1,500	6,648	2,000	2,000	2,000	2,000	2,000
Total Personal Services - Salaries and Wages	147,491	145,832	155,102	145,837	150,259	154,836	159,573	164,476
Personal Services - Employee Benefits								
Insurance - Health	28,211	29,911	29,911	69,135	72,592	76,222	62,019	65,120
Insurance - Dental	1,629	1,861	1,861	3,018	3,169	3,327	3,493	3,668
Insurance - Life and AD&D	150	147	147	208	135	135	135	135
Insurance - Workers' Compensation	1,500	1,500	1,500	2,500	2,500	2,500	2,500	2,500
Insurance - Unemployment	2,314	2,246	1,731	1,441	1,441	1,441	1,441	1,441
Retirement - Social Security	8,924	9,042	9,303	9,042	9,316	9,600	9,894	10,198
Retirement - Medicare	2,087	2,115	2,176	2,115	2,179	2,245	2,314	2,385
Retirement - IMRF	14,553	13,165	13,855	14,322	14,816	15,327	15,855	16,403
Education - Conferences and Training	258	750	750	750	750	750	750	750
Equipment - Clothing Allowance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total Personal Services - Employee Benefits	61,126	62,237	62,734	104,031	108,398	113,047	99,901	104,100
Contractual Services - Professional and Technical								
Information technology services - software maintenance	-	-	388	480	480	480	480	480
Professional Services - Dispatch Services	263,077	264,537	268,755	275,587	282,596	289,788	297,168	304,740
Total Contractual Services - Professional and Technical	263,077	264,537	269,143	276,067	283,076	290,268	297,648	305,220
Contractual Services - Property								
Utilities - Telephone	1,557	1,512	1,554	1,560	1,560	1,560	1,560	1,560
Total Contractual Services - Property	1,557	1,512	1,554	1,560	1,560	1,560	1,560	1,560
Commodities								
General Supplies - Computer Equipment	-	-	-	-	-	4,200	4,200	4,200
Total Commodities	-	-	-	-	-	4,200	4,200	4,200
Total Police - Support Services	473,251	474,118	488,533	527,495	543,293	563,911	562,882	579,556

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Patrol

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	1,620,991	1,840,005	1,712,095	1,956,150	2,039,705	2,179,690	2,261,429	2,346,232
Wages - Part-Time Employees	61,160	60,000	65,125	60,000	60,000	60,000	60,000	60,000
Wages - Temporary Employees	470	2,080	1,040	2,080	2,080	2,080	2,080	2,080
Overtime - General	234,261	200,000	284,035	200,000	200,000	200,000	200,000	200,000
Overtime - Reimbursable Services	1,167	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Holiday Pay	149,018	155,693	151,917	165,520	172,590	184,435	191,352	198,527
Bonus Pay	4,000	1,500	1,500	1,500	4,000	4,000	1,000	2,000
Total Personal Services - Salaries and Wages	2,071,067	2,260,278	2,216,712	2,386,250	2,479,375	2,631,205	2,716,861	2,809,839
Personal Services - Employee Benefits								
Insurance - Health	311,543	377,439	377,439	410,379	430,898	452,443	475,065	498,818
Insurance - Dental	16,699	19,377	19,377	22,565	23,693	24,878	26,122	27,428
Insurance - Life and AD&D	1,793	1,833	1,833	1,698	1,766	1,777	1,777	1,777
Insurance - Workers' Compensation	24,000	26,000	26,000	26,000	27,000	27,000	27,000	27,000
Insurance - Unemployment	12,720	14,580	11,377	9,428	9,742	9,742	9,742	9,742
Retirement - Social Security	124,889	140,137	132,870	147,948	153,721	163,135	168,445	174,210
Retirement - Medicare	29,208	32,774	31,075	34,601	35,951	38,152	39,394	40,743
Retirement - Police Pension	520,987	583,505	580,602	557,399	568,547	579,918	591,516	603,346
Education - Conferences and Training	25,195	28,252	31,542	27,688	27,783	23,852	23,852	23,852
Equipment - Clothing Allowance	17,850	18,200	17,500	18,900	19,600	19,600	19,600	19,600
Total Personal Services - Employee Benefits	1,084,884	1,242,097	1,229,615	1,256,606	1,298,701	1,340,497	1,382,513	1,426,516
Contractual Services - Professional and Technical								
Information technology services - software maintenance	-	-	1,888	3,240	3,360	3,360	3,360	3,360
Total Contractual Services - Professional and Technical	-	-	1,888	3,240	3,360	3,360	3,360	3,360
Contractual Services - Property								
Utilities - Telephone	9,246	9,762	9,616	9,900	10,116	10,152	10,152	10,152
Utilities - Cell Phone	4,505	3,624	3,472	4,056	4,056	4,056	4,056	4,056
Equipment Repair and Maintenance - Office	1,392	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Equipment Repair and Maintenance - Other	-	1,900	2,061	1,900	1,900	1,900	1,900	1,900
Total Contractual Services - Property	15,143	17,786	17,649	18,356	18,572	18,608	18,608	18,608
Contractual Services - Other								
Travel	160	400	400	400	400	400	400	400
Other Contractual Services - Dues	10,540	8,570	8,570	9,235	10,378	10,378	10,378	10,378
Total Contractual Services - Other	10,700	8,970	8,970	9,635	10,778	10,778	10,778	10,778
Commodities								
General Supplies - Office	600	600	700	700	700	700	700	700
General Supplies - Agency	6,457	7,100	7,100	8,000	8,000	8,000	8,000	8,000
General Supplies - Safety	3,188	6,725	8,839	6,100	6,800	7,500	5,400	9,600
General Supplies - Ammunition	5,407	7,000	7,000	7,000	7,000	7,000	7,000	7,000
General Supplies - Computer Equipment	-	-	-	1,400	12,000	1,400	-	2,200
Police Supplies - Lock-Up	3,066	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Police Supplies - Community Policing	4,113	4,900	4,900	4,900	4,900	4,900	4,900	4,900
Minor Equipment - Police	-	-	-	7,450	-	-	-	6,200
Total Commodities	22,831	30,725	32,939	39,950	43,800	33,900	30,400	43,000
Capital Outlay								
Capital Outlay - Equipment (Police)	4,986	-	-	-	-	-	-	-
Total Capital Outlay	4,986	-	-	-	-	-	-	-
Transfers								
Transfer to Vehicle Reserve Fund	207,288	201,203	201,203	198,166	225,949	222,018	222,018	222,018
Total Transfers	207,288	201,203	201,203	198,166	225,949	222,018	222,018	222,018
Total Police - Patrol	3,416,899	3,761,059	3,708,976	3,912,203	4,080,535	4,260,366	4,384,538	4,534,119

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Investigations

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	169,747	173,868	253,069	261,673	271,486	281,667	292,230	303,189
Overtime - General	24,669	18,000	21,901	18,000	18,000	19,000	19,000	19,000
Overtime - Reimbursable Services	626	700	700	700	700	700	700	700
Holiday Pay	13,582	14,712	22,135	22,142	22,972	23,833	24,727	25,654
Bonus Pay	1,000	-	-	-	2,500	-	-	-
Total Personal Services - Salaries and Wages	209,624	207,280	297,805	302,515	315,658	325,200	336,657	348,543
Personal Services - Employee Benefits								
Insurance - Health	43,300	45,693	45,693	45,228	47,489	49,863	52,356	54,974
Insurance - Dental	2,556	2,919	2,919	2,915	3,061	3,214	3,375	3,544
Insurance - Life and AD&D	150	147	147	202	202	202	202	202
Insurance - Workers' Compensation	2,000	2,000	2,000	3,000	3,000	3,000	3,000	3,000
Insurance - Unemployment	765	972	943	943	943	943	943	943
Retirement - Social Security	13,401	12,851	19,466	18,756	19,571	20,162	20,873	21,610
Retirement - Medicare	3,134	3,006	4,553	4,386	4,577	4,715	4,882	5,054
Education - Conferences and Training	1,958	940	2,407	3,480	2,435	2,435	2,435	2,435
Equipment - Clothing Allowance	1,400	1,400	2,100	2,100	2,100	2,100	2,100	2,100
Total Personal Services - Employee Benefits	68,664	69,928	80,228	81,010	83,378	86,634	90,166	93,862
Contractual Services - Professional and Technical								
Information technology services - software maintenance	-	-	195	396	396	396	396	396
Total Contractual Services - Professional and Technical	-	-	195	396	396	396	396	396
Contractual Services - Property								
Utilities - Telephone	1,581	1,512	1,839	1,812	1,812	1,812	1,812	1,812
Utilities - Cell Phone	1,852	1,388	2,219	2,718	2,718	2,718	2,718	2,718
Rental - Vehicle	-	2,500	1,000	2,500	2,500	2,500	2,500	2,500
Total Contractual Services - Property	3,433	5,400	5,058	7,030	7,030	7,030	7,030	7,030
Contractual Services - Other								
Other Contractual Services - Dues	4,152	4,467	4,467	4,467	4,467	4,467	4,467	4,467
Total Contractual Services - Other	4,152	4,467	4,467	4,467	4,467	4,467	4,467	4,467
Commodities								
General Supplies - Office	923	1,000	1,000	1,000	1,000	1,000	1,000	1,000
General Supplies - Agency	390	800	800	800	800	800	800	800
General Supplies - Books and Periodicals	-	200	200	200	300	300	300	300
General Supplies - Computer Equipment	-	1,600	2,033	1,400	2,800	2,800	1,600	1,400
Police Supplies - investigation and evidence	4,289	4,495	4,495	6,070	6,070	6,070	6,070	6,070
Total Commodities	5,602	8,095	8,528	9,470	10,970	10,970	9,770	9,570
Total Police - Investigations	291,475	295,170	396,281	404,888	421,899	434,697	448,486	463,868

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Police Commission

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Boards and Committees	-	420	210	420	420	420	420	420
Total Personal Services - Salaries and Wages	-	420	210	420	420	420	420	420
Personal Services - Employee Benefits								
Retirement - Social Security	-	26	13	26	26	26	26	26
Retirement - Medicare	-	6	3	6	6	6	6	6
Total Personal Services - Employee Benefits	-	32	16	32	32	32	32	32
Contractual Services - Professional and Technical								
Legal Services - Police Commission	-	500	250	500	500	500	500	500
Total Contractual Services - Professional and Technical	-	500	250	500	500	500	500	500
Contractual Services - Other								
Personnel Administration - Recruitment	8,759	5,000	6,858	6,800	3,000	5,800	2,000	4,800
Other Contractual Services - Dues	375	375	375	375	375	375	375	375
Total Contractual Services - Other	9,134	5,375	7,233	7,175	3,375	6,175	2,375	5,175
Commodities								
General Supplies - Agency	252	250	125	250	250	250	250	250
Total Commodities	252	250	125	250	250	250	250	250
Total Police - Police Commission	9,386	6,577	7,834	8,377	4,577	7,377	3,577	6,377

Police Department – ESDA

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Contractual Services - Property								
Equipment Repair and Maintenance - Other	2,056	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total Contractual Services - Property	2,056	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Commodities								
General Supplies - Agency	-	200	200	200	200	200	200	200
Total Commodities	-	200	200	200	200	200	200	200
Total Police - ESDA	2,056	2,200	2,200	2,200	2,200	2,200	2,200	2,200

Chapter 9: *Departmental Summary*

PUBLIC WORKS DEPARTMENT

Description

The Public Works Department is responsible for managing, maintaining, operating, and repairing the Village's infrastructure, facilities, and related assets, which include public streets, sidewalks, street lighting, traffic control signs, storm sewer and drainage systems, water distribution and pumping facilities, sanitary sewer collection and lift stations, parkways, municipal buildings and grounds, parkway trees, and municipal fleet. In addition, the Public Works Department provides core services such as brush removal, fall leaf pick-up, parkway tree trimming, removal and replacement of Village-owned trees, snow and ice control operations.

Responsibilities

- Administer the refuse and recycling contracts.
- Provide snow and ice control and removal services.
- Maintain the storm water management system.
- Provide safe potable drinking water.
- Administer brush and leaf collection programs.
- Administer the landscape maintenance contracts.
- Administer the set-up and support of special events.
- Install, maintain, and repair traffic signs and pavement markings.
- Manage capital improvement projects.
- Maintain sanitation of streets through contracted street sweeping.
- Install traffic control zones for construction, special events, and emergency plans.
- Provide maintenance of all public buildings.

Core Strategies

- ❖ Maintain or improve public programs while maintaining fiscal responsibility.
- ❖ Promote energy conservation at all Village facilities and utilize ComEd for grant opportunities.
- ❖ Implement effective road and sidewalk projects.
- ❖ Provide a safe environment for the public and our employees.
- ❖ Serve the public by providing the most cost effective, high quality service possible.
- ❖ Sustain a highly qualified workforce.
- ❖ Promote teamwork, effective, and efficient communication.
- ❖ Make wise management decisions with regards to facilities, equipment, and projects.
- ❖ Promote yearly recognition with Tree City USA.
- ❖ Chloride reduction

Fiscal Year 2018 Accomplishments

- Resurfaced 9.2 miles of roadway
- Planted 300+ parkway trees
- Completed Public Works site clean-up/spoils disposal
- Renegotiated the refuse collection contract
- Replaced watermain on Hartway Drive

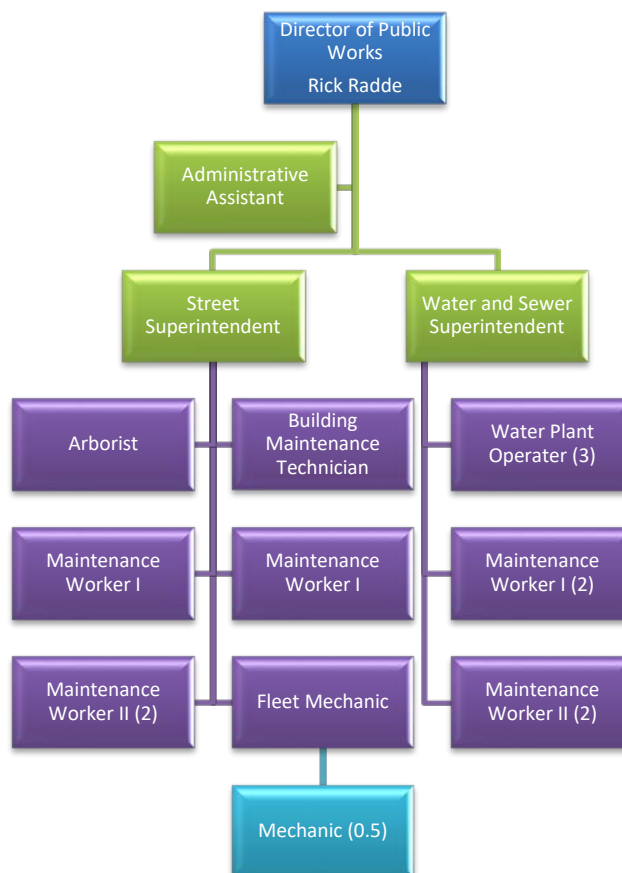
Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Fiscal Year 2019 Goals and Initiatives

- Complete Burlington Northern Santa Fe Railroad quiet zone at Webster and Watkins crossings. (Capital Investment – Infrastructure)
- Oversee Lakewood Creek storm sewer project. (Image – Community Perception)
- Replace watermain in Riverside/Martin Subdivisions. (Capital Investment – Infrastructure)
- Plant 300+ parkway trees. (Capital Investment – Infrastructure)
- Work with Kendall County and Oswego to install traffic signal at Gordon and Galena. (Capital Investment – Infrastructure)
- Receive Tree City USA designation for first time. (Capital Investment – Infrastructure)
- Continue chloride reduction during winter operations with a 10% reduction for upcoming season. (Image – Community Perception)
- Identify areas to improve on water loss and work toward realistic percentage reduction goal. (Capital Investment – Infrastructure)
- Start discussion of a Village-wide water meter change out program. (Image – Community Perception)
- Receive and outfit two new trucks for winter operations. (Capital Investment – Fleet)
- Spatz property clearing and grading (Capital Investment – Infrastructure)
- Install 3,700 feet of new bike path/sidewalk (Capital Investment – Infrastructure)
- Resurface 6.0 miles of roadway (Capital Investment – Infrastructure)

Organization Chart



Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Performance Measures

Water

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Storage capacity	-	-	4,800,000	4,800,000	4,800,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Peak daily consumption	4,539,000	4,120,000	4,159,000	4,200,590	3,907,000	3,563,800	3,732,300	3,384,000	3,923,000	3,417,000
Average daily consumption	2,642,000	2,583,000	2,694,800	2,721,750	2,441,000	2,156,394	2,443,000	2,243,917	2,328,000	2,306,000
Water mains (miles)	-	-	110	114	114	117	117	117	118	118
Water main breaks	55	67	55	57	53	56	44	19	33	51
Water main break spoils removal (sq yd)	-	-	-	-	-	-	1,428	1,580	2,250	N/A
Fire hydrants	-	-	1,050	1,372	1,372	1,680	1,680	1,680	1,700	1,700
Fire hydrant maintenance and painting	-	-	-	-	-	300	300	325	180	120
New connections	251	49	85	63	62	30	50	22	19	2

Streets

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Streets (miles)	53.0	58.0	74.0	76.0	76.0	76.0	76.0	76.0	76.5	76.5
Reconstruction (miles)	1.5	1.3	0.4	-	-	-	-	-	-	-
Resurfacing (miles)	-	-	2.0	1.5	0.6	1.1	0.9	6.7	5.4	5.2
Sidewalk - replacement (sq ft)	-	-	-	-	-	3,100	4,475	1,480	13,716	40,106
Sidewalk - new (sq ft)	-	-	-	-	-	-	-	-	1,800	-
Parkway tree planting	-	-	-	-	-	142	174	282	300	341
Parkway tree removals	-	-	-	-	-	152	749	475	286	213

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Administration

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees (40%)	68,160	69,838	69,719	71,460	73,961	76,550	79,229	82,002
Wages - Overtime (General)	65	200	50	200	200	200	200	200
Total Personal Services - Salaries and Wages	68,225	70,038	69,769	71,660	74,161	76,750	79,429	82,202
Personal Services - Employee Benefits								
Insurance - Health	5,623	6,080	6,080	6,119	6,425	6,746	7,083	7,437
Insurance - Dental	276	315	315	313	329	345	362	380
Insurance - Life and AD&D	60	59	59	54	54	54	54	54
Insurance - Workers' Compensation	400	400	400	400	400	400	400	400
Insurance - Unemployment	306	389	251	251	251	251	251	251
Retirement - Social Security	4,011	4,342	4,089	4,443	4,598	4,759	4,925	5,097
Retirement - Medicare	938	1,016	956	1,039	1,075	1,113	1,152	1,192
Retirement - IMRF	8,856	8,243	8,098	7,997	8,276	8,565	8,864	9,174
Education - Conferences and Training	2,752	3,475	3,475	2,725	2,725	2,725	2,725	2,725
Equipment - Clothing Allowance	160	160	160	160	160	160	160	160
Total Personal Services - Employee Benefits	23,382	24,479	23,883	23,501	24,293	25,118	25,976	26,870
Contractual Services - Professional and Technical								
Information Technology Services - System Management	28,873	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Information Technology Services - Software Maintenance	1,562	4,866	2,748	4,935	5,006	5,079	5,155	5,233
Total Contractual Services - Professional and Technical	30,435	24,866	22,748	24,935	25,006	25,079	25,155	25,233
Contractual Services - Property								
Utilities - Telephone	2,041	2,100	2,145	2,160	2,160	2,160	2,160	2,160
Utilities - Cell Phone	561	844	1,236	906	906	906	906	906
Equipment Repair and Maintenance - Office	648	600	600	600	600	600	600	600
Rental - Equipment	3,780	3,780	3,780	3,780	3,780	3,780	3,780	3,780
Total Contractual Services - Property	7,030	7,324	7,761	7,446	7,446	7,446	7,446	7,446
Contractual Services - Other								
Personnel Administration - Physicals/Testing	615	1,320	1,320	1,320	1,320	1,320	1,320	1,320
Dues	434	800	800	800	800	800	800	800
Total Contractual Services - Other	1,049	2,120	2,120	2,120	2,120	2,120	2,120	2,120
Commodities								
General Supplies - Office	2,365	2,500	2,500	2,500	2,500	2,500	2,500	2,500
General Supplies - Postage	342	535	535	535	535	535	535	535
General Supplies - Computer Equipment	-	400	2,610	12,000	600	3,600	2,800	1,200
Total Commodities	2,707	3,435	5,645	15,035	3,635	6,635	5,835	4,235
Capital Outlay								
Capital Outlay - Equipment (Computer)	2,899	-	-	-	-	-	-	-
Total Capital Outlay	2,899	-	-	-	-	-	-	-
Transfers and Charges								
Service Charges	(26,163)	(22,671)	(20,921)	(22,336)	(22,378)	(22,422)	(22,468)	(22,514)
Total Transfers and Charges	(26,163)	(22,671)	(20,921)	(22,336)	(22,378)	(22,422)	(22,468)	(22,514)
Total Public Works - Administration	109,564	109,591	111,005	122,361	114,283	120,726	123,493	125,592

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Streets

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	246,753	238,908	249,219	209,340	214,574	219,938	225,436	231,072
Overtime - General	35,589	25,000	37,485	35,000	35,000	35,000	35,000	35,000
Overtime - Snow Removal	27,531	45,000	45,000	60,000	60,000	60,000	60,000	60,000
Total Personal Services - Salaries and Wages	309,873	308,908	331,704	304,340	309,574	314,938	320,436	326,072
Personal Services - Employee Benefits								
Insurance - Health	57,359	53,247	53,247	68,305	71,720	75,306	61,057	64,110
Insurance - Dental	3,245	3,033	3,033	3,029	3,180	3,339	3,506	3,681
Insurance - Life and AD&D	299	293	293	270	270	338	338	338
Insurance - Workers' Compensation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Insurance - Unemployment	1,752	1,944	1,674	1,257	1,257	1,257	1,257	1,257
Retirement - Social Security	17,242	19,152	20,566	18,869	19,194	19,526	19,867	20,216
Retirement - Medicare	4,032	4,479	4,810	4,413	4,489	4,567	4,646	4,728
Retirement - IMRF	37,151	36,358	33,034	33,964	34,548	35,147	35,761	36,390
Education - Conferences and Training	1,037	1,800	1,800	2,050	1,800	1,800	1,800	1,800
Equipment - Clothing Allowance	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Total Personal Services - Employee Benefits	127,717	125,906	124,057	137,757	142,058	146,880	133,832	138,120
Contractual Services - professional and technical								
Information technology services - software maintenance	-	-	291	1,980	1,980	1,980	1,980	1,980
Total Contractual Services - professional and technical	-	-	291	1,980	1,980	1,980	1,980	1,980
Contractual Services - Property								
Utilities - Electric	84,483	89,580	76,644	83,738	83,738	83,738	83,738	83,738
Utilities - Telephone	539	540	553	552	552	552	552	552
Utilities - Cell Phone	1,580	2,536	2,724	2,532	2,532	2,532	2,532	2,532
Infrastructure Repair and Maintenance - Sidewalks/Curbs	18,831	25,000	25,000	20,000	20,000	20,000	20,000	20,000
Infrastructure Repair and Maintenance - Streets/Alleys	17,249	28,000	15,000	26,500	26,500	26,500	26,500	26,500
Infrastructure Repair and Maintenance - Street Striping	19,764	22,000	23,923	27,000	27,000	27,000	27,000	27,000
Infrastructure Repair and Maintenance - Traffic Signals	22,746	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Infrastructure Repair and Maintenance - Bridges	1,380	8,000	8,000	3,000	3,000	27,000	3,000	3,000
Infrastructure Repair and Maintenance - Street Lights	74,791	50,000	70,000	75,500	75,500	75,500	75,500	75,500
Rental - Equipment	517	3,000	7,000	9,400	9,400	9,400	9,400	9,400
Total Contractual Services - Property	241,880	250,656	250,844	270,222	270,222	294,222	270,222	270,222
Contractual Services - Other								
Printing and Publications - legal notices	-	200	200	200	200	200	200	200
Other Contractual Services - Insect Spraying	35,408	40,000	26,840	37,000	37,000	37,000	37,000	37,000
Other Contractual Services - Dues	641	500	600	500	500	500	500	500
Other Contractual Services - Street Sweeping	48,950	50,000	41,000	44,000	44,000	44,000	44,000	44,000
Total Contractual Services - Other	84,999	90,700	68,640	81,700	81,700	81,700	81,700	81,700
Commodities								
General Supplies - Tools	9,907	5,800	5,800	8,100	4,000	4,000	4,000	6,200
General Supplies - Books and Periodicals	-	-	-	-	-	-	-	-
General Supplies - Safety	4,793	3,500	3,500	3,500	3,500	3,500	3,500	3,500
General Supplies - Uniforms	5,601	6,000	6,000	6,000	6,000	6,000	6,000	6,000
General Supplies - Recycling Bins	11,240	7,000	3,240	-	-	-	-	-
General Supplies - Computer Equipment	-	1,500	1,574	-	-	-	1,500	-
Public Works Supplies - Snow Removal	20,092	28,000	28,000	28,000	44,000	28,000	28,000	28,000
Public Works Supplies - Street Signs	16,835	17,000	20,000	16,000	12,000	12,000	12,000	12,000
Minor Equipment - Public Works	-	9,750	10,341	1,750	-	-	-	-
Total Commodities	68,468	78,550	78,455	63,350	69,500	53,500	55,000	55,700
Capital Outlay								
Capital Outlay - Equipment (Public Works)	38,689	-	-	-	-	-	-	-
Total Capital Outlay	38,689	-	-	-	-	-	-	-
Transfers and Charges								
Transfer to Vehicle Reserve Fund	188,028	201,872	201,872	204,470	204,470	204,470	204,470	204,470
Total Transfers and Charges	188,028	201,872	201,872	204,470	204,470	204,470	204,470	204,470
Total Public Works - Streets	1,059,654	1,056,592	1,055,863	1,063,819	1,079,504	1,097,690	1,067,640	1,078,264

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Vehicle Maintenance

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	59,445	66,992	69,670	72,467	74,279	76,136	78,039	79,990
Wages - Part-Time Employees	10,617	17,784	5,825	17,784	17,784	17,784	17,784	17,784
Overtime - General	2,589	1,200	11,003	2,000	1,200	1,200	1,200	1,200
Total Personal Services - Salaries and Wages	72,651	85,976	86,498	92,251	93,263	95,120	97,023	98,974
Personal Services - Employee Benefits								
Insurance - Health	21,650	22,846	22,846	14,966	15,714	16,500	17,325	18,191
Insurance - Dental	1,278	1,459	1,459	1,067	1,120	1,176	1,235	1,297
Insurance - Life and AD&D	75	73	73	68	68	68	68	68
Insurance - Workers' Compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - Unemployment	631	486	895	629	629	629	629	629
Retirement - Social Security	4,725	5,331	5,342	5,720	5,782	5,897	6,015	6,136
Retirement - Medicare	1,105	1,247	1,249	1,338	1,352	1,379	1,407	1,435
Retirement - IMRF	9,069	8,026	9,829	8,311	8,423	8,631	8,843	9,061
Education - Conferences and Training	995	1,800	1,200	1,800	1,000	1,000	1,000	1,000
Equipment - Clothing Allowance	400	600	400	600	600	600	600	600
Total Personal Services - Employee Benefits	40,928	42,868	44,293	35,499	35,688	36,880	38,122	39,417
Contractual Services - Professional and Technical								
Information Technology Services - Software Maintenance	-	1,695	1,744	2,427	2,427	2,427	2,427	2,427
Total Purchased Services - Professional and Technical	-	1,695	1,744	2,427	2,427	2,427	2,427	2,427
Contractual Services - Property								
Utilities - Telephone	539	540	553	552	552	552	552	552
Utilities - Cell Phone	778	1,156	1,064	1,218	1,218	1,218	1,218	1,218
Vehicle Repair and Maintenance	112,434	95,000	90,000	95,000	95,000	95,000	95,000	95,000
Vehicle Repair and Maintenance (Reimbursable)	3,237	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Rental - Equipment	490	700	700	-	-	-	-	-
Total Contractual Services - Property	117,478	102,396	97,317	101,770	101,770	101,770	101,770	101,770
Contractual Services - Other								
Other Contractual Services - Dues	-	180	-	-	-	-	-	-
Total Contractual Services - Other	-	180	-	-	-	-	-	-
Commodities								
General Supplies - Tools	4,430	3,500	3,500	4,000	22,500	2,500	2,500	2,500
General Supplies - Safety	-	4,800	4,800	4,400	-	-	-	-
General Supplies - Uniforms	580	1,600	1,660	1,600	1,600	1,600	1,600	1,600
General Supplies - Computer Equipment	-	-	-	-	-	1,400	-	-
Vehicle Supplies - Tires	16,487	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Vehicle Supplies - Gas and Oil	103,148	120,000	120,000	120,000	125,000	130,000	135,000	140,000
Vehicle Supplies - Gas and Oil (Reimbursable)	7,002	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Total Commodities	131,647	154,500	154,560	154,600	173,700	160,100	163,700	168,700
Capital Outlay								
Capital Outlay - Equipment (Public Works)	12,859	-	-	-	-	-	-	-
Capital Outlay - Equipment (Computer)	1,359	-	-	-	-	-	-	-
Total Capital Outlay	14,218	-	-	-	-	-	-	-
Transfers and Charges								
Service Charges	(150,769)	(155,046)	(153,765)	(154,619)	(162,739)	(158,519)	(161,217)	(164,515)
Total Transfers and Charges	(150,769)	(155,046)	(153,765)	(154,619)	(162,739)	(158,519)	(161,217)	(164,515)
Total Public Works - Vehicle Maintenance	226,153	232,569	230,647	231,928	244,109	237,778	241,825	246,773

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Buildings and Grounds

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Personal Services - Salaries and Wages								
Wages - Full-Time Employees	98,784	108,396	110,183	114,229	117,085	120,012	123,012	126,087
Wages - Temporary	10,122	25,600	16,230	25,600	25,600	25,600	25,600	25,600
Overtime - General	1,400	3,000	2,582	3,000	3,000	3,000	3,000	3,000
Total Personal Services - Salaries and Wages	110,306	136,996	128,995	142,829	145,685	148,612	151,612	154,687
Personal Services - Employee Benefits								
Insurance - Health	28,412	22,265	22,265	30,262	31,775	33,364	35,032	36,784
Insurance - Dental	1,629	1,188	1,188	1,849	1,941	2,038	2,140	2,247
Insurance - Life and AD&D	150	147	147	135	135	135	135	135
Insurance - Workers' Compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - Unemployment	1,384	2,052	1,225	1,247	1,247	1,247	1,247	1,247
Retirement - Social Security	7,454	8,494	8,887	8,855	9,032	9,214	9,400	9,591
Retirement - Medicare	1,743	1,986	2,078	2,071	2,112	2,155	2,198	2,243
Retirement - IMRF	14,511	13,111	15,267	13,083	13,401	13,728	14,063	14,406
Education - Conferences and Training	718	2,350	1,500	3,850	2,350	2,350	2,650	2,350
Equipment - Clothing Allowance	800	800	800	800	800	800	800	800
Total Personal Services - Employee Benefits	58,801	54,393	55,357	64,152	64,793	67,031	69,665	71,803
Contractual Services - Professional and Technical								
Information technology services - software maintenance	-	-	98	264	264	264	264	264
Total Contractual Services - Professional and Technical	-	-	98	264	264	264	264	264
Contractual Services - Property								
Utilities - Cell Phone	1,408	1,700	1,700	1,800	1,800	1,800	1,800	1,800
Building Repair and Maintenance - Custodial	43,955	55,000	55,000	52,200	53,400	54,600	55,800	57,000
Building Repair and Maintenance - Other	106,284	96,837	88,000	125,762	98,757	133,757	108,757	83,757
Equipment Repair and Maintenance - Other	1,462	2,200	2,200	1,200	1,200	1,200	1,200	1,200
Grounds Repair and Maintenance - Detention Basins	22,072	22,265	22,265	22,265	18,225	22,265	18,225	22,265
Grounds Maintenance - Village	57,935	57,333	57,333	60,122	60,122	60,122	60,122	60,122
Grounds Repair and Maintenance - Pest Management	818	1,000	1,000	2,000	2,000	2,000	2,000	2,000
Grounds Repair and Maintenance - Tree Replacement	83,586	81,000	81,000	92,875	99,750	99,750	99,750	99,750
Grounds Repair and Maintenance - Tree Removals	6,236	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Grounds Repair and Maintenance - Stump Grind/Restore	24,825	24,035	24,035	24,035	10,450	10,450	10,450	10,450
Grounds Repair and Maintenance - Large Tree Pruning	10,970	24,000	24,000	32,000	32,000	32,000	32,000	32,000
Grounds Repair and Maintenance - Insurance Reimb.	270	-	-	-	-	-	-	-
Infrastructure Repair and Maintenance - Crack Sealing	2,036	29,000	23,622	-	11,000	-	-	13,000
Total Contractual Services - Property	361,857	400,370	386,155	420,259	394,704	423,944	396,104	389,344
Contractual Services - Other								
Community Relations - Flower Boxes	7,199	5,000	3,000	5,000	5,000	5,000	5,000	5,000
Community Relations - Beautification	12,952	9,800	8,200	7,800	7,800	7,800	7,800	7,800
Dues	155	450	450	450	450	450	450	450
Total Contractual Services - Other	20,306	15,250	11,650	13,250	13,250	13,250	13,250	13,250
Commodities								
General Supplies - Tools	1,827	3,000	2,000	3,000	3,000	3,000	3,000	3,000
General Supplies - Cleaning	81	500	500	500	500	500	500	500
General Supplies - Computer Equipment	-	-	-	400	-	-	-	-
Building Supplies - Consumable	12,519	6,000	8,000	8,000	8,000	8,000	8,000	8,000
Building Supplies - Durable	2,836	3,000	2,000	3,000	3,000	3,000	3,000	3,000
Total Commodities	17,263	12,500	12,500	14,900	14,500	14,500	14,500	14,500
Capital Outlay								
Capital Outlay - Construction	14,836	-	-	-	-	-	-	-
Total Capital Outlay	14,836	-	-	-	-	-	-	-
Transfers and Charges								
Service Charges	(187,288)	(209,864)	(201,364)	(223,901)	(216,534)	(228,680)	(221,414)	(219,179)
Total Transfers and Charges	(187,288)	(209,864)	(201,364)	(223,901)	(216,534)	(228,680)	(221,414)	(219,179)
Total Public Works - Buildings and Grounds	396,081	409,645	393,391	431,753	416,662	438,921	423,981	424,669

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Stormwater Management

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Contractual Services - Professional and Technical								
Engineering Services - Municipal Projects	-	15,000	15,000	5,000	5,000	5,000	15,000	5,000
Total Contractual Services - Professional and Technical	-	15,000	15,000	5,000	5,000	5,000	15,000	5,000
Contractual Services - Property								
Sewer Repair and Maintenance - Storm Sewer	-	-	425	456	456	456	456	456
Sewer Repair and Maintenance - Storm Sewer	14,861	35,000	30,000	38,500	43,500	25,000	25,000	25,000
Total Contractual Services - Property	14,861	35,000	30,425	38,956	43,956	25,456	25,456	25,456
Total Public Works - Stormwater Management	14,861	50,000	45,425	43,956	48,956	30,456	40,456	30,456

Chapter 9: Departmental Summary

LEGAL SERVICES

The Village of Montgomery contracts their legal services to the law firm of Mickey, Wilson, Weiler, Renzi and Andersson, P.C. The Village Attorney is called upon to advise Village staff and the Village Board on legal issues pertaining to the Village with respect to ordinances, contracts, and matters involving personnel. In addition, the Village contracts with other attorneys as necessary regarding specialized matters including, but not limited to, debt issuances and negotiation of union contracts.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Contractual Services - Professional and Technical								
Legal Services - General	60,480	60,000	63,992	65,000	67,500	70,000	72,500	75,000
Legal Services - Development (Reimbursable)	20,989	30,000	16,568	30,000	35,000	40,000	45,000	50,000
Legal Services - Development (Village)	14,640	20,000	15,534	20,000	20,000	20,000	20,000	20,000
Legal Services - Traffic Court	23,728	30,000	35,968	33,000	33,000	33,000	33,000	33,000
Legal Services - Liquor Commission	1,665	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Legal Services - Labor Issues	27,669	30,000	15,000	30,000	30,000	30,000	30,000	30,000
Total Contractual Services - Professional and Technical	149,171	171,500	148,562	179,500	187,000	194,500	202,000	209,500
Total Legal	149,171	171,500	148,562	179,500	187,000	194,500	202,000	209,500

ENGINEERING SERVICES

The Village of Montgomery contracts their engineering services to Engineering Enterprises Inc. (EEI). EEI is responsible for the design, review and inspection of development projects and infrastructure projects. EEI coordinates with the Community Development Department regarding residential and commercial properties including grades and drainage, parking lots and driveway construction, erosion control, and other development items. EEI also coordinates with the Public Works Department regarding Village infrastructure projects including transportation, water works, wastewater, stormwater management, and other infrastructure items.

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Approved	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Contractual Services - Professional and Technical								
Engineering Services - General	45,861	60,000	52,094	60,000	65,000	70,000	75,000	80,000
Engineering Services - Development (Reimbursable)	233,844	150,000	178,424	150,000	155,000	160,000	165,000	170,000
Engineering Services - Development (Village)	6,827	9,000	20,000	15,000	15,000	15,000	15,000	15,000
Total Contractual Services - Professional and Technical	286,532	219,000	250,518	225,000	235,000	245,000	255,000	265,000
Total Engineering	286,532	219,000	250,518	225,000	235,000	245,000	255,000	265,000

Chapter 10: *Appendix*



ACRONYMS

ARC = Annual Required Contribution: The actuarially determined amount an employer must contribute in a given year.

CAFR = Comprehensive Annual Financial Report: The official annual financial report of a government that contains, at a minimum, three sections: 1) introductory, 2) financial, and 3) statistical, and whose financial section provides information on each individual fund.

CBA = Collective Bargaining Agreement: A legal contract between the Village and a verified representative of a recognized bargaining unit for specific terms and condition of employment.

COW = Committee of the Whole: The entire membership of a legislative body, sitting in a deliberative rather than a legislative capacity, for informal debate and preliminary consideration of matters awaiting legislative action.

EAV = Equalized Assessed Valuation: A value that is established for real property and adjusted for comparability across the State. The EAV is used as a basis for levying property taxes.

EPA = Environmental Protection Agency: Federal agency whose mission is to protect human health and the environment.

Chapter 10: Appendix

ACRONYMS (Continued)

FICA = Federal Insurance Contributions Act: United States federal payroll (or employment) tax imposed on both employees and employers to fund Social Security and Medicare.

FTE = Full-Time Equivalent: Used in relation to employees, the number of employee hours worked to equal one full-time employee (e.g. one FTE is equal to 2,080 hours).

FTO = Field Training Officer: An experienced or senior Patrol Officer who is responsible for the training and evaluation of a probationary Patrol Officer.

GAAFR = Governmental Accounting, Auditing, and Financial Reporting: Publication of the GFOA. Also known as the "Blule Book", various editions have been published since the mid-1930s.

GAAP = Generally Accepted Accounting Principles: Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

GIS = Geographic information system: Application that allows users to create interactive queries (user created searches), analyze spatial information, edit data, maps, and present the results of all these operations.

GFOA = Government Finance Officers Association: The GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. GFOA members are dedicated to the sound management of government financial resources.

GASB = Governmental Accounting Standards Board: Ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

HOA = Home Owners Association: An organization in a subdivision, planned community or condominium that makes and enforces rules for the properties in its jurisdiction. HOAs also collect monthly or annual dues to pay for upkeep of common areas like parks, tennis courts, elevators and swimming pools and can levy special assessments on homeowners when the association lacks sufficient reserves to pay for unexpected repairs.

ICMA = International City/County Management Association: The ICMA is the professional association of city, town, and county managers. ICMA creates excellence in local governance by developing and fostering professional management to build sustainable communities that improve people's lives worldwide.

Chapter 10: Appendix

ACRONYMS (Continued)

IDOT = Illinois Department of Transportation: The Illinois agency responsible for the planning, construction, operation and maintenance of Illinois' extensive transportation network, which encompasses highways and bridges, airports, public transit, rail freight and rail passenger systems.

IEPA = Illinois Environmental Protection Agency: The Illinois agency responsible for establishing a unified, state-wide program for restoring, protecting, and enhancing the quality of the environment, and to assure that adverse effects upon the environment are fully considered and borne by those who cause them.

ILCMA = Illinois City/County Management Association: The ILCMA is the Illinois branch of the ICMA. Its purpose is to for the purpose of support and improve municipal and county management and strengthen local government in Illinois.

IML = Illinois Municipal League: Illinois' statewide community-focused lobbying and educational organization whose special interest is the people, so municipalities can have a powerful resource and voice in Springfield.

JULIE = Joint Utility Locating Information for Excavators: JULIE Inc. provides Illinois excavators and underground utility owners with a continuously improving, one-call message handling and delivery service committed to protecting underground utilities and the safety of people working or living near them.

MFT = Motor Fuel Tax: A state-shared tax on the sale of motor fuel. The tax is assessed on each gallon of gasoline sold at retail and distributed to local government on a per capita basis.

OPEB = Other postemployment benefits: Postemployment benefits other than pension benefits. OPEB include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

TIF = Tax Increment Financing District: A legal entity created by a local resolution to promote improvements, jobs, etc. The taxes generated from the assessed value "increment" above the base year is used to finance the costs of the improvements which generate the increased assessed valuation.

Chapter 10: *Appendix*

DEFINITIONS

Abatement: A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to property tax levies, special assessments and service charges.

Account: A term used to identify an individual asset, liability, expenditure control, revenue control or fund balance.

Account classification: Expenditure classification which is a further subdivision of the object classification detailing what service or commodity is being obtained (e.g. Salaries and Wages – Regular).

Accountability: Term used by the GASB to describe a government's duty to justify the raising and spending of public resources. The GASB has identified accountability as the "paramount objective" of financial reporting "from which all other objectives must flow."

Accounting system: The methods and records established to identify, assemble, analyze, classify, record and report transactions and to maintain accountability for the related assets and liabilities.

Accounts payable: A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

Accounts receivable: An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

Accrual basis of accounting: Method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Action plan: A series of actions, tasks or steps designed to achieve an objective or goal.

Activity: Specific and distinguishable service performed by one or more organizational components of a government to accomplish a function for which the government is responsible (e.g., police is an activity within the public safety function).

Ad valorem tax: A tax based on value (e.g., a property tax).

Additions: Term used to describe increases in the net position of fiduciary funds.

Adopted budget: The budget document that has been approved by the Village Board.

Advance refunding: Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity (refunding in advance of redemption).

Chapter 10: Appendix

DEFINITIONS (Continued)

Agency funds: One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Agent multiple-employer defined benefit pension plan: Group of single-employer plans with pooled administrative and investment functions, but separate actuarial valuations and contribution rates.

Amortization: (1) The portion of the cost of a limited-life or tangible asset charged as an expense during a particular period. (2) The reduction of a debt by regular payments of principal and interest sufficient to retire the debt by maturity.

Appropriated budget: Expenditure authority created by the appropriation bills or ordinances that are signed into law and related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes.

Assessed valuation: A valuation set upon real estate or other property by a government for use as a basis for levying property taxes. (Note: Property values are established by the Kane or Kendall County Assessor)

Assets: Resources with present service capacity that the government presently controls.

Assigned fund balance: The portion of the net position of a governmental fund that represents resources set aside ("earmarked") by the government for a particular purpose.

Audit: A systematic collection of sufficient, competent evidential matter needed to attest to the fairness of the presentation of the Village's financial statements. The audit tests the Village's accounting system to determine whether the internal accounting controls are both available and being used effectively.

Availability criterion: Requirement under the modified accrual basis of accounting that revenues be recognized only when they are collected or collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Availability period: Designated period immediately following the close of the fiscal year by the end of which cash must be collected for related revenue to be recognize in accordance with the availability criterion of modified accrual accounting.

Balance sheet: That portion of the Village's financial statement that discloses the assets, liabilities, reserves and balances of a specific governmental fund as of a specific date.

Balanced budget: A plan (budget) setting forth the current proposed expenditures for a given period and the proposed revenues being equal.

Chapter 10: Appendix

DEFINITIONS (Continued)

Basic financial statements: Minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP.

Basis of accounting: Timing of recognition for financial reporting purposes (when the effects of transactions or events should be recognized in financial statements).

Basis of budgeting: Method used to determine when revenues and expenditures are recognized for budgetary purposes.

Bond: A written promise to pay a sum of money (called principal or face value) on a specific date (called the maturity date) at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and water and sewer systems.

Bond credit rating: Assessment of the credit quality of a particular debt. A bond rating evaluates the willingness and ability of the issuer to repay the debt with periodic interest when due and to meet other obligations under the bond contract.

Bonded debt: That portion of indebtedness represented by outstanding bonds.

Boundary agreement: A legal document approved by two communities delineating a geographic boundary which the parties will not cross to develop property.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term usually refers to a financial plan for a single fiscal year. The budget is the primary means by which the expenditure and service levels of the Village are controlled.

Budget amendment: A legal procedure utilized by the Village staff and Village Board to revise the budget.

Budget calendar: The schedule of key dates or milestones which the Village follows in the preparation, adoption and administration of the budget.

Budget document: The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the Village Board.

Budget message: The opening section of the budget that provides the Village Board and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Budget Officer.

Budget policies: General and specific guidelines adopted by the Village Board that govern financial plan preparation and administration.

Chapter 10: Appendix

DEFINITIONS (Continued)

Budgetary control: The policies and procedures employed by a government or enterprise for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Budgetary reporting: Requirement to present budget-to-actual comparisons in connection with general purpose external financial reporting. Budgetary reporting is required in connection with the basic financial statements for both the General Fund and individual major special revenue funds with annual appropriated budgets. Budgetary reporting also is required within the comprehensive annual financial report (CAFR) to demonstrate compliance at the legal level of control for all governmental funds with annual appropriated budgets.

Business-type activities: One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities usually are reported in enterprise funds.

Callable bond: A type of bond with a feature that permits the issuer to pay the obligation before the stated maturity date by giving notice of redemption in a manner specified in the bond contract.

Capital assets: Land, land improvements, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital budget: A plan of proposed capital outlays and the means of financing them for the current fiscal year period.

Capital expenditures: A purchase of any item over a specified amount depending on the type of asset (capitalization threshold) with a useful life of more than one year. Items purchased meeting the threshold are depreciated over their useful life.

Capital improvement program (CIP): A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project and specifies the resources estimated to be available to finance the projected expenditures.

Capital projects fund: Governmental fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capital outlay: Money spent to expand property, plant and equipment with the expectation that they will benefit the company over a long period of time (more than one year).

Capitalization threshold: Dollar value at which a government elects to capitalize tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Generally, capitalization thresholds are applied to individual items rather than groups of items.

Chapter 10: Appendix

DEFINITIONS (Continued)

Cash: Not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Cash equivalent: Short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For this purpose, "original maturity" means maturity as of the date the investment is acquired.

Cash management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the balance of the highest interest and return, liquidity and minimal risk with these temporary cash balances.

Certificate of Achievement for Excellence in Financial Reporting Program: A voluntary program sponsored by the Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable high quality comprehensive annual financial reports (CAFR) and to provide technical assistance and peer recognition to the finance officers preparing them.

Certificate of deposit: A negotiable or non-negotiable receipt for monies deposited in a bank of financial institution for a specified period for a specified rate of interest.

Character classification: Expenditure classification according to the periods expenditures are presumed to benefit. The three-character groupings are (a) current – presumed to benefit the current fiscal period; (b) debt service – presumed to benefit prior fiscal periods as well as current and future periods; and (c) capital – presumed to benefit the current and future fiscal periods.

Charges for services: The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Classified presentation: Separate reporting of the current and noncurrent portions of assets and liabilities to permit the calculation of working capital. A classified presentation is required for the proprietary fund statement of net position.

Committed fund balance: The portion of the net position of a governmental fund that represents resources whose use is subject to a legally binding constraint that is imposed by the government itself at its highest level of decision-making authority and that remains legally binding unless removed in the same manner.

Commodities: Expendable materials and operating supplies necessary to conduct operations.

Chapter 10: Appendix

DEFINITIONS (Continued)

Comparable communities: Other Cities, Villages, and/or Towns which are composed of similar characteristics such as population, economy, or location.

Comparative data: Information from prior fiscal periods provided to enhance the analysis of financial data of the current fiscal period.

Comprehensive framework of internal control: Structure of internal control that provides for (a) a favorable control environment, (b) the continuing assessment of risk, (c) the design, implementation, and maintenance of effective control-related policies and procedures, (d) the effective communication of information, and (e) the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

Comprehensive Plan: A legal statement of community policy which dictates goals and aspirations in terms of community development in the areas of transportation, utilities, land use, recreation, and housing.

Connection fees: Fees charged to join or to extend an existing utility system. These are also referred to as tap-on fees.

Contractual services: Services rendered to Village departments and agencies by private firms, individuals, or other government agencies.

Current financial resources measurement focus: Measurement focus where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable financial resources. The current financial resources measurement focus is used solely for reporting the financial position and results of operations of governmental funds.

Current refunding: Refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded.

Debt: A financial obligation resulting from the borrowing of money. Debts of government include bonds, notes, and land contracts.

Debt ratios: Comparative statistics illustrating the relation between the issuer's outstanding debt and such factors as its tax base, income or population. These ratios often are used as part of the process of determining the credit rating of an issue, especially with general obligation bonds.

Debt service fund: Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt service requirements: The amounts of revenue which must be provided for a debt service fund so that all principal and interest payments can be made in full and on schedule.

Deductions: Term used to describe decrease in the net position of fiduciary funds.

Chapter 10: Appendix

DEFINITIONS (Continued)

Defeasance: The netting of outstanding liabilities and related assets on the statement of financial position. Defeased debt is no longer reported as a liability on the face of the statement of position. Most refundings result in the defeasance of the refunded debt.

Deferred inflows of resources: An acquisition of net position by the government that is applicable to a future reporting period. This meets the definition of a liability because it represents a present obligation to sacrifice resources that the government has little or no discretion to avoid. An example would be property taxes levied in the current year to finance the subsequent year's budget.

Deferred outflows of resources: A consumption of net position by the government that is applicable to a future reporting period. This meets the definition of an asset because it represents access to present service capacity that is under the government's control. An example would be a deferred charge on refunding for the difference between the carrying amount of the new debt and old debt.

Deficit: The excess of expenditures or expenses over revenues or income during a single accounting period.

Defined benefit pension plan: Pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specific usually is a function of one or more factors such as age, years of service, and compensation.

Department: A major administrative division of the Village which indicates overall management responsibility for an operation or group of related operations within a functional area.

Depreciation: The allocation of the cost of a capital asset over the useful service life attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. This method of cost allocation is used in proprietary funds.

Derived tax revenues: Nonexchange revenues that result from assessments imposed on exchange transactions (for example, income taxes, sales taxes, and other assessments on earnings or consumption).

Developer fees: Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of development (e.g., parks, capital improvements, etc.)

Direct debt: Debt of the government preparing statistical information, in contrast to debt of other, overlapping governments.

Direct expense: Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable to a particular function.

Disbursement: Payment for goods and services in cash or by check.

Division: An organizational unit within a department for purposes of administration and cost accounting.

Chapter 10: Appendix

DEFINITIONS (Continued)

Economic resources measurement focus: Measurement focus where the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and trust funds, as well as for government-wide financial reporting. It also is used by business enterprises and nonprofit organizations in the private sector.

Effectiveness: Term used by auditors to describe the degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

Efficiency: Term used by auditors to describe the degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

Employer contributions: Term used to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer.

Enabling legislation: Legislation that authorizes a government to levy, charge, or otherwise mandate payments of resources from outside parties, subject to a legally enforceable requirement that the resources thus obtained be used only for the specific purposes stipulated in the legislation (e.g. motor fuel tax or non-home rule sales tax).

Enterprise fund: Proprietary fund type established to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Equity accounts: Those accounts presenting the difference between assets and liabilities of the fund.

Estimated actual value of taxable property: Fair value of taxable real or personal property or a surrogate measure of fair value if actual fair value information is not available. In practice, fair value is often referred to as market value. The estimated actual value of taxable property may be determined in a variety of manners, such as through a system that tracks changes in market values by monitoring property sales or by dividing the assessed value of property by an assumed assessment percentage (e.g. 33% in Kane and Kendall Counties).

Estimated revenue: The amount of projected revenue to be collected during the fiscal year.

Exchange transactions: Transactions in which each party receives and surrenders essentially equal values.

Chapter 10: Appendix

DEFINITIONS (Continued)

Exchange-like transactions: Transactions in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange. Examples include certain fees for regulatory or professional licenses and permits, certain tap fees, certain developer contributions, certain grants and donations, and other transactions that, regardless of the label applied to them, are based on an exchange of similar but not equal values.

Expenditures: The payment of cash or the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, intergovernmental grants, and shared revenues. Under the current financial resources measurement focus, decreases in net financial resources not properly classified as other financing uses.

Expenses: Outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

Fiduciary funds: Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Final amended budget: Original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Financial resources: Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables, investments). Financial resources also may include inventories and prepaids (because they obviate the need to expend current available financial resources).

Financial section: One of the three basic sections of a comprehensive annual financial report. The financial section is used to present the independent auditor's report on the financial statements; management's discussion and analysis; the basic financial statements (including the notes to the financial statements); required supplementary information; combining statements, individual fund statements and schedules; and supplementary information, as needed.

Financial statement: A tabulation of amounts, derived from accounting records and expressed in words and dollars, that displays either 1) the financial position of the reporting unit at a moment in time or 2) inflows and outflows of resources from transactions or other events during a period of time.

Fines and forfeitures: A sum of money imposed or surrendered as a penalty for violating a law.

Chapter 10: Appendix

DEFINITIONS (Continued)

Fiscal accountability: Responsibility of governments to justify that their actions in the current period have complied with public decisions concerning the raising and spending of public moneys in the short term.

Fiscal policy: The Village's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal year: A 12-month period to which the Village's annual operating budget applies and at the end to which the Village determines its financial position and the results of its operation. The Village has specified May 1 to April 30 as its fiscal year.

Forecast: To calculate or predict (some future event or condition) usually as a result of study and analysis of available pertinent data.

Full faith and credit: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

Function: A group of related activities aimed at accomplishing a major service for which a government is responsible (e.g., Public Safety).

Fund: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations (e.g., General Fund).

Fund balance: Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources). Changes in fund balances are the result of the difference of revenues to expenditures. Fund balances increase when revenues exceed expenditures and decrease when expenditures exceed revenues.

Fund balance policy: Policy to maintain fund balance at a predetermined target level.

Fund classifications: One of three categories (governmental, proprietary, and fiduciary) used to classify fund types.

Fund financial statements: Basic financial statements presented on the basis of funds, in contrast to government-wide financial statements.

Fund type: One of eleven categories into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Chapter 10: Appendix

DEFINITIONS (Continued)

General fund: One of five governmental fund types. The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources not accounted for in some other fund.

General obligation bonds: Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from the Debt Service Fund, and these bonds are backed by the full faith and credit of the issuing government.

General obligation alternate revenue bonds: General obligation bonds payable from a pledged alternate revenue with the full faith and credit of the issuing government acting as back-up security.

General revenues: All revenues not reported as program revenues in the government-wide statement of activities.

Goal: A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given period.

Governmental activities: Activities generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental funds: Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Government-wide financial statements: Financial statements that incorporate all of a government's governmental and business-type activities. There are two basic government-wide financial statements: the statement of net position and the statement of activities.

Grant: A contribution by one governmental unit to another. The contribution is usually made to aid in the support of a specified function, but it is sometimes also for general purposes.

Home rule community: Under the 1970 Illinois Constitution, home rule shifts greater responsibility for local government decision making from the state level to the local level enabling communities to find local solutions to local problems. Home rule communities may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare, to license, to tax, and to incur debt, unless exempted by the State. Municipalities with a population of more than 25,000 are automatically home rule units, while those with less than 25,000 residents require approval of a referendum in order to achieve Home Rule status.

Impact fees: Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of development.

Chapter 10: Appendix

DEFINITIONS (Continued)

Imposed nonexchange revenues: Revenues that result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (for example, property taxes and fines).

Improvement: Addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change normally is added to the book value of the asset.

Income: A term used in proprietary fund type accounting to represent (1) revenues, or (2) the excess of revenues over expenses.

Indirect expenses: Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

Inflow of resources: An acquisition of net position by the government that is applicable to the reporting period.

Infrastructure: Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Interfund activity: Activity between funds of the primary government, including blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal. Reciprocal interfund activity comprises interfund loans and interfund services provided and used. Nonreciprocal interfund activity comprises interfund transfers and interfund reimbursements.

Interfund loans: Amounts provided between funds with a requirement for repayment.

Interfund reimbursements: Repayments by one fund or blended component unit of a primary government to another for expenditures or expenses incurred on its behalf.

Interfund services provided and used: Sales and purchases of goods and services between funds and blended component units of the primary government for a price approximating their external exchange value.

Interfund transfers: Flow of assets (such as cash or goods) between funds without equivalent flow of assets in return and without a requirement for repayment.

Intergovernmental revenue: Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Chapter 10: Appendix

DEFINITIONS (Continued)

Internal control framework: Integrated set of policies and procedures designed to assist management to achieve its goals and objectives. To be truly comprehensive, a government's internal control framework must (a) provide a favorable control environment, (b) provide for the continuing assessment of risk, (c) provide for the design, implementation, and maintenance of effective control-related policies and procedures, (d) provide for the effective communication of information, and (e) provide for the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

Internal financial reporting: Financial reporting specifically designed to meet the needs of management.

Internal service fund: Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government, or to other governments, on a cost-reimbursement basis.

Intrafund transfers: Flow of assets (such as cash or goods) between accounts within the same fund without equivalent flow of assets in return and without a requirement for repayment.

Introductory section: First of three essential components of any comprehensive annual financial report. The introductory section typically provides general information on a government's structure and personnel as well as information useful in assessing the government's economic condition. The key of the introductory section is the letter of transmittal.

Legal debt margin: Excess of the amount of debt legally authorized over the amount of debt outstanding.

Legal level of budgetary control: Level at which a government's management may not reallocate resources without approval from the legislative body.

Levy (verb): To impose taxes, special assessments, or service charges for the support of governmental activities.

Levy (noun): The total amount of taxes, special assessments or service charges imposed by the Village.

Liabilities: Present obligations to sacrifice resources that the government has little or no discretion to avoid.

Line-item budget: Budget typically used by governmental entities in which budgeted financial statement elements are grouped by administrative entities and objects. These budget item groups are usually presented in an incremental fashion that is in comparison to previous period. This form of budgeting allows for good financial.

Long-term debt: Bonded debt and other long-term obligations, such as benefit accruals, due beyond one year.

Chapter 10: Appendix

DEFINITIONS (Continued)

Major fund: Governmental fund or enterprise fund reported as separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

Measurement focus: Types of balances (and related changes) reported in a given set of financial statements (i.e., economic resources, current financial resources, assets and liabilities resulting from cash transactions).

Metra: Commuter rail system serving northeast Illinois.

Modified accrual basis of accounting: Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways 1) revenues are not recognized until they are measurable and available, and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when the liability is first incurred (if earlier). All governmental funds are accounted for using the modified accrual basis of accounting.

Municipal: Of or pertaining to the Village or its government.

Municipal bonds: Bonds issued by governments to raise funds to typically pay for capital projects or for other purposes it cannot or does not desire to pay for immediately with funds on hand.

Net general obligation debt: General obligation debt reduced by the amount of any accumulated resources restricted to repaying the principal of such debt.

Net investment in capital assets: One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowing attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt also should be included. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included.

Nonexchange transaction: Transaction in which a government either 1) gives value (benefit) to another party without directly receiving equal value in exchange, or 2) receives value (benefit) from another party without directly giving equal value in exchange.

Non-home rule community: Any Illinois community not deemed to be a home rule community.

Chapter 10: Appendix

DEFINITIONS (Continued)

Nonoperating revenues and expenses: Revenues and expenses not qualifying as operating items (e.g., taxes, grants that are not equivalent to contracts for services, and most interest revenue and expense) on the proprietary fund operating statement.

Nonspendable fund balance: The portion of the net position of a governmental fund that cannot be spent either because the underlying resources are not in spendable form or because the government is legally or contractually required to maintain the resources intact.

Non-union employees: Employed individuals who are not represented by collective bargaining units.

Object classification: A means of identifying and analyzing the obligations incurred in terms of the nature of the goods or services purchased (e.g., personal services, commodities, contractual services, capital outlays), regardless of the agency involved or purpose of the programs for which they are used.

Objective: A result expressed in specific, well-defined, and measurable terms, that is achievable within a specific time frame.

Operating budget: A financial plan, which presents proposed expenditures for a fiscal year and estimates the revenues to finance them.

Operating revenues and expenses: Cost of goods sold and services provided to customers and the revenue thus generated.

Ordinance: Law enacted by a municipal government, such as a village board. Ordinances govern matters not already covered by state or federal laws such as zoning, safety and building regulations.

Organizational chart: A flow chart showing the chain of command and structure of the organization.

Organizational unit: A responsibility center within a government (e.g., Police).

Original budget: First complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances.

Other financing sources: Increases in the net position of a government fund other than revenues. Only items identified as other financing sources in authoritative accounting standards may be classified as such.

Other financing uses: Decreases in the net position of a government fund other than expenditures. Only items identified as other financing uses in authoritative accounting standards may be classified as such.

Chapter 10: Appendix

DEFINITIONS (Continued)

Outflow of resources: A consumption of net position by the government that is applicable to the reporting period.

Output measures: Indicators that measure the quantity of services provided.

Overlapping debt: The outstanding long-term debt instruments of governments that geographically overlap, at least in part, the government preparing the statistical section. That is, debt of another government that at least some of the reporting government's taxpayers will also have to pay in whole or in part. Lower levels of government are not required to treat debt of the state as overlapping debt, even though it technically meets this definition.

Overlapping governments: Other local governments located wholly or in part within the geographic boundaries of the reporting government.

Overlapping rate: An amount or percentage applied to a unit of a specific revenue (e.g. property tax) base by other governments that overlap, at least in part, the government preparing the statistical section.

Own-source revenues: Revenues that are generated by a government itself (e.g., tax revenues, water and sewer charges, investment income) rather than provided from some outside source (e.g., intergovernmental aid and shared revenues).

Pension benefits: Retirement income and all benefits other than healthcare (disability benefits, death benefits, life insurance) that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or during retirement.

Pension cost: Accrual measure of the periodic cost of an employer's participation in a defined benefit pension plan.

Pension plan: Arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits (including refunds of member contributions) to any of the plan members or beneficiaries, as defined by the terms of the plan.

Pension trust fund: Fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and defined contribution pension plans.

Per capita: By or for each individual person. Per capita in Montgomery is based on a population of 18,438 residents as provided in the 2010 Census.

Performance measurement: Commonly used term for service efforts and accomplishments reporting.

Personal services: Costs related to compensating Village employees, including salaries, wages and benefits.

Chapter 10: Appendix

DEFINITIONS (Continued)

Perspective differences: Differences between the basis of budgeting and GAAP that result when the structure used for budgeting differs from the fund structure used for GAAP financial reporting.

Pledged revenues: Funds generated from revenues and obligated to debt service or to meet other obligations specified by the bond contract.

Primary government: Term used in connection with defining the financial reporting entity. A state government or general-purpose local government. Also, a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The primary government is the focus of the financial reporting entity.

Primary users of general-purpose external financial reports: Types of financial statement users whose needs guide the development of GAAP. For state and local governments, the primary users of general-purpose external financial reports are (a) those to whom government is primarily accountable (the citizenry), (b) those who directly represent the citizens (legislative and oversight bodies), and (c) those who lend or who participate in the lending process (investors and creditors).

Productivity: A measure of service output compared to resource input invested.

Program: Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

Program revenue: Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

Property tax: A tax imposed by municipalities upon owners of property within their jurisdiction based on the value of such property and a tax rate (so many dollars per \$100 of assessed value of the property).

Property Tax Extension Limitation Act (Tax Cap): The operating tax levy increase cannot exceed the Consumer Price Index increase for the prior calendar year, plus new growth. New growth consists of annexations of property and new building activity.

Proprietary funds: Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Public-entity risk pool: Cooperative group of governmental entities joining together to finance an exposure, liability, or risk. Risk may include property and liability, workers' compensation, or employee health care. A pool may be a stand-alone entity or included as part of a larger governmental entity that acts as the pool's sponsor.

Chapter 10: Appendix

DEFINITIONS (Continued)

Refunding: Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at some later date (an advance refunding).

Reserve: An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution: A written motion adopted by a municipal government.

Restricted fund balance: The portion of the net position of a governmental fund that represents resources subject to externally enforceable constraints.

Restricted net position: One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow of resources relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability/deferred inflow of resources or if the liability will be liquidated with the restricted assets reported.

Revenues: Funds that the government receives as income. It includes such items as tax receipts, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue source: Revenue classification according to how and where the revenues were raised.

Risk management: An organized attempt to protect a government's assets against accidental loss in the most economical method.

Risk sharing pool: One of four different types of public-entity risk pools. An arrangement by which governments pool risks and funds and share in the cost of losses.

Service efforts and accomplishments: Term used by GASB to describe the presentation of performance measures.

Special assessment: A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Fund: Governmental fund type used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects and exclusive of resources held in trust for individuals, private organizations, or other governments.

State shared revenues: Certain derived tax revenues in the State of Illinois that are shared with municipal governments including income, motor fuel, personal property replacement, and use taxes.

Chapter 10: Appendix

DEFINITIONS (Continued)

Statistical section: Third of three essential components of any comprehensive annual financial report, it 1) provides information on financial trends, 2) provides information on revenue capacity, 3) provides information on debt capacity, 4) provides demographic and economic information, and 5) provides operating information.

Strategic goal: An overall accomplishment the organization should achieve which should act as a motivating force as well as a measure of performance and achievement for those working in an organization.

Strategic planning: An organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people.

Supplementary information: Financial information presented together with basic financial statements that is not included within the scope of the audit of those statements. When the presentation of certain supplementary information is mandated by GASB it is referred to as required supplementary information.

Surplus: The excess of revenues or income over expenditures or expenses during a single accounting period.

Tap-on fees: Fees charged to join or to extend an existing utility system. These are also referred to as connection fees.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments.

Tax levy: The total amount to be raised by general property taxes for operating and debt service purposes.

Tax rate: The amount of tax levied for each \$100 of assessed valuation.

Transfers in/out: Amounts transferred from one fund to another to assist in financing the services of the recipient fund.

Trust Funds: Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

Unassigned fund balance: The difference between total fund balance in a governmental fund and its nonspendable, restricted, committed, and assigned components.

Unearned revenue: A liability for resources obtained prior to revenue recognition.

Unrestricted fund balance: The difference between total fund balance in a governmental fund and its nonspendable and restricted components.

Chapter 10: *Appendix*

DEFINITIONS *(Continued)*

Unrestricted net position: One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It is the difference between total net position and its two other components (net investment in capital assets and restricted net position).

Voluntary nonexchange transactions: Transactions that result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (for example, certain grants and private donations).

Note – some definitions in this glossary were taken from the GFOA publication *Governmental Accounting, Auditing and Financing Reporting (GAAFR)*; 2001, 2005 and 2012 editions.



Thank you for reading the Village of Montgomery fiscal year 2019 Annual Budget.