

Village of Montgomery, Illinois

Annual Budget May 1, 2019 – April 30, 2020



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

Thomas Betsinger, Trustee
Dan Gier, Trustee
Steve Jungermann, Trustee
Denny Lee, Trustee
Doug Marecek, Trustee
Theresa Sperling, Trustee

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2020
Table of Contents

	<u>Page</u>
Table of Contents	2
Chapter 1: Introduction	
Village of Montgomery	7
Principal Officials	8
Organizational Chart	9
Mission Statement	10
Our Vision	10
Principles	10
Objectives	10
GFOA Award Fiscal Year 2019	11
Chapter 2: Transmittal Letter	
Transmittal Letter	12
Chapter 3: Village Profile	
Location	23
History	24
Governance	25
Community Involvement	27
Demographics	29
Chapter 4: Budget Process and Organization	
Budget Process	32
Budget Calendar	35
Classification of Revenues and Expenditures	36
Organization of Financial Presentation	36
Fund Groups and Basis of Budgeting	37
Chapter 5: Long-Term Planning	
Long-Term Planning	41
Operating Budget Forecast	41
Community Investment Plan	41
Pavement Management Report	41
Computer Equipment Replacement	41
Strategic Plan	42
Vehicle and Equipment Replacement	45
Comprehensive Plan	45
Marketing	45
Waterworks System Master Plan	47

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2020
Table of Contents (Continued)

	<u>Page</u>
Chapter 6: Financial Policies	<u>48</u>
Chapter 7: Executive Summary	
All Funds Summary	<u>62</u>
Revenues	<u>62</u>
Expenditures	<u>63</u>
Fund equity	<u>64</u>
Major Revenues	<u>65</u>
State and local sales tax	<u>66</u>
Water and sewer revenue	<u>66</u>
Property tax	<u>67</u>
State income tax	<u>69</u>
Transfers in – Debt Service Fund	<u>69</u>
Utility taxes	<u>70</u>
Refuse revenue	<u>71</u>
Employer medical insurance contributions	<u>71</u>
Tax increment – Aucutt Road TIF #2	<u>72</u>
Investment income	<u>72</u>
Major Expenditures	<u>73</u>
Personal services	<u>73</u>
Capital Outlay	<u>75</u>
Debt Service Summary	<u>78</u>
Chapter 8: Fund Summary	<u>82</u>
Motor Fuel Tax Fund	<u>82</u>
Montgomery Development Fund	<u>83</u>
Capital Improvement Fund	<u>84</u>
Infrastructure Improvement Fund	<u>86</u>
Lakewood Creek Project Fund	<u>87</u>
TIF #1 Fund	<u>87</u>
TIF #2 Fund	<u>88</u>
TIF #3 Fund	<u>89</u>
Debt Service Fund	<u>89</u>
Water Fund	<u>90</u>
Water Revenue	<u>90</u>
Water Administration	<u>92</u>
Water Plant Operations	<u>94</u>
Water Improvement Fund	<u>95</u>
Employee Insurance Fund	<u>97</u>
Vehicle and Equipment Replacement Fund	<u>98</u>

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2020
Table of Contents (Continued)

	<u>Page</u>
Chapter 8: Fund Summary (Continued)	
Refuse Fund	<u>99</u>
Police Pension Fund	<u>99</u>
Police Gift Fund	<u>101</u>
Special Service Areas	<u>101</u>
Montgomery Crossing SSA Fund	<u>102</u>
Blackberry Crossings SSA Fund	<u>102</u>
Fairfield Way SSA Fund	<u>103</u>
Arbor Ridge SSA Fund	<u>103</u>
Foxmoor SSA Fund	<u>104</u>
Saratoga Springs SSA Fund	<u>104</u>
Orchard Prairie North SSA Fund	<u>105</u>
Blackberry Crossing West SSA Fund	<u>105</u>
Fieldstone Place SSA Fund	<u>106</u>
Balmorea SSA Fund	<u>106</u>
Marquis Pointe SSA Fund	<u>107</u>
Ogden Hills SSA Fund	<u>107</u>
Chapter 9: Departmental Summary	<u>108</u>
Revenues	<u>109</u>
Elected Officials	<u>111</u>
Budget	<u>113</u>
Administration Department	
Description	<u>114</u>
Responsibilities	<u>114</u>
Core Strategies	<u>114</u>
Accomplishments	<u>114</u>
Goals and Initiatives	<u>115</u>
Organization Chart	<u>115</u>
Budget	<u>116</u>
Finance Department	
Description	<u>117</u>
Responsibilities	<u>117</u>
Core Strategies	<u>117</u>
Accomplishments	<u>118</u>
Goals and Initiatives	<u>118</u>
Organization Chart	<u>118</u>
Performance Measures	<u>119</u>
Budget	
Accounting	<u>120</u>
Utility Billing	<u>122</u>

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2019
Table of Contents (Continued)

	<u>Page</u>
Chapter 9: Departmental Summary (Continued)	
Community Development Department	
Departmental Description	<u>123</u>
Responsibilities	<u>123</u>
Core Strategies	<u>123</u>
Accomplishments	<u>124</u>
Goals and Initiatives	<u>124</u>
Organization Chart	<u>125</u>
Budget	
Planning and Zoning	<u>126</u>
Code Enforcement and Inspections	<u>127</u>
Economic Development	<u>128</u>
Police Department	
Description	<u>129</u>
Mission Statement	<u>129</u>
Responsibilities	<u>129</u>
Values	<u>129</u>
Core Strategies	<u>130</u>
Accomplishments	<u>130</u>
Goals and Initiatives	<u>131</u>
Organization Chart	<u>132</u>
Performance Measures	<u>132</u>
Budget	
Administration	<u>133</u>
Records	<u>134</u>
Patrol	<u>135</u>
Investigations	<u>136</u>
Police Commission	<u>137</u>
MEMA	<u>137</u>
Public Works Department	
Description	<u>138</u>
Responsibilities	<u>138</u>
Core Strategies	<u>138</u>
Accomplishments	<u>138</u>
Goals and Initiatives	<u>139</u>
Organization Chart	<u>139</u>
Performance Measures	<u>140</u>

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2019
Table of Contents (Continued)

	<u>Page</u>
Chapter 9: Departmental Summary (Continued)	
Public Works Department	
Budget	
Administration	<u>141</u>
Streets	<u>142</u>
Vehicle Maintenance	<u>143</u>
Buildings and Grounds	<u>144</u>
Stormwater	<u>145</u>
Legal Services	<u>146</u>
Engineering Service	<u>146</u>
Chapter 10: Appendix	
Glossary	
Acronyms	<u>147</u>
Definitions	<u>150</u>

Chapter 1: *Introduction*

VILLAGE OF MONTGOMERY, ILLINOIS

SETTLED IN 1835



Chapter 1: *Introduction*

VILLAGE OF MONTGOMERY Principal Officials

Village President

Matthew Brolley

(Term expires April 2021)

Village Trustees

Thomas Betsinger
(Term Expires April 2021)

Denny Lee
(Term Expires April 2021)

Dan Gier
(Term Expires April 2023)

Doug Marecek
(Term Expires April 2023)

Steve Jungermann
(Term Expires April 2021)

Theresa Sperling
(Term Expires April 2021)

Village Clerk

Penny Fitzpatrick
(Term Expires April 2021)

Management Staff

Jeff Zoephel

Village Administrator

Phil Smith

Chief of Police

Mark Wolf

Director of Public Works

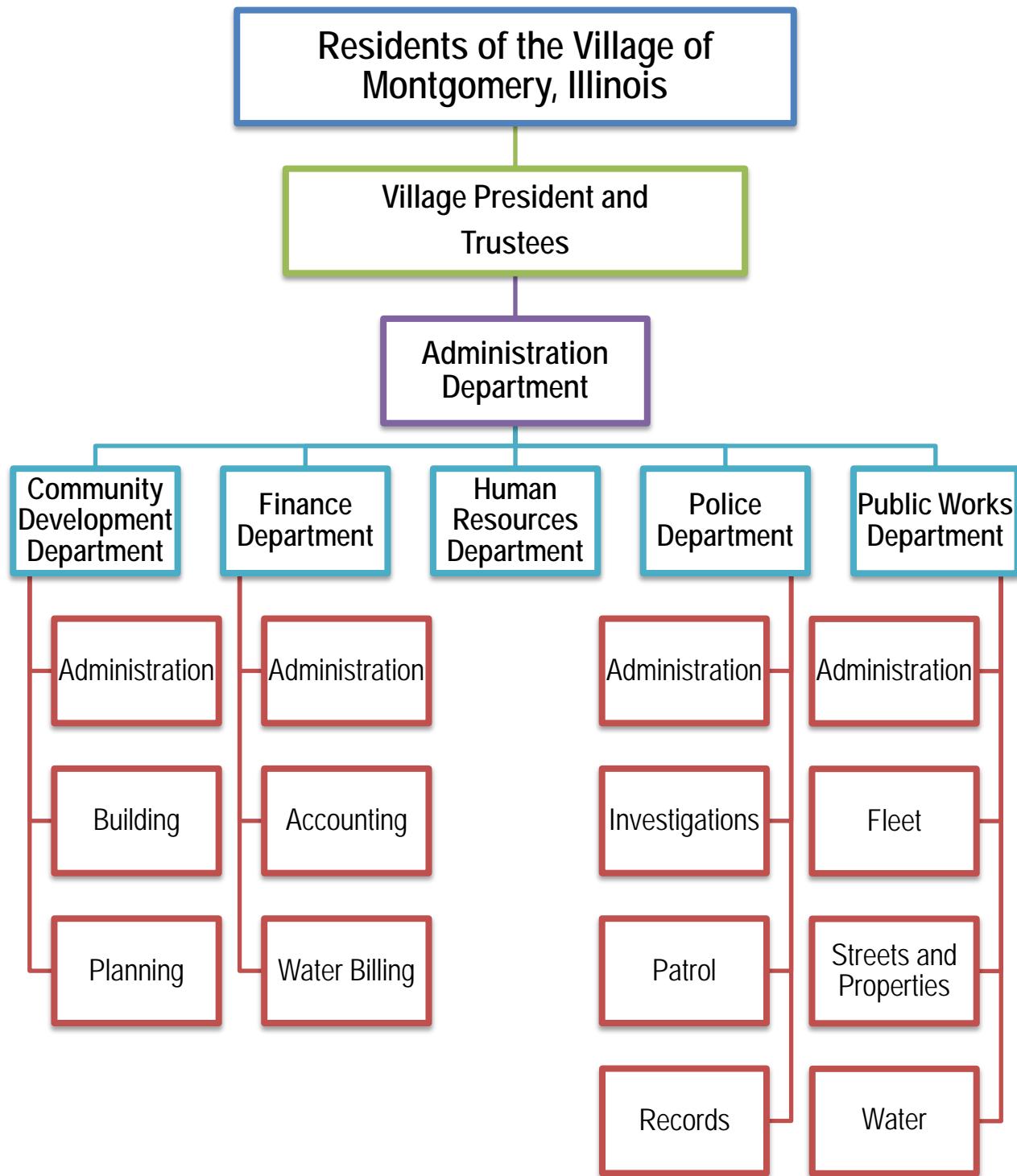
Justin VanVooren

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, Lenert, and Julien, P.C. (MW); and their information technology services to Responsive Network Services (RNS).

Chapter 1: *Introduction*

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.

PRINCIPLES:

Our behavior is governed by our 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 1: *Introduction*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Village of Montgomery

Illinois

For the Fiscal Year Beginning

May 1, 2018

Christopher P. Morrell

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, 2018**. 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*



April 8, 2019

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 2020. 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 in accordance with the Village's mission, vision, principles, and objectives as shown on page 10 of this report. 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 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 several workshops to review the fiscal year 2020 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 (pages 7 to 11), this letter (pages 12 to 22), a brief history of the community (pages 23 to 31), the budget process (pages 32 to 40), our long-term planning processes (pages 41 to 47), and financial policies designed to ensure the continued financial health of the Village (pages 48 to 61).

The Financial section (Chapters 7 – 9) contains summary level budget information for the whole community, 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, 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 can 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

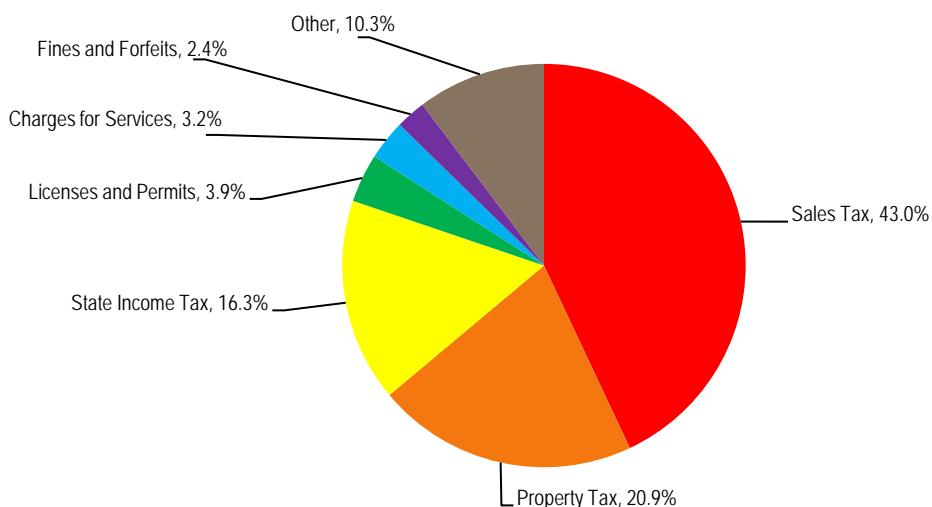
Mindful of the above principles, the current economic environment, future prognostications and the potential for the unexpected, Montgomery has seen a 0.6% overall decrease in expenditures over the fiscal year 2019 budget. Department heads are asked to reduce expenditures whenever possible. With assistance 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 has included five years of budget projections in our budget document (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 2020 Budget was adopted on April 8, 2019 in compliance with State Statutes. The fiscal year 2020 Budget has total revenues of \$32,571,787 and total expenditures of \$34,028,817.

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 2020 General Fund revenues are \$11,158,662 compared with total expenditures of \$11,089,304. 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 2020.

REVENUES - ALL FUNDS

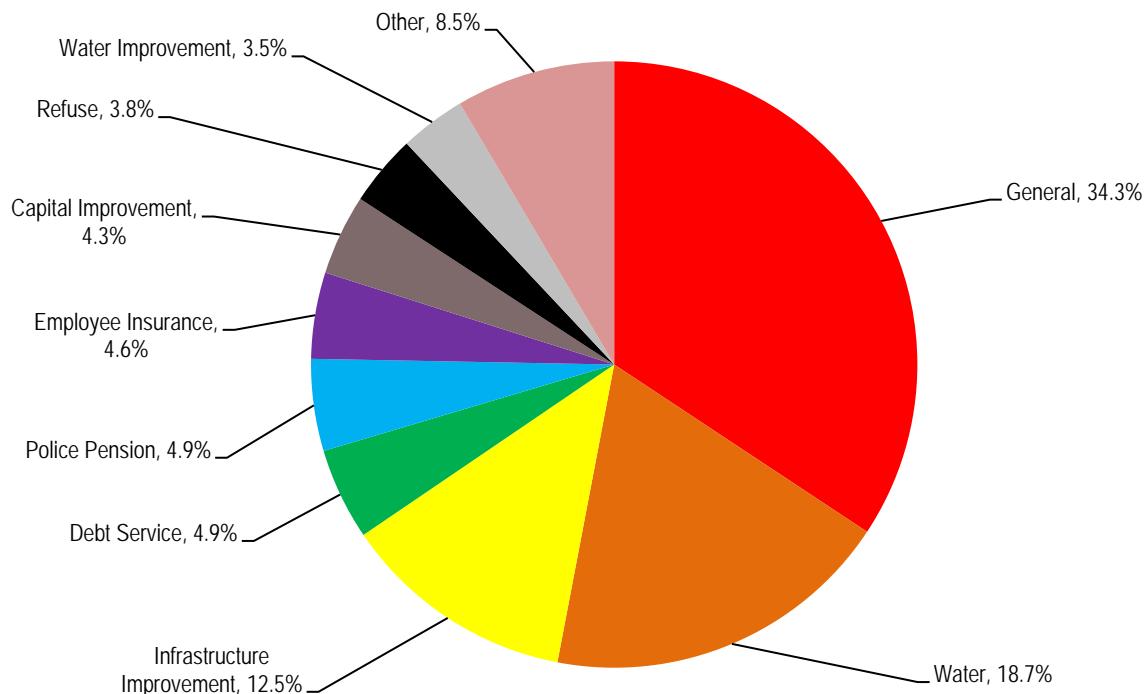
REVENUES	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
General	\$ 10,083,117	\$ 10,451,919	\$ 10,749,786	\$ 11,158,662	\$ 11,444,071	\$ 11,723,200	\$ 12,064,715	\$ 12,413,131
Motor Fuel Tax	520,150	523,279	525,454	519,247	522,247	519,247	522,247	519,247
Montgomery Development	16,555	14,839	32,799	27,046	26,732	26,407	26,085	26,000
Capital Improvement	1,413,105	1,355,622	1,388,425	1,414,594	1,451,062	1,462,025	7,578,221	1,484,655
Lakewood Creek Project	145,299	60,100	23,017	21,000	60,750	60,500	60,500	60,500
Infrastructure Improvement	2,953,673	3,839,216	3,234,625	4,087,629	3,500,885	3,674,929	3,857,675	4,549,559
TIF #1	33,680	35,000	34,258	35,000	35,000	35,000	35,000	35,000
TIF #2	197,474	817,231	819,884	1,101,595	1,672,956	1,723,755	11,936,048	1,829,879
TIF #3	-	-	-	-	-	50,000	100,000	200,000
Debt Service	1,123,015	1,659,290	1,659,290	1,610,853	1,191,309	1,187,534	1,192,552	1,405,881
Water	4,808,569	4,965,648	5,221,164	6,079,569	5,759,331	6,048,418	6,319,214	6,605,215
Water Improvement	3,490,934	2,633,414	444,405	1,125,110	943,500	921,320	460,810	4,259,800
Employee Insurance	1,209,785	1,347,880	1,370,011	1,486,905	1,522,459	1,542,340	1,636,551	1,738,117
Vehicle Reserve	621,671	646,991	646,603	738,910	688,910	693,910	698,910	698,910
Refuse	1,197,909	1,197,206	1,196,761	1,237,277	1,284,918	1,333,883	1,384,785	1,437,806
Police Pension	1,293,772	1,534,923	1,307,486	1,600,500	1,686,566	1,777,947	1,875,117	1,978,515
Police Gift	450	250	100	250	250	250	250	250
Special Service Areas	315,996	322,500	323,967	327,640	326,140	329,640	327,640	328,140
TOTAL REVENUES	\$ 29,425,154	\$ 31,405,308	\$ 28,978,035	\$ 32,571,787	\$ 32,117,086	\$ 33,110,305	\$ 50,076,320	\$ 39,570,605

Total revenues are \$1,166,479 or 3.7% more than the fiscal year 2019 budget and \$3,146,633 or 10.7% more than the fiscal year 2018 revenues. The change in revenue from the fiscal year 2019 budget can be attributed mainly to increases in the General and Water Funds combined with a decrease in the Water Improvement Fund.

The Village budgeted an increase in the General Fund, half of which is accounted for by an increase in sales tax due to retail growth. Water Fund revenues are scheduled to increase due to a 5.5% rate increase, the start of a 13-building high-end apartment complex, and receipt of an Illinois Environmental Protection Agency (IEPA) loan. The Water Improvement Fund revenues are scheduled to decrease due to the issuance of bonds in fiscal year 2017 and usage of those funds to pay for the Village's watermain replacement program and replacement of lead service lines.

Chapter 2: Transmittal Letter

The following chart shows the Village's total revenues for all funds classified by fund for fiscal year 2020. The General Fund brings in the most revenue at 34.3% followed by the Water Fund at 18.7%, and Infrastructure Improvement Fund at 12.5%.



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	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
General	\$ 10,260,953	\$ 10,319,163	\$ 10,389,263	\$ 11,089,304	\$ 11,322,882	\$ 11,521,357	\$ 11,783,093	\$ 12,049,732
Motor Fuel Tax	813,296	140,750	84,850	944,750	125,000	955,250	137,250	969,250
Montgomery Development	19,019	181,000	161,624	51,000	21,000	21,000	21,000	21,000
Capital Improvement	1,401,032	1,688,643	1,700,190	1,616,873	1,297,550	1,431,604	7,245,288	1,403,381
Lakewood Creek Project	55,849	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Infrastructure Improvement	2,715,110	5,704,642	3,564,160	5,153,991	3,329,202	3,134,602	3,460,512	4,420,102
TIF #1	59,349	56,170	56,526	680	690	700	710	720
TIF #2	192,868	543,595	221,505	620,894	1,204,409	2,426,180	6,926,613	4,409,300
TIF #3	-	38,000	-	38,000	500	500	910	920
Debt Service	1,122,015	1,659,290	1,660,490	1,610,853	1,191,309	1,187,534	1,192,552	1,405,881
Water	8,990,803	6,845,921	4,228,989	7,413,932	5,935,726	5,689,828	5,256,980	5,031,647
Water Improvement	653,071	2,633,414	2,827,916	1,125,110	943,500	921,320	460,810	1,289,800
Employee Insurance	1,096,649	1,347,880	1,363,596	1,480,905	1,516,459	1,536,340	1,630,551	1,732,117
Vehicle Reserve	725,217	744,710	703,128	587,157	221,264	171,309	113,170	193,545
Refuse	1,213,171	1,197,206	1,195,754	1,237,277	1,284,918	1,333,883	1,384,785	1,437,806
Police Pension	571,258	684,360	711,650	706,132	728,846	748,386	768,610	789,567
Police Gifts	1,695	1,400	250	1,000	1,000	1,000	1,000	1,000
Special Service Areas	316,569	387,901	401,685	290,959	312,432	290,959	312,432	290,959
TOTAL EXPENDITURES	\$ 30,207,924	\$ 34,234,045	\$ 29,331,576	\$ 34,028,817	\$ 29,496,687	\$ 31,431,752	\$ 40,756,266	\$ 35,506,727

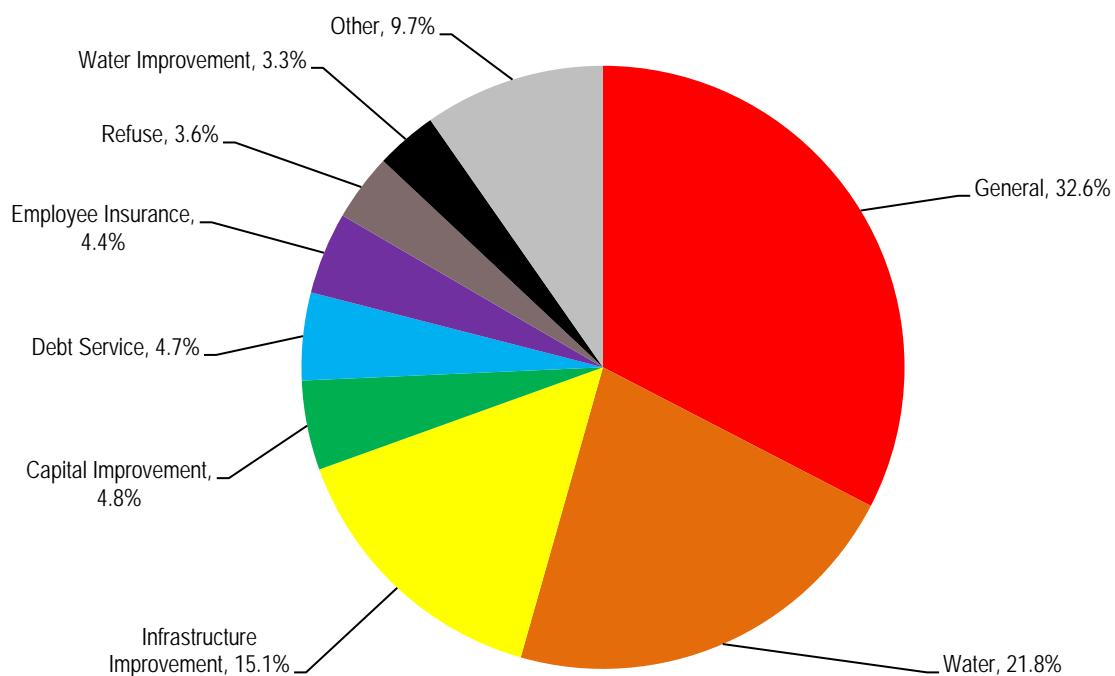
Total expenditures are \$205,228 or 0.6% less than the fiscal year 2019 budget and \$3,820,893 or 12.6% more than the fiscal year 2018 expenditures. The change in expenditures from the fiscal year 2019 budget can be attributed mainly to increases in the General, Motor Fuel Tax, and Water Funds combined with decreases in the Infrastructure Improvement and Water Improvement Fund.

The increase in the General Fund is due to a combination of factors including wages and benefits for 3 additional staff (Administration, Police Patrol, and Public Works Streets), as well as promotion of 2 Sergeants to Commanders; higher economic development incentives due to improvement in retail sales; and the addition of a street light replacement program. The Motor Fuel Tax Fund increase 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 over the last couple of years; however, several projects have been delayed mainly due to issues beyond our control. The Water Fund increase, as well as Water Improvement Fund decrease, is mainly due to the Village paying for the replacement of lead service lines out of the Water Fund (operating) versus the Water Improvement Fund (capital).

Chapter 2: Transmittal Letter

The Village, as a service driven organization, continues to expend the greatest percentage of its budget on personal services (wages and benefits). For fiscal year 2020, personal services expenditures are expected to total \$8,179,325 or 24.0 of total budgeted expenditures. This is an increase of 2.5% over the fiscal year 2019 budgeted expenditures of \$7,983,426.

The following chart shows the Village's total expenditures for all funds classified by fund for fiscal year 2020. The Village is a service provider and the General Fund is the main operating fund of the Village, accounting for 32.6% of all expenditures. The General Fund is followed by the Water Fund at 21.8% and Infrastructure Improvement Fund at 15.1%.



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.

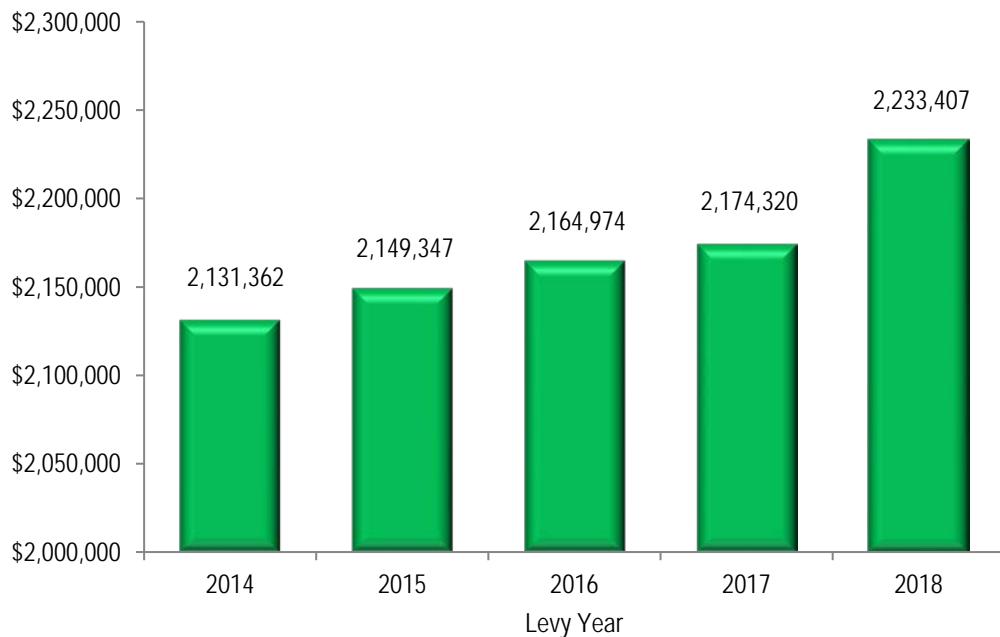
Chapter 2: *Transmittal Letter*

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 10.06% (for calendar year 2019) of each employee's gross pay. The employer's share is expensed in each operating function and is estimated to increase to 10.70% in calendar year 2020.

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 26.08% (for fiscal year 2018 – 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 2018 property tax levy for all Village funds, excluding Special Service Areas, is projected at \$2,233,407. This represents an increase of 2.7% from the adopted 2017 extension. The levy has increased due to the construction of new residential and commercial buildings in the Village.



ECONOMIC OUTLOOK

Municipal revenue streams traditionally have been reasonably constant and predictable. However, there are many factors that may affect the local economy including rates of employment and health of local businesses, as well as residential, commercial, and industrial development. In addition, the local economy and the Village's financial position may be affected by state, national, and international decisions and events.

Chapter 2: *Transmittal Letter*

The Village started to see a slow, but steady climb in residential development starting in 2018. New single-family home permits decreased from 31 in 2014 down to 2 in 2017. There are now 3 single-family homebuilders actively selling homes in the Village which include Hartz Homes in Marquis Point, Lennar Homes in Huntington Chase, and Ryan Homes in Balmorea. New single-family home permits rebounded to 13 in 2018 and has more than doubled to 28 through only six months of 2019. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, and 3 in 2018 built by Rally Homes in Fieldstone Place. Lastly, the Village Board approved a 13 building, 468-unit upscale apartment complex on the east side of the Village. Permits for the first 2 buildings (valued at \$1.96 million each) were issued in June 2019. Residential development is the strongest the Village has seen in 5 years and the Village foresees the overall housing trend to continue upward.

Commercial and industrial development rallied beginning in 2015 and is slow, but steady through the first half of 2019. 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 Earthmover Credit Union, The Learning Experience Day Care, Verizon, and Dollar Tree. In addition, we have seen other new businesses occupying vacant buildings like Genesis Beauty Supply in Settler's Landing. As the economy continues the steady recovery, the Village has seen interest from businesses who are exploring expansion and growth strategies. Lastly, there are several businesses who the Village expects to start construction in the fall of 2019 including Ricky Rockets Fuel Center, McCallister's Deli, Doggie Daycare, and a multi-tenant building next to Chiquita Marketplace.

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. In addition, the Village began collecting a one percent non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. 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 consistent even through the Great Recession. The Village portion of state sales tax has grown from \$2.6 million to \$4.8 million in the last 10 years (7% per year average), while non-home rules sales has grown from \$2.5 million to \$3.3 million in just the last 5 years (12% per year average).

Industrial development has slowed after the completion of 3 new buildings in 2017. United Sugars Corporation built a \$21 million bulk sugar storage and transfer facility; Nexo Solutions built a \$12 million warehouse and distribution facility; and Old Dominion Freight Line built a \$13 million freight depot. Unites Sugars and Nexo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexo buildings alone contributed roughly \$600,000 of tax increments in fiscal year 2019 (at 50% of estimated value), will contribute roughly \$800,000 of tax increment in fiscal year 2020 (at 85% of estimated value), and will produce \$1.2 million of tax increment when fully assessed in fiscal year 2021. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study during fiscal year 2019 and fiscal year 2020, which will determine what improvements can be made to recapture buildable land within the District. The Village anticipates other businesses to join United Sugars and Nexo as improvements are made and continue to build upon the successful Aucutt Road TIF District.

Chapter 2: *Transmittal Letter*

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2020 budget includes an additional 4.0 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 a Community Relations Manager (Administration), 1 patrol officer (Public Safety), and 1 maintenance worker each for Street Maintenance and Water Operations (Public Works). 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, 2021. Although ranges increase 1.5% to 2% per year, performance increases may range from 0% to 3%. The Village has a contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020. Cost of living increases ranging from 2% to 2.25% and pay for performance increases ranging from 4% to 6%

The Illinois General Assembly finished its spring legislative session in June 2019 with observers and participants calling it one of the most significant sessions in living memory. By the time they were done, the General Assembly had approved an increase in the minimum wage, the state fiscal year 2020 budget, a capital plan, legalization of marijuana, an expansion of gambling, sales tax for online purchases, and began the process of amending income taxes in the Illinois Constitution.

- Minimum wage – The minimum hourly wage will first increase from \$8.25 to \$9.25 on January 1, 2020, to \$10 on July 1, 2020, and followed by \$1 increases on January 1 of each year until it becomes \$15 per hour in 2025.
- Budget – The Illinois House and Senate both passed two pieces of legislation that together provide state spending authority starting on July 1, 2019. The state fiscal year 2020 budget was signed into law by Governor J.B. Pritzker on June 5, 2019 and appropriates roughly \$39.9 billion.
- Capital plan – The \$45 billion capital plan includes funding for vertical capital assets (new buildings and repairs to others) and horizontal capital assets (road, bridges, and transportation infrastructure). Vertical assets are being funded by higher taxes on video gaming, cigarettes, and vaping (among others), while horizontal assets are being funded mainly through an increase in the state's Motor Fuel Tax (MFT). This law is effective July 1, 2019 and municipalities are expected to see an increase of roughly 50% from the current funding level.
- Marijuana – Effective January 1, 2020, the Cannabis Regulation and Tax Act (CRTA) legalizes the possession and recreational use of cannabis for Illinois residents over 21 years of age. Municipalities, by ordinance, may impose a Municipal Cannabis Retailers' Occupation Tax on adult-use cannabis products of up to 3% of the purchase price in 0.25% increments.
- Gambling – The expansion of gambling by the State of Illinois includes the legalization of sports betting, as well as increases in video gaming prize amounts, player's maximum bets (from \$2 to \$4), and the number of gaming terminals.
- Online sales tax – The adoption of the "Leveling the Playing Field for Illinois Retailers Act" requires certain remote retailers to collect and remit state and locally imposed sales tax where the product is delivered starting on July 1, 2020.
- Income taxes – A constitutional amendment was approved by the General Assembly to repeal the state's flat income tax and place a question on the 2020 General Election ballot asking voters if they want to replace it with a graduated income tax (higher taxes on higher earners).

The United States (US) economy continues to see steady growth between 1.5 – 2% per year. The unemployment rate dropped to 3.6% in May 2019, its lowest level since December 1969. Many economists say the US is at full employment, meaning the unemployment rate won't go down significantly more. US

Chapter 2: *Transmittal Letter*

underemployment, which includes Americans in part-time jobs and those at different lengths of unemployment, hit its lowest mark of 7.1% in May 2019, its lowest level since December 2000. The Federal Reserve raised the target range for the federal funds rate nine times since December 2015, to the current level of 2.25 – 2.5%. However, the Federal Reserve is facing pressure to lower rates because of global developments.

Internationally, there continue to be concerns over global warming, political unrest, tensions in the Middle East, military confrontations, a new nuclear arms race, and a global economic slowdown related to the escalation of trade wars across the globe.

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 2019. This was the seventh 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 an eighth 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, 2018. This was the sixteenth 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.

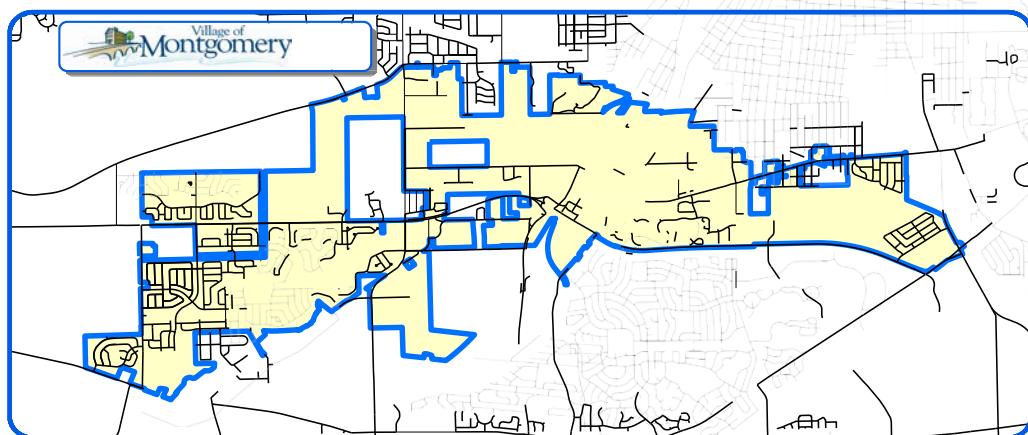
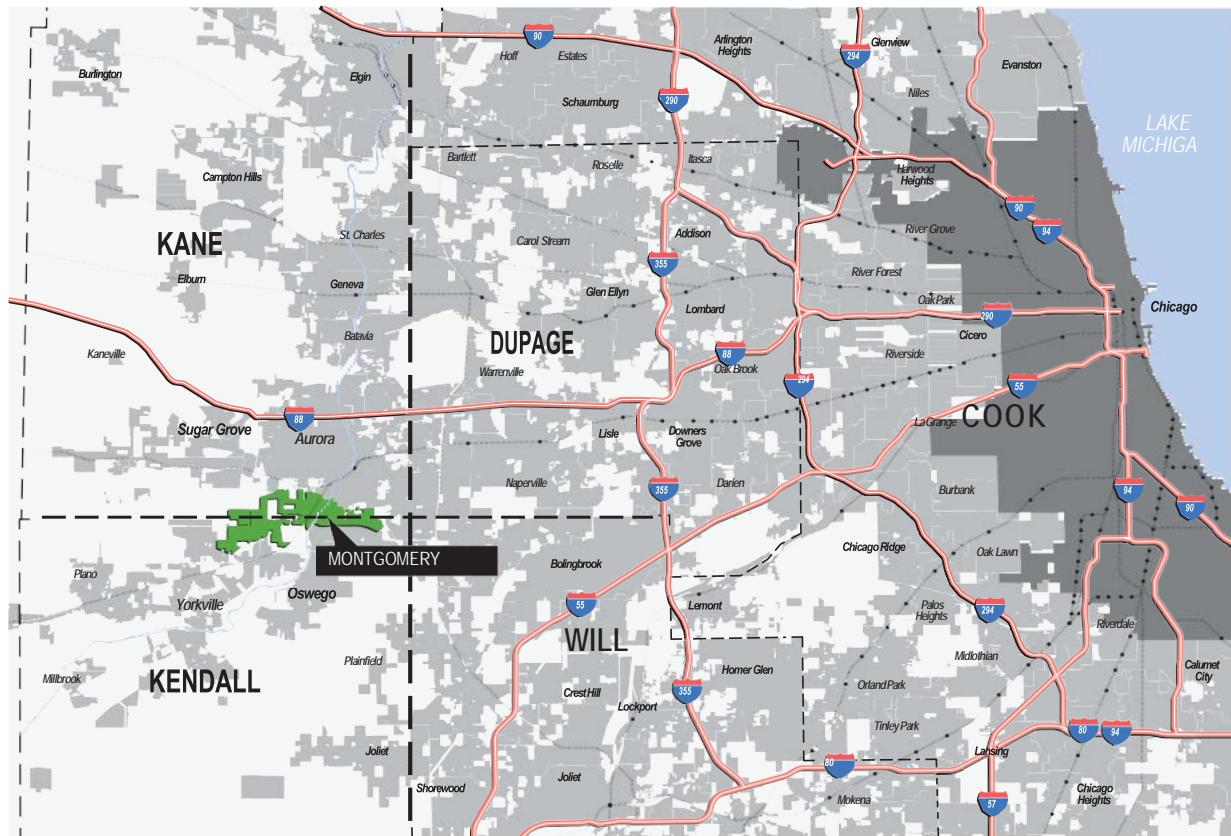
The preparation of this report would not have been possible without the efficient and dedicated services of the Village Administrator and staff of the Finance Department. I would also like to express my gratitude to each department and their staff who assisted and contributed to the preparation of this 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 includes, pictured from left to right – front row – Village Clerk Penny Fitzpatrick, Village President Matt Brolley, Village Trustee Theresa Sperling; back row – Village Trustee Dan Gier, Village Trustee Tom Betsinger, Village Trustee Doug Marecek, Village Trustee Steve Jungermann, and Village Trustee Denny Lee.

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 63 full-time employees and 11 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.

Chapter 3: Village Profile

GOVERNANCE (Continued)

The Village Hall was constructed in Downtown Montgomery in 2008. 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 Village has included the construction of a new Public Works Center in the fiscal year 2023 budget, providing accessible space to conduct meetings and store equipment indoors. The Public Works Department is concerned with residents' safety and they are always on call for water main leaks or breaks, snowstorms, 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 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. Waubonsee 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.



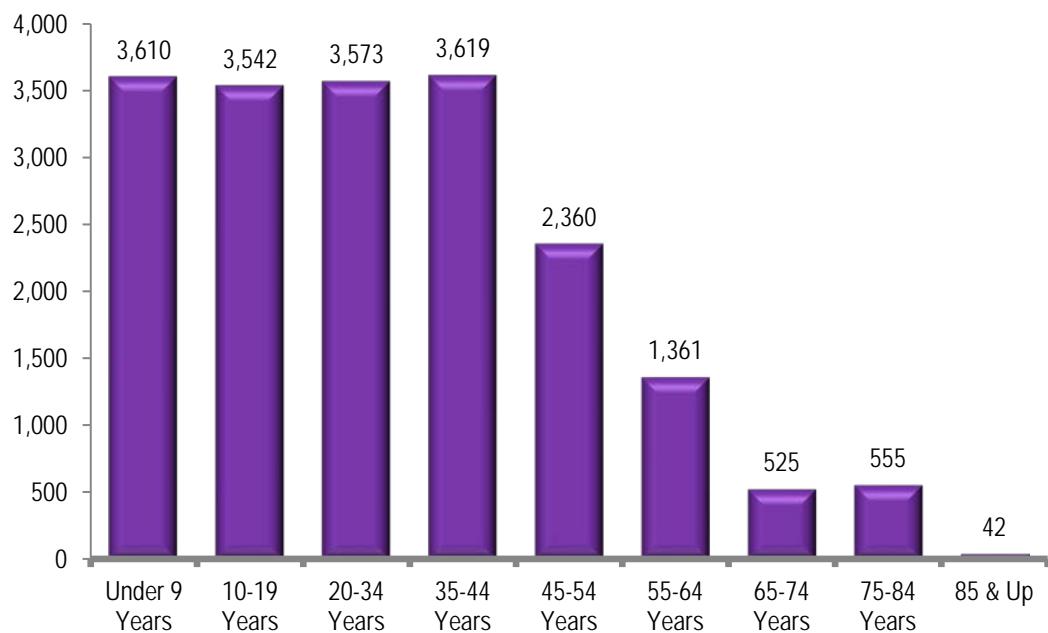
Chapter 3: Village Profile

DEMOCRAPHICS

General

Population	19,749
Median household income	\$84,284
% Below poverty level	5.1%
Crime rate per 100,000	2,023.8
Crime index	144.6
Median age (years)	31.7
Male population	49.1%
Female population	50.9%

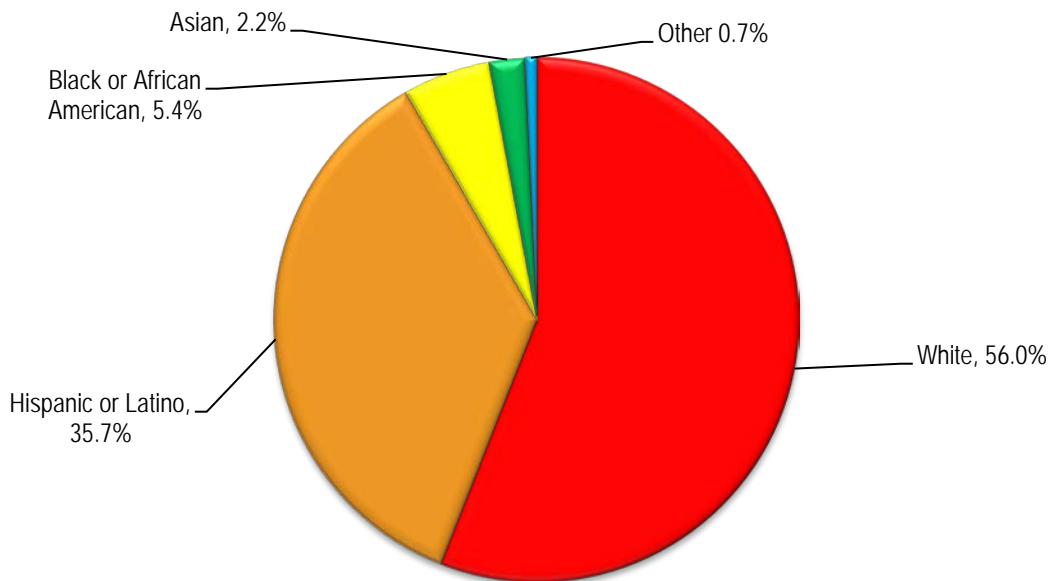
Age



Chapter 3: Village Profile

DEMOCRAPHICS (Continued)

Race



Education

High school graduate or higher	89.1%
Bachelor's degree or higher	34.2%

Housing

Housing units	6,351
Homeownership rate	77.5%
Median home value	\$207,300

Chapter 3: Village Profile

DEMOCRAPHICS (Continued)

Principal Property Tax Payers

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
United Facilities	\$ 10,563,170	1	2.49%
Wal-Mart Stores, Inc.	4,353,035	2	1.03%
Menards, Inc.	3,711,016	3	0.88%
Allsteel 900 Knell LLC	3,499,122	4	0.83%
Fox River Foods, Inc.	2,723,351	5	0.64%
Stag Montgomery, LLC	2,709,745	6	0.64%
IP Eat Five	2,704,039	7	0.64%
JC Penny Properties, Inc.	2,476,918	8	0.58%
Monmouth Capital Corp.	2,250,730	9	0.53%
Rochester Property, LLC	1,966,952	10	0.46%
	<u>\$ 36,958,078</u>		<u>8.72%</u>
2017 EAV	<u>\$ 423,888,453</u>		

Employment

Annual Average Unemployment Rates

Calendar Year	Village of Montgomery	Kane County	Kendall County	State of Illinois
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%	6.8%	6.5%	7.1%
2015	5.5%	5.7%	5.2%	6.0%
2016	5.5%	5.5%	5.1%	5.8%
2017	N/A	4.9%	4.3%	4.9%
2018	N/A	4.9%	3.5%	4.3%
2019 (May)	N/A	3.7%	3.1%	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 2019 budget – as approved by the Village Board
- Fiscal year 2019 year-to-date (YTD) – print out or review the activity and determine if something has been categorized incorrectly
- Fiscal year 2019 projections – estimate of what will be spent (or received for revenue) by the end of April
- Fiscal year 2020 to 2024 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 all budget requests in total. 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 an individual 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 2020.

Chapter 4: Budget Process and Organization

BUDGET CALENDAR (Bold Items Involve the Village Board)

9/14/2018	Budget and Capital Improvement Program (CIP) kickoff meeting
11/12/2018	Announce and review tax levy (Village Board Meeting)
11/26/2018	Public hearing on tax levy (Village Board Meeting)
12/10/2018	Approval of tax levy (Village Board Meeting)
9/14/2018 – 12/14/2018	Departments review and prepare budget and CIP requests
12/14/2018	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
12/14/2018 – 1/16/2019	Review of updates, projections, and requests by Director of Finance
2/11/2019 – 2/13/2019	Budget submittal and review by Village Administrator
2/14/2019 – 2/15/2019	Departmental budget review with Village Administrator and Director of Finance
2/25/2019	Review General Fund (Village Board Meeting)
3/1/2019	Submittal to Director of Finance <ul style="list-style-type: none">- Departmental description, responsibilities, and core strategies- FY2019 accomplishments and FY2020 goals- Departmental data/performance measures
3/11/2019	Review Capital/Infrastructure Improvement Funds (Village Board Meeting)
3/15/2019	Notice of public hearing published, and budget/CIP put on display for citizen review
3/25/2019	Public hearing (Village Board Meeting) First reading of budget ordinance Review Water Fund and other budgets
4/8/2019	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 narrower 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:

- FY2018 Actual – This column refers to the actual expenditures from the most recently completed fiscal year: FY2018 (May 1, 2017 through April 30, 2018). 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)

- FY2019 Budget – This column refers to the amount approved by the Village Board for the current fiscal year.
- FY2019 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.
- FY2020 Approved – This column refers to the amount approved by the Village Board for the upcoming fiscal year.
- FY2021 through FY2024 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 specific reason for an 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.

Table 2 - 1

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	
Fiduciary funds	Pension (and other employee benefit) 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 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 States 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)
- Montgomery Development 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)
- Escrow Fund (Agency)
- Flexible Benefits Fund (Agency)
- Lakewood Creek Special Assessment Agency Fund (Agency)
- Cornell Avenue SSA Fund (Agency)
- Temporary Certificate of Occupancy Fund (Agency)

Chapter 5: 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 includes 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. The long-term outlook allows the Village to see the impact of staffing on future budgets, need to examine fee structures on a regular basis (community development made adjustments during fiscal year 2019 and police will review fines during fiscal year 2020), and adjust the number of capital projects based on available funding sources. This has been very insightful and extremely helpful in maintaining long-term sustainability.

Community Investment Plan

The Village is required to maintain a 5-year Community Investment Plan (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, and stormwater system. This program is used to identify and prioritize future capital needs and possible funding sources, impacting the budget by including the all five years in the Operating Budget Forecast noted above. The fiscal year 2020 through fiscal year 2024 CIP is shown on page 77.

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 Community Investment 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: 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. Senior Management worked with a consultant during fiscal year 2019 to update its mission and vision statements. Senior Management and both our legal and engineering consultants went on a retreat to help create a new 5-year strategic plan that includes specific steps to achieve its strategic priorities. The mission statement, vision statements, and strategic plan will be presented to the Village Board for approval during fiscal year 2020.

The Board approved the current Strategic Plan to establish the direction of the Village. Senior Management identified specific goals and initiatives to accomplish key outcome indicators (KOI), 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. Strategic Priorities are the issues the Village feels are most important for the community. Key Outcome Indicators (KOI) are objectives used to maintain focus on desired results for each Priority. Goals are long-term, broad in nature, and provide concepts to help accomplish each KOI. Initiatives are short-term, specific in nature and will help the Village achieve 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	
	Fox River	Identify funding		
	Attractions	Identify sites		
	Transportation	Dam modification	Identify funding source	
			Engage IDNR	
			Work with park districts	
	Services	Improve access	River clean up	
			Vegetation control	
			Boat/kayak launch	
	Metra station	Promote and increase Use	Whitewater feature	
	Bicycling	Dining	Identify specific businesses	South Moon BBQ (2016)
			Zipline	Montgomery in Motion (2016)
			Library agreement	
	Park and Ride	Entertainment	Internet café	
			Running	
			Bicycling	
	Bicycling	Services	Theatre	
			Montgomery in Motion	
			Cruise Night	
	Park and Ride	Metra station	Work with City of Aurora	Meeting with Metra (2015)
			Work with Metra	Meeting with Metra (2016)
			Work with Pace	
	Bicycling	Bicycling	Investigate use of Diwy	
			Work with other public entities	
	Bicycling	Park and Ride		

Chapter 5: 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 Waubonsee	Nexeo (2017)
			Incentive policy	Old Dominion (2017)
	Commercial	80,000 square feet		
			Incentive policy	Speedway (2015)
			Marketing plan/corridor planning	Chiquita (2015)
		Service provider diversity	Explore TIF #3	U-Haul (2016)
			Use of sales tax rebates	9ers (2016)
			Use of revolving loan fund	Mattress Firm/AT&T (2016)
	Residential	120 new platted sites	Sit down restaurants	Pig Dog Pub (2016)
			Attract niche markets	Binny's Beverage Depot (2016)
			Business friendly	Fullers Car Wash (2017)
		200 infill lots	Service provider diversity	Ricky Rockets (2018)
			Competitive fees structure	
			Land use up-to-date	
			Efficient process	
		50 new home permits per year		

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)
	Community Perception	Marketing plan	Paddleboards	Montgomery in Motion logo (2016)
			Village events	Trunk or Treat (2016)
			- Regalia/Venetian night	McDole ice control event (2016)
		Residents	- Airboat race/kid's sailboat race	
			- Monthly cruise night	
			- West side event	
		Businesses	Mission statement review	New Snow Plan (2015)
			Vision statement review	
			Annual Village HOA meeting	
		Outside Entities	Community wide survey	
			Customer service training	
			Business meetings - existing	
		Outside Entities	Signage - gateway and wayfinding	
			Infrastructure quality	
			Water quality	

Chapter 5: 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)
		Debt issuance	Opportunity for refunding	
			Financial policy review	
	Policies	Pension	Continuing disclosure	
		Financial	Annual policy review	CIP (2015)
			Village wide purchasing policy	
		Capital	Annual Capital Improvement Program	
			Expand fund reserve policy	
			Investment program review	
		Cash management	Internal control review	

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)
	Infrastructure	Maintenance of existing		
			Cross-reference program plans	Road Maintenance Program (2015)
			Annual update to programs	Sidewalk and Path Program (2016)
	Future improvements		Water Rate Study	Waterworks Master Plan (2017)
			Identify funding opportunities	Water Rate Study (2018)
			- Grants, loans, and bonds	
	Fleet	Efficiency	Street light program	
			Mapping	
			Forestry program	
	Building	Capital needs	Sub-regional water supply	
			Match equipment with needs	Shared equipment resolution (2016)
			Preventive maintenance	Part-time mechanic (2016)
	Building	Maintain reliability	Investigate alternate fuels	Revised Fleet Replacement (2016)
			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: 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 loss of industry along with residential and commercial development 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 its 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. In addition, the fiscal year 2020 budget includes the addition of a Community Relations Manager to help promote the Village and all it has to offer.

Chapter 5: Long-Term Planning

LONG-TERM PLANNING (Continued)

Marketing (Continued)



Chapter 5: 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 financial policies below, as well as brand new debt, purchasing, and purchasing card policies, were formally adopted by the Village Board in February 2018. The capital asset policy was reviewed, but no revisions to the September 2015 version were made. The Village Board adopted a revised investment policy in February 2019.

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 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 in order 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 all budget requests in total.
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 regarding 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. Community Investment Program

The Village will develop and maintain a five-year Community Investment 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 Community Investment Program.

1. The capital budget outlines specific projects and is the authorization of needed spending for the first year in the Community Investment 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 replacements are 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 based 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, only if 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 consider 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 Community Investment Program (CIP).
7. Personnel
 - 1) The Village always strives to provide excellent service to the community 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 2018 audited actual, fiscal year 2019 estimated, and fiscal year 2020 budgeted revenues for the Village of Montgomery as a whole.

REVENUES	Actual FY2018	Estimated FY2019	Budget FY2020
General	\$ 10,083,117	\$ 10,749,786	\$ 11,158,662
Motor Fuel Tax	520,150	525,454	519,247
Montgomery Development	16,555	32,799	27,046
Capital Improvement	1,413,105	1,388,425	1,414,594
Lakewood Creek Project	145,299	23,017	21,000
Infrastructure Improvement	2,953,673	3,234,625	4,087,629
TIF #1	33,680	34,258	35,000
TIF #2	197,474	819,884	1,101,595
TIF #3	-	-	-
Debt Service	1,123,015	1,659,290	1,610,853
Water	4,808,569	5,221,164	6,079,569
Water Improvement	3,490,934	444,405	1,125,110
Employee Insurance	1,209,785	1,370,011	1,486,905
Vehicle Reserve	621,671	646,603	738,910
Refuse	1,197,909	1,196,761	1,237,277
Police Pension	1,293,772	1,307,486	1,600,500
Police Gifts	450	100	250
Special Service Areas	315,996	323,967	327,640
TOTAL REVENUES	\$ 29,425,154	\$ 28,978,035	\$ 32,571,787

Chapter 7: Executive Summary

ALL FUNDS SUMMARY (Continued)

The following table represents the 2018 audited actual, fiscal year 2019 estimated, and fiscal year 2020 budgeted expenditures for the Village of Montgomery as a whole.

EXPENDITURES	Actual FY2018	Estimated FY2019	Budget FY2020
General	\$ 10,260,953	\$ 10,389,263	\$ 11,089,304
Motor Fuel Tax	813,296	84,850	944,750
Montgomery Development	19,019	161,624	51,000
Capital Improvement	1,401,032	1,700,190	1,616,873
Lakewood Creek Project	55,849	60,000	60,000
Infrastructure Improvement	2,715,110	3,564,160	5,153,991
TIF #1	59,349	56,526	680
TIF #2	192,868	221,505	620,894
TIF #3	-	-	38,000
Debt Service	1,122,015	1,660,490	1,610,853
Water	8,990,803	4,228,989	7,413,932
Water Improvement	653,071	2,827,916	1,125,110
Employee Insurance	1,096,649	1,363,596	1,480,905
Vehicle Reserve	725,217	703,128	587,157
Refuse	1,213,171	1,195,754	1,237,277
Police Pension	571,258	711,650	706,132
Police Gifts	1,695	250	1,000
Special Service Areas	316,569	401,685	290,959
TOTAL EXPENDITURES	\$ 30,207,924	\$ 29,331,576	\$ 34,028,817

Chapter 7: Executive Summary

ALL FUNDS SUMMARY (Continued)

The following table represents the estimated fund equity at the beginning and ending of fiscal year 2020, as well as the revenues (page 62) and expenditures (page 63), for the Village of Montgomery as a whole.

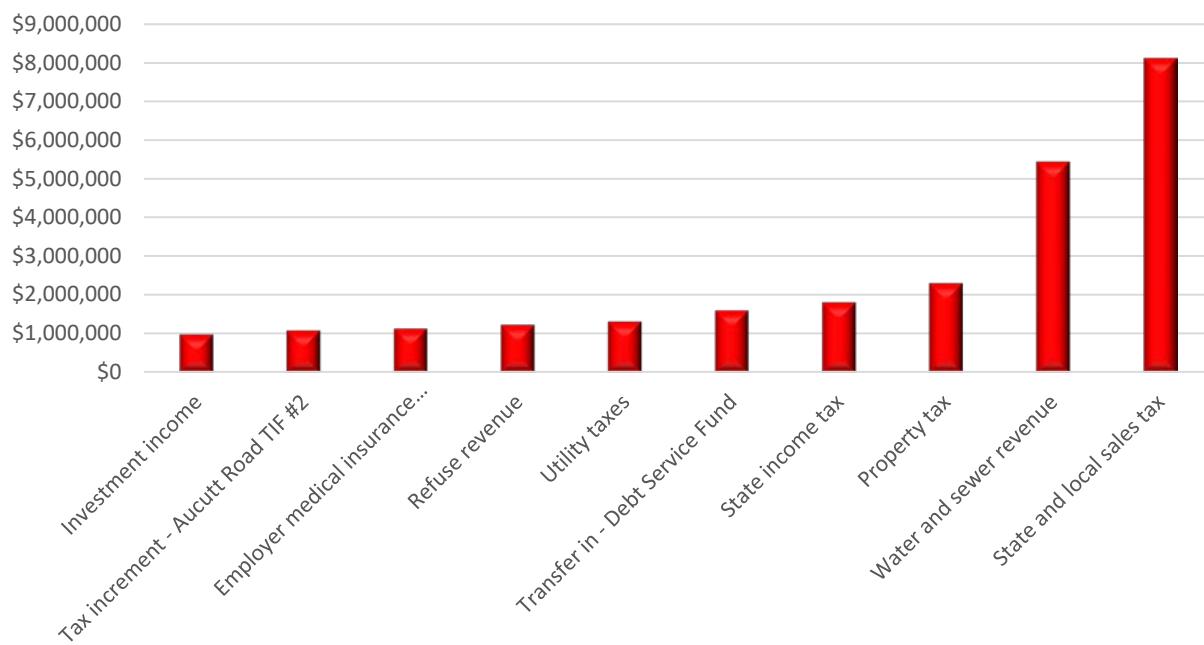
FUND EQUITY	Estimated Balance May 1, 2019	Approved Revenues FY2020	Approved Expenditures FY2020	Estimated Balance April 30, 2020	Percent Change in Fund Equity
General	\$ 4,467,869	\$ 11,158,662	\$ 11,089,304	\$ 4,537,227	1.6%
Motor Fuel Tax	702,445	519,247	944,750	276,942	-60.6%
Montgomery Development	1,494,533	27,046	51,000	1,470,579	-1.6%
Capital Improvement	426,359	1,414,594	1,616,873	224,080	-47.4%
Lakewood Creek Project	76,317	21,000	60,000	37,317	-51.1%
Infrastructure Improvement	1,875,571	4,087,629	5,153,991	809,209	-56.9%
TIF #1	45,291	35,000	680	79,611	75.8%
TIF #2	609,451	1,101,595	620,894	1,090,152	78.9%
TIF #3	-	-	38,000	(38,000)	0.0%
Debt Service	50,000	1,610,853	1,610,853	50,000	0.0%
Water	20,494,332	6,079,569	7,413,932	19,159,969	-6.5%
Water Improvement	-	1,125,110	1,125,110	-	0.0%
Employee Insurance	331,058	1,486,905	1,480,905	337,058	1.8%
Vehicle Reserve	621,950	738,910	587,157	773,703	24.4%
Refuse	(2,211)	1,237,277	1,237,277	(2,211)	0.0%
Police Pension	10,433,038	1,600,500	706,132	11,327,406	8.6%
Police Gifts	7,089	250	1,000	6,339	-10.6%
Special Service Areas	745,514	327,640	290,959	782,195	4.9%
TOTAL FUND EQUITY	\$ 42,378,606	\$ 32,571,787	\$ 34,028,817	\$ 40,921,576	-3.4%

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 78% of the total revenues budgeted for fiscal year 2020, while all other revenues represent the remaining 22%. These revenues collectively support all Village operational and capital commitments.

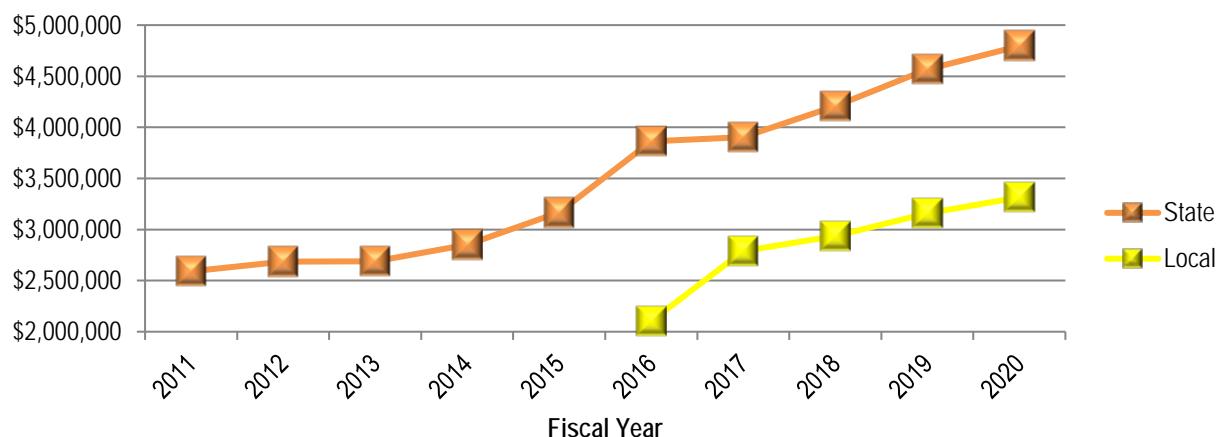


The trend information in charts below includes audited revenues from fiscal year 2011 through fiscal year 2018, estimated revenues for fiscal year 2019, and budgeted revenues for fiscal year 2020. Although this budget document includes projections for fiscal year 2021 through fiscal year 2024, the Village 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 (\$8,110,377 or 25.4%)

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 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 2011 through fiscal year 2019 is approximately 7.5%; however, the Village has chosen to be conservative and is estimating fiscal year 2020 to increase by only 5%.

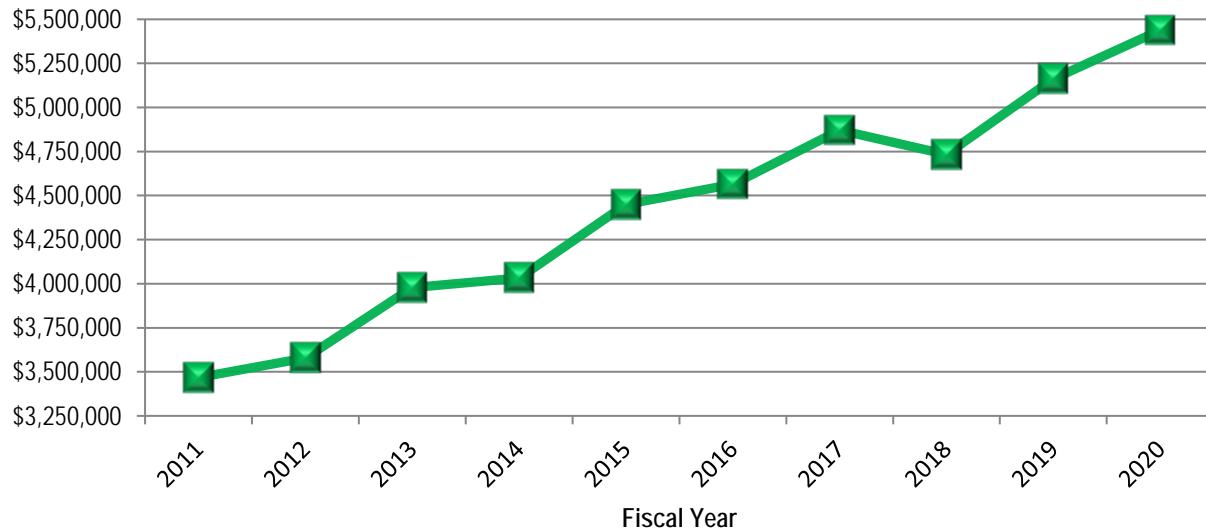


Water and sewer revenue (\$5,438,319 or 17.0%)

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. Engineering Enterprise, Inc. prepared an updated 5-year water rate study during fiscal year 2018 and early fiscal year 2019. The Village Board approved a new rate structure in August 2018 of 5.5% rate increases through fiscal year 2032 and 2% rate increases each year thereafter. Accordingly, the fiscal year 2020 budget includes an increase in water usage rates of 5.5% as of May 1, 2019. 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 started processing product in June 2018.
- The 468-unit apartment complex mentioned on page 19 will start construction in summer 2019.

Chapter 7: Executive Summary

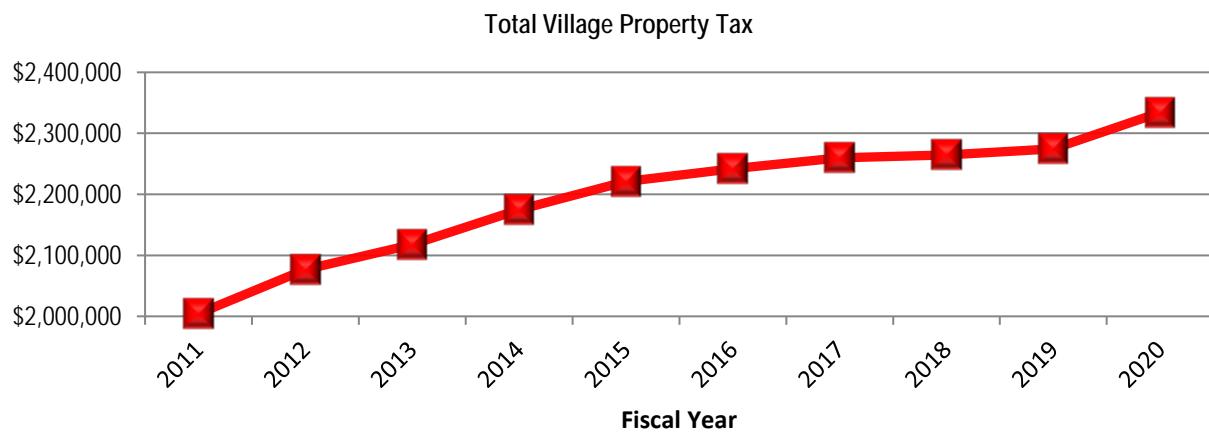
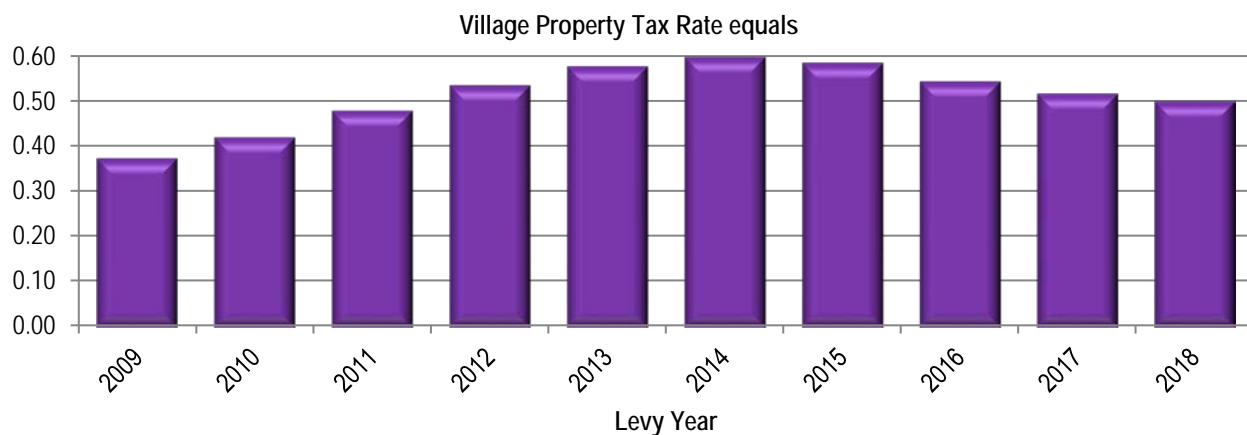
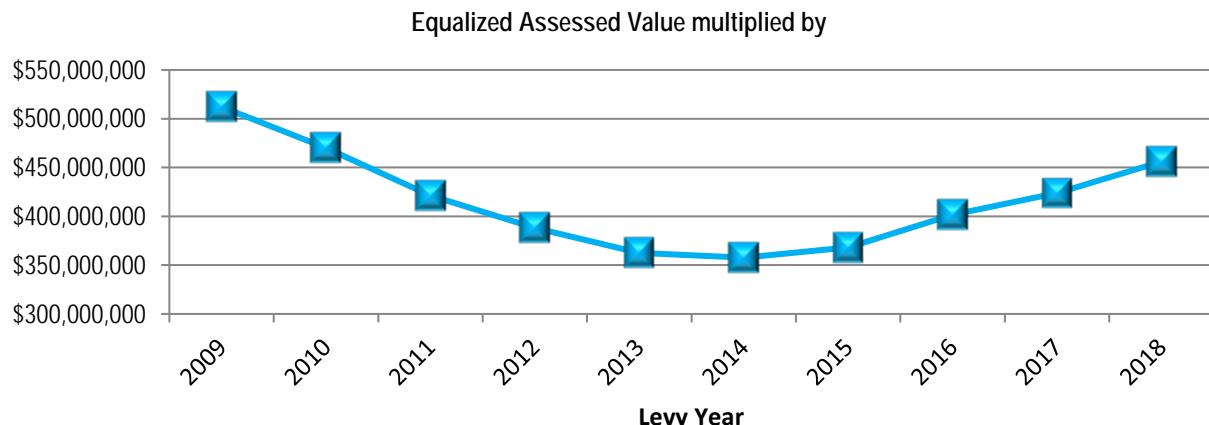


Property tax (\$2,315,322 or 7.2%)

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 2018 tax rate in April 2019, which is collectible in calendar year 2019 and reflected in fiscal year 2020. 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 2018 at approximately \$25 million and the Village Board froze property taxes for the sixth year on existing buildings. The two combined elements equated to an increase of approximately \$60,000 for fiscal year 2020.

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 taking place but leveled off and has been 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, has continued to increase each year thereafter, and is anticipated to continue rising as residential construction increases. 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

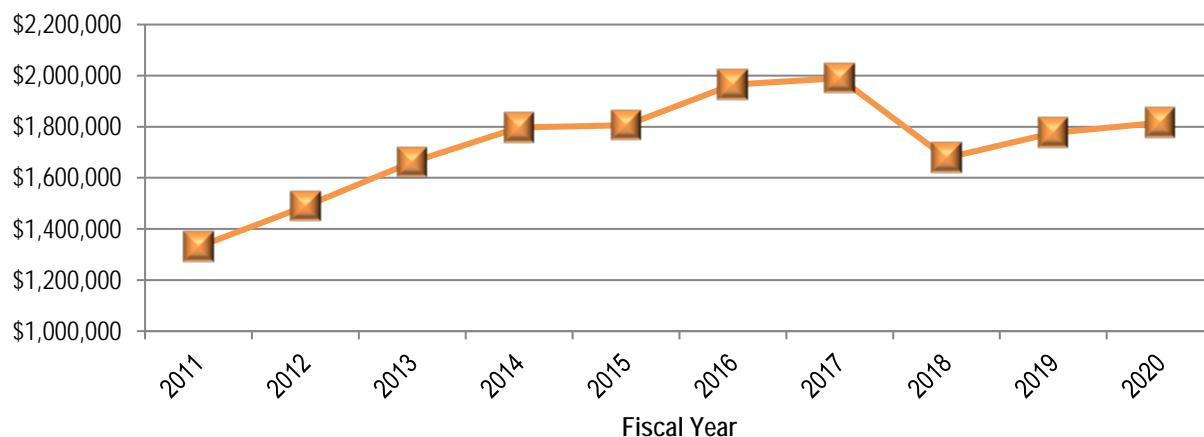


Chapter 7: Executive Summary

State income tax (\$1,816,143 or 5.7%)

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 distributed the LGDF only one month after the liability occurs. Lastly, the State reduced the percentage to 5% effective July 1, 2018.

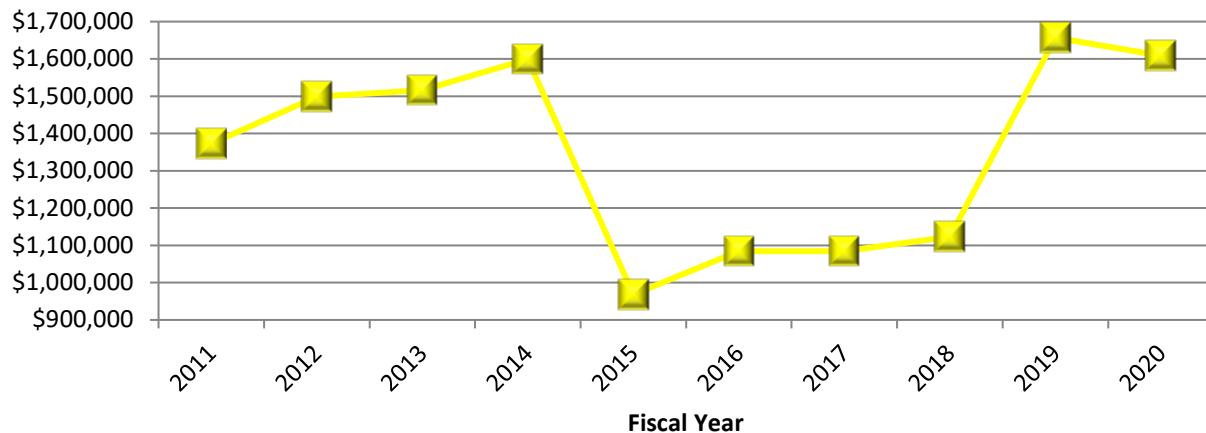
The Illinois Municipal League (IML) estimates the amount each municipality receives per capita every three months. Actual collections from the State of Illinois for fiscal year 2018 were \$90.70, which reflects the 10% reduction noted above. Actual collections from the State of Illinois for fiscal year 2019 were \$97.10, which reflects the 5% reduction noted above. The IML increased the amount for fiscal year 2020 to \$100.75 per capita to reflect the low unemployment rate and increase in profit for businesses. The Village has used its 2010 Census population of 18,438 residents for 12 months of the year.



Transfers in – Debt Service Fund (\$1,608,353 or 4.9%)

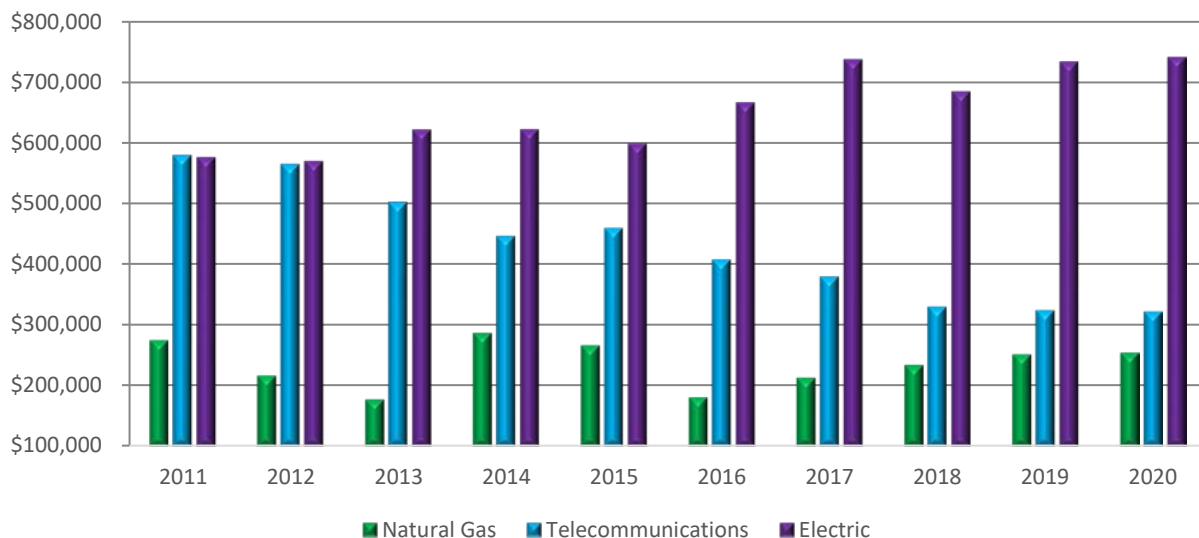
Transfers to the Debt Service Fund is the fifth largest revenue. The Debt Service Fund is used to accumulate monies for the Village's General Obligation Alternate Revenue Source Series 2008, 2011, and 2014 Bonds. The alternate revenue source bonds pledge income derived from sales and utility taxes. In 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. Transfers will decrease in fiscal year 2021 to previous levels of approximately \$1.2 million.

Chapter 7: Executive Summary



Utility taxes (\$1,316,780 or 4.1%)

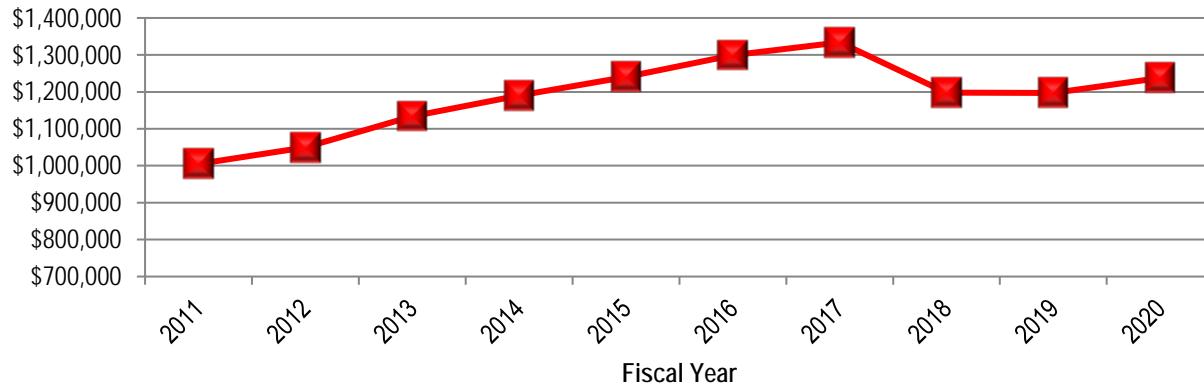
Utility taxes consist of three components, which together make up the sixth largest revenue source. First, telecommunications tax of 6% appears on the local and cellular phone bills of residents and businesses within Village limits, is collected by the State and remitted to the Village three months after 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 based on an increase in residential, commercial, and industrial development.



Chapter 7: Executive Summary

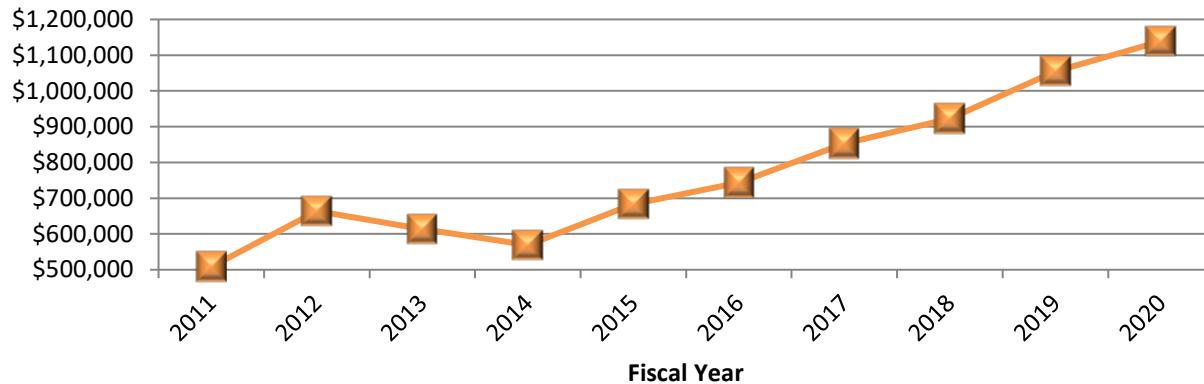
Refuse revenue (\$1,237,277 or 3.8%)

The Village charges residents for refuse 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 DeKalb County Recycling Systems (DC) 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 started at \$16.47 on August 1, 2017 and will increase 3% per year thereafter. The large decrease in fiscal year 2018 reflects the contract change noted above. Fiscal year 2019 reflects 3 months at \$16.47 per month and 9 months at \$16.96 per month, while fiscal year 2020 reflects 3 months at \$16.96 and 9 months at \$17.47. The budgeted amount for direct customer refuse billing is based on the contract rate and the existing number of homes.



Employer medical insurance contributions (\$1,138,649 or 3.5%)

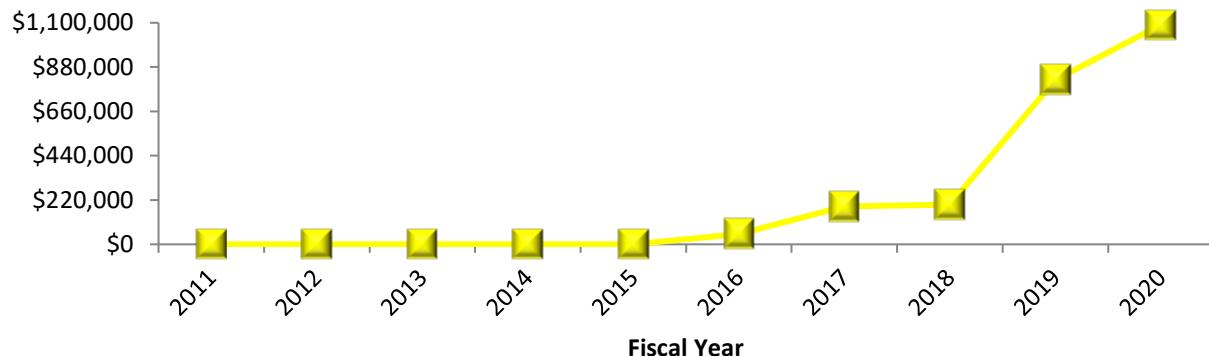
The Village currently offers health insurance to regular full-time employees. The medical insurance premium for health coverage for eligible employees and their covered dependents is split between the Village and the employee. The Village covers 85% of the cost of the premium for each plan level (effective January 1, 2019). The Village joined the Intergovernmental Personnel Benefit Cooperative (IPBC) on January 1, 2018 due to the consistent annual renewal average of 1.5%, rather than the large fluctuation received from commercial insurance companies. However, the Village has budgeted for a 1% decrease in premiums as of July 1, 2019 based on information received from IPBC. Contributions, the Village's eighth largest revenue, is accounted for in the Employee Insurance Fund, the Village's only internal service fund.



Chapter 7: Executive Summary

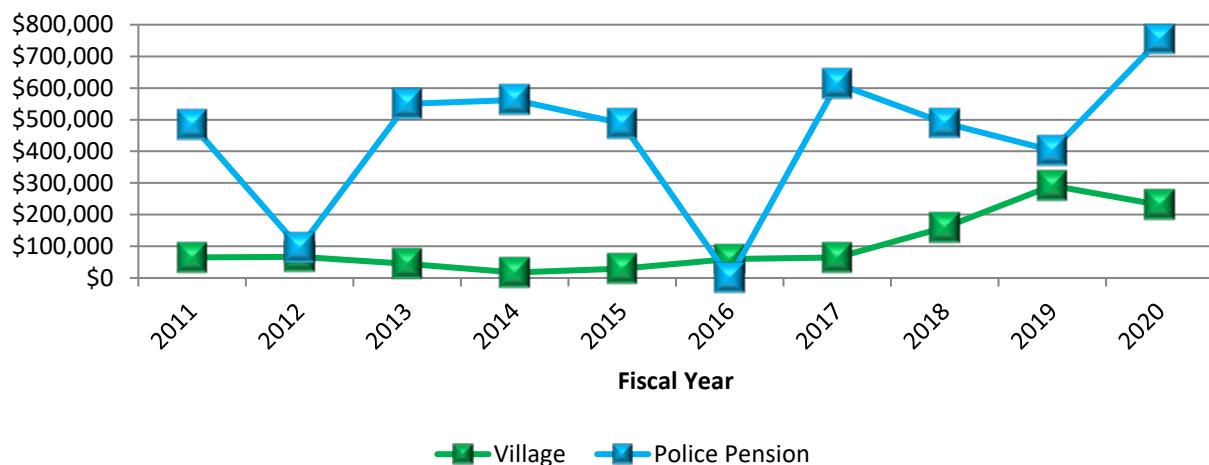
Tax increment – Aucutt Road TIF #2 (\$1,089,595 or 3.3%)

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 (Buddig, Michels, United Sugars, and Nexo) 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 Nexo new buildings, which were assessed at 50% of their value in fiscal year 2019, 85% of their value in fiscal year 2020, and will rise to 100% of assessed value in fiscal year 2021.



Investment income (\$984,761 or 3.1%)

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 allowed to invest in 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 General and Capital Improvement Funds are budgeted at 2.5%, while the Montgomery Development, Infrastructure Improvement, Tax Increment Financing District #2, Water, Employee Insurance, and Vehicle and Equipment Replacement are budgeted at 2.0%. Both rates are conservative based on the average return of 2.7% on the Village's 5-year laddered portfolio. The Police Pension Fund is budgeted at 7% based on the long-term expected return.



Chapter 7: Executive Summary

MAJOR EXPENDITURES

Personal Services

The Village, as a service driven organization, continues to expend the greatest percentage of its budget on personal services (wages and benefits). For fiscal year 2020, personal services expenditures are expected to total \$8,179,325 or 24.0% of total budgeted expenditures. This is an increase of 2.5% over the fiscal year 2019 budgeted expenditures of \$7,983,426.

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, 2021. Although ranges increase 1.5% to 2% per year, performance increases may range from 0% to 3%. The Village has a contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020. Cost of living increases ranging from 2% to 2.25% and pay for performance increases ranging from 4% to 6%.

The fiscal year 2020 budget includes an additional 4.0 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 a Community Relations Manager (Administration), 1 patrol officer (Public Safety), and 1 maintenance worker each for Street Maintenance and Water Operations (Public Works).

Department	Actual				Budget	
	FY2016	FY2017	FY2018	FY2019	FY2020	Change
General Government						
Administration	1.880	1.880	2.880	2.880	3.880	1.000
Finance	6.000	6.000	5.000	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	13.880	1.000
Public Safety						
Sworn Officers	25.000	28.000	30.000	31.000	32.000	1.000
Civilians/Other	3.000	3.750	3.750	4.250	4.250	-
Public Safety - Total	28.000	31.750	33.750	35.250	36.250	1.000
Public Works						
Administration	2.000	2.000	2.000	2.000	2.000	-
Street Maintenance	9.000	10.500	11.000	11.000	12.000	1.000
Water Operations	3.000	3.000	4.000	4.000	5.000	1.000
Building Maintenance	1.000	1.000	1.000	1.000	1.000	-
Fleet Maintenance	1.000	1.500	1.500	1.500	1.500	-
Public Works - Total	16.000	18.000	19.500	19.500	21.500	2.000
Total Village Employees	56.880	62.630	66.130	67.630	71.630	4.000

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 FY2020	Projected FY2021	Projected FY2022	Projected FY2023	Projected FY2024
Administration					
Village Administrator	1.00	1.00	1.00	1.00	1.00
Community Relations Manager	1.00	1.00	1.00	1.00	1.00
Executive Assistant	0.88	0.88	0.88	0.88	0.88
Human Resources Manager	1.00	1.00	1.00	1.00	1.00
Management Intern	-	0.50	0.50	0.50	0.50
	3.88	4.38	4.38	4.38	4.38
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 Chief of Police	1.00	1.00	1.00	1.00	1.00
Commander	2.00	2.00	2.00	2.00	2.00
Sergeant	4.00	4.00	4.00	4.00	4.00
Investigator	3.00	3.00	3.00	3.00	3.00
Patrol Officer	21.00	21.00	21.00	21.00	21.00
Management Analyst	1.00	1.00	1.00	1.00	1.00
Police Records Clerk	3.38	3.38	3.38	3.38	3.38
	36.38	36.38	36.38	36.38	36.38
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
Arborist	1.00	1.00	1.00	1.00	1.00
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
Streets Superintendent	1.00	1.00	1.00	1.00	1.00
Maintenance Worker (Streets)	4.00	4.00	4.00	4.00	4.00
Water and Sewer Superintendent	1.00	1.00	1.00	1.00	1.00
Maintenance Worker (Water)	5.00	5.00	5.00	5.00	5.00
Water Plant Operator	3.00	3.00	3.00	3.00	3.00
Seasonal Help	2.00	2.00	2.00	2.00	2.00
	21.50	21.50	21.50	21.50	21.50
Total	71.76	72.26	72.76	73.26	73.76
Employee's per 1,000 residents	3.89	3.92	3.95	3.97	4.00

Chapter 7: Executive Summary

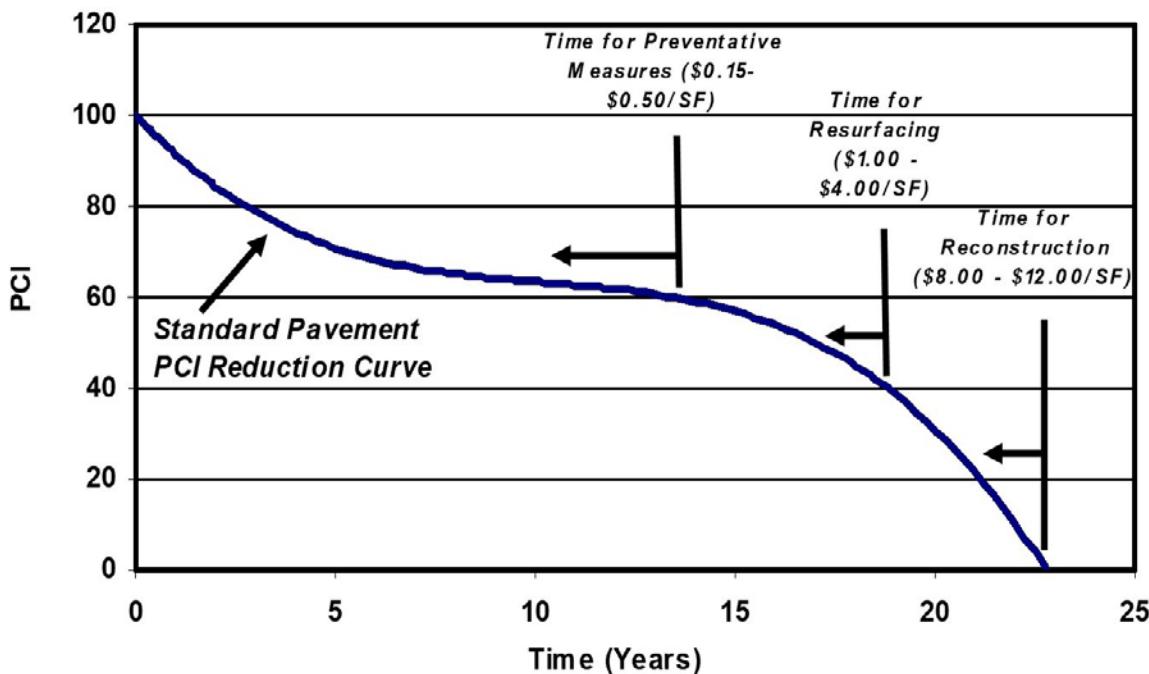
MAJOR EXPENDITURES (Continued)

Capital Outlay

The Village of Montgomery plans to devote the second 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 2020 is \$7,931,676 or 23.3% of total budgeted expenditures. The largest projects and the applicable percent of capital outlay expenditures are as follows:

- Infrastructure Road Program (IRP) – \$4,028,589 or 50.8% – 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 \$4.0 million in fiscal year 2020. 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. The Village will not see immediate savings for these projects, but our road maintenance budget will begin to lessen over time as we get caught up. The Village will be able to utilize preventative measures and resurfacing rather than wait for reconstruction, saving 1000% or more, as shown in the graph below.



Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Capital Outlay (Continued)

- Aucutt Road resurfacing – \$680,000 or 8.6% – The Village's Comprehensive Plan states that "Provision of adequate public facilities and services, including good access to the region's transportation system is critical to the success of manufacturing/industrial centers." Maintenance of Aucutt Road, a major collector road through one of Montgomery's industrial areas, is very important to the Village. Montgomery received a \$500,000 Local Agency Functional Overlay (LAFO) grant for milling and resurfacing of Aucutt Road from Orchard Road to Illinois Route 31 and will utilize a portion of our non-home rule sales tax to pay for our portion of the project. The Village will not see an immediate savings for this project, but our road maintenance budget will begin to lessen over time. Since the resurfacing is in TIF #2, the project may attract additional industrial development which would increase the tax increment and ability of the Village to make further improvements.
- Vehicle and equipment replacement – \$489,741 or 6.2% – 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. The Village's vehicle and equipment replacement schedule tracks 62 pieces of equipment valued at \$4.6 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. Contributions to the Vehicle and Equipment Replacement Fund (VERF) 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. Each piece of equipment scheduled for replacement is evaluated using vehicle age, mileage, and condition, as well as current and historical repair costs. The fiscal year 2020 budget includes replacement of 9 pieces of equipment. The Village expects vehicle repair and maintenance costs to decrease roughly \$10,000 (10%) over the next 5 years.
- Watermain Replacement Program (WRP) – \$457,000 or 5.8% – Our watermain replacement program replaces aging, critical infrastructure with new watermain that provide more reliable service, better water pressure, and high-quality water. The program is continuously being assessed and updated to reflect changes in break rates and interruptions to supply. We seek to balance the level of service provided against the expense of replacing watermain and understand both factors can impact our customers. We do not prioritize replacement based on solely on age, as all watermain has the potential to fail due to ground movement, internal and external corrosion, type of material used, and even water pressure inside of a watermain. Instead, we prioritize the replacement of watermain based on several factors including the likelihood of future watermain failures (i.e. previous failure history); consequence of watermain failures (i.e. customer interruption); cause of a restriction (i.e. low supply flow); and economic efficiency.

Our engineering consultant performed a water audit as part of the Village's Waterworks System Master Plan and water rate study completed in fiscal year 2017 and 2019, respectively. 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, as a decrease of only 1% will save over \$8,000.

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Capital Outlay (Continued)

- Concord and Galena traffic signal installation – \$355,000 or 4.5% – Galena Road is under the jurisdiction of Kendall County Department of Transportation, while the Village of Oswego controls Concord Drive south of Galena and the Village of Montgomery controls Concord Drive north of Galena. The increase in volume combined with the movement of motorists and pedestrians alike make this intersection a vital regional improvement. Montgomery will manage the project, while Kendall County and Oswego will contribute a total of \$253,000. Intergovernmental cooperation between Kendall County, Oswego, and Montgomery highlights what local governments can accomplish when they work together. No cost savings is anticipated as a result of this project.

The Village's Community Investment Plan (CIP) assists in the long-term planning and future allocation of funds to capital expenditures and to ensure the availability of funds, while also focusing on the maintenance and integrity of Village property. The table below shows the CIP for fiscal year 2020 through fiscal year 2024.

Project Title	Type	FY2020	FY2021	FY2022	FY2023	FY2024
Sales Tax Infrastructure Road Program	Street	3,203,589	2,875,000	2,704,000	2,380,000	2,724,000
MFT Road Maintenance	Street	944,750	125,000	955,250	137,250	969,250
Aucutt Road LAFO	Street	680,000	-	-	-	-
Traffic Signal at Concord and Galena	Street	355,000	-	-	-	-
Sidewalk Gap Installation Plan	Street	303,000	230,000	240,000	241,000	212,000
Pavement Management Program	Street	81,000	10,000	10,000	10,000	10,000
Village Hall Parking Lot and Alley Sealcoat	Street	25,000	-	-	30,000	-
Shared Use Path Maintenance	Street	39,500	41,100	42,500	41,500	45,200
Gordon Road Extension	Street	12,000	-	-	210,170	315,240
Mill Street Bridge Maintenance	Street	3,000	20,000	3,000	3,000	3,000
Concord Bridge Maintenance	Street	-	4,000	-	-	-
ADA Self Evaluation and Transition Plans	Street	-	-	35,000	-	-
Other Village Property Lot and Drive Sealcoat	Street	-	-	11,450	-	10,200
Police Parking Lot and Drive Resurfacing	Street	-	-	-	387,000	-
Concord Drive LAFO	Street	-	-	-	52,740	975,560
Lead Service Line Replacements	Water	1,249,200	307,300	-	-	-
Water Rehabilitation Reserve Expenditure	Water	608,000	409,000	285,000	200,000	1,056,000
Water Main Replacements	Water	457,000	534,400	636,800	263,900	207,400
Water Meters - General	Water	170,000	175,000	180,000	185,000	190,000
Sanitary Sewer Inspection/Lining	Water	100,000	100,000	100,000	100,000	-
Well 11 Electrical Gear Replacement	Water	100,000	-	-	-	-
Cation exchange brine pump replacement	Water	90,000	-	-	-	-
Jefferson and Lif Station Improvements	Water	60,835	-	-	-	-
Test Well	Water	45,000	-	-	-	-
LSWTP Lime Feed System Modifications	Water	20,000	440,000	-	-	-
Chlorine Feed Systems Modifications	Water	20,000	140,000	-	-	-
Water Quality Testing and Planning	Water	20,000	20,000	20,000	20,000	20,000
Well 10 and 13 Generator Modifications	Water	16,000	-	-	-	-
LSWTP - Ora-Cle Chemical System Addition	Water	13,500	-	-	-	-
Computers and Software Upgrades	Water	10,000	50,000	10,000	10,000	10,000
EWST - flood and low temperature alarms	Water	10,000	-	-	-	-
LSWTP - Ground Storage Tank Investigation	Water	10,000	-	-	-	-
Water Rate Study	Water	4,000	4,000	32,000	4,000	4,000
West Water Tower Access	Water	-	-	-	-	27,000
Parkview Drainage Basin Improvements	Storm	313,000	-	-	-	-
NPDES	Storm	5,000	5,000	15,000	5,000	5,000
Montgomery Overflow Improvement	TIF # 2	230,000	875,000	1,080,000	3,240,000	-
Traffic Signal at Knell and Orchard	TIF # 2	65,000	35,000	575,000	-	-
Aucutt Road Widening / Reconstruction	TIF # 2	40,000	-	278,000	804,400	3,328,300
Aucutt Road Water Main Replacement	TIF # 2	-	-	190,000	2,410,000	-
GIS Atlas Map Conversion	Other	34,000	5,000	5,000	5,000	5,000
New Public Works Building	Other	-	108,741	245,570	5,950,236	-
		9,337,374	6,513,541	7,653,570	16,690,196	10,117,150

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 2020. Principal and interest payments for outstanding debt, the third largest expenditure, account for \$3,228,638 or 9.5% of total budgeted expenditures. The fiscal year 2020 debt service is split nearly even between governmental (\$1,610,853) and proprietary (\$1,617,785) debt. More detail will be provided in the applicable fund about the outstanding debt.

The Village will enter into an additional loan agreement with the IEPA during fiscal year 2020 through its Public Water Supply Loan Program (PSWLP). The Village will replace lead service lines from our watermain all the way to the meter located inside 105 residential properties at an estimated cost of over \$1.6 million. The Village is honored to have been selected by the IEPA to receive principal forgiveness of up to \$1 million, as well as a reduced interest rate on the remaining balance of \$600,000 due to its small size.

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 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 4/30/2019)	Principal Due for FY2020	Interest Due for FY2020	Proposed Funding Source FY2020
Series 2008	2,000,000	1,000,000	1,000,000	50,000	Utility taxes (Capital Improvement Fund)
Series 2011	4,410,000	2,490,000	385,000	68,313	Utility taxes (Capital Improvement Fund)
Series 2013	4,590,000	3,955,000	140,000	150,850	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	135,000	110,938	Net water revenues (Water Fund)
Total	\$ 17,705,000	\$ 14,150,000	\$ 1,660,000	\$ 486,441	

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Debt Service Summary (Continued)

General obligation bonds (continued)

As of April 30, 2020, debt service requirements to maturity on the outstanding general obligation bonds, including interest are as follows:

Fiscal Year						
Ending	Governmental Activities			Business-Type Activities		
April 30	Principal	Interest	Total	Principal	Interest	Total
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>\$ 6,825,000</u>	<u>\$ 747,813</u>	<u>\$ 7,572,813</u>	<u>\$ 7,325,000</u>	<u>\$ 3,108,175</u>	<u>\$ 10,433,175</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 4/30/2019)	Principal Due for FY2020	Interest Due for FY2020	Proposed Funding Source FY2020
2002 Loan	\$ 1,128,780	\$ 281,928	\$ 67,698	\$ 7,092	Net water revenues (Water Fund)
2011 Loan	4,310,177	3,001,605	214,027	36,853	Net water revenues (Water Fund)
2014 Loan	2,482,931	2,106,725	112,983	41,468	Net water revenues (Water Fund)
Total	\$ 7,921,888	\$ 5,390,258	\$ 394,708	\$ 85,413	

As of April 30, 2020, debt service requirements to maturity on the outstanding IEPA loans, including interest are as follows:

Fiscal Year Ending April 30	Business-Type Activities		
	Principal	Interest	Total
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
	\$ 5,390,258	\$ 641,558	\$ 6,031,816

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

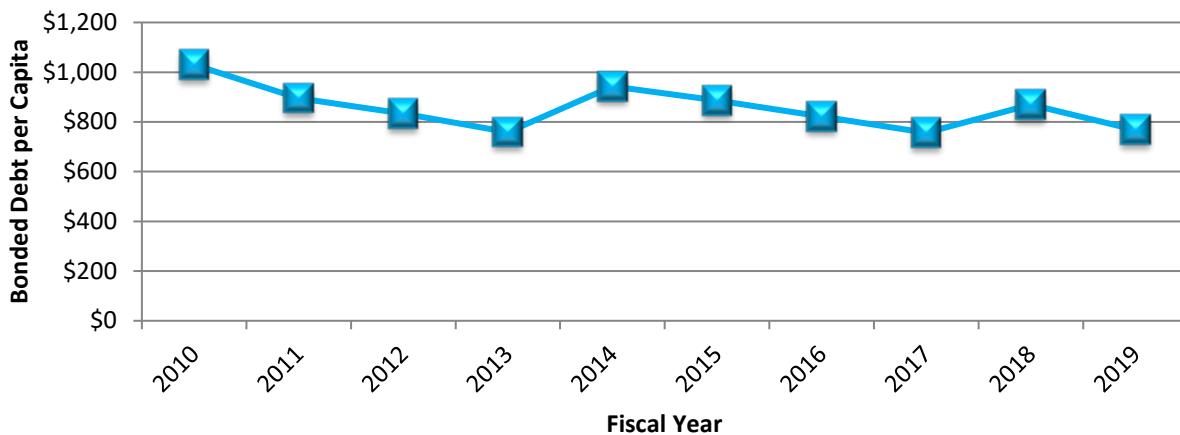
Debt Service Summary (Continued)

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 - 2018	\$ 456,155,691
Legal Debt Limit - 8.625% of Assessed Value	\$ 39,343,428
<hr/>	
General Obligation Debt:	
Series 2008A	\$ 1,000,000
Series 2011	2,490,000
Series 2013	3,955,000
Series 2014	3,335,000
Series 2017	<u>3,370,000</u>
Total General Obligation Debt	14,150,000
Less: Alternate Revenue Source Bonds	<u>(14,150,000)</u>
<hr/>	
Total Applicable Debt	
Legal Debt Margin	\$ 39,343,428

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 75.

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 every other year, awarded to an outside contractor based on bid results received, to take advantage of economies of scale. The Village built the fund balance back up in fiscal year 2019 in preparation for an \$825,000 project in fiscal year 2020.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Intergovernmental, grants, and contributions								
Allotments - high growth cities	48,432	48,000	47,644	48,000	48,000	48,000	48,000	48,000
Allotments - Motor Fuel Tax	470,778	474,779	471,091	469,247	469,247	469,247	469,247	469,247
Total intergovernmental, grants, and contributions	519,210	522,779	518,735	517,247	517,247	517,247	517,247	517,247
Investment income								
Interest income - cash and investments	940	500	6,719	2,000	5,000	2,000	5,000	2,000
Total investment income	940	500	6,719	2,000	5,000	2,000	5,000	2,000
Total revenues	520,150	523,279	525,454	519,247	522,247	519,247	522,247	519,247
EXPENDITURES								
Contractual services - property								
Infrastructure repair and maintenance - streets and alleys	757,357	-	-	825,000	-	825,000	-	825,000
Total contractual services - property	757,357	-	-	825,000	-	825,000	-	825,000
Commodities								
Public Works supplies - snow removal	55,939	140,750	84,850	119,750	125,000	130,250	137,250	144,250
Total commodities	55,939	140,750	84,850	119,750	125,000	130,250	137,250	144,250
Total expenditures	813,296	140,750	84,850	944,750	125,000	955,250	137,250	969,250
Net change in fund balance	(293,146)	382,529	440,604	(425,503)	397,247	(436,003)	384,997	(450,003)
Fund balance - beginning	554,987	261,841	261,841	702,445	276,942	674,189	238,186	623,183
Fund balance - ending	261,841	644,370	702,445	276,942	674,189	238,186	623,183	173,180

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:

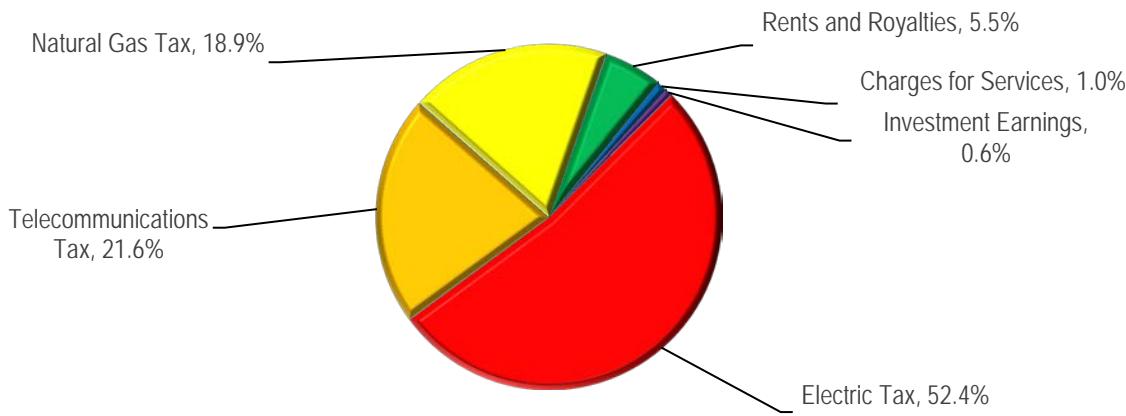
- The Forgivable Loan Program consists of approximately \$500,000 and is focused on retail and commercial businesses. Businesses will be required to continue operating in the Village for at least three (3) years from the date of project approval to receive forgiveness of the loan. The maximum forgivable loan is \$10,000. Activities that could be funded through this program include façade or streetscape improvements; window or door repairs or replacement; restoration of historic or architectural details; signage; and landscaping. One forgivable loan was approved during fiscal year 2019 for a total of \$10,000.
- The Low Interest Loan Program consists of approximately \$1,000,000 and can be used for retail, commercial, industrial, 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 buildings, as well as the necessary infrastructure improvements. There were no low interest loans approved during fiscal year 2019.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Charges for services								
Planning fees - development application fees	500	1,000	1,000	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	1,000	1,000
Investment income								
Interest income - cash and investments	13,106	12,500	30,460	25,000	25,000	25,000	25,000	25,000
Interest income - loans	2,949	1,339	1,339	1,046	732	407	85	-
Total investment income	16,055	13,839	31,799	26,046	25,732	25,407	25,085	25,000
Total revenues	16,555	14,839	32,799	27,046	26,732	26,407	26,085	26,000
EXPENDITURES								
Contractual services - professional and technical								
Legal services - development (village)	2,096	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional services - economic development	713	-	-	-	-	-	-	-
Professional services - Montgomery development	16,210	-	10,000	20,000	20,000	20,000	20,000	20,000
Total contractual services - professional and technical	19,019	1,000	11,000	21,000	21,000	21,000	21,000	21,000
Capital outlay								
Gateway enhancement program	-	30,000	-	30,000	-	-	-	-
Downtown streetscape enhancement	-	150,000	150,624	-	-	-	-	-
Total capital outlay	-	180,000	150,624	30,000	-	-	-	-
Total expenditures	19,019	181,000	161,624	51,000	21,000	21,000	21,000	21,000
Net change in fund balance	(2,464)	(166,161)	(128,825)	(23,954)	5,732	5,407	5,085	5,000
Fund balance - beginning	1,625,822	1,623,358	1,623,358	1,494,533	1,470,579	1,476,311	1,481,718	1,486,803
Fund balance - ending	1,623,358	1,457,197	1,494,533	1,470,579	1,476,311	1,481,718	1,486,803	1,491,803

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 2020 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-term 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.

The Village started to accumulate fund balance in fiscal year 2014 after restructuring the Village's governmental debt. Fund balance decreased over \$300,000 in fiscal year 2019 when the Village paid the first balloon payment of \$1 million on the Series 2008 bonds. Fund balance will decrease further in fiscal year 2020 by over \$200,000 when the Village pays the second balloon payment of \$1 million on the Series 2008 bonds. 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. The Village will return to the accumulation of fund balance in fiscal year 2021.

Chapter 8: Fund Summary

CAPITAL IMPROVEMENT FUND (Continued)

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Other taxes								
Utility tax - electric	684,797	710,505	733,729	741,066	748,477	755,962	763,522	771,157
Utility tax - natural gas	233,669	255,762	251,379	253,893	256,432	258,996	261,586	264,202
Utility tax - telecommunications	274,998	292,686	269,976	267,276	264,603	261,957	259,337	256,744
Total other taxes	1,193,464	1,258,953	1,255,084	1,262,235	1,269,512	1,276,915	1,284,445	1,292,103
Licenses and permits								
Permits - small cell wireless permit	-	-	1,950	1,950	1,950	1,950	1,950	1,950
Total licenses and permits	-	-	1,950	1,950	1,950	1,950	1,950	1,950
Charges for services								
Development fees - Marquis Pointe	5,100	13,600	6,800	10,200	10,200	10,200	10,200	10,200
Development fees - Lennar (Huntington Chase)	-	-	16,560	16,560	16,560	16,560	16,560	16,560
Development fees - Ryan (Balmorea)	-	-	9,660	16,560	16,560	16,560	16,560	16,560
Traffic control fees - Lennar (Huntington Chase)	-	-	3,840	3,840	3,840	3,840	3,840	3,840
Traffic control fees - Ryan (Balmorea)	-	-	2,219	3,804	3,804	3,804	3,804	3,804
Total charges for services	5,100	13,600	39,079	50,964	50,964	50,964	50,964	50,964
Intergovernmental, grants, and contributions								
Local grant - ICC (Light Road)	125,976	-	-	-	-	-	-	-
Total intergovernmental, grants, and contributions	125,976	-	-	-	-	-	-	-
Investment income								
Interest income - cash and investments	10,905	9,000	18,243	10,000	10,000	10,000	10,000	10,000
Total investment income	10,905	9,000	18,243	10,000	10,000	10,000	10,000	10,000
Miscellaneous								
Rents and royalties - water tower rental	77,660	74,069	74,069	89,445	118,636	122,196	125,862	129,638
Total miscellaneous	77,660	74,069	74,069	89,445	118,636	122,196	125,862	129,638
Total revenues	1,413,105	1,355,622	1,388,425	1,414,594	1,451,062	1,462,025	1,473,221	1,484,655
EXPENDITURES								
Contractual services - professional and technical								
Engineering services - municipal projects	11,472	2,052	-	-	-	-	-	-
Total contractual services - professional and technical	11,472	2,052	-	-	-	-	-	-
Contractual services - other								
Municipal audit contingency	14,716	7,787	6,187	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	105,000	-
Total contractual services - other	14,716	7,787	6,187	-	-	-	105,000	-
Capital outlay								
Capital outlay - Police facility	-	-	-	-	-	-	-	-
Capital outlay - Public Works facility	-	-	11,000	-	108,741	246,570	5,950,236	-
Capital outlay - Village Hall facility	118,638	19,514	26,213	8,520	-	-	-	-
Capital outlay - Light Road crossing repair	126,141	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total capital outlay	244,779	19,514	37,213	8,520	108,741	246,570	5,950,236	-
Total expenditures	270,967	29,353	43,400	8,520	108,741	246,570	6,055,236	-
Excess (deficiency) of revenues over (under) expenditures	1,142,138	1,326,269	1,345,025	1,406,074	1,342,321	1,215,455	(4,582,015)	1,484,655
Other financing sources (uses)								
Bond proceeds	-	-	-	-	-	-	6,105,000	-
Transfers out	(1,130,065)	(1,659,290)	(1,656,790)	(1,608,353)	(1,188,809)	(1,185,034)	(1,190,052)	(1,403,381)
Total other financing sources (uses)	(1,130,065)	(1,659,290)	(1,656,790)	(1,608,353)	(1,188,809)	(1,185,034)	4,914,948	(1,403,381)
Net change in fund balance	12,073	(333,021)	(311,765)	(202,279)	153,512	30,421	332,933	81,274
Fund balance - beginning	726,051	738,124	738,124	426,359	224,080	377,592	408,013	740,946
Fund balance - ending	738,124	405,103	426,359	224,080	377,592	408,013	740,946	822,220

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 \$4.0 million in fiscal year 2020.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Charges for services								
Other reimbursements - streets	-	198,980	41,413	252,500	-	-	-	-
Total charges for services	-	198,980	41,413	252,500	-	-	-	-
Intergovernmental, grants, and contributions								
Non-home rule sales tax	2,935,900	3,125,236	3,157,266	3,315,129	3,480,885	3,654,929	3,837,675	4,029,559
State grant - LAFO	2,237	500,000	-	500,000	-	-	-	500,000
Total intergovernmental, grants, and contributions	2,938,137	3,625,236	3,157,266	3,815,129	3,480,885	3,654,929	3,837,675	4,529,559
Investment income								
Interest income - cash and investments	15,536	15,000	35,946	20,000	20,000	20,000	20,000	20,000
Total investment income	15,536	15,000	35,946	20,000	20,000	20,000	20,000	20,000
Total revenues	2,953,673	3,839,216	3,234,625	4,087,629	3,500,885	3,674,929	3,857,675	4,549,559
EXPENDITURES								
Contractual services - professional and technical								
Engineering services - municipal projects	596,830	649,500	579,500	811,000	532,100	476,200	763,210	913,320
Total contractual services - professional and technical	596,830	649,500	579,500	811,000	532,100	476,200	763,210	913,320
Contractual services - property								
Infrastructure repair and maintenance - streets and alleys	1,988,635	4,918,040	2,849,644	4,209,889	2,664,000	2,525,300	2,564,200	3,373,680
Total contractual services - property	1,988,635	4,918,040	2,849,644	4,209,889	2,664,000	2,525,300	2,564,200	3,373,680
Contractual services - other								
Property tax rebate	117,287	133,102	133,102	133,102	133,102	133,102	133,102	133,102
Municipal audit contingency	12,358	4,000	1,914	-	-	-	-	-
Total contractual services - other	129,645	137,102	135,016	133,102	133,102	133,102	133,102	133,102
Total expenditures	2,715,110	5,704,642	3,564,160	5,153,991	3,329,202	3,134,602	3,460,512	4,420,102
Net change in fund balance	238,563	(1,865,426)	(329,535)	(1,066,362)	171,683	540,327	397,163	129,457
Fund balance - beginning	1,966,543	2,205,106	2,205,106	1,875,571	809,209	980,892	1,521,219	1,918,382
Fund balance - ending	2,205,106	339,680	1,875,571	809,209	980,892	1,521,219	1,918,382	2,047,839

Chapter 8: Fund Summary

LAKWOOD 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.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
<i>Investment income</i>								
Interest income - cash and investments	299	100	1,673	1,000	750	500	500	500
Total investment income	299	100	1,673	1,000	750	500	500	500
<i>Transfers</i>								
Lakewood Creek SAA Fund	145,000	60,000	21,344	20,000	60,000	60,000	60,000	60,000
Total transfers	145,000	60,000	21,344	20,000	60,000	60,000	60,000	60,000
Total revenues	145,299	60,100	23,017	21,000	60,750	60,500	60,500	60,500
EXPENDITURES								
<i>Contractual services - professional and technical</i>								
Other professional services	55,849	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total contractual services - professional and technical	55,849	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total expenditures	55,849	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Net change in fund balance	89,450	100	(36,983)	(39,000)	750	500	500	500
Fund balance - beginning	23,850	113,300	113,300	76,317	37,317	38,067	38,567	39,067
Fund balance - ending	113,300	113,400	76,317	37,317	38,067	38,567	39,067	39,567

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 will begin to build fund balance in fiscal year 2020 in preparation for a road project during fiscal year 2028.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
<i>Property taxes</i>								
Property tax - TIF	33,680	35,000	34,258	35,000	35,000	35,000	35,000	35,000
Total property taxes	33,680	35,000	34,258	35,000	35,000	35,000	35,000	35,000
Total revenues	33,680	35,000	34,258	35,000	35,000	35,000	35,000	35,000
EXPENDITURES								
<i>Contractual services - professional and technical</i>								
Engineering services - development (village)	5,237	-	606	-	-	-	-	-
Legal services - development (village)	319	300	550	300	300	300	300	300
Economic development services - TIF	-	500	-	-	-	-	-	-
Accounting and auditing services - general	360	370	370	380	390	400	410	420
Total contractual services - professional and technical	5,916	1,170	1,526	680	690	700	710	720
<i>Capital outlay</i>								
Capital outlay - Pearl Street storm sewer	53,433	-	-	-	-	-	-	-
Capital outlay - Spatz rough grading	-	55,000	55,000	-	-	-	-	-
Total capital outlay	53,433	55,000	55,000	-	-	-	-	-
Total expenditures	59,349	56,170	56,526	680	690	700	710	720
Net change in fund balance	(25,669)	(21,170)	(22,268)	34,320	34,310	34,300	34,290	34,280
Fund balance - beginning	93,228	67,559	67,559	45,291	79,611	113,921	148,221	182,511
Fund balance - ending	67,559	46,389	45,291	79,611	113,921	148,221	182,511	216,791

Chapter 8: Fund Summary

TAX INCREMENT FINANCING (TIF) #2 FUND

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 Aucutt Road corridor is one of Montgomery's most prominent industrial areas, representing significant growth potential. Four private developments (Buddig, Michels, United Sugars, and Nexo) comprise over 75% of the tax increment in TIF #2. The large increase in fiscal year 2019 is due to United Sugars and Nexo new buildings, whose assessment will grow from 50% in fiscal year 2019 to 100% in fiscal year 2021. The major impediment on TIF #2 is the presence of extensive floodplain and wetlands associated with Blackberry Creek. Based on a storm sewer overflow study, the Village started engineering of a regional detention basin and will begin to build up the fund balance for future projects such as widening Aucutt Road and upsizing watermain.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - TIF	197,474	817,231	816,529	1,089,595	1,659,956	1,709,755	1,761,048	1,813,879
Total property taxes	197,474	817,231	816,529	1,089,595	1,659,956	1,709,755	1,761,048	1,813,879
Investment income								
Interest income - cash and investments	-	-	3,355	12,000	13,000	14,000	15,000	16,000
Total investment income	-	-	3,355	12,000	13,000	14,000	15,000	16,000
Total revenues	197,474	817,231	819,884	1,101,595	1,672,956	1,723,755	1,776,048	1,829,879
EXPENDITURES								
Contractual services - professional and technical								
Engineering services - development (village)	53,943	-	-	-	-	-	-	-
Legal services - development (village)	308	1,000	1,712	1,500	1,500	1,500	1,500	1,500
Economic development services - TIF	-	500	-	500	500	500	500	500
Accounting and auditing services - general	360	370	370	380	390	400	410	420
Planning services - general	550	-	-	-	-	-	-	-
Total contractual services - professional and technical	55,161	1,870	2,082	2,380	2,390	2,400	2,410	2,420
Contractual services - other								
Other contractual services - tax districts	137,707	216,725	209,283	283,514	292,019	300,780	309,803	319,097
Total contractual services - other	137,707	216,725	209,283	283,514	292,019	300,780	309,803	319,097
Capital outlay								
Capital outlay - streets	-	-	-	40,000	-	278,000	804,400	3,328,300
Capital outlay - watermain	-	-	-	-	-	190,000	2,410,000	-
Capital outlay - stormsewer	-	305,000	10,140	230,000	875,000	1,080,000	3,240,000	-
Capital outlay - traffic signal	-	20,000	-	65,000	35,000	575,000	-	-
Total capital outlay	-	325,000	10,140	335,000	910,000	2,123,000	6,454,400	3,328,300
Debt service								
Principal payment - 2022	-	-	-	-	-	-	-	500,000
Interest payment - 2022	-	-	-	-	-	-	-	259,008
Fiscal agent fees	-	-	-	-	-	-	-	475
Issuance costs	-	-	-	-	-	-	160,000	-
Total debt service	-	-	-	-	-	-	160,000	759,483
Total expenditures	192,868	543,595	221,505	620,894	1,204,409	2,426,180	6,926,613	4,409,300
Excess (deficiency) of revenues over (under) expenditures	4,606	273,636	598,379	480,701	468,547	(702,425)	(5,150,565)	(2,579,421)
Other financing sources (uses)								
Bond proceeds	-	-	-	-	-	-	10,160,000	-
Total other financing sources (uses)	-	-	-	-	-	-	10,160,000	-
Net change in fund balance	4,606	273,636	598,379	480,701	468,547	(702,425)	5,009,435	(2,579,421)
Fund balance - beginning	6,466	11,072	11,072	609,451	1,090,152	1,558,699	856,274	5,865,709
Fund balance - ending	11,072	284,708	609,451	1,090,152	1,558,699	856,274	5,865,709	3,286,288

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.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - TIF	-	-	-	-	50,000	100,000	200,000	
Total property taxes	-	-	-	-	50,000	100,000	200,000	
Total revenues	-	-	-	-	50,000	100,000	200,000	
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	-	25,000	-	25,000	-	-	-	-
Accounting and auditing services - general	-	-	-	-	-	410	420	
Total contractual services - professional and technical	-	38,000	-	38,000	500	500	910	920
Total expenditures	-	38,000	-	38,000	500	500	910	920
Net change in fund balance	-	(38,000)	-	(38,000)	(500)	49,500	99,090	199,080
Fund balance - beginning	-	-	-	-	(38,000)	(38,500)	11,000	110,090
Fund balance - ending	-	(38,000)	-	(38,000)	(38,500)	11,000	110,090	309,170

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, 2019 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*)

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Investment income								
Interest income - cash and investments		2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total investment income	-	-	2,500	2,500	2,500	2,500	2,500	2,500
Total revenues	-	-	2,500	2,500	2,500	2,500	2,500	2,500
EXPENDITURES								
Debt service								
Principal - Series 2008A bonds	-	1,000,000	1,000,000	1,000,000	-	-	-	-
Principal - Series 2010 bonds	605,000	-	-	-	-	-	-	-
Principal - Series 2011 bonds	205,000	375,000	375,000	385,000	395,000	405,000	420,000	435,000
Principal - Series 2014 bonds	-	-	-	-	630,000	645,000	665,000	685,000
Principal - Series 2022 bonds	-	-	-	-	-	-	-	-
Interest - Series 2008A bonds	100,000	100,000	100,000	50,000	-	-	-	-
Interest - Series 2010 bonds	24,200	-	-	-	-	-	-	-
Interest - Series 2011 bonds	80,850	76,750	76,750	68,313	59,169	49,294	38,662	27,113
Interest - Series 2014 bonds	106,340	106,340	106,340	106,340	106,340	87,440	68,090	48,140
Interest - Series 2022 bonds	-	-	-	-	-	-	-	209,353
Fiscal agent fees	625	1,200	2,400	1,200	800	800	800	1,275
Total debt service	1,122,015	1,659,290	1,660,490	1,610,853	1,191,309	1,187,534	1,192,552	1,405,881
Total expenditures	1,122,015	1,659,290	1,660,490	1,610,853	1,191,309	1,187,534	1,192,552	1,405,881
Deficiency of revenues under expenditures	(1,122,015)	(1,659,290)	(1,657,990)	(1,608,353)	(1,188,809)	(1,185,034)	(1,190,052)	(1,403,381)
Other financing sources (uses)								
Transfers in	1,123,015	1,659,290	1,656,790	1,608,353	1,188,809	1,185,034	1,190,052	1,403,381
Total other financing sources (uses)	1,123,015	1,659,290	1,656,790	1,608,353	1,188,809	1,185,034	1,190,052	1,403,381
Net change in fund balance	1,000	-	(1,200)	-	-	-	-	-
Fund balance - beginning	50,200	51,200	51,200	50,000	50,000	50,000	50,000	50,000
Fund balance - ending	51,200	51,200	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.

Chapter 8: Fund Summary

WATER FUND (Continued)

Revenues

A water consumption rate increase of 5.5% is included in fiscal year 2020, which is necessary to maintain the long-term viability of the water system and provide for an alternate water source. The rate will increase from \$5.79 to \$6.11 per thousand gallons for residents and \$6.95 to \$7.33 for non-residents.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
OPERATING REVENUES								
Charges for services								
Service fees - water sales	3,488,990	3,680,120	3,923,578	4,168,794	4,437,500	4,715,096	4,973,942	5,247,509
Service fees - late charges	135,064	144,896	136,252	143,746	151,652	159,993	168,793	178,077
Service fees - water service charges	353,714	353,887	353,468	355,644	357,444	359,244	361,044	362,844
Service fees - delinquent fees	65,850	67,100	58,819	60,390	60,390	60,390	60,390	60,390
Service fees - sewer maintenance charges	151,624	151,800	151,514	153,000	154,200	155,400	156,600	157,800
Service fees - BH infrastructure fee	509,677	508,860	510,060	508,860	508,860	508,860	508,860	508,860
Service fees - Fox Metro reading fee	27,720	27,735	27,884	27,885	28,035	28,185	28,335	28,485
Service fees - meter sales	-	-	-	20,000	20,000	20,000	20,000	20,000
Total operating revenues	4,732,639	4,934,398	5,161,575	5,438,319	5,718,081	6,007,168	6,277,964	6,563,965
OPERATING EXPENSES								
Operations								
Water Administration	191,249	209,543	188,437	214,722	220,235	225,999	259,987	238,202
Water Plant Operations	3,137,895	3,206,192	3,175,307	4,967,705	4,237,847	3,576,526	3,568,750	3,639,852
Depreciation and amortization	1,884,805	-	-	-	-	-	-	-
Total operating expenses	5,213,949	3,415,735	3,363,744	5,182,427	4,458,082	3,802,525	3,828,737	3,878,054
Operating income (loss)	(481,310)	1,518,663	1,797,831	255,892	1,259,999	2,204,643	2,449,227	2,685,911
NONOPERATING REVENUES (EXPENSES)								
Interest income - cash and investments								
Interest income - cash and investments	34,606	30,000	51,189	40,000	40,000	40,000	40,000	40,000
Service fees - non-sufficient funds fee	1,325	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Other reimbursements - insurance	39,999	-	7,150	-	-	-	-	-
IEPA loan	-	-	600,000	-	-	-	-	-
Principal expense (debt)	-	(888,061)	(888,061)	(1,269,708)	(686,479)	(693,379)	(710,410)	(652,284)
Interest expense (debt)	(357,429)	(414,101)	(415,051)	(348,077)	(333,055)	(317,604)	(302,023)	(286,509)
Total nonoperating revenues (expenses)	(281,499)	(1,270,912)	(1,243,523)	(976,535)	(978,284)	(969,733)	(971,183)	(897,543)
Income (loss) before transfers	(762,809)	247,751	554,308	(720,643)	281,715	1,234,910	1,478,044	1,788,368
Transfers in (out) - Water Improvement Fund	(3,419,425)	(2,128,024)	437,867	(613,720)	(458,110)	(876,320)	(415,810)	(214,800)
Change in net position	(4,182,234)	(1,880,273)	992,175	(1,334,363)	(176,395)	358,590	1,062,234	1,573,568
Net position - beginning	23,684,391	19,502,157	19,502,157	20,494,332	19,159,969	18,983,574	19,342,164	20,404,398
Net position - ending	19,502,157	17,621,884	20,494,332	19,159,969	18,983,574	19,342,164	20,404,398	21,977,966

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Administration

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees (60%)	106,824	108,425	96,428	105,445	109,136	112,956	116,909	121,001
Overtime - general	61	300	-	100	100	100	100	100
Total Personal Services - Salaries and Wages	106,885	108,725	96,428	105,545	109,236	113,056	117,009	121,101
Personal services - employee benefits								
Insurance - health	9,120	9,178	9,178	22,794	23,934	25,131	26,388	27,707
Insurance - dental	472	521	521	1,374	1,443	1,515	1,591	1,671
Insurance - life	88	44	44	85	44	44	44	44
Insurance - workers' compensation	600	600	600	600	600	600	600	600
Insurance - unemployment	377	377	325	136	136	136	136	136
Retirement - Social Security	6,923	6,741	5,804	6,544	6,773	7,009	7,255	7,508
Retirement - Medicare	1,619	1,577	1,357	1,530	1,584	1,639	1,697	1,756
Retirement - IMRF	13,576	12,134	10,473	10,618	10,989	11,373	11,771	12,183
Education - conferences and training	290	1,100	1,100	600	600	600	600	600
Equipment - clothing allowance	240	240	240	240	240	240	240	240
Total personal services - employee benefits	33,305	32,512	29,642	44,521	46,343	48,287	50,322	52,445
Contractual services - professional and technical								
Engineering services - general	35,384	52,500	52,500	54,000	54,000	54,000	82,000	54,000
Total contractual services - professional and technical	35,384	52,500	52,500	54,000	54,000	54,000	82,000	54,000
Contractual services - property								
Utilities - internet access	3,580	3,696	3,696	3,696	3,696	3,696	3,696	3,696
Total contractual services - property	3,580	3,696	3,696	3,696	3,696	3,696	3,696	3,696
Contractual services - other								
Printing and publishing - legal notices	67	500	111	100	100	100	100	100
Printing and publishing - publications	3,820	3,000	1,000	1,000	1,000	1,000	1,000	1,000
Other contractual services - dues	686	860	860	860	860	860	860	860
Bad debt	1,884	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total contractual services - other	6,457	5,360	2,971	2,960	2,960	2,960	2,960	2,960
Commodities								
General supplies - office	541	750	1,200	2,000	2,000	2,000	2,000	2,000
General supplies - postage	4,656	5,000	1,000	1,000	1,000	1,000	1,000	1,000
General supplies - tools	-	500	500	500	500	500	500	500
General supplies - books and periodicals	441	500	500	500	500	500	500	500
Total commodities	5,638	6,750	3,200	4,000	4,000	4,000	4,000	4,000

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Administration (Continued)

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Debt service								
Principal - IEPA low interest loan #1	-	65,923	65,923	67,698	69,521	71,393	73,316	-
Principal - Series 2007 bonds	-	365,000	365,000	-	-	-	-	-
Principal - IEPA low interest loan #2	-	211,376	211,376	214,027	216,710	219,427	222,179	224,965
Principal - Series 2013 bonds	-	135,000	135,000	140,000	145,000	145,000	150,000	155,000
Principal - IEPA low interest loan #3	-	110,762	110,762	112,983	115,248	117,559	119,915	122,319
Principal - Series 2017 bonds	-	-	-	135,000	140,000	140,000	145,000	150,000
Principal - IEPA low interest loan #4	-	-	-	600,000	-	-	-	-
Interest - IEPA low interest loan #1	9,881	8,867	8,867	7,092	5,269	3,397	1,474	-
Interest - Series 2007 bonds	22,483	14,418	14,418	-	-	-	-	-
Interest - IEPA low interest loan #2	42,049	39,504	39,504	36,853	34,170	31,452	28,701	25,915
Interest - Series 2013 bonds	157,175	154,900	154,900	150,850	146,650	142,300	137,950	133,450
Interest - IEPA low interest loan #3	44,963	43,689	43,689	41,469	39,203	36,892	34,535	32,131
Interest - Series 2017 bonds	80,378	151,923	151,923	110,938	106,888	102,688	98,488	94,138
Fiscal agent fees	500	800	1,750	875	875	875	875	875
Total debt service	357,429	1,302,162	1,303,112	1,617,785	1,019,534	1,010,983	1,012,433	938,793
Amortization and depreciation								
Amortization	(9,968)	-	-	-	-	-	-	-
Depreciation	1,894,773	-	-	-	-	-	-	-
Total amortization and depreciation	1,884,805	-	-	-	-	-	-	-
Total Water - Administration	2,433,483	1,511,705	1,491,549	1,832,507	1,239,769	1,236,982	1,272,420	1,176,995

Business-type activities long-term debt payable through the Water Fund at April 30, 2019 consists of:

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 which bears interest at 2.675% and requires semiannual payments through December 1, 2022.

Illinois Environmental Protection Agency Loan (2011) for \$4,310,177 which bears interest at 1.25% and requires semiannual payments through April 19, 2032.

Illinois Environmental Protection Agency Loan (2014) for \$2,482,931 which bears interest at 1.995% and requires semiannual payments through April 1, 2035.

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Plant Operations

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	483,371	442,647	424,353	479,078	491,055	503,331	515,914	528,812
Overtime - general	75,348	60,000	70,000	60,000	60,000	60,000	60,000	60,000
Total personal services - salaries and wages	558,719	502,647	494,353	539,078	551,055	563,331	575,914	588,812
Personal services - employee benefits								
Insurance - health	90,712	145,648	145,648	143,100	150,255	124,181	130,390	136,910
Insurance - dental	4,622	4,853	4,853	6,608	6,938	7,285	7,649	8,031
Insurance - life	586	513	513	641	641	641	641	641
Insurance - workers' compensation	8,000	8,000	8,000	9,000	9,000	9,000	9,000	9,000
Insurance - unemployment	3,043	2,514	1,590	1,020	1,020	1,020	1,020	1,020
Retirement - Social Security	33,698	31,164	30,695	33,423	34,165	34,927	35,707	36,506
Retirement - Medicare	7,881	7,288	7,178	7,817	7,990	8,168	8,351	8,538
Retirement - IMRF	31,170	56,095	51,156	54,231	55,436	56,671	57,937	59,234
Education - conferences and training	1,747	8,100	6,800	6,900	6,900	6,900	6,900	6,900
Equipment - clothing allowance	3,200	3,200	3,581	3,600	3,600	3,600	3,600	3,600
Total personal services - employee benefits	184,659	267,375	260,014	266,340	275,945	252,393	261,195	270,380
Contractual services - professional and technical								
Information technology services - software maintenance	390	960	795	1,742	1,742	1,742	1,742	1,946
Total contractual services - professional and technical	390	960	795	1,742	1,742	1,742	1,742	1,946
Contractual services - property								
Utilities - electric	312,865	325,000	327,778	325,000	325,000	325,000	325,000	325,000
Utilities - natural gas	7,777	10,692	10,692	11,013	11,343	11,683	12,033	12,394
Utilities - telephone	2,520	2,508	2,569	2,424	2,424	2,424	2,424	2,424
Utilities - cell phone	6,119	6,510	6,717	6,510	8,260	7,510	6,510	8,260
Building repair and maintenance - other	81,272	125,652	109,289	111,176	95,536	106,986	95,536	105,736
Sewer repair and maintenance - lift stations	17,754	19,000	19,000	24,000	19,000	19,000	19,000	19,000
Sewer repair and maintenance - sanitary sewer	92,596	75,000	75,000	175,000	175,000	175,000	175,000	175,000
Water repair and maintenance - hydrants	51,423	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Water repair and maintenance - water meters	3,205	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Water repair and maintenance - service pipes	18,643	55,000	55,000	1,269,200	327,300	20,000	20,000	20,000
Water repair and maintenance - storage tank	5,627	1,500	1,500	21,500	1,500	1,500	1,500	1,500
Water repair and maintenance - wells and pumps	23,234	40,000	42,000	172,000	371,000	56,000	11,000	11,000
Water repair and maintenance - watermains	90,100	86,163	96,163	99,721	86,282	86,346	86,413	86,484
Water repair and maintenance - valves	10,092	20,000	26,000	20,000	20,000	20,000	20,000	20,000
Water repair and maintenance - spoils disposal	35,715	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Water repair and maintenance - hydrant accidents/claims			735					
Total contractual services - property	758,942	829,025	834,443	2,299,544	1,504,645	893,449	836,416	848,798

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Plant Operations (Continued)

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Contractual services - other								
Other contractual services - dues	531	1,755	1,755	2,105	2,105	2,105	2,105	2,105
Other contractual services - sludge removal	66,590	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Other contractual services - water testing	24,417	30,000	30,000	52,000	52,000	52,000	52,000	52,000
Other contractual services - leak survey	14,049	22,000	22,000	28,000	28,000	28,000	28,000	28,000
Other contractual services - JULIE notification	12,227	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Other contractual services - SCADA maintenance	22,961	10,000	5,000	10,000	50,000	10,000	10,000	10,000
Other contractual services - accounting	373,914	342,428	346,178	336,034	351,096	361,197	372,886	389,857
Other contractual services - utility billing	216,135	207,633	184,936	208,812	212,579	218,905	226,369	238,709
Other contractual services - public works administration	21,962	22,336	32,566	28,103	32,221	28,540	28,971	37,474
Other contractual services - vehicle maintenance	161,385	154,619	149,937	153,411	165,053	159,600	162,764	166,169
Other contractual services - buildings and grounds	204,759	223,901	220,260	254,364	227,934	215,392	214,316	200,430
Other contractual services - veh and equip replacement	199,664	202,263	202,263	222,722	222,722	222,722	222,722	222,722
Total contractual services - other	1,318,594	1,289,935	1,267,895	1,368,551	1,416,710	1,371,461	1,393,133	1,420,466
Commodities								
General supplies - safety	6,829	6,250	6,407	2,250	2,250	2,250	2,250	2,250
General supplies - uniforms	3,954	6,000	6,000	6,500	6,500	6,500	6,500	6,500
General supplies - computer equipment	1,483	-	1,400	5,600	-	1,400	2,600	4,400
Vehicle supplies - tools	1,421	2,000	2,000	6,100	2,000	2,000	2,000	2,000
Public Works supplies - water chemicals	287,718	298,000	298,000	298,000	298,000	298,000	298,000	298,000
Public Works supplies - JULIE	4,314	4,000	4,000	4,000	4,000	4,000	4,000	6,300
Public Works supplies - water meters	-	-	-	170,000	175,000	180,000	185,000	190,000
Minor equipment - Public Works	10,872	-	-	-	-	-	-	-
Total commodities	316,591	316,250	317,807	492,450	487,750	494,150	500,350	509,450
Total water - water plant operations	3,137,895	3,206,192	3,175,307	4,967,705	4,237,847	3,576,526	3,568,750	3,639,852

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.

Chapter 8: Fund Summary

WATER IMPROVEMENT FUND (Continued)

The main capital outlay projects in the Water Improvement Fund for fiscal year 2020 are:

- Our watermain replacement program replaces aging, critical infrastructure with new watermain that provide more reliable service, better water pressure, and high-quality water. Much of the Village's 211 million gallons of non-revenue water is due to leaks in the water system. At a total cost of over \$200,000 per year, the Village will begin to see savings immediately due to fewer main breaks in the areas being replaced.
- The Village's rehabilitation reserve addresses necessary maintenance of capital items other than watermain including wells, water treatment plants, well houses, water storage tanks, booster pump stations, and pressure reducing valves. The two main projects during fiscal year 2020 will be maintenance of well 4 and the Ground Storage Tank next to the current Public Works Facility at a cost of \$184,000 and \$284,000, respectively.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
OPERATING REVENUES								
Total operating revenues								
OPERATING EXPENSES								
West water tower	-	-	-	-	-	-	-	27,000
Watermain replacement	157,523	1,147,224	1,147,224	457,000	534,400	636,800	263,900	207,400
Sanitary sewer televising	-	100,000	100,000	-	-	-	-	-
Water meters (general)	96,660	161,020	161,020	-	-	-	-	-
Rehabilitation reserve	278,503	243,470	243,470	607,275	409,100	284,520	196,910	1,055,400
Boulder Hill water system improvements	1,706	-	-	-	-	-	-	-
Chlorine system improvements	1,286	-	334	-	-	-	-	-
Jefferson Street lift station rehabilitation	-	961,700	1,155,868	60,835	-	-	-	-
Water quality testing and regional planning	5,123	20,000	20,000	-	-	-	-	-
Issuance costs	112,270	-	-	-	-	-	-	-
Total operating expenses	653,071	2,633,414	2,827,916	1,125,110	943,500	921,320	460,810	1,289,800
Operating loss	(653,071)	(2,633,414)	(2,827,916)	(1,125,110)	(943,500)	(921,320)	(460,810)	(1,289,800)
NONOPERATING REVENUES								
Interest income - cash and investments	24,471	-	48,915	26,000	-	-	-	-
Other reimbursements - water meters	13,394	20,000	20,524	-	-	-	-	-
Other reimbursements - tap fees	33,644	485,390	369,098	485,390	485,390	45,000	45,000	45,000
Bond proceeds	-	-	-	-	-	-	-	4,000,000
Total nonoperating revenues	71,509	505,390	438,537	511,390	485,390	45,000	45,000	4,045,000
Income (loss) before transfers	(581,562)	(2,128,024)	(2,389,379)	(613,720)	(458,110)	(876,320)	(415,810)	2,755,200
Transfers in (out) - Water Fund	3,419,425	2,128,024	(437,867)	613,720	458,110	876,320	415,810	214,800
Change in net position	2,837,863	-	(2,827,246)	-	-	-	-	2,970,000
Net position - beginning	(10,617)	2,827,246	2,827,246	-	-	-	-	-
Net position - ending	2,827,246	2,827,246	-	-	-	-	-	2,970,000

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.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
OPERATING REVENUES								
Internal service fees								
Employer medical insurance contributions	922,172	1,067,439	1,054,797	1,138,649	1,198,237	1,187,114	1,246,472	1,308,796
Employer dental insurance contributions	52,216	56,319	56,319	65,821	69,252	72,715	76,350	80,168
Employee medical insurance contributions	137,682	133,321	151,830	183,135	153,319	176,317	202,765	233,180
Cobra medical insurance contributions	6,345	-	5,044	-	-	-	-	-
Retiree medical insurance contributions	84,990	86,530	91,335	88,473	90,857	95,400	100,170	105,179
Employer life insurance contributions	4,547	4,271	4,271	4,827	4,794	4,794	4,794	4,794
Total internal service fees	1,207,952	1,347,880	1,363,596	1,480,905	1,516,459	1,536,340	1,630,551	1,732,117
Total operating revenues	1,207,952	1,347,880	1,363,596	1,480,905	1,516,459	1,536,340	1,630,551	1,732,117
OPERATING EXPENSES								
Contractual services - other								
Insurance - medical (HMO)	1,001,867	1,287,290	1,303,006	1,410,257	1,442,413	1,458,831	1,549,407	1,647,155
Insurance - medical (PPO)	31,299	-	-	-	-	-	-	-
Insurance - dental	58,669	56,319	56,319	65,821	69,252	72,715	76,350	80,168
Insurance - life	4,814	4,271	4,271	4,827	4,794	4,794	4,794	4,794
Total contractual services - other	1,096,649	1,347,880	1,363,596	1,480,905	1,516,459	1,536,340	1,630,551	1,732,117
Total operating expenses	1,096,649	1,347,880	1,363,596	1,480,905	1,516,459	1,536,340	1,630,551	1,732,117
Operating income (loss)	111,303	-	-	-	-	-	-	-
NONOPERATING REVENUES								
Interest income - cash and investments	1,833	-	6,415	6,000	6,000	6,000	6,000	6,000
Change in net position	113,136	-	6,415	6,000	6,000	6,000	6,000	6,000
Net position - beginning	211,507	324,643	324,643	331,058	337,058	343,058	349,058	355,058
Net position - ending	324,643	324,643	331,058	337,058	343,058	349,058	355,058	361,058

Chapter 8: Fund Summary

VEHICLE AND EQUIPMENT REPLACEMENT FUND

The Vehicle and Equipment Replacement Fund (VERF) 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. The fiscal year 2020 budget includes replacement of 9 pieces of equipment. The Village is in the process of building up the fund balance in order to be fully funded by fiscal year 2029.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Intergovernmental, grants, and contributions								
Federal grant - body worn cameras	-	-	-	50,000	-	-	-	-
Total intergovernmental, grants, and contributions	-	-	-	50,000	-	-	-	-
Charges for services								
Vehicle and equipment replacement contributions	616,915	618,241	618,241	659,160	659,160	659,160	659,160	659,160
Total charges for services	616,915	618,241	618,241	659,160	659,160	659,160	659,160	659,160
Fines and forfeitures								
Kane County - drug fines	-	1,000	3,434	2,500	2,500	2,500	2,500	2,500
Kane County - DUI prevention	-	7,500	7,901	7,500	7,500	7,500	7,500	7,500
Article 36 forfeiture	-	1,000	-	1,000	1,000	1,000	1,000	1,000
Kane County - e-citation	-	3,500	4,000	3,500	3,500	3,500	3,500	3,500
Kendall County - drug fines	-	1,500	539	1,000	1,000	1,000	1,000	1,000
Kendall County - DUI prevention	-	4,000	3,968	4,000	4,000	4,000	4,000	4,000
Kendall County - e-citation	-	250	252	250	250	250	250	250
Total fines and forfeitures	-	18,750	20,094	19,750	19,750	19,750	19,750	19,750
Investment income								
Interest Income - cash and investments	4,756	10,000	8,268	10,000	10,000	15,000	20,000	20,000
Total investment income	4,756	10,000	8,268	10,000	10,000	15,000	20,000	20,000
Total revenues	621,671	646,991	646,603	738,910	688,910	693,910	698,910	698,910
EXPENDITURES								
Commodities								
Minor equipment - police	-	-	-	97,416	-	-	-	-
Total commodities	-	-	-	97,416	-	-	-	-
Capital outlay								
Vehicles and equipment	725,217	744,710	703,128	489,741	221,264	171,309	113,170	193,545
Total capital outlay	725,217	744,710	703,128	489,741	221,264	171,309	113,170	193,545
Total expenditures	725,217	744,710	703,128	587,157	221,264	171,309	113,170	193,545
Excess (deficiency) of revenues over (under) expenditures	(103,546)	(97,719)	(56,525)	151,753	467,646	522,601	585,740	505,365
Other financing sources								
Disposal of capital assets	174,142	-	75,000	-	-	-	-	-
Transfers in	31,867	-	-	-	-	-	-	-
Total other financing sources	206,009	-	75,000	-	-	-	-	-
Net change in fund balance	102,463	(97,719)	18,475	151,753	467,646	522,601	585,740	505,365
Fund balance - beginning	501,012	603,475	603,475	621,950	773,703	1,241,349	1,763,950	2,349,690
Fund balance - ending	603,475	505,756	621,950	773,703	1,241,349	1,763,950	2,349,690	2,855,055

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 DeKalb County Recycling Systems (DC) 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 started at \$16.47 on August 1, 2017 and will increase 3% per year thereafter. The large decrease in fiscal year 2018 reflects the contract change noted above. Fiscal year 2019 reflects 3 months at \$16.47 per month and 9 months at \$16.96 per month, while fiscal year 2020 reflects 3 months at \$16.96 and 9 months at \$17.47. The budgeted amount for direct customer refuse billing is based on the contract rate and the existing number of homes.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
OPERATING REVENUES								
Charges for services								
Service fees - refuse removal	1,197,909	1,197,206	1,196,761	1,237,277	1,284,918	1,333,883	1,384,785	1,437,806
Total charges for services	1,197,909	1,197,206	1,196,761	1,237,277	1,284,918	1,333,883	1,384,785	1,437,806
Total operating revenues	1,197,909	1,197,206	1,196,761	1,237,277	1,284,918	1,333,883	1,384,785	1,437,806
OPERATING EXPENSES								
Contractual services - other								
Other contractual services - solid waste disposal	1,213,171	1,197,206	1,195,754	1,237,277	1,284,918	1,333,883	1,384,785	1,437,806
Total contractual services - other	1,213,171	1,197,206	1,195,754	1,237,277	1,284,918	1,333,883	1,384,785	1,437,806
Total operating expenses	1,213,171	1,197,206	1,195,754	1,237,277	1,284,918	1,333,883	1,384,785	1,437,806
Change in net position	(15,262)	-	1,007	-	-	-	-	-
Net position - beginning	12,044	(3,218)	(3,218)	(2,211)	(2,211)	(2,211)	(2,211)	(2,211)
Net position - ending	(3,218)	(3,218)	(2,211)	(2,211)	(2,211)	(2,211)	(2,211)	(2,211)

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 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 2020 as determined by the Village's actuary.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
ADDITIONS								
Contributions								
Employer contributions - property tax	580,602	557,399	557,590	595,737	607,652	619,805	632,201	644,845
Employee contributions - police pension	223,418	247,564	347,488	250,688	260,089	269,842	279,961	290,460
Total contributions	804,020	804,963	905,078	846,425	867,741	889,647	912,162	935,305
Investment income								
Interest income - cash and investments	381,787	729,960	469,520	754,075	818,825	888,300	962,955	1,043,210
Investment income - realized gain (loss)	178,845	-	8,333	-	-	-	-	-
Investment income - unrealized gain (loss)	(70,880)	-	(75,445)	-	-	-	-	-
Gross investment income	489,752	729,960	402,408	754,075	818,825	888,300	962,955	1,043,210
Less: professional services - cash management	(23,011)	(26,070)	(23,722)	(26,931)	(29,244)	(31,725)	(34,391)	(37,258)
Net investment income	466,741	703,890	378,686	727,144	789,581	856,575	928,564	1,005,952
Total additions	1,270,761	1,508,853	1,283,764	1,573,569	1,657,322	1,746,222	1,840,726	1,941,257
DEDUCTIONS								
Personal services - employee benefits								
Retirement - retiree pension	414,378	520,271	520,271	541,018	561,301	578,140	595,486	613,350
Retirement - surviving spouse pension	20,816	20,816	20,816	20,816	20,816	20,816	20,816	20,816
Retirement - refund of contributions	-	-	29,617	-	-	-	-	-
Retirement - disability pension	101,816	101,815	101,816	101,815	101,815	101,815	101,815	101,815
Education - conferences and training	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total personal services - employee benefits	537,010	647,902	677,520	668,649	688,932	705,771	723,117	740,981
Contractual services - professional and technical								
Legal services - other	2,609	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Accounting and auditing services - general	1,220	1,240	1,240	1,260	1,280	1,300	1,320	1,340
Accounting and auditing services - actuary	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Total contractual services - professional and technical	5,879	6,290	6,290	6,310	6,330	6,350	6,370	6,390
Contractual services - other								
Physicals/testing	2,893	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Dues	2,465	2,598	2,618	2,742	2,840	3,040	3,232	3,438
Total contractual services - other	5,358	4,098	4,118	4,242	4,340	4,540	4,732	4,938
Total deductions	548,247	658,290	687,928	679,201	699,602	716,661	734,219	752,309
Change in net position	722,514	850,563	595,836	894,368	957,720	1,029,561	1,106,507	1,188,948
Net position - beginning	9,114,688	9,837,202	9,837,202	10,433,038	11,327,406	12,285,126	13,314,687	14,421,194
Net position - ending	9,837,202	10,687,765	10,433,038	11,327,406	12,285,126	13,314,687	14,421,194	15,610,142

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.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Miscellaneous								
Donations - other	450	250	100	250	250	250	250	250
Total miscellaneous	450	250	100	250	250	250	250	250
Total revenues	450	250	100	250	250	250	250	250
EXPENDITURES								
Commodities								
Police supplies - too good for drugs program	-	400	-	-	-	-	-	-
Police supplies - other	1,695	1,000	250	1,000	1,000	1,000	1,000	1,000
Total commodities	1,695	1,400	250	1,000	1,000	1,000	1,000	1,000
Total expenditures	1,695	1,400	250	1,000	1,000	1,000	1,000	1,000
Net change in fund balance	(1,245)	(1,150)	(150)	(750)	(750)	(750)	(750)	(750)
Fund balance - beginning	8,484	7,239	7,239	7,089	6,339	5,589	4,839	4,089
Fund balance - ending	7,239	6,089	7,089	6,339	5,589	4,839	4,089	3,339

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

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Montgomery Crossing SSA	47,986	51,500	51,496	53,000	53,000	53,000	53,000	53,000
Total property taxes	<u>47,986</u>	<u>51,500</u>	<u>51,496</u>	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>
Investment income								
Interest income - cash and investments	-	-	316	600	600	600	600	600
Total investment income	<u>-</u>	<u>-</u>	<u>316</u>	<u>600</u>	<u>600</u>	<u>600</u>	<u>600</u>	<u>600</u>
Total revenues	<u>47,986</u>	<u>51,500</u>	<u>51,812</u>	<u>53,600</u>	<u>53,600</u>	<u>53,600</u>	<u>53,600</u>	<u>53,600</u>
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	32,460	44,480	44,179	29,840	40,340	29,840	40,340	29,840
Grounds repair and maintenance - landscaping	20,747	22,560	23,833	19,143	15,837	19,143	15,837	19,143
Total contractual services - property	<u>53,207</u>	<u>67,040</u>	<u>68,012</u>	<u>48,983</u>	<u>56,177</u>	<u>48,983</u>	<u>56,177</u>	<u>48,983</u>
Total expenditures	<u>53,207</u>	<u>67,040</u>	<u>68,012</u>	<u>48,983</u>	<u>56,177</u>	<u>48,983</u>	<u>56,177</u>	<u>48,983</u>
Net change in fund balance	(5,221)	(15,540)	(16,200)	4,617	(2,577)	4,617	(2,577)	4,617
Fund balance - beginning	<u>135,004</u>	<u>129,783</u>	<u>129,783</u>	<u>113,583</u>	<u>118,200</u>	<u>115,623</u>	<u>120,240</u>	<u>117,663</u>
Fund balance - ending	<u>129,783</u>	<u>114,243</u>	<u>113,583</u>	<u>118,200</u>	<u>115,623</u>	<u>120,240</u>	<u>117,663</u>	<u>122,280</u>

BLACKBERRY CROSSING SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Blackberry Crossing SSA	8,001	16,000	15,980	18,000	18,000	18,000	16,000	16,000
Total property taxes	<u>8,001</u>	<u>16,000</u>	<u>15,980</u>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>16,000</u>	<u>16,000</u>
Total revenues	<u>8,001</u>	<u>16,000</u>	<u>15,980</u>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>16,000</u>	<u>16,000</u>
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	5,893	8,285	8,285	5,725	7,825	5,725	7,825	5,725
Grounds repair and maintenance - landscaping	9,261	12,170	13,383	9,104	7,326	9,104	7,326	9,104
Total contractual services - property	<u>15,154</u>	<u>20,455</u>	<u>21,668</u>	<u>14,829</u>	<u>15,151</u>	<u>14,829</u>	<u>15,151</u>	<u>14,829</u>
Total expenditures	<u>15,154</u>	<u>20,455</u>	<u>21,668</u>	<u>14,829</u>	<u>15,151</u>	<u>14,829</u>	<u>15,151</u>	<u>14,829</u>
Net change in fund balance	(7,153)	(4,455)	(5,688)	3,171	2,849	3,171	849	1,171
Fund balance - beginning	<u>61,840</u>	<u>54,687</u>	<u>54,687</u>	<u>48,999</u>	<u>52,170</u>	<u>55,019</u>	<u>58,190</u>	<u>59,039</u>
Fund balance - ending	<u>54,687</u>	<u>50,232</u>	<u>48,999</u>	<u>52,170</u>	<u>55,019</u>	<u>58,190</u>	<u>59,039</u>	<u>60,210</u>

Chapter 8: Fund Summary

FAIRFIELD WAY SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Fairfield Way SSA	24,935	22,500	22,622	24,500	24,500	26,500	28,500	30,500
Total property taxes	24,935	22,500	22,622	24,500	24,500	26,500	28,500	30,500
Investment income								
Interest income - cash and investments	-	-	347	720	720	720	720	720
Total investment income	-	-	347	720	720	720	720	720
Total revenues	24,935	22,500	22,969	25,220	25,220	27,220	29,220	31,220
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	15,940	15,240	17,591	10,980	13,860	10,980	13,860	10,980
Grounds repair and maintenance - landscaping	27,984	34,089	36,368	25,144	22,335	25,144	22,335	25,144
Total contractual services - property	43,924	49,329	53,959	36,124	36,195	36,124	36,195	36,124
Total expenditures	43,924	49,329	53,959	36,124	36,195	36,124	36,195	36,124
Net change in fund balance	(18,989)	(26,829)	(30,990)	(10,904)	(10,975)	(8,904)	(6,975)	(4,904)
Fund balance - beginning	178,661	159,672	159,672	128,682	117,778	106,803	97,899	90,924
Fund balance - ending	159,672	132,843	128,682	117,778	106,803	97,899	90,924	86,020

ARBOR RIDGE SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Arbor Ridge SSA	19,928	22,000	22,007	23,000	23,000	23,000	23,000	23,000
Total property taxes	19,928	22,000	22,007	23,000	23,000	23,000	23,000	23,000
Total revenues	19,928	22,000	22,007	23,000	23,000	23,000	23,000	23,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	11,171	8,990	8,990	6,770	8,070	6,770	8,070	6,770
Grounds repair and maintenance - landscaping	11,883	12,486	8,418	11,890	8,123	11,890	8,123	11,890
Total contractual services - property	23,054	21,476	17,408	18,660	16,193	18,660	16,193	18,660
Total expenditures	23,054	21,476	17,408	18,660	16,193	18,660	16,193	18,660
Net change in fund balance	(3,126)	524	4,599	4,340	6,807	4,340	6,807	4,340
Fund balance - beginning	28,088	24,962	24,962	29,561	33,901	40,708	45,048	51,855
Fund balance - ending	24,962	25,486	29,561	33,901	40,708	45,048	51,855	56,195

Chapter 8: Fund Summary

FOXMOOR SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Foxmoor SSA	42,833	47,500	47,465	52,000	54,000	56,000	56,000	56,000
Total property taxes	<u>42,833</u>	<u>47,500</u>	<u>47,465</u>	<u>52,000</u>	<u>54,000</u>	<u>56,000</u>	<u>56,000</u>	<u>56,000</u>
Investment income								
Interest income - cash and investments	-	-	176	360	360	360	360	360
Total investment income	<u>-</u>	<u>-</u>	<u>176</u>	<u>360</u>	<u>360</u>	<u>360</u>	<u>360</u>	<u>360</u>
Total revenues	<u>42,833</u>	<u>47,500</u>	<u>47,641</u>	<u>52,360</u>	<u>54,360</u>	<u>56,360</u>	<u>56,360</u>	<u>56,360</u>
EXPENDITURES								
Contractual Services - Property								
Grounds repair and maintenance - basins	14,210	19,134	19,134	15,334	18,214	15,334	18,214	15,334
Grounds repair and maintenance - landscaping	45,260	49,314	54,571	38,071	29,771	38,071	29,771	38,071
Total contractual services - property	<u>59,470</u>	<u>68,448</u>	<u>73,705</u>	<u>53,405</u>	<u>47,985</u>	<u>53,405</u>	<u>47,985</u>	<u>53,405</u>
Total expenditures	<u>59,470</u>	<u>68,448</u>	<u>73,705</u>	<u>53,405</u>	<u>47,985</u>	<u>53,405</u>	<u>47,985</u>	<u>53,405</u>
Net change in fund balance	(16,637)	(20,948)	(26,064)	(1,045)	6,375	2,955	8,375	2,955
Fund balance - beginning	<u>124,674</u>	<u>108,037</u>	<u>108,037</u>	<u>81,973</u>	<u>80,928</u>	<u>87,303</u>	<u>90,258</u>	<u>98,633</u>
Fund balance - ending	<u>108,037</u>	<u>87,089</u>	<u>81,973</u>	<u>80,928</u>	<u>87,303</u>	<u>90,258</u>	<u>98,633</u>	<u>101,588</u>

SARATOGA SPRINGS SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Saratoga Springs SSA	13,543	16,000	16,002	17,500	19,000	20,500	20,500	20,500
Total property taxes	<u>13,543</u>	<u>16,000</u>	<u>16,002</u>	<u>17,500</u>	<u>19,000</u>	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>
Total revenues	<u>13,543</u>	<u>16,000</u>	<u>16,002</u>	<u>17,500</u>	<u>19,000</u>	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	7,994	11,891	11,891	8,871	10,971	8,871	10,971	8,871
Grounds repair and maintenance - landscaping	5,727	4,880	6,056	5,731	4,664	5,731	4,664	5,731
Total contractual services - property	<u>13,721</u>	<u>16,771</u>	<u>17,947</u>	<u>14,602</u>	<u>15,635</u>	<u>14,602</u>	<u>15,635</u>	<u>14,602</u>
Total expenditures	<u>13,721</u>	<u>16,771</u>	<u>17,947</u>	<u>14,602</u>	<u>15,635</u>	<u>14,602</u>	<u>15,635</u>	<u>14,602</u>
Net change in fund balance	(178)	(771)	(1,945)	2,898	3,365	5,898	4,865	5,898
Fund balance - beginning	<u>36,106</u>	<u>35,928</u>	<u>35,928</u>	<u>33,983</u>	<u>36,881</u>	<u>40,246</u>	<u>46,144</u>	<u>51,009</u>
Fund balance - ending	<u>35,928</u>	<u>35,157</u>	<u>33,983</u>	<u>36,881</u>	<u>40,246</u>	<u>46,144</u>	<u>51,009</u>	<u>56,907</u>

Chapter 8: Fund Summary

ORCHARD PRAIRIE NORTH SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Orchard Prairie SSA	28,981	31,000	31,003	31,000	31,000	31,000	31,000	31,000
Total property taxes	<u>28,981</u>	<u>31,000</u>	<u>31,003</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>
Total revenues	28,981	31,000	31,003	31,000	31,000	31,000	31,000	31,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	11,096	13,196	13,196	9,716	11,816	9,716	11,816	9,716
Grounds repair and maintenance - landscaping	17,846	18,764	19,506	14,102	12,182	14,102	12,182	14,102
Total contractual services - property	<u>28,942</u>	<u>31,960</u>	<u>32,702</u>	<u>23,818</u>	<u>23,998</u>	<u>23,818</u>	<u>23,998</u>	<u>23,818</u>
Total expenditures	28,942	31,960	32,702	23,818	23,998	23,818	23,998	23,818
Net change in fund balance	39	(960)	(1,699)	7,182	7,002	7,182	7,002	7,182
Fund balance - beginning	34,516	34,555	34,555	32,856	40,038	47,040	54,222	61,224
Fund balance - ending	<u>34,555</u>	<u>33,595</u>	<u>32,856</u>	<u>40,038</u>	<u>47,040</u>	<u>54,222</u>	<u>61,224</u>	<u>68,406</u>

BLACKBERRY CROSSING WEST SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Blackberry Crossing West SSA	50,056	37,000	37,069	32,000	32,000	32,000	32,000	32,000
Total property taxes	<u>50,056</u>	<u>37,000</u>	<u>37,069</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>
Investment income								
Interest income - cash and investments	-	-	440	960	960	960	960	960
Total investment income	<u>-</u>	<u>-</u>	<u>440</u>	<u>960</u>	<u>960</u>	<u>960</u>	<u>960</u>	<u>960</u>
Total revenues	50,056	37,000	37,509	32,960	32,960	32,960	32,960	32,960
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	28,264	36,940	36,940	29,140	34,180	29,140	34,180	29,140
Grounds repair and maintenance - landscaping	9,468	12,167	16,029	9,478	9,123	9,478	9,123	9,478
Total contractual services - property	<u>37,732</u>	<u>49,107</u>	<u>52,969</u>	<u>38,618</u>	<u>43,303</u>	<u>38,618</u>	<u>43,303</u>	<u>38,618</u>
Total expenditures	37,732	49,107	52,969	38,618	43,303	38,618	43,303	38,618
Net change in fund balance	12,324	(12,107)	(15,460)	(5,658)	(10,343)	(5,658)	(10,343)	(5,658)
Fund balance - beginning	147,028	159,352	159,352	143,892	138,234	127,891	122,233	111,890
Fund balance - ending	<u>159,352</u>	<u>147,245</u>	<u>143,892</u>	<u>138,234</u>	<u>127,891</u>	<u>122,233</u>	<u>111,890</u>	<u>106,232</u>

Chapter 8: Fund Summary

FIELDSTONE PLACE SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Fieldstone Place SSA	5,463	5,000	4,977	3,000	3,000	3,000	3,000	3,000
Total property taxes	5,463	5,000	4,977	3,000	3,000	3,000	3,000	3,000
Total revenues	5,463	5,000	4,977	3,000	3,000	3,000	3,000	3,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	2,541	4,620	4,620	2,400	3,700	2,400	3,700	2,400
Total contractual services - property	2,541	4,620	4,620	2,400	3,700	2,400	3,700	2,400
Total expenditures	2,541	4,620	4,620	2,400	3,700	2,400	3,700	2,400
Net change in fund balance	2,922	380	357	600	(700)	600	(700)	600
Fund balance - beginning	18,705	21,627	21,627	21,984	22,584	21,884	22,484	21,784
Fund balance - ending	21,627	22,007	21,984	22,584	21,884	22,484	21,784	22,384

BALMOREA SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Balmorea SSA	35,212	35,000	35,004	35,000	32,000	32,000	32,000	32,000
Total property taxes	35,212	35,000	35,004	35,000	32,000	32,000	32,000	32,000
Total revenues	35,212	35,000	35,004	35,000	32,000	32,000	32,000	32,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	18,009	28,956	28,956	16,981	24,356	16,981	24,356	16,981
Total contractual services - property	18,009	28,956	28,956	16,981	24,356	16,981	24,356	16,981
Total expenditures	18,009	28,956	28,956	16,981	24,356	16,981	24,356	16,981
Net change in fund balance	17,203	6,044	6,048	18,019	7,644	15,019	7,644	15,019
Fund balance - beginning	1,075	18,278	18,278	24,326	42,345	49,989	65,008	72,652
Fund balance - ending	18,278	24,322	24,326	42,345	49,989	65,008	72,652	87,671

Chapter 8: Fund Summary

MARQUIS POINTE SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Marquis Pointe SSA	14,029	14,000	14,031	13,000	13,000	13,000	13,000	11,500
Total property taxes	14,029	14,000	14,031	13,000	13,000	13,000	13,000	11,500
Total revenues	14,029	14,000	14,031	13,000	13,000	13,000	13,000	11,500
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	7,702	11,003	11,003	8,339	11,003	8,339	11,003	8,339
Total contractual services - property	7,702	11,003	11,003	8,339	11,003	8,339	11,003	8,339
Total expenditures	7,702	11,003	11,003	8,339	11,003	8,339	11,003	8,339
Net change in fund balance	6,327	2,997	3,028	4,661	1,997	4,661	1,997	3,161
Fund balance - beginning	25,507	31,834	31,834	34,862	39,523	41,520	46,181	48,178
Fund balance - ending	31,834	34,831	34,862	39,523	41,520	46,181	48,178	51,339

OGDEN HILL SSA FUND

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUES								
Property taxes								
Property tax - Ogden Hill SSA	25,029	25,000	25,032	23,000	21,000	19,000	17,000	17,000
Total property taxes	25,029	25,000	25,032	23,000	21,000	19,000	17,000	17,000
Total revenues	25,029	25,000	25,032	23,000	21,000	19,000	17,000	17,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	13,113	18,736	18,736	14,200	18,736	14,200	18,736	14,200
Total contractual services - property	13,113	18,736	18,736	14,200	18,736	14,200	18,736	14,200
Total expenditures	13,113	18,736	18,736	14,200	18,736	14,200	18,736	14,200
Net change in fund balance	11,916	6,264	6,296	8,800	2,264	4,800	(1,736)	2,800
Fund balance - beginning	32,601	44,517	44,517	50,813	59,613	61,877	66,677	64,941
Fund balance - ending	44,517	50,781	50,813	59,613	61,877	66,677	64,941	67,741

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.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
REVENUE								
Property taxes	2,264,512	2,273,024	2,274,325	2,334,259	2,359,600	2,404,764	2,450,831	2,497,820
Other taxes	165,129	160,538	184,445	186,545	187,090	187,641	188,197	188,759
Licenses and permits	427,199	469,821	466,064	439,188	446,684	452,704	458,747	459,812
Charges for services	344,664	331,521	354,677	352,432	363,352	376,897	387,817	398,737
Intergovernmental, grants, and contributions	6,459,318	6,790,225	6,971,072	7,373,448	7,602,555	7,804,404	8,070,333	8,347,213
Fines and forfeitures	197,546	249,500	269,348	264,500	276,500	288,500	300,500	312,500
Investment income	61,905	49,500	93,657	82,500	82,500	82,500	82,500	82,500
Miscellaneous	155,794	127,790	136,198	125,790	125,790	125,790	125,790	125,790
Total Revenue	10,076,067	10,451,919	10,749,786	11,158,662	11,444,071	11,723,200	12,064,715	12,413,131
EXPENDITURES								
General government								
Elected Officials	158,400	185,522	179,451	181,460	180,400	181,540	180,480	181,620
Village Administrator	402,704	389,122	399,980	485,920	527,621	534,510	580,658	573,056
Finance	560,872	513,641	519,267	504,050	526,645	541,795	559,328	584,786
Community Development								
Planning and zoning	308,801	311,462	322,195	332,549	332,122	343,107	353,917	367,917
Code enforcement and inspections	363,285	348,288	367,357	364,721	375,506	388,827	399,839	412,192
Economic development	966,885	782,069	1,012,774	1,070,992	1,135,894	1,205,269	1,168,657	1,157,552
Legal Services	172,479	179,500	184,561	226,100	185,600	193,100	200,600	208,100
Engineering Services	230,974	225,000	264,774	235,000	245,000	255,000	265,000	275,000
Public safety								
Police								
Administration	681,080	635,579	638,362	922,541	896,340	935,145	945,230	981,793
Support Services	476,383	527,495	538,297	558,475	583,654	583,279	606,600	628,555
Patrol	3,683,618	3,912,203	3,759,120	3,591,404	3,708,866	3,818,159	3,947,513	4,071,034
Investigations	390,527	404,888	397,337	542,132	551,278	568,884	589,179	615,219
Police Commission	11,687	8,377	7,954	5,537	4,737	4,537	3,737	5,537
ESDA	2,339	2,200	2,000	3,200	3,200	3,200	3,200	3,200
Highways and streets								
Public works								
Administration	118,212	122,361	105,017	118,537	124,983	126,373	130,652	140,465
Streets	1,049,060	1,063,819	995,969	1,187,509	1,225,382	1,144,132	1,156,829	1,171,673
Vehicle maintenance	242,078	231,928	224,906	230,117	247,580	239,399	244,146	249,254
Buildings and grounds	399,162	431,753	425,986	480,104	437,618	414,645	417,072	392,323
Stormwater	41,900	43,956	43,956	48,956	30,456	40,456	30,456	30,456
Total expenditures	10,260,446	10,319,163	10,389,263	11,089,304	11,322,882	11,521,357	11,783,093	12,049,732
Excess (deficiency) of revenues over (under) expenditures:	(184,379)	132,756	360,523	69,358	121,189	201,843	281,622	363,399
Other financing sources								
Transfers in	6,543	-	-	-	-	-	-	-
Net change in fund balance	(177,836)	132,756	360,523	69,358	121,189	201,843	281,622	363,399
Fund balance - beginning	4,285,182	4,107,346	4,107,346	4,467,869	4,537,227	4,658,416	4,860,259	5,141,881
Fund balance - ending	4,107,346	4,240,102	4,467,869	4,537,227	4,658,416	4,860,259	5,141,881	5,505,280

Chapter 9: Departmental Summary

REVENUES

General Fund revenues for fiscal year 2020 are budgeted at \$11,158,662 which is an increase of \$706,743 over fiscal year 2019 budget and an increase of \$408,876 over fiscal year 2019 estimated. The increase over budget and estimate actual is attributable to an increase in sales tax and local use tax. A discussion on sales tax is included in major revenues on page 66.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Property taxes								
Property tax - corporate	556,720	583,217	586,729	587,506	579,940	591,539	603,370	615,437
Property tax - police pension	580,602	557,399	557,590	595,737	607,652	619,805	632,201	644,845
Property tax - Social Security	237,431	238,569	238,742	243,614	248,486	253,456	258,525	263,696
Property tax - IMRF	228,471	229,658	229,730	234,427	239,116	243,898	248,776	253,752
Property tax - insurance	293,350	294,876	294,972	301,000	307,020	313,160	319,423	325,811
Property tax - police protection	263,695	265,062	265,158	270,571	275,982	281,502	287,132	292,875
Other taxes - road and bridge tax	104,243	104,243	101,404	101,404	101,404	101,404	101,404	101,404
Total property taxes	2,264,512	2,273,024	2,274,325	2,334,259	2,359,600	2,404,764	2,450,831	2,497,820
Other taxes								
Other taxes - video gaming tax	110,129	102,000	130,440	132,000	132,000	132,000	132,000	132,000
Fees - infrastructure maintenance fee	55,000	58,538	54,005	54,545	55,090	55,641	56,197	56,759
Total other taxes	165,129	160,538	184,445	186,545	187,090	187,641	188,197	188,759
Licenses and permits								
Licenses - liquor licenses	30,808	29,650	28,700	29,400	29,400	29,400	29,400	29,400
Licenses - other licenses	90	1,050	1,804	930	930	930	930	930
Licenses - amusement machine licenses	-	150	150	150	150	150	150	150
Licenses - tobacco licenses	400	350	450	400	400	400	400	400
Licenses - contractors	24,820	28,125	25,688	25,000	28,125	31,250	34,375	37,500
Permits - building permits	113,367	130,000	143,603	135,000	140,000	145,000	150,000	150,000
Permits - oversized vehicle permit	7,825	12,000	14,000	13,500	15,000	15,000	15,000	15,000
Permits - solicitor	3,360	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Permits - other	495	500	575	500	500	500	500	500
Fees - cable franchise fee	246,034	264,996	248,094	231,308	229,179	227,074	224,992	222,932
Total licenses and permits	427,199	469,821	466,064	439,188	446,684	452,704	458,747	459,812
Intergovernmental, grants, and contributions								
Property tax - TIF surplus	15,785	10,836	11,307	14,176	14,601	15,039	15,490	15,955
Sales tax	4,206,002	4,450,606	4,566,903	4,795,248	5,035,010	5,286,761	5,551,099	5,828,654
State income tax	1,677,747	1,766,360	1,775,579	1,816,143	1,816,143	1,816,143	1,816,143	1,816,143
Other taxes - corporate replacement tax	57,546	52,900	50,005	53,339	53,339	53,339	53,339	53,339
Other taxes - road and bridge replacement tax	6,675	6,613	6,251	6,667	6,667	6,667	6,667	6,667
Other taxes - local use tax	487,302	484,919	546,687	603,845	603,845	603,845	603,845	603,845
Federal grants - Urban/Community Forest (PW)	-	-	-	15,000	-	-	-	-
State grants - body armor (PD)	3,417	1,351	2,250	2,280	2,280	2,280	3,420	2,280
State grants - ILCC tobacco (PD)	1,045	1,760	2,090	2,090	2,090	2,090	2,090	2,090
State grants - traffic safety grant (PD)	3,799	14,880	10,000	18,240	18,240	18,240	18,240	18,240
Local grants - street lights (PW)	-	-	-	46,420	50,340	-	-	-
Total intergovernmental, grants, and contributions	6,459,318	6,790,225	6,971,072	7,373,448	7,602,555	7,804,404	8,070,333	8,347,213
Charges for services								
Service fees - refuse removal	688	-	-	-	-	-	-	-
Inspection fees - plumbing inspections	12,510	22,000	13,665	22,000	22,000	22,000	22,000	22,000
Inspection fees - engineering inspections	3,632	11,000	9,141	11,000	11,000	11,000	11,000	11,000

Chapter 9: Departmental Summary

REVENUES (Continued)

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Charges for services (continued)								
Inspection fees - reinspections	120	250	750	1,000	1,000	1,000	1,000	1,000
Inspection fees - elevators	1,394	1,600	1,800	1,600	1,600	1,600	1,600	1,600
Planning fees - Plan Commission apps	6,900	6,000	9,000	8,000	8,000	8,000	8,000	8,000
Recycling income	2,831	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional service reimb - dispatch	13,450	-	13,620					
Professional service reimb - engineering	169,566	170,100	180,079	175,770	181,440	187,110	192,780	198,450
Professional service reimb - legal	30,411	31,500	23,233	36,750	42,000	47,250	52,500	57,750
Professional service reimb - planning	21,275	10,500	26,911	23,625	23,625	26,250	26,250	26,250
Professional service reimb - publishing	-	500	500	500	500	500	500	500
Police reimbursements - training	15,041	15,944	5,800	6,000	6,000	6,000	6,000	6,000
Police reimbursements - special duty	204	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Police reimbursements - other	3,744	3,000	4,132	3,500	3,500	3,500	3,500	3,500
Police reimbursements - firing range	236	500	984	500	500	500	500	500
Other reimbursements - streets	20,390	11,680	12,081	11,680	11,680	11,680	11,680	11,680
Other reimbursements - miscellaneous	4,477	6,000	8,000	6,000	6,000	6,000	6,000	6,000
Other reimbursements - lawn services	7,434	8,207	8,207	8,207	8,207	8,207	8,207	8,207
Other reimbursements - credit card fees	27,496	25,200	29,215	28,800	28,800	28,800	28,800	28,800
Rents and royalties - municipal building rent	2,865	2,840	2,859	2,800	2,800	2,800	2,800	2,800
Total charges for services	344,664	331,521	354,677	352,432	363,352	376,897	387,817	398,737
Fines and forfeitures								
Police reimbursements - tow impoundment fee	71,000	100,000	98,665	100,000	105,000	110,000	115,000	120,000
Village - court fines	23,165	23,000	27,643	27,000	29,000	31,000	33,000	35,000
Kane County - court fines	82,989	100,000	109,789	110,000	115,000	120,000	125,000	130,000
Kane County - patrol car maintenance	6,116	10,000	11,205	10,000	10,000	10,000	10,000	10,000
Kendall County - court fines	10,003	10,000	12,612	11,000	11,000	11,000	11,000	11,000
Kendall County - patrol car maintenance	1,075	1,500	1,434	1,500	1,500	1,500	1,500	1,500
Code enforcement fines	3,198	5,000	8,000	5,000	5,000	5,000	5,000	5,000
Total fines and forfeitures	197,546	249,500	269,348	264,500	276,500	288,500	300,500	312,500
Investment income								
Interest income - cash and investments	61,905	49,500	93,657	82,500	82,500	82,500	82,500	82,500
Total investment income	61,905	49,500	93,657	82,500	82,500	82,500	82,500	82,500
Miscellaneous								
Service fees - non-sufficient funds fee	25	-	-	-	-	-	-	-
Salable items - history books	175	350	350	350	350	350	350	350
Salable items - miscellaneous	823	100	400	100	100	100	100	100
Other reimbursements - insurance	60,090	30,000	41,776	30,000	30,000	30,000	30,000	30,000
Donations - Montgomery Fest	66,513	63,000	65,000	65,000	65,000	65,000	65,000	65,000
Donations - beautification	7,625	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Donations - River Run	11,240	15,340	12,085	12,340	12,340	12,340	12,340	12,340
Donations - garage sale	1,200	2,000	1,000	1,000	1,000	1,000	1,000	1,000
Donations - Settler's Cottage	230	500	328	500	500	500	500	500
Donations - HPC brick paver program	200	500	600	500	500	500	500	500
Donations - senior luncheon	3,070	2,000	2,092	2,000	2,000	2,000	2,000	2,000
Donations - parkway tree program	750	5,000	1,000	2,000	2,000	2,000	2,000	2,000
Donations - car show	2,153	2,500	2,167	2,500	2,500	2,500	2,500	2,500
Donations - Halloween safety event	1,700	1,500	4,200	4,000	4,000	4,000	4,000	4,000
Donations - Sunday in the park	-	-	200	500	500	500	500	500
Total miscellaneous	155,794	127,790	136,198	125,790	125,790	125,790	125,790	125,790
Total revenue	10,076,067	10,451,919	10,749,786	11,158,662	11,444,071	11,723,200	12,064,715	12,413,131

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 an 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 and 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.

Chapter 9: Departmental Summary

ELECTED OFFICIALS (Continued)

Overview

The Elected Officials budget includes expenditures for all the Boards, Commissions, and Committees unless specifically stated otherwise.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 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	3,794	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	1,666	1,607	1,554	724	724	724	724	724
Education - conferences and training	1,526	2,190	2,190	3,290	2,190	3,290	2,190	3,290
Total personal services - employee benefits	7,873	8,478	8,425	8,695	7,595	8,695	7,595	8,695
Contractual services - professional and technical								
Information technology services - software maintenance	1,852	2,010	1,529	1,424	1,424	1,424	1,424	1,424
Other professional services - photography	-	300	300	300	300	300	300	300
Other professional services - miscellaneous	60	250	250	250	250	250	250	250
Other professional services - recording of meetings	1,575	1,875	1,575	1,800	1,800	1,800	1,800	1,800
Total contractual services - professional and technical	3,487	4,435	3,654	3,774	3,774	3,774	3,774	3,774
Contractual services - property								
Utilities - telephone	1,169	1,164	1,188	1,116	1,116	1,116	1,116	1,116
Total contractual services - property	1,169	1,164	1,188	1,116	1,116	1,116	1,116	1,116
Contractual services - other								
Printing and publishing - publications	1,250	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Mileage	133	250	250	-	-	-	-	-
Community relations - Montgomery Fest	53,058	53,000	51,000	51,000	51,000	51,000	51,000	51,000
Community relations - other comm events	5,012	6,250	6,250	7,500	7,500	7,500	7,500	7,500
Community relations - senior services	3,925	3,500	3,814	4,150	4,150	4,150	4,150	4,150
Community relations - River Run	9,579	15,000	12,000	12,000	12,000	12,000	12,000	12,000
Other contractual services - dues	10,333	27,610	27,335	27,530	27,560	27,590	27,620	27,650
Other contractual services - document recording	100	200	100	100	100	100	100	100
Total contractual services - other	83,390	108,910	103,849	105,380	105,410	105,440	105,470	105,500
Commodities								
General supplies - office	174	500	500	500	500	500	500	500
General supplies - postage	147	200	150	150	150	150	150	150
General supplies - books and periodicals	890	535	385	395	405	415	425	435
General supplies - kitchen	70	100	100	250	250	250	250	250
Total commodities	1,281	1,335	1,135	1,295	1,305	1,315	1,325	1,335
Total Elected Officials	158,400	185,522	179,451	181,460	180,400	181,540	180,480	181,620

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 2019 Accomplishments

- ✓ Continued the shared services program with the Villages of Oswego, North Aurora, and Sugar Grove, and United City of Yorkville to provide cost savings and operational efficiencies to all three communities.
- ✓ 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)

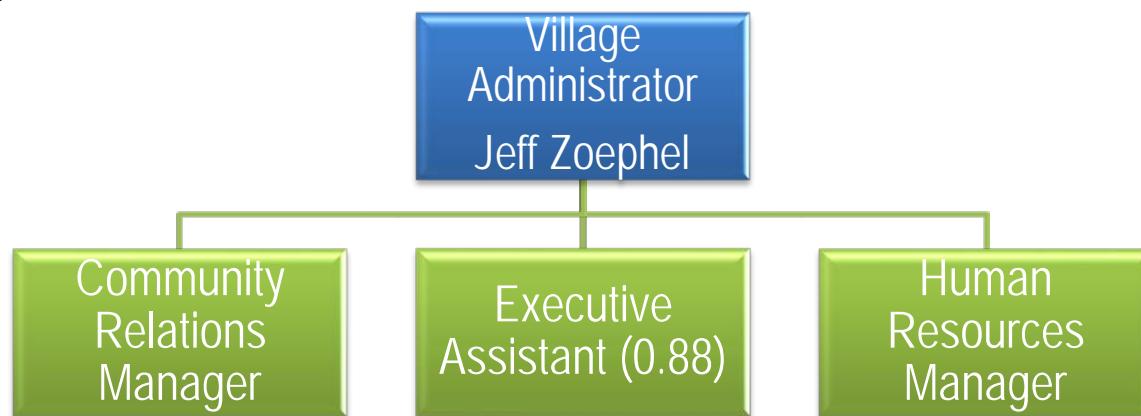
Fiscal Year 2019 Accomplishments (Continued)

- ✓ Actively participated in professional, civic and social organizations to promote and protect Village programs.
- ✓ 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.
- ✓ New website launch
- ✓ SolSmart designation
- ✓ Tree City USA

Fiscal Year 2020 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 new events (food truck fest, block party) in downtown Montgomery during the summer (Image – Community Interaction)
- Continue planning for development of sustainable future water supply, working with neighboring communities on a joint solution. (Capital Investment – Infrastructure)
- Create a marketing/events planning position (Image – Community Interaction)
- Create and promote a Village identity (Image – Community Perception)
- Partner with library to create a branch in Village Hall (Image – Community Interaction)
- Complete pay and compensation study (Image – Community Perception)
- Develop a water conservation program (Image – Community Perception)

Organization Chart



Chapter 9: Departmental Summary

ADMINISTRATION DEPARTMENT (Continued)

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	204,377	210,229	213,834	279,602	289,388	299,517	310,000	320,850
Wages - part-time employees	-	-	-	-	18,720	18,720	18,720	18,720
Overtime - general	-	600	400	400	400	400	400	400
Total personal services - salaries and wages	204,377	210,829	214,234	280,002	308,508	318,637	329,120	339,970
Personal services - employee benefits								
Insurance - health	38,047	38,374	38,374	53,134	55,791	58,581	61,510	64,586
Insurance - dental	2,246	2,231	2,231	3,107	3,262	3,425	3,596	3,776
Insurance - life	147	135	135	142	142	142	142	142
Insurance - workers' compensation	1,500	1,000	1,000	1,500	1,500	1,500	1,500	1,500
Insurance - unemployment	629	629	227	381	381	381	381	381
Retirement - Social Security	11,218	11,562	11,684	15,800	17,513	18,084	18,676	19,288
Retirement - Medicare	2,856	3,057	3,034	4,060	4,473	4,620	4,772	4,930
Retirement - IMRF	23,589	23,529	23,150	28,168	29,153	30,172	31,226	32,318
Education - conferences and training	4,175	11,550	11,550	12,550	12,550	12,550	12,550	12,550
Total personal services - employee benefits	84,407	92,067	91,385	118,842	124,765	129,455	134,353	139,471
Contractual services - professional and technical								
Information technology services - system management	59,708	40,000	44,778	45,400	45,400	45,400	45,400	45,400
Information technology services - website	4,369	4,420	11,218	4,602	4,832	5,073	5,327	5,593
Information technology services - software maintenance	3,916	6,180	6,370	7,350	7,596	7,664	7,664	7,664
Other professional services	8,400	5,000	1,200	2,000	2,000	2,000	18,000	2,000
Total contractual services - professional and technical	76,393	55,600	63,566	59,352	59,828	60,137	76,391	60,657
Contractual services - property								
Utilities - natural gas	-	-	52	104	114	125	138	152
Utilities - telephone	4,694	4,680	4,757	4,536	4,536	4,536	4,536	4,536
Utilities - cell phone	1,231	894	786	1,042	792	1,042	1,042	792
Equipment repair and maintenance - office	1,472	1,850	1,517	1,550	1,550	1,550	1,550	1,550
Rental - equipment	7,018	7,017	7,017	6,222	4,758	4,758	4,758	4,758
Total contractual services - property	14,415	14,441	14,129	13,454	11,750	12,011	12,024	11,788
Contractual services - other								
Insurance - public official bonds	1,786	1,920	1,786	1,800	1,800	1,800	1,800	1,800
Printing and publishing - publications	-	100	100	100	100	100	100	100
Mileage	1,181	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Community relations - Historic Preservation	2,758	3,250	3,250	3,250	4,650	3,250	3,250	4,650
Community relations - Chamber of Commerce	-	300	300	300	300	300	300	300
Other contractual services - dues	1,847	2,470	2,470	2,570	3,070	3,070	3,070	3,070
Other contractual services - document destruction	407	600	750	750	750	750	750	750
Total contractual services - other	7,979	9,840	9,856	9,970	11,870	10,470	10,470	11,870
Commodities								
General supplies - office	626	1,500	1,000	1,000	1,000	1,000	1,000	1,000
General supplies - postage	136	845	845	800	800	800	800	800
General supplies - books and periodicals	1,075	800	800	800	800	800	800	800
General supplies - computer equipment	13,296	3,200	4,165	1,700	8,300	1,200	15,700	6,700
Total commodities	15,133	6,345	6,810	4,300	10,900	3,800	18,300	9,300
Total Administration Department	402,704	389,122	399,980	485,920	527,621	534,510	580,658	573,056

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 (Central Square)➤ 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)

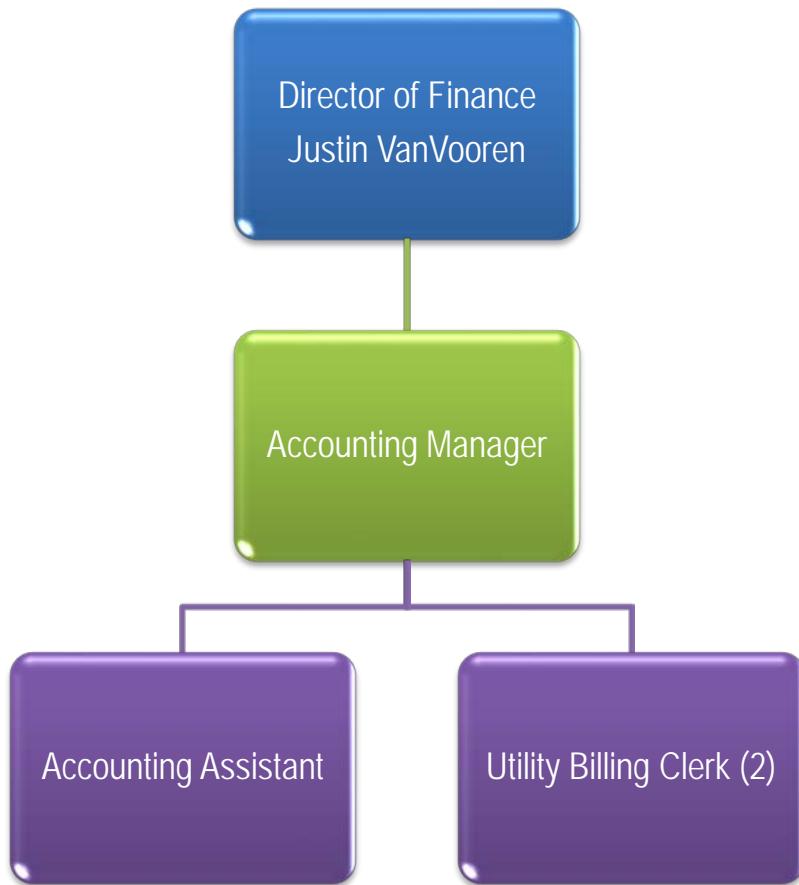
Fiscal Year 2019 Accomplishments

- ✓ Successfully coordinated preparation of fiscal year 2020 annual budget.
- ✓ Received the GFOA Budget Award for fiscal year 2019.
- ✓ Completed fiscal year 2018 audit and Comprehensive Annual Financial Report.
- ✓ Received the GFOA CAFR Award for fiscal year 2018.

Fiscal Year 2020 Goals and Initiatives

- Coordinate preparation of fiscal year 2021 annual budget. (Financial Stability – Budget)
- Maintain the Distinguished Budget Presentation Award from GFOA. (Financial Stability – Policies)
- Complete fiscal year 2019 audit and Comprehensive Annual Financial Report. (Financial Stability – Policies)
- Maintain the Certificate of Achievement for Excellence in Financial Reporting from GFOA. (Financial Stability – Policies)
- Present strategic plan to Village Board and update as needed. (Image – Community Perception)

Organization Chart



Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Performance Measures

	FY2015	FY2016	FY2017	FY2018	FY2019
1. General statistics					
A. Population	18,438	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	456,155,691
C. Actual value	1,073,007,978	1,104,617,733	1,205,119,986	1,271,665,359	1,368,467,073
2. GFOA certifications					
A. Certificate of Achievement	Received	Received	Received	Received	*
B. Distinguished Budget Award	Received	Received	Received	Received	Received
3. Accounts payable					
A. Checks issued	2,455	4,206	4,916	5,186	4,926
B. ACH transactions	58	65	113	227	245
C. Percent of accounts payable as ACH	2.3%	1.5%	2.2%	4.2%	4.7%
D. Voided checks	23	22	57	69	18
E. Percent of accounts payable voided	0.9%	0.5%	1.1%	1.3%	0.3%
4. Payroll					
A. Direct deposits	1,506	1,477	1,600	1,710	1,955
B. Checks issued	402	334	326	271	173
C. Percent of payroll as direct deposits	78.9%	81.6%	83.1%	86.3%	91.9%
5. Utility billing					
A. Number of accounts	9,114	9,111	9,145	9,196	9,241
B. Water and sewer revenue	\$ 3,765,136	\$ 3,842,996	\$ 4,142,100	\$ 3,994,328	\$ 4,177,270
C. Average bi-monthly bill	\$ 68.85	\$ 70.30	\$ 75.49	\$ 72.39	\$ 75.34
D. Payment types					
- Epayment (Village website, IVR, mobile)	N/A	26.0%	31.1%	26.4%	30.1%
- Lockbox	N/A	27.6%	25.2%	29.8%	26.7%
- Bill pay (bank websites)	N/A	11.8%	14.2%	16.9%	16.9%
- Direct debit	N/A	4.4%	4.5%	6.2%	5.8%
- Credit card	N/A	5.5%	5.5%	2.5%	2.2%
- Other	N/A	24.7%	19.5%	18.2%	18.3%
E. Fees					
- Epayment total	N/A	\$ 705,980	\$ 917,971	\$ 1,126,927	\$ 1,215,272
- Epayment fees	N/A	\$ 35,488	\$ 20,822	\$ 16,220	\$ 17,747
- Average fee	N/A	5.0%	2.3%	1.4%	1.5%
- Credit card (in person) total	N/A	\$ 244,665	\$ 201,277	\$ 183,496	\$ 184,036
- Credit card (in person) fees	N/A	\$ 6,756	\$ 2,586	\$ 2,167	\$ 2,427
- Average fee	N/A	2.8%	1.3%	1.2%	1.3%
6. Debt					
A. Bond rating	AA	AA	AA	AA	AA
B. Total debt	\$ 23,089,592	\$ 21,694,438	\$ 20,104,856	\$ 21,803,319	\$ 19,540,258
- Total debt per capita	\$ 1,252	\$ 1,177	\$ 1,090	\$ 1,183	\$ 1,060
- Total debt as a percent of EAV	6.5%	5.9%	5.0%	5.1%	4.3%
C. General obligation (GO) debt	\$ 16,330,000	\$ 15,160,000	\$ 13,945,000	\$ 16,025,000	\$ 14,150,000
- GO debt per capita	\$ 886	\$ 822	\$ 756	\$ 869	\$ 767
- GO debt as a percent of EAV	4.6%	4.1%	3.5%	3.8%	3.1%

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Accounting

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	294,934	303,135	308,828	312,956	323,909	335,246	346,980	359,124
Overtime - general	-	-	3,000	-	-	-	-	-
Total personal services - salaries and wages	294,934	303,135	311,828	312,956	323,909	335,246	346,980	359,124
Personal services - employee benefits								
Insurance - health	60,893	61,451	61,451	60,836	63,878	67,072	70,426	73,947
Insurance - dental	3,705	3,681	3,681	4,047	4,249	4,461	4,684	4,918
Insurance - life	293	270	270	285	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	1,280	1,257	498	454	454	454	454	454
Retirement - Social Security	17,151	18,794	18,211	19,403	20,082	20,785	21,513	22,266
Retirement - Medicare	4,011	4,395	4,259	4,538	4,697	4,861	5,031	5,207
Retirement - IMRF	33,976	33,830	33,424	31,483	32,585	33,726	34,906	36,128
Education - conferences and training	4,625	6,500	4,600	6,500	6,500	6,500	6,500	6,500
Other benefits - health club reimbursement	200	500	500	500	500	500	500	500
Other benefits - broker services	3,387	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Total personal services - employee benefits	131,521	134,298	130,514	131,666	136,858	142,272	147,927	153,833
Contractual services - professional and technical								
Information technology services - system management	6,787	6,000	4,757	6,800	6,800	6,800	6,800	6,800
Information technology services - software maintenance	24,124	29,860	25,272	27,280	29,175	30,833	32,591	34,454
Accounting and auditing services - general	20,850	23,700	21,250	24,100	22,250	24,900	22,650	25,300
Other professional services - cash management	5,653	12,504	23,542	23,040	23,040	23,040	23,040	23,040
Total contractual services - professional and technical	57,414	72,064	74,821	81,220	81,265	85,573	85,081	89,594
Contractual services - property								
Utilities - telephone	3,024	3,024	3,091	2,796	2,796	2,796	2,796	2,796
Utilities - cell phone	1,231	906	786	1,042	1,042	792	1,042	1,042
Utilities - internet access	4,410	6,120	6,179	6,180	6,180	6,180	6,180	6,180
Total contractual services - property	8,665	10,050	10,056	10,018	10,018	9,768	10,018	10,018
Contractual services - other								
Insurance - liability	370,404	291,635	291,635	260,039	273,041	286,693	301,028	316,079
Insurance - deductibles	43,186	25,000	19,826	25,000	25,000	25,000	25,000	25,000
Printing and publishing - legal notices	759	870	1,014	1,020	1,020	1,020	1,020	1,020
Personnel administration - recruitment	1,420	1,200	900	1,200	1,200	1,200	1,200	1,200
Personnel administration - physicals/testing	1,481	825	1,500	825	825	825	825	825
Employee relations - gifts/flowers	117	300	250	250	250	250	250	250
Employee relations - employee appreciation	2,371	3,130	2,800	2,750	2,500	3,500	3,100	4,500
Other contractual services - dues	2,398	2,810	2,930	2,570	2,585	2,975	2,615	2,630
Municipal audit contingency	12,389	4,082	10,201	-	-	-	-	-
Total contractual services - other	434,525	329,852	331,056	293,654	306,421	321,463	335,038	351,504

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Accounting (Continued)

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Commodities								
General supplies - office	2,522	2,500	3,000	3,000	3,000	3,000	3,000	3,000
General supplies - agency	505	650	650	650	650	650	650	650
General supplies - postage	1,062	1,320	1,320	1,320	1,320	1,320	1,320	1,320
General supplies - books and periodicals	-	250	250	250	250	250	250	250
General supplies - safety	1,288	350	350	350	350	350	350	350
General supplies - computer equipment	2,350	1,600	1,600	5,000	13,700	3,100	1,600	5,000
Total commodities	7,727	6,670	7,170	10,570	19,270	8,670	7,170	10,570
Charges for services								
Other contractual services - accounting	(373,914)	(342,428)	(346,178)	(336,034)	(351,096)	(361,197)	(372,886)	(389,857)
Total charges for services	(373,914)	(342,428)	(346,178)	(336,034)	(351,096)	(361,197)	(372,886)	(389,857)
Total Finance - Accounting	560,872	513,641	519,267	504,050	526,645	541,795	559,328	584,786

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Utility Billing

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	92,429	84,656	73,356	88,720	91,825	95,039	98,365	101,808
Overtime - general	1,796	250	100	250	250	250	250	250
Total personal services - salaries and wages	94,225	84,906	73,456	88,970	92,075	95,289	98,615	102,058
Personal services - employee benefits								
Insurance - health	22,846	23,077	23,077	22,257	23,370	24,539	25,766	27,054
Insurance - dental	1,459	1,848	1,848	1,211	1,272	1,336	1,403	1,473
Insurance - life	147	135	135	142	142	142	142	142
Insurance - workers' compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - unemployment	1,066	629	810	227	227	227	227	227
Retirement - Social Security	5,058	5,264	4,808	5,516	5,709	5,908	6,114	6,328
Retirement - Medicare	1,183	1,231	1,111	1,290	1,335	1,382	1,430	1,480
Retirement - IMRF	9,923	9,476	8,094	8,950	9,263	9,586	9,921	10,267
Education - conferences and training	713	500	1,140	1,000	1,000	1,000	1,000	1,000
Total personal services - employee benefits	43,395	43,160	42,023	41,593	43,318	45,120	47,003	48,971
Contractual services - professional and technical								
Information technology services - system management	2,024	2,000	3,470	2,300	2,300	2,300	2,300	2,300
Information technology services - software maintenance	7,706	7,244	7,022	8,102	8,389	8,689	9,004	9,333
Other professional services - cash management	24,657	24,600	24,458	24,540	24,540	24,540	24,540	24,540
Total contractual services - professional and technical	34,387	33,844	34,950	34,942	35,229	35,529	35,844	36,173
Contractual services - property								
Utilities - telephone	1,134	1,128	1,156	996	996	996	996	996
Utilities - cell phone	230	378	392	444	544	544	444	544
Rental - equipment	847	847	847	847	847	847	847	847
Total contractual services - property	2,211	2,353	2,395	2,287	2,387	2,387	2,287	2,387
Contractual services - other								
Printing and publishing - forms and maps	16,410	16,600	6,275	7,800	7,800	7,800	7,800	7,800
Other contractual services - dues	67	20	120	80	80	80	80	80
Total contractual services - other	16,477	16,620	6,395	7,880	7,880	7,880	7,880	7,880
Commodities								
General supplies - office	842	1,500	1,500	1,500	1,500	1,500	1,500	1,500
General supplies - postage	23,777	25,250	24,217	27,240	29,190	31,200	33,240	35,340
General supplies - computer equipment	821	-	-	4,400	1,000	-	-	4,400
Total commodities	25,440	26,750	25,717	33,140	31,690	32,700	34,740	41,240
Charges for services								
Other contr serv - utility billing	(216,135)	(207,633)	(184,936)	(208,812)	(212,579)	(218,905)	(226,369)	(238,709)
Total charges for services	(216,135)	(207,633)	(184,936)	(208,812)	(212,579)	(218,905)	(226,369)	(238,709)
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 both the building permit process and the zoning approval process beginning to end. The Department is also responsible for providing efficient and timely planning of the Village's existing, ongoing and future land use development needs. This is done using well-established land 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 Department is responsible for the issuance of building permits, contractor licenses, temporary use permits, enforcing building-related portions of the Village Code of Ordinances, building inspections and property maintenance code enforcement.

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 Department also strives to create a business-friendly environment so that existing businesses will choose to remain, and new businesses will locate within the Village. This is accomplished by helping the development community and businesses with access to needed data, identifying potential sites and coordinating Village approvals. Department staff works collaboratively with the Montgomery Economic Development Corporation (MEDC) and other organizations to provide any building, planning or zoning related information needed by the businesses, realtors and the development community regarding any site within the Village.

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.
- ❖ Coordinate planning, zoning and subdivision review service.
- ❖ Create awareness of development opportunities within the Downtown-Mill District area.
- ❖ Provide additional focus on economic development along commercial corridors which provides employment opportunities as well as needed goods and services.
- ❖ Apply for grants and alternative funding through a variety of county, state and federal programs.

Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Core Strategies (Continued)

- ❖ Protect and enhance environmental quality throughout the community.
- ❖ Encourage public-private development partnerships using 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.
- ❖ Support the fiscal responsibilities in the management of the Village.

Fiscal Year 2019 Accomplishments

- ✓ With the Finance Department, processed applications to the Montgomery Development Fund (MDF) for business small grants and low interest loans.
- ✓ With consultants, developed a hotel market conditions assessment report for the region and development /redevelopment opportunities review for the village.
- ✓ Coordinated the review of building plans and site development plans for the first phase of the Montgomery Place Apartment development in the Ogden Hill PUD area.
- ✓ Completed the review and zoning approval of multiple new commercial developments currently under construction or planned for construction in FY2020.
- ✓ With the MEDC, coordinated a commercial and industrial real estate broker tour of available buildings and sites.
- ✓ Coordinated the review and approval of an annexation agreement amendment for the Balmorea Subdivision.
- ✓ Defended 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 all Building Code section updates.
- ✓ Staffing support to Finance Department during time of staff storage within the Water Billing Division.
- ✓ Supported CMAP in their efforts to establish a Unified Development Ordinance (UDO) which will replace the current Zoning and Subdivision Ordinances.
- ✓ Completed the approval of a four-party agreement for the transfer of 6.5 acres of land to the Oswegoland Park District within the Marquis Point development.
- ✓ Coordinated the setup of a new overweight vehicle permit (Oxcart) program with the Police Department.
- ✓ Completed the three-year update of the ISO (building code) audit program.

Fiscal Year 2020 Goals and Initiatives

- With the help of CMAP and their grant program, continue work on the two-year process for the adoption of a new Zoning/Subdivision (UDO) Ordinance. (Development – Residential, Commercial, Industrial)
- With an RFP for properties owned by the Village and consultants help on other sites, complete plans for the re-development/reuse of some properties within the Mill District. (Downtown – Mixed Use Development)
- Promote the development of a hotel within the Village. (Development – Commercial)

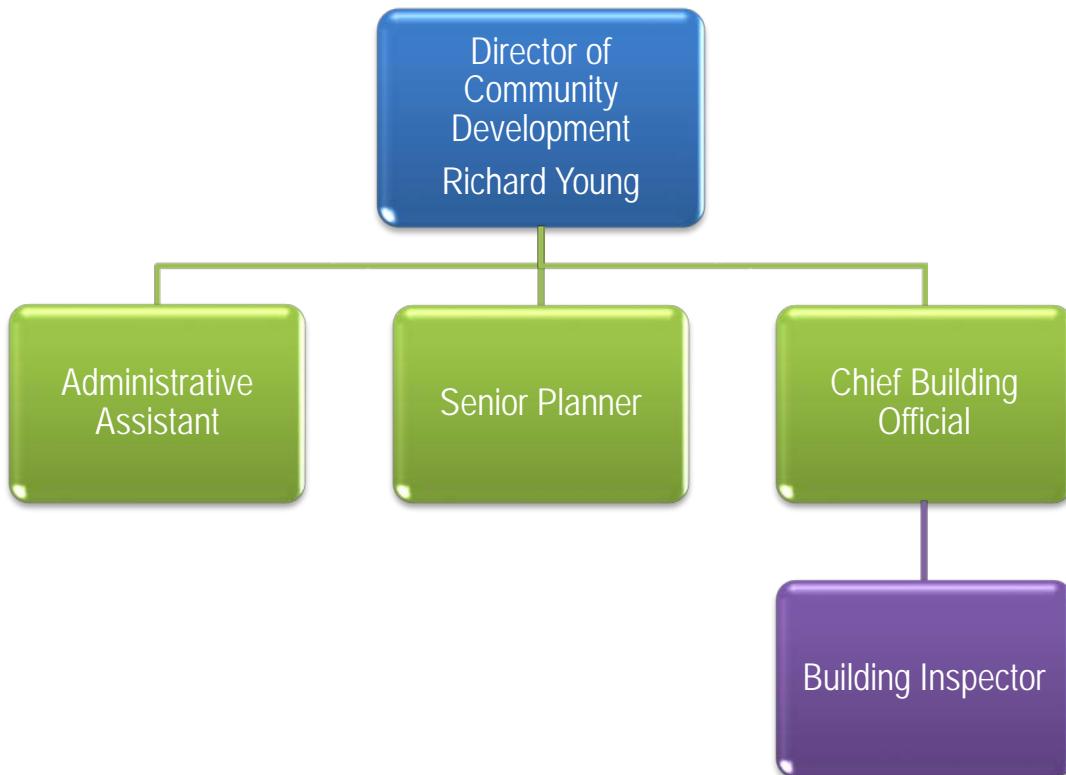
Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Fiscal Year 2020 Goals and Initiatives (Continued)

- Update the Intergovernmental Boundary Agreements with the City of Aurora. (Development – Residential)
- 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)
- Through efforts within the guidelines of the Greenest Regions Compact and SolSmart programs, continue to promote green community endeavors. (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)
- In a timely fashion, process a large increase in the number of residential building permits for the Huntington Chase and Balmorea Subdivisions along with permits for the first buildings within the Montgomery Place Apartment development. (Development – Residential)
- Complete the three-year update review of the Community Rating Service (CRS) for flood plain insurance rates. (Image – Community Perception)
- Establish an adjudication program for Code Enforcement cases. (Image – Public Safety)

Organization Chart



Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Planning and Zoning

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	197,771	204,675	203,444	209,481	216,813	224,401	232,255	240,384
Wages - part-time employees	2,025	-	-	-	-	-	-	-
Wages - boards and committees	1,470	1,960	1,400	1,960	1,960	1,960	1,960	1,960
Total personal services - salaries and wages	201,266	206,635	204,844	211,441	218,773	226,361	234,215	242,344
Personal services - employee benefits								
Insurance - health	22,265	22,482	22,482	22,257	23,370	24,539	25,766	27,054
Insurance - dental	1,574	1,563	1,563	1,604	1,684	1,768	1,856	1,949
Insurance - life	147	135	135	142	142	142	142	142
Insurance - workers' compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - unemployment	688	629	227	227	227	227	227	227
Retirement - Social Security	12,195	12,811	12,462	13,109	13,564	14,034	14,521	15,025
Retirement - Medicare	2,852	2,996	2,915	3,066	3,172	3,282	3,396	3,514
Retirement - IMRF	22,781	22,842	22,008	21,074	21,811	22,575	23,365	24,183
Education - conferences and training	4,765	4,900	4,900	5,300	5,300	5,300	5,300	5,300
Total personal services - employee benefits	68,267	69,358	67,692	67,779	70,270	72,867	75,573	78,394
Contractual services - professional and technical								
Information technology services - system management	2,629	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Information technology services - software maintenance	1,317	1,340	1,474	1,550	1,550	1,550	1,550	1,550
Planning services - general	11,364	8,000	10,000	10,000	10,000	10,000	10,000	10,000
Planning services - development (reimbursable)	13,001	10,000	11,650	12,500	12,500	15,000	15,000	15,000
Planning services - municipal projects	-	-	10,000	10,000	-	-	-	-
Total contractual services - professional and technical	28,311	22,340	36,124	37,050	27,050	29,550	29,550	29,550
Contractual services - property								
Utilities - telephone	1,129	1,128	1,151	996	996	996	996	996
Utilities - cell phone	1,657	1,692	1,970	1,964	1,714	1,714	1,964	1,714
Rental - equipment	3,129	3,144	3,144	3,144	3,144	3,144	3,144	3,144
Total contractual services - property	5,915	5,964	6,265	6,104	5,854	5,854	6,104	5,854
Contractual services - other								
Printing and publishing - legal notices	357	1,000	1,800	1,800	1,800	1,800	1,800	1,800
Printing and publishing - publications	-	100	100	100	100	100	100	100
Other contractual services - dues	2,337	2,715	2,715	3,025	3,025	3,025	3,025	3,025
Other contr services - document recording	274	500	500	500	500	500	500	500
Total contractual services - other	2,968	4,315	5,115	5,425	5,425	5,425	5,425	5,425
Commodities								
General supplies - office	1,926	1,500	1,500	1,700	1,700	1,700	1,700	1,700
General supplies - postage	100	345	345	345	345	345	345	345
General supplies - books and periodicals	48	1,005	310	1,005	1,005	1,005	1,005	1,005
General supplies - computer equipment	-	-	-	1,700	1,700	-	-	3,300
Total commodities	2,074	2,850	2,155	4,750	4,750	3,050	3,050	6,350
Total Community Development - Planning and Zoning	308,801	311,462	322,195	332,549	332,122	343,107	353,917	367,917

Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Code Enforcement and Inspections

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	178,687	192,734	197,543	199,826	206,820	214,059	221,551	229,305
Overtime - general	-	-	1,500	-	-	-	-	-
Total personal services - salaries and wages	178,687	192,734	199,043	199,826	206,820	214,059	221,551	229,305
Personal services - employee benefits								
Insurance - health	60,404	46,154	46,154	45,692	47,977	50,376	52,895	55,540
Insurance - dental	3,993	2,900	2,900	2,975	3,124	3,280	3,444	3,616
Insurance - life	220	202	202	213	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	912	943	430	340	340	340	340	340
Retirement - Social Security	10,602	11,950	11,924	12,389	12,823	13,272	13,736	14,217
Retirement - Medicare	2,479	2,795	2,788	2,897	2,999	3,104	3,212	3,325
Retirement - IMRF	20,703	21,509	21,509	20,102	20,806	21,534	22,288	23,068
Education - conferences and training	1,364	450	450	1,550	1,550	1,550	1,550	1,550
Equipment - clothing allowance	800	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total personal services - employee benefits	103,977	90,603	90,057	89,858	93,521	97,358	101,367	105,558
Contractual services - professional and technical								
Information technology services - system management	3,608	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Information technology services - software maintenance	11,195	11,360	11,851	12,376	13,054	13,639	14,260	14,918
Planning services - development (reimbursable)	-	-	18,762	10,000	10,000	10,000	10,000	10,000
Inspection services - general	750	500	250	500	500	500	500	500
Inspection services - plumbing	22,550	22,000	16,000	22,000	22,000	22,000	22,000	22,000
Inspection services - elevator	2,324	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Inspection services - sewer	60	1,000	500	500	500	500	500	500
Total contractual services - professional and technical	40,487	40,360	52,863	50,876	51,554	52,139	52,760	53,418
Contractual services - property								
Utilities - telephone	1,704	1,692	1,728	1,500	1,500	1,500	1,500	1,500
Utilities - cell phone	1,812	1,812	2,178	2,084	1,834	1,834	2,084	1,834
Equipment repair and maintenance - office	-	200	100	100	100	100	100	100
Grounds repair and maintenance - lawn care violations	18,717	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total contractual services - property	22,233	6,704	7,006	6,684	6,434	6,434	6,684	6,434
Contractual services - other								
Printing and publishing - publications	51	100	50	50	50	50	50	50
Printing and publishing - forms and maps	-	600	300	300	300	300	300	300
Mileage	-	100	-	-	-	-	-	-
Other contractual services - dues	219	390	390	390	390	390	390	390
Other contractual services - vehicle and equipment replacement	14,176	13,342	13,342	13,342	13,342	13,342	13,342	13,342
Total Contractual Services - Other	14,446	14,532	14,082	14,082	14,082	14,082	14,082	14,082
Commodities								
General supplies - office	1,049	1,000	1,000	1,000	1,000	1,000	1,000	1,000
General supplies - agency	69	400	1,100	400	400	400	400	400
General supplies - postage	150	165	165	165	165	165	165	165
General supplies - books and periodicals	405	390	390	130	130	390	130	130
General supplies - computer equipment	1,782	1,400	1,651	1,700	1,400	2,800	1,700	1,700
Total commodities	3,455	3,355	4,306	3,395	3,095	4,755	3,395	3,395
Total Community Development - Code Enf. and Insp.	363,285	348,288	367,357	364,721	375,506	388,827	399,839	412,192

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 the fiscal year 2019 budget. However, several other stores saw increases due to the closing of stores in neighboring communities.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Contractual services - professional and technical								
Economic development services - marketing	4,279	7,660	14,000	11,500	11,500	11,500	11,500	11,500
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	94,279	97,660	104,000	101,500	101,500	101,500	101,500	101,500
Other								
Other - economic development incentives	872,606	684,409	908,774	969,492	1,034,394	1,103,769	1,067,157	1,056,052
Total other	872,606	684,409	908,774	969,492	1,034,394	1,103,769	1,067,157	1,056,052
Total Community Development - Economic Development	966,885	782,069	1,012,774	1,070,992	1,135,894	1,205,269	1,168,657	1,157,552

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.
- Research and gather data for traffic complaints with possible alternative solutions

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 2019 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.
- ✓ Raised and donated \$7,208.78 to Illinois Special Olympics.
- ✓ Raised \$2,200 and sponsored a family for our first annual Beards and Badges event where a local family was taken to a local establishment and allowed to purchase items of their choice for the holiday shop with a cop program.
- ✓ Contributed to the annual holiday clothing and toy drive for three families from our elementary schools who needed 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 \$1,905 through the U.S. Department of Justice (DOJ) Bullet Proof Vest Program.
- ✓ Completed implementation of New World System field-based reporting software.
- ✓ Completed department training with I County Coroner's Office, Faces4.org personnel, and the Community Wellness Division of Aunt Martha's Health and Wellness Organization.
- ✓ Sergeant Gregory Mayyou continued assignment to the Kane County Accident Reconstruction Team.
- ✓ Officer Kelli Smith received a Lifesaving Award at the Annual Kendall County Respect for Law Banquet.
- ✓ Officer Anthony Bertellotti continued assignment to the Kendall County Special Response Team.
- ✓ Successfully participated in a statewide Distracted Driving awareness campaign.
- ✓ Issued NARCAN® (naloxone HCl) Nasal Spray for the emergency treatment of a known or suspected opioid overdose to all officers in the department.
- ✓ Implemented a department-wide Taser program and issued Tasers to all officers in the department.
- ✓ Successfully completed CPR training for all department members.
- ✓ Conducted training with Kendall County Cooperative Police Assistance Team and Criminal Intelligence (KCPAT)
- ✓ Deputy Chief Sanders successfully completed ALICE active shooter training and is an instructor for our department along with Sergeant Palko.
- ✓ Personnel (Sanders, Diaz, Ricedorf, Novak) attended the Aurora/Naperville Joint Public Safety Active Shooter/Terrorism Response Training in Aurora.
- ✓ Sergeant Niete conducted criminal/gang awareness training at Carl Budding and Co., a local business establishment in town per their request.

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Fiscal Year 2019 Accomplishments (Continued)

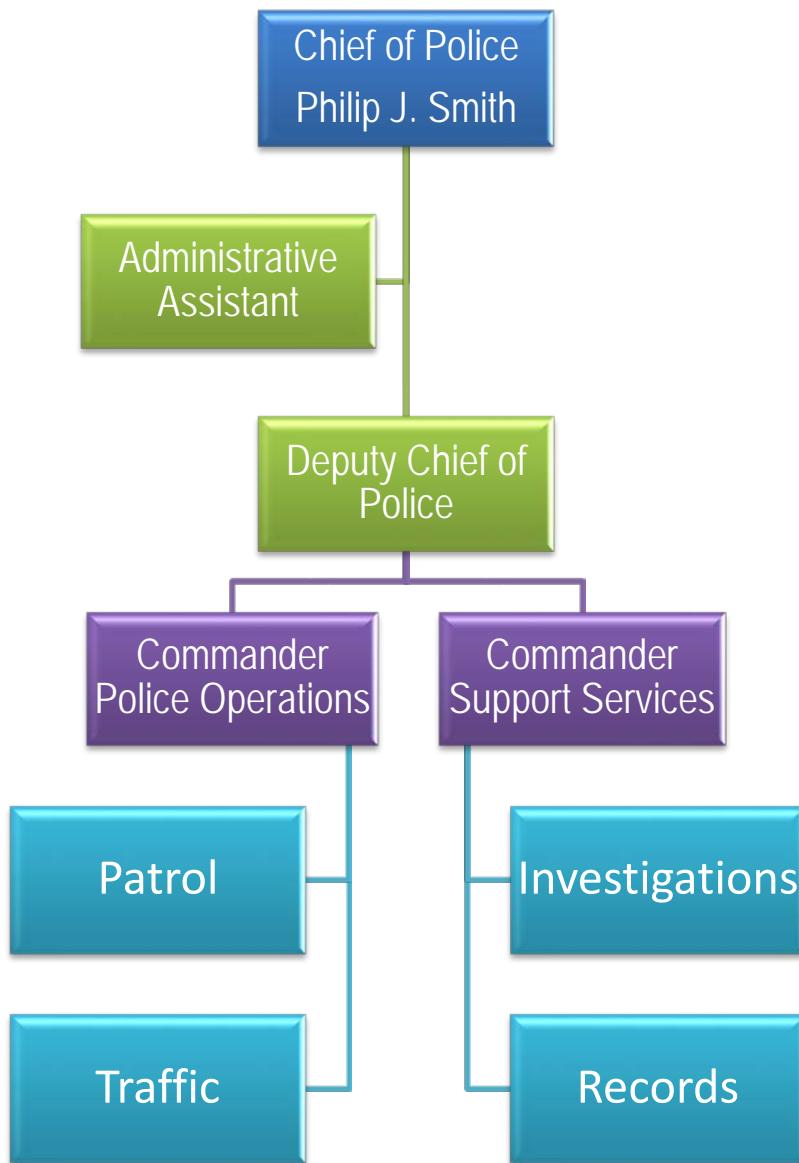
- ✓ Began membership in the Kendall County Cooperative Police Assistance Team and Criminal Intelligence Unit.
- ✓ Deputy Chief Sanders was chosen as a newly appointed member and Sergeant-at-Arms for the Kane County Chiefs of Police Association.
- ✓ Successfully completed and was awarded a federal grant for body-worn cameras for \$50,000.
- ✓ Obtained mobile radios in squad cars for better communication and reception with our consolidated dispatch center
- ✓ Transitioned to a Patrol Officer 12 Hour shift.
- ✓ Recruited, hired, and trained a third full-time records clerk.

Fiscal Year 2020 Goals and Initiatives

- Develop a succession plan for the department and appoint 2 individuals Command Staff Rank. (Image – Public Safety)
- Enhance community interaction with residents and schools. (Image – Community Interaction)
- Promote traffic safety through continued participation in IDOT campaigns. (Image – Community Perception)
- Successfully train 3 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)
- Implementation of on-body cameras for heightened police accountability. Evidence indicates that these cameras dramatically reduce use of force complaints. (Image – Public Safety)
- Develop and coordinate the first ever Montgomery Citizens Police Academy. (Image – Public Safety)
- Increase community engagement by developing and adopting policies and strategies that reinforce the importance of police and community engagement in managing public safety. Proactively promote public trust by initiating positive, non-enforcement activities to engage our community. Restore and build trust between youth and our officers by creating programs and projects for positive, consistent and persistent interaction between youth and police with events like our:
 - Annual Halloween Safety Event;
 - Support Special Olympics with "Cop on Top" and "Torch Run";
 - Events here at the Police Department – Ongoing tours of community groups;
 - Coffee with a Cop at Police Department – becoming a national trend;
 - Coffee with the Chief at local Coffee shop; and
 - Shop with a Cop and Beards for Badges program. (Image – Community Interaction)
- Focus on re-engaging the civic groups like Douglas Road Task Force. (Image – Community Perception)
- Invest in employee personal and professional development which includes asking about their plan and vision. "Where am I now, where do I want to be, and how will I get there?" (Image – Public Safety)

Chapter 9: Departmental Summary

Organization Chart



Performance Measures

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Physical tickets	845	930	912	2,221	994	1,505	993	821	778	838
Compliance tickets	670	826	786	1,316	1,273	1,184	984	866	1,579	1,329
Traffic violations	4,314	3,940	4,023	4,141	2,474	2,758	2,884	2,135	3,807	3,515

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Administration

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	357,916	303,909	303,223	527,302	545,758	564,860	584,630	605,092
Total personal services - salaries and wages	357,916	303,909	303,223	527,302	545,758	564,860	584,630	605,092
Personal services - employee benefits								
Insurance - health	60,404	76,681	68,176	98,596	103,526	100,814	105,855	111,148
Insurance - dental	3,993	3,966	3,966	6,519	6,845	7,187	7,546	7,923
Insurance - life	220	202	202	355	355	355	355	355
Insurance - workers' compensation	2,500	2,500	2,500	4,500	4,500	4,500	4,500	4,500
Insurance - unemployment	943	944	654	567	567	567	567	567
Retirement - Social Security	19,595	18,842	17,833	32,673	33,837	35,021	36,247	37,516
Retirement - Medicare	4,583	4,407	4,171	7,646	7,913	8,190	8,477	8,774
Retirement - IMRF	7,614	7,534	7,305	6,995	7,240	7,493	7,755	8,027
Education - conferences and training	7,726	5,314	7,594	9,772	9,618	9,518	7,418	7,318
Equipment - clothing allowance	1,775	1,775	1,775	3,200	3,200	3,200	3,200	3,200
Total personal services - employee benefits	109,353	122,165	114,176	170,823	177,601	176,845	181,920	189,328
Contractual services - professional and technical								
Information technology services - system management	38,346	30,000	32,741	35,000	35,000	35,000	35,000	35,000
Information technology services - software maintenance	83,276	60,285	61,576	51,098	29,828	30,405	31,001	31,612
Total contractual services - professional and technical	121,622	90,285	94,317	86,098	64,828	65,405	66,001	66,612
Contractual services - property								
Utilities - natural gas	2,150	2,400	3,760	4,779	5,967	7,155	8,343	9,531
Utilities - telephone	6,805	6,984	7,013	7,584	7,584	7,584	7,584	7,584
Utilities - cell phone	2,703	2,406	2,545	3,992	4,492	4,492	3,992	4,492
Utilities - internet access	5,357	5,436	5,463	5,340	5,340	5,340	5,340	5,340
Utilities - Leads/IWN access	17,934	18,876	18,518	18,655	18,655	18,655	18,655	18,655
Building repair and maintenance - other	14,869	46,400	41,900	48,920	18,368	18,368	18,368	18,368
Equipment repair and maintenance - office	1,429	720	786	840	840	840	840	840
Equipment repair and maintenance - other	4,205	3,650	3,734	4,830	4,830	4,830	4,830	4,830
Equipment repair and maint - communications	4,975	5,000	9,007	12,000	10,900	10,900	10,900	12,000
Rental - equipment	8,968	9,242	9,242	2,288	6,581	6,581	6,581	6,581
Total contractual services - property	69,395	101,114	101,968	109,228	83,557	84,745	85,433	88,221
Contractual services - other								
Mileage	220	200	-	-	-	-	-	-
Personnel administration - physicals/testing	532	896	896	996	996	996	996	996
Other contractual services - animal control	1,400	2,000	2,350	2,000	2,000	2,000	2,000	2,000
Other contractual services - dues	2,805	4,630	4,907	4,774	4,630	4,774	4,630	4,774
Other contractual services - document destruction	500	500	750	1,000	1,000	1,000	1,000	1,000
Total contractual services - other	5,457	8,226	8,903	8,770	8,626	8,770	8,626	8,770
Commodities								
General supplies - office	3,568	3,500	6,260	3,000	3,000	3,000	3,000	3,000
General supplies - agency	-	-	-	-	-	-	-	-
General supplies - postage	3,910	2,760	4,000	5,000	5,000	5,000	5,000	5,000
General supplies - books and periodicals	86	1,920	1,920	1,920	1,920	1,920	1,920	1,920
General supplies - safety	60	500	500	1,400	1,400	1,400	1,400	1,400
General supplies - computer equipment	9,713	1,200	3,095	9,000	4,650	23,200	7,300	12,450
Total commodities	17,337	9,880	15,775	20,320	15,970	34,520	18,620	23,770
Total Police - Administration	681,080	635,579	638,362	922,541	896,340	935,145	945,230	981,793

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Records

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	102,204	126,337	100,467	138,235	143,073	148,081	153,264	158,628
Wages - part-time employees	38,100	17,500	26,536	21,820	21,820	21,820	21,820	21,820
Overtime - general	6,377	2,000	250	1,000	1,000	1,000	1,000	1,000
Total personal services - salaries and wages	146,681	145,837	127,253	161,055	165,893	170,901	176,084	181,448
Personal services - employee benefits								
Insurance - health	29,911	69,135	69,135	65,157	68,415	55,043	57,795	60,685
Insurance - dental	1,861	3,018	3,018	4,070	4,274	4,488	4,712	4,948
Insurance - life	147	208	208	213	213	213	213	213
Insurance - workers' compensation	1,500	2,500	2,500	2,000	2,000	2,000	2,000	2,000
Insurance - unemployment	1,628	1,441	1,107	531	531	531	531	531
Retirement - Social Security	8,988	9,042	8,128	9,985	10,285	10,596	10,917	11,250
Retirement - Medicare	2,102	2,115	1,901	2,335	2,405	2,478	2,553	2,631
Retirement - IMRF	12,987	14,322	10,837	14,007	14,494	14,998	15,519	16,059
Education - conferences and training	50	750	878	1,928	1,848	1,928	1,848	1,928
Equipment - clothing allowance	1,500	1,500	1,500	1,400	1,400	1,400	1,400	1,400
Total personal services - employee benefits	60,674	104,031	99,212	101,626	105,865	93,675	97,488	101,645
Contractual services - professional and technical								
Information technology services - software maintenance	351	480	571	776	1,436	1,436	1,436	1,436
Professional services - dispatch	267,113	275,587	305,805	289,776	301,440	313,575	326,200	339,334
Total contractual services - professional and technical	267,464	276,067	306,376	290,552	302,876	315,011	327,636	340,770
Contractual services - property								
Utilities - telephone	1,564	1,560	1,644	1,620	1,620	1,620	1,620	1,620
Total contractual services - property	1,564	1,560	1,644	1,620	1,620	1,620	1,620	1,620
Contractual services - other								
Other contractual services - dues	-	-	-	72	-	72	72	72
Total contractual services - property	-	-	-	72	-	72	72	72
Commodities								
General supplies - office	-	-	1,900	2,550	2,000	2,000	2,000	2,000
General supplies - computer equipment	-	-	1,912	1,000	5,400	-	1,700	1,000
Total commodities	-	-	3,812	3,550	7,400	2,000	3,700	3,000
Total Police - Records	476,383	527,495	538,297	558,475	583,654	583,279	606,600	628,555

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Patrol

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	1,716,111	1,956,150	1,884,028	1,705,033	1,779,377	1,846,104	1,915,333	1,987,158
Wages - part-time employees	66,642	60,000	50,000	60,000	60,000	60,000	60,000	60,000
Wages - temporary employees	-	2,080	170	520	520	520	520	520
Overtime - general	262,514	200,000	154,273	160,000	160,000	160,000	160,000	160,000
Overtime - reimbursable services	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Holiday pay	153,703	165,520	159,418	144,272	150,563	156,209	162,067	168,144
Bonus pay	3,000	1,500	1,500	-	4,000	1,000	-	2,000
Total personal services - salaries and wages	2,201,970	2,386,250	2,250,389	2,070,825	2,155,460	2,224,833	2,298,920	2,378,822
Personal services - employee benefits								
Insurance - health	377,439	410,379	410,379	406,626	429,610	451,091	473,646	497,328
Insurance - dental	19,377	22,565	22,565	21,701	22,925	24,071	25,275	26,539
Insurance - life	1,833	1,698	1,698	1,697	1,708	1,708	1,708	1,708
Insurance - workers' compensation	26,000	26,000	26,000	24,000	24,000	24,000	24,000	24,000
Insurance - unemployment	10,469	9,428	3,804	2,722	2,722	2,722	2,722	2,722
Retirement - Social Security	131,803	147,948	135,322	128,391	133,639	137,940	142,533	147,487
Retirement - Medicare	30,825	34,601	31,648	30,027	31,254	32,260	33,334	34,493
Retirement - Police Pension	580,602	557,399	557,589	595,737	607,652	619,805	632,201	644,845
Education - conferences and training	24,134	27,688	15,763	11,529	12,069	11,529	12,069	11,529
Equipment - clothing allowance	19,600	18,900	18,900	17,000	16,800	16,800	16,800	16,800
Total personal services - employee benefits	1,222,082	1,256,606	1,223,668	1,239,430	1,282,379	1,321,926	1,364,288	1,407,451
Contractual services - professional and technical								
Information technology services - software maintenance	1,497	3,240	2,702	2,199	2,213	2,213	2,213	2,213
Total contractual services - professional and technical	1,497	3,240	2,702	2,199	2,213	2,213	2,213	2,213
Contractual services - property								
Utilities - telephone	9,762	9,900	9,990	9,099	9,156	9,156	9,156	9,156
Utilities - cell phone	3,471	4,056	5,196	2,232	3,232	3,232	2,232	3,232
Equipment repair and maintenance - office	1,170	2,500	500	-	-	-	-	-
Equipment repair and maintenance - other	4,519	1,900	1,000	1,500	1,500	1,500	1,500	1,500
Total contractual services - property	18,922	18,356	16,686	12,831	13,888	13,888	12,888	13,888
Contractual services - other								
Mileage	398	400	100	-	-	-	-	-
Other contractual services - dues	9,138	9,235	9,761	14,667	14,674	15,047	14,922	15,308
Other contractual services - vehicle and equipment repl	201,203	198,166	198,166	198,166	198,166	198,166	198,166	198,166
Total contractual services - other	210,739	207,801	208,027	212,833	212,840	213,213	213,088	213,474
Commodities								
General supplies - office	588	700	700	700	700	700	700	700
General supplies - agency	6,748	8,000	8,000	9,350	9,350	9,350	9,350	9,350
General supplies - safety	7,713	6,100	6,100	11,586	11,586	11,586	13,866	11,586
General supplies - ammunition	6,795	7,000	7,000	7,400	7,400	7,400	7,400	7,400
General supplies - computer equipment	-	1,400	4,800	11,200	-	-	4,300	10,000
Police supplies - lock-up	2,078	4,400	4,000	4,700	4,700	4,700	4,700	4,700
Police supplies - community policing	4,486	4,900	10,650	8,350	8,350	8,350	8,350	8,350
Minor equipment - Police	-	7,450	16,398	-	-	-	7,450	3,100
Total commodities	28,408	39,950	57,648	53,286	42,086	42,086	56,116	55,186
Total Police - Patrol	3,683,618	3,912,203	3,759,120	3,591,404	3,708,866	3,818,159	3,947,513	4,071,034

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Investigations

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	252,415	261,673	262,237	355,970	369,319	383,168	397,537	412,445
Overtime - general	19,277	18,000	9,000	9,000	9,000	9,000	9,000	9,000
Overtime - reimbursable services	194	700	700	700	700	700	700	700
Holiday pay	21,373	22,142	22,189	30,121	31,250	32,422	33,638	34,899
Bonus pay	-	-	-	4,000	-	-	-	-
Total personal services - salaries and wages	293,259	302,515	294,126	399,791	410,269	425,290	440,875	457,044
Personal services - employee benefits								
Insurance - health	45,693	45,228	45,228	59,591	62,571	65,700	68,985	72,434
Insurance - dental	2,919	2,915	2,915	4,086	4,290	4,505	4,730	4,967
Insurance - life	147	202	202	285	285	285	285	285
Insurance - workers' compensation	2,000	3,000	3,000	4,000	4,000	4,000	4,000	4,000
Insurance - unemployment	943	943	340	454	454	454	454	454
Retirement - Social Security	18,810	18,756	18,632	24,787	25,437	26,368	27,334	28,337
Retirement - Medicare	4,399	4,386	4,357	5,797	5,949	6,167	6,393	6,627
Education - conferences and training	2,517	3,480	3,480	8,283	7,363	7,583	7,363	5,383
Equipment - clothing allowance	2,100	2,100	2,100	2,800	2,800	2,800	2,800	2,800
Total personal services - employee benefits	79,528	81,010	80,254	110,083	113,149	117,862	122,344	125,287
Contractual services - professional and technical								
Information technology services - software maintenance	177	396	284	645	975	975	975	975
Total contractual services - professional and technical	177	396	284	645	975	975	975	975
Contractual services - property								
Utilities - telephone	1,851	1,812	1,845	2,150	2,100	2,100	2,100	2,100
Utilities - cell phone	2,226	2,718	2,607	3,918	4,168	3,418	3,918	4,168
Rental - vehicle	-	2,500	-	2,500	2,500	2,500	2,500	2,500
Total contractual services - property	4,077	7,030	4,452	8,568	8,768	8,018	8,518	8,768
Contractual services - other								
Other contractual services - dues	4,258	4,467	4,467	5,425	5,497	5,619	5,547	5,525
Total contractual services - other	4,258	4,467	4,467	5,425	5,497	5,619	5,547	5,525
Commodities								
General supplies - office	882	1,000	3,640	1,750	1,750	1,750	1,750	1,750
General supplies - agency	260	800	800	800	800	800	800	800
General supplies - books and periodicals	-	200	200	300	300	300	300	300
General supplies - computer equipment	1,954	1,400	1,400	8,100	3,100	1,600	1,400	8,100
Police supplies - investigation and evidence	6,132	6,070	7,714	6,670	6,670	6,670	6,670	6,670
Total commodities	9,228	9,470	13,754	17,620	12,620	11,120	10,920	17,620
Total Police - Investigations	390,527	404,888	397,337	542,132	551,278	568,884	589,179	615,219

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Police Commission

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 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
Info tech services - software maintenance	-	-	120	160	160	160	160	160
Total contractual services - professional and technical	-	500	370	660	660	660	660	660
Contractual services - other								
Personnel administration - recruitment	11,227	6,800	6,858	3,800	3,000	2,800	2,000	3,800
Other contractual services - dues	375	375	375	375	375	375	375	375
Total contractual services - other	11,602	7,175	7,233	4,175	3,375	3,175	2,375	4,175
Commodities								
General supplies - agency	85	250	125	250	250	250	250	250
Total commodities	85	250	125	250	250	250	250	250
Total Police - Police Commission	11,687	8,377	7,954	5,537	4,737	4,537	3,737	5,537

Police Department – MEMA

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Contractual services - property								
Equipment repair and maintenance - other	2,339	2,000	2,000	2,500	2,500	2,500	2,500	2,500
Total contractual services - property	2,339	2,000	2,000	2,500	2,500	2,500	2,500	2,500
Commodities								
General supplies - agency	-	200	-	700	700	700	700	700
Total commodities	-	200	-	700	700	700	700	700
Total Police - MEMA	2,339	2,200	2,000	3,200	3,200	3,200	3,200	3,200

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

- 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.
- Administer the refuse and recycling contracts.
- Provide maintenance of all public buildings.

Core Strategies

- ❖ Maintain or improve public programs while maintaining fiscal responsibility.
- ❖ Promote energy conservation at all Village facilities. 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 use reduction.

Fiscal Year 2019 Accomplishments

- Completed quiet zone along BNSF Railroad at Webster and Watkins crossings.
- Finished Lakewood Creek Storm Sewer Project.
- Identified lead service lines in preparation for replacement project.
- Completed new watermain installation in Riverside and Martin subdivisions.
- 1st year recipient for Tree City USA designation. Planted 300+ parkway trees.
- Continue chloride reduction during winter operations.
- Identified areas to improve on water loss.
- Started the discussions on a Village wide water meter change out program.
- Received and outfitted 2 new trucks for winter operations.

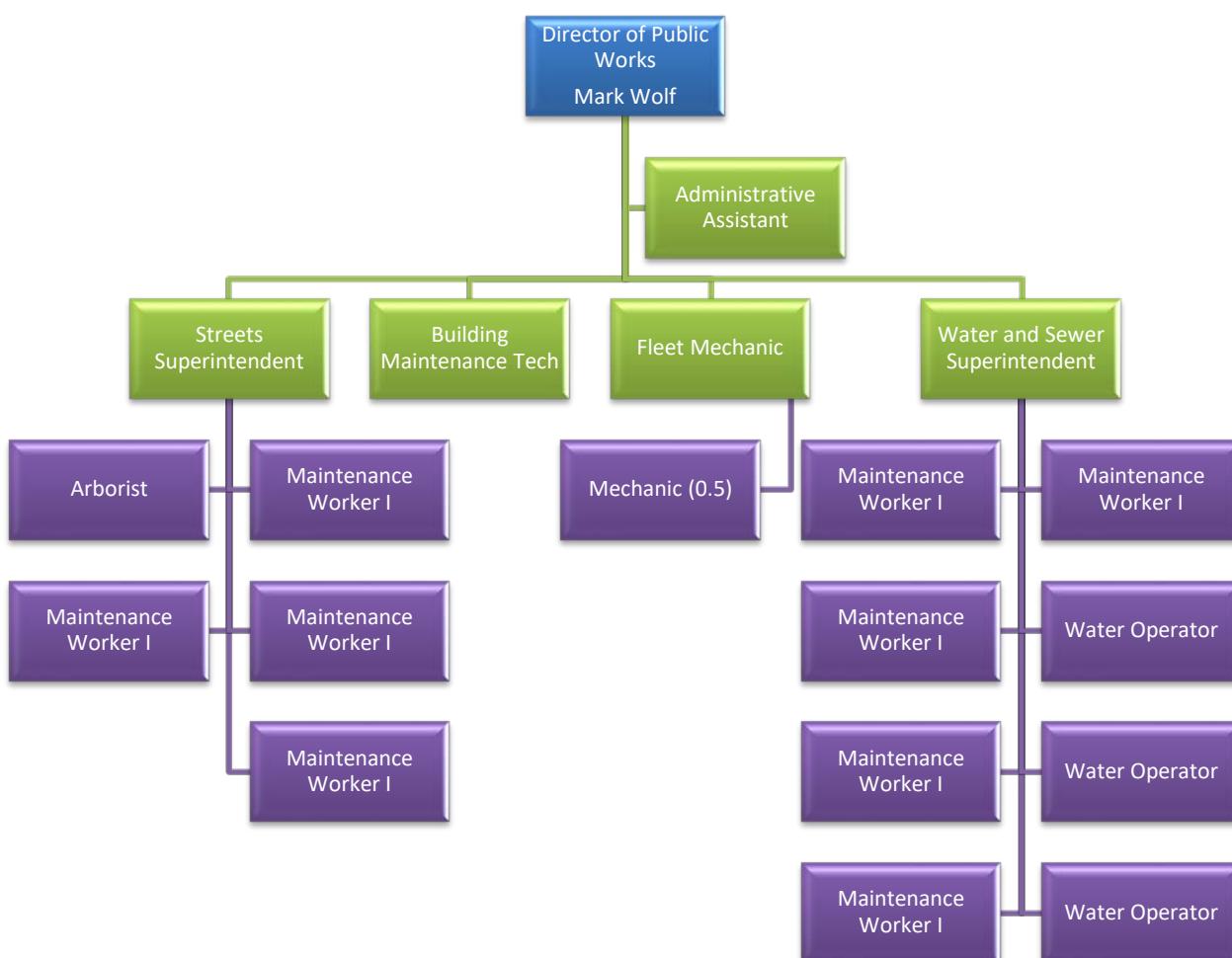
Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Fiscal Year 2020 Goals and Initiatives

- Replace lead service lines. (Capital Investment – Infrastructure)
- Plant 350+ parkway trees. (Image – Community Perception)
- Continue traffic signal installation at Concord and Galena. (Capital Investment – Infrastructure)
- Continue chloride reduction during winter operations with a 10% reduction 2019/2020 winter season. (Image – Community Perception)
- Identify areas to improve on water loss. Identify a realistic percentage reduction goal for fiscal year 2021. (Capital Investment – Infrastructure)
- Begin village wide water meter change out program. (Image – Community Perception)
- Receive three new trucks for daily operations. (Capital Investment – Fleet)
- Start needs analysis for new Public Works building. (Capital Investment – Building)
- Implement Commonwealth Edison streetlight replacement program. (Image – Community Perception)

Organization Chart



Chapter 9: Departmental Summary

PUBLIC WORKS EPARTMENT (Continued)

Performance Measures

Water

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	5,800,000
Peak daily consumption	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	3,899,000
Average daily consumption	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	2,130,000
Water mains (miles)	-	110	114	114	117	117	117	118	118	133
Water main breaks	67	55	57	53	56	44	19	33	51	44
Water main break spoils removal (sq yd)	-	-	-	-	-	1,428	1,580	2,250	N/A	896
Fire hydrants	-	1,050	1,372	1,372	1,680	1,680	1,680	1,700	1,700	1,747
Fire hydrant maintenance and painting	-	-	-	-	300	300	325	180	120	133
New connections	49	85	63	62	30	50	22	19	2	16

Streets

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Streets (miles)	58.0	74.0	76.0	76.0	76.0	76.0	76.0	76.5	76.5	76.5
Reconstruction (miles)	1.3	0.4	-	-	-	-	-	-	-	-
Resurfacing (miles)	-	2.0	1.5	0.6	1.1	0.9	6.7	5.4	5.2	5.2
Sidewalk - replacement (sq ft)	-	-	-	-	3,100	4,475	1,480	13,716	40,106	39,459
Sidewalk - new (sq ft)	-	-	-	-	-	-	-	1,800	-	471
Parkway tree planting	-	-	-	-	142	174	282	300	341	309
Parkway tree removals	-	-	-	-	152	749	475	286	213	115

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Administration

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees (40%)	76,584	71,460	64,286	70,296	72,756	75,302	77,938	80,666
Wages - overtime	41	200	-	200	200	200	200	200
Total personal services - salaries and wages	76,625	71,660	64,286	70,496	72,956	75,502	78,138	80,866
Personal services - employee benefits								
Insurance - health	6,080	6,119	6,119	15,196	15,956	16,754	17,592	18,472
Insurance - dental	315	313	313	916	962	1,010	1,061	1,114
Insurance - life	59	54	54	57	57	57	57	57
Insurance - workers' compensation	400	400	400	400	400	400	400	400
Insurance - unemployment	251	251	217	91	91	91	91	91
Retirement - Social Security	4,615	4,443	3,870	4,371	4,523	4,681	4,845	5,014
Retirement - Medicare	1,079	1,039	905	1,022	1,058	1,095	1,133	1,173
Retirement - IMRF	9,050	7,997	6,982	7,092	7,339	7,596	7,861	8,135
Education - conferences and training	2,473	2,725	1,000	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	24,482	23,501	20,020	32,030	33,271	34,569	35,925	37,341
Contractual services - professional and technical								
Information technology services - system management	22,011	20,000	24,992	28,500	28,500	28,500	28,500	28,500
Information technology services - software maintenance	3,425	4,935	2,854	4,597	5,038	5,153	5,271	5,393
Total contractual services - professional and technical	25,436	24,935	27,846	33,097	33,538	33,653	33,771	33,893
Contractual services - property								
Utilities - telephone	2,160	2,160	2,202	2,040	2,040	2,040	2,040	2,040
Utilities - cell phone	1,238	906	785	1,042	1,042	792	1,042	1,042
Equipment repair and maintenance - office	449	600	454	480	480	480	480	480
Equipment repair and maint - communications	-	-	2,895	-	-	-	-	-
Rental - equipment	3,780	3,780	1,890	-	1,872	1,872	1,872	1,872
Total contractual services - property	7,627	7,446	8,226	3,562	5,434	5,184	5,434	5,434
Contractual services - other								
Personnel administration - physicals/testing	860	1,320	1,320	1,320	1,320	1,320	1,320	1,320
Other contractual services - dues	206	800	800	800	800	800	800	800
Total contractual services - other	1,066	2,120	2,120	2,120	2,120	2,120	2,120	2,120
Commodities								
General supplies - office	2,199	2,500	2,500	2,500	2,500	2,500	2,500	2,500
General supplies - postage	250	535	535	535	535	535	535	535
General supplies - computer equipment	2,489	12,000	12,050	2,300	6,850	850	1,200	15,250
Total commodities	4,938	15,035	15,085	5,335	9,885	3,885	4,235	18,285
Charges for services								
Other contractual services - public works administration	(21,962)	(22,336)	(32,566)	(28,103)	(32,221)	(28,540)	(28,971)	(37,474)
Total charges for services	(21,962)	(22,336)	(32,566)	(28,103)	(32,221)	(28,540)	(28,971)	(37,474)
Total Public Works - Administration	118,212	122,361	105,017	118,537	124,983	126,373	130,652	140,465

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Streets

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	251,898	209,340	170,920	258,624	265,090	271,717	278,510	285,473
Overtime - general	33,308	35,000	27,102	35,000	35,000	35,000	35,000	35,000
Overtime - snow removal	47,221	60,000	47,000	50,000	50,000	50,000	50,000	50,000
Total personal services - salaries and wages	332,427	304,340	245,022	343,624	350,090	356,717	363,510	370,473
Personal services - employee benefits								
Insurance - health	53,247	68,305	64,168	78,638	82,570	73,928	77,624	81,505
Insurance - dental	3,033	3,029	3,029	4,611	4,842	5,084	5,338	5,605
Insurance - life	293	270	270	357	357	357	357	357
Insurance - workers' compensation	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000
Insurance - unemployment	1,674	1,257	816	567	567	567	567	567
Retirement - Social Security	16,621	18,869	15,433	21,305	21,706	22,116	22,538	22,969
Retirement - Medicare	3,887	4,413	3,605	4,983	5,076	5,172	5,271	5,372
Retirement - IMRF	31,915	33,964	21,683	34,569	35,219	35,886	36,569	37,270
Education - conferences and training	687	2,050	1,800	1,800	1,800	1,800	1,800	1,800
Equipment - clothing allowance	1,600	1,600	1,760	2,000	2,000	2,000	2,000	2,000
Total personal services - employee benefits	116,957	137,757	116,564	153,830	159,137	151,910	157,064	162,445
Contractual services - professional and technical								
Information technology services - software maintenance	262	1,980	340	1,097	1,097	1,097	1,097	1,097
Total contractual services - professional and technical	262	1,980	340	1,097	1,097	1,097	1,097	1,097
Contractual services - property								
Utilities - electric	72,037	83,738	83,738	83,738	83,738	83,738	83,738	83,738
Utilities - telephone	557	552	566	492	492	492	492	492
Utilities - cell phone	2,423	2,532	2,314	3,198	3,698	2,948	3,198	3,698
Infrastructure repair and maintenance - sidewalks and curb	26,554	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Infrastructure repair and maintenance - streets and alleys	17,889	26,500	12,000	26,500	26,500	26,500	26,500	26,500
Infrastructure repair and maintenance - street striping	24,802	27,000	22,353	27,000	27,000	27,000	27,000	27,000
Infrastructure repair and maintenance - traffic signals	20,819	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Infrastructure repair and maintenance - bridges	8,694	3,000	3,000	3,000	24,000	3,000	3,000	3,000
Infrastructure repair and maintenance - street lights	86,700	75,500	75,500	125,500	110,500	75,500	75,500	75,500
Infrastructure repair and maintenance - accidents and claims	-	-	6,580	-	-	-	-	-
Rental - equipment	5,999	9,400	9,400	1,000	1,000	1,000	1,000	1,000
Rental - building	-	-	-	8,400	8,400	8,400	8,400	8,400
Total Contractual Services - Property	266,474	270,222	257,451	320,828	327,328	270,578	270,828	271,328
Contractual services - other								
Printing and publishing - legal notices	616	200	200	200	200	200	200	200
Other contractual services - insect spraying	26,840	37,000	37,870	37,000	37,000	37,000	37,000	37,000
Other contractual services - dues	390	500	500	500	500	500	500	500
Other contractual services - street sweeping	41,184	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Other contractual services - vehicle and equipment repl	201,872	204,470	204,470	224,930	224,930	224,930	224,930	224,930
Total Contractual Services - Other	270,902	286,170	287,040	306,630	306,630	306,630	306,630	306,630
Commodities								
General supplies - office	-	-	-	300	-	-	-	300
General supplies - tools	4,446	8,100	8,100	9,100	5,000	5,000	7,200	7,300
General supplies - safety	3,301	3,500	3,500	4,000	4,000	4,000	4,000	4,000
General supplies - uniforms	4,032	6,000	6,000	6,500	6,500	6,500	6,500	6,500
General supplies - recycling bins	-	-	-	-	-	-	-	-
General supplies - computer equipment	1,574	-	-	1,600	-	1,700	-	1,600
Public Works supplies - snow removal	19,351	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Public Works supplies - street signs	18,994	16,000	16,000	12,000	12,000	12,000	12,000	12,000
Minor equipment - Public Works	10,340	1,750	27,952	-	25,600	-	-	-
Total commodities	62,038	63,350	89,552	61,500	81,100	57,200	57,700	59,700
Total Public Works - Streets	1,049,060	1,063,819	995,969	1,187,509	1,225,382	1,144,132	1,156,829	1,171,673

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Vehicle Maintenance

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	70,021	72,467	71,760	73,913	75,761	77,655	79,596	81,586
Wages - part-time employees	4,800	17,784	2,775	17,784	17,784	17,784	17,784	17,784
Overtime - general	13,463	2,000	10,031	2,000	1,200	1,200	1,200	1,200
Total personal services - salaries and wages	88,284	92,251	84,566	93,697	94,745	96,639	98,580	100,570
Personal services - employee benefits								
Insurance - health	22,846	14,966	14,966	14,816	15,557	16,335	17,152	18,010
Insurance - dental	1,459	1,067	1,067	1,095	1,150	1,208	1,268	1,331
Insurance - life	73	68	68	71	71	71	71	71
Insurance - workers' compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - unemployment	823	629	113	227	227	227	227	227
Retirement - Social Security	5,366	5,720	5,540	5,809	5,874	5,992	6,112	6,235
Retirement - Medicare	1,255	1,338	1,296	1,359	1,374	1,401	1,429	1,458
Retirement - IMRF	9,714	8,311	9,378	7,637	7,742	7,933	8,128	8,328
Education - conferences and training	787	1,800	800	1,000	1,000	1,000	1,000	1,000
Equipment - clothing allowance	-	600	400	600	600	600	600	600
Total personal services - employee benefits	43,323	35,499	34,628	33,614	34,595	35,767	36,987	38,260
Contractual services - professional and technical								
Information technology services - software maintenance	1,739	2,427	2,444	653	779	779	779	779
Total contractual services - professional and technical	1,739	2,427	2,444	653	779	779	779	779
Contractual services - property								
Utilities - telephone	557	552	566	492	492	492	492	492
Utilities - cell phone	918	1,218	915	672	922	922	672	922
Vehicle repair and maintenance	107,572	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Vehicle repair and maintenance (reimbursable)	1,047	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Vehicle repair and maintenance - accidents and claims	-	-	973	-	-	-	-	-
Rental - equipment	589	-	545	700	700	700	700	700
Total contractual services - property	110,683	101,770	102,999	101,864	102,114	102,114	101,864	102,114
Contractual services - other								
Other contractual services - dues	65	-	-	-	-	-	-	-
Total contractual services - other	65	-	-	-	-	-	-	-
Commodities								
General supplies - tools	2,483	4,000	4,000	2,500	22,500	2,500	2,500	2,500
General supplies - safety	3,632	4,400	6	-	-	-	-	-
General supplies - uniforms	1,660	1,600	1,600	1,600	1,600	1,600	1,600	1,600
General supplies - computer equipment	-	-	-	-	1,700	-	-	-
Vehicle supplies - tires	11,818	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Vehicle supplies - gas and oil	129,586	120,000	120,000	125,000	130,000	135,000	140,000	145,000
Vehicle supplies - gas and oil (reimbursable)	10,190	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Minor equipment - Public Works	-	-	-	-	-	-	-	-
Total commodities	159,369	154,600	150,206	153,700	180,400	163,700	168,700	173,700
Charges for services								
Other contractual services - vehicle maintenance	(161,385)	(154,619)	(149,937)	(153,411)	(165,053)	(159,600)	(162,764)	(166,169)
Total charges for services	(161,385)	(154,619)	(149,937)	(153,411)	(165,053)	(159,600)	(162,764)	(166,169)
Total Public Works - Vehicle Maintenance	242,078	231,928	224,906	230,117	247,580	239,399	244,146	249,254

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Buildings and Grounds

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Personal services - salaries and wages								
Wages - full-time employees	110,965	114,229	113,320	115,353	118,237	121,193	124,223	127,329
Wages - temporary	16,566	25,600	22,484	25,600	25,600	25,600	25,600	25,600
Overtime - general	1,764	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total personal services - salaries and wages	129,295	142,829	138,804	143,953	146,837	149,793	152,823	155,929
Personal services - employee benefits								
Insurance - health	22,265	30,262	30,262	29,959	31,457	33,030	34,682	36,416
Insurance - dental	1,188	1,849	1,849	1,897	1,992	2,092	2,197	2,307
Insurance - life	147	135	135	142	142	142	142	142
Insurance - workers' compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - unemployment	1,233	1,247	620	450	450	450	450	450
Retirement - Social Security	8,991	8,855	9,014	8,925	9,104	9,287	9,475	9,668
Retirement - Medicare	2,103	2,071	2,108	2,087	2,129	2,172	2,216	2,261
Retirement - IMRF	15,315	13,083	13,576	11,906	12,196	12,494	12,799	13,111
Education - conferences and training	619	3,850	3,850	2,350	2,350	2,650	2,350	2,350
Equipment - clothing allowance	800	800	800	800	800	800	800	800
Total personal services - employee benefits	54,661	64,152	64,214	60,516	62,620	65,117	67,111	69,505
Contractual services - professional and technical								
Information technology services - software maintenance	89	264	116	607	607	607	607	607
Total contractual services - professional and technical	89	264	116	607	607	607	607	607
Contractual services - property								
Utilities - cell phone	1,503	1,800	1,786	1,798	2,048	1,798	1,798	2,048
Building repair and maintenance - custodial	45,237	52,200	52,200	53,124	54,066	55,027	56,008	57,008
Building repair and maintenance - other	104,008	125,762	132,978	143,413	137,757	113,388	89,044	89,729
Equipment repair and maintenance - other	2,896	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Grounds repair and maintenance - trees and parkways	-	-	-	40,000	-	-	-	-
Grounds repair and maintenance - basins	17,488	22,265	22,265	18,225	22,265	18,225	22,265	18,225
Grounds repair and maintenance - Village	61,850	60,122	60,122	60,122	60,122	60,122	60,122	60,122
Grounds repair and maintenance - pest management	816	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Grounds repair and maintenance - tree replacement	81,023	92,875	92,875	99,750	99,750	86,000	72,250	58,500
Grounds repair and maintenance - tree removals	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Grounds repair and maintenance - stump grinding and restora	13,551	24,035	24,035	10,450	10,450	10,450	10,450	10,450
Grounds repair and maintenance - large tree pruning	37,143	32,000	17,000	32,000	32,000	32,000	32,000	32,000
Grounds repair and maintenance - accidents and claims	-	-	361	-	-	-	-	-
Infrastructure repair and maintenance - crack sealing	23,622	-	-	25,000	-	-	30,000	-
Total contractual services - property	395,137	420,259	412,822	493,082	427,658	386,210	383,137	337,282
Contractual services - other								
Community relations - flower boxes	3,900	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Community relations - beautification	8,361	7,800	7,800	14,800	7,800	7,800	7,800	7,800
Other contractual services - dues	425	450	410	410	530	410	410	530
Total contractual services - other	12,686	13,250	13,210	20,210	13,330	13,210	13,210	13,330
Commodities								
General supplies - tools	1,215	3,000	3,000	3,000	3,000	3,000	3,000	3,000
General supplies - cleaning	286	500	500	500	500	500	500	500
General supplies - computer equipment	-	400	580	1,600	-	600	-	1,600
Building supplies - consumable	8,964	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Building supplies - durable	1,588	3,000	5,000	3,000	3,000	3,000	3,000	3,000
Total commodities	12,053	14,900	17,080	16,100	14,500	15,100	14,500	16,100
Charges for services								
Other contractual services - buildings and grounds	(204,759)	(223,901)	(220,260)	(254,364)	(227,934)	(215,392)	(214,316)	(200,430)
Total charges for services	(204,759)	(223,901)	(220,260)	(254,364)	(227,934)	(215,392)	(214,316)	(200,430)
Total Public Works - Buildings and Grounds	399,162	431,753	425,986	480,104	437,618	414,645	417,072	392,323

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Stormwater Management

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Contractual services - professional and technical								
Engineering services - municipal projects	21,908	5,000	5,000	5,000	5,000	15,000	5,000	5,000
Total contractual services - professional and technical	21,908	5,000	5,000	5,000	5,000	15,000	5,000	5,000
Contractual services - property								
Utilities - cell phone	425	456	456	456	456	456	456	456
Sewer repair and maintenance - storm sewer	19,567	38,500	38,500	43,500	25,000	25,000	25,000	25,000
Total contractual services - property	19,992	38,956	38,956	43,956	25,456	25,456	25,456	25,456
Total Public Works - Stormwater Management	41,900	43,956	43,956	48,956	30,456	40,456	30,456	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, Lenert, and Julien, P.C. (MW). 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. The major increase in fiscal year 2020 is due to State of Illinois lobbying activities.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Contractual services - professional and technical								
Legal services - general	64,464	65,000	81,715	67,500	70,000	72,500	75,000	77,500
Legal services - development (reimbursable)	31,406	30,000	13,037	35,000	40,000	45,000	50,000	55,000
Legal services - development (village)	19,248	20,000	32,707	20,000	20,000	20,000	20,000	20,000
Legal services - traffic court	35,030	33,000	36,443	34,400	34,400	34,400	34,400	34,400
Legal services - Liquor Commission	612	1,500	659	1,200	1,200	1,200	1,200	1,200
Legal services - labor issues	21,719	30,000	20,000	20,000	20,000	20,000	20,000	20,000
Legal services - other	-	-	-	48,000	-	-	-	-
Total contractual services - professional and technical	172,479	179,500	184,561	226,100	185,600	193,100	200,600	208,100
Total Legal	172,479	179,500	184,561	226,100	185,600	193,100	200,600	208,100

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.

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
Contractual services - professional and technical								
Engineering services - general	50,107	60,000	55,860	65,000	70,000	75,000	80,000	85,000
Engineering services - development (reimbursable)	162,612	150,000	194,835	155,000	160,000	165,000	170,000	175,000
Engineering services - development (village)	18,255	15,000	14,079	15,000	15,000	15,000	15,000	15,000
Total Contractual services - professional and technical	230,974	225,000	264,774	235,000	245,000	255,000	265,000	275,000
Total Engineering	230,974	225,000	264,774	235,000	245,000	255,000	265,000	275,000

Chapter 10: Appendix



ACRONYMS

ARC = Annual Required Contribution: The actuarially determined amount an employer must contribute each 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 "Blue 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. 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 = Homeowners 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 enough 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.

MEMA = Montgomery Emergency Management Agency: The primary responsibility of the MEMA is to better prepare the Village of Montgomery, Illinois for natural, manmade or technological disasters, hazards, or acts of terrorism. MEMA coordinates the Village's disaster mitigation, preparedness, response and recovery programs and activities. The overall goal is to prepare, protect and assist the citizens of the Village through planning, prevention, training, mitigation, response, and recovery to all hazards, natural or manmade.

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 certain period of time. (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 recognized 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 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 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 or 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 debt refunding results 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; 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 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 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).

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).

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.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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 each 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 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.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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 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.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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 those 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.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

Non-major fund: Governmental fund or enterprise fund which either does not meet the necessary requirements to be a major fund or the government's officials has not been deemed particularly important to financial statement users. Nonmajor funds should be aggregated and reported in a single column to the right of the major funds in the financial statements. It is not permitted to use more than one column for nonmajor funds. Interfund transactions and balances may be, but are not required to be, eliminated when nonmajor funds are combined. Combining statements for the nonmajor funds are not required but may be presented as supplementary information.

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.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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).

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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 persons or property for current or permanent benefits such as special assessments.

Chapter 10: Appendix

DEFINITIONS (Continued)

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.

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.

Chapter 10: Appendix



Thank you for reading the Village of Montgomery fiscal year 2020 Annual Budget.