

Village of Montgomery, Illinois

Annual Budget May 1, 2020 – April 30, 2021



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
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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

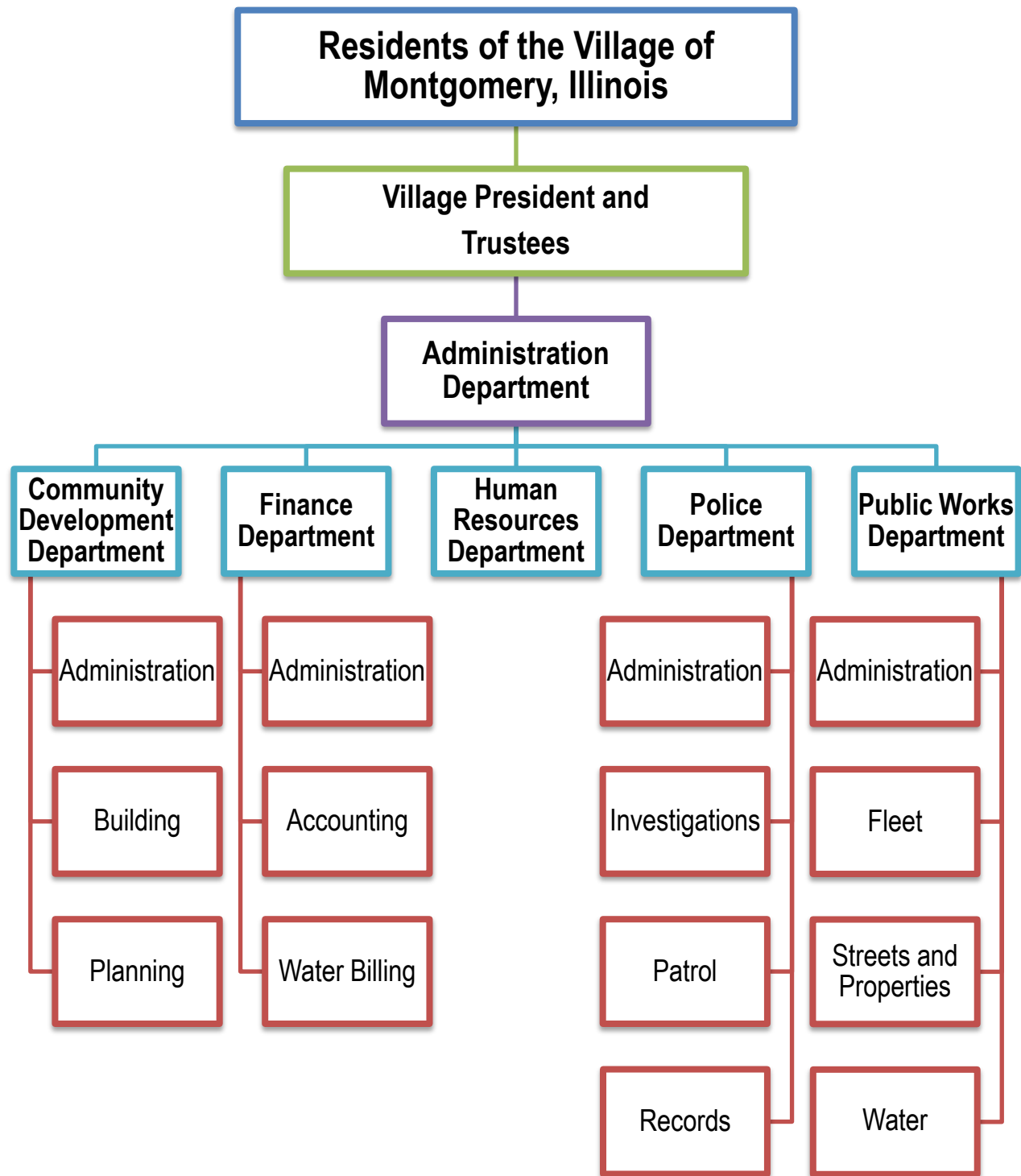
Justin VanVooren

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

The Village adopted a new Strategic Plan in fiscal year 2020 which contained a new mission statement, vision statement, values, and primary themes.

MISSION STATEMENT

Through careful planning and visionary leadership, the Village of Montgomery is committed to providing an excellent quality of life and a high level of municipal services in a fiscally responsible manner to its community.

VISION STATEMENT

We strive to create a safe, inclusive, and financially stable environment for residents, businesses, and visitors, focused on planned economic and residential development, expansion of recreational opportunities, efficient delivery of core services, and effective management of municipal infrastructure.

VALUES

The Village of Montgomery's Strategic Plan is guided by three fundamental elements: our mission, our vision, and our core values. Our Mission Statement is based on the principles of high quality and continuous improvement. Our Vision Statement presents a compelling future toward which our Strategic Plan is directed. Both our mission and our vision are founded on the following basic values that guide all of our actions and that reflect what we expect from our employees and our elected officials:

Integrity – We will demonstrate the highest degree of honesty, respect, and fairness in our activities to inspire confidence and trust in our government.

Professionalism – We will provide the highest level of knowledge and expertise. We take pride in our work, communicate effectively, project a positive image, and deliver service at the highest standards in every situation.

Responsive – We will be accessible, open-minded, consistent, and understanding. We will offer fast, friendly, flexible, and fair service to all.

Collaborative – We will work as a team, committing to open dialogue with residents, businesses, our neighboring communities, and other levels of government to enhance services and problem solve.

Dedicated – We will be committed to our community and our employees, finding effective solutions to problems that arise as we strive to improve, promote, and help the community where we work and live.

Customer Service – We will focus on listening and supporting the needs of our customers, anticipating and delivering high quality services and ensuring their satisfaction.

Chapter 1: *Introduction*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Village of Montgomery
Illinois**

For the Fiscal Year Beginning

May 1, 2019

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, 2019**. 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 13, 2020

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 2021. 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 2021 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 50), and financial policies designed to ensure the continued financial health of the Village (pages 51 to 64).

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

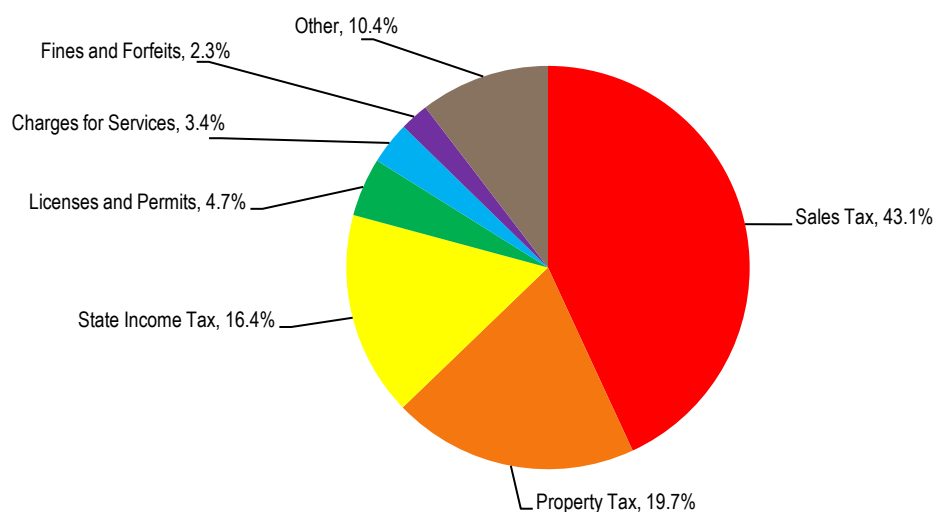
Mindful of the above principles, the current economic environment, future prognostications and the potential for the unexpected, Montgomery has seen a 0.5% overall decrease in expenditures over the fiscal year 2020 budget. Department heads are asked to reduce expenditures whenever possible. With assistance 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 2021 Budget was adopted on April 13, 2020 in compliance with State Statutes. The fiscal year 2021 Budget has total revenues of \$32,396,635 and total expenditures of \$33,819,957.

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 2021 General Fund revenues are \$11,793,716 compared with total expenditures of \$11,652,943. 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, Capital Improvement, Lakewood Creek Project, Infrastructure Improvement, Tax Increment Financing (TIF) #1, Tax Increment Financing (TIF) #2, Tax Increment Financing (TIF) #3, Tax Increment Financing (TIF) #4, Debt Service, Water, Water Improvement, Employee Insurance, Vehicle Reserve, Refuse, Police Pension, Police Gift, 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 2021.

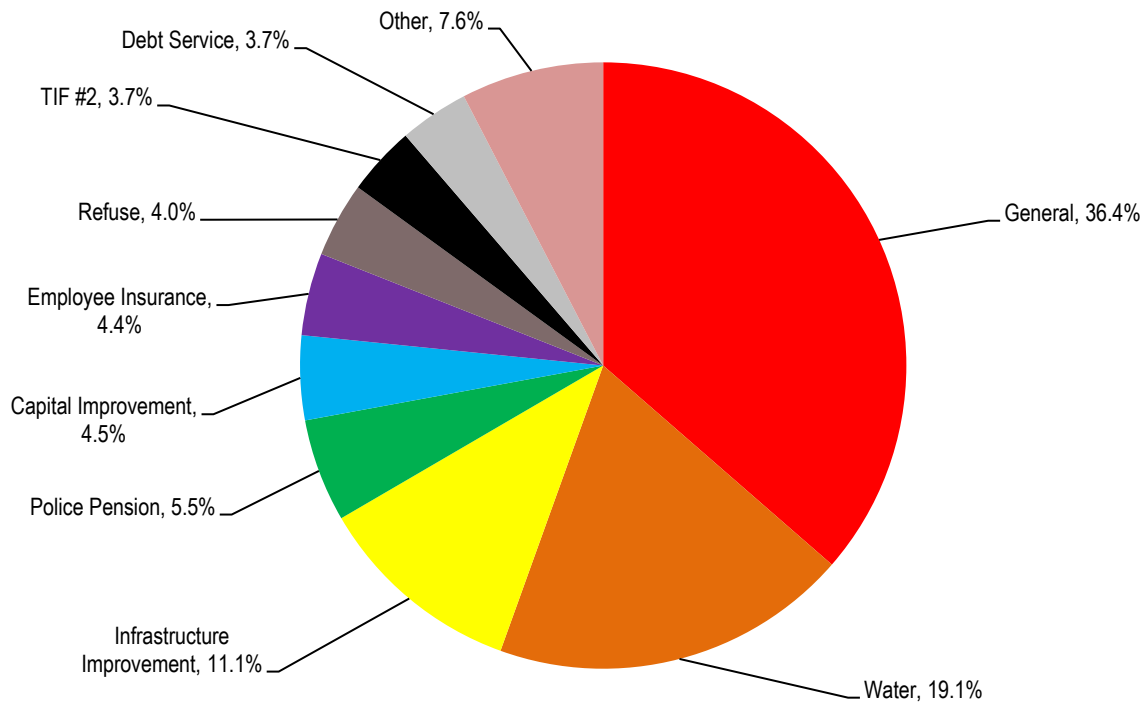
REVENUES - ALL FUNDS								
REVENUES	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
General	\$ 10,920,841	\$ 11,158,662	\$ 11,615,282	\$ 11,793,716	\$ 12,251,886	\$ 12,444,560	\$ 12,810,033	\$ 13,225,636
Motor Fuel Tax	524,933	519,247	692,848	787,233	849,400	852,400	849,400	852,400
Montgomery Development	34,524	27,046	29,963	26,000	26,000	26,000	26,000	26,000
Capital Improvement	1,368,658	1,414,594	1,386,095	1,446,689	1,431,630	9,481,846	1,347,743	1,399,806
Lakewood Creek Project	23,037	21,000	21,102	60,750	60,500	60,500	60,500	60,500
Infrastructure Improvement	3,167,301	4,087,629	3,995,553	3,588,753	3,602,966	3,773,708	4,460,893	4,570,438
TIF #1	34,258	35,000	34,083	35,000	35,000	35,000	35,000	35,000
TIF #2	819,955	1,101,595	1,066,972	1,209,419	1,246,312	1,284,281	11,475,628	1,363,580
TIF #3	-	-	-	-	-	50,000	100,000	200,000
TIF #4	-	-	-	-	-	-	50,000	100,000
Debt Service	1,659,157	1,610,853	1,610,204	1,191,309	1,187,534	1,313,774	1,414,728	1,418,387
Water	4,982,403	6,079,569	5,601,937	6,180,074	5,780,070	6,016,842	6,288,125	6,579,434
Water Improvement	(1,412,279)	1,125,110	1,065,683	548,468	954,080	4,586,658	263,900	234,400
Employee Insurance	1,380,285	1,486,905	1,463,142	1,430,178	1,437,612	1,488,752	1,541,736	1,596,637
Vehicle Reserve	648,658	738,910	836,130	712,584	717,584	722,584	722,584	722,584
Refuse	1,200,205	1,237,277	1,238,227	1,287,617	1,340,510	1,389,304	1,437,797	1,492,998
Police Pension	1,526,846	1,600,500	1,663,926	1,766,645	1,866,772	1,973,220	2,086,706	2,207,450
Police Gift	(50)	250	250	250	250	250	250	250
Special Service Areas	323,973	327,640	328,190	331,950	344,450	355,950	364,450	373,450
TOTAL REVENUES	\$ 27,202,705	\$ 32,571,787	\$ 32,649,587	\$ 32,396,635	\$ 33,132,556	\$ 45,855,629	\$ 45,335,473	\$ 36,458,950

Total revenues are \$175,152 or 0.5% less than the fiscal year 2020 budget and \$5,193,930 or 19.1% more than the fiscal year 2019 revenues. The change in revenue from the fiscal year 2020 budget can be attributed mainly to an increase in the General Fund combined with decreases in the Infrastructure Improvement, Debt Service, and Water Improvement Funds.

The Village budgeted an increase in the General Fund, 45.7% of which is accounted for by an increase in sales tax due to retail growth. The Infrastructure Improvement Fund revenues are less due to the receipt of a \$500,000 LAFO grant in fiscal year 2020 versus no grant in fiscal year 2021. Debt Service revenues are less due to a lower transfer from the Capital Improvement Fund caused by the second balloon payment on the Series 2008A bonds in fiscal year 2020. 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 2021. The General Fund brings in the most revenue at 36.4% followed by the Water Fund at 19.1%, and Infrastructure Improvement Fund at 11.1%.



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	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
General	\$ 10,210,870	\$ 11,089,304	\$ 11,106,221	\$ 11,652,943	\$ 11,964,840	\$ 12,233,275	\$ 12,513,100	\$ 12,906,746
Motor Fuel Tax	257,475	944,750	782,390	181,000	1,589,750	198,500	1,609,000	219,500
Montgomery Development	161,792	51,000	30,961	154,000	254,000	254,000	54,000	54,000
Capital Improvement	1,689,190	1,616,873	1,633,039	1,324,255	1,518,127	9,475,096	1,412,228	1,415,887
Lakewood Creek Project	61,183	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Infrastructure Improvement	3,310,409	5,153,991	3,989,731	4,910,902	3,029,402	3,785,902	3,666,422	4,099,092
TIF #1	46,693	680	13,180	690	700	710	720	730
TIF #2	221,617	620,894	435,677	1,086,424	608,050	1,973,341	3,906,027	8,210,061
TIF #3	-	-	5,000	27,500	500	910	920	930
TIF #4	-	38,000	-	-	38,000	500	920	930
Debt Service	1,660,490	1,610,853	1,610,453	1,191,309	1,187,534	1,313,774	1,414,728	1,418,387
Water	4,189,364	7,413,932	4,927,173	7,808,230	5,316,562	4,716,566	5,339,714	5,283,681
Water Improvement	435,666	1,125,110	608,504	1,226,603	954,080	1,202,030	1,494,863	1,810,610
Employee Insurance	1,290,834	1,480,905	1,452,462	1,424,178	1,431,612	1,482,752	1,535,736	1,590,637
Vehicle Reserve	694,872	587,157	607,804	450,795	171,309	113,170	223,259	413,684
Refuse	1,198,372	1,237,277	1,235,151	1,287,617	1,340,510	1,389,304	1,437,797	1,492,998
Police Pension	704,308	706,132	812,795	709,871	729,700	750,356	771,830	793,940
Police Gifts	114	1,000	533	1,000	1,000	1,000	1,000	1,000
Special Service Areas	399,600	290,959	305,578	322,640	306,495	332,294	317,018	342,333
TOTAL EXPENDITURES	\$ 26,532,849	\$ 34,028,817	\$ 29,616,652	\$ 33,819,957	\$ 30,502,171	\$ 39,283,480	\$ 35,759,282	\$ 40,115,146

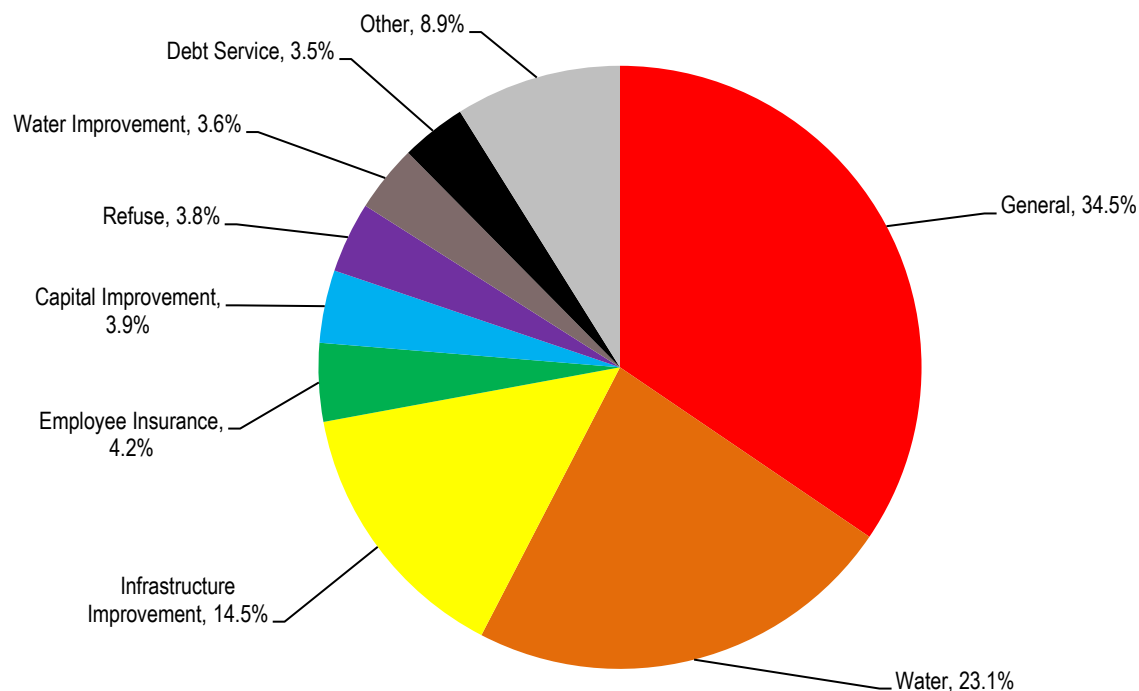
Total expenditures are \$208,860 or 0.6% less than the fiscal year 2020 budget and \$7,287,108 or 27.5% more than the fiscal year 2019 expenditures. The change in expenditures from the fiscal year 2020 budget can be attributed mainly to increases in the General, TIF #2, and Water Funds combined with decreases in the Motor Fuel Tax, Capital Improvement, Infrastructure Improvement, and Debt Service Funds.

The increase in the General Fund is due to a combination of factors including wages and benefits for and additional Patrol Officer, as well as filling of vacant positions in Police Patrol. The TIF #2 Fund increase is due to the Village beginning to spend increment on various projects to improve the area. The Water Fund increase is due to paying for the replacement of lead service lines in fiscal year 2021 that was delayed from fiscal year 2020 due to Covid-19. The Motor Fuel Tax Fund decrease is due to the Village scheduling higher dollar projects every other year to take advantage of economies of scale. Capital improvement expenditures are less due to a lower transfer from the Capital Improvement Fund caused by the second balloon payment on the Series 2008A bonds in fiscal year 2020. 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. Debt Service expenditures are less due to the second balloon payment on the Series 2008A bonds in fiscal year 2020.

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 2021, personal services expenditures are expected to total \$8,983,730 or 26.6% of total budgeted expenditures. This is an increase of 8.5% over the fiscal year 2020 budgeted expenditures of \$8,281,459.

The following chart shows the Village's total expenditures for all funds classified by fund for fiscal year 2021. The Village is a service provider and the General Fund is the main operating fund of the Village, accounting for 34.5% of all expenditures. The General Fund is followed by the Water Fund at 23.1% and Infrastructure Improvement Fund at 14.5%.



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.

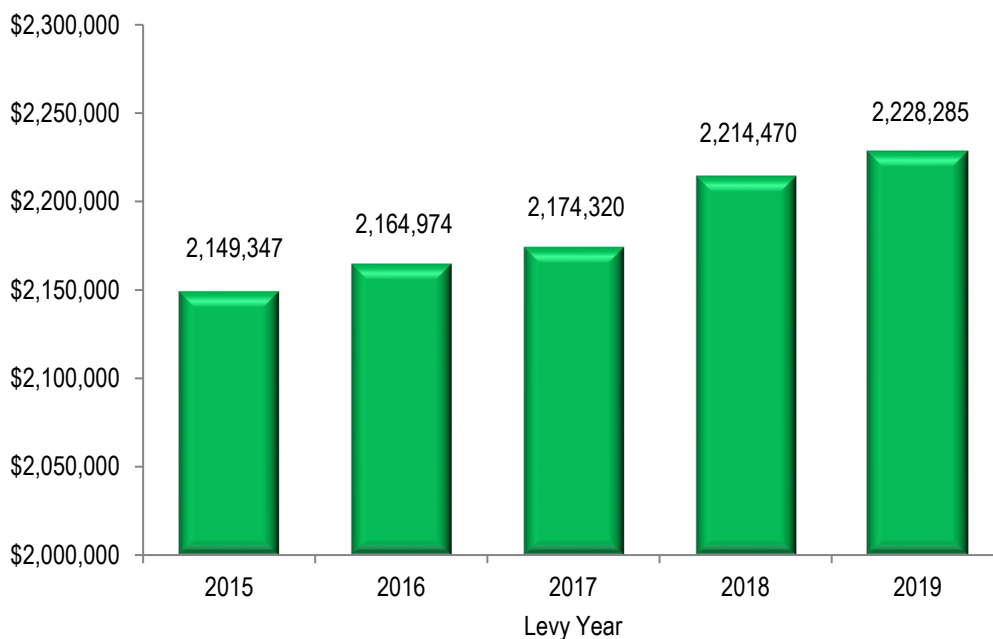
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All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Employees covered by the Illinois Municipal Retirement Fund (IMRF) contribute 4.5% of their gross pay, while the Village contributes 10.7% (for calendar year 2020) of each employee's gross pay. The employer's share is expensed in each operating function and is estimated to decrease to 8.91% in calendar year 2021.

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 23.46% (for fiscal year 2019 – 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 2019 property tax levy for all Village funds, excluding Special Service Areas, is projected at \$2,228,285. This represents an increase of 0.6% from the adopted 2018 extension. The levy has increased in the last few years 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.

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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, more than quadrupled to 61 in 2019, and is still strong at 25 through only 4 months of 2020. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, 3 in 2018, and 0 in 2019 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. Full permits were issued during fiscal year 2020 for 8 buildings (2 buildings in June 2019, 2 buildings in September 2019, and 4 buildings in March 2020) valued at nearly \$15.5 million. 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 20. 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. McCallister's Deli and the Doggie Daycare started construction in 2019 and expect occupancy in the middle of 2020. Lastly, there are several businesses who the Village expects to start construction in 2020 including Ricky Rockets Fuel Center 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 \$2.7 million to \$5.1 million in the last 10 years (6.5% per year average), while non-home rules sales has grown from \$2.7 million to \$3.4 million in just the last 5 years (5% 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; Nexeo Solutions built a \$12 million warehouse and distribution facility; and Old Dominion Freight Line built a \$13 million freight depot. United Sugars and Nexeo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexeo buildings alone contributed roughly \$550,000 of tax increments in fiscal year 2019 and fiscal year 2020 (at 50% of estimated value) and will produce nearly \$1.0 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 started working on a storm sewer overflow study during fiscal year 2019 and throughout fiscal year 2020, which will determine what regional improvements can be made to recapture buildable land within the District. In addition, the Village Engineer started an infrastructure improvement study during fiscal year 2020 to be completed in fiscal year 2021 that

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will further delineate the order in which improvements should take place. The Village is currently in discussion with 1 new business about a new building and 2 existing businesses about expansion of their current facilities within the successful Aucutt Road TIF District.

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2021 budget includes an additional 3.0 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 part-time Community Development intern (Community Development), 1 patrol officer (Public Safety), 1 maintenance worker for the Building and Grounds division, and moving the part-time mechanic to full-time (Public Works). Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village negotiated and approved a new 5-year contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2025. Cost of living increases ranging from 2.5% to 3.0% and pay for performance increases ranging from 4.5% to 6.0%.

The State of Illinois (the “State”) has experienced adverse fiscal conditions over the last 5 years resulting in significant shortfalls between the State’s general fund revenues and spending demands. The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017. The State’s long-term general obligation bonds carry the lowest investment grade rating (lowest among all states). Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The State’s general fiscal condition and the underfunding of the State’s pension systems have materially adversely affected the State’s financial condition and may result in decreased or delayed revenues allocated to the Village. In addition, the State’s fiscal year 2018, fiscal year 2019 Budget and fiscal year 2020 budgets contain a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities. The Village cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the Village.

The COVID-19 pandemic, along with various governmental measures taken to protect public health considering the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies. In response to such expectations, President Trump has declared a “national emergency” and Illinois as a disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 9, 2020, Governor Pritzker declared all counties in the State as disaster areas because of the spread of COVID-19 (the “Gubernatorial Disaster Proclamation”).

The State is not yet able to assess the severity of the economic impact of the COVID-19 pandemic. The adverse impact on the State’s finances may, in turn, adversely affect the Village’s finances due to delays or reductions in the amount received by the Village from the State. Likewise, the Village’s finances may be adversely affected in manners separate and apart from the impact on the State. The Village, however, cannot predict the effect the spread of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of sales, income, gaming and utility taxes and real estate tax collections.

Chapter 2: *Transmittal Letter*

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 2020. This was the eighth consecutive year the Village has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for a ninth 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, 2020. This was the seventeenth 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.

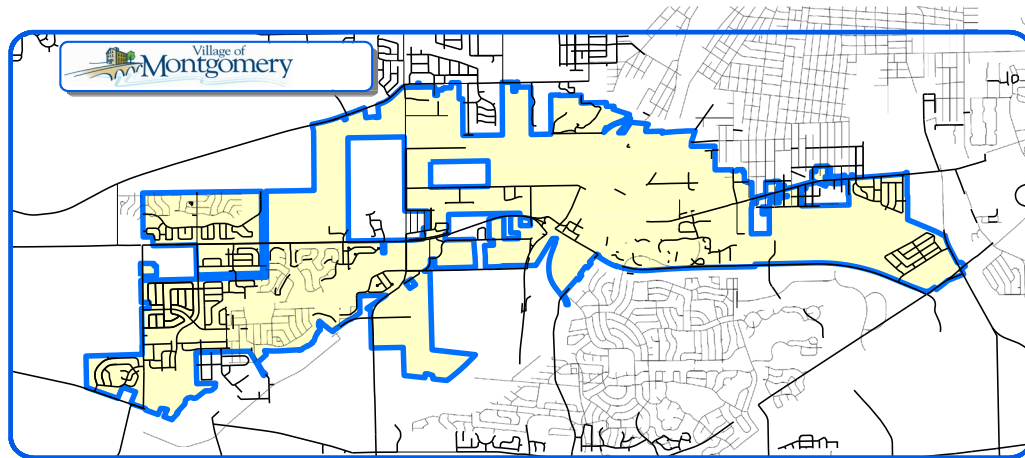
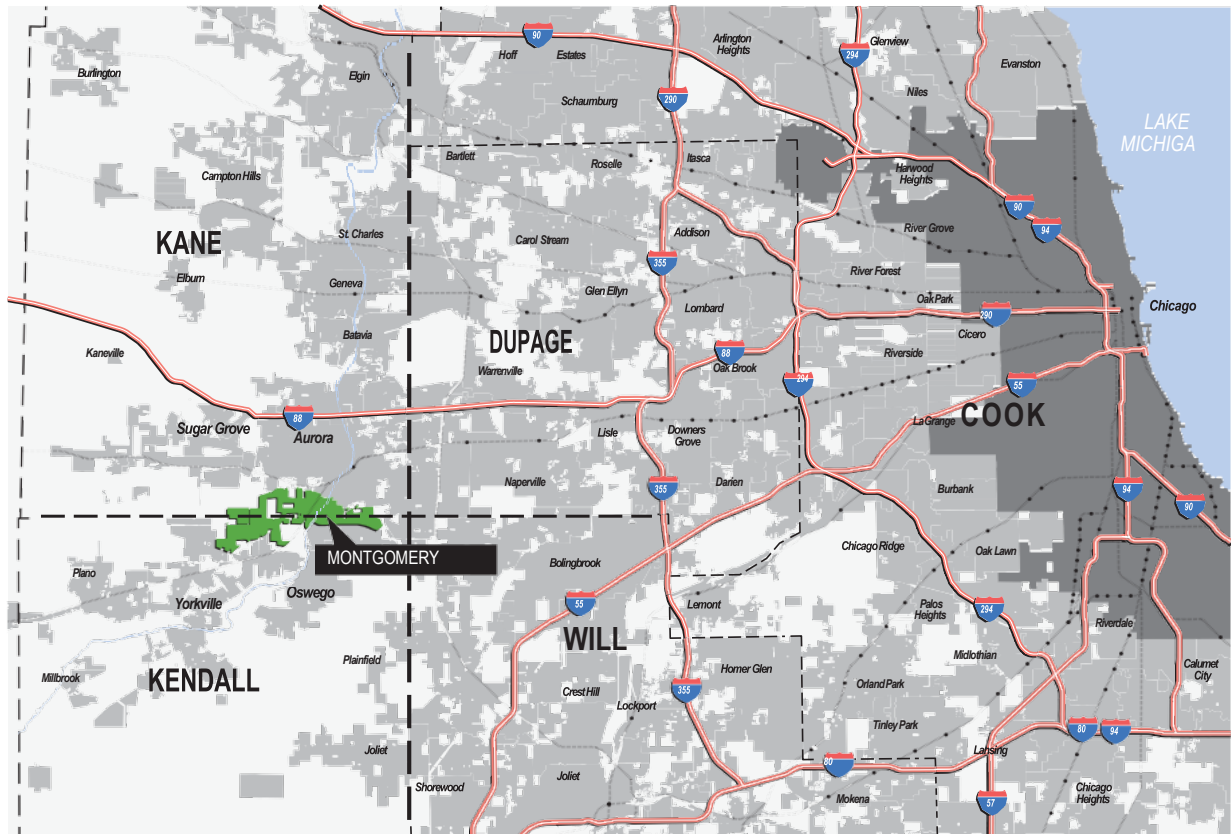
The preparation of this report would not have been possible without the efficient and dedicated services of the Village Administrator and staff of the Finance Department. I would also like to express my gratitude to each department and their staff who assisted and contributed to the preparation of this 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

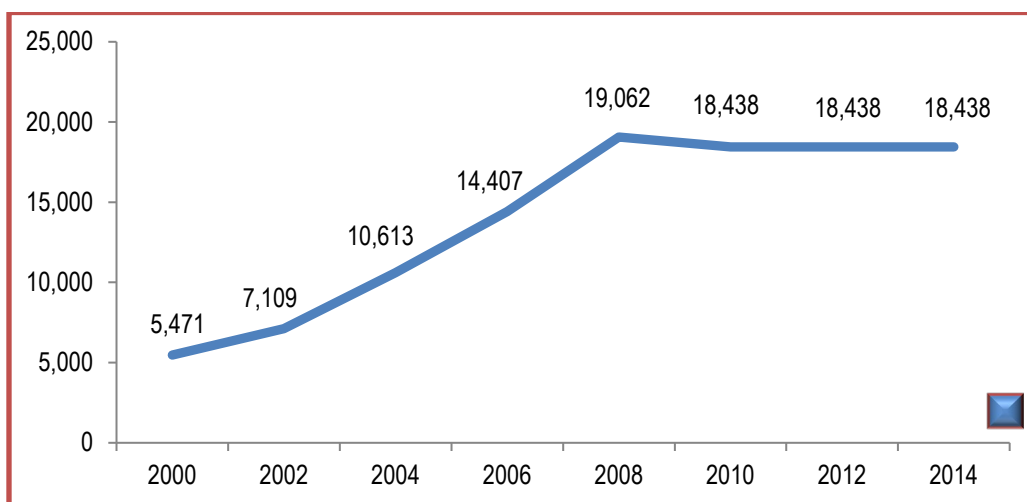
HISTORY

Montgomery was founded in 1835 by entrepreneur Daniel Gray, who purchased several land grants from the Federal government and pursued industrial development along the Fox River. The settlement was called "Graystown" for several years, but eventually he persuaded the other settlers to call the little village "Montgomery" after the county in New York that he and several other settlers had come from. Daniel Gray was a man of much energy and enterprise. No sooner had he settled in the place than he commenced improvements on a grand scale. A store, foundry, reaper and header manufacturing shop over 100 feet in length, a second foundry built of stone, and one of the best stone gristmills in the country, appeared in rapid succession. The stone grist mill, built by Gray in 1853, has been beautifully restored and is listed on the National Register of Historic Places. The Village of Montgomery was incorporated in 1858.

Montgomery's early growth continued to align with its industrial roots. After a brief setback in growth, due to the arrival of the McCormick Works at Chicago that out competed Montgomery's reaper plant, the construction of the Chicago, Burlington & Quincy (CB&Q) Railroad reinvigorated local industrial activity. The rail line shipped Montgomery's produce, spring water, and livestock to Chicago markets. In 1899, Riverview Park (later Fox River Park) opened as an amusement park, which drew crowds from as far as Morris and Chicago on express interurbans. The park was replaced in 1943 by United Wallpaper Company and then by AT&T. Lyon Metallic, Montgomery's first modern factory, moved to Montgomery from Chicago in 1906, drawing a reverse commute from Aurora and further stabilizing the economy. The introduction of Caterpillar, the world's leading manufacturer of construction and mining equipment, further cemented the Village's strong industrial core.

For many years, Montgomery maintained a stable population of around 5,000 residents, with 5,471 residents at the 2000 decennial census. However, a sharp increase in residential development after 2000 has altered the industrial character and transformed Montgomery into a more suburban community of 18,438 residents by the 2010 decennial census. Despite an astounding population increase of 237% in just ten years, Montgomery has been successful in maintaining its warm, small-town atmosphere. The graph below shows Montgomery's population growth throughout the years.

Montgomery's Population Growth



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 68 full-time employees and 31 part-time employees (including Board and Commission members) 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

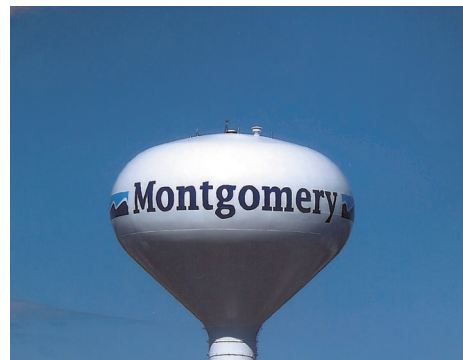
GOVERNANCE (Continued)

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. Waubensee Community College, located in nearby Sugar Grove, offers Associate of Arts degrees in 24 majors. The college also offers Applied Science degrees in 26 different occupational fields and specialized certificate programs in 55 career areas.

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



Chapter 3: Village Profile

COMMUNITY INVOLVEMENT (Continued)

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

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



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

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



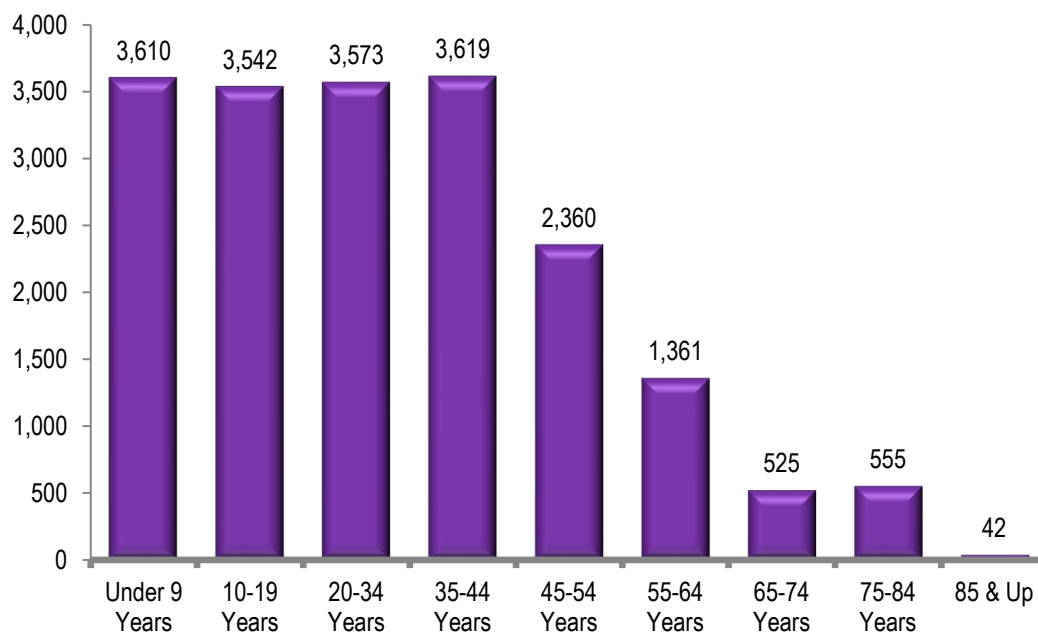
Chapter 3: Village Profile

DEMOGRAPHICS

General

Population	19,749
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%

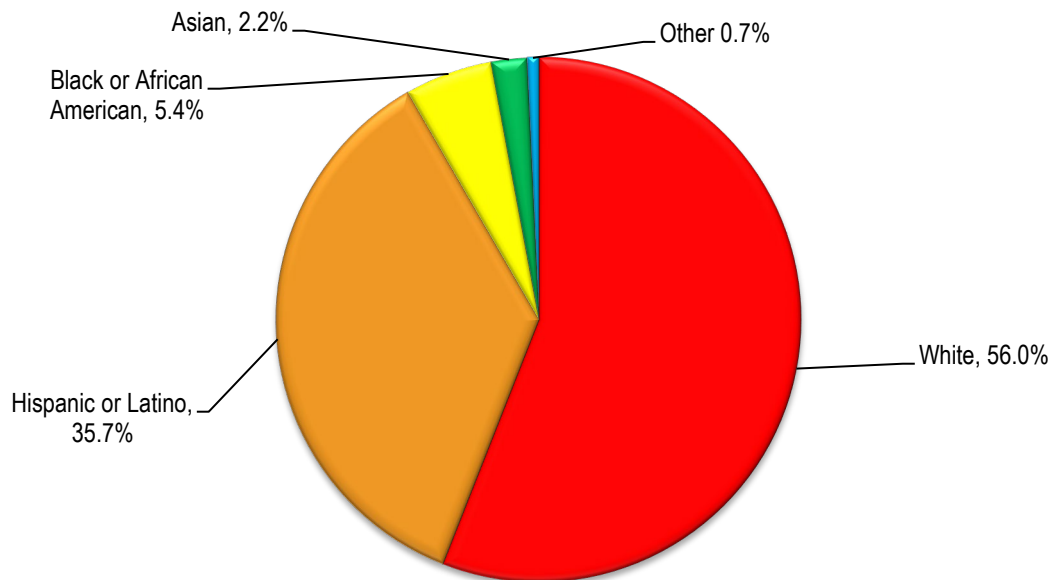
Age



Chapter 3: Village Profile

DEMOGRAPHICS (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

DEMOGRAPHICS (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
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	N/A	4.4%	3.3%	4.0%
2020 (April)	N/A	16.8%	16.4%	16.8%

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 2020 budget – as approved by the Village Board
- Fiscal year 2020 year-to-date (YTD) – print out or review the activity and determine if something has been categorized incorrectly
- Fiscal year 2020 projections – estimate of what will be spent (or received for revenue) by the end of April
- Fiscal year 2021 to 2025 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 2021.

Chapter 4: *Budget Process and Organization*

Fiscal Year 2020 Budget Calendar (Bold Items Involve the Village Board)

10/2/2019	Budget and Community Investment Plan (CIP) kickoff meeting
11/11/2019	Announce and review tax levy (Village Board Meeting)
11/25/2019	Public hearing on tax levy (Village Board Meeting)
12/9/2019	Approval of tax levy (Village Board Meeting)
10/2/2019 – 12/16/2019	Departments review and prepare budget and CIP requests
12/16/2019	Submittal to Director of Finance <ul style="list-style-type: none">- Revenue updates and projections- Expenditure updates and projections- Vehicle requests- Personnel requests- CIP requests
12/16/2019 – 1/27/2020	Review of updates, projections, and requests by Director of Finance
1/28/2020 – 2/4/2020	Budget submittal and review by Village Administrator
2/10/2020 – 2/14/2020	Departmental budget review with Village Administrator and Director of Finance
2/17/2020 – 2/21/2020	2 on 2 meetings with the Village Board
2/24/2020	Review General Fund (Village Board Meeting)
2/28/2020	Submittal to Director of Finance <ul style="list-style-type: none">- Departmental description, responsibilities, and core strategies- FY2020 accomplishments and FY2021 goals- Departmental data/performance measures
3/1/2020	Budget put on display for citizen review and publication of public hearing notice
3/9/2020	Public hearing (Village Board Meeting) Review Capital Improvement, Infrastructure Improvement, Water and other budgets
4/13/2020	Waiver of first and passage on 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)

- FY2020 Budget – This column refers to the amount approved by the Village Board for the current fiscal year.
- FY2020 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.
- FY2021 Approved – This column refers to the amount approved by the Village Board for the upcoming fiscal year.
- FY2022 through FY2025 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.

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

Chapter 4: *Budget Process and Organization*

FUND GROUPS AND BASIS OF BUDGETING (Continued)

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

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

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

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

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

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

Chapter 4: *Budget Process and Organization*

FUND GROUPS AND BASIS OF BUDGETING (Continued)

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

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

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

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

- Motor Fuel Tax Fund (Special Revenue)
- 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 32 through 34, 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 reviewed 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 2021 through fiscal year 2025 CIP is shown on page 80.

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 Plan 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, values, and strategic plan were presented and approved by the Village Board in fiscal year 2020.

Strategic Themes

Our Strategic Plan has four primary themes that reflect our Mission Statement, Vision Statement, and Values: Quality of Life, Civic Engagement, Economic Development, and Professional Governance.

Each theme is followed by a listing of goals and objectives. Understanding how goals and objectives are defined within the context of this plan is important.

Goals are big steps towards accomplishing our mission. They are not easily reached, and they are aligned with our values. Goals are broad, value-based statements expressing our preferences for the term of this plan. They specifically address key issues, opportunities, and desires that affect the community.

Objectives are smaller steps that are needed to meet these goals. They should be specific, measurable, attainable, timely, and directly related to the goal. For each strategic area, actions are also provided. These actions are specific steps refined by Village staff and elected officials for achieving objectives.

Periodic review and adjustment will be necessary over the planning period. We will track our progress through regular reporting on our objectives and actions and they will be incorporated over time into our other planning tools including the annual budget and community investment plan.

I. QUALITY OF LIFE

A. Develop sustainable, environmentally-friendly infrastructure

1. Use GRC checklist to create a local sustainable, environmentally-friendly program
 - a. EV charging stations
 - b. Energy conservation program
 - c. Solar forum to encourage residential solar
 - d. Water conservation program
 - e. Implement LED street light program to reduce electricity costs
2. Develop a recycling education program (improve usage rate)
3. Continue planning for a sustainable, healthy, economical water source
4. Review Village services and adjust/enhance to increase sustainability

Chapter 5: Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan (Continued)

- I. QUALITY OF LIFE (Continued)
 - B. Enhance visual/aesthetic appeal of Village
 - 1. Work with business community and HOA's to beautify existing businesses and residential areas
 - 2. Review code enforcement regulations to make sure they contribute to desired aesthetic and then apply them consistently
 - 3. Increase number and type of cultural offerings
 - 4. Enhance pedestrian mobility
 - a. Continue implementing sidewalk/bike path gap plan
 - b. Create a path network to allow west side residents to walk/bike to river
 - 5. Establish aesthetic and quality standards
 - 6. Continue working with developers and park districts to develop open space and parks, and promote them to raise resident awareness
 - 7. Increase number and type of public art displays
 - a. Implement program to display artwork from the high schools attended by Montgomery residents
 - 8. Enhance wayfinding signage throughout the Village
 - C. Expand and maintain infrastructure
 - 1. Cross reference infrastructure plans
 - a. Review plans to make sure they work together and are not in conflict (i.e. water main replacement and road rehabilitation plans)
 - 2. Continue working to develop a safe, efficient, multi-faceted transportation network
 - a. Work with counties to implement Orchard/Route 30 intersection improvements
 - b. Continue lobbying efforts to promote Route 30 widening
 - c. Continue working with neighboring communities to promote extension of Metra line into Montgomery
 - d. Expand PACE program in Montgomery
 - e. Study feasibility of a Park and Ride program
 - f. Continue implementing sidewalk/bike path gap plan
 - g. Create a path network to allow west side residents to walk/bike to river
 - h. Expand IRP program to the extent allowed by any increase in funding
 - 3. Continue to expand and improve Village water and stormwater systems
 - a. Continue exploration of regional detention project (TIF #2)
 - b. Continue exploration of long-term, sustainable water source
 - c. Implement water meter replacement program
 - d. Maintain and replace water infrastructure to improve system
 - 4. Implement LED street light program to reduce electricity costs
 - 5. Continue implementation of tree planting/replacement plan to ensure a healthy, diverse tree inventory

Chapter 5: Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan (Continued)

II. CIVIC ENGAGEMENT

- A. Increase resident awareness of Village activities, plans, and opportunities
 - 1. Develop comprehensive communications plan
 - a. Develop public awareness campaign highlighting Village services and activities
 - b. Develop public awareness campaign highlighting the Village budget, showing the sources and uses of monies
 - c. Enhance website and online offerings
 - i. Redesign Village website
 - ii. Increase information and services available online
 - a) Water billing and water use information
 - b) Community Development/property information
 - d. Increase social media presence
 - i. Expand information shared on Facebook
 - a) Videos of Public Works
 - b) Highlight employees
 - c) Promote activities of related units (schools, libraries, etc.)
 - d) Promote local not-for-profits or resident accomplishments
 - ii. Investigate other social media platforms and implement where appropriate
 - a) Instagram
 - b) Twitter
 - e. Expand completeness and use of resident email list
- B. Expand opportunities for community to gather and to interact with staff and elected officials
 - 1. Enhance and expand current opportunities
 - a. Halloween safety event
 - b. Special Olympics events (Polar Plunge, Cops on Top, Torch Run)
 - c. PD tours for community groups
 - d. National Night Out
 - e. Montgomery Fest
 - f. River Run
 - g. Christmas tree lighting
 - h. Easter egg hunt

Chapter 5: Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan (Continued)

II. CIVIC ENGAGEMENT (Continued)

B. Expand opportunities for community to gather and to interact with staff and elected officials

2. Create new opportunities

- a. Attend HOA, youth groups, service organizations
- b. Coffee with a Cop/Coffee with the Chief
- c. Shop with a Cop and Beards for Badges program
- d. Increase school interaction
- e. Citizens Police Academy
- f. Cruise night
- g. Develop Veteran's Plaza/gathering place
- h. Kayak race
- i. Farmer's market
- j. Village open house
- k. Increase service project/volunteering opportunities

3. Develop events in different areas of the Village

4. Develop plan to engage residents from every walk and stage of life

5. Expand Village Hall hours for increased customer service

C. Create/Enhance natural features

1. Construct a canoe launch to provide greater access to river

2. Plan for dam modification, including funding

- a. Create a whitewater feature for kayaking/canoeing

3. Develop plan for a riverwalk

4. Work with park district to keep river area clean and to control the vegetation

D. Create opportunities for community feedback

1. Conduct community forums

2. Conduct citizen survey regarding services provided by the Village

3. Identify unmet needs of our business community

E. Create and promote a Village identity

1. Community branding

2. Gateway signage

3. Historical nature

4. Determine our story, what makes us unique

5. Create a sense of place

6. Engage with other government units serving Montgomery

- a. Library

- b. Schools

F. Increase engagement with civic service groups

1. Chamber of Commerce

2. Montgomery Foundation

3. Rotary Club

4. Veteran's groups

Chapter 5: Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan (Continued)

III. ECONOMIC DEVELOPMENT

- A. Attract and retain array of diverse and attractive businesses
 - 1. Create a business development strategy
 - a. Redevelopment planning
 - 1) Lyon Metal
 - 2) Caterpillar
 - b. Attraction planning
 - 1) Industrial – stress food services niche
 - 2) Retail – stress sports venues
 - 2. Determine types of businesses to target
 - a. Gap analysis
 - b. Resident survey
 - 3. Develop a dine local program to support restaurants
 - 4. Locate and attract a hotel/banquet facility
 - 5. Develop tools for recruitment and retention
 - a. Develop list of available Incentives
 - b. Review permit and development process
 - c. Review use of TIF districts
 - 1) Plan for establishment of TIF district #3
 - 2) Develop a TIF management plan
 - 3) Develop a TIF marketing plan
 - 6. Increase interaction with businesses and developers
 - a. Reinvigorate the Douglas Road task force
 - b. Create a business recognition program
- B. Proactively work to create a vibrant downtown
 - 1. Determine desired businesses/attractions
 - a. Develop list of attractions to bring people downtown
 - b. Develop list of targeted businesses/developments
 - 1) Restaurants
 - 2) Boutique or niche businesses
 - 3) Professional services
 - 4) Mixed use development
 - 5) High density, high end units
 - 6) Brewery, winery, distillery
 - 7) Entertainment
 - c. Partner with the library to create an annex at Village Hall
 - 2. Develop planning and financing tools
 - a. Create a downtown marketing plan
 - b. Identify funding source – business district or TIF
 - c. Develop plan for strategic property acquisition
 - d. Secure investors developers, and brokers

Chapter 5: Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan (Continued)

III. ECONOMIC DEVELOPMENT (Continued)

C. Residential

1. Provide housing diversity
 - a. Age-targeted housing

D. Other

1. Develop plan for future annexations
2. Develop a plan for Village-owned properties
 - a. Main Street
 - b. PD campus
3. Review current geographic boundaries and determine opportunities for improvement
4. Review purpose/mission of Chamber and MEDC

IV. PROFESSIONAL GOVERNANCE

A. Hire, develop, and retain high quality employees

1. Ensure competitive wages and benefits
2. Develop an employee wellness program
3. Create an employee onboarding/orientation program
4. Ensure succession planning
5. Provide ongoing training
 - a. Customer service training
 - b. Leadership development
 - c. Create formalized training program for each position
 - d. Develop interdepartmental training opportunities
6. Provide opportunities to increase employee engagement and morale
 - a. Recognize employee accomplishments and milestones
 - b. Provide equipment and training
 - c. Personal project opportunities
 - d. Team building
 - e. Provide opportunities for professional accreditation
 - 1) ILEAP

7. Other

- a. Develop a formal Board orientation process

B. Ensure financial stability and sustainability

1. Enhance and diversify revenues
 - a. Identify potential new revenue
 - b. Review fees on a regular basis
 - c. Increase and diversify tax base
 - d. Monthly water billing
 - e. Increase online payment options and use

Chapter 5: Long-Term Planning

LONG-TERM PLANNING (Continued)

Strategic Plan (Continued)

IV. PROFESSIONAL GOVERNANCE (Continued)

C. Ensure financial stability and sustainability

1. Forecast expenditures and develop cost-saving measures
 - a. Receive a AAA bond rating
 - b. Ensure Village ability to meet long-term pension obligations
 - c. Develop a long-term building maintenance plan
 - d. Create a community investment plan – 10 years or longer
 - e. Develop plan for financing and construction of a new Public Works facility
 - f. Continue funding for scheduled Vehicle and equipment replacement
 - g. Develop plan to reduce water system loss

D. Work cooperatively with others to reduce costs, achieve efficiencies

1. Increase participation and dialogue – federal agencies
2. Increase participation and dialogue – state agencies
3. Increase participation and dialogue – regional agencies
4. Conduct regular meetings with regional counterparts
5. Strengthen intergovernmental relationships
6. Continue looking for opportunities for resource sharing

E. Use technology to enhance service and assist employees

1. Develop a technology master plan
2. Investigate alternative service delivery methods
3. Implement body-worn cameras
4. Increase GIS capabilities
5. Integrate technology from different departments
6. Maintain technology replacement plan

F. Other

1. Develop a culture of transparency
2. Look for ways to increase efficiency of services
3. Enhance core services
4. Create a high-performance organization
5. Develop performance measures

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.

Chapter 5: Long-Term Planning

LONG-TERM PLANNING (Continued)

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.

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.

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:

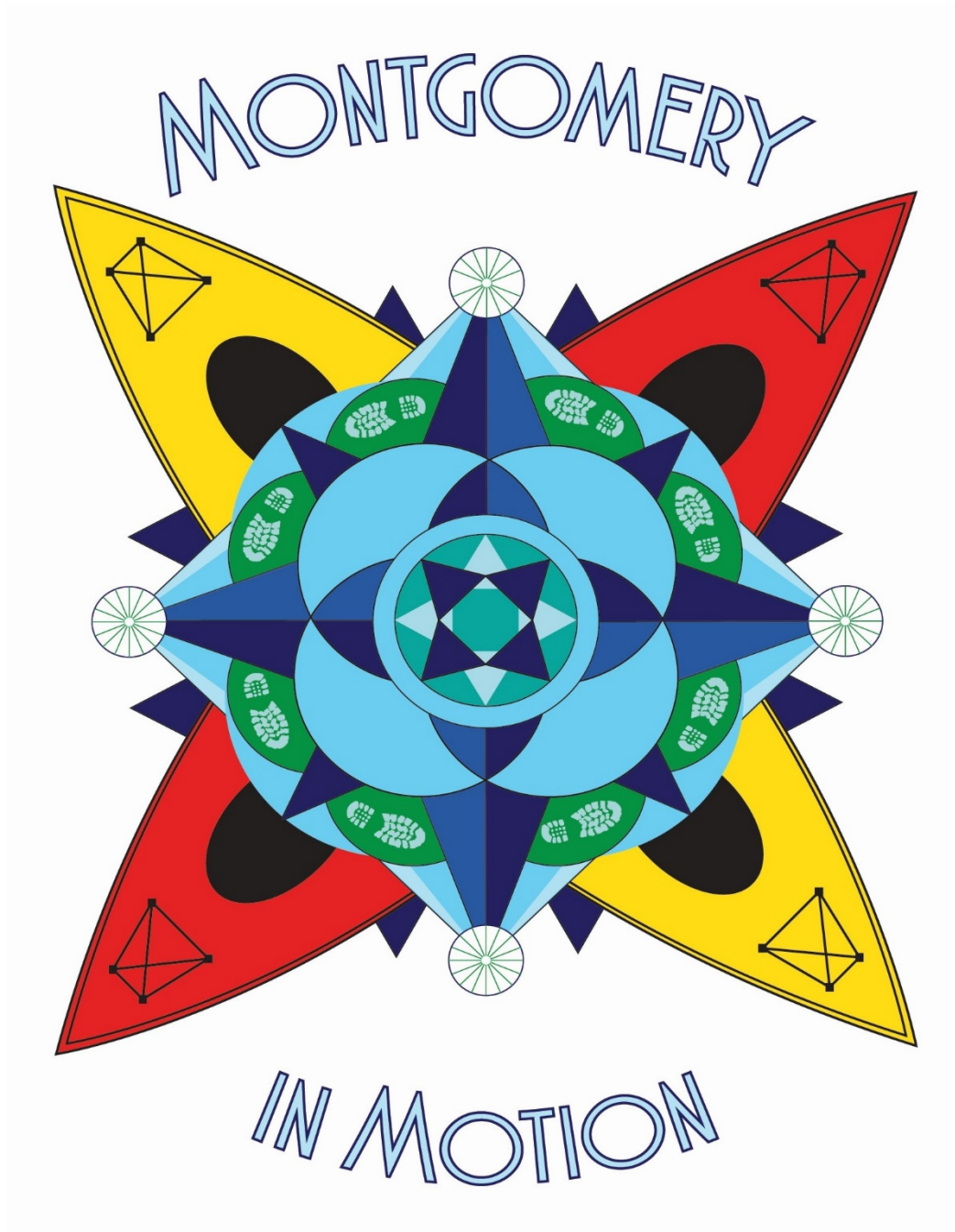
- Water in the Fox River;
- Walking, running, or biking opportunities throughout the Village and its neighborhoods;
- Development providing additional services and jobs; and
- Concepts to continue to move the Village forward.

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 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 April 2020.

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 Plan

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 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 2019 audited actual, fiscal year 2020 estimated, and fiscal year 2021 budgeted revenues for the Village of Montgomery as a whole.

REVENUES	Actual FY2019	Estimated FY2020	Budget FY2021
General	\$ 10,920,841	\$ 11,615,282	\$ 11,793,716
Motor Fuel Tax	524,933	692,848	787,233
Montgomery Development	34,524	29,963	26,000
Capital Improvement	1,368,658	1,386,095	1,446,689
Lakewood Creek Project	23,037	21,102	60,750
Infrastructure Improvement	3,167,301	3,995,553	3,588,753
TIF #1	34,258	34,083	35,000
TIF #2	819,955	1,066,972	1,209,419
TIF #3	-	-	-
TIF #4	-	-	-
Debt Service	1,659,157	1,610,204	1,191,309
Water	4,982,403	5,601,937	6,180,074
Water Improvement	(1,412,279)	1,065,683	548,468
Employee Insurance	1,380,285	1,463,142	1,430,178
Vehicle Reserve	648,658	836,130	712,584
Refuse	1,200,205	1,238,227	1,287,617
Police Pension	1,526,846	1,663,926	1,766,645
Police Gifts	(50)	250	250
Special Service Areas	323,973	328,190	331,950
TOTAL REVENUES	\$ 27,202,705	\$ 32,649,587	\$ 32,396,635

Chapter 7: Executive Summary

ALL FUNDS SUMMARY (Continued)

The following table represents the 2019 audited actual, fiscal year 2020 estimated, and fiscal year 2021 budgeted expenditures for the Village of Montgomery as a whole.

EXPENDITURES	Actual FY2019	Estimated FY2020	Budget FY2021
General	\$ 10,210,870	\$ 11,106,221	\$ 11,652,943
Motor Fuel Tax	257,475	782,390	181,000
Montgomery Development	161,792	30,961	154,000
Capital Improvement	1,689,190	1,633,039	1,324,255
Lakewood Creek Project	61,183	60,000	60,000
Infrastructure Improvement	3,310,409	3,989,731	4,910,902
TIF #1	46,693	13,180	690
TIF #2	221,617	435,677	1,086,424
TIF #3	-	5,000	27,500
TIF #4	-	-	-
Debt Service	1,660,490	1,610,453	1,191,309
Water	4,189,364	4,927,173	7,808,230
Water Improvement	435,666	608,504	1,226,603
Employee Insurance	1,290,834	1,452,462	1,424,178
Vehicle Reserve	694,872	607,804	450,795
Refuse	1,198,372	1,235,151	1,287,617
Police Pension	704,308	812,795	709,871
Police Gifts	114	533	1,000
Special Service Areas	399,600	305,578	322,640
TOTAL EXPENDITURES	\$ 26,532,849	\$ 29,616,652	\$ 33,819,957

Chapter 7: Executive Summary

ALL FUNDS SUMMARY (Continued)

The following table represents the estimated fund equity at the beginning and ending of fiscal year 2021, as well as the revenues (page 65) and expenditures (page 66), for the Village of Montgomery as a whole.

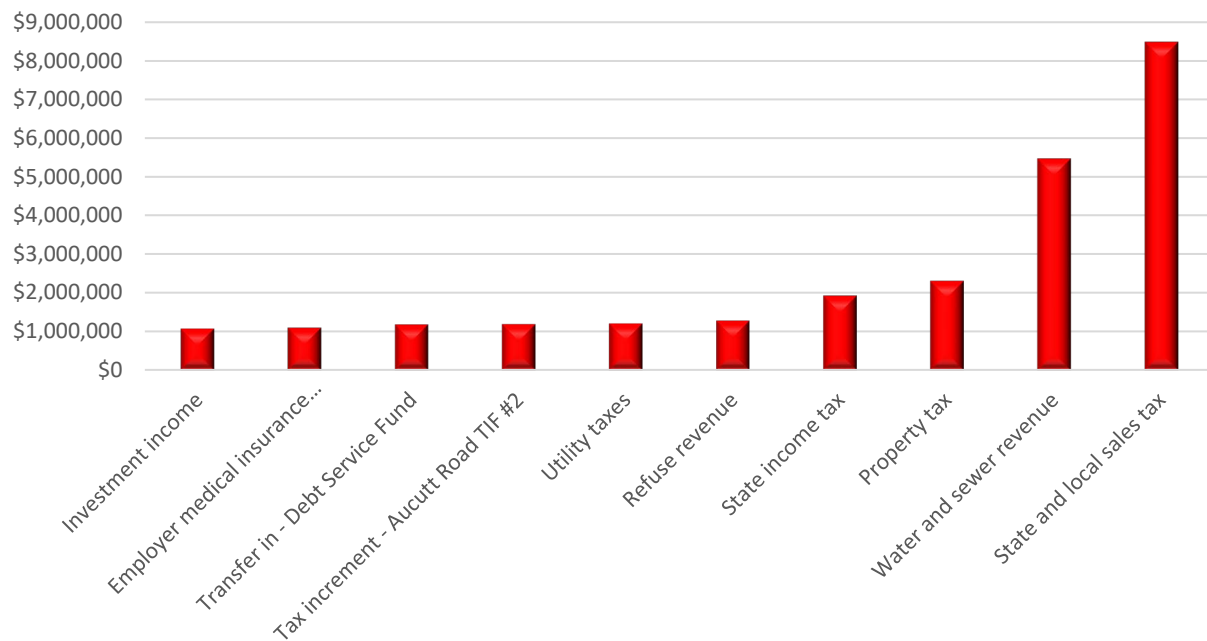
FUND EQUITY	Estimated Balance May 1, 2020	Approved Revenues FY2021	Approved Expenditures FY2021	Estimated Balance April 30, 2021	Percent Change in Fund Equity
General	\$ 5,326,380	\$ 11,793,716	\$ 11,652,943	\$ 5,467,153	2.6%
Motor Fuel Tax	439,757	787,233	181,000	1,045,990	137.9%
Montgomery Development	1,495,092	26,000	154,000	1,367,092	-8.6%
Capital Improvement	170,648	1,446,689	1,324,255	293,082	71.7%
Lakewood Creek Project	36,256	60,750	60,000	37,006	2.1%
Infrastructure Improvement	2,067,820	3,588,753	4,910,902	745,671	-63.9%
TIF #1	76,027	35,000	690	110,337	45.1%
TIF #2	1,240,705	1,209,419	1,086,424	1,363,700	9.9%
TIF #3	(5,000)	-	27,500	(32,500)	0.0%
TIF #4	-	-	-	-	0.0%
Debt Service	49,618	1,191,309	1,191,309	49,618	0.0%
Water	20,229,249	6,180,074	7,808,230	18,601,093	-8.0%
Water Improvement	992,745	548,468	1,226,603	314,610	0.0%
Employee Insurance	424,774	1,430,178	1,424,178	430,774	1.4%
Vehicle Reserve	785,587	712,584	450,795	1,047,376	33.3%
Refuse	1,691	1,287,617	1,287,617	1,691	0.0%
Police Pension	11,510,871	1,766,645	709,871	12,567,645	9.2%
Police Gifts	6,792	250	1,000	6,042	-11.0%
Special Service Areas	770,217	331,950	322,640	779,527	1.2%
TOTAL FUND EQUITY	\$ 45,619,229	\$ 32,396,635	\$ 33,819,957	\$ 44,195,907	-3.1%

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 2021, while all other revenues represent the remaining 22%. These revenues collectively support all Village operational and capital commitments.

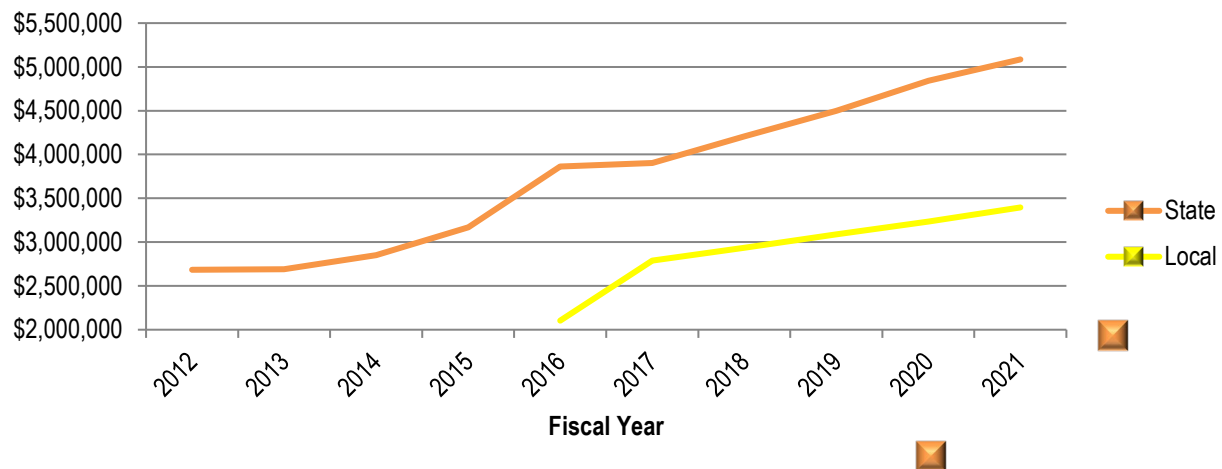


The trend information in charts below includes audited revenues from fiscal year 2012 through fiscal year 2019, estimated revenues for fiscal year 2020, and budgeted revenues for fiscal year 2021. Although this budget document includes projections for fiscal year 2022 through fiscal year 2025, the Village feels it is most important to include more actual data from the past for trend analysis.

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State and local sales tax (\$8,481,019 or 26.2%)

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 2012 through fiscal year 2021 is approximately 7.5%; however, the Village has chosen to be conservative and is estimating fiscal year 2021 to increase by only 5%.

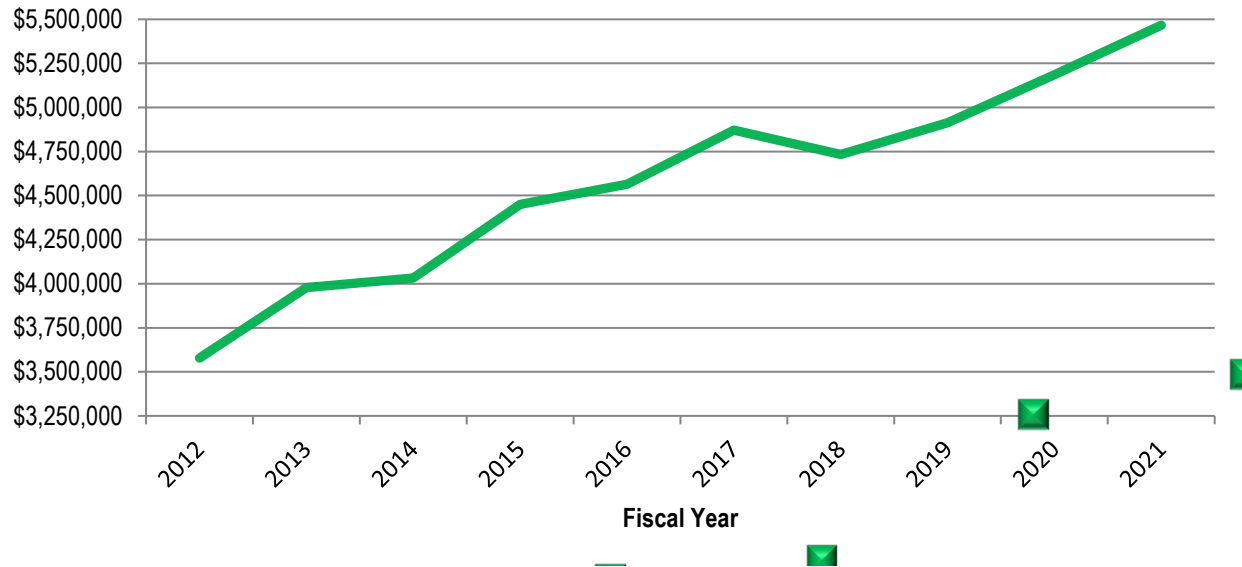


Water and sewer revenue (\$5,466,526 or 16.9%)

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 2021 budget includes an increase in water usage rates of 5.5% as of May 1, 2020. 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 20 started in 2019 and the developer now has full building permits for 8 of 13 buildings.

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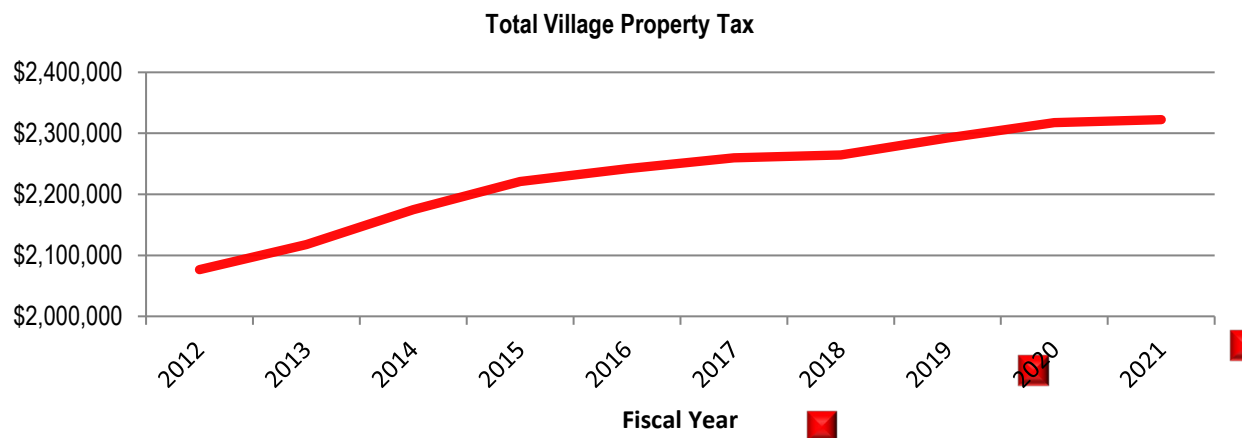
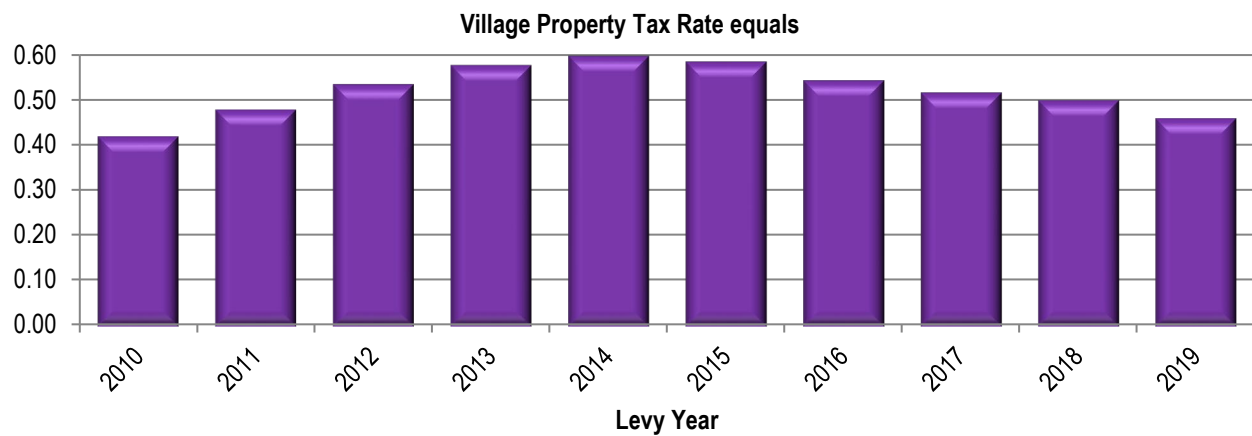
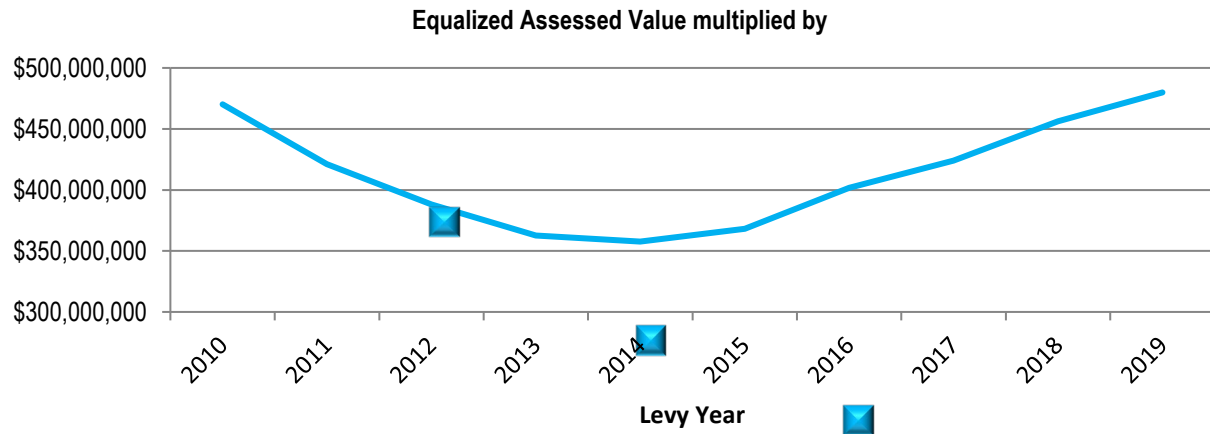


Property tax (\$2,322,450 or 7.2%)

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 2019 tax rate in April 2020, which is collectible in calendar year 2020 and reflected in fiscal year 2021. 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 2019 at approximately \$5 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 \$14,000 for fiscal year 2021.

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.

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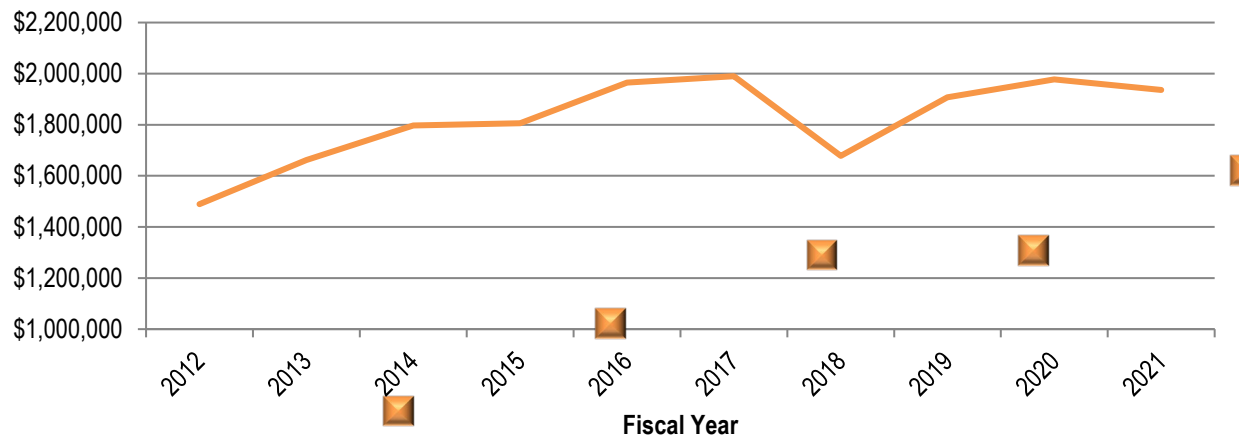


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State income tax (\$1,935,990 or 6.0%)

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.

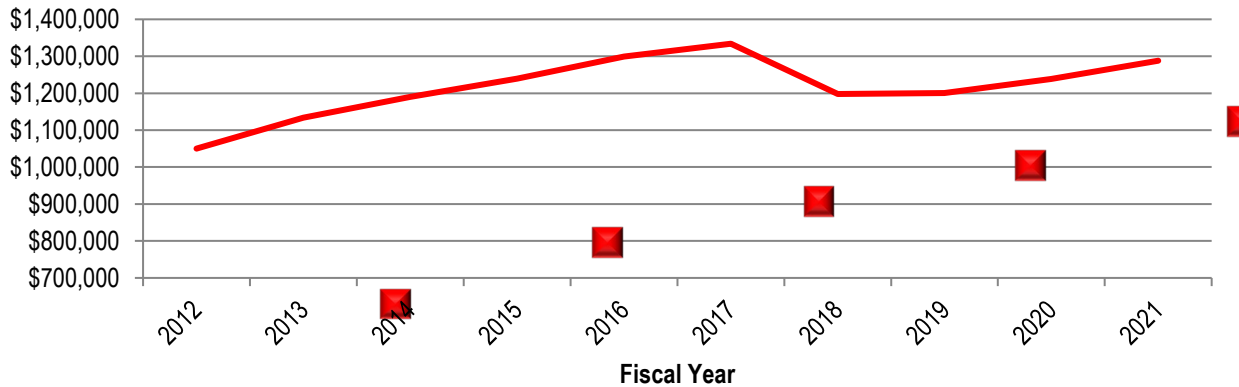
The Illinois Municipal League (IML) estimates the amount each municipality receives per capita every three months. Actual collections from the State of Illinois for fiscal year 2018 were \$90.70, which reflects the 10% reduction noted above. Actual collections from the State of Illinois for fiscal year 2019 were \$97.10, which reflects the 5% reduction noted above. The IML increased the amount for fiscal year 2021 to \$105.00 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.



Refuse revenue (\$1,287,617 or 4.0%)

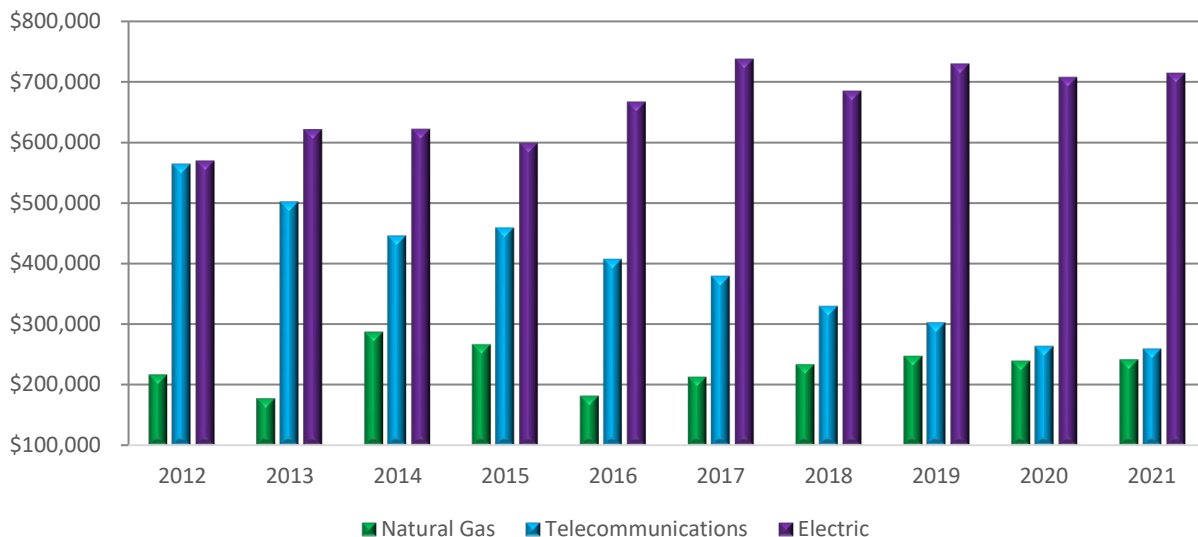
The Village charges residents for refuse services on their bi-monthly utility bill, which is the fifth largest revenue source for the Village. Refuse services were provided by Republic Services until July 31, 2017 for \$19.65 per month. The Village Board approved a 7-year contract with DeKalb County 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 2020 reflects 3 months at \$16.96 per month and 9 months at \$17.47 per month, while fiscal year 2021 reflects 3 months at \$17.47 and 9 months at \$17.99. The budgeted amount for direct customer refuse billing is based on the contract rate and the existing number of homes.

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Utility taxes (\$1,215,845 or 3.8%)

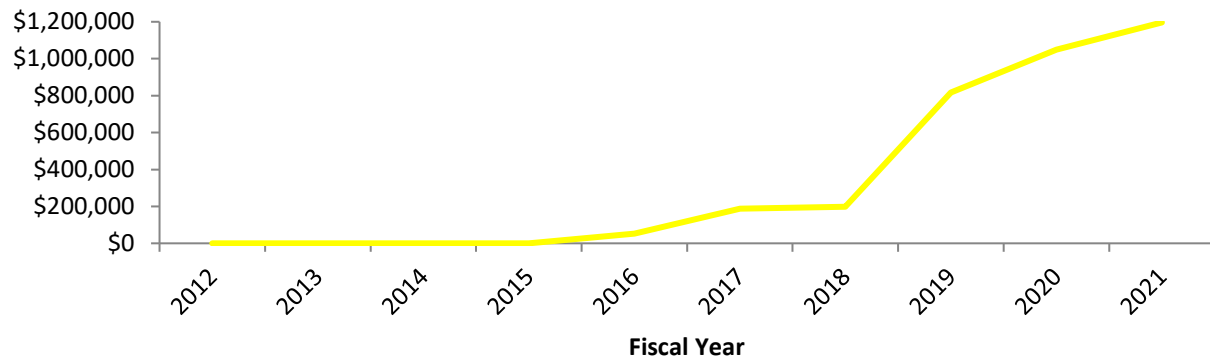
Utility taxes consist of three components, which together make up the sixth largest revenue source. First, telecommunications tax of 6% appears on the local and cellular phone bills of residents and businesses within Village limits, is collected by the State and remitted to the Village three months after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



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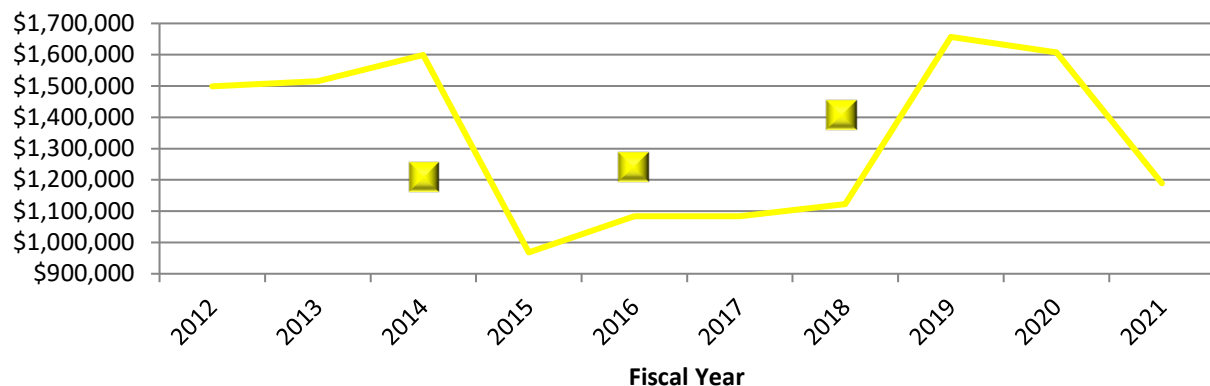
Tax increment – Aucutt Road TIF #2 (\$1,196,419 or 3.7%)

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 Nexeo) comprise over 75% of the tax increment in TIF #2, the Village's seventh largest revenue. The large increase in fiscal year 2019 is due to United Sugars and Nexeo new buildings, which were assessed at 50% of their value in fiscal year 2019, 85% of their value in fiscal year 2020, and will rise to 100% of assessed value in fiscal year 2021.



Transfers in – Debt Service Fund (\$1,188,809 or 3.7%)

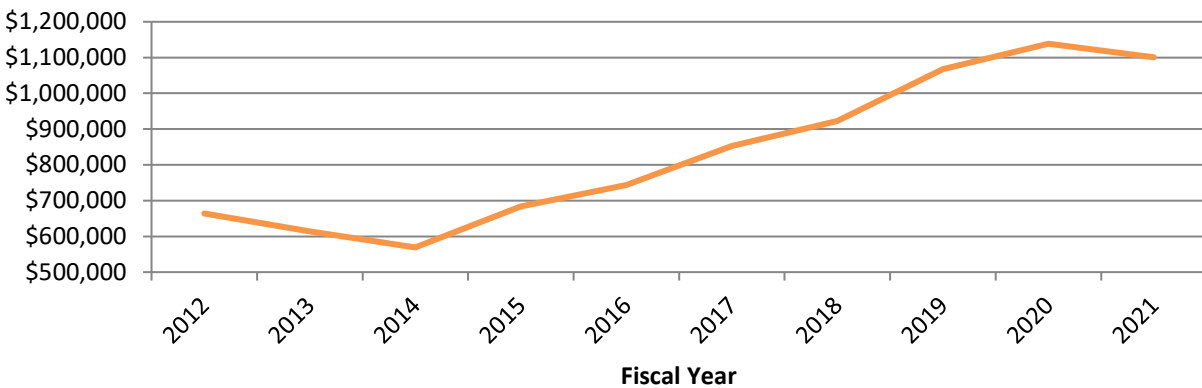
Transfers to the Debt Service Fund is the eighth largest revenue. The Debt Service Fund is used to accumulate monies for the Village's General Obligation Alternate Revenue Source Series 2011 and 2014 Bonds. The alternate revenue source bonds pledge income derived from sales and utility taxes. In addition, 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 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.



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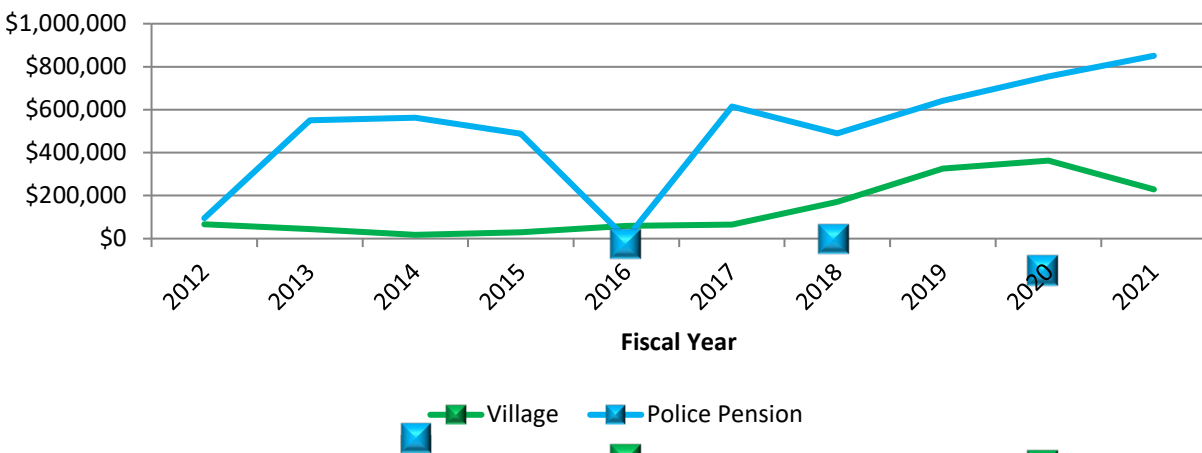
Employer medical insurance contributions (\$1,100,758 or 3.4%)

The Village currently offers health insurance to regular full-time employees. The medical insurance premium for health coverage for eligible employees and their covered dependents is split between the Village and the employee. The Village 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 2% increase in premiums as of July 1, 2021 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.



Investment income (\$1,079,400 or 3.3%)

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 tenth 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 ladder portfolio. The Police Pension Fund is budgeted at 7% based on the long-term expected return.



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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 2021, personal services expenditures are expected to total \$8,983,730 or 26.6% of total budgeted expenditures. This is an increase of 8.5% over the fiscal year 2020 budgeted expenditures of \$8,281,459.

Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village negotiated and approved a new 5-year contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2025. Cost of living increases ranging from 2.5% to 3.0% and pay for performance increases ranging from 4.5% to 6.0%.

The fiscal year 2021 budget includes an additional 3.0 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 part-time Community Development intern (Community Development), 1 patrol officer (Public Safety), 1 maintenance worker for the Building and Grounds division, and moving the part-time mechanic to full-time (Public Works).

Department	Actual				Budget	Change
	FY2017	FY2018	FY2019	FY2020	FY2021	
General Government						
Administration	1.880	2.880	2.880	3.880	3.880	-
Finance	6.000	5.000	5.000	5.000	5.000	-
Community Development	5.000	5.000	5.000	5.000	5.500	0.500
General Government - Total	12.880	12.880	12.880	13.880	14.380	0.500
Public Safety						
Sworn Officers	28.000	30.000	31.000	32.000	33.000	1.000
Civilians/Other	3.750	3.750	4.380	4.380	4.380	-
Public Safety - Total	31.750	33.750	35.380	36.380	37.380	1.000
Public Works						
Administration	2.000	2.000	2.000	2.000	2.000	-
Street Maintenance	10.500	11.000	7.000	8.000	9.000	1.000
Water Operations	3.000	4.000	8.000	9.000	9.000	-
Building Maintenance	1.000	1.000	1.000	1.000	1.000	-
Fleet Maintenance	1.000	1.000	1.000	1.000	2.000	1.000
Public Works - Total	17.500	19.000	19.000	21.000	23.000	2.000
Total Village Employees	62.130	65.630	67.260	71.260	74.760	3.500

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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 FY2021	Projected FY2022	Projected FY2023	Projected FY2024	Projected FY2025
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
	3.88	3.88	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	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	0.50
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Management Intern	0.50	0.50	0.50	0.50	0.50
Building Clerk	-	-	-	0.50	0.50
	5.50	6.00	6.50	7.00	7.00
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	22.00	22.00	22.00	22.00	22.00
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
	37.38	37.38	37.38	37.38	37.38
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	2.00	2.00	2.00
Fleet Mechanic	2.00	2.00	2.00	2.00	2.00
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
Maintenance Worker (Forestry)	1.00	1.00	1.00	1.00	1.00
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
	23.00	23.00	24.00	24.00	24.00
Total	74.76	75.26	77.26	77.76	77.76

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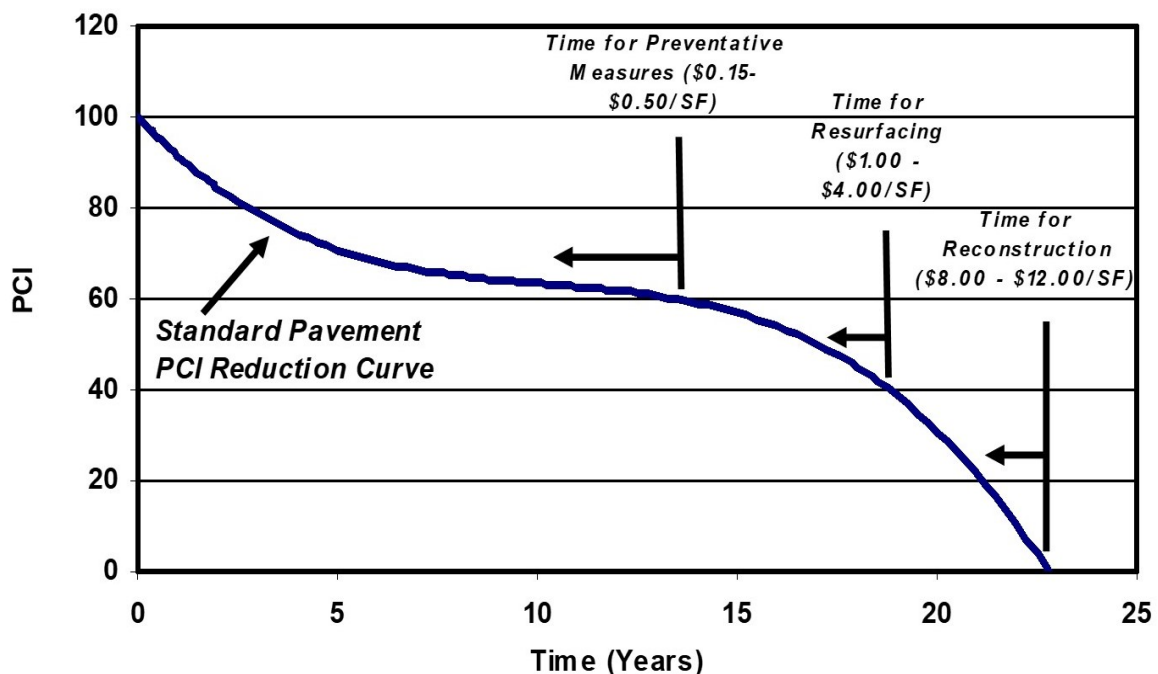
MAJOR EXPENDITURES (Continued)

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 2021 is \$7,621,644 or 22.5% of total budgeted expenditures. The largest projects and the applicable percent of capital outlay expenditures are as follows:

- Infrastructure Road Program (IRP) – \$3,512,366 or 46.1% – The Village will utilize non-home rule (NHR) sales tax and motor fuel tax to fund the IRP and plan road maintenance over the next 5 years. The 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.



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MAJOR EXPENDITURES (Continued)

Capital Outlay (Continued)

- Montgomery Overflow Improvement – \$901,000 or 11.8% – The Village will begin to use tax increment from TIF #2 to make overall improvements to the area. This includes the purchase of land and building of a regional detention basin, which will allow landowners to recapture land that was previously unable to be built on. This will further the ability of TIF #2 to increase tax increment and take on additional projects over the next few years.
- Watermain Replacement Program (WRP) – \$500,000 or 6.6% – 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.

- Vehicle and equipment replacement – \$450,795 or 5.9% – 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 2021 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.

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MAJOR EXPENDITURES (Continued)

Capital Outlay (Continued)

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 2021 through fiscal year 2025.

Project Title	Type	FY2021	FY2022	FY2023	FY2024	FY2025
Sales Tax Infrastructure Road Program	Street	3,512,366	2,748,000	3,293,000	1,733,960	2,875,000
MFT Road Maintenance	Street	172,250	1,375,750	179,250	1,382,750	186,250
Sidewalk Gap Installation Plan	Street	264,100	44,400	246,000	250,000	217,000
Pavement Management Program	Street	9,000	9,500	10,000	10,000	90,000
Village Hall Parking Lot and Alley Sealcoat	Street	-	-	24,000	-	-
Shared Use Path Maintenance	Street	34,300	43,500	50,100	46,200	51,200
Gordon Road Extension	Street	-	-	-	210,170	315,240
Mill Street Bridge Maintenance	Street	40,000	3,000	3,000	3,000	40,000
Concord Bridge Maintenance	Street	4,000	-	-	-	-
ADA Self Evaluation and Transition Plans	Street	-	-	35,000	-	-
Other Village Property Lot and Drive Sealcoat	Street	-	16,000	-	13,250	-
Police Parking Lot and Drive Resurfacing	Street	-	-	390,000	-	-
Concord Drive LAFO	Street	-	-	64,000	1,002,000	-
Montgomery Road and Douglas Road Signal Improvements	Street	57,500	-	-	-	-
Oswego Public Library Share Use Path	Street	362,200	20,500	-	-	-
West Side to East Side Bike Path	Street	120,000	150,000	-	-	-
Unified Design Standards	Street	20,000	-	-	-	-
Mill Street Bridge Lighting	Street	130,000	-	-	-	-
Baseline Road LAFO	Street	-	-	-	39,400	550,900
Lead Service Line Replacements	Water	1,249,200	-	-	-	-
Water Rehabilitation Reserve Expenditure	Water	630,000	420,000	482,000	1,230,000	1,577,000
Water Main Replacements	Water	500,000	534,400	636,800	263,900	207,400
Jackson Street Sanitary Sewer Replacement	Water	140,000	-	-	-	-
Well 11 Electrical Gear Replacement	Water	100,000	-	-	-	-
Risk and Resilience Plan	Water	60,000	15,000	-	-	-
Well 14 and 15 media replacement	Water	140,000	-	-	-	-
Auto Flushers	Water	60,000	-	-	-	-
LSWTP Lime Feed System Modifications	Water	200,000	-	-	-	-
Water Quality Testing and Planning	Water	20,000	20,000	20,000	20,000	20,000
Well 10 and 13 Generator Modifications	Water	25,000	-	-	-	-
Computers and Software Upgrades	Water	50,000	10,000	10,000	10,000	10,000
Water Rate Study	Water	4,000	4,000	4,000	32,000	4,000
West Water Tower Access	Water	-	-	-	27,000	27,000
Parkview Drainage Basin Improvements	Storm	55,000	-	-	-	-
Route 31 Commercial Relief Storm Sewer	Storm	-	33,125	228,750	-	-
Pearl Street Drainage Channel Relocation	Storm	20,000	150,000	-	-	-
Frelk Farm to Johnson Drive Storm Sewer	Storm	87,500	-	-	-	-
NPDES	Storm	5,000	15,000	5,000	5,000	5,000
Montgomery Overflow Improvement	TIF #2	901,000	384,000	1,080,000	80,000	3,240,000
Traffic Signal at Knell and Orchard	TIF #2	-	-	-	75,000	575,000
Aucutt Road Widening / Reconstruction	TIF #2	-	-	278,000	804,400	3,328,300
Aucutt Road Water Main Replacement	TIF #2	-	190,000	2,410,000	-	-
GIS Atlas Map Conversion	Other	20,000	5,000	5,000	5,000	5,000
New Public Works Building	Other	108,741	245,570	7,950,236	-	-
		9,101,157	6,436,745	17,404,136	7,243,030	13,324,290

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 2021. Principal and interest payments for outstanding debt, the third largest expenditure, account for \$3,210,843 or 9.5% of total budgeted expenditures. The fiscal year 2021 debt service is split between governmental (\$1,191,309) and proprietary (\$2,019,534) debt. More detail will be provided in the applicable fund about the outstanding debt.

The Village entered 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 \$1.5 million. The Village is honored to have been selected by the IEPA to receive principal forgiveness of up to \$1 million, and will use Series 2017 bond proceeds to pay the remaining balance of \$500,000.

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 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 4/30/2020)	Principal Due for FY2021	Interest Due for FY2021	Proposed Funding Source FY2021
Series 2011	4,410,000	2,105,000	395,000	59,169	Utility taxes (Capital Improvement Fund)
Series 2013	4,590,000	3,815,000	145,000	146,650	Net water revenues (Water Fund)
Series 2014	3,335,000	3,335,000	630,000	106,340	Utility taxes (Capital Improvement Fund)
Series 2017	3,370,000	3,235,000	140,000	106,888	Net water revenues (Water Fund)
Total	\$ 15,705,000	\$ 12,490,000	\$ 1,310,000	\$ 419,047	

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Debt Service Summary (Continued)

General obligation bonds (continued)

As of April 30, 2021, debt service requirements to maturity on the outstanding general obligation bonds, including interest are as follows:

Fiscal Year Ending April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
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>\$ 5,440,000</u>	<u>\$ 523,161</u>	<u>\$ 5,963,161</u>	<u>\$ 7,050,000</u>	<u>\$ 2,846,388</u>	<u>\$ 9,896,388</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 Village obtained a fourth IEPA loan during fiscal year 2020 whose principal of \$1 million is being forgiven through the State of Illinois Public Water Supply Loan Program (PSWLP). The table below summarizes the status of the Village's IEPA loans:

Debt Issuance	Total Debt Issued	Principal Outstanding (as of 4/30/2020)	Principal Due for FY2021	Interest Due for FY2021	Proposed Funding Source FY2021
2002 Loan	\$ 1,128,780	\$ 214,230	\$ 69,521	\$ 5,269	Net water revenues (Water Fund)
2011 Loan	4,310,177	2,787,578	216,711	34,169	Net water revenues (Water Fund)
2014 Loan	2,482,931	1,993,742	115,248	39,203	Net water revenues (Water Fund)
Total	<u>\$ 7,921,888</u>	<u>\$ 4,995,550</u>	<u>\$ 401,480</u>	<u>\$ 78,641</u>	

As of April 30, 2021, debt service requirements to maturity on the outstanding IEPA loans, including interest are as follows:

Fiscal Year	Business-Type Activities		
Ending April 30	Principal	Interest	Total
2021	\$ 401,480	\$ 78,641	\$ 480,121
2022	408,380	71,741	480,121
2023	415,409	64,712	480,121
2024	347,284	58,047	405,331
2025	352,558	52,773	405,331
2026	357,916	47,415	405,331
2027	363,360	41,971	405,331
2028	368,891	36,440	405,331
2029	374,510	30,821	405,331
2030	380,221	25,110	405,331
2031	386,024	19,307	405,331
2032	391,920	13,411	405,331
2033	146,248	8,203	154,451
2034	149,179	5,272	154,451
2035	152,170	2,281	154,451
	<u>\$ 4,995,550</u>	<u>\$ 556,145</u>	<u>\$ 5,551,695</u>

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

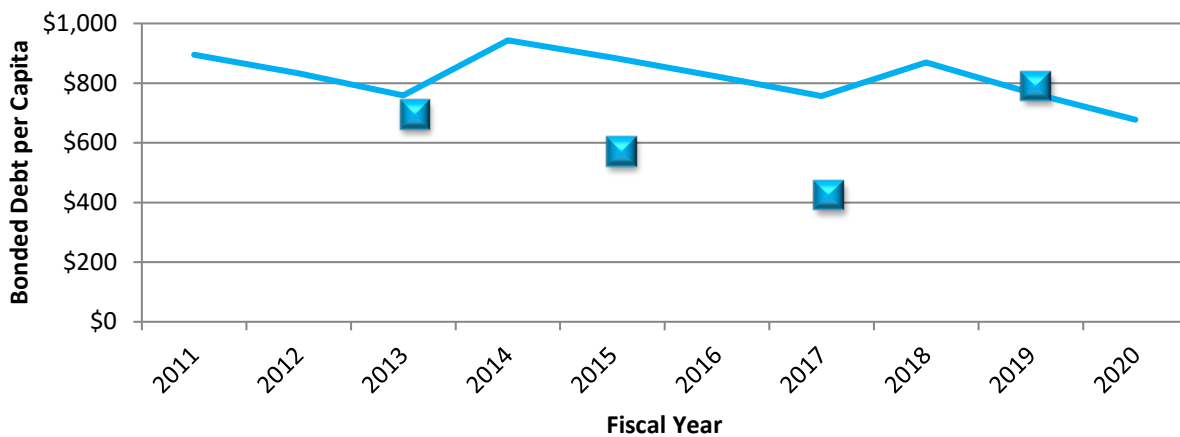
Debt Service Summary (Continued)

Legal debt margin

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

Assessed Valuation - 2018		<u>\$ 479,911,867</u>
Legal Debt Limit - 8.625% of Assessed Value		<u>\$ 41,392,399</u>
General Obligation Debt:		
Series 2011	\$ 2,105,000	
Series 2013	3,815,000	
Series 2014	3,335,000	
Series 2017	<u>3,235,000</u>	
Total General Obligation Debt	12,490,000	
Less: Alternate Revenue Source Bonds	<u>(12,490,000)</u>	
Total Applicable Debt		<u>-</u>
Legal Debt Margin		<u><u>\$ 41,392,399</u></u>

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 78.

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 build the fund balance back up in fiscal year 2021 in preparation for an \$1,400,000 project in fiscal year 2022.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Intergovernmental, grants, and contributions								
Allotments - high growth cities	47,644	48,000	11,834	12,000	12,000	12,000	12,000	12,000
Allotments - Motor Fuel Tax	468,041	469,247	464,089	458,184	497,000	497,000	497,000	497,000
Allotments - Transportation Renewal Fund	-	-	211,115	311,049	337,400	337,400	337,400	337,400
Total intergovernmental, grants, and contributions	515,685	517,247	687,038	781,233	846,400	846,400	846,400	846,400
Investment income								
Interest income - cash and investments	9,248	2,000	5,810	6,000	3,000	6,000	3,000	6,000
Total investment income	9,248	2,000	5,810	6,000	3,000	6,000	3,000	6,000
Total revenues	524,933	519,247	692,848	787,233	849,400	852,400	849,400	852,400
EXPENDITURES								
Contractual services - property								
Infrastructure repair and maintenance - streets and alleys	161,153	825,000	663,847	-	1,400,000	-	1,400,000	-
Total contractual services - property	161,153	825,000	663,847	-	1,400,000	-	1,400,000	-
Commodities								
Public Works supplies - snow removal	96,322	119,750	118,543	181,000	189,750	198,500	209,000	219,500
Total commodities	96,322	119,750	118,543	181,000	189,750	198,500	209,000	219,500
Total expenditures	257,475	944,750	782,390	181,000	1,589,750	198,500	1,609,000	219,500
Net change in fund balance	267,458	(425,503)	(89,542)	606,233	(740,350)	653,900	(759,600)	632,900
Fund balance - beginning	261,841	529,299	529,299	439,757	1,045,990	305,640	959,540	199,940
Fund balance - ending	529,299	103,796	439,757	1,045,990	305,640	959,540	199,940	832,840

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:

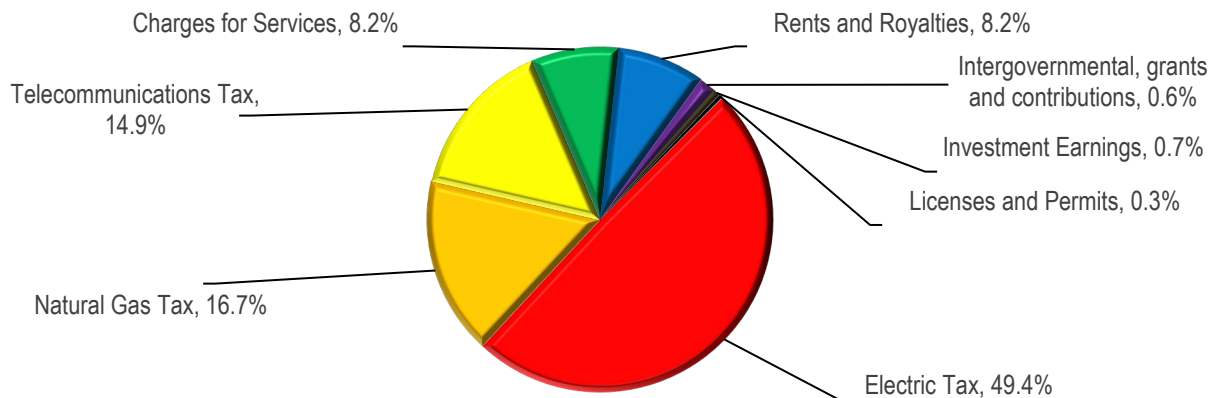
- The Forgivable Loan Program consists of approximately \$500,000 and is focused on retail and commercial businesses. Businesses will be required to continue operating in the Village for at least three (3) years from the date of project approval to receive forgiveness of the loan. The maximum forgivable 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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Charges for services								
Planning fees - development application fees	500	1,000	500	1,000	1,000	1,000	1,000	1,000
Total charges for services	500	1,000	500	1,000	1,000	1,000	1,000	1,000
Investment income								
Interest income - cash and investments	32,733	25,000	28,936	25,000	25,000	25,000	25,000	25,000
Interest income - loans	1,291	1,046	527	-	-	-	-	-
Total investment income	34,024	26,046	29,463	25,000	25,000	25,000	25,000	25,000
Total revenues	34,524	27,046	29,963	26,000	26,000	26,000	26,000	26,000
EXPENDITURES								
Contractual services - professional and technical								
Legal services - development (village)	1,168	1,000	5,000	4,000	4,000	4,000	4,000	4,000
Professional services - Montgomery development	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total contractual services - professional and technical	11,168	21,000	25,000	24,000	24,000	24,000	24,000	24,000
Capital outlay								
Gateway enhancement program	-	30,000	-	30,000	30,000	30,000	30,000	30,000
Downtown streetscape enhancement	150,624	-	5,961	-	-	-	-	-
Mill District Master Plan	-	-	-	100,000	200,000	200,000	-	-
Total capital outlay	150,624	30,000	5,961	130,000	230,000	230,000	30,000	30,000
Total expenditures	161,792	51,000	30,961	154,000	254,000	254,000	54,000	54,000
Net change in fund balance	(127,268)	(23,954)	(998)	(128,000)	(228,000)	(228,000)	(28,000)	(28,000)
Fund balance - beginning	1,623,358	1,496,090	1,496,090	1,495,092	1,367,092	1,139,092	911,092	883,092
Fund balance - ending	1,496,090	1,472,136	1,495,092	1,367,092	1,139,092	911,092	883,092	855,092

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 80% of the revenue for the fiscal year 2021 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 2008A bonds. Fund balance decreased further in fiscal year 2020 by over \$200,000 when the Village paid the second balloon payment of \$1 million on the Series 2008A 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)

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Other taxes								
Utility tax - electric	730,026	741,066	707,561	714,637	721,783	729,001	736,291	743,654
Utility tax - natural gas	247,427	253,893	239,026	241,416	243,830	246,268	248,731	251,218
Utility tax - telecommunications	252,694	267,276	219,940	216,244	214,082	211,941	209,822	207,724
Total other taxes	1,230,147	1,262,235	1,166,527	1,172,297	1,179,695	1,187,210	1,194,844	1,202,596
Licenses and permits								
Permits - small cell wireless permit	650	1,950	7,150	4,950	4,950	4,950	4,950	4,950
Total licenses and permits	650	1,950	7,150	4,950	4,950	4,950	4,950	4,950
Charges for services								
Development fees - Saratoga Springs	-	-	2,068	2,585	-	-	-	-
Development fees - Marquis Pointe	5,100	10,200	4,140	4,140	4,140	4,140	6,900	6,900
Development fees - Lennar (Huntington Chase)	20,700	16,560	34,500	8,280	-	-	-	34,500
Development fees - Ryan (Balmorea)	13,800	16,560	52,440	82,800	70,380	-	-	-
Traffic control fees - Lennar (Huntington Chase)	4,800	3,840	8,000	1,920	-	-	-	8,000
Traffic control fees - Ryan (Balmorea)	3,170	3,804	12,046	19,020	16,167	-	-	-
Total charges for services	47,570	50,964	113,194	118,745	90,687	4,140	6,900	49,400
Intergovernmental, grants, and contributions								
Local grant - Eligo civic	-	-	-	22,653	24,712	24,712	2,059	-
Total intergovernmental, grants, and contributions	-	-	-	22,653	24,712	24,712	2,059	-
Investment income								
Interest income - cash and investments	18,966	10,000	18,000	10,000	10,000	10,000	10,000	10,000
Total investment income	18,966	10,000	18,000	10,000	10,000	10,000	10,000	10,000
Miscellaneous								
Rents and royalties - water tower rental	71,325	89,445	81,224	118,044	121,586	125,234	128,990	132,860
Total miscellaneous	71,325	89,445	81,224	118,044	121,586	125,234	128,990	132,860
Total revenues	1,368,658	1,414,594	1,386,095	1,446,689	1,431,630	1,356,246	1,347,743	1,399,806
EXPENDITURES								
Contractual services - other								
Municipal audit contingency	6,187	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	125,600	-	-
Total contractual services - other	6,187	-	-	-	-	125,600	-	-
Capital outlay								
Capital outlay - Public Works facility	-	-	10,000	128,126	333,093	8,038,222	-	-
Capital outlay - Village Hall facility	26,213	8,520	15,335	7,320	-	-	-	-
Total capital outlay	26,213	8,520	25,335	135,446	333,093	8,038,222	-	-
Total expenditures	32,400	8,520	25,335	135,446	333,093	8,163,822	-	-
Excess (deficiency) of revenues over (under) expenditures	1,336,258	1,406,074	1,360,760	1,311,243	1,098,537	(6,807,576)	1,347,743	1,399,806
Other financing sources (uses)								
Bond proceeds	-	-	-	-	-	-	8,125,600	-
Transfers out	(1,656,790)	(1,608,353)	(1,607,704)	(1,188,809)	(1,185,034)	(1,311,274)	(1,412,228)	(1,415,887)
Total other financing sources (uses)	(1,656,790)	(1,608,353)	(1,607,704)	(1,188,809)	(1,185,034)	(1,311,274)	6,713,372	(1,415,887)
Net change in fund balance	(320,532)	(202,279)	(246,944)	122,434	(86,497)	(8,118,850)	8,061,115	(16,081)
Fund balance - beginning	738,124	417,592	417,592	170,648	293,082	206,585	(7,912,265)	148,850
Fund balance - ending	417,592	215,313	170,648	293,082	206,585	(7,912,265)	148,850	132,769

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 nearly tripled that to \$4.8 million in fiscal year 2021.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Charges for services								
Other reimbursements - streets	41,413	252,500	212,282	87,500	7,530	-	-	-
Total charges for services	41,413	252,500	212,282	87,500	7,530	-	-	-
Intergovernmental, grants, and contributions								
Non-home rule sales tax	3,087,038	3,315,129	3,233,955	3,395,653	3,565,436	3,743,708	3,930,893	4,127,438
State grant - LAFO	-	500,000	500,000	-	-	-	500,000	413,000
Local grant - Kendall County	-	-	-	75,600	-	-	-	-
Total intergovernmental, grants, and contributions	3,087,038	3,815,129	3,733,955	3,471,253	3,565,436	3,743,708	4,430,893	4,540,438
Investment income								
Interest income - cash and investments	38,850	20,000	49,316	30,000	30,000	30,000	30,000	30,000
Total investment income	38,850	20,000	49,316	30,000	30,000	30,000	30,000	30,000
Total revenues	3,167,301	4,087,629	3,995,553	3,588,753	3,602,966	3,773,708	4,460,893	4,570,438
EXPENDITURES								
Contractual services - professional and technical								
Engineering services - municipal projects	646,230	811,000	673,250	783,100	686,100	622,800	813,870	959,540
Total contractual services - professional and technical	646,230	811,000	673,250	783,100	686,100	622,800	813,870	959,540
Contractual services - property								
Infrastructure repair and maintenance - streets and alleys	2,542,134	4,209,889	3,183,379	3,994,700	2,210,200	3,030,000	2,719,450	3,006,450
Total contractual services - property	2,542,134	4,209,889	3,183,379	3,994,700	2,210,200	3,030,000	2,719,450	3,006,450
Contractual services - other								
Property tax rebate	120,131	133,102	133,102	133,102	133,102	133,102	133,102	133,102
Municipal audit contingency	1,914	-	-	-	-	-	-	-
Total contractual services - other	122,045	133,102	133,102	133,102	133,102	133,102	133,102	133,102
Total expenditures	3,310,409	5,153,991	3,989,731	4,910,902	3,029,402	3,785,902	3,666,422	4,099,092
Net change in fund balance	(143,108)	(1,066,362)	5,822	(1,322,149)	573,564	(12,194)	794,471	471,346
Fund balance - beginning	2,205,106	2,061,998	2,061,998	2,067,820	745,671	1,319,235	1,307,041	2,101,512
Fund balance - ending	2,061,998	995,636	2,067,820	745,671	1,319,235	1,307,041	2,101,512	2,572,858

Chapter 8: Fund Summary

LAKEWOOD CREEK PROJECT FUND

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

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Investment income								
Interest income - cash and investments	1,693	1,000	1,102	750	500	500	500	500
Total investment income	1,693	1,000	1,102	750	500	500	500	500
Transfers								
Lakewood Creek SAA Fund	21,344	20,000	20,000	60,000	60,000	60,000	60,000	60,000
Total transfers	21,344	20,000	20,000	60,000	60,000	60,000	60,000	60,000
Total revenues	23,037	21,000	21,102	60,750	60,500	60,500	60,500	60,500
EXPENDITURES								
Contractual services - professional and technical								
Other professional services	61,183	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total contractual services - professional and technical	61,183	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total expenditures	61,183	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Net change in fund balance	(38,146)	(39,000)	(38,898)	750	500	500	500	500
Fund balance - beginning	113,300	75,154	75,154	36,256	37,006	37,506	38,006	38,506
Fund balance - ending	75,154	36,154	36,256	37,006	37,506	38,006	38,506	39,006

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 began 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								
Property taxes								
Property tax - TIF	34,258	35,000	34,083	35,000	35,000	35,000	35,000	35,000
Total property taxes	34,258	35,000	34,083	35,000	35,000	35,000	35,000	35,000
Total revenues	34,258	35,000	34,083	35,000	35,000	35,000	35,000	35,000
EXPENDITURES								
Contractual services - professional and technical								
Engineering services - development (village)	606	-	-	-	-	-	-	-
Legal services - development (village)	550	300	300	300	300	300	300	300
Economic development services - TIF	-	500	-	-	-	-	-	-
Accounting and auditing services - general	370	380	380	390	400	410	420	430
Total contractual services - professional and technical	1,526	1,180	680	690	700	710	720	730
Capital outlay								
Capital outlay - Spatz rough grading	45,167	-	12,500	-	-	-	-	-
Total capital outlay	45,167	-	12,500	-	-	-	-	-
Total expenditures	46,693	1,180	13,180	690	700	710	720	730
Net change in fund balance	(12,435)	33,820	20,903	34,310	34,300	34,290	34,280	34,270
Fund balance - beginning	67,559	55,124	55,124	76,027	110,337	144,637	178,927	213,207
Fund balance - ending	55,124	88,944	76,027	110,337	144,637	178,927	213,207	247,477

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 Nexeo) comprise over 75% of the tax increment in TIF #2. The large increase in fiscal year 2019 is due to United Sugars and Nexeo new buildings, 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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - TIF	816,529	1,089,595	1,048,769	1,196,419	1,232,312	1,269,281	1,307,359	1,346,580
Total property taxes	816,529	1,089,595	1,048,769	1,196,419	1,232,312	1,269,281	1,307,359	1,346,580
Investment income								
Interest income - cash and investments	3,426	12,000	18,203	13,000	14,000	15,000	16,000	17,000
Total investment income	3,426	12,000	18,203	13,000	14,000	15,000	16,000	17,000
Total revenues	819,955	1,101,595	1,066,972	1,209,419	1,246,312	1,284,281	1,323,359	1,363,580
EXPENDITURES								
Contractual services - professional and technical								
Legal services - development (village)	1,824	1,500	2,500	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	370	380	380	390	400	410	420	430
Total contractual services - professional and technical	2,194	2,380	2,880	2,390	2,400	2,410	2,420	2,430
Contractual services - other								
Other contractual services - tax districts	209,283	283,514	267,797	183,034	188,525	194,181	200,006	206,006
Total contractual services - other	209,283	283,514	267,797	183,034	188,525	194,181	200,006	206,006
Capital outlay								
Capital outlay - streets	-	40,000	40,000	-	-	278,000	804,400	3,328,300
Capital outlay - watermain	-	-	-	-	-	190,000	2,410,000	-
Capital outlay - stormsewer	10,140	230,000	60,000	901,000	417,125	1,308,750	80,000	3,240,000
Capital outlay - traffic signal	-	65,000	65,000	-	-	-	75,000	575,000
Total capital outlay	10,140	335,000	165,000	901,000	417,125	1,776,750	3,369,400	7,143,300
Debt service								
Principal payment - 2022	-	-	-	-	-	-	-	525,000
Interest payment - 2022	-	-	-	-	-	-	185,841	332,850
Fiscal agent fees	-	-	-	-	-	-	-	475
Issuance costs	-	-	-	-	-	-	148,360	-
Total debt service	-	-	-	-	-	-	334,201	858,325
Total expenditures	221,617	620,894	435,677	1,086,424	608,050	1,973,341	3,906,027	8,210,061
Excess (deficiency) of revenues over (under) expenditures	598,338	480,701	631,295	122,995	638,262	(689,060)	(2,582,668)	(6,846,481)
Other financing sources (uses)								
Bond proceeds	-	-	-	-	-	-	10,152,269	-
Total other financing sources (uses)	-	-	-	-	-	-	10,152,269	-
Net change in fund balance	598,338	480,701	631,295	122,995	638,262	(689,060)	7,569,601	(6,846,481)
Fund balance - beginning	11,072	609,410	609,410	1,240,705	1,363,700	2,001,962	1,312,902	8,882,503
Fund balance - ending	609,410	1,090,111	1,240,705	1,363,700	2,001,962	1,312,902	8,882,503	2,036,022

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 starting in fiscal year 2021.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 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	-	-	-	-
Legal services - development (village)	-	-	-	8,000	500	500	500	500
Economic development services - TIF	-	-	5,000	14,500	-	-	-	-
Accounting and auditing services - general	-	-	-	-	-	410	420	430
Total contractual services - professional and technical	-	-	5,000	27,500	500	910	920	930
Total expenditures	-	-	5,000	27,500	500	910	920	930
Net change in fund balance	-	-	(5,000)	(27,500)	(500)	49,090	99,080	199,070
Fund balance - beginning	-	-	-	(5,000)	(32,500)	(33,000)	16,090	115,170
Fund balance - ending	-	-	(5,000)	(32,500)	(33,000)	16,090	115,170	314,240

TAX INCREMENT FINANCING (TIF) #4 FUND

The Tax Increment Financing #4 Fund was established to explore the possibility of creating an additional TIF district within the Village starting in fiscal year 2022.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - TIF	-	-	-	-	-	-	50,000	100,000
Total property taxes	-	-	-	-	-	-	50,000	100,000
Total revenues	-	-	-	-	-	-	50,000	100,000
EXPENDITURES								
Contractual services - professional and technical								
Engineering services - development (village)	-	5,000	-	-	5,000	-	-	-
Legal services - development (village)	-	8,000	-	-	8,000	500	500	500
Economic development services - TIF	-	25,000	-	-	25,000	-	-	-
Accounting and auditing services - general	-	-	-	-	-	-	420	430
Total contractual services - professional and technical	-	38,000	-	-	38,000	500	920	930
Total expenditures	-	38,000	-	-	38,000	500	920	930
Net change in fund balance	-	(38,000)	-	-	(38,000)	(500)	49,080	99,070
Fund balance - beginning	-	-	-	-	-	(38,000)	(38,500)	10,580
Fund balance - ending	-	(38,000)	-	-	(38,000)	(38,500)	10,580	109,650

Chapter 8: Fund Summary

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, 2020 consists of: 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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Investment income								
Interest income - cash and investments	2,367	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total investment income	2,367	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total revenues	2,367	2,500	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 2011 bonds	375,000	385,000	385,000	395,000	405,000	420,000	435,000	450,000
Principal - Series 2014 bonds	-	-	-	630,000	645,000	665,000	685,000	710,000
Interest - Series 2008A bonds	100,000	50,000	50,000	-	-	-	-	-
Interest - Series 2011 bonds	76,750	68,313	68,313	59,169	49,294	38,662	27,113	14,062
Interest - Series 2014 bonds	106,340	106,340	106,340	106,340	87,440	68,090	48,140	24,850
Interest - Series 2022 bonds	-	-	-	-	-	121,222	218,200	218,200
Fiscal agent fees	2,400	1,200	800	800	800	800	1,275	1,275
Total debt service	1,660,490	1,610,853	1,610,453	1,191,309	1,187,534	1,313,774	1,414,728	1,418,387
Total expenditures	1,660,490	1,610,853	1,610,453	1,191,309	1,187,534	1,313,774	1,414,728	1,418,387
Deficiency of revenues under expenditures	(1,658,123)	(1,608,353)	(1,607,953)	(1,188,809)	(1,185,034)	(1,311,274)	(1,412,228)	(1,415,887)
Other financing sources (uses)								
Transfers in	1,656,790	1,608,353	1,607,704	1,188,809	1,185,034	1,311,274	1,412,228	1,415,887
Total other financing sources (uses)	1,656,790	1,608,353	1,607,704	1,188,809	1,185,034	1,311,274	1,412,228	1,415,887
Net change in fund balance	(1,333)	-	(249)	-	-	-	-	-
Fund balance - beginning	51,200	49,867	49,867	49,618	49,618	49,618	49,618	49,618
Fund balance - ending	49,867	49,867	49,618	49,618	49,618	49,618	49,618	49,618

Chapter 8: Fund Summary

WATER FUND

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

Revenues

A water consumption rate increase of 5.5% is included in fiscal year 2021, 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 \$6.11 to \$6.45 per thousand gallons for residents and \$7.33 to \$7.73 for non-residents.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
OPERATING REVENUES								
Charges for services								
Service fees - water sales	3,669,865	4,168,794	3,898,034	4,182,885	4,446,477	4,690,548	4,948,528	5,220,697
Service fees - late charges	132,768	143,746	131,077	139,017	146,663	154,729	163,239	172,217
Service fees - water service charges	355,056	355,644	356,317	357,894	360,324	361,764	362,844	364,644
Service fees - delinquent fees	66,000	60,390	67,923	67,100	67,100	67,100	67,100	67,100
Service fees - sewer maintenance charges	152,349	153,000	153,680	154,500	156,120	157,080	157,800	159,000
Service fees - BH infrastructure fee	509,841	508,860	509,602	508,500	508,500	508,500	508,500	508,500
Service fees - Fox Metro reading fee	27,905	27,885	28,025	28,073	28,275	28,395	28,485	28,635
Service fees - meter sales	-	20,000	41,175	28,557	25,361	7,476	10,379	17,391
Total operating revenues	4,913,784	5,438,319	5,185,833	5,466,526	5,738,820	5,975,592	6,246,875	6,538,184
OPERATING EXPENSES								
Operations								
Water Administration	210,876	214,722	218,722	273,853	219,686	224,268	258,474	235,435
Water Plant Operations	3,247,582	4,967,705	3,889,723	5,494,727	3,607,285	3,604,298	3,671,214	3,708,707
Depreciation and amortization	1,931,114	-	-	-	-	-	-	-
Total operating expenses	5,389,572	5,182,427	4,108,445	5,768,580	3,826,971	3,828,566	3,929,688	3,944,142
Operating income (loss)	(475,788)	255,892	1,077,388	(302,054)	1,911,849	2,147,026	2,317,187	2,594,042
NONOPERATING REVENUES (EXPENSES)								
Interest income - cash and investments	55,344	40,000	72,643	40,000	40,000	40,000	40,000	40,000
Service fees - non-sufficient funds fee	1,625	1,250	1,975	1,250	1,250	1,250	1,250	1,250
Other reimbursements - insurance	11,650	-	13,784	-	-	-	-	-
IEPA loan	-	600,000	327,702	672,298	-	-	-	-
Principal expense (debt)	-	(1,269,708)	(669,708)	(1,686,479)	(693,379)	(710,410)	(717,284)	(772,558)
Interest expense (debt)	(370,998)	(348,077)	(348,076)	(333,055)	(317,604)	(302,023)	(487,672)	(431,161)
Total nonoperating revenues (expenses)	(302,379)	(976,535)	(601,680)	(1,305,986)	(969,733)	(971,183)	(1,163,706)	(1,162,469)
Income (loss) before transfers	(778,167)	(720,643)	475,708	(1,608,040)	942,116	1,175,843	1,153,481	1,431,573
Transfers in (out) - Water Improvement Fund	1,571,206	(613,720)	199,056	(20,116)	(478,608)	124,433	(205,070)	(135,820)
Change in net position	793,039	(1,334,363)	674,764	(1,628,156)	463,508	1,300,276	948,411	1,295,753
Net position - beginning	18,761,446	19,554,485	19,554,485	20,229,249	18,601,093	19,064,601	20,364,877	21,313,288
Net position - ending	19,554,485	18,220,122	20,229,249	18,601,093	19,064,601	20,364,877	21,313,288	22,609,041

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Administration

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees (60%)	117,413	105,445	107,286	109,339	113,166	117,127	121,226	125,469
Overtime - general	-	100	-	100	100	100	100	100
Total Personal Services - Salaries and Wages	117,413	105,545	107,286	109,439	113,266	117,227	121,326	125,569
Personal services - employee benefits								
Insurance - health	9,178	22,794	22,794	13,934	14,422	14,927	15,449	15,990
Insurance - dental	521	1,374	1,374	1,926	2,022	2,123	2,229	2,340
Insurance - life	44	85	85	85	86	87	88	89
Insurance - workers' compensation	600	600	600	600	600	600	600	600
Insurance - unemployment	325	136	136	172	172	172	172	172
Retirement - Social Security	5,419	6,544	6,868	6,785	7,022	7,268	7,522	7,785
Retirement - Medicare	1,267	1,530	1,606	1,587	1,642	1,700	1,759	1,821
Retirement - IMRF	9,859	10,618	10,123	11,710	12,119	12,543	12,982	13,436
Education - conferences and training	126	600	600	600	600	600	600	600
Equipment - clothing allowance	329	240	240	240	240	240	240	240
Total personal services - employee benefits	27,668	44,521	44,426	37,639	38,925	40,260	41,641	43,073
Contractual services - professional and technical								
Engineering services - general	35,384	52,500	52,500	54,000	54,000	54,000	82,000	54,000
Legal services - general	864	-	2,000	1,000	1,000	1,000	1,000	1,000
Total contractual services - professional and technical	36,248	52,500	54,500	55,000	55,000	55,000	83,000	55,000
Contractual services - property								
Utilities - internet access	3,694	3,696	5,550	6,101	6,821	6,101	6,821	6,101
Total contractual services - property	3,694	3,696	5,550	6,101	6,821	6,101	6,821	6,101
Contractual services - other								
Printing and publishing - legal notices	-	100	100	100	100	100	100	100
Printing and publishing - publications	575	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other contractual services - dues	50	860	860	1,074	1,074	1,080	1,086	1,092
Bad debt	798	1,000	500	1,000	1,000	1,000	1,000	1,000
Total contractual services - other	1,423	2,960	2,460	3,174	3,174	3,180	3,186	3,192
Commodities								
General supplies - office	1,290	2,000	2,000	1,500	1,500	1,500	1,500	1,500
General supplies - postage	-	1,000	-	-	-	-	-	-
General supplies - tools	42	500	500	500	500	500	500	500
General supplies - books and periodicals	254	500	500	500	500	500	500	500
Total commodities	1,586	4,000	3,000	2,500	2,500	2,500	2,500	2,500

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Administration (Continued)

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Debt service								
Principal - IEPA low interest loan #1	-	67,698	67,698	69,521	71,393	73,316	-	-
Principal - IEPA low interest loan #2	-	214,027	214,027	216,710	219,427	222,179	224,965	227,786
Principal - Series 2013 bonds	-	140,000	140,000	145,000	145,000	150,000	155,000	160,000
Principal - IEPA low interest loan #3	-	112,983	112,983	115,248	117,559	119,915	122,319	124,772
Principal - Series 2017 bonds	-	135,000	135,000	140,000	140,000	145,000	150,000	155,000
Principal - IEPA low interest loan #4	-	600,000	-	1,000,000	-	-	-	-
Principal - Series 2023 bonds	-	-	-	-	-	-	65,000	105,000
Interest - IEPA low interest loan #1	8,132	7,092	7,092	5,269	3,397	1,474	-	-
Interest - Series 2007 bonds	8,410	-	-	-	-	-	-	-
Interest - IEPA low interest loan #2	39,430	36,853	36,853	34,170	31,452	28,701	25,915	23,094
Interest - Series 2013 bonds	153,213	150,850	150,850	146,650	142,300	137,950	133,450	128,800
Interest - IEPA low interest loan #3	42,769	41,469	41,468	39,203	36,892	34,535	32,131	29,679
Interest - Series 2017 bonds	117,769	110,938	110,938	106,888	102,688	98,488	94,138	89,638
Principal - Series 2023 bonds	-	-	-	-	-	-	200,688	158,600
Fiscal agent fees	1,275	875	875	875	875	875	1,350	1,350
Total debt service	370,998	1,617,785	1,017,784	2,019,534	1,010,983	1,012,433	1,204,956	1,203,719
Amortization and depreciation								
Amortization	(25,291)	-	-	-	-	-	-	-
Depreciation	1,956,405	-	-	-	-	-	-	-
Total amortization and depreciation	1,931,114	-	-	-	-	-	-	-
Total Water - Administration	2,490,144	1,831,007	1,235,006	2,233,387	1,230,669	1,236,701	1,463,430	1,439,154

Business-type activities long-term debt payable through the Water Fund at April 30, 2020 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

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	440,312	479,078	382,135	512,295	525,102	538,230	551,686	565,478
Overtime - general	70,862	60,000	61,962	60,000	60,000	60,000	60,000	60,000
Total personal services - salaries and wages	511,174	539,078	444,097	572,295	585,102	598,230	611,686	625,478
Personal services - employee benefits								
Insurance - health	149,529	143,100	143,100	85,308	60,491	62,608	64,799	67,067
Insurance - dental	4,853	6,608	6,608	4,696	4,931	5,178	5,437	5,709
Insurance - life	513	641	641	640	646	652	659	666
Insurance - workers' compensation	8,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Insurance - unemployment	1,611	1,020	1,020	1,290	1,290	1,290	1,290	1,290
Retirement - Social Security	33,190	33,423	25,727	35,482	36,276	37,090	37,925	38,780
Retirement - Medicare	7,762	7,817	6,017	8,298	8,484	8,674	8,869	9,069
Retirement - IMRF	(15,669)	54,231	44,431	61,236	62,606	64,011	65,450	66,926
Education - conferences and training	3,675	6,900	6,900	9,500	9,500	7,500	7,500	7,500
Equipment - clothing allowance	3,200	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Total personal services - employee benefits	196,664	266,340	247,044	219,050	196,824	199,603	204,529	209,607
Contractual services - professional and technical								
Information technology services - software maintenance	390	960	795	1,742	1,742	1,742	1,742	1,946
Professional services - miscellaneous	-	-	7,800	-	-	-	-	-
Total contractual services - professional and technical	390	960	8,595	1,742	1,742	1,742	1,742	1,946
Contractual services - property								
Utilities - electric	296,620	325,000	332,835	285,148	285,148	285,148	285,148	285,148
Utilities - natural gas	9,708	11,013	7,390	8,000	8,240	8,487	8,742	9,004
Utilities - telephone	2,570	2,424	2,407	2,544	2,544	2,544	2,544	2,544
Utilities - cell phone	5,954	6,510	8,924	9,444	9,444	9,444	9,444	9,444
Building repair and maintenance - other	104,448	111,176	111,176	117,645	116,186	100,742	114,565	101,906
Sewer repair and maintenance - lift stations	20,468	24,000	45,933	19,000	19,000	19,000	19,000	19,000
Sewer repair and maintenance - sanitary sewer	96,042	175,000	125,000	215,000	175,000	175,000	175,000	175,000
Water repair and maintenance - hydrants	39,174	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Water repair and maintenance - water meters	6,310	17,000	25,000	17,000	17,000	17,000	17,000	17,000
Water repair and maintenance - service pipes	193,933	1,269,200	425,000	1,249,400	20,000	20,000	20,000	20,000
Water repair and maintenance - storage tank	-	21,500	21,500	1,500	1,500	1,500	1,500	1,500
Water repair and maintenance - wells and pumps	38,545	172,000	156,000	456,000	56,000	11,000	11,000	11,000
Water repair and maintenance - watermain	138,769	99,721	99,721	151,282	91,346	91,413	91,484	91,558
Water repair and maintenance - valves	22,618	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Water repair and maintenance - spoils disposal	7,858	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Water repair and maintenance - hydrant accidents/claims	3,312	-	15,865	-	-	-	-	-
Total contractual services - property	986,329	2,299,544	1,441,751	2,596,963	866,408	806,278	820,427	808,104

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Plant Operations (Continued)

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Contractual services - other								
Other contractual services - dues	1,251	2,105	2,105	2,491	2,591	2,491	2,831	2,491
Other contractual services - sludge removal	33,381	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Other contractual services - water testing	25,449	52,000	25,000	52,000	52,000	52,000	52,000	52,000
Other contractual services - leak survey	22,996	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Other contractual services - JULIE notification	7,700	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Other contractual services - SCADA maintenance	5,537	10,000	10,311	50,000	10,000	10,000	10,000	10,000
Other contractual services - accounting	343,713	336,034	333,450	348,449	360,310	371,862	389,440	407,933
Other contractual services - utility billing	188,894	208,812	204,504	203,594	210,034	218,862	226,807	232,087
Other contractual services - public works administration	28,989	28,103	43,808	35,713	35,581	35,949	45,025	37,273
Other contractual services - vehicle maintenance	158,225	153,411	158,171	192,223	195,223	199,421	203,680	208,761
Other contractual services - buildings and grounds	210,270	254,364	270,404	245,336	245,599	252,789	241,876	245,760
Other contractual services - veh and equip replacement	202,263	222,722	222,722	251,567	251,567	251,567	251,567	251,567
Total contractual services - other	1,228,668	1,368,551	1,371,475	1,482,373	1,463,905	1,495,941	1,524,226	1,548,872
Commodities								
General supplies - safety	8,153	2,250	5,068	-	-	-	-	-
General supplies - uniforms	5,367	6,500	6,500	6,700	6,700	6,700	6,700	6,700
General supplies - computer equipment	1,965	5,600	5,953	-	1,400	2,600	4,400	-
Vehicle supplies - tools	2,026	6,100	6,100	3,000	3,000	3,000	3,000	3,000
Public Works supplies - water chemicals	303,578	298,000	298,000	298,000	298,000	298,000	298,000	298,000
Public Works supplies - JULIE	2,884	4,000	4,000	4,000	4,000	4,000	6,300	4,000
Public Works supplies - water meters	-	170,000	50,000	295,000	180,000	185,000	190,000	200,000
Minor equipment - Public Works	15	-	193	15,400	-	3,000	-	3,000
Total commodities	323,988	492,450	375,814	622,100	493,100	502,300	508,400	514,700
Total water - water plant operations	3,247,213	4,966,923	3,888,776	5,494,523	3,607,081	3,604,094	3,671,010	3,708,707

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 finance 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 2021 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 2021 will be rehabilitation of the clear well and well #14 at a cost of \$300,000 and \$176,000, respectively.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
OPERATING REVENUES								
Total operating revenues	-	-	-	-	-	-	-	-
OPERATING EXPENSES								
Water infrastructure improvements	-	-	-	100,000	-	-	-	27,000
Watermain replacement	14,303	457,000	10,000	495,980	534,400	636,800	263,900	207,400
Sanitary sewer televising	13,500	-	-	-	-	-	-	-
Water meters (general)	159,446	-	-	-	-	-	-	-
Rehabilitation reserve	229,711	607,275	523,595	630,623	419,680	481,910	1,230,963	1,576,210
Chlorine system improvements	1,367	-	985	-	-	-	-	-
Jefferson Street lift station rehabilitation	-	60,835	73,924	-	-	-	-	-
Water quality testing and regional planning	17,339	-	-	-	-	-	-	-
Issuance Costs	-	-	-	-	-	83,320	-	-
Total operating expenses	435,666	1,125,110	608,504	1,226,603	954,080	1,202,030	1,494,863	1,810,610
Operating loss	(435,666)	(1,125,110)	(608,504)	(1,226,603)	(954,080)	(1,202,030)	(1,494,863)	(1,810,610)
NONOPERATING REVENUES								
Interest income - cash and investments	49,458	26,000	21,004	-	-	-	-	-
Other reimbursements - water meters	20,075	-	-	-	-	-	-	-
Other reimbursements - tap fees	89,394	485,390	800,000	494,552	475,472	124,433	58,830	98,580
Other reimbursements - miscellaneous	-	-	-	33,800	-	-	-	-
Bond proceeds	-	-	-	-	-	4,586,658	-	-
Total nonoperating revenues	158,927	511,390	821,004	528,352	475,472	4,711,091	58,830	98,580
Income (loss) before transfers	(276,739)	(613,720)	212,500	(698,251)	(478,608)	3,509,061	(1,436,033)	(1,712,030)
Transfers in (out) - Water Fund	(1,571,206)	613,720	(199,056)	20,116	478,608	(124,433)	205,070	135,820
Change in net position	(1,847,945)	-	13,444	(678,135)	-	3,384,628	(1,230,963)	(1,576,210)
Net position - beginning	2,827,246	979,301	979,301	992,745	314,610	314,610	3,699,238	2,468,275
Net position - ending	979,301	979,301	992,745	314,610	314,610	3,699,238	2,468,275	892,065

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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
OPERATING REVENUES								
Internal service fees								
Employer medical insurance contributions	1,067,439	1,138,649	1,138,649	1,100,758	1,087,258	1,125,312	1,164,695	1,205,460
Employer dental insurance contributions	56,319	65,821	65,821	73,779	77,608	81,489	85,564	89,843
Employee medical insurance contributions	151,895	183,135	151,830	172,938	173,368	179,436	185,716	192,216
Cobra medical insurance contributions	5,044	-	-	-	-	-	-	-
Retiree medical insurance contributions	87,090	88,473	91,335	71,511	88,134	91,219	94,412	97,716
Employer life insurance contributions	4,271	4,827	4,827	5,192	5,244	5,296	5,349	5,402
Total internal service fees	1,372,058	1,480,905	1,452,462	1,424,178	1,431,612	1,482,752	1,535,736	1,590,637
Total operating revenues	1,372,058	1,480,905	1,452,462	1,424,178	1,431,612	1,482,752	1,535,736	1,590,637
OPERATING EXPENSES								
Contractual services - other								
Insurance - medical (HMO)	1,191,150	1,410,257	1,381,814	1,345,207	1,348,760	1,395,967	1,444,823	1,495,392
Insurance - medical (PPO)	31,104	-	-	-	-	-	-	-
Insurance - dental	64,218	65,821	65,821	73,779	77,608	81,489	85,564	89,843
Insurance - life	4,362	4,827	4,827	5,192	5,244	5,296	5,349	5,402
Total contractual services - other	1,290,834	1,480,905	1,452,462	1,424,178	1,431,612	1,482,752	1,535,736	1,590,637
Total operating expenses	1,290,834	1,480,905	1,452,462	1,424,178	1,431,612	1,482,752	1,535,736	1,590,637
Operating income (loss)	81,224	-	-	-	-	-	-	-
NONOPERATING REVENUES								
Interest income - cash and investments	8,227	6,000	10,680	6,000	6,000	6,000	6,000	6,000
Change in net position	89,451	6,000	10,680	6,000	6,000	6,000	6,000	6,000
Net position - beginning	324,643	414,094	414,094	424,774	430,774	436,774	442,774	448,774
Net position - ending	414,094	420,094	424,774	430,774	436,774	442,774	448,774	454,774

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 2021 budget includes replacement of 4 pieces and purchase of 3 new 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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Intergovernmental, grants, and contributions								
Federal grant - body worn cameras	-	50,000	50,000	-	-	-	-	-
Total intergovernmental, grants, and contributions	-	50,000	50,000	-	-	-	-	-
Charges for services								
Vehicle and equipment replacement contributions	618,241	659,160	659,160	682,834	682,834	682,834	682,834	682,834
Total charges for services	618,241	659,160	659,160	682,834	682,834	682,834	682,834	682,834
Fines and forfeitures								
Kane County - drug fines	3,329	2,500	325	2,500	2,500	2,500	2,500	2,500
Kane County - DUI prevention	9,126	7,500	9,876	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	4,234	3,500	3,945	3,500	3,500	3,500	3,500	3,500
Kendall County - drug fines	340	1,000	100	1,000	1,000	1,000	1,000	1,000
Kendall County - DUI prevention	4,200	4,000	4,459	4,000	4,000	4,000	4,000	4,000
Kendall County - e-citation	252	250	199	250	250	250	250	250
Total fines and forfeitures	21,481	19,750	18,904	19,750	19,750	19,750	19,750	19,750
Investment income								
Interest Income - cash and investments	8,936	10,000	12,008	10,000	15,000	20,000	20,000	20,000
Total investment income	8,936	10,000	12,008	10,000	15,000	20,000	20,000	20,000
Total revenues	648,658	738,910	740,072	712,584	717,584	722,584	722,584	722,584
EXPENDITURES								
Commodities								
Minor equipment - police	-	97,416	100,305	-	-	-	-	-
Total commodities	-	97,416	100,305	-	-	-	-	-
Capital outlay								
Vehicles and equipment	694,872	489,741	507,499	450,795	171,309	113,170	223,259	413,684
Total capital outlay	694,872	489,741	507,499	450,795	171,309	113,170	223,259	413,684
Total expenditures	694,872	587,157	607,804	450,795	171,309	113,170	223,259	413,684
Excess (deficiency) of revenues over (under) expenditures	(46,214)	151,753	132,268	261,789	546,275	609,414	499,325	308,900
Other financing sources								
Disposal of capital assets	-	-	96,058	-	-	-	-	-
Total other financing sources	-	-	96,058	-	-	-	-	-
Net change in fund balance	(46,214)	151,753	228,326	261,789	546,275	609,414	499,325	308,900
Fund balance - beginning	603,475	557,261	557,261	785,587	1,047,376	1,593,651	2,203,065	2,702,390
Fund balance - ending	557,261	709,014	785,587	1,047,376	1,593,651	2,203,065	2,702,390	3,011,290

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 increases 3% per year thereafter. The large decrease in fiscal year 2018 reflects the contract change noted above. Fiscal year 2020 reflects 3 months at \$16.96 per month and 9 months at \$17.47 per month, while fiscal year 2021 reflects 3 months at \$17.47 and 9 months at \$17.99. The budgeted amount for direct customer refuse billing is based on the contract rate and the existing number of homes.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
OPERATING REVENUES								
Charges for services								
Service fees - refuse removal	1,200,205	1,237,277	1,238,227	1,287,617	1,340,510	1,389,304	1,437,797	1,492,998
Total charges for services	1,200,205	1,237,277	1,238,227	1,287,617	1,340,510	1,389,304	1,437,797	1,492,998
Total operating revenues	1,200,205	1,237,277	1,238,227	1,287,617	1,340,510	1,389,304	1,437,797	1,492,998
OPERATING EXPENSES								
Contractual services - other								
Other contractual services - solid waste disposal	1,198,372	1,237,277	1,235,151	1,287,617	1,340,510	1,389,304	1,437,797	1,492,998
Total contractual services - other	1,198,372	1,237,277	1,235,151	1,287,617	1,340,510	1,389,304	1,437,797	1,492,998
Total operating expenses	1,198,372	1,237,277	1,235,151	1,287,617	1,340,510	1,389,304	1,437,797	1,492,998
Change in net position	1,833	-	3,076	-	-	-	-	-
Net position - beginning	(3,218)	(1,385)	(1,385)	1,691	1,691	1,691	1,691	1,691
Net position - ending	(1,385)	(1,385)	1,691	1,691	1,691	1,691	1,691	1,691

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 2021 as determined by the Village's actuary.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
ADDITIONS								
Contributions								
Employer contributions - property tax	557,589	595,737	595,476	664,012	677,292	690,838	704,655	718,748
Employer contributions - other	-	-	40,800	-	-	-	-	-
Employee contributions - police pension	327,795	250,688	273,575	251,933	261,380	271,182	281,351	291,902
Total contributions	885,384	846,425	909,851	915,945	938,672	962,020	986,006	1,010,650
Investment income								
Interest income - cash and investments	430,645	754,075	464,275	850,700	928,100	1,011,200	1,100,700	1,196,800
Investment income - realized gain (loss)	67,573	-	25,000	-	-	-	-	-
Investment income - unrealized gain (loss)	143,244	-	264,800	-	-	-	-	-
Gross investment income	641,462	754,075	754,075	850,700	928,100	1,011,200	1,100,700	1,196,800
Less: professional services - cash management	(23,646)	(26,931)	(24,722)	(30,400)	(33,100)	(36,100)	(39,300)	(42,700)
Net investment income	617,816	727,144	729,353	820,300	895,000	975,100	1,061,400	1,154,100
Total additions	1,503,200	1,573,569	1,639,204	1,736,245	1,833,672	1,937,120	2,047,406	2,164,750
DEDUCTIONS								
Personal services - employee benefits								
Retirement - retiree pension	520,271	541,018	541,018	561,301	578,140	595,486	613,350	631,750
Retirement - surviving spouse pension	20,816	20,816	15,612	-	-	-	-	-
Retirement - refund of contributions	29,616	-	114,006	-	-	-	-	-
Retirement - disability pension	101,816	101,815	101,815	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	672,519	668,649	777,451	668,116	684,955	702,301	720,165	738,565
Contractual services - professional and technical								
Legal services - other	792	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Accounting and auditing services - general	1,240	1,260	1,260	1,280	1,280	1,300	1,320	1,340
Accounting and auditing services - actuary	2,050	2,050	2,100	2,700	2,790	2,880	2,970	3,060
Total contractual services - professional and technical	4,082	6,310	6,360	6,980	7,070	7,180	7,290	7,400
Contractual services - other								
Physicals/testing	1,443	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Dues	2,618	2,742	2,762	2,875	3,075	3,275	3,575	3,775
Total contractual services - other	4,061	4,242	4,262	4,375	4,575	4,775	5,075	5,275
Total deductions	680,662	679,201	788,073	679,471	696,600	714,256	732,530	751,240
Change in net position	822,538	894,368	851,131	1,056,774	1,137,072	1,222,864	1,314,876	1,413,510
Net position - beginning	9,837,202	10,659,740	10,659,740	11,510,871	12,567,645	13,704,717	14,927,581	16,242,457
Net position - ending	10,659,740	11,554,108	11,510,871	12,567,645	13,704,717	14,927,581	16,242,457	17,655,967

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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Miscellaneous								
Donations - other	(50)	250	250	250	250	250	250	250
Total miscellaneous	(50)	250	250	250	250	250	250	250
Total revenues	(50)	250	250	250	250	250	250	250
EXPENDITURES								
Commodities								
Police supplies - other	114	1,000	533	1,000	1,000	1,000	1,000	1,000
Total commodities	114	1,000	533	1,000	1,000	1,000	1,000	1,000
Total expenditures	114	1,000	533	1,000	1,000	1,000	1,000	1,000
Net change in fund balance	(164)	(750)	(283)	(750)	(750)	(750)	(750)	(750)
Fund balance - beginning	7,239	7,075	7,075	6,792	6,042	5,292	4,542	3,792
Fund balance - ending	7,075	6,325	6,792	6,042	5,292	4,542	3,792	3,042

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

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Montgomery Crossing SSA	51,496	53,000	52,986	55,000	56,000	56,500	57,000	58,000
Total property taxes	51,496	53,000	52,986	55,000	56,000	56,500	57,000	58,000
Investment income								
Interest income - cash and investments	321	600	829	750	750	750	750	750
Total investment income	321	600	829	750	750	750	750	750
Total revenues	51,817	53,600	53,815	55,750	56,750	57,250	57,750	58,750
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	46,994	29,840	29,840	40,946	30,742	42,022	31,673	43,127
Grounds repair and maintenance - landscaping	22,549	19,143	19,143	16,280	19,717	16,855	20,514	17,536
Total contractual services - property	69,543	48,983	48,983	57,226	50,459	58,877	52,187	60,663
Total expenditures	69,543	48,983	48,983	57,226	50,459	58,877	52,187	60,663
Net change in fund balance	(17,726)	4,617	4,832	(1,476)	6,291	(1,627)	5,563	(1,913)
Fund balance - beginning	129,783	112,057	112,057	116,889	115,413	121,704	120,077	125,640
Fund balance - ending	112,057	116,674	116,889	115,413	121,704	120,077	125,640	123,727

BLACKBERRY CROSSING SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Blackberry Crossing SSA	15,980	18,000	18,002	19,000	20,000	21,000	21,000	21,000
Total property taxes	15,980	18,000	18,002	19,000	20,000	21,000	21,000	21,000
Total revenues	15,980	18,000	18,002	19,000	20,000	21,000	21,000	21,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	8,284	5,725	5,725	7,943	5,898	8,150	6,076	8,363
Grounds repair and maintenance - landscaping	12,696	9,104	9,104	8,308	10,148	8,600	10,556	8,946
Total contractual services - property	20,980	14,829	14,829	16,251	16,046	16,750	16,632	17,309
Total expenditures	20,980	14,829	14,829	16,251	16,046	16,750	16,632	17,309
Net change in fund balance	(5,000)	3,171	3,173	2,749	3,954	4,250	4,368	3,691
Fund balance - beginning	54,687	49,687	49,687	52,860	55,609	59,563	63,813	68,181
Fund balance - ending	49,687	52,858	52,860	55,609	59,563	63,813	68,181	71,872

Chapter 8: Fund Summary

FAIRFIELD WAY SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Fairfield Way SSA	22,622	24,500	24,431	27,000	30,000	33,000	36,000	39,000
Total property taxes	22,622	24,500	24,431	27,000	30,000	33,000	36,000	39,000
Investment income								
Interest income - cash and investments	347	720	898	800	800	800	800	800
Total investment income	347	720	898	800	800	800	800	800
Total revenues	22,969	25,220	25,329	27,800	30,800	33,800	36,800	39,800
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	19,739	10,980	18,110	14,068	11,312	14,449	11,654	14,841
Grounds repair and maintenance - landscaping	35,206	25,144	25,144	22,742	25,616	23,545	26,650	24,496
Total contractual services - property	54,945	36,124	43,254	36,810	36,928	37,994	38,304	39,337
Total expenditures	54,945	36,124	43,254	36,810	36,928	37,994	38,304	39,337
Net change in fund balance	(31,976)	(10,904)	(17,925)	(9,010)	(6,128)	(4,194)	(1,504)	463
Fund balance - beginning	159,672	127,696	127,696	109,771	100,761	94,633	90,439	88,935
Fund balance - ending	127,696	116,792	109,771	100,761	94,633	90,439	88,935	89,398

ARBOR RIDGE SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Arbor Ridge SSA	22,007	23,000	22,954	24,000	24,000	24,000	24,000	24,000
Total property taxes	22,007	23,000	22,954	24,000	24,000	24,000	24,000	24,000
Total revenues	22,007	23,000	22,954	24,000	24,000	24,000	24,000	24,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	8,990	6,770	8,869	8,192	6,975	8,420	7,186	8,130
Grounds repair and maintenance - landscaping	7,892	11,890	11,890	7,949	13,050	8,230	13,577	8,561
Total contractual services - property	16,882	18,660	20,759	16,141	20,025	16,650	20,763	16,691
Total expenditures	16,882	18,660	20,759	16,141	20,025	16,650	20,763	16,691
Net change in fund balance	5,125	4,340	2,195	7,859	3,975	7,350	3,237	7,309
Fund balance - beginning	24,962	30,087	30,087	32,282	40,141	44,116	51,466	54,703
Fund balance - ending	30,087	34,427	32,282	40,141	44,116	51,466	54,703	62,012

Chapter 8: Fund Summary

FOXMOOR SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Foxmoor SSA	47,465	52,000	51,977	55,000	58,000	61,000	64,000	67,000
Total property taxes	47,465	52,000	51,977	55,000	58,000	61,000	64,000	67,000
Investment income								
Interest income - cash and investments	177	360	456	400	400	400	400	400
Total investment income	177	360	456	400	400	400	400	400
Total revenues	47,642	52,360	52,433	55,400	58,400	61,400	64,400	67,400
EXPENDITURES								
Contractual Services - Property								
Grounds repair and maintenance - basins	19,134	15,334	16,714	18,487	15,797	19,001	16,275	19,531
Grounds repair and maintenance - landscaping	51,406	38,071	38,071	32,391	42,066	33,534	43,565	34,889
Total contractual services - property	70,540	53,405	54,785	50,878	57,863	52,535	59,840	54,420
Total expenditures	70,540	53,405	54,785	50,878	57,863	52,535	59,840	54,420
Net change in fund balance	(22,898)	(1,045)	(2,352)	4,522	537	8,865	4,560	12,980
Fund balance - beginning	108,037	85,139	85,139	82,787	87,309	87,846	96,711	101,271
Fund balance - ending	85,139	84,094	82,787	87,309	87,846	96,711	101,271	114,251

SARATOGA SPRINGS SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Saratoga Springs SSA	16,002	17,500	17,501	20,000	21,000	22,000	22,000	22,000
Total property taxes	16,002	17,500	17,501	20,000	21,000	22,000	22,000	22,000
Total revenues	16,002	17,500	17,501	20,000	21,000	22,000	22,000	22,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	11,891	8,871	8,871	11,136	9,139	11,440	9,415	11,752
Grounds repair and maintenance - landscaping	5,641	5,731	5,731	5,136	6,383	5,318	6,641	5,532
Total contractual services - property	17,532	14,602	14,602	16,272	15,522	16,758	16,056	17,284
Total expenditures	17,532	14,602	14,602	16,272	15,522	16,758	16,056	17,284
Net change in fund balance	(1,530)	2,898	2,899	3,728	5,478	5,242	5,944	4,716
Fund balance - beginning	35,928	34,398	34,398	37,297	41,025	46,503	51,745	57,689
Fund balance - ending	34,398	37,296	37,297	41,025	46,503	51,745	57,689	62,405

Chapter 8: Fund Summary

ORCHARD PRAIRIE NORTH SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Orchard Prairie SSA	31,003	31,000	30,983	33,000	33,000	33,000	33,000	33,000
Total property taxes	31,003	31,000	30,983	33,000	33,000	33,000	33,000	33,000
Total revenues	31,003	31,000	30,983	33,000	33,000	33,000	33,000	33,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	13,196	9,716	9,716	11,994	10,010	12,324	10,312	12,663
Grounds repair and maintenance - landscaping	18,728	14,102	14,102	13,701	15,770	14,185	16,408	14,759
Total contractual services - property	31,924	23,818	23,818	25,695	25,780	26,509	26,720	27,422
Total expenditures	31,924	23,818	23,818	25,695	25,780	26,509	26,720	27,422
Net change in fund balance	(921)	7,182	7,165	7,305	7,220	6,491	6,280	5,578
Fund balance - beginning	34,555	33,634	33,634	40,799	48,104	55,324	61,815	68,095
Fund balance - ending	33,634	40,816	40,799	48,104	55,324	61,815	68,095	73,673

BLACKBERRY CROSSING WEST SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Blackberry Crossing West SSA	37,069	32,000	31,997	34,000	36,000	38,000	40,000	42,000
Total property taxes	37,069	32,000	31,997	34,000	36,000	38,000	40,000	42,000
Investment income								
Interest income - cash and investments	439	960	1,114	1,000	1,000	1,000	1,000	1,000
Total investment income	439	960	1,114	1,000	1,000	1,000	1,000	1,000
Total revenues	37,508	32,960	33,111	35,000	37,000	39,000	41,000	43,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	36,940	29,140	29,140	34,694	30,022	35,666	30,930	36,665
Grounds repair and maintenance - landscaping	16,999	9,478	9,478	10,010	10,662	10,363	11,092	10,781
Total contractual services - property	53,939	38,618	38,618	44,704	40,684	46,029	42,022	47,446
Total expenditures	53,939	38,618	38,618	44,704	40,684	46,029	42,022	47,446
Net change in fund balance	(16,431)	(5,658)	(5,507)	(9,704)	(3,684)	(7,029)	(1,022)	(4,446)
Fund balance - beginning	159,352	142,921	142,921	137,414	127,710	124,026	116,997	115,975
Fund balance - ending	142,921	137,263	137,414	127,710	124,026	116,997	115,975	111,529

Chapter 8: Fund Summary

FIELDSTONE PLACE SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Fieldstone Place SSA	4,977	3,000	2,999	3,000	3,500	3,500	3,500	3,500
Total property taxes	4,977	3,000	2,999	3,000	3,500	3,500	3,500	3,500
Total revenues	4,977	3,000	2,999	3,000	3,500	3,500	3,500	3,500
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	4,620	2,400	3,700	3,756	2,473	3,850	2,548	3,946
Total contractual services - property	4,620	2,400	3,700	3,756	2,473	3,850	2,548	3,946
Total expenditures	4,620	2,400	3,700	3,756	2,473	3,850	2,548	3,946
Net change in fund balance	357	600	(701)	(756)	1,027	(350)	952	(446)
Fund balance - beginning	21,627	21,984	21,984	21,283	20,527	21,554	21,204	22,156
Fund balance - ending	21,984	22,584	21,283	20,527	21,554	21,204	22,156	21,710

BALMOREA SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Balmorea SSA	35,004	35,000	35,001	26,000	27,000	28,000	28,000	28,000
Total property taxes	35,004	35,000	35,001	26,000	27,000	28,000	28,000	28,000
Total revenues	35,004	35,000	35,001	26,000	27,000	28,000	28,000	28,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	28,956	16,981	16,981	24,722	17,494	25,355	18,023	26,005
Total contractual services - property	28,956	16,981	16,981	24,722	17,494	25,355	18,023	26,005
Total expenditures	28,956	16,981	16,981	24,722	17,494	25,355	18,023	26,005
Net change in fund balance	6,048	18,019	18,020	1,278	9,506	2,645	9,977	1,995
Fund balance - beginning	18,278	24,326	24,326	42,346	43,624	53,130	55,775	65,752
Fund balance - ending	24,326	42,345	42,346	43,624	53,130	55,775	65,752	67,747

Chapter 8: Fund Summary

MARQUIS POINTE SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Marquis Pointe SSA	14,031	13,000	13,031	13,000	13,000	13,000	13,000	13,000
Total property taxes	14,031	13,000	13,031	13,000	13,000	13,000	13,000	13,000
Total revenues	14,031	13,000	13,031	13,000	13,000	13,000	13,000	13,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	11,003	8,339	9,342	11,168	8,591	11,465	8,851	11,769
Total contractual services - property	11,003	8,339	9,342	11,168	8,591	11,465	8,851	11,769
Total expenditures	11,003	8,339	9,342	11,168	8,591	11,465	8,851	11,769
Net change in fund balance	3,028	4,661	3,689	1,832	4,409	1,535	4,149	1,231
Fund balance - beginning	31,834	34,862	34,862	38,551	40,383	44,792	46,327	50,476
Fund balance - ending	34,862	39,523	38,551	40,383	44,792	46,327	50,476	51,707

OGDEN HILL SSA FUND

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUES								
Property taxes								
Property tax - Ogden Hill SSA	25,033	23,000	23,031	20,000	20,000	20,000	20,000	20,000
Total property taxes	25,033	23,000	23,031	20,000	20,000	20,000	20,000	20,000
Total revenues	25,033	23,000	23,031	20,000	20,000	20,000	20,000	20,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	18,736	14,200	15,907	19,017	14,630	19,522	15,072	20,041
Total contractual services - property	18,736	14,200	15,907	19,017	14,630	19,522	15,072	20,041
Total expenditures	18,736	14,200	15,907	19,017	14,630	19,522	15,072	20,041
Net change in fund balance	6,297	8,800	7,124	983	5,370	478	4,928	(41)
Fund balance - beginning	44,517	50,814	50,814	57,938	58,921	64,291	64,769	69,697
Fund balance - ending	50,814	59,614	57,938	58,921	64,291	64,769	69,697	69,656

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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
REVENUE								
Property taxes	2,274,325	2,334,259	2,335,699	2,322,450	2,366,823	2,412,084	2,458,250	2,505,338
Other taxes	182,107	186,545	197,804	205,548	205,113	204,682	204,255	203,832
Licenses and permits	460,164	439,188	671,772	549,035	527,369	420,135	433,336	468,023
Charges for services	368,312	352,432	294,632	396,729	401,981	376,654	390,705	418,309
Intergovernmental, grants, and contributions	7,057,416	7,373,448	7,601,272	7,830,164	8,248,810	8,517,215	8,796,697	9,091,344
Fines and forfeitures	261,411	264,500	252,469	276,500	288,500	300,500	312,500	324,500
Investment income	93,875	82,500	118,946	82,500	82,500	82,500	82,500	82,500
Miscellaneous	223,231	125,790	142,688	130,790	130,790	130,790	131,790	131,790
Total Revenue	10,920,841	11,158,662	11,615,282	11,793,716	12,251,886	12,444,560	12,810,033	13,225,636
EXPENDITURES								
General government								
Elected Officials	169,916	181,460	177,896	208,309	208,403	208,443	209,483	209,523
Village Administrator	401,801	485,920	509,265	550,793	561,685	628,245	620,648	632,199
Finance	523,931	504,050	500,174	522,673	540,466	557,794	584,160	611,900
Community Development								
Planning and zoning	318,106	332,549	317,141	352,573	350,566	364,874	376,139	386,674
Code enforcement and inspections	363,725	364,721	366,470	368,181	380,013	382,460	393,072	406,846
Economic development	1,026,600	1,070,992	1,068,030	1,129,896	1,174,667	1,127,705	1,117,667	1,186,948
Legal Services	170,173	226,100	140,898	213,600	221,100	228,600	236,100	243,600
Engineering Services	214,863	235,000	156,874	245,000	255,000	265,000	275,000	285,000
Public safety								
Police								
Administration	668,484	922,541	958,521	924,785	962,840	972,208	1,004,894	1,020,269
Support Services	508,759	558,475	550,400	553,495	558,199	576,264	592,203	614,146
Patrol	3,688,215	3,591,404	3,606,041	3,976,698	4,098,601	4,230,709	4,345,578	4,477,617
Investigations	389,075	542,132	525,030	512,577	525,474	545,702	566,594	578,749
Police Commission	6,803	5,537	5,085	8,337	4,737	4,737	7,337	4,737
ESDA	1,786	3,200	3,438	3,200	4,700	4,200	4,200	4,200
Highways and streets								
Public works								
Administration	120,627	118,537	129,948	121,619	124,940	128,714	138,420	137,035
Streets	958,207	1,187,509	1,269,870	1,169,970	1,180,239	1,191,974	1,227,855	1,284,900
Vehicle maintenance	237,338	230,117	237,257	288,334	292,834	299,132	305,519	313,141
Buildings and grounds	404,375	480,104	509,279	472,447	479,920	486,058	477,775	478,806
Stormwater	38,086	48,956	74,604	30,456	40,456	30,456	30,456	30,456
Total expenditures	10,210,870	11,089,304	11,106,221	11,652,943	11,964,840	12,233,275	12,513,100	12,906,746
Net change in fund balance	709,971	69,358	509,061	140,773	287,046	211,285	296,933	318,890
Fund balance - beginning	4,107,348	4,817,319	4,817,319	5,326,380	5,467,153	5,754,199	5,965,483	6,262,416
Fund balance - ending	4,817,319	4,886,677	5,326,380	5,467,153	5,754,199	5,965,483	6,262,416	6,581,306

Chapter 9: Departmental Summary

REVENUES

General Fund revenues for fiscal year 2021 are budgeted at \$11,793,716 which is an increase of \$635,054 over fiscal year 2020 budget and an increase of \$178,434 over fiscal year 2020 estimated. The increase over budget and estimate actual is attributable almost exclusively to an increase in sales tax. A discussion on sales tax is included in major revenues on page 69.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Property taxes								
Property tax - corporate	586,729	587,506	587,241	630,089	642,691	655,545	668,656	682,029
Property tax - police pension	557,590	595,737	595,476	664,012	677,292	690,838	704,655	718,748
Property tax - Social Security	238,742	243,614	243,503	219,052	223,433	227,902	232,460	237,109
Property tax - IMRF	229,730	234,427	234,328	176,276	179,802	183,398	187,066	190,807
Property tax - insurance	294,972	301,000	300,878	257,820	262,976	268,236	273,601	279,073
Property tax - police protection	265,158	270,571	270,457	271,385	276,813	282,349	287,996	293,756
Other taxes - road and bridge tax	101,404	101,404	103,816	103,816	103,816	103,816	103,816	103,816
Total property taxes	2,274,325	2,334,259	2,335,699	2,322,450	2,366,823	2,412,084	2,458,250	2,505,338
Other taxes								
Other taxes - video gaming tax	131,568	132,000	153,816	162,000	162,000	162,000	162,000	162,000
Fees - infrastructure maintenance fee	50,539	54,545	43,988	43,548	43,113	42,682	42,255	41,832
Total other taxes	182,107	186,545	197,804	205,548	205,113	204,682	204,255	203,832
Licenses and permits								
Licenses - liquor licenses	28,027	29,400	28,860	31,800	31,800	31,800	31,800	31,800
Licenses - other licenses	1,834	930	970	970	970	970	970	970
Licenses - amusement machine licenses	150	150	-	-	-	-	-	-
Licenses - tobacco licenses	450	400	350	350	350	350	350	350
Licenses - contractors	22,375	25,000	32,000	25,000	28,125	31,250	34,375	37,500
Permits - building permits	142,294	135,000	349,635	239,550	214,550	103,950	113,750	145,000
Permits - oversized vehicle permit	11,200	13,500	13,500	15,000	15,000	15,000	15,000	15,000
Permits - solicitor	3,030	3,000	4,000	3,000	3,000	3,000	3,000	3,000
Permits - other	575	500	500	500	500	500	500	500
Fees - cable franchise fee	250,229	231,308	241,957	232,865	233,074	233,315	233,591	233,903
Total licenses and permits	460,164	439,188	671,772	549,035	527,369	420,135	433,336	468,023
Intergovernmental, grants, and contributions								
Property tax - TIF surplus	11,307	14,176	14,392	9,152	9,426	9,709	10,000	10,300
Sales tax	4,499,988	4,795,248	4,843,206	5,085,366	5,339,634	5,606,616	5,886,947	6,181,294
State income tax	1,907,508	1,816,143	1,977,476	1,935,990	2,100,000	2,100,000	2,100,000	2,100,000
Other taxes - corporate replacement tax	54,756	53,339	66,689	59,680	59,680	59,680	59,680	59,680
Other taxes - road and bridge replacement tax	7,221	6,667	8,727	7,460	7,460	7,460	7,460	7,460
Other taxes - local use tax	566,143	603,845	626,143	654,549	710,000	710,000	710,000	710,000
Federal grants - Urban/Community Forest (PW)	-	15,000	15,000	-	-	-	-	-
State grants - body armor (PD)	2,120	2,280	2,448	2,280	2,280	3,420	2,280	2,280
State grants - ILCC tobacco (PD)	3,135	2,090	2,090	2,090	2,090	2,090	2,090	2,090
State grants - traffic safety grant (PD)	5,238	18,240	12,000	18,240	18,240	18,240	18,240	18,240
Local grants - street lights (PW)	-	46,420	33,101	55,357	-	-	-	-
Total intergovernmental, grants, and contributions	7,057,416	7,373,448	7,601,272	7,830,164	8,248,810	8,517,215	8,796,697	9,091,344
Charges for services								
Inspection fees - plumbing inspections	15,765	22,000	67,540	41,750	39,150	12,600	11,100	20,100
Inspection fees - engineering inspections	11,632	11,000	25,452	24,100	20,900	8,400	12,850	20,350
Inspection fees - reinspections	675	1,000	750	1,000	1,000	1,000	1,000	1,000

Chapter 9: Departmental Summary

REVENUES (Continued)

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Charges for services								
Inspection fees - elevators	2,580	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Planning fees - Plan Commission apps	9,800	8,000	5,000	8,000	8,000	8,000	8,000	8,000
Recycling income	1,114	2,000	1,300	2,000	2,000	2,000	2,000	2,000
Professional service reimb - dispatch	13,620	-	-	-	-	-	-	-
Professional service reimb - engineering	147,641	175,770	54,269	181,440	187,110	192,780	198,450	204,120
Professional service reimb - legal	12,903	36,750	8,899	42,000	47,250	52,500	57,750	63,000
Professional service reimb - planning	20,976	23,625	6,947	23,625	23,625	26,250	26,250	26,250
Professional service reimb - publishing	215	500	500	500	500	500	500	500
Police reimbursements - training	48,660	6,000	34,000	6,000	6,000	6,000	6,000	6,000
Police reimbursements - special duty	19,669	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Police reimbursements - other	3,949	3,500	10,000	3,500	3,500	3,500	3,500	3,500
Police reimbursements - firing range	984	500	500	500	500	500	500	500
Other reimbursements - streets	12,662	11,680	11,680	11,680	11,680	11,680	11,680	11,680
Other reimbursements - miscellaneous	3,607	6,000	21,614	6,000	6,000	6,000	6,000	6,000
Other reimbursements - lawn services	7,498	8,207	8,173	8,734	8,866	9,044	9,225	9,409
Other reimbursements - credit card fees	31,503	28,800	30,716	28,800	28,800	28,800	28,800	28,800
Rents and royalties - municipal building rent	2,859	2,800	2,992	2,800	2,800	2,800	2,800	2,800
Total charges for services	368,312	352,432	294,632	396,729	401,981	376,654	390,705	418,309
Fines and forfeitures								
Police reimbursements - tow impoundment fee	86,000	100,000	64,000	105,000	110,000	115,000	120,000	125,000
Village - court fines	31,000	27,000	24,111	29,000	31,000	33,000	35,000	37,000
Kane County - court fines	109,248	110,000	138,034	115,000	120,000	125,000	130,000	135,000
Kane County - patrol car maintenance	12,622	10,000	9,198	10,000	10,000	10,000	10,000	10,000
Kendall County - court fines	12,210	11,000	11,386	11,000	11,000	11,000	11,000	11,000
Kendall County - patrol car maintenance	1,483	1,500	740	1,500	1,500	1,500	1,500	1,500
Code enforcement fines	8,848	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total fines and forfeitures	261,411	264,500	252,469	276,500	288,500	300,500	312,500	324,500
Investment income								
Interest income - cash and investments	93,875	82,500	118,946	82,500	82,500	82,500	82,500	82,500
Total investment income	93,875	82,500	118,946	82,500	82,500	82,500	82,500	82,500
Miscellaneous								
Salable items - history books	175	350	350	350	350	350	350	350
Salable items - miscellaneous	400	100	100	100	100	100	100	100
Other reimbursements - insurance	94,470	30,000	50,000	30,000	30,000	30,000	30,000	30,000
Change in terminal reserve	31,503	-	-	-	-	-	-	-
Donations - Montgomery Fest	65,956	65,000	65,000	69,000	69,000	69,000	70,000	70,000
Donations - beautification	7,755	5,000	6,650	6,000	6,000	6,000	6,000	6,000
Donations - River Run	12,085	12,340	11,627	12,340	12,340	12,340	12,340	12,340
Donations - garage sale	980	1,000	660	1,000	1,000	1,000	1,000	1,000
Donations - Seller's Cottage	328	500	500	500	500	500	500	500
Donations - HPC brick paver program	600	500	-	500	500	500	500	500
Donations - senior luncheon	2,112	2,000	2,201	2,000	2,000	2,000	2,000	2,000
Donations - parkway tree program	300	2,000	1,000	2,000	2,000	2,000	2,000	2,000
Donations - car show	2,167	2,500	-	2,500	2,500	2,500	2,500	2,500
Donations - Halloween safety event	4,200	4,000	4,600	4,000	4,000	4,000	4,000	4,000
Donations - Sunday in the park	200	500	-	500	500	500	500	500
Total miscellaneous	223,231	125,790	142,688	130,790	130,790	130,790	131,790	131,790
Total revenue	10,920,841	11,158,662	11,615,282	11,793,716	12,251,886	12,444,560	12,810,033	13,225,636

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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - elected officials	60,600	61,200	60,600	61,200	61,200	61,200	61,200	61,200
Total personal services - salaries and wages	60,600	61,200	60,600	61,200	61,200	61,200	61,200	61,200
Personal services - employee benefits								
Retirement - Social Security	3,757	3,794	3,757	3,794	3,794	3,794	3,794	3,794
Retirement - Medicare	879	887	879	887	887	887	887	887
Retirement - IMRF	1,494	724	60	-	-	-	-	-
Education - conferences and training	1,462	3,290	2,640	3,590	3,590	3,590	3,590	3,590
Total personal services - employee benefits	7,592	8,695	7,336	8,271	8,271	8,271	8,271	8,271
Contractual services - professional and technical								
Information technology services - software maintenance	1,415	1,424	1,424	1,370	1,424	1,424	1,424	1,424
Other professional services - photography	-	300	300	300	300	300	300	300
Other professional services - miscellaneous	30	250	250	250	250	250	250	250
Other professional services - recording of meetings	1,575	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Total contractual services - professional and technical	3,020	3,774	3,774	3,720	3,774	3,774	3,774	3,774
Contractual services - property								
Utilities - telephone	1,168	1,116	1,125	1,128	1,128	1,128	1,128	1,128
Total contractual services - property	1,168	1,116	1,125	1,128	1,128	1,128	1,128	1,128
Contractual services - other								
Printing and publishing - publications	857	3,100	3,160	3,000	3,000	3,000	3,000	3,000
Mileage	127	-	-	-	-	-	-	-
Community relations - Montgomery Fest	47,781	51,000	52,321	69,000	69,000	69,000	70,000	70,000
Community relations - other comm events	4,659	7,500	6,603	12,675	12,675	12,675	12,675	12,675
Community relations - senior services	4,187	4,150	2,663	4,150	4,150	4,150	4,150	4,150
Community relations - River Run	11,400	12,000	10,797	15,000	15,000	15,000	15,000	15,000
Other contractual services - dues	26,481	27,530	27,328	27,560	27,590	27,620	27,650	27,680
Other contractual services - document recording	47	100	-	100	100	100	100	100
Total contractual services - other	95,539	105,380	102,872	131,485	131,515	131,545	132,575	132,605
Commodities								
General supplies - office	504	500	700	500	500	500	500	500
General supplies - postage	138	150	150	150	150	150	150	150
General supplies - books and periodicals	1,355	395	1,239	1,605	1,615	1,625	1,635	1,645
General supplies - kitchen	-	250	100	250	250	250	250	250
Total commodities	1,997	1,295	2,189	2,505	2,515	2,525	2,535	2,545
Total Elected Officials	169,916	181,460	177,896	208,309	208,403	208,443	209,483	209,523

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 provides information for the Village Board, responds to citizen requests, and works with Montgomery's other departments and 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 Manager is responsible for the coordination of all personnel related matters such as the hiring process and coordination of employee benefit programs and risk management. The Community Relations Manager is responsible for planning and executing all aspects of the Village events, including marketing and public relations.

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.
- Respond to citizen inquiries, complaints, and concerns in a professional manner.
- Develop a motivated workforce through professional employee evaluations and training.
- Oversee all Human Resource functions.
- Plan and promote Village events.

Core Strategies

- Serve as a primary and effective resource to residents, visitors and businesses.
- Provide exceptional customer service to all customers, both 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 2020 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)

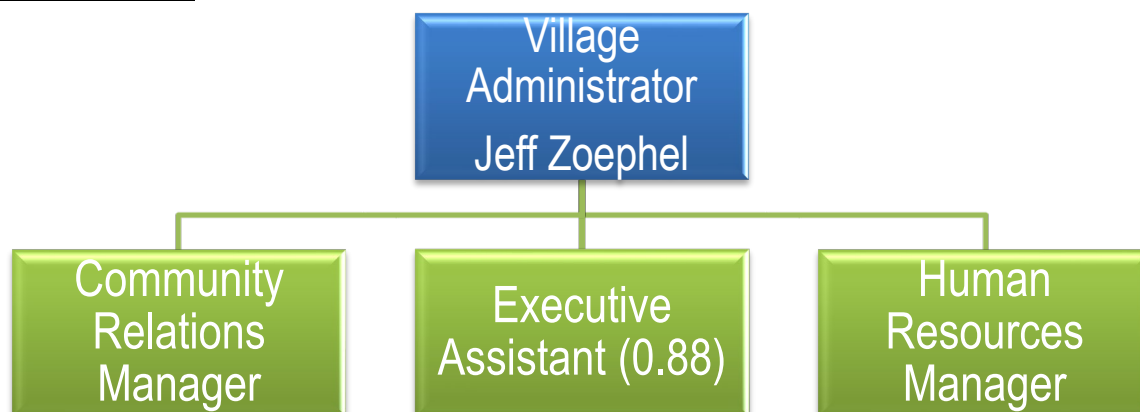
Fiscal Year 2020 Accomplishments (Continued)

- 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, Community Presentations, and Tree Lighting Ceremony.
- Continually updated the Village website to provide up-to-date information.
- Promoted additional “green energy” initiatives such as LED streetlights, an electric vehicle charging station, promotion of solar energy and a municipal aggregation renewable energy option for Village residents.
- Created a marketing/events planning position.
- Completed a pay and compensation study.

Fiscal Year 2021 Goals and Initiatives

- Develop a succession plan for critical Village positions.
- Continue to enhance citizen/government interaction through the Village website and social media.
- Work with the Village Board to create policies that will help grow Montgomery.
- Create a welcoming atmosphere for all citizens and visitors of Montgomery.
- Reevaluate and adjust Village events in light of Covid-19 restrictions.
- Continue planning for development of sustainable future water supply, working with neighboring communities on a joint solution.
- Create and promote a Village identity.
- Partner with library to create a branch in Village Hall.
- Develop a water conservation program with financial incentives.

Organization Chart



Chapter 9: Departmental Summary

ADMINISTRATION DEPARTMENT (Continued)

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	215,216	279,602	272,345	291,306	301,502	312,055	322,977	334,281
Wages - part-time employees	-	-	-	-	-	18,720	18,720	18,720
Overtime - general	-	400	500	400	400	400	400	400
Total personal services - salaries and wages	215,216	280,002	272,845	291,706	301,902	331,175	342,097	353,401
Personal services - employee benefits								
Insurance - health	38,374	53,134	53,134	53,677	55,556	57,500	59,513	61,596
Insurance - dental	2,231	3,107	3,107	4,076	4,280	4,494	4,719	4,955
Insurance - life	135	142	142	213	215	217	219	221
Insurance - workers' compensation	1,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Insurance - unemployment	226	381	381	430	430	430	430	430
Retirement - Social Security	11,603	15,800	15,344	16,480	17,056	18,813	19,430	20,068
Retirement - Medicare	2,989	4,060	3,740	4,230	4,378	4,802	4,960	5,124
Retirement - IMRF	23,164	28,168	28,015	31,213	32,304	33,433	34,601	35,811
Education - conferences and training	5,223	12,550	12,550	9,760	9,760	9,760	9,760	9,760
Total personal services - employee benefits	84,945	118,842	117,913	121,579	125,479	130,949	135,132	139,465
Contractual services - professional and technical								
Information technology services - system management	45,723	45,400	54,600	51,000	51,000	51,000	51,000	51,000
Information technology services - website	11,388	4,602	5,542	5,832	5,977	6,126	6,280	6,438
Information technology services - software maintenance	3,796	7,350	9,568	13,412	13,412	13,548	13,548	13,548
Other professional services	1,200	2,000	2,000	8,925	8,925	24,925	8,925	8,925
Total contractual services - professional and technical	62,107	59,352	71,710	79,169	79,314	95,599	79,753	79,911
Contractual services - property								
Utilities - natural gas	52	104	236	260	286	315	347	382
Utilities - telephone	4,709	4,536	4,723	4,740	4,740	4,740	4,740	4,740
Utilities - cell phone	786	1,042	2,345	1,872	1,872	1,872	1,872	1,872
Equipment repair and maintenance - office	10,707	1,550	11,042	11,340	11,634	11,937	12,249	12,570
Rental - equipment	7,212	6,222	7,264	3,834	3,834	3,834	3,834	3,834
Total contractual services - property	23,466	13,454	25,610	22,046	22,366	22,698	23,042	23,398
Contractual services - other								
Insurance - public official bonds	3,572	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Printing and publishing - publications	-	100	100	13,600	13,600	13,600	13,600	13,600
Mileage	1,179	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Community relations - Historic Preservation	1,608	3,250	2,500	4,798	3,429	3,429	4,829	3,429
Community relations - Chamber of Commerce	-	300	300	300	300	300	300	300
Other contractual services - dues	1,877	2,570	3,172	2,745	2,745	3,245	3,245	3,245
Other contractual services - document destruction	375	750	750	750	750	750	750	750
Total contractual services - other	8,611	9,970	9,822	25,193	23,824	24,324	25,724	24,324
Commodities								
General supplies - office	707	1,000	2,500	1,000	1,000	1,000	1,000	1,000
General supplies - postage	503	800	800	5,800	5,800	5,800	5,800	5,800
General supplies - books and periodicals	828	800	800	800	800	800	800	800
General supplies - computer equipment	5,418	1,700	7,265	3,500	1,200	15,900	7,300	4,100
Total commodities	7,456	4,300	11,365	11,100	8,800	23,500	14,900	11,700
Total Administration Department	401,801	485,920	509,265	550,793	561,685	628,245	620,648	632,199

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.

Responsibilities

- 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 2020 Accomplishments

- Successfully coordinated preparation of fiscal year 2021 annual budget.
- Received the GFOA Budget Award for fiscal year 2020.
- Completed fiscal year 2020 audit and Comprehensive Annual Financial Report.
- Received the GFOA CAFR Award for fiscal year 2019.

Fiscal Year 2021 Goals and Initiatives

- Coordinate preparation of fiscal year 2022 annual budget.
- Maintain the Distinguished Budget Presentation Award from GFOA.
- Complete fiscal year 2020 audit and Comprehensive Annual Financial Report.
- Maintain the Certificate of Achievement for Excellence in Financial Reporting from GFOA.
- Present strategic plan to Village Board and update as needed.
- Redesign Finance portion of Village website.
- Implement employee training program.
- Move to monthly utility billing.

Organization Chart



Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Performance Measures

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
1. General statistics						
A. Population	18,438	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	479,911,867
C. Actual value	1,073,007,978	1,104,617,733	1,205,119,986	1,271,665,359	1,368,467,073	1,439,735,601
2. GFOA certifications						
A. Certificate of Achievement	Received	Received	Received	Received	Received	*
B. Distinguished Budget Award	Received	Received	Received	Received	Received	Received
3. Accounts payable						
A. Checks issued	2,455	4,206	4,916	5,186	4,926	4,782
B. ACH transactions	58	65	113	227	245	228
C. Percent of accounts payable as ACH	2.3%	1.5%	2.2%	4.2%	4.7%	4.6%
D. Voided checks	23	22	57	69	18	27
E. Percent of accounts payable voided	0.9%	0.5%	1.1%	1.3%	0.3%	0.5%
4. Payroll						
A. Direct deposits	1,506	1,477	1,600	1,710	1,955	1,997
B. Checks issued	402	334	326	271	173	97
C. Percent of payroll as direct deposits	78.9%	81.6%	83.1%	86.3%	91.9%	95.4%
5. Utility billing						
A. Number of accounts	9,114	9,111	9,145	9,196	9,241	9,319
B. Water and sewer revenue	\$ 3,765,136	\$ 3,842,996	\$ 4,142,100	\$ 3,994,328	\$ 4,177,270	\$ 4,424,591
C. Average bi-monthly bill	\$ 68.85	\$ 70.30	\$ 75.49	\$ 72.39	\$ 75.34	\$ 79.13
D. Payment types						
- Epayment (Village website, IVR, mobile)	N/A	26.0%	31.1%	26.4%	30.1%	N/A
- Lockbox	N/A	27.6%	25.2%	29.8%	26.7%	N/A
- Bill pay (bank websites)	N/A	11.8%	14.2%	16.9%	16.9%	N/A
- Direct debit	N/A	4.4%	4.5%	6.2%	5.8%	N/A
- Credit card	N/A	5.5%	5.5%	2.5%	2.2%	N/A
- Other	N/A	24.7%	19.5%	18.2%	18.3%	N/A
E. Fees						
- Epayment total	N/A	\$ 705,980	\$ 917,971	\$ 1,126,927	\$ 1,215,272	N/A
- Epayment fees	N/A	\$ 35,488	\$ 20,822	\$ 16,220	\$ 17,747	N/A
- Average fee	N/A	5.0%	2.3%	1.4%	1.5%	N/A
- Credit card (in person) total	N/A	\$ 244,665	\$ 201,277	\$ 183,496	\$ 184,036	N/A
- Credit card (in person) fees	N/A	\$ 6,756	\$ 2,586	\$ 2,167	\$ 2,427	N/A
- Average fee	N/A	2.8%	1.3%	1.2%	1.3%	N/A
6. Debt						
A. Bond rating	AA	AA	AA	AA	AA	AA
B. Total debt	\$ 23,089,592	\$ 21,694,438	\$ 20,104,856	\$ 21,803,319	\$ 19,540,258	\$ 17,485,550
- Total debt per capita	\$ 1,252	\$ 1,177	\$ 1,090	\$ 1,183	\$ 1,060	\$ 948
- Total debt as a percent of EAV	6.5%	5.9%	5.0%	5.1%	4.3%	3.6%
C. General obligation (GO) debt	\$ 16,330,000	\$ 15,160,000	\$ 13,945,000	\$ 16,025,000	\$ 14,150,000	\$ 12,490,000
- GO debt per capita	\$ 886	\$ 822	\$ 756	\$ 869	\$ 767	\$ 677
- GO debt as a percent of EAV	4.6%	4.1%	3.5%	3.8%	3.1%	2.6%

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Accounting

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	310,419	312,956	312,954	333,404	348,464	360,660	373,283	386,348
Overtime - general	2,998	-	300	-	-	-	-	-
Total personal services - salaries and wages	313,417	312,956	313,254	333,404	348,464	360,660	373,283	386,348
Personal services - employee benefits								
Insurance - health	61,451	60,836	60,836	85,062	88,039	91,120	94,309	97,610
Insurance - dental	3,681	4,047	4,047	4,518	4,744	4,981	5,230	5,492
Insurance - life	270	285	285	285	288	291	294	297
Insurance - workers' compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - unemployment	485	454	454	573	573	573	573	573
Retirement - Social Security	18,183	19,403	18,206	20,671	21,605	22,361	23,144	23,954
Retirement - Medicare	4,252	4,538	4,258	4,834	5,053	5,230	5,413	5,602
Retirement - IMRF	33,424	31,483	32,125	35,674	37,286	38,591	39,941	41,339
Education - conferences and training	2,584	6,500	4,710	7,945	7,945	8,195	8,995	8,995
Other benefits - health club reimbursement	300	500	500	500	500	500	500	500
Other benefits - broker services	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Total personal services - employee benefits	128,250	131,666	129,041	163,682	169,653	175,462	182,019	187,982
Contractual services - professional and technical								
Information technology services - system management	5,552	6,800	5,000	6,800	6,800	6,800	6,800	6,800
Information technology services - software maintenance	25,682	27,280	29,806	29,975	31,431	32,926	34,496	36,144
Accounting and auditing services - general	21,250	24,100	24,100	22,300	25,060	23,780	26,280	24,910
Other professional services - other	-	-	14,500	-	-	-	-	17,000
Other professional services - cash management	22,845	23,040	1,000	8,700	8,700	8,700	8,700	8,700
Total contractual services - professional and technical	75,329	81,220	74,406	67,775	71,991	72,206	76,276	93,554
Contractual services - property								
Utilities - telephone	3,023	2,796	2,799	2,641	2,340	2,340	2,340	2,340
Utilities - cell phone	786	1,042	1,524	996	996	996	996	996
Utilities - internet access	6,180	6,180	6,180	5,561	6,281	5,561	6,281	5,561
Total contractual services - property	9,989	10,018	10,503	9,198	9,617	8,897	9,617	8,897
Contractual services - other								
Insurance - liability	291,555	260,039	260,310	255,053	267,806	281,196	295,255	310,017
Insurance - deductibles	24,619	25,000	20,666	12,000	12,000	12,000	12,000	12,000
Printing and publishing - legal notices	727	1,020	1,020	1,020	1,020	1,020	1,020	1,020
Personnel administration - recruitment	499	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Personnel administration - physicals/testing	2,137	825	2,432	2,400	2,400	2,400	2,400	2,400
Employee relations - gifts/flowers	134	250	299	250	250	250	250	250
Employee relations - employee appreciation	2,843	2,750	2,550	2,350	3,500	3,000	4,150	3,450
Other contractual services - dues	3,229	2,570	2,570	2,585	2,970	2,605	2,615	3,000
Municipal audit contingency	10,278	-	-	-	-	-	-	-
Total contractual services - other	336,021	293,654	291,047	276,858	291,146	303,671	318,890	333,337

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Accounting (Continued)

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Commodities								
General supplies - office	1,925	3,000	3,000	3,000	3,000	3,000	3,000	3,000
General supplies - agency	246	650	650	650	650	650	650	650
General supplies - postage	1,041	1,320	1,320	1,320	1,320	1,320	1,320	1,320
General supplies - books and periodicals	66	250	250	250	250	250	250	250
General supplies - safety	41	350	350	3,285	3,285	1,940	595	595
General supplies - computer equipment	1,319	5,000	9,803	11,700	1,400	1,600	7,700	3,900
Total commodities	4,638	10,570	15,373	20,205	9,905	8,760	13,515	9,715
Charges for services								
Other contractual services - accounting	(343,713)	(336,034)	(333,450)	(348,449)	(360,310)	(371,862)	(389,440)	(407,933)
Total charges for services	(343,713)	(336,034)	(333,450)	(348,449)	(360,310)	(371,862)	(389,440)	(407,933)
Total Finance - Accounting	523,931	504,050	500,174	522,673	540,466	557,794	584,160	611,900

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Utility Billing

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	73,824	88,720	83,233	94,561	97,871	101,296	104,841	108,510
Overtime - general	177	250	2,000	1,500	1,500	1,500	1,500	1,500
Total personal services - salaries and wages	74,001	88,970	85,233	96,061	99,371	102,796	106,341	110,010
Personal services - employee benefits								
Insurance - health	23,077	22,257	22,257	7,231	7,484	7,746	8,017	8,298
Insurance - dental	1,848	1,211	1,211	883	927	973	1,022	1,073
Insurance - life	135	142	142	142	143	144	145	146
Insurance - workers' compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - unemployment	958	227	227	287	287	287	287	287
Retirement - Social Security	4,789	5,516	5,160	5,956	6,161	6,373	6,593	6,821
Retirement - Medicare	1,120	1,290	1,207	1,393	1,441	1,491	1,542	1,595
Retirement - IMRF	8,141	8,950	8,499	10,279	10,633	10,999	11,378	11,771
Education - conferences and training	570	1,000	750	1,000	1,000	1,000	1,000	1,000
Total personal services - employee benefits	41,638	41,593	40,453	28,171	29,076	30,013	30,984	31,991
Contractual services - professional and technical								
Information technology services - system management	4,877	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Information technology services - software maintenance	7,029	8,102	8,102	8,389	8,604	9,130	9,459	9,803
Other professional services - cash management	25,172	24,540	26,396	27,360	27,360	27,360	27,360	27,360
Total contractual services - professional and technical	37,078	34,942	36,798	38,049	38,264	38,790	39,119	39,463
Contractual services - property								
Utilities - telephone	1,119	996	1,012	1,020	1,020	1,020	1,020	1,020
Utilities - cell phone	297	444	514	876	876	876	876	876
Rental - equipment	847	847	847	847	847	847	847	847
Total contractual services - property	2,263	2,287	2,373	2,743	2,743	2,743	2,743	2,743
Contractual services - other								
Printing and publishing - forms and maps	6,238	7,800	7,849	7,800	7,800	7,800	7,800	7,800
Other contractual services - dues	174	80	80	80	80	80	80	80
Total contractual services - other	6,412	7,880	7,929	7,880	7,880	7,880	7,880	7,880
Commodities								
General supplies - office	1,751	1,500	1,500	1,500	1,500	1,500	1,500	1,500
General supplies - postage	23,885	27,240	27,240	29,190	31,200	33,240	35,340	37,500
General supplies - computer equipment	1,865	4,400	2,978	-	-	1,900	2,900	1,000
Total commodities	27,501	33,140	31,718	30,690	32,700	36,640	39,740	40,000
Charges for services								
Other contr serv - utility billing	(188,893)	(208,812)	(204,504)	(203,594)	(210,034)	(218,862)	(226,807)	(232,087)
Total charges for services	(188,893)	(208,812)	(204,504)	(203,594)	(210,034)	(218,862)	(226,807)	(232,087)
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 land use planning and permitting of all residential, commercial and industrial development within 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. The Department is responsible for providing efficient planning of the Village's existing and future land use needs. This is done through the use of land use planning, zoning and building permit plan review and inspections. The Department also provides customer service assistance and public education throughout the land use planning and development process.

The Building Division of the Department is responsible for the issuance of building permits, inspections, contractor licenses, temporary use permits and enforcement of the building-related portions of the Village Code of Ordinances. Property maintenance code enforcement is another area of responsibility.

The Planning Division follows the goals and vision for the Village as set forth in the Comprehensive Plan. Staff reviews individual development proposals to ensure that they meet the guidelines within this 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, and economic development items. 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 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 information, identifying potential development or redevelopment sites and coordinating the Village review and approval process. 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 businesses, realtors and the development community regarding sites 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 for key locations within the Village.
- 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 2020 Accomplishments

- With the Finance Department and the Village Attorney, processed applications for the Montgomery Development Fund (MDF) for business small grants and low interest loans.
- Completed the establishment of an Adjudication program for Code Enforcement cases.
- Completed an RFP for Village owned land within the Mill District (downtown) area.
- Completed building plan reviews, issued permits and coordinated inspection services for the first several buildings within the Montgomery Place Apartment development in the Ogden Hill PUD area.
- Completed the review and zoning approval of new commercial developments currently under construction or planned for construction in FY2021.
- With the MEDC, coordinated a commercial and industrial real estate broker tour of available buildings and sites within the Village.
- Coordinated the review of a draft annexation agreements for both the Caterpillar and Hamman properties.
- Completed the review and approval of all Building Code updates.
- Staffing support to Finance Department during time of staff storage within the Water Billing Division.
- With consultants, continued to support CMAP in their efforts to establishment a Unified Development Ordinance (UDO) which will replace the current Zoning and Subdivision Ordinances.
- Completed the review and adoption of a Boundary Agreement with the City of Aurora.
- Processed a large number of residential permits for both new single-family homes and home repairs including a large number of re-roofing and solar system applications.
- Coordinated the review and approval of small cell antenna systems and RPC's with the Public Works Department
- Completed the three-year update of the ISO (building code) audit program.

Fiscal Year 2021 Goals and Initiatives

- With the help of CMAP complete the review and adoption of a new Zoning/Subdivision (UDO) Ordinance.
- With an RFP and/or stimulus program for properties within the downtown Mill District, approve plans for the re-development/reuse of properties within the heart of the Village.
- Promote the development of a hotel within the Village.
- Coordinate economic development strategies with the MEDC for major corridors within the Village.
- Complete the annexation and zoning of the 262 acres located on the west side of Orchard Road near Aucutt Road.

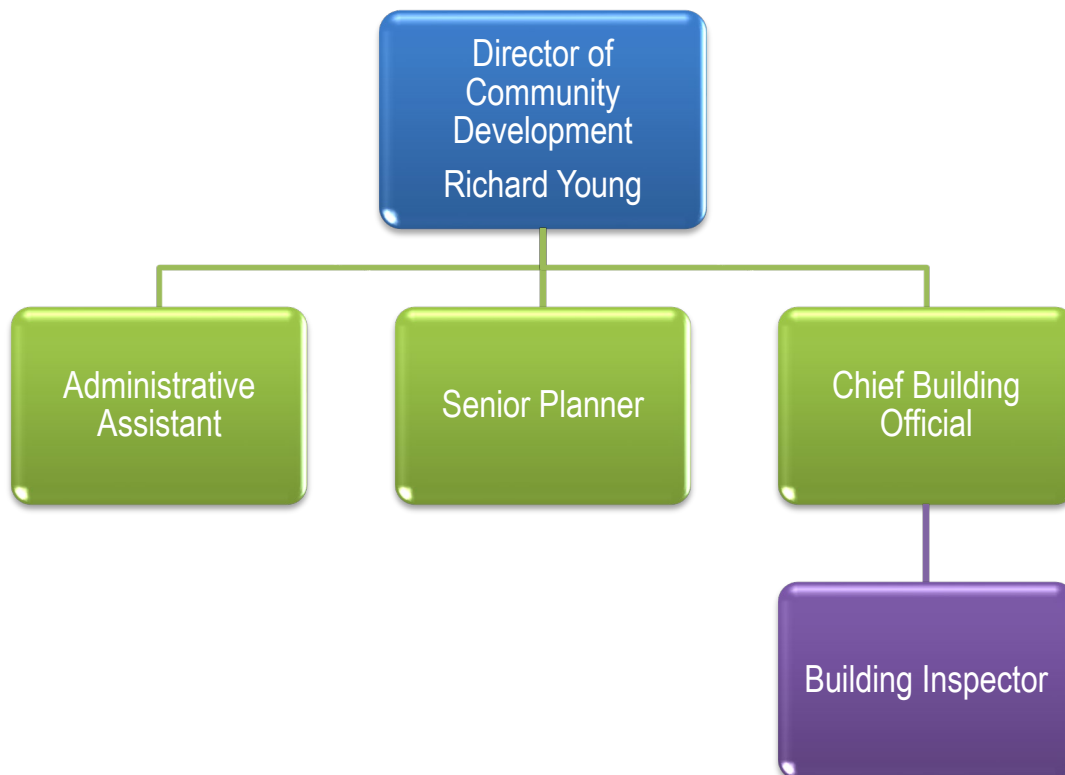
Chapter 9: *Departmental Summary*

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Fiscal Year 2020 Goals and Initiatives (Continued)

- Continue to review the concept of a TIF District for the development area located west of Orchard Road in FY2022.
- Complete the annexation and zoning of the former Caterpillar site.
- Continue to review the concept of a TIF District for the area formerly know as the Caterpillar site.
- Through efforts within the guidelines of the Greenest Regions Compact and SolSmart programs, continue to promote green community endeavors
- Re-establish interest with civic groups and the Village Board for entry monument/gateway signage at key locations around the village.
- Complete the three-year update review of the Community Rating Service (CRS) for flood plain insurance rates.

Organization Chart



Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Planning and Zoning

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	204,491	209,481	209,627	216,812	224,400	232,254	240,383	248,796
Wages - part-time employees	-	-	-	7,800	7,800	7,800	7,800	7,800
Wages - boards and committees	1,330	1,960	1,680	1,960	1,960	1,960	1,960	1,960
Total personal services - salaries and wages	205,821	211,441	211,307	226,572	234,160	242,014	250,143	258,556
Personal services - employee benefits								
Insurance - health	22,482	22,257	22,257	22,624	23,416	24,236	25,084	25,962
Insurance - dental	1,563	1,604	1,604	1,731	1,818	1,909	2,004	2,104
Insurance - life	135	142	142	142	143	144	145	146
Insurance - workers' compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - unemployment	227	227	227	287	287	287	287	287
Retirement - Social Security	12,452	13,109	12,804	14,047	14,518	15,005	15,509	16,030
Retirement - Medicare	2,912	3,066	2,995	3,285	3,395	3,509	3,627	3,749
Retirement - IMRF	22,008	21,074	21,508	24,033	24,845	25,686	26,556	27,456
Education - conferences and training	6,970	5,300	4,000	5,300	5,300	5,300	5,300	5,300
Total personal services - employee benefits	69,749	67,779	66,537	72,449	74,722	77,076	79,512	82,034
Contractual services - professional and technical								
Information technology services - system management	1,481	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Information technology services - software maintenance	1,491	1,550	1,339	1,339	1,371	1,371	1,371	1,371
Planning services - general	6,944	10,000	5,000	10,000	10,000	10,000	10,000	10,000
Planning services - development (reimbursable)	11,330	12,500	12,500	12,500	12,500	15,000	15,000	15,000
Planning services - municipal projects	10,000	10,000	-	10,000	-	-	-	-
Total contractual services - professional and technical	31,246	37,050	21,839	36,839	26,871	29,371	29,371	29,371
Contractual services - property								
Utilities - telephone	1,113	996	1,012	1,322	1,322	1,322	1,322	1,322
Utilities - cell phone	1,970	1,964	2,100	1,872	1,872	1,872	1,872	1,872
Rental - equipment	3,402	3,144	3,144	3,144	3,144	3,144	3,144	3,144
Total contractual services - property	6,485	6,104	6,256	6,338	6,338	6,338	6,338	6,338
Contractual services - other								
Printing and publishing - legal notices	1,622	1,800	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	1,859	3,025	3,025	3,025	3,025	3,025	3,025	3,025
Other contr services - document recording	307	500	500	500	500	500	500	500
Total contractual services - other	3,788	5,425	5,425	5,425	5,425	5,425	5,425	5,425
Commodities								
General supplies - office	624	1,700	1,700	1,700	1,700	1,700	1,700	1,700
General supplies - postage	202	345	345	345	345	345	345	345
General supplies - books and periodicals	191	1,005	1,005	1,005	1,005	1,005	1,005	1,005
General supplies - computer equipment	-	1,700	2,727	1,900	-	1,600	2,300	1,900
Total commodities	1,017	4,750	5,777	4,950	3,050	4,650	5,350	4,950
Total Community Development - Planning and Zoning	318,106	332,549	317,141	352,573	350,566	364,874	376,139	386,674

Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Code Enforcement and Inspections

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	198,629	199,826	199,176	208,545	215,844	223,399	231,218	239,311
Overtime - general	1,169	-	300	-	-	-	-	-
Total personal services - salaries and wages	199,798	199,826	199,476	208,545	215,844	223,399	231,218	239,311
Personal services - employee benefits								
Insurance - health	46,154	45,692	45,692	46,446	48,072	49,755	51,496	53,298
Insurance - dental	2,900	2,975	2,975	3,211	3,372	3,541	3,718	3,904
Insurance - life	202	213	213	213	215	217	219	221
Insurance - workers' compensation	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Insurance - unemployment	412	340	340	430	430	430	430	430
Retirement - Social Security	11,893	12,389	11,895	12,930	13,382	13,851	14,336	14,837
Retirement - Medicare	2,781	2,897	2,782	3,024	3,130	3,239	3,353	3,470
Retirement - IMRF	21,482	20,102	20,557	22,314	23,095	23,904	24,740	25,606
Education - conferences and training	654	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Equipment - clothing allowance	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total personal services - employee benefits	90,178	89,858	89,704	93,818	96,946	100,187	103,542	107,016
Contractual services - professional and technical								
Information technology services - system management	2,890	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Information technology services - software maintenance	11,770	12,376	12,376	13,054	13,639	14,260	14,918	15,615
Planning services - development (reimbursable)	20,475	10,000	10,275	10,000	10,000	10,000	10,000	10,000
Inspection services - general	250	500	500	500	500	500	500	500
Inspection services - plumbing	11,390	22,000	22,000	11,150	10,550	3,000	2,100	3,350
Inspection services - elevator	1,565	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Inspection services - sewer	260	500	1,240	1,660	1,420	560	840	1,340
Total contractual services - professional and technical	48,600	50,876	51,891	41,864	41,609	33,820	33,858	36,305
Contractual services - property								
Utilities - telephone	1,672	1,500	1,516	1,524	1,524	1,524	1,524	1,524
Utilities - cell phone	2,179	2,084	2,500	2,184	2,184	2,184	2,184	2,184
Equipment repair and maintenance - office	18	100	100	100	100	100	100	100
Grounds repair and maintenance - lawn care violations	3,692	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total contractual services - property	7,561	6,684	7,116	6,808	6,808	6,808	6,808	6,808
Contractual services - other								
Printing and publishing - publications	-	50	50	50	50	50	50	50
Printing and publishing - forms and maps	-	300	306	300	300	300	300	300
Other contractual services - dues	135	390	390	390	390	390	390	390
Other contractual services - vehicle and equipment replacement	13,342	13,342	13,342	13,311	13,311	13,311	13,311	13,311
Total Contractual Services - Other	13,477	14,082	14,088	14,051	14,051	14,051	14,051	14,051
Commodities								
General supplies - office	1,006	1,000	1,200	1,000	1,000	1,000	1,000	1,000
General supplies - agency	853	400	400	400	400	400	400	400
General supplies - postage	47	165	165	165	165	165	165	165
General supplies - books and periodicals	554	130	130	130	390	130	130	390
General supplies - computer equipment	1,651	1,700	2,300	1,400	2,800	2,500	1,900	1,400
Total commodities	4,111	3,395	4,195	3,095	4,755	4,195	3,595	3,355
Total Community Development - Code Enf. and Insp.	363,725	364,721	366,470	368,181	380,013	382,460	393,072	406,846

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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Contractual services - professional and technical								
Economic development services - marketing	11,347	11,500	11,500	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	101,347	101,500	101,500	101,500	101,500	101,500	101,500	101,500
Other								
Other - economic development incentives	925,253	969,492	966,530	1,028,396	1,073,167	1,026,205	1,016,167	1,085,448
Total other	925,253	969,492	966,530	1,028,396	1,073,167	1,026,205	1,016,167	1,085,448
Total Community Development - Economic Development	1,026,600	1,070,992	1,068,030	1,129,896	1,174,667	1,127,705	1,117,667	1,186,948

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 2020 Accomplishments

- . Full Body Worn Camera (BWC) Implementation
- . Introduced /Certified (5) CIT Officers (Crisis Intervention Team)
- . ARIDE (Advanced Roadside Impaired Driving Enforcement) Training in preparation for legalization of cannabis
- . Ricedorf NUCPS (Northwestern University Center for Public Safety) Staff and Command graduation
- . (2) Sergeants NUCPS (Northwestern University Center for Public Safety) First Line Supervisor
- . (2) Commanders graduated from PERC 21 (Police Executive Role in the 21st Century)
- . CPA (Citizens Police Academy)
- . Deputy Chief on Kane County Chiefs of Police Executive Board
- . RTF (Rescue Task Force) Training with other agencies
- . Truck Enforcement/Traffic Officer
- . Additional Member to KCART (Kane County Accident Reconstruction Team)

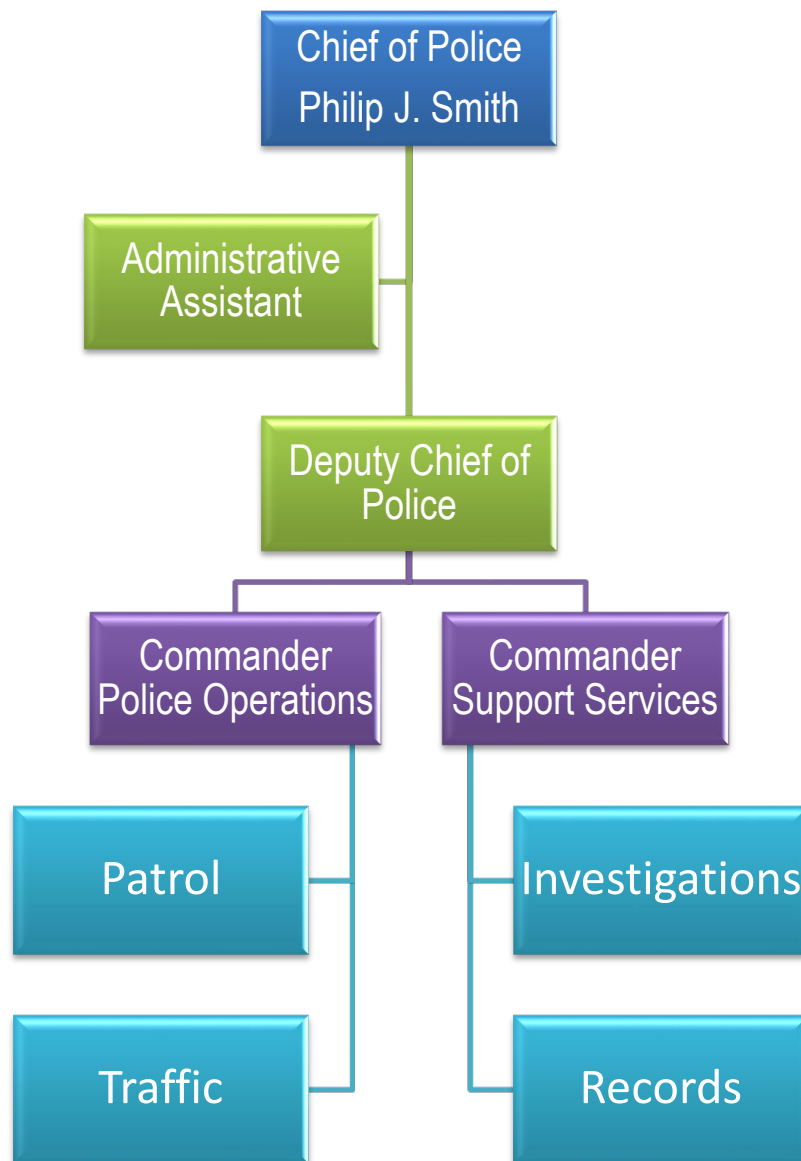
Fiscal Year 2020 Goals and Initiatives

- . ARIDE train additional Officers
- . Additional CIT Officers
- . CPAT Officer
- . Add additional personnel to Kane County Swat Team
- . CIT/Officer Wellness Training
- . Staff and Command- Sgt. Stransky

Chapter 9: *Departmental Summary*

POLICE DEPARTMENT (Continued)

Organization Chart



Performance Measures

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Physical tickets	930	912	2,221	994	1,505	993	821	778	838	857
Compliance tickets	826	786	1,316	1,273	1,184	984	866	1,579	1,329	1,126
Traffic violations	3,940	4,023	4,141	2,474	2,758	2,884	2,135	3,807	3,515	3,329

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Administration

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	301,806	527,302	529,741	558,059	577,591	597,807	618,730	640,386
Total personal services - salaries and wages	301,806	527,302	529,741	558,059	577,591	597,807	618,730	640,386
Personal services - employee benefits								
Insurance - health	76,681	98,596	98,596	107,021	103,283	106,898	110,639	114,511
Insurance - dental	3,966	6,519	6,519	7,179	7,538	7,915	8,311	8,727
Insurance - life	202	355	355	356	360	364	368	372
Insurance - workers' compensation	2,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Insurance - unemployment	654	567	567	717	717	717	717	717
Retirement - Social Security	19,617	32,673	31,443	34,580	35,811	37,064	38,361	39,704
Retirement - Medicare	4,588	7,646	7,354	8,092	8,375	8,668	8,972	9,286
Retirement - IMRF	7,323	6,995	7,152	7,701	7,970	8,249	8,538	8,837
Education - conferences and training	7,507	9,772	9,772	20,668	15,968	13,868	9,768	9,868
Equipment - clothing allowance	1,775	3,200	3,525	3,200	3,200	3,200	3,200	3,200
Total personal services - employee benefits	124,813	170,823	169,783	194,014	187,722	191,443	193,374	199,722
Contractual services - professional and technical								
Information technology services - system management	42,636	35,000	43,700	35,000	35,000	35,000	35,000	35,000
Information technology services - software maintenance	60,533	51,098	51,098	35,031	34,408	35,004	35,615	36,247
Total contractual services - professional and technical	103,169	86,098	94,798	70,031	69,408	70,004	70,615	71,247
Contractual services - property								
Utilities - natural gas	3,760	4,779	2,945	3,525	4,150	4,775	5,400	6,025
Utilities - telephone	6,913	7,584	7,308	7,524	7,524	7,524	7,524	7,524
Utilities - cell phone	2,496	3,992	4,400	4,860	4,860	4,860	4,860	4,860
Utilities - internet access	5,226	5,340	2,500	6,254	6,974	6,254	6,974	6,254
Utilities - Leads/IMN access	18,518	18,655	18,655	19,087	19,087	19,087	19,087	19,087
Building repair and maintenance - other	70,700	48,920	55,582	21,458	22,009	22,576	23,161	23,763
Equipment repair and maintenance - office	874	840	1,000	840	840	840	840	840
Equipment repair and maintenance - other	3,408	4,830	4,830	1,689	1,689	1,689	1,689	1,689
Equipment repair and maint - communications	2,042	12,000	12,007	11,098	11,296	11,503	12,900	11,926
Equipment repair and maint - claims	-	-	15,005	-	-	-	-	-
Rental - equipment	4,606	2,288	2,288	4,081	4,081	4,081	4,081	4,081
Total contractual services - property	118,543	109,228	126,520	80,416	82,510	83,189	86,516	86,049
Contractual services - other								
Personnel administration - physicals/testing	804	996	1,060	1,465	1,465	1,465	1,465	1,465
Other contractual services - animal control	1,312	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Other contractual services - dues	5,263	4,774	4,774	5,280	5,424	5,280	5,424	5,280
Other contractual services - document destruction	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total contractual services - other	7,879	8,770	8,834	9,745	9,889	9,745	9,889	9,745
Commodities								
General supplies - office	4,695	3,000	3,000	3,000	3,000	3,000	3,000	3,000
General supplies - agency	4,235	-	-	-	-	-	-	-
General supplies - postage	56	5,000	5,000	5,200	5,200	5,200	5,200	5,200
General supplies - books and periodicals	193	1,920	1,920	1,920	1,920	1,920	1,920	1,920
General supplies - safety	-	1,400	1,400	2,400	2,400	2,400	2,400	2,400
General supplies - computer equipment	3,095	9,000	13,725	-	23,200	7,500	13,250	600
Minor equipment - police	-	-	3,800	-	-	-	-	-
Total commodities	12,274	20,320	28,845	12,520	35,720	20,020	25,770	13,120
Total Police - Administration	668,484	922,541	958,521	924,785	962,840	972,208	1,004,894	1,020,269

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Records

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	104,954	138,235	136,696	145,694	150,793	156,071	161,533	167,187
Wages - part-time employees	28,862	21,820	22,862	21,820	21,820	21,820	21,820	21,820
Overtime - general	131	1,000	300	1,000	1,000	1,000	1,000	1,000
Total personal services - salaries and wages	133,947	161,055	159,858	168,514	173,613	178,891	184,353	190,007
Personal services - employee benefits								
Insurance - health	69,135	65,157	65,157	45,514	39,623	41,010	42,445	43,931
Insurance - dental	3,018	4,070	4,070	4,392	4,612	4,843	5,085	5,339
Insurance - life	208	213	213	213	215	217	219	221
Insurance - workers' compensation	2,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - unemployment	1,114	531	531	675	675	675	675	675
Retirement - Social Security	7,919	9,985	9,581	10,448	10,764	11,091	11,430	11,780
Retirement - Medicare	1,852	2,335	2,241	2,443	2,517	2,594	2,673	2,755
Retirement - IMRF	11,015	14,007	14,097	15,696	16,242	16,807	17,391	17,996
Education - conferences and training	427	1,928	1,928	2,108	2,028	1,948	2,028	1,948
Equipment - clothing allowance	1,500	1,400	1,688	1,400	1,400	1,400	1,400	1,400
Total personal services - employee benefits	98,688	101,626	101,506	84,889	80,076	82,585	85,346	88,045
Contractual services - professional and technical								
Information technology services - software maintenance	612	776	776	1,436	1,436	1,436	1,436	1,436
Professional services - cash management	-	-	75	50	50	50	50	50
Professional services - dispatch	270,804	289,776	280,669	291,686	299,832	308,210	316,826	325,688
Total contractual services - professional and technical	271,416	290,552	281,520	293,172	301,318	309,696	318,312	327,174
Contractual services - property								
Utilities - telephone	1,540	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Total contractual services - property	1,540	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Contractual services - other								
Other contractual services - dues	-	72	72	-	72	72	72	-
Total contractual services - property	-	72	72	-	72	72	72	-
Commodities								
General supplies - office	1,256	2,550	2,550	1,500	1,500	1,500	1,500	1,500
General supplies - computer equipment	1,912	1,000	3,274	3,800	-	1,900	1,000	5,800
Total commodities	3,168	3,550	5,824	5,300	1,500	3,400	2,500	7,300
Total Police - Records	508,759	558,475	550,400	553,495	558,199	576,264	592,203	614,146

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Patrol

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	1,851,688	1,705,033	1,727,612	1,970,974	2,055,291	2,132,364	2,212,328	2,295,290
Wages - part-time employees	49,263	60,000	50,982	56,160	56,160	56,160	56,160	56,160
Wages - temporary employees	170	520	520	520	520	520	520	520
Overtime - general	143,076	160,000	106,271	130,000	130,000	130,000	130,000	130,000
Overtime - reimbursable services	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Holiday pay	146,828	144,272	143,645	166,775	173,909	180,431	187,197	194,217
Bonus pay	-	-	-	4,000	1,000	-	2,000	4,500
Total personal services - salaries and wages	2,191,025	2,070,825	2,030,030	2,329,429	2,417,880	2,500,475	2,589,205	2,681,687
Personal services - employee benefits								
Insurance - health	410,379	406,626	406,626	447,718	466,003	482,313	499,194	516,666
Insurance - dental	22,565	21,701	21,701	27,992	29,530	31,007	32,557	34,185
Insurance - life	1,698	1,697	1,697	1,850	1,869	1,888	1,907	1,926
Insurance - workers' compensation	26,000	24,000	24,000	25,000	25,000	25,000	25,000	25,000
Insurance - unemployment	4,434	2,722	2,722	3,583	3,583	3,583	3,583	3,583
Retirement - Social Security	129,118	128,391	121,825	144,425	149,909	155,029	160,531	166,265
Retirement - Medicare	30,197	30,027	28,491	33,777	35,059	36,257	37,543	38,884
Retirement - Police Pension	557,590	595,737	636,276	664,012	677,292	690,838	704,655	718,748
Education - conferences and training	17,140	11,529	11,529	22,611	15,781	18,411	15,781	18,411
Equipment - clothing allowance	18,900	17,000	17,000	17,500	17,500	17,500	17,500	17,500
Total personal services - employee benefits	1,218,021	1,239,430	1,271,867	1,388,468	1,421,526	1,461,826	1,498,251	1,541,168
Contractual services - professional and technical								
Information technology services - software maintenance	2,181	2,199	2,199	2,253	2,266	2,266	2,266	2,266
Total contractual services - professional and technical	2,181	2,199	2,199	2,253	2,266	2,266	2,266	2,266
Contractual services - property								
Utilities - telephone	9,823	9,099	9,079	9,120	9,180	9,180	9,180	9,180
Utilities - cell phone	5,228	2,232	2,477	4,380	4,380	4,380	4,380	4,380
Equipment repair and maintenance - office	170	-	-	-	-	-	-	-
Equipment repair and maintenance - other	-	1,500	1,500	4,845	4,845	4,845	4,845	4,845
Total contractual services - property	15,221	12,831	13,056	18,345	18,405	18,405	18,405	18,405
Contractual services - other								
Mileage	36	-	-	-	-	-	-	-
Other contractual services - dues	13,112	14,667	16,667	16,972	17,453	17,436	17,930	18,070
Other contractual services - vehicle and equipment repl	198,166	198,166	198,166	164,181	164,181	164,181	164,181	164,181
Total contractual services - other	211,314	212,833	214,833	181,153	181,634	181,617	182,111	182,251
Commodities								
General supplies - office	860	700	700	700	700	700	700	700
General supplies - agency	6,204	9,350	9,350	9,350	9,350	9,350	9,350	9,350
General supplies - safety	5,999	11,586	11,586	12,400	11,640	13,920	11,640	11,640
General supplies - ammunition	7,389	7,400	7,400	9,600	12,100	9,600	9,600	12,100
General supplies - computer equipment	2,773	11,200	11,200	1,900	-	3,100	10,400	1,900
Police supplies - lock-up	2,691	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Police supplies - community policing	8,876	8,350	8,584	8,950	8,950	8,950	8,950	8,950
Minor equipment - Police	15,661	-	20,536	9,450	9,450	15,800	-	2,500
Total commodities	50,453	53,286	74,056	57,050	56,890	66,120	55,340	51,840
Total Police - Patrol	3,688,215	3,591,404	3,606,041	3,976,698	4,098,601	4,230,709	4,345,578	4,477,617

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Investigations

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	265,889	355,970	356,550	349,711	362,825	376,431	390,547	405,193
Overtime - general	8,575	9,000	4,500	9,000	9,000	9,000	9,000	9,000
Overtime - reimbursable services	-	700	700	700	700	700	700	700
Holiday pay	15,871	30,121	20,527	29,591	30,701	31,852	33,046	34,286
Bonus pay	-	4,000	4,000	-	-	-	1,500	-
Total personal services - salaries and wages	290,335	399,791	386,277	389,002	403,226	417,983	434,793	449,179
Personal services - employee benefits								
Insurance - health	45,228	59,591	59,591	44,915	46,487	48,114	49,798	51,541
Insurance - dental	2,915	4,086	4,086	2,930	3,077	3,231	3,393	3,563
Insurance - life	202	285	285	285	288	291	294	297
Insurance - workers' compensation	3,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Insurance - unemployment	340	454	454	573	573	573	573	573
Retirement - Social Security	17,961	24,787	23,921	24,118	25,000	25,915	26,957	27,849
Retirement - Medicare	4,201	5,797	5,588	5,641	5,847	6,061	6,304	6,513
Education - conferences and training	665	8,283	8,283	11,363	7,583	7,663	5,383	5,463
Equipment - clothing allowance	2,100	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Total personal services - employee benefits	76,612	110,083	109,008	96,625	95,655	98,648	99,502	102,599
Contractual services - professional and technical								
Information technology services - software maintenance	254	645	645	1,754	1,575	1,575	1,575	1,575
Total contractual services - professional and technical	254	645	645	1,754	1,575	1,575	1,575	1,575
Contractual services - property								
Utilities - telephone	1,781	2,150	2,150	2,100	2,100	2,100	2,100	2,100
Utilities - cell phone	2,509	3,918	3,912	3,984	3,984	3,984	3,984	3,984
Rental - vehicle	-	2,500	-	2,500	2,500	2,500	2,500	2,500
Total contractual services - property	4,290	8,568	6,062	8,584	8,584	8,584	8,584	8,584
Contractual services - other								
Other contractual services - dues	4,307	5,425	5,175	5,192	5,314	5,242	5,320	5,392
Total contractual services - other	4,307	5,425	5,175	5,192	5,314	5,242	5,320	5,392
Commodities								
General supplies - office	2,899	1,750	2,350	1,750	1,750	2,000	1,750	1,750
General supplies - agency	240	800	800	800	800	800	800	800
General supplies - books and periodicals	149	300	300	300	300	300	300	300
General supplies - computer equipment	2,902	8,100	7,743	1,900	1,600	2,800	7,300	1,900
Police supplies - investigation and evidence	7,087	6,670	6,670	6,670	6,670	6,670	6,670	6,670
Minor equipment - police	-	-	-	-	-	1,100	-	-
Total commodities	13,277	17,620	17,863	11,420	11,120	13,670	16,820	11,420
Total Police - Investigations	389,075	542,132	525,030	512,577	525,474	545,702	566,594	578,749

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Police Commission

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - Boards and Committees	-	420	-	420	420	420	420	420
Total personal services - salaries and wages	-	420	-	420	420	420	420	420
Personal services - employee benefits								
Retirement - Social Security	-	26	-	26	26	26	26	26
Retirement - Medicare	-	6	-	6	6	6	6	6
Total personal services - employee benefits	-	32	-	32	32	32	32	32
Contractual services - professional and technical								
Legal services - Police Commission	-	500	500	500	500	500	500	500
Info tech services - software maintenance	147	160	160	160	160	160	160	160
Total contractual services - professional and technical	147	660	660	660	660	660	660	660
Contractual services - other								
Personnel administration - recruitment	6,281	3,800	3,800	6,400	2,800	2,800	5,400	2,800
Other contractual services - dues	375	375	375	375	375	375	375	375
Total contractual services - other	6,656	4,175	4,175	6,775	3,175	3,175	5,775	3,175
Commodities								
General supplies - agency	-	250	250	450	450	450	450	450
Total commodities	-	250	250	450	450	450	450	450
Total Police - Police Commission	6,803	5,537	5,085	8,337	4,737	4,737	7,337	4,737

Police Department – MEMA

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Contractual services - property								
Equipment repair and maintenance - other	1,786	2,500	2,738	2,500	2,500	2,500	2,500	2,500
Total contractual services - property	1,786	2,500	2,738	2,500	2,500	2,500	2,500	2,500
Commodities								
General supplies - agency	-	700	700	700	2,200	1,700	1,700	1,700
Total commodities	-	700	700	700	2,200	1,700	1,700	1,700
Total Police - MEMA	1,786	3,200	3,438	3,200	4,700	4,200	4,200	4,200

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 2020 Accomplishments

- Completed installation of Traffic Signal at Gordon and Galena.
- Identified lead service lines (Capital Investment – Infrastructure) Cont.
- Completed new watermain installation in Riverside/Martin Subdivisions
- Planted 300+ parkway trees.
- 2nd Year Recipient for Tree City USA Designation.
- Continued Chloride Reduction during winter operations.
- Identified areas to improve on water loss.
- Started on a Village wide water meter change out program.
- Received three new trucks for daily and winter operations.
- Installation of wing plow on existing truck for winter operations.

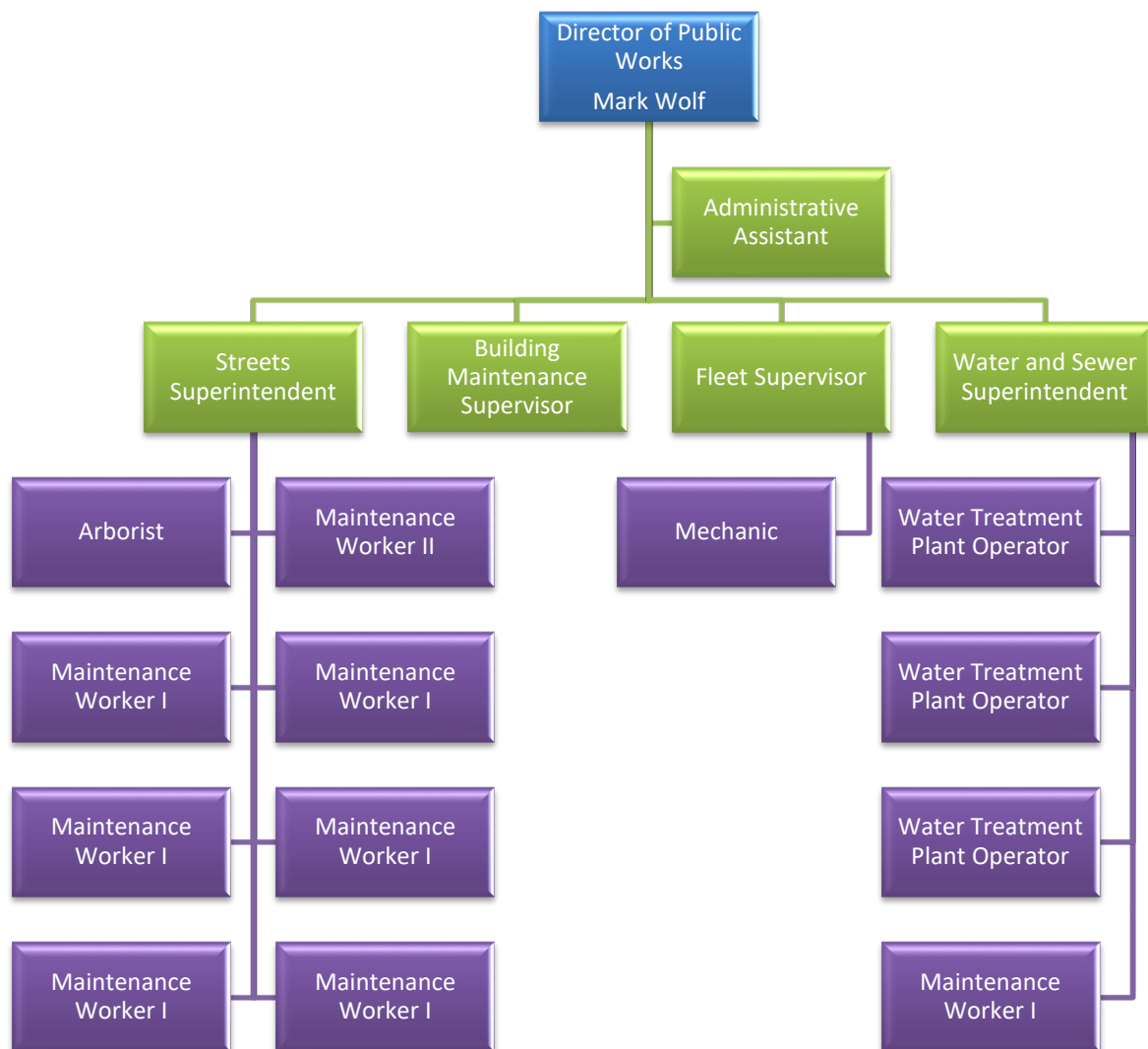
Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Fiscal Year 2021 Goals and Initiatives

- Replacement of water main on Route 31 from Ashland Ave to Village limits.
- Replace 350' of 8" sanitary main on Jackson Street.
- Regrading and reconditioning of the Parkview detention basin.
- Replace lead service lines.
- Plant 350+ parkway trees.
- Continue Chloride Reduction during winter operations.
- Continue to identify areas to improve on water loss.
- Continue Village wide water meter change out program.
- Receive one new truck for tree removal operations.
- Start needs analysis for new Public Works building.
- Complete the last phase of the ComEd streetlight replacement program.

Organization Chart



Chapter 9: *Departmental Summary*

Performance Measures

Water

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	5,800,000
Peak daily consumption	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	3,484,000
Average daily consumption	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	2,357,000
Water mains (miles)	110	114	114	117	117	117	118	118	133	133
Water main breaks	55	57	53	56	44	19	33	51	44	43
Water main break spoils removal (sq yd)	-	-	-	-	1,428	1,580	2,250	N/A	896	880
Fire hydrants	1,050	1,372	1,372	1,680	1,680	1,680	1,700	1,700	1,747	1747
Fire hydrant maintenance and painting	-	-	-	300	300	325	180	120	133	75
New connections	85	63	62	30	50	22	19	2	16	70

Streets

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Streets (miles)	74.0	76.0	76.0	76.0	76.0	76.0	76.5	76.5	76.5	76.5
Reconstruction (miles)	0.4	-	-	-	-	-	-	-	-	-
Resurfacing (miles)	2.0	1.5	0.6	1.1	0.9	6.7	5.4	5.2	5.17	10.45
Sidewalk - replacement (sq ft)	-	-	-	3,100	4,475	1,480	13,716	40,106	39,459	57,648
Sidewalk - new (sq ft)	-	-	-	-	-	-	1,800	-	471	2,065
Parkway tree planting	-	-	-	142	174	282	300	341	389	406
Parkway tree removals	-	-	-	152	749	475	286	213	115	113

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Administration

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees (40%)	66,496	70,296	71,524	72,892	75,443	78,084	80,817	83,646
Wages - overtime	-	200	-	200	200	200	200	200
Total personal services - salaries and wages	66,496	70,496	71,524	73,092	75,643	78,284	81,017	83,846
Personal services - employee benefits								
Insurance - health	6,119	15,196	15,196	9,289	9,614	9,950	10,298	10,658
Insurance - dental	313	916	916	1,284	1,348	1,415	1,486	1,560
Insurance - life	54	57	57	57	58	59	60	61
Insurance - workers' compensation	400	400	400	400	400	400	400	400
Insurance - unemployment	217	91	91	115	115	115	115	115
Retirement - Social Security	3,613	4,371	4,579	4,532	4,690	4,854	5,023	5,198
Retirement - Medicare	845	1,022	1,071	1,060	1,097	1,135	1,175	1,216
Retirement - IMRF	6,572	7,092	6,749	7,821	8,094	8,376	8,669	8,972
Education - conferences and training	738	2,725	2,725	2,725	2,725	2,725	2,725	2,725
Equipment - clothing allowance	219	160	160	160	160	160	160	160
Total personal services - employee benefits	19,090	32,030	31,944	27,443	28,301	29,189	30,111	31,065
Contractual services - professional and technical								
Information technology services - system management	30,119	28,500	45,300	30,000	30,000	30,000	30,000	30,000
Information technology services - software maintenance	8,435	4,597	10,055	5,038	5,153	5,271	5,393	5,518
Total contractual services - professional and technical	38,554	33,097	55,355	35,038	35,153	35,271	35,393	35,518
Contractual services - property								
Utilities - telephone	2,152	2,040	2,040	2,040	2,040	2,040	2,040	2,040
Utilities - cell phone	787	1,042	733	996	996	996	996	996
Equipment repair and maintenance - office	469	480	558	480	480	480	480	480
Equipment repair and maint - communications	2,895	-	-	-	-	-	-	-
Rental - equipment	1,890	-	-	448	448	448	448	448
Total contractual services - property	8,193	3,562	3,331	3,964	3,964	3,964	3,964	3,964
Contractual services - other								
Personnel administration - physicals/testing	620	1,320	1,000	2,685	2,685	2,685	2,685	2,685
Other contractual services - dues	210	800	800	425	490	435	440	445
Total contractual services - other	830	2,120	1,800	3,110	3,175	3,120	3,125	3,130
Commodities								
General supplies - office	2,015	2,500	2,500	2,500	2,500	2,500	2,500	2,500
General supplies - postage	308	535	535	535	535	535	535	535
General supplies - safety	-	-	-	9,750	11,250	9,750	9,750	11,250
General supplies - computer equipment	14,130	2,300	6,767	1,900	-	2,050	17,050	2,500
Total commodities	16,453	5,335	9,802	14,685	14,285	14,835	29,835	16,785
Charges for services								
Other contractual services - public works administration	(28,989)	(28,103)	(43,808)	(35,713)	(35,581)	(35,949)	(45,025)	(37,273)
Total charges for services	(28,989)	(28,103)	(43,808)	(35,713)	(35,581)	(35,949)	(45,025)	(37,273)
Total Public Works - Administration	120,627	118,537	129,948	121,619	124,940	128,714	138,420	137,035

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Streets

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	165,927	258,624	204,118	300,866	308,388	316,098	324,000	332,100
Overtime - general	22,323	35,000	52,901	35,000	35,000	35,000	35,000	35,000
Overtime - snow removal	45,217	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total personal services - salaries and wages	233,467	343,624	307,019	385,866	393,388	401,098	409,000	417,100
Personal services - employee benefits								
Insurance - health	68,305	78,638	78,638	64,548	54,936	56,859	58,849	60,909
Insurance - dental	3,029	4,611	4,611	3,795	3,985	4,184	4,393	4,613
Insurance - life	270	357	357	356	360	364	368	372
Insurance - workers' compensation	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Insurance - unemployment	969	567	567	717	717	717	717	717
Retirement - Social Security	13,357	21,305	17,516	23,924	24,390	24,868	25,358	25,860
Retirement - Medicare	3,124	4,983	4,097	5,595	5,704	5,816	5,931	6,048
Retirement - IMRF	22,185	34,569	30,392	41,288	42,093	42,917	43,763	44,630
Education - conferences and training	210	1,800	800	3,000	3,000	3,000	1,800	1,800
Equipment - clothing allowance	1,600	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total personal services - employee benefits	117,049	153,830	143,978	150,223	142,185	145,725	148,179	151,949
Contractual services - professional and technical								
Information technology services - software maintenance	355	1,097	1,097	1,097	1,097	1,097	1,097	1,097
Total contractual services - professional and technical	355	1,097	1,097	1,097	1,097	1,097	1,097	1,097
Contractual services - property								
Utilities - electric	70,629	83,738	71,875	62,000	62,000	62,000	62,000	62,000
Utilities - telephone	546	492	500	504	504	504	504	504
Utilities - cell phone	2,622	3,198	3,084	4,500	4,500	4,500	4,500	4,500
Infrastructure repair and maintenance - sidewalks and curb	11,468	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Infrastructure repair and maintenance - streets and alleys	15,308	26,500	14,500	26,500	26,500	26,500	26,500	26,500
Infrastructure repair and maintenance - street striping	22,353	27,000	25,150	27,000	27,000	27,000	27,000	27,000
Infrastructure repair and maintenance - traffic signals	21,905	22,000	60,000	25,000	25,000	25,000	25,000	25,000
Infrastructure repair and maintenance - bridges	-	3,000	3,000	44,000	3,000	3,000	3,000	44,000
Infrastructure repair and maintenance - street lights	73,386	125,500	175,000	25,500	75,500	75,500	75,500	75,500
Infrastructure repair and maintenance - accidents and claims	10,013	-	14,924	-	-	-	-	-
Rental - equipment	28	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Rental - building	7,326	8,400	8,400	8,400	8,400	8,400	8,400	8,400
Total Contractual Services - Property	235,584	320,828	397,433	244,404	253,404	253,404	253,404	294,404
Contractual services - other								
Printing and publishing - legal notices	-	200	200	200	200	200	200	200
Other contractual services - insect spraying	37,870	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Other contractual services - dues	440	500	500	455	340	525	350	475
Other contractual services - street sweeping	41,593	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Other contractual services - vehicle and equipment repl	204,470	224,930	224,930	253,775	253,775	253,775	253,775	253,775
Total Contractual Services - Other	284,373	306,630	306,630	335,430	335,315	335,500	335,325	335,450
Commodities								
General supplies - office	-	300	296	250	250	250	250	250
General supplies - tools	8,986	9,100	9,100	6,200	6,200	8,400	8,500	6,200
General supplies - safety	3,099	4,000	4,017	-	-	-	-	-
General supplies - uniforms	5,770	6,500	6,500	6,500	6,500	6,500	6,500	6,500
General supplies - computer equipment	-	1,600	1,600	-	1,900	-	-	1,600
Public Works supplies - snow removal	23,424	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Public Works supplies - street signs	18,063	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Minor equipment - Public Works	28,037	-	52,200	-	-	-	25,600	30,350
Total commodities	87,379	61,500	113,713	52,950	54,850	55,150	80,850	84,900
Total Public Works - Streets	958,207	1,187,509	1,269,870	1,169,970	1,180,239	1,191,974	1,227,855	1,284,900

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Vehicle Maintenance

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	72,130	73,913	74,100	141,095	144,622	148,238	151,944	155,743
Wages - part-time employees	2,775	17,784	2,000	-	-	-	-	-
Overtime - general	12,026	2,000	22,090	2,000	1,200	1,200	1,200	1,200
Total personal services - salaries and wages	86,931	93,697	98,190	143,095	145,822	149,438	153,144	156,943
Personal services - employee benefits								
Insurance - health	14,966	14,816	14,816	30,120	31,174	32,265	33,394	34,563
Insurance - dental	1,067	1,095	1,095	2,362	2,480	2,604	2,734	2,871
Insurance - life	68	71	71	142	143	144	145	146
Insurance - workers' compensation	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000
Insurance - unemployment	181	227	227	287	287	287	287	287
Retirement - Social Security	5,565	5,809	6,117	8,872	9,041	9,265	9,495	9,730
Retirement - Medicare	1,302	1,359	1,431	2,075	2,114	2,167	2,221	2,276
Retirement - IMRF	9,642	7,637	10,188	15,311	15,603	15,990	16,386	16,793
Education - conferences and training	-	1,000	500	1,000	1,000	1,000	1,000	1,000
Equipment - clothing allowance	400	600	600	800	800	800	800	800
Total personal services - employee benefits	34,191	33,614	36,045	62,969	64,642	66,522	68,462	70,466
Contractual services - professional and technical								
Information technology services - software maintenance	1,853	653	1,127	833	833	833	833	833
Total contractual services - professional and technical	1,853	653	1,127	833	833	833	833	833
Contractual services - property								
Utilities - telephone	547	492	500	1,008	1,008	1,008	1,008	1,008
Utilities - cell phone	817	672	1,375	1,752	1,752	1,752	1,752	1,752
Vehicle repair and maintenance	102,965	95,000	95,000	102,000	102,000	102,000	102,000	102,000
Vehicle repair and maintenance (reimbursable)	2,133	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Vehicle repair and maintenance - accidents and claims	6,847	-	3,486	-	-	-	-	-
Rental - equipment	545	700	700	700	700	700	700	700
Total contractual services - property	113,854	101,864	106,061	110,460	110,460	110,460	110,460	110,460
Commodities								
General supplies - tools	5,548	2,500	2,500	2,500	2,500	2,500	2,500	2,500
General supplies - safety	6	-	305	1,000	1,000	1,000	1,000	1,000
General supplies - uniforms	587	1,600	1,600	3,200	3,200	3,200	3,200	3,200
General supplies - computer equipment	-	-	-	1,900	-	-	-	1,900
Vehicle supplies - tires	14,635	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Vehicle supplies - gas and oil	127,376	125,000	125,000	130,000	135,000	140,000	145,000	150,000
Vehicle supplies - gas and oil (reimbursable)	10,582	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Minor equipment - Public Works	-	-	-	-	-	-	-	-
Total commodities	158,734	153,700	154,005	163,200	166,300	171,300	176,300	183,200
Charges for services								
Other contractual services - vehicle maintenance	(158,225)	(153,411)	(158,171)	(192,223)	(195,223)	(199,421)	(203,680)	(208,761)
Total charges for services	(158,225)	(153,411)	(158,171)	(192,223)	(195,223)	(199,421)	(203,680)	(208,761)
Total Public Works - Vehicle Maintenance	237,338	230,117	237,257	288,334	292,834	299,132	305,519	313,141

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Buildings and Grounds

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Personal services - salaries and wages								
Wages - full-time employees	116,457	115,353	114,077	176,101	180,504	185,017	189,642	194,383
Wages - temporary	21,339	25,600	21,117	25,600	25,600	25,600	25,600	25,600
Overtime - general	2,501	3,000	2,663	3,000	3,000	3,000	3,000	3,000
Total personal services - salaries and wages	140,297	143,953	137,857	204,701	209,104	213,617	218,242	222,983
Personal services - employee benefits								
Insurance - health	30,262	29,959	29,959	37,351	38,658	40,011	41,411	42,860
Insurance - dental	1,849	1,897	1,897	2,804	2,944	3,091	3,246	3,408
Insurance - life	135	142	142	213	215	217	219	221
Insurance - workers' compensation	2,000	2,000	2,000	3,000	3,000	3,000	3,000	3,000
Insurance - unemployment	710	450	450	717	717	717	717	717
Retirement - Social Security	9,604	8,925	10,667	12,691	12,964	13,244	13,531	13,825
Retirement - Medicare	2,246	2,087	2,495	2,968	3,032	3,097	3,165	3,233
Retirement - IMRF	14,994	11,906	14,094	19,164	19,635	20,118	20,613	21,120
Education - conferences and training	454	2,350	2,350	2,900	3,200	2,900	2,900	3,200
Equipment - clothing allowance	800	800	800	1,200	1,200	1,200	1,200	1,200
Total personal services - employee benefits	63,054	60,516	64,854	83,008	85,565	87,595	90,002	92,784
Contractual services - professional and technical								
Information technology services - software maintenance	116	607	607	1,103	1,116	1,116	1,116	1,116
Total contractual services - professional and technical	116	607	607	1,103	1,116	1,116	1,116	1,116
Contractual services - property								
Utilities - electric	-	-	346	1,050	1,050	1,050	1,050	1,050
Utilities - cell phone	1,542	1,798	2,100	2,760	2,760	2,760	2,760	2,760
Building repair and maintenance - custodial	50,121	53,124	53,124	54,066	55,027	56,008	57,008	58,028
Building repair and maintenance - other	131,768	143,413	196,639	92,053	99,825	100,627	101,462	102,330
Building repair and maintenance - accidents and claims	1,583	-	-	-	-	-	-	-
Equipment repair and maintenance - other	993	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Grounds repair and maintenance - trees and parkways	-	40,000	40,000	-	-	-	-	-
Grounds repair and maintenance - basins	20,246	18,225	22,196	18,499	25,102	19,058	25,861	19,634
Grounds repair and maintenance - Village	57,136	60,122	60,122	66,113	67,105	68,446	69,815	71,211
Grounds repair and maintenance - pest management	1,013	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Grounds repair and maintenance - tree replacement	92,431	99,750	99,750	99,750	86,000	72,250	58,500	58,500
Grounds repair and maintenance - tree removals	5,900	6,000	7,332	6,000	6,000	6,000	6,000	6,000
Grounds repair and maintenance - stump grinding and restora	8,480	10,450	10,450	10,450	10,450	10,450	10,450	10,450
Grounds repair and maintenance - large tree pruning	6,518	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Grounds repair and maintenance - accidents and claims	361	-	-	-	-	-	-	-
Infrastructure repair and maintenance - crack sealing	1,514	25,000	11,800	-	-	24,000	-	-
Total contractual services - property	379,606	493,082	539,059	385,941	388,519	395,849	368,106	365,163
Contractual services - other								
Community relations - flower boxes	2,964	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Community relations - beautification	8,624	14,800	15,800	14,300	13,800	13,800	13,800	13,800
Other contractual services - dues	-	410	555	530	515	570	485	520
Total contractual services - other	11,588	20,210	21,355	19,830	19,315	19,370	19,285	19,320
Commodities								
General supplies - tools	2,884	3,000	4,451	3,500	3,500	3,500	3,500	3,500
General supplies - safety	-	-	-	1,500	1,500	1,500	1,500	1,500
General supplies - uniforms	-	-	-	4,800	4,800	4,800	4,800	4,800
General supplies - cleaning	85	500	500	500	500	500	500	500
General supplies - computer equipment	1,747	1,600	-	1,900	600	-	1,600	1,900
Building supplies - consumable	9,783	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Building supplies - durable	5,485	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total commodities	19,984	16,100	15,951	23,200	21,900	21,300	22,900	23,200
Charges for services								
Other contractual services - buildings and grounds	(210,270)	(254,364)	(270,404)	(245,336)	(245,599)	(252,789)	(241,876)	(245,760)
Total charges for services	(210,270)	(254,364)	(270,404)	(245,336)	(245,599)	(252,789)	(241,876)	(245,760)
Total Public Works - Buildings and Grounds	404,375	480,104	509,279	472,447	479,920	486,058	477,775	478,806

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Stormwater Management

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Contractual services - professional and technical								
Engineering services - municipal projects	10,855	5,000	12,148	5,000	15,000	5,000	5,000	5,000
Total contractual services - professional and technical	10,855	5,000	12,148	5,000	15,000	5,000	5,000	5,000
Contractual services - property								
Utilities - cell phone	456	456	456	456	456	456	456	456
Sewer repair and maintenance - storm sewer	26,775	43,500	62,000	25,000	25,000	25,000	25,000	25,000
Total contractual services - property	27,231	43,956	62,456	25,456	25,456	25,456	25,456	25,456
Total Public Works - Stormwater Management	38,086	48,956	74,604	30,456	40,456	30,456	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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Contractual services - professional and technical								
Legal services - general	71,645	67,500	52,723	70,000	72,500	75,000	77,500	80,000
Legal services - development (reimbursable)	12,493	35,000	18,120	40,000	45,000	50,000	55,000	60,000
Legal services - development (village)	27,892	20,000	13,995	20,000	20,000	20,000	20,000	20,000
Legal services - traffic court	41,008	34,400	41,510	34,400	34,400	34,400	34,400	34,400
Legal services - Liquor Commission	983	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Legal services - labor issues	16,152	20,000	5,000	20,000	20,000	20,000	20,000	20,000
Legal services - other	-	48,000	8,350	28,000	28,000	28,000	28,000	28,000
Total contractual services - professional and technical	170,173	226,100	140,898	213,600	221,100	228,600	236,100	243,600
Total Legal	170,173	226,100	140,898	213,600	221,100	228,600	236,100	243,600

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.

	FY2019 Actual	FY2020 Budget	FY2020 Estimated	FY2021 Approved	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected
Contractual services - professional and technical								
Engineering services - general	53,596	65,000	60,048	70,000	75,000	80,000	85,000	90,000
Engineering services - development (reimbursable)	149,335	155,000	86,658	160,000	165,000	170,000	175,000	180,000
Engineering services - development (village)	11,932	15,000	10,168	15,000	15,000	15,000	15,000	15,000
Total Contractual services - professional and technical	214,863	235,000	156,874	245,000	255,000	265,000	275,000	285,000
Total Engineering	214,863	235,000	156,874	245,000	255,000	265,000	275,000	285,000

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 recognize in accordance with the availability criterion of modified accrual accounting.

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

Bond credit rating: Assessment of the credit quality of a 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 of financial institution for a specified period for a specified rate of interest.

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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