

Village of Montgomery, Illinois

Annual Budget May 1, 2021 – April 30, 2022



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

**Matt Bauman, Trustee
Thomas Betsinger, Trustee
Dan Gier, Trustee
Steve Jungermann, Trustee
Doug Marecek, Trustee
Theresa Sperling, Trustee**

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2022
Table of Contents

	<u>Page</u>
Table of Contents	<u>2</u>
Chapter 1: Introduction	
Village of Montgomery	<u>7</u>
Principal Officials	<u>8</u>
Organizational Chart	<u>9</u>
Mission Statement	<u>10</u>
Vision Statement	<u>10</u>
Values	<u>10</u>
GFOA Award Fiscal Year 2021	<u>11</u>
Chapter 2: Transmittal Letter	
Transmittal Letter	<u>12</u>
Chapter 3: Village Profile	
Location	<u>25</u>
History	<u>26</u>
Governance	<u>27</u>
Community Involvement	<u>30</u>
Demographics	<u>32</u>
Chapter 4: Budget Process and Organization	
Budget Process	<u>35</u>
Budget Calendar	<u>38</u>
Classification of Revenues and Expenditures	<u>39</u>
Organization of Financial Presentation	<u>39</u>
Fund Groups and Basis of Budgeting	<u>40</u>
Chapter 5: Long-Term Planning	
Long-Term Planning	<u>44</u>
Operating Budget Forecast	<u>44</u>
Community Investment Plan	<u>44</u>
Pavement Management Report	<u>44</u>
Computer Equipment Replacement	<u>44</u>
Strategic Plan	<u>45</u>
Vehicle and Equipment Replacement	<u>51</u>
Comprehensive Plan	<u>52</u>
Waterworks System Master Plan	<u>52</u>
Marketing	<u>52</u>

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2022
Table of Contents (Continued)

	<u>Page</u>
Chapter 6: Financial Policies	<u>54</u>
Chapter 7: Executive Summary	
All Funds Summary	<u>68</u>
Revenues	<u>68</u>
Expenditures	<u>69</u>
Fund equity	<u>70</u>
Major Revenues	<u>71</u>
State and local sales tax	<u>72</u>
Water and sewer revenue	<u>72</u>
Property tax	<u>73</u>
State income tax	<u>75</u>
Refuse revenue	<u>75</u>
Tax increment – Aucutt Road TIF #2	<u>76</u>
Utility taxes	<u>76</u>
Transfers in – Debt Service Fund	<u>77</u>
Investment income	<u>78</u>
Employer medical insurance contributions	<u>78</u>
Major Expenditures	<u>79</u>
Capital Outlay	<u>79</u>
Personal services	<u>82</u>
Debt Service Summary	<u>84</u>
Chapter 8: Fund Summary	<u>88</u>
Motor Fuel Tax Fund	<u>88</u>
Montgomery Development Fund	<u>89</u>
Capital Improvement Fund	<u>90</u>
Infrastructure Improvement Fund	<u>92</u>
Lakewood Creek Project Fund	<u>93</u>
TIF #1 Fund	<u>93</u>
TIF #2 Fund	<u>94</u>
TIF #3 Fund	<u>95</u>
TIF #4 Fund	<u>95</u>
Debt Service Fund	<u>96</u>
Water Fund	<u>97</u>
Water Revenue	<u>97</u>
Water Administration	<u>98</u>
Water Plant Operations	<u>100</u>
Water Improvement Fund	<u>101</u>
Employee Insurance Fund	<u>103</u>
Vehicle and Equipment Replacement Fund	<u>104</u>

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2022
Table of Contents (Continued)

	<u>Page</u>
Chapter 8: Fund Summary (Continued)	
Refuse Fund	<u>105</u>
Police Pension Fund	<u>105</u>
Police Gift Fund	<u>107</u>
Special Service Areas	<u>107</u>
Montgomery Crossing SSA Fund	<u>108</u>
Blackberry Crossings SSA Fund	<u>108</u>
Fairfield Way SSA Fund	<u>109</u>
Arbor Ridge SSA Fund	<u>109</u>
Foxmoor SSA Fund	<u>110</u>
Saratoga Springs SSA Fund	<u>110</u>
Orchard Prairie North SSA Fund	<u>111</u>
Blackberry Crossing West SSA Fund	<u>111</u>
Fieldstone Place SSA Fund	<u>112</u>
Balmorea SSA Fund	<u>112</u>
Marquis Pointe SSA Fund	<u>113</u>
Ogden Hills SSA Fund	<u>113</u>
Chapter 9: Departmental Summary	<u>114</u>
Revenues	<u>115</u>
Elected Officials	<u>117</u>
Budget	<u>119</u>
Administration Department	
Description	<u>120</u>
Responsibilities	<u>120</u>
Core Strategies	<u>120</u>
Accomplishments	<u>120</u>
Goals and Initiatives	<u>121</u>
Organization Chart	<u>121</u>
Budget	<u>122</u>
Finance Department	
Description	<u>123</u>
Responsibilities	<u>123</u>
Core Strategies	<u>123</u>
Accomplishments	<u>124</u>
Goals and Initiatives	<u>124</u>
Organization Chart	<u>124</u>
Performance Measures	<u>125</u>
Budget	
Accounting	<u>126</u>
Utility Billing	<u>128</u>

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2022
Table of Contents (Continued)

	<u>Page</u>
Chapter 9: Departmental Summary (Continued)	
Community Development Department	
Departmental Description	<u>129</u>
Responsibilities	<u>129</u>
Core Strategies	<u>129</u>
Accomplishments	<u>130</u>
Goals and Initiatives	<u>130</u>
Organization Chart	<u>131</u>
Budget	
Planning and Zoning	<u>132</u>
Code Enforcement and Inspections	<u>133</u>
Economic Development	<u>134</u>
Police Department	
Mission Statement	<u>135</u>
Description	<u>135</u>
Values	<u>135</u>
Core Strategies	<u>136</u>
Accomplishments	<u>136</u>
Goals and Initiatives	<u>136</u>
Organization Chart	<u>137</u>
Performance Measures	<u>137</u>
Budget	
Administration	<u>138</u>
Records	<u>139</u>
Patrol	<u>140</u>
Investigations	<u>141</u>
Police Commission	<u>142</u>
MEMA	<u>142</u>
Public Works Department	
Description	<u>143</u>
Responsibilities	<u>143</u>
Core Strategies	<u>143</u>
Accomplishments	<u>143</u>
Goals and Initiatives	<u>144</u>
Organization Chart	<u>144</u>
Performance Measures	<u>145</u>

Village of Montgomery, Illinois
Annual Budget Fiscal Year 2022
Table of Contents (Continued)

	<u>Page</u>
Chapter 9: Departmental Summary (Continued)	
Public Works Department	
Budget	
Administration	<u>146</u>
Streets	<u>147</u>
Vehicle Maintenance	<u>148</u>
Buildings and Grounds	<u>149</u>
Stormwater	<u>150</u>
Legal Services	<u>151</u>
Engineering Service	<u>151</u>
Chapter 10: Appendix	
Glossary	
Acronyms	<u>152</u>
Definitions	<u>155</u>

Chapter 1: *Introduction*

VILLAGE OF MONTGOMERY, ILLINOIS

SETTLED IN 1835



Chapter 1: *Introduction*

VILLAGE OF MONTGOMERY Principal Officials

Village President

Matthew Brolley

(Term expires April 2025)

Village Trustees

Matt Bauman

(Term Expires April 2023)

Steve Jungermann

(Term Expires April 2025)

Thomas Betsinger

(Term Expires April 2025)

Doug Marecek

(Term Expires April 2023)

Dan Gier

(Term Expires April 2023)

Theresa Sperling

(Term Expires April 2025)

Village Clerk

Penny Fitzpatrick

(Term Expires April 2025)

Management Staff

Jeff Zoephel

Village Administrator

Phil Smith

Chief of Police

Mark Wolf

Director of Public Works

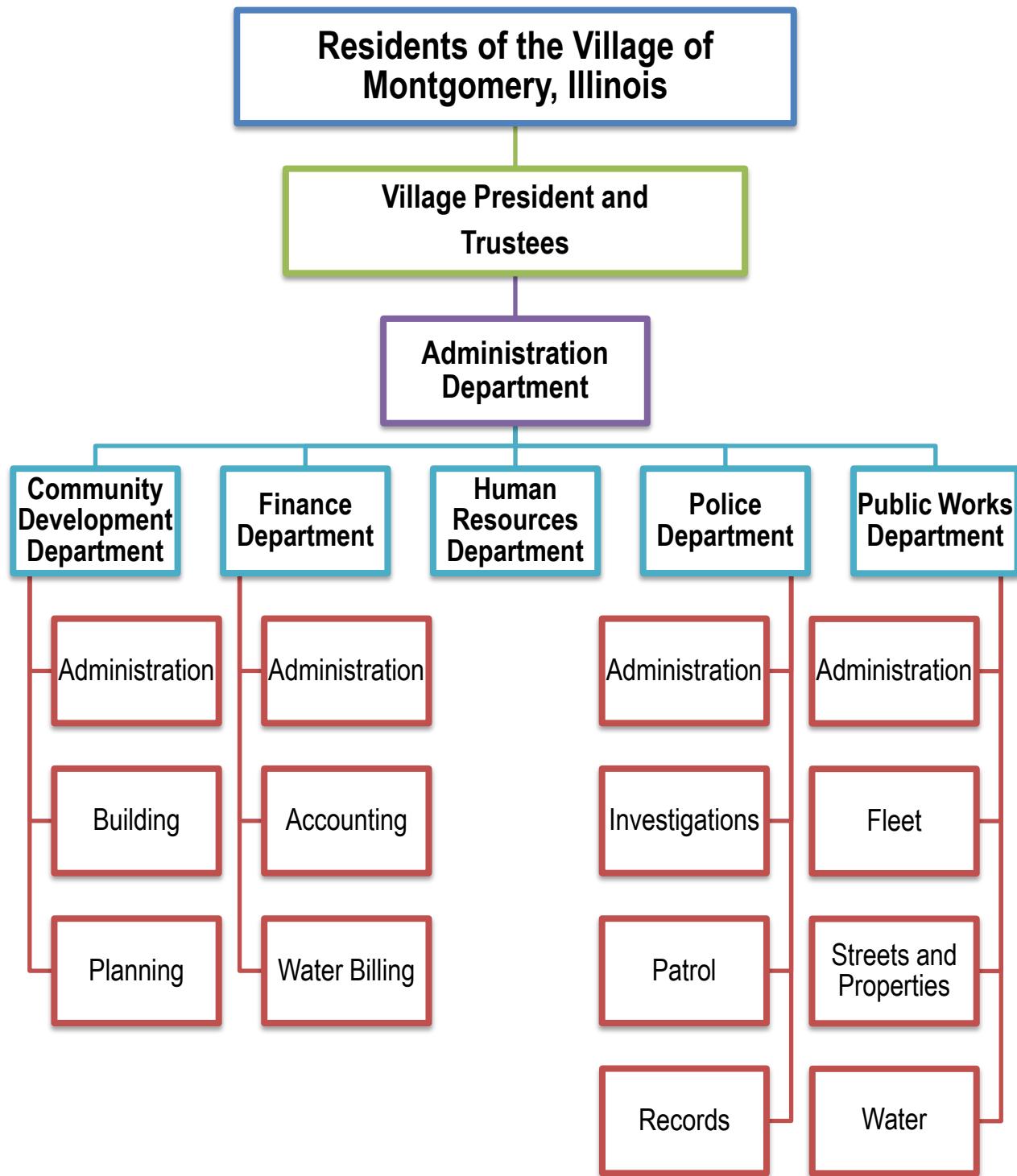
Justin VanVooren

Director of Finance

Sonya Abt

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, 2020

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **Village of Montgomery, Illinois** for its annual budget for the fiscal year beginning **May 1, 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*



March 22, 2021

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 2022. 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 2022 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 24), a brief history of the community (pages 25 to 34), the budget process (pages 35 to 43), our long-term planning processes (pages 44 to 53) including our [Strategic Plan](#), and financial policies designed to ensure the continued financial health of the Village (pages 54 to 67).

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

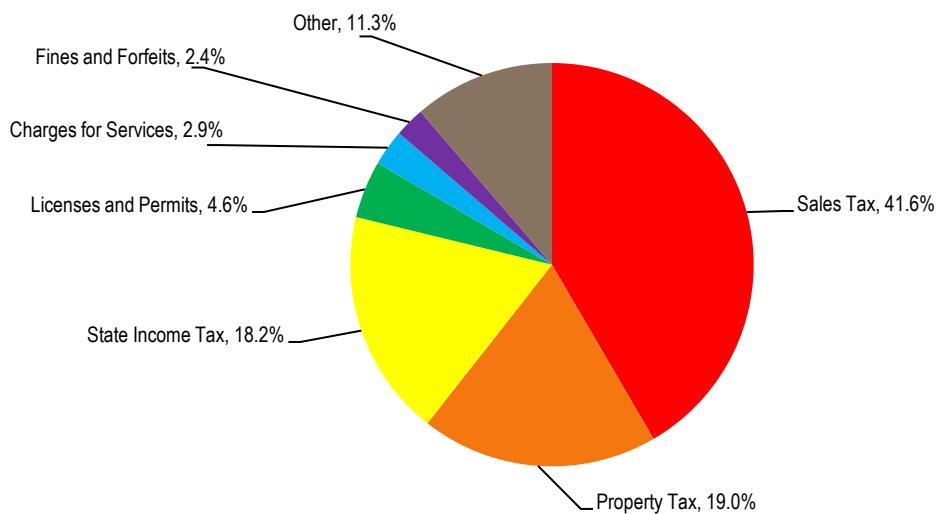
OVERALL FINANCIAL SUMMARY

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. 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.

The fiscal year 2022 Budget was adopted on March 22, 2021 in compliance with State Statutes. The fiscal year 2022 Budget has total revenues of \$33,346,844 and total expenditures of \$43,971,120.

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 2022 General Fund revenues are \$12,167,657 compared with total expenditures of \$11,127,365. 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 2022.

REVENUES - ALL FUNDS

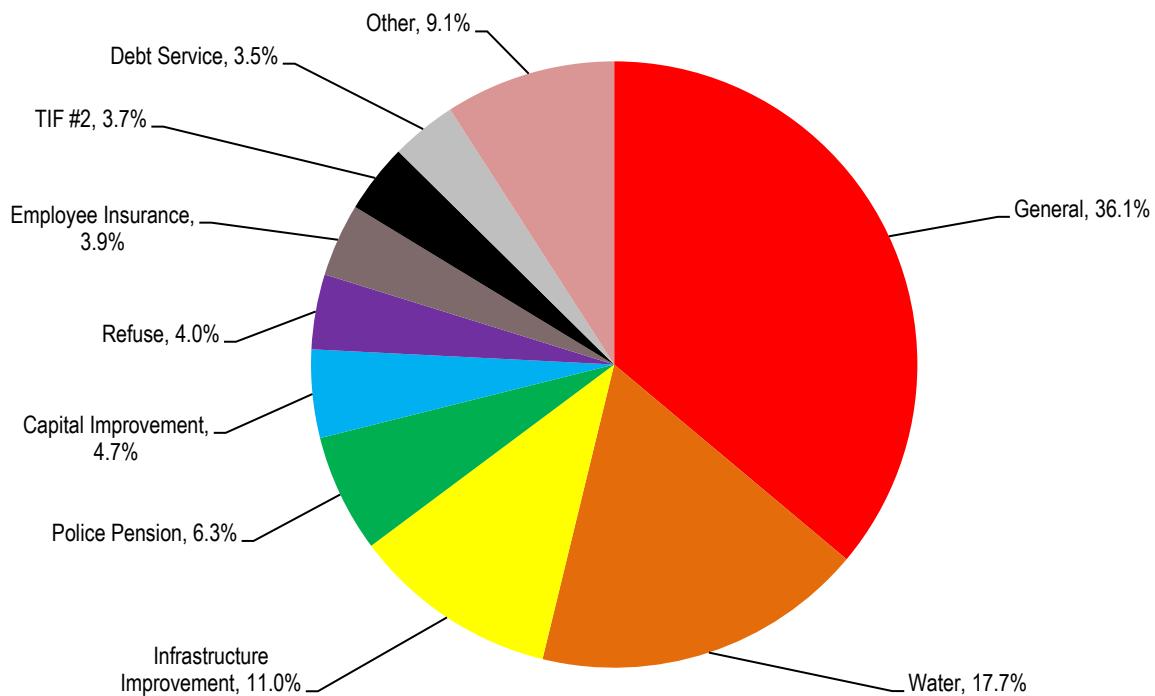
REVENUES	FY2020	FY2021	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
	Actual	Budget	Estimated	Approved	Projected	Projected	Projected	Projected
General	\$ 11,377,896	\$ 11,793,716	\$ 12,335,144	\$ 12,167,657	\$ 12,284,901	\$ 12,634,231	\$ 13,051,047	\$ 13,414,526
Motor Fuel Tax	697,968	787,233	1,181,643	1,233,546	1,233,546	828,500	828,500	828,500
Montgomery Development	28,964	26,000	34,035	3,400	2,800	2,650	2,500	2,350
Capital Improvement	1,358,612	1,446,689	16,512,133	1,573,136	1,397,572	1,375,751	1,414,375	1,426,658
Lakewood Creek Project	20,934	60,750	60,003	60,050	60,050	60,050	60,050	60,050
Infrastructure Improvement	3,401,944	3,588,753	3,388,210	3,717,466	3,722,678	3,907,312	4,101,178	4,304,737
TIF #1	34,083	35,000	35,000	35,000	35,000	35,000	35,000	35,000
TIF #2	1,066,260	1,209,419	1,199,882	1,234,412	5,711,381	1,609,459	11,523,680	2,007,077
TIF #3	-	-	-	-	-	50,000	100,000	200,000
TIF #4	-	-	-	-	-	50,000	100,000	200,000
Debt Service	1,610,586	1,191,309	2,944,207	1,178,137	1,219,915	1,219,965	1,221,675	1,191,825
Water	6,624,518	6,180,074	6,545,749	5,979,482	6,006,500	6,271,138	6,660,477	7,542,282
Water Improvement	897,846	548,468	466,529	556,559	1,540,390	1,437,650	4,683,867	98,580
Employee Insurance	1,468,152	1,430,178	1,255,435	1,319,971	1,369,691	1,418,456	1,468,984	1,521,340
Vehicle and Equipment Replacement	835,621	712,584	733,134	885,808	889,558	889,558	889,558	889,558
Refuse	1,241,515	1,287,617	1,291,566	1,340,510	1,389,304	1,437,797	1,492,998	1,552,872
Police Pension	1,072,916	1,766,645	2,951,596	2,114,980	2,245,383	2,384,744	2,533,586	2,692,632
Police Gift	1,200	250	250	250	250	250	250	250
Special Service Areas	328,204	331,950	331,018	336,950	345,450	353,950	357,950	361,950
TOTAL REVENUES	\$ 32,067,219	\$ 32,396,635	\$ 51,265,534	\$ 33,737,314	\$ 39,454,369	\$ 35,966,461	\$ 50,525,675	\$ 38,330,187

Total revenues are \$1,340,679 or 4.1% more than the fiscal year 2021 budget and \$1,670,095 or 5.2% more than the fiscal year 2020 revenues. The change in revenue from the fiscal year 2021 budget can be attributed mainly to increases in the General, Motor Fuel Tax, and Police Pension Funds combined with a decrease in the Water Fund.

The Village budgeted an increase in the General Fund, most of which is accounted for by an increase in state income and state use taxes due to the recovery in the economy from Covid-19. The Motor Fuel Tax Fund revenues are more due to the receipt of Rebuild Illinois bond funds from the state in fiscal year 2022. Police Pension revenues are more due mainly to an increase in the employer contribution. The Water Fund revenues are scheduled to decrease to the receipt of a grant from the Illinois Environmental Protection Agency in fiscal year 2021.

Chapter 2: Transmittal Letter

The following chart shows the Village's total revenues for all funds classified by fund for fiscal year 2022. The General Fund brings in the most revenue at 36.1% followed by the Water Fund at 17.7%, and Infrastructure Improvement Fund at 11.0%.



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	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
General	\$ 11,200,177	\$ 11,652,943	\$ 11,333,798	\$ 12,127,365	\$ 12,384,921	\$ 12,600,030	\$ 13,037,457	\$ 13,165,051
Motor Fuel Tax	782,392	181,000	71,224	1,483,450	632,650	1,495,250	476,450	1,507,850
Montgomery Development	35,961	154,000	450,120	379,000	54,000	54,000	54,000	54,000
Capital Improvement	1,623,751	1,324,255	2,365,997	12,031,816	4,769,842	1,219,465	1,221,175	1,191,325
Lakewood Creek Project	54,972	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Infrastructure Improvement	3,635,247	4,910,902	4,493,894	3,600,090	2,774,677	2,255,502	2,960,652	2,249,152
TIF #1	12,148	690	690	700	710	720	730	740
TIF #2	357,845	1,086,424	673,282	1,712,425	5,694,836	1,669,049	11,685,671	1,873,001
TIF #3	-	27,500	-	27,500	910	920	930	940
TIF #4	-	-	-	38,000	910	920	930	940
Debt Service	1,610,453	1,191,309	2,944,207	1,178,137	1,219,915	1,219,965	1,221,675	1,191,825
Water	6,424,381	7,808,230	6,758,450	6,373,150	7,348,915	7,062,626	5,378,446	5,372,788
Water Improvement	1,120,578	1,226,603	734,112	1,075,425	1,540,390	1,437,650	2,068,570	2,713,877
Employee Insurance	1,324,107	1,424,178	1,354,079	1,313,971	1,363,691	1,412,456	1,462,984	1,515,340
Vehicle and Equipment Replacement	623,635	450,795	532,082	611,082	129,936	297,755	296,860	173,976
Refuse	1,237,572	1,287,617	1,290,099	1,340,510	1,389,304	1,437,797	1,492,998	1,552,872
Police Pension	802,760	709,871	709,094	709,080	726,946	745,230	764,050	783,421
Police Gifts	534	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Special Service Areas	314,097	322,640	333,977	298,889	332,668	304,575	337,777	310,488
TOTAL EXPENDITURES	\$ 31,160,610	\$ 33,819,957	\$ 34,106,105	\$ 44,361,590	\$ 40,426,221	\$ 33,274,910	\$ 42,522,355	\$ 33,718,586

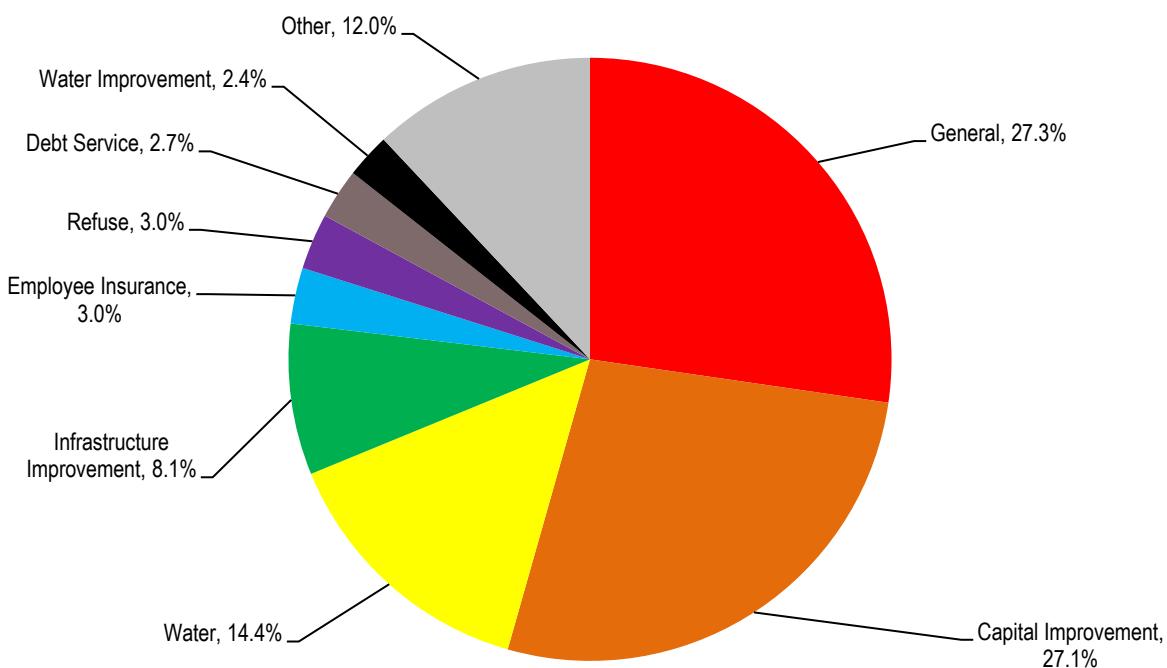
Total expenditures are \$10,541,633 or 31.2% more than the fiscal year 2021 budget and \$13,200,980 or 42.4% more than the fiscal year 2020 expenditures. The change in expenditures from the fiscal year 2021 budget can be attributed mainly to increases in the General, Motor Fuel Tax, and Capital Improvement Funds combined with decreases in the Infrastructure Improvement and Water Funds.

The increase in the General Fund is due to a combination of factors including an increase in the Village's contribution to the Vehicle and Equipment Replacement Fund due to including full replacement cost for all squad equipment, as well as an increase in the Village's contribution to the Police Pension Fund due to plan benefit changes approved by the State of Illinois, assumption changes based on an updated study of police officers, and asset returns less than expected in fiscal year 2020. The Motor Fuel Tax Fund increase is due to the Village scheduling higher dollar projects every other year to take advantage of economies of scale. The largest increase is in the Capital Improvement Fund due to starting construction on the Village's new Public Works Center. The large increase in the Motor Fuel Tax Fund has actually caused a contrasting decrease in the Infrastructure Improvement Fund. The Water Fund decrease is due to completion of the lead service line replacement project in fiscal year 2021.

Chapter 2: Transmittal Letter

The Village, as a service driven organization, continues to expend the greatest percentage of greatest percentage of its operating budget (second largest overall) on personal services (wages and benefits). For fiscal year 2022, personal services expenditures are expected to total \$9,301,555 or 21.0% of total budgeted expenditures. This is an increase of 3.5% over the fiscal year 2021 budgeted expenditures of \$8,983,730.

The following chart shows the Village's total expenditures for all funds classified by fund for fiscal year 2022. The Village is a service provider and the General Fund is the main operating fund of the Village, accounting for 27.3% of all expenditures. The General Fund is followed closely by the Capital Improvement Fund at 27.1% and Infrastructure Improvement Fund at 14.4%.



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 both of these funds.

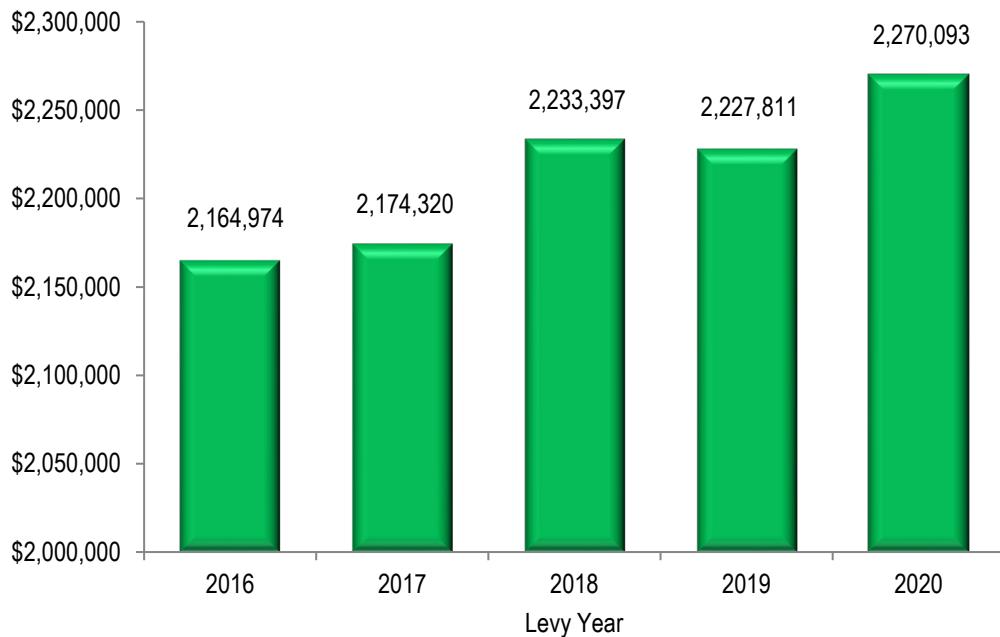
Chapter 2: Transmittal Letter

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Employees covered by the Illinois Municipal Retirement Fund (IMRF) contribute 4.5% of their gross pay, while the Village contributes 8.91% (for calendar year 2021) of each employee's gross pay. The employer's share is expended in each operating function and is estimated to decrease to 7.3% in calendar year 2022.

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 29.43% (for fiscal year 2021) of each employee's basic wages. The employer's contribution to the Police Pension Fund is expended 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 2020 property tax levy for all Village funds, excluding Special Service Areas, is projected at \$2,270,093. This represents an increase of 1.9% from the 2019 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

There is a wide variety of commercial establishments in the Village including JC Penney, Menards, WalMart, Sam's Club, Walgreens, Aldi, Firestone, Harris Bank, Jimmy John's, Fifth Third Bank, and Chase Bank. In addition the Village has a diversified base of industrial, manufacturing, processing, wholesale and logistics firms. Among those firms are Carl Buddig and Company, Performance Food Service, Aurora Metals, Aurora Bearing, Hormann GADCO, Eby-Brown, United Facilities (General Mills), Yellow Transportation, Home Depot, and Lyon Workspace Products.

Chapter 2: *Transmittal Letter*

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.

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, 38 in 2019, 90 in 2020, and is expected to be over 100 in 2021. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, 3 in 2018, and 1 in 2020 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 for 4 buildings in 2019, 6 buildings in 2020 and the remaining 3 buildings are expected in 2021. 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 has been slow but steady. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. The Village has seen several new businesses build from the ground up over the last year including McCallister's Deli and the Doggie Daycare. In addition, other new businesses have occupied vacant buildings like Baba's Famous Steak and Lemonade 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. A multi-tenant building next to Chiquita Marketplace started construction in 2020 and expects occupancy in the middle of 2021. Lastly, there are several businesses who the Village expects to start construction in 2021 including Gas and Wash and Gray's Mill Estates.

Commercial development has helped the Village's sales tax, which is its 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).

There were 3 new industrial buildings completed in 2017 including the United Sugars Corporation \$21 million bulk sugar storage and transfer facility; the Nexo Solutions \$12 million warehouse and distribution facility; and the Old Dominion Freight Line \$13 million freight depot. United Sugars and Nexo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexo buildings alone contributed nearly \$900,000 of tax increment in fiscal year 2021. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study and road improvement study over the last 18 months. The studies will determine what regional improvements can be made to recapture buildable land within TIF #2 and the order in which

Chapter 2: *Transmittal Letter*

improvements should take place. United Sugars Corporation began construction in early 2021 on a second bulk storage dome (valued at \$20 million) and the Village is currently in discussion with another existing business about expansion of their facilities. Lastly, the Village is working with two landowners to annex their property and create the Caterpillar Drive TIF District (TIF #3) and Blackberry Creek TIF District (TIF #4).

At the time the budget was approved the Village wasn't clear of the full impact of Covid-19. Therefore, the fiscal year 2022 budget only includes an additional 0.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new position includes a part-time Community Development intern (Community Development). 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%.

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State's long-term general obligation bonds are rated at the lowest investment grade rating level and are the lowest bond ratings among the states.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the "Fiscal Year 2018 Budget"), June 30, 2019 (the "Fiscal Year 2019 Budget"), June 30, 2020 (the "Fiscal Year 2020 Budget") and June 30, 2021 (the "Fiscal Year 2021 Budget").

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 Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the Village, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2021 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget and the Fiscal Year 2021 Budget also include a service fee for collection and processing of locally-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020 and State Fiscal Year 2021. The Fiscal Year 2021 Budget was predicated on, among other things, on Illinois voters approving a referendum to change the State income tax from a flat to a progressive income tax. The referendum was not approved by Illinois voters in the November 3, 2020 election. The effect on State aid to municipalities due to the failure to pass the progressive income tax is unknown at this time. 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.

Chapter 2: *Transmittal Letter*

The Village can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the Village predict the effect the State's financial problems, including those caused by the continued spread of the Novel Coronavirus 2019 ("COVID-19") or the various governmental or private actions in reaction thereto, may have on the Village's future finances. In response to the COVID-19 pandemic, the rating agencies have lowered their respective rating outlooks on the State's long-term general obligation bonds to negative from stable.

Potential Impact of COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of 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 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. President Trump signed the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") on March 27, 2020, and the Coronavirus Response and Relief Supplemental Appropriations Act of 2020 on December 27, 2020, each of which is directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocated approximately \$4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State (\$2.7 billion) and local governments (the City of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion).

On March 11, President Joseph R. Biden, Jr., signed H.R. 1319, the American Rescue Plan (ARP) Act of 2021, into law. The new law will distribute \$1.9 trillion in direct stimulus payments for state and local governments, agriculture and nutrition programs, schools and institutions of higher education, child care, COVID-19 vaccinations, mental health and substance-use disorder services, among other provisions.

Included in the law is \$65.1 billion in financial assistance for all municipalities, nationwide. Of that, \$45.57 billion will be allocated to metropolitan cities, which either are the central city of a metropolitan area or have a population above 50,000, and will be distributed based on the Community Development Block Grant (CDBG) formula. The remaining \$19.53 billion will be sent to state governments to distribute directly to non-metropolitan (non-CDBG) municipalities based on population. For non-metropolitan (non-CDBG) municipalities, the amount of funding a municipality may receive is capped at 75% of the municipality's pre-pandemic budget as of January 27, 2020.

Payments to municipalities will be split between two rounds of funding. The first round of funding is required to be distributed by the federal government no later than 60 days after ARP's enactment. For non-metropolitan (non-CDBG) communities that will receive their funding from the state, there will be additional time allotted for the state to distribute that funding. The second round of funding may not be distributed earlier than 12 months after the first round distribution, meaning sometime in spring or summer of 2022.

The Governor has signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that, as originally issued, (i) required all Illinoisans (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in

Chapter 2: *Transmittal Letter*

customers; (iii) ceased operations for all non-essential businesses in the State; (iv) moved schools to remote learning; and (v) prohibited all public and private gatherings of 10 people or more. The Governor implemented a five-phase approach to reopening the State's businesses, with each successive phase easing certain of the restrictions previously imposed by such executive orders. The Resurgence Mitigation Plan was announced on July 15, 2020, taking a regional approach to suppress the spread of the virus. After a wave of COVID-19 surged across Illinois and the nation last fall, the Governor and the Illinois Department of Public Health imposed additional COVID-19 resurgence mitigations in every region across the State, effective as of November 20, 2020. By adhering to meaningful mitigations throughout the holiday season, the State was able to bring down rates of community spread, allowing for regions to once again move forward in the State's mitigation plan. On January 15, 2021, regions resumed moving out of Tier 3 mitigations, down to Tier 2 and Tier 1, and ultimately back into Phase 4 of Restore Illinois. The State remained in Phase 4 of the reopening plan through May 17, 2021, at which time the Governor issued the Bridge Phase executive order intended to safely and conscientiously, and in a manner consistent with CDC guidance, expand activities that were limited during the prior mitigation Phases of the State's response to the COVID-19 pandemic. The Governor issued the Phase 5 Reopening executive order on June 11, 2021; however, many of the provisions from prior executive orders remain in place.

The State is not able to assess the severity of the economic impact of the COVID-19 pandemic. The pandemic, however, is expected to continue to have a significant negative impact on the State's economy, revenues and cash flow. Such challenges are expected to continue to exist despite (i) the receipt by the State of federal CARES Act moneys, (ii) the State's \$4.2 billion in total borrowing from the Federal Reserve's Municipal Liquidity Facility, and (iii) cuts to various appropriations contained in the State's fiscal year 2021 budget.

The Village 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 programming revenue and real estate tax collections.

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 2021. This was the ninth 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 tenth 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 Annual Comprehensive 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 Annual

Chapter 2: *Transmittal Letter*

Comprehensive 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.

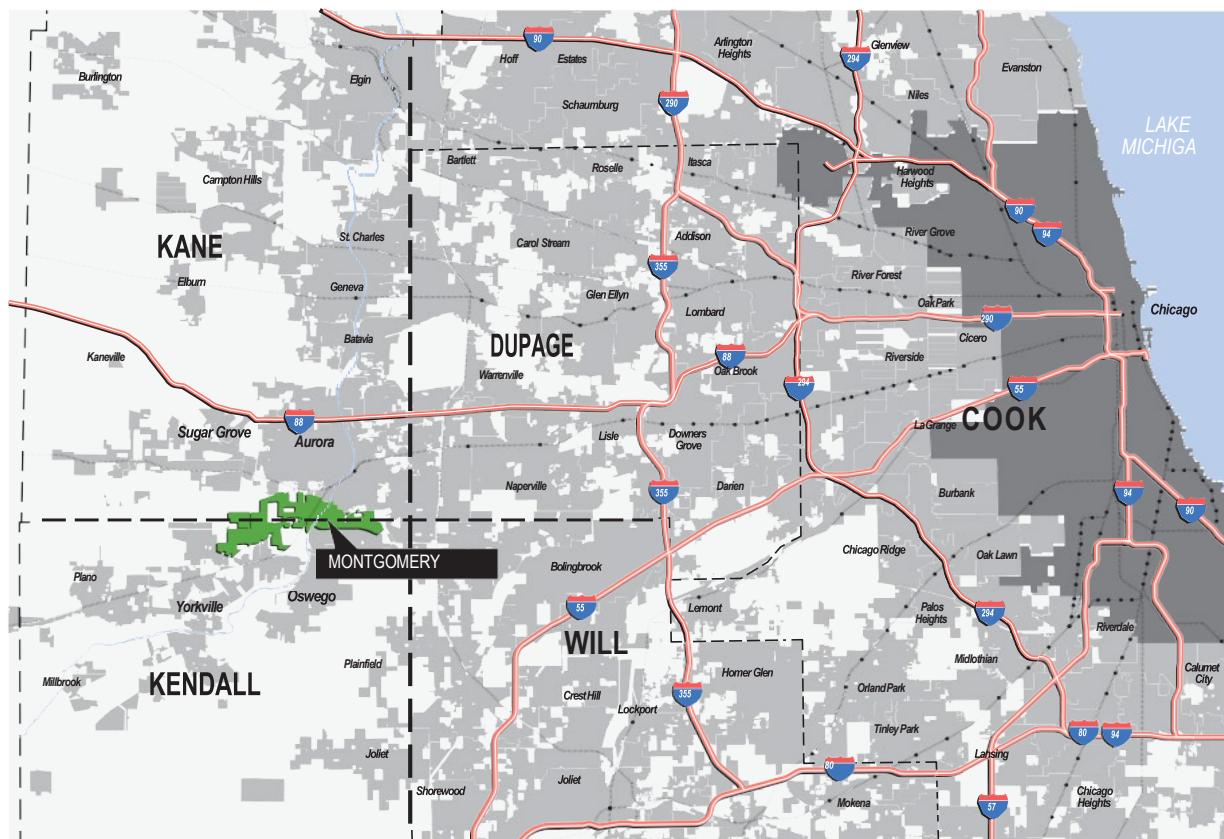
Respectfully submitted,

Justin E. VanVooren, CMA, CPA
Director of Finance

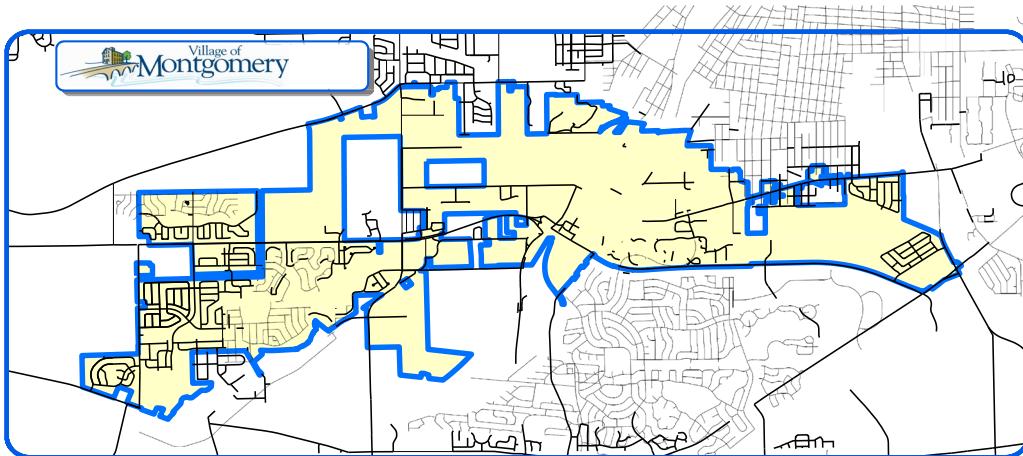
Chapter 3: Village Profile

The Village of Montgomery is a growing community, covering a 10 square mile area, 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.

The Village 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. Routes 30 and 34 (east-west roads) and Illinois Routes 25, 31, 47, and Orchard Road (north-south roads). The north-south corridors give access to Interstate 88, which runs east-west approximately 5 miles north of the Village. Interstate 88 provides connections to the Chicago Loop, O'Hare Airport and Midway Airport which are 55, 50 and 60 minutes away, respectively. Other public/private airports nearby include Aurora Municipal Airport in Sugar Grove and DuPage Airport in St. Charles. The Village is also served by the Burlington Northern/Santa Fe Railroads with commuter rail access being a short drive away in downtown Aurora. The Regional Transportation Authority is currently conducting a study to extend commuter rail access to the Village and communities to the west of the Village.



Chapter 3: Village Profile



HISTORY

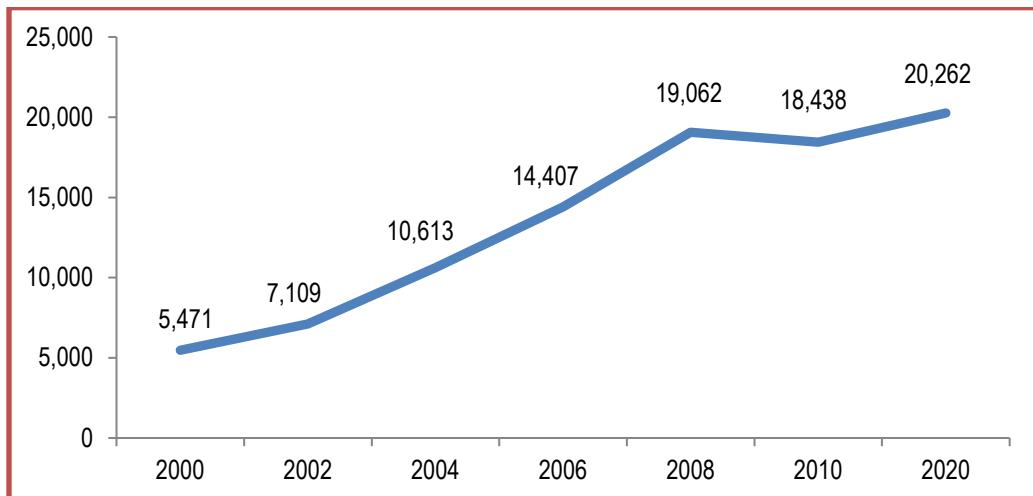
Montgomery was founded in 1835 by entrepreneur Daniel Gray, who purchased several land grants from the Federal government and pursued industrial development along the Fox River. The settlement was called "Graystown" for several years, but eventually he persuaded the other settlers to call the little 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 on February 17, 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 opening of a Caterpillar, the world's leading manufacturer of construction and mining equipment, manufacturing facility in 1959 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 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 Village has continued to grow, albeit at a slower pace, to 20,262 residents by the 2020 decennial census. The graph below shows Montgomery's population growth throughout the years.

Chapter 3: Village Profile

Montgomery's Population Growth



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 enacting legislation, establishing policies, adopting the budget, and providing guidance and direction for actions that impact the quality of life in the Village.



The Village Board includes, pictured from left to right – front row – Village Trustee Tom Betsinger, Village President Matt Brolley, Village Trustee Dan Gier; back row – Village Trustee Doug Marecek, Village Clerk Penny Fitzpatrick, Village Trustee Matt Bauman, Village Trustee Theresa Sperling, and Village Trustee Steve Jungermann.

Chapter 3: Village Profile

GOVERNANCE (Continued)

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.



The Village Hall houses the Administration, Community Development, and Finance Departments, as well as meeting rooms for the Village Board and community. The Village Administrator, appointed by the Village Board, oversees, coordinates, and provides leadership for the professional day-to-day administration of all Village departments. The Administration Department is charged with providing support to various boards, commissions, committees, and other departments; coordinating all general communication with Village residents; and responding to requests for information from the public. The Community Development Department provides assistance with building, permitting, zoning, and code enforcement throughout the Village. The Finance Department specializes in overseeing the daily finances, along with collecting water bills, accounts receivable, accounts payable, and information technology functions.



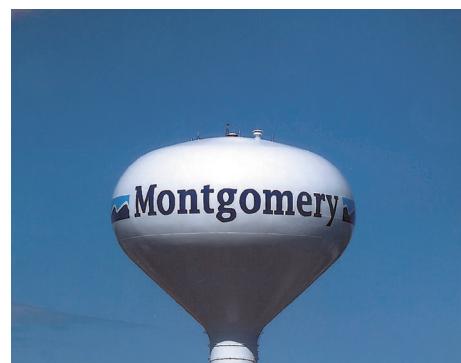
Chapter 3: Village Profile

GOVERNANCE (Continued)

The Montgomery Police Station houses the Administration, Records, Patrol, and Investigations divisions; as well as a state-of-the-art indoor shooting range (used for training purposes); physical fitness center; evidence storage; housing for prisoners, and a community room available for use by staff and the community. The Police Department strives hard each day to provide exceptional public service, demonstrate community pride, and maintain public safety throughout our community by preventing crime and enforcing laws against those who fail to follow them.



The Village has included the construction of a new Public Works Center (pictured above) in the fiscal year 2022 budget, providing much needed space for staff and the ability to store vehicles and equipment indoors. The Public Works Department is responsible for maintaining all infrastructure improvements within the Village, including streets, sidewalks, water distribution pipes, storm and sanitary sewer lines, drinking water wells and pumping equipment, Village-owned property and buildings, right-of-way, street lighting, traffic signals and signs, and water treatment facilities.



Chapter 3: Village Profile

COMMUNITY INVOLVEMENT

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

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

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

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

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



Chapter 3: Village Profile

COMMUNITY INVOLVEMENT (Continued)

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

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



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

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



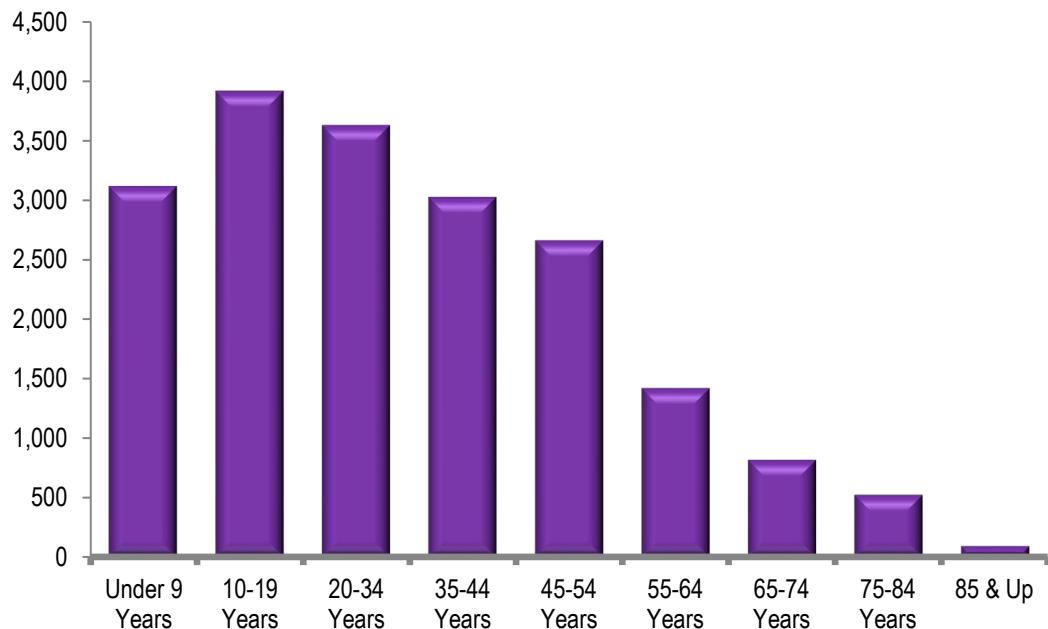
Chapter 3: Village Profile

DEMOCRAPHICS

General

Population	20,262
Median household income	\$98,050
% Below poverty level	4.2%
Crime rate per 100,000	1,515.5
Crime index	160.4
Median age (years)	31.5
Male population	49.5%
Female population	50.5%

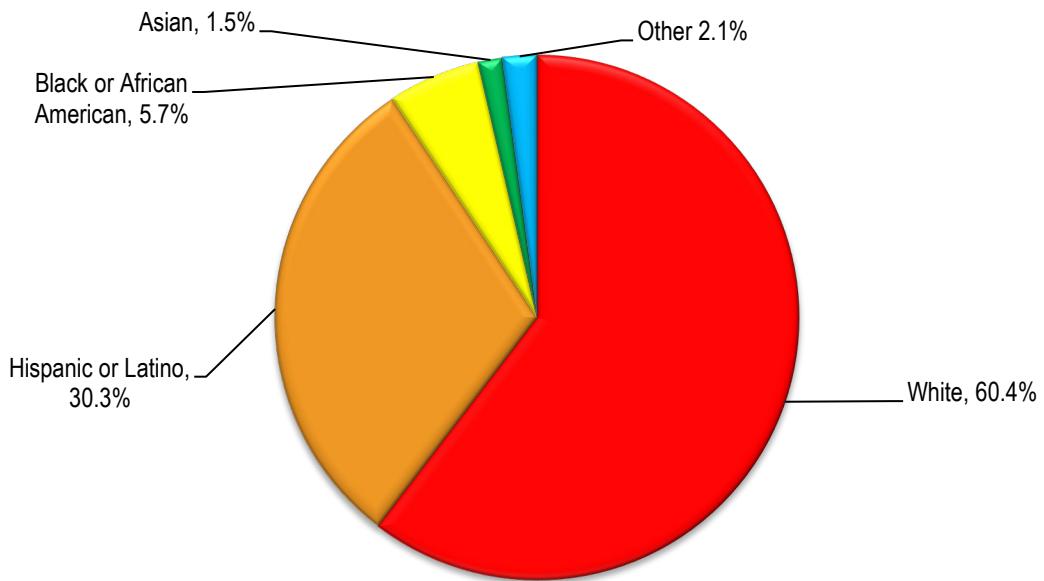
Age



Chapter 3: Village Profile

DEMOCRAPHICS (Continued)

Race



Education

High school graduate or higher	89.6%
Bachelor's degree or higher	35.9%

Housing

Housing units	6,442
Homeownership rate	82.1%
Median home value	\$221,500

Chapter 3: Village Profile

DEMOCRAPHICS (Continued)

Principal Property Tax Payers

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed
			Value
United Facilities, Inc.	\$ 9,586,328	1	1.91%
American Crystal Sugar Co.	6,712,445	2	1.33%
Wal-Mart Stores, Inc.	4,505,391	3	0.90%
Allsteel 900 Knell LLC	4,272,731	4	0.85%
Hawthorne-Woodridge LP	3,646,010	5	0.72%
Montgomery Investors LLC	3,182,900	6	0.63%
Fox River Foods, Inc.	2,957,741	7	0.59%
IP Eat Five	2,931,730	8	0.58%
Stag Montgomery, LLC	2,925,285	9	0.58%
Carl Buddig & Company	2,756,582	10	0.55%
	<u>\$ 43,477,143</u>		<u>8.64%</u>
2020 EAV	<u>\$ 503,085,892</u>		

Employment

Annual Average Unemployment Rates

Calendar Year	Village of Montgomery	Kane County	Kendall County	State of Illinois
2012	9.0%	8.8%	8.4%	8.9%
2013	9.0%	8.7%	8.4%	9.2%
2014	7.0%	6.8%	6.4%	7.1%
2015	5.5%	5.8%	5.1%	5.9%
2016	5.5%	5.5%	5.1%	5.8%
2017	4.9%	4.9%	4.3%	5.0%
2018	4.8%	4.8%	3.6%	4.3%
2019	4.4%	4.4%	3.3%	4.0%
2020	9.6%	9.1%	8.4%	9.5%
2021 (March)	N/A	7.1%	5.8%	7.1%

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 2021 budget – as approved by the Village Board
- Fiscal year 2021 year-to-date (YTD) – print out or review the activity and determine if something has been categorized incorrectly
- Fiscal year 2021 projections – estimate of what will be spent (or received for revenue) by the end of April
- Fiscal year 2022 to 2026 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 2022.

Chapter 4: Budget Process and Organization

Fiscal Year 2022 Budget Calendar (Bold Items Involve the Village Board)

9/11/2020	Budget and Community Investment Plan (CIP) kickoff meeting
11/9/2020	Announce and review tax levy (Village Board Meeting)
11/23/2020	Public hearing on tax levy (Village Board Meeting)
12/14/2020	Approval of tax levy (Village Board Meeting)
9/11/2020 – 12/15/2020	Departments review and prepare budget and CIP requests
12/15/2020	Submittal to Director of Finance - Revenue updates and projections - Expenditure updates and projections - Budget change requests - Personnel requests - Community investment requests
12/15/2020 – 2/4/2021	Review of updates, projections, and requests by Director of Finance
2/4/2021 – 2/10/2021	Budget submittal and review by Village Administrator
2/11/2021 – 2/12/2020	Departmental budget review with Village Administrator and Director of Finance
2/16/2021 – 2/19/2021	2 on 5 meetings with the Village Board
2/22/2021	Review General Fund (Village Board Meeting)
3/1/2021	Budget put on display for citizen review and publication of public hearing notice
3/8/2021	Public hearing (Village Board Meeting) First reading of budget ordinance Review Capital Improvement, Infrastructure Improvement, Water and Other Funds
3/22/2021	Second reading of budget ordinance (Village Board Meeting) Approval of budget
5/3/2021	Submittal to Director of Finance - Departmental description, responsibilities, and core strategies - FY2021 accomplishments and FY2022 goals - Departmental data/performance measures

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:

- FY2020 Actual – This column refers to the actual expenditures from the most recently completed fiscal year: FY2020 (May 1, 2019 through April 30, 2020). The source of this information is the Village's Annual Comprehensive Financial Report and financial software system.

Chapter 4: Budget Process and Organization

ORGANIZATION OF FINANCIAL PRESENTATION (Continued)

- FY2021 Budget – This column refers to the amount approved by the Village Board for the current fiscal year.
- FY2021 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.
- FY2022 Approved – This column refers to the amount approved by the Village Board for the upcoming fiscal year.
- FY2023 through FY2026 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 71 through 78 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 Community Investment Plan.

FUND GROUPS AND BASIS OF BUDGETING

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

Table 2 - 1

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

Chapter 4: Budget Process and Organization

FUND GROUPS AND BASIS OF BUDGETING (Continued)

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

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

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

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

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

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

Chapter 4: Budget Process and Organization

FUND GROUPS AND BASIS OF BUDGETING (Continued)

The Orchard Road Tax Increment Financing #2 Fund accounts for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's Orchard Road TIF District.

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 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)
- Caterpillar Drive TIF #3 Fund (Special Revenue)
- Blackberry Creek TIF #4 Fund (Special Revenue)
- Vehicle and Equipment Replacement 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)

Chapter 4: Budget Process and Organization

FUND GROUPS AND BASIS OF BUDGETING (Continued)

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:

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 custodial) 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)
- Flexible Benefits Fund (Custodial)
- Lakewood Creek Special Assessment Fund (Custodial)
- Cornell Avenue SSA Fund (Custodial)

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 2022 through fiscal year 2026 CIP is shown on page 81.

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 and updated in fiscal year 2021.

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.

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

Chapter 6: Financial Policies

FINANCIAL POLICIES (Continued)

Budget Policy (continued)

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 personnel (PR), budget change (BCR), and community investment (CIR) 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 2020 audited actual, fiscal year 2021 estimated, and fiscal year 2022 budgeted revenues for the Village of Montgomery as a whole.

REVENUES	Actual FY2020	Estimated FY2021	Budget FY2022
General	\$ 11,377,896	\$ 12,335,144	\$ 12,167,657
Motor Fuel Tax	697,968	1,181,643	1,233,546
Montgomery Development	28,964	34,035	3,400
Capital Improvement	1,358,612	16,512,133	1,573,136
Lakewood Creek Project	20,934	60,003	60,050
Infrastructure Improvement	3,401,944	3,388,210	3,717,466
TIF #1	34,083	35,000	35,000
TIF #2	1,066,260	1,199,882	1,234,412
TIF #3	-	-	-
TIF #4	-	-	-
Debt Service	1,610,586	2,944,207	1,178,137
Water	6,624,518	6,545,749	5,979,482
Water Improvement	897,846	466,529	556,559
Employee Insurance	1,468,152	1,255,435	1,319,971
Vehicle and Equipment Replacement	835,621	733,134	885,808
Refuse	1,241,515	1,291,566	1,340,510
Police Pension	1,072,916	2,951,596	2,114,980
Police Gifts	1,200	250	250
Special Service Areas	328,204	331,018	336,950
TOTAL REVENUES	\$ 32,067,219	\$ 51,265,534	\$ 33,737,314

Chapter 7: Executive Summary

ALL FUNDS SUMMARY (Continued)

The following table represents the 2020 audited actual, fiscal year 2021 estimated, and fiscal year 2022 budgeted expenditures for the Village of Montgomery as a whole.

EXPENDITURES	Actual FY2020	Estimated FY2021	Budget FY2022
General	\$ 11,200,177	\$ 11,333,798	\$ 12,127,365
Motor Fuel Tax	782,392	71,224	1,483,450
Montgomery Development	35,961	450,120	379,000
Capital Improvement	1,623,751	2,365,997	12,031,816
Lakewood Creek Project	54,972	60,000	60,000
Infrastructure Improvement	3,635,247	4,493,894	3,600,090
TIF #1	12,148	690	700
TIF #2	357,845	673,282	1,712,425
TIF #3	-	-	27,500
TIF #4	-	-	38,000
Debt Service	1,610,453	2,944,207	1,178,137
Water	6,424,381	6,758,450	6,373,150
Water Improvement	1,120,578	734,112	1,075,425
Employee Insurance	1,324,107	1,354,079	1,313,971
Vehicle and Equipment Replacement	623,635	532,082	611,082
Refuse	1,237,572	1,290,099	1,340,510
Police Pension	802,760	709,094	709,080
Police Gifts	534	1,000	1,000
Special Service Areas	314,097	333,977	298,889
TOTAL EXPENDITURES	\$ 31,160,610	\$ 34,106,105	\$ 44,361,590

Chapter 7: Executive Summary

ALL FUNDS SUMMARY (Continued)

The following table represents the estimated fund equity at the beginning and ending of fiscal year 2022, as well as the revenues (page 68) and expenditures (page 69), for the Village of Montgomery as a whole.

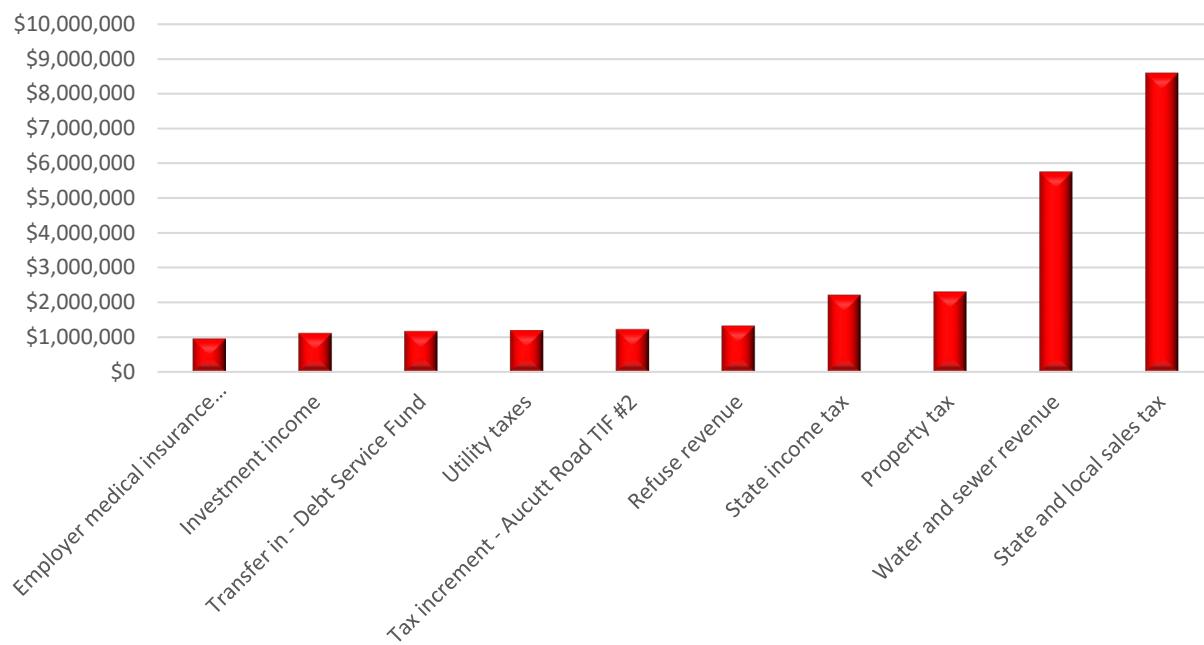
FUND EQUITY	Estimated Balance May 1, 2021	Approved Revenues FY2022	Approved Expenditures FY2022	Estimated Balance April 30, 2022	Percent Change in Fund Equity
General	\$ 5,996,384	\$ 12,167,657	\$ 12,127,365	\$ 6,036,676	0.7%
Motor Fuel Tax	1,555,294	1,233,546	1,483,450	1,305,390	-16.1%
Montgomery Development	1,073,008	3,400	379,000	697,408	-35.0%
Capital Improvement	14,298,589	1,573,136	12,031,816	3,839,909	-73.1%
Lakewood Creek Project	41,119	60,050	60,000	41,169	0.1%
Infrastructure Improvement	723,011	3,717,466	3,600,090	840,387	16.2%
TIF #1	111,369	35,000	700	145,669	30.8%
TIF #2	1,844,425	1,234,412	1,712,425	1,366,412	-25.9%
TIF #3	-	-	27,500	(27,500)	0.0%
TIF #4	-	-	38,000	(38,000)	0.0%
Debt Service	50,000	1,178,137	1,178,137	50,000	0.0%
Water	19,541,921	5,979,482	6,373,150	19,148,253	-2.0%
Water Improvement	518,866	556,559	1,075,425	-	0.0%
Employee Insurance	459,495	1,319,971	1,313,971	465,495	1.3%
Vehicle and Equipment Replacement	970,299	885,808	611,082	1,245,025	28.3%
Refuse	4,025	1,340,510	1,340,510	4,025	0.0%
Police Pension	13,172,401	2,114,980	709,080	14,578,301	10.7%
Police Gifts	6,991	250	1,000	6,241	-10.7%
Special Service Areas	758,753	336,950	298,889	796,814	5.0%
TOTAL FUND EQUITY	\$ 61,125,950	\$ 33,737,314	\$ 44,361,590	\$ 50,501,674	-17.4%

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

Chapter 7: Executive Summary

MAJOR REVENUES

The desire of the Village of Montgomery is to maintain a broad-based, well-diversified, and stable portfolio of revenues. Early in the budget process each revenue account is analyzed, and the current fiscal year's budgeted amounts are revised in order to form a more accurate basis for the next fiscal year's budgeted revenues. The detail revenue accounts are provided at the beginning of each fund in this budget document. The following revenue descriptions, assumptions and trends are provided only for the ten most significant or major revenue sources which explain 76.8% of the total revenues budgeted for fiscal year 2022, while all other revenues represent the remaining 23.2%. These revenues collectively support all Village operational and capital commitments.

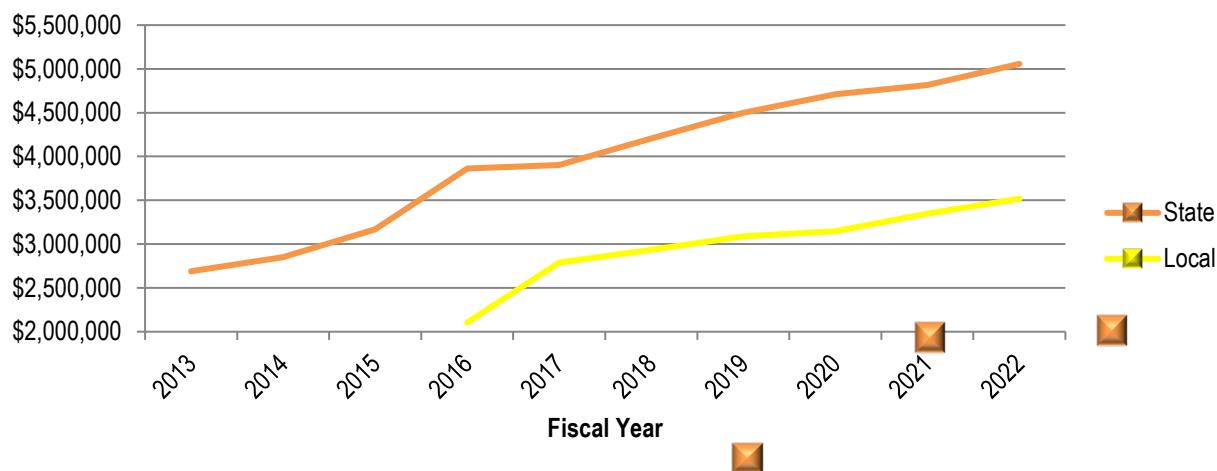


The trend information in charts below includes audited revenues from fiscal year 2013 through fiscal year 2020, estimated revenues for fiscal year 2021, and budgeted revenues for fiscal year 2022. Although this budget document includes projections for fiscal year 2023 through fiscal year 2026, the Village feels it is most important to include more actual data from the past for trend analysis.

Chapter 7: Executive Summary

State and local sales tax (\$8,574,161 or 25.4%)

The Village's single largest revenue source is sales tax. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed consistent even through the Great Recession. The Village began collecting non-home rule sales tax on July 1, 2015, which is collected on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. The increase in state sales tax for fiscal year 2016 is due to the addition of a major business, while the increase in local sales tax for fiscal year 2017 is due to collection of only 10 months in fiscal year 2016. The State of Illinois enacted a 2% administrative fee on local sales tax on July 1, 2017 to balance the State budget and reduced the fee to 1.5% starting July 1, 2018. The historical growth between fiscal year 2013 through fiscal year 2021 is approximately 7.7%; however, the Village has chosen to be conservative and is estimating fiscal year 2022 to increase by only 5%.

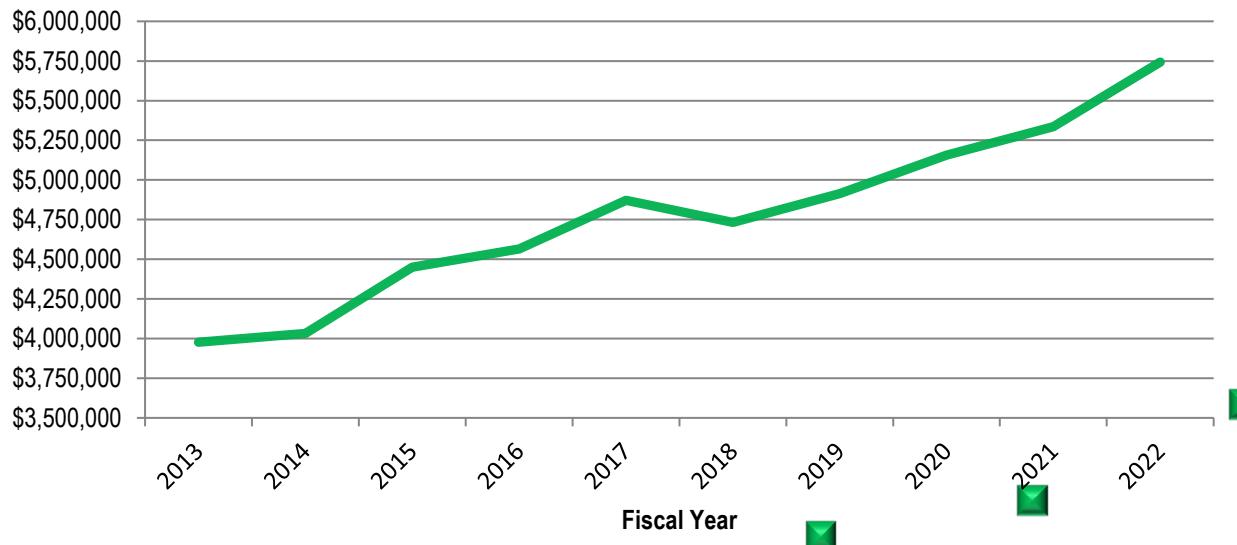


Water and sewer revenue (\$5,742,997 or 17.0%)

The Village owns a water and sewer utility and charges customers for using those services which constitutes the second largest revenue source for the Village. The revenue is based upon the immediate prior year's usage by existing residents along with the additional housing units brought online by new permits. Engineering Enterprise, Inc. prepared an updated 5-year water rate study during fiscal year 2018 and early fiscal year 2019. The Village Board approved a new rate structure in August 2018 of 5.5% rate increases through fiscal year 2032 and 2% rate increases each year thereafter. Accordingly, the fiscal year 2022 budget includes an increase in water usage rates of 5.5% as of May 1, 2021. 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 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. The developer has completed 10 buildings and received the full building permits for the last 3 buildings in July 2021.

Chapter 7: Executive Summary

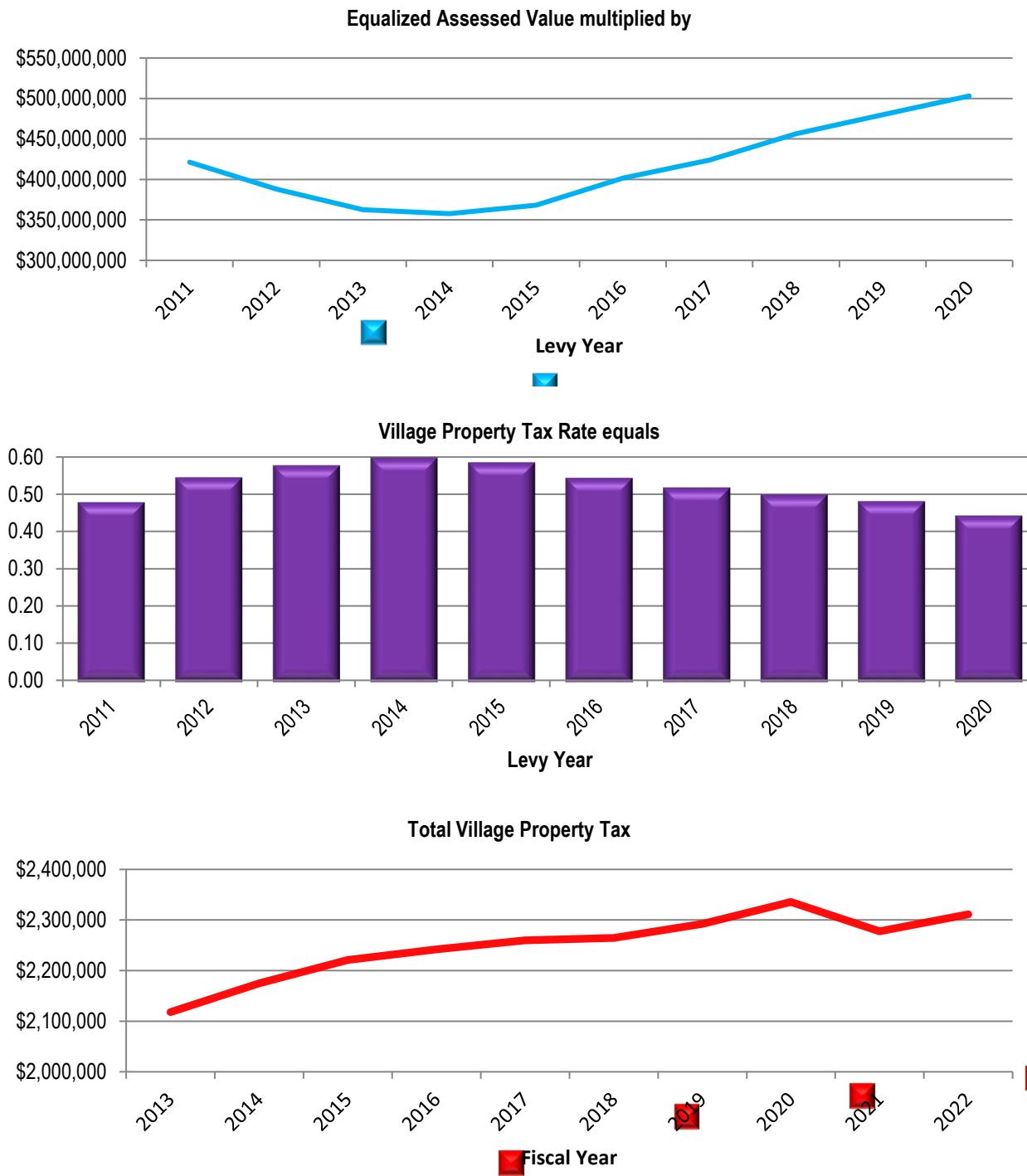


Property tax (\$2,311,159 or 6.9%)

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 2022 tax rate in April 2021, which is collectible in calendar year 2021 and reflected in fiscal year 2022. 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 2020 at approximately \$16 million and the Village Board froze property taxes for the seventh year on existing buildings. The two combined elements equated to an increase of approximately \$33,500 for fiscal year 2022.

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

Chapter 7: Executive Summary

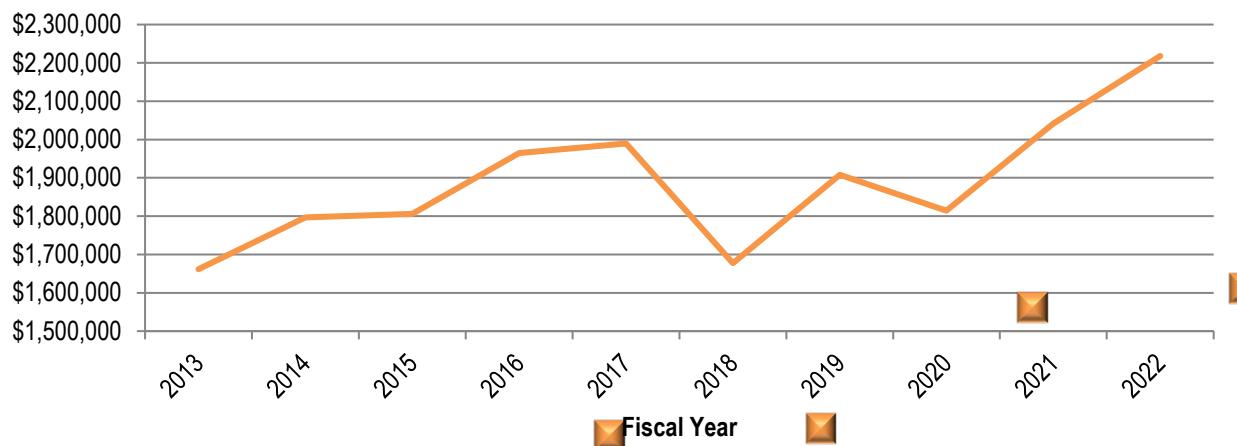


Chapter 7: Executive Summary

State income tax (\$2,218,000 or 6.6%)

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

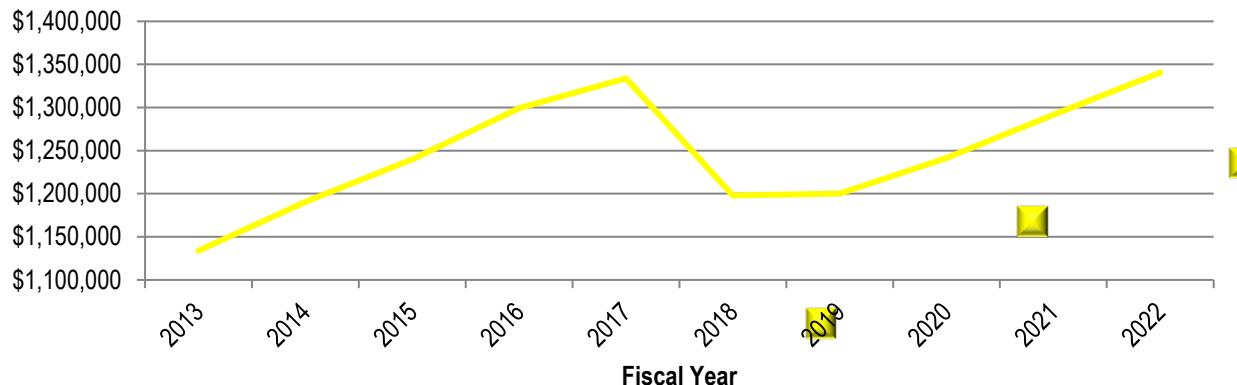
The Illinois Municipal League (IML) estimates the amount each municipality receives per capita every three months. Actual collections from the State of Illinois for fiscal year 2018 were \$90.99, which reflects the 10% reduction noted above. Actual collections from the State of Illinois for fiscal year 2019 were \$103.46, which reflects the 5% reduction noted above. The IML increased the amount for fiscal year 2022 to \$110.90 per capita to reflect the low unemployment rate and increase in profit for businesses. The Village estimated its 2020 Census population at 20,000 residents for 12 months of the year.



Refuse revenue (\$1,340,510 or 4.0%)

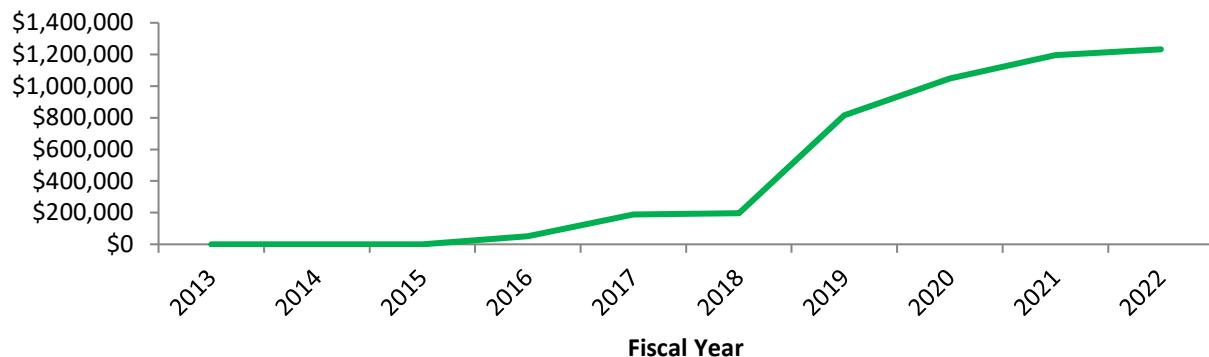
The Village charges residents for refuse services on their bi-monthly utility bill, which is the fifth largest revenue source for the Village. Refuse services were provided by Republic Services until July 31, 2017 for \$19.65 per month. The Village Board approved a 7-year contract with DeKalb County 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 2021 reflects 3 months at \$17.47 per month and 9 months at \$17.99 per month, while fiscal year 2022 reflects 3 months at \$17.99 and 9 months at \$18.52. The budgeted amount for direct customer refuse billing is based on the contract rate and the number of homes within Village limits.

Chapter 7: Executive Summary



Tax increment – Orchard Road TIF #2 (\$1,232,312 or 3.7%)

The Village established the Orchard 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 sixth largest revenue. The large increase in fiscal year 2019 is due to new buildings built by United Sugars and Nexeo, which were assessed at 50% of their value in fiscal year 2019, 85% of their value in fiscal year 2020, and 100% of their value in fiscal year 2021.

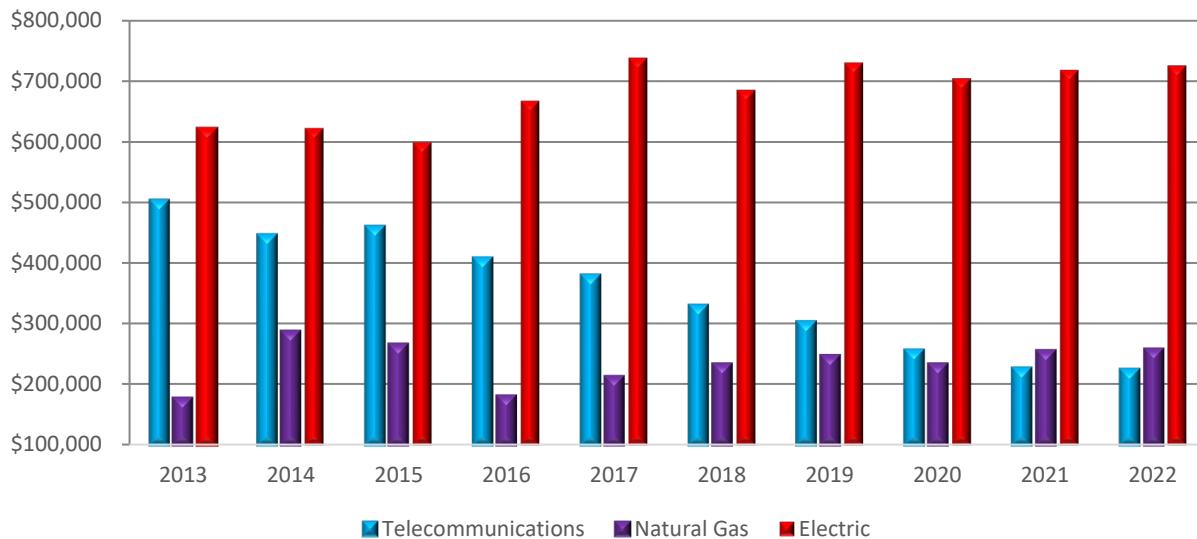


Utility taxes (\$1,207,491 or 3.6%)

Utility taxes consist of three components, which together make up the seventh 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. The continued reduction in telecommunications tax is due to residents moving to cell service only. Second, 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. Third, 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. Natural gas and electricity tax revenue streams will rise and fall due to the weather. Natural gas and electricity tax have stayed somewhat constant in recent years based on a combination of new homes and lower rates.

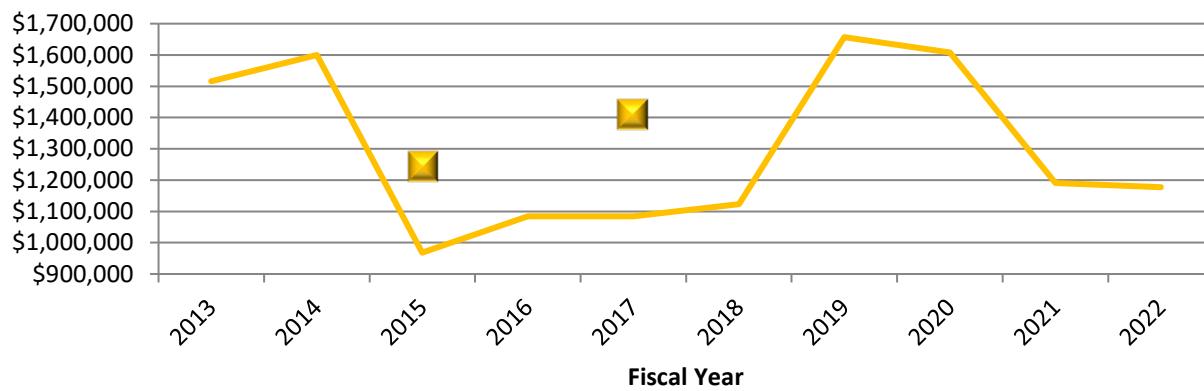
Chapter 7: Executive Summary

The Village expects to see telecommunications tax continue to decrease, while natural gas and electricity tax revenues rise slowly based on an increase in residential, commercial, and industrial development.



Transfers in – Debt Service Fund (\$1,177,637 or 3.5%)

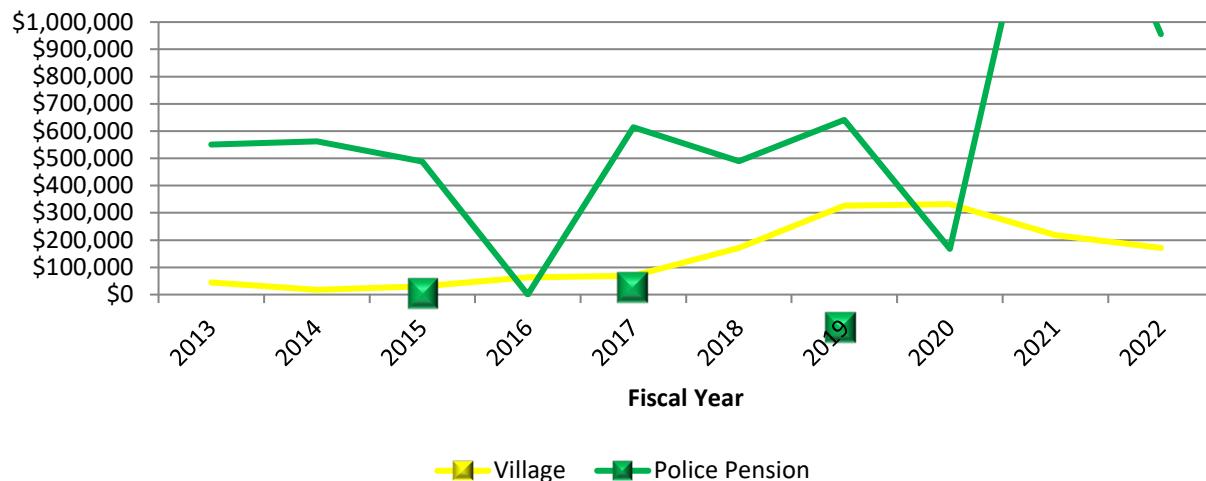
Transfers to the Debt Service Fund is the eighth largest revenue. The Debt Service Fund is used to accumulate monies for the Village's General Obligation Alternate Revenue Source Series 2011 and 2014 Bonds. The alternate revenue source bonds pledge income derived from sales and utility taxes. In addition, 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 align with our utility tax revenue projections more closely, 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 and beyond to previous levels of approximately \$1.2 million.



Chapter 7: Executive Summary

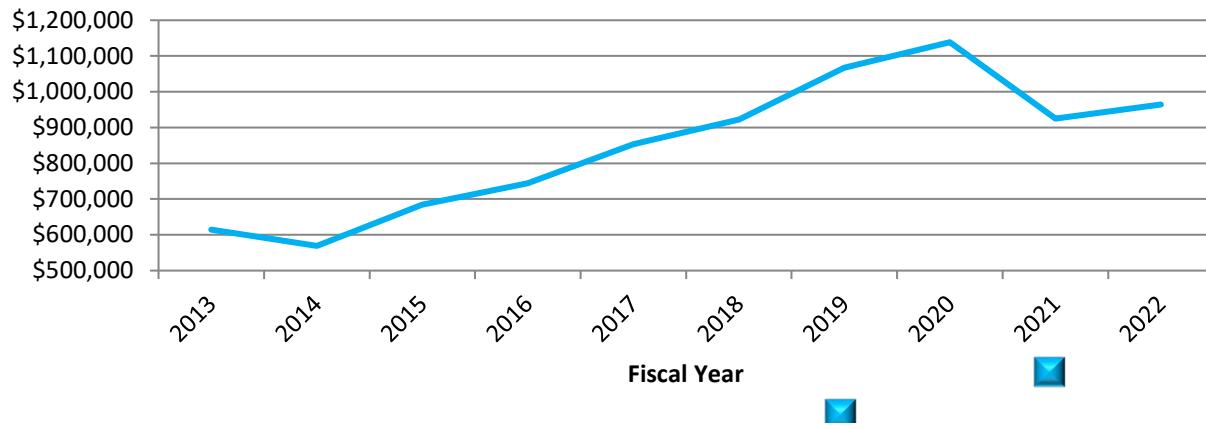
Investment income (\$1,126,850 or 3.3%)

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 ninth largest revenue, is highly dependent on the economy, as well as the amount available to invest, as shown by the graph below. The rates are conservatively based on the average return of 2.0% on the Village's 5-year laddered portfolio. The Police Pension Fund is budgeted at 7.0% based on the long-term expected return.



Employer medical insurance contributions (\$964,681 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 7.5% decrease in premiums as of July 1, 2021 based on information received from IPBC. Contributions, the Village's tenth largest revenue, is accounted for in the Employee Insurance Fund, the Village's only internal service fund.



Chapter 7: Executive Summary

MAJOR EXPENDITURES

Capital Outlay

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

Capital project costs can range from \$25,000 for the one-time acquisition of a piece of equipment to millions of dollars for the construction of new facilities. The total amount of capital outlay for fiscal year 2022 is \$18,265,889 or 41.2% of total budgeted expenditures. The largest projects and the applicable percent of capital outlay expenditures are as follows:

- New Public Works Center – \$10,854,179 or 59.4% – This \$15 million project consists of constructing a 73,900 square foot building that provides for improved staff amenities and has the ability to house the majority of their fleet within heated and covered storage. The new facility is proposed to be constructed very near to and south of the existing facility, which will remain. Some of the existing site components (salt barn, fueling island, etc.) will remain in use, allowing the Village to spend money on the construction of the new building as opposed to site amenities. Construction is expected to start in fiscal year 2022 and be completed in fiscal year 2023. The Village understands there will be additional operating costs for the new building and is working with our Architect and Construction Manager to gain a full understanding of those costs.
- Infrastructure Road Program (IRP) – \$4,950,438 or 27.1% – The Village utilizes non-home rule (NHR) sales tax, motor fuel tax, transportation renewal funds, and state and federal grants to fund the IRP. A new Pavement Management Report (see page 44) is completed every 5 years by completing an inventory of each street in the Village and assigning a rating to each roadway. The Pavement Condition Index (PCI) is a numerical index between 0 and 100 which is used to indicate the general condition of the pavement. The Village was only able to resurface an average of 1.1 miles of roadway per year (71-year rehabilitation cycle) in fiscal year 2016 and prior, whereby the Village's PCI continued to decrease. Since our non-home rule sales tax was implemented in fiscal year 2017, the Village has been able to resurface 7.1 miles of roadway per year (15-year rehabilitation cycle) and add preventative maintenance to the IRP, whereby the Village's overall PCI has increased from 70 to 81. The Village anticipates saving 20-25% over the life-cycle of our roadways which equals \$50,000 to \$75,000 per year.

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Capital Outlay (Continued)

- Montgomery Overflow Improvement – \$970,000 or 5.3% – 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 through 2038.
- Vehicle and equipment replacement – \$611,082 or 3.3% – 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 69 pieces of equipment valued at \$5.1 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 2022 budget includes replacement of 5 pieces of equipment. The Village expects vehicle repair and maintenance costs to decrease roughly \$10,000 (10%) over the next 5 years.
- Watermain Replacement Program (WRP) – \$593,800 or 3.3% – Our watermain replacement program replaces aging, critical infrastructure with new watermain that provide more reliable service, better water pressure, and high-quality water. The program is continuously being assessed and updated to reflect changes in break rates and interruptions to supply. We seek to balance the level of service provided against the expense of replacing watermain and understand both factors can impact our customers. We do not prioritize replacement based on solely on age, as all watermain has the potential to fail due to ground movement, internal and external corrosion, type of material used, and even water pressure inside of a watermain. Instead, we prioritize the replacement of watermain based on several factors including the likelihood of future watermain failures (i.e. previous failure history); consequence of watermain failures (i.e. customer interruption); cause of a restriction (i.e. low supply flow); and economic efficiency.

Our engineering consultant performed a water audit as part of the Village's Waterworks System Master Plan and water rate study completed in fiscal year 2017 and 2019, respectively. Unfortunately, the Village's non-revenue water equated to approximately 211 million gallons per year, averaging 23.7% of the treated water entering the system, at a cost of over \$200,000 per year. The WRP is an important start to help reduce the Village's non-revenue water and overall cost of water production, as a decrease of only 1% will save over \$8,000.

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Capital Outlay (Continued)

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 2022 through fiscal year 2026.

Project Title	Type	FY2022	FY2023	FY2024	FY2025	FY2026
ADA Self Evaluation and Transition Plans	Street	-	-	-	-	35,000
Galena Road and Cannonball Trail Intersection	Street	-	25,000	62,500	375,000	-
Infrastructure Road Program	Street	1,630,500	1,906,000	1,520,000	2,191,000	1,809,000
Knell Road Resurfacing	Street	38,100	592,400	-	-	-
MFT Road Maintenance	Street	1,483,450	89,250	1,495,250	101,450	1,507,850
Mill Street Bridge Lighting	Street	160,000	-	-	-	-
Montgomery Road and Douglas Road Signal Improvements	Street	57,500	-	-	-	-
Old Public Works Site Parking Lot Resurfacing	Street	-	-	18,900	291,600	-
Oswego Public Library Share Use Path	Street	342,838	-	-	-	-
Pavement Management Program	Street	9,000	9,250	9,500	90,000	10,000
Police Parking Lot and Drive Resurfacing	Street	18,000	346,000	-	-	-
Public Works Entrance Improvements	Street	868,000	-	-	-	-
Shared Use Path Maintenance	Street	-	-	45,600	53,000	49,100
Sidewalk Gap Installation Plan	Street	38,300	238,200	232,150	196,950	207,950
West Side to East Side Bike Path	Street	150,000	30,000	-	-	-
Water Main Replacements	Water	593,800	1,101,340	950,420	630,800	423,320
Water Rehabilitation Reserve	Water	186,390	439,050	487,230	1,255,830	1,582,130
Well 11 Electrical Gear Replacement	Water	100,000	-	-	-	-
West Water Tower Access	Water	-	-	-	-	27,000
Frelk Farm to Johnson Drive Storm Sewer	Storm	88,500	-	-	-	-
Parkview Drainage Basin Improvements	Storm	47,500	-	-	-	-
Pearl Street Drainage Channel Relocation	Storm	13,750	-	-	-	-
Route 31 Commercial Relief Storm Sewer	Storm	-	33,125	228,750	-	-
Aucutt Road Water Main Improvements	TIF #2	306,000	2,851,000	-	-	-
Aucutt Road Widening / Reconstruction	TIF #2	-	394,225	309,315	4,961,460	-
Montgomery Overflow Improvement	TIF #2	664,000	1,601,000	150,000	4,150,000	-
Mulberry Drive Extension	TIF #2	-	-	46,000	531,000	-
Traffic Signal at Knell and Orchard	TIF #2	-	-	75,000	690,000	-
GIS Atlas Map Updates and Support	Other	5,000	5,000	5,000	5,000	5,000
Vehicles and Equipment	Other	611,082	129,936	297,755	296,860	173,976
New Public Works Building	Other	10,854,179	3,550,427	-	-	-
		18,265,889	13,341,203	5,933,370	15,819,950	5,830,326

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Personal Services

The Village, as a service driven organization, continues to expend the greatest percentage of its operating budget (second largest overall) on personal services (wages and benefits). For fiscal year 2022, personal services expenditures are expected to total \$9,301,555 or 21.0% of total budgeted expenditures. This is an increase of 3.5% over the fiscal year 2021 budgeted expenditures of \$8,983,730.

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

The fiscal year 2022 budget includes an additional 0.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new position includes a part-time Community Development intern (Community Development).

Department	Actual				Budget FY2022	Change
	FY2018	FY2019	FY2020	FY2021		
General Government						
Administration	2.88	2.88	3.88	3.88	3.88	-
Finance	5.00	5.00	5.00	5.00	5.00	-
Community Development	5.00	5.00	5.00	5.00	5.50	0.50
General Government - Total	12.88	12.88	13.88	13.88	14.38	0.50
Public Safety						
Sworn Officers	30.00	31.00	32.00	33.00	33.00	-
Civilians/Other	3.75	4.38	4.38	4.38	4.38	-
Public Safety - Total	33.75	35.38	36.38	37.38	37.38	-
Public Works						
Administration	2.00	2.00	2.00	2.00	2.00	-
Street Maintenance	11.00	7.00	7.50	9.00	9.00	-
Water Operations	4.00	8.00	9.00	9.00	9.00	-
Building Maintenance	1.00	1.00	1.00	1.00	1.00	-
Fleet Maintenance	1.50	1.50	1.50	2.00	2.00	-
Public Works - Total	19.50	19.50	21.00	23.00	23.00	-
Total Village Employees	66.13	67.76	71.26	74.26	74.76	0.50

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Personal Services (Continued)

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

Description	Approved FY2022	Projected FY2023	Projected FY2024	Projected FY2025	Projected FY2026
Administration					
Village Administrator	1.00	1.00	1.00	1.00	1.00
Communications Manager	1.00	1.00	1.00	1.00	1.00
Executive Assistant	0.88	0.88	0.88	0.88	0.88
Human Resources Manager	1.00	1.00	1.00	1.00	1.00
Management Intern	-	0.50	0.50	0.50	0.50
	3.88	4.38	4.38	4.38	4.38
Finance Department					
Director of Finance	1.00	1.00	1.00	1.00	1.00
Accounting Manager	1.00	1.00	1.00	1.00	1.00
Accounts Payable Clerk	1.00	1.00	1.00	1.00	1.00
Water Billing Clerk	2.00	2.00	2.00	2.00	2.00
	5.00	5.00	5.00	5.00	5.00
Community Development					
Director of Community Development	1.00	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00	1.00
Planner	-	0.50	0.50	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	0.50
	5.50	6.50	7.00	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	2.00	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	24.00	24.00	24.00	24.00
Total	74.76	77.26	77.76	77.76	77.76

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. The Village's population has grown from just over 5,000 residents in 2000 to 18,438 residents in 2010 and 20,262 residents at the 2020 decennial census.

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 2022. Principal and interest payments for outstanding debt, the third largest expenditure, account for \$2,196,842 or 5.0% of total budgeted expenditures. The fiscal year 2022 debt service is split between governmental (\$1,186,734) and proprietary (\$1,010,108) 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 replaced lead service lines from our watermain all the way to the meter located inside 105 residential properties at a total cost of \$1.3 million. The Village was honored to have been selected by the IEPA to receive principal forgiveness of \$1 million (in fiscal year 2021), while the remaining balance was paid for with 2017 bond proceeds still on hand.

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: The Village anticipated the sale of Series 2021 bonds prior to April 30; however, this took place in June 2021 instead.

Debt Issuance	Total Debt Issued	Principal Outstanding (as of 4/30/2021)	Principal Due for FY2022	Interest Due for FY2022	Proposed Funding Source FY2022
Series 2011	4,410,000	1,710,000	405,000	49,294	Utility taxes (Capital Improvement Fund)
Series 2013	4,590,000	3,670,000	145,000	142,300	Net water revenues (Water Fund)
Series 2014	3,335,000	2,705,000	645,000	87,440	Utility taxes (Capital Improvement Fund)
Series 2017	3,370,000	3,095,000	140,000	102,686	Net water revenues (Water Fund)
Total	\$ 15,705,000	\$ 11,180,000	\$ 1,335,000	\$ 381,720	

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

Debt Service Summary (Continued)

General obligation bonds (continued)

As of April 30, 2022, debt service requirements to maturity on the outstanding general obligation bonds, including interest are as follows:

Ending April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,050,000	\$ 136,734	\$ 1,186,734	\$ 285,000	\$ 244,967	\$ 529,967
2023	1,085,000	106,753	1,191,753	295,000	236,436	531,436
2024	1,120,000	75,253	1,195,253	305,000	227,588	532,588
2025	1,160,000	38,913	1,198,913	315,000	218,438	533,438
2026				325,000	207,388	532,388
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>\$ 4,415,000</u>	<u>\$ 357,653</u>	<u>\$ 4,772,653</u>	<u>\$ 6,765,000</u>	<u>\$ 2,592,833</u>	<u>\$ 9,357,833</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 and fiscal year 2021 whose principal of \$1 million was 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 4/30/2021)	Principal Due for FY2022	Interest Due for FY2022	Proposed Funding Source FY2022
2002 Loan	\$ 1,128,780	\$ 144,709	\$ 71,393	\$ 3,397	Net water revenues (Water Fund)
2011 Loan	4,310,177	2,570,868	219,427	31,453	Net water revenues (Water Fund)
2014 Loan	2,482,931	1,878,494	117,559	36,893	Net water revenues (Water Fund)
Total	\$ 7,921,888	\$ 4,594,071	\$ 408,379	\$ 71,743	

As of April 30, 2022, debt service requirements to maturity on the outstanding IEPA loans, including interest are as follows:

Fiscal Year Ending April 30	Business-Type Activities			
	Principal	Interest	Total	
2022	\$ 408,379	\$ 71,743	\$ 480,122	
2023	415,409	64,713	480,122	
2024	347,284	58,048	405,332	
2025	352,559	52,773	405,332	
2026	357,916	47,416	405,332	
2027	363,360	41,972	405,332	
2028	368,891	36,441	405,332	
2029	374,511	30,821	405,332	
2030	380,221	25,111	405,332	
2031	386,024	19,308	405,332	
2032	391,922	13,410	405,332	
2033	146,248	8,204	154,452	
2034	149,180	5,272	154,452	
2035	152,167	2,285	154,452	
	\$ 4,594,071	\$ 477,517	\$ 5,071,588	

Chapter 7: Executive Summary

MAJOR EXPENDITURES (Continued)

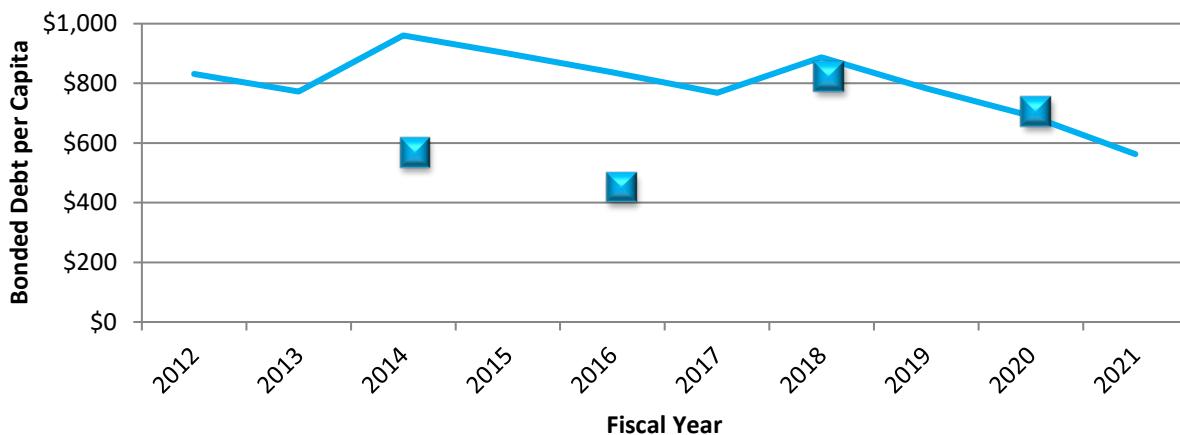
Debt Service Summary (Continued)

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 - 2020	\$ 503,085,892
Legal Debt Limit - 8.625% of Assessed Value	\$ 43,391,158
General Obligation Debt:	
Series 2011	\$ 1,710,000
Series 2013	3,670,000
Series 2014	2,705,000
Series 2017	3,095,000
Total General Obligation Debt	11,180,000
Less: Alternate Revenue Source Bonds	(11,180,000)
Total Applicable Debt	-
Legal Debt Margin	\$ 43,391,158

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 (18,438 through 2020 and 20,262 in 2021) 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 79.

Motor Fuel Tax Funds are disbursed to the Village from the Illinois Department of Transportation on a per capita basis. Motor Fuel Taxes are derived from a tax on the privilege of operating motor vehicles upon public highways based on the consumption of motor fuel. Use of Motor Fuel Tax Funds is restricted to direct expenses associated with, but not limited to, street improvements and maintenance, storm sewers and bicycle parking facilities, paths, signs and markings based upon the appropriate Illinois State Statutes. Motor Fuel Tax operations include micro-surfacing, concrete curb and gutter replacement, street rebuilding and improvements. The Village has changed to higher dollar projects every other year, awarded to an outside contractor based on bid results received, to take advantage of economies of scale. The Village built the fund balance back up in fiscal year 2021 in preparation for a \$1,400,000 project in fiscal year 2022.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Intergovernmental, grants, and contributions								
Allotments - high growth cities	11,834	12,000	115,026	40,000	40,000	40,000	40,000	40,000
Allotments - Motor Fuel Tax	451,781	458,184	385,828	458,000	458,000	458,000	458,000	458,000
Allotments - Transportation Renewal Fund	228,612	311,049	273,804	329,000	329,000	329,000	329,000	329,000
Allotments - Rebuild Illinois Bond Fund	-	-	405,046	405,046	405,046	-	-	-
Total intergovernmental, grants, and contributions	692,227	781,233	1,179,704	1,232,046	1,232,046	827,000	827,000	827,000
Investment income								
Interest income - cash and investments	5,741	6,000	1,939	1,500	1,500	1,500	1,500	1,500
Total investment income	5,741	6,000	1,939	1,500	1,500	1,500	1,500	1,500
Total revenues	697,968	787,233	1,181,643	1,233,546	1,233,546	828,500	828,500	828,500
EXPENDITURES								
Contractual services - property								
Infrastructure repair and maintenance - streets and alleys	663,848	-	-	1,400,000	543,400	1,400,000	375,000	1,400,000
Total contractual services - property	663,848	-	-	1,400,000	543,400	1,400,000	375,000	1,400,000
Commodities								
Public Works supplies - snow removal	118,544	181,000	71,224	83,450	89,250	95,250	101,450	107,850
Total commodities	118,544	181,000	71,224	83,450	89,250	95,250	101,450	107,850
Total expenditures	782,392	181,000	71,224	1,483,450	632,650	1,495,250	476,450	1,507,850
Net change in fund balance	(84,424)	606,233	1,110,419	(249,904)	600,896	(666,750)	352,050	(679,350)
Fund balance - beginning	529,299	444,875	444,875	1,555,294	1,305,390	1,906,286	1,239,536	1,591,586
Fund balance - ending	444,875	1,051,108	1,555,294	1,305,390	1,906,286	1,239,536	1,591,586	912,236

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 three programs:

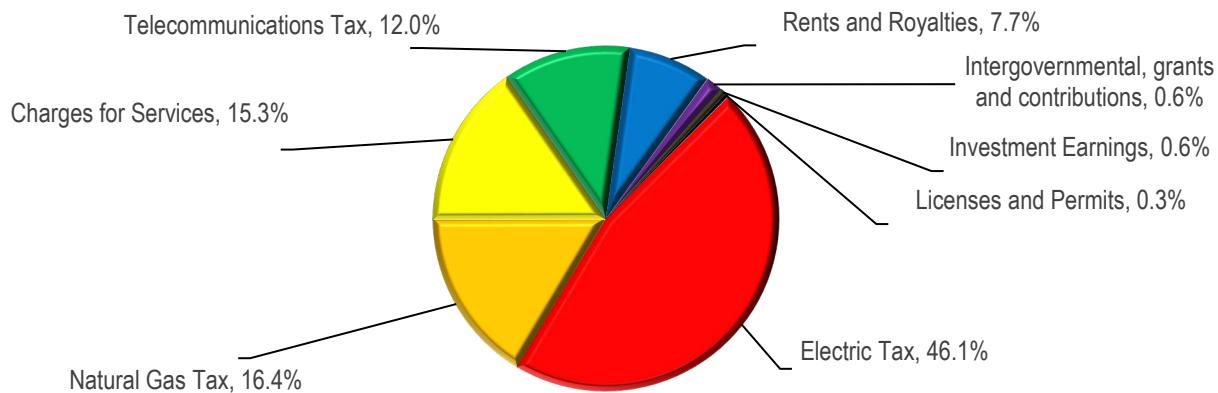
- The Forgivable Loan Program consists of approximately \$500,000 and is focused on retail and commercial businesses. Businesses will be required to continue operating in the Village for at least three (3) years from the date of project approval to receive forgiveness of the loan. The maximum forgivable loan is \$200,000. Five forgivable loans were approved during fiscal year 2021 for a total of \$240,000.
- 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. There were no low interest loans approved during fiscal year 2021.
- The Small Business COVID-19 Response Grant Program was established in May 2020 in an effort to help small businesses during the COVID-19 pandemic. This grant program can be used to assist private for-profit small businesses with working capital funding. Thirty-eight COVID-19 Response Grants were approved during fiscal year 2021 for a total of \$190,000.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Intergovernmental, grants, and contributions								
State grants - DCEO Local CURE	-	-	30,000	-	-	-	-	-
Total charges for services	-	-	30,000	-	-	-	-	-
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	27,938	25,000	3,535	2,400	1,800	1,650	1,500	1,350
Interest income - loans	526	-	-	-	-	-	-	-
Total investment income	28,464	25,000	3,535	2,400	1,800	1,650	1,500	1,350
Total revenues	28,964	26,000	34,035	3,400	2,800	2,650	2,500	2,350
EXPENDITURES								
Contractual services - professional and technical								
Legal services - development (village)	5,460	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional services - Montgomery development	20,000	20,000	230,000	20,000	20,000	20,000	20,000	20,000
Total contractual services - professional and technical	25,460	24,000	234,000	24,000	24,000	24,000	24,000	24,000
Capital outlay								
Gateway enhancement program	2,266	30,000	293	30,000	30,000	30,000	30,000	30,000
Downtown streetscape enhancement	8,235	-	5,827	-	-	-	-	-
Mill District Master Plan	-	100,000	210,000	325,000	-	-	-	-
Total capital outlay	10,501	130,000	216,120	355,000	30,000	30,000	30,000	30,000
Total expenditures	35,961	154,000	450,120	379,000	54,000	54,000	54,000	54,000
Net change in fund balance	(6,997)	(128,000)	(416,085)	(375,600)	(51,200)	(51,350)	(51,500)	(51,650)
Fund balance - beginning	1,496,090	1,489,093	1,489,093	1,073,008	697,408	646,208	594,858	543,358
Fund balance - ending	1,489,093	1,361,093	1,073,008	697,408	646,208	594,858	543,358	491,708

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 75% of the revenue for the fiscal year 2022 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. The Village planned to issue \$15 million of bonds prior to the end of fiscal year 2021 to pay for the construction of a new Public Works Center; however, the sale was delayed until June 2021. The Village returned to the accumulation of fund balance in fiscal year 2021 and beyond with level debt service of \$1.2 million through fiscal year 2041.

Chapter 8: Fund Summary

CAPITAL IMPROVEMENT FUND (Continued)

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Other taxes								
Utility tax - electric	703,664	714,637	717,654	724,831	732,079	739,400	746,794	754,262
Utility tax - natural gas	233,629	241,416	255,001	257,551	260,127	262,728	265,355	268,009
Utility tax - telecommunications	213,863	216,244	190,003	188,103	186,222	184,360	182,516	180,691
Total other taxes	1,151,156	1,172,297	1,162,658	1,170,485	1,178,428	1,186,488	1,194,665	1,202,962
Licenses and permits								
Permits - small cell wireless permit	5,250	4,950	2,300	4,950	4,950	4,950	4,950	4,950
Total licenses and permits	5,250	4,950	2,300	4,950	4,950	4,950	4,950	4,950
Charges for services								
Development fees - Saratoga Springs	2,068	2,585	2,585	-	-	-	-	-
Development fees - Marquis Pointe	2,760	4,140	4,140	5,520	5,520	6,900	6,900	6,900
Development fees - Lennar (Huntington Chase)	33,120	8,280	12,420	-	-	-	-	-
Development fees - Ryan (Balmoreau)	55,520	82,800	97,880	191,820	33,120	16,560	-	-
Development fees - new development	-	-	-	-	8,000	16,000	57,000	57,000
Traffic control fees - Lennar (Huntington Chase)	7,360	1,920	1,920	-	-	-	8,000	8,000
Traffic control fees - Ryan (Balmoreau)	12,680	19,020	24,620	44,063	7,608	3,804	-	-
Total charges for services	113,508	118,745	143,565	241,403	54,248	43,264	71,900	71,900
Intergovernmental, grants, and contributions								
Local grant - Eligio civic	-	22,653	22,653	24,712	24,712	2,059	-	-
Local grant - Kane County bike share	-	-	7,000	-	-	-	-	-
Total intergovernmental, grants, and contributions	-	22,653	29,653	24,712	24,712	2,059	-	-
Investment income								
Interest income - cash and investments	16,492	10,000	15,521	10,000	10,000	10,000	10,000	10,000
Total investment income	16,492	10,000	15,521	10,000	10,000	10,000	10,000	10,000
Miscellaneous								
Rents and royalties - water tower rental	72,206	118,044	118,044	121,586	125,234	128,990	132,860	136,846
Total miscellaneous	72,206	118,044	118,044	121,586	125,234	128,990	132,860	136,846
Total revenues	1,358,612	1,446,689	1,471,741	1,573,136	1,397,572	1,375,751	1,414,375	1,426,658
EXPENDITURES								
Capital outlay								
Capital outlay - Public Works facility	98	128,126	951,960	10,854,179	3,550,427	-	-	-
Capital outlay - Village Hall facility	15,375	7,320	6,808	-	-	-	-	-
Total capital outlay	15,473	135,446	958,768	10,854,179	3,550,427	-	-	-
Debt service								
Bond issuance costs	-	-	216,420	-	-	-	-	-
Total debt service	-	-	216,420	-	-	-	-	-
Total expenditures	15,473	135,446	1,175,188	10,854,179	3,550,427	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,343,139	1,311,243	296,553	(9,281,043)	(2,152,855)	1,375,751	1,414,375	1,426,658
Other financing sources (uses)								
Bond proceeds	-	-	13,560,000	-	-	-	-	-
Premium on bonds	-	-	1,480,392	-	-	-	-	-
Transfers out	(1,608,278)	(1,188,809)	(1,190,809)	(1,177,637)	(1,219,415)	(1,219,465)	(1,221,175)	(1,191,325)
Total other financing sources (uses)	(1,608,278)	(1,188,809)	13,849,583	(1,177,637)	(1,219,415)	(1,219,465)	(1,221,175)	(1,191,325)
Net change in fund balance	(265,139)	122,434	14,146,136	(10,458,680)	(3,372,270)	156,286	193,200	235,333
Fund balance - beginning	417,592	152,453	152,453	14,298,589	3,839,909	467,639	623,925	817,125

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, have budgeted more than double that in fiscal year 2022 at \$3.5 million, and will begin to save for larger projects starting in fiscal year 2023.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Charges for services								
Other reimbursements - streets	212,282	87,500	-	95,030	-	-	-	-
Total charges for services	212,282	87,500	-	95,030	-	-	-	-
Intergovernmental, grants, and contributions								
Non-home rule sales tax	3,146,070	3,395,653	3,349,368	3,516,836	3,692,678	3,877,312	4,071,178	4,274,737
Local grant - Kendall County	-	75,600	-	75,600	-	-	-	-
Total intergovernmental, grants, and contributions	3,146,070	3,471,253	3,349,368	3,592,436	3,692,678	3,877,312	4,071,178	4,274,737
Investment income								
Interest income - cash and investments	43,592	30,000	38,842	30,000	30,000	30,000	30,000	30,000
Total investment income	43,592	30,000	38,842	30,000	30,000	30,000	30,000	30,000
Total revenues	3,401,944	3,588,753	3,388,210	3,717,466	3,722,678	3,907,312	4,101,178	4,304,737
EXPENDITURES								
Contractual services - professional and technical								
Engineering services - municipal projects	695,926	783,100	782,292	733,388	562,375	524,025	530,100	492,000
Total contractual services - professional and technical	695,926	783,100	782,292	733,388	562,375	524,025	530,100	492,000
Contractual services - property								
Infrastructure repair and maintenance - streets and alleys	2,823,206	3,994,700	3,578,500	2,733,600	2,079,200	1,598,375	2,297,450	1,624,050
Total contractual services - property	2,823,206	3,994,700	3,578,500	2,733,600	2,079,200	1,598,375	2,297,450	1,624,050
Contractual services - other								
Property tax rebate	116,115	133,102	133,102	133,102	133,102	133,102	133,102	133,102
Total contractual services - other	116,115	133,102	133,102	133,102	133,102	133,102	133,102	133,102
Total expenditures	3,635,247	4,910,902	4,493,894	3,600,090	2,774,677	2,255,502	2,960,652	2,249,152
Net change in fund balance	(233,303)	(1,322,149)	(1,105,684)	117,376	948,001	1,651,810	1,140,526	2,055,585
Fund balance - beginning	2,061,998	1,828,695	1,828,695	723,011	840,387	1,788,388	3,440,198	4,580,724
Fund balance - ending	1,828,695	506,546	723,011	840,387	1,788,388	3,440,198	4,580,724	6,636,309

Chapter 8: Fund Summary

LAKWOOD CREEK PROJECT FUND

The Lakewood Creek Project Fund originally accounted for the issuance of Special Assessment bonds to pay for construction of public infrastructure improvements in the Lakewood Creek neighborhood. The fees paid by the Village to the third-party servicing agent and trustee (paying agent) now flow through this fund.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Investment income								
Interest income - cash and investments	973	750	3	50	50	50	50	50
Total investment income	973	750	3	50	50	50	50	50
Miscellaneous								
Lakewood Creek Custodial Fund	19,961	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total miscellaneous	19,961	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total revenues	20,934	60,750	60,003	60,050	60,050	60,050	60,050	60,050
EXPENDITURES								
Contractual services - professional and technical								
Other professional services	54,972	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total contractual services - professional and technical	54,972	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total expenditures	54,972	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Net change in fund balance	(34,038)	750	3	50	50	50	50	50
Fund balance - beginning	75,154	41,116	41,116	41,119	41,169	41,219	41,269	41,319
Fund balance - ending	41,116	41,866	41,119	41,169	41,219	41,269	41,319	41,369

US ROUTE 30 AND FIFTH STREET TAX INCREMENT FINANCING (TIF) DISTRICT #1 FUND

The US Route 30 and Fifth Street Tax Increment Financing (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 2029.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - TIF	34,083	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total property taxes	34,083	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total revenues	34,083	35,000	35,000	35,000	35,000	35,000	35,000	35,000
EXPENDITURES								
Contractual services - professional and technical								
Legal services - development (village)	198	300	300	300	300	300	300	300
Accounting and auditing services - general	380	390	390	400	410	420	430	440
Total contractual services - professional and technical	578	690	690	700	710	720	730	740
Capital outlay								
Capital outlay - Spatz rough grading	11,570	-	-	-	-	-	-	-
Total capital outlay	11,570	-	-	-	-	-	-	-
Total expenditures	12,148	690	690	700	710	720	730	740
Net change in fund balance	21,935	34,310	34,310	34,300	34,290	34,280	34,270	34,260
Fund balance - beginning	55,124	77,059	77,059	111,369	145,669	179,959	214,239	248,509
Fund balance - ending	77,059	111,369	111,369	145,669	179,959	214,239	248,509	282,769

Chapter 8: Fund Summary

ORCHARD ROAD TAX INCREMENT FINANCING (TIF) DISTRICT #2 FUND

The Orchard Road Tax Increment Financing (TIF) District #2 Fund accounts for property taxes collected on the incremental increase in the equalized assessed value within the district. The Aucutt Road corridor is one of Montgomery's most prominent industrial areas, representing significant growth potential. Four private developments (Buddig, Michels, United Sugars, and Nexo) comprise over 75% of the tax increment in TIF #2. The large increase in fiscal year 2019 is due to new buildings built by United Sugars and Nexo, which were assessed at 50% of their value in fiscal year 2019 and have now increased to 100% of their value in fiscal year 2021. The Village will start construction of a regional detention basin in fiscal year 2022 in preparation for future projects such as widening Aucutt Road and upsizing watermain.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - TIF	1,048,769	1,196,419	1,196,419	1,232,312	1,269,281	1,607,359	1,946,580	2,004,977
Total property taxes	1,048,769	1,196,419	1,196,419	1,232,312	1,269,281	1,607,359	1,946,580	2,004,977
Investment income								
Interest income - cash and investments	17,491	13,000	3,463	2,100	2,100	2,100	2,100	2,100
Total investment income	17,491	13,000	3,463	2,100	2,100	2,100	2,100	2,100
Total revenues	1,066,260	1,209,419	1,199,882	1,234,412	1,271,381	1,609,459	1,948,680	2,007,077
EXPENDITURES								
Contractual services - professional and technical								
Legal services - development (village)	2,559	1,500	7,500	3,000	3,000	3,000	3,000	3,000
Economic development services - TIF	-	500	-	500	500	500	500	500
Accounting and auditing services - general	380	390	390	400	410	420	430	440
Total contractual services - professional and technical	2,939	2,390	7,890	3,900	3,910	3,920	3,930	3,940
Contractual services - other								
Other contractual services - tax districts	267,797	183,034	175,392	188,525	194,181	200,006	206,006	212,186
Other contractual services - tax rebate	-	-	-	550,000	550,000	550,000	550,000	300,000
Total contractual services - other	267,797	183,034	175,392	738,525	744,181	750,006	756,006	512,186
Capital outlay								
Capital outlay - streets	31,084	-	10,000	-	394,225	355,315	5,492,460	-
Capital outlay - watermain	-	-	-	306,000	2,851,000	-	-	-
Capital outlay - stormsewer	5,310	901,000	463,000	664,000	1,601,000	350,000	4,150,000	-
Capital outlay - traffic signal	50,715	-	17,000	-	-	75,000	690,000	-
Total capital outlay	87,109	901,000	490,000	970,000	4,846,225	780,315	10,332,460	-
Debt service								
Principal payment - 2023	-	-	-	-	-	-	255,000	260,000
Principal payment - 2025	-	-	-	-	-	-	-	650,000
Interest payment - 2023	-	-	-	-	-	134,333	161,200	153,550
Interest payment - 2025	-	-	-	-	-	-	-	292,375
Fiscal agent fees	-	-	-	-	-	475	475	950
Issuance costs	-	-	-	-	100,520	-	176,600	-
Total debt service	-	-	-	-	100,520	134,808	593,275	1,356,875
Total expenditures	357,845	1,086,424	673,282	1,712,425	5,694,836	1,669,049	11,685,671	1,873,001
Excess (deficiency) of revenues over (under) expenditures	708,415	122,995	526,600	(478,013)	(4,423,455)	(59,590)	(9,736,991)	134,076
Other financing sources (uses)								
Bond proceeds	-	-	-	-	4,440,000	-	9,575,000	-
Premium on bonds	-	-	-	-	665,186	-	1,104,524	-
Total other financing sources (uses)	-	-	-	-	5,105,186	-	10,679,524	-
Net change in fund balance	708,415	122,995	526,600	(478,013)	681,731	(59,590)	942,533	134,076
Fund balance - beginning	609,410	1,317,825	1,317,825	1,844,425	1,366,412	2,048,143	1,988,553	2,931,086
Fund balance - ending	1,317,825	1,440,820	1,844,425	1,366,412	2,048,143	1,988,553	2,931,086	3,065,162

Chapter 8: Fund Summary

CATERPILLAR DRIVE TAX INCREMENT FINANCING (TIF) DISTRICT #3 FUND

The Caterpillar Drive Tax Increment Financing (TIF) District #3 Fund was established to explore the possibility of creating a third TIF district within the Village starting in fiscal year 2022.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - TIF	-	-	-	-	-	50,000	100,000	200,000
Total property taxes	-	-	-	-	-	50,000	100,000	200,000
Total revenues	-	-	-	-	-	50,000	100,000	200,000
EXPENDITURES								
Contractual services - professional and technical								
Engineering services - development (village)	-	5,000	-	5,000	-	-	-	-
Legal services - development (village)	-	8,000	-	8,000	500	500	500	500
Economic development services - TIF	-	14,500	-	14,500	-	-	-	-
Accounting and auditing services - general	-	-	-	-	410	420	430	440
Total contractual services - professional and technical	-	27,500	-	27,500	910	920	930	940
Total expenditures	-	27,500	-	27,500	910	920	930	940
Net change in fund balance	-	(27,500)	-	(27,500)	(910)	49,080	99,070	199,060
Fund balance - beginning	-	-	-	-	(27,500)	(28,410)	20,670	119,740
Fund balance - ending	-	(27,500)	-	(27,500)	(28,410)	20,670	119,740	318,800

BLACKBERRY CREEK TAX INCREMENT FINANCING (TIF) DISTRICT #4 FUND

The Blackberry Creek Tax Increment Financing (TIF) District #4 Fund was established to explore the possibility of creating a fourth TIF district within the Village starting in fiscal year 2022.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 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	-	-	-	25,000	-	-	-	-
Accounting and auditing services - general	-	-	-	-	410	420	430	440
Total contractual services - professional and technical	-	-	-	38,000	910	920	930	940
Total expenditures	-	-	-	38,000	910	920	930	940
Net change in fund balance	-	-	-	(38,000)	(910)	49,080	99,070	199,060
Fund balance - beginning	-	-	-	-	(38,000)	(38,910)	10,170	109,240
Fund balance - ending	-	-	-	(38,000)	(38,910)	10,170	109,240	308,300

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 2011 and Series 2014) for payment of the principal and interest on governmental debt (non-proprietary). The Village planned to issue \$1.2 million of bonds prior to the end of fiscal year 2021 to partially refund the Series 2011 bonds; however, the sale was delayed until June 2021. 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, 2021 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.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Investment income								
Interest income - cash and investments	2,308	2,500	500	500	500	500	500	500
Total investment income	<u>2,308</u>	<u>2,500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Total revenues	<u>2,308</u>	<u>2,500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
EXPENDITURES								
Debt service								
Principal - Series 2008A bonds	1,000,000	-	-	-	-	-	-	-
Principal - Series 2011 bonds	385,000	395,000	395,000	-	-	-	-	-
Principal - Series 2014 bonds	-	630,000	630,000	645,000	665,000	685,000	710,000	-
Principal - Series 2021 bonds	-	-	-	155,000	-	-	-	705,000
Interest - Series 2008A bonds	50,000	-	-	-	-	-	-	-
Interest - Series 2011 bonds	68,313	59,169	59,169	-	-	-	-	-
Interest - Series 2014 bonds	106,340	106,340	106,340	87,440	68,090	48,140	24,850	-
Interest - Series 2021 bonds	-	-	-	289,822	485,950	485,950	485,950	485,950
Fiscal agent fees	800	800	800	875	875	875	875	875
Bond issuance costs	-	-	24,180	-	-	-	-	-
Payment to escrow agent	-	-	1,728,718	-	-	-	-	-
Total debt service	<u>1,610,453</u>	<u>1,191,309</u>	<u>2,944,207</u>	<u>1,178,137</u>	<u>1,219,915</u>	<u>1,219,965</u>	<u>1,221,675</u>	<u>1,191,825</u>
Total expenditures	<u>1,610,453</u>	<u>1,191,309</u>	<u>2,944,207</u>	<u>1,178,137</u>	<u>1,219,915</u>	<u>1,219,965</u>	<u>1,221,675</u>	<u>1,191,825</u>
Deficiency of revenues under expenditures	<u>(1,608,145)</u>	<u>(1,188,809)</u>	<u>(2,943,707)</u>	<u>(1,177,637)</u>	<u>(1,219,415)</u>	<u>(1,219,465)</u>	<u>(1,221,175)</u>	<u>(1,191,325)</u>
Other financing sources (uses)								
Transfers in	1,608,278	1,188,809	1,190,809	1,177,637	1,219,415	1,219,465	1,221,175	1,191,325
Bond proceeds	-	-	1,515,000	-	-	-	-	-
Premium on bonds	-	-	237,898	-	-	-	-	-
Total other financing sources (uses)	<u>1,608,278</u>	<u>1,188,809</u>	<u>2,943,707</u>	<u>1,177,637</u>	<u>1,219,415</u>	<u>1,219,465</u>	<u>1,221,175</u>	<u>1,191,325</u>
Net change in fund balance	133	-	-	-	-	-	-	-
Fund balance - beginning	49,867	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Fund balance - ending	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

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 2022, 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 \$6.45 to \$6.80 per thousand gallons for residents and \$7.73 to \$8.16 for non-residents.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
OPERATING REVENUES								
Charges for services								
Service fees - water sales	3,913,682	4,182,885	4,096,859	4,430,054	4,673,222	4,930,249	5,201,413	5,487,491
Service fees - late charges	108,938	139,017	125,935	140,907	148,657	156,833	165,459	174,559
Service fees - water service charges	357,118	357,894	358,384	362,844	366,444	367,884	369,504	371,664
Service fees - delinquent fees	46,500	67,100	32,716	67,100	67,100	67,100	67,100	67,100
Service fees - sewer maintenance charges	153,791	154,500	155,394	157,800	160,200	161,160	162,240	163,680
Service fees - BH infrastructure fee	509,344	508,500	509,865	508,500	508,500	508,500	508,500	508,500
Service fees - Fox Metro reading fee	23,353	28,073	28,122	28,485	28,785	28,905	29,040	29,220
Service fees - meter sales	44,260	28,557	28,557	47,307	12,342	9,257	17,391	17,391
Total operating revenues	5,156,986	5,466,526	5,335,832	5,742,997	5,965,250	6,229,888	6,520,647	6,819,605
OPERATING EXPENSES								
Operations								
Water Administration	206,132	273,853	271,268	233,304	221,567	255,650	232,483	238,950
Water Plant Operations	3,935,034	5,494,727	5,467,648	5,128,863	4,644,485	4,483,003	4,206,319	3,929,081
Depreciation and amortization	1,940,346	-	-	-	-	-	-	-
Total operating expenses	6,081,512	5,768,580	5,738,916	5,362,167	4,866,052	4,738,653	4,438,802	4,168,031
Operating income (loss)	(924,526)	(302,054)	(403,084)	380,830	1,099,198	1,491,235	2,081,845	2,651,574
NONOPERATING REVENUES (EXPENSES)								
Interest income - cash and investments								
Interest income - cash and investments	66,925	40,000	59,292	40,000	40,000	40,000	40,000	40,000
Service fees - non-sufficient funds fee	2,300	1,250	1,500	1,250	1,250	1,250	1,250	1,250
Other reimbursements - insurance	13,785	-	3,212	-	-	-	-	-
IEPA loan	-	672,298	672,298	-	-	-	-	-
Principal expense (debt)	-	(1,686,479)	(686,479)	(693,379)	(710,410)	(652,284)	(667,558)	(747,916)
Interest expense (debt)	(342,869)	(333,055)	(333,055)	(317,604)	(302,023)	(286,509)	(272,086)	(456,841)
Total nonoperating revenues (expenses)	(259,859)	(1,305,986)	(283,232)	(969,733)	(971,183)	(897,543)	(898,394)	(1,163,507)
Income (loss) before transfers	(1,184,385)	(1,608,040)	(686,316)	(588,903)	128,015	593,692	1,183,451	1,488,067
Transfers in (out) - Water Improvement Fund	1,056,820	(20,116)	473,615	195,235	(1,470,430)	(1,385,180)	98,580	681,427
Contributions	327,702	-	-	-	-	-	-	-
Change in net position	200,137	(1,628,156)	(212,701)	(393,668)	(1,342,415)	(791,488)	1,282,031	2,169,494
Net position - beginning	19,554,485	19,754,622	19,754,622	19,541,921	19,148,253	17,805,838	17,014,350	18,296,381
Net position - ending	19,754,622	18,126,466	19,541,921	19,148,253	17,805,838	17,014,350	18,296,381	20,465,875

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Administration

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees (60%)	112,272	109,339	109,913	113,164	117,125	121,224	125,467	129,858
Overtime - general	.	100	100	100	100	100	100	100
Total Personal Services - Salaries and Wages	112,272	109,439	110,013	113,264	117,225	121,324	125,567	129,958
Personal services - employee benefits								
Insurance - health	22,794	13,934	11,705	12,990	13,445	13,916	14,403	14,907
Insurance - dental	1,374	1,926	1,926	2,055	2,158	2,266	2,379	2,498
Insurance - life	85	85	85	86	87	88	89	90
Insurance - workers' compensation	600	600	600	600	600	600	600	600
Insurance - unemployment	169	172	172	198	198	198	198	198
Retirement - Social Security	6,689	6,785	6,709	7,022	7,268	7,522	7,785	8,057
Retirement - Medicare	1,565	1,587	1,569	1,642	1,700	1,759	1,821	1,884
Retirement - IMRF	14,322	11,710	10,374	10,092	10,445	10,810	11,188	11,579
Education - conferences and training	220	600	600	1,000	1,000	1,000	1,000	1,000
Equipment - clothing allowance	240	240	240	360	360	360	360	360
Total personal services - employee benefits	48,058	37,639	33,980	36,045	37,261	38,519	39,823	41,173
Contractual services - professional and technical								
Engineering services - general	35,036	114,000	114,000	69,000	54,000	82,000	54,000	54,000
Legal services - general	1,538	1,000	500	1,000	1,000	1,000	1,000	1,000
Total contractual services - professional and technical	36,574	115,000	114,500	70,000	55,000	83,000	55,000	55,000
Contractual services - property								
Utilities - internet access	6,164	6,101	6,101	6,821	6,101	6,821	6,101	6,821
Total contractual services - property	6,164	6,101	6,101	6,821	6,101	6,821	6,101	6,821
Contractual services - other								
Printing and publishing - legal notices	.	100	100	100	100	100	100	100
Printing and publishing - publications	.	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other contractual services - dues	823	1,074	1,074	1,074	1,080	1,086	1,092	1,098
Bad debt	50	1,000	2,000	1,000	1,000	1,000	1,000	1,000
Total contractual services - other	873	3,174	4,174	3,174	3,180	3,186	3,192	3,198
Commodities								
General supplies - office	1,962	1,500	1,500	3,000	1,800	1,800	1,800	1,800
General supplies - tools	229	500	500	500	500	500	500	500
General supplies - books and periodicals	.	500	500	500	500	500	500	500
Total commodities	2,191	2,500	2,500	4,000	2,800	2,800	2,800	2,800

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Administration (Continued)

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Debt service								
Principal - IEPA low interest loan #1		69,521	69,521	71,393	73,316			
Principal - IEPA low interest loan #2		216,710	216,710	219,427	222,179	224,965	227,786	230,642
Principal - Series 2013 bonds		145,000	145,000	145,000	150,000	155,000	160,000	165,000
Principal - IEPA low interest loan #3		115,248	115,248	117,559	119,915	122,319	124,772	127,274
Principal - Series 2017 bonds		140,000	140,000	140,000	145,000	150,000	155,000	160,000
Principal - IEPA low interest loan #4		1,000,000						
Principal - Series 2024 bonds								65,000
Interest - IEPA low interest loan #1	6,337	5,269	5,269	3,397	1,474			
Interest - IEPA low interest loan #2	36,779	34,170	34,170	31,452	28,701	25,915	23,094	20,238
Interest - Series 2013 bonds	149,100	146,650	146,650	142,300	137,950	133,450	128,800	122,400
Interest - IEPA low interest loan #3	40,529	39,203	39,203	36,892	34,535	32,131	29,679	27,177
Interest - Series 2017 bonds	109,249	106,888	106,888	102,688	98,488	94,138	89,638	84,988
Interest - Series 2024 bonds								200,688
Fiscal agent fees	875	875	875	875	875	875	875	1,350
Total debt service	342,869	2,019,534	1,019,534	1,010,983	1,012,433	938,793	939,644	1,204,757
Amortization and depreciation								
Amortization	(20,835)	-	-	-	-	-	-	-
Depreciation	1,961,181	-	-	-	-	-	-	-
Total amortization and depreciation	1,940,346							
Total Water - Administration	2,489,347	2,293,387	1,290,802	1,244,287	1,234,000	1,194,443	1,172,127	1,443,707

Business-type activities long-term debt payable through the Water Fund at April 30, 2021 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

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	396,121	512,295	481,721	562,131	576,184	590,589	605,354	620,488
Overtime - general	54,687	60,000	57,799	60,000	60,000	60,000	60,000	60,000
Total personal services - salaries and wages	450,808	572,295	539,520	622,131	636,184	650,589	665,354	680,488
Personal services - employee benefits								
Insurance - health	370,998	85,308	71,659	61,227	63,370	65,588	67,884	70,260
Insurance - dental	6,608	4,696	4,696	5,009	5,259	5,522	5,798	6,088
Insurance - life	641	640	640	642	648	654	661	668
Insurance - workers' compensation	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Insurance - unemployment	1,817	1,290	1,290	1,487	1,487	1,487	1,487	1,487
Retirement - Social Security	26,408	35,482	33,462	38,572	39,443	40,337	41,252	42,190
Retirement - Medicare	6,176	8,298	7,642	9,021	9,225	9,434	9,648	9,867
Retirement - IMRF	(32,907)	61,236	55,272	55,432	56,684	57,967	59,283	60,631
Education - conferences and training	838	9,500	1,000	9,850	7,500	8,300	7,500	8,300
Equipment - clothing allowance	1,600	3,600	3,600	5,400	5,400	5,400	5,400	5,400
Total personal services - employee benefits	391,179	219,050	188,261	195,640	198,016	203,689	207,913	213,891
Contractual services - professional and technical								
Information technology services - software maintenance	848	1,946	1,242	1,868	1,868	1,868	1,868	1,868
Professional services - miscellaneous	14,458	-	28,800	-	-	-	-	-
Total contractual services - professional and technical	15,306	1,946	30,042	1,868	1,868	1,868	1,868	1,868
Contractual services - property								
Utilities - electric	354,166	285,148	378,139	346,159	346,159	346,159	356,544	356,544
Utilities - natural gas	6,796	8,000	8,000	8,666	8,926	9,194	9,470	9,754
Utilities - telephone	2,445	2,544	2,544	1,404	1,404	1,404	1,404	1,404
Utilities - cell phone	8,414	9,444	7,988	8,580	8,580	8,580	8,580	8,580
Building repair and maintenance - other	104,547	117,645	117,645	198,463	126,489	122,381	109,791	110,470
Sewer repair and maintenance - lift stations	45,933	19,000	19,000	99,000	164,000	124,000	19,000	19,000
Sewer repair and maintenance - sanitary sewer	144,991	215,000	280,000	211,990	211,990	211,990	211,990	211,990
Water repair and maintenance - hydrants	28,880	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Water repair and maintenance - water meters	7,916	17,000	17,000	80,000	108,000	8,000	8,000	8,000
Water repair and maintenance - service pipes	440,165	1,249,400	1,249,400	20,000	20,000	20,000	20,000	20,000
Water repair and maintenance - storage tank	137	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Water repair and maintenance - wells and pumps	60,138	456,000	221,000	356,000	11,000	11,000	11,000	11,000
Water repair and maintenance - watermains	102,738	151,282	151,282	96,346	99,263	102,270	105,368	108,560
Water repair and maintenance - valves	4,170	20,000	20,000	50,000	60,000	56,000	20,000	20,000
Water repair and maintenance - spoils disposal	10,953	10,000	10,000	11,000	11,000	11,000	11,000	11,000
Water repair and maintenance - hydrant accidents/claims	16,101	-	3,533	-	-	-	-	-
Rental - equipment	-	-	-	900	900	900	900	900
Total contractual services - property	1,338,490	2,596,963	2,522,031	1,525,008	1,214,211	1,069,378	929,547	933,702

Chapter 8: Fund Summary

WATER FUND (Continued)

Water Plant Operations (Continued)

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Contractual services - other								
Other contractual services - dues	892	2,491	2,491	2,531	2,551	2,831	2,531	2,531
Other contractual services - sludge removal	44,886	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Other contractual services - water testing	16,601	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Other contractual services - leak survey	25,545	28,000	28,000	29,500	29,500	30,000	30,000	31,000
Other contractual services - JULIE notification	6,922	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Other contractual services - SCADA maintenance	10,311	50,000	50,000	201,800	175,500	155,900	10,000	10,000
Other contractual services - accounting	331,226	348,449	333,929	362,029	377,325	399,675	422,865	435,676
Other contractual services - utility billing	198,219	203,594	213,863	216,728	223,767	231,520	236,594	244,198
Other contractual services - public works administration	42,697	35,713	37,960	35,716	36,203	45,280	37,168	35,604
Other contractual services - vehicle maintenance	155,411	192,223	185,825	191,204	200,501	199,194	203,804	209,085
Other contractual services - buildings and grounds	271,790	245,336	340,011	263,533	280,434	242,004	237,450	250,813
Other contractual services - veh and equip replacement	222,722	251,567	251,567	302,225	302,225	302,225	302,225	302,225
Total contractual services - other	1,327,222	1,482,373	1,568,646	1,730,266	1,753,006	1,733,629	1,607,637	1,646,132
Commodities								
General supplies - safety	5,197	-	-	-	-	-	-	-
General supplies - uniforms	5,549	6,700	5,168	2,700	2,700	2,700	2,700	2,700
General supplies - computer equipment	5,953	-	967	2,300	2,500	5,400	2,800	2,300
General supplies - Covid-19	-	-	13	-	-	-	-	-
Vehicle supplies - tools	5,332	3,000	3,000	6,700	3,000	3,000	3,000	3,000
Public Works supplies - water chemicals	323,815	298,000	298,000	298,000	298,000	298,000	298,000	298,000
Public Works supplies - JULIE	3,648	4,000	4,000	8,250	4,000	4,000	4,000	4,000
Public Works supplies - water meters	61,943	295,000	295,000	736,000	513,500	510,750	480,500	143,000
Minor equipment - Public Works	592	15,400	13,000	-	17,500	-	3,000	-
Total commodities	412,029	622,100	619,148	1,053,950	841,200	823,850	794,000	453,000
Total water - water plant operations	3,935,034	5,494,727	5,467,648	5,128,863	4,644,485	4,483,003	4,206,319	3,929,081

WATER IMPROVEMENT FUND

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

Chapter 8: Fund Summary

WATER IMPROVEMENT FUND (Continued)

The main capital outlay projects in the Water Improvement Fund for fiscal year 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 2022 will be rehabilitation of the clear well and well #14 at a cost of \$300,000 and \$176,000, respectively.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
OPERATING REVENUES								
Total operating revenues	-	-	-	-	-	-	-	-
OPERATING EXPENSES								
Water infrastructure improvements	-	100,000	-	100,000	-	-	-	27,000
Watermain replacement	14,013	495,980	10,000	593,800	1,101,340	950,420	630,800	423,320
Rehabilitation reserve	146,440	630,623	250,497	186,390	439,050	487,230	1,255,830	1,582,130
Chlorine system improvements	985	-	-	-	-	-	-	-
Jefferson Street lift station rehabilitation	(97,680)	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	83,360	-
Total operating expenses	63,758	1,226,603	260,497	880,190	1,540,390	1,437,650	1,969,990	2,032,450
Operating loss	(63,758)	(1,226,603)	(260,497)	(880,190)	(1,540,390)	(1,437,650)	(1,969,990)	(2,032,450)
NONOPERATING REVENUES								
Interest income - cash and investments	17,996	-	1,857	-	-	-	-	-
Other reimbursements - tap fees	879,850	494,552	494,552	522,759	69,960	52,470	98,580	98,580
Other reimbursements - miscellaneous	-	33,800	-	33,800	-	-	-	-
Bond proceeds	-	-	-	-	-	-	4,170,000	-
Premium on bonds	-	-	-	-	-	-	415,287	-
Total nonoperating revenues	897,846	528,352	496,409	556,559	69,960	52,470	4,683,867	98,580
Income (loss) before transfers	834,088	(698,251)	235,912	(323,631)	(1,470,430)	(1,385,180)	2,713,877	(1,933,870)
Transfers in (out) - Water Fund	(1,056,820)	20,116	(473,615)	(195,235)	1,470,430	1,385,180	(98,580)	(681,427)
Change in net position	(222,732)	(678,135)	(237,703)	(518,866)	-	-	2,615,297	(2,615,297)
Net position - beginning	979,301	756,569	756,569	518,866	-	-	-	2,615,297
Net position - ending	756,569	78,434	518,866	-	-	-	2,615,297	-

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.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
OPERATING REVENUES								
Internal service fees								
Employer medical insurance contributions	1,138,649	1,100,758	924,639	964,681	1,001,059	1,036,098	1,072,362	1,109,895
Employer dental insurance contributions	65,821	73,779	73,779	73,777	77,605	81,485	85,560	89,838
Employee medical insurance contributions	163,701	172,938	165,213	166,071	171,883	177,899	184,125	190,569
Retiree medical insurance contributions	85,400	71,511	78,555	104,309	107,960	111,739	115,650	119,698
Employer life insurance contributions	4,827	5,192	5,192	5,133	5,184	5,235	5,287	5,340
Total internal service fees	1,458,398	1,424,178	1,247,378	1,313,971	1,363,691	1,412,456	1,462,984	1,515,340
Total operating revenues	1,458,398	1,424,178	1,247,378	1,313,971	1,363,691	1,412,456	1,462,984	1,515,340
OPERATING EXPENSES								
Contractual services - other								
Insurance - medical (HMO)	1,234,152	1,345,207	1,275,108	1,235,061	1,280,902	1,325,736	1,372,137	1,420,162
Insurance - medical (PPO)	15,945	-	-	-	-	-	-	-
Insurance - dental	69,637	73,779	73,779	73,777	77,605	81,485	85,560	89,838
Insurance - life	4,373	5,192	5,192	5,133	5,184	5,235	5,287	5,340
Total contractual services - other	1,324,107	1,424,178	1,354,079	1,313,971	1,363,691	1,412,456	1,462,984	1,515,340
Total operating expenses	1,324,107	1,424,178	1,354,079	1,313,971	1,363,691	1,412,456	1,462,984	1,515,340
Operating income (loss)	134,291	-	(106,701)	-	-	-	-	-
NONOPERATING REVENUES								
Interest income - cash and investments	9,754	6,000	8,057	6,000	6,000	6,000	6,000	6,000
Change in net position	144,045	6,000	(98,644)	6,000	6,000	6,000	6,000	6,000
Net position - beginning	414,094	558,139	558,139	459,495	465,495	471,495	477,495	483,495
Net position - ending	558,139	564,139	459,495	465,495	471,495	477,495	483,495	489,495

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 2022 budget includes replacement of 2 pieces and purchase of 1 new piece of equipment. The Village is in the process of building up the fund balance in order to be fully funded by fiscal year 2029.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Intergovernmental, grants, and contributions								
Federal grant - body worn cameras	50,000	-	-	-	-	-	-	-
Total intergovernmental, grants, and contributions	50,000	-	-	-	-	-	-	-
Charges for services								
Vehicle and equipment replacement contributions	659,160	682,834	682,834	854,808	854,808	854,808	854,808	854,808
Total charges for services	659,160	682,834	682,834	854,808	854,808	854,808	854,808	854,808
Fines and forfeitures								
Kane County - drug fines	400	2,500	1,344	2,500	2,500	2,500	2,500	2,500
Kane County - DUI prevention	8,892	7,500	11,377	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	4,045	3,500	2,899	3,500	3,500	3,500	3,500	3,500
Kendall County - drug fines	65	1,000	116	1,000	1,000	1,000	1,000	1,000
Kendall County - DUI prevention	5,787	4,000	5,799	4,000	4,000	4,000	4,000	4,000
Kendall County - e-citation	183	250	171	250	250	250	250	250
Total fines and forfeitures	19,372	19,750	21,706	19,750	19,750	19,750	19,750	19,750
Investment income								
Interest Income - cash and investments	11,031	10,000	8,594	11,250	15,000	15,000	15,000	15,000
Total investment income	11,031	10,000	8,594	11,250	15,000	15,000	15,000	15,000
Total revenues	739,563	712,584	713,134	885,808	889,558	889,558	889,558	889,558
EXPENDITURES								
Commodities								
Minor equipment - police	100,305	-	-	-	-	-	-	-
Total commodities	100,305	-	-	-	-	-	-	-
Capital outlay								
Vehicles and equipment	523,330	450,795	532,082	611,082	129,936	297,755	296,860	173,976
Total capital outlay	523,330	450,795	532,082	611,082	129,936	297,755	296,860	173,976
Total expenditures	623,635	450,795	532,082	611,082	129,936	297,755	296,860	173,976
Excess (deficiency) of revenues over (under) expenditures	115,928	261,789	181,052	274,726	759,622	591,803	592,698	715,582
Other financing sources								
Disposal of capital assets	96,058	-	20,000	-	-	-	-	-
Total other financing sources	96,058	-	20,000	-	-	-	-	-
Net change in fund balance	211,986	261,789	201,052	274,726	759,622	591,803	592,698	715,582
Fund balance - beginning	557,261	769,247	769,247	970,299	1,245,025	2,004,647	2,596,450	3,189,148
Fund balance - ending	769,247	1,031,036	970,299	1,245,025	2,004,647	2,596,450	3,189,148	3,904,730

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 2021 reflects 3 months at \$17.47 per month and 9 months at \$17.99 per month, while fiscal year 2022 reflects 3 months at \$17.99 and 9 months at \$17.99. The budgeted amount for direct customer refuse billing is based on the contract rate and the number of homes within Village limits.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
OPERATING REVENUES								
Charges for services								
Service fees - refuse removal	1,241,515	1,287,617	1,291,566	1,340,510	1,389,304	1,437,797	1,492,998	1,552,872
Total charges for services	1,241,515	1,287,617	1,291,566	1,340,510	1,389,304	1,437,797	1,492,998	1,552,872
Total operating revenues	1,241,515	1,287,617	1,291,566	1,340,510	1,389,304	1,437,797	1,492,998	1,552,872
OPERATING EXPENSES								
Contractual services - other								
Other contractual services - solid waste disposal	1,237,572	1,287,617	1,290,099	1,340,510	1,389,304	1,437,797	1,492,998	1,552,872
Total contractual services - other	1,237,572	1,287,617	1,290,099	1,340,510	1,389,304	1,437,797	1,492,998	1,552,872
Total operating expenses	1,237,572	1,287,617	1,290,099	1,340,510	1,389,304	1,437,797	1,492,998	1,552,872
Change in net position	3,943	-	1,467	-	-	-	-	-
Net position - beginning	(1,385)	2,558	2,558	4,025	4,025	4,025	4,025	4,025
Net position - ending	2,558	2,558	4,025	4,025	4,025	4,025	4,025	4,025

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 2022 as determined by the Village's actuary.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
ADDITIONS								
Contributions								
Employer contributions - property tax	595,476	664,012	664,012	830,887	847,505	864,455	881,744	899,379
Employer contributions - other	41,257	-	160,000	35,105	35,807	36,523	37,254	37,999
Employee contributions - police pension	268,740	251,933	268,823	292,888	303,871	315,266	327,088	339,354
Total contributions	905,473	915,945	1,092,835	1,158,880	1,187,183	1,216,244	1,246,086	1,276,732
Investment income								
Interest income - cash and investments	419,791	850,700	350,000	956,100	1,058,200	1,168,500	1,287,500	1,415,900
Investment income - realized gain (loss)	23,455	-	188,218	-	-	-	-	-
Investment income - unrealized gain (loss)	(275,803)	-	1,320,543	-	-	-	-	-
Gross investment income	167,443	850,700	1,858,761	956,100	1,058,200	1,168,500	1,287,500	1,415,900
Less: professional services - cash management	(23,535)	(30,400)	(24,792)	-	-	-	-	-
Net investment income	143,908	820,300	1,833,969	956,100	1,058,200	1,168,500	1,287,500	1,415,900
Total additions	1,049,381	1,736,245	2,926,804	2,114,980	2,245,383	2,384,744	2,533,586	2,692,632
DEDUCTIONS								
Personal services - employee benefits								
Retirement - retiree pension	541,016	561,301	561,301	578,140	595,486	613,350	631,750	650,701
Retirement - surviving spouse pension	15,612	-	-	-	-	-	-	-
Retirement - refund of contributions	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	500	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total personal services - employee benefits	772,950	668,116	668,116	684,955	702,301	720,165	738,565	757,516
Contractual services - professional and technical								
Legal services - other	152	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Accounting and auditing services - general	1,260	1,280	5,850	13,860	13,890	13,920	13,950	13,980
Accounting and auditing services - actuary	2,100	2,700	2,950	2,790	2,880	2,970	3,060	3,150
Total contractual services - professional and technical	3,512	6,980	11,800	19,650	19,770	19,890	20,010	20,130
Contractual services - other								
Physicals/testing	-	1,500	1,459	1,500	1,500	1,500	1,500	1,500
Dues	2,763	2,875	2,927	2,975	3,375	3,675	3,975	4,275
Total contractual services - other	2,763	4,375	4,386	4,475	4,875	5,175	5,475	5,775
Total deductions	779,225	679,471	684,302	709,080	726,946	745,230	764,050	783,421
Change in net position	270,156	1,056,774	2,242,502	1,405,900	1,518,437	1,639,514	1,769,536	1,909,211
Net position - beginning	10,659,743	10,929,899	10,929,899	13,172,401	14,578,301	16,096,738	17,736,252	19,505,788
Net position - ending	10,929,899	11,986,673	13,172,401	14,578,301	16,096,738	17,736,252	19,505,788	21,414,999

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.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Miscellaneous								
Donations - other	1,200	250	250	250	250	250	250	250
Total miscellaneous	1,200	250	250	250	250	250	250	250
Total revenues	1,200	250	250	250	250	250	250	250
EXPENDITURES								
Commodities								
Police supplies - other	534	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total commodities	534	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total expenditures	534	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Net change in fund balance	666	(750)	(750)	(750)	(750)	(750)	(750)	(750)
Fund balance - beginning	7,075	7,741	7,741	6,991	6,241	5,491	4,741	3,991
Fund balance - ending	7,741	6,991	6,991	6,241	5,491	4,741	3,991	3,241

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

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Montgomery Crossing SSA	52,987	55,000	54,839	56,000	56,500	57,000	58,000	59,000
Total property taxes	52,987	55,000	54,839	56,000	56,500	57,000	58,000	59,000
Investment income								
Interest income - cash and investments	828	750	578	250	250	250	250	250
Total investment income	828	750	578	250	250	250	250	250
Total revenues	53,815	55,750	55,417	56,250	56,750	57,250	58,250	59,250
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	29,838	40,946	40,946	32,429	42,929	32,429	42,929	32,429
Grounds repair and maintenance - landscaping	19,066	16,280	16,280	19,717	16,845	20,514	17,525	21,342
Total contractual services - property	48,904	57,226	57,226	52,146	59,774	52,943	60,454	53,771
Total expenditures	48,904	57,226	57,226	52,146	59,774	52,943	60,454	53,771
Net change in fund balance	4,911	(1,476)	(1,809)	4,104	(3,024)	4,307	(2,204)	5,479
Fund balance - beginning	112,057	116,968	116,968	115,159	119,263	116,239	120,546	118,342
Fund balance - ending	116,968	115,492	115,159	119,263	116,239	120,546	118,342	123,821

BLACKBERRY CROSSING SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Blackberry Crossing SSA	18,002	19,000	18,989	19,000	19,000	19,000	19,000	19,000
Total property taxes	18,002	19,000	18,989	19,000	19,000	19,000	19,000	19,000
Total revenues	18,002	19,000	18,989	19,000	19,000	19,000	19,000	19,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	5,725	7,943	7,943	5,717	7,817	5,717	7,817	5,717
Grounds repair and maintenance - landscaping	9,449	8,308	8,308	10,148	8,594	10,556	8,939	10,982
Total contractual services - property	15,174	16,251	16,251	15,865	16,411	16,273	16,756	16,699
Total expenditures	15,174	16,251	16,251	15,865	16,411	16,273	16,756	16,699
Net change in fund balance	2,828	2,749	2,738	3,135	2,589	2,727	2,244	2,301
Fund balance - beginning	49,687	52,515	52,515	55,253	58,388	60,977	63,704	65,948
Fund balance - ending	52,515	55,204	55,253	58,388	60,977	63,704	65,948	68,249

Chapter 8: Fund Summary

FAIRFIELD WAY SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Fairfield Way SSA	24,430	27,000	26,988	30,000	33,000	36,000	39,000	42,000
Total property taxes	24,430	27,000	26,988	30,000	33,000	36,000	39,000	42,000
Investment income								
Interest income - cash and investments	897	800	626	250	250	250	250	250
Total investment income	897	800	626	250	250	250	250	250
Total revenues	25,327	27,800	27,614	30,250	33,250	36,250	39,250	42,250
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	18,360	14,068	19,693	10,977	13,857	10,977	13,857	10,977
Grounds repair and maintenance - landscaping	24,980	22,742	22,742	25,616	23,534	26,650	24,485	27,727
Total contractual services - property	43,340	36,810	42,435	36,593	37,391	37,627	38,342	38,704
Total expenditures	43,340	36,810	42,435	36,593	37,391	37,627	38,342	38,704
Net change in fund balance	(18,013)	(9,010)	(14,821)	(6,343)	(4,141)	(1,377)	908	3,546
Fund balance - beginning	127,696	109,683	109,683	94,862	88,519	84,378	83,001	83,909
Fund balance - ending	109,683	100,673	94,862	88,519	84,378	83,001	83,909	87,455

ARBOR RIDGE SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Arbor Ridge SSA	22,954	24,000	23,761	25,000	25,000	25,000	25,000	25,000
Total property taxes	22,954	24,000	23,761	25,000	25,000	25,000	25,000	25,000
Total revenues	22,954	24,000	23,761	25,000	25,000	25,000	25,000	25,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	8,869	8,192	8,192	6,752	8,052	6,752	8,052	6,752
Grounds repair and maintenance - landscaping	11,934	7,949	11,359	13,050	11,758	13,577	12,232	14,124
Total contractual services - property	20,803	16,141	19,551	19,802	19,810	20,329	20,284	20,876
Total expenditures	20,803	16,141	19,551	19,802	19,810	20,329	20,284	20,876
Net change in fund balance	2,151	7,859	4,210	5,198	5,190	4,671	4,716	4,124
Fund balance - beginning	30,087	32,238	32,238	36,448	41,646	46,836	51,507	56,223
Fund balance - ending	32,238	40,097	36,448	41,646	46,836	51,507	56,223	60,347

Chapter 8: Fund Summary

FOXMOOR SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Foxmoor SSA	51,978	55,000	54,827	58,000	61,000	64,000	64,000	64,000
Total property taxes	51,978	55,000	54,827	58,000	61,000	64,000	64,000	64,000
Investment income								
Interest income - cash and investments	455	400	317	150	150	150	150	150
Total investment income	455	400	317	150	150	150	150	150
Total revenues	52,433	55,400	55,144	58,150	61,150	64,150	64,150	64,150
EXPENDITURES								
Contractual Services - Property								
Grounds repair and maintenance - basins	18,214	18,487	18,487	15,145	18,025	15,145	18,025	15,145
Grounds repair and maintenance - landscaping	38,249	32,391	34,693	39,436	35,947	41,030	37,400	42,687
Total contractual services - property	56,463	50,878	53,180	54,581	53,972	56,175	55,425	57,832
Total expenditures	56,463	50,878	53,180	54,581	53,972	56,175	55,425	57,832
Net change in fund balance	(4,030)	4,522	1,964	3,569	7,178	7,975	8,725	6,318
Fund balance - beginning	85,139	81,109	81,109	83,073	86,642	93,820	101,795	110,520
Fund balance - ending	81,109	85,631	83,073	86,642	93,820	101,795	110,520	116,838

SARATOGA SPRINGS SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Saratoga Springs SSA	17,501	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total property taxes	17,501	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total revenues	17,501	20,000	20,000	20,000	20,000	20,000	20,000	20,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	8,870	11,136	11,136	8,863	10,963	8,863	10,963	8,863
Grounds repair and maintenance - landscaping	5,759	5,136	5,136	6,376	5,309	6,634	5,523	6,901
Total contractual services - property	14,629	16,272	16,272	15,239	16,272	15,497	16,486	15,764
Total expenditures	14,629	16,272	16,272	15,239	16,272	15,497	16,486	15,764
Net change in fund balance	2,872	3,728	3,728	4,761	3,728	4,503	3,514	4,236
Fund balance - beginning	34,398	37,270	37,270	40,998	45,759	49,487	53,990	57,504
Fund balance - ending	37,270	40,998	40,998	45,759	49,487	53,990	57,504	61,740

Chapter 8: Fund Summary

ORCHARD PRAIRIE NORTH SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Orchard Prairie SSA	30,983	33,000	32,977	33,000	33,000	33,000	33,000	33,000
Total property taxes	30,983	33,000	32,977	33,000	33,000	33,000	33,000	33,000
Total revenues	30,983	33,000	32,977	33,000	33,000	33,000	33,000	33,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	9,716	11,994	11,994	9,713	11,813	9,713	11,813	9,713
Grounds repair and maintenance - landscaping	14,176	13,701	13,701	15,770	14,179	16,408	14,753	17,071
Total contractual services - property	23,892	25,695	25,695	25,483	25,992	26,121	26,566	26,784
Total expenditures	23,892	25,695	25,695	25,483	25,992	26,121	26,566	26,784
Net change in fund balance	7,091	7,305	7,282	7,517	7,008	6,879	6,434	6,216
Fund balance - beginning	33,634	40,725	40,725	48,007	55,524	62,532	69,411	75,845
Fund balance - ending	40,725	48,030	48,007	55,524	62,532	69,411	75,845	82,061

BLACKBERRY CROSSING WEST SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Blackberry Crossing West SSA	31,997	34,000	33,994	36,000	38,000	40,000	40,000	40,000
Total property taxes	31,997	34,000	33,994	36,000	38,000	40,000	40,000	40,000
Investment income								
Interest income - cash and investments	1,131	1,000	789	300	300	300	300	300
Total investment income	1,131	1,000	789	300	300	300	300	300
Total revenues	33,128	35,000	34,783	36,300	38,300	40,300	40,300	40,300
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	29,140	34,694	34,694	28,081	33,121	28,081	33,121	28,081
Grounds repair and maintenance - landscaping	9,532	10,010	10,010	10,662	10,363	11,092	10,781	11,540
Total contractual services - property	38,672	44,704	44,704	38,743	43,484	39,173	43,902	39,621
Total expenditures	38,672	44,704	44,704	38,743	43,484	39,173	43,902	39,621
Net change in fund balance	(5,544)	(9,704)	(9,921)	(2,443)	(5,184)	1,127	(3,602)	679
Fund balance - beginning	142,921	137,377	137,377	127,456	125,013	119,829	120,956	117,354
Fund balance - ending	137,377	127,673	127,456	125,013	119,829	120,956	117,354	118,033

Chapter 8: Fund Summary

FIELDSTONE PLACE SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Fieldstone Place SSA	2,998	3,000	2,996	3,000	3,000	3,000	3,000	3,000
Total property taxes	2,998	3,000	2,996	3,000	3,000	3,000	3,000	3,000
Total revenues	2,998	3,000	2,996	3,000	3,000	3,000	3,000	3,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	3,700	3,756	3,756	2,349	3,649	2,349	3,649	2,349
Total contractual services - property	3,700	3,756	3,756	2,349	3,649	2,349	3,649	2,349
Total expenditures	3,700	3,756	3,756	2,349	3,649	2,349	3,649	2,349
Net change in fund balance	(702)	(756)	(760)	651	(649)	651	(649)	651
Fund balance - beginning	21,984	21,282	21,282	20,522	21,173	20,524	21,175	20,526
Fund balance - ending	21,282	20,526	20,522	21,173	20,524	21,175	20,526	21,177

BALMOREA SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Balmorea SSA	35,001	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total property taxes	35,001	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total revenues	35,001	26,000	26,000	26,000	26,000	26,000	26,000	26,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	16,981	24,722	24,722	16,822	25,647	16,822	25,647	16,822
Total contractual services - property	16,981	24,722	24,722	16,822	25,647	16,822	25,647	16,822
Total expenditures	16,981	24,722	24,722	16,822	25,647	16,822	25,647	16,822
Net change in fund balance	18,020	1,278	1,278	9,178	353	9,178	353	9,178
Fund balance - beginning	24,326	42,346	42,346	43,624	52,802	53,155	62,333	62,686
Fund balance - ending	42,346	43,624	43,624	52,802	53,155	62,333	62,686	71,864

Chapter 8: Fund Summary

MARQUIS POINTE SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Marquis Pointe SSA	13,031	13,000	13,304	12,000	12,000	12,000	12,000	12,000
Total property taxes	13,031	13,000	13,304	12,000	12,000	12,000	12,000	12,000
Total revenues	13,031	13,000	13,304	12,000	12,000	12,000	12,000	12,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	11,669	11,168	11,168	7,869	11,199	7,869	11,199	7,869
Total contractual services - property	11,669	11,168	11,168	7,869	11,199	7,869	11,199	7,869
Total expenditures	11,669	11,168	11,168	7,869	11,199	7,869	11,199	7,869
Net change in fund balance	1,362	1,832	2,136	4,131	801	4,131	801	4,131
Fund balance - beginning	34,862	36,224	36,224	38,360	42,491	43,292	47,423	48,224
Fund balance - ending	36,224	38,056	38,360	42,491	43,292	47,423	48,224	52,355

OGDEN HILL SSA FUND

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUES								
Property taxes								
Property tax - Ogden Hill SSA	23,031	20,000	20,033	18,000	18,000	18,000	18,000	18,000
Total property taxes	23,031	20,000	20,033	18,000	18,000	18,000	18,000	18,000
Total revenues	23,031	20,000	20,033	18,000	18,000	18,000	18,000	18,000
EXPENDITURES								
Contractual services - property								
Grounds repair and maintenance - basins	19,870	19,017	19,017	13,397	19,067	13,397	19,067	13,397
Total contractual services - property	19,870	19,017	19,017	13,397	19,067	13,397	19,067	13,397
Total expenditures	19,870	19,017	19,017	13,397	19,067	13,397	19,067	13,397
Net change in fund balance	3,161	983	1,016	4,603	(1,067)	4,603	(1,067)	4,603
Fund balance - beginning	50,814	53,975	53,975	54,991	59,594	58,527	63,130	62,063
Fund balance - ending	53,975	54,958	54,991	59,594	58,527	63,130	62,063	66,666

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.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
REVENUE								
Property taxes	2,335,699	2,322,450	2,277,650	2,311,159	2,356,202	2,418,820	2,465,682	2,513,482
Other taxes	182,026	205,548	157,672	223,606	223,236	222,870	222,507	222,148
Licenses and permits	672,228	549,035	523,152	565,107	398,224	402,399	448,612	452,195
Charges for services	262,696	396,729	252,017	350,684	284,849	292,091	326,110	334,532
Intergovernmental, grants, and contributions	7,299,068	7,830,164	8,763,506	8,266,811	8,521,100	8,785,761	9,064,846	9,357,879
Fines and forfeitures	255,851	276,500	252,920	297,500	308,500	319,500	330,500	341,500
Investment income	107,825	82,500	74,787	66,000	66,000	66,000	66,000	66,000
Miscellaneous	262,503	130,790	33,440	86,790	126,790	126,790	126,790	126,790
Total Revenue	11,377,896	11,793,716	12,335,144	12,167,657	12,284,901	12,634,231	13,051,047	13,414,526
EXPENDITURES								
General government								
Elected Officials	324,577	208,309	116,906	199,820	199,860	199,900	199,940	199,980
Village Administrator	498,024	550,793	545,314	542,244	588,825	600,516	611,794	640,733
Finance	496,838	522,673	500,893	543,043	565,987	599,513	634,297	653,515
Community Development								
Planning and zoning	298,777	352,573	315,540	318,855	331,690	346,522	358,507	365,359
Code enforcement and inspections	365,217	368,181	378,921	396,732	379,172	389,323	403,886	415,918
Economic development	1,077,190	1,129,896	1,142,247	1,198,573	1,177,829	1,169,699	1,255,960	1,087,328
Legal Services	141,378	213,600	187,615	207,200	212,200	217,200	239,200	227,200
Engineering Services	141,644	245,000	167,425	185,000	192,500	200,000	207,500	215,000
Public safety								
Police								
Administration	965,377	924,785	900,297	950,988	956,789	987,453	1,006,254	1,049,896
Support Services	574,944	553,495	533,375	546,949	564,640	579,757	601,750	612,772
Patrol	3,569,336	3,976,698	3,976,091	4,207,226	4,328,893	4,443,622	4,570,327	4,695,458
Investigations	524,116	512,577	452,843	669,430	684,719	711,425	725,718	751,335
Police Commission	3,768	8,337	7,685	4,297	4,749	7,349	4,749	4,749
ESDA	2,738	3,200	3,200	5,068	4,404	4,404	4,404	4,404
Highways and streets								
Public works								
Administration	133,862	121,619	121,036	122,839	126,616	136,239	134,530	137,317
Streets	1,254,198	1,180,120	1,046,278	1,190,550	1,190,832	1,199,084	1,260,103	1,252,092
Vehicle maintenance	233,118	288,334	278,737	286,805	300,752	298,791	305,706	313,628
Buildings and grounds	511,277	472,447	614,458	511,314	544,032	478,801	479,200	497,935
Stormwater	77,775	30,456	44,937	40,432	30,432	30,432	33,632	40,432
Total expenditures	11,194,154	11,663,093	11,333,798	12,127,365	12,384,921	12,600,030	13,037,457	13,165,051
Net change in fund balance	183,742	130,623	1,001,346	40,292	(100,020)	34,201	13,590	249,475
Fund balance - beginning	4,817,950	5,001,692	5,001,692	6,003,038	6,043,330	5,943,310	5,977,510	5,991,100
Fund balance - ending	5,001,692	5,132,315	6,003,038	6,043,330	5,943,310	5,977,510	5,991,100	6,240,575

Chapter 9: Departmental Summary

REVENUES

General Fund revenues for fiscal year 2022 are budgeted at \$12,167,657 which is an increase of \$373,941 over fiscal year 2021 budget, but a decrease of \$167,487 over fiscal year 2021 estimated. The increase over budget is attributable mostly to an increase in state shared income and use taxes. The decrease from estimated actual is attributable to an increase in sales and state share income taxes combined with a decrease in Coronavirus Relief Funds.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Property taxes								
Property tax - corporate	587,241	630,089	630,089	590,365	602,172	614,215	626,499	639,029
Property tax - police pension	595,476	664,012	664,012	830,887	847,505	864,455	881,744	899,379
Property tax - Social Security	243,503	219,052	219,052	215,055	219,356	223,743	228,218	232,782
Property tax - IMRF	234,328	176,276	176,276	175,956	179,475	183,065	186,726	190,461
Property tax - insurance	300,878	257,820	257,820	195,506	199,416	203,404	207,472	211,621
Property tax - police protection	270,457	271,385	271,385	244,375	249,263	254,248	259,333	264,520
Other taxes - road and bridge tax	103,816	103,816	59,016	59,015	59,015	75,690	75,690	75,690
Total property taxes	2,335,699	2,322,450	2,277,650	2,311,159	2,356,202	2,418,820	2,465,682	2,513,482
Other taxes								
Other taxes - cannabis tax	3,886	-	12,907	18,600	18,600	18,600	18,600	18,600
Other taxes - video gaming tax	135,367	162,000	107,385	168,000	168,000	168,000	168,000	168,000
Fees - infrastructure maintenance fee	42,773	43,548	37,380	37,006	36,636	36,270	35,907	35,548
Total other taxes	182,026	205,548	157,672	223,606	223,236	222,870	222,507	222,148
Licenses and permits								
Licenses - liquor licenses	28,229	31,800	29,600	31,800	31,800	31,800	31,800	31,800
Licenses - other licenses	970	970	933	970	970	970	970	970
Licenses - amusement machine licenses	-	-	375	-	-	-	-	-
Licenses - tobacco licenses	350	350	350	350	350	350	350	350
Licenses - contractors	35,305	25,000	27,525	25,000	28,125	31,250	34,375	37,500
Permits - building permits	351,181	239,550	239,550	276,010	104,160	104,830	147,500	147,500
Permits - oversized vehicle permit	10,875	15,000	3,150	7,500	7,500	7,500	7,500	7,500
Permits - solicitor	3,750	3,000	-	1,500	3,000	3,000	3,000	3,000
Permits - other	500	500	500	500	500	500	500	500
Fees - cable franchise fee	241,068	232,865	221,169	221,477	221,819	222,199	222,617	223,075
Total licenses and permits	672,228	549,035	523,152	565,107	398,224	402,399	448,612	452,195
Intergovernmental, grants, and contributions								
Property tax - TIF surplus	14,392	9,152	9,339	9,426	9,709	10,000	10,300	10,609
Sales tax	4,710,253	5,085,366	4,816,532	5,057,325	5,310,191	5,575,701	5,854,486	6,147,210
State income tax	1,814,022	1,935,990	2,041,087	2,218,000	2,218,000	2,218,000	2,218,000	2,218,000
Other taxes - corporate replacement tax	59,936	59,680	56,121	61,733	61,733	61,733	61,733	61,733
Other taxes - road and bridge replacement tax	7,904	7,460	7,015	7,717	7,717	7,717	7,717	7,717
Other taxes - local use tax	652,788	654,549	810,278	890,000	890,000	890,000	890,000	890,000
Federal grants - Urban/Community Forest (PW)	15,000	-	-	-	-	-	-	-
Federal grants - body armor (PD)	1,409	2,280	2,280	2,280	3,420	2,280	2,280	2,280
State grants - ILCC tobacco (PD)	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090
Federal grants - traffic safety grant (PD)	9,863	18,240	12,000	18,240	18,240	18,240	18,240	18,240
Federal grants - DCEO Local CURE	-	-	435,921	-	-	-	-	-
Local grants - street lights (PW)	11,411	55,357	85,927	-	-	-	-	-
Federal grants - Kane County CRF	-	-	484,916	-	-	-	-	-
Total intergovernmental, grants, and contributions	7,299,068	7,830,164	8,763,506	8,266,811	8,521,100	8,785,761	9,064,846	9,357,879

Chapter 9: Departmental Summary

REVENUES (Continued)

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Charges for services								
Inspection fees - plumbing inspections	66,500	41,750	41,750	57,150	14,600	9,300	21,600	21,600
Inspection fees - engineering inspections	23,710	24,100	24,100	42,100	10,400	11,900	25,200	25,200
Inspection fees - reinspections	600	1,000	750	1,000	1,000	1,000	1,000	1,000
Inspection fees - elevators	1,080	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Planning fees - Plan Commission apps	2,800	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Recycling income	1,367	2,000	4,000	3,000	3,000	3,000	3,000	3,000
Professional service reimb - dispatch	-	-	16,848	-	-	-	-	-
Professional service reimb - engineering	38,936	181,440	59,742	124,740	130,410	136,080	141,750	147,420
Professional service reimb - legal	5,756	42,000	13,829	21,000	23,625	26,250	28,875	31,500
Professional service reimb - planning	4,450	23,625	7,779	23,625	23,625	26,250	26,250	26,250
Professional service reimb - publishing	-	500	500	500	500	500	500	500
Police reimbursements - training	28,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Police reimbursements - special duty	2,639	2,700	4,590	2,700	2,700	2,700	2,700	2,700
Police reimbursements - other	9,025	3,500	4,500	3,500	3,500	3,500	3,500	3,500
Police reimbursements - firing range	170	500	1,346	500	500	500	500	500
Other reimbursements - streets	10,939	11,680	11,680	11,680	11,680	11,680	11,680	11,680
Other reimbursements - miscellaneous	26,361	6,000	10,000	6,000	6,000	6,000	6,000	6,000
Other reimbursements - lawn services	6,645	8,734	5,900	5,989	6,109	6,231	6,355	6,482
Other reimbursements - credit card fees	30,726	28,800	26,214	28,800	28,800	28,800	28,800	28,800
Rents and royalties - municipal building rent	2,992	2,800	2,889	2,800	2,800	2,800	2,800	2,800
Total charges for services	262,696	396,729	252,017	350,684	284,849	292,091	326,110	334,532
Fines and forfeitures								
Police reimbursements - tow impoundment fee	54,000	105,000	59,500	105,000	110,000	115,000	120,000	125,000
Village - court fines	20,610	29,000	15,600	16,000	17,000	18,000	19,000	20,000
Kane County - court fines	141,154	115,000	154,031	150,000	155,000	160,000	165,000	170,000
Kane County - patrol car maintenance	8,368	10,000	2,139	2,500	2,500	2,500	2,500	2,500
Kendall County - court fines	11,252	11,000	18,017	18,000	18,000	18,000	18,000	18,000
Kendall County - patrol car maintenance	805	1,500	503	1,000	1,000	1,000	1,000	1,000
Other - federal forfeiture	16,104	-	530	-	-	-	-	-
Other - state forfeiture	-	-	100	-	-	-	-	-
Code enforcement fines	3,558	5,000	2,500	5,000	5,000	5,000	5,000	5,000
Total fines and forfeitures	255,851	276,500	252,920	297,500	308,500	319,500	330,500	341,500
Investment income								
Interest income - cash and investments	107,825	82,500	74,787	66,000	66,000	66,000	66,000	66,000
Total investment income	107,825	82,500	74,787	66,000	66,000	66,000	66,000	66,000
Miscellaneous								
Salable items - history books	-	350	490	350	350	350	350	350
Salable items - miscellaneous	-	100	100	100	100	100	100	100
Other reimbursements - insurance	65,829	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Change in terminal reserve	104,864	-	-	-	-	-	-	-
Donations - Montgomery Fest	64,300	69,000	-	25,000	65,000	65,000	65,000	65,000
Donations - beautification	6,865	6,000	1,000	6,000	6,000	6,000	6,000	6,000
Donations - River Run	11,627	12,340	-	12,340	12,340	12,340	12,340	12,340
Donations - garage sale	660	1,000	-	1,000	1,000	1,000	1,000	1,000
Donations - Settler's Cottage	257	500	100	500	500	500	500	500
Donations - HPC brick paver program	-	500	500	500	500	500	500	500
Donations - community programs	2,201	2,000	-	2,000	2,000	2,000	2,000	2,000
Donations - parkway tree program	300	2,000	1,250	2,000	2,000	2,000	2,000	2,000
Donations - car show	-	2,500	-	2,500	2,500	2,500	2,500	2,500
Donations - Halloween safety event	5,600	4,000	-	4,000	4,000	4,000	4,000	4,000
Donations - Sunday in the park	-	500	-	500	500	500	500	500
Total miscellaneous	262,503	130,790	33,440	86,790	126,790	126,790	126,790	126,790
Total revenue	11,377,896	11,793,716	12,335,144	12,167,657	12,284,901	12,634,231	13,051,047	13,414,526

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 at-large, elected official who serves a four-year term, and the at-large Trustees are staggered and elected to serve 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 or residents can participate in the "Business Planter Program" or the "Adopt-a-Flower-Box" program to sponsor flower boxes on the Mill Street bridge. The Beautification Committee supports the annual summer floral decor contest and the holiday decorations recognition and awards program open to residents and business owners.
- **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 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 the Chief of Police brings charges 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, owned initially 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 Committee** plans several events each year, including the Festival of Trees and Tree Lighting at Village Hall, a variety of shredding or recycling event(s), egg hunt, Montgomery Fest celebration, and supports the planning of the River Run and senior lunches. Montgomery Fest is held the second weekend in August along the banks of the Fox River annually. Highlights of the Fest include musical performances, carnival rides, food vendors, a petting zoo, a fishing derby, a car show, a parade, and fireworks.

Chapter 9: Departmental Summary

ELECTED OFFICIALS (Continued)

- **The Plan Commission** provides guidance, direction, and control of the Village and contiguous territory's growth and development or redevelopment. The activities of the Commission are in the Community Development Department budget. Duties of the Plan Commission include:
 - 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 design standards 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 Montgomery Development Fund's administration and make recommendations to the Village Board regarding the award of such loans from the Montgomery Development Fund. The Montgomery Development Fund (MDF) is the governing body of the Village's loan program. The Village established the MDF to provide financial support to new or expanding business in the Village. Their purpose is to promote economic development by supporting projects that create or retain jobs, encouraging area financial institutions to utilize MDF programs to serve their customers better, and supporting projects and investments that protect and expand the tax base.
- **The Zoning Board of Appeals** hears and determines an appeal from an administrative order, requirement, decision, or determination made by the Zoning Officer. The activities of the Board are 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 determines is required.
 - To hear all applications for variations and submit reports of findings and recommendations thereon to the Village Board.
 - The Zoning Board of Appeals has four voting members. All four member votes are required to reverse any previous decision of the Zoning Officer.

Village Clerk

The Village Clerk is elected to serve a four-year term. The Village Clerk is responsible for maintaining 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, a requirement 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.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - elected officials	60,600	61,200	61,200	61,200	61,200	61,200	61,200	61,200
Total personal services - salaries and wages	60,600	61,200	61,200	61,200	61,200	61,200	61,200	61,200
Personal services - employee benefits								
Retirement - Social Security	3,757	3,794	3,794	3,794	3,794	3,794	3,794	3,794
Retirement - Medicare	879	887	887	887	887	887	887	887
Retirement - IMRF	60	-	-	-	-	-	-	-
Education - conferences and training	1,946	3,590	1,500	3,590	3,590	3,590	3,590	3,590
Total personal services - employee benefits	6,642	8,271	6,181	8,271	8,271	8,271	8,271	8,271
Contractual services - professional and technical								
Information technology services - software maintenance	1,393	1,370	1,599	1,704	1,704	1,704	1,704	1,704
Other professional services - photography	170	300	150	300	300	300	300	300
Other professional services - miscellaneous	60	250	250	250	250	250	250	250
Other professional services - recording of meetings	1,350	1,800	975	1,800	1,800	1,800	1,800	1,800
Total contractual services - professional and technical	2,973	3,720	2,974	4,054	4,054	4,054	4,054	4,054
Contractual services - property								
Utilities - telephone	1,029	1,128	1,131	660	660	660	660	660
Total contractual services - property	1,029	1,128	1,131	660	660	660	660	660
Contractual services - other								
Printing and publishing - publications	3,114	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Community relations - Montgomery Fest	52,474	69,000	-	65,000	65,000	65,000	65,000	65,000
Community relations - other comm events	5,992	12,675	4,500	8,350	8,350	8,350	8,350	8,350
Community relations - community programs	3,832	4,150	-	4,150	4,150	4,150	4,150	4,150
Community relations - River Run	10,797	15,000	-	15,000	15,000	15,000	15,000	15,000
Other contractual services - dues	26,297	27,560	27,540	27,520	27,550	27,580	27,610	27,640
Other contractual services - document recording	-	100	100	100	100	100	100	100
Total contractual services - other	102,506	131,485	35,140	123,120	123,150	123,180	123,210	123,240
Commodities								
General supplies - office	762	500	500	500	500	500	500	500
General supplies - postage	59	150	75	150	150	150	150	150
General supplies - books and periodicals	1,239	1,605	1,605	1,615	1,625	1,635	1,645	1,655
General supplies - kitchen	38	250	100	250	250	250	250	250
General supplies - Covid-19	148,729	-	8,000	-	-	-	-	-
Total commodities	150,827	2,505	10,280	2,515	2,525	2,535	2,545	2,555
Total Elected Officials	324,577	208,309	116,906	199,820	199,860	199,900	199,940	199,980

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, led by the Village Administrator, 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 coordinating all personnel-related matters such as the hiring process and coordination of employee benefit programs and risk management. The Communications Manager is responsible for developing and executing the strategic communications efforts of the Village through marketing and public relations.

Responsibilities

- Promote an overall customer service culture.
- Communicate with residents, community groups, and other agencies.
- Ensure the delivery of services cost-effectively.
- 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.
- Oversee planning and promotion of Village events.

Core Strategies

- Serve as a primary and practical 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 promptly with all levels of the organization and the public openly and honestly.
- Encourage public participation.

Fiscal Year 2021 Accomplishments

- Continued the shared services program with the Villages of Oswego, North Aurora, 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.
- Actively participated in professional, civic and social organizations to promote and protect Village programs.

Chapter 9: Departmental Summary

ADMINISTRATION DEPARTMENT (Continued)

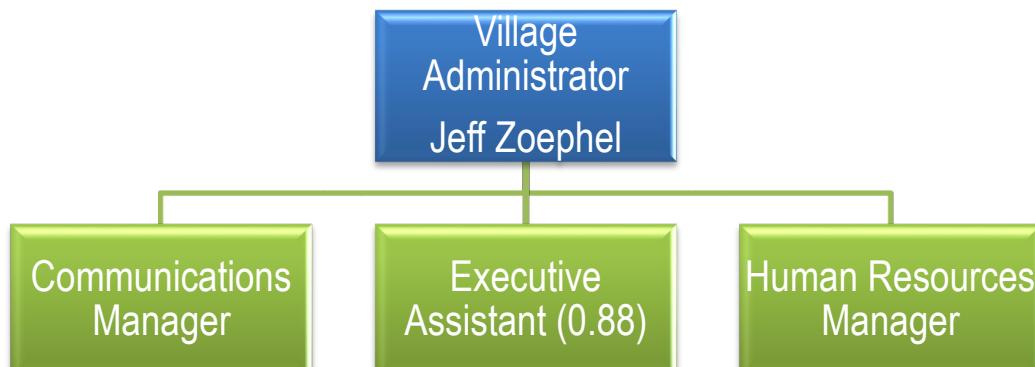
Fiscal Year 2021 Accomplishments (Continued)

- Organized, planned, and adapted events to COVID-19 guidelines for community events such as the Easter Egg Hunt, Festival of Trees, and Tree Lighting Ceremony. Due to the pandemic, traditional events such as the Cemetery Walk, Concerts in the Park, Montgomery Fest, Senior Luncheons, and community presentations were canceled.
- Maintained the website and social media of the Village to provide up-to-date information for residents and business owners.
- Adapted internal and external processes to follow state guidelines regarding the COVID-19 pandemic and to mitigate the spread of coronavirus.
- Promoted "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.

Fiscal Year 2022 Goals and Initiatives

- Develop a succession plan for critical Village positions.
- Continue to enhance community engagement and interaction through the Village website and social media.
- Work with the Village Board to create policy or update previous policy to ensure the growth of Montgomery.
- Create a unified strategic communications plan to create a cohesive vision across all partnering agencies such as the fire districts, school districts, library districts, park districts, and two counties with the Village.
- Support and promote a welcoming atmosphere for all citizens and visitors of Montgomery.
- Continue to reevaluate and adjust Village events and operations in light of the ongoing Covid-19 restrictions and guidelines.
- Research, develop, and establish a future sustainable water source/supply, through partnership with neighboring communities on a joint solution.
- Develop a water conservation program with financial incentives.
- Create and promote a unified Village identity and brand.
- Partner with the Oswego Library District to create a satellite branch in Village Hall and/or support a stand-alone branch in the downtown riverside area near Village Hall.

Organization Chart



Chapter 9: Departmental Summary

ADMINISTRATION DEPARTMENT (Continued)

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	277,299	291,306	291,609	301,417	311,967	322,886	334,187	345,884
Wages - part-time employees	-	-	-	-	-	18,720	18,720	18,720
Overtime - general	291	400	-	400	400	400	400	400
Total personal services - salaries and wages	277,590	291,706	291,609	301,817	312,367	342,006	353,307	365,004
Personal services - employee benefits								
Insurance - health	53,134	53,677	45,089	50,041	51,792	53,605	55,481	57,423
Insurance - dental	3,107	4,076	4,076	4,185	4,394	4,614	4,845	5,087
Insurance - life	142	213	213	214	216	218	220	222
Insurance - workers' compensation	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Insurance - unemployment	687	430	430	496	496	496	496	496
Retirement - Social Security	15,180	16,480	16,332	17,119	17,717	19,497	20,138	20,801
Retirement - Medicare	3,779	4,230	4,077	4,376	4,529	4,959	5,123	5,293
Retirement - IMRF	27,914	31,213	29,551	26,892	27,832	28,805	29,812	30,854
Education - conferences and training	3,558	9,760	4,880	9,760	9,760	9,760	9,760	9,760
Total personal services - employee benefits	109,001	121,579	106,148	114,583	118,236	123,454	127,375	131,436
Contractual services - professional and technical								
Information technology services - system management	55,750	51,000	63,713	57,000	57,000	57,000	57,000	57,000
Information technology services - website	5,542	5,832	5,832	5,727	5,876	6,030	6,188	6,351
Information technology services - software maintenance	9,951	13,412	11,091	14,023	14,159	14,159	14,159	14,159
Other professional services	350	8,925	400	1,950	17,950	1,950	1,950	17,950
Total contractual services - professional and technical	71,593	79,169	81,036	78,700	94,985	79,139	79,297	95,460
Contractual services - property								
Utilities - natural gas	236	260	190	209	230	253	278	306
Utilities - telephone	4,322	4,740	4,740	3,600	3,600	3,600	3,600	3,600
Utilities - cell phone	2,398	1,872	2,248	1,740	1,740	1,740	1,740	1,740
Equipment repair and maintenance - office	10,663	11,340	11,138	11,634	11,937	12,249	12,570	12,901
Rental - equipment	7,572	3,834	4,575	3,834	3,834	3,834	3,834	3,834
Total contractual services - property	25,191	22,046	22,891	21,017	21,341	21,676	22,022	22,381
Contractual services - other								
Insurance - public official bonds	-	1,800	2,623	2,754	2,892	3,037	3,189	3,348
Printing and publishing - publications	-	13,600	1,600	6,100	6,100	6,100	6,100	6,100
Mileage	919	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Community relations - Historic Preservation	1,654	4,798	4,803	4,798	3,429	4,829	3,429	3,429
Community relations - Chamber of Commerce	-	300	300	300	300	300	300	300
Other contractual services - dues	2,961	2,745	2,745	2,625	3,125	3,125	3,125	3,125
Other contractual services - document destruction	240	750	750	750	750	750	750	750
Total contractual services - other	5,774	25,193	14,021	18,527	17,796	19,341	18,093	18,252
Commodities								
General supplies - office	2,695	1,000	1,500	1,000	1,000	1,000	1,000	1,000
General supplies - postage	316	5,800	800	5,800	5,800	5,800	5,800	5,800
General supplies - books and periodicals	781	800	800	800	800	800	800	800
General supplies - computer equipment	4,134	3,500	5,509	-	16,500	7,300	4,100	600
General supplies - Covid-19	949	-	21,000	-	-	-	-	-
Total commodities	8,875	11,100	29,609	7,600	24,100	14,900	11,700	8,200
Total Administration Department	498,024	550,793	545,314	542,244	588,825	600,516	611,794	640,733

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 2021 Accomplishments

- Coordinated preparation of fiscal year 2022 annual budget.
- Received the GFOA Budget Award for fiscal year 2021.
- Completed fiscal year 2020 audit and Comprehensive Annual Financial Report.
- Received the GFOA CAFR Award for fiscal year 2020.
- Hired new Accounting Manager.
- Applied for and obtained Coronavirus Aid, Relief, and Economic Security (CARES) Act grant funding
 - \$466,000 through the Illinois Local Coronavirus Urgent Remediation Emergency (CURE) Program.
 - \$485,000 through the Kane County Coronavirus Relief Fund (CRF).

Fiscal Year 2021 Goals and Initiatives

- Apply for and obtain American Rescue Plan Act (ARPA) grant funding of \$2.7 million through the State of Illinois.
- Apply for and obtain Federal Emergency Management Agency (FEMA) grant funding for Covid-19 expenditures.
- Establish grant review process
- Move to monthly utility billing.
- Redesign Finance portion of Village website.
- Coordinate preparation of fiscal year 2023 annual budget.
- Maintain the Distinguished Budget Presentation Award from GFOA.
- Complete fiscal year 2021 audit and Annual Comprehensive Financial Report.
- Maintain the Certificate of Achievement for Excellence in Financial Reporting from GFOA.

Organization Chart



Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Departmental outputs

	FY2017	FY2018	FY2019	FY2020	FY2021
1. General statistics					
A. Population	18,438	18,438	18,438	18,438	20,262
B. Equalized assessed value (EAV)	401,706,662	423,888,453	456,384,090	479,911,867	503,085,892
C. Actual value	1,205,119,986	1,271,665,359	1,369,152,270	1,439,735,601	1,509,257,676
2. GFOA certifications					
A. Certificate of Achievement	Received	Received	Received	Received	*
B. Distinguished Budget Award	Received	Received	Received	Received	Received
3. Accounts payable					
A. Checks issued	4,916	5,186	4,926	4,782	4,806
B. ACH transactions	113	227	245	228	481
C. Percent of accounts payable as ACH	2.2%	4.2%	4.7%	4.6%	9.1%
D. Voided checks	57	69	18	27	37
E. Percent of accounts payable voided	1.1%	1.3%	0.3%	0.5%	0.7%
4. Payroll					
A. Direct deposits	1,600	1,710	1,955	1,997	2,107
B. Checks issued	326	271	173	97	37
C. Percent of payroll as direct deposits	83.1%	86.3%	91.9%	95.4%	98.3%
5. Utility billing					
A. Number of accounts	9,145	9,196	9,241	9,319	9,425
B. Water and sewer revenue	\$ 4,142,100	\$ 3,994,328	\$ 4,177,270	\$ 4,424,591	\$ 4,815,909
C. Average bi-monthly bill	\$ 75.49	\$ 72.39	\$ 75.34	\$ 79.13	\$ 85.16
6. Debt					
A. Bond rating	AA	AA	AA	AA	AA
B. Total debt	\$ 20,104,856	\$ 21,803,319	\$ 19,540,258	\$ 17,485,551	\$ 15,774,071
- Total debt per capita	\$ 1,090	\$ 1,183	\$ 1,060	\$ 948	\$ 779
- Total debt as a percent of EAV	5.0%	5.1%	4.3%	3.6%	3.1%
C. General obligation (GO) debt	\$ 13,945,000	\$ 16,025,000	\$ 14,150,000	\$ 12,490,000	\$ 11,180,000
- GO debt per capita	\$ 756	\$ 869	\$ 767	\$ 677	\$ 552
- GO debt as a percent of EAV	3.5%	3.8%	3.1%	2.6%	2.2%

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Accounting

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	316,966	333,404	350,202	362,305	374,986	388,111	401,695	415,754
Overtime - general	261	-	-	-	-	-	-	-
Total personal services - salaries and wages	317,227	333,404	350,202	362,305	374,986	388,111	401,695	415,754
Personal services - employee benefits								
Insurance - health	60,836	85,062	71,452	86,600	89,631	92,768	96,015	99,376
Insurance - dental	4,047	4,518	4,518	5,398	5,668	5,951	6,249	6,561
Insurance - life	285	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	435	573	573	661	661	661	661	661
Retirement - Social Security	18,282	20,671	20,277	22,463	23,249	24,063	24,905	25,777
Retirement - Medicare	4,276	4,834	4,742	5,253	5,437	5,628	5,825	6,028
Retirement - IMRF	32,221	35,674	34,422	32,281	33,411	34,581	35,791	37,044
Education - conferences and training	4,259	7,945	1,695	8,195	8,195	8,995	8,995	8,995
Other benefits - health club reimbursement	200	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	128,461	163,682	142,084	165,256	170,660	177,058	182,855	188,859
Contractual services - professional and technical								
Information technology services - system management	5,375	6,800	8,963	7,500	7,500	7,500	7,500	7,500
Information technology services - software maintenance	21,402	29,975	29,975	31,681	33,186	34,766	36,425	38,167
Accounting and auditing services - general	23,950	22,300	22,200	28,000	23,780	26,280	24,910	27,500
Other professional services - other	15,000	-	-	-	-	-	17,000	-
Other professional services - cash management	(1,274)	8,700	9,543	9,600	9,600	9,600	9,600	9,600
Total contractual services - professional and technical	64,453	67,775	70,681	76,781	74,066	78,146	95,435	82,767
Contractual services - property								
Utilities - telephone	2,642	2,641	2,641	1,728	1,728	1,728	1,728	1,728
Utilities - cell phone	1,523	996	1,579	876	876	876	876	876
Utilities - internet access	6,806	5,561	5,663	6,384	5,664	6,384	5,664	6,384
Total contractual services - property	10,971	9,198	9,883	8,988	8,268	8,988	8,268	8,988
Contractual services - other								
Insurance - liability	260,310	255,053	232,517	261,942	284,647	308,940	334,929	362,733
Insurance - deductibles	22,324	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Printing and publishing - legal notices	970	1,020	1,069	1,075	1,075	1,075	1,075	1,075
Personnel administration - recruitment	1,235	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Personnel administration - physicals/testing	2,562	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Employee relations - gifts/flowers	322	250	250	250	250	250	250	250
Employee relations - employee appreciation	2,551	2,350	700	3,400	3,000	4,100	3,500	3,450
Other contractual services - dues	2,598	2,585	2,634	3,025	2,660	2,670	3,055	3,065
Total contractual services - other	292,872	276,858	252,770	285,292	307,232	332,635	358,409	386,173

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Accounting (Continued)

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Commodities								
General supplies - office	2,236	3,000	3,000	3,000	3,000	3,000	3,000	3,000
General supplies - agency	349	650	650	650	650	650	650	650
General supplies - postage	1,099	1,320	1,022	1,050	1,050	1,050	1,050	1,050
General supplies - books and periodicals	-	250	-	250	250	250	250	250
General supplies - safety	45	3,285	100	100	100	100	100	100
General supplies - computer equipment	9,780	11,700	3,430	1,400	3,050	9,200	5,450	1,600
General supplies - Covid-19	571	-	1,000	-	-	-	-	-
Total commodities	14,080	20,205	9,202	6,450	8,100	14,250	10,500	6,650
Charges for services								
Other contractual services - accounting	(331,226)	(348,449)	(333,929)	(362,029)	(377,325)	(399,675)	(422,865)	(435,676)
Total charges for services	(331,226)	(348,449)	(333,929)	(362,029)	(377,325)	(399,675)	(422,865)	(435,676)
Total Finance - Accounting	496,838	522,673	500,893	543,043	565,987	599,513	634,297	653,515

Chapter 9: Departmental Summary

FINANCE DEPARTMENT (Continued)

Finance Department – Utility Billing

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	83,030	94,561	94,750	97,947	101,375	104,923	108,595	112,396
Overtime - general	1,350	1,500	750	1,500	1,500	1,500	1,500	1,500
Total personal services - salaries and wages	84,380	96,061	95,500	99,447	102,875	106,423	110,095	113,896
Personal services - employee benefits								
Insurance - health	22,257	7,231	6,074	6,741	6,977	7,221	7,474	7,736
Insurance - dental	1,211	883	883	906	951	999	1,049	1,101
Insurance - life	142	142	142	143	144	145	146	147
Insurance - workers' compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - unemployment	398	287	287	330	330	330	330	330
Retirement - Social Security	5,088	5,956	5,784	6,166	6,378	6,598	6,826	7,062
Retirement - Medicare	1,190	1,393	1,353	1,442	1,492	1,543	1,596	1,651
Retirement - IMRF	8,374	10,279	9,608	8,861	9,166	9,482	9,809	10,148
Education - conferences and training	248	1,000	500	1,000	1,000	1,000	1,000	1,000
Total personal services - employee benefits	39,908	28,171	25,631	26,589	27,438	28,318	29,230	30,175
Contractual services - professional and technical								
Information technology services - system management	1,887	2,300	3,300	3,300	3,300	3,300	3,300	3,300
Information technology services - software maintenance	6,595	8,389	8,389	8,815	9,130	9,459	9,803	10,164
Other professional services - cash management	26,913	27,360	38,304	39,000	39,000	39,000	39,000	39,000
Total contractual services - professional and technical	35,395	38,049	49,993	51,115	51,430	51,759	52,103	52,464
Contractual services - property								
Utilities - telephone	923	1,020	1,020	744	744	744	744	744
Utilities - cell phone	513	876	529	816	816	816	816	816
Rental - equipment	847	847	847	847	847	847	847	847
Total contractual services - property	2,283	2,743	2,396	2,407	2,407	2,407	2,407	2,407
Contractual services - other								
Printing and publishing - forms and maps	8,887	7,800	9,100	7,800	7,800	7,800	7,800	7,800
Other contractual services - dues	-	80	80	80	80	80	80	80
Total contractual services - other	8,887	7,880	9,180	7,880	7,880	7,880	7,880	7,880
Commodities								
General supplies - office	1,168	1,500	1,000	1,500	1,500	1,500	1,500	1,500
General supplies - postage	23,956	29,190	24,390	26,390	28,337	30,333	32,379	34,476
General supplies - computer equipment	1,978	-	113	1,400	1,900	2,900	1,000	1,400
General supplies - Covid-19	263	-	175	-	-	-	-	-
Minor equipment - Finance	-	-	5,485	-	-	-	-	-
Total commodities	27,365	30,690	31,163	29,290	31,737	34,733	34,879	37,376
Charges for services								
Other contr serv - utility billing	(198,218)	(203,594)	(213,863)	(216,728)	(223,767)	(231,520)	(236,594)	(244,198)
Total charges for services	(198,218)	(203,594)	(213,863)	(216,728)	(223,767)	(231,520)	(236,594)	(244,198)

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 permits, 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 Planning and Zoning Commission by providing information and recommendations.

The Department strives to create a business-friendly environment to retain and expand our existing businesses and attract new businesses to 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 2021 Accomplishments

- Processed 38 applications for the Montgomery Development Fund (MDF) Covid-19 grants.
- Began utilizing the Adjudication program for Code Enforcement cases.
- Completed an RFP for Village owned land within the Mill District (downtown) area.
- Held public meetings and public hearings on the Unified Development Ordinance (UDO) which was adopted on March 8, 2021 to replace the previous Zoning and Subdivision Ordinances.
- Processed 99 permits for new single-family (attached and detached) homes.
- Completed the three-year update review of the Community Rating Service (CRS) for flood plain insurance rates.
- Created the Downtown Mill District Restaurant Incentive Program and awarded the first grant to Gray's Mill Estates.
- Hired Teska Associates to complete a TIF Study for the former Caterpillar site.

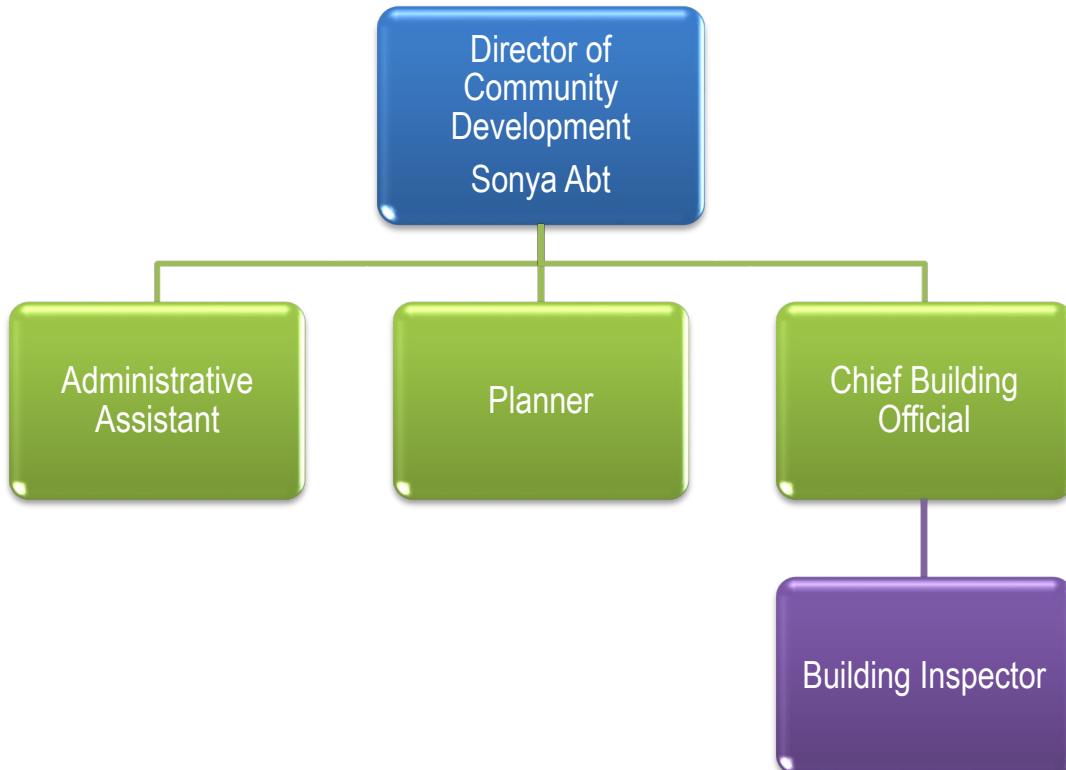
Fiscal Year 2022 Goals and Initiatives

- Adopt new Engineering Manual to complement the new Unified Development 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.
- Update the Economic Development and Business webpages on the Village's website to help promote village incentives and economic development.
- 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 former Caterpillar site.
- Complete the annexation and zoning of the 262 acres located on the west side of Orchard Road near Aucutt Road.
- Continue to review the concept of a TIF District for the former Caterpillar site.
- Continue to review the concept of a TIF District for the development area located on the west side of Orchard Road near Aucutt Road.
- Re-establish interest with civic groups and the Village Board for entry monument/gateway signage at key locations around the village.
- Through efforts within the guidelines of the Greenest Regions Compact and SolSmart programs, continue to promote green community endeavors

Chapter 9: *Departmental Summary*

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Organization Chart



Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Planning and Zoning

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	211,599	216,812	216,812	203,530	210,654	218,027	225,658	233,556
Wages - part-time employees	-	7,800	-	-	-	-	-	-
Wages - boards and committees	1,260	1,960	1,015	1,960	1,960	1,960	1,960	1,960
Total personal services - salaries and wages	212,859	226,572	217,827	205,490	212,614	219,987	227,618	235,516
Personal services - employee benefits								
Insurance - health	22,257	22,624	19,004	36,001	37,261	38,565	39,915	41,312
Insurance - dental	1,604	1,731	1,731	2,537	2,664	2,797	2,937	3,084
Insurance - life	142	142	142	143	144	145	146	147
Insurance - workers' compensation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - unemployment	287	287	287	330	330	330	330	330
Retirement - Social Security	12,817	14,047	13,312	12,740	13,182	13,639	14,112	14,602
Retirement - Medicare	2,998	3,285	3,113	2,980	3,083	3,190	3,300	3,415
Retirement - IMRF	21,508	24,033	21,936	18,135	18,769	19,426	20,106	20,810
Education - conferences and training	3,891	5,300	400	5,050	5,050	5,050	5,050	5,050
Total personal services - employee benefits	66,504	72,449	60,925	78,916	81,483	84,142	86,896	89,750
Contractual services - professional and technical								
Information technology services - system management	1,356	3,000	1,500	3,000	3,000	3,000	3,000	3,000
Information technology services - software maintenance	1,184	1,339	1,364	3,050	3,050	3,050	3,050	3,050
Planning services - general	559	10,000	2,000	5,000	5,000	5,000	5,000	5,000
Planning services - development (reimbursable)	1,460	12,500	5,000	12,500	12,500	15,000	15,000	15,000
Planning services - municipal projects	-	10,000	10,000	-	-	-	-	-
Total contractual services - professional and technical	4,559	36,839	19,864	23,550	23,550	26,050	26,050	26,050
Contractual services - property								
Utilities - telephone	923	1,322	1,020	744	744	744	744	744
Utilities - cell phone	2,102	1,872	1,924	1,680	1,680	1,680	1,680	1,680
Rental - equipment	3,140	3,144	2,620	-	3,144	3,144	3,144	3,144
Total contractual services - property	6,165	6,338	5,564	2,424	5,568	5,568	5,568	5,568
Contractual services - other								
Printing and publishing - legal notices	1,034	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	3,372	3,025	2,760	3,025	3,025	3,025	3,025	3,025
Other contr services - document recording	258	500	500	500	500	500	500	500
Total contractual services - other	4,664	5,425	5,160	5,425	5,425	5,425	5,425	5,425
Commodities								
General supplies - office	742	1,700	800	1,700	1,700	1,700	1,700	1,700
General supplies - postage	72	345	345	345	345	345	345	345
General supplies - books and periodicals	485	1,005	1,005	1,005	1,005	1,005	1,005	1,005
General supplies - computer equipment	2,727	1,900	3,900	-	-	2,300	3,900	-
General supplies - Covid-19	-	-	150	-	-	-	-	-
Total commodities	4,026	4,950	6,200	3,050	3,050	5,350	6,950	3,050
Total Community Development - Planning and Zoning	298,777	352,573	315,540	318,855	331,690	346,522	358,507	365,359

Chapter 9: Departmental Summary

COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

Community Development – Code Enforcement and Inspections

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	201,037	208,545	207,020	214,766	222,283	230,063	238,115	246,449
Wages - part-time employees	-	-	-	7,800	7,800	7,800	7,800	7,800
Overtime - general	134	-	-	-	-	-	-	-
Total personal services - salaries and wages	201,171	208,545	207,020	222,566	230,083	237,863	245,915	254,249
Personal services - employee benefits								
Insurance - health	45,692	46,446	39,015	43,300	44,816	46,385	48,008	49,688
Insurance - dental	2,975	3,211	3,211	3,296	3,461	3,634	3,816	4,007
Insurance - life	213	213	213	214	216	218	220	222
Insurance - workers' compensation	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Insurance - unemployment	439	430	430	496	496	496	496	496
Retirement - Social Security	11,895	12,930	12,377	13,799	14,265	14,748	15,247	15,763
Retirement - Medicare	2,782	3,024	2,895	3,227	3,336	3,449	3,566	3,687
Retirement - IMRF	20,557	22,314	21,117	19,136	19,805	20,499	21,216	21,959
Education - conferences and training	1,648	1,550	1,850	3,010	1,360	1,360	1,360	1,360
Equipment - clothing allowance	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total personal services - employee benefits	89,901	93,818	84,808	90,178	91,455	94,489	97,629	100,882
Contractual services - professional and technical								
Information technology services - system management	1,456	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Information technology services - software maintenance	11,899	13,054	12,319	12,868	13,224	13,591	13,968	14,357
Planning services - development (reimbursable)	10,275	10,000	5,000	10,000	10,000	10,000	10,000	10,000
Inspection services - general	-	500	-	-	-	-	-	-
Inspection services - plumbing	23,800	11,150	40,000	26,950	2,700	2,150	3,600	3,600
Inspection services - elevator	822	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Inspection services - sewer	1,420	1,660	1,660	4,200	900	1,020	2,304	2,520
Total contractual services - professional and technical	49,672	41,864	64,479	59,518	32,324	32,261	35,372	35,977
Contractual services - property								
Utilities - telephone	1,386	1,524	1,524	1,116	1,116	1,116	1,116	1,116
Utilities - cell phone	2,544	2,184	2,294	2,868	2,868	2,868	2,868	2,868
Equipment repair and maintenance - office	-	100	100	100	100	100	100	100
Grounds repair and maintenance - lawn care violations	2,708	3,000	2,000	3,000	3,000	3,000	3,000	3,000
Total contractual services - property	6,638	6,808	5,918	7,084	7,084	7,084	7,084	7,084
Contractual services - other								
Printing and publishing - publications	-	50	50	50	50	50	50	50
Printing and publishing - forms and maps	306	300	300	300	300	300	300	300
Other contractual services - dues	340	390	390	370	370	370	370	370
Other contractual services - vehicle and equipment replacement	13,342	13,311	13,311	13,311	13,311	13,311	13,311	13,311
Total Contractual Services - Other	13,988	14,051	14,051	14,031	14,031	14,031	14,031	14,031
Commodities								
General supplies - office	1,141	1,000	-	1,000	1,000	1,000	1,000	1,000
General supplies - agency	363	400	400	400	400	400	400	400
General supplies - postage	17	165	165	165	165	165	165	165
General supplies - books and periodicals	-	130	130	390	130	130	390	130
General supplies - computer equipment	2,101	1,400	1,900	1,400	2,500	1,900	1,900	2,000
General supplies - Covid-19	225	-	50	-	-	-	-	-
Total commodities	3,847	3,095	2,645	3,355	4,195	3,595	3,855	3,695
Total Community Development - Code Enf. and Insp.	365,217	368,181	378,921	396,732	379,172	389,323	403,886	415,918

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 five (5) agreements with various companies to rebate a portion of the sales tax collected within a certain development or individual store.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Contractual services - professional and technical								
Economic development services - marketing	6,273	11,500	4,200	7,700	7,700	7,700	7,700	7,700
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	96,273	101,500	94,200	97,700	97,700	97,700	97,700	97,700
Other								
Other - economic development incentives	980,917	1,028,396	1,048,047	1,100,873	1,080,129	1,071,999	1,158,260	989,628
Total other	980,917	1,028,396	1,048,047	1,100,873	1,080,129	1,071,999	1,158,260	989,628
Total Community Development - Economic Development	1,077,190	1,129,896	1,142,247	1,198,573	1,177,829	1,169,699	1,255,960	1,087,328

Chapter 9: Departmental Summary

POLICE DEPARTMENT

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.

Description

The Montgomery Police Department provides protection and policing services to more than 20,000 residents and businesses within the Village limits. The Department strives hard each day to provide exceptional public service, demonstrate community pride, and maintain public safety throughout the Village. Our primary role is to prevent crime and enforce laws against those who fail to follow them. The Montgomery Police Department strives to make Montgomery a community where residents can feel safe and enjoy a high quality of life.

The Administrative Division is responsible for planning and overseeing the operations and functions of the Police Department; communicating with the Village Board and other Village departments; and cooperating with other law enforcement agencies.

The Records Division is responsible for the management of police records which includes processing and archiving of all case reports generated by police personnel, traffic crash reports, and all traffic and local ordinance citations.

The Patrol Division is the most visible in the community. The patrol division provides protection and police services to the community 24 hours a day, 7 days a week, 365 days a year. The patrol division responsibilities include active participation in the Department's Community Policing program, enforcement of state and local laws, responding to emergency and non-emergency calls, and patrolling residential and business areas in an effort to prevent or reduce crime. Community Policing is a collaborative effort between the Police Department and the community to educate citizens through crime prevention programs such as the Citizens Police Academy, Neighborhood Watch, and National Night Out. Enforcement efforts are dedicated to reducing the number of traffic injuries and fatalities by focusing on major contributors of accidents, which include seat belt usage, speeding, impaired motorists (DUI), and distracted driving.

The Investigations Division is responsible for investigating crimes ranging from misdemeanor offenses to serious felonies; registering sex offenders in compliance with state laws; performing background investigations for Village employment and applicants for liquor, solicitor, and tobacco licenses; and completing alcohol and tobacco compliance checks.

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.

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Values (Continued)

- 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.

Core Strategies

- Public service
- Policies and procedures
- Community oriented
- Harmonious work environment
- High quality of life

Fiscal Year 2021 Accomplishments

- Introduced/Certified four Crisis Intervention Team (CIT) Officers
- Advanced Roadside Impaired Driving Enforcement (ARIDE) training in preparation for legalization of cannabis
- Sergeant Stransky graduated from Northwestern University Center for Public Safety (NUCPS) Staff and Command
- Commander Palko obtained her Master's Degree in Public Administration from Aurora University
- Commander Diaz obtained his Bachelor's Degree in Criminal Justice Administration from Columbia Southern University
- Deputy Chief's role changed to Secretary on Kane County Chiefs of Police Executive Board
- Social Distance Challenge
- Additional Member to KCART (Kane County Accident Reconstruction Team)
- Assisted with in the Multi-jurisdictional Response at the Covid Vaccination Clinic in Kendall County
- Assisted with in the (DVRT) Domestic Violence Team and (FVCC) Family Violence Coordinating Council in Kendall County
- Spread Christmas Cheer to (2) families during the holiday season)

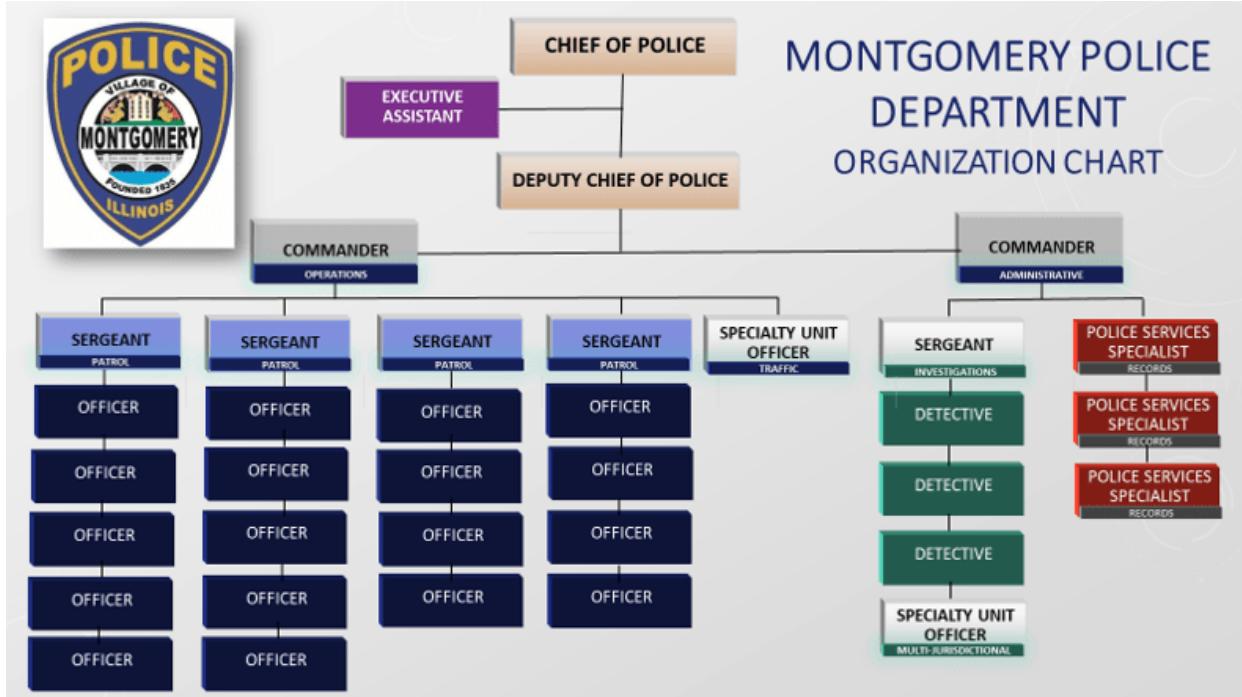
Fiscal Year 2022 Goals and Initiatives

- Certify additional CIT Officers
- Obtain ARIDE training for additional Officers
- Add additional personnel to Kane County Swat Team
- Officer Wellness Training (postponed due to Covid)
- Sergeant Niete to attend NUCPS Staff and Command
- Rescue Task Force (RTF) Training with other agencies (postponed due to Covid)
- Citizens Police Academy (CPA) (postponed due to Covid)
- Halloween Safety Event

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Organization Chart



Departmental outputs

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Physical tickets	912	2,221	994	1,505	993	821	778	838	857	829
Compliance tickets	786	1,316	1,273	1,184	984	866	1,579	1,329	1,126	619
Traffic violations	4,023	4,141	2,474	2,758	2,884	2,135	3,807	3,515	3,329	2,706

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Administration

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	544,658	558,059	558,140	577,588	597,804	618,727	640,382	662,795
Total personal services - salaries and wages	544,658	558,059	558,140	577,588	597,804	618,727	640,382	662,795
Personal services - employee benefits								
Insurance - health	98,596	107,021	89,898	100,641	104,163	107,809	111,582	115,487
Insurance - dental	6,519	7,179	7,179	7,805	8,195	8,605	9,035	9,487
Insurance - life	355	356	356	356	360	364	368	372
Insurance - workers' compensation	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Insurance - unemployment	717	717	717	826	826	826	826	826
Retirement - Social Security	31,544	34,580	33,099	35,810	37,064	38,361	39,704	41,093
Retirement - Medicare	7,377	8,092	7,741	8,375	8,668	8,972	9,286	9,611
Retirement - IMRF	7,172	7,701	7,336	-	6,868	7,108	7,357	7,615
Education - conferences and training	8,266	20,668	10,668	25,718	14,018	9,768	9,868	9,918
Equipment - clothing allowance	3,525	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Total personal services - employee benefits	168,571	194,014	164,694	187,231	187,862	189,513	195,726	202,109
Contractual services - professional and technical								
Information technology services - system management	46,675	35,000	38,583	35,000	35,000	35,000	35,000	35,000
Information technology services - software maintenance	50,018	35,031	35,031	34,427	35,023	35,634	36,266	36,915
Total contractual services - professional and technical	96,693	70,031	73,614	69,427	70,023	70,634	71,266	71,915
Contractual services - property								
Utilities - natural gas	2,945	3,525	1,776	2,400	3,025	3,650	4,275	4,900
Utilities - telephone	6,904	7,524	7,524	5,052	5,052	5,052	5,052	5,052
Utilities - cell phone	4,305	4,860	5,555	4,308	4,308	4,308	4,308	4,308
Utilities - internet access	3,052	6,254	6,254	6,974	6,254	6,974	6,254	6,974
Utilities - Leads/IWIN access	19,106	19,087	19,087	19,087	19,087	19,087	19,087	19,087
Building repair and maintenance - other	56,369	21,458	21,458	23,399	24,008	24,636	25,282	25,948
Equipment repair and maintenance - office	1,002	840	1,200	1,200	1,200	1,200	1,200	1,200
Equipment repair and maintenance - other	3,888	1,689	1,776	1,776	1,776	1,776	1,776	1,776
Equipment repair and maint - communications	12,007	11,098	11,098	1,000	1,000	1,000	1,000	12,142
Equipment repair and maint - claims	15,005	-	-	-	-	-	-	-
Rental - equipment	2,802	4,081	4,081	4,081	4,081	4,081	4,081	4,081
Total contractual services - property	127,385	80,416	79,809	69,277	69,791	71,764	72,315	85,468
Contractual services - other								
Personnel administration - physicals/testing	1,190	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Other contractual services - animal control	610	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Other contractual services - dues	3,450	5,280	5,280	5,280	5,424	5,280	5,280	5,424
Other contractual services - document destruction	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total contractual services - other	5,750	9,745	9,745	9,745	9,889	9,745	9,745	9,889
Commodities								
General supplies - office	2,073	3,000	3,000	3,000	3,000	3,000	3,000	3,000
General supplies - postage	3,394	5,200	2,700	5,200	5,200	5,200	5,200	5,200
General supplies - books and periodicals	124	1,920	1,920	1,920	1,920	1,920	1,920	1,920
General supplies - safety	422	2,400	2,400	4,400	4,400	4,400	4,400	4,400
General supplies - computer equipment	14,497	-	1,775	23,200	6,900	12,550	2,300	3,200
General supplies - Covid-19	908	-	2,500	-	-	-	-	-
Minor equipment - police	902	-	-	-	-	-	-	-
Total commodities	22,320	12,520	14,295	37,720	21,420	27,070	16,820	17,720
Total Police - Administration	965,377	924,785	900,297	950,988	956,789	987,453	1,006,254	1,049,896

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Records

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	138,551	145,694	145,290	150,328	155,589	161,035	166,671	172,504
Wages - part-time employees	21,123	21,820	11,700	21,820	21,820	21,820	21,820	21,820
Overtime - general	(45)	1,000	-	1,000	1,000	1,000	1,000	1,000
Total personal services - salaries and wages	159,629	168,514	156,990	173,148	178,409	183,855	189,491	195,324
Personal services - employee benefits								
Insurance - health	65,157	45,514	38,232	35,690	36,939	38,232	39,570	40,955
Insurance - dental	4,070	4,392	4,392	4,509	4,734	4,971	5,220	5,481
Insurance - life	213	213	213	214	216	218	220	222
Insurance - workers' compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - unemployment	643	675	675	774	774	774	774	774
Retirement - Social Security	9,548	10,448	9,345	10,735	11,061	11,399	11,748	12,110
Retirement - Medicare	2,233	2,443	2,186	2,511	2,587	2,666	2,748	2,832
Retirement - IMRF	14,255	15,696	14,792	13,483	13,952	14,437	14,939	15,459
Education - conferences and training	75	2,108	2,108	2,188	2,108	2,188	2,108	2,188
Equipment - clothing allowance	1,688	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Total personal services - employee benefits	99,882	84,889	75,343	73,504	75,771	78,285	80,727	83,421
Contractual services - professional and technical								
Information technology services - software maintenance	729	1,436	1,436	1,448	1,448	1,448	1,448	1,448
Professional services - cash management	62	50	200	150	150	150	150	150
Professional services - dispatch	307,910	291,686	291,686	295,757	303,890	312,247	320,834	329,657
Total contractual services - professional and technical	308,701	293,172	293,322	297,355	305,488	313,845	322,432	331,255
Contractual services - property								
Utilities - telephone	1,477	1,620	1,620	1,200	1,200	1,200	1,200	1,200
Total contractual services - property	1,477	1,620	1,620	1,200	1,200	1,200	1,200	1,200
Contractual services - other								
Other contractual services - dues	-	-	-	72	72	72	-	72
Total contractual services - property	-	-	-	72	72	72	-	72
Commodities								
General supplies - office	1,981	1,500	1,500	1,670	1,500	1,500	1,500	1,500
General supplies - computer equipment	3,274	3,800	4,400	-	2,200	1,000	6,400	-
General supplies - Covid-19	-	-	200	-	-	-	-	-
Total commodities	5,255	5,300	6,100	1,670	3,700	2,500	7,900	1,500
Total Police - Records	574,944	553,495	533,375	546,949	564,640	579,757	601,750	612,772

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Patrol

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	1,751,280	1,970,974	1,922,003	2,019,551	2,105,689	2,184,652	2,266,576	2,351,573
Wages - part-time employees	49,849	56,160	45,532	37,440	37,440	37,440	37,440	37,440
Wages - temporary employees	-	520	728	1,170	520	520	520	520
Overtime - general	78,075	130,000	126,583	130,000	130,000	130,000	130,000	130,000
Overtime - reimbursable services	485	1,000	-	-	1,000	1,000	1,000	1,000
Holiday pay	144,223	166,775	151,757	170,885	178,174	184,855	191,787	198,979
Bonus pay	1,500	4,000	4,000	1,000	-	2,000	3,500	2,500
Total personal services - salaries and wages	2,025,412	2,329,429	2,250,603	2,360,046	2,452,823	2,540,467	2,630,823	2,722,012
Personal services - employee benefits								
Insurance - health	406,626	447,718	376,083	352,444	367,394	380,253	393,562	407,337
Insurance - dental	21,701	27,992	27,992	23,835	25,165	26,423	27,744	29,131
Insurance - life	1,697	1,850	1,850	1,710	1,727	1,744	1,761	1,779
Insurance - workers' compensation	24,000	25,000	25,000	24,000	24,000	24,000	24,000	24,000
Insurance - unemployment	4,117	3,583	3,583	4,296	4,296	4,296	4,296	4,296
Retirement - Social Security	121,895	144,425	136,563	146,323	152,075	157,509	163,111	168,765
Retirement - Medicare	28,508	33,777	31,938	34,221	35,566	36,837	38,147	39,469
Retirement - Police Pension	636,733	664,012	824,253	865,992	883,312	900,978	918,998	937,378
Education - conferences and training	10,612	22,611	18,811	28,397	19,317	17,297	19,887	17,297
Equipment - clothing allowance	16,800	17,500	17,500	16,800	16,800	16,800	16,800	16,800
Total personal services - employee benefits	1,272,689	1,388,468	1,463,573	1,498,018	1,529,652	1,566,137	1,608,306	1,646,252
Contractual services - professional and technical								
Information technology services - software maintenance	2,014	2,253	2,253	5,321	5,321	5,321	5,321	5,321
Total contractual services - professional and technical	2,014	2,253	2,253	5,321	5,321	5,321	5,321	5,321
Contractual services - property								
Utilities - telephone	8,353	9,120	9,120	6,444	6,444	6,444	6,444	6,444
Utilities - cell phone	2,473	4,380	4,419	4,056	4,056	4,056	4,056	4,056
Equipment repair and maintenance - other	1,152	4,845	4,845	7,745	7,745	7,745	7,745	7,745
Total contractual services - property	11,978	18,345	18,384	18,245	18,245	18,245	18,245	18,245
Contractual services - other								
Other contractual services - dues	11,950	16,972	16,972	20,918	20,594	20,774	20,954	21,350
Other contractual services - vehicle and equipment repl	198,166	164,181	164,181	234,838	234,838	234,838	234,838	234,838
Total contractual services - other	210,116	181,153	181,153	255,756	255,432	255,612	255,792	256,188
Commodities								
General supplies - office	643	700	700	700	700	700	700	700
General supplies - agency	6,003	9,350	9,350	9,350	9,350	9,350	9,350	9,350
General supplies - safety	3,592	12,400	12,400	17,890	13,920	11,640	11,640	11,640
General supplies - ammunition	4,337	9,600	9,600	12,700	9,600	9,600	12,100	9,600
General supplies - computer equipment	11,654	1,900	1,975	3,600	1,900	10,400	1,900	-
General supplies - Covid-19	479	-	3,000	-	-	-	-	-
Police supplies - lock-up	1,890	4,700	4,700	7,200	4,700	4,700	4,700	4,700
Police supplies - community policing	8,583	8,950	3,950	8,950	8,950	8,950	8,950	8,950
Minor equipment - Police	9,946	9,450	14,450	9,450	18,300	2,500	2,500	2,500
Total commodities	47,127	57,050	60,125	69,840	67,420	57,840	51,840	47,440
Total Police - Patrol	3,569,336	3,976,698	3,976,091	4,207,226	4,328,893	4,443,622	4,570,327	4,695,458

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Investigations

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	364,741	349,711	313,058	427,027	443,041	459,655	476,892	494,775
Wages - part-time employees	-	-	-	18,720	18,720	18,720	18,720	18,720
Overtime - general	2,227	9,000	10,920	9,000	9,000	9,000	9,000	9,000
Overtime - reimbursable services	-	700	-	700	700	700	700	700
Holiday pay	19,493	29,591	13,179	36,133	37,488	38,894	40,352	41,866
Bonus pay	4,000	-	-	-	-	-	-	1,000
Total personal services - salaries and wages	390,461	389,002	337,157	491,580	508,949	526,969	545,664	566,061
Personal services - employee benefits								
Insurance - health	59,591	44,915	37,729	78,432	81,177	84,018	86,959	90,003
Insurance - dental	4,086	2,930	2,930	5,851	6,144	6,451	6,774	7,113
Insurance - life	285	285	285	356	360	364	368	372
Insurance - workers' compensation	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000
Insurance - unemployment	430	573	573	991	991	991	991	991
Retirement - Social Security	23,581	24,118	20,638	30,478	31,555	32,672	33,831	35,096
Retirement - Medicare	5,515	5,641	4,827	7,128	7,380	7,641	7,912	8,208
Education - conferences and training	5,698	11,363	5,163	13,837	7,637	8,137	5,437	5,937
Equipment - clothing allowance	2,800	2,800	2,800	3,500	3,500	3,500	3,500	3,500
Total personal services - employee benefits	105,986	96,625	78,945	145,573	143,744	148,774	150,772	156,220
Contractual services - professional and technical								
Information technology services - software maintenance	630	1,754	1,754	2,666	2,666	2,666	2,666	2,666
Total contractual services - professional and technical	630	1,754	1,754	2,666	2,666	2,666	2,666	2,666
Contractual services - property								
Utilities - telephone	1,906	2,100	2,100	2,472	2,472	2,472	2,472	2,472
Utilities - cell phone	3,900	3,984	3,353	3,504	3,504	3,504	3,504	3,504
Rental - vehicle	-	2,500	-	2,500	2,500	2,500	2,500	2,500
Total contractual services - property	5,806	8,584	5,453	8,476	8,476	8,476	8,476	8,476
Contractual services - other								
Other contractual services - dues	4,402	5,192	5,192	5,242	5,314	5,320	5,320	5,392
Total contractual services - other	4,402	5,192	5,192	5,242	5,314	5,320	5,320	5,392
Commodities								
General supplies - office	1,991	1,750	1,750	1,750	1,750	1,750	1,750	1,750
General supplies - agency	294	800	5,022	4,173	1,050	800	800	800
General supplies - books and periodicals	-	300	300	300	300	300	300	300
General supplies - computer equipment	7,931	1,900	1,900	1,600	3,300	8,300	1,900	1,600
General supplies - Covid-19	-	-	-	-	-	-	-	-
Police supplies - investigation and evidence	6,615	6,670	6,670	8,070	8,070	8,070	8,070	8,070
Minor equipment - police	-	-	8,700	-	1,100	-	-	-
Total commodities	16,831	11,420	24,342	15,893	15,570	19,220	12,820	12,520
Total Police - Investigations	524,116	512,577	452,843	669,430	684,719	711,425	725,718	751,335

Chapter 9: Departmental Summary

POLICE DEPARTMENT (Continued)

Police Department – Police Commission

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - Boards and Committees	-	420	-	-	420	420	420	420
Total personal services - salaries and wages	-	420	-	-	420	420	420	420
Personal services - employee benefits								
Retirement - Social Security	-	26	-	-	26	26	26	26
Retirement - Medicare	-	6	-	-	6	6	6	6
Total personal services - employee benefits	-	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	134	160	160	172	172	172	172	172
Total contractual services - professional and technical	134	660	660	672	672	672	672	672
Contractual services - other								
Personnel administration - recruitment	3,259	6,400	6,400	2,800	2,800	5,400	2,800	2,800
Other contractual services - dues	375	375	375	375	375	375	375	375
Total contractual services - other	3,634	6,775	6,775	3,175	3,175	5,775	3,175	3,175
Commodities								
General supplies - agency	-	450	250	450	450	450	450	450
Total commodities	-	450	250	450	450	450	450	450
Total Police - Police Commission	3,768	8,337	7,685	4,297	4,749	7,349	4,749	4,749

Police Department – MEMA

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Contractual services - property								
Equipment repair and maintenance - other	-	-	-	1,322	1,272	1,272	1,272	1,272
Equipment repair and maintenance - other	-	-	-	432	432	432	432	432
Equipment repair and maintenance - other	2,738	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total contractual services - property	2,738	2,500	2,500	4,254	4,204	4,204	4,204	4,204
Commodities								
General supplies - agency	-	700	700	814	200	200	200	200
Total commodities	-	700	700	814	200	200	200	200
Total Police - MEMA	2,738	3,200	3,200	5,068	4,404	4,404	4,404	4,404

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT

Description

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

Responsibilities

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

Core Strategies

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

Fiscal Year 2021 Accomplishments

- Completed lead service lines replacements.
- Planted 300+ parkway trees.
- 3rd Year Recipient for Tree City USA Designation.
- Completed replacement of 350 feet of 8-inch sanitary main on Jackson Street.
- Continued Chloride Reduction during winter operations.
- Identified areas to improve on water loss.
- Continued with Village wide water meter change out program.
- Received one new additional truck for daily forestry operations.
- Received two new replacement trucks for customer service and streets operations.
- Received one new piece of heavy equipment for daily operations of multiple divisions.

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

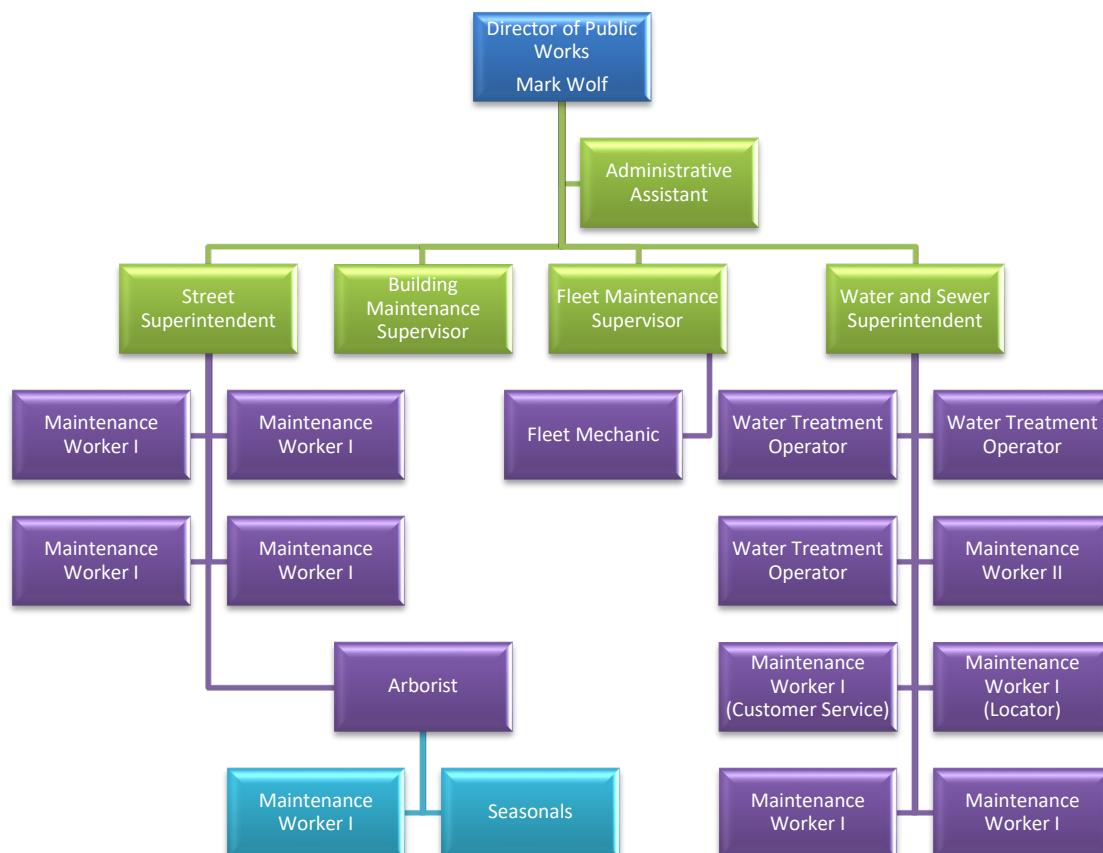
Fiscal Year 2021 Accomplishments (Continued)

- Installation of wing plow on existing truck for winter operations.
- Completed phase three of the ComEd streetlight incentive program.
- Completed needs analysis for new Public Works building.

Fiscal Year 2022 Goals and Initiatives

- Replacement of water main on Route 31 from Ashland Ave to Village limits.
- Regrading and reconditioning of the Parkview detention basin.
- Plant 300+ 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 additional truck for daily and snow operations.
- Start design and construction of new Public Works building.
- Construction of Pearl Street storm sewer improvements.
- Construction of Waubonsee Creek bike path.
- Implementation of main line water valve assessment program, phase 1 of 3.
- Design of Lime feed modifications for Lime Softening Water Treatment Plant.
- Village water source well rehabilitation.

Organization Chart



Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Performance Measures

Water

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Storage capacity	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	5,800,000
Peak daily consumption	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	3,815,000
Average daily consumption	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	2,540,000
Water mains (miles)	114	114	117	117	117	118	118	133	133	133
Water main breaks	57	53	56	44	19	33	51	44	43	25
Water main break spoils removal (sq yd)	-	-	-	1,428	1,580	2,250	N/A	896	880	490
Fire hydrants	1,372	1,372	1,680	1,680	1,680	1,700	1,700	1,747	1,747	1,747
Fire hydrant maintenance and painting	-	-	300	300	325	180	120	133	75	115
New connections	63	62	30	50	22	19	2	16	70	N/A

Streets

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Streets (miles)	76.0	76.0	76.0	76.0	76.0	76.5	76.5	76.5	76.5	76.5
Reconstruction (miles)	-	-	-	-	-	-	-	-	-	-
Resurfacing (miles)	1.5	0.6	1.1	0.9	6.7	5.4	5.2	5.17	10.45	8.06
Sidewalk - replacement (sq ft)	-	-	3,100	4,475	1,480	13,716	40,106	39,459	57,648	45,573
Sidewalk - new (sq ft)	-	-	-	-	-	1,800	-	471	2,065	1,149
Parkway tree planting	-	-	142	174	282	300	341	389	406	335
Parkway tree removals	-	-	152	749	475	286	213	115	113	125

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Administration

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees (40%)	69,802	72,892	73,276	75,443	78,084	80,817	83,646	86,574
Wages - overtime	-	200	200	200	200	200	200	200
Total personal services - salaries and wages	69,802	73,092	73,476	75,643	78,284	81,017	83,846	86,774
Personal services - employee benefits								
Insurance - health	15,196	9,289	7,803	8,660	8,963	9,277	9,602	9,938
Insurance - dental	916	1,284	1,284	1,370	1,439	1,511	1,587	1,666
Insurance - life	57	57	57	57	58	59	60	61
Insurance - workers' compensation	400	400	400	400	400	400	400	400
Insurance - unemployment	112	115	115	132	132	132	132	132
Retirement - Social Security	4,460	4,532	4,472	4,690	4,854	5,023	5,198	5,380
Retirement - Medicare	1,043	1,060	1,046	1,097	1,135	1,175	1,216	1,258
Retirement - IMRF	9,548	7,821	6,916	6,740	6,975	7,219	7,471	7,732
Education - conferences and training	1,029	2,725	2,725	2,725	2,725	2,725	2,725	2,725
Equipment - clothing allowance	160	160	160	240	240	240	240	240
Total personal services - employee benefits	32,921	27,443	24,978	26,111	26,921	27,761	28,631	29,532
Contractual services - professional and technical								
Information technology services - system management	46,812	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Information technology services - software maintenance	13,153	5,038	5,038	5,153	5,271	5,393	5,518	5,647
Total contractual services - professional and technical	59,965	35,038	35,038	35,153	35,271	35,393	35,518	35,647
Contractual services - property								
Utilities - telephone	1,860	2,040	2,040	1,080	1,080	1,080	1,080	1,080
Utilities - cell phone	817	996	1,725	1,380	1,380	1,380	1,380	1,380
Equipment repair and maintenance - office	640	480	480	480	480	480	480	480
Rental - equipment	128	448	448	448	448	448	448	448
Total contractual services - property	3,445	3,964	4,693	3,388	3,388	3,388	3,388	3,388
Contractual services - other								
Personnel administration - physicals/testing	785	2,685	2,685	2,985	2,985	2,985	2,985	2,985
Other contractual services - dues	602	425	480	490	435	440	445	510
Total contractual services - other	1,387	3,110	3,165	3,475	3,420	3,425	3,430	3,495
Commodities								
General supplies - office	2,371	2,500	2,500	3,000	3,200	3,200	3,200	3,200
General supplies - postage	191	535	535	535	535	535	535	535
General supplies - safety	-	9,750	9,750	11,250	9,750	9,750	11,250	9,750
General supplies - computer equipment	5,386	1,900	2,861	-	2,050	17,050	1,900	600
General supplies - Covid-19	1,091	-	2,000	-	-	-	-	-
Total commodities	9,039	14,685	17,646	14,785	15,535	30,535	16,885	14,085
Charges for services								
Other contractual services - public works administration	(42,697)	(35,713)	(37,960)	(35,716)	(36,203)	(45,280)	(37,168)	(35,604)
Total charges for services	(42,697)	(35,713)	(37,960)	(35,716)	(36,203)	(45,280)	(37,168)	(35,604)
Total Public Works - Administration	133,862	121,619	121,036	122,839	126,616	136,239	134,530	137,317

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Streets

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	224,302	300,866	258,927	305,150	312,779	320,598	328,613	336,828
Overtime - general	36,210	35,000	17,621	35,000	35,000	35,000	35,000	35,000
Overtime - snow removal	24,312	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total personal services - salaries and wages	284,824	385,866	326,548	390,150	397,779	405,598	413,613	421,828
Personal services - employee benefits								
Insurance - health	78,638	64,548	54,220	36,001	37,261	38,565	39,915	41,312
Insurance - dental	4,611	3,795	3,795	2,636	2,768	2,906	3,051	3,204
Insurance - life	357	356	356	356	360	364	368	372
Insurance - workers' compensation	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Insurance - unemployment	924	717	717	826	826	826	826	826
Retirement - Social Security	15,303	23,924	17,274	24,189	24,662	25,147	25,644	26,153
Retirement - Medicare	3,579	5,595	4,040	5,657	5,768	5,881	5,997	6,117
Retirement - IMRF	26,222	41,288	28,815	34,762	35,442	36,139	36,853	37,585
Education - conferences and training	185	3,000	500	1,800	3,000	3,000	3,000	1,800
Equipment - clothing allowance	1,600	2,000	2,000	3,000	3,000	3,000	3,000	3,000
Total personal services - employee benefits	136,419	150,223	116,717	114,227	118,087	120,828	123,654	125,369
Contractual services - professional and technical								
Information technology services - software maintenance	250	1,097	597	1,109	1,109	1,109	1,109	1,109
Total contractual services - professional and technical	250	1,097	597	1,109	1,109	1,109	1,109	1,109
Contractual services - property								
Utilities - electric	72,978	62,000	54,966	50,000	50,000	50,000	50,000	50,000
Utilities - telephone	454	504	504	372	372	372	372	372
Utilities - cell phone	3,155	4,500	3,523	4,140	4,140	4,140	4,140	4,140
Infrastructure repair and maintenance - sidewalks and curb	18,413	20,000	15,000	20,000	20,000	20,000	20,000	20,000
Infrastructure repair and maintenance - streets and alleys	24,861	26,500	11,806	26,500	26,500	26,500	26,500	26,500
Infrastructure repair and maintenance - street striping	24,146	27,000	23,569	27,000	27,000	27,000	27,000	27,000
Infrastructure repair and maintenance - traffic signals	68,607	25,000	25,000	25,752	26,468	27,207	27,965	28,748
Infrastructure repair and maintenance - bridges	-	44,000	44,000	3,000	3,000	3,000	44,000	3,000
Infrastructure repair and maintenance - street lights	220,850	25,500	25,500	75,000	75,000	75,000	75,000	75,000
Infrastructure repair and maintenance - accidents and claims	14,924	-	8,432	-	-	-	-	-
Rental - equipment	139	1,000	1,436	2,000	2,000	2,000	2,000	2,000
Rental - building	7,524	8,400	7,704	8,400	2,800	-	-	-
Total Contractual Services - Property	456,051	244,404	221,440	242,164	237,280	235,219	276,977	236,760
Contractual services - other								
Printing and publishing - legal notices	-	200	200	200	200	200	200	200
Other contractual services - insect spraying	28,722	37,000	29,340	37,000	37,000	37,000	37,000	37,000
Other contractual services - dues	170	455	295	180	305	190	375	200
Other contractual services - street sweeping	35,453	44,000	32,189	44,836	45,688	46,556	47,441	48,342
Other contractual services - vehicle and equipment repl	224,930	253,775	253,775	304,434	304,434	304,434	304,434	304,434
Total Contractual Services - Other	289,275	335,430	315,799	386,650	387,627	388,380	389,450	390,176
Commodities								
General supplies - office	-	300	250	250	250	250	250	250
General supplies - tools	8,986	9,100	6,200	6,200	6,200	6,200	6,200	6,200
General supplies - safety	3,099	4,000	60	-	-	-	-	-
General supplies - uniforms	5,770	6,500	6,500	1,500	1,500	1,500	1,500	1,500
General supplies - computer equipment	-	1,600	-	2,300	-	-	1,600	2,300
General supplies - Covid-19	-	1,600	500	-	-	-	-	-
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	-	11,667	6,000	1,000	-	5,750	26,600
Total commodities	87,379	63,100	65,177	56,250	48,950	47,950	55,300	76,850
Total Public Works - Streets	1,254,198	1,180,120	1,046,278	1,190,550	1,190,832	1,199,084	1,260,103	1,252,092

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Vehicle Maintenance

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	74,798	141,095	127,443	136,868	140,290	143,797	147,392	151,077
Wages - part-time employees	4,867	-	2,496	-	-	-	-	-
Overtime - general	21,601	2,000	7,474	3,500	3,500	3,500	3,500	3,500
Total personal services - salaries and wages	101,266	143,095	137,413	140,368	143,790	147,297	150,892	154,577
Personal services - employee benefits								
Insurance - health	14,816	30,120	25,301	20,781	21,508	22,261	23,040	23,846
Insurance - dental	1,095	2,362	2,362	1,731	1,818	1,909	2,004	2,104
Insurance - life	71	142	142	143	144	145	146	147
Insurance - workers' compensation	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - unemployment	150	287	287	330	330	330	330	330
Retirement - Social Security	6,117	8,872	8,359	8,703	8,915	9,132	9,355	9,584
Retirement - Medicare	1,431	2,075	1,955	2,035	2,085	2,136	2,188	2,241
Retirement - IMRF	10,072	15,311	13,789	12,507	12,812	13,124	13,444	13,773
Education - conferences and training	167	1,000	-	1,000	1,000	1,000	1,000	1,000
Equipment - clothing allowance	400	800	800	1,200	1,200	1,200	1,200	1,200
Total personal services - employee benefits	35,319	62,969	54,995	50,430	51,812	53,237	54,707	56,225
Contractual services - professional and technical								
Information technology services - software maintenance	1,150	833	833	3,359	1,159	1,559	659	659
Total contractual services - professional and technical	1,150	833	833	3,359	1,159	1,559	659	659
Contractual services - property								
Utilities - telephone	454	1,008	504	372	372	372	372	372
Utilities - cell phone	1,356	1,752	1,221	1,620	1,620	1,620	1,620	1,620
Vehicle repair and maintenance	98,827	102,000	102,000	105,000	108,000	111,000	111,000	111,000
Vehicle repair and maintenance (reimbursable)	-	5,000	-	5,000	5,000	5,000	5,000	5,000
Vehicle repair and maintenance - accidents and claims	3,486	-	-	-	-	-	-	-
Rental - equipment	569	700	569	700	700	700	700	700
Total contractual services - property	104,692	110,460	104,294	112,692	115,692	118,692	118,692	118,692
Contractual services - other								
Other contractual services - dues	-	-	60	60	-	-	60	60
Total contractual services - other	-	-	60	60	-	-	60	60
Commodities								
General supplies - tools	2,095	2,500	2,500	2,500	2,500	2,500	2,500	2,500
General supplies - safety	472	1,000	1,000	1,500	1,500	1,500	1,500	1,500
General supplies - uniforms	1,227	3,200	3,200	600	600	600	600	600
General supplies - computer equipment	-	1,900	2,261	3,900	-	-	2,300	1,900
General supplies - Covid-19	-	-	11	-	-	-	-	-
Vehicle supplies - tires	14,464	15,000	15,000	18,000	18,000	18,000	18,000	18,000
Vehicle supplies - gas and oil	116,552	130,000	130,000	135,000	140,000	145,000	150,000	155,000
Vehicle supplies - gas and oil (reimbursable)	11,292	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Minor equipment - Public Works	-	-	3,395	-	16,600	-	-	3,400
Total commodities	146,102	163,200	166,967	171,100	188,800	177,200	184,500	192,500
Charges for services								
Other contractual services - vehicle maintenance	(155,411)	(192,223)	(185,825)	(191,204)	(200,501)	(199,194)	(203,804)	(209,085)
Total charges for services	(155,411)	(192,223)	(185,825)	(191,204)	(200,501)	(199,194)	(203,804)	(209,085)
Total Public Works - Vehicle Maintenance	233,118	288,334	278,737	286,805	300,752	298,791	305,706	313,628

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Buildings and Grounds

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Personal services - salaries and wages								
Wages - full-time employees	116,093	176,101	150,171	183,128	187,706	192,399	197,209	202,139
Wages - temporary	20,867	25,600	35,738	25,600	25,600	25,600	25,600	25,600
Overtime - general	1,791	3,000	1,283	3,000	3,000	3,000	3,000	3,000
Total personal services - salaries and wages	138,751	204,701	187,192	211,728	216,306	220,999	225,809	230,739
Personal services - employee benefits								
Insurance - health	29,959	37,351	31,375	35,132	36,362	37,635	38,952	40,315
Insurance - dental	1,897	2,804	2,804	2,654	2,787	2,926	3,072	3,226
Insurance - life	142	213	213	214	216	218	220	222
Insurance - workers' compensation	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Insurance - unemployment	441	717	717	821	821	821	821	821
Retirement - Social Security	10,149	12,691	12,729	13,127	13,411	13,702	14,000	14,306
Retirement - Medicare	2,374	2,968	2,977	3,070	3,136	3,204	3,274	3,346
Retirement - IMRF	15,010	19,164	17,623	16,584	16,992	17,410	17,839	18,278
Education - conferences and training	1,131	2,900	400	6,110	3,300	3,300	3,300	3,300
Equipment - clothing allowance	800	1,200	800	1,800	1,800	1,800	1,800	1,800
Total personal services - employee benefits	63,903	83,008	72,638	82,512	81,825	84,016	86,278	88,614
Contractual services - professional and technical								
Information technology services - software maintenance	165	1,103	603	2,491	2,491	2,491	2,491	2,491
Total contractual services - professional and technical	165	1,103	603	2,491	2,491	2,491	2,491	2,491
Contractual services - property								
Utilities - electric	339	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Utilities - cell phone	1,496	2,760	2,079	2,568	2,568	2,568	2,568	2,568
Building repair and maintenance - custodial	46,869	54,066	43,586	48,204	49,019	49,850	50,698	51,563
Building repair and maintenance - other	233,885	92,053	358,106	144,035	182,527	122,912	101,411	102,363
Building repair and maintenance - accidents and claims	-	-	250	-	-	-	-	-
Equipment repair and maintenance - other	753	1,200	1,500	1,500	1,500	1,500	1,500	1,500
Grounds repair and maintenance - trees and parkways	28,811	-	-	-	-	-	-	-
Grounds repair and maintenance - basins	23,446	18,499	18,499	17,109	23,249	17,109	23,249	17,109
Grounds repair and maintenance - Village	60,328	66,113	66,113	67,105	68,446	69,815	71,211	72,636
Grounds repair and maintenance - pest management	422	2,000	2,000	4,250	4,250	4,250	4,250	4,250
Grounds repair and maintenance - tree replacement	99,659	99,750	99,750	86,000	73,500	59,500	60,500	60,500
Grounds repair and maintenance - tree removals	7,332	6,000	6,150	24,000	24,000	24,000	24,000	24,000
Grounds repair and maintenance - stump grinding and restora	7,865	10,450	651	7,500	7,500	7,500	7,500	7,500
Grounds repair and maintenance - large tree pruning	16,032	32,000	8,000	-	-	-	-	-
Infrastructure repair and maintenance - crack sealing	10,797	-	-	-	24,000	-	-	29,000
Rental - equipment	-	-	-	-	1,000	1,000	1,000	1,000
Total contractual services - property	538,034	385,941	607,734	403,321	462,609	361,054	348,937	375,039
Contractual services - other								
Community relations - flower boxes	3,430	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Community relations - beautification	16,280	14,300	14,300	25,850	25,850	22,550	22,550	26,050
Other contractual services - dues	555	530	530	950	835	1,320	1,015	920
Total contractual services - other	20,265	19,830	19,830	31,800	31,685	28,870	28,565	31,970
Commodities								
General supplies - tools	5,065	3,500	3,500	3,500	3,500	3,500	3,500	3,500
General supplies - safety	-	1,500	7,030	1,995	1,995	1,995	2,995	1,995
General supplies - uniforms	-	4,800	4,800	900	900	900	900	900
General supplies - cleaning	49	500	500	500	500	500	500	500
General supplies - computer equipment	-	1,900	2,300	600	-	1,600	2,900	-
General supplies - Covid-19	7,473	-	28,000	-	-	-	-	-
Building supplies - consumable	7,085	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Building supplies - durable	2,277	3,000	3,000	5,000	5,000	5,000	5,000	5,000
Minor equipment - Public Works	-	-	9,342	22,500	9,655	1,880	775	-
Total commodities	21,949	23,200	66,472	42,995	29,550	23,375	24,570	19,895
Charges for services								
Other contractual services - buildings and grounds	(271,790)	(245,336)	(340,011)	(263,533)	(280,434)	(242,004)	(237,450)	(250,813)
Total charges for services	(271,790)	(245,336)	(340,011)	(263,533)	(280,434)	(242,004)	(237,450)	(250,813)
Total Public Works - Buildings and Grounds	511,277	472,447	614,458	511,314	544,032	478,801	479,200	497,935

Chapter 9: Departmental Summary

PUBLIC WORKS DEPARTMENT (Continued)

Public Works – Stormwater Management

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Contractual services - professional and technical								
Engineering services - municipal projects	12,443	5,000	5,000	15,000	5,000	5,000	5,000	15,000
Total contractual services - professional and technical	12,443	5,000	5,000	15,000	5,000	5,000	5,000	15,000
Contractual services - property								
Utilities - cell phone	439	456	432	432	432	432	432	432
Sewer repair and maintenance - storm sewer	64,893	25,000	39,505	25,000	25,000	25,000	25,000	25,000
Total contractual services - property	65,332	25,456	39,937	25,432	25,432	25,432	25,432	25,432
Commodities								
Minor equipment - Public Works	-	-	-	-	-	-	3,200	-
Total commodities	-	-	-	-	-	-	3,200	-
Total Public Works - Stormwater Management	77,775	30,456	44,937	40,432	30,432	30,432	33,632	40,432

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 2021 is due to lobbying activities with the state and federal governments.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Contractual services - professional and technical								
Legal services - general	54,679	70,000	57,708	60,000	62,500	65,000	67,500	70,000
Legal services - development (reimbursable)	9,704	40,000	10,000	20,000	22,500	25,000	27,500	30,000
Legal services - development (village)	22,792	20,000	24,186	20,000	20,000	20,000	20,000	20,000
Legal services - traffic court	37,819	34,400	39,308	37,500	37,500	37,500	37,500	37,500
Legal services - Liquor Commission	272	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Legal services - labor issues	3,194	20,000	5,000	3,000	3,000	3,000	20,000	3,000
Legal services - other	8,350	28,000	47,500	65,500	65,500	65,500	65,500	65,500
Total contractual services - professional and technical	136,810	213,600	184,902	207,200	212,200	217,200	239,200	227,200
Total Legal	136,810	213,600	184,902	207,200	212,200	217,200	239,200	227,200

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.

	FY2020 Actual	FY2021 Budget	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Contractual services - professional and technical								
Engineering services - general	55,671	70,000	49,258	60,000	62,500	65,000	67,500	70,000
Engineering services - development (reimbursable)	64,512	160,000	103,337	110,000	115,000	120,000	125,000	130,000
Engineering services - development (village)	21,461	15,000	14,830	15,000	15,000	15,000	15,000	15,000
Total Contractual services - professional and technical	141,644	245,000	167,425	185,000	192,500	200,000	207,500	215,000
Total Engineering	141,644	245,000	167,425	185,000	192,500	200,000	207,500	215,000

Chapter 10: Appendix



ACRONYMS

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

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

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

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

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

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

Chapter 10: Appendix

ACRONYMS (Continued)

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

ACRONYMS (Continued)

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

Metra: Commuter rail system serving northeast Illinois.

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

Resolution: A written motion adopted by a municipal government.

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

Chapter 10: Appendix



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