

# Village of Montgomery, Illinois

---

Annual Budget  
5/1/2016 – 4/30/2017



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

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

Village of Montgomery, Illinois  
Annual Budget Fiscal Year 2017  
Table of Contents

---

	<u>Page</u>
<b>Chapter 1: Introduction and Transmittal Letter</b>	
Table of Contents	2
Village of Montgomery	6
Transmittal Letter	7
Principal Officials	18
Organizational Chart	19
GFOA Award Fiscal Year 2016	20
<b>Chapter 2: Village Profile</b>	
Location	21
History	22
Governance	23
Community Involvement	25
Demographics	27
<b>Chapter 3: Budget Process and Organization</b>	
Budget Process	29
Budget Calendar	31
Classification of Revenues and Expenditures	32
Organization of Financial Presentation	32
Fund Groups and Basis of Budgeting	33
<b>Chapter 4: Mission, Vision, and Policies</b>	
Mission Statement	37
Our Vision	37
Guiding Principles	37
Objectives	37
Strategic Plan	38
Fiscal Policies	41
<b>Chapter 5: Executive Summary</b>	
All Funds Summary	48
Revenues	48
Expenditures	49
Fund equity	50
Major Revenues	51
State and local sales tax	51
Water revenue	51
Property tax	52
State income tax	54
Refuse revenue	54
Utility taxes	55
Transfers in – Debt Service Fund	55

Village of Montgomery, Illinois  
 Annual Budget Fiscal Year 2017  
 Table of Contents (Continued)

---

	<u>Page</u>
<b>Chapter 5: Executive Summary (Continued)</b>	
Major Revenues (Continued)	
Illinois Environmental Protection Agency loan	56
Transfers in – Water Improvement Fund	56
Employer medical insurance contributions	56
Investment income	57
Vehicle reserve contributions	57
Major Expenditures	58
Personal Services	58
Capital Outlay	60
Debt Service Summary	61
<b>Chapter 6: Fund Summary</b>	65
Motor Fuel Tax Fund	65
Economic Development Loan Fund	66
Forfeiture and Seizure Fund	67
E-911 Fund	68
Capital Improvement Fund	68
Infrastructure Improvement Fund	71
Lakewood Creek Project Fund	72
TIF #1 Fund	72
TIF #2 Fund	73
TIF #3 Fund	73
Debt Service Fund	74
Water Fund	75
Water Revenue	75
Water Administration	76
Water Plant Operations	78
Water Improvement Fund	79
Employee Insurance Fund	81
Vehicle Reserve Fund	82
Refuse Fund	83
Police Pension Fund	83
Police Gift Fund	85
Special Service Areas	85
Montgomery Crossing SSA Fund	86
Blackberry Crossings SSA Fund	86
Fairfield Way SSA Fund	87
Arbor Ridge SSA Fund	87
Foxmoor SSA Fund	88
Saratoga Springs SSA Fund	88

Village of Montgomery, Illinois  
 Annual Budget Fiscal Year 2017  
 Table of Contents

---

	<u>Page</u>
<b>Chapter 6: Fund Summary (Continued)</b>	
Special Service Areas (Continued)	
Orchard Prairie North SSA Fund	89
Blackberry Crossing West SSA Fund	89
Fieldstone Place SSA Fund	90
Balmorea SSA Fund	90
Marquis Pointe SSA Fund	91
Ogden Hills SSA Fund	91
<b>Chapter 7: Departmental Summary</b>	92
Revenues	93
Elected Officials Budget	95
Administration Department	
Description	98
Responsibilities	98
Core Strategies	98
Accomplishments	98
Goals and Initiatives	99
Organization Chart	99
Budget	100
Finance Department	
Description	101
Responsibilities	101
Core Strategies	101
Accomplishments	102
Goals and Initiatives	102
Organization Chart	102
Performance Measures	103
Budget	
Accounting	104
Utility Billing	106
Community Development Department	
Departmental Description	107
Responsibilities	107
Core Strategies	107
Accomplishments	108
Goals and Initiatives	108
Organization Chart	109
Budget	
Economic Development	109
Planning and Zoning	110

Village of Montgomery, Illinois  
 Annual Budget Fiscal Year 2017  
 Table of Contents (Continued)

---

	<u>Page</u>
<b>Chapter 7: Departmental Summary (Continued)</b>	
Community Development Department (Continued)	
Code Enforcement and Inspections	111
Police Department	
Description	112
Mission Statement	112
Responsibilities	112
Values	112
Core Strategies	113
Accomplishments	113
Goals and Initiatives	113
Organization Chart	114
Performance Measures	114
Budget	
Administration	115
Support Services	116
Patrol	117
Investigations	118
Police Commission	119
ESDA	119
Public Works Department	
Description	120
Responsibilities	120
Core Strategies	120
Accomplishments	120
Goals and Initiatives	121
Organization Chart	121
Performance Measures	122
Budget	
Administration	123
Streets	124
Vehicle Maintenance	125
Buildings and Grounds	126
Stormwater	127
Legal Services	128
Engineering Service	128
<b>Chapter 8: Appendix</b>	
Glossary	
Acronyms	129
Definitions	132

# Chapter 1: *Introduction and Transmittal Letter*

## ***MONTGOMERY, ILLINOIS***

SETTLED IN 1835



# Chapter 1: *Introduction and Transmittal Letter*



March 28, 2016

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 2017. This budget represents the culmination of efforts by the Village President, Board of Trustees and staff to present a plan honoring our commitment to our residents to maintain financial strength, fiscal responsibility and plan for long-term sustainability of the Village. The following budget message presents an overview of the budget and the overall financial condition of the Village.

## ***INTRODUCTION***

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

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

The budget process is an opportunity for the Village to assess and evaluate how it commits its financial resources and makes decisions regarding their continued use. The process, if conducted effectively, will result in a clearly spelled out plan for the future of this organization and a general collective understanding of how and where limited fiscal resources will be directed. The Village President and Board of Trustees met in a number of workshops to review the fiscal year 2017 budget. Topics during these workshops included an analysis of projected 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 1: *Introduction and 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 (4) major sections; Introduction, Financial, and Appendices.

The Introduction section (Chapters 1 – 3) contains this letter, basic information about the Village, the budget process itself, a brief history of the community, personnel and property tax related information, and selected demographics.

The Financial section (Chapters 4 – 5) contains summary level budget information for the community as a whole, as well as explanatory budget material about each of the funds listed. The budget is presented as a collection of separate funds, each of which consists of a self-contained set of revenues, expenditures, interfund transfers, and fund equity amounts. In addition, it includes detailed accomplishments and goals for each department.

The Appendices (Chapter 6) include definitions of terms and acronyms and the classification of sources and uses of funds used throughout the report. These appendices are intended to assist the reader in gaining a basic understanding of the terminology and classification used due to the specialized nature of accounting and financial reporting for government entities.

## ***LEGAL REQUIREMENTS***

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

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

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

# Chapter 1: *Introduction and Transmittal Letter*

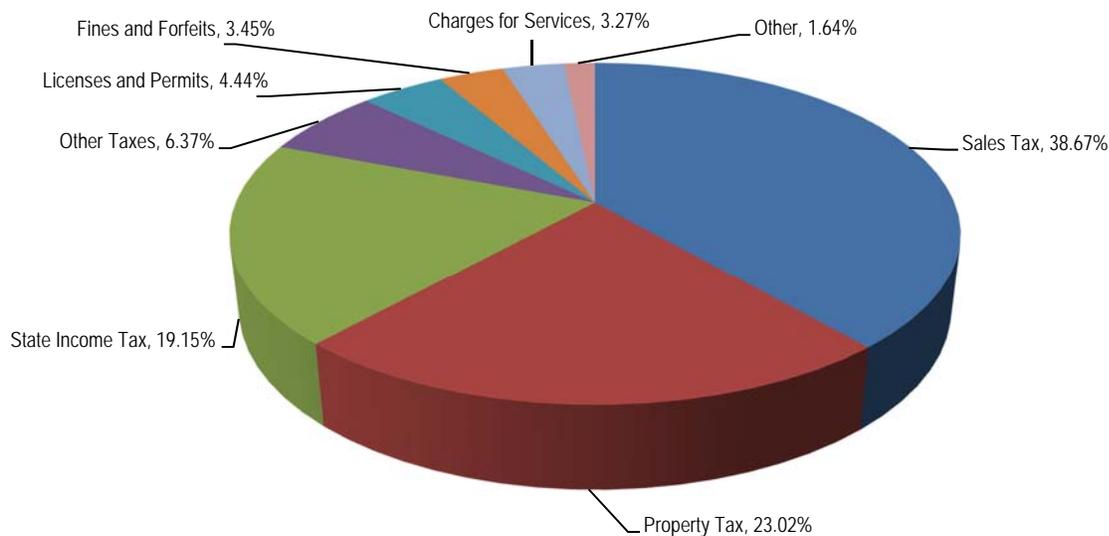
## **OVERALL FINANCIAL SUMMARY**

Mindful of the above principles, the current economic environment, future prognostications and the potential for the unexpected, Montgomery has seen only a minor increase in expenditures over the fiscal year 2015 budget. Department heads are asked to reduce expenditures whenever possible. With assistance from staff, a balanced budget is hereby presented. A balanced budget is a budget in which revenues meet or exceed expenditures and reserves or fund balance. Various aspects of this budget and their implications are discussed at length throughout this document for your consideration. The following information will cover the major issues that have impacted both this and future years' budgets. This information will include key budget decisions and processes and talk about the impact of the economy.

The fiscal year 2017 Budget was adopted on March 28, 2016 in compliance with State Statues. The fiscal year 2017 Budget has projected total revenues of \$28,221,105 and total expenditures of \$26,927,772.

## **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 2017 General Fund revenues are \$9,822,920 compared with total expenditures of \$9,733,447. The following graph shows the percentage of revenue received from each source.



# Chapter 1: *Introduction and 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 projected actual, the current year budget, and two years of projections. Funds included in this summary are the General, Motor Fuel Tax, Economic Development Loan, Forfeiture and Seizure, Emergency 911 (E-911), Capital Improvement, Lakewood Creek Project, Infrastructure Improvement, Tax Increment Financing (TIF) #1, Tax Increment Financing (TIF) #2, Debt Service, Water, Water Improvement, Employee Insurance, Vehicle Reserve, Refuse, Police Pension, Police Gifts, and the Special Service Area Funds. The adopted budgets strategically provide for the usage of available fund balances to minimize the need for incremental funding in fiscal year 2017.

### REVENUES - ALL FUNDS

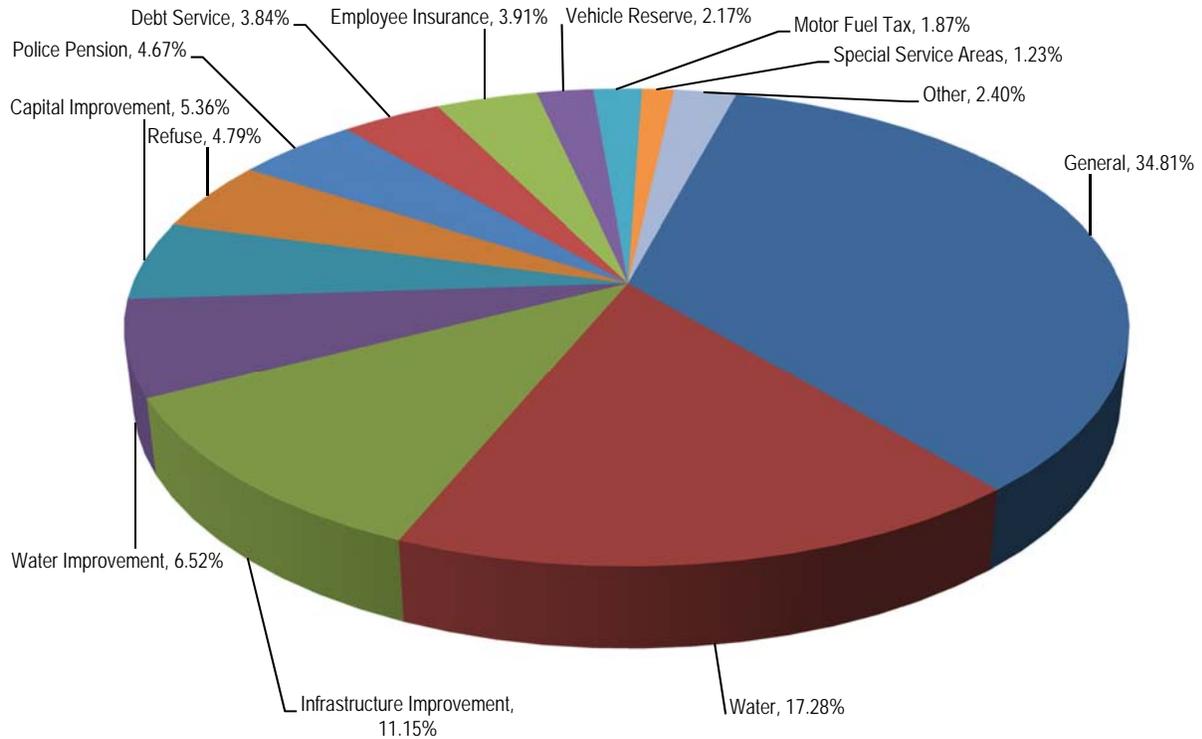
REVENUES	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
General	\$ 8,907,077	\$ 9,424,482	\$ 9,617,425	\$ 9,822,920	\$ 10,106,003	\$ 10,412,232
Motor Fuel Tax	655,338	597,693	516,097	527,694	527,794	527,894
Economic Development Loan	14,679	12,861	13,101	11,445	10,120	8,780
Forfeiture and Seizure	15,595	14,850	15,100	16,150	16,900	17,650
E-911	-	-	141,736	-	-	-
Capital Improvement	1,378,394	1,613,909	1,438,355	1,513,330	1,298,907	1,311,100
Lakewood Creek Project	26,372	60,003	60,002	60,002	60,002	60,002
Infrastructure Improvement	-	1,501,000	2,805,580	3,147,000	3,419,300	2,918,215
TIF #1	38,853	40,000	40,918	341,800	43,000	43,500
TIF #2	-	51,000	51,880	247,000	247,000	247,000
TIF #3	-	-	-	-	50,000	100,000
Debt Service	968,253	1,084,165	1,084,165	1,084,076	1,123,190	1,159,890
Water	4,843,814	4,702,695	4,648,871	4,876,711	4,992,970	5,112,622
Water Improvement	117,712	1,773,346	1,633,623	1,840,990	1,020,310	636,810
Employee Insurance	893,259	1,088,865	966,116	1,103,019	1,263,164	1,447,013
Vehicle Reserve	612,200	697,802	687,302	612,238	612,238	612,238
Refuse	1,239,870	1,297,067	1,293,285	1,350,665	1,416,646	1,485,877
Police Pension	1,165,477	1,250,241	987,950	1,317,815	1,394,133	1,471,880
Police Gifts	300	250	300	250	250	250
Special Service Areas	391,174	347,358	347,053	348,000	362,000	371,000
<b>TOTAL REVENUES</b>	<b>\$ 21,268,367</b>	<b>\$ 25,557,587</b>	<b>\$ 26,348,859</b>	<b>\$ 28,221,105</b>	<b>\$ 27,963,927</b>	<b>\$ 27,943,953</b>

Total revenues are \$2,663,518 or 10.42% more than the fiscal year 2016 budget and \$6,952,738 or 32.69% more than the fiscal year 2015 revenues. The change in revenue from the fiscal year 2016 budget can be attributed mainly to the General, Infrastructure Improvement, TIF #1, TIF #2, and Water Funds.

The increase in the General Fund is due mainly to an increase in sales tax produced by the opening of new stores in fiscal year 2015 and fiscal year 2016. In addition, the residents approved a non-home rule sales tax that took effect on July 1, 2015 which were placed into the new Infrastructure Improvement Fund. The Village collected more non-home rule sales tax in fiscal year 2016 than anticipated, while fiscal year 2017 is the first full year of non-home rule sales tax. TIF #1 is scheduled to issue debt certificates to fund the Pearl Street storm sewer project. TIF #2 revenue will increase due to increased equalized assessed value (EAV) in the district. The Water Fund revenues are scheduled to increase due to an increase in the water usage rate of 3%.

# Chapter 1: *Introduction and Transmittal Letter*

The following chart shows the Village's total revenues for all funds classified by fund for fiscal year 2017. The General Fund brings in the most revenue at 34.81% followed by the Water Fund at 17.28%, Infrastructure Improvement Fund at 11.15%, Water Improvement Fund at 6.52%, and Capital Improvement Fund at 5.36%.



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 1: Introduction and Transmittal Letter

## EXPENDITURES - ALL FUNDS

EXPENDITURES	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
General	\$ 8,801,456	\$ 9,239,754	\$ 9,058,570	\$ 9,733,447	\$ 9,896,543	\$ 10,032,534
Motor Fuel Tax	1,001,910	740,799	617,441	262,250	884,250	194,250
Economic Development Loan	1,378	3,000	3,000	3,000	3,000	3,000
Forfeiture and Seizure	29,811	10,000	22,407	30,550	3,000	3,000
E-911	390	36,000	83,060	44,410	16,860	16,860
Capital Improvement	1,117,017	1,442,165	1,338,363	1,541,069	1,129,926	1,165,179
Lakewood Creek Project	47,579	60,000	60,000	60,000	60,000	60,000
Infrastructure Improvement	18,000	778,400	1,336,605	2,555,169	3,722,850	3,376,237
TIF #1	10,971	45,520	69,024	421,850	41,870	41,690
TIF #2	655	36,750	39,498	183,000	183,720	183,740
TIF #3	-	-	-	38,000	500	2,000
Debt Service	971,197	1,084,165	1,084,165	1,090,165	1,123,190	1,159,890
Water	5,219,803	5,894,132	5,479,169	5,107,077	5,263,931	4,930,221
Water Improvement	698,473	1,820,370	1,689,948	1,840,990	1,020,310	636,810
Employee Insurance	862,183	1,088,865	966,116	1,103,019	1,263,164	1,447,013
Vehicle Reserve	412,563	714,178	514,560	789,798	518,062	692,849
Refuse	1,235,387	1,296,817	1,293,100	1,350,415	1,416,396	1,485,627
Police Pension	457,054	423,970	449,096	435,166	543,791	558,907
Police Gifts	1,817	1,300	1,625	1,300	1,300	1,300
Special Service Areas	298,600	309,255	330,275	337,097	325,433	336,600
<b>TOTAL EXPENDITURES</b>	<b>\$ 21,186,244</b>	<b>\$ 25,025,440</b>	<b>\$ 24,436,022</b>	<b>\$ 26,927,772</b>	<b>\$ 27,418,096</b>	<b>\$ 26,327,707</b>

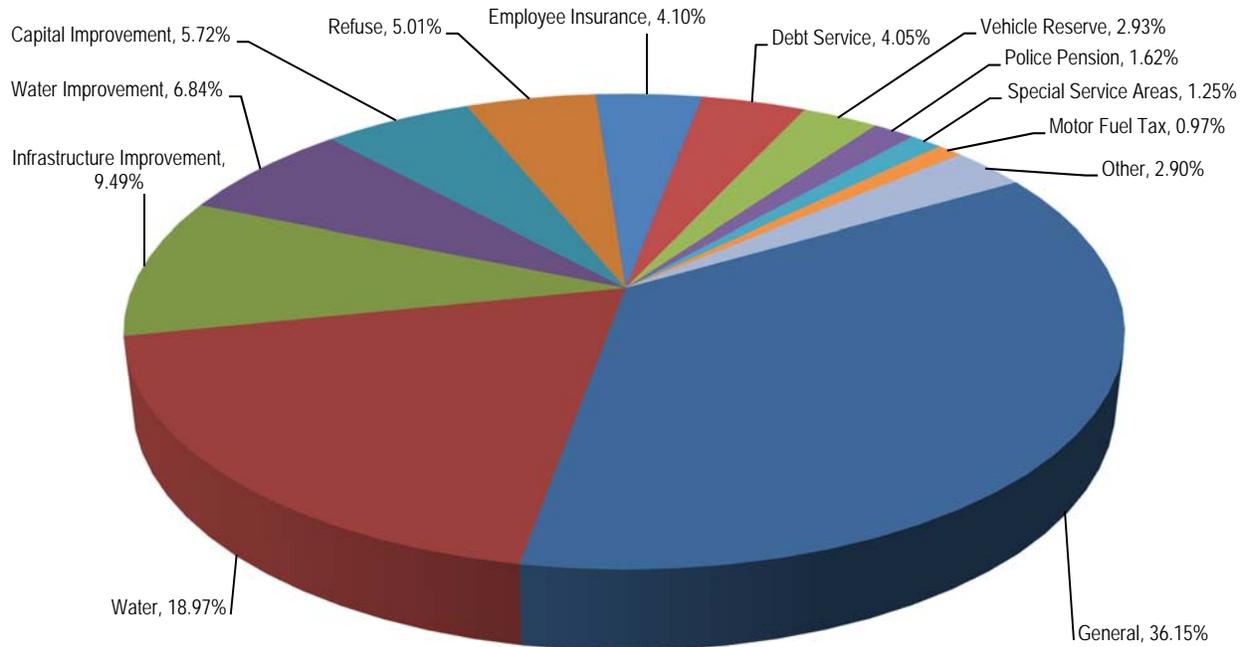
Total expenditures are \$1,902,332 or 7.60% more than the fiscal year 2016 budget and \$5,741,528 or 27.10% more than the fiscal year 2015 expenditures. The change in expenditures from the fiscal year 2016 budget can be attributed mainly to the General, Motor Fuel Tax, Infrastructure Improvement, TIF #1, TIF #2, and Water Funds.

The increase in the General Fund is due mainly to the addition of three new patrol officers throughout fiscal year 2017, an increase in the number of street sweepings (from 1 to 5) due to anticipated MS4 Storm Water Permit restrictions, and the replacement of two mowers and two trailers. The decrease in the Motor Fuel Tax Fund is due to the Village scheduling higher dollar projects every other year to take advantage of economies of scale. The residents approved a non-home rule sales tax that took effect on July 1, 2015. The associated expenditures will be taken out of the new Infrastructure Improvement Fund and fiscal year 2017 will be the first full year of expenditures. TIF #1 is scheduled to complete three projects during fiscal year 2017, with the largest being the Pearl Street storm sewer project. With the increase in TIF #2 revenue, the Village will refund a portion to other taxing bodies and begin to look at ways to utilize these funds to make improvements into the future. The Water Fund expenses are scheduled to decrease mainly due to the completion of the Boulder Hill water main project and the related transfer to the Water Improvement Fund to cover less capital costs.

# Chapter 1: *Introduction and Transmittal Letter*

The Village, as a service driven organization, continues to expend the greatest percentage of its budget on personal services (wages and benefits). For fiscal year 2017, personal services expenditures are expected to total \$7,105,817 or 26.39% of total budgeted expenditures. This is an increase of 5.61% over the fiscal year 2016 budgeted expenditures of \$6,728,435.

The following chart shows the Village's total expenditures for all funds classified by fund for fiscal year 2017. The Village is a service provider and the General Fund is the main operating fund of the Village, accounting for 36.15% of all expenditures. The General Fund is followed by the Water Fund at 18.97%, Infrastructure Improvement Fund at 9.49%, Water Improvement Fund at 6.84%, and Capital Improvement Fund at 5.72%.



## ***PENSION FUNDS***

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

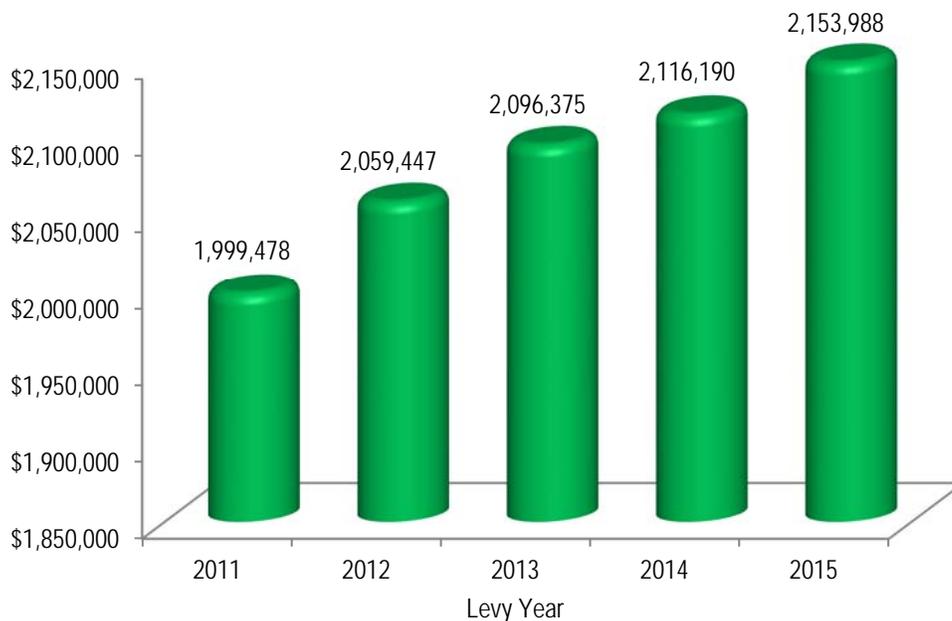
# Chapter 1: *Introduction and Transmittal Letter*

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 13.49% (for calendar year 2016) of each employee's gross pay. The employer's share is expensed in each operating function, and is projected to decrease to 11.77% in calendar year 2017.

Full-time sworn police personnel are covered by the Montgomery Police Pension Plan. Employees covered by the Police Pension contribute 9.91% of their basic wages (no overtime), while the Village contributes 23.72% (for fiscal year 2015 – most recent available) of each employee's basic wages. The employer's contribution to the Police Pension Fund is expensed through the Police Department budget and is financed through General Fund revenues. The contribution is actuarially determined as adequate for funding pension payments and for amortizing any deficiency. Additional income is derived from investment earnings.

## ***PROPERTY TAX LEVY***

The 2015 Property Tax Levy for all Village funds, excluding Special Service Areas, is projected at \$2,153,988. This represents an increase of 1.79% from the adopted 2014 extension. The levy has increased due to the new growth in the Village.



## ***ECONOMIC OUTLOOK***

Municipal revenue streams traditionally have been reasonably constant and predictable. For municipalities in their growth stage, such as Montgomery, expenditure growth frequently exceeds revenue needed to fund new operating and capital programs. The budget cycle provides an opportunity to review lists of new services and programs which could be provided to residents and enhance the Village.

# Chapter 1: *Introduction and Transmittal Letter*

The Great Recession hit just as the Village was spending millions of dollars on capital improvements to pay for the dramatic increase in the Village's population. The Village had also seen an increase in the demand for services due to Montgomery's tremendous population growth and had to hire more employees. Health insurance and police pension contributions had increased more than 50% during this time period as well. The Village had to take action to reverse the trend before it depleted its financial reserves. Between fiscal year 2011 and fiscal year 2015, the Village reduced staffing; moved \$150,000 of snow removal expenditures to the Motor Fuel Tax Fund from the General Fund; reduced or removed salary increases; and eliminated the local Dispatch Center (savings of approximately \$200,000 to use regional dispatch center KenCom).

However, the Village saw residential, commercial, and industrial development rebound beginning in fiscal year 2015 and further into fiscal year 2016. Residential permits were up again this fiscal year, while commercial and industrial sectors continue to thrive in the community. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. We have seen several new businesses build from the ground up over the last year including O'Reilly Auto Parts and Speedway, as well as other new businesses occupying vacant buildings like Food Market La Chiquita and South Moon BBQ. As the economy continues the steady recovery, many small business owners are exploring expansion and growth strategies. One great example is the expansion of the Riverview Diner across the Fox River from the Village Hall.

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

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

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2017 budget includes an additional 6.20 full-time equivalent employees. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village successfully negotiated and approved a new contract in November 2015 with Public Works Local 150 which expires April 30, 2018 and includes a pay for performance

# Chapter 1: *Introduction and Transmittal Letter*

plan ranging from 0.0% to 3.0% increases. The Village has started negotiations with the Metropolitan Alliance of Police Patrol union employees as the current contract expired on April 30, 2016.

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

The State of Illinois budget impasse is causing funding problems for its own state-wide services, and is a major concern to the Village. According to the Illinois Municipal League (IML), the State is currently spending at a rate of nearly \$38 billion per year, while only bringing in about \$33 billion per year. This unsustainable situation is affecting the State's cash flow position and will likely result in delays of payments to local governments. New bills are constantly being introduced in the legislature including, but not limited to, reduction of state shared revenues, property tax freezes, debt issuance only by passage of referendum, and pension reform. Any one of these bills individually would have significant impact if approved and signed into law. Perhaps the largest concern is the reduction of distributions to local governments of state shared revenues to balance the State's budget. Any reduction in the distribution of these state shared revenues would have a serious consequence to current Village operations and subsequent year's operations. Without these shared revenues, the Village would have to implement or raise local taxes and fees, increase the property tax levy, and/or reduce expenditures. Finally, a reduction in state shared revenue combined with a property tax freeze would severely restrict the ability to raise additional revenue to support operations.

The national economic expansion has continued slowly. The Federal Reserve began to increase interest rates in December of last year, and the potential for further rate increases during the next year are very possible. This may result in additional investment income to the Village, although at the same time it may make borrowing more expensive (if necessary). Unemployment rates continue to drop although concerns remain regarding the number of people who are underemployed or have dropped from the workforce altogether. Lastly, the presidential election has many concerned on both sides of the aisle.

Internationally, there continue to be concerns over terrorism, political unrest, and a global economic slowdown.

## ***CONCLUSION***

The Village has big plans for its residents moving forward. We have started a new marketing campaign for the community called "Montgomery in Motion". This new campaign is intended to represent the many areas the Village is in motion, including:

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

The Go Montgomery 2035 Comprehensive Plan is meant to inform and share decisions about land use and development, transportation and infrastructure, parks and open space, and much more. The Plan will assist the Village's leadership in achieving the community's shared vision for its future.

# Chapter 1: *Introduction and Transmittal Letter*

Village staff continue to work with the Strategic Plan and strategic priorities developed by the Board and senior management. Specific goals and initiatives have been identified to accomplish the priorities and allow staff to show results of our work thus far.

## **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 2016. This was the fourth 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 fifth certificate.

In addition, the Village also received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting award for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2015. This was the thirteenth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Respectfully submitted,

Justin E. VanVooren, CMA, CPA  
Director of Finance

# Chapter 1: *Introduction and Transmittal Letter*

## VILLAGE OF MONTGOMERY Principal Officials

---

### **Village President**

Matthew Brolley  
(Term expires April 2017)

### **Village Trustees**

Steve Jungermann  
(Term Expires April 2017)

Stan Bond  
(Term Expires April 2019)

Denny Lee  
(Term Expires April 2017)

Pete Heinz  
(Term Expires April 2019)

Theresa Sperling  
(Term Expires April 2017)

Doug Marecek  
(Term Expires April 2019)

### **Village Clerk**

Tiffany Francis  
(Term Expires April 2017)

### **Management Staff**

Jeff Zoephel

Village Administrator

Daniel Meyers

Chief of Police

Todd Hoppenstedt

Director of Public Works

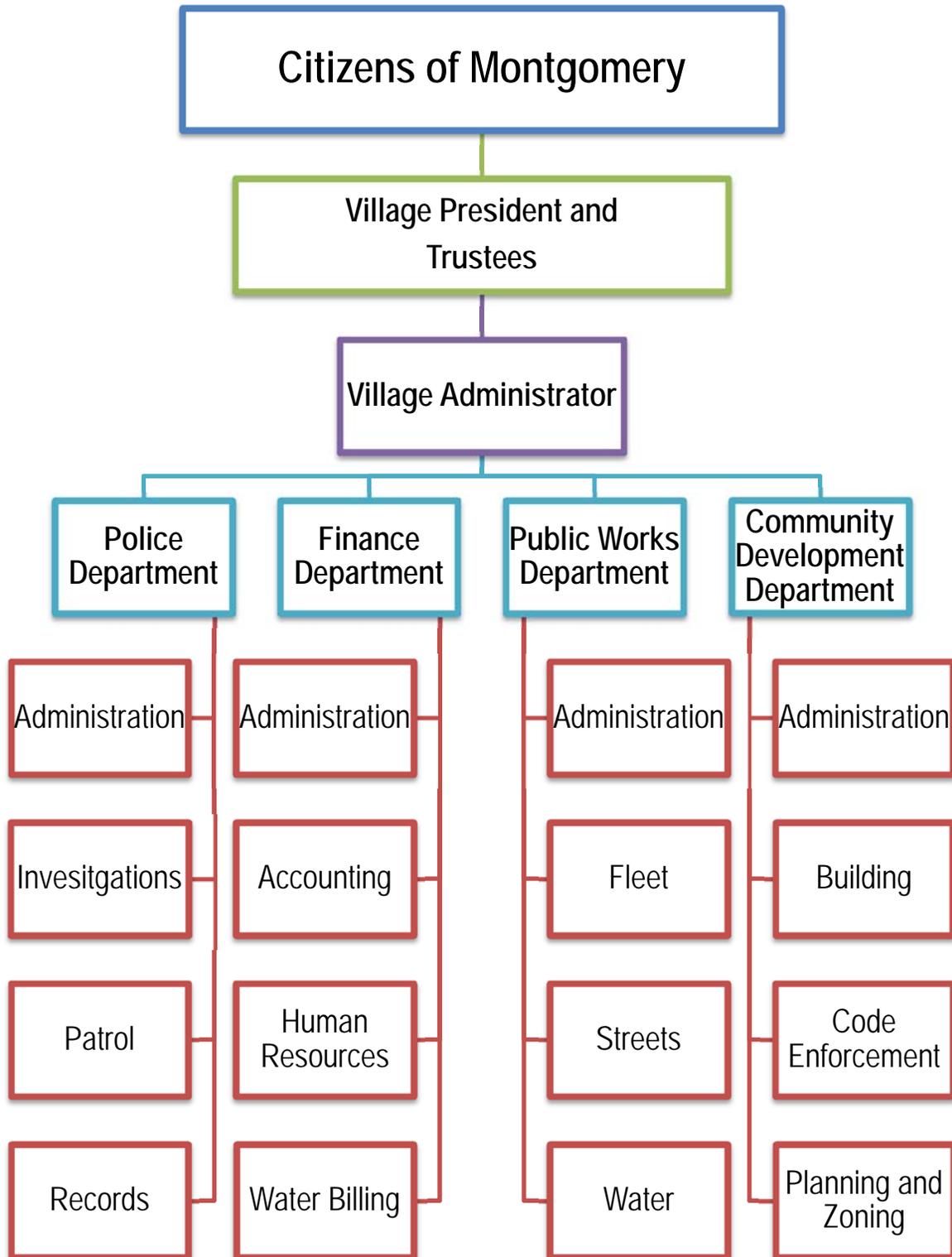
Justin VanVooren

Director of Finance

Richard Young

Director of Community Development

# Chapter 1: *Introduction and Transmittal Letter*



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

## Chapter 1: *Introduction and Transmittal Letter*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Village of Montgomery**

**Illinois**

For the Fiscal Year Beginning

**May 1, 2015**

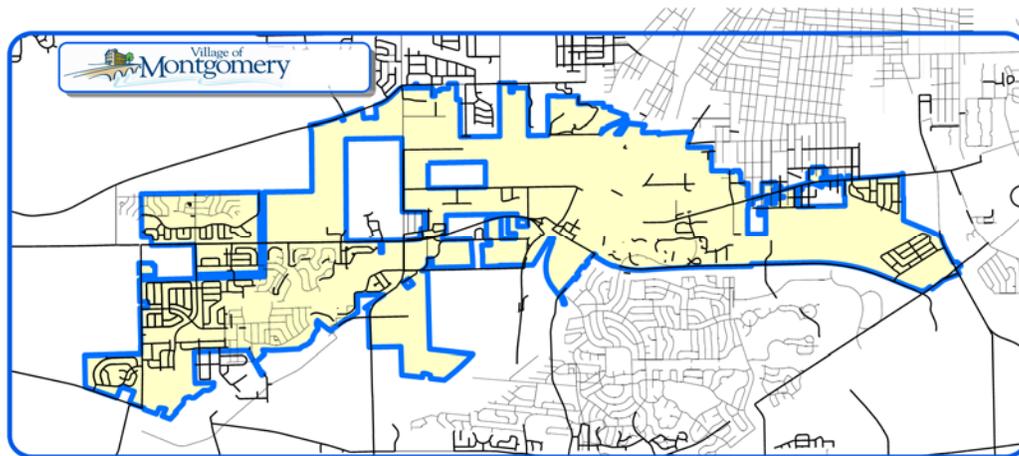
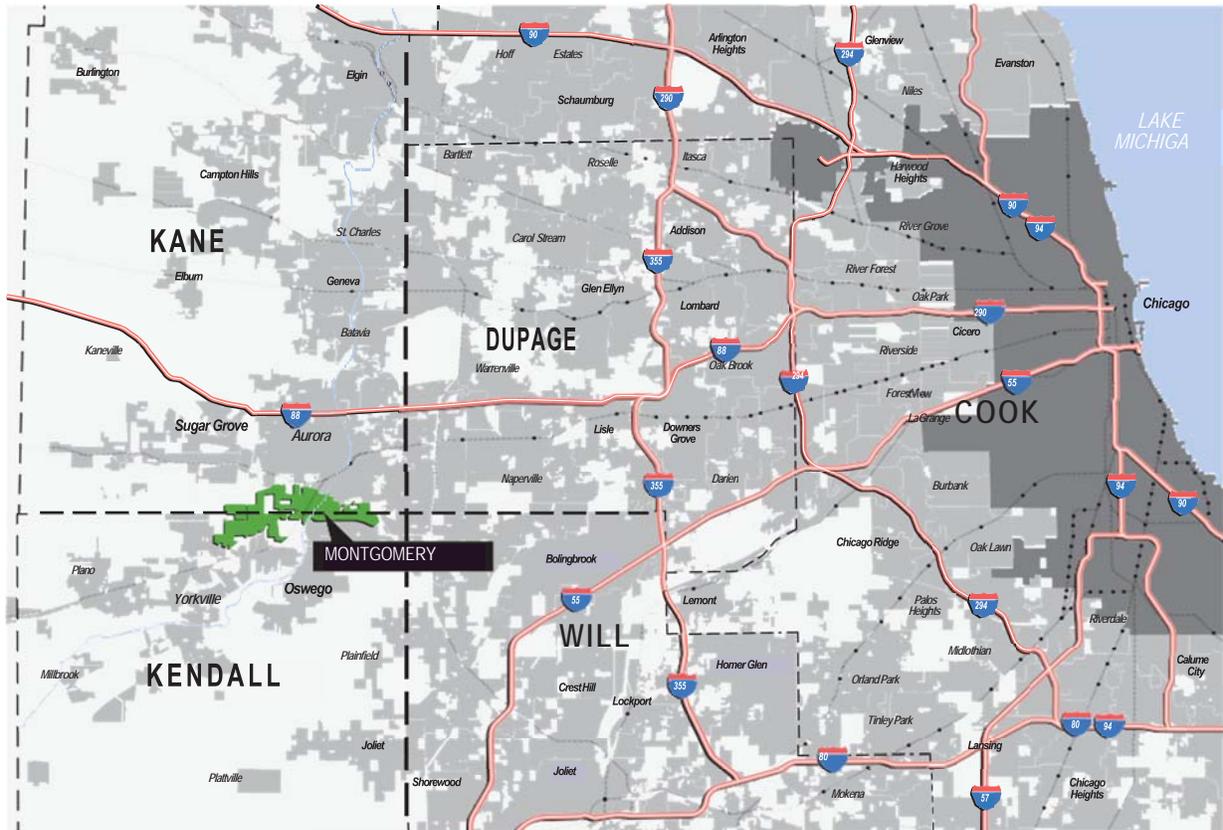
Executive Director

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, 2015**. 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: Village Profile

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



## Chapter 2: *Village Profile*

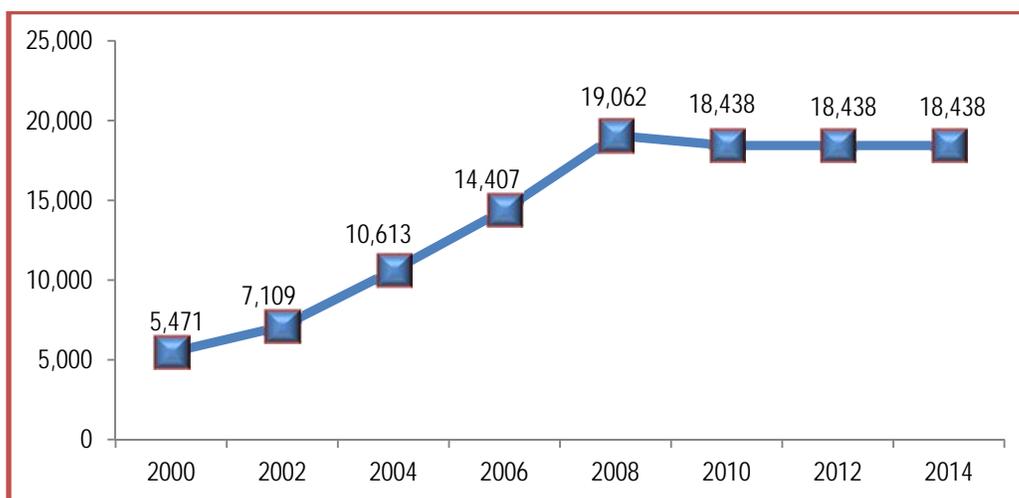
### *HISTORY*

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 grist-mills in the country, appeared in rapid succession. The stone grist mill, built by Gray in 1853, has been beautifully restored and is listed on the National Register of Historic Places. The Village of Montgomery was incorporated in 1858.

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

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

*Montgomery's Population Growth*



## Chapter 2: *Village Profile*

### **GOVERNANCE**

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



The Village Board, pictured from left to right, includes: front row – Village Trustee Theresa Sperling, Village Trustee Denny Lee, Village President Matt Brolley, Village Clerk Tiffany Francis, Village Trustee Pete Heinz; back row – Village Trustee Steve Jungermann, Village Trustee Doug Marecek, and Village Trustee Stan Bond.

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

## Chapter 2: Village Profile

### *GOVERNANCE (Continued)*

57 full-time employees and 11 part-time employees out of three separate buildings. Village services are divided among five departments and within each department are specialized divisions, with further delineating responsibility centers.

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



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

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



## Chapter 2: *Village Profile*

### **COMMUNITY INVOLVEMENT**

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

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

Residents of Montgomery are served by five school districts, with four 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.

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 2: *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.



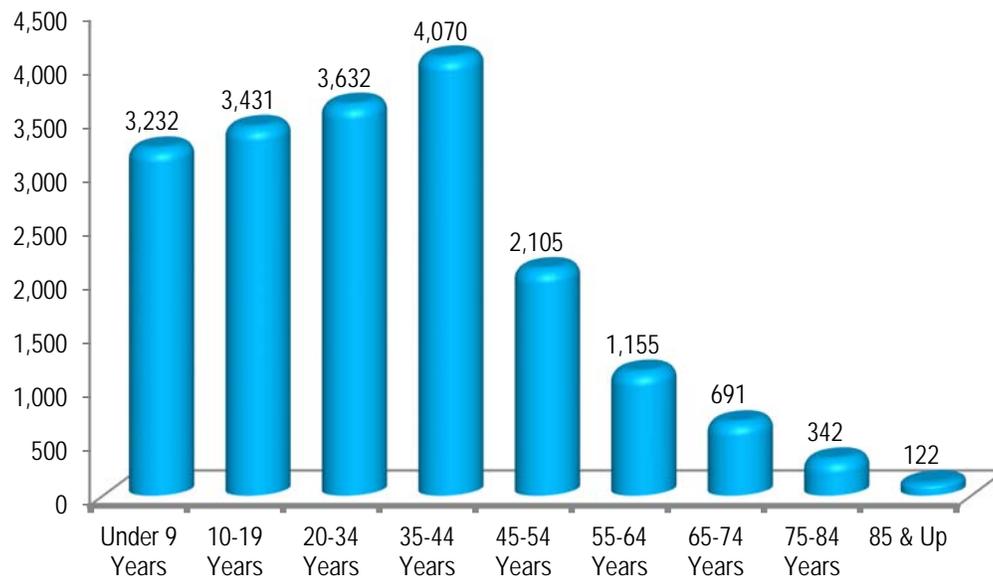
# Chapter 2: Village Profile

## DEMOGRAPHICS

### General

Population	18,780
Median household income	76,207
% Below poverty level	6.30%
Crime rate per 100,000	1,460.0
Crime index	285.0
Median age (years)	32.3
Male population	51.20%
Female population	48.80%

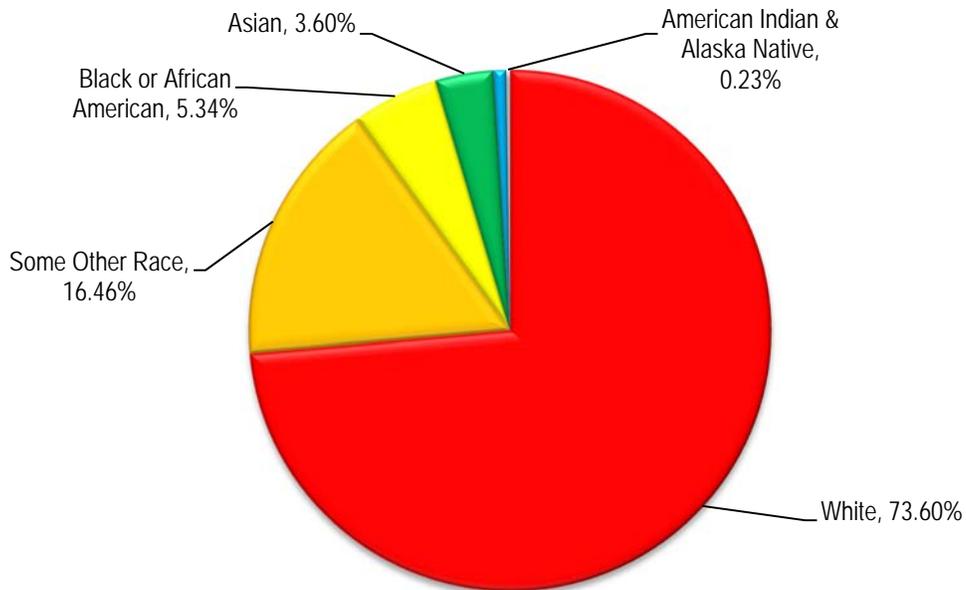
### Age



## Chapter 2: Village Profile

### DEMOGRAPHICS (Continued)

#### Race



#### Education

High school graduate or higher	88.9%
Bachelor's degree or higher	28.7%

#### Housing

Housing units	6,442
Homeownership rate	86.0%
Median home value	\$183,200

# Chapter 3: *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 April, the development, implementation, monitoring and review of the Village's budget is part of a comprehensive process that occurs throughout the entire year.

In November, the Finance Department distributes budget worksheets to the operating departments. Each Department is responsible for submitting its own budget requests following detailed instructions. The operating departments prepare their budget requests and submit them to the Finance Department in January. Upon receipt of the departmental budget requests, the Finance Department compiles the draft budget. Revenue estimates are prepared by the Finance Department 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 product is the budget as proposed by the Director of Finance to the Village Administrator.

## Chapter 3: *Budget Process and Organization*

### ***BUDGET PROCESS (Continued)***

The Village Administrator and Director of Finance meet with the director of each department individually in January to discuss each respective budget request. The Village Administrator reviews all departmental budget requests, ensures that they are 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 and adoption. 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 will sometimes drawdown cash reserves or fund balance and then return the reserves to the desired levels.

The Village Board and staff conduct a series of meetings beginning in February and ending in March and a public hearing in March on various aspects of the budget in order to allow for input on the process by residents of the community and to meet the Village's statutory obligations. Opportunities to participate in public meetings are noticed in the local newspaper and on the Village's website. The Village Administrator, Finance Director, 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 Finance Director revises the proposed budget as directed by the Village Board and the Finance Director submits it to the Village Board for formal approval in April. The final budget is adopted by ordinance. As noted previously, the budget ordinance must be adopted prior to the start of the fiscal year and filed with the county clerk within 30 days of adoption.

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

The calendar on the following page illustrates the timeline of events that make up the entire budget process in the Village of Montgomery for fiscal year 2017.

## Chapter 3: *Budget Process and Organization*

### *BUDGET CALENDAR (Bold Items Involve the Village Board)*

11/9/15	<b>Announce and review tax levy (Village Board Meeting)</b>
11/12/15	Budget/CIP kickoff meeting
11/23/15	<b>Public hearing on tax levy (Village Board Meeting)</b>
12/14/15	<b>Approval of tax levy (Village Board Meeting)</b>
11/12/15 – 1/8/16	Departments prepare budget and CIP requests
12/18/15	Personnel requests submitted to Director of Finance
12/18/15	Vehicle requests submitted to Director of Finance
1/8/16	Budget requests submitted to Director of Finance
1/8/16	Revenue projections submitted to Director of Finance
1/8/16	CIP requests submitted to Director of Finance
1/8/16 – 1/22/16	Review of budget and CIP requests by Director of Finance
1/22/16	Budget and CIP Report submitted to Village Administrator
2/1/16 – 2/5/16	Village Administrator and Director of Finance meet with departments to discuss budget/CIP requests
2/16/16	<b>Review General Fund budget (Committee of the Whole Meeting)</b>
2/22/16	<b>Review Capital Improvement Fund budget/CIP (Village Board Meeting)</b>
3/2/16	Notice of public hearing published and budget/CIP put on display for citizen review
3/14/16	<b>Public hearing conducted and first reading of budget/CIP ordinance (Village Board Meeting)</b>
3/14/16	<b>Review Water and Other Fund budgets/CIP (Village Board Meeting)</b>
3/22/16	<b>Review complete budget/CIP if necessary (Committee of the Whole Meeting)</b>
3/28/16	<b>Second reading of budget/CIP ordinance and approval of budget/CIP (Village Board Meeting)</b>

# Chapter 3: *Budget Process and Organization*

## **CLASSIFICATION OF REVENUES AND EXPENDITURES**

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

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

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

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

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

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

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

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

## **ORGANIZATION OF FINANCIAL PRESENTATION**

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

- **FY15 Actual** – This column refers to the actual expenditures from the most recently completed fiscal year: FY15 (May 1, 2014 through April 30, 2015). The source of this information is the Village's Comprehensive Annual Financial Report and financial software system.

## Chapter 3: Budget Process and Organization

### ORGANIZATION OF FINANCIAL PRESENTATION (Continued)

- FY16 Budget – This column refers to the amount approved by the Village Board for the current fiscal year.
- FY16 Projected – 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.
- FYE17 Approved – This column refers to the amount approved by the Village Board for the upcoming fiscal year.
- FYE18 and FYE19 Projected – These columns refer to the revenue and expenditure amounts projected for fiscal years beyond the fiscal year budget 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 50 through 56 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 Department’s are aware of a particular increase or decrease. Debt service is determined based on future debt service schedules. Capital outlay is determined based on the Capital Improvement Program.

### FUND GROUPS AND BASIS OF BUDGETING

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

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

# Chapter 3: *Budget Process and Organization*

## *FUND GROUPS AND BASIS OF BUDGETING (Continued)*

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

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

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

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

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

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

## Chapter 3: *Budget Process and Organization*

### ***FUND GROUPS AND BASIS OF BUDGETING (Continued)***

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

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

The Debt Service Fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds (Series 2008, Series 2010, 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)
- Economic Development Loan Fund (Special Revenue)
- Forfeiture & Seizure Fund (Special Revenue)
- Emergency 911 Fund (Special Revenue)
- Lakewood Creek Special Assessment Project Fund (Capital Projects)
- Infrastructure Improvement Fund (Capital Projects)
- Montgomery Preserve TIF #1 Fund (Special Revenue)
- Aucutt Road TIF #2 Fund (Special Revenue)
- TIF #3 Fund (Special Revenue)
- Vehicle Reserve Fund (Capital Projects)
- Police Gift Fund (Special Revenue)
- Montgomery Crossing SSA Fund (Special Revenue)
- Blackberry Crossing SSA Fund (Special Revenue)
- Fairfield Way SSA Fund (Special Revenue)
- Arbor Ridge SSA Fund (Special Revenue)
- Foxmoor SSA Fund (Special Revenue)
- Saratoga Springs SSA Fund (Special Revenue)
- Orchard Prairie North SSA Fund (Special Revenue)
- Blackberry Crossing West SSA Fund (Special Revenue)
- Fieldstone Place SSA Fund (Special Revenue)
- Balmorea SSA Fund (Special Revenue)
- Marquis Point SSA Fund (Special Revenue)
- Ogden Hill SSA Fund (Special Revenue)

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

# Chapter 3: Budget Process and Organization

## FUND GROUPS AND BASIS OF BUDGETING (Continued)

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

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

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

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

Table 2 - 2

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

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

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

## Chapter 4: *Mission, Vision, and Policies*

### MISSION STATEMENT:

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

### OUR VISION:

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

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

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

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

We are exceptional stewards of Village resources.

### GUIDING PRINCIPLES:

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

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

### OBJECTIVES:

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

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

# Chapter 4: Mission, Vision, and Policies

## STRATEGIC PLAN

The Village recognizes the importance to develop and manage programs, services, and their related resources as efficiently and effectively as possible. Accordingly, the Board approved the fiscal year 2015 – 2017 Strategic Plan establish the direction of the Village. Senior Management have identified specific goals and initiatives to accomplish the key outcome indicators (KOI), the 5 main strategic priorities, and ultimately the Strategic Plan as a whole. The format developed below allows staff to show the results of our work thus far. Departmental goals and initiatives that follow the strategic plan will be identified in Chapter 7 by listing the strategic priority in the color matching the KOI, Goal, and Initiatives.

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

# Chapter 4: Mission, Vision, and Policies

## STRATEGIC PLAN (Continued)

Strategic Priority	Key Outcome Indicator (KOI)	Goal	Initiatives	Results
Development	Industrial	150,000 square feet	Marketing plan	Michels (2015)
			Partnership with SBDC	Heinz (2015)
			Partnership with EDC	American Crystal (2016)
		Desirable jobs	Supply chain integration	Lakin (2016)
			Partnership with Waubensee	Nexeo (2017)
			Incentive policy	
	Commercial	80,000 square feet	Incentive policy	Speedway (2015)
			Marketing plan/corridor planning	Chiquita (2015)
			Explore TIF #3	U-Haul (2016)
		Service provider diversity	Use of sales tax rebates	9ers (2016)
			Use of revolving loan fund	Fullers Car Wash (2017)
			Sit down restaurants	Ricky Rockets (2017)
			Attract niche markets	
			Business friendly	
			Service provider diversity	
	Residential	120 new platted sites	Competitive fees structure	
			Land use up-to-date	
		200 infill lots	Efficient process	
50 new home permits per year				

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

# Chapter 4: Mission, Vision, and Policies

## STRATEGIC PLAN (Continued)

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

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

# Chapter 4: *Mission, Vision, and Policies*

## **FISCAL POLICIES**

The Village of Montgomery has a tradition of sound municipal financial management. These policies are designed to establish a framework for providing quality services to the community in an efficient and effective manner while maintaining long-term financial stability within the limitations established in the policies. The Village of Montgomery 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 following policies were formally adopted by the Village Board in September 2015.

The fiscal policies of the Village of Montgomery have specific objectives designed to ensure the continued fiscal health of the Village. These objectives are:

- To maintain Board policy making ability by ensuring that important fiscal decisions are not driven by emergencies or financial problems.
- To provide the Board with accurate and timely information so that policy decisions can be made in a judicious manner.
- To provide sound financial principles to guide the Board and management in making decisions.
- To use sound revenue policies which prevent undue reliance on a single source of revenue and which distributes the cost of municipal services fairly among all programs.
- To protect and maintain the Village's credit rating.
- To ensure legal compliance with the budget through systems of internal control.

## **Budget Policies**

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.

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 annual budget should provide for the following:

1. 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.
2. Budget development will be directed by and should allow for the implementation of specific goals and objectives as included in the Strategic Plan and as developed by each department.
3. As part of the annual budget review process, the Village will project fund revenues and expenditures for two years beyond the budget year and compare the projected balances to the fund balance policy. This will allow the Village to identify potential problems early enough to correct them.

# Chapter 4: *Mission, Vision, and Policies*

## *FISCAL POLICIES (Continued)*

### Budget Policies (Continued)

4. 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.
5. The Village will prepare and maintain a system of regular monthly reports comparing actual revenues and expenditures to budgeted amounts.
6. Each department shall annually contribute for replacement of vehicles and equipment in order to maintain a “pay-as-you-go” basis for equipment replacement. Replacement cost and useful life for vehicles and equipment will be reevaluated on an annual basis.
7. 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 its annual budget in conformance with the Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award Program.

### Reserve Policies

The purpose of these policies is to enhance long-term financial planning and mitigate the risks associated with changes in revenues due to economic and local market conditions and unanticipated expenditures that may occur. The Village of Montgomery has established the following fund reserve policies:

#### General Fund

1. The Village of Montgomery 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 (“Cash Flow Commitment”). The Cash Flow Commitment in the General Fund is adjusted with the adoption of the annual budget and is calculated as three months (25%) of current year expenditures.
2. 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.
3. The Village will spend the most restricted dollars before less restricted, in the following order:
  - a. Nonspendable (if funds become spendable),
  - b. Restricted,
  - c. Committed,
  - d. Assigned, and
  - e. Unassigned.

# Chapter 4: *Mission, Vision, and Policies*

## *FISCAL POLICIES (Continued)*

### Revenue Policies

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. The Village also incorporates the following principles related to revenues as it furthers its financial planning and fulfills its fiscal responsibilities:

1. 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 three years and will update this projection through the annual financial forecast process.
2. The Village will maintain a revenue monitoring system to assist in trend analysis and revenue forecasting.
3. All charges for services, fees, licenses, permits, etc. will be reviewed regularly to insure 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.
4. 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 three years.
5. 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.
6. 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.
7. The Village will actively seek State and Federal grants.

### Expenditure Policies

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. 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.

## Chapter 4: *Mission, Vision, and Policies*

### *FISCAL POLICIES (Continued)*

#### Expenditure Policies (Continued)

3. The Village will project expenditures for at least the next three years and will update this projection through the annual financial forecast process. This forecast will take into account anticipated increases in operating expenditures, significant changes in operating and staffing needs, and future capital projects and improvements that have been identified as needed for the community.
4. The annual operating budget will include the corresponding capital projects identified in the Five-Year Capital Improvement Program (CIP).
5. An employee compensation package consistent with sound economic policies will be maintained to recruit and to retain qualified employees. The Village will maintain a pay and benefit structure for its employees competitive with communities comparable to the Village.

#### Cash Management Policies

1. 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 Village attempts to match funds to projected disbursements.
2. 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 provides guidelines for the prudent investment of cash reserves and temporarily idle cash and outlines the policies for maximizing the efficiency of the cash management system.
3. In order to maximize interest earnings, the Village combines the cash of all funds excluding those that are legally required to be held separately.
4. Require that all bank deposits be collateralized with securities, as noted in the above policy, having a market value of 105% of the underlying deposits.
5. State statutes govern the investment of public funds and provide the general framework for investment activity and fiduciary responsibilities. The investment of Village funds must be in conformance with state statutes, local ordinances, and internal policies and procedures.
6. Criteria for selecting investments and the order of priority are: safety, liquidity, and return on investment.

# Chapter 4: *Mission, Vision, and Policies*

## *FISCAL POLICIES (Continued)*

### **Accounting, Auditing and Reporting Policies**

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). The Village also incorporates the following principles related to accounting, auditing and reporting as it furthers its financial planning and fulfills its fiscal responsibilities:

1. 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.
2. 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 Award.
3. 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.
4. 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.
5. 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.
6. The Village will promote full disclosures in its financial statements in accordance with, but not limited to, the requirements of the Governmental Accounting Standards.

### **Debt Administration Policies**

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.

1. The Village will confine long-term borrowing to those capital improvements or one-time obligations that cannot be financed from current revenues or reserves.

# Chapter 4: *Mission, Vision, and Policies*

## *FISCAL POLICIES (Continued)*

### Debt Administration Policies (Continued)

2. The Village will not use long-term borrowing to fund operating expenditures.
3. 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.
4. The maturity date for any long-term debt will not exceed the reasonably expected useful life of the capital project financed.
5. The Village will consider the refunding of outstanding debt when at least a 3% present value savings can be obtained for an advance refunding and at least a 2% present value savings can be obtained for a current refunding, as long as it is beneficial to the Village.
6. Excess fund balance may be used to 1) fund planned capital projects, thereby avoiding debt; 2) abate annual debt service on outstanding obligations; or 3) pay down outstanding obligations.
7. 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.

### Capital Asset Policies

1. The Village of Montgomery invests a significant amount in capital assets in pursuit of its mission, as well as to maintain or improve the level of service expected by its citizens. These assets play an essential role in the Village's ability to diversify, expand and cope with growth, and improve environmental conditions. 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.
2. 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 this 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.
3. When the Village constructs or acquires additional capital assets they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the Village values these capital assets at the estimated fair value of the item at the date of donation. To be considered a capital asset for financial reporting purposes an item must have a useful life of at least one year and be at or above the capitalization thresholds in the following table.

# Chapter 4: *Mission, Vision, and Policies*

## *FISCAL POLICIES (Continued)*

### Capital Asset Policies

Description	Useful Life	Capitalization Threshold
Land (and inexhaustible land improvements)	N/A	\$ 1
Land improvements (exhaustible)	15 - 20	25,000
Buildings	45	50,000
Building improvements	10 - 30	50,000
Vehicles	3 - 10	10,000
Machinery and equipment	5 - 30	25,000
Computers	4	10,000
Furniture and fixtures	5 - 20	15,000
Infrastructure	20 - 50	250,000

4. The Village shall maintain a Five-Year Capital Improvement Program (CIP) in association with the Expenditure Policy noted above. Capital improvements will be made in accordance with the plan which will be updated on an annual basis. The CIP will provide for adequate design, construction, maintenance and replacement of the Village's capital plant and equipment subject to budgetary restrictions and will be used to identify and prioritize future capital needs and possible funding sources.

## Chapter 5: *Executive Summary*

### ALL FUNDS SUMMARY

The following table represents the fiscal year 2016 projected revenues and fiscal year 2017 approved budget for the Village of Montgomery as a whole.

REVENUES	Estimated FY 2016	Budget FY 2017	Percent Change
General	\$ 9,617,425	\$ 9,822,920	2.14%
Motor Fuel Tax	516,097	527,694	2.25%
Economic Development Loan	13,101	11,445	-12.64%
Forfeiture and Seizure	15,100	16,150	6.95%
E-911	141,736	-	0.00%
Capital Improvement	1,438,355	1,513,330	5.21%
Lakewood Creek Project	60,002	60,002	0.00%
Infrastructure Improvement	2,805,580	3,147,000	100.00%
TIF #1	40,918	341,800	735.33%
TIF #2	51,880	247,000	100.00%
TIF #3	-	-	100.00%
Debt Service	1,084,165	1,084,076	-0.01%
Water	4,648,871	4,876,711	4.90%
Water Improvement	1,633,623	1,840,990	12.69%
Employee Insurance	966,116	1,103,019	14.17%
Vehicle Reserve	687,302	612,238	-10.92%
Refuse	1,293,285	1,350,665	4.44%
Police Pension	987,950	1,317,815	33.39%
Police Gifts	300	250	-16.67%
Special Service Areas	347,053	348,000	0.27%
<b>TOTAL REVENUES</b>	<b>\$ 26,348,859</b>	<b>\$ 28,221,105</b>	

## Chapter 5: *Executive Summary*

### ALL FUNDS SUMMARY (Continued)

The following table represents the fiscal year 2016 projected expenditures and fiscal year 2017 approved budget for the Village of Montgomery as a whole.

EXPENDITURES	Estimated FY 2016	Budget FY 2017	Percent Change
General	\$ 9,058,570	\$ 9,733,447	7.45%
Motor Fuel Tax	617,441	262,250	-57.53%
Economic Development Loan	3,000	3,000	0.00%
Forfeiture and Seizure	22,407	30,550	36.34%
E-911	83,060	44,410	-46.53%
Capital Improvement	1,338,363	1,541,069	15.15%
Lakewood Creek Project	60,000	60,000	0.00%
Infrastructure Improvement	1,336,605	2,555,169	100.00%
TIF #1	69,024	421,850	511.16%
TIF #2	39,498	183,000	363.31%
TIF #3	-	38,000	0.00%
Debt Service	1,084,165	1,090,165	0.55%
Water	5,479,169	5,107,077	-6.79%
Water Improvement	1,689,948	1,840,990	8.94%
Employee Insurance	966,116	1,103,019	14.17%
Vehicle Reserve	514,560	789,798	53.49%
Refuse	1,293,100	1,350,415	4.43%
Police Pension	449,096	435,166	-3.10%
Police Gifts	1,625	1,300	-20.00%
Special Service Areas	330,275	337,097	2.07%
<b>TOTAL EXPENDITURES</b>	<b>\$ 24,436,022</b>	<b>\$ 26,927,772</b>	

## Chapter 5: *Executive Summary*

### ALL FUNDS SUMMARY (Continued)

The following table represents the estimated fund equity at the beginning and ending of fiscal year 2017, as well as the revenues (page 48) and expenditures (page 49), for the Village of Montgomery as a whole.

FUND EQUITY	Estimated Balance May 1, 2016	Approved Revenues FY 2017	Approved Expenditures FY 2017	Estimated Balance April 30, 2017
General	\$ 4,218,611	\$ 9,822,920	\$ 9,733,447	\$ 4,308,084
Motor Fuel Tax	261,302	527,694	262,250	526,746
Economic Development Loan	1,613,838	11,445	3,000	1,622,283
Forfeiture and Seizure	56,814	16,150	30,550	42,414
E-911	164,774	-	44,410	120,364
Capital Improvement	38,721	1,513,330	1,541,069	10,982
Lakewood Creek Project	42,821	60,002	60,000	42,823
Infrastructure Improvement	1,450,975	3,147,000	2,555,169	2,042,806
TIF #1	118,747	341,800	421,850	38,697
TIF #2	(25,512)	247,000	183,000	38,488
TIF #3	-	-	38,000	(38,000)
Debt Service	56,089	1,084,076	1,090,165	50,000
Water	27,355,842	4,876,711	5,107,077	27,125,476
Water Improvement	-	1,840,990	1,840,990	-
Employee Insurance	230,147	1,103,019	1,103,019	230,147
Vehicle Reserve	702,312	612,238	789,798	524,752
Refuse	4,668	1,350,665	1,350,415	4,918
Police Pension	8,745,450	1,317,815	435,166	9,628,099
Police Gifts	5,825	250	1,300	4,775
Special Service Areas	764,986	348,000	337,097	775,889
<b>TOTAL FUND EQUITY</b>	<b>\$ 45,806,410</b>	<b>\$ 28,221,105</b>	<b>\$ 26,927,772</b>	<b>\$ 47,099,743</b>

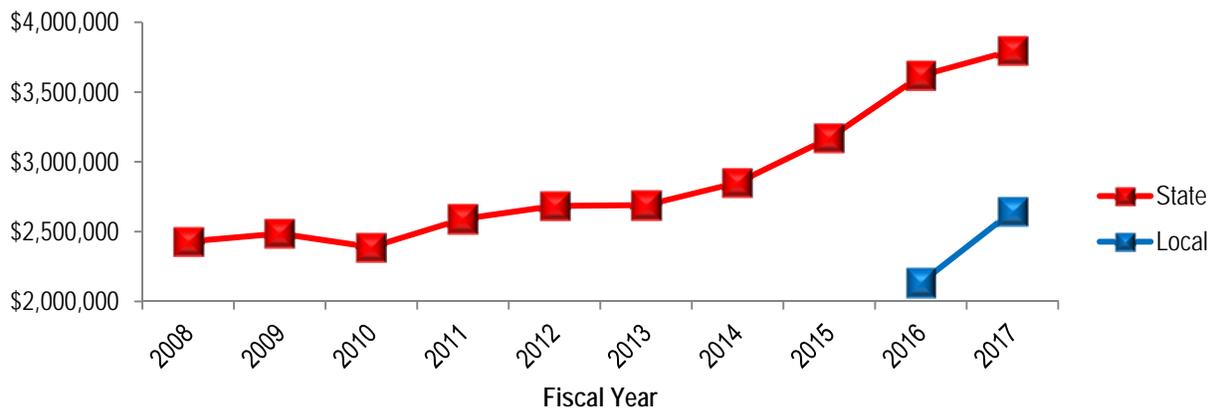
# Chapter 5: Executive Summary

## MAJOR REVENUES

The desire of the Village of Montgomery is to maintain a broad-based, well-diversified, and stable portfolio of revenues. The trend information in charts below includes audited revenues from fiscal year 2008 through fiscal year 2015, estimated revenues for fiscal year 2016, and budgeted revenues for fiscal year 2017. The following significant revenue sources explain approximately 77% of the total revenues budgeted for fiscal year 2017.

### State and local sales tax (\$6,444,419 or 22.84%)

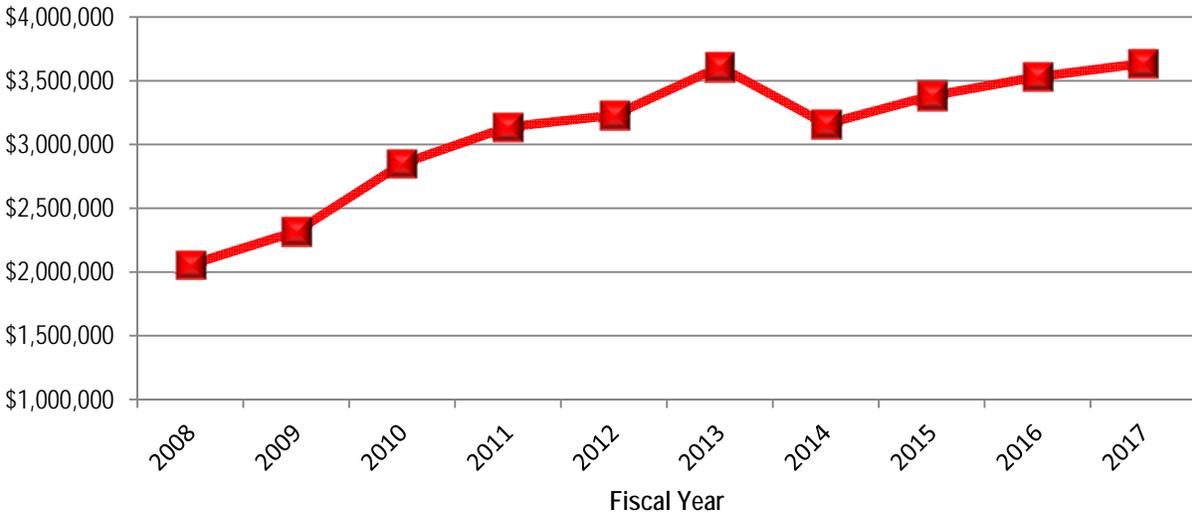
The Village's single largest revenue source is sales tax. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed fairly consistent even through the Great Recession. The Village began collecting non-home rule sales tax on July 1, 2015, which is collected on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. The decrease in fiscal year 2010 is due to the loss of a major business while the increases in fiscal year 2015 and fiscal year 2016 are due to the addition of a major business. The historical growth between fiscal year 2012 through fiscal year 2016, when many new stores were added, is approximately 5%. Therefore, we are estimating fiscal year 2017 to increase by an additional 5%.



### Water revenue (\$3,637,487 or 12.89%)

The Village owns a water utility and charges residents a fee to use that water, which is the second largest revenue source for the Village. The Village also charges residents a fee to maintain the sanitary sewer lines that feed to the Fox Metro Water Reclamation District. The revenue is based upon the immediate prior year's usage by existing residents along with the additional housing units brought online by new permits. The fiscal year 2017 budget includes an increase in the water usage rates of 3% as of May 1, 2016. The Village expects annual increases of 3% in fiscal year 2018 and each year thereafter. This revenue stream is dependent on weather conditions and will vary based on how warm it is or how much rain the Village receives. The large increase in fiscal year 2013 was due to a drought during the summer months of 2012.

## Chapter 5: Executive Summary

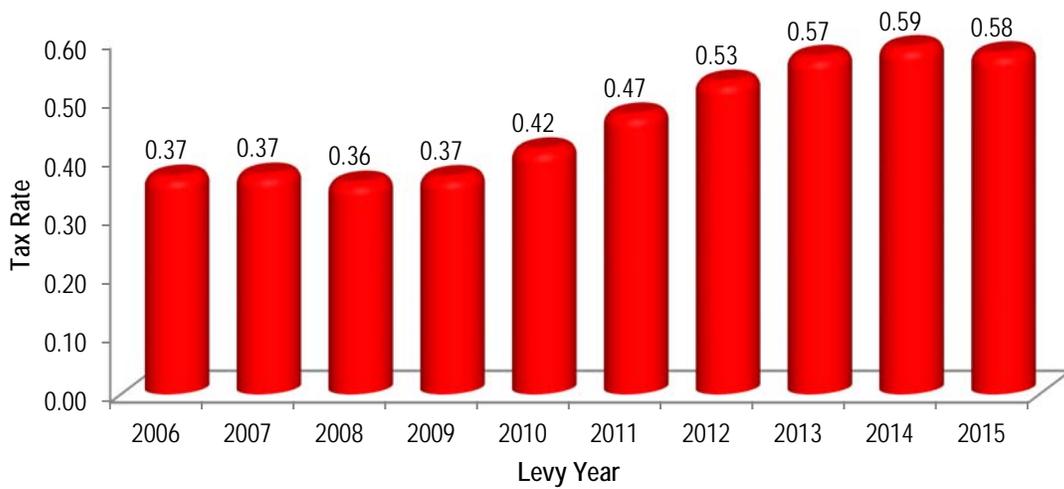
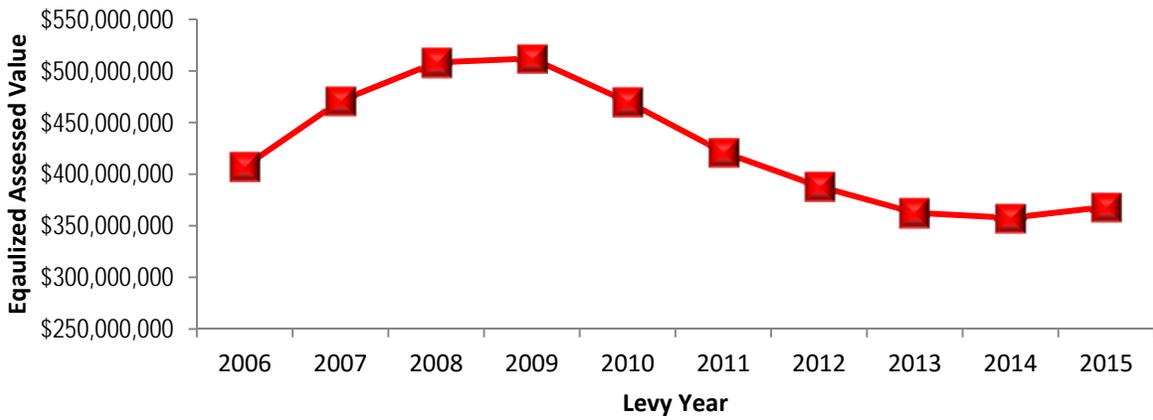
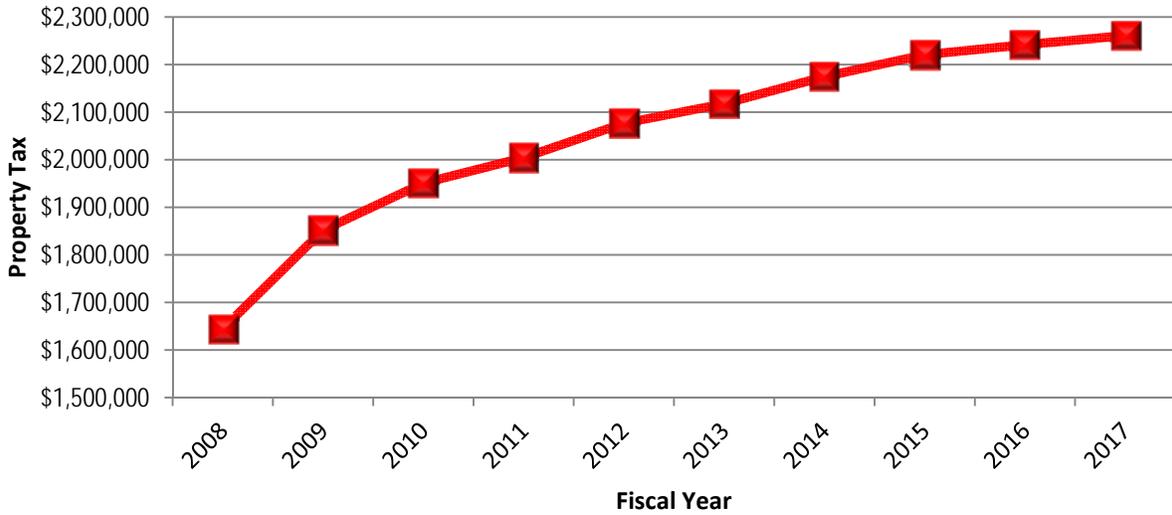


### Property tax (\$2,260,869 or 8.01%)

Local property tax revenues, the third largest revenue source, have risen in recent years as a result of the residential and commercial growth that took place before the Great Recession. 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 2015 tax rate in April 2016, which is collectible in calendar year 2016 and reflected in fiscal year 2017. 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 2015 at approximately \$10.8 million. The Village Board approved no increase to existing property, which equated to an increase of approximately \$20,000 for fiscal year 2017.

The history of the property tax within Montgomery is rather interesting due to Montgomery's extreme population growth. The first graph on the next page shows sizable growth in revenue while residential development was taking place, but leveled off and has been fairly stable since fiscal year 2010. The second graph depicts the equalized assessed value (1/3 of actual value and what property tax bills are based on) which started to go down shortly after the housing downturn. The Village's equalized assessed value increased in levy year 2015 for the first time since levy year 2009, and is expected to continue upward into the future. 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.

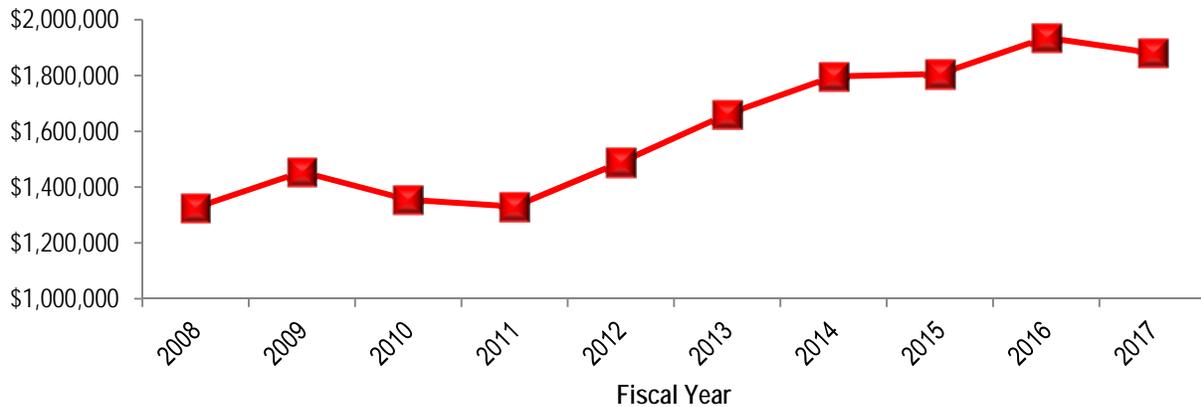
# Chapter 5: Executive Summary



# Chapter 5: Executive Summary

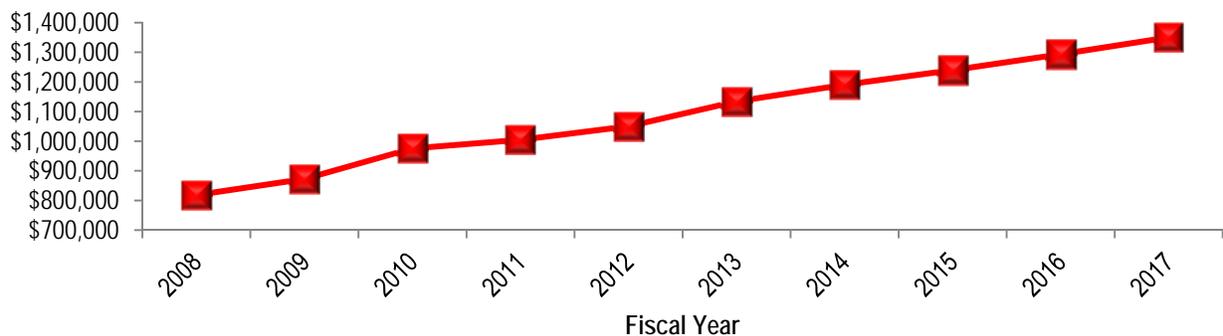
## State income tax (\$1,880,676 or 6.66%)

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 distributed to the Village on a per capita basis three months after the liability occurs. The Illinois Municipal League estimates quarterly the amount each municipality receives per person. The Village has used its 2010 Census population of 18,438 residents for 12 months of the year. The Illinois Municipal League estimated the per capita collections for fiscal year 2017 at \$102.00 per person. The 3.0% increase over fiscal year 2016 budget reflects the continued economic recovery, as unemployment decreases and companies see profits increase.



## Refuse revenue (\$1,350,415 or 4.79%)

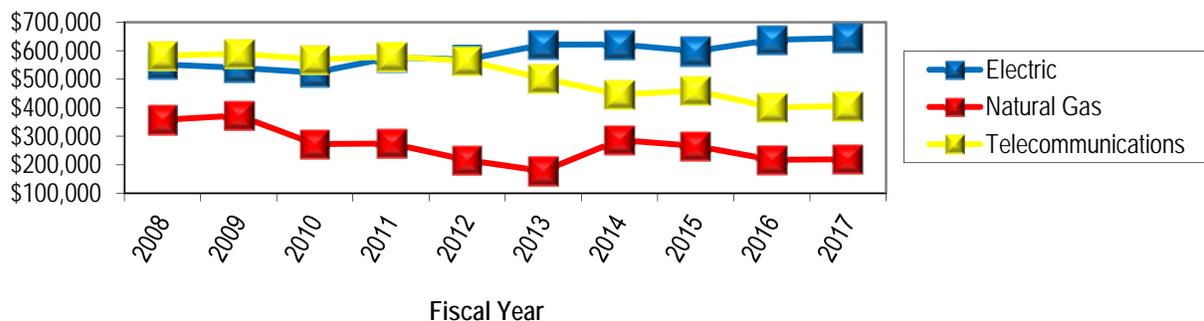
The Village contracts with Republic Services (formerly Allied Waste) for a full range of refuse services. These services include refuse, recycling, and yard waste, as well as bulk items, large items, waste tires, and white goods (i.e. large appliances) for an additional fee. The Village charges residents, which is the fifth largest revenue source for the Village, for these services on their bi-monthly utility bill. The Village renewed its 5 year contract with Republic Services effective January 1, 2012 which calls for annual increases of approximately 4% per year. The rate for calendar year 2016 is \$19.65 per month. Although the contract with Republic Services expires on December 31, 2016, the Village budgeted a similar increase of 4% to \$20.44 as of January 1, 2017 (actual rate to be based on new contract). The budgeted amount for direct customer refuse billing is based on the contract rate and the existing number of homes.



## Chapter 5: Executive Summary

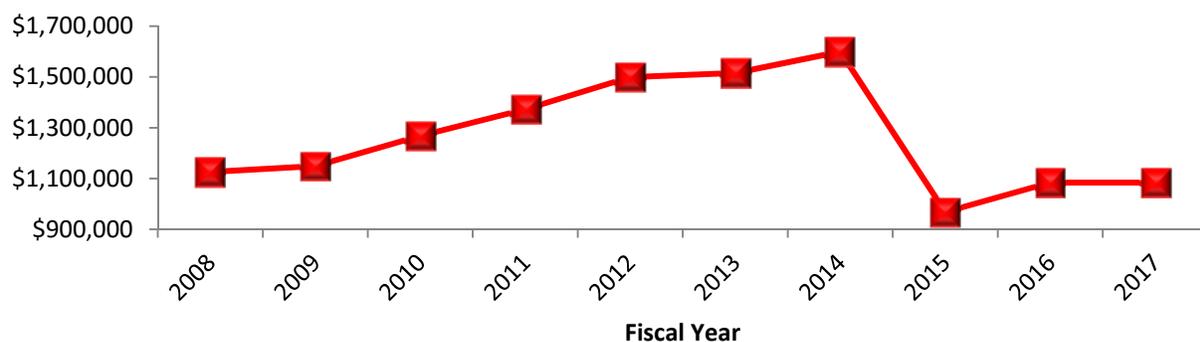
### Utility taxes (\$1,269,297 or 4.50%)

Utility taxes consist of three components, which together make up the sixth largest revenue source. First, telecommunications tax of 6% appears on the local and cellular phone bills of residents and businesses within Village limits, and is collected by the State and remitted to the Village three months after the liability occurs. Second, electricity tax of 5% appears on the electric bills, and is collected by Commonwealth Edison and remitted to the Village the month after the liability occurs. Third, natural gas tax of 5% appears on the natural gas bills, and is collected by Nicor Gas and remitted to the Village the month after the liability occurs. These revenue streams are somewhat unpredictable and will rise and fall due to the severity of climate changes (electricity and natural gas tax). Utility tax revenues have stagnated in recent years due to the slowdown in new residential and commercial development. The reduction in telecommunications tax is due to residents continuing to move to cell service only, while the reduction in natural gas tax is due to warmer winters over the last several years. The Village expects to see revenues increase slowly as the economy rebounds and residential and commercial development begins to recover.



### Transfers in – Debt Service Fund (\$1,084,076 or 3.84%)

The Debt Service Fund is used to accumulate monies for the Village's General Obligation Alternate Revenue Source Series 2008, 2010, 2011, and 2014 Bonds. The alternate revenue source bonds pledge income derived from sales and utility taxes. In addition, these bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2008, 2010, 2011, and 2014 Bonds and transfers money in from the Capital Improvement Fund to pay for this debt. Transfers into the Debt Service Fund (seventh largest revenue) decreased in fiscal year 2015, due to restructuring of the Village's governmental debt in fiscal year 2014, which will more closely match our utility tax projections.



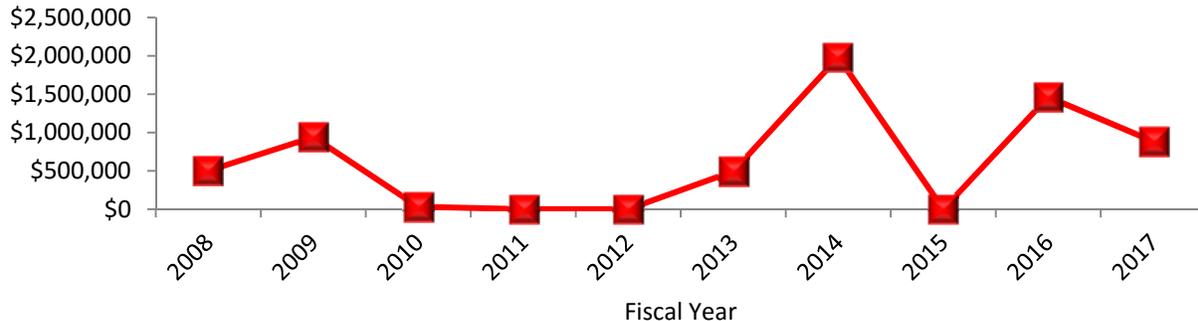
# Chapter 5: Executive Summary

## Illinois Environmental Protection Agency loan (\$891,100 or 3.16%)

The eighth largest revenue source for the Village in fiscal year 2017 is a long-term low interest loan from the Illinois Environmental Protection Agency. The loan will be used to pay for improvements to the Jefferson and Route 25 lift stations. Long-term borrowing depends on when capital projects are anticipated and are one-time in nature. Therefore, no historical data is available for this revenue source.

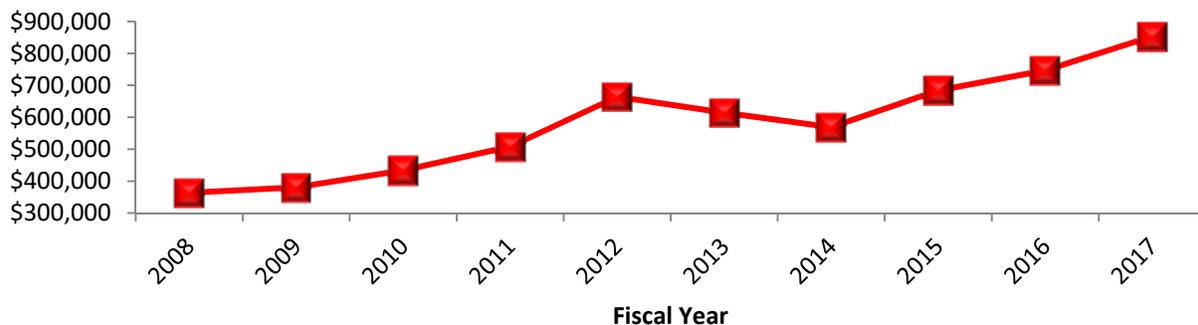
## Transfers in – Water Improvement Fund (\$884,890 or 3.14%)

The Water Improvement Fund is used to account for resources restricted, committed or assigned for the acquisition of capital assets or construction of major capital projects related to the operation of the Village owned water utility. Transfers into the Water Improvement Fund come from water operations and will vary greatly depending on the projects budgeted for and whether long-term debt is being used to finance said projects. The Village utilized Series 2013 bond proceeds and Illinois Environmental Protection Agency loan proceeds for fiscal year 2014 and 2015 projects, while other fiscal years are mainly financed with tap-on fees or internal funds.



## Employer medical insurance contributions (\$853,149 or 3.02%)

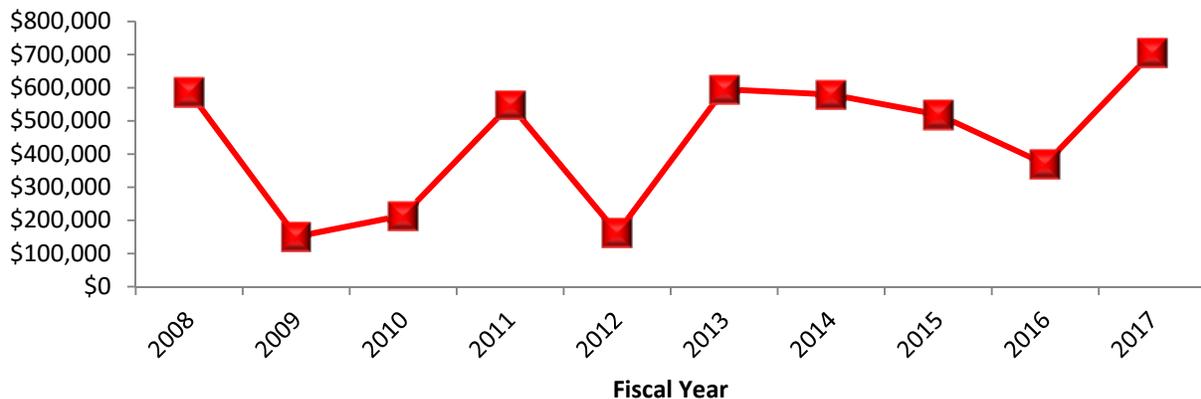
The Village currently offers health insurance to regular full-time employees. The medical insurance premium for health coverage for eligible employees and their covered dependents is split between the Village and the employee. The Village will cover 88% of the cost of the respective plan through plan year ending September 30, 2016 and will lower that amount to 87% effective October 1, 2016. The average increase over the past 15 years is approximately 15%, which the Village has budgeted for the increase in fiscal year 2017. This activity is accounted for in the Employee Insurance Fund, the Village's only internal service fund.



# Chapter 5: Executive Summary

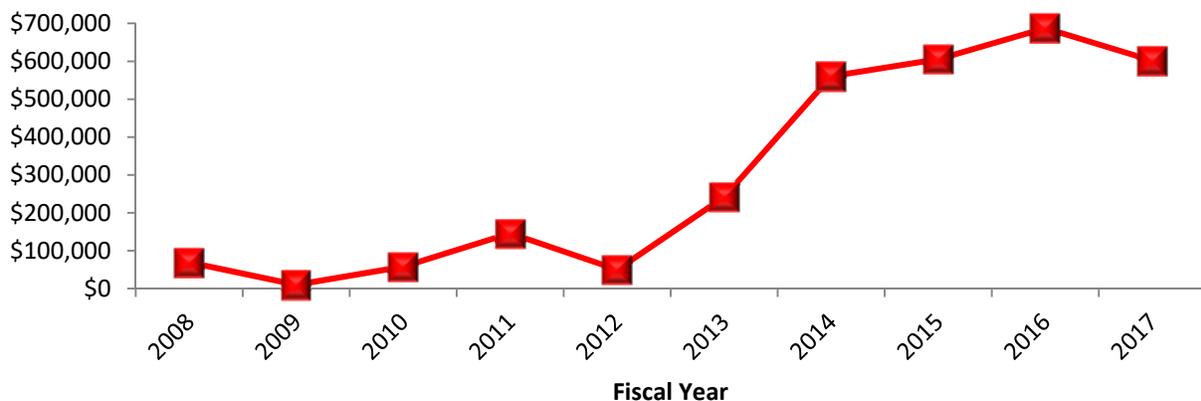
## Investment income (\$705,752 or 2.50%)

The Village invests cash temporarily idle during the year in demand deposits, certificates of deposit, investment pools, and other investments allowed by state statute. The Police Pension Fund is governed by a different statute and allowed to invest in certain additional securities including, but not limited to corporate debt, insurance company contracts, stocks, and mutual funds. The amount of investment income is highly dependent on the economy, as well as the amount available to invest, as shown by the graph below. The General, Capital Improvement, Infrastructure Improvement, and Water Funds are budgeted at 1% based on the average return on the Village's short-term investments (0 – 3 years). The Police Pension Fund is budgeted at 7% based on the long-term expected return.



## Vehicle reserve contributions (\$601,738 or 2.13%)

The Village maintains a Vehicle Reserve Fund used to account for contributions from departments for future vehicle replacements. Contributions slowed when the Great Recession hit and recently was made a priority by the Village Board to rebuild this fund beginning in fiscal year 2014. The Village has averaged the contributions over the next 15 years in order to continue to increase the amount available to the Village for replacements. The Village made a concerted effort during fiscal year 2016 to study the useful life of our vehicles and equipment, as well as determining if we had the correct vehicles and equipment. This allowed the Village to decrease the contribution for fiscal year 2017 forward. The Village could delay vehicle reserve contributions from the General and Water Funds if needed.



# Chapter 5: Executive Summary

## MAJOR EXPENDITURES

### Personal Services

The Village, as a service driven organization, continues to expend the greatest percentage of its budget on personal services (wages and benefits). For fiscal year 2017, personal services expenditures are expected to total \$7,105,817 or 26.39% of total budgeted expenditures. This is an increase of 5.61% over the fiscal year 2016 budgeted expenditures of \$6,728,435.

Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village successfully negotiated and approved a new contract in November 2015 with Public Works Local 150 which expires April 30, 2018 and includes a pay for performance plan ranging from 0.0% to 3.0% increases. The Village has started negotiations with the Metropolitan Alliance of Police Patrol union employees as the current contract expired on April 30, 2016.

The fiscal year 2017 budget includes an additional 6.20 full-time equivalent employees. FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include a part-time intern (Administration), 3 patrol officers and 2 part-time records clerks (Public Safety), and a new maintenance worker I, an additional seasonal, and a part-time mechanic (Public Works).

Department	Actual				Budget	Change
	FY 2013	FY 2014	FY 2015	FY2016	FY2017	
<b>General Government</b>						
Administration	2.000	3.380	1.880	1.880	2.380	0.500
Finance	5.000	5.500	6.000	6.000	6.000	-
Community Development	4.000	3.700	5.000	5.000	5.000	-
<b>General Government - Total</b>	<b>11.000</b>	<b>12.580</b>	<b>12.880</b>	<b>12.880</b>	<b>13.380</b>	<b>0.500</b>
<b>Public Safety</b>						
Sworn Officers	27.000	25.000	25.000	25.000	28.000	3.000
Civilians/Other	9.000	9.500	3.000	3.000	3.700	0.700
<b>Public Safety - Total</b>	<b>36.000</b>	<b>34.500</b>	<b>28.000</b>	<b>28.000</b>	<b>31.700</b>	<b>3.700</b>
<b>Public Works</b>						
Administration	2.000	2.000	2.000	2.000	2.000	-
Street Maintenance	9.000	8.500	9.000	9.000	10.500	1.500
Water Operations	2.000	3.000	3.000	3.000	3.000	-
Building Maintenance	1.000	1.000	1.000	1.000	1.000	-
Fleet Maintenance	1.000	1.000	1.000	1.000	1.500	0.500
<b>Public Works - Total</b>	<b>15.000</b>	<b>15.500</b>	<b>16.000</b>	<b>16.000</b>	<b>18.000</b>	<b>2.000</b>
<b>Total Village Employees</b>	<b>62.000</b>	<b>62.580</b>	<b>56.880</b>	<b>56.880</b>	<b>63.080</b>	<b>6.200</b>

## Chapter 5: *Executive Summary*

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 FY17	Proposed FY18	Proposed FY19	Proposed FY20	Proposed FY21
<b>Village Administrator's Office</b>					
Village Administrator	1.00	1.00	1.00	1.00	1.00
Executive Assistant	0.88	0.88	0.88	0.88	0.88
Management Intern	0.50	0.50	0.50	0.50	0.50
	2.38	2.38	2.38	2.38	2.38
<b>Finance Department</b>					
Director of Finance	1.00	1.00	1.00	1.00	1.00
Human Resources Manager	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
	6.00	6.00	6.00	6.00	6.00
<b>Community Development</b>					
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	1.00
Building Supervisor	1.00	1.00	1.00	1.00	1.00
Building Inspector	-	-	-	0.50	0.50
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Code Enforcement Officer	1.00	1.00	1.00	1.00	1.00
Building Clerk	-	-	-	-	0.50
	5.00	5.00	5.50	6.00	7.00
<b>Police</b>					
Chief of Police	1.00	1.00	1.00	1.00	1.00
Deputy Police Chief	1.00	1.00	1.00	1.00	1.00
Police Sergeant	6.00	6.00	6.00	6.00	6.00
Police Officer	20.00	21.00	22.00	23.00	24.00
Management Analyst	1.00	1.00	1.00	1.00	1.00
Police Records Clerk	2.70	2.70	2.70	2.70	3.00
	31.70	32.70	33.70	34.70	36.00
<b>Public Works</b>					
Director of Public Works	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Streets Supervisor	1.00	1.00	1.00	1.00	1.00
Arborist	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I	3.00	3.00	3.00	3.00	3.00
Maintenance Worker II	4.00	4.00	4.00	4.00	4.00
Seasonal Help	1.50	1.50	1.50	1.50	1.50
Utilities Supervisor	1.00	1.00	1.00	1.00	1.00
Water Plant Operator	2.00	2.00	2.00	3.00	3.00
Building Maintenance Technician	1.00	1.00	1.00	1.00	1.00
Fleet Mechanic	1.50	1.50	1.50	1.50	1.50
	18.00	18.00	18.00	19.00	19.00
<b>Total</b>	63.08	64.08	65.58	68.08	70.38
<b>Employee's per 1,000 residents</b>	3.42	3.48	3.56	3.69	3.82

# Chapter 5: *Executive Summary*

## Capital Outlay

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

Capital project costs can range from \$25,000 for the one-time acquisition of a piece of equipment to millions of dollars for the construction of new facilities. The total amount of capital outlay for fiscal year 2017 is \$6,000,384 or 22.28% of total budgeted expenditures. The largest projects and the applicable percent of capital outlay expenditures are as follows:

- Infrastructure Road Program (IRP) – \$1,719,465 or 28.66% – The Village created the Infrastructure Improvement Fund to account for the non-home rule sales tax that took effect on July 1, 2015 and created the IRP to plan road maintenance over the next 5 years. Although the Village had a small project during fiscal year 2016, the Village will start the program in earnest during fiscal year 2017. There is not a direct correlation to cost savings the Village will receive; however, it is anticipated to reduce the amount of infrastructure repairs and maintenance in the Streets Division of Public Works from the current amount of \$147,000.
- Lift station rehabilitation – \$963,500 or 16.06% – The Jefferson Street and Route 25 lift stations have reached the end of their useful design lives and need to be rehabilitated. Funding for this project will be provided by an Illinois Environmental Protection Agency low interest loan. The Village will see increased expenses for debt service of approximately \$27,000 for the next 20 years, but won't recognize any cost savings from the annual maintenance due to an agreement with Fox Metro Water Reclamation District to provide annual maintenance.
- Vehicles (\$789,798 or 13.16%) – Many vehicle replacements were delayed for several years when the Great Recession hit. Vehicle repairs and maintenance doubled over the last 10 years from \$50,000 to greater than \$100,000 due to the delays. There are a total of 51 vehicles that the Village is trying to catch up on replacing between fiscal year 2015 through fiscal year 2019. The fiscal year 2017 budget includes the replacement of 10 vehicles and purchase of 1 new vehicle. The Village anticipates our vehicle repairs and maintenance expenditures to decrease by as much as \$50,000 due to the replacement of old vehicles.
- Briarcliff Road – \$564,994 or 9.42% – This project is being funded by a U.S. Department of Transportation Federal Highway Administration (FHWA) grant of \$500,000 awarded through the Kane Kendall Council of Mayors (KKCOM). The remaining costs will be paid for using non-home rule sales tax as noted above in the IRP discussion.

Capital outlay should not be confused with a Capital Improvement Program (CIP). A CIP, which assists in the long-term planning and future allocation of funds, is a blueprint for planning a community's capital expenditures and is one of the most important responsibilities of local government officials. It coordinates community planning, financial capacity and physical development. The CIP consists of a five year plan which identifies projects to be undertaken during that time while capital outlay represents the first year of the CIP. Projects outside of the first year act to serve as a guide only and are subject to change and modification in subsequent years. The development of this multi-year program helps create a plan to ensure the availability of funds linked to various capital improvements while also focusing on the maintenance and integrity of Village property.

# Chapter 5: Executive Summary

## Debt Service Summary

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

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 2017. Principal and interest payments for outstanding debt, the third largest expenditure, account for \$2,234,306 or 8.30% of total budgeted expenditures. The fiscal year 2017 debt service is split nearly even between governmental (\$1,090,165) and proprietary (\$1,144,141) debt. More detail will be provided in the applicable fund about the outstanding debt.

The Village issued no new bonds during fiscal year 2016; however, new IEPA loan proceeds were received during fiscal year 2016.

### **General obligation bonds**

The Village has issued general obligation alternate revenue source bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The alternate revenue source bonds pledge income derived from sales tax, utility taxes, and net water revenues. In addition, these bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2007, Series 2008, Series 2010, Series 2011, Series 2013, and Series 2014 bonds. The table below summarizes the status of the Village's general obligation bonds:

Debt Issuance	Total Debt Issued	Principal Outstanding (as of 4/30/16)	Principal Due for FY 2017	Interest Due for FY 2017	Proposed Funding Source for FY 2017
Series 2007	\$ 3,020,000	\$ 1,050,000	\$ 335,000	\$ 41,476	Net water revenues (Water Fund)
Series 2008	2,000,000	2,000,000	-	100,000	Utility taxes (Capital Improvement Fund)
Series 2010	7,375,000	1,155,000	550,000	42,075	Utility taxes (Capital Improvement Fund)
Series 2011	4,410,000	3,275,000	205,000	84,950	Utility taxes (Capital Improvement Fund)
Series 2013	4,590,000	4,345,000	125,000	162,550	Net water revenues (Water Fund)
Series 2014	3,335,000	3,335,000	-	106,340	Utility taxes (Capital Improvement Fund)
<b>Total</b>	<b>\$ 24,730,000</b>	<b>\$ 15,160,000</b>	<b>\$ 1,215,000</b>	<b>\$ 537,391</b>	

# Chapter 5: *Executive Summary*

## Debt Service Summary (Continued)

### General obligation bonds (continued)

As of April 30, 2016, debt service requirements to maturity on the outstanding general obligation bonds, including interest are as follows:

Fiscal Year Ending April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 755,000	\$ 333,365	\$ 1,088,365	\$ 460,000	\$ 204,026	\$ 664,026
2018	810,000	311,390	1,121,390	480,000	187,042	667,042
2019	1,375,000	283,090	1,658,090	500,000	169,318	669,318
2020	1,385,000	224,652	1,609,652	140,000	150,850	290,850
2021	1,025,000	165,508	1,190,508	145,000	146,650	291,650
2022	1,050,000	136,734	1,186,734	145,000	142,300	287,300
2023	1,085,000	106,753	1,191,753	150,000	137,950	287,950
2024	1,120,000	75,253	1,195,253	155,000	133,450	288,450
2025	1,160,000	38,913	1,198,913	160,000	128,800	288,800
2026				165,000	122,400	287,400
2027				175,000	115,800	290,800
2028				180,000	108,800	288,800
2029				190,000	101,600	291,600
2030				195,000	94,000	289,000
2031				205,000	86,200	291,200
2032				210,000	78,000	288,000
2033				220,000	69,600	289,600
2034				230,000	60,800	290,800
2035				240,000	51,600	291,600
2036				245,000	42,000	287,000
2037				255,000	32,200	287,200
2038				270,000	22,000	292,000
2039				280,000	11,200	291,200
	<u>\$ 9,765,000</u>	<u>\$ 1,675,658</u>	<u>\$ 11,440,658</u>	<u>\$ 5,395,000</u>	<u>\$ 2,396,586</u>	<u>\$ 7,791,586</u>

## Chapter 5: Executive Summary

### Debt Service Summary (Continued)

#### Illinois Environmental Protection Agency (IEPA) loans

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

Debt Issuance	Total Debt Issued	Principal Outstanding (as of 4/30/16)	Principal Due for FY 2017	Interest Due for FY 2017	Proposed Funding Source for FY 2017
2002 Loan	\$ 1,128,780	\$ 474,556	\$ 62,511	\$ 12,279	Net water revenues (Water Fund)
2011 Loan	4,310,177	3,627,912	206,173	44,707	Net water revenues (Water Fund)
2014 Loan	2,482,931	2,431,970	105,898	45,271	Net water revenues (Water Fund)
<b>Total</b>	<b>\$ 7,921,888</b>	<b>\$ 6,534,438</b>	<b>\$ 374,582</b>	<b>\$ 102,257</b>	

As of April 30, 2016, 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
2017	\$ 374,582	\$ 102,257	\$ 476,839
2018	381,537	95,976	477,513
2019	388,061	89,576	477,637
2020	394,708	83,056	477,764
2021	401,480	76,412	477,892
2022	408,379	69,644	478,023
2023	415,409	62,748	478,157
2024	347,285	56,219	403,504
2025	352,558	51,085	403,643
2026	357,916	45,870	403,786
2027	363,359	40,571	403,930
2028	368,891	35,188	404,079
2029	374,511	29,719	404,230
2030	380,221	24,163	404,384
2031	386,024	18,517	404,541
2032	391,920	12,781	404,701
2033	146,247	7,737	153,984
2034	149,179	4,972	154,151
2035	152,171	2,151	154,322
	<b>\$ 6,534,438</b>	<b>\$ 908,642</b>	<b>\$ 7,443,080</b>

# Chapter 5: Executive Summary

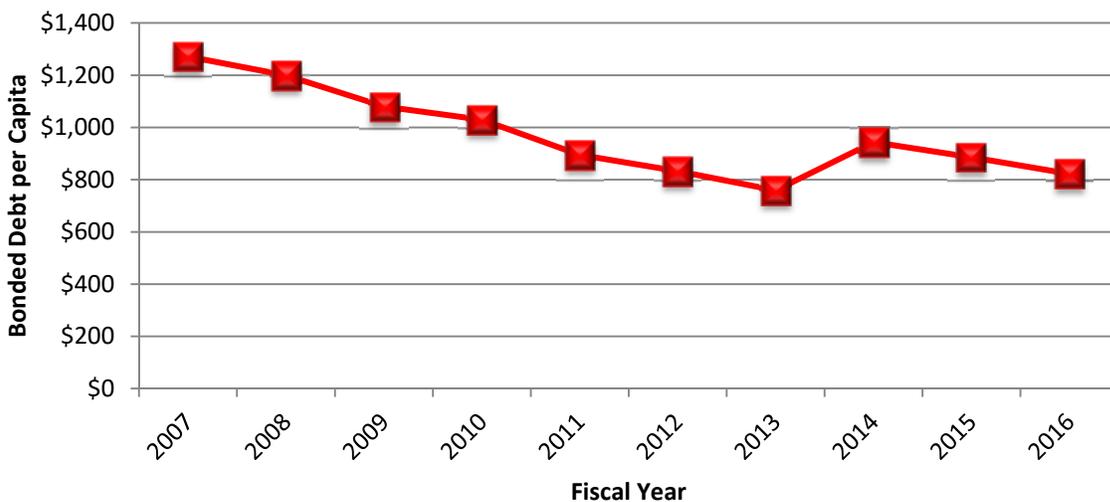
## Debt Service Summary (Continued)

### 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 - 2015		\$ 368,483,500
Legal Debt Limit - 8.625% of Assessed Value		<u>\$ 31,781,702</u>
General Obligation Debt:		
Series 2007	\$ 1,050,000	
Series 2008A	2,000,000	
Series 2010	1,155,000	
Series 2011	3,275,000	
Series 2013	4,345,000	
Series 2014	<u>3,335,000</u>	
Total General Obligation Debt	15,160,000	
Less: Alternate Revenue Source Bonds	<u>(15,160,000)</u>	
Total Applicable Debt		<u>-</u>
Legal Debt Margin		<u>\$ 31,781,702</u>

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



## Chapter 6: Fund Summary

The Fund Summary contains information on all funds except the General Fund which is reviewed by Department in Chapter 7: 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 analysis conducted by the Public Works Department and engineering consultant. The annual program is awarded to an outside contractor based on the bid results received.

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 to take advantage of economies of scale. Therefore, fund balance will increase in fiscal year 2017 as the Village saves up funds for a \$700,000 project in fiscal year 2018.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Other Taxes</b>						
Allotments - High Growth Cities	49,433	49,550	49,454	49,650	49,750	49,850
Allotments - Motor Fuel Tax	600,052	448,043	466,139	477,544	477,544	477,544
<b>Total Other Taxes</b>	<b>649,485</b>	<b>497,593</b>	<b>515,593</b>	<b>527,194</b>	<b>527,294</b>	<b>527,394</b>
<b>Charges for Services</b>						
Other Reimbursements - Streets	1,268	-	-	-	-	-
<b>Total Charges for Services</b>	<b>1,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intergovernmental Revenue</b>						
State Grant - Douglas Road (LAFO)	4,203	-	-	-	-	-
State Grant - Webster Street Crossing (ICC)	-	100,000	-	-	-	-
<b>Total Intergovernmental Revenue</b>	<b>4,203</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment Income</b>						
Investment Earnings - Interest Income	382	100	504	500	500	500
<b>Total Investment Income</b>	<b>382</b>	<b>100</b>	<b>504</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Total Revenues</b>	<b>655,338</b>	<b>597,693</b>	<b>516,097</b>	<b>527,694</b>	<b>527,794</b>	<b>527,894</b>

## Chapter 6: Fund Summary

### **MOTOR FUEL TAX FUND (Continued)**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>EXPENDITURES</b>						
<b>Purchased Services - Professional and Technical</b>						
Engineering Services - Municipal Projects	104,397	61,000	32,311	-	63,000	-
Total Purchased Services - Professional and Technical	104,397	61,000	32,311	-	63,000	-
<b>Purchased Services - Property</b>						
Infrastructure Repair and Maintenance - Streets and Alleys	649,293	429,299	430,130	88,000	637,000	-
Total Purchased Services - Property	649,293	429,299	430,130	88,000	637,000	-
<b>Supplies and Materials</b>						
Public Works Supplies - Snow Removal	248,220	250,500	155,000	174,250	184,250	194,250
Total Supplies and Materials	248,220	250,500	155,000	174,250	184,250	194,250
Total Expenditures	1,001,910	740,799	617,441	262,250	884,250	194,250
Net Change in Fund Balance	(346,572)	(143,106)	(101,344)	265,444	(356,456)	333,644
Beginning Fund Balance	709,218	362,646	362,646	261,302	526,746	170,290
Ending Fund Balance	362,646	219,540	261,302	526,746	170,290	503,934

### **ECONOMIC DEVELOPMENT LOAN FUND**

The Economic Development Loan Fund accounts for the Community Development Revolving Loan Program initially funded by 2 grants from the Illinois Department of Commerce and Economic Opportunity (DCEO). The Village used the initial principal and interest repayments to fund 19 additional loans since 1984. Each of the participants in the program have to meet certain eligibility requirements set forth by DCEO. The Village currently has 1 loan outstanding in the amount of approximately \$1.14 million.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Investment Income</b>						
Interest Income - Cash and Investments	300	300	540	600	750	900
Interest Income - Loans	14,379	12,561	12,561	10,845	9,370	7,880
Total Investment Income	14,679	12,861	13,101	11,445	10,120	8,780
Total Revenues	14,679	12,861	13,101	11,445	10,120	8,780
<b>EXPENDITURES</b>						
<b>Purchased Services - Professional and Technical</b>						
Professional Services - Economic Development	1,378	3,000	3,000	3,000	3,000	3,000
Total Purchased Services - Professional and Technical	1,378	3,000	3,000	3,000	3,000	3,000
Total Expenditures	1,378	3,000	3,000	3,000	3,000	3,000
Net Change in Fund Balance	13,301	9,861	10,101	8,445	7,120	5,780
Beginning Fund Balance	1,590,436	1,603,737	1,603,737	1,613,838	1,622,283	1,629,403
Ending Fund Balance	1,603,737	1,613,598	1,613,838	1,622,283	1,629,403	1,635,183

## Chapter 6: Fund Summary

### FORFEITURE AND SEIZURE FUND

The Forfeiture and Seizure Fund accounts for Kane and Kendall County court fines, written by Village of Montgomery officers, which are restricted for certain purposes including drug prevention, and DUI prevention. The Police Department began an update to its New World System software in fiscal year 2016 and will complete this project during fiscal year 2017.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Fines and Forfeits</b>						
Kane County - Drug Fines	638	650	650	650	650	650
Kane County - DUI Prevention	5,843	6,000	6,000	6,500	7,000	7,500
Kane County - Article 36 Forfeiture	-	-	2,050	1,000	1,000	1,000
Kane County - E-Citation	3,023	3,000	3,000	3,250	3,500	3,750
Kendall County - Drug Fines	2,203	2,000	200	1,500	1,500	1,500
Kendall County - DUI Prevention	3,710	3,000	3,000	3,000	3,000	3,000
Kendall County - E-Citation	178	200	200	250	250	250
Total Fines and Forfeits	15,595	14,850	15,100	16,150	16,900	17,650
Total Revenues	15,595	14,850	15,100	16,150	16,900	17,650
<b>EXPENDITURES</b>						
<b>Supplies and Materials</b>						
Police Supplies - Drug Prevention	96	-	1,047	1,000	1,000	1,000
Police Supplies - DUI Prevention	-	-	1,500	1,500	1,500	1,500
Police Supplies - Kendall County DUI Prevention	29,715	-	450	500	500	500
Police Supplies - Article 36 Forfeiture	-	-	-	-	-	-
Total Supplies and Materials	29,811	-	2,997	3,000	3,000	3,000
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Police)	-	10,000	19,410	27,550	-	-
Total Capital Outlay	-	10,000	19,410	27,550	-	-
Total Expenditures	29,811	10,000	22,407	30,550	3,000	3,000
Net Change in Fund Balance	(14,216)	4,850	(7,307)	(14,400)	13,900	14,650
Beginning Fund Balance	78,337	64,121	64,121	56,814	42,414	56,314
Ending Fund Balance	64,121	68,971	56,814	42,414	56,314	70,964

# Chapter 6: Fund Summary

## **E-911 FUND**

The E-911 Fund accounts for Kane and Kendall County wireless 911 surcharge fees which are restricted to be used for emergency 911 (dispatch) enhancements. The Village outsourced its dispatch during fiscal year 2014 to KenCom and will no longer received these revenues. The Police Department began an update to its New World System software in fiscal year 2016 and will complete this project during fiscal year 2017. In addition, the Village began using these funds for radio circuits throughout the community until KenCom is able to place a microwave circuit within the community. The remainder of the funds available will be used for other minor equipment needs.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Intergovernmental Revenue</b>						
Allotments - Kane County Wireless 911 Surcharge	-	-	141,736	-	-	-
<b>Total Intergovernmental Revenue</b>	<b>-</b>	<b>-</b>	<b>141,736</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>141,736</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Utilities - Telephone	-	-	16,800	16,860	16,860	16,860
<b>Total Purchased Services - Property</b>	<b>-</b>	<b>-</b>	<b>16,800</b>	<b>16,860</b>	<b>16,860</b>	<b>16,860</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Police)	390	36,000	66,260	27,550	-	-
<b>Total Capital Outlay</b>	<b>390</b>	<b>36,000</b>	<b>66,260</b>	<b>27,550</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>390</b>	<b>36,000</b>	<b>83,060</b>	<b>44,410</b>	<b>16,860</b>	<b>16,860</b>
<b>Net Change in Fund Balance</b>	<b>(390)</b>	<b>(36,000)</b>	<b>58,676</b>	<b>(44,410)</b>	<b>(16,860)</b>	<b>(16,860)</b>
<b>Beginning Fund Balance</b>	<b>106,488</b>	<b>106,098</b>	<b>106,098</b>	<b>164,774</b>	<b>120,364</b>	<b>103,504</b>
<b>Ending Fund Balance</b>	<b>106,098</b>	<b>70,098</b>	<b>164,774</b>	<b>120,364</b>	<b>103,504</b>	<b>86,644</b>

## **CAPITAL IMPROVEMENT FUND**

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

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

# Chapter 6: Fund Summary

## **CAPITAL IMPROVEMENT FUND (Continued)**

The Village does not have another large dedicated funding source for governmental capital improvement projects (other than infrastructure); thus, it is difficult for the Village to conduct a large number of capital improvement projects without the necessary funding available. However, the Village was able to build up the fund balance reserve in fiscal year 2016 while completing an update to our financial management software, as well as a new phone and access control system for all three Village buildings. The Village is budgeting for several smaller projects during fiscal year 2017 including:

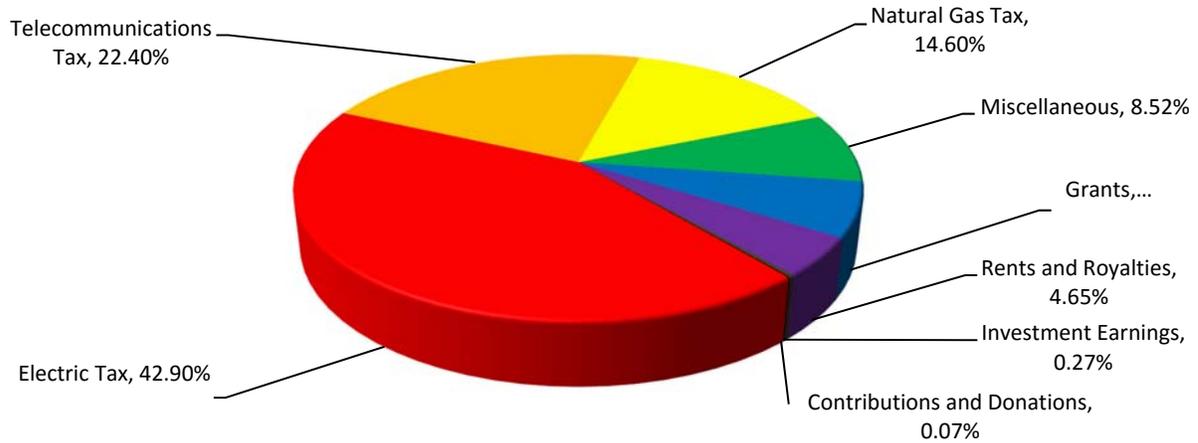
- Blackberry Crossing West bike path improvements paid by developer contributions
- Public Works site topography, grading plan, and site planning
- Leaf transfer station site improvements
- Light Road crossing repair paid by a 100% grant from the Illinois Commerce Commission

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Other Taxes</b>						
Utility Tax - Electric	598,858	619,287	637,968	644,348	650,791	657,299
Utility Tax - Natural Gas	265,968	333,402	217,126	219,297	221,490	223,705
Utility Tax - Telecommunications	381,664	392,667	333,133	336,464	339,829	343,227
<b>Total Other Taxes</b>	<b>1,246,490</b>	<b>1,345,356</b>	<b>1,188,227</b>	<b>1,200,109</b>	<b>1,212,110</b>	<b>1,224,231</b>
<b>Charges for Services</b>						
Development Fees - Saratoga Springs	9,306	2,585	14,234	2,585	2,585	-
Development Fees - Orchard Prairie North	5,170	2,585	3,102	2,068	-	-
Development Fees - Marquis Pointe	-	6,800	-	6,800	6,800	6,800
<b>Total Charges for Services</b>	<b>14,476</b>	<b>11,970</b>	<b>17,336</b>	<b>11,453</b>	<b>9,385</b>	<b>6,800</b>
<b>Intergovernmental Revenue</b>						
Local Grant - ICC (Light Road)	2,579	96,000	3,228	99,000	-	-
<b>Total Intergovernmental Revenue</b>	<b>2,579</b>	<b>96,000</b>	<b>3,228</b>	<b>99,000</b>	<b>-</b>	<b>-</b>
<b>Investment Income</b>						
Interest Income - Cash and Investments	796	1,800	3,716	4,000	4,500	5,000
<b>Total Investment Income</b>	<b>796</b>	<b>1,800</b>	<b>3,716</b>	<b>4,000</b>	<b>4,500</b>	<b>5,000</b>
<b>Miscellaneous</b>						
Other Reimbursements - Miscellaneous	-	90,000	90,000	127,951	-	-
Donations - Settlers Cottage	475	1,000	300	1,000	1,000	1,000
Rents and Royalties - Water Tower Rental	113,578	67,783	135,548	69,817	71,912	74,069
<b>Total Miscellaneous</b>	<b>114,053</b>	<b>158,783</b>	<b>225,848</b>	<b>198,768</b>	<b>72,912</b>	<b>75,069</b>
<b>Total Revenues</b>	<b>1,378,394</b>	<b>1,613,909</b>	<b>1,438,355</b>	<b>1,513,330</b>	<b>1,298,907</b>	<b>1,311,100</b>

# Chapter 6: Fund Summary

## CAPITAL IMPROVEMENT FUND (Continued)

The chart below shows approximately 80% of the revenue for the fiscal year 2017 Capital Improvement Fund comes from utility taxes (electric, natural gas, and telecommunications).



### EXPENDITURES

#### Purchased Services - Professional and Technical

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
Engineering Services - Municipal Projects	-	-	617	35,590	-	-
<b>Total Purchased Services - Professional and Technical</b>	<b>-</b>	<b>-</b>	<b>617</b>	<b>35,590</b>	<b>-</b>	<b>-</b>

#### Purchased Services - Property

Infrastructure Repair and Maintenance - Streets and Alleys	-	-	-	112,410	-	-
<b>Total Purchased Services - Property</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,410</b>	<b>-</b>	<b>-</b>

#### Purchased Services - Other

Municipal Audit Contingency	-	-	1,446	1,736	1,736	289
<b>Total Purchased Services - Other</b>	<b>-</b>	<b>-</b>	<b>1,446</b>	<b>1,736</b>	<b>1,736</b>	<b>289</b>

#### Capital Outlay

Capital Outlay - Police Station	34,287	-	-	-	-	-
Capital Outlay - Public Works Facility	110,968	-	16,907	78,000	-	-
Capital Outlay - Village Hall	-	92,000	222,000	80,257	-	-
Capital Outlay - Light Road Crossing Repair	2,579	96,000	3,228	99,000	-	-
Capital Outlay - NPDES MS4 Permit	930	10,000	10,000	20,000	5,000	5,000
Capital Outlay - Concord Bridge Maintenance	-	-	-	30,000	-	-
<b>Total Capital Outlay</b>	<b>148,764</b>	<b>198,000</b>	<b>252,135</b>	<b>307,257</b>	<b>5,000</b>	<b>5,000</b>

#### Transfers

Transfer Out - General Fund	-	160,000	-	-	-	-
Transfer Out - Debt Service	968,253	1,084,165	1,084,165	1,084,076	1,123,190	1,159,890
<b>Total Transfers</b>	<b>968,253</b>	<b>1,244,165</b>	<b>1,084,165</b>	<b>1,084,076</b>	<b>1,123,190</b>	<b>1,159,890</b>

<b>Total Expenditures</b>	<b>1,117,017</b>	<b>1,442,165</b>	<b>1,338,363</b>	<b>1,541,069</b>	<b>1,129,926</b>	<b>1,165,179</b>
---------------------------	------------------	------------------	------------------	------------------	------------------	------------------

Net Change in Fund Balance	261,377	171,744	99,992	(27,739)	168,981	145,921
----------------------------	---------	---------	--------	----------	---------	---------

Beginning Fund Balance	(322,648)	(61,271)	(61,271)	38,721	10,982	179,963
------------------------	-----------	----------	----------	--------	--------	---------

Ending Fund Balance	(61,271)	110,473	38,721	10,982	179,963	325,884
---------------------	----------	---------	--------	--------	---------	---------

# Chapter 6: 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 also approved an average 15% property tax rebate for residential homeowners. During fiscal year 2016, the Village completed a small project, paid approximately \$90,000 in property tax rebates, built the fund balance, and started planning and engineering for future years. Engineering Enterprises Inc. (EEI), the Village's engineering firm, created the Infrastructure Road Program (IRP) to plan road maintenance over the next 5 years as part of the planning. The Village will receive a full year of non-home rule sales tax during fiscal year 2017 and start the program in earnest.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Other Taxes</b>						
NHR Sales Tax	-	1,500,000	2,133,580	2,646,000	2,778,300	2,917,215
Total Other Taxes	-	1,500,000	2,133,580	2,646,000	2,778,300	2,917,215
<b>Charges for Services</b>						
Other Reimbursements - Streets	-	-	672,000	-	140,000	-
Total Charges for Services	-	-	672,000	-	140,000	-
<b>Intergovernmental Revenue</b>						
State Grant - LAFO	-	-	-	500,000	500,000	-
Total Intergovernmental Revenue	-	-	-	500,000	500,000	-
<b>Investment Income</b>						
Interest Income - Cash and Investments	-	1,000	-	1,000	1,000	1,000
Total Investment Income	-	1,000	-	1,000	1,000	1,000
Total Revenues	-	1,501,000	2,805,580	3,147,000	3,419,300	2,918,215
<b>EXPENDITURES</b>						
<b>Purchased Services - Professional and Technical</b>						
Engineering Services - Municipal Projects	-	215,900	215,705	437,504	456,520	599,170
Total Purchased Services - Professional and Technical	-	215,900	215,705	437,504	456,520	599,170
<b>Purchased Services - Property</b>						
Infrastructure Repair and Maintenance - Streets and Alleys	-	360,000	431,753	1,916,465	3,125,130	2,640,000
Total Purchased Services - Property	-	360,000	431,753	1,916,465	3,125,130	2,640,000
<b>Purchased Services - Other</b>						
Property Tax Rebate	-	202,500	89,830	135,000	135,000	135,000
Municipal Audit Contingency	-	-	4,644	6,200	6,200	2,067
Total Purchased Services - Other	-	202,500	94,474	141,200	141,200	137,067
<b>Capital Outlay</b>						
Huntington Chase Improvements	18,000	-	594,673	60,000	-	-
Total Purchased Services - Other	18,000	-	594,673	60,000	-	-
Total Expenditures	18,000	778,400	1,336,605	2,555,169	3,722,850	3,376,237
Net Change in Fund Balance	(18,000)	722,600	1,468,975	591,831	(303,550)	(458,022)
Beginning Fund Balance	-	(18,000)	(18,000)	1,450,975	2,042,806	1,739,256
Ending Fund Balance	(18,000)	704,600	1,450,975	2,042,806	1,739,256	1,281,234

## Chapter 6: Fund Summary

### LAKWOOD CREEK PROJECT FUND

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

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Investment Income</b>						
Investment Earnings - Interest Income	3	3	2	2	2	2
Total Investment Income	3	3	2	2	2	2
<b>Transfers</b>						
Lakewood Creek SAA Fund	26,369	60,000	60,000	60,000	60,000	60,000
Total Transfers	26,369	60,000	60,000	60,000	60,000	60,000
Total Revenues	26,372	60,003	60,002	60,002	60,002	60,002
<b>EXPENDITURES</b>						
<b>Purchased Services - Professional and Technical</b>						
Other Professional Services	47,579	60,000	60,000	60,000	60,000	60,000
Total Purchased Services - Professional and Technical	47,579	60,000	60,000	60,000	60,000	60,000
Total Expenditures	47,579	60,000	60,000	60,000	60,000	60,000
Net Change in Fund Balance	(21,207)	3	2	2	2	2
Beginning Fund Balance	64,026	42,819	42,819	42,821	42,823	42,825
Ending Fund Balance	42,819	42,822	42,821	42,823	42,825	42,827

### TAX INCREMENT FINANCING (TIF) #1 FUND

The Tax Increment Financing (Montgomery Preserve TIF District) #1 Fund accounts for property taxes collected on the incremental increase in the equalized assessed value within the district. TIF #1 is scheduled to complete three projects during fiscal year 2017. Pearl Street storm sewer is the largest and will be financed by the issuance of debt certificates.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - TIF	38,853	40,000	40,918	41,800	43,000	43,500
Total Property Taxes	38,853	40,000	40,918	41,800	43,000	43,500
<b>Long-Term Debt Issue</b>						
Bond Proceeds	-	-	-	300,000	-	-
Total Long-Term Debt Issue	-	-	-	300,000	-	-
Total Revenues	38,853	40,000	40,918	341,800	43,000	43,500
<b>EXPENDITURES</b>						
<b>Purchased Services - Professional and Technical</b>						
Engineering Services - Development (Village)	9,490	43,670	43,670	34,430	-	-
Legal Services - Development (Village)	420	250	250	500	250	250
Economic Development Services - TIF Consultant	-	500	-	500	500	500
Accounting and Auditing Services - General	1,061	1,100	1,104	700	720	740
Total Purchased Services - Professional and Technical	10,971	45,520	45,024	36,130	1,470	1,490
<b>Debt Service</b>						
Principal Payment - 2016	-	-	-	-	14,000	15,000
Interest Payment - 2016	-	-	-	-	26,400	25,200
Total Debt Service	-	-	-	-	40,400	40,200
<b>Capital Outlay</b>						
Capital Outlay - Pearl Street Storm Sewer	-	-	-	335,720	-	-
Capital Outlay - Village Land Maintenance	-	-	24,000	50,000	-	-
Total Capital Outlay	-	-	24,000	385,720	-	-
Total Expenditures	10,971	45,520	69,024	421,850	41,870	41,690
Net Change in Fund Balance	27,882	(5,520)	(28,106)	(80,050)	1,130	1,810
Beginning Fund Balance	118,971	146,853	146,853	118,747	38,697	39,827
Ending Fund Balance	146,853	141,333	118,747	38,697	39,827	41,637

# Chapter 6: Fund Summary

## TAX INCREMENT FINANCING (TIF) #2 FUND

The Tax Increment Financing (Aucutt Road TIF District) #2 Fund accounts for property taxes collected on the incremental increase in the equalized assessed value within the district. The Village began to receive incremental property taxes during fiscal year 2016 and paid approximately 70% out to surrounding tax districts per an intergovernmental agreement. Fiscal year 2017 is estimated to have similar activity except at higher amounts. There are two (2) new projects which will be completed in fiscal year 2017 for which the Village expects the incremental property taxes to increase a great deal.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - TIF	-	51,000	51,880	247,000	247,000	247,000
Total Property Taxes	-	51,000	51,880	247,000	247,000	247,000
Total Revenues	-	51,000	51,880	247,000	247,000	247,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Professional and Technical</b>						
Engineering Services - Development (Village)	305	-	-	-	-	-
Legal Services - Development (Village)	350	250	2,000	2,500	2,500	2,500
Economic Development Services - TIF Consultant	-	500	500	500	500	500
Accounting and Auditing Services - General	-	-	-	-	720	740
Total Purchased Services - Professional and Technical	655	750	2,500	3,000	3,720	3,740
<b>Purchased Services - Other</b>						
Other Purchased Services - Tax Districts	-	36,000	36,998	180,000	180,000	180,000
Total Purchased Services - Other	-	36,000	36,998	180,000	180,000	180,000
Total Expenditures	655	36,750	39,498	183,000	183,720	183,740
Net Change in Fund Balance	(655)	14,250	12,382	64,000	63,280	63,260
Beginning Fund Balance	(37,239)	(37,894)	(37,894)	(25,512)	38,488	101,768
Ending Fund Balance	(37,894)	(23,644)	(25,512)	38,488	101,768	165,028

## TAX INCREMENT FINANCING (TIF) #3 FUND

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

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - TIF	-	-	-	-	50,000	100,000
Total Property Taxes	-	-	-	-	50,000	100,000
Total Revenues	-	-	-	-	50,000	100,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Professional and Technical</b>						
Engineering Services - Development (Village)	-	-	-	5,000	-	-
Legal Services - Development (Village)	-	-	-	8,000	500	1,500
Economic Development Services - TIF Consultant	-	-	-	25,000	-	500
Total Purchased Services - Professional and Technical	-	-	-	38,000	500	2,000
Total Expenditures	-	-	-	38,000	500	2,000
Net Change in Fund Balance	-	-	-	(38,000)	49,500	98,000
Beginning Fund Balance	-	-	-	-	(38,000)	11,500
Ending Fund Balance	-	-	-	(38,000)	11,500	109,500

# Chapter 6: Fund Summary

## **DEBT SERVICE FUND**

The Debt Service Fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds (Series 2008, Series 2010, Series 2011, and Series 2014) for payment of the principal and interest on governmental debt (non-proprietary). Utility tax revenues are transferred from the Capital Improvement Fund to finance the annual payment requirements. Principal payments are due in December and interest payments are made twice a year in June and December.

Governmental activities long-term debt payable through the Debt Service Fund at April 30, 2016 consists of: General Obligation Alternate Revenue Source Bonds dated August 1, 2008 (Series 2008) due in annual installments of \$1,000,000 plus interest of 5.00% through December 1, 2019.

General Obligation Alternate Revenue Source Bonds dated June 1, 2010 (Series 2010) due in annual installments of \$670,000 to \$1,405,000 plus interest of 2.00% to 4.00% through December 1, 2017.

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.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Transfers</b>						
Transfer From Capital Improvement Fund	968,253	1,084,165	1,084,165	1,084,076	1,123,190	1,159,890
Total Transfers	968,253	1,084,165	1,084,165	1,084,076	1,123,190	1,159,890
Total Revenues	968,253	1,084,165	1,084,165	1,084,076	1,123,190	1,159,890
<b>EXPENDITURES</b>						
<b>Debt Service</b>						
Principal Payment - 2008	-	-	-	-	-	500,000
Principal Payment - 2010	340,000	475,000	475,000	550,000	605,000	-
Principal Payment - 2011	300,000	250,000	250,000	205,000	205,000	375,000
Principal Payment - 2014	-	-	-	-	-	-
Interest Payment - 2008	100,000	100,000	100,000	100,000	100,000	100,000
Interest Payment - 2010	71,275	61,075	61,075	42,075	24,200	-
Interest Payment - 2011	95,950	89,950	89,950	84,950	80,850	76,750
Interest Payment - 2014	62,622	106,340	106,340	106,340	106,340	106,340
Fiscal Agent Fees	1,350	1,800	1,800	1,800	1,800	1,800
Total Debt Service	971,197	1,084,165	1,084,165	1,090,165	1,123,190	1,159,890
Total Expenditures	971,197	1,084,165	1,084,165	1,090,165	1,123,190	1,159,890
Net Change in Fund Balance	(2,944)	-	-	(6,089)	-	-
Beginning Fund Balance	59,033	56,089	56,089	56,089	50,000	50,000
Ending Fund Balance	56,089	56,089	56,089	50,000	50,000	50,000

# Chapter 6: 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

The Village approved several rate increases, necessary to address goals for continued system operation, maintenance, repair, and replacement, for fiscal year 2017 including:

- Water service base charge increased to \$6.00 for residents and \$7.20 for non-residents
- Sewer maintenance base charge increased to \$4.00 for residents
- Water consumption rate increased from \$5.30 to \$5.46 per thousand gallons for residents and \$6.36 to \$6.55 per thousand gallons for non-residents

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Charges for Services</b>						
Service Fees - Water Sales	3,382,757	3,609,273	3,531,541	3,637,487	3,746,612	3,859,010
Service Fees - Late Charges	105,144	112,827	128,935	132,803	136,787	140,891
Service Fees - Water Service Charges	289,337	290,400	292,890	352,742	354,542	356,342
Service Fees - Delinquent Fees	41,700	50,000	48,042	50,000	50,000	50,000
Service Fees - Sewer Maintenance Charges	93,042	93,780	93,208	150,864	152,064	153,264
Service Fees - BH Infrastructure Fee	509,148	508,860	508,860	508,860	508,860	508,860
Service Fees - Fox Metro Reading Fee	27,958	27,555	27,555	27,705	27,855	28,005
Service Fees - Non Sufficient Funds Fee	587	-	1,250	1,250	1,250	1,250
<b>Total Charges for Services</b>	<b>4,449,673</b>	<b>4,692,695</b>	<b>4,632,281</b>	<b>4,861,711</b>	<b>4,977,970</b>	<b>5,097,622</b>
<b>Investment Income</b>						
Investment Earnings - Interest Income	4,745	10,000	15,000	15,000	15,000	15,000
<b>Total Investment Income</b>	<b>4,745</b>	<b>10,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Miscellaneous</b>						
Other Reimbursements - Insurance	-	-	1,590	-	-	-
<b>Total Miscellaneous</b>	<b>-</b>	<b>-</b>	<b>1,590</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>						
Water Improvement Fund	389,396	-	-	-	-	-
<b>Total Transfers</b>	<b>389,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>4,843,814</b>	<b>4,702,695</b>	<b>4,648,871</b>	<b>4,876,711</b>	<b>4,992,970</b>	<b>5,112,622</b>
<b>EXPENSES</b>						
Water Utility - Administration	2,550,388	1,429,283	1,292,002	1,353,514	1,361,509	1,370,102
Water Utility - Plant Operations	2,669,415	4,464,849	4,187,167	3,753,563	3,902,422	3,560,119
<b>Total Expenses</b>	<b>5,219,803</b>	<b>5,894,132</b>	<b>5,479,169</b>	<b>5,107,077</b>	<b>5,263,931</b>	<b>4,930,221</b>
Change in Net Position	(375,989)	(1,191,437)	(830,298)	(230,366)	(270,961)	182,401
Beginning Net Position	28,562,129	28,186,140	28,186,140	27,355,842	27,125,476	26,854,515
<b>Ending Net Position</b>	<b>28,186,140</b>	<b>26,994,703</b>	<b>27,355,842</b>	<b>27,125,476</b>	<b>26,854,515</b>	<b>27,036,916</b>

# Chapter 6: Fund Summary

## WATER FUND (Continued)

### Water Administration

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees (60%)	110,669	111,112	115,500	101,146	104,686	108,350
Wages - Overtime (General)	2,227	750	750	750	750	750
Holiday Pay	-	-	-	-	-	-
Bonus Pay	2,211	-	340	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>115,107</b>	<b>111,862</b>	<b>116,590</b>	<b>101,896</b>	<b>105,436</b>	<b>109,100</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	13,430	20,746	7,841	8,435	9,700	11,155
Insurance - Dental	1,004	1,043	390	413	434	456
Insurance - Life and AD&D	-	87	87	90	90	90
Insurance - Workers' Compensation	600	600	600	600	600	600
Insurance - Unemployment	474	474	583	583	583	583
Retirement - Social Security	6,452	6,935	7,229	6,318	6,537	6,764
Retirement - Medicare	1,626	1,622	1,691	1,477	1,529	1,582
Retirement - IMRF	15,034	14,778	15,506	13,746	14,223	14,718
Education - Conferences and Training	1,453	2,200	225	600	600	600
Equipment - Clothing Allowance	240	240	220	240	240	240
<b>Total Personal Services - Employee Benefits</b>	<b>40,313</b>	<b>48,725</b>	<b>34,372</b>	<b>32,502</b>	<b>34,536</b>	<b>36,788</b>
<b>Purchased Services - Professional and Technical</b>						
Engineering Services - General	51,651	60,000	60,000	60,000	60,000	60,000
Information Technology Services - System Management	6,094	7,000	-	-	-	-
Other Professional Services - Cash Management	216	216	216	-	-	-
<b>Total Purchased Services - Professional and Technical</b>	<b>57,961</b>	<b>67,216</b>	<b>60,216</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	1,494	960	960	120	120	120
Utilities - Cell Phone	1,094	580	580	580	580	580
Utilities - Internet Access	2,574	2,400	2,400	2,400	2,400	2,400
<b>Total Purchased Services - Property</b>	<b>5,162</b>	<b>3,940</b>	<b>3,940</b>	<b>3,100</b>	<b>3,100</b>	<b>3,100</b>
<b>Purchased Services - Other</b>						
Printing and Publishing - Legal Notices	-	500	500	500	500	500
Printing and Publishing - Publications	1,786	3,000	3,000	3,000	3,000	3,000
Travel	100	2,750	-	-	-	-
Other Purchased Services - Dues	1,136	3,000	225	225	225	225
Other Purchased Services - Document Recording	-	500	-	-	-	-
<b>Total Purchased Services - Other</b>	<b>3,022</b>	<b>9,750</b>	<b>3,725</b>	<b>3,725</b>	<b>3,725</b>	<b>3,725</b>
<b>Supplies and Materials</b>						
General Supplies - Office	596	1,000	500	750	750	750
General Supplies - Postage	3,209	5,000	5,000	5,000	5,000	5,000
General Supplies - Tools	-	500	500	500	500	500
General Supplies - Books and Periodicals	101	500	614	500	500	500
General Supplies - Cleaning	52	1,000	-	-	-	-
<b>Total Supplies and Materials</b>	<b>3,958</b>	<b>8,000</b>	<b>6,614</b>	<b>6,750</b>	<b>6,750</b>	<b>6,750</b>

# Chapter 6: Fund Summary

## **WATER FUND (Continued)**

### **Water Administration (Continued)**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Computer)	-	-	-	1,400	-	400
Total Capital Outlay	-	-	-	1,400	-	400
<b>Debt Service</b>						
Principal Payment - IEPA Low Interest Loan #1	-	60,872	60,872	62,511	64,194	65,923
Principal Payment - 2007 Refunding	-	320,000	320,000	335,000	350,000	365,000
Principal Payment - IEPA Low Interest Loan #2	-	203,620	203,620	206,173	208,758	211,376
Principal Payment - 2013 Bonds	-	125,000	125,000	125,000	130,000	135,000
Principal Payment - IEPA Low Interest Loan #3	-	86,072	50,962	105,898	108,585	110,762
Interest Payment - IEPA Low Interest Loan #1	14,854	13,918	13,918	12,279	10,596	8,867
Interest Payment - 2007 (Refunding)	61,143	54,116	54,115	41,476	28,242	14,418
Interest Payment - IEPA Low Interest Loan #2	49,712	47,260	47,260	44,707	42,121	39,504
Principal Payment - 2013 Bonds	168,400	166,300	166,300	162,550	158,800	154,900
Interest Payment - IEPA Low Interest Loan #3	3,978	101,732	23,698	47,747	45,866	43,689
Fiscal Agent Fees	800	900	800	800	800	800
Total Debt Service	298,887	1,179,790	1,066,545	1,144,141	1,147,962	1,150,239
<b>Amortization and Depreciation</b>						
Amortization Expense	(10,664)	-	-	-	-	-
Depreciation Expense	2,036,642	-	-	-	-	-
Total Debt Service	2,025,978	-	-	-	-	-
Total Water - Administration	2,550,388	1,429,283	1,292,002	1,353,514	1,361,509	1,370,102

Business-type activities long-term debt payable through the Water Fund at April 30, 2016 consists of:

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

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

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

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

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

# Chapter 6: Fund Summary

## **WATER FUND (Continued)**

### **Water Plant Operations**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	340,297	374,411	368,610	418,107	428,560	439,274
Overtime - General	42,729	45,000	45,000	45,000	47,500	50,000
Holiday Pay	4,237	-	3,429	-	-	-
Bonus Pay	2,686	-	895	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>389,949</b>	<b>419,411</b>	<b>417,934</b>	<b>463,107</b>	<b>476,060</b>	<b>489,274</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	63,971	75,737	58,077	76,521	87,999	101,199
Insurance - Dental	3,229	3,578	2,832	3,810	4,001	4,201
Insurance - Life and AD&D	-	436	436	523	523	523
Insurance - Workers' Compensation	6,000	6,000	6,000	6,000	6,000	6,000
Insurance - Unemployment	1,987	2,372	2,916	2,916	2,916	2,916
Retirement - Social Security	23,637	26,003	25,912	28,713	29,516	30,335
Retirement - Medicare	5,528	6,081	6,060	6,715	6,903	7,094
Retirement - IMRF	51,046	49,797	55,585	62,473	64,220	66,003
Education - Conferences and Training	4,551	10,850	7,850	6,500	6,500	6,500
Equipment - Clothing Allowance	1,200	1,200	1,200	2,800	2,800	2,800
<b>Total Personal Services - Employee Benefits</b>	<b>161,149</b>	<b>182,054</b>	<b>166,868</b>	<b>196,971</b>	<b>211,378</b>	<b>227,571</b>
<b>Purchased Services - Property</b>						
Utilities - Electric	329,562	315,000	315,000	315,000	330,750	347,288
Utilities - Natural Gas	10,309	10,000	10,000	10,000	10,000	10,000
Utilities - Telephone	1,398	1,560	1,560	2,160	2,160	2,160
Utilities - Cell Phone	2,534	4,876	4,420	5,216	5,216	5,216
Building Repair and Maintenance - Other	67,659	100,000	75,000	110,000	100,000	75,000
Sewer Repair and Maintenance - Lift Stations	12,693	16,000	25,000	19,000	19,000	19,000
Sewer Repair and Maintenance - Sanitary Sewer	87,379	60,000	50,000	65,000	65,000	65,000
Water Utility Repair and Maintenance - Hydrants	41,608	35,000	35,000	35,000	35,000	38,000
Water Utility Repair and Maintenance - Water Meters	8,908	15,000	15,000	17,000	17,000	17,000
Water Utility Repair and Maintenance - Service Pipes	26,548	20,000	20,000	20,000	20,000	20,000
Water Utility Repair and Maintenance - Storage Tank	33	5,000	-	1,500	1,500	1,500
Water Utility Repair and Maintenance - Wells and Pumps	314	1,000	8,000	1,000	1,000	1,000
Water Utility Repair and Maintenance - Watermains	75,600	105,000	85,000	86,055	86,108	86,163
Water Utility Repair and Maintenance - Valves	7,366	16,000	16,000	16,000	16,000	16,000
Water Utility Repair and Maintenance - Spoils Disposal	19,805	20,000	21,420	20,000	20,000	20,000
Rental - Equipment	-	-	-	-	15,600	15,600
<b>Total Purchased Services - Property</b>	<b>691,716</b>	<b>724,436</b>	<b>681,400</b>	<b>722,931</b>	<b>744,334</b>	<b>738,927</b>
<b>Purchased Services - Other</b>						
Other Purchased Services - Dues	-	-	500	885	855	855
Other Purchased Services - Sludge Removal	61,247	65,000	65,000	65,000	65,000	65,000
Other Purchased Services - Water Testing	18,631	25,000	25,000	25,000	25,000	25,000
Other Purchased Services - Leak Survey	10,805	30,000	44,831	25,000	25,000	25,000
Other Purchased Services - JULIE Notification	3,041	8,000	8,000	8,000	8,000	8,000
Other Purchased Services - SCADA Maintenance	6,288	7,500	4,000	9,000	7,500	7,500
<b>Total Purchased Services - Other</b>	<b>100,012</b>	<b>135,500</b>	<b>147,331</b>	<b>132,885</b>	<b>131,355</b>	<b>131,355</b>

## Chapter 6: Fund Summary

### **WATER FUND (Continued)**

#### **Water Plant Operations (Continued)**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Supplies and Materials</b>						
General Supplies - Safety	388	500	500	1,500	1,500	1,500
General Supplies - Uniforms	5,621	4,500	4,500	4,500	4,500	4,500
Vehicle Supplies - Tools	1,115	2,000	2,000	2,000	2,000	2,000
Public Works Supplies - Water Chemicals	223,677	210,000	210,000	235,500	235,500	235,500
Public Works Supplies - JULIE	3,938	5,000	3,500	3,500	3,500	3,500
<b>Total Supplies and Materials</b>	<b>234,739</b>	<b>222,000</b>	<b>220,500</b>	<b>247,000</b>	<b>247,000</b>	<b>247,000</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Public Works)	-	-	-	-	15,000	-
Capital Outlay - Equipment (Computer)	-	600	600	2,500	-	4,200
<b>Total Capital Outlay</b>	<b>-</b>	<b>600</b>	<b>600</b>	<b>2,500</b>	<b>15,000</b>	<b>4,200</b>
<b>Transfers</b>						
Transfer Out - General Fund	854,603	848,211	872,968	917,459	936,165	964,162
Transfer Out - Vehicle Reserve Fund	237,247	216,291	216,291	185,820	185,820	185,820
Transfer Out - Water Improvement Fund	-	1,716,346	1,463,275	884,890	955,310	571,810
<b>Total Transfers</b>	<b>1,091,850</b>	<b>2,780,848</b>	<b>2,552,534</b>	<b>1,988,169</b>	<b>2,077,295</b>	<b>1,721,792</b>
<b>Total Water - Water Plant Operations</b>	<b>2,669,415</b>	<b>4,464,849</b>	<b>4,187,167</b>	<b>3,753,563</b>	<b>3,902,422</b>	<b>3,560,119</b>

### **WATER IMPROVEMENT FUND**

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

The main capital outlay projects in the Water Improvement Fund for fiscal year 2017 are:

- Waterworks System Master Plan – The purpose of this project, which began in fiscal year 2016, was to update the Village's Water Works System Master Plan. The report will include sustainable source water planning, including sub-regional planning with the City of Yorkville and Village of Oswego. Although most of the work has been completed, there are still several meetings and public presentations to each of the three governing bodies and residents.
- The Jefferson Street and Route 25 lift stations have reached the end of their useful design lives and need to be rehabilitated. Funding for this project will be provided by an Illinois Environmental Protection Agency low interest loan. The Village will see increased expenses for debt service of approximately \$27,000 for the next 20 years, but won't recognize any cost savings from the annual maintenance due to an agreement with Fox Metro Water Reclamation District to provide annual maintenance.

# Chapter 6: Fund Summary

## **WATER IMPROVEMENT FUND (Continued)**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Charges for Services</b>						
Other Reimbursements - Water Meters	19,722	27,000	16,245	20,000	20,000	20,000
Other Reimbursements - Tap and Footage Fees	97,990	30,000	62,793	45,000	45,000	45,000
<b>Total Charges for Services</b>	<b>117,712</b>	<b>57,000</b>	<b>79,038</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>
<b>Transfers</b>						
Transfer From Water Fund	-	1,716,346	1,463,275	884,890	955,310	571,810
<b>Total Transfers</b>	<b>-</b>	<b>1,716,346</b>	<b>1,463,275</b>	<b>884,890</b>	<b>955,310</b>	<b>571,810</b>
<b>Long Term Debt</b>						
IEPA Loan	-	-	91,310	891,100	-	-
<b>Total Long Term Debt</b>	<b>-</b>	<b>-</b>	<b>91,310</b>	<b>891,100</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>117,712</b>	<b>1,773,346</b>	<b>1,633,623</b>	<b>1,840,990</b>	<b>1,020,310</b>	<b>636,810</b>
<b>EXPENSES</b>						
<b>Capital Outlay</b>						
Capital Outlay - Watermain Replacement	2,179	-	-	-	-	-
Capital Outlay - Water Meters (New Construction)	3,148	18,000	8,079	-	-	-
Capital Outlay - Water Meters (Residential Retrofit)	1,883	-	-	-	-	-
Capital Outlay - Water Meters (Commercial Retrofit)	1,055	28,420	11,962	-	-	-
Capital Outlay - Well #15	-	-	-	-	-	-
Capital Outlay - Sanitary Sewer Televising	-	50,000	50,000	50,000	50,000	50,000
Capital Outlay - Water Meters (Replacement Program)	15,933	-	-	179,000	183,000	187,000
Capital Outlay - Water Meters (Commercial Replacement)	1,143	-	-	-	-	-
Capital Outlay - Replacement and Rehab Reserve	251,071	43,550	43,550	369,990	287,310	219,810
Capital Outlay - Lime WTP Improvements	7,793	-	-	-	-	-
Well 14 Motor Control Upgrade	-	-	553	-	-	-
Boulder Hill Water System Improvements	(924)	983,000	1,168,920	78,500	-	-
Chlorine System Improvements	6,423	355,000	4,484	200,000	180,000	180,000
West Tank Generator	13,167	-	-	-	-	-
Jefferson Street Lift Station Rehabilitation	6,206	72,400	72,400	963,500	-	-
Leak Detection and Meter Testing	-	30,000	90,000	-	-	-
Water Works System Master Plan	-	240,000	240,000	-	-	-
Lime Sludge Lagoon Improvements	-	-	-	-	320,000	-
<b>Total Capital Outlay</b>	<b>309,077</b>	<b>1,820,370</b>	<b>1,689,948</b>	<b>1,840,990</b>	<b>1,020,310</b>	<b>636,810</b>
<b>Transfers</b>						
Transfer Out - Water Fund	389,396	-	-	-	-	-
<b>Total Transfers</b>	<b>389,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenses</b>	<b>698,473</b>	<b>1,820,370</b>	<b>1,689,948</b>	<b>1,840,990</b>	<b>1,020,310</b>	<b>636,810</b>
Change in Net Position	(580,761)	(47,024)	(56,325)	-	-	-
Beginning Net Position	637,086	56,325	56,325	-	-	-
<b>Ending Net Position</b>	<b>56,325</b>	<b>9,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Chapter 6: 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.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Charges for Services</b>						
Internal Service Fees - Employer Medical Insurance Contributions	684,074	831,550	746,546	853,149	981,121	1,128,290
Internal Service Fees - Employer Dental Insurance Contributions	42,968	42,957	40,977	47,084	49,438	51,911
Internal Service Fees - Employee Medical Insurance Contributions	81,052	114,563	102,064	119,870	137,851	158,529
Internal Service Fees - Cobra Medical Insurance Contributions	10,045	15,769	92	-	-	-
Internal Service Fees - Retiree Medical Insurance Contributions	75,078	79,889	72,300	78,429	90,193	103,722
Internal Service Fees - Employer Life Insurance Contributions	42	4,137	4,137	4,487	4,561	4,561
<b>Total Charges for Services</b>	<b>893,259</b>	<b>1,088,865</b>	<b>966,116</b>	<b>1,103,019</b>	<b>1,263,164</b>	<b>1,447,013</b>
<b>Total Revenues</b>	<b>893,259</b>	<b>1,088,865</b>	<b>966,116</b>	<b>1,103,019</b>	<b>1,263,164</b>	<b>1,447,013</b>
<b>EXPENSES</b>						
<b>Purchased Services - Other</b>						
Insurance - Medical (HMO)	779,671	1,041,771	921,002	1,051,448	1,209,165	1,390,541
Insurance - Medical (PPO)	33,339	-	-	-	-	-
Insurance - Dental	46,135	42,957	40,977	47,084	49,438	51,911
Insurance - Life	3,038	4,137	4,137	4,487	4,561	4,561
<b>Total Purchased Services - Other</b>	<b>862,183</b>	<b>1,088,865</b>	<b>966,116</b>	<b>1,103,019</b>	<b>1,263,164</b>	<b>1,447,013</b>
<b>Total Expenses</b>	<b>862,183</b>	<b>1,088,865</b>	<b>966,116</b>	<b>1,103,019</b>	<b>1,263,164</b>	<b>1,447,013</b>
Change in Net Position	31,076	-	-	-	-	-
Beginning Net Position	199,071	230,147	230,147	230,147	230,147	230,147
Ending Net Position	230,147	230,147	230,147	230,147	230,147	230,147

## Chapter 6: Fund Summary

### VEHICLE RESERVE FUND

The Vehicle Reserve Fund accounts for contributions made to pay for the replacement of vehicles and equipment. The Village estimates the useful life of each vehicle, replacement cost at the end of its useful life, and transfers the applicable amounts from the General Fund and Water Fund. The Village maintains a Vehicle Reserve Fund used to account for contributions from departments for future vehicle replacements. Contributions slowed when the Great Recession hit and recently was made a priority by the Village Board to rebuild this fund beginning in fiscal year 2014. The Village averaged the contributions over the next 15 years and expects the Vehicle Reserve Fund to be fully funded by 2029. The Village made a concerted effort during fiscal year 2016 to study the useful life of our vehicles and equipment, as well as determining if we had the correct vehicles and equipment. This allowed the Village to decrease the contribution for fiscal year 2017 forward. The fiscal year 2017 budget includes the replacement of 10 vehicles and purchase of 1 new vehicle including 4 squad cars, 4 small public works trucks, a service van, a ten yard dump truck, and a leaf vacuum/shredder.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Charges for Services</b>						
Internal Service Fees - Vehicle Reserve Contributions	605,546	687,302	687,302	601,738	601,738	601,738
Total Charges for Services	605,546	687,302	687,302	601,738	601,738	601,738
<b>Investment Income</b>						
Investment Earnings - Interest Income	-	500	-	500	500	500
Total Investment Income	-	500	-	500	500	500
<b>Miscellaneous</b>						
Other Reimbursements - Miscellaneous	6,654	10,000	-	10,000	10,000	10,000
Total Miscellaneous	6,654	10,000	-	10,000	10,000	10,000
Total Revenues	612,200	697,802	687,302	612,238	612,238	612,238
<b>EXPENDITURES</b>						
<b>Capital Outlay</b>						
Capital Outlay - Vehicles	304,597	606,211	406,594	789,798	518,062	692,849
Total Capital Outlay	304,597	606,211	406,594	789,798	518,062	692,849
<b>Debt Service</b>						
Principal Payment - Capital Lease	98,396	103,071	103,070	-	-	-
Interest Payment - Capital Lease	9,570	4,896	4,896	-	-	-
Total Debt Service	107,966	107,967	107,966	-	-	-
Total Expenditures	412,563	714,178	514,560	789,798	518,062	692,849
Net Change in Fund Balance	199,637	(16,376)	172,742	(177,560)	94,176	(80,611)
Beginning Fund Balance	329,933	529,570	529,570	702,312	524,752	618,928
Ending Fund Balance	529,570	513,194	702,312	524,752	618,928	538,317

## Chapter 6: 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. The Village contracts with Republic Services (formerly Allied Waste) for a full range of refuse services. These services include refuse, recycling, and yard waste, as well as bulk items, large items, waste tires, and white goods (i.e. large appliances) for an additional fee. The rate for calendar year 2016 is \$19.65 per month. Although the contract with Republic Services expires on December 31, 2016, the Village budgeted a similar increase of 4% to \$20.44 as of January 1, 2017 (actual rate to be based on new contract).

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Charges for Services</b>						
Service Fees - Refuse Removal	1,239,870	1,296,817	1,293,285	1,350,415	1,416,396	1,485,627
Total Charges for Services	1,239,870	1,296,817	1,293,285	1,350,415	1,416,396	1,485,627
<b>Investment Income</b>						
Investment Earnings - Interest Income	-	250	-	250	250	250
Total Investment Income	-	250	-	250	250	250
Total Revenues	1,239,870	1,297,067	1,293,285	1,350,665	1,416,646	1,485,877
<b>EXPENSES</b>						
<b>Purchased Services - Other</b>						
Other Purchased Services - Solid Waste Disposal	1,235,387	1,296,817	1,293,100	1,350,415	1,416,396	1,485,627
Total Purchased Services - Other	1,235,387	1,296,817	1,293,100	1,350,415	1,416,396	1,485,627
Total Expenses	1,235,387	1,296,817	1,293,100	1,350,415	1,416,396	1,485,627
Change in Net Position	4,483	250	185	250	250	250
Beginning Net Position	-	4,483	4,483	4,668	4,918	5,168
Ending Net Position	4,483	4,733	4,668	4,918	5,168	5,418

### **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.

Financing is provided by the Village contributions, employee payroll withholdings, and investment income. Employees are required to contribute 9.91% of their base salary, while the Village is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan (as determined annually by an actuary). The pension fund has their own board which contracts for professional investment management, approves expenditures, and reviews requests for retirement and/or disability pensions. The Village will continue to build up the Net Position in fiscal year 2017 as determined by the Village's actuary.

# Chapter 6: Fund Summary

## **POLICE PENSION FUND (Continued)**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>ADDITIONS</b>						
<b>Property Taxes</b>						
Property Tax - Police Pension	449,027	453,447	452,282	457,912	467,070	476,411
Total Property Taxes	449,027	453,447	452,282	457,912	467,070	476,411
<b>Investment Income</b>						
Interest Income - Cash and Investments	261,304	601,300	262,517	643,055	703,710	765,415
Investment Income - Realized Gain/Loss	149,689	-	50,000	-	-	-
Investment Income - Unrealized Gain/Loss	77,420	-	-	-	-	-
Total Investment Income	488,413	601,300	312,517	643,055	703,710	765,415
<b>Contributions and Donations</b>						
Employee Contributions - Police Pension	228,037	195,494	223,151	216,848	223,353	230,054
Total Contributions and Donations	228,037	195,494	223,151	216,848	223,353	230,054
Total Additions	1,165,477	1,250,241	987,950	1,317,815	1,394,133	1,471,880
<b>DEDUCTIONS</b>						
<b>Personal Services - Employee Benefits</b>						
Retirement - Police Pension Payments (Retirees)	309,648	322,097	322,097	331,759	438,523	451,679
Retirement - Police Pension Payments (Widows)	20,816	20,816	20,816	20,816	20,816	20,816
Retirement - Refund of Contributions	56,617	-	19,770	-	-	-
Retirement - Police Pension Payments (Disability)	44,602	44,602	44,602	44,602	44,602	44,602
Education - Conferences and Training	1,500	10,000	10,000	10,000	10,000	10,000
Total Personal Services - Employee Benefits	433,183	397,515	417,285	407,177	513,941	527,097
<b>Purchased Services - Professional and Technical</b>						
Legal Services - Other	-	2,500	5,000	2,500	2,500	2,500
Accounting and Auditing Services - General	1,486	1,500	1,526	1,200	1,220	1,240
Accounting and Auditing Services - Actuary Report	3,500	2,000	2,000	2,000	2,000	2,000
Professional Services - Cash Management	16,746	17,180	17,500	18,373	20,106	21,869
Total Purchased Services - Professional and Technical	21,732	23,180	26,026	24,073	25,826	27,609
<b>Purchased Services - Other</b>						
Travel	-	1,000	-	-	-	-
Physicals/Testing	-	-	3,510	1,500	1,500	1,500
Dues	2,139	2,275	2,275	2,416	2,524	2,701
Total Purchased Services - Other	2,139	3,275	5,785	3,916	4,024	4,201
Total Deductions	457,054	423,970	449,096	435,166	543,791	558,907
Change in Net Position	708,423	826,271	538,854	882,649	850,342	912,973
Beginning Net Position	7,498,173	8,206,596	8,206,596	8,745,450	9,628,099	10,478,441
Ending Net Position	8,206,596	9,032,867	8,745,450	9,628,099	10,478,441	11,391,414

## Chapter 6: 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.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Miscellaneous</b>						
Donations - Other	300	250	300	250	250	250
Total Miscellaneous	300	250	300	250	250	250
Total Revenues	300	250	300	250	250	250
<b>EXPENDITURES</b>						
<b>Supplies and Materials</b>						
Police Supplies - Too Good for Drugs Program	707	300	318	300	300	300
Police Supplies - Other	1,110	1,000	1,307	1,000	1,000	1,000
Total Supplies and Materials	1,817	1,300	1,625	1,300	1,300	1,300
Total Expenditures	1,817	1,300	1,625	1,300	1,300	1,300
Net Change in Fund Balance	(1,517)	(1,050)	(1,325)	(1,050)	(1,050)	(1,050)
Beginning Fund Balance	8,667	7,150	7,150	5,825	4,775	3,725
Ending Fund Balance	7,150	6,100	5,825	4,775	3,725	2,675

### **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 the 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 6: Fund Summary

### MONTGOMERY CROSSING SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Montgomery Crossing SSA	65,611	53,000	53,003	53,000	54,000	55,000
Total Property Taxes	65,611	53,000	53,003	53,000	54,000	55,000
Total Revenues	65,611	53,000	53,003	53,000	54,000	55,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	47,207	47,207	48,623	50,082	51,584
Grounds Maintenance - Subdivision	45,937	5,480	5,480	5,754	6,042	6,344
Total Purchased Services - Property	45,937	52,687	52,687	54,377	56,124	57,928
Total Expenditures	45,937	52,687	52,687	54,377	56,124	57,928
Net Change in Fund Balance	19,674	313	316	(1,377)	(2,124)	(2,928)
Beginning Fund Balance	113,094	132,768	132,768	133,084	131,707	129,583
Ending Fund Balance	132,768	133,081	133,084	131,707	129,583	126,655

### BLACKBERRY CROSSING SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Blackberry Crossing SSA	18,007	11,000	10,965	11,000	11,000	11,000
Total Property Taxes	18,007	11,000	10,965	11,000	11,000	11,000
Total Revenues	18,007	11,000	10,965	11,000	11,000	11,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	9,085	9,085	9,358	9,639	9,928
Grounds Maintenance - Subdivision	11,760	1,581	1,581	1,660	1,743	1,830
Total Purchased Services - Property	11,760	10,666	10,666	11,018	11,382	11,758
Total Expenditures	11,760	10,666	10,666	11,018	11,382	11,758
Net Change in Fund Balance	6,247	334	299	(18)	(382)	(758)
Beginning Fund Balance	57,621	63,868	63,868	64,167	64,149	63,767
Ending Fund Balance	63,868	64,202	64,167	64,149	63,767	63,009

## Chapter 6: Fund Summary

### FAIRFIELD WAY SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Fairfield Way SSA	65,230	50,000	49,976	40,000	40,000	40,000
Total Property Taxes	65,230	50,000	49,976	40,000	40,000	40,000
Total Revenues	65,230	50,000	49,976	40,000	40,000	40,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	21,943	21,943	22,602	23,280	23,978
Grounds Maintenance - Subdivision	35,949	11,247	11,353	14,249	12,399	13,019
Sewer Repair and Maintenance - Lift Stations	-	5,000	6,514	-	-	-
Total Purchased Services - Property	35,949	38,190	39,810	36,851	35,679	36,997
Total Expenditures	35,949	38,190	39,810	36,851	35,679	36,997
Net Change in Fund Balance	29,281	11,810	10,166	3,149	4,321	3,003
Beginning Fund Balance	134,223	163,504	163,504	173,670	176,819	181,140
Ending Fund Balance	163,504	175,314	173,670	176,819	181,140	184,143

### ARBOR RIDGE SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Arbor Ridge SSA	18,752	18,358	18,319	20,000	25,000	25,000
Total Property Taxes	18,752	18,358	18,319	20,000	25,000	25,000
Total Revenues	18,752	18,358	18,319	20,000	25,000	25,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	10,565	10,565	30,882	11,208	11,544
Grounds Maintenance - Subdivision	10,875	3,901	3,901	4,096	4,301	4,516
Total Purchased Services - Property	10,875	14,466	14,466	34,978	15,509	16,060
Total Expenditures	10,875	14,466	14,466	34,978	15,509	16,060
Net Change in Fund Balance	7,877	3,892	3,853	(14,978)	9,491	8,940
Beginning Fund Balance	30,933	38,810	38,810	42,663	27,685	37,176
Ending Fund Balance	38,810	42,702	42,663	27,685	37,176	46,116

## Chapter 6: Fund Summary

### FOXMOOR SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Foxmoor SSA	67,352	42,500	42,468	43,000	43,000	43,000
Total Property Taxes	67,352	42,500	42,468	43,000	43,000	43,000
Total Revenues	67,352	42,500	42,468	43,000	43,000	43,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	24,055	24,055	24,777	25,520	26,286
Grounds Maintenance - Subdivision	38,734	16,870	36,270	17,714	18,600	19,530
Total Purchased Services - Property	38,734	40,925	60,325	42,491	44,120	45,816
Total Expenditures	38,734	40,925	60,325	42,491	44,120	45,816
Net Change in Fund Balance	28,618	1,575	(17,857)	509	(1,120)	(2,816)
Beginning Fund Balance	105,691	134,309	134,309	116,452	116,961	115,841
Ending Fund Balance	134,309	135,884	116,452	116,961	115,841	113,025

### SARATOGA SPRINGS SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Saratoga Springs SSA	7,489	12,000	12,000	12,000	12,000	12,000
Total Property Taxes	7,489	12,000	12,000	12,000	12,000	12,000
Total Revenues	7,489	12,000	12,000	12,000	12,000	12,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	10,511	10,511	10,826	11,151	11,486
Grounds Maintenance - Subdivision	11,353	2,319	2,319	2,435	2,557	2,685
Total Purchased Services - Property	11,353	12,830	12,830	13,261	13,708	14,171
Total Expenditures	11,353	12,830	12,830	13,261	13,708	14,171
Net Change in Fund Balance	(3,864)	(830)	(830)	(1,261)	(1,708)	(2,171)
Beginning Fund Balance	42,178	38,314	38,314	37,484	36,223	34,515
Ending Fund Balance	38,314	37,484	37,484	36,223	34,515	32,344

# Chapter 6: Fund Summary

## ORCHARD PRAIRIE NORTH SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Orchard Prairie SSA	22,458	25,000	25,000	27,000	29,000	31,000
Total Property Taxes	22,458	25,000	25,000	27,000	29,000	31,000
Total Revenues	22,458	25,000	25,000	27,000	29,000	31,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	13,196	13,196	13,592	14,000	14,420
Grounds Maintenance - Subdivision	18,599	8,642	8,642	9,074	9,528	10,004
Total Purchased Services - Property	18,599	21,838	21,838	22,666	23,528	24,424
Total Expenditures	18,599	21,838	21,838	22,666	23,528	24,424
Net Change in Fund Balance	3,859	3,162	3,162	4,334	5,472	6,576
Beginning Fund Balance	22,984	26,843	26,843	30,005	34,339	39,811
Ending Fund Balance	26,843	30,005	30,005	34,339	39,811	46,387

## BLACKBERRY CROSSING WEST SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Blackberry Crossing West SSA	62,865	63,000	62,979	63,000	63,000	63,000
Total Property Taxes	62,865	63,000	62,979	63,000	63,000	63,000
Total Revenues	62,865	63,000	62,979	63,000	63,000	63,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	39,632	39,632	40,821	42,045	43,307
Grounds Maintenance - Subdivision	48,024	12,781	12,781	13,420	14,091	14,796
Total Purchased Services - Property	48,024	52,413	52,413	54,241	56,136	58,103
Total Expenditures	48,024	52,413	52,413	54,241	56,136	58,103
Net Change in Fund Balance	14,841	10,587	10,566	8,759	6,864	4,897
Beginning Fund Balance	84,879	99,720	99,720	110,286	119,045	125,909
Ending Fund Balance	99,720	110,307	110,286	119,045	125,909	130,806

# Chapter 6: Fund Summary

## FIELDSTONE PLACE SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Fieldstone Place SSA	4,203	6,500	6,500	6,500	6,500	6,500
Total Property Taxes	4,203	6,500	6,500	6,500	6,500	6,500
Total Revenues	4,203	6,500	6,500	6,500	6,500	6,500
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	4,620	4,620	4,759	4,902	5,049
Grounds Maintenance - Subdivision	6,088	825	825	866	909	954
Total Purchased Services - Property	6,088	5,445	5,445	5,625	5,811	6,003
Total Expenditures	6,088	5,445	5,445	5,625	5,811	6,003
Net Change in Fund Balance	(1,885)	1,055	1,055	875	689	497
Beginning Fund Balance	18,825	16,940	16,940	17,995	18,870	19,559
Ending Fund Balance	16,940	17,995	17,995	18,870	19,559	20,056

## BALMOREA SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Balmorea SSA	27,472	30,000	29,789	34,500	39,000	43,500
Total Property Taxes	27,472	30,000	29,789	34,500	39,000	43,500
Total Revenues	27,472	30,000	29,789	34,500	39,000	43,500
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	28,956	28,956	29,825	30,720	31,642
Grounds Maintenance - Subdivision	39,560	-	-	-	-	-
Total Purchased Services - Property	39,560	28,956	28,956	29,825	30,720	31,642
Total Expenditures	39,560	28,956	28,956	29,825	30,720	31,642
Net Change in Fund Balance	(12,088)	1,044	833	4,675	8,280	11,858
Beginning Fund Balance	(599)	(12,687)	(12,687)	(11,854)	(7,179)	1,101
Ending Fund Balance	(12,687)	(11,643)	(11,854)	(7,179)	1,101	12,959

## Chapter 6: Fund Summary

### MARQUIS POINTE SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Marquis Pointe SSA	12,025	13,500	13,527	14,000	14,500	15,000
Total Property Taxes	12,025	13,500	13,527	14,000	14,500	15,000
Total Revenues	12,025	13,500	13,527	14,000	14,500	15,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	11,410	11,410	11,752	12,104	12,467
Grounds Maintenance - Subdivision	11,736	-	-	-	-	-
Total Purchased Services - Property	11,736	11,410	11,410	11,752	12,104	12,467
Total Expenditures	11,736	11,410	11,410	11,752	12,104	12,467
Net Change in Fund Balance	289	2,090	2,117	2,248	2,396	2,533
Beginning Fund Balance	20,851	21,140	21,140	23,257	25,505	27,901
Ending Fund Balance	21,140	23,230	23,257	25,505	27,901	30,434

### OGDEN HILL SSA FUND

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUES</b>						
<b>Property Taxes</b>						
Property Tax - Ogden Hill SSA	19,710	22,500	22,527	24,000	25,000	26,000
Total Property Taxes	19,710	22,500	22,527	24,000	25,000	26,000
Total Revenues	19,710	22,500	22,527	24,000	25,000	26,000
<b>EXPENDITURES</b>						
<b>Purchased Services - Property</b>						
Grounds Repair and Maintenance - Detention Basins	-	19,429	19,429	20,012	20,612	21,231
Grounds Maintenance - Subdivision	19,985	-	-	-	-	-
Total Purchased Services - Property	19,985	19,429	19,429	20,012	20,612	21,231
Total Expenditures	19,985	19,429	19,429	20,012	20,612	21,231
Net Change in Fund Balance	(275)	3,071	3,098	3,988	4,388	4,769
Beginning Fund Balance	24,954	24,679	24,679	27,777	31,765	36,153
Ending Fund Balance	24,679	27,750	27,777	31,765	36,153	40,922

## Chapter 7: Departmental Summary

The Departmental Summary contains information on the General Fund while all other funds are included in Chapter 6: 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.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>REVENUE</b>						
Property Taxes	2,220,787	2,242,839	2,241,843	2,260,869	2,304,757	2,349,509
Other Taxes	5,538,550	5,814,051	6,155,739	6,305,048	6,496,320	6,697,101
Licenses and Permits	394,959	411,287	427,735	435,890	448,364	460,935
Charges for Services	338,235	325,295	299,914	321,473	328,422	348,047
Intergovernmental Revenue	17,959	16,260	17,047	18,140	18,140	18,140
Fines and Forfeits	278,199	315,500	323,215	338,500	359,500	380,500
Investment Income	10,058	26,250	25,095	30,000	37,500	45,000
Miscellaneous	108,330	113,000	126,837	113,000	113,000	113,000
Transfers	-	160,000	-	-	-	-
<b>Total Revenue</b>	<b>8,907,077</b>	<b>9,424,482</b>	<b>9,617,425</b>	<b>9,822,920</b>	<b>10,106,003</b>	<b>10,412,232</b>
<b>EXPENDITURES</b>						
Elected Officials	151,751	149,271	151,356	157,029	157,999	161,429
Village Administrator	367,552	360,254	360,384	382,289	414,335	413,917
Finance	485,561	482,765	496,953	498,215	516,438	535,263
Community Development						
Planning and Zoning	294,073	306,659	287,719	306,370	318,701	338,896
Code Enforcement and Inspections	305,707	320,438	322,722	337,216	352,425	370,866
Economic Development	872,215	1,035,635	964,379	1,064,831	901,865	704,819
Police						
Administration	570,003	617,692	596,835	630,856	631,530	669,711
Support Services	433,394	436,662	447,264	471,020	485,212	500,311
Patrol	2,998,700	3,198,746	3,157,147	3,335,267	3,533,744	3,680,567
Investigations	274,789	273,742	269,764	276,108	294,647	309,905
Police Commission	16,329	4,628	6,052	11,627	4,327	10,627
ESDA	3,837	4,700	6,012	2,200	2,200	2,200
Public Works						
Administration	126,525	125,622	130,714	113,146	116,162	119,699
Streets	827,474	927,636	888,451	1,078,159	1,067,923	1,090,372
Vehicle Maintenance	240,908	225,006	207,658	240,956	240,452	249,951
Buildings and Grounds	391,792	362,298	342,528	394,158	407,083	402,501
Stormwater	21,793	35,000	35,000	40,000	35,000	35,000
Legal Services	190,308	171,000	192,136	186,500	196,500	206,500
Engineering Services	228,745	202,000	195,496	207,500	220,000	230,000
<b>Total Expenditures</b>	<b>8,801,456</b>	<b>9,239,754</b>	<b>9,058,570</b>	<b>9,733,447</b>	<b>9,896,543</b>	<b>10,032,534</b>
Net Income (Loss)	105,621	184,728	558,855	89,473	209,460	379,698
Beginning Fund Balance	3,554,135	3,659,756	3,659,756	4,218,611	4,308,084	4,517,544
Ending Fund Balance	3,659,756	3,844,484	4,218,611	4,308,084	4,517,544	4,897,242

# Chapter 7: Departmental Summary

## REVENUES

Fiscal year 2017 General Fund revenues are budgeted at \$9,822,920 which is an increase of \$398,868 over fiscal year 2016 budget and an increase of \$205,495 over fiscal year 2016 projected. Nearly 90% of both increases are due to an increase in state sales tax received by the Village. A discussion of sales tax is included in major revenues on page 49.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Property Taxes</b>						
Property Tax - Corporate	941,309	950,689	963,425	959,996	979,196	998,780
Property Tax - Police Pension	449,027	453,447	452,282	457,912	467,070	476,411
Property Tax - Social Security	221,863	224,061	223,510	226,248	230,773	235,388
Property Tax - IMRF	221,863	224,061	223,510	226,248	230,773	235,388
Property Tax - Insurance	261,330	263,932	263,260	266,487	271,817	277,253
Property Tax - TIF Surplus	-	-	2,016	9,000	9,000	9,000
Other Taxes - Road and Bridge Tax	125,395	126,649	113,840	114,978	116,128	117,289
<b>Total Property Taxes</b>	<b>2,220,787</b>	<b>2,242,839</b>	<b>2,241,843</b>	<b>2,260,869</b>	<b>2,304,757</b>	<b>2,349,509</b>
<b>Other Taxes</b>						
Sales Tax	3,169,321	3,437,768	3,617,542	3,798,419	3,988,340	4,187,757
State Income Tax	1,805,718	1,825,362	1,935,990	1,880,676	1,880,676	1,880,676
Other Taxes - Corporate Replacement Tax	59,149	57,838	59,809	58,553	59,139	59,730
Other Taxes - Road and Bridge Replacement Tax	7,462	7,230	7,476	7,319	7,392	7,466
Other Taxes - Local Use Tax	370,691	357,697	409,324	433,293	433,293	433,293
Other Taxes - Video Gaming Tax	48,392	50,400	57,095	57,600	57,600	57,600
Fees - Infrastructure Maintenance Fee	77,817	77,756	68,503	69,188	69,880	70,579
<b>Total Other Taxes</b>	<b>5,538,550</b>	<b>5,814,051</b>	<b>6,155,739</b>	<b>6,305,048</b>	<b>6,496,320</b>	<b>6,697,101</b>
<b>Licenses and Permits</b>						
Licenses - Liquor Licenses	19,663	26,800	29,804	27,300	27,300	27,300
Licenses - Pull Tab Licenses	1,020	1,020	1,020	1,050	1,050	1,050
Licenses - Amusement Machine Licenses	1,050	1,050	1,000	1,050	1,050	1,050
Licenses - Tobacco Licenses	380	300	400	300	300	300
Licenses - Contractors	20,750	28,125	23,235	25,000	28,125	31,250
Permits - Building Permits	105,934	110,000	110,000	115,000	120,000	125,000
Permits - Oversized Vehicle Permit	7,280	8,000	8,000	8,000	8,000	8,000
Permits - Solicitor	1,110	500	1,440	1,200	1,200	1,200
Permits - Other	195	100	200	100	100	100
Fees - Cable Franchise Fee	237,577	235,392	252,636	256,890	261,239	265,685
<b>Total Licenses and Permits</b>	<b>394,959</b>	<b>411,287</b>	<b>427,735</b>	<b>435,890</b>	<b>448,364</b>	<b>460,935</b>
<b>Charges for Services</b>						
Service Fees - Refuse Removal	7,852	7,000	6,840	7,000	7,000	7,000
Inspection Fees - Plumbing Inspections	18,590	16,000	16,000	17,000	17,000	17,000
Inspection Fees - Engineering Inspections	12,700	11,000	11,000	11,000	11,000	11,000
Inspection Fees - Reinspections	-	500	-	-	-	-
Inspection Fees - Elevators	-	-	-	1,600	1,600	1,600
Planning Fees - Plan Commission Applications	7,658	6,000	6,000	6,000	6,000	6,000
Salable Items - History Books	315	350	350	350	350	350
Salable Items - Miscellaneous	64	100	100	100	100	100
Recycling income	-	-	-	4,000	4,000	4,000

# Chapter 7: Departmental Summary

## REVENUES (Continued)

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Charges for Services</b>						
Professional Service Reimbursements - Dispatch Service	12,302	12,840	12,302	12,917	13,563	14,241
Professional Service Reimbursements - Engineering Service	135,195	141,750	125,930	147,420	153,090	158,760
Professional Service Reimbursements - Legal Service	47,181	36,750	40,308	42,000	47,250	52,500
Professional Service Reimbursements - Planning Service	23,745	10,500	15,305	10,500	10,500	13,125
Professional Service Reimbursements - Printing and Publishing	-	1,000	88	500	500	500
Police Reimbursements - Training	9,382	7,500	10,667	7,500	7,500	7,500
Police Reimbursements - Special Duty	1,790	1,800	5,780	2,700	2,700	2,700
Police Reimbursements - Other	9,112	3,000	3,000	8,000	3,000	8,000
Police Reimbursements - Firing Range	704	300	769	500	500	500
Other Reimbursements - Streets	12,626	15,000	18,000	11,680	11,680	11,680
Other Reimbursements - Miscellaneous	14,477	30,000	3,774	7,000	7,000	7,000
Other Reimbursements - Lawn Services (Kaneland Schools)	7,529	7,905	7,301	7,666	8,049	8,451
Other Reimbursements - Credit Card Fees	14,908	14,000	14,400	14,000	14,000	14,000
Rents and Royalties - Municipal Building Rental	2,105	2,000	2,000	2,040	2,040	2,040
<b>Total Charges for Services</b>	<b>338,235</b>	<b>325,295</b>	<b>299,914</b>	<b>321,473</b>	<b>328,422</b>	<b>348,047</b>
<b>Intergovernmental Revenue</b>						
State Grants - Body Armor (Police)	2,216	1,500	2,287	1,500	1,500	1,500
State Grants - ILCC Tobacco (Police)	1,760	1,760	1,760	1,760	1,760	1,760
State Grants - Traffic Safety Grant (Police)	9,627	13,000	13,000	14,880	14,880	14,880
Local Grants - Riverboat (Admin)	4,356	-	-	-	-	-
<b>Total Intergovernmental Revenue</b>	<b>17,959</b>	<b>16,260</b>	<b>17,047</b>	<b>18,140</b>	<b>18,140</b>	<b>18,140</b>
<b>Fines and Forfeits</b>						
Police Reimbursements - Tow Impoundment Fee	119,225	130,000	130,291	135,000	140,000	145,000
Village - Court Fines	31,611	32,000	28,237	32,000	34,000	36,000
Kane County - Court Fines	96,094	120,000	135,643	140,000	150,000	160,000
Kane County - Patrol Car Maintenance	11,336	16,000	13,704	15,000	16,000	17,000
Kendall County - Court Fines	10,553	12,000	10,383	10,000	12,000	14,000
Kendall County - Patrol Car Maintenance	1,127	1,500	957	2,000	2,500	3,000
Code Enforcement Fines	8,253	4,000	4,000	4,500	5,000	5,500
<b>Total Fines and Forfeits</b>	<b>278,199</b>	<b>315,500</b>	<b>323,215</b>	<b>338,500</b>	<b>359,500</b>	<b>380,500</b>
<b>Investment Income</b>						
Investment Earnings - Interest Income	10,058	26,250	25,095	30,000	37,500	45,000
<b>Total Investment Income</b>	<b>10,058</b>	<b>26,250</b>	<b>25,095</b>	<b>30,000</b>	<b>37,500</b>	<b>45,000</b>
<b>Miscellaneous</b>						
Other Reimbursements - Insurance	19,838	30,000	44,885	30,000	30,000	30,000
Donations - Montgomery Fest	58,210	53,000	53,000	53,000	53,000	53,000
Donations - Beautification	5,554	5,000	5,000	5,000	5,000	5,000
Donations - River Run	11,910	12,000	12,385	12,000	12,000	12,000
Donations - Garage Sale	1,444	2,000	2,000	2,000	2,000	2,000
Donations - Settler's Cottage	-	500	500	500	500	500
Donations - HPC Brick Paver Program	100	500	500	500	500	500
Donations - Senior Luncheon	1,545	2,000	2,000	2,000	2,000	2,000
Donations - Parkway Tree Program	7,000	5,000	5,000	5,000	5,000	5,000
Donations - Car Show	2,729	3,000	1,567	3,000	3,000	3,000
<b>Total Miscellaneous</b>	<b>108,330</b>	<b>113,000</b>	<b>126,837</b>	<b>113,000</b>	<b>113,000</b>	<b>113,000</b>
<b>Transfers</b>						
Transfer In	-	160,000	-	-	-	-
<b>Total Transfers</b>	<b>-</b>	<b>160,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue</b>	<b>8,907,077</b>	<b>9,424,482</b>	<b>9,617,425</b>	<b>9,822,920</b>	<b>10,106,003</b>	<b>10,412,232</b>

# Chapter 7: *Departmental Summary*

## ***ELECTED OFFICIALS***

### **Village President and Board of Trustees**

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

### **Boards, Commissions, and Committees**

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

# Chapter 7: *Departmental Summary*

## ***ELECTED OFFICIALS (Continued)***

- Prepare and recommend to the Board of Trustees a Comprehensive Plan for the present and future development or redevelopment of the Village and contiguous unincorporated territory, including reasonable standards of design for subdivisions and for re-subdivisions of unimproved land.
- Designate land suitable for annexation to the municipality and recommend a zoning classification for such land upon annexation.
- Cooperate with municipal or regional planning commissions and other agencies or groups to further the local planning program and assure harmonious and integrated planning for the area.
- **The Police Pension Board**, as provided by State Statute, operates the Police Pension Fund for full-time sworn police officers, invests the Police Pension Funds, maintains records, grants pensions, and considers applications for disability pensions.
- **The Revolving Loan Committee** considers requests from businesses seeking financial assistance through the Village's Economic Development Loan Fund and makes recommendations to the Board of Trustees regarding granting such loans. The Revolving Loan is accounted for in the Economic Development Loan Fund which was established during the fiscal year ended April 30, 1985, through a \$500,000 grant received through the Illinois Department of Commerce and Economic Opportunity. The Village received an additional \$300,000 grant during the fiscal year ended April 30, 1991.
- **The Zoning Board of Appeals** was created to hear and decide an appeal from an administrative order, requirement, decision or determination made by the Zoning Officer. The activities of the Board are included in the Community Development Department budget. The Zoning Board of Appeals is vested with the following jurisdiction and authority:
  - To hear and decide all other matters referred to it upon which it is required to decide.
  - To hear all applications for variations and thereafter submit reports of findings and recommendations thereon to the Village Board.
  - The concurring vote of four members of the Zoning Board of Appeals is necessary to reverse any requirement, decision or determination of the Zoning Officer, or to decide in favor of the applicant in any manner upon which it is required to decide.

## **Village Clerk**

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

## **Overview**

The budget included on the next page contains expenditures for all of the above unless specifically stated otherwise. The Village Board undertook a Strategic Plan during fiscal year 2015, the results of which are included on pages 38 through 40, to direct the future actions of the Board and Village staff. In addition, several community events were accounted for separately for the first time during fiscal year 2015. This has enhanced the Village's ability to determine how each event turns out.

# Chapter 7: Departmental Summary

## *ELECTED OFFICIALS (Continued)*

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Elected Officials	61,200	61,200	61,200	61,200	61,200	61,200
Total Personal Services - Salaries and Wages	61,200	61,200	61,200	61,200	61,200	61,200
<b>Personal Services - Employee Benefits</b>						
Retirement - Social Security	3,794	3,794	3,794	3,794	3,794	3,794
Retirement - Medicare	887	887	887	887	887	887
Retirement - IMRF	1,881	1,915	1,915	1,943	1,943	1,943
Education - Conferences and Training	5,810	2,140	2,140	4,615	2,165	4,615
Total Personal Services - Employee Benefits	12,372	8,736	8,736	11,239	8,789	11,239
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - System Management	2,123	-	-	-	-	-
Information Technology Services - Software Maintenance	700	720	720	720	720	750
Other Professional Services - Photography	-	300	300	300	300	300
Other Professional Services	5,470	-	268	250	250	250
Other Professional Services - Recording of Meetings	1,950	2,250	2,250	2,250	2,250	2,250
Total Purchased Services - Professional and Technical	10,243	3,270	3,538	3,520	3,520	3,550
<b>Purchased Services - Property</b>						
Utilities - Telephone	590	660	900	1,320	1,320	1,320
Total Purchased Services - Property	590	660	900	1,320	1,320	1,320
<b>Purchased Services - Other</b>						
Printing and Publishing - Legal Notices	40	-	-	-	-	-
Printing and Publishing - Publications	3,107	3,100	3,100	3,100	3,100	3,100
Travel	1,452	1,350	750	250	250	250
Community Relations - Montgomery Fest	41,192	41,000	43,677	45,000	47,000	49,000
Community Relations - Other Community Events	3,463	4,200	3,700	4,700	4,700	4,900
Community Relations - Senior Services	3,753	3,000	3,000	3,000	3,000	3,000
Community Relations - River Run	11,045	12,000	12,000	12,000	12,000	12,000
Other Purchased Services - Dues	2,511	9,695	9,695	10,485	10,495	10,625
Other Purchased Services - Document Recording	41	200	200	200	200	200
Total Purchased Services - Other	66,604	74,545	76,122	78,735	80,745	83,075
<b>Supplies and Materials</b>						
General Supplies - Office	329	350	350	350	350	350
General Supplies - Postage	44	50	50	50	50	50
General Supplies - Books and Periodicals	119	360	360	515	525	545
General Supplies - Kitchen	-	100	100	100	100	100
Total Supplies and Materials	492	860	860	1,015	1,025	1,045
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Computer)	250	-	-	-	1,400	-
Total Capital Outlay	250	-	-	-	1,400	-
Total Elected Officials	151,751	149,271	151,356	157,029	157,999	161,429

# Chapter 7: *Departmental Summary*

## **ADMINISTRATION DEPARTMENT**

### **Description**

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

### **Responsibilities**

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

### **Core Strategies**

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

### **Fiscal Year 2016 Accomplishments**

- ✓ Implemented the shared services program with the Village of Oswego and United City of Yorkville to provide cost savings and operational efficiencies to all three communities.
- ✓ 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, including the new Montgomery Rotary Club.
- ✓ Grew the Village of Montgomery's Facebook page to over 3,400 followers, providing residents with continued communication and updates.

# Chapter 7: Departmental Summary

## ADMINISTRATION DEPARTMENT (Continued)

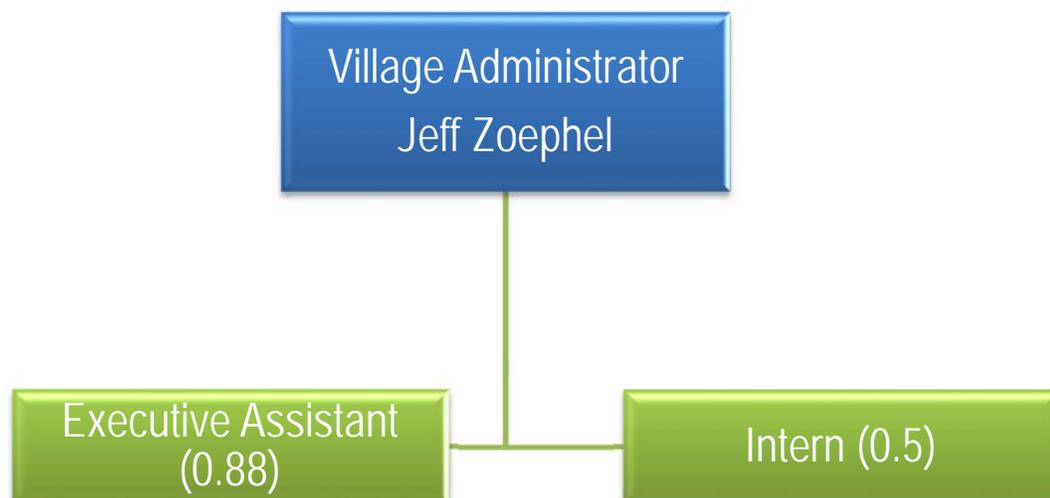
### Fiscal Year 2016 Accomplishments (Continued)

- ✓ Organized and planned annual community events including: Cemetery Walk, Concerts in the Park, Senior Luncheons, Montgomery Fest, Tree Lighting Ceremony, Festival of Trees, and an Easter Egg Hunt. The Village began planning for a new event on the west side of town called Sunday in the Park.
- ✓ Continued hosting electronic recycling and paper shredding events, as well as the battery recycling program.
- ✓ Established a free lending library at the Village Hall.

### Fiscal Year 2017 Goals and Initiatives

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

### Organization Chart



# Chapter 7: Departmental Summary

## ADMINISTRATION DEPARTMENT (Continued)

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	195,320	196,622	197,327	199,795	206,788	214,026
Wages - Part-Time Employees	5,096	-	-	12,619	12,619	12,619
Overtime - General	344	500	550	500	500	500
Holiday Pay	183	-	-	-	-	-
Bonus Pay	2,223	-	556	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>203,166</b>	<b>197,122</b>	<b>198,433</b>	<b>212,914</b>	<b>219,907</b>	<b>227,145</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	28,509	34,576	32,918	35,709	41,065	47,225
Insurance - Dental	1,673	1,739	1,790	1,967	2,065	2,168
Insurance - Life and AD&D	-	145	145	150	150	150
Insurance - Workers' Compensation	1,500	1,500	1,500	1,500	1,500	1,500
Insurance - Unemployment	817	1,186	1,458	1,458	1,458	1,458
Retirement - Social Security	10,983	11,013	11,094	11,709	12,143	12,592
Retirement - Medicare	2,805	2,858	2,877	3,087	3,189	3,294
Retirement - IMRF	25,769	26,217	26,392	28,722	29,665	30,642
Education - Conferences and Training	2,331	3,700	3,000	6,825	6,825	8,175
<b>Total Personal Services - Employee Benefits</b>	<b>74,387</b>	<b>82,934</b>	<b>81,174</b>	<b>91,127</b>	<b>98,060</b>	<b>107,204</b>
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - System Management	44,933	40,000	40,000	40,000	40,000	40,000
Information Technology Services - Website	3,589	4,100	4,100	3,900	4,000	4,100
Information Technology Services - Software Maintenance	6,720	5,800	5,800	5,800	5,820	5,820
Other Professional Services	113	-	-	-	-	-
<b>Total Purchased Services - Professional and Technical</b>	<b>55,355</b>	<b>49,900</b>	<b>49,900</b>	<b>49,700</b>	<b>49,820</b>	<b>49,920</b>
<b>Purchased Services - Property</b>						
Utilities - Natural Gas	1,243	900	900	-	-	-
Utilities - Telephone	897	720	2,142	4,860	4,860	4,860
Utilities - Cell Phone	705	940	1,290	940	940	940
Equipment Repair and Maintenance - Office	4,679	4,980	3,600	2,000	2,000	2,000
Rental - Equipment	5,850	6,073	6,073	6,073	6,073	6,073
<b>Total Purchased Services - Property</b>	<b>13,374</b>	<b>13,613</b>	<b>14,005</b>	<b>13,873</b>	<b>13,873</b>	<b>13,873</b>
<b>Purchased Services - Other</b>						
Insurance - Official Bonds	1,658	1,660	1,658	1,660	1,660	1,660
Printing and Publishing - Publications	-	100	100	100	100	100
Travel	2,827	3,250	2,250	1,200	1,200	1,200
Community Relations - Historic Preservation	8,716	1,750	2,562	3,250	3,250	3,250
Community Relations - Chamber of Commerce	-	300	300	300	300	300
Other Purchased Services - Messenger/Delivery	-	50	50	50	50	50
Other Purchased Services - Dues	1,460	1,960	1,961	2,470	2,470	2,470
Other Purchased Services - Document Destruction	295	600	300	600	600	600
<b>Total Purchased Services - Other</b>	<b>14,956</b>	<b>9,670</b>	<b>9,181</b>	<b>9,630</b>	<b>9,630</b>	<b>9,630</b>
<b>Supplies and Materials</b>						
General Supplies - Office	1,667	2,000	1,300	1,500	1,500	1,500
General Supplies - Postage	433	1,075	2,450	845	845	845
General Supplies - Books and Periodicals	1,023	800	800	800	800	800
General Supplies - Safety	192	240	241	-	-	-
<b>Total Supplies and Materials</b>	<b>3,315</b>	<b>4,115</b>	<b>4,791</b>	<b>3,145</b>	<b>3,145</b>	<b>3,145</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Office)	229	-	-	-	-	-
Capital Outlay - Furnishings	116	-	-	-	-	-
Capital Outlay - Computer	2,654	2,900	2,900	1,900	19,900	3,000
<b>Total Capital Outlay</b>	<b>2,999</b>	<b>2,900</b>	<b>2,900</b>	<b>1,900</b>	<b>19,900</b>	<b>3,000</b>
<b>Total Administration Department</b>	<b>367,552</b>	<b>360,254</b>	<b>360,384</b>	<b>382,289</b>	<b>414,335</b>	<b>413,917</b>

# Chapter 7: 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 Human Resources Division is responsible for the coordination of all personnel related matters. Duties range from the oversight of the hiring process, processing of the bi-weekly payroll, and coordination of employee benefit programs and risk management.

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 (SunGard Pentamation)
- 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
- Responsible for all Human Resource functions

### 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 7: Departmental Summary

## FINANCE DEPARTMENT (Continued)

### Fiscal Year 2016 Accomplishments

- ✓ Successfully completed the fiscal year 2017 Annual Budget
- ✓ Received the GFOA Budget Award for fiscal year 2016
- ✓ Received the GFOA CAFR Award for fiscal year 2015
- ✓ Attained new vendor for direct and online credit card transactions
- ✓ Directed update to our financial software package
- ✓ Administered installation of new phone system
- ✓ Managed implementation of new building access system
- ✓ Met with senior staff to add specific goals and initiatives to strategic plan

### Fiscal Year 2017 Goals and Initiatives

- Fiscal year 2018 annual budget (Financial Stability – Budget)
- Maintain the Distinguished Budget Presentation Award from GFOA
- Fiscal year 2016 audit and Comprehensive Annual Financial Report (Financial Stability – Policies)
- Maintain the Certificate of Achievement for Excellence in Financial Reporting from GFOA
- Labor negotiations with Metropolitan Alliance of Police Chapter #333 (Police Patrol Employees)
- Obtain new vendor for online water bill payment

### Organization Chart



# Chapter 7: Departmental Summary

## FINANCE DEPARTMENT (Continued)

### Performance Measures

	FY 2015	FY 2016
1. General statistics		
A. Population	18,438	18,438
B. Equalized assessed value (EAV)	357,669,326	368,205,911
C. Actual value	1,073,007,978	1,104,617,733
2. GFOA certifications		
A. Certificate of Achievement	Received	*
B. Distinguished Budget Award	Received	Received
3. Accounts payable		
A. Checks issued	2,455	4,206
B. ACH transactions	58	65
C. Percent of accounts payable as ACH	2.3%	1.5%
D. Voided checks	23	23
E. Percent of accounts payable voided	0.9%	0.5%
4. Payroll		
A. Direct deposits	1,506	1,477
B. Checks issued	402	334
C. Percent of payroll as direct deposits	78.9%	81.6%
5. Utility billing		
A. Number of accounts	9,114	9,111
B. Water and sewer revenue	\$ 3,765,136	\$ 3,842,996
C. Average bi-monthly bill	\$ 68.85	\$ 70.30
D. Payment types		
- Lockbox	N/A	27.6%
- Epayment (Village website)	N/A	18.1%
- Bill pay (bank websites)	N/A	11.8%
- Phone	N/A	7.9%
- Credit card	N/A	5.5%
- Direct debit	N/A	4.4%
- Other	N/A	24.7%
E. Fees		
- Epayment total	N/A	\$ 706,313
- Epayment fees	N/A	\$ 35,821
- Average fee	N/A	5.1%
- Epayment total	N/A	\$ 244,665
- Epayment fees	N/A	\$ 6,756
- Average fee	N/A	2.8%
6. Debt		
A. Bond rating	AA	AA
B. Total debt	\$ 23,089,592	\$ 21,694,438
- Total debt per capita	\$ 1,252	\$ 1,177
- Total debt as a percent of EAV	6.5%	5.9%
C. General obligation (GO) debt	\$ 16,330,000	\$ 15,160,000
- GO debt per capita	\$ 886	\$ 822
- GO debt as a percent of EAV	4.6%	4.1%

# Chapter 7: Departmental Summary

## FINANCE DEPARTMENT (Continued)

### Finance Department – Accounting

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	271,269	277,733	277,737	284,007	293,947	304,235
<b>Total Personal Services - Salaries and Wages</b>	<b>271,269</b>	<b>277,733</b>	<b>277,737</b>	<b>284,007</b>	<b>293,947</b>	<b>304,235</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	62,078	75,955	72,617	79,009	90,860	104,489
Insurance - Dental	3,847	3,998	4,116	4,523	4,749	4,986
Insurance - Life and AD&D	-	290	290	299	299	299
Insurance - Workers' Compensation	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - Unemployment	2,290	1,581	1,944	1,944	1,944	1,944
Retirement - Social Security	15,809	17,219	17,220	17,608	18,225	18,863
Retirement - Medicare	3,697	4,027	4,027	4,118	4,262	4,411
Retirement - IMRF	35,083	36,938	36,939	38,313	39,653	41,041
Education - Conferences and Training	4,593	3,200	2,140	6,500	6,500	6,500
Other Benefits - Health Club Reimbursement	620	600	400	600	600	600
Other Benefits - Broker Services	696	720	1,812	2,904	2,904	2,904
<b>Total Personal Services - Employee Benefits</b>	<b>130,713</b>	<b>146,528</b>	<b>143,505</b>	<b>157,818</b>	<b>171,996</b>	<b>188,037</b>
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - System Management	7,233	8,500	8,500	8,500	8,500	8,500
Information Technology Services - Software Maintenance	24,481	25,873	25,380	26,649	27,981	29,380
Accounting and Auditing Services - General	16,172	30,350	28,825	27,650	25,650	26,150
Other Professional Services - Cash Management	12,593	8,400	15,600	15,000	15,000	15,000
<b>Total Purchased Services - Professional and Technical</b>	<b>60,479</b>	<b>73,123</b>	<b>78,305</b>	<b>77,799</b>	<b>77,131</b>	<b>79,030</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	1,699	1,440	1,440	2,880	2,880	2,880
Utilities - Cell Phone	758	940	1,290	940	940	940
Utilities - Internet Access	2,669	2,760	2,760	2,760	2,760	2,760
<b>Total Purchased Services - Property</b>	<b>5,126</b>	<b>5,140</b>	<b>5,490</b>	<b>6,580</b>	<b>6,580</b>	<b>6,580</b>
<b>Purchased Services - Other</b>						
Insurance - Liability	323,182	268,615	268,802	276,765	285,166	293,826
Insurance - Deductible Payments	4,000	4,000	5,762	5,000	5,000	5,000
Printing and Publishing - Legal Notices	794	1,350	1,028	1,070	1,070	1,070
Travel	295	2,200	500	-	-	-
Personnel Administration - Recruitment	746	1,000	500	1,000	1,000	1,000
Personnel Administration - Physicals/Testing	2,243	1,100	2,440	800	800	800

# Chapter 7: Departmental Summary

## *FINANCE DEPARTMENT (Continued)*

### **Finance Department – Accounting (Continued)**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
Employee Relations - Employee Recognition	954	1,000	1,000	1,150	1,150	1,150
Employee Relations - Gifts/Flowers	360	750	500	750	750	750
Employee Relations - Employee Appreciation	930	1,200	1,200	1,200	1,200	1,200
Other Purchased Services - Delivery	-	100	-	100	100	100
Other Purchased Services - Dues	2,610	2,590	2,325	2,345	2,365	2,385
Municipal Audit Contingency	-	-	20,572	6,200	6,200	2,067
<b>Total Purchased Services - Other</b>	<b>336,114</b>	<b>283,905</b>	<b>304,629</b>	<b>296,380</b>	<b>304,801</b>	<b>309,348</b>
<b>Supplies and Materials</b>						
General Supplies - Office	4,162	4,000	2,200	2,500	2,500	2,500
General Supplies - Agency	651	650	650	650	650	650
General Supplies - Postage	354	1,430	990	1,375	1,375	1,375
General Supplies - Books and Periodicals	-	500	200	250	250	250
General Supplies - Safety	191	300	241	100	100	100
<b>Total Supplies and Materials</b>	<b>5,358</b>	<b>6,880</b>	<b>4,281</b>	<b>4,875</b>	<b>4,875</b>	<b>4,875</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Computer)	209	11,300	14,308	2,900	1,400	-
<b>Total Capital Outlay</b>	<b>209</b>	<b>11,300</b>	<b>14,308</b>	<b>2,900</b>	<b>1,400</b>	<b>-</b>
<b>Transfers and Charges</b>						
Service Charges - Water Fund	(323,707)	(321,844)	(331,302)	(332,144)	(344,292)	(356,842)
<b>Total Transfers and Charges</b>	<b>(323,707)</b>	<b>(321,844)</b>	<b>(331,302)</b>	<b>(332,144)</b>	<b>(344,292)</b>	<b>(356,842)</b>
<b>Total Finance - Accounting</b>	<b>485,561</b>	<b>482,765</b>	<b>496,953</b>	<b>498,215</b>	<b>516,438</b>	<b>535,263</b>

# Chapter 7: Departmental Summary

## FINANCE DEPARTMENT (Continued)

### Finance Department – Utility Billing

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	83,975	77,449	77,745	79,196	81,968	84,837
Wages - Part-Time Employees	-	-	-	-	-	-
Overtime - General	85	500	-	500	500	500
<b>Total Personal Services - Salaries and Wages</b>	<b>84,060</b>	<b>77,949</b>	<b>77,745</b>	<b>79,696</b>	<b>82,468</b>	<b>85,337</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	16,816	20,689	19,850	21,650	24,898	28,633
Insurance - Dental	1,087	1,130	1,163	1,278	1,342	1,409
Insurance - Life and AD&D	-	145	145	150	150	150
Insurance - Workers' Compensation	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - Unemployment	864	791	972	972	972	972
Retirement - Social Security	5,047	4,833	4,820	4,941	5,113	5,291
Retirement - Medicare	1,180	1,130	1,127	1,156	1,196	1,237
Retirement - IMRF	11,083	10,367	10,340	10,751	11,125	11,512
Education - Conferences and Training	83	750	750	750	750	750
<b>Total Personal Services - Employee Benefits</b>	<b>37,160</b>	<b>40,835</b>	<b>40,167</b>	<b>42,648</b>	<b>46,546</b>	<b>50,954</b>
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - System Management	1,941	3,000	3,000	3,000	3,000	3,000
Information Technology Services - Software Maintenance	5,931	4,720	5,292	5,687	5,940	6,204
Other Professional Services - Cash Management	40,607	20,000	44,400	40,484	40,484	40,484
<b>Total Purchased Services - Professional and Technical</b>	<b>48,479</b>	<b>27,720</b>	<b>52,692</b>	<b>49,171</b>	<b>49,424</b>	<b>49,688</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	1,072	960	1,179	1,320	1,320	1,320
Utilities - Cell Phone	290	340	340	340	340	340
Equipment Repair and Maintenance - Other	801	-	-	-	-	-
Rental - Equipment	474	948	948	948	948	948
<b>Total Purchased Services - Property</b>	<b>2,637</b>	<b>2,248</b>	<b>2,467</b>	<b>2,608</b>	<b>2,608</b>	<b>2,608</b>
<b>Purchased Services - Other</b>						
Printing and Publishing - Forms and Maps	13,994	15,000	14,356	15,000	15,000	15,000
Other Purchased Services - Dues	10	10	10	10	10	10
<b>Total Purchased Services - Other</b>	<b>14,004</b>	<b>15,010</b>	<b>14,366</b>	<b>15,010</b>	<b>15,010</b>	<b>15,010</b>
<b>Supplies and Materials</b>						
General Supplies - Office	2,671	4,000	1,500	1,500	1,500	1,500
General Supplies - Postage	22,068	24,020	23,220	25,035	25,335	25,635
General Supplies - Safety	191	300	241	-	-	-
<b>Total Supplies and Materials</b>	<b>24,930</b>	<b>28,320</b>	<b>24,961</b>	<b>26,535</b>	<b>26,835</b>	<b>27,135</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Computer)	-	2,800	2,800	2,900	300	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>2,800</b>	<b>2,800</b>	<b>2,900</b>	<b>300</b>	<b>-</b>
<b>Transfers and Charges</b>						
Service Charges	(211,270)	(194,882)	(215,198)	(218,568)	(223,191)	(230,732)
<b>Total Transfers and Charges</b>	<b>(211,270)</b>	<b>(194,882)</b>	<b>(215,198)</b>	<b>(218,568)</b>	<b>(223,191)</b>	<b>(230,732)</b>
<b>Total Accounting - Utility Billing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Chapter 7: Departmental Summary

## COMMUNITY DEVELOPMENT DEPARTMENT

### Description

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

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

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

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

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

# Chapter 7: *Departmental Summary*

## **COMMUNITY DEVELOPMENT DEPARTMENT (Continued)**

### **Core Strategies (Continued)**

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

### **Fiscal Year 2016 Accomplishments**

- ✓ Established a process for Plan Commission review of the implementation policies relating to the Comprehensive Land Use Master Plan
- ✓ Facilitated an improved code enforcement effort with new staff.
- ✓ Coordinated Village approval of new businesses occupying vacant buildings along the Orchard Road Corridor.
- ✓ Promoted the incentive policies of the Revolving Loan Fund (RLF).
- ✓ Completed Zoning Ordinance text amendments for off-street parking and signage regulations.
- ✓ With the MEDC, coordinated a commercial and industrial real estate broker tour of available sites.
- ✓ Coordinated the review and approval of redevelopment sites along the Douglas Road Corridor.
- ✓ Coordinated the review and approval of over 200,000 square feet of new industrial land development.

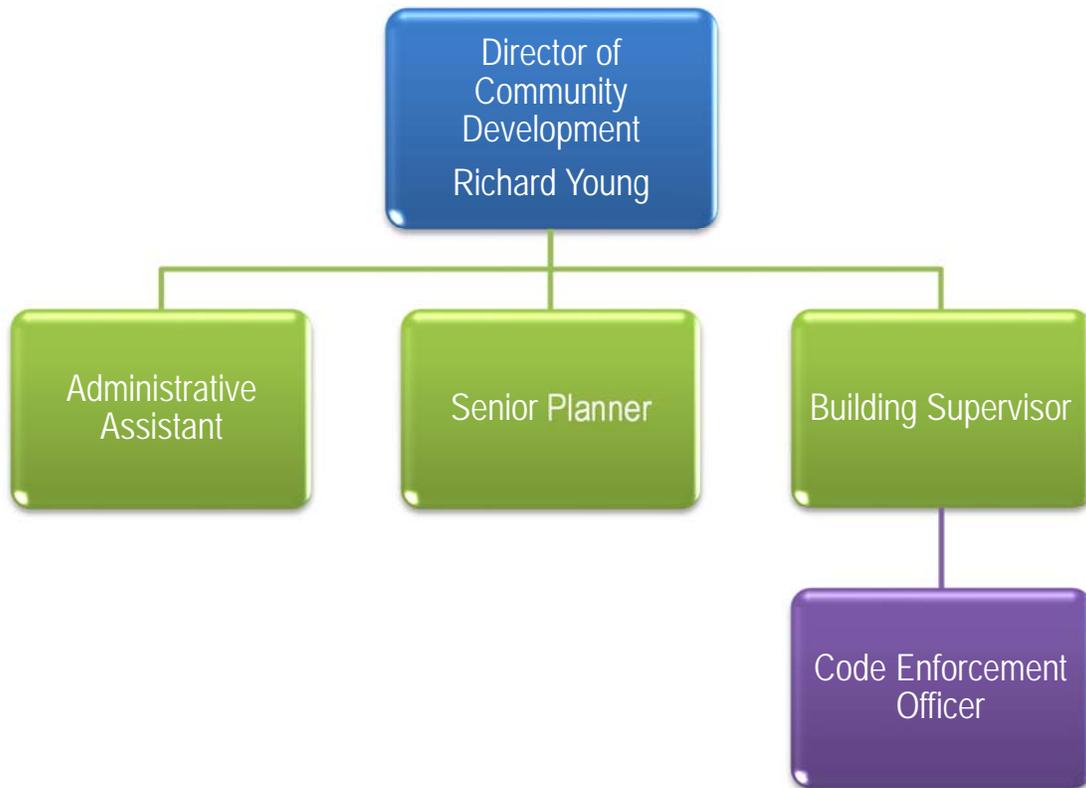
### **Fiscal Year 2017 Goals and Initiatives**

- Create the framework for the marketing program entitled “Montgomery in Motion” (Downtown – Attractions)
- Update the Intergovernmental Boundary Agreements with the City of Aurora and the Village of Oswego
- Coordinated economic development strategy with the MEDC including:
  - TIF I (US Highway 30) marketing plan (Development – Commercial)
  - TIF II (Aucutt Road) marketing plan (Development – Industrial)
  - Downtown/Mill District redevelopment planning (Downtown – Mixed Use)
  - Douglas Road task force recommendations (Development – Commercial)
- Review the concept of an Orchard Road TIF III development area (Development – Commercial)
- Review the idea of a Divvy bike sharing program (Downtown – Transportation)
- Begin the process for the adoption of the 2015 International Residential and Building Codes
- Begin the process for the adoption of a Village-wide Bike Path and Sidewalk Plan (Capital Investment – Infrastructure)
- Begin the process for the adoption of a Form Based Code for the Downtown/Mill District area (Downtown – Mixed Use)

# Chapter 7: Departmental Summary

## COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

### Organization Chart



### Community Development – Economic Development

One of the largest individual line items within Community Development is economic development incentives. The Village has six (6) agreements with various companies to rebate a portion of the sales tax collected within a certain development or individual store.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Purchased Services - Professional and Technical</b>						
Economic Development Services - Political Consultant	881	1,000	-	-	-	-
Economic Development Services - Marketing	-	1,000	3,500	7,660	7,660	7,660
Economic Development Services - Econ Dev Corp	90,000	90,000	90,000	90,000	90,000	90,000
<b>Total Purchased Services - Professional and Technical</b>	<b>90,881</b>	<b>92,000</b>	<b>93,500</b>	<b>97,660</b>	<b>97,660</b>	<b>97,660</b>
<b>Other</b>						
Other - Economic Development Incentives	781,334	943,635	870,879	967,171	804,205	607,159
<b>Total Other</b>	<b>781,334</b>	<b>943,635</b>	<b>870,879</b>	<b>967,171</b>	<b>804,205</b>	<b>607,159</b>
<b>Total Community Development - Economic Development</b>	<b>872,215</b>	<b>1,035,635</b>	<b>964,379</b>	<b>1,064,831</b>	<b>901,865</b>	<b>704,819</b>

# Chapter 7: Departmental Summary

## COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

### Community Development – Planning and Zoning

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	182,900	185,635	185,888	189,823	196,467	203,343
Wages - Boards and Committees	2,660	3,185	2,845	2,450	3,185	3,185
<b>Total Personal Services - Salaries and Wages</b>	<b>185,560</b>	<b>188,820</b>	<b>188,733</b>	<b>192,273</b>	<b>199,652</b>	<b>206,528</b>
<b>Personnel Services - Employee Benefits</b>						
Insurance - Health	17,231	20,581	19,359	20,821	23,944	27,536
Insurance - Dental	1,172	1,218	1,254	1,378	1,447	1,519
Insurance - Life and AD&D	-	145	145	150	150	150
Insurance - Workers' Compensation	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - Unemployment	790	791	972	972	972	972
Retirement - Social Security	11,362	11,707	11,701	11,921	12,378	12,805
Retirement - Medicare	2,658	2,738	2,737	2,788	2,895	2,995
Retirement - IMRF	23,783	24,689	24,723	25,607	26,503	27,431
Education - Conferences and Training	3,054	2,250	850	6,400	4,400	6,400
<b>Total Personal Services - Employee Benefits</b>	<b>61,050</b>	<b>65,119</b>	<b>62,741</b>	<b>71,037</b>	<b>73,689</b>	<b>80,808</b>
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - System Management	4,114	3,000	3,000	3,000	3,000	3,000
Information Technology Services - Software Maintenance	9,160	9,300	9,300	9,300	9,300	9,300
Planning Services - General	8,184	10,000	2,500	7,000	9,000	11,000
Planning Services - Development (Reimbursable)	11,453	10,000	5,000	10,000	10,000	12,500
<b>Total Purchased Services - Professional and Technical</b>	<b>32,911</b>	<b>32,300</b>	<b>19,800</b>	<b>29,300</b>	<b>31,300</b>	<b>35,800</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	897	720	954	1,320	1,320	1,320
Utilities - Cell Phone	1,448	1,640	1,940	1,640	1,640	1,640
Equipment Repair and Maintenance - Office	-	150	-	150	150	150
Rental - Equipment	2,965	4,250	4,250	4,250	4,250	4,250
<b>Total Purchased Services - Property</b>	<b>5,310</b>	<b>6,760</b>	<b>7,144</b>	<b>7,360</b>	<b>7,360</b>	<b>7,360</b>
<b>Purchased Services - Other</b>						
Printing and Publishing - Legal Notices	706	1,000	500	700	1,000	1,300
Printing and Publishing - Publications	-	250	250	250	250	250
Travel	3,479	2,650	250	-	-	-
Other Purchased Services - Dues	1,794	2,625	2,625	2,525	2,525	2,525
Other Purchased Services - Document Recording	177	500	500	500	500	500
<b>Total Purchased Services - Other</b>	<b>6,156</b>	<b>7,025</b>	<b>4,125</b>	<b>3,975</b>	<b>4,275</b>	<b>4,575</b>
<b>Supplies and Materials</b>						
General Supplies - Office	2,114	2,500	1,100	1,500	1,500	1,500
General Supplies - Postage	295	400	400	290	290	290
General Supplies - Books and Periodicals	192	635	635	635	635	635
General Supplies - Safety	191	300	241	-	-	-
<b>Total Supplies and Materials</b>	<b>2,792</b>	<b>3,835</b>	<b>2,376</b>	<b>2,425</b>	<b>2,425</b>	<b>2,425</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Computer)	294	2,800	2,800	-	-	1,400
<b>Total Capital Outlay</b>	<b>294</b>	<b>2,800</b>	<b>2,800</b>	<b>-</b>	<b>-</b>	<b>1,400</b>
<b>Total Community Development - Planning and Zoning</b>	<b>294,073</b>	<b>306,659</b>	<b>287,719</b>	<b>306,370</b>	<b>318,701</b>	<b>338,896</b>

# Chapter 7: Departmental Summary

## COMMUNITY DEVELOPMENT DEPARTMENT (Continued)

### Community Development – Code Enforcement and Inspections

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	171,289	178,658	178,661	182,695	189,089	195,707
<b>Total Personal Services - Salaries and Wages</b>	<b>171,289</b>	<b>178,658</b>	<b>178,661</b>	<b>182,695</b>	<b>189,089</b>	<b>195,707</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	43,119	48,073	49,397	57,453	66,071	75,982
Insurance - Dental	2,473	2,570	2,646	2,907	3,052	3,205
Insurance - Life and AD&D	-	218	218	224	224	224
Insurance - Workers' Compensation	2,500	2,500	2,500	2,500	2,500	2,500
Insurance - Unemployment	1,287	1,186	1,458	1,458	1,458	1,458
Retirement - Social Security	10,261	11,077	11,077	11,327	11,724	12,134
Retirement - Medicare	2,400	2,591	2,591	2,649	2,742	2,838
Retirement - IMRF	22,259	23,762	23,762	24,646	25,508	26,401
Education - Conferences and Training	480	450	450	450	450	450
Equipment - Uniform Allowance	150	600	600	600	600	600
<b>Total Personal Services - Employee Benefits</b>	<b>84,929</b>	<b>93,027</b>	<b>94,699</b>	<b>104,214</b>	<b>114,329</b>	<b>125,792</b>
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - System Management	2,409	3,500	3,500	3,500	3,500	3,500
Inspection Services - General	200	1,000	1,000	1,000	1,000	1,000
Inspection Services - Plumbing	23,680	14,400	16,000	17,000	17,000	17,000
Inspection Services - Elevator	1,830	1,600	2,024	2,000	2,000	2,000
Inspection Services - Sewer	720	1,000	1,000	1,000	1,000	1,000
<b>Total Purchased Services - Professional and Technical</b>	<b>28,839</b>	<b>21,500</b>	<b>23,524</b>	<b>24,500</b>	<b>24,500</b>	<b>24,500</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	1,356	1,080	1,477	1,980	1,980	1,980
Utilities - Cell Phone	1,481	1,640	1,640	1,640	1,640	1,640
Utilities - Internet Access	-	-	-	-	-	-
Equipment Repair and Maintenance - Office	198	200	200	300	400	500
Grounds Repair and Maintenance - Mowing Violations	3,425	3,000	3,000	3,000	3,000	3,000
<b>Total Purchased Services - Property</b>	<b>6,460</b>	<b>5,920</b>	<b>6,317</b>	<b>6,920</b>	<b>7,020</b>	<b>7,120</b>
<b>Purchased Services - Other</b>						
Printing and Publishing - Publications	61	100	100	100	100	100
Printing and Publishing - Forms and Maps	306	400	400	600	600	600
Travel	-	100	12	100	100	100
Other Purchased Services - Dues	326	390	390	390	390	390
<b>Total Purchased Services - Other</b>	<b>693</b>	<b>990</b>	<b>902</b>	<b>1,190</b>	<b>1,190</b>	<b>1,190</b>
<b>Supplies and Materials</b>						
General Supplies - Office	801	2,000	500	1,000	1,000	1,000
General Supplies - Agency	189	-	-	400	400	400
General Supplies - Postage	64	275	110	110	110	110
General Supplies - Books and Periodicals	285	390	390	130	130	390
General Supplies - Safety	214	300	241	-	-	-
General Supplies - Uniforms	716	-	-	-	-	-
<b>Total Supplies and Materials</b>	<b>2,269</b>	<b>2,965</b>	<b>1,241</b>	<b>1,640</b>	<b>1,640</b>	<b>1,900</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Computer)	-	1,500	1,500	2,800	1,400	1,400
<b>Total Capital Outlay</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>2,800</b>	<b>1,400</b>	<b>1,400</b>
<b>Transfers</b>						
Transfer to Vehicle Reserve Fund	11,228	15,878	15,878	13,257	13,257	13,257
<b>Total Transfers</b>	<b>11,228</b>	<b>15,878</b>	<b>15,878</b>	<b>13,257</b>	<b>13,257</b>	<b>13,257</b>
<b>Total Community Development - Code Enforcement and Inspections</b>	<b>305,707</b>	<b>320,438</b>	<b>322,722</b>	<b>337,216</b>	<b>352,425</b>	<b>370,866</b>

# Chapter 7: Departmental Summary

## **POLICE DEPARTMENT**

### **Description**

The Montgomery Police Department provides protection and policing services to over 18,000 residents and businesses within the Village limits. The department strives hard to provide exceptional services, demonstrate community pride, and maintain public safety throughout the community. The Police Department is active in the community in the following areas: Truck Overweight, Traffic Enforcement, DUI Enforcement, Crime Prevention, Neighborhood Watch, Too Good for Drugs, and Gang Awareness.

### **Mission Statement**

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

### **Responsibilities**

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

### **Values**

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

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

# Chapter 7: *Departmental Summary*

## ***POLICE DEPARTMENT (Continued)***

### **Core Strategies**

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

### **Fiscal Year 2016 Accomplishments**

- ✓ Completed community oriented police projects including Cops on Top, Special Olympics Spring Games, Law Enforcement Torch Run, Special Olympics Summer Games, National Night Out, and our Halloween Safety Event.
- ✓ Donated \$7,611 to Illinois Special Olympics.
- ✓ Contributed to the annual holiday clothing and toy drive for three families from our elementary schools who were in need of clothing and toys for Christmas.
- ✓ Awarded \$17,000 through the Illinois Department of Transportation (IDOT) traffic enforcement campaigns.
- ✓ Awarded \$1,760 through the Illinois Liquor Commission for tobacco and liquor compliance checks.
- ✓ Awarded \$2,800 through the U.S. Department of Justice (DOJ) Bullet Proof Vest Program
- ✓ Participated in the IDOT "Click It or Ticket" campaign where we won second place for departments in our size category.
- ✓ Started implementation of New World System field based reporting software.
- ✓ Officer Greg Mayyou promoted to rank of Sergeant
- ✓ Sergeant Ismael Diaz successfully completed the Northwestern University Police Staff and Command management course.
- ✓ Sergeant Liz Palko nominated for Kane County Officer of the Year.
- ✓ Sergeant Jake Niete and Officer Daniel Puskaric nominated for Kendall County Officer of the Year.
- ✓ Officer Gregory Mayyou continued assignment to the Kane County Accident Reconstruction Team.
- ✓ Officer Anthony Bertellotti continued assignment to the Kendall County Special Response Team.
- ✓ Sergeant Jake Niete and Officer Bill Novak continued assignment as members of ILEAS

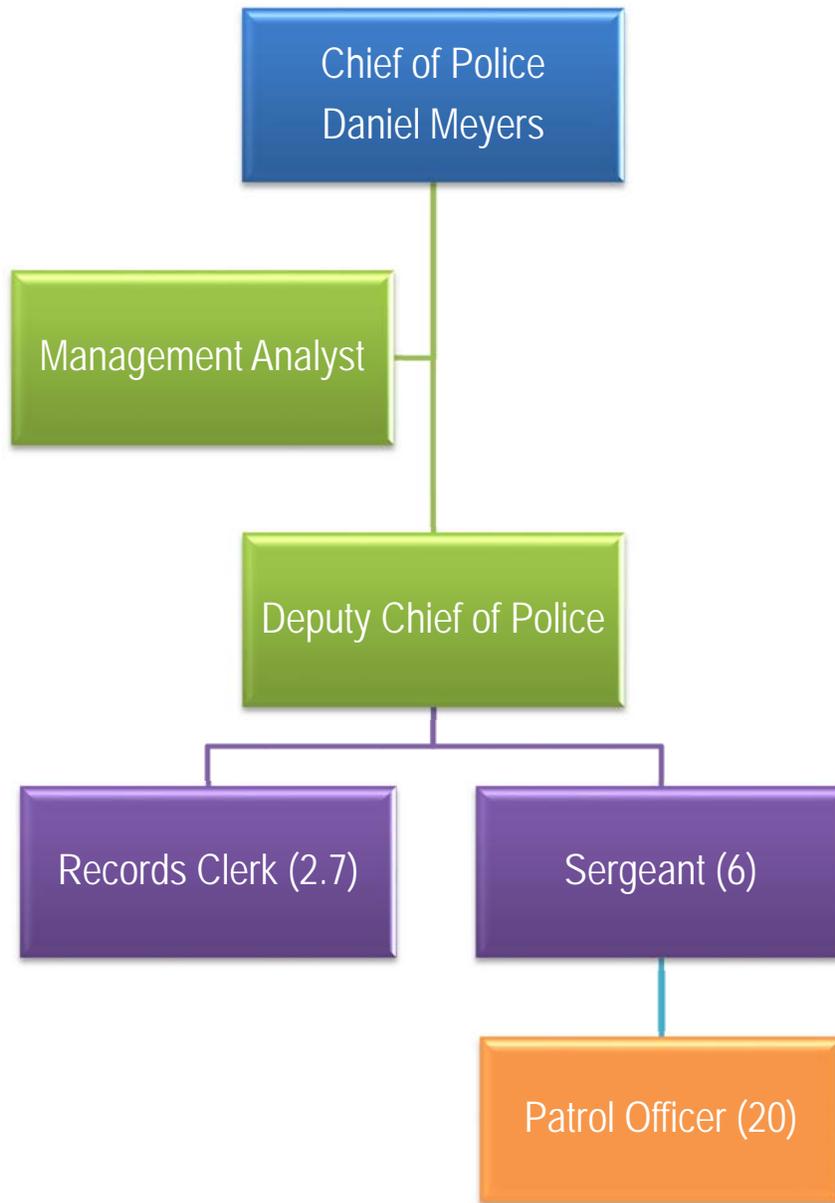
### **Fiscal Year 2017 Goals and Initiatives**

- Develop a succession plan for the department (Financial Stability – Budget)
- Complete implementation of New World System field based reporting software (Capital Investment – Technology)
- Enhance community interaction with residents and schools (Image – Public Safety)
- Promote traffic safety through continued participation in IDOT campaigns
- Successfully train 3 new hire officers (Image – Public Safety)
- Participate in sponsored events including Cops on Top, Law Enforcement Torch Run, National Night Out, and our Halloween Safety Event (Image – Community Interaction)
- Building strategic partnerships with businesses to promote safety (Image – Public Safety)
- Train with neighboring agencies (Image – Public Safety)
- Utilize social media outlets to educate residents (Image – Community Interaction)

# Chapter 7: Departmental Summary

## POLICE DEPARTMENT (Continued)

### Organization Chart



### Performance Measures

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Physical arrests	508	565	703	845	930	912	2,221	994	1,505	993
Parking violations	621	547	597	670	826	786	1,316	1,273	1,184	984
Traffic violations	3,243	2,978	4,715	4,314	3,940	4,023	4,141	2,474	2,758	2,884
Truck overweight violations	-	-	-	-	-	-	-	-	-	77

# Chapter 7: Departmental Summary

## POLICE DEPARTMENT (Continued)

### Police Department – Administration

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	289,852	293,342	293,447	299,962	310,461	321,327
Overtime - Reimbursable Services	987	1,000	500	1,000	1,000	1,000
<b>Total Personal Services - Salaries and Wages</b>	<b>290,839</b>	<b>294,342</b>	<b>293,947</b>	<b>300,962</b>	<b>311,461</b>	<b>322,327</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	43,209	54,875	52,664	57,453	66,071	75,982
Insurance - Dental	2,974	3,091	3,182	3,496	3,671	3,855
Insurance - Life and AD&D	-	218	218	224	224	224
Insurance - Workers' Compensation	2,500	2,500	2,500	2,500	2,500	2,500
Insurance - Unemployment	1,186	1,186	1,458	1,458	1,458	1,458
Retirement - Social Security	17,390	17,784	17,760	18,140	18,791	19,464
Retirement - Medicare	4,125	4,268	4,262	4,364	4,516	4,674
Retirement - IMRF	8,041	8,296	8,296	8,562	8,776	8,996
Education - Conferences and Training	5,227	2,850	1,830	5,124	5,124	5,124
Equipment - Clothing Allowance	1,775	1,775	1,775	1,775	1,775	1,775
<b>Total Personal Services - Employee Benefits</b>	<b>86,427</b>	<b>96,843</b>	<b>93,945</b>	<b>103,096</b>	<b>112,906</b>	<b>124,052</b>
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - System Management	31,643	30,000	30,043	30,000	30,000	30,000
Information Technology Services - Software Maintenance	74,523	81,176	79,960	86,659	92,424	98,593
<b>Total Purchased Services - Professional and Technical</b>	<b>106,166</b>	<b>111,176</b>	<b>110,003</b>	<b>116,659</b>	<b>122,424</b>	<b>128,593</b>
<b>Purchased Services - Property</b>						
Utilities - Electric	996	600	600	600	600	600
Utilities - Natural Gas	8,449	9,000	9,235	4,500	4,500	4,500
Utilities - Telephone	21,063	20,200	5,696	7,440	7,440	7,440
Utilities - Cell Phone	2,297	3,420	3,420	3,420	3,420	3,420
Utilities - Internet Access	4,675	4,680	4,880	4,908	4,908	4,908
Utilities - Leads/IWN Access	15,175	14,786	14,786	15,698	15,698	15,698
Building Repair and Maintenance - Other	6,812	6,352	8,872	13,200	13,200	13,200
Equipment Repair and Maintenance - Office	837	1,200	1,200	1,584	1,584	1,584
Equipment Repair and Maintenance - Other	1,858	5,350	3,350	3,650	3,650	3,650
Equipment Repair and Maintenance - Communications	-	11,800	5,000	5,000	5,000	5,000
Rental - Equipment	7,107	9,673	9,673	9,673	9,673	9,673
<b>Total Purchased Services - Property</b>	<b>69,269</b>	<b>87,061</b>	<b>66,712</b>	<b>69,673</b>	<b>69,673</b>	<b>69,673</b>
<b>Purchased Services - Other</b>						
Travel	90	1,500	500	200	200	200
Personnel Administration - Physicals/Testing	-	-	-	896	896	896
Other Purchased Services - Animal Control	2,450	3,000	3,000	3,000	3,000	3,000
Other Purchased Services - Dues	2,266	1,550	1,550	2,150	2,150	2,150
Other Purchased Services - Document Destruction	350	1,600	500	500	500	500
<b>Total Purchased Services - Other</b>	<b>5,156</b>	<b>7,650</b>	<b>5,550</b>	<b>6,746</b>	<b>6,746</b>	<b>6,746</b>
<b>Supplies and Materials</b>						
General Supplies - Office	3,541	4,000	3,200	3,500	3,500	3,500
General Supplies - Agency	519	-	-	-	-	-
General Supplies - Postage	1,745	1,500	2,400	2,400	2,400	2,400
General Supplies - Books and Periodicals	52	620	1,318	1,920	1,920	1,920
General Supplies - Safety	315	500	500	500	500	500
Kane County Article 36	4,969	-	-	-	-	-
<b>Total Supplies and Materials</b>	<b>11,141</b>	<b>6,620</b>	<b>7,418</b>	<b>8,320</b>	<b>8,320</b>	<b>8,320</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Computer)	1,005	14,000	19,260	25,400	-	10,000
<b>Total Capital Outlay</b>	<b>1,005</b>	<b>14,000</b>	<b>19,260</b>	<b>25,400</b>	<b>-</b>	<b>10,000</b>
<b>Total Police - Administration</b>	<b>570,003</b>	<b>617,692</b>	<b>596,835</b>	<b>630,856</b>	<b>631,530</b>	<b>669,711</b>

# Chapter 7: Departmental Summary

## *POLICE DEPARTMENT (Continued)*

### **Police Department – Support Services**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	100,576	105,816	104,318	107,640	111,407	115,306
Wages - Part-Time Employees	9,833	10,120	16,352	33,520	33,520	33,520
Overtime - General	3,309	3,000	3,000	1,500	1,500	1,500
Holiday Pay	4,438	-	4,470	-	-	-
Bonus Pay	2,247	-	562	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>120,403</b>	<b>118,936</b>	<b>128,702</b>	<b>142,660</b>	<b>146,427</b>	<b>150,326</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	26,393	27,383	27,383	28,211	32,443	37,309
Insurance - Dental	1,887	1,440	1,440	1,629	1,710	1,796
Insurance - Life and AD&D	-	145	145	150	150	150
Insurance - Workers' Compensation	1,000	1,000	1,000	1,500	1,500	1,500
Insurance - Unemployment	1,185	1,099	1,352	1,989	1,989	1,989
Retirement - Social Security	7,318	7,374	7,980	8,845	9,078	9,320
Retirement - Medicare	1,711	1,725	1,866	2,069	2,123	2,180
Retirement - IMRF	14,527	15,419	14,943	14,723	15,231	15,757
Education - Conferences and Training	-	750	750	750	750	750
Equipment - Clothing Allowance	750	750	750	1,500	1,500	1,500
<b>Total Personal Services - Employee Benefits</b>	<b>54,771</b>	<b>57,085</b>	<b>57,609</b>	<b>61,366</b>	<b>66,474</b>	<b>72,251</b>
<b>Purchased Services - Professional and Technical</b>						
Professional Services - Dispatch Services	258,220	260,641	260,641	265,854	271,171	276,594
<b>Total Purchased Services - Professional and Technical</b>	<b>258,220</b>	<b>260,641</b>	<b>260,641</b>	<b>265,854</b>	<b>271,171</b>	<b>276,594</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	-	-	312	1,140	1,140	1,140
<b>Total Purchased Services - Property</b>	<b>-</b>	<b>-</b>	<b>312</b>	<b>1,140</b>	<b>1,140</b>	<b>1,140</b>
<b>Total Police - Support Services</b>	<b>433,394</b>	<b>436,662</b>	<b>447,264</b>	<b>471,020</b>	<b>485,212</b>	<b>500,311</b>

# Chapter 7: Departmental Summary

## POLICE DEPARTMENT (Continued)

### Police Department – Patrol

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	1,406,098	1,511,037	1,496,884	1,650,854	1,774,275	1,845,246
Wages - Part-Time Employees	66,147	62,400	66,670	65,000	65,000	65,000
Wages - Temporary Employees	7,194	9,360	3,600	3,640	3,640	3,640
Overtime - General	206,712	200,000	193,295	200,000	200,000	200,000
Holiday Pay	133,839	127,857	124,386	139,688	150,131	156,136
Bonus Pay	3,000	2,000	2,000	2,000	1,000	1,000
<b>Total Personal Services - Salaries and Wages</b>	<b>1,822,990</b>	<b>1,912,654</b>	<b>1,886,835</b>	<b>2,061,182</b>	<b>2,194,046</b>	<b>2,271,022</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	234,191	287,695	261,513	311,543	358,274	412,015
Insurance - Dental	15,247	14,446	14,022	16,699	17,534	18,411
Insurance - Life and AD&D	-	1,597	1,597	1,793	1,867	1,867
Insurance - Workers' Compensation	22,000	22,000	22,000	24,000	24,000	24,000
Insurance - Unemployment	11,283	10,885	12,603	13,575	13,575	13,575
Retirement - Social Security	109,235	118,585	116,984	127,793	136,031	140,803
Retirement - Medicare	25,611	27,733	27,359	29,887	31,814	32,930
Retirement - Police Pension	449,027	453,447	452,282	457,912	467,070	476,411
Education - Conferences and Training	19,197	15,285	20,000	12,100	10,900	10,900
Equipment - Clothing Allowance	17,150	15,400	15,400	16,800	16,800	16,800
<b>Total Personal Services - Employee Benefits</b>	<b>902,941</b>	<b>967,073</b>	<b>943,760</b>	<b>1,012,102</b>	<b>1,077,865</b>	<b>1,147,712</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	-	-	2,826	8,820	8,820	8,820
Utilities - Cell Phone	4,940	4,760	4,760	5,630	5,480	5,480
Equipment Repair and Maintenance - Office	1,265	1,000	1,000	1,800	1,800	1,800
<b>Total Purchased Services - Property</b>	<b>6,205</b>	<b>5,760</b>	<b>8,586</b>	<b>16,250</b>	<b>16,100</b>	<b>16,100</b>
<b>Purchased Services - Other</b>						
Travel	274	400	400	400	400	400
Other Purchased Services - Dues	-	-	-	8,545	8,545	8,545
<b>Total Purchased Services - Other</b>	<b>274</b>	<b>400</b>	<b>400</b>	<b>8,945</b>	<b>8,945</b>	<b>8,945</b>
<b>Supplies and Materials</b>						
General Supplies - Office	573	600	600	600	600	600
General Supplies - Agency	5,541	6,500	11,207	7,100	7,100	7,100
General Supplies - Safety	2,225	2,000	2,000	2,000	2,000	2,000
General Supplies - Ammunition	-	-	-	6,000	6,000	6,000
Police Supplies - Lock-Up	1,960	4,000	4,000	4,400	4,400	4,400
Police Supplies - Community Policing	3,651	3,000	3,000	3,900	3,900	3,900
<b>Total Supplies and Materials</b>	<b>13,950</b>	<b>16,100</b>	<b>20,807</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Police)	13,893	5,500	5,500	5,500	5,500	5,500
<b>Total Capital Outlay</b>	<b>13,893</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>
<b>Transfers</b>						
Transfer to Vehicle Reserve Fund	238,447	291,259	291,259	207,288	207,288	207,288
<b>Total Transfers</b>	<b>238,447</b>	<b>291,259</b>	<b>291,259</b>	<b>207,288</b>	<b>207,288</b>	<b>207,288</b>
<b>Total Police - Patrol</b>	<b>2,998,700</b>	<b>3,198,746</b>	<b>3,157,147</b>	<b>3,335,267</b>	<b>3,533,744</b>	<b>3,680,567</b>

# Chapter 7: Departmental Summary

## POLICE DEPARTMENT (Continued)

### Police Department – Investigations

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	160,080	163,490	166,094	167,914	173,371	179,006
Overtime - General	21,326	17,000	13,216	17,000	18,000	19,000
Holiday Pay	15,373	13,834	16,004	14,208	14,670	15,147
Bonus Pay	1,000	-	-	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>197,779</b>	<b>194,324</b>	<b>195,314</b>	<b>199,122</b>	<b>206,041</b>	<b>213,153</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	33,631	41,379	39,700	43,300	49,795	57,264
Insurance - Dental	2,174	2,259	2,326	2,556	2,684	2,818
Insurance - Life and AD&D	-	145	145	150	150	150
Insurance - Workers' Compensation	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - Unemployment	791	791	972	972	972	972
Retirement - Social Security	13,402	12,048	12,109	12,346	12,775	13,215
Retirement - Medicare	3,134	2,818	2,832	2,887	2,988	3,091
Education - Conferences and Training	120	750	750	750	750	750
Equipment - Clothing Allowance	1,400	1,400	1,400	1,400	1,400	1,400
<b>Total Personal Services - Employee Benefits</b>	<b>56,652</b>	<b>63,590</b>	<b>62,234</b>	<b>66,361</b>	<b>73,514</b>	<b>81,660</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	-	-	396	1,440	1,440	1,440
Utilities - Cell Phone	1,335	2,240	2,240	2,240	2,240	2,240
Equipment Repair and Maintenance - Office	523	-	-	-	-	-
Rental - Vehicle	7,679	5,000	-	2,500	2,500	2,500
<b>Total Purchased Services - Property</b>	<b>9,537</b>	<b>7,240</b>	<b>2,636</b>	<b>6,180</b>	<b>6,180</b>	<b>6,180</b>
<b>Supplies and Materials</b>						
General Supplies - Office	1,302	1,200	900	1,000	1,000	1,000
General Supplies - Agency	1,233	1,100	1,700	600	600	600
General Supplies - Books and Periodicals	-	200	480	200	200	200
Police Supplies - Investigation and Evidence	8,286	6,088	6,500	2,645	2,645	2,645
<b>Total Supplies and Materials</b>	<b>10,821</b>	<b>8,588</b>	<b>9,580</b>	<b>4,445</b>	<b>4,445</b>	<b>4,445</b>
<b>Total Police - Investigations</b>	<b>274,789</b>	<b>273,742</b>	<b>269,764</b>	<b>276,108</b>	<b>290,180</b>	<b>305,438</b>

# Chapter 7: Departmental Summary

## **POLICE DEPARTMENT (Continued)**

### **Police Department – Police Commission**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Boards and Committees	595	700	350	420	420	420
<b>Total Personal Services - Salaries and Wages</b>	<b>595</b>	<b>700</b>	<b>350</b>	<b>420</b>	<b>420</b>	<b>420</b>
<b>Personal Services - Employee Benefits</b>						
Retirement - Social Security	37	43	22	26	26	26
Retirement - Medicare	9	10	5	6	6	6
<b>Total Personal Services - Employee Benefits</b>	<b>46</b>	<b>53</b>	<b>27</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>Purchased Services - Professional and Technical</b>						
Legal Services - Police Commission	1,190	750	750	750	750	750
<b>Total Purchased Services - Professional and Technical</b>	<b>1,190</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>
<b>Purchased Services - Other</b>						
Personnel Administration - Recruitment	13,556	2,000	3,500	9,300	2,000	8,300
Other Purchased Services - Dues	918	875	875	875	875	875
<b>Total Purchased Services - Other</b>	<b>14,474</b>	<b>2,875</b>	<b>4,375</b>	<b>10,175</b>	<b>2,875</b>	<b>9,175</b>
<b>Supplies and Materials</b>						
General Supplies - Agency	24	250	550	250	250	250
<b>Total Supplies and Materials</b>	<b>24</b>	<b>250</b>	<b>550</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Total Police - Police Commission</b>	<b>16,329</b>	<b>4,628</b>	<b>6,052</b>	<b>11,627</b>	<b>4,327</b>	<b>10,627</b>

### **Police Department – ESDA**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Purchased Services - Property</b>						
Utilities - Electric	2,576	2,500	2,076	-	-	-
Equipment Repair and Maintenance - Other	1,261	2,000	3,736	2,000	2,000	2,000
<b>Total Purchased Services - Property</b>	<b>3,837</b>	<b>4,500</b>	<b>5,812</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>Supplies and Materials</b>						
General Supplies - Agency	-	200	200	200	200	200
<b>Total Supplies and Materials</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Total Police - ESDA</b>	<b>3,837</b>	<b>4,700</b>	<b>6,012</b>	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>

# Chapter 7: *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 provides a free brush removal service, leaf pick-up service, parkway tree trimming service and removal and replacement of Village-owned trees, a coordinated effort to clear away snow and provide safe, accessible streets throughout the Village.

### **Responsibilities**

- Administer the refuse and recycling contracts.
- Provide snow and ice control and removal services.
- Maintain the storm water management system.
- 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.
- Oversee the maintenance of public buildings.

### **Core Strategies**

- ❖ Promote energy conservation at all Village facilities.
- ❖ 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.

### **Fiscal Year 2016 Accomplishments**

- ✓ 442 Sidewalk trip hazards were repaired via a relatively new horizontal saw cutting method
- ✓ Replaced 2968' of 8" watermain
- ✓ Replaced 9 mainline gate valves
- ✓ Replaced 12 fire hydrants
- ✓ Replaced 68 service shut-off valves (curb stops)
- ✓ Implemented an anti-icing program to reduce snow and ice related costs
- ✓ Mill Street bridge resurfacing

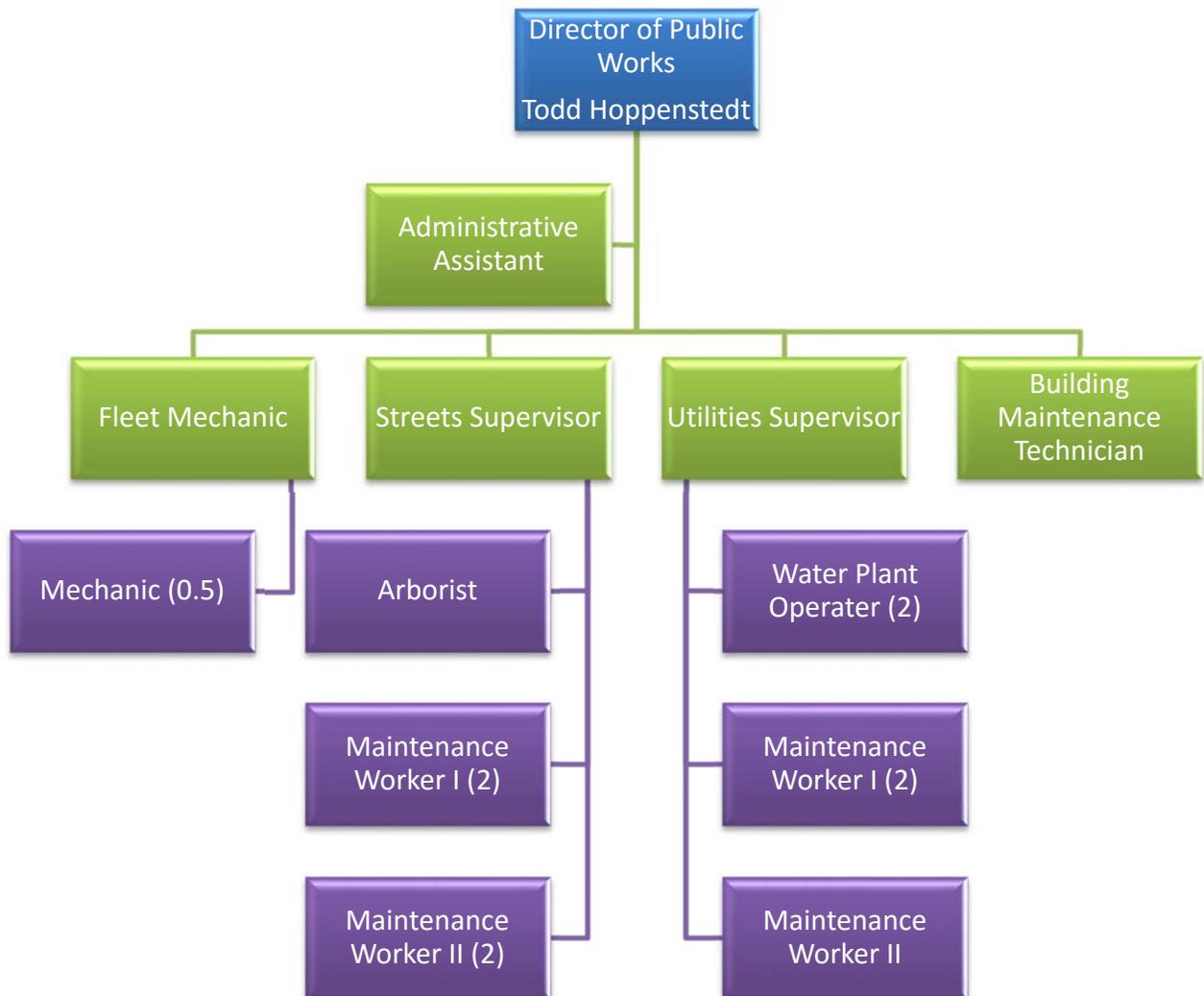
# Chapter 7: Departmental Summary

## PUBLIC WORKS DEPARTMENT (Continued)

### Fiscal Year 2017 Goals and Initiatives

- Pavement resurfacing including permeable pavement to improve drainage in the alleyways (Capital Investment – Infrastructure)
- Water system leak survey (Capital Investment – Infrastructure)
- Well #4 roof replacement (Capital Investment – Infrastructure)
- Water treatment plant chlorine system upgrades (Capital Investment – Infrastructure)
- Phosphate feed system installed at the lime softening plant (Capital Investment – Infrastructure)
- Additional advancements in anti-icing program (Capital Investment – Fleet)
- Arbor Ridge pond dredging (Capital Investment – Infrastructure)
- Spatz property clearing and grading (Capital Investment – Infrastructure)
- Public Works camera system (Capital Investment – Building)

### Organization Chart



# Chapter 7: Departmental Summary

## PUBLIC WORKS DEPARTMENT (Continued)

### Performance Measures

#### Water

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Storage capacity	-	-	-	-	4,800,000	4,800,000	4,800,000	5,800,000	5,800,000	5,800,000
Peak daily consumption	4,596,000	4,332,000	4,539,000	4,120,000	4,159,000	4,200,590	3,907,000	3,563,800	3,732,300	3,384,000
Average daily consumption	2,389,921	2,459,795	2,642,000	2,583,000	2,694,800	2,721,750	2,441,000	2,156,394	2,443,000	2,243,917
Water mains (miles)	-	-	-	-	110	114	114	117	117	117
Water main breaks	60	56	55	67	55	57	53	56	44	19
Water main break spoils removal (sq yd)	-	-	-	-	-	-	-	-	1,428	1,580
Fire hydrants	-	-	-	-	1,050	1,372	1,372	1,680	1,680	1,680
Fire hydrant maintenance and painting	-	-	-	-	-	-	-	300	300	325
New connections	636	782	251	49	85	63	62	30	50	22

#### Streets

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Streets (miles)	53	53	53	58	74	76	76	76	76	76
Reconstruction (miles)	0.5	1.8	1.5	1.3	0.4	-	-	-	-	-
Resurfacing (miles)	-	-	-	-	2.0	1.5	0.6	1.1	0.9	6.7
Sidewalk replacement (sq ft)	-	-	-	-	-	-	-	3,100	4,475	1,480
Parkway tree planting	-	-	-	-	-	-	-	142	174	282
Parkway tree removals	-	-	-	-	-	-	-	152	749	475

# Chapter 7: Departmental Summary

## PUBLIC WORKS DEPARTMENT (Continued)

### Public Works – Administration

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees (40%)	73,990	74,074	75,254	67,431	69,791	72,234
Wages - Overtime (General)	1,485	500	500	500	500	500
Bonus Pay	1,474	-	227	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>76,949</b>	<b>74,574</b>	<b>75,981</b>	<b>67,931</b>	<b>70,291</b>	<b>72,734</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	11,404	13,830	5,227	5,623	6,466	7,436
Insurance - Dental	669	696	260	276	290	305
Insurance - Life and AD&D	-	58	58	60	60	60
Insurance - Workers' Compensation	400	400	400	400	400	400
Insurance - Unemployment	736	316	389	389	389	389
Retirement - Social Security	4,301	4,345	4,711	4,212	4,358	4,510
Retirement - Medicare	1,084	1,081	1,102	985	1,019	1,055
Retirement - IMRF	10,022	9,852	10,105	9,164	9,482	9,812
Education - Conferences and Training	883	750	3,000	3,475	3,475	2,725
Equipment - Clothing Allowance	160	160	180	160	160	160
<b>Total Personal Services - Employee Benefits</b>	<b>29,659</b>	<b>31,488</b>	<b>25,432</b>	<b>24,744</b>	<b>26,099</b>	<b>26,852</b>
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - System Management	21,430	15,000	26,981	17,000	17,000	17,000
Information Technology Services - Software Maintenance	904	2,974	2,974	3,039	3,106	3,175
Other Professional Services	-	-	6,586	-	-	-
<b>Total Purchased Services - Professional and Technical</b>	<b>22,334</b>	<b>17,974</b>	<b>36,541</b>	<b>20,039</b>	<b>20,106</b>	<b>20,175</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	254	960	1,480	2,160	2,160	2,160
Utilities - Cell Phone	458	580	580	580	580	580
Equipment Repair and Maintenance - Office	1,744	1,480	1,500	780	780	780
Rental - Equipment	3,780	3,780	3,780	3,780	3,780	3,780
<b>Total Purchased Services - Property</b>	<b>6,236</b>	<b>6,800</b>	<b>7,340</b>	<b>7,300</b>	<b>7,300</b>	<b>7,300</b>
<b>Purchased Services - Other</b>						
Travel	290	150	-	-	-	-
Personnel Administration - Physicals/Testing	-	-	-	1,980	1,980	1,980
Dues	-	630	330	180	180	180
<b>Total Purchased Services - Other</b>	<b>290</b>	<b>780</b>	<b>330</b>	<b>2,160</b>	<b>2,160</b>	<b>2,160</b>
<b>Supplies and Materials</b>						
General Supplies - Office	2,034	2,500	2,500	2,500	2,500	2,500
General Supplies - Postage	166	700	650	590	590	590
General Supplies - Books and Periodicals	-	100	-	-	100	100
<b>Total Supplies and Materials</b>	<b>2,200</b>	<b>3,300</b>	<b>3,150</b>	<b>3,090</b>	<b>3,190</b>	<b>3,190</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Computer)	-	-	-	1,400	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,400</b>	<b>-</b>	<b>-</b>
<b>Transfers and Charges</b>						
Service Charges	(11,143)	(9,294)	(18,060)	(13,518)	(12,984)	(12,712)
<b>Total Transfers and Charges</b>	<b>(11,143)</b>	<b>(9,294)</b>	<b>(18,060)</b>	<b>(13,518)</b>	<b>(12,984)</b>	<b>(12,712)</b>
<b>Total Public Works - Administration</b>	<b>126,525</b>	<b>125,622</b>	<b>130,714</b>	<b>113,146</b>	<b>116,162</b>	<b>119,699</b>

# Chapter 7: Departmental Summary

## PUBLIC WORKS DEPARTMENT (Continued)

### Public Works – Streets

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	220,106	237,003	235,344	240,030	246,031	252,182
Overtime - General	22,959	25,000	23,314	25,000	25,000	25,000
Overtime - Snow Removal	32,798	45,000	25,000	45,000	45,000	45,000
Holiday Pay	186	-	2,466	-	-	-
Bonus Pay	1,722	-	882	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>277,771</b>	<b>307,003</b>	<b>287,006</b>	<b>310,030</b>	<b>316,031</b>	<b>322,182</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	62,140	61,959	52,767	57,359	65,963	75,857
Insurance - Dental	3,847	3,179	2,953	3,245	3,407	3,577
Insurance - Life and AD&D	-	290	290	299	299	299
Insurance - Workers' Compensation	4,000	4,000	4,000	4,000	4,000	4,000
Insurance - Unemployment	1,544	1,581	1,944	1,944	1,944	1,944
Retirement - Social Security	15,809	19,034	17,794	19,222	19,594	19,975
Retirement - Medicare	3,697	4,452	4,162	4,495	4,582	4,672
Retirement - IMRF	34,102	40,831	38,172	41,823	42,633	43,462
Education - Conferences and Training	1,560	750	3,000	4,000	1,800	1,800
Equipment - Clothing Allowance	800	800	800	1,600	1,600	1,600
<b>Total Personal Services - Employee Benefits</b>	<b>127,499</b>	<b>136,876</b>	<b>125,882</b>	<b>137,987</b>	<b>145,822</b>	<b>157,186</b>
<b>Purchased Services - Property</b>						
Utilities - Electric	80,277	78,625	78,625	82,556	86,684	91,018
Utilities - Telephone	-	-	156	600	600	600
Utilities - Cell Phone	1,147	1,408	1,408	1,408	1,408	1,408
Infrastructure Repair and Maintenance - Sidewalks and Curbs	40,828	40,000	40,000	30,000	32,000	34,000
Infrastructure Repair and Maintenance - Streets and Alleys	6,804	25,000	20,000	25,000	25,000	25,000
Infrastructure Repair and Maintenance - Street Striping	24,209	22,000	15,000	22,000	22,000	22,000
Infrastructure Repair and Maintenance - Traffic Signals	19,812	20,000	20,000	22,000	22,000	22,000
Infrastructure Repair and Maintenance - Bridges	-	-	-	3,000	3,000	3,000
Infrastructure Repair and Maintenance - Street Lights	42,452	45,000	45,000	45,000	45,000	45,000
Rental - Equipment	1,000	3,000	3,000	3,000	18,600	18,600
<b>Total Purchased Services - Property</b>	<b>216,529</b>	<b>235,033</b>	<b>223,189</b>	<b>234,564</b>	<b>256,292</b>	<b>262,626</b>
<b>Purchased Services - Other</b>						
Other Purchased Services - Printing and Publications	-	200	200	200	200	200
Other Purchased Services - Insect Spraying	30,460	35,000	35,000	40,000	40,000	40,000
Other Purchased Services - Dues	-	-	500	500	500	500
Other Purchased Services - Street Sweeping	12,701	10,000	10,000	60,000	60,000	60,000
<b>Total Purchased Services - Other</b>	<b>43,161</b>	<b>45,200</b>	<b>45,700</b>	<b>100,700</b>	<b>100,700</b>	<b>100,700</b>
<b>Supplies and Materials</b>						
General Supplies - Office	422	-	-	-	-	-
General Supplies - Tools	3,816	2,500	3,500	4,500	3,000	3,000
General Supplies - Books and Periodicals	54	150	150	150	150	150
General Supplies - Safety	5,196	5,000	3,500	3,500	3,500	3,500
General Supplies - Uniforms	5,668	6,000	6,000	6,000	6,000	6,000
General Supplies - Recycling Bins	6,830	6,000	6,020	6,000	7,000	7,000
Public Works Supplies - Snow Removal	10,041	10,000	10,000	28,000	28,000	28,000
Public Works Supplies - Street Signs	11,863	10,000	13,630	17,000	12,000	12,000
<b>Total Supplies and Materials</b>	<b>43,890</b>	<b>39,650</b>	<b>42,800</b>	<b>65,150</b>	<b>59,650</b>	<b>59,650</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Public Works)	-	-	-	41,700	-	-
Capital Outlay - Equipment (Computer)	-	-	-	-	1,400	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,700</b>	<b>1,400</b>	<b>-</b>
<b>Transfers and Charges</b>						
Transfer to Vehicle Reserve Fund	118,624	163,874	163,874	188,028	188,028	188,028
<b>Total Transfers and Charges</b>	<b>118,624</b>	<b>163,874</b>	<b>163,874</b>	<b>188,028</b>	<b>188,028</b>	<b>188,028</b>
<b>Total Public Works - Administration</b>	<b>827,474</b>	<b>927,636</b>	<b>888,451</b>	<b>1,078,159</b>	<b>1,067,923</b>	<b>1,090,372</b>

# Chapter 7: Departmental Summary

## PUBLIC WORKS DEPARTMENT (Continued)

### Public Works – Vehicle Maintenance

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	62,083	63,783	64,205	65,349	66,983	68,658
Wages - Part-Time Employees	-	-	-	19,760	19,760	19,760
Overtime - General	10,135	6,000	8,059	2,400	2,400	2,400
Holiday Pay	179	-	124	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>72,397</b>	<b>69,783</b>	<b>72,388</b>	<b>87,509</b>	<b>89,143</b>	<b>90,818</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	16,816	20,689	19,850	21,650	24,898	28,633
Insurance - Dental	1,087	1,130	1,163	1,278	1,342	1,409
Insurance - Life and AD&D	-	73	73	75	75	75
Insurance - Workers' Compensation	1,000	1,000	1,000	1,000	1,000	1,000
Insurance - Unemployment	395	395	486	486	486	486
Retirement - Social Security	4,510	4,327	4,488	5,426	5,527	5,631
Retirement - Medicare	1,055	1,012	1,050	1,269	1,293	1,317
Retirement - IMRF	9,771	9,281	9,628	11,805	12,025	12,251
Education - Conferences and Training	550	1,800	500	2,200	2,200	2,200
Equipment - Clothing Allowance	200	200	200	600	600	600
<b>Total Personal Services - Employee Benefits</b>	<b>35,384</b>	<b>39,907</b>	<b>38,438</b>	<b>45,789</b>	<b>49,446</b>	<b>53,602</b>
<b>Purchased Services - Professional and Technical</b>						
Information Technology Services - Software Maintenance	-	700	1,695	1,695	1,695	1,695
<b>Total Purchaed Services - Professional and Technical</b>	<b>-</b>	<b>700</b>	<b>1,695</b>	<b>1,695</b>	<b>1,695</b>	<b>1,695</b>
<b>Purchased Services - Property</b>						
Utilities - Telephone	-	-	156	600	600	600
Utilities - Cell Phone	684	820	820	820	820	820
Vehicle Repair and Maintenance	88,819	90,000	97,867	95,000	95,000	95,000
Vehicle Repair and Maintenance (Reimbursable)	5,460	8,000	3,204	5,000	5,000	5,000
Rental - Equipment	458	700	1,179	700	700	700
<b>Total Purchased Services - Property</b>	<b>95,421</b>	<b>99,520</b>	<b>103,226</b>	<b>102,120</b>	<b>102,120</b>	<b>102,120</b>
<b>Purchased Services - Other</b>						
Other Purchased Services - Dues	-	-	-	-	150	150
<b>Total Purchased Services - Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>150</b>
<b>Supplies and Materials</b>						
General Supplies - Office	41	-	-	-	-	-
General Supplies - Postage	158	-	-	-	-	-
General Supplies - Tools	3,969	3,500	3,700	5,000	2,000	2,000
General Supplies - Uniforms	1,713	1,600	1,600	1,600	1,600	1,600
Vehicle Supplies - Tools	2,117	-	-	-	-	-
Vehicle Supplies - Tires	14,088	15,000	15,000	17,000	15,000	15,000
Vehicle Supplies - Gas and Oil	135,439	135,000	100,169	120,000	130,000	140,000
Vehicle Supplies - Gas and Oil (Reimbursable)	9,689	10,000	10,000	9,600	9,600	9,600
<b>Total Supplies and Materials</b>	<b>167,214</b>	<b>165,100</b>	<b>130,469</b>	<b>153,200</b>	<b>158,200</b>	<b>168,200</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Public Works)	31,098	-	-	10,000	-	-
Capital Outlay - Equipment (Computer)	-	-	-	1,400	-	-
<b>Total Capital Outlay</b>	<b>31,098</b>	<b>-</b>	<b>-</b>	<b>11,400</b>	<b>-</b>	<b>-</b>
<b>Transfers and Charges</b>						
Service Charges	(160,606)	(150,004)	(138,558)	(160,757)	(160,302)	(166,634)
<b>Total Transfers and Charges</b>	<b>(160,606)</b>	<b>(150,004)</b>	<b>(138,558)</b>	<b>(160,757)</b>	<b>(160,302)</b>	<b>(166,634)</b>
<b>Total Public Works - Vehicle Maintenance</b>	<b>240,908</b>	<b>225,006</b>	<b>207,658</b>	<b>240,956</b>	<b>240,452</b>	<b>249,951</b>

# Chapter 7: Departmental Summary

## PUBLIC WORKS DEPARTMENT (Continued)

### Public Works – Buildings and Grounds

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Personal Services - Salaries and Wages</b>						
Wages - Full-Time Employees	88,735	103,713	102,740	105,258	107,889	110,586
Wages - Temporary	10,089	19,200	14,489	28,800	28,800	28,800
Overtime - General	1,542	600	5,131	3,000	3,000	3,000
Holiday Pay	178	-	92	-	-	-
<b>Total Personal Services - Salaries and Wages</b>	<b>100,544</b>	<b>123,513</b>	<b>122,452</b>	<b>137,058</b>	<b>139,689</b>	<b>142,386</b>
<b>Personal Services - Employee Benefits</b>						
Insurance - Health	11,136	27,383	27,383	28,412	32,674	37,575
Insurance - Dental	598	1,440	1,440	1,629	1,710	1,796
Insurance - Life and AD&D	-	145	145	150	150	150
Insurance - Workers' Compensation	2,000	2,000	2,000	2,000	2,000	2,000
Insurance - Unemployment	791	1,377	1,692	1,692	1,692	1,692
Retirement - Social Security	6,908	7,658	7,592	8,498	8,661	8,828
Retirement - Medicare	1,615	1,791	1,776	1,987	2,025	2,065
Retirement - IMRF	14,619	13,874	14,359	14,604	14,959	15,323
Education - Conferences and Training	1,029	2,910	2,910	2,350	2,350	2,650
Equipment - Clothing Allowance	400	400	400	800	800	800
<b>Total Personal Services - Employee Benefits</b>	<b>39,096</b>	<b>58,978</b>	<b>59,697</b>	<b>62,122</b>	<b>67,021</b>	<b>72,879</b>
<b>Purchased Services - Property</b>						
Utilities - Cell Phone	1,049	1,976	1,976	1,976	1,976	1,976
Building Repair and Maintenance - Custodial	50,633	55,000	55,000	55,000	55,000	55,000
Building Repair and Maintenance - Other	93,707	85,000	85,000	88,000	91,000	85,000
Equipment Repair and Maintenance - Other	667	3,000	2,000	2,200	2,200	2,200
Grounds Repair and Maintenance - Lawn Care	73,160	5,000	-	-	-	-
Grounds Repair and Maintenance - Trees and Parkways	99,689	5,000	5,000	5,000	5,000	5,000
Grounds Repair and Maintenance - Detention Basins	27,054	23,524	26,824	24,230	24,958	25,707
Grounds Maintenance - Village	-	39,494	39,494	41,219	43,030	44,932
Grounds Repair and Maintenance - Pest Management	395	1,000	1,000	1,000	1,000	1,000
Grounds Repair and Maintenance - Tree Replacement	-	51,000	51,000	77,000	83,055	89,250
Grounds Repair and Maintenance - Tree Removals	-	3,000	3,000	6,000	6,000	6,000
Grounds Repair and Maintenance - Stump Grinding & Restoration	-	26,000	26,000	24,825	16,550	12,413
Grounds Repair and Maintenance - Large Tree Pruning	-	4,000	4,000	12,000	12,000	12,000
Grounds Repair and Maintenance - Insurance Reimbursement	-	1,000	1,000	1,000	1,000	1,000
<b>Total Purchased Services - Property</b>	<b>346,354</b>	<b>303,994</b>	<b>301,294</b>	<b>339,450</b>	<b>342,769</b>	<b>341,478</b>
<b>Purchased Services - Other</b>						
Community Relations - Beautification (HP)	8,688	-	-	-	-	-
Community Relations - Flower Boxes	8,096	5,000	6,085	5,000	5,000	5,000
Community Relations - Beautification	-	12,000	9,800	9,800	9,800	9,800
Dues	-	-	450	450	450	450
<b>Total Purchased Services - Other</b>	<b>16,784</b>	<b>17,000</b>	<b>16,335</b>	<b>15,250</b>	<b>15,250</b>	<b>15,250</b>
<b>Supplies and Materials</b>						
General Supplies - Office	30	-	-	-	-	-
General Supplies - Tools	1,931	3,000	3,000	4,000	3,000	3,000
General Supplies - Cleaning	228	500	500	500	500	500
Building Supplies - Consumable	7,428	5,500	6,000	5,500	5,500	5,500
Building Supplies - Durable	825	3,000	3,000	3,000	3,000	3,000
<b>Total Supplies and Materials</b>	<b>10,442</b>	<b>12,000</b>	<b>12,500</b>	<b>13,000</b>	<b>12,000</b>	<b>12,000</b>
<b>Capital Outlay</b>						
Capital Outlay - Equipment (Public Works)	10,038	-	100	-	-	-
Capital Outlay - Construction	13,744	19,000	-	19,750	25,750	15,750
Capital Outlay - General Government	2,667	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>26,449</b>	<b>19,000</b>	<b>100</b>	<b>19,750</b>	<b>25,750</b>	<b>15,750</b>
<b>Transfers and Charges</b>						
Service Charges	(147,877)	(172,187)	(169,850)	(192,472)	(195,396)	(197,242)
<b>Total Transfers and Charges</b>	<b>(147,877)</b>	<b>(172,187)</b>	<b>(169,850)</b>	<b>(192,472)</b>	<b>(195,396)</b>	<b>(197,242)</b>
<b>Total Public Works - Buildings and Grounds</b>	<b>391,792</b>	<b>362,298</b>	<b>342,528</b>	<b>394,158</b>	<b>407,083</b>	<b>402,501</b>

# Chapter 7: Departmental Summary

## *PUBLIC WORKS DEPARTMENT (Continued)*

### **Public Works – Stormwater Management**

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
Purchased Services - Property						
Sewer Repair and Maintenance - Storm Sewer	21,793	35,000	35,000	40,000	35,000	35,000
Total Purchased Services - Property	21,793	35,000	35,000	40,000	35,000	35,000
Total Public Works - Stormwater Management	21,793	35,000	35,000	40,000	35,000	35,000

## Chapter 7: Departmental Summary

### LEGAL SERVICES

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

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Purchased Services - Professional and Technical</b>						
Legal Services - General	84,929	65,000	53,880	65,000	70,000	75,000
Legal Services - Development (Reimbursable)	41,586	35,000	33,883	40,000	45,000	50,000
Legal Services - Development (Village)	24,837	20,000	28,354	20,000	20,000	20,000
Legal Services - Traffic Court	21,340	25,000	33,574	30,000	30,000	30,000
Legal Services - Liquor Commission	3,000	1,000	2,445	1,500	1,500	1,500
Legal Services - Labor Issues	14,616	25,000	40,000	30,000	30,000	30,000
<b>Total Purchased Services - Professional and Technical</b>	<b>190,308</b>	<b>171,000</b>	<b>192,136</b>	<b>186,500</b>	<b>196,500</b>	<b>206,500</b>
<b>Total Legal</b>	<b>190,308</b>	<b>171,000</b>	<b>192,136</b>	<b>186,500</b>	<b>196,500</b>	<b>206,500</b>

### 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.

	FY15 Actual	FY16 Budget	FY16 Projected	FY17 Approved	FY18 Projected	FY19 Projected
<b>Purchased Services - Professional and Technical</b>						
Engineering Services - General	56,372	65,000	65,244	70,000	75,000	80,000
Engineering Services - Development (Reimbursable)	163,146	125,000	125,930	130,000	135,000	140,000
Engineering Services - Development (Village)	9,227	12,000	4,322	7,500	10,000	10,000
<b>Total Purchased Services - Professional and Technical</b>	<b>228,745</b>	<b>202,000</b>	<b>195,496</b>	<b>207,500</b>	<b>220,000</b>	<b>230,000</b>
<b>Total Engineering</b>	<b>228,745</b>	<b>202,000</b>	<b>195,496</b>	<b>207,500</b>	<b>220,000</b>	<b>230,000</b>

## Chapter 8: *Appendix*



### **ACRONYMS**

**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.

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

## Chapter 8: *Appendix*

### *ACRONYMS (Continued)*

**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.

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

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

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

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

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

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

**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.

### *ACRONYMS (Continued)*

## Chapter 8: *Appendix*

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

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

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

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

**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 8: *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) before the date the outstanding debt becomes due or callable. Proceeds of the advance refunding debt (new debt) are deposited in escrow with a fiduciary and used to redeem the underlying bonds (old debt) at their maturity or call date, to pay interest on the bonds being refunded (old debt), or to pay interest on the advance refunding bonds (new debt).

## Chapter 8: *Appendix*

### *DEFINITIONS (Continued)*

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

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

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

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

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

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

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

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

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

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

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

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

## Chapter 8: *Appendix*

### *DEFINITIONS (Continued)*

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

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

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

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

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

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

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

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

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

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

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

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

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

## Chapter 8: *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:** In the context of financial 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 8: *Appendix*

### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

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

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

## Chapter 8: *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 8: *Appendix*

### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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

## Chapter 8: *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 in the context of pension and other postemployment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer.

**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.

**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.

**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.

## Chapter 8: *Appendix*

### **DEFINITIONS (Continued)**

**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.

**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.

## Chapter 8: *Appendix*

### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

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

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

**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.

## Chapter 8: *Appendix*

### *DEFINITIONS (Continued)*

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

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

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

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

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

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

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

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

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

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

**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).

## Chapter 8: *Appendix*

### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

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

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

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

**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.

## Chapter 8: *Appendix*

### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

## Chapter 8: *Appendix*

### **DEFINITIONS (Continued)**

**Metra:** Commuter rail system serving northeast Illinois.

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

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

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

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

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

**Non-exchange 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.

**Nonoperating revenues and expenses:** In the context of the proprietary fund operating statement, 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).

**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.

## Chapter 8: *Appendix*

### *DEFINITIONS (Continued)*

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

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

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

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

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

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

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

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

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

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

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

**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.

## Chapter 8: *Appendix*

### *DEFINITIONS (Continued)*

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

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

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

**Pension 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).

## Chapter 8: *Appendix*

### *DEFINITIONS (Continued)*

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

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

**Program revenue:** In the context of the government-wide statement of activities, 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.

## Chapter 8: *Appendix*

### *DEFINITIONS (Continued)*

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

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

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

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

**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.

## Chapter 8: *Appendix*

### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

**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; Using the GASB 34 Model*, 2005 edition.



Thank you for reading the Village of Montgomery fiscal year 2017 Annual Budget.