



FY 2018-2019 BUDGET

SAUK VILLAGE



Office of the Mayor
HONORABLE DERRICK BURGESS

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TRANSMITTAL LETTER

May 1, 2018

TO: The Honorable Village Board of Trustees
Department Heads & Directors
Residents of the Village of Sauk Village

FROM: The Honorable Derrick Burgess, Mayor

This Fiscal Year 2018-2019 (FY 2019) Budget is presented for the period beginning May 1, 2018 to April 30, 2019. The annual budget is a policy document that sets the financial course for the Village and defines the services we provide to the community. State law requires the Village Trustees to annually adopt a budget each fiscal year and restricts the spending authority for all Village departments to the adopted budget. The following principles were used to guide the planning and spending decisions:

1. Provide quality municipal services while improving efficiencies and effectiveness with limited resources.
2. Provide safety and security for the Village's residents through the qualified staffing of the Police and Fire Departments.
3. Provide for development and redevelopment of the Village.
4. Provide funding for improvements to the Village's roads, water and sewer infrastructure and municipal facilities.
5. Provide financial sustainability by being able to manage the Village's finances, through various economic cycles, without having to significantly impact the services provided to the Village's residents.

It is important to note that care has been taken to ensure that this budget submission is fiscally responsible. The 2017-2018 General Fund Budget was not realistic, and it resulted in the General Fund actual revenues running \$1 million behind budget all year, causing a serious liquidity crisis. To help ensure this does not happen again, the 2018-2019 revenue budget was tested against the current run rate and known changes. Where we have been experiencing steadily declining revenues, and there is no sound reason to believe this trend will change, the continued declines were incorporated into the budget. Additionally, in an effort to tap into all available knowledge, each revenue source estimate was developed in collaboration with the Department Director or Chief, with oversight from the Director of Finance. Once we believed the revenue budget estimates to be sound, we understood how much we could spend. This led to a realization that costs needed to be reduced. Reducing costs was a very difficult process. For example, the Police Chief will need to better manage the scheduling of his officers to reduce overtime in FY 2018-2019 by 50%. In FY 2017-2018, overtime increased wages by almost 25%, which caused extreme stress on the Village's finances. Other departments wanted to expand their services, however this could not be financially supported. Additions to staff could not be supported. To allow for a disciplined reduction in expenses, on April 12, 2018, the Village issued a 1-year Tax Anticipation Warrant of \$535,000. By March 2019, we need to have all cost reductions executed in a sustainable and responsible manner, without sacrificing services.

Even though, care was taken when estimating future revenues, we recognize that the economy or other factors may result in a change in our revenue levels. To help address negative trends early, a budget sponsor has been named for each revenue source. The budget sponsor will be responsible for monitoring adherence to the budget. If we start to deviate from the budget, the budget sponsor will investigate the underlying cause of the variance and develop strategies for getting back on track. Even with a budget sponsor, we are a small team and we will rely on

the collective resources and knowledge of the staff to develop alternatives to provide the Village with the best chance of meeting or exceeding the revenue budget. We are one team.

If revenues again deviate downward from the 2018-2019 budget estimates, and we are unable to rectify the situation, the Village Directors and Chiefs stand ready to investigate alternatives for again reducing expenses. This is part of our commitment to sound fiscal management.

The Village’s commitment to sound fiscal management was once recognized by the financial community as evidenced by our prior AA rating from Standard and Poor’s Rating Group and Moody’s Investors Service. However, some years ago, the Village’s Bond Rating was suspended primarily due to lapses in financial management and the Village’s non-responsiveness to economic stresses. Strong Rating Agency ratings are important as they serve to lower the borrowing costs of a municipality. It is the long-term goal of this administration to focus on a course of responsible financial management to reinstate the Village’s once excellent bond rating. This will be challenging as many rating agencies look to the State of Illinois and the financial challenges they face when rating communities. Another challenge that the Village needs to overcome is associated with steadily declining Tax receipts, putting more pressure on fiscal management. Nevertheless, we have begun implementing budget, audit, and financial reporting policies, procedures and actions to start us down the path of once again achieving high ratings from bond rating agencies.

ALL FUNDS OVERVIEW

I am pleased to transmit to you the 2018-2019 Village of Sauk Village Budget. This budget includes all Village funds and activities and comprises 18 funds.

All Funds Fiscal Year 2018-2019 Budget

	2017-2018 Forecast	2018-2019 Budget	Change \$
Property Taxes	7,591,378	7,714,319	122,941
Other Taxes	2,698,976	2,569,157	(129,819)
Licenses & Permits	208,557	558,915	350,358
Fees & Services	2,904,405	2,994,041	89,636
Grants	414,316	425,128	10,812
Miscellaneous	757,405	731,780	(25,625)
Proceeds	618,600	-	(618,600)
Transfers	6,267,444	7,428,401	1,160,958
Total Revenues	21,461,080	22,421,741	960,662
Employee Costs	4,654,574	4,394,319	(260,255)
Prof Serv/Oth Contr Ser	1,363,574	1,174,711	(188,863)
Computer Costs	42,138	39,750	(2,388)
Capital Expenditures	251,199	364,030	112,831
Cost of Debt	4,402,941	5,051,706	648,765
Insurance&Audit	578,317	691,500	113,183
Other Costs	2,136,031	3,530,961	1,394,929
Transfers	6,267,444	7,428,401	1,160,956
Total Expenditures	19,696,218	22,675,377	2,979,158
Net	1,764,861	(253,635)	

Note:

The Net Positive position in the FY 2017-2018 Forecast is primarily associated with the Tax Anticipation Warrant and loan proceeds received in FY 2017-2018, along with a positive position in the Debt Service Fund, which is restricted and cannot be used for any purpose other than debt. Without this, the General Fund (which includes the Police Dept.) and the Fire Fund had been operating in a deficit position all year.

The Net Negative position in the FY 2018-2019 Budget is associated with TIF money received in a prior period and spent in the FY 2018-2019 period.



The total expenditure, other financing uses (OFU), and transfers FY 2018-2019 budget is **\$22,675,377**, which represents an increase from the FY 2017-2018 Forecast, primarily due to a TIF related contractor payment, repayment of the Tax Anticipation Warrant, higher insurance costs, and continued investments in Public Works. As part of our commitment to sound financial management, these increases were partially offset by lower employee costs and lower professional services costs. The cost of debt is the largest expenditure. This high cost will prevent the Village from investing in further improvements. Sound fiscal management necessitates that we manage this down over time.

The total revenue, other financing sources (OFS), and transfers FY 2018-2019 budget is **\$22,421,741**, which is an increase from the FY 2017-2018 Forecast, primarily due to an impact fee associated with the sale of Village land, an increase in TIF district property taxes, increases in business license fees to cover the cost of fire inspections, and increase in Police Department tow release fees and refund security detail. All other revenues are consistent or down compared to FY 2017-2018. The FY 2018-2019 net deficit is associated with TIF revenues received in a prior period that will be spent in FY 2018-2019.

Interfund Transfers represent internal transfers between Village Funds for debt service, administrative services, liability insurance, vehicle replacements, building renewal, capital equipment replacements, the TIF District transfers to the Debt Service Fund, and other such activities. Transfers into our funds are in balance with transfers out of our funds.

It is important to highlight that this budget includes a \$50,000 contribution to the Police Pension Fund and a \$50,000 contribution to the Fire Pension Fund. While not nearly enough to satisfy the Village's obligations, it is a good faith effort on the Village's behalf to begin contributing to these pensions again. Prior to 2018, the Village had not contributed to the Police or Fire Pension Fund for over 10 years and consequently both funds are critically underfunded. The Police Pension fund is only 35.53% funded and the Fire Pension Fund is only 4.6% funded. Illinois law requires that these Pension funds be 90% funded by 2040. Pension Boards have begun to sue municipalities that have critically under-funded pension plans, therefore it is important that we honor our commitment to our retirees and start contributing. In future periods, we will need to increase our pension contributions.

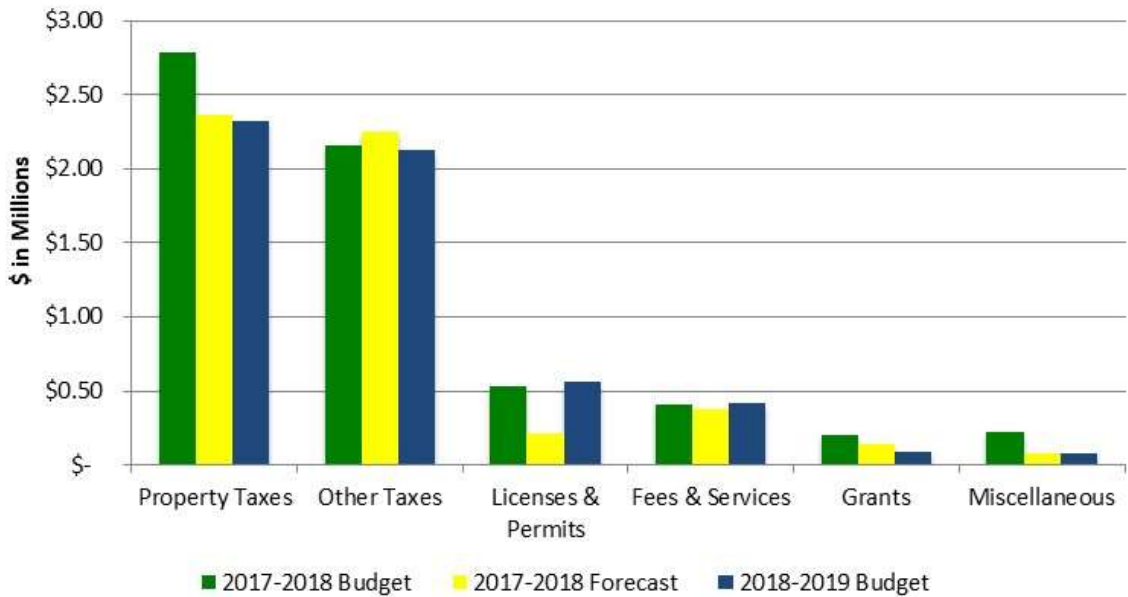
GENERAL FUND OVERVIEW

The Village's largest and main operating fund, the General Fund, has budgeted revenues, other financing sources (OFS), and transfers of **\$6,589,758** and budgeted expenditures, other financing uses (OFU), and transfers of **\$6,589,758**. Compared to the FY 2017-2018 Budget, the FY 2018-2019 budget reflects estimates based on actual revenue trends and reduced expenditures that match expected revenues.

Transfers out of the General Fund of **\$1,233,375** are there to support debt service payments on our various issuances. The Village's General Fund operated for much of FY 2017-2018 in a deficit position. This budget corrects that situation by effectively lowering expenditures. Additionally, the General Fund budget includes a \$50,000 contribution to the Police Pension Fund (the Fire Pension Fund contribution does not come from the General Fund). The details of this contribution are explained in the All Funds section.

General Fund Revenue Comparison

Excludes Interfund Transfers and Bond/Loan Proceeds

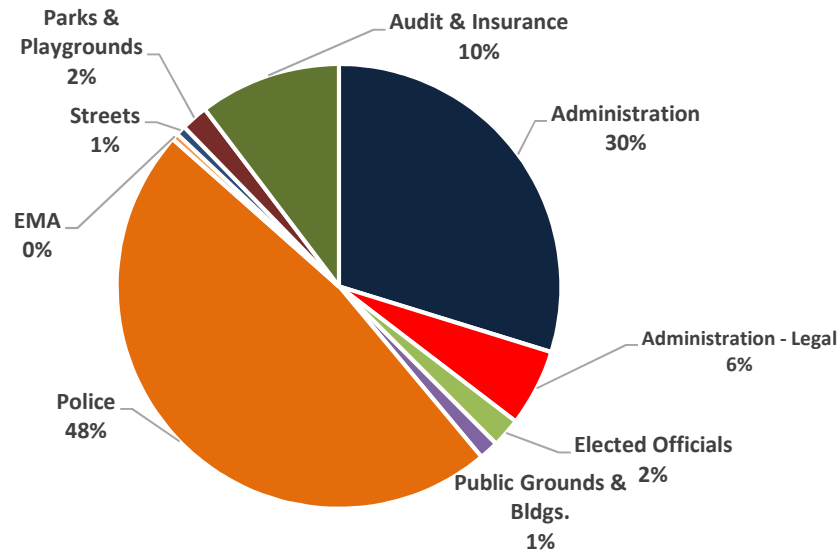


NOTE: The 2017-2018 Budget included some unrealistically optimistic revenue projections, especially with Property Taxes, Licenses and Permits, and Miscellaneous Fees. The 2018-2019 Budget is based on actual revenue trends with a one-time fee associated for the sale of Village property that is included in Licenses and Permits.

The year over year decrease in Property and Other Taxes represents the steady decline in Village assessments and tax payments. The year over year increase in Licenses and Permits is due to a one-time fee expected with the sale of Village land and the Village Board’s action to increase Business License fees to properly account for the cost of fire inspections.

There will be some overlap in the State Income Tax LGDF revenues due to the state’s 10% reduction which will impact two months of the Village’s fiscal year, however, that should not impact the remainder of the fiscal year. Projecting revenues from the state has been challenging for many communities throughout Illinois. The reason for this is the overlap of the State of Illinois’s fiscal year versus the Village’s May 1st until April 30th the State’s goes from July 1 until June 30th

General Fund Expenditures 2018-2019 Budget



The General Fund accounts for the provision of essential services expected from a local government. It is primarily supported by taxes, as well as charges for service, fines, and various fees from sources such as permits and licenses. A continued low investment in technology is a concern. To improve efficiencies, this will need to be addressed in future periods.

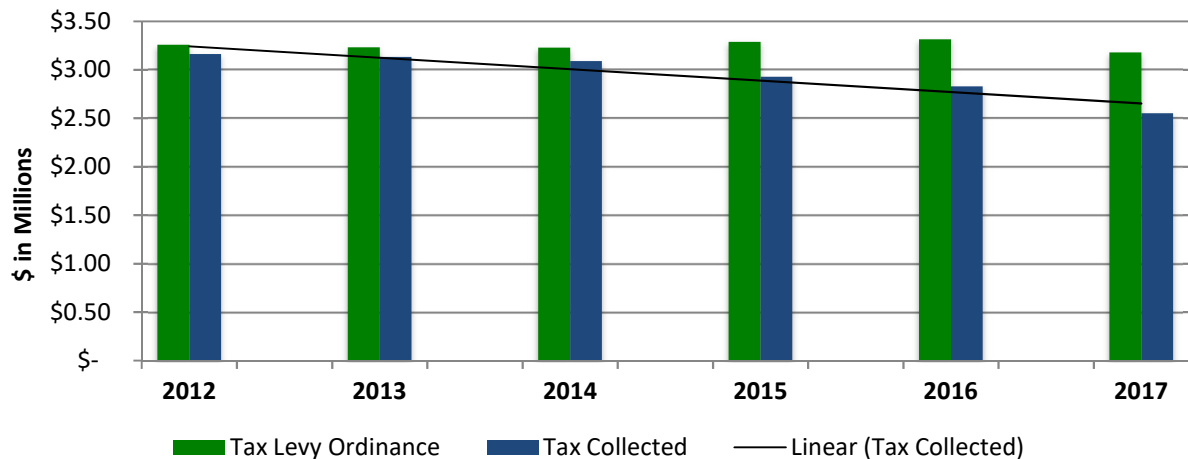
LONG RANGE STRATEGIC AND FINANCIAL PLANNING

Developing the FY 2018-2019 Budget is more than just balancing revenues and expenses. The local economy and any foreseeable challenges must be taken into consideration. Evaluation of the local economy becomes essential when determining the financial plan of a Village that is reliant on elastic revenue sources, such as sales tax. When we examine historical trends and consider the potential for fluctuations that could impact the Village financially, the numbers take shape. For example, there is great uncertainty as to how an eventual State budget may impact the Village. The State has contemplated freezing property taxes and reducing shared revenues. To prepare long-term strategies and financial planning, the Village must take into consideration the trends seen in the local economy and any identifiable challenges.

Local Economy

Economically, the region shows modest growth. Sales tax revenues remain about the same year over year compared to FY 2017-2018 budget projections as the economy continues to recover. These trends are similar to those across the Chicago area where overall retail sales have been steadily increasing between four and five percent annually. One area of great concern is associated with property tax collections. Property tax collections have declined by almost 20% or \$612,000 over the last five years. Consequently, we have taken a realistic approach to budgeting Property Taxes for this fiscal year.

Sauk Village Property Taxes 5 Year Trend



NOTE: Property Tax collections have decreased almost 20% or \$612,000 over the past 5 years. This decrease has put enormous pressure on expenses to decrease at the same pace.

New business and commercial development will strengthen Sauk Village’s overall sales tax revenues. A strong emphasis on economic development will continue to help bolster the village’s tax base and retain businesses within the Village.

LogistiCenter at Sauk Village is within a Tax Increment Financing District, which is fiscally sound. There is more than enough money in the TIF Reserve and adequate property tax increment to cover existing debt service on the Alternate Revenue Bonds and other TIF related bonds for the foreseeable future. The Warehouse Specialty Building within the LogistiCenter is currently occupied by a subsidiary of Pratt Industries and the developer seeks a tenant for that location for about 300,000 square feet of warehouse space.

Further opportunities to strengthen the Village’s economic base lay within the Surreybrook Tax Increment Financing (TIF) District, an area bounded just east of 394 on Sauk Trail. With the creation of this TIF, the Village’s Economic Development Team will work with the existing or new developer to redevelop and promote this commercial property. With various tax incentives a proper redevelopment of this property could be very successful for the developer as well as the Village of Sauk Village. Planned improvements to Plaza Place were completed in FY 2017-18.

Residential development has been non-existent since the Great Recession of 2008, with around 400 vacant homes. This has been problematic for the Village’s understaffed Code Enforcement and Public Works Departments. This year we have received a grant award from the Illinois Housing Development Authority for \$75,000 to help maintain yards in 112 vacant homes, board up and secure 35 vacant homes and remove overgrown trees and shrubs on 25 more. Additionally, the Village will partner with Cook County Sheriff’s Department. The Village needs to work in partnership with local lending institutions to explore home ownership opportunities for buyers. Working in partnership with the Illinois Housing Development Authority and the Department of Housing and Urban Development to explore ways to promote HUD’s 203K-Rehab loan and other banks to meet their Community

Reinvestment Act requirements will be key focuses within the next year. Returning homes to the tax rolls is a key to the continued success of the Village. The Village's Housing Committee will work with IHDA and other agencies to seek out funding to address housing maintenance.

Identifying, mapping and discovering ownership of vacant properties remains a priority. There have been modest property value increases within the Village according to reliable data and those trends look to continue through 2018.

IDENTIFIABLE CHALLENGES

The Village of Sauk Village must closely monitor pending legislation at the state and federal levels to stay abreast of issues that may have an impact on the Village and key governmental partners. Illinois lawmakers have begun to address the numerous challenges that are plaguing our state. The Village Board of Trustees needs to be mindful of these matters, which will impact the Village's Budget and levels of services to our residents. Of utmost importance is the preservation of state collected local government revenues.

- **FINANCES OF THE STATE OF ILLINOIS** — The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to its poor financial health. The State operated without a fully enacted budget for the fiscal year ending June 30, 2016 and the fiscal year ending June 30, 2017. On July 6, 2017, the State enacted a budget for the fiscal year ending June 30, 2018, while not resolving significant unfunded pension liabilities or the large unpaid bill backlog. Therefore, the unfunded pension liabilities and the unpaid bill backlog will continue to pose significant challenges to the State's finances. Illinois legislators have indicated they intend to address these matters and have issued Warrants to cover a portion of the bill backlog, but it is not clear when, or if, they will resolve the remainder of the backlog or the unfunded pension liability.

As part of the State's budget process, legislation was passed which made changes in the Local Government Distributive Fund ("LGDF"). There will be a 10% reduction in LGDF payments in the State's fiscal year ending June 30, 2018. These funds will now be deposited into the LGDF rather than requiring the money to first pass through the General Revenue Fund ("GRF"). Bypassing the GRF will result in municipalities and counties receiving two accelerated payments (one time only) for a total of 14 LGDF payments instead of 12 in State fiscal year 2018.

Also beginning with the State's fiscal year ending June 30, 2018, two percent (2%) of sales tax collections will be retained as an administrative fee by the Illinois Department of Revenue (the "Department").

During the State's budget impasse, certain appropriations were enacted, including the approval of spending for elementary and secondary education, and certain other spending occurred through statutory transfers, statutory continuing appropriations, court orders, and consent decrees. The Village cannot predict whether the State will continue to fund at current local revenue sharing levels, nor can the Village predict future budget or local government revenue-related policy failures by Illinois legislators, which could adversely impact the Village's finances.

The State currently shares a portion of sales tax (see above), income tax, and motor fuel tax revenue with municipalities, including the Village. The State's general fiscal condition, the underfunding of the State's

pension systems and the State's budgeting failures have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the Village.

- **PENSION REFORM** — The Village's financial position is challenged by various legislative policies established by the State of Illinois. Illinois has the worst funded pension system among all 50 states, and currently faces a \$111 billion pension-funding shortfall. Municipalities throughout Illinois continue to struggle to cover the soaring costs of public safety pension plans. 2017-18 was the first year that the Village has made contributions to the Police and Fire Pension funds in over ten years (according to the Director of Finance). The Village will work harder this year, and over the course of the next few years, to increase the funding to the Police and Fire Pensions.

Employees of the Village's Police Department contribute 9.91% of their base salary to the Police Pension Plan pursuant to Illinois law. The Village is required to contribute the remaining amount necessary to finance the Police Pension Plan, including the cost of administering the plan, as actuarially determined by the enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90 percent of the past service cost for the Police Pension Plan. For the year ending April 30, 2017, the Village's contribution was 13.35 percent of covered payroll.

The Village had full-time fire fighters who were enrolled in a Firefighters' Pension Plan. One former employee has already begun to draw down on their pension. This has put a strain on an underfunded pension with no new members contributing to the Firefighters' Pension Plan. The Pension Plan would have gone negative, had the administration not contributed to the Plan in 2018. As of April 30, 2017, the Firefighters' Pension Plan had a balance of \$59,612 and an estimated net obligation of \$1,235,116, which means that the pension was only funded at 4.8%. Effective January 1, 2011, the Village has until the year 2040 to fund 90 percent of the past service cost for the Firefighters' Pension Plan.

Soaring public safety pension costs are at a critical level and threatening the future of local governments in Illinois as current municipal public safety pensions systems are unsustainable. Sauk Village will continue to work with South Suburban Mayors and Managers Association, the Illinois Municipal League and State Legislators to reform Public Safety Pensions while honoring our commitment to our Village's Public Safety retirees.

For the first time in over 10 years, the Village started to honor its Pension obligations by contributing additional funds.

- **CASH FLOW & CASH MANAGEMENT** - Historically Sauk Village has been battling cash flow short falls and dealing with ongoing operating expenses. The Village has implemented better cash management policies and procedures during the 2017-18 Fiscal Year. The Village's property tax revenues come into Village coffers in March and October. The General Fund is heavily dependent on property taxes and one issue which plagued the Village's finances has been the previous administrations fiscal irresponsible spending on unbudgeted items and expenses. Better cash management and adherence to Financial Policies and Procedures including issuance of purchase orders to authorize purchases will improve the Village's cash flow and cash management. The Village Treasurer and Director of Finance are tasked with ensuring that better safeguards are in place.
- **VILLAGE'S AGING REPORT**- The Village, like many municipalities carries an accounts payable aging report. However, the Village has managed to secure a one-year Tax Anticipation Warrant to help alleviate some of the largest and oldest invoices on the aging report. In the past vendors went unpaid for periods that

exceeded 9 months. Additionally, the Village's General Fund continuously was out of balance as funds were used on an "as needed" basis instead of an as budgeted basis. Proper compliance with the Village's financial policies and procedures will greatly assist in reducing the Village's aging report and keeping the General Fund in balance. Monies should not be expended on any item when monies are not available to pay for such expenses.

PLANNING FOR THE FUTURE

One of the largest expenses the Village will face over the course of the next several years is capital project spending. Due to the magnitude of these types of expenses, long range planning is a critical necessity. With that in mind, the Village will need to annually review and implement once again a five-year capital improvement plan. The Village has taken on this mission as we begin a 5- year evaluation of the Village's sewer infrastructure to assess the necessary repairs in accordance with the Metropolitan Water Reclamation District. This will be funded by a Sewer Rate Surcharge, which will eventually go to fund long-term sewer improvements, as the Village will apply for a low-interest loan through the Illinois Environmental Protection Agency.

Additionally, the village will continue to repair streets and infrastructure as needed. The Village has applied for a grant to properly evaluate the Village's streets system. This will require extensive engineering work, which should allow the village to apply for grant funding once the evaluation is completed. A proper Public Works Operation and Management Study is being considered which would include, a comprehensive asset management program, infrastructure inventory, scheduled work activities and planned preventative maintenance, and work schedule. Other Departments will also be tasked with completing an Asset Management Strategy, this coming fiscal year. The Asset Management Strategy will be used to develop further policies and work planning to accomplish an acceptable level of asset maintenance. To plan for operational expenses, the Village will start to develop a five-year financial forecast for each of its major funds and major revenue sources.

FY 2018-2019 STRATEGIC BUDGET INITIATIVES

The proposed budget identifies priorities and strategic initiatives. The five identified strategic initiatives listed below helped to shape the financial plan for FY 2017-2018:

1. Better approach to Village Finances
2. Investment in infrastructure
3. Realignment and Costs Savings
4. Improvement in Processes and Efficiencies
5. Promotion of Economic Development

1. Better Approach to Village Finances

The Village has made significant changes in how we approach spending the taxpayer's money. With the addition of a capable Village Treasurer, much better oversight of the village's finances is taking place. Balancing the books and ensuring that the Village's books are closed out each month in a timely manner is a responsible practice that has been implemented.

Ensuring that there are adequate funds to pay the bills before purchases are made are ways in which the Village will manage the aging report. Also, this coming year, the Village Board will be reviewing and adopting new Financial Policies and Procedures, which will provide the Village with improved fiscal guidance

2. Investment in Infrastructure

Since FY 2017-2018, the Village has been working with the Village Engineer to review the operating and capital needs of the Village's sewer system. Through the review, the Village Engineer identified near term capital needs focused on evaluation, maintenance and replacement of sanitary sewers to keep the Village in compliance with the Metropolitan Water Reclamation District's unfunded mandates. The Village Board took a proactive approach adopting a modest increase for sewer rates, which will fund for the next five years a proper evaluation of the Village's sewer infrastructure and be able to determine the cost of the repairs. Once the costs are determined the Village will make an application to the State of Illinois for a low-cost interest loan for the necessary sewer infrastructure repairs and fund the debt service with the surcharge.

Further study is needed to determine costs associated with repairs and replacement of broken or malfunctioning fire hydrants. Public Works staff will be doing this on an ongoing basis.

The Village has additional infrastructure improvements that are being considered in the budget:

a. Replacing the Roof at the main well house on Sauk Trail estimated \$25,000

b. Tear down the old Water Department building on Sauk Trail. \$12,000

Note: Director Weller gave the Board two options. One was to contract the workout at a cost of \$30,000. The other option was to do the work internally. The decision was to have the work done by our own personnel as a cost savings.

c. Replace Riser West Tower \$40,000

NOTE: The fill pipe in the West water tower is very pitted and the pipe is in very poor condition according to Director Weller. This is a priority job.

d. Metropolitan Water Reclamation District Work \$60,000 to \$70,000 annually

NOTE: These funds are budgeted for mandated work that the Village will be required to perform. Village Engineer J. Czarnik provided a cost for Infiltration & Inflow Control for the next five fiscal years.

e. WATER MAIN REPLACEMENT UNDER 394 \$250,000 –It is uncertain if we have enough funds in the budget to complete this improvement in FY 2018-2019, however it is important consider as we review our financing options.

NOTE: Village Engineer has recommended replacing the aging water main under 394. The old 10" water main will be replaced with a 12" water main and new valves. This is the only water main that services the west side of the village and this is critical.

The budget for Capital Expenditures is included in the Motor Fuel Tax Fund and Water Fund budgets. This budget totals \$356,464 (\$97,434-Water + \$259,030-MFT). The known infrastructure improvements are not expected to have significant ongoing changes to the operating budget or service levels, nor are there significant nonrecurring capital investments.

3. Realignment and Cost Savings

To ensure Sauk Village moves forward on a Pathway to Progress to restore growth and improvement, Village management needs to continue to realign where it makes sense, continually look for cost savings in every department and area of our operations. The more money that can be saved with practical changes, the better the Village's outlook.

4. Improvement in Processes and Efficiencies

Delivering services in an effective and efficient manner and ensuring that public funds are managed responsibly remains a high priority of the Village of Sauk Village. Ongoing assessment of work groups as opportunities present themselves to see if there is a better, more efficient way to provide the same service. Contracting with outside agencies and consultants can also greatly reduce costs to the Village and to its taxpayers. These consultants and contractors also typically provide a higher level of expertise than what the Village may have on staff. An example of this is with the Village's Human Resources consultant who also has an expertise in labor contract negotiations. In recent years the Village has been plagued with lawsuits that stem from poor human capital practices and poor documentation. The Human Resources consultant is helping put in place processes and practices that will help ensure these types of lawsuits do not continue. Additionally, the Human Resources consultant is leading our labor contract negotiations. Previously the Village used lawyers costing \$165 plus per hour versus the consultant cost of \$85 per hour.

Finding cost savings in other areas will continue to be a priority as the Village looks to reduce operational deficits within the General Fund. To improve process efficiencies in individual departments, department heads are being tasked to conduct a proper evaluation of operations and to provide an unbiased review of their structure and operations.

All service contracts of the Village are starting to be reviewed to determine if savings can be realized by sending out Request for Proposals or Request for Quotes. The Village's newly formed Budget and Finance Committee will be tasked with this process and can make recommendation to the Village Board as needed.

5. Promotion of Economic Development

The Village historically was predominantly single-family residential in nature. Over the past 18 years or so, the Village has used a broad range of economic development incentives to: (a) attract new industrial development on sites proximate to Illinois Highway 394 which provides access to Chicago via the Bishop Ford Freeway, as well as the region's interstate highway network; and (b) enhance the viability of Sauk Plaza TIF No. I which is one of the Village's largest existing commercial retail developments; and (c) attract new commercial/retail development projects along Sauk Trail in the Village's TIF No. IV Redevelopment Project Area.

Tax Increment Financing: Tax increment financing ("TIF") is authorized in Illinois by the Tax Increment Allocation Redevelopment Act ("Tax Increment Act"). Tax increment financing provides a means for municipalities, after the approval of "a redevelopment plan and project," to redevelop blighted, conservation, or industrial park conservation areas by pledging the anticipated increase in property tax revenues resulting from redevelopment to pay for the costs incurred to stimulate such private investment, new development, and rehabilitation. The Village has utilized TIF to attract and retain industrial and commercial/retail users. To date, the Village has established four TIF Redevelopment Project Areas, three of which are currently outstanding.

TIF District No. II: Sauk Pointe Industrial Park TIF District No. II ("TIF District No. II") was established in 1988 and expires in 2023. On November 15, 1988, the Village entered into a redevelopment agreement with Gierczyk Development, Incorporated (the "Sauk Pointe Developer"), Pecora Realty Enterprises, and Leonard Frumm, regarding property located in TIF District No. II. Under the terms of such agreement as amended, the Sauk Pointe Developer agreed to develop, construct, and manage the development of the Sauk Pointe Industrial Park (approximately 108 acres). In the first phase of such development, the Sauk Pointe Developer agreed to construct a 105,000 square foot facility for Pacesetter Steel Service, Inc., primarily engaged in the processing and warehousing of steel coils and sheets. Such facility was fully constructed and fully operational by June 1989 and expanded by 12,000 square feet in 1997. The Village, under such agreement agreed to use property tax incremental revenues from TIF District No. II to pay costs of public infrastructure (including utility

improvements and street construction and/or extension), developer interest cost write-down, and certain other expenses. In 1993, a second user, Chicago Air Power and Equipment (“Chicago Air Power”), completed construction of a 20,000 square foot facility within TIF District No. II, and the Village provided TIF incentives to this user. In addition to the TIF infrastructure incentives, the Village also supported a Cook County Class 6 property tax incentive. This incentive was granted to both Pacesetter Steel Service, Inc. and Chicago Air Power but has since expired. In 1999, Minority Automobile Handling warehouse constructed a 75,000 square foot warehouse facility handling General Motor’s automotive parts shipping. The Village supported a Class 6 property tax incentive for the 1999 Minority Automobile Handling project. The Class 6 incentive for this project was renewed by ordinance in 2010. In 2005, Willie Bros. Concrete constructed a 9,600-concrete processing facility. The Village entered into a redevelopment agreement with Willie Bros. for a sales tax incentive and a Cook County Class 8 property tax incentive, each of which was extended. Future payments to any users in TIF District No. II are subordinate to the General Obligation Tax Increment Refunding Bonds, Series 2002A (the “2002A Bonds”), General Obligation Capital Appreciation Bonds (Tax Increment Alternate Revenue Source), Series 2002B (the “2002B Bonds”), General Obligation Tax Increment Bonds (Alternate Revenue Source), Series 2008 (the “2008 Bonds”), and General Obligation Tax Increment Bonds (Alternate Revenue Source), Series 2009 (the “2009 Bonds” and, collectively, the “Prior TIF Bonds”). The frozen EAV of TIF District No. II is \$63,280. The 2016 EAV is \$6,270,991.

TIF District No. III: TIF District No. III was established in October of 1993 (and expires in 2028) to induce the development of approximately 470 acres of newly annexed and previously underutilized land, of which approximately 350 acres are developable with the remaining acreage in flood plain areas. Recent Village planning, and development efforts have been directed to strengthening its locational advantages vis-a-vis the Village’s proximity to the interstate transportation system. Transportation related facilities were originally proposed for land located within TIF District No. III, including an intermodal facility, a truck terminal, and related industrial facilities. In 1998, Wayne Steel Distribution constructed a 140,000 square foot facility with an expansion of 40,000 square feet in 1999, and another expansion of 64,000 square feet in 2003. The Village granted a Cook County Class 6 incentive to Wayne Steel Distribution for the original development of 140,000 square feet and each subsequent development. The Class 6B incentive was renewed by ordinance on March 26, 2013, for an additional twelve years until 2025. Individual buildings within TIF District No. III are subject to Class 6 or Class 8 incentives.

TIF District No. III did not develop according to the original transportation development plan. As a result, the Village took back the property by means of a “deed in lieu of foreclosure” and in December of 2003, the Village prepared and distributed a Request for Qualifications with respect to development of TIF District No. III Redevelopment Project Area (the “RPA”). Subsequently, on September 30, 2004, the Village entered into a redevelopment agreement with DP Industrial, LLC (the “Developer”) for the RPA. Since entering into the redevelopment agreement with the Developer, the Village has worked with the Developer in connection with the construction of three buildings as part of their Phase I plan. As of March 1, 2018, 2,519,100 square feet of industrial warehouse buildings have been constructed on the TIF District No. III site. There are only 300,000 square feet of available space for lease at this time. The Village hired an Economic Development Director in May 2017 to work with the Developer in the TIF districts to promote growth. The Developer has retained the services of CB Richard Ellis and together they are actively pursuing several industrial leads for the existing buildings.

In August of 2007, DP Industrial, LLC and ProLogis, LLC entered into a Sale/Purchase and Escrow Agreement for the conveyance of certain property, buildings and improvements to ProLogis.

Winpak Portion Packaging broke ground for their new 267,000 square foot facility in the Village in 2011 on 28 acres in TIF District No. III. On March 22, 2014, the Village approved by ordinance a Class 8 designation for this

facility which is for twelve years expiring in 2024. A sizable addition (348,800 square feet) to the facility took place in 2016 and an amended Class 8 designation was approved by ordinance on January 12, 2016. Winpak Portion Packaging currently employs about 250 full-time employees.

The frozen EAV of TIF District No. III is \$281,916. The 2016 EAV is \$22,380,574. Property tax incremental revenue collections have increased year over year in TIF District No. III and now exceed \$3.3 million each year. TIF District No. II generates approximately \$1.1 million annually in property tax incremental revenue. Because TIF District No. II, TIF District No. III, and TIF District No. IV are contiguous, pursuant to the Tax Increment Act, the Village may use incremental tax revenues from any TIF for eligible project costs, including debt service payments, with respect to the other TIF District. Currently, neither TIF District No. II nor TIF District No. III is generating enough property tax increment to provide for annual debt service payments on the Prior TIF Bonds; however, TIF District No. III has made significant gains in incremental revenue since 2008. Annual debt service is further secured by the Village's general obligation.

Pursuant to the bond ordinances authorizing the issuance of the Prior TIF Bonds, the Village may not use any revenues generated in TIF District No. II or TIF District No. III to pay eligible project costs or to provide for debt service on any obligations related to TIF District No. IV until annual debt service has been provided for and a reserve and redemption fund is fully funded with respect to the Prior TIF Bonds.

TIF District No. IV: TIF District No. IV was established in July of 2005 to induce development of and redevelopment of approximately 12 acres of mainly commercial/retail property. TIF District No. IV is contiguous to both TIF District No. II and TIF District No. III. The area consists primarily of a strip mall anchored by an Ace Hardware Store. The Village took control of four parcels within the Redevelopment Project Area and demolished certain vacant structures in TIF District No. IV. To date, there has not been any substantial redevelopment of the TIF District IV properties; however, the Village has been working with two of the largest owners to fill vacancies within the Redevelopment Project Area. The Village worked with one of the owners in the Redevelopment Project Area to improve the landscape and parking area, the financial cost was negligible, but the long-term impact will be greater for the community. The Village is also working closely with the TIF District No. III Developer with respect to potential retail development on both or either site. The frozen EAV of TIF District No. IV is \$2,313,635. The 2016 EAV is \$2,019,927.

Other Programs: The Village and the County have approved Class 6 and/or Class 8 incentive classification status for the steel processing facility of Pacesetter Steel Service, Inc., which expired in 2002. Minority Automobile Handling also received Class 6B classification in 1999 and renewed in 2010; Wayne Industries received a Class 6B classification in 1998, 2000, and 2003; and DP Partners received a Class 8 status on the three currently constructed buildings in tax years 2005, 2006, and 2007. Other property located within the Village may also become eligible for these or other incentives.

Grant and Funding Opportunities: The Village has secured technical engineering assistance through Cook County to provide a high-level engineering study of the LogistiCenter. This would serve as a preliminary or Phase 1 Engineering for roadway and rail spur expansion as the Village awaits an award of the second round of Invest in Cook Grant that the Village submitted for what would be Phase 2 Engineering. The grant should be announced in July.

PEER GROUP COMPARISON

One important step when completing a budget is to compare costs in Sauk Village to other surrounding municipalities. To understand how Sauk Village taxes and fees compare to other municipalities, an informal survey was conducted. Of the communities surveyed, Sauk Village ranks the lowest in revenues collected per residential household to support municipal services.

Additionally, an informal survey was conducted to ascertain how different municipalities compare in expenditures per capita. The results indicate that Sauk Village is not the highest spending per capita of the participating municipalities. The results of this analysis indicate that the Village of Sauk Village strives to keep taxes, fees, and charges for services low while providing a consistent level of service.

Per Capita Revenue	Revenue Amount	Expenses Amount	Net impact Surplus/Deficit
South Chicago Hgts	\$ 1,536.12	\$ 1,485.47	\$ 50.65
Sauk Village	\$ 539.57	\$ 533.69	\$ 5.89
Lynwood	\$ 599.35	\$ 667.90	\$ (68.55)
Steger	\$ 670.54	\$ 834.17	\$ (163.64)
Richton Park	\$ 573.79	\$ 896.23	\$ (322.44)

Source: Cook County Treasurer- Financial Statements

Additionally, we looked at a comparison of the number of employees per 1,000 residents for the same municipalities surveyed. At 8.4 employees per 1,000 residents, Sauk Village is well ranked.

Rank	Employees per 1000	
1	South Chicago Heights	19.5
2	Steger	14.0
3	Richton Park	11.7
4	Sauk Village	8.4
5	Lynwood	7.6

Source: Cook County Treasurer- Financial Statements

CONCLUSION AND ACKNOWLEDGEMENTS

This budget is the culmination of many hours of collaborative work by Village Treasurer Judith Sutfin and Village Department Heads and Chiefs to balance available resources with the services provided to Sauk Village residents, businesses, and visitors. While we have made some very solid gains and improvements to our financial processes over the course of the last fiscal year, we still have much work ahead of us. I would like to express my sincere appreciation to my staff who, encourage and insist upon the highest standards of excellence in planning and conducting the financial operations of the Village.

The proposed FY 2018-2019 budget maintains a level of service our residents, businesses and visitors have come to expect over the last 61 years since the Village's incorporation in 1957. There are many challenges that the Village faces as it continues to balance the General Fund resources with priorities and as we implement more prudent

cash management practices. As we know well, Sauk Village is a dynamic, diverse, and vibrant community that continues to strive to promote a superior quality of life. We are fortunate to have dedicated leadership moving forward to support the Village's mission

This will be an exciting, challenging and successful year for the Village of Sauk Village as we continue our journey getting the Village back on track. In addition, the coming fiscal year will be marked by the start of an updated Comprehensive Plan which was a key part of our Strategic Plan for Progress. We will also take a better approach to the Village's finances, investment in our infrastructure, realignment and cost savings, improving processes efficiencies throughout the Village, and promoting Sauk Village as a place to live and do business with emphasis on economic development. These strategic initiatives, along with the projects included to support them, will guide and strengthen the Village through the years ahead. We can all take pride in what has been accomplished to make Sauk Village the great community that it has become and the journey on the ***Pathway to Progress***. "***Pride and Progress***" is not just a motto; it is our mission and purpose. It is as relevant today as it was since our incorporation March 12, 1957.

Respectfully Submitted,



MAYOR DERRICK N. BURGESS

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**BUDGET MISSION, BACKGROUND, GOALS,
AND DETAILS FOR ALL FUNDS
FOR FISCAL YEAR 2018-2019**

VILLAGE OF SAUK VILLAGE MISSION STATEMENT

In partnership with the community, the mission of the Village of Sauk Village is to provide high quality services to our residents through openness, honesty, transparency, and being considerate with taxpayers' money through responsible and proactive leadership to improve the quality of life.

OVERVIEW OF SAUK VILLAGE'S HISTORY

This area was originally opened to American settlers in 1838. Frederick Richards and Vincent Sauter came to Bloom in 1839 and settled at New Strasburg (soon to be Sauk Village). Christian Millar, the first blacksmith, and H. Beekley, the first house carpenter, located here in 1842. Though the original settlers of Sauk Village moved here from the East Coast, their roots were in Western Europe, especially France and Germany. The first immigrants to the area were Hiram Wood, Henry Ayen, and Rowley. After these original settlers, a second wave of families moved to the Sauk Village area, including such familiar names such as Parrino, Gatto, Kavelage, Reichert, Sauter, Rickenberger, Kloss, Barnes, Jung, Schaller, Schmidt, Kline, and Peters. Postmaster Charles Sauter named the settlement Strassburg, after Strasbourg, France, home of many of the original settlers. Back when the area was originally being settled by Americans, land sold for \$1.25 an acre.



Kavelage Bridge late 1800s- Sauk Trail

In 1847, St. James Church was built. Father Francis Fischer was the first priest of the church, which had twenty parishioners. In 1871, the original church was struck by lightning and burned to the ground. The church was promptly rebuilt, only to be struck again in 1873. After this second lightning strike, the church was moved to what became the corner of Sauk Trail and the Calumet Expressway, where it would stand until its razing in 2004.

Adjacent to St. James Church was built Strassburg School which many local children attended from the 1800s until the 1940s.

When the Calumet Expressway was built in the late 1950s, the Strassburg area was seen as a prime real estate development. The AMBO I Construction firm moved into the area in 1956, building homes in what is now known as the Garden Section, near the Calumet Expressway and just south of Sauk Trail. The community was incorporated on March 12, 1957, as Sauk Village, since there was a town in southern Illinois that already had the name Strasburg. Thomas J. Nichols served as Sauk Village's first president.

Since its incorporation in 1957, Sauk Village has undergone considerable change and expansion.

PRESENT DAY

Sauk Village today can boast a modern Municipal Center, which cost nearly \$6 million dollars funded in part from Impact Fees from the Village's LogistiCenter, a Class A Business Industrial Park. The Municipal Center bonds will be retired this fiscal year on December 1, 2018. The Municipal Center features about 18,000 square feet of office and public meeting spaces as well as space for the community's use. While the intent was to use the impact fees to fully fund the repayment of the 2007 Bond issue, the economic recession made this virtually impossible. Even

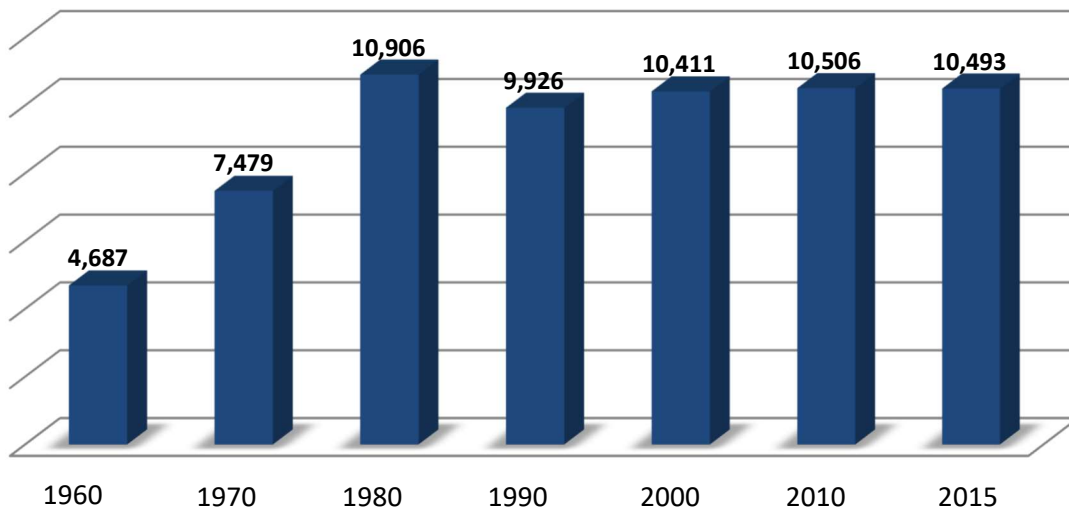
though the impact fees were not sufficient to retire the debt, the Village endured, and as the local economy improves so will development within the LogistiCenter. As an example, Winpak recently completed expansion within the LogistiCenter doubling their physical plant.

While Sauk Village’s challenges today are just as complex as they were back in 1957, the leadership of the Village is prepared to meet those challenges today with an optimistic outlook and a renewed sense of commitment. Getting our financial house in order begins with a commitment to meeting these challenges and implementing policies and procedures to address our problems.

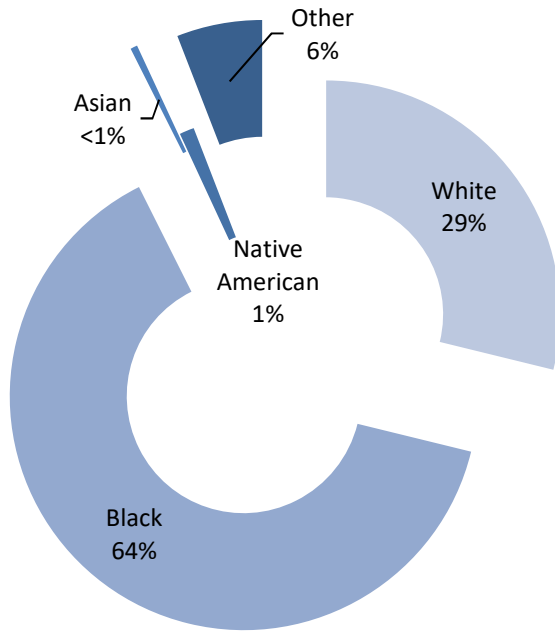
The Village’s budget narrative was reinstated with the 2017-18 budget. The intent of an annual budget transmission and narrative is to establish a clear policy direction, so there is no ambiguity or confusion. This also provides for financial continuity from year to year and administration to administration.

DEMOGRAPHICS

Sauk Village Population History



Demographics 2010

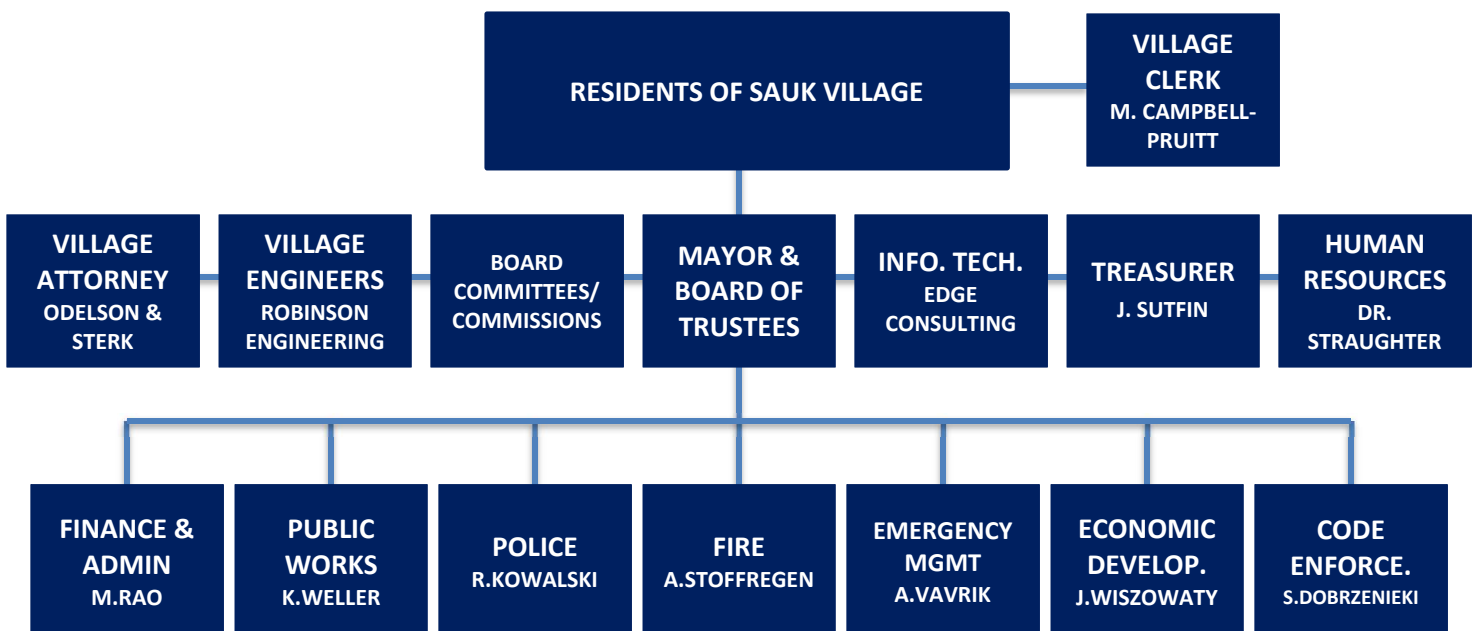


Population: 10,506
Median Income: \$41,970
Median Home Value: \$71,900
Median Year Homes Built: 1976
Median Age: 32.5 years

HOUSING STOCK:
Single Family Homes: 3,685
Land Area in Square Miles: 3.84

Source of this information is the US Census

ORGANIZATION CHART



PRINCIPAL OFFICIALS

VILLAGE OF SAUK VILLAGE PRINCIPAL OFFICIALS

Fiscal Year 2018-19 Budget

Mayor

Derrick N. Burgess
(Term Expires May 2021)

Village Board of Trustees

Bernice Brewer
(Term Expires May 2021)

Rodrick Grant
(Term Expires May 2021)

Linda Todd
(Term Expires May 2021)

Cecial Tates
(Term Expires May 2019)

Beth Zupon
(Term Expires May 2019)

Ron Carter
(Term Expires May 2019)

Village Clerk

Marva Campbell-Pruitt
(Term Expires May 2021)

Treasurer

Judith Sutfin
(Appointed Officer)

Director of Finance
Police Chief
Fire Chief
Director Emergency Management Agency
Director of Public Works
Director of Economic Development
Human Resource Consultant

Mohan Rao
Robert J. Kowalski
Alan Stoffregen
Allen Vavrik
Kevin Weller
Joseph Wiszowaty
Dr. Alicia Straughter

BUDGET AMMENDMENTS

If necessary, the annual budget may be amended by the Village Trustees during the year, increasing or decreasing total revenues or expenditures for a particular fund. Budget amendments may be necessary if anticipated expenditures are expected to exceed the total amount budgeted at the fund level due to changing priorities or unexpected occurrences. The Board of Trustees has instructed the Department Heads and Chiefs to bring to their attention any required increases in expenditures at any time throughout the year for their consideration.

The Mayor or his designee may authorize budget transfers within a fund.

BUDGET CALENDAR AND PROCESS

FY 2018/2019 BUDGET SCHEDULE		
December 2017	✓	Mayor establishes a budget committee consisting of the Finance Committee Trustee, the HR Specialist and the Treasurer. The Mayor provides the Budget Committee with guidance to use when compiling the budget.
January 2018	✓	Treasurer distributes the FY 2018-2019 Budget Guidelines to the Department Heads, and Chiefs.
February 23, 2018	✓	Treasurer distributes the budget model to the Department Heads, and Chiefs. Budget Sponsors are assigned to all revenue sources.
April 11 to April 20, 2018	✓	Department Heads/Directors present their budgets to the Mayor and Budget Review Team
April 22, 2018	✓	Last day for Mayor and Budget Review Team to make changes
April 23, 2018	✓	Draft Budget is sent to the Mayor
April 26, 2018	✓	Draft Budget Narrative is completed
May 1, 2018	✓	Proposed Budget is sent to the Village Board for review
May 1, 2018	✓	Proposed Budget is available online, in the Village' Clerk's Office and in the McConathy Public Library for public inspection
May 12, 2018	✓	NOTICE OF PUBLIC HEARING to be published in the newspaper
May 12, 2018	✓	Departmental Budget Presentation- Saturday Special Meeting of the Village Board
June 12, 2018	✓	Budget Public Hearing at 7pm Special Meeting
June 13, 2018	✓	FY 2018-19 Budget Adopted by the Village Board

The budget process for Sauk Village involves the citizens, the Mayor and Trustees, Department Heads, Chiefs, and others throughout the organization. Each person plays a critical role in the development of the budget for the upcoming year. Development, implementation, monitoring and review of the Village's budget is part of a comprehensive process that occurs throughout the entire year. Illinois State law requires municipalities to adopt a budget no later than 90 days after the start of the fiscal year. For Sauk Village, this means we need to have our budget in place no later than July 31, 2018. To prepare a comprehensive and fact-based budget requires many months of preparation and collaboration between all the

Department Heads, Chiefs, Trustees, and the Mayor. During this fiscal year, the Village started the budget process in December 2017.

PERSONNEL SUMMARY

Over the years, the number of full-time and part-time employees in the Village has decreased. Moving forward any personnel changes will need to be fully assessed before re-filling those positions.

Sauk Village Employees By Department

Positions	FY Actual 2015- 2016	FY Actual 2016- 2017	FY Fcst 2017- 2018	FY Budget 2018- 2019
Elected Officials				
Mayor	1	1	1	1
Trustees	6	6	6	6
Village Clerk	1	1	1	1
Finance & Administration				
Village Administrator	1	1	0	0
Treasurer	0	0	1	1
Director of Finance	1	1	1	1
Director of Economic Devel.	0	0	1	1
Director of Community Dev.	1	1	1	0
Code Enforcement	1	1	1	1
Clerks	3	3	3	3
Administrative Assistant	1	1	1	1
Police Department				
Chief	1	1	1	1
Sergeants	5	5	5	5
Officers	15	15	13	13
Crossing Guards	2	2	2	2
Records Specialist	1	1	1	1
Fire Department				
Chief	1	1	1	1
On-Call Firefighters	20	20	17	17
Emergency Mgmt. Agency Dept.				
EMA	4	4	2	2
Parks, Recr, & Playground Dept.				
Staff	1	1	0	1
Water Department				
Director	0.5	0.5	0.5	0.5
Foreman	1	1	1	1
Field Worker	7	7	7	7
Sewer Department				
Director	0.5	0.5	0.5	0.5
Foreman	1	1	1	1
Field Worker	6	6	6	6
Total	82	82	75	75

General Government: The Mayor has taken on a greater role in his executive and administrative day-to-day operations. There has been realignment of the staff in Finance and Administration that will provide significant cost savings in future periods. No other staffing changes are proposed at this time. The net impact of any staffing changes is a financial savings, without sacrificing expertise or service.

Police Department- The Police Department will see no staffing additions. There is no funding for promoting any additional Sergeants or hiring additional Police Officers. Proper scheduling of staffing should reduce overtime expenses. At the time of the budget preparation, the Village is involved in ongoing collective bargaining negotiations. There has been no money allocated for any raises this year. The Police Chief is being challenged with finding new and creative ways to save money including reducing overtime to keep the Village's General Fund in balance. Perhaps in-house training could be done on Court Days when the court call is light, and the officers are receiving over-time per their contract.

Public Works Department – There are no changes anticipated to the total number of people in public works. As in prior years, the utilization of 4 part-time seasonal workers will continue.

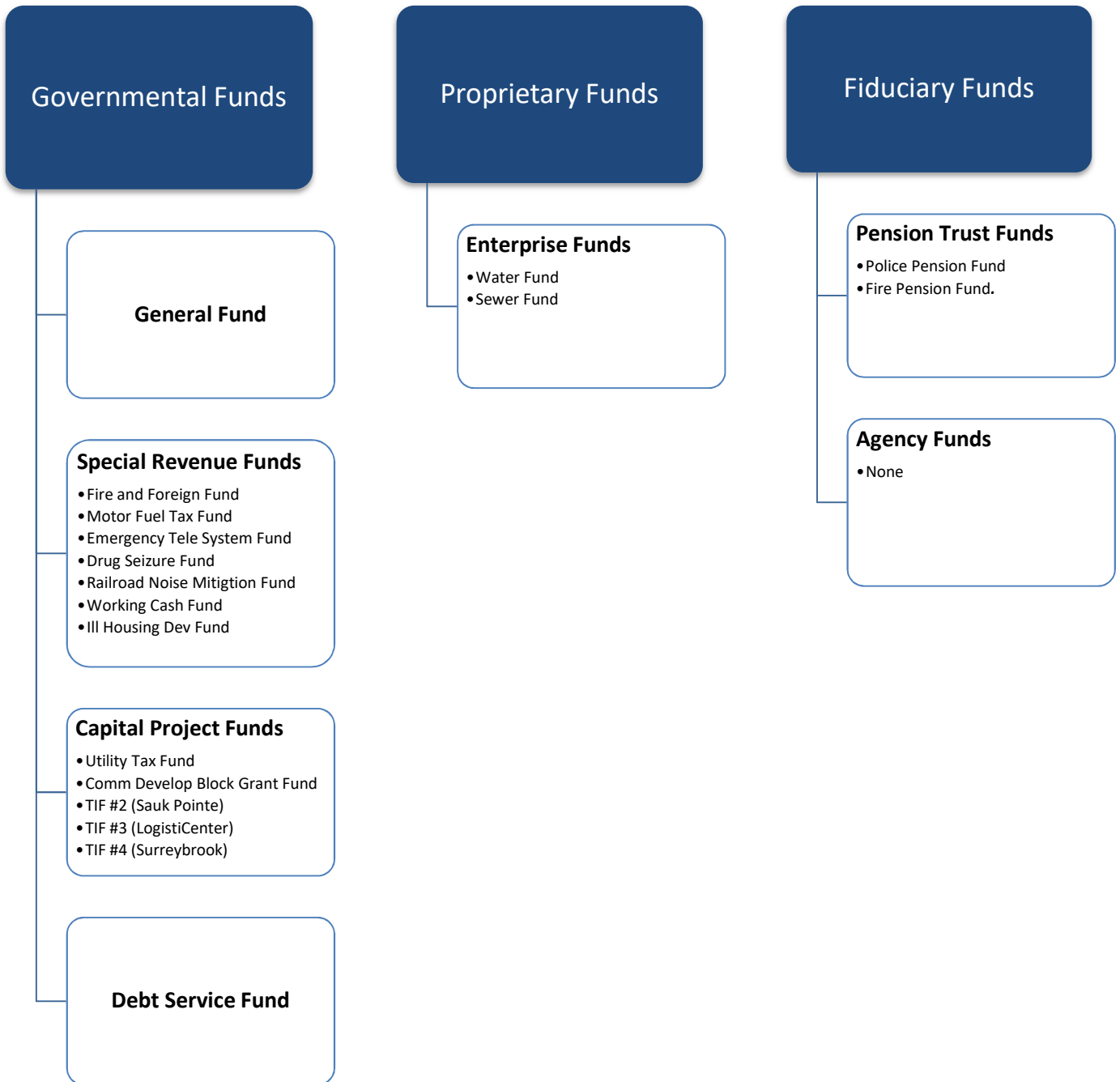
Parks & Recreation Department – There is a budget for 1 part-time person to develop and supervise recreational and youth programs and leagues. This position was previously budgeted but not hired and is now seen as critical to creating a family friendly environment.

Human Resources – In the prior fiscal year, the Village engaged a Human Resource consultant to properly address personnel matters and provide guidance to management. This service was previously included in the fees charged by the Village's Risk Management carrier. However, during the current fiscal year there is an agreement in place with the HR Consultant, that will save the village approximately \$19,000 by directly engaging the consultant. The HR Consultant has also been engaged as the Village's lead negotiator for collective bargaining matters. This is saving the Village approximately \$70,000 as the Village will not need to have a more expensive attorney provide the same services at higher billable rates. The Village continues to benefit from having a professional HR Consultant to help provide proper guidance for employee matters.

Elected Officials, Fire, and Emergency Management Agency – No changes are anticipated.

FUND STRUCTURE

For accounting purposes, a state or local government is not treated as a single, integral entity. Rather, a government is often viewed instead as a collection of smaller, separate entities known as funds. There are three basic Fund Types in municipal accounting: Governmental Funds, Proprietary Funds and Fiduciary Funds. Further, Funds are traditionally classified into one of seven fund categories. It is useful to provide an overview of the Village’s fund structure since the budget is prepared, organized and presented on a fund basis. The Village has 18 funds.



Note: The Pension Trust Funds are not subject to appropriation and are not managed by the Village. These funds have their own separate Boards, legal counsel and financial advisors. All other Funds are subject to appropriation and are managed by the Village.

In addition, to classifying funds into 7 fund types, governmental financial reporting for state and local governments classify individual funds as either “Major” or “Nonmajor.” The impact of this distinction is that the financial activity of nonmajor funds is reported in specific instances in the audited financial statements in a consolidated format while major funds are reported separately. The General Fund, Debt Service Fund, Tax Increment Financing District#2-Sauke Pointe, Tax Increment Financing District#3-LogisiCenter, Water Fund, and Sewer Fund, are considered “major” funds and all of the other funds are considered “nonmajor” funds

Governmental Funds

Governmental funds are those through which governmental functions of the Village are financed. The Village’s expendable resources (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon the determination of changes in financial position, rather than upon net income determination.

General Fund: The General Fund (a Governmental Fund) is the largest operating fund of the Village and accounts for most expenditures traditionally associated with government, including police protection, street improvements, building and code enforcement, planning, zoning, economic development, legal services, finance, human resources, and general administration. Its primary revenue sources include property taxes and intergovernmental revenues.

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. The Village’s Special Revenue Funds are the Fire Protection, Motor Fuel Tax, Emergency Telephone System, Drug Seizure, Railroad Noise Mitigation, Working Cash and Ill. Housing Development Authority Funds. The primary revenue sources include property taxes and intergovernmental revenues.

- **Fire Department and Foreign Fire Insurance Tax Fund** – This fund is used to account for the operation of Fire Protection services, including the Foreign Fire Insurance Tax Fund. The Foreign Fire Insurance Tax Fund is used to account for state allotment of charges assessed to insurance companies who insure out of state organizations that do business in the State of Illinois and is restricted for fire department related purposes.
- **Motor Fuel Tax Fund** - This fund is used to account for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation utilizing the Village’s per capita share of motor fuel taxes collected by the State of Illinois.
- **Emergency Telephone System Fund** – This fund was used to account for the 911 surcharge revenues. However, with the State of Illinois mandated dispatch consolidation, the Village was required to pledge the 911 surcharge revenues to a joint 9-1-1 Board. This fund will be closed.
- **Drug Seizure Fund** – This fund is used to account for the use of grant monies for the use of illicit drug enforcement and prevention.
- **Railroad Noise Mitigation Fund** – This fund is used to account for the use of grant monies for the purpose of railroad noise mitigation.
- **Working Cash Fund**- The Village’s Audit Management Report indicated that the Working Cash Fund has made interfund loans to the General Fund, and those loans have not been repaid in accordance with State Statutes. Under 65 ILCS 5/8-7, the Village is permitted to transfer all or part of the Working Cash Fund to the General

Fund in anticipation of the collection of taxes levied for general or special corporate purposes; however, the Working Cash Fund is to be reimbursed within a certain period of time as specified in the Statutes. The statutes further provide for the abolishment of the Working Cash Fund by resolution of the Village Board, whereupon the Fund may be transferred to the General Fund, at the end of the fiscal year; however, a municipality that has abolished the working cash fund may not establish another working cash fund for four years, after the date the fund was abolished. Additionally, any general obligation bonds that were previously issued for working cash purposes must be retired before a municipality may establish a new working cash fund. Prior administrations have recorded property taxes, levied for purposes of payment of principal and interest on the Working Cash Bonds, to the Working Cash Fund, and in turn making a transfer to the Debt Service Fund. This matter will be remedied once the working cash fund bonds are retired.

- **III. Housing Development Authority Fund** – This fund is used to account for the use of grant monies for the purpose of securing and maintaining abandoned properties.

Capital Projects Funds are used to account for the use of resources for capital improvements, which will be included in the Village's Capital Improvement Projects Budget annually. The Village's Capital Projects Funds are the Utility Tax, Community Development Block Grant, and our three TIF District Funds. The 3 TIF Districts are: TIF#2-Sauk Pointe Industrial Park; TIF#3-LogistiCenter at Sauk Village; and TIF#4-Surreybrook Plaza. The primary revenue and financing source includes property taxes, utility taxes, intergovernmental revenues, bond proceeds and transfers from other funds.

- **Utility Tax Fund**- These are funds are received for a municipal utility tax for water and gas. These funds are used for the retirement of the 2007 Series B Bond that funded the Village's 9-1-1 equipment purchased in 2007. With the State of Illinois mandated dispatch consolidation, the Village was forced to pledge the 911 surcharge revenues to a joint 9-1-1 Board. The 2007 Series B Bond will mature in 2028, therefore for the next 10 years the Village will pay for 9-1-1 equipment that we are not using.
- **Community Development Block Grant Fund** – This fund is for the purpose of tracking grant monies from the United States Department of Housing and Urban Development earmarked for specific projects.
- **TIF#2 (Sauk Pointe) Fund** – This fund is authorized in Illinois by the Tax Increment Allocation Redevelopment Act to provide a means for municipalities to redevelop blighted, conservation, or industrial park conservation areas. Sauk Pointe Industrial Park began September 13, 1988 and is contiguous to TIF#3 the LogistiCenter at Sauk Village. The TIF is expected to generate about \$1,100,000 in property tax increment each year, over \$16.3 million cumulatively since the TIF's inception in 1988. The TIF district helps pay for the debt service on three bond issues for the 2008, 2009 and 2002 A/B Bonds, which are parity bonds. Amalgamated Bank is the Trustee for the Bonds. Sauk Point Industrial Park began with a \$2 million bond issue in 1990. The businesses located in the Industrial Park include Pacesetter Steel, Herr, Minority Trucking, Willie Brothers Company and Ferrell Gas. The original Equalized Assessed value of the property in 1988 was \$63,280. Today the property's EAV is over \$5.9 million.
- **TIF#3 (LogistiCenter) Fund** – This fund is authorized in Illinois by the Tax Increment Allocation Redevelopment Act to provide a means for municipalities to redevelop blighted, conservation, or industrial park conservation areas. The LogistiCenter was established in October of 1993 to induce the development of approximately 470 acres of newly annexed and previously underutilized land, of which approximately 350 acres are developable with the remaining acreage in flood plain areas.

- **TIF#4 (Surreybrook) Fund** – This fund is authorized in Illinois by the Tax Increment Allocation Redevelopment Act to provide a means for municipalities to redevelop blighted, conservation, or industrial park conservation areas. Surreybrook was established in July of 2005 to induce development of and redevelopment of approximately 12 acres of mainly commercial/retail property.

Debt Service Fund: The Debt Service Fund is used to account for the payment of interest, principal and paying agent fees on all bond issuances. The primary revenue and other financing sources include property taxes and transfers from other funds, such as the Tax Increment Financing District Fund. The Village’s debt service fund pays for the Debt Service on all bond issuances. The Village has nine bond issuances.

1. **General Obligation Tax Increment Refunding Bonds Series 2002 A** – The original amount issued under this bond was \$9,755,000 for use of improvements within TIF #3 the LogistiCenter. The payments for these bonds principal and interest due June 1 and December 1. These bonds were used to finance improvements within the TIF #3 District.
2. **General Obligation Capital Appreciation Bonds (Tax Increment Alternate Revenue Source) Series 2002 B** - The original amount issued under this bond issue of June 27, 2002 was \$4,999,356 and matures June 1, 2022. The principal and interest payments on this bond issue are due June 1 and December. These bonds were used to finance improvements within the TIF #3 District.
3. **General Obligation Capital Appreciation (Alternate Revenue) Bonds Series 2007A** - The original amount issued under this bond issue of June 6, 2007, was \$5,201,610. This bond issue matures December 1, 2018. The Village has a final payment under this bond issue of \$685,000 in FY 2018-19. These bonds were originally scheduled to be paid using the Impact Fees from the LogistiCenter, however, revenues were greatly curtailed due to the Great Recession which officially lasted from December 2007 to June 2009. Even after the end of the Great Recession, the economy remained sluggish for many years. As a result, the Village could not abate the taxes for these bonds since 2011. These bonds were used to construct the Sauk Village Municipal Center.
4. **General Obligation (Alternate Revenue) Bonds Series 2007B-** The original amount issued under this bond issue of June 6, 2007, was \$1,405,000 for the construction and purchase of equipment for the Village’s 9-1-1 System. The Village’s obligation for this will end December 1, 2027. The Village had pledged revenues from the Emergency Telephone 9-1-1, however, those revenues are now handled and distributed by the State of Illinois. Due to the mandate by the State to consolidate dispatching, the Village abandoned its own 9-1-1 center and entered into an agreement with CalComm in 2015. Because of this, a joint 9-1-1 Board was mandated by the State and the 9-1-1 surcharge is now going to the joint board for ongoing costs. Despite the fact the Village has lost those funds, the Village has been able to use Utility Tax Funds to cover the cost of this obligation and does not need to levy property taxes and therefore can continue to abate these bonds.
5. **General Obligation (Alternate Revenue) Bonds Series 2007C** –The original amount issued under this bond issue of June 6, 2007, was \$810,000 for various fire equipment for the Sauk Village Fire Department. The village’s obligation will end December 1, 2027. The Village is currently abating taxes for this bond issue and paying the principal and interest within the normal budget line item.
6. **General Obligation Bonds (Alternate Revenue Source) Series 2008** – The original amount issued under this bond issue of December 23, 2008, was \$9,500,000 for improvements within Tax Increment Financing District #3 the Logisticenter at Sauk Village. The village has adequate revenues and reserves to abate property taxes for this bond issue and is paying the principal and interest from the appreciation in property taxes from within the TIF District. This bond issue will be paid off December 1, 2028.
7. **General Obligation Tax Increment Bonds (Alternate Revenue Source) Series 2009** – The original amount issued under this bond issue of April 28, 2009 was \$8,000,000 for improvements within Tax Increment Financing District #3 the LogistiCenter at Sauk Village. The Village has adequate revenues and reserves to abate property taxes for this bond issue and is paying principal and interest from appreciation in property

taxes from within the TIF District. Payments on this issue are due in two installments June 1 and December 1, 2017. This bond will be paid off April 1, 2029.

8. **General Obligation Working Cash Bonds Series 2010** – The original amount issued under this bond issue of February 1, 2010 was \$574,000. Under 65 ILCS 5/8-7, the Village is permitted to transfer all or part of the Working Cash Fund to the General Fund in anticipation of the collection of taxes levied for general or special corporate purposes; however, the Working Cash Fund is to be reimbursed within a certain period of time as specified in the Statutes. The Village had been recording property taxes, levied for purposes of payment of principal and interest on the Working Cash Bonds, to the Working Cash Fund, and in turn making a transfer to the Debt Service Fund. Our recommendation is to move this to the Special Revenue Fund and set up transactions to be recorded in the proper fund. The Audit report indicated there was approximately \$11,000 in reserve in this fund. The Village currently does levy for the Working Cash Fund and revenues and reserves appear to be adequate to cover debt service on this bond.
9. **Tax Anticipation Warrant Bond 2018** – This was issued in April 2018 in the amount of \$535,000. The purpose of the issuance was to provide liquidity while the Village implements needed cost reductions. This issuance will be repaid by March 15, 2019.

Proprietary Funds

Proprietary Funds are used to account for the Village’s ongoing activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income. Enterprise Funds are classified as Proprietary Funds. **Enterprise Funds:** Enterprise Funds are classified as Proprietary Funds. Proprietary funds are used to account for a government’s business-type activities (activities which receive a significant portion of their funding through user charges and fees). The operations of Enterprise Funds are accounted for similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise Funds established by the Village include: **Water Fund:** This fund accounts for the revenues and expenditures related to the provision of water services to residents and businesses. All activities necessary to provide such services include administration, operations, maintenance, financing and related debt service, and billing and collection. **Sewer Fund:** This fund accounts for the revenues and expenditures related to the transportation, repairs and improvements of the Village’s sanitary sewer system. All activities necessary to provide such services include administration, operations, maintenance, financing and related debt service, and billing and collection. This FY budget does not call for any additional increases in the water or sewer rates. A proper evaluation of the water and sewer rates should be conducted each year.

Fiduciary Funds

Fiduciary Funds are used to account for assets that are held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

1. **Pension Trust Funds** are used to account for the Village’s public safety employee pension funds. The Village budgets for two Pension Trust Funds: Fire Pension Fund and Police Pension Fund. These funds are used to account for the accumulation of resources to pay pension costs. Funding is provided by members at rates fixed by state statutes and by the Village through an annual contribution from the corporate property tax levy.
2. **Agency Funds** are custodial in nature and do not involve the measurement of results of operations. Agency funds account for assets held by the Village, which are owned, operated and managed separately from the governance of the Village. Sauk Village does not have Agency Funds.

FUND / DEPARTMENT RELATIONSHIP

Sauk Village
Organizational Matrix: Fund / Department Relationship
Fiscal Year 2018-2019 Budget

Funds / Departments	Departments / Organizational Units									
	Finance & Admin	Elected Officials	Public Grounds & Buildings	Police Dept.	Emerg Mgmt. Agency	Streets	Parks, Recr. & Playgrds	Audit & Insur	Fire Dept.	Public Works Dept.
General Fund (Major)	X	X	X	X	X	X	X	X		
Fire & Foreign Fund (Major)									X	
Motor Fuel Tax Fund (Non-major)										X
Emergency Tele System Fund (Non-major)				X					X	
Drug Seizure Fund (Non-major)				X						
Railroad Noise Mitigation Fund (Non-major)	X									
Working Cash Fund (Non-major)	X									
Ill Housing Dev. Fund (Non-major)	X									
Utility Tax Fund (Non-major)										X
Community Dev. Block Grant Fund (Non-major)										X
TIF#2 (Major)	X									
TIF#3 (Major)	X									
TIF#4 (Major)	X									
Debt Service Fund (Major)	X									
Water Fund (Major)										X
Sewer Fund (Major)										X
Police Pension Fund (Not Appropriated)				X						
Fire Pension Fund (Not Appropriated)									X	

The Village manages 18 funds and the Village's operational departments interact with each fund in different ways. This matrix is intended to depict the intersection between the funds and the departments.

Funds used by a government are traditionally classified into one of seven fund types. In addition, governmental financial reporting for state and local governments classify individual funds as either "Major" or "Nonmajor." The impact of this distinction is that the financial activity of nonmajor funds is reported in specific instances in the audited financial statements in a consolidated format while major funds are reported separately. The General Fund, Debt Service Fund, Tax Increment Financing District Two Fund, Capital Projects Fund, Water Fund, Sanitary Sewer Fund, Storm Sewer Fund and Parking Fund are considered "major" funds and all of the other funds are considered "nonmajor" funds

BASIS OF BUDGETING

The modified accrual basis of accounting is used for all governmental fund types (General Fund, Special Revenue Funds, Capital Project Funds and the Debt Service Fund) and agency funds (the Village currently does not have any agency funds established). Under the modified accrual basis of accounting, revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are recognized when they become both measurable and available in the period that the tax is intended to finance. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due. Those revenues susceptible to accrual are property taxes, franchise fees, interest and charges for services such as water, sewer and garbage. Other fines and permit revenue are not susceptible to accrual because generally they are not measurable until cash is received by the Village. The

accrual basis of accounting is utilized by proprietary fund types including enterprise funds and internal service funds (the Village does not have these types of funds), and pension trust fund types. Under this method, revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Both the modified accrual basis of accounting and the accrual basis of accounting are consistent with generally accepted accounting principles (GAAP).

The budget for the Village is prepared on a basis consistent with GAAP except for the following major exceptions described and identified below as the budgetary basis:

1. Capital outlay within the proprietary fund types are capitalized and recorded as assets on a GAAP basis, but expensed on the budgetary basis. In addition, depreciation expense is not shown on the budgetary basis for the proprietary fund types since capital outlay is expensed and not depreciated. The budgetary basis provides a more accurate description of the actual expenditures made during the year for the proprietary fund-types.
2. Bond / Debt proceeds in Enterprise funds are shown as revenues on the budgetary basis, and liabilities on a GAAP basis. Likewise, principal payments are shown as expenditures on a budgetary basis but reflected as a decrease in long-term debt payable on a GAAP basis.

FINANCIAL POLICIES

The Village's Financial Policies are in the process of being edited and approved by the Trustees. These policies require the Village to:

- Establish and maintain a high standard of accounting practices in conformance with Generally Accepted Accounting Principles (GAAP) for governmental entities as promulgated by the Governmental Accounting Standards Board (GASB).
- The Village will adopt and maintain a balanced budget in which expenditures will not exceed reasonably estimated revenues and other available funds, including reserves while taking into consideration recommended fund balances. The budget will be developed using specific goals and objectives as identified in the Village's Strategic Plan. The proposed budget will be made available for public inspections and a public hearing will be held to allow for public input prior to the adoption of the budget.
- The accounting system will maintain records on a basis consistent with accepted standards for local government accounting (according to GASB).
- Where possible, the reporting system will also provide monthly information on the total cost of specific services by type of expenditure and by Fund.
- An independent firm of certified public accountants will perform an annual financial and compliance audit of the City's financial statements according to Generally Accepted Auditing Standards (GAAS) and will publicly issue an opinion which will be incorporated in the Comprehensive Annual Financial Report.
- When appropriate, the Village will seek the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Award and the GFOA Distinguished Budget Award.
- The Village will promote full disclosures in its annual financial statements and its bond presentations.
- The Village will comply with all financial reporting requirements including all annual reports to be filed with the State and all annual debt disclosures filed with the respective agencies.
- The Village will continuously seek to diversify its revenue streams in order to help ensure that it can meet its ongoing service and debt obligations, through different economic cycles.
- The Village will develop a multi-year plan for capital improvements updated annually and will budget all capital improvements in accordance with this plan. Various funding sources from the General and Water and Sewer funds will be allocated to support these improvements

TOP REVENUE SOURCES

Water & Sewer Fees- The revenues from the water fees were expected to decrease last fiscal year by 7.8% due to the last-minute decrease approved by the Village Board prior to the May 2017, change in Administration. The following month the new Village Board approved an Ordinance to re-establish water rates, thereby making the impact on the budget negligible. The Village's sewer revenues increased in the FY 2018-2019 Budget. The biggest increase is because for the last 10 plus years the Village was only charging the mobile home parks as if there was only one user, when there were 416 individual users tied into the Village's sewer system. The net loss to the Village is likely over \$1 million over that term. The problem has been corrected and now the mobile home parks are charged for each lot and for each building within their jurisdiction. Additionally, sewer rates increased on a per gallon basis from \$0.99 per 1000 gallons of water to \$1.25 per 1000 gallons of water. These rates will increase by \$0.05 per year over the next 5 years beginning each May 1st. Finally, an additional "Surcharge Fee" was added to the sewer rate to cover the cost of unfunded Metropolitan Water Reclamation District mandates.

Property Tax- The property tax levy is based on required contributions to pension funds, debt service on outstanding bond issues and public safety and service operations within the General Fund. The Village only increased the 2017 levy modestly over the 2016 levy due to statutory constraints. The Village did pass a Loss and Cost Resolution to try to recover some of the Village's lost property tax revenues. Over the past 5 years, property tax revenues decreased by almost 20%.

State Sales Tax- The State of Illinois imposes a 6.25% sales tax, 1% of which is distributed to municipalities on a point of sale basis. The FY 2018-19 budget is based on current results, continued pressure from the online shopping marketplace, and guidance from the Illinois Municipal League.

State Income Tax (Local Government Distributive Fund- LGDF) - The State of Illinois collects personal and corporate income tax and places a portion of those receipts into a refund fund called the Local Government Distributive Fund (LGDF). The state then remits to municipalities on a per-capita basis a portion of its personal and corporate income tax receipts. As part of the State's budget process, legislation was passed which made changes in the Local Government Distributive Fund ("LGDF"). There will be a 10% reduction in LGDF payments in the State's fiscal year ending June 30, 2018. These funds will now be deposited into the LGDF rather than requiring the money to first pass through the General Revenue Fund ("GRF"). Bypassing the GRF will result in municipalities and counties receiving two accelerated payments (one time only) for a total of 14 LGDF payments instead of 12 in State fiscal year 2018. The impact will only be for two months of this fiscal year.

Business License Fees- The Village passed an ordinance increasing slightly the cost of business license fees. This was done to help cover the cost of Fire Inspections. The Village also instituted a "late fee" for business license renewals to encourage each business to purchase their license before the close of the fiscal year.

Vehicle License (Village Sticker) Fee- Vehicle license fees are charged for persons residing in the Village or any firm, corporation, or association having its principal office or place of business in the Village to own or use any motor vehicle in the transportation of persons or property. The fee structure is \$30 for motorbikes, motorcycles, passenger automobiles and recreational vehicles, \$45 for Motorbuses, and \$48 for "B" plate vehicles. Revenues year over year have declined and the Village Board should address this in the current fiscal year.

Police Fines- This represents revenue from "P" tickets for auto violations. All revenue goes into the General Fund. These revenues have declined year over year and the Village Board will need to address this.

Tow Release Fines- Revenue from this source goes into the General Fund. These revenues have declined year over year.

SUMMARY OF ALL FUNDS

Sauk Village Financial Comparison All Funds Fiscal Year 2018-2019 Budget

No. Fund	Revenues Transf&OFS	Expenditures Transf&OFU	Revenues Over/(Under) Expenditure s	Budget Sponsor
Governmental Funds:				
1	6,589,758	6,589,758	0	Various
2	581,840	581,840	-	Fire Chief
3	471,030	471,030	0	Dir of Public Works
4	-	-	-	Dir of Finance
5	50,000	11,200	38,800	Police Chief
6	-	-	-	Dir of Finance
7	73,613	71,750	1,863	Dir of Finance
8	75,000	75,000	-	Dir of Econ Dev
9	170,000	170,000	-	Dir of Finance
10	200,000	200,000	-	Dir of Finance
11	1,100,000	1,100,000	-	Dir of Econ Dev
12	4,622,995	5,043,698	(420,703)	Dir of Econ Dev
13	80,261	80,261	-	Dir of Econ Dev
14	4,991,178	4,947,678	43,500	Dir of Finance
Proprietary Funds:				
15	1,625,198	1,625,197	0	Dir of Public Works
16	977,226	977,226	0	Dir of Public Works
Fiduciary Funds:				
16	750,873	686,085	64,788	Dir of Finance
17	62,770	44,654	18,116	Dir of Finance
Total Funds	22,421,742	22,675,377	(253,635)	

Highlights:

- In FY 2018-2019, a great deal of effort went into ensuring that we do not spend more than our revenues.
- This budget submission represents a balanced budget, in that budget expenditures are not greater than revenues plus fund balances or reserves. The only fund that reflects a negative current year position is TIF#3 and that is associated with tax revenues received in a prior period (and therefore are part of the funds beginning balances) that are being spent in FY 2018-2019.
- The funds with a positive net position are considered restricted funds, whereby the funds can only be spent for the specific purpose of the fund. These fund balances cannot be used for the any other purpose, except those explicitly stipulated in the fund.

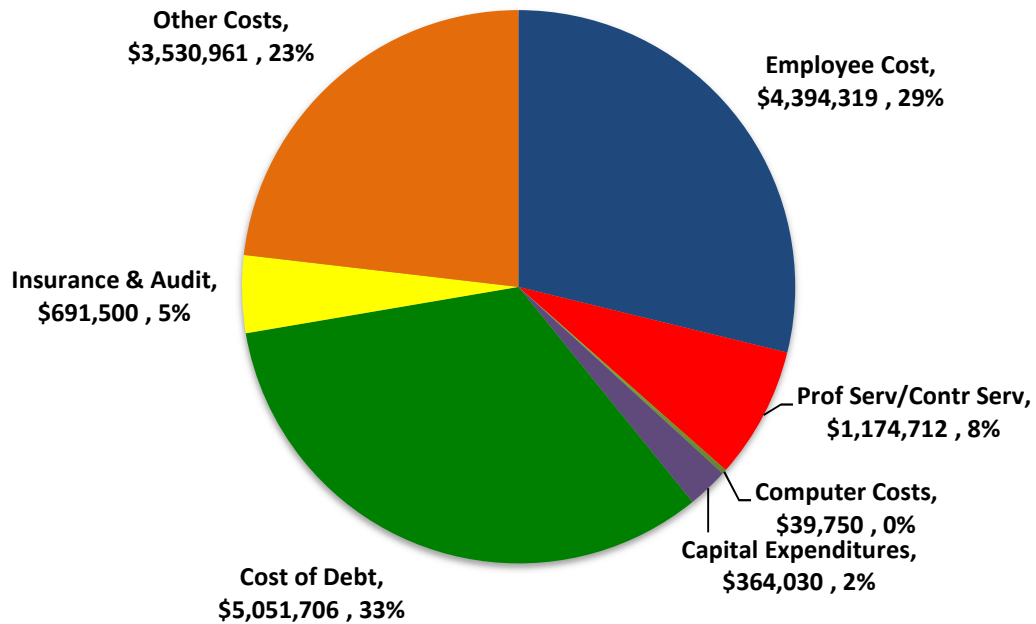
**All Funds
Fiscal Year 2018-2019 Budget**

	2017-2018 Forecast	2018-2019 Budget	Change \$
Property Taxes	7,591,378	7,714,319	122,941
Other Taxes	2,698,976	2,569,157	(129,819)
Licenses & Permits	208,557	558,915	350,358
Fees & Services	2,904,405	2,994,041	89,636
Grants	414,316	425,128	10,812
Miscellaneous	757,405	731,780	(25,625)
Proceeds	618,600	-	(618,600)
Transfers	6,267,444	7,428,401	1,160,958
Total Revenues	21,461,080	22,421,741	960,662
Employee Costs	4,654,574	4,394,319	(260,255)
Prof Serv/Oth Contr Sei	1,363,574	1,174,711	(188,863)
Computer Costs	42,138	39,750	(2,388)
Capital Expenditures	251,199	364,030	112,831
Cost of Debt	4,402,941	5,051,706	648,765
Insurance&Audit	578,317	691,500	113,183
Other Costs	2,136,031	3,530,961	1,394,929
Transfers	6,267,444	7,428,401	1,160,956
Total Expenditures	19,696,218	22,675,377	2,979,158
Net	1,764,861	(253,635)	

Highlights:

- Increases in **Property Taxes** are realized primarily from the appropriate accounting of revenues in TIF #2 and #3. Decreases in **Other Taxes** are attributed to a decrease in State funding for LGDF. An increase in **Licenses and Permits** is attributed to an increase in business licenses and an anticipated Impact Fee that will occur this fiscal year. **Fees and Services** increase is attributed to the Police Tow Release fees. **Transfers** are balanced throughout the budget. Employee costs have decreased through realignment, consolidation and efficiencies. **Professional Services/Other Contractual Services** decreased as we remain focused on better management of consulting type costs. **Capital Expenditures** increased to cover investment in Public Works. **Insurance & Audit** increased primarily due to higher Insurance costs. **Other Costs** is inclusive of all the TIF Redevelopment Agreement with the 2002A Bond Ordinance.
- Proceeds of \$618,600 include the Tax Anticipation Warrant issued in April 2018 of \$535,000. The remainder is associated with the loan issued in FY 2017/2018 to purchase Police vehicles and one Administration vehicle.

All Funds Expenditures 2018-2019 Budget



Highlights:

- The largest expense category, for all funds, is the costs associated with repayment of bonds and loans. This is essentially taking funding away from staffing, from infrastructure investments, and from technology investments.

RECONCILIATION OF INTERFUND TRANSFERS

Sauk Village Reconciliation of Operational Transfers: 2018-2019 Budget

#	Fund	Transfer Income - Credit		Transfer Expense - Debit	
			Amount	Fund	Amount
1	General Fund	Operational Transfer	186,600.00	Water Fund	186,600.00
	General Fund	Operational Transfer	316,030.00	Sewer Fund	316,030.00
	General Fund	Utilization of Village Equip	15,000.00	Motor Fuel Tax Fund	15,000.00
	General Fund	Administration Fee	250,000.00	TIF #3	250,000.00
	General Fund	Village Share of Contractor	133,044.00	TIF #3	133,044.00
	General Fund	Operational Transfer	49,000.00	TIF #4	49,000.00
	General Fund	Operational Transfer	55,000.00	Utility Tax Fund	55,000.00
		Total General Fund		1,004,674.00	
2	Fire Fund	Operational Transfer	158,050.00	Water Fund	158,050.00
3	Water Fund	Utilization of Village Equip	15,000.00	Motor Fuel Tax Fund	15,000.00
4	Sewer Fund	Utilization of Village Equip	15,000.00	Motor Fuel Tax Fund	15,000.00
5	Motor Fuel Tax Fund	Operational Transfer	200,000.00	Comm Dev Block Fund	200,000.00
6	TIF #3	Operational Transfer	1,100,000.00	TIF #2	1,100,000.00
7	Debt Service Fund	02 Bond Series A/B	2,287,250.00	TIF #3	1,152,250.00
				TIF #3	1,135,000.00
	Debt Service Fund	Bond Payments	493,290.00	TIF #3	493,290.00
	Debt Service Fund	Bond Payments	685,000.00	General Fund	685,000.00
	Debt Service Fund	Bond Payments	548,375.00	General Fund	548,375.00
	Debt Service Fund	Bond Payments	110,290.00	Utility Tax Fund	110,290.00
	Debt Service Fund	Bond Payments	67,500.00	Fire Fund	67,500.00
	Debt Service Fund	Bond Payments	672,222.00	TIF #3	672,222.00
	Debt Service Fund	Bond Payments	71,750.00	Working Cash Fund	71,750.00
	Total Debt Service Fund		4,935,677.00		4,935,677.00
	Total Transfers		7,428,401.00		7,428,401.00

Highlights:

- Interfund Transfers represent internal transfers between Village Funds for debt service, administrative services, liability insurance, vehicle replacements, building renewal, capital equipment replacements, the TIF District transfers to the Debt Service Fund, and other such activities. These transfers do not have a requirement for repayment.
- Because this is a balanced budget, the FY 2018-2019 Budget does not include any Interfund Advances/Borrowings.
- The reconciliation of Interfund Transfers is a discipline that was established in 2018. Prior to this, the Village did not reconcile these transfers. This is one of the many financial process improvements implemented by the Mayor and the Treasurer.

FUND BALANCES

Sauk Village Net Position All Funds Fiscal Year 2018-2019 Budget

No. Fund	Est Beg Fund Balance 5/1/18	Revenues Transf&OFS	Expenditures Transf&OFU	Revenues Over/(Under) Expenditures	Est End Fund Balance 4/30/19	Budget Sponsor
Governmental Funds:						
1 General Fund	1,227,376	6,589,758	6,589,758	0	1,227,376	Various
2 Fire and Foreign Fire Fund	40,521	581,840	581,840	-	40,521	Fire Chief
3 Motor Fuel Tax Fund	82,010	471,030	471,030	0	82,010	Dir of Public Works
4 Emergency Tele System	27,715	-	-	-	27,715	Dir of Finance
5 Drug Seizure Fund	117,615	50,000	11,200	38,800	156,415	Police Chief
6 Railroad Noise Mitigation	141,829	-	-	-	141,829	Dir of Finance
7 Working Cash Fund	40,693	73,613	71,750	1,863	42,556	Dir of Finance
8 Ill Housing Dev Auth Fund	-	75,000	75,000	-	-	Dir of Econ Dev
9 Utility Tax Fund	-	170,000	170,000	-	-	Dir of Finance
10 Comm Devel Block Grant Fd	-	200,000	200,000	-	-	Dir of Finance
11 TIF #2 (Sauk Pointe)	-	1,100,000	1,100,000	-	-	Dir of Econ Dev
12 TIF #3 (Logisticcenter)	1,360,862	4,622,995	5,043,698	(420,703)	940,159	Dir of Econ Dev
13 TIF #4 (Surreybrook Plaza)	550,388	80,261	80,261	-	550,388	Dir of Econ Dev
14 Debt Service Fund	9,616,743	4,991,178	4,947,678	43,500	9,660,243	Dir of Finance
Proprietary Funds:						
15 Water Department Fund	120,277	1,625,198	1,625,197	0	120,277	Dir of Public Works
16 Sewer Department Fund	-	977,226	977,226	0	0	Dir of Public Works
Total Funds	13,326,029	21,608,099	21,944,638	(336,539)	12,989,490	

Highlights:

- The majority of the fund balances outside of the General Fund are restricted and can only be used for specific purposes.
- The Debt Service Funds and the TIF Funds are kept in separate accounts at Amalgamated Bank and governed by Bond and TIF agreements.
- The monies in the Water Fund are a combined Water/Sewer Fund.
- In the coming year, the Village will establish target fund levels to ensure that day to day obligations can be met, debt service payments can be met, and infrastructure needs can be met.
- The fund balances were provided by the Director of Finance.
- The only fund that reflects a change greater than 10% is TIF#3 and that is associated with tax revenues received in a prior period (and therefore are part of the funds beginning balances) that are being spent in FY 2018-2019.

**GENERAL FUND:
REVENUES & EXPENDITURES
FOR FISCAL YEAR 2018-2019**

GENERAL FUND SUMMARY

Sauk Village Financial Comparison General Fund

General Fund	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Property Taxes	2,552,938	2,782,336	2,368,662	2,322,414
Other Taxes	2,108,625	2,161,852	2,251,235	2,128,627
Licenses & Permits	341,476	529,000	208,557	558,915
Fees & Services	381,659	411,700	374,602	416,500
Grants	223,946	200,667	135,491	85,128
Miscellaneous	57,053	219,100	75,650	73,500
Total Revenues	5,665,698	6,304,655	5,414,197	5,585,084
Capital Debt Proceeds	-	-	618,600	-
Interfund Transfers	763,730	690,000	574,000	1,004,674
Total Rev,Transf,Proc	6,429,427	6,994,655	6,606,797	6,589,758
Administration	1,712,525	1,197,328	1,550,816	1,962,339
Administration - Legal	-	483,158	398,984	369,345
Elected Officials	107,830	145,182	125,104	141,182
Public Grounds & Bldgs.	117,000	89,680	110,706	91,725
Police Department	3,504,105	3,454,866	3,401,951	3,137,751
ESDA	36,421	58,433	23,695	32,730
Streets	37,217	47,461	18,364	46,461
Parks & Playgrounds	38,451	125,446	6,833	128,226
Audit	45,465	55,000	60,351	60,000
Dispatch Center	10,938	-	-	-
Liability Insurance	589,768	580,000	517,966	620,000
Total Expenditures	6,199,719	6,236,554	6,214,769	6,589,758
Net	229,708	758,101	392,028	0

GENERAL FUND REVENUE DETAIL

Sauk Village Financial Comparison General Fund Revenue Detail

General Fund	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget	Budget Sponsor
Property Taxes	2,552,938	2,782,336	2,368,662	2,322,414	Dir of EDev
Replacement Tax	34,525	34,000	24,064	26,000	Dir of Fin
Ill State Income Tax	993,078	1,061,106	1,116,701	996,319	Dir of Fin
Sales Tax/Local Use Tax	526,881	536,746	540,106	511,308	Dir of Fin
Utility Tax	554,141	530,000	570,364	595,000	Dir of Fin
Other Taxes	2,108,625	2,161,852	2,251,235	2,128,627	
Business Licenses	78,205	55,000	48,874	94,000	Dir of EDev
Liquor Licenses	6,600	11,800	9,562	12,600	Dir of EDev
Vending Machine Licen	1,735	200	1,271	6,540	Dir of EDev
Video Gaming	-	18,000	9,735	43,875	Dir of EDev
Vehicle Licenses	94,012	95,000	91,519	83,000	Dir of EDev
Animal Licenses	1,330	1,000	1,004	900	Dir of EDev
Building Permits	136,483	75,000	24,769	46,000	Dir of EDev
Other Permits	2,212	2,000	2,024	2,000	Dir of EDev
Building Occup & Inspec	20,900	21,000	19,800	20,000	Dir of EDev
Impact Fees	-	250,000	-	250,000	Dir of EDev
Licenses & Permits	341,476	529,000	208,557	558,915	
Cable Franchise Fee	102,505	98,000	108,483	110,000	Dir of Fin
Subscription Newsletter	-	16,200	-	-	Dir of EDev
Police Reports	1,985	2,500	927	2,500	Police Chief
Garbage Late Fees	25,190	-	26,786	30,000	Dir of Fin
Police Fines	130,579	150,000	164,566	125,000	Police Chief
DUI Fines	1,894	2,500	791	2,500	Police Chief
Administrative Court	-	-	55	-	Police Chief
Debt Recovery-IOC	-	10,000	-	15,000	Dir of Fin
Tow Release Fees	112,773	125,000	68,236	125,000	Police Chief
Warrant Service Fee	1,680	2,500	-	2,500	Police Chief
Other Services	5,054	5,000	4,758	4,000	Dir of Fin
Fees & Services	381,659	411,700	374,602	416,500	
Pull Tab&Jar Games Tx	11,925	-	10,129	12,000	Dir of Fin
Other State Grants/Dare	14,989	40,000	(7,319)	-	Dir of Fin
Oslad Grant	-	-	105,000	-	Dir of Fin
Police Bullet Pr Vest Gar	35,000	5,000	-	5,000	Police Chief
Police DEA OT Reimb	11,291	8,000	8,942	8,000	Police Chief
Youth Access to Tobacco	-	1,000	-	-	Police Chief
Cops Hire Grant	51,310	41,667	34,851	60,128	Police Chief
Parks&Playground Gr	99,432	105,000	(16,111)	-	Dir of PWks
Grants	223,946	200,667	135,491	85,128	
Interest Earnings	416	200	2,070	2,000	Dir of Fin
Sale of Property	-	50,000	7,072	5,000	Dir of Fin
Rent-Cellular Tower	19,759	10,000	10,353	10,000	Dir of Fin
Miscellaneous	23,285	50,000	47,024	50,000	Dir of Fin
Misc-Memori Brick Rev	-	-	175	500	Dir of Fin
Misc-Donations	3,394	1,000	-	1,000	Dir of Fin
60th Ann Comm Rev	336	-	117	-	Dir of Fin
Refunds & Reimb	9,863	25,000	8,839	5,000	Dir of Fin
Refund Security Detail	-	82,900	-	-	Police Chief
Miscellaneous	57,053	219,100	75,650	73,500	
Total Revenues	5,665,698	6,304,655	5,414,197	5,585,084	
Capital Debt Proceeds	-	-	618,600	-	Dir of Fin
Interfund Transfers	763,730	690,000	574,000	1,004,674	Dir of Fin
Total Rev,Transf,Proc	6,429,427	6,994,655	6,606,797	6,589,758	

Highlights:

- This year, a budget sponsor has been assigned to each revenue source. The budget sponsor will be responsible for monitoring adherence to the budget. If we start to deviate from the budget, the budget sponsor will investigate the underlying cause of the variance and develop strategies for getting back on track. Even with a budget sponsor, we are a small team and we will rely on the collective resources of the Village and knowledge of the staff to develop alternatives to provide the Village with the best chance of meeting or exceeding the revenue budget. We are one team.
- The 2018-2019 budget proposal is based on actual trends supplemented with known one-time events or known changes in the revenue structure.
- The FY 2018-2019 budget decrease in property tax revenues reflects the continued trend of abandoned homes.
- The increase in FY 2018-2019 budget business license fees reflects an increase in the fee based on the Villages requirement to cover the cost of inspections.
- The FY 2018-2019 budgeted Police Fines and Tow Release Fees are based on the professional judgment of the Police Chief.
- The FY 2018-2019 budget Illinois State Income Tax and Sales Tax are based on information from the state and trends.
- The FY 2018-2019 budget Vehicle Stickers is based on trends and collections information.
- The 2017-2018 budget was not based on actual trends. As a result, the revenue budget was unrealistically optimistic and resulted in expenses exceeding revenues throughout the year. This caused a liquidity crisis. The liquidity crises resulted in the need to issue a 1-year Tax Anticipation Warrant Bond. The 1-year bond allows the Mayor to meet the obligations of the Village while working diligently to reduce expenses, without sacrificing service.
- It is important to understand the nature of a long-term contract that the Village signed associated with garbage disposal. The Village does not operate a Garbage or Refuse Disposal service. The Village is under contract with an external company to provide Refuse Disposal services. The contract was negotiated in 2016 and signed in early 2017 and expires in March 2030. This contract calls for a 3% increase annually to be administered by the Village of Sauk Village and payable to the external company. The Village collects funds and administers the billing for Refuse (Garbage) Disposal services for all residential dwellings that are occupied. The Village does not receive funding for billing for garbage services nor does it receive any franchise fees from the waste hauler. Because the Village does not levy a tax for garbage collection, these funds are not reflected within the Village's annual budget.

GENERAL FUND EXPENDITURES: FINANCE & ADMINISTRATION

Sauk Village Budget Comparison General Fund: Administration Department

Administration - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Employee Wages	241,366	333,637	339,903	340,718
Employee Wages	-	-	-	-
Fringe Benefits - IMRF/SS	46,275	49,832	37,124	36,070
Fringe Benefits - Oth	<u>52,007</u>	<u>77,964</u>	<u>78,582</u>	<u>75,496</u>
Total Employee Cost	339,648	461,433	455,609	452,284
Office Supplies	4,594	5,000	4,661	5,000
Vehicle Expense	10,296	3,600	4,531	4,000
Computer Software Suppli	4,539	7,500	6,750	7,500
Telephone	14,839	17,500	12,984	16,000
Postage	7,693	12,876	7,362	12,000
Insurance	7,246	5,000	-	5,000
Printing	4,965	15,424	10,819	15,000
Equip Repair & Maint	4,353	-	3,764	1,000
Vehicle Repair & Maint	667	5,000	1,175	2,500
Publications & Membershi	90	80	131	80
Professional Services	305,121	71,000	192,850	72,000
Computer Contractual Sen	26,526	15,000	16,402	15,000
Oth Rents & Leases	-	-	(76)	7,000
Amalgamated Bank Trust F	3,000	3,000	3,000	3,000
Oth Contractual Services	370,005	-	53,599	6,000
Refunds	-	48,044	27,273	-
Cook County Tax Refund	-	50,000	27,273	100,000
Vehicles	-	5,000	32,711	5,600
Total Expenditure	1,103,582	725,457	860,816	728,964
Transf 2007A +2018 Bond	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>	<u>1,233,375</u>
Total Exp/Transf	1,793,582	1,415,457	1,550,816	1,962,339

Administration / Legal - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Professional Services	-	232,000	249,383	220,000
Oth Contractual Services	-	251,158	149,601	149,345
Total Expenditure	-	483,158	398,984	369,345

Highlights:

- The Administration department includes the following functions: Finance, Billing, Payroll, Treasury, Economic Development, Community Development, Code Enforcement, and Human Resources.
- In prior years, legal expense was recorded as part of the Administration department.
- The increase in telephone expense is associated with the initial cost of transferring to the new phone system. The FY 2018-2019 budget assumes that the phone system will be implemented before May month end.
- The increase in Postage costs is associated with an anticipated newsletter mailing.
- The reduction in Other Contractual Services between the FY2017-2018 Forecast and the FY 2018-2019 Budget is primarily associated with the elimination of 3rd party insurance claims and architecture fees. The remaining amount is for copier leases.
- Cook County Tax Refund – In a prior administration, Cook County gave us more tax money than the Village was entitled. When it was realized that this occurred, the money had already been spent. The Village arranged with Cook County to repay \$25,000 per quarter. In FY 2018-2019, the Village is committed to abiding by the agreement. After FY 2018-2019, there will only be 1 additional \$25,000 payment to make.

Goals and Objectives:

- Close the Financial Books, every month, within 10 business days.
- Process all utility invoices accurately and in accordance with the scheduled timeline.
- Investigate and propose additional revenue opportunities.
- Maintain a balanced budget.
- Issue regular communications about major Village events and achievements
- Begin creating a Finance Department procedures manual.
- Create a 5 Year financial forecast.
- Develop a cash forecasting model.
- Begin process of qualifying for finance and human resources awards.
- Upgrade the Civic System.
- HR to lead the union contract negotiations.
- Work with the Mayor to develop a monthly Village performance tracking scorecard, which could include # of AP checks processed, direct debit sign ups, purchase card transactions, payroll checks issued, payroll direct deposits, etc.
- Work with the Mayor to develop monthly Village-wide metrics tracking, which could include # of building permits issued, # of building inspections, # of occupancy permits, # of authorized inspectors, etc.
- Implement operational efficiencies.
- Plus, other objectives as needed.

GENERAL FUND EXPENSES: ELECTED OFFICIALS

Sauk Village Financial Comparison General Fund: Elected Officials Department

Elected Officials - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Employee Wages	69,163	88,000	78,270	82,000
Fringe Benefits - IMRF/SS	5,331	6,732	6,032	6,732
Total Employee Cost	74,494	94,732	84,302	88,732
Printing	1,251	3,000	2,699	10,000
Publications & Memberships	18,017	12,000	12,180	12,000
Professional Services	-	14,450	8,107	14,450
Public Information/Relations	7,115	1,500	3,680	2,500
60th Anniversary Comm	-	500	-	-
Beautification/Impr Comm	-	1,000	-	-
Fire & Police Commission	3,916	8,000	8,623	8,000
Housing Authority Comm	-	1,000	-	-
Neighborhood Watch Comm	(7)	-	164	-
Ordinance Review Comm	-	4,000	-	-
Public Safety Committee	-	1,000	-	-
Public Service Committee	-	1,000	(464)	-
Budget & Finance Committee	-	1,000	-	-
Community Events	-	-	(436)	-
Senior Citizens Committee	1,541	1,000	1,078	-
Student Govt Day	-	-	-	-
Oth Contractual Services	1,503	1,000	5,173	5,500
Total Expenditures	107,830	145,182	125,104	141,182

Highlights:

- The 2018-2019 Budget includes the Mayor, 6 Trustees, and the Village Clerk.
- The increase in printing and professional services is associated with the purchase of code books.
- To help address the financial constraints of the Village, the Trustees have agreed to eliminate their Committee budgets. They will hold fund raisers or ask for donations to fund their Committees.

GENERAL FUND EXPENSES: PUBLIC GROUNDS & BUILDINGS

Sauk Village Financial Comparison General Fund: Public Grounds & Buildings

Public Grounds & Buildings - Director of Public Works	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Vehicle Expense	17,824	17,000	17,297	17,000
Facility Maint & Supplies	9,692	7,000	7,890	7,000
Operating Supplies	-	500	272	500
Tools & Equipment	1,378	11,000	-	6,000
Construction Supplies	1,160	2,000	3,517	3,000
Telephone	1,341	1,500	1,447	1,025
Utilities	5,341	6,000	1,589	3,000
Equip Repair & Maint	4,479	5,000	36,842	7,000
Vehicle Repair & Maint	381	1,000	955	1,000
Facility Maintenance	31,657	-	21,141	27,000
Organization Bus Exp	150	500	-	-
Professional Services	-	34,380	14,875	15,000
Other Rents & Leases	84	100	208	200
Interst-Street Light Prog	40,461			
Other Contractual Serv	3,050	3,700	4,673	4,000
Total Expenditures	117,000	89,680	110,706	91,725

GENERAL FUND EXPENSES: POLICE DEPARTMENT

Sauk Village Financial Comparison General Fund: Police Department

Police Department: Police Chief	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Employee Wages	1,731,107	1,675,376	1,649,753	1,547,892
Overtime	332,202	290,000	390,467	200,000
Fringe Benefits - Soc Sec	167,448	164,540	168,065	152,954
Fringe Benefits - Oth	393,624	408,651	358,477	380,051
Total Employee Cost	2,624,381	2,538,567	2,566,762	2,280,897
Office Supplies	3,043	4,000	1,356	1,000
Vehicle Expense	45,234	40,000	41,277	40,000
Uniforms and Clothing	30,335	17,850	24,060	17,850
Facility Maint Supplies	105	500	-	500
Operating Supplies	3,310	5,000	2,169	2,000
Computer Software Supplies	19,513	30,000	1,415	1,500
Tools and Equipment	3,599	23,500	15,893	15,500
Telephone	120,972	120,000	102,569	89,000
Utilities			104	
Postage	1,156	1,000	1,103	1,000
K-9 Expense	8,362	9,000	8,000	8,000
Printing	474	500	654	500
Equip Repair & Maint	32,543	45,000	18,321	19,500
Vehicle Repair & Maint	36,294	30,000	16,824	17,000
Facility Maintenance	273	3,000	614	3,000
Organization Business Exp	2,658	3,000	3,575	3,000
Professional Develop	1,813	2,500	3,151	2,500
Academy Training	1,190	-	-	-
Publications & Memberships	6,210	5,000	3,982	4,000
Professional Services	29,398	15,000	39,227	30,000
Computer Contractual Serv	33,611	30,000	7,378	8,000
Public Information	-	1,000	-	750
Other Rents & Leases	3,792	30,000	28,483	30,000
Empl Contribution-Pension	196,548	215,449	265,449	272,254
Oth Contractual Services	234,678	285,000	249,585	290,000
Vehicles / Cap Lease Prin/Int	64,614	-	-	-
Total Expenditures	3,504,105	3,454,866	3,401,951	3,137,751

Goals and Objectives:

- Explore feasibility of utilizing Part-Time Officers as a means to lower overtime and implementing a Volunteer's In Police Service Program (VIPS) so they can assist with any appropriate public safety related events.
- Lower the crime rate as indexed in the Annual Criminal Statistics Report provided by the Federal Bureau of Investigations.
- Work with the Mayor to develop monthly metrics tracking, which could include average response times, # of calls for service, speeding/parking tickets issued, Part 1 Crimes, DUI, etc.
- Plus, other objectives as needed.

GENERAL FUND EXPENSES: EMERGENCY MANAGEMENT AGENCY

Sauk Village Financial Comparison General Fund: Emergency Management Agency (EMA)

Emergency Management Agency (EMA)	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Employee Wages	13,700	30,500	13,830	15,000
Fringe Benefits - IMRF	<u>1,048</u>	<u>2,333</u>	<u>1,073</u>	<u>1,000</u>
Total Employee Cost	14,749	32,833	14,902	16,000
Vehicle Expense	3,647	5,000	2,989	3,300
Uniforms & Clothing	293	500	100	100
Facility Maint & Supplies	-	300	-	-
Operating Supplies	151	500	472	500
Tools & Equip	-	500	-	-
Other Materials & Supplies	-	200	-	-
Telephone	3,675	2,500	1,861	1,830
Equip Repair & Maint	6,072	5,000	-	1,000
Vehicle Repair & Maint	5,433	7,000	1,492	7,700
Organizational Bus Exp	150	200	197	200
Professional Development	71	1,200	-	100
Publications & Memberships	-	200	-	-
Professional Services	320	500	-	-
Other Rents & Leases	<u>1,542</u>	<u>2,000</u>	<u>1,682</u>	<u>2,000</u>
Total Expenditures	36,103	58,433	23,695	32,730

Goals and Objectives:

- Work with the Mayor to develop monthly metrics tracking, which could include average response times, # of calls for service, etc.
- Plus, other objectives as needed.

GENERAL FUND EXPENSES: STREETS FUND

Sauk Village Financial Comparison General Fund: Streets

Streets - Director of Public Works	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Office Supplies	19	-	25	-
Vehicle Expense	6,654	6,000	9,778	6,000
Tools and Equipment	-	-	132	-
Vehicle Repair & Maint	480	1,000	(10)	-
Other Rents & Leases	(0)	40,461	-	40,461
Major Tools & Work Equip	30,065	-	8,438	-
Total Expenditures	37,217	47,461	18,364	46,461

GENERAL FUND EXPENSES: PARKS, RECREATION & PLAYGROUNDS

Sauk Village Financial Comparison General Fund: Parks & Playgrounds

Parks & Playgrounds - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Employee Wages	11,860	10,400	4,740	20,000
Fringe Benefits - IMRF	889	796	363	796
Total Employee Cost	12,749	11,196	5,103	20,796
Oper/Office/Oth Supplies	1,211	1,000	1,188	2,000
Telephone	486	600	519	330
Utilities	0	1,000	23	100
Other Contractual Services	24,004	6,650	-	-
Oslad Grant	-	105,000	-	105,000
Total Expenditures	38,451	125,446	6,833	128,226

Goals and Objectives:

- Develop parks & community center programs that will make a difference in the community.
- Work with the Mayor to develop monthly Village-wide metrics tracking, which could include average response times, # of calls for service, etc.
- Plus, other objectives as needed.

GENERAL FUND EXPENSES: AUDIT AND INSURANCE

Sauk Village Financial Comparison General Fund: Audit and Insurance Department

Audit - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Professional Services	45,465	55,000	60,351	60,000
Total Expenditures	45,465	55,000	60,351	60,000

Insurance - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Insurance	589,768	580,000	517,966	620,000
Total Expenditures	589,768	580,000	517,966	620,000

Highlights:

- Sauk Village currently uses the services of Miller, Cooper & Company, Ltd. and has done so for the last several years. The Village is not required to put out R.F.P. for Municipal Audit Services under Illinois law.
- The Village currently has Owens Group as the broker of record. Liability insurance and related services are provided through Owens Group.
- Insurance includes Property, Casualty, Liability Insurance and Workers Comp Insurance. The large increase in Insurance is due to the large number of claims paid in FY 2017/2018. The large number of claims caused our expense ratio to increase and this caused our premiums to increase.

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**SPECIAL REVENUE FUNDS
REVENUES & EXPENDITURES
FOR FISCAL YEAR 2018-2019**

SPECIAL REVENUE FUND: FIRE DEPARTMENT FUND

Sauk Village Financial Comparison Fire and Foreign Fire Fund

Fire and Foreign Fire Fund - Fire Chief	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Property Taxes	436,705	468,230	385,377	383,662
Fire 10/50 Billing	12,909	15,000	15,140	15,128
Foreign Fire Insurance	9,973	13,000	11,396	10,000
Total Fees & Services	22,882	28,000	26,536	25,128
Fire Grant Revenue	-	-	4,891	15,000
Total Grants	-	-	4,891	15,000
Sale of Property/Interest	1	-	23,000	-
Miscellaneous	538	-	310	-
Refunds & Reimb	1,140	-	69	-
Miscellaneous	1,679	-	23,379	-
Transfers fr Water Fund	-	-	-	158,050
Total Revenues	461,266	496,230	440,183	581,840
Employee Wages	221,579	238,267	203,363	204,948
Fringe Benefits - IMRF	16,591	20,686	15,535	15,730
Fringe Benefits - Oth	510	384	236	251
Total Employee Cost	238,680	259,338	219,134	220,929
Lease Prin/Int Payment	7,708	-	-	-
Prin&Int - State of IL Ln	17,500	17,500	17,500	17,500
Office Supplies	4,305	3,000	4,408	5,250
Office Supp- Foreign Fire	1,383	5,000	2,051	2,500
Vehicle Expense	27,104	20,000	27,749	25,750
Uniforms and Clothing	1,587	10,000	2,788	-
Facility Maint Supplies	3,525	3,000	5,123	6,500
Operating Supplies	837	1,000	603	700
Computer Software Suppl	6,250	6,000	-	-
Tools and Equipment	8,301	24,224	1,870	25,000
Other Materials&Suppl	653	1,000	1,350	1,000
Telephone	6,506	2,000	8,801	8,568
Utilities	3,168	2,000	1,743	2,125
Postage	45	100	48	60
Printing	78	100	89	100
Equip Repair & Maint	9,689	10,000	10,499	10,000
Vehicle Repair & Maint	5,238	8,000	9,428	12,300
Facility Maintenance	450	1,000	50	62
Professional Develop	279	6,000	2,675	954
Publications & Membersh	534	500	841	1,027
Professional Services	1,350	5,000	3,811	2,500
Computer Contractual Sen	5,804	2,000	6,390	2,000
Intergovernmental Serv	-	3,000	3,273	3,000
Public Information	1,192	2,000	364	500
Other Rents & Leases	136	5,000	8,910	10,889
Amalgamated Trust Fees	3,000	3,000	-	3,000
Empl Contribution-Fire	10,508	11,615	61,615	61,970
Oth Contractual Services	140,825	-	81,415	75,156
Vehicles	47,483	-	-	-
Fire Grant Expense	-	-	-	15,000
Total Expenditures	554,121	411,377	482,525	514,340
Transfers 2007C Bonds	45,050	63,900	63,900	67,500
Total Exp&Transf	599,171	475,277	546,425	581,840
Net	(137,904)	20,953	(106,242)	-

Highlights:

- In October 2015, the Village entered into a loan agreement with the Illinois State Fire Marshall to finance a new fire truck. The loan is interest-free and requires an annual payment of \$17,500 per year on November 1st each year.
- The Village also issued a bond to fund this new fire truck and this is included as a transfer expense for the 2007C Bonds for \$67,500.
- The FY 2018-2019 Budget includes a \$50,000 Pension Fund contribution. Prior to 2018, the Village had not contributed to any pension fund in over 10 years. While \$50,000 is nowhere near the amount the Village owes the Pension Fund, it does represent a good faith effort to honor our commitment to our retired firefighters.
- With the decreased levels of property taxes and the high borrowing costs, the Fire Fund is not able to break-even without an Interfund transfer from another fund.

Goals and Objectives:

- Work with the Mayor to develop monthly Village-wide metrics tracking, which could include average response times, # of calls for service, etc.
- Plus, other objectives as needed.

SPECIAL REVENUE FUND: MOTOR FUEL TAX FUND

Sauk Village Financial Comparison Motor Fuel Tax Fund

Motor Fuel Tax Fund - Director of Public Works	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Motor Fuel Tax	<u>266,290</u>	<u>360,530</u>	<u>269,225</u>	<u>270,530</u>
Total Other Taxes	266,290	360,530	269,225	270,530
Transfers from CDBG	<u>-</u>	<u>400,000</u>	<u>200,000</u>	<u>200,000</u>
Total Transfers	-	400,000	200,000	200,000
Interest Earnings	<u>227</u>	<u>100</u>	<u>1,492</u>	<u>500</u>
Miscellaneous	227	100	1,492	500
Total Revenues	266,518	760,630	470,716	471,030
Operating Supplies	25,824	40,000	22,000	22,000
Construction Supplies	14,830	50,000	8,527	55,000
Utilities	20,872	40,000	16,602	20,000
Equip Repair & Maint	8,553	9,000	6,248	5,000
Professional Services	31,083	70,000	76,587	60,000
Oth Contractual Services	1,800	36,630	1,529	5,000
Construction	<u>(0)</u>	<u>470,000</u>	<u>251,199</u>	<u>259,030</u>
Total Expenditures	102,962	715,630	382,691	426,030
Transfers	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
Total Exp&Transf	147,962	760,630	427,691	471,030
Net	118,556	-	43,026	0

Highlights:

- The MFT transfers \$15,000 to the Sewer Fund, \$15,000 to the Water Fund, and \$15,000 to the General Fund for the cost of Village equipment usage on behalf of the roads program.

SPECIAL REVENUE FUND: EMERGENCY TELEPHONE SYSTEM FUND

Sauk Village Financial Comparison Emergency Telephone System Fund

Emergency Telephone System - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Illinois Bell Surcharge	39,852	50,000	-	-
Total Other Taxes	39,852	50,000	-	-
Transfers from MFT	24,932	-	-	-
Total Transfers	24,932	-	-	-
Interest	0	-	1	-
Miscellaneous	0	-	1	-
Total Revenues	64,785	50,000	1	-
Amalgamated Trust Fees	-	-	57	-
Total Expenditures	-	-	57	-
Transfers to Debt Service	65,000	53,845	24,845	-
Total Exp&Transf	65,000	53,845	24,902	-
Net	(215)	(3,845)	(24,901)	-

Highlights:

- The Village is no longer receiving the 9-1-1 surcharge revenues. These revenues are going directly to CalComm as part of their agreement with the Village.

SPECIAL REVENUE FUND: DRUG (POLICE) SEIZURE FUND

Sauk Village Financial Comparison Drug Seizure Fund

Drug Seizure Fund - Police Chief	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Drug Enforcement Funds	102,550	50,000	73,934	50,000
Total Grants	102,550	50,000	73,934	50,000
Interest Earnings	3	-	5	-
Miscellaneous	3	-	5	-
Total Revenues	102,553	50,000	73,938	50,000
Oth Contractual Serv	4,174	-	65	-
Refunds / Contingency	288	-	12,893	-
Major Tools & Work Equip	76,109	25,000	5,580	-
Vehicles	-	-	115,976	11,200
Total Expenditures	80,571	25,000	134,514	11,200
Transfers	-	-	-	-
Total Expe&Transf	80,571	25,000	134,514	11,200
Net	21,982	25,000	(60,575)	38,800

Highlights:

- \$11,200 in Vehicle Expense is associated with the police cars purchase in 2017. This reflects the loan payment. These are restricted funds and cannot be transferred to another fund or utilized in any other fashion.

SPECIAL REVENUE FUND: RAILROAD NOISE MITIGATION FUND

Sauk Village Financial Comparison Railroad Noise Mitigation Fund

RR Noise Mitigation - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
	-	-	-	-
	-	-	-	-
Total Revenues	-	-	-	-
Professional Services	51,633	160,000	54,010	-
Total Expenditures	51,633	160,000	54,010	-
	-	-	-	-
Total Exp&Transf	51,633	160,000	54,010	-
Net	(51,633)	(160,000)	(54,010)	-

Highlights:

- The Village is not planning on spending any money in FY 2018-2019 for Railroad Noise Mitigation. We have approximately \$142,000 remaining in this fund that we will continue to explore ways to effectively utilize.

SPECIAL REVENUE FUND: WORKING CASH FUND

Sauk Village Financial Comparison Working Cash Fund

Working Cash Fund - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Prop Tax-Working Cash	<u>72,528</u>	<u>75,000</u>	<u>75,000</u>	<u>73,363</u>
Total Property Taxes	72,528	75,000	75,000	73,363
Interest Earnings	37	10	280	250
Misc	<u>3,962</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Miscellaneous	3,998	10	280	250
Total Revenues	76,526	75,010	75,280	73,613
Transfer to Debt Service	<u>66,350</u>	<u>75,000</u>	<u>75,000</u>	<u>71,750</u>
Total Exp/Transf	66,350	75,000	75,000	71,750
Net	10,176	10	280	1,863

SPECIAL REVENUE FUND: ILL. HOUSING DEVELOPMENT AUTHORITY FUND

**Sauk Village Financial Comparison
Illinois Housing Development Fund**

Working Cash Fund - Director of Economic Development	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Grant	-	-	-	75,000
Total Grants	-	-	-	75,000
Total Revenues	-	-	-	75,000
Housing Grant	-	-	-	75,000
Total Exp/Transf	-	-	-	75,000
Net	-	-	-	-

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**PROPRIETARY (ENTERPRISE) FUNDS:
REVENUES & EXPENDITURES
FOR FISCAL YEAR 2018-2019**

PROPRIETARY (ENTERPRISE) FUND: WATER FUND

Sauk Village Financial Comparison Water Department Fund

Water Fund - Director of Public Works	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Utility Fees	1,643,727	1,382,471	1,678,364	1,591,396
Total Fees & Services	1,643,727	1,382,471	1,678,364	1,591,396
Transfers from GF	-	36,478	-	-
Transfers from MFT	15,000	15,000	15,000	15,000
Total Transfers	15,000	51,478	15,000	15,000
Interest Earnings	2	-	2	2
Meter Sales	19,875	25,000	18,800	18,800
Water Meter Repairs	-	500	-	-
Miscellaneous	91,177	50,000	(1,874)	-
Miscellaneous	111,054	75,500	16,928	18,802
Total Revenues	1,769,781	1,509,450	1,710,292	1,625,198
IEPA Loan Prin/nt	3,319,107	-	-	-
Total Rev/Proceeds	5,088,888	1,509,450	1,710,292	1,625,198
Employee Wages	537,266	522,458	531,437	479,437
Overtime	55,263	55,000	62,059	62,059
Fringe Benefits - IMRF	105,675	110,261	122,084	143,359
Fringe Benefits - Oth	94,398	124,960	86,831	86,831
Total Employee Cost	792,603	812,680	802,410	771,685
Office Supplies	569	500	1,200	500
Vehicle Expense	21,425	20,000	25,242	20,000
Uniforms and Clothing	3,533	4,000	3,554	4,000
Facility Maint Supplies	251	250	-	-
Operating Supplies	37,557	35,000	34,475	35,000
Computer Software Supplie	169	250	116	250
Tools and Equipment	6,933	4,000	6,001	5,000
Construction Supplies	45,822	57,900	73,023	70,000
Telephone	6,707	6,000	4,888	4,650
Utilities	67,250	70,000	76,057	65,000
Postage	3,129	3,000	3,803	3,500
Printing	1,213	1,000	1,471	1,200
Equip Repair & Maint	21,882	25,000	34,058	28,000
Vehicle Repair & Maint	17,153	15,000	10,723	15,000
Facility Maintenance	3,041	3,000	16,715	5,000
Professional Develop	1,352	2,500	1,460	2,000
Publications & Membership	100	500	-	400
Professional Services	1,850	75,100	10,966	50,000
Computer Contractual Serv	1,757	2,500	1,843	2,500
Intergovernmental Serv	1,036	2,000	11,231	8,000
Public Information	-	-	210	200
Other Rents & Leases	770	2,400	864	2,400
Oth Contractual Services	(28,233)	5,000	14,316	5,000
Int/Prin on IEPA Loan	49,276	58,864	58,864	58,828
Depreciation Exp	367,870	-	-	-
Computer Hardware Purch	2,288	1,500	-	-
Major Tools&Work Equip	8,007	-	-	-
Vehicles	-	25,000	-	25,000
Construction	9,675	132,000	5,662	97,434
Total Expenditures	1,444,984	1,364,944	1,199,151	1,280,547
Transfers	150,000	150,000	150,000	344,650
Total Exp&Transf	1,594,984	1,514,944	1,349,151	1,625,197
Net	3,493,904	(5,494)	361,141	0

Highlights:

- Water revenues are projected down from FY Forecast 2017-2018, as collection activity increases and late fees decrease. The Village will continue strict enforcement of shut-offs and collection activity.
- The Village currently assesses \$7.50 per 1000 gallons of water. This rate has not increased with annual inflationary increases year over year. A full assessment should be conducted this fiscal year.
- ILLINOIS ENVIRONMENTAL PROTECTION AGENCY PUBLIC WATER SUPPLY LOAN - The Village owed as of April 30, 2017, \$1,087,674 in a loan received in 2014 for installation of air stripper equipment to ensure safe drinking water. Additionally, work was performed to update the Village's old 1988 Iron Removal system with the \$4,225,983 which was expended for these improvements. There are adequate funds budgeted for payments of principal and interest on this loan.

Goals and Objectives (Public Works):

- Work with the Mayor to develop monthly Village-wide metrics tracking, which could include # of manual readings, # requests for service, request for service response times (% within 48 hours), # of snowplowing events, water main breaks repaired, # of parkway trees removed/trimmed/planted, etc.
- Complete annual capital improvement projects, including road maintenance program for replacement scheduling of all roads, sidewalks, and curbs throughout the Village.
- Complete regular maintenance of all Village Facilities, roads, sidewalks, public grounds, water and sewer, given funding constraints.
- Complete the Sewer Study.
- Plus, other objectives as needed.

PROPRIETARY (ENTERPRISE) FUND: SEWER FUND

Sauk Village Financial Comparison Sewer Department Fund

Sewer Fund - Director of Public Works	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Utility Fees	770,378	766,746	824,903	961,017
Total Fees & Services	770,378	766,746	824,903	961,017
Transfers from Water	-	11,565	-	-
Transfers from MFT	15,000	15,000	15,000	15,000
Total Transfers	15,000	26,565	15,000	15,000
Interest Earnings	2	-	2	1
Miscellaneous	35,267	-	1,208	1,208
Miscellaneous	35,269	-	1,210	1,209
Total Revenues	820,646	793,311	841,113	977,226
Regular Employee Wages	349,849	348,025	309,495	367,414
Part Time Empl Wages	-	37,720	-	-
Overtime	19,597	77,727	16,160	16,160
Fringe Benefits - IMRF	56,173	101,640	64,696	43,421
Fringe Benefits - Oth	131,076	500	116,001	116,001
Total Employee Cost	556,696	565,611	506,352	542,996
Office Supplies	397	5,000	141	500
Vehicle Expense	6,302	3,000	5,071	5,000
Uniforms and Clothing	3,174	500	3,295	3,000
Operating Supplies	555	500	431	500
Computer Software Supplie	-	2,100	-	500
Tools and Equipment	378	2,000	359	2,000
Construction Supplies	1,613	3,000	368	2,000
Telephone	2,784	1,000	2,554	2,200
Postage	1,260	1,000	3,636	1,500
Printing	1,213	6,000	919	500
Equip Repair & Maint	7,031	3,000	11,917	3,000
Vehicle Repair & Maint	2,688	100	2,056	3,000
Professional Develop	60	500	-	500
Professional Services	67,963	26,000	41,883	30,000
Prof Serv-Sewer Study	-	-	-	60,000
Computer Contractual Sen	1,757	24,000	1,843	2,500
Oth Contractual Services	7,071	-	1,562	1,500
Depreciation Expense	29,842	-	-	-
Computer Hardware Purch	2,288	-	-	-
Total Expenditures	693,069	643,311	582,387	661,196
Transfers	125,000	150,000	150,000	316,030
Total Exp&Transf	818,069	793,311	732,387	977,226
Net	2,577	(0)	108,726	0

**CAPITAL PROJECTS FUNDS:
REVENUES & EXPENDITURES
FOR FISCAL YEAR 2018-2019**

CAPITAL PROJECTS FUND: UTILITY TAX FUND

Sauk Village Financial Comparison Utility Tax Fund

Utility Tax Fund - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Utility Tax	<u>188,438</u>	<u>175,000</u>	<u>178,516</u>	<u>170,000</u>
Total Other Taxes	188,438	175,000	178,516	170,000
Total Revenues	188,438	175,000	178,516	170,000
Amalgamated Trust Fees	3,000	3,000	-	3,000
Refunds	<u>2,741</u>	<u>1,500</u>	<u>378</u>	<u>1,710</u>
Total Expenditures	5,741	4,500	378	4,710
Transfers to GF	100,000	110,000	-	55,000
Trsf 2007 Series B	<u>79,931</u>	<u>53,845</u>	<u>85,842</u>	<u>110,290</u>
Total Exp&Transf	185,672	168,345	86,220	170,000
Net	2,766	6,655	92,296	-

CAPITAL PROJECTS FUND: COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Sauk Village Financial Comparison Community Development Block Grant

Community Develop Block Grant - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
CDBG-Fair Housing Gr	-	400,000	200,000	200,000
Total Grants	-	400,000	200,000	200,000
Total Revenues	-	400,000	200,000	200,000
Total Expenditures	-	-	-	-
Transfer to MFT	-	400,000	200,000	200,000
Total Exp&Transf	-	400,000	200,000	200,000
Net	-	-	-	-

Highlights:

- Normally, the Village does not budget for grants that have not been approved, however this is an exception.
- The Village applied for this Grant in March/April 2018. While we expect to receive a final decision in July, there have been assurances that this would be received.

CAPITAL PROJECTS FUND: TIF #2 FUND SAUK POINTE

Sauk Village Financial Comparison TIF #2 (Sauk Pointe) Fund

TIF #2 - Director of Economic Development	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Property Tax TIF Districts	909,249	261,642	1,007,108	1,100,000
Total Property Taxes	909,249	261,642	1,007,108	1,100,000
Total Revenues	909,249	261,642	1,007,108	1,100,000
Total Expenditures	-	-	-	-
Trsf TIF#2 to 2008 Bonds	186,101	60,178	196,075	-
Trsfr to 2009 Debt Serv	126,723	41,863	143,884	-
Trsfr to 02 Series A Bond	580,153	159,602	667,149	-
TIF #3 Fd Per Ord 02-24	-	-	-	1,100,000
Total Exp&Transf	892,977	261,642	1,007,108	1,100,000
Net	16,272	-	-	-

Highlights:

- TIF #2 Sauk Pointe Industrial Park began September 13, 1988 and is contiguous to TIF#3 the LogistiCenter at Sauk Village.
- The TIF is expected to generate about \$1,100,000 in property tax increment each year, over \$16.3 million cumulatively since the TIF's inception in 1988.
- The TIF district helps pay for the debt service on three bond issues for the 2008, 2009 and 2002 A/B Bonds, which are parity bonds. Amalgamated Bank is the Trustee for the Bonds.
- Sauk Point Industrial Park began with a \$2 million bond issue in 1990. The businesses located in the Industrial Park include Pacesetter Steel, Herr, Minority Trucking, Willie Brothers Company and Ferrell Gas. The original Equalized Assessed value of the property in 1988 was \$63,280. Today the property's EAV is over \$5.9 million.

CAPITAL PROJECTS FUND: TIF #3 FUND LOGISTICENTER

Sauk Village Financial Comparison TIF #3 (Logisticenter) Fund

TIF #3 - Director of Economic Development	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	Proposed 2018-2019 Budget
Property Tax TIF Districts	3,520,395	826,019	3,425,087	3,520,395
Total Property Taxes	3,520,395	826,019	3,425,087	3,520,395
Interest Earnings	541	10	6,208	2,600
Miscellaneous	(600)	-	-	-
Transfers fr TIF 2	-	-	-	1,100,000
Total Revenues	3,520,335	826,029	3,431,295	4,622,995
Professional Services	-	297,000	-	-
Trust Fees	-	-	-	10,500
Village Administrative Cost	(0)	-	-	-
Payment to Contractor	-	-	-	1,197,392
Other Contractual Serv	7,000	12,000	11,455	-
Total Expenditures	7,000	309,000	11,455	1,207,892
Trf to GF Contr Split (10%)	-	250,000	250,000	133,044
Trf to General Fund	302,730	-	-	250,000
Trsf to 2002 A Debt Serv	2,278,115	162,888	2,328,707	1,152,250
Trsf to 2002 B Debt Serv	-	-	-	1,135,000
Trsfr to 2008 Reserve Red	821,834	61,418	685,067	672,222
Trsfr to 2009 Bond Fund	1,475,534	42,723	496,976	493,290
Total Exp&Transf	4,885,212	826,029	3,772,204	5,043,698
Net	(1,364,877)	-	(340,909)	(420,703)
Note:				
Fund Balance Estimated 4/30				420,703
Net				-

Highlights:

- The LogistiCenter at Sauk Village is a redevelopment for transportation and manufacturing industries. This was created in 1994 with a bond issue for \$10 million. Because the original developer was unable to secure the necessary rail commitments for its planned intermodal facility, the property saw very little development during the 1990s and early 2000s. As a result, the property did not produce enough incremental revenues to pay the debt service on the bonds. This left the village facing a potential crisis. Together with the Village's legal and financial team, the Village took a number of complex and creative steps to solve this problem in a way that avoided an increase in general property tax levies on the residents. The Village worked with then State Representative George Scully and Debbie Halvorsen on legislation that extended the lives of the TIF District property from 23 years to 35 years.

- In the summer of 2002, the Village and the original developer entered into agreements whereby the Village forgave debt and, in exchange, acquired title to the property. All these steps allowed the Village to take control of this project and provide a second chance at a successful project completion.
- Today the LogistiCenter at Sauk Village is home to Winpak, Warehouse Specialties, Inc., Behr Process Corporation, Lewis-Goetz, and Pratt Retail Services. Additionally, the TIF District includes Wayne Steel Distribution Company and S.E.T. Enterprises.
- TIF #3 generates about \$2.7 million to \$3.5 million annually and has generated over \$25 million in incremental property tax revenue.
- There are outstanding bond issues and monies from the TIF District that are pledge as collateral for those bonds. There is more than adequate incremental property tax from within the TIF District to cover the debt service on those bonds and there is no need to levy those bonds as they have been routinely abated.

CAPITAL PROJECTS FUND: TIF #4 FUND SURREYBROOK PLAZA

Sauk Village Financial Comparison TIF #4 (Surreybrook Plaza) Fund

TIF #4 - Director of Economic Development	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Incremental Property Tx	64,315	103,344	103,080	80,261
Total Property Taxes	64,315	103,344	103,080	80,261
IL Dpt of Transportation	8,041	-	-	-
Total Grants	8,041	-	-	-
Interest	1,363	100	1,861	-
Miscellaneous	1,363	100	1,861	-
Total Revenues	73,720	103,444	104,941	80,261
Professional Services	48,066	75,000	50,004	31,261
General Fund Services	6,000	-	-	-
Total Expenditures	54,066	75,000	50,004	31,261
Transfers to GF	-	15,000	15,000	49,000
Total Exp&Transf	54,066	90,000	65,004	80,261
Net	19,654	13,444	39,937	-

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**FIDUCIARY FUNDS:
REVENUES & EXPENDITURES
FOR FISCAL YEAR 2018-2019**

POLICE PENSION FUND

Sauk Village Financial Comparison Police Pension Fund

Police Pension - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Property Tax-Police Pen	196,548	215,449	215,449	222,254
Total Property Taxes	196,548	215,449	215,449	222,254
Interest Earnings	119,312	60,000	147,227	175,000
Gain/Loss on Invest	205,115	50,000	166,511	150,000
Misc	(204)	-	-	-
Employer Contr Pension	-	-	50,000	50,000
Empl Contr Pension	163,874	148,259	158,757	153,619
Total Miscellaneous	488,097	258,259	522,495	528,619
Total Revenues	684,645	473,708	737,944	750,873
Office Supplies	-	500	-	500
Auditing Expense	-	6,500	-	6,500
Professional Develop	2,971	5,000	1,272	5,000
Professional Services	49,744	50,000	42,781	50,000
Oth Contractual Services	9,000	2,000	12,508	-
Retirement Pension	511,186	475,000	555,391	579,409
Retirement Disability	19,103	17,000	19,103	19,676
Return Pension Contrib	42,076	25,000	3,609	25,000
Total Expenditures	634,080	581,000	634,664	686,085
Net	50,565	(107,292)	103,280	64,788

Highlights:

- The Police Pension Fund has their own autonomous Board responsible for oversight of their funds. Property taxes are levied by the Village to help contribute to the Pension Fund.
- The Police Pension fund is only 35.53% funded. Illinois law requires that these Pension funds be 90% funded by 2040.

FIRE PENSION FUND

Sauk Village Financial Comparison Fire Pension Fund

Fire Pension - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Property Tax-Fire Pen	10,664	11,615	11,615	11,970
Total Property Taxes	10,664	11,615	11,615	11,970
Interest Earnings	1,248	1,000	458	500
IMET Change in Value	(564)	1,000	31	300
Employee Contr Pension	-	-	-	-
Employer Contr Pension	-	-	50,000	50,000
Total Miscellaneous	684	2,000	50,489	50,800
Total Revenues	11,348	13,615	62,104	62,770
Professional Services	3,323	1,500	8,202	3,000
Oth Contractual Services	-	1,500	5	-
Retirement Disability	40,441	36,000	40,441	41,654
Total Expenditures	43,764	39,000	48,649	44,654
Net	(32,417)	(25,385)	13,455	18,116

Highlights:

- The Firefighters Pension Fund has their own autonomous Board responsible for the oversight of their funds.
- Property taxes are levied by the Village to help contribute to the Pension Fund. However, this is not enough to cover the pension payments. The Village is required to make ongoing contributions to this Pension Fund, above and beyond the tax levy.
- However, prior to 2018, the Village had not contributed to the Pension Fund in more than 10 years. This resulted in a pension fund that was scheduled to run out of cash in 2018.
- In an effort to begin honoring our obligations, the Mayor directed that the Village make a \$50,000 contribution.
- Additionally, the budget includes another \$50,000 contribution in the 2018-2019 Fiscal Year.
- The Fire Pension Fund is only 4.6% funded. Illinois law requires that these Pension funds be 90% funded by 2040.

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**DEBT SERVICE FUNDS:
REVENUES & EXPENDITURES
FOR FISCAL YEAR 2018-2019**

DEBT SERVICE FUND

Sauk Village Financial Comparison Debt Service Fund

Debt Service Fund - Director of Finance	2016-2017 Actual	2017-2018 Budget	2017-2018 Forecast	2018-2019 Budget
Transfer Admin Exp	-	-	9,000	-
Trsf Fr TIF3 Tax Alloc	2,631,283	267,029	-	-
Trsf to 02 Bond Ser A/B	1,101,527	-	2,995,856	2,287,250
Trsf Fr TIF2 Tax Alloc	677,400	261,642	-	-
Trsf TIF2 to 2008 Bonds	593	-	881,142	-
Transfers 2009 Bond Se	(563)	-	640,860	493,290
Transfers 2007A Bonds	690,000	690,000	690,000	685,000
Transfers 2007B Bonds	79,931	107,690	107,687	110,290
Transfers 2007C Series	45,050	63,900	63,899	67,500
Transfers 2008 Bonds	48	-	-	672,223
Trsf Fr WC 2010 Fund	66,350	75,000	75,000	71,750
Trsf Fr GF 2018 TAB	-	-	-	548,375
Total Transfers	5,291,620	1,465,261	5,463,444	4,935,678
Interest	3,474	500	57,408	55,500
Miscellaneous	3,474	500	57,408	55,500
Total Revenues/Tranf	5,295,094	1,465,761	5,520,851	4,991,178
2007 ABC Bonds Admin	-	-	9,000	12,000
07A Bonds Muni Bldg	690,000	690,000	690,000	685,000
2007 Series B Bond Pymt	-	107,690	107,690	110,290
07B Bonds 911 Dispatch	104,863	-	-	-
07 Series C Principal/Int	-	63,900	63,900	67,500
07C Bonds Fire Equip	60,100	-	49,450	-
08 Bonds Principal/Int	774,485	742,810	742,810	672,223
09 Bonds Principal/Int	539,915	479,915	479,915	493,290
Principal/Int 2002 Bonds	2,026,863	2,105,755	2,105,755	2,287,250
10 Bonds Prin/Int	72,700	75,000	75,000	71,750
2018 TAB Prin/Int	-	-	-	548,375
Total Expenditures	4,268,925	4,265,070	4,323,520	4,947,678
Net	1,026,169	(2,799,310)	1,197,331	43,500

LEGAL DEBT MARGIN

General Obligation Bonds are used to finance a variety of public projects. These bonds are backed by the full faith and credit of the Village. Limitations for bonding capacity are set by state statutes. The statutory debt limit for the Village of Sauk Village is 8.625% of the assessed valuation of the Village. Bonds that will be repaid using tax increment financing alternate revenue, motor fuel tax alternate revenue, or impact fee restricted revenues are exempt from statutory limitation. The bonding capacity for the village is as follows:

Sauk Village Legal Debt Margin As of April, 30, 2017

2016 Equalized Assessed Valuation (EAV)	\$70,630,455	
Voted and Unvoted Debt Limit - 8.625% of EAV		\$ 6,091,877
Total Debt Outstanding as of April 30, 2017	\$32,169,139	
Less: Exempt Debt	<u>\$30,411,367</u>	
Net Debt Subject to 8.625% Limit		<u>\$ 1,757,772</u>
Total Legal Voted and Unvoted Debt Margin		\$ 4,334,105

The Village has 9 bonds outstanding that mature between December 2018 to April 2029. The Village's outstanding debt is within the legal debt margin. Debt and loan payments are the single largest expenditure for the Village. No additional debt issuances are included in the FY 2018-2019 budget.

Sauk Village Debt Schedule Fiscal Year 2018 - 2019 Budget

Name	Series	Amount Issued	Date Issued	Maturity Date	Payment 6/01/2018	Fiscal Year 2018-2019					Total
						Payment 8/1/2018	Payment 9/15/2018	Payment 12/1/2018	Payment 2/1/2019	Payment 3/15/2019	
GO / Tax Increment Refunding Bond	2002A	9,755,000	6/15/2002	6/1/2022 *	126,125			1,026,125			1,152,250
GO / Capital Appreciation Bonds	2002B	4,999,356	6/27/2002	6/1/2022 *				1,135,000			1,135,000
Capital Appreciation / Alternate Revenue Bond	2007A	5,201,610	12/1/2007	12/1/2018	-			685,000			685,000
GO / Alternate Revenue Bond - 911 Center	2007B	1,405,000	06/6/2007	12/1/2027	22,645			87,645			110,290
GO / Alternate Revenue Bond - Fire Equip	2007C	810,000	6/6/2007	12/1/2027	13,750			53,750			67,500
GO / Alternate Revenue Source	2008	9,500,000	12/23/2008	12/1/2028 *	256,111			416,111			672,223
GO / Tax Increment Bonds	2009	8,000,000	4/28/2009	4/1/2029 *	156,645			336,645			493,290
GO / Working Cash Bonds	2010	574,000	2/1/2010	2/1/2020		3,375				68,375	71,750
Tax Anticipation Warrant Bond	2018	535,000	4/12/2018	5/1/2019	-	-	271,625	-	-	276,750	548,375
Total		40,779,966			575,276	3,375	271,625	3,740,276	68,375	276,750	4,935,678
*Per Bond Agreement: Payments Made Directly to Amalgamated Bank From County Tax Collections					538,881	-	-	2,913,881	-	-	3,452,763
Payments That Sauk Village Needs to Make from Cash					36,395	3,375	271,625	826,395	68,375	276,750	1,482,915
Total					575,276	3,375	271,625	3,740,276	68,375	276,750	4,935,678

BOND PAYMENT SCHEDULES

Sauk Village Debt Service Requirements Debt Service Fund

General Obligation Tax Increment Refunding Bonds (Alternative Revenue Source) Series 2002A

Dated: June 15, 2002
 Original Issue: \$9,755,000
 Due: June 1, 2022
 Interest Payment Dates: June 1 and December 1
 Interest Rates: 5.00%-5.10%

Year Ending April 30,	Principal	Interest	Total
2018	755,000	290,756	1,045,756
2019	900,000	252,250	1,152,250
2020	945,000	207,250	1,152,250
2021	1,000,000	160,000	1,160,000
2022	1,055,000	110,000	1,165,000
2023	<u>1,145,000</u>	<u>28,625</u>	<u>1,173,625</u>
	5,800,000	1,048,881	6,848,881

General Obligation Capital Appreciation Bonds (Tax Increment Alternative Revenue) Series 2002B

Dated: June 27, 2002
 Original Issue: \$4,999,356
 Due: June 1, 2022
 Interest Payment Dates: December 1
 Interest Rates: 5.45%-5.95%

Year Ending April 30,	Principal
2018	1,060,000
2019	1,135,000
2020	1,220,000
2021	1,315,000
2022	1,405,000
2023	<u>1,460,000</u>
	7,595,000

**Sauk Village Debt Service Requirements
Debt Service Fund**

**General Obligation Capital Appreciation Bonds
(Alternative Revenue Source) Series 2007A**

Dated: June 6, 2007
 Original Issue: \$5,201,610
 Due: December 1, 2018
 Interest Payment Dates: December 1
 Interest Rates: 4.20%-4.30%

Year Ending April 30,	Principal
2018	690,000
2019	<u>685,000</u>
	1,375,000

**General Obligation Alternative Revenue Bonds
(Alternative Revenue) Series 2007B**

Dated: June 6, 2007
 Original Issue: \$1,405,000
 Due: December 1, 2027
 Interest Payment Dates: June 1 and December 1
 Interest Rates: 3.95%-5.00%

Year Ending April 30,	Principal	Interest	Total
2018	60,000	47,690	107,690
2019	65,000	45,290	110,290
2020	75,000	42,690	117,690
2021	80,000	39,690	119,690
2022	85,000	36,370	121,370
2023	95,000	32,842	127,842
2024	100,000	28,900	128,900
2025	110,000	24,750	134,750
2026	120,000	19,250	139,250
2027	125,000	13,250	138,250
2028	<u>140,000</u>	<u>7,000</u>	<u>147,000</u>
	1,055,000	337,722	1,392,722

**General Obligation Bonds
(Alternative Revenue Source) Series 2007C**

Dated: June 6, 2007
 Original Issue: \$810,000
 Due: December 1, 2027
 Interest Payment Dates: June 1 and December 1
 Interest Rates: 4.00%-5.00%

Year Ending April 30,	Principal	Interest	Total
2018	35,000	28,900	63,900
2019	40,000	27,500	67,500
2020	40,000	25,900	65,900
2021	45,000	24,300	69,300
2022	50,000	22,500	72,500
2023	55,000	20,000	75,000
2024	60,000	17,250	77,250
2025	65,000	14,250	79,250
2026	65,000	11,000	76,000
2027	75,000	7,750	82,750
2028	80,000	4,000	84,000
	<u>610,000</u>	<u>203,350</u>	<u>813,350</u>

**General Obligation Bonds
(Alternative Revenue Source) Series 2008**

Dated: December 23, 2008
 Original Issue: \$9,500,000
 Due: December 1, 2028
 Interest Payment Dates: June 1 and December 1
 Interest Rates: 5.40%-7.25%

Year Ending April 30,	Principal	Interest	Total
2018	160,000	512,222	672,222
2019	210,000	500,622	710,622
2020	185,000	485,398	670,398
2021	150,000	475,408	625,408
2022	220,000	467,008	687,008
2023	1,295,000	454,358	1,749,358
2024	1,470,000	378,600	1,848,600
2025	1,355,000	290,400	1,645,400
2026	1,075,000	207,746	1,282,746
2027	1,110,000	141,632	1,251,632
2028	1,165,000	72,812	1,237,812
	<u>8,395,000</u>	<u>3,986,206</u>	<u>12,381,206</u>

**Sauk Village Debt Service Requirements
Debt Service Fund**

**General Obligation Tax Increment Bonds
(Alternative Revenue Source) Series 2009**

Dated: April 28, 2009
 Original Issue: \$8,000,000
 Due: April 1, 2029
 Interest Payment Dates: June 1 and December 1 through 2028, then April 1, 2029
 Interest Rates: 4.30%-7.50%

Year Ending April 30,	Principal	Interest	Total
2018	155,000	324,914	479,914
2019	180,000	313,290	493,290
2020	105,000	299,790	404,790
2021	60,000	291,914	351,914
2022	165,000	289,334	454,334
2023	65,000	282,240	347,240
2024	815,000	279,444	1,094,444
2025	885,000	244,400	1,129,400
2026	675,000	205,460	880,460
2027	635,000	175,084	810,084
2028	1,105,000	145,874	1,250,874
2029	<u>2,000,000</u>	<u>110,088</u>	<u>2,110,088</u>
	6,845,000	2,961,832	9,806,832

**General Obligation Working Cash Bonds
Series 2010**

Dated: February 1, 2010
 Original Issue: \$574,000
 Due: February 1, 2020
 Interest Payment Dates: February 1 and August 1
 Interest Rates: 4.50%-5.00%

Year Ending April 30,	Principal	Interest	Total
2018	65,000	10,000	75,000
2019	65,000	6,750	71,750
2020	<u>70,000</u>	<u>3,500</u>	<u>73,500</u>
	200,000	20,250	220,250

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GLOSSARY

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting or a particular departmental operation or project. To assist the reader of the document in understanding these terms, a glossary has been included in the document.

Abatement: A partial or complete cancellation of a property tax levy imposed by the Village.

Accrual Basis: A basis of accounting utilized by proprietary fund types and pension trust funds where revenues and additions are recorded when earned and expenses and deductions are recorded at the time liabilities are incurred.

Activity: A significant element of a department's programmatic responsibilities performed for the purpose of accomplishing a function for which a department is responsible.

Adopted Budget: The original budget as approved by the Village Trustees at the beginning of the fiscal year.

Ad Valorem Tax: A tax levied on the assessed value of real property (also known as "property tax").

Amended Budget: The current or revised budget, resulting from changes to the Adopted Budget during the fiscal year as modified by a Village Trustee action.

Annexation: The incorporation of land into an existing municipality with a resulting change in the boundaries of that municipality.

Appropriation: A specific amount of money authorized by the Village Trustees to make expenditures and incur obligations for specific purposes, frequently used interchangeably with expenditures.

Assessed Value: A valuation set upon real estate or other property by the Township Property Appraiser as a basis for levying taxes.

Assigned Fund Balance: Includes amounts intended to be utilized by the Village for specific purposes. In Governmental Funds other than the General Fund, assigned fund balance represents the amount that is not otherwise designated. The Mayor is authorized to designate assigned fund balance for the General Fund.

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 and processes to determine whether the internal accounting controls are both available and being used.

Balanced Budget: A balanced budget is a budget in which revenues meet or exceed expenditures and cash reserves. The Village will sometimes use cash reserves or fund balances to finance a significant capital improvement or capital project. This use of reserves to finance a capital project will convey the impression that the budget is not balanced when in fact the financing of a capital project with reserves was the result of good financial planning.

Benchmarking: Comparing one's own performance to that of their past performance or to that of comparable communities.

Bond: A written promise to pay a specified sum of money, called face value or principal, at a specified date in the future, called maturity date, together with periodic interest at a specified rate.

Bonding: The act of borrowing money to be repaid, including interest, at specified dates.

Bond Refinancing: The payoff and reissuance of bonds, to obtain better interest rates and or bond conditions.

Budget: A comprehensive financial plan of operations for a given time period.

Budget Amendment: Per Village policy, any budgetary transaction that causes an increase or decrease in a fund's total.

Budget Message: The opening section of the budget which provides the Village Trustees and the Public with a general summary of the most important aspects of the budget, and changes from the current and previous fiscal year.

CALCOMM (Calumet Public Safety Communications): An organization providing regional police and fire dispatch services to many municipalities in the Cook County area. The Village of Sauk Village is a member of CalComm and pays its share of annual fees to the organization. This cost is included in both the police and fire department budgets.

Capital Assets: Assets with a useful life of more than one year. Capital assets are also called fixed assets.

Capital Expenditure: An outlay that results in or contributes to the acquisition or construction of a capital asset.

Capital Financing: Money that is raised and spent to build or acquire a capital asset. Capital financing can include the proceeds of different types of debt: general obligation bonds, revenue bonds, certificates of participation or capital lease debt, and some forms of special or limited obligations bonds. Capital financing can also include annually levied taxes or revenues, capital reserves, impact fees and other charges to property, grants, and other sources that are allocated and spent to help build and acquire capital assets. Capital financing raised through the issuance of debt must be repaid.

Capital Improvements: Major projects that typically involve the construction of or improvement/repair to buildings, roads, water, sewer, sanitary sewer, and other related infrastructure.

Capital Outlay: Expenditures which result in the acquisition of or addition to, short-lived general fixed assets.

Capital Project Fund: A fund established in order to account for the financial resources and costs associated with the construction of major capital facilities or other major capital improvements. The Village typically establishes a Capital Project Fund for each TIF project.

Cash Flow: The net cash balance at any given point and how that cash balance changes.

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.

Census: An official population count of all or part of a municipality by the federal government. An official census count determines the amount of revenues that the Village receives from the State for certain major revenue sources.

Charges for Service: User charges for services provided by the Village to those specifically benefiting from those services.

Chart of Accounts: A systematic structure for classifying similar financial transactions of the Village.

Collective Bargaining Agreement: A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment) e.g., hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

Committed Fund Balance: Includes amounts that can only be utilized for the specific purposes determined by formal action of the Village Council. Commitments may be changed or removed only by the Village Council taking the same formal action that imposed the constraint originally.

Comprehensive Annual Financial Report (CAFR): A report that summarizes financial data for the previous fiscal year in a standardized format.

Comprehensive Plan: An official public document adopted by the local government as a policy guide to decisions about the physical development of the community. It is a general long-range physical plan.

Consumer Price Index (CPI): Measures the prices of consumer goods and is a measure of U.S. inflation. The U. S. Department of Labor publishes the Consumer Price Index every month.

Contingency: Funds accumulated for future purposes, or unplanned expenditures.

Corporate Property Tax: The Corporate Property Tax is the tax levied by the Village on all property in the Village that is subject to property taxation which is used or designated for general use, police pension, and fire pension.

Debt: A financial obligation from the borrowing of money.

Debt Limit: The maximum amount of outstanding gross or net debt legally permitted.

Debt Service: The payment of principal and interest on borrowed funds.

Debt Service Fund: A fund established to account for expenditures used to repay the principal and interest on debt.

Deficit: Most commonly used to describe an excess of expenditures over revenues for a fiscal year. However, sometimes deficits are planned for due to the use of accumulated monies for capital or other projects. In addition, municipalities sometimes have accumulated cash balances which they intend to use to fund expenditures for a given fiscal year.

Department: An organizational unit responsible for carrying out a major governmental function, such as Police or Public Works.

Depreciation: The decrease in value of physical assets due to use and passage of time.

Draft Budget: The preliminary budget document distributed to the Village Council and available for inspection by the public which includes all of the budgets proposed by each Department along with any additional major capital projects or changes in operating levels approved by the Mayor.

Elastic Revenues: Revenues that are responsive to change with economic conditions. Examples of elastic revenues include: sales and use taxes, municipal utility tax, income tax, license and permit fees and interest on investments.

Enterprise Fund: Used to account for operations that are financed and operated in a manner similar to private business enterprises - where the costs of providing goods or services are financed or recovered primarily through user charges.

(EAV) Equalized Assessed Value: The value of property resulting from the multiplication of the assessed value by an equalization factor to make all property in Illinois equal to one-third of its market value.

Expenditures: Payment by the Village for goods or services that the Village has received or will receive in the future.

Expenses: Decreases in net total assets. Expenses represent charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

FICA (Federal Insurance Contributions Act): Monies paid to the federal government to fund for future social security benefits as may be defined by the government in future years.

Fiduciary Funds: Funds that are used when a government holds or manages financial resources in an agent or fiduciary capacity.

Financial Plan: A multi-year, longer range approach to assessing the Village's revenue and expenditure needs which becomes the basis for formulation of the annual budget which by law must be adopted. The plan is developed by utilizing existing policies, objectives, assumptions, and accepted benchmarks and activity measures.

Fiscal Year (FY): Any consecutive twelvemonth period designated as the budget year. The Village's budget year begins on May 1 and ends April 30 of the following calendar year.

Fixed Assets: Assets of a long-term character which are intended to continue to be held or used. Examples of fixed assets include items such as land, buildings, machinery, furniture and other equipment.

Forecast: The projection of revenues and expenditures usually for a time period that is greater than one year based on clearly defined assumptions and predictions related to future events and activities.

Franchise Agreement: An agreement between the Village and a utility setting forth the terms and conditions under which a utility, such as a cable company, may provide a service to residents. A franchise agreement often provides compensation to the Village for the use of the public right-of-way by the utility company.

Full-Time Equivalent (FTE): A method of determining the total number of employees in terms of each position's number of hours when compared to a full-time employee. Full-time positions have an FTE of 1.00. A part-time

position that works 60% of the hours that a full-time position would work would have a full-time equivalency of 0.60.

Fund: A set of accounts to record revenues and expenditures associated with a specific purpose.

Fund Accounting: A government accounting system, which is organized and operated on a fund basis.

Fund Balance: The difference between assets and liabilities reported in a governmental fund. 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 is often used to describe the total available financial resources in a governmental fund.

GASB (Governmental Accounting Standards Board): An independent organization, which has ultimate authority over the establishment of Generally Accepted Accounting Principles (GAAP) for state and local government. GASB members are appointed by the Financial Accounting Foundation (FAF); however, the GASB enjoys complete autonomy from the FAF in all technical and standard-setting activities.

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 provides 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).

General Fund: The general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. Most services provided by the Village including police protection, street maintenance and snow plowing, forestry, engineering, administration, and building and code enforcement are accounted for in this fund.

G.O. Bonds (General Obligation Bonds): Bonds that are backed by the full faith and credit of a municipality. The taxing power of local government is pledged in the covenant of one of these bond issues.

Goal: A long-term or short-term desirable development.

Government Fund Types: Funds that account for a government's governmental-type activities. These funds are the general fund, special revenue funds, debt service funds and capital projects funds.

Grant: Funds received by the Village which are designated for specific projects. Many grants come from the State of Illinois as reimbursements for engineering and construction costs associated with specific projects.

Home Rule Municipality: A home rule municipality 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 public health, safety, morals and welfare; to license; to tax; and to incur debt, unless preempted by the State of Illinois. A municipality is designated as a home rule municipality if its population reaches 25,000 or if the designation of home rule is approved by voters via a referendum. Sauk Village is currently not a Home Rule Municipality.

604 ICMA (International City/County Management Association) and ILCMA (Illinois City/County Management Association): The professional and educational organization for chief appointed managers, administrators, and

assistants in cities, towns, counties, and regional entities throughout the world. Since 1914, ICMA has provided technical and management assistance, training, and information resources to its members and the local government community. The management decisions made by ICMA's nearly 8,000 members affect more than 100 million individuals in thousands of communities; from small towns with populations of a few hundred to metropolitan areas serving several millions.

IDFPR (Illinois Department of Financial and Professional Regulation): An agency of the State of Illinois responsible for, among other things, ensuring that Sauk Village is complying with all state laws and requirements related to the locally administered Police Pension Fund and Fire Pension Fund.

IMRF (Illinois Municipal Retirement Fund): State retirement system established for municipal employees other than sworn fire or sworn police personnel.

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

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, drainage systems, water and sewer systems, and lighting systems. **Interfund Transfer:** A transfer of funds or assets from one fund to another without equivalent flows of assets in return and without a requirement for repayment.

ISO (Insurance Services Organization) Rating: A rating which provides a measure of the readiness of the Village's fire response for home insurance purposes. The Village's ISO Rating is 4.

Levy: (Verb) To impose taxes, special assessments or service charges for the support of governmental activities, usually based on the assessed value of property. (Noun) The total amount of property taxes imposed by the Village for a specific year.

Liability: Debt or other legal obligations arising out of transactions in the past which must be liquidated renewed or refunded at some future date.

Liquidity: The amount of cash and easily sold securities a local government has at one time.

Major Fund: A classification given to a fund when the fund's total assets, liabilities, revenues or expenditures/expenses is equal to or greater than 10% of the total Governmental Fund or Enterprise Fund total of that category (whichever category the fund belongs to) and 5% of the total Governmental and Enterprise total combined for that category. The General Fund is always classified as a Major Fund. Funds which do not pass this test are considered a Nonmajor Fund.

Mandate: A requirement from a higher level of government that a lower level of government perform a task, usually to meet a particular standard, and often without compensation from the higher level of government.

Modified Accrual Accounting: A basis of accounting used by Governmental Fund types in which revenues are recorded when collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period, and, expenditures are recognized when the related liability is incurred.

MFT (Motor Fuel Tax): The Motor Fuel Tax is a tax on fuel consumption imposed and collected by the State. Distribution of the tax to municipalities is based on the municipality's certified population. Sauk Village's MFT revenue is recorded in a separate fund due to the restrictions on the type of expenditures that Sauk Village may fund with MFT revenues.

Municipality: A term used to describe a unit of government in Illinois such as a village, city or town.

Net Assets: The difference between assets and liabilities in a Non-Governmental Fund.

Nonmajor Fund: A classification given to a fund when the fund's total assets, liabilities, revenues or expenditures/expenses is not equal to or greater than 10% of the total Governmental Fund or Enterprise Fund total of that category (whichever category the fund belongs to) or is not equal to 5% of the total Governmental and Enterprise total combined for that category. Funds which do pass this test are considered Major Funds.

Non-Operating Revenues: A classification of revenue which most commonly describes money received by one fund from another fund, such as monies received by the Fire Fund from the Water Fund to maintain a balanced budget. This category also consists of contributions made to a fund and charges received by a fund from another fund.

Obligations: Amounts that a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget: A financial plan which presents proposed expenditures for the fiscal year and estimates of revenue to finance them.

Operating Expenses: Expenses which are directly related to service activities.

Operating Revenues: Revenues which are directly related to service activities, e.g., user charges, fees or taxes.

Ordinance: A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Pension: Future payments made to an eligible employee after that employee has left employment or retired. Pensions for police officers and firefighters are based on the number of years of service working for the Village and the employee's rate of pay at the time the employee either left employment or retired.

Per Capita: Per capita is a term used to describe the amount of something for every resident living within the Village.

Performance Indicators: Specific quantitative and qualitative measures of work performed as an objective of the department.

Private Sector: Businesses owned and operated by private individuals, as opposed to government-owned operations.

Public Hearing: An official forum called for the purpose of soliciting input from residents, businesses, and other stakeholders regarding a topic, plan or document. Illinois State law requires municipalities to hold a public hearing on the budget for the coming fiscal year before the budget is approved by the Village Trustees.

Public Sector: The policies and procedures as conducted by local governments, states and the federal government.
Property Tax: A tax based on the assessed value of real property. (See also Corporate Property Tax)

Proprietary Fund Types: The classification used to account for a Village's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal services funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds.

Referendum: The submission of a proposed public measure, law or question, which has been submitted by legislature, convention or council, to a vote of the people for ratification or rejection.

Restricted Fund Balance: Includes amounts that can be utilized only for specific purposes imposed by external parties (i.e. creditors, grantors, contributors) or laws or regulations of other governments or by law through constitutional provisions or enabling legislation.

Restricted Net Assets: May only be utilized for the specific purposes stipulated by an external resource provider, constitutionally, or through enabling legislation.

RFP (Request for Proposal): A document used to request specific information from vendors regarding the scope of goods or services they can provide to meet a specific need of the Village as well as their proposed cost of providing those goods or services.

Reserves: An un-appropriated source of funding that can be utilized to meet unexpected budgetary needs.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

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

Special Revenue Funds: Funds used to account for revenues derived from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government and which therefore cannot be diverted to other uses.

(SSA) Special Service Area: An area of property legally designated by the Village which provides a means for the Village to levy and raise property taxes only from those properties within the area for services that specifically benefit the area subject to taxation.

Statute: A written law enacted by a duly organized and constituted legislative body.

Surplus: The amounts of remaining funding from a budget appropriation after all liabilities have been paid.

Tax Levy: The total amount of money to be raised by property taxes for corporate operating, debt service purposes or special service areas.

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

TIF (Tax-Increment Financing): A redevelopment tool available for use by municipalities where the Village's cost of providing assistance with capital improvements and development or redevelopment of properties within the legally designated area are funded by the future property tax, sales tax, or other types of revenue that was generated with those capital or development/redevelopment improvements.

TIF District: An area of property within the Village legally defined by a municipality that meets all the necessary requirements to be eligible for TIF. The Village has three active TIF districts for which a separate property tax is levied.

Transfers: Most typically used to describe the transaction when one fund sends money to another fund, such as the General Fund sending money to the Debt Service Fund.

Trust and Agency Funds: Funds used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Unassigned Fund Balance: Includes any remaining fund balance not contained in any other classification and is only applicable to the General Fund.

Unreserved Fund Balance: The portion of a fund's balance that is not legally restricted for a specific purpose.

Unrestricted Net Assets: The remaining portion of net assets that is neither restricted nor invested in capital assets (net of related debt). Are generally available for use by the Village.

Utility Tax: A tax levied by the Village on the customers of various utilities such as electric, natural gas and telecommunications.

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GLOSSARY OF ACRONYMS

ACR- Annual Required Contribution
ADA - Americans with Disability Act
AED – Automated External Defibrillator
AMR – Automated Meter Reading
ANSI - American National Standards Institute
APA - American Planning Association
APWA – American Public Works Association
ASCE – American Society of Civil Engineers
ASPA – American Society for Public Administration
AWWA – American Water Works Association
BCEGS – Building Code Effectiveness Grading Scale
BFPC – Board of Fire & Police Commission
CAD – Computer Aided Design
CAFR – Comprehensive Annual Financial Report
CALCOMM - Calumet Public Safety Communications
CBA – Collective Bargaining Agreement
CDL – Commercial Driving License
CFA – Computerized Fleet Analysis
CIP – Capital Improvement Plan
CIT – Crisis Intervention Training
COBRA – Consolidation Omnibus Budget Reconciliation Act
CPR – Cardiopulmonary Resuscitation
CSO – Community Service Officer
DEA – Drug Enforcement Administration
DUI – Driving Under the Influence
DVD – Digital Video Disc
EAV – Equalized Assessed Value
EMA – Emergency Management Agency
EMS- Emergency Medical Service
EPA – Environmental Protection Agency
ERP – Enterprise Resource Planning
FAUS – Federal Aid Urban System
FBINA – Federal Bureau of Investigation National Academy
FEMA – Federal Emergency Management Agency
FICA – Federal Insurance Contributions Act
FOIA – Freedom of Information Act
FTA – Failure to Appear
FTE – Full-Time Equivalent
FY – Fiscal Year
FYE – Fiscal Year End
GAAP – Generally Accepted Accounting Principles
GAAS – Generally Accepted Auditing Standards
GASB – Government Accounting Standards Board
GFOA – Government Finance Officer’s Association
G.O. – General Obligation

GPS – Geographic Positioning System
HIPAA – Health Insurance Portability and Accountability Act
HMO - Health Maintenance Organization
HR – Human Resources
HVAC – Heating, Ventilating and Air Conditioning
IAFF – International Association of Fire Fighters
ICC – International Code Council
IDFPR – Illinois Department of Financial and Professional Regulation
IDOI – Illinois Department of Insurance
IDOR – Illinois Department of Revenue
IDOT – Illinois Department of Transportation
IEPA – Illinois Environmental Protection Agency
IGFOA – Illinois Government Finance Officers Association
ILCS-Illinois Compiled Statutes IML – Illinois Municipal League
IMRF – Illinois Municipal Retirement Fund
IPBC – Intergovernmental Personnel Benefit Cooperative
IPELRA – Illinois Public Employer Labor Relations Association
IPLSA – Illinois Professional Land Surveyors Association
IPPFA – Illinois Public Pension Fund Association
ISO – Insurance Service Office
IT – Information Technology
IWCC – Illinois Workers’ Compensation Act
MAP – Metropolitan Alliance of Police
MFT – Motor Fuel Tax
NFPA – National Fire Protection Association
NPDES – National Pollution Discharge Elimination System
NPELRA – National Public Employer Labor Relations Association
NSPE – National Society of Professional Engineers
OPEB – Other Postemployment Benefits
OSHA - Occupational Safety and Health Administration
PEG – Public, Education, Governmental
PPO – Preferred Provider Organization
PR – Public Relations
PT – Part Time
PTO – Personal Time Off
RFP – Request for Proposal
SCBA – Self Contained Breathing Apparatus
SLO – School Liaison Officer
SSA – Special Service Area
SSO – Sanitary Sewer Overflow
STP – Surface Transportation Program
SUV – Sport Utility Vehicle
SWAT – Special Weapons and Tactics
TIF – Tax-Increment Financing
WMD – Weapons of Mass Destruction