

DRAFT FY 2018-2019 BUDGET



# SAUK VILLAGE



Office of the Mayor  
HONORABLE DERRICK BURGESS

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## TRANSMITTAL LETTER

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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 principals 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, in April 2018, we 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

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<br>Forecast | 2018-2019<br>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               | 814,680             | 57,275           |
| Proceeds                  | 618,600               | -                   | (618,600)        |
| Transfers                 | 6,267,444             | 7,428,402           | 1,160,958        |
| <b>Total Revenues</b>     | <b>21,461,080</b>     | <b>22,504,642</b>   | <b>1,043,562</b> |
| Employee Costs            | 4,654,574             | 4,394,319           | (260,255)        |
| Prof Serv/Oth Contr Ser   | 1,363,574             | 1,189,112           | (174,463)        |
| Computer Costs            | 42,138                | 45,250              | 3,112            |
| 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             | 3,593,961           | 1,457,929        |
| Transfers                 | 6,267,444             | 7,428,401           | 1,160,956        |
| <b>Total Expenditures</b> | <b>19,696,218</b>     | <b>22,758,277</b>   | <b>3,062,059</b> |
| <b>Net</b>                | <b>1,764,861</b>      | <b>(253,635)</b>    |                  |

**Note:**

The Net Positive position in the FY 2017-2018 Forecast is primarily associated with the Tax Anticipation Warrant and loan proceeds received in 2017-2018, along with a positive position in the Debt Service Fund, which is restricted.

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 **\$22,758,277**, 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 **\$22,504,642**, 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.

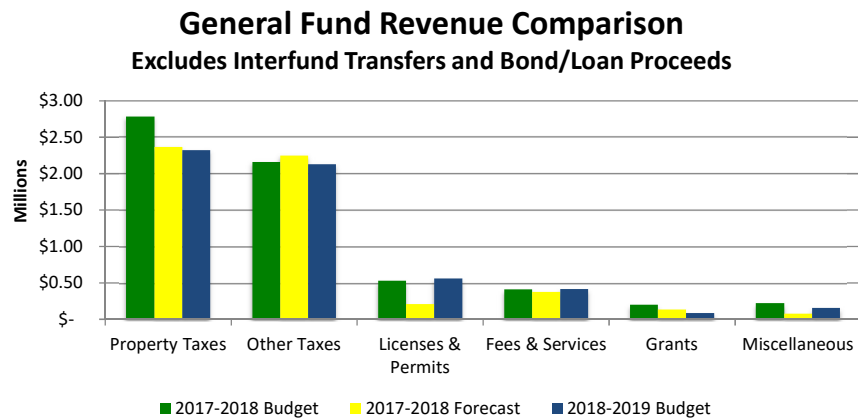
It is important to highlight that this budget includes a \$50,000 contribution to the Police Pension Fund and a \$50,000 contribution to the Fire Pension Fund. While not nearly enough to satisfy the Village's obligations, it is a good faith effort on the Village's behalf to begin contributing to these 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

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The Village's largest and main operating fund, the General Fund, has budgeted revenues, other financing sources (OFS), and transfers of **\$6,672,658** and budgeted expenditures, other financing uses (OFU), and transfers of **\$6,672,658**. 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). This is a good faith effort on the Village's behalf to begin contributing again. Prior to 2018 the Village had not contributed to the Police Pension fund for over 10 years and the fund is now only 35.53% funded. As noted previously, Illinois law requires that these Pension funds be 90% funded by 2040.

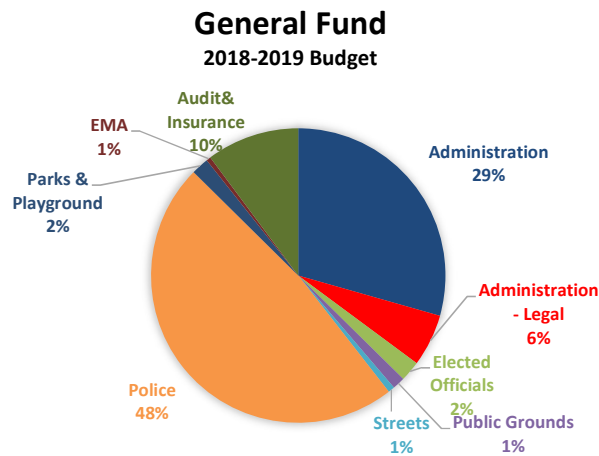


*NOTE: The 2017-2018 Budget included some unrealistically optimistic revenue projections, especially with Property Taxes, Licenses and Permits, and Miscellaneous Fees. The 2018-2019 Budget is based on actual revenue trends with a one-time fee associated for the sale of Village property that is included 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 1<sup>st</sup> until April 30<sup>th</sup> the State's goes from July 1 until June 30<sup>th</sup>.





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.

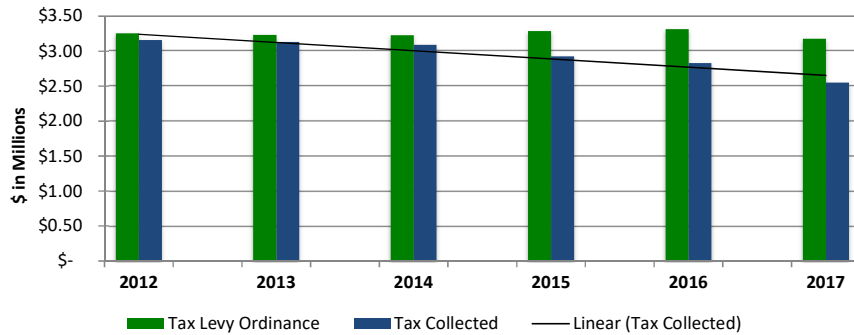
## LONG RANGE STRATEGIC AND FINANCIAL PLANNING

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 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

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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.

- **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

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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

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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.*

### 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

**Commented [JW1]:** perhaps "Promote Economic Development?"

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

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One of the important steps 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                   |
| <b>Sauk Village</b> | <b>\$ 539.57</b> | <b>\$ 533.69</b> | <b>\$ 5.89</b>             |
| 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    | <b>Sauk Village</b>   | <b>8.4</b> |
| 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

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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.



***Kalvelage Bridge late 1800s- Sauk Trail***

1940s.

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

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

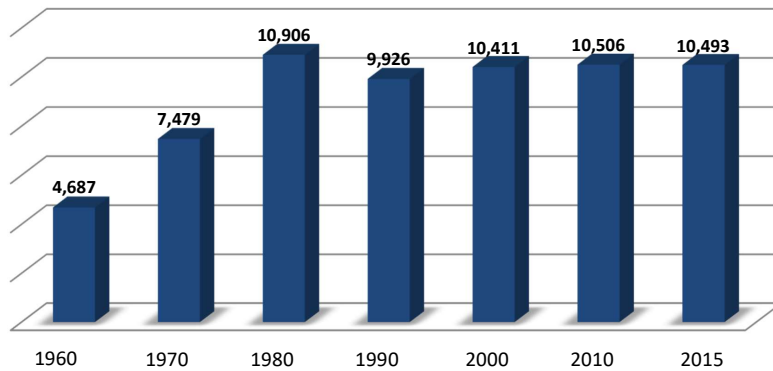
the impact fees were not sufficient to retire the debt, the Village endured, and as the local economy improves so will development within the LogistiCenter. As an example, Winpak recently completed expansion within the LogistiCenter doubling their physical plant.

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.

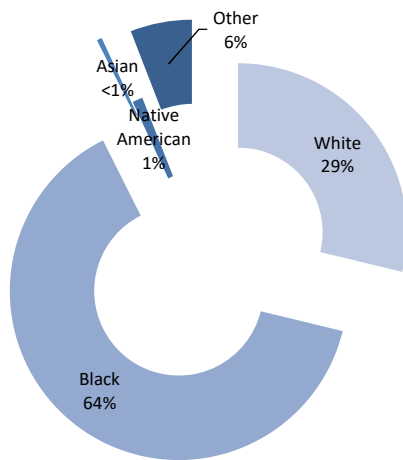
The Village’s budget narrative was reinstated with the 2017-18 budget. The intent of an annual budget transmission and narrative is to establish a clear policy direction, so there is no ambiguity or confusion. This also provides for financial continuity from year to year and administration to administration.

## DEMOGRAPHICS

### Sauk Village Population History



## Demographics 2010



Information is the US Census



## PRINCIPAL OFFICIALS

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### 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)

##### 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

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

## PERSONNEL SUMMARY

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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.

**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 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.

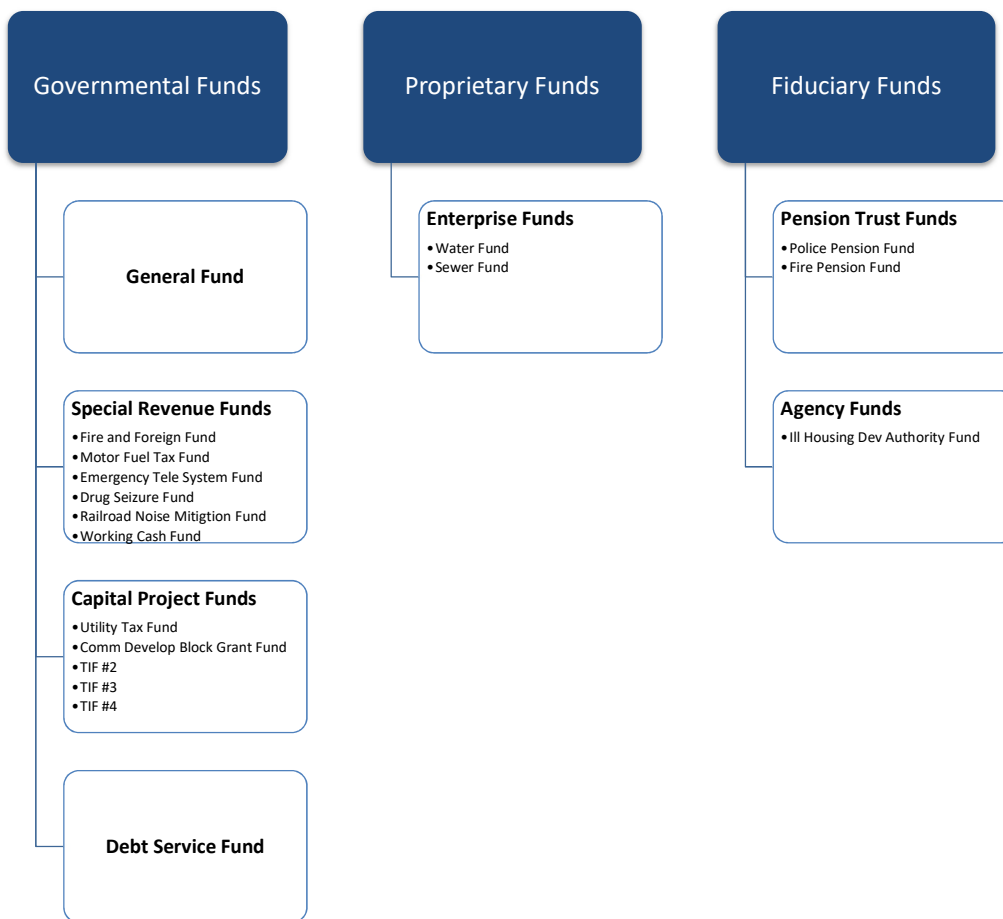
**Public Works Department** – There are no changes anticipated to the total number of people in public works. In June 2018, the Director of Public Works is retiring. The Mayor is exploring alternatives for replacing the function. As in prior years, the utilization of 4 part-time seasonal workers will continue.

**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.

| Sauk Village Employees By Department   |              |
|----------------------------------------|--------------|
| Authorized Positions                   | FY 2018-2019 |
| Elected Officials                      |              |
| Mayor                                  | 1            |
| Trustees                               | 6            |
| Village Clerk                          | 1            |
| Finance & Administration               |              |
| Treasurer                              | 1            |
| Director of Finance                    | 1            |
| Director of Economic Development       | 1            |
| Code Enforcement                       | 1            |
| Clerks                                 | 3            |
| Administrative Assistant               | 1            |
| Police Department                      |              |
| Chief                                  | 1            |
| Sergeants                              | 5            |
| Officers                               | 14           |
| Crossing Guards                        | 2            |
| Records Specialist                     | 1            |
| Fire Department                        |              |
| Chief                                  | 1            |
| On-Call Firefighters                   | 17           |
| Emergency Management Agency Department |              |
| EMA                                    | 2            |
| Parks & Recreation Department          |              |
| Staff                                  | 1            |
| Water Department                       |              |
| Director / Supervisor                  | 0.5          |
| Foreman                                | 1            |
| Field Worker                           | 7            |
| Sewer Department                       |              |
| Director / Supervisor                  | 0.5          |
| Foreman                                | 1            |
| Field Worker                           | <u>6</u>     |
| Total                                  | 76           |

## 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.



### **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, Police Seizure, Working Cash and Railroad Noise Mitigation 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.

**Community Development Block Grant Fund** - To account for the use of grant monies from the United States Department of Housing and Urban Development earmarked for specific projects.

**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.

**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.

Previously, 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.

**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, Sauk Plaza Redevelopment Plan, Surreybrook Plaza, Municipal Building Funds, OSLAD Grant, Illinois Housing Development Authority Grant and TIF District Funds. The primary revenue and financing source includes property taxes, utility taxes, intergovernmental revenues, bond proceeds and transfers from other funds.

**Debt Service Funds:** 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 CalCom 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 Logistcenter 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 Logistcenter 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: This fund is used to account for the accumulation of resources to pay fire pension costs. Funding is provided by fire members at rates fixed by state statutes and by the Village through an annual contribution from the corporate property tax levy. Police Pension Fund: This fund is used to account for the accumulation of resources to pay police pension costs. Funding is provided by fire 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. The Sauk Village Illinois Housing Development Authority Fund is the Village's sole agency fund and it is associated with receiving of grant money for mowing of vacant lots within the Village.



## TOP REVENUE SOURCES:

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**Water & Sewer Fund-** 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 1<sup>st</sup>. 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<br>Transf&OFS | Expend<br>Transf&OFU | Net              | Budget Sponsor      |
|-------------------------------|------------------------|----------------------|------------------|---------------------|
| <b>Governmental Funds:</b>    |                        |                      |                  |                     |
| 1 General Fund                | 6,672,658              | 6,672,658            | 0                | Various             |
| 2 Fire and Foreign Fire Fund  | 581,840                | 581,840              | -                | Fire Chief          |
| 3 Motor Fuel Tax Fund         | 471,030                | 471,030              | 0                | Dir of Public Works |
| 4 Emergency Tele System       | -                      | -                    | -                | Dir of Finance      |
| 5 Drug Seizure Fund           | 50,000                 | 11,200               | 38,800           | Police Chief        |
| 6 Railroad Noise Mitigation   | -                      | -                    | -                | Dir of Finance      |
| 7 Working Cash Fund           | 73,613                 | 71,750               | 1,863            | Dir of Finance      |
| 8 Utility Tax Fund            | 170,000                | 170,000              | -                | Dir of Finance      |
| 9 Comm Devel Block Grant Fd   | 200,000                | 200,000              | -                | Dir of Finance      |
| 10 TIF #2 (Sauk Pointe)       | 1,100,000              | 1,100,000            | -                | Dir of Econ Dev     |
| 11 TIF #3 (Logisticcenter)    | 4,622,995              | 5,043,698            | (420,703)        | Dir of Econ Dev     |
| 12 TIF #4 (Surreybrook Plaza) | 80,261                 | 80,261               | -                | Dir of Econ Dev     |
| 13 Debt Service Fund          | 4,991,178              | 4,947,678            | 43,500           | Dir of Finance      |
| <b>Proprietary Funds:</b>     |                        |                      |                  |                     |
| 14 Water Department Fund      | 1,625,198              | 1,625,197            | 0                | Dir of Public Works |
| 15 Sewer Department Fund      | 977,226                | 977,226              | 0                | Dir of Public Works |
| <b>Fiduciary Funds:</b>       |                        |                      |                  |                     |
| 16 Police Pension Fund        | 750,873                | 686,085              | 64,788           | Dir of Finance      |
| 17 Fire Pension Fund          | 62,770                 | 44,654               | 18,116           | Dir of Finance      |
| 18 Ill Housing Dev Auth Fund  | 75,000                 | 75,000               | -                | Dir of Econ Dev     |
| <b>Total Funds</b>            | <b>22,504,642</b>      | <b>22,758,277</b>    | <b>(253,635)</b> |                     |

In FY 2018-2019, a great deal of effort went into ensuring that we do not spend more than our revenues.

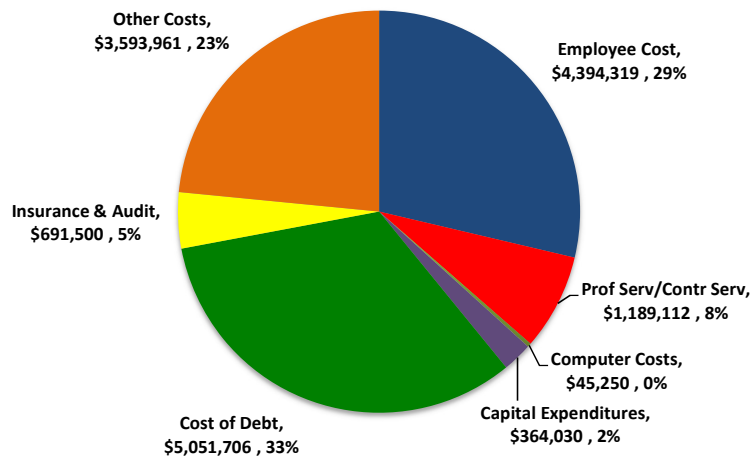
Fund #11 – TIF #3, shows a net negative position of \$420,703. This is associated with tax revenues received in a prior period that are being spent in FY 2018-2019.

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

|                           | 2017-2018<br>Forecast | 2018-2019<br>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               | 814,680             | 57,275           |
| Proceeds                  | 618,600               | -                   | (618,600)        |
| Transfers                 | 6,267,444             | 7,428,402           | 1,160,958        |
| <b>Total Revenues</b>     | <b>21,461,080</b>     | <b>22,504,642</b>   | <b>1,043,562</b> |
| Employee Costs            | 4,654,574             | 4,394,319           | (260,255)        |
| Prof Serv/Oth Contr Ser   | 1,363,574             | 1,189,112           | (174,463)        |
| Computer Costs            | 42,138                | 45,250              | 3,112            |
| 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             | 3,593,961           | 1,457,929        |
| Transfers                 | 6,267,444             | 7,428,401           | 1,160,956        |
| <b>Total Expenditures</b> | <b>19,696,218</b>     | <b>22,758,277</b>   | <b>3,062,059</b> |
| <b>Net</b>                | <b>1,764,861</b>      | <b>(253,635)</b>    |                  |

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.

## All Funds Expenditures 2018-2019 Budget



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

| # | 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           |
|   | <b>Total General Fund</b>      |                              | <b>1,004,674.00</b> |                            | <b>1,004,674.00</b> |
| 2 | <b>Fire Fund</b>               | Operational Transfer         | <b>158,050.00</b>   | <b>Water Fund</b>          | <b>158,050.00</b>   |
| 3 | <b>Water Fund</b>              | Utilization of Village Equip | <b>15,000.00</b>    | <b>Motor Fuel Tax Fund</b> | <b>15,000.00</b>    |
| 4 | <b>Sewer Fund</b>              | Utilization of Village Equip | <b>15,000.00</b>    | <b>Motor Fuel Tax Fund</b> | <b>15,000.00</b>    |
| 5 | <b>Motor Fuel Tax Fund</b>     | Operational Transfer         | <b>200,000.00</b>   | <b>Comm Dev Block Fund</b> | <b>200,000.00</b>   |
| 6 | <b>TIF #3</b>                  | Operational Transfer         | <b>1,100,000.00</b> | <b>TIF #2</b>              | <b>1,100,000.00</b> |
| 7 | Debt Service Fund              | 02 Bond Series A/B           | 2,287,250.00        | TIF #3                     | 1,152,250.00        |
|   | Debt Service Fund              | Bond Payments                | 493,290.00          | TIF #3                     | 1,135,000.00        |
|   | Debt Service Fund              | Bond Payments                | 685,000.00          | TIF #3                     | 493,290.00          |
|   | Debt Service Fund              | Bond Payments                | 548,375.00          | General Fund               | 685,000.00          |
|   | Debt Service Fund              | Bond Payments                | 110,290.00          | General Fund               | 548,375.00          |
|   | Debt Service Fund              | Bond Payments                | 67,500.00           | Utility Tax Fund           | 110,290.00          |
|   | Debt Service Fund              | Bond Payments                | 672,222.00          | Fire Fund                  | 67,500.00           |
|   | Debt Service Fund              | Bond Payments                | 71,750.00           | TIF #3                     | 672,222.00          |
|   | Debt Service Fund              | Bond Payments                | 71,750.00           | Working Cash Fund          | 71,750.00           |
|   | <b>Total Debt Service Fund</b> |                              | <b>4,935,677.00</b> |                            | <b>4,935,677.00</b> |
|   | <b>Total Transfers</b>         |                              | <b>7,428,401.00</b> |                            | <b>7,428,401.00</b> |

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 Treasurer.

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.

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

## GENERAL FUND SUMMARY

### Sauk Village Financial Comparison General Fund

| General Fund                 | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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                | 156,400             |
| <b>Total Revenues</b>        | <b>5,665,698</b>    | <b>6,304,655</b>    | <b>5,414,197</b>      | <b>5,667,984</b>    |
| Capital Debt Proceeds        | -                   | -                   | 618,600               | -                   |
| Interfund Transfers          | 763,730             | 690,000             | 574,000               | 1,004,674           |
| <b>Total Rev,Transf,Proc</b> | <b>6,429,427</b>    | <b>6,994,655</b>    | <b>6,606,797</b>      | <b>6,672,658</b>    |
| Administration               | 1,712,525           | 1,197,328           | 1,550,816             | 1,962,339           |
| Administration - Legal       | -                   | 483,158             | 398,984               | 383,745             |
| Elected Officials            | 107,830             | 145,182             | 125,104               | 149,682             |
| Public Grounds & Bldgs.      | 117,000             | 89,680              | 110,706               | 91,725              |
| Police Department            | 3,504,105           | 3,454,866           | 3,401,951             | 3,197,751           |
| 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             |
| <b>Total Expenditures</b>    | <b>6,199,719</b>    | <b>6,236,554</b>    | <b>6,214,769</b>      | <b>6,672,658</b>    |
| <b>Net</b>                   | <b>229,708</b>      | <b>758,101</b>      | <b>392,028</b>        | <b>0</b>            |



## GENERAL FUND REVENUE DETAIL

### Sauk Village Financial Comparison General Fund Revenue Detail

| General Fund                 | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>Budget | Budget<br>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 Gra    | 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              | -                     | 82,900              | Police Chief      |
| Miscellaneous                | 57,053              | 219,100             | 75,650                | 156,400             |                   |
| <b>Total Revenues</b>        | <b>5,665,698</b>    | <b>6,304,655</b>    | <b>5,414,197</b>      | <b>5,667,984</b>    |                   |
| Capital Debt Proceeds        | -                   | -                   | 618,600               | -                   | Dir of Fin        |
| Interfund Transfers          | 763,730             | 690,000             | 574,000               | 1,004,674           | Dir of Fin        |
| <b>Total Rev,Transf,Proc</b> | <b>6,429,427</b>    | <b>6,994,655</b>    | <b>6,606,797</b>      | <b>6,672,658</b>    |                   |

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 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 crises. 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 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 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 any funding for billing for garbage services nor does it receive any franchise fees from the waste hauler due to the contract renegotiation in 2016. The Village does not levy a tax for garbage collection, and therefore 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 -<br>Director of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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                   | 52,007              | 77,964              | 78,582                | 75,496              |
| 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               |
| <b>Total Expenditure</b>                | <b>1,103,582</b>    | <b>725,457</b>      | <b>860,816</b>        | <b>728,964</b>      |
| Transf 2007A +2018 Bond                 | 690,000             | 690,000             | 690,000               | 1,233,375           |
| <b>Total Exp/Transf</b>                 | <b>1,793,582</b>    | <b>1,415,457</b>    | <b>1,550,816</b>      | <b>1,962,339</b>    |

| Administration / Legal -<br>Director of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>Budget |
|-------------------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Professional Services                           | -                   | 232,000             | 249,383               | 220,000             |
| Oth Contractual Services                        | -                   | 251,158             | 149,601               | 163,745             |
| <b>Total Expenditure</b>                        | <b>-</b>            | <b>483,158</b>      | <b>398,984</b>        | <b>383,745</b>      |

In prior years, legal expense was recorded as part of the Administration department. The Administration department includes the following functions: Finance, Treasury, Economic Development, Community Development, Code Enforcement, and Human Resources.

The reduction in Oth Contractual Services between the FY2017-2018 Forecast and the 2018-2019 Budget is primarily associated with the elimination of 3<sup>rd</sup> party insurance claims and architecture fees.

## GENERAL FUND EXPENSES: ELECTED OFFICIALS

### Sauk Village Financial Comparison General Fund: Elected Officials Department

| Elected Officials -<br>Director of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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                 | 1,500               |
| 60th Anniversary Comm                      | -                   | 500                 | -                     | -                   |
| Beautification/Impr Comm                   | -                   | 1,000               | -                     | 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               | -                     | 4,000               |
| Public Safety Committee                    | -                   | 1,000               | -                     | 1,000               |
| Public Service Committee                   | -                   | 1,000               | (464)                 | 1,000               |
| Budget & Finance Committee                 | -                   | 1,000               | -                     | 1,000               |
| Community Events                           | -                   | -                   | (436)                 | -                   |
| Senior Citizens Committee                  | 1,541               | 1,000               | 1,078                 | 1,000               |
| Student Govt Day                           | -                   | -                   | -                     | 500                 |
| Oth Contractual Services                   | 1,503               | 1,000               | 5,173                 | 5,500               |
| <b>Total Expenditures</b>                  | <b>107,830</b>      | <b>145,182</b>      | <b>125,104</b>        | <b>149,682</b>      |

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.

## GENERAL FUND EXPENSES: PUBLIC GROUNDS & BUILDINGS

### Sauk Village Financial Comparison General Fund: Public Grounds & Buildings

| Public Grounds &<br>Buildings - Director of<br>Public Works | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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               |
| <b>Total Expenditures</b>                                   | <b>117,000</b>      | <b>89,680</b>       | <b>110,706</b>        | <b>91,725</b>       |

## 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              | 4,000            |
| 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              | 5,000            |
| Computer Software Supplies      | 19,513           | 30,000           | 1,415              | 5,000            |
| Tools and Equipment             | 3,599            | 23,500           | 15,893             | 23,500           |
| 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              | 9,000            |
| Printing                        | 474              | 500              | 654                | 500              |
| Equip Repair & Maint            | 32,543           | 45,000           | 18,321             | 45,000           |
| Vehicle Repair & Maint          | 36,294           | 30,000           | 16,824             | 30,000           |
| 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              | 5,000            |
| Professional Services           | 29,398           | 15,000           | 39,227             | 30,000           |
| Computer Contractual Serv       | 33,611           | 30,000           | 7,378              | 10,000           |
| 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           | -                | -                  | -                |
| <b>Total Expenditures</b>       | <b>3,504,105</b> | <b>3,454,866</b> | <b>3,401,951</b>   | <b>3,197,751</b> |

## 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            | 1,048            | 2,333            | 1,073              | 1,000            |
| 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              | 1,542            | 2,000            | 1,682              | 2,000            |
| <b>Total Expenditures</b>         | <b>36,103</b>    | <b>58,433</b>    | <b>23,695</b>      | <b>32,730</b>    |

## GENERAL FUND EXPENSES: STREETS FUND

### Sauk Village Financial Comparison General Fund: Streets

| Streets - Director of<br>Public Works | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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                 | -                   |
| <b>Total Expenditures</b>             | <b>37,217</b>       | <b>47,461</b>       | <b>18,364</b>         | <b>46,461</b>       |



## GENERAL FUND EXPENSES: PARKS, RECREATION & PLAYGROUNDS

### Sauk Village Financial Comparison General Fund: Parks & Playgrounds

| Parks & Playgrounds -<br>Director of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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             |

## GENERAL FUND EXPENSES: AUDIT AND INSURANCE

### Sauk Village Financial Comparison General Fund: Audit and Insurance Department

| Audit - Director of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>Budget |
|-----------------------------|---------------------|---------------------|-----------------------|---------------------|
| Professional Services       | 45,465              | 55,000              | 60,351                | 60,000              |
| <b>Total Expenditures</b>   | <b>45,465</b>       | <b>55,000</b>       | <b>60,351</b>         | <b>60,000</b>       |

| Insurance - Director of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>Budget |
|---------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Insurance                       | 589,768             | 580,000             | 517,966               | 620,000             |
| <b>Total Expenditures</b>       | <b>589,768</b>      | <b>580,000</b>      | <b>517,966</b>        | <b>620,000</b>      |

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.

## 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          |
| <b>Total Revenues</b>                   | <b>461,266</b>   | <b>496,230</b>   | <b>440,183</b>     | <b>581,840</b>   |
| 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 Suppli                | 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 & Membership               | 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           |
| <b>Total Expenditures</b>               | <b>554,121</b>   | <b>411,377</b>   | <b>482,525</b>     | <b>514,340</b>   |
| Transfers 2007C Bonds                   | 45,050           | 63,900           | 63,900             | 67,500           |
| <b>Total Exp&amp;Transf</b>             | <b>599,171</b>   | <b>475,277</b>   | <b>546,425</b>     | <b>581,840</b>   |
| <b>Net</b>                              | <b>(137,904)</b> | <b>20,953</b>    | <b>(106,242)</b>   | <b>-</b>         |

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 1<sup>st</sup> 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.

## SPECIAL REVENUE FUND: MOTOR FUEL TAX FUND

### Sauk Village Financial Comparison Motor Fuel Tax Fund

| Motor Fuel Tax Fund -<br>Director of Public<br>Works | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>Budget |
|------------------------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Motor Fuel Tax                                       | 266,290             | 360,530             | 269,225               | 270,530             |
| Total Other Taxes                                    | 266,290             | 360,530             | 269,225               | 270,530             |
| Transfers from CDBG                                  | -                   | 400,000             | 200,000               | 200,000             |
| Total Transfers                                      | -                   | 400,000             | 200,000               | 200,000             |
| Interest Earnings                                    | 227                 | 100                 | 1,492                 | 500                 |
| Miscellaneous                                        | 227                 | 100                 | 1,492                 | 500                 |
| <b>Total Revenues</b>                                | <b>266,518</b>      | <b>760,630</b>      | <b>470,716</b>        | <b>471,030</b>      |
| 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                                         | (0)                 | 470,000             | 251,199               | 259,030             |
| <b>Total Expenditures</b>                            | <b>102,962</b>      | <b>715,630</b>      | <b>382,691</b>        | <b>426,030</b>      |
| Transfers                                            | 45,000              | 45,000              | 45,000                | 45,000              |
| <b>Total Exp&amp;Transf</b>                          | <b>147,962</b>      | <b>760,630</b>      | <b>427,691</b>        | <b>471,030</b>      |
| <b>Net</b>                                           | <b>118,556</b>      | <b>-</b>            | <b>43,026</b>         | <b>0</b>            |

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                  | -                |
| <b>Total Revenues</b>                            | <b>64,785</b>    | <b>50,000</b>    | <b>1</b>           | <b>-</b>         |
| Amalgamated Trust Fees                           | -                | -                | 57                 | -                |
| <b>Total Expenditures</b>                        | <b>-</b>         | <b>-</b>         | <b>57</b>          | <b>-</b>         |
| Transfers to Debt Service                        | 65,000           | 53,845           | 24,845             | -                |
| <b>Total Exp&amp;Transf</b>                      | <b>65,000</b>    | <b>53,845</b>    | <b>24,902</b>      | <b>-</b>         |
| <b>Net</b>                                       | <b>(215)</b>     | <b>(3,845)</b>   | <b>(24,901)</b>    | <b>-</b>         |

## SPECIAL REVENUE FUND: DRUG (POLICE) SEIZURE FUND

### Sauk Village Financial Comparison Drug Seizure Fund

| Drug Seizure Fund -<br>Police Chief | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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                     | -                   |
| <b>Total Revenues</b>               | <b>102,553</b>      | <b>50,000</b>       | <b>73,938</b>         | <b>50,000</b>       |
| 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              |
| <b>Total Expenditures</b>           | <b>80,571</b>       | <b>25,000</b>       | <b>134,514</b>        | <b>11,200</b>       |
| Transfers                           | -                   | -                   | -                     | -                   |
| <b>Total Expe&amp;Transf</b>        | <b>80,571</b>       | <b>25,000</b>       | <b>134,514</b>        | <b>11,200</b>       |
| <b>Net</b>                          | <b>21,982</b>       | <b>25,000</b>       | <b>(60,575)</b>       | <b>38,800</b>       |

\$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.

## SPECIAL REVENUE FUND: RAILROAD NOISE MITIGATION FUND

### Sauk Village Financial Comparison Railroad Noise Mitigation Fund

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



## SPECIAL REVENUE FUND: WORKING CASH FUND

### Sauk Village Financial Comparison Working Cash Fund

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

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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<br>Public Works | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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              |
| <b>Total Revenues</b>                    | <b>1,769,781</b>    | <b>1,509,450</b>    | <b>1,710,292</b>      | <b>1,625,198</b>    |
| IEPA Loan Prin/nt                        | 3,319,107           | -                   | -                     | -                   |
| <b>Total Rev/Proceeds</b>                | <b>5,088,888</b>    | <b>1,509,450</b>    | <b>1,710,292</b>      | <b>1,625,198</b>    |
| 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              |
| <b>Total Expenditures</b>                | <b>1,444,984</b>    | <b>1,364,944</b>    | <b>1,199,151</b>      | <b>1,280,547</b>    |
| Transfers                                | 150,000             | 150,000             | 150,000               | 344,650             |
| <b>Total Exp&amp;Transf</b>              | <b>1,594,984</b>    | <b>1,514,944</b>    | <b>1,349,151</b>      | <b>1,625,197</b>    |
| <b>Net</b>                               | <b>3,493,904</b>    | <b>(5,494)</b>      | <b>361,141</b>        | <b>0</b>            |

Water revenues are projected down from FY Forecast 2017-2018, as collection activity increases. 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.

## PROPRIETARY (ENTERPRISE) FUND: SEWER FUND

### Sauk Village Financial Comparison Sewer Department Fund

| Sewer Fund - Director<br>of Public Works | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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               |
| <b>Total Revenues</b>                    | <b>820,646</b>      | <b>793,311</b>      | <b>841,113</b>        | <b>977,226</b>      |
| 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 Suppli                 | -                   | 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               | -                   | -                     | -                   |
| <b>Total Expenditures</b>                | <b>693,069</b>      | <b>643,311</b>      | <b>582,387</b>        | <b>661,196</b>      |
| Transfers                                | 125,000             | 150,000             | 150,000               | 316,030             |
| <b>Total Exp&amp;Transf</b>              | <b>818,069</b>      | <b>793,311</b>      | <b>732,387</b>        | <b>977,226</b>      |
| <b>Net</b>                               | <b>2,577</b>        | <b>(0)</b>          | <b>108,726</b>        | <b>0</b>            |

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



## CAPITAL PROJECTS FUND: COMMUNITY DEVELOPMENT BLOCK GRANT FUND

### Sauk Village Financial Comparison Community Development Block Grant

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

## CAPITAL PROJECTS FUND: TIF #2 FUND SAUK POINTE

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

| TIF #2 - Director of<br>Economic Development | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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           |
| <b>Total Revenues</b>                        | <b>909,249</b>      | <b>261,642</b>      | <b>1,007,108</b>      | <b>1,100,000</b>    |
| <b>Total Expenditures</b>                    | <b>-</b>            | <b>-</b>            | <b>-</b>              | <b>-</b>            |
| 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           |
| <b>Total Exp&amp;Transf</b>                  | <b>892,977</b>      | <b>261,642</b>      | <b>1,007,108</b>      | <b>1,100,000</b>    |
| <b>Net</b>                                   | <b>16,272</b>       | <b>-</b>            | <b>-</b>              | <b>-</b>            |

TIF #2 Sauk Pointe Industrial Park began September 13, 1988 and is contiguous to TIF#3 the LogisiCenter 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<br>Economic Development | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | Proposed<br>2018-2019<br>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                       |
| <b>Total Revenues</b>                        | <b>3,520,335</b>    | <b>826,029</b>      | <b>3,431,295</b>      | <b>4,622,995</b>                |
| 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                | -                               |
| <b>Total Expenditures</b>                    | <b>7,000</b>        | <b>309,000</b>      | <b>11,455</b>         | <b>1,207,892</b>                |
| 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                         |
| <b>Total Exp&amp;Transf</b>                  | <b>4,885,212</b>    | <b>826,029</b>      | <b>3,772,204</b>      | <b>5,043,698</b>                |
| <b>Net</b>                                   | <b>(1,364,877)</b>  | <b>-</b>            | <b>(340,909)</b>      | <b>(420,703)</b>                |
| <b>Note:</b>                                 |                     |                     |                       |                                 |
| Fund Balance Estimated 4/30                  |                     |                     |                       | 420,703                         |
| <b>Net</b>                                   |                     |                     |                       | -                               |

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<br>Economic Development | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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                 | -                   |
| <b>Total Revenues</b>                        | <b>73,720</b>       | <b>103,444</b>      | <b>104,941</b>        | <b>80,261</b>       |
| Professional Services                        | 48,066              | 75,000              | 50,004                | 31,261              |
| General Fund Services                        | 6,000               | -                   | -                     | -                   |
| <b>Total Expenditures</b>                    | <b>54,066</b>       | <b>75,000</b>       | <b>50,004</b>         | <b>31,261</b>       |
| Transfers to GF                              | -                   | 15,000              | 15,000                | 49,000              |
| <b>Total Exp&amp;Transf</b>                  | <b>54,066</b>       | <b>90,000</b>       | <b>65,004</b>         | <b>80,261</b>       |
| <b>Net</b>                                   | <b>19,654</b>       | <b>13,444</b>       | <b>39,937</b>         | <b>-</b>            |

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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 -<br>Director of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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             |
| <b>Total Revenues</b>                   | <b>684,645</b>      | <b>473,708</b>      | <b>737,944</b>        | <b>750,873</b>      |
| 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              |
| <b>Total Expenditures</b>               | <b>634,080</b>      | <b>581,000</b>      | <b>634,664</b>        | <b>686,085</b>      |
| <b>Net</b>                              | <b>50,565</b>       | <b>(107,292)</b>    | <b>103,280</b>        | <b>64,788</b>       |

The Police Pension Fund has their own autonomous Board responsible for the expending of their funds. Property taxes are levied by the Village to help contribute to the Pension Fund.



## FIRE PENSION FUND

### Sauk Village Financial Comparison Fire Pension Fund

| Fire Pension - Director<br>of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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              |
| <b>Total Revenues</b>                 | <b>11,348</b>       | <b>13,615</b>       | <b>62,104</b>         | <b>62,770</b>       |
| 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              |
| <b>Total Expenditures</b>             | <b>43,764</b>       | <b>39,000</b>       | <b>48,649</b>         | <b>44,654</b>       |
| <b>Net</b>                            | <b>(32,417)</b>     | <b>(25,385)</b>     | <b>13,455</b>         | <b>18,116</b>       |

The Firefighters Pension Fund has their own autonomous Board responsible for the expending 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.

## ILLINOIS HOUSING AUTHORITY FUND

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### Sauk Village Financial Comparison Illinois Housing Development Fund

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

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

## DEBT SERVICE FUND

### Sauk Village Financial Comparison Debt Service Fund

| Debt Service Fund -<br>Director of Finance | 2016-2017<br>Actual | 2017-2018<br>Budget | 2017-2018<br>Forecast | 2018-2019<br>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              |
| <b>Total Revenues/Tranf</b>                | <b>5,295,094</b>    | <b>1,465,761</b>    | <b>5,520,851</b>      | <b>4,991,178</b>    |
| 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             |
| <b>Total Expenditures</b>                  | <b>4,268,925</b>    | <b>4,265,070</b>    | <b>4,323,520</b>      | <b>4,947,678</b>    |
| <b>Net</b>                                 | <b>1,026,169</b>    | <b>(2,799,310)</b>  | <b>1,197,331</b>      | <b>43,500</b>       |

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:

Assessed Valuation for 2016 Tax Levy Year: \$67,760,324

Statutory Debt Limitation \$5,844,327.95

**Sauk Village Debt Schedule  
Fiscal Year 2018 - 2019 Budget**

| Name                                                                                        | Series | Amount<br>Issued  | Date<br>Issued | Maturity<br>Date |   | Fiscal Year 2018- 2019 |                     |                      |                      |                     |                      | Total            |
|---------------------------------------------------------------------------------------------|--------|-------------------|----------------|------------------|---|------------------------|---------------------|----------------------|----------------------|---------------------|----------------------|------------------|
|                                                                                             |        |                   |                |                  |   | Payment<br>6/01/2018   | Payment<br>8/1/2018 | Payment<br>9/15/2018 | Payment<br>12/1/2018 | Payment<br>2/1/2019 | Payment<br>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          |
| <b>Total</b>                                                                                |        | <b>40,779,966</b> |                |                  |   | <b>575,276</b>         | <b>3,375</b>        | <b>271,625</b>       | <b>3,740,276</b>     | <b>68,375</b>       | <b>276,750</b>       | <b>4,935,678</b> |
| *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        |
| <b>Total</b>                                                                                |        |                   |                |                  |   | <b>575,276</b>         | <b>3,375</b>        | <b>271,625</b>       | <b>3,740,276</b>     | <b>68,375</b>       | <b>276,750</b>       | <b>4,935,678</b> |

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## GLOSSARY

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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.

**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.

**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.

**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 basics for formulation 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 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.