

*Village of
Machesney Park*



ANNUAL BUDGET

FISCAL YEAR 2016 - 2017



VILLAGE ELECTED OFFICIALS

Village President

Jerry D. Bolin

Board of Trustees

Robbin Snodgrass

Aaron Wilson

Steve Johnson

Terri Bailey

James Kidd

Erick Beck

Village Clerk

Lori J. Mitchell

Village Treasurer

Tom M. Yoe

VILLAGE STAFF

Tim Savage	Village Administrator
Michelle Johannsen	Finance & HR
Chad Hunter	Superintendent of Public Works
James Richter II	Community Development
Carrie Houston	Planning & Zoning
Jake Schmidt	Code enforcement
Penny Olson	Administrative Assistant
Jean Davison	Receptionist
Laura LaRosa	Building Clerk
Stan Oloff	Public Works
Dan Rickabaugh	Public Works
Wade Tipton	Public Works

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Letter of Transmittal

To: Village President and Board of Trustees

From: Tim Savage, Village Administrator
Michelle Johannsen, Finance & HR Manager

Date: May 1, 2016

It is our pleasure to transmit the Adopted Annual Budget for the fiscal year beginning May 1, 2016 and ending April 30, 2017 (FY2017) of the Village of Machesney Park. The Village operates under the budget act as outlined in 65 ILCS 5/8-2-9, which was adopted by the Village in March 2014. The Village's budget is a comprehensive financial plan which projects both anticipated revenues and expenditures for the fiscal year and establishes the Village's goals, programs, and capital expenditures.

The budget is presented in a format recognized by the Government Finance Officers Association (GFOA) for the Distinguished Budget Presentation Award. This is the first year the Village is seeking this award.

Budget Process

The annual budget is prepared under the direction of the Village Administrator. A budget kick-off meeting is held in February to go over initial revenue projects and receive input and direction from the Board regarding new initiatives or projects. The Finance Manager and Village Administrator develop revenue projections based on historical patterns and current economic indicators, which formulate the basis for a conservative forecast. For revenues distributed based on state-wide collections (such as income tax, local use tax, and motor fuel taxes), the Village relies on per-capita forecasts as published by the Illinois Municipal League. In addition, estimates of expenditures spread across multiple departments are compiled based on inflationary increases and new projects. Each department head formulates the portion of the budget related to his or her department including new programs and initiatives; the amounts are reviewed by the Village Administrator and Finance Manager and revisions are made as necessary. Once revenue and expenditure estimates are finalized and the budget balanced, staff provides the full draft budget to the Board for review and comment. In addition, a budget workshop is held on one or two Saturdays in March (depending on amount of discussion required) and staff presents and highlights the goals, challenges, and major changes that impacted the preparation of the budget. Subsequently, the recommended budget is offered for public comment and formal adoption by the President and Board of Trustees prior to the beginning of the fiscal year as required by statute.

Budget Amendments

The Budget Officer (Village Administrator) can approve transfers of budgeted amounts between departments up to 10% throughout the budget year; all other changes must be approved by the Village Board. This policy allows the Village flexibility to operate efficiently and increase accountability of department heads to manage expenditures appropriately throughout the year.

Budget Overview

The adoption of the annual budget by the Village Board of Trustees does not constitute a mandate to spend, but rather only the authority to do so. If revenues do not meet estimated levels, spending will be curtailed and if necessary, suspended except for essential Village services. The FY 2017 budget was compiled surrounding the goals of: 1) Community engagement; 2) Long range CIP planning and savings; 3) Maintaining core municipal services; and 4) Continuing to create a sense of place with enhanced built space and promoting community identity. The overall strategies and goals the Village strives for over the long term are: to provide outstanding customer service for our residents, business community, and visitors; for the Village to become the place to be, the place to go, and the place to stay; to continue economic development efforts to attract and retain businesses to provide continued financial growth; and to continue the focus on repairing and maintaining infrastructure throughout the Village.

Economic Outlook

The adopted budget assumes slow economic growth and we continue to be vigilant as our local economy is susceptible not only to the effects of national, regional and local initiatives, but also to consumer demands and shopping patterns. The Village continues to not levy a property tax, but still seeks to provide and maintain the existing services and service levels that residents expect and deserve. Therefore, the Village continues to rely heavily on the retail industry to support both operating and capital activities, which continues to be a challenge due to the growth in internet based retail sales, retail competition, and the actions of the state and federal governments. The financial condition of the State of Illinois remains a major concern including the lack of a budget for almost a year; repeatedly the State has threatened to divert municipal revenue streams to other sources or limit the ability to collect revenues. With the continued impasse, there remain large uncertainties going forward. The Village did reduce some estimates of local shared revenues in anticipation of a small portion of revenues being diverted; however, given the unknown magnitude of a State revenue reduction and the resulting impact on revenues, it would be imprudent to budget for that type of reduction at this time. If significant reductions do occur, the Board will have to address them at that time and make changes for the remainder of the year.

General Fund Analysis

The General Fund supports the day-to-day operations and sets the service levels of the Village. The FY 2017 budgeted total revenues are estimated at just over \$7M. Two key revenue sources, Sales Tax and State Income Tax, account for 76% of the total General Fund revenues. The Village has maintained its commitment to utilize contracted services for a majority of the services provided; the largest General Fund expenditure, \$3,589,400 or 57% of the budget is contracted police services. For FY 2017, the General Fund budgeted expenditures increased by \$68,150 or 1.1% compared to the prior year budget. In accordance with standard policy, the approved budget for the General Fund is balanced with \$7,068,100 in expenditures and offsetting revenues (including operating transfers to other funds).

Capital Improvements

Over the last eight years, the Village has been aggressive in fixing and maintaining its roads and improving drainage. The residents initially approved a five year referendum beginning in 2008, for an additional 1% non-home rule sales tax to be used specifically for infrastructure improvements. In 2013, the residents again approved, via referendum, to continue the 1% sales tax for an additional seven

years. Therefore, the Village established the Build Machesney Road Fund to capture the new revenue stream that would fund the associated capital expenditures. In FY 2017 \$3.5M is budgeted to reconstruct 1.9 miles and resurface 3.0 miles of roads.

In addition, the Village Board approved a utility tax on natural gas and electric usage beginning March 2013. The majority of those funds has been and will continue to be used for additional road, drainage, and multi-use path improvements. In FY 2017, \$355,000 is budgeted for the construction of a multi-use path connecting the southern end of the Village and various residential neighborhoods to the high school. In addition, \$500,000 is being transferred to the road fund to accomplish the reconstruction and resurfacing mentioned above.

The Capital Improvement Fund pays for other capital items not associated with another fund. The FY 2017 budget includes over \$500k for IL-173 infrastructure and boat launch improvements.

Conclusion

The approved budget is proactive in meeting the many challenges facing the Village, but remains committed to providing core services and continuing to improve the community as a whole.

Acknowledgements

The FY 2017 Annual Budget represents a concerted effort to meet service demands subject to available revenues. We would like to express our appreciation to the Village Board for the contributions they made in reviewing the proposed budget and their support of staff's recommendations.

Respectfully submitted,



Tim Savage
Village Administrator/Budget Officer

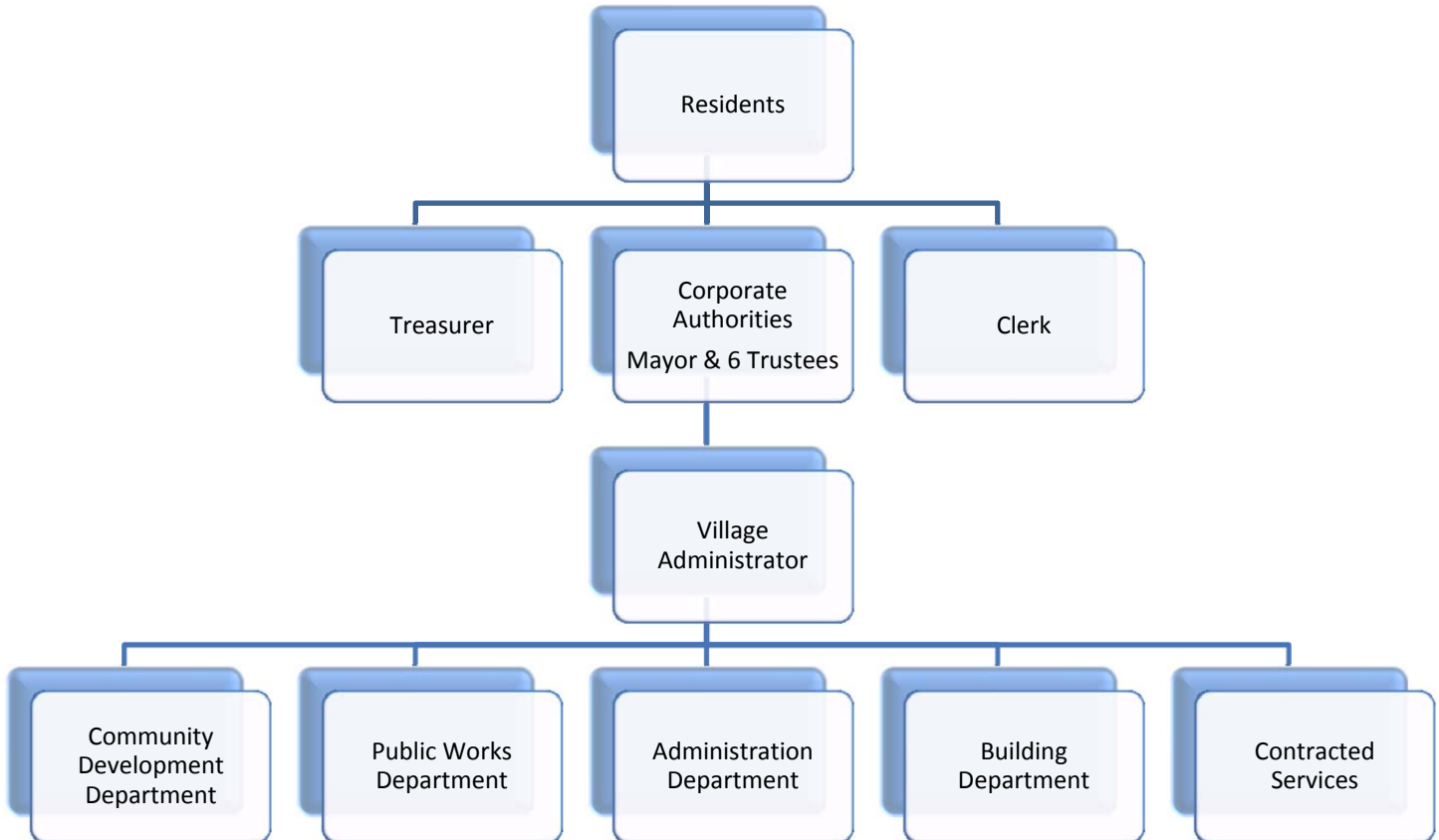


Michelle Johannsen
Finance & HR Manager

Village Overview

Organization Structure

The Village operates under a Mayor/Council form of government and is a non-home rule municipality. The Mayor and Trustees together comprise the Corporate Authorities and set policy and direction for the Village. The Village has six (6) districts, each represented by one (1) Trustee. All elected officials (including Village Clerk and Village Treasurer) are elected to over-lapping four year terms. The Corporate Authorities have appointed a Village Administrator to oversee the daily operations of the Village. The Administrator appoints, with the advice and consent of the Corporate Authorities, professional staff to implement the goals and policies of the Village Board.



History of the Village

On February 24, 1981, the Village of Machesney Park was incorporated. The initiative was brought forward by a group of concerned North Park residents (unincorporated Winnebago County) whose primary concerns included: 1) retention of the tax base from the regional Mall complex and prevention of the Mall's annexation by encroaching communities; 2) a general dissatisfaction with County services; 3) a lack of political representation and resources to address local problems; and 4) the need to control local issues through incorporation.

The name "Machesney Park" was derived from the Machesney Airport, which was founded in 1927 by Fred Machesney, a barnstorming aviator. The airport was located along N. 2nd Street (IL Route 251) and was the site of the airfield, several hangers, a workshop for maintenance, and a classroom for aviation school. However, in 1954 an airport was opened in Rockford, which eventually led to the decline of the Machesney Airport's operations.



Fred & Mae Machesney (1920's)



Machesney Airport (1927)



Machesney Park Mall (approx. 1980's)



Machesney Town Center (2014)

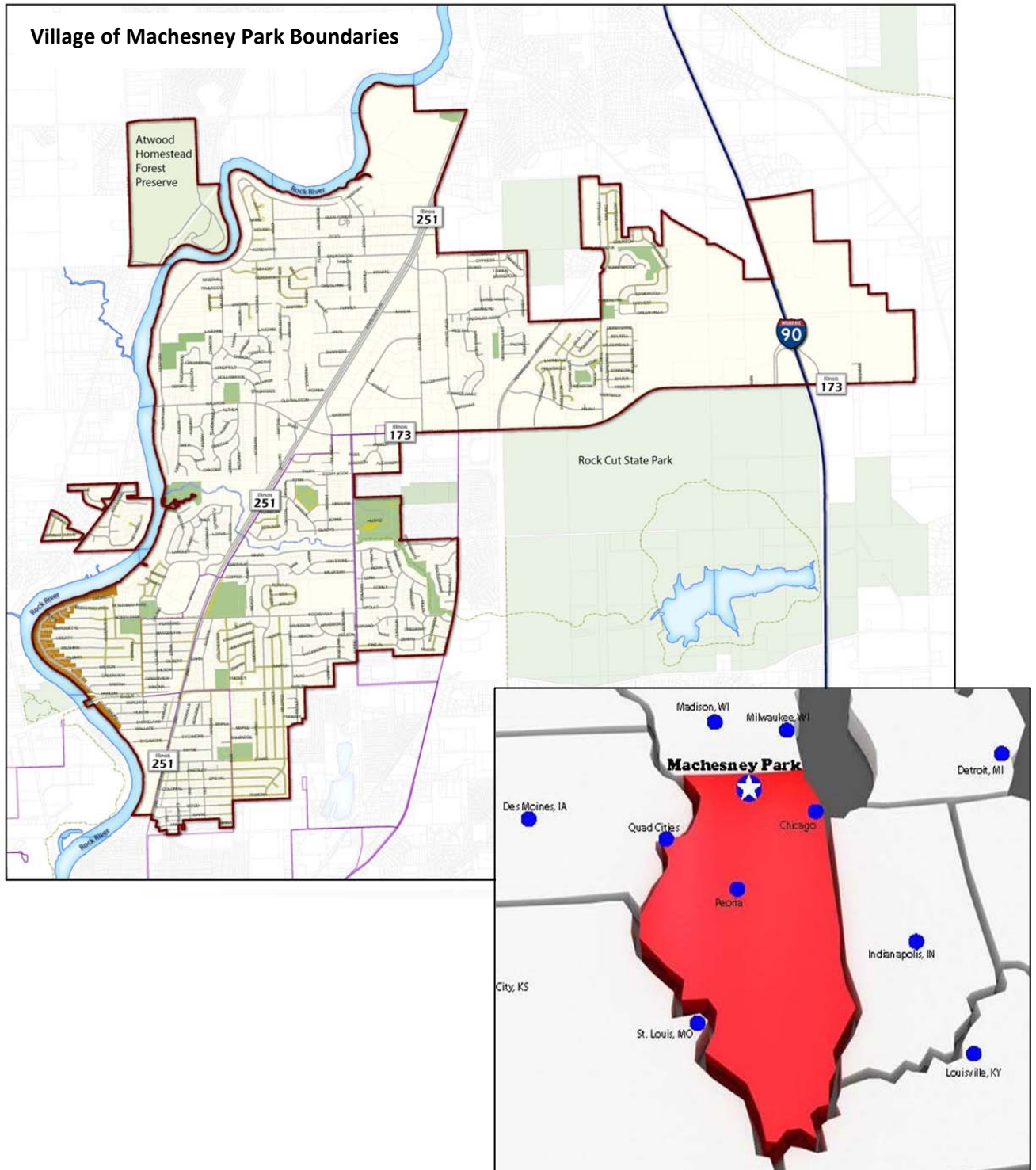
The Machesney Airport closed in 1974 leading to the development of the Machesney Park Mall which opened in 1978. However, by the late 1990's the mall started losing businesses to a competing mall in Rockford; stores came and went and by 2003 the Simon Group sold the mall to local developers. The Village and developer are currently in the process of redeveloping the space into the Machesney Town Center as a mixed use facility.

Over the years, the Village annexed property for residential and commercial purposes along IL 173 and also created a TIF district, spurring enormous commercial growth along the 173 corridor. In addition, an interchange was constructed in July 2007, at I-90 and IL 173, which provided the foundation for further commercial and industrial growth. The Village continues to expand and improve its commercial, industrial, and residential footprint within the region.

Community Profile

Location

The Village of Machesney Park is a young, fast-growing community with a population of 23,499. It is located in Northern Illinois within Winnebago County, along the beautiful Rock River. The Village is uniquely situated within an hour's drive of Chicago IL, Madison, and Milwaukee WI. The total incorporated land area of the Village is approximately 12.70 square miles.



Village Services

The Village provides a full range of government services, including police protection, street construction and maintenance, code enforcement, planning and zoning, community development, and general administrative services. The Village contracts many of its services to other organizations.

Services contracted to others or provided by another governmental agency include: police services, fire protection, water & sewer utilities, street construction and maintenance, forestry, engineering services, legal services, building code enforcement, refuse pickup, and various other public works functions.

Statistics

General Statistics

Population (2010)	23,499
Median Age (2014)	38.7
Households (2014)	8,610
Per Capita Income (2014)	\$23,786
Median Home Value (2014)	\$117,100
Median Household Income (2014)	\$54,395
Unemployment Rate (January 2016)	8.4%

SOURCE: US Census Bureau and IL Department of Employment Security

1% Sales Tax Revenue History – Calendar Year (Sales made during January – December)

Category	2009	2010	2011	2012	2013	2014	2015
General Merchandise	\$768,452	\$779,283	\$795,536	\$737,969	\$744,598	\$730,684	\$1,003,421
Food	\$72,065	\$71,938	\$77,075	\$83,389	\$93,581	\$108,143	\$90,466
Drinking & Eating Places	\$268,925	\$258,754	\$273,193	\$307,649	\$320,426	\$336,622	\$358,094
Apparel	\$38,115	\$61,023	\$68,537	\$71,139	\$65,390	\$65,717	\$65,440
Furniture & H.H. & Radio	\$61,919	\$75,149	\$72,686	\$76,402	\$92,363	\$83,670	\$94,012
Lumber, Bldg, Hardware	\$655,955	\$657,098	\$652,011	\$626,171	\$664,273	\$673,848	\$702,806
Automotive & Filling Stations	\$419,890	\$451,920	\$513,555	\$559,821	\$623,166	\$623,771	\$576,813
Drugs & Misc. Retail	\$343,746	\$299,496	\$357,223	\$461,611	\$477,458	\$392,711	\$401,251
Agriculture & All Others	\$153,165	\$289,594	\$250,902	\$239,522	\$232,471	\$265,999	\$272,894
Manufacturers	\$35,362	\$38,236	\$18,763	\$14,391	\$22,677	\$21,552	\$26,847
Total Retail Sales	\$2,817,594	\$2,982,491	\$3,079,481	\$3,178,064	\$3,336,403	\$3,302,717	\$3,592,044
# of taxpayers	445	459	480	460	486	479	514

SOURCE: Illinois Department of Revenue

Equalized Assessed Valuation

The Village's equalized assessed valuation (EAV) represents one-third of the fair market value of property within the Village. EAV does not include assessed valuation within the Tax Increment Financing District (TIF).

Year	EAV
2015	\$303,301,945
2014	\$298,983,211
2013	\$309,673,834
2012	\$332,153,077
2011	\$352,553,529
2010	\$362,371,078
2009	\$374,024,494

SOURCE: Winnebago County Clerk

Village Tax Rates

Tax	Rate	Applied to:	Revenues used for:
Municipal Sales Tax	1.00%	Retail sales <i>including</i> groceries and drugs	General government services
Non-home rule Sales Tax	1.00%	Retail sales <i>excluding</i> groceries and drugs	Infrastructure improvements
Simplified Telecomm. Tax	6.00%	Telephone bills	Infrastructure improvements
Natural Gas Utility Tax	5.15%	Natural gas bills	Public safety, infrastructure, and path system improvements
Electric Utility Tax	\$0.30- \$0.61	Per therm of electricity used	Public safety, infrastructure, and path system improvements
Hotel/Motel Tax	5.00%	Gross rental receipts	Promote tourism, conventions, and special events within the Village
Business District Sales Tax	1.00%	Retail sales within the Town Center area <i>only</i>	Redevelopment of the Town Center

**** The Village of Machesney Park does NOT levy a property tax**

Budget Calendar

January

- Revenue projections
- Infrastructure projections & future planning of improvements based on highest need

February

- Budget Kickoff Meeting with Board
- Departments compile expenditures
- Expenditures finalized
- Village Administrator & Finance Manager review & finalize entire budget

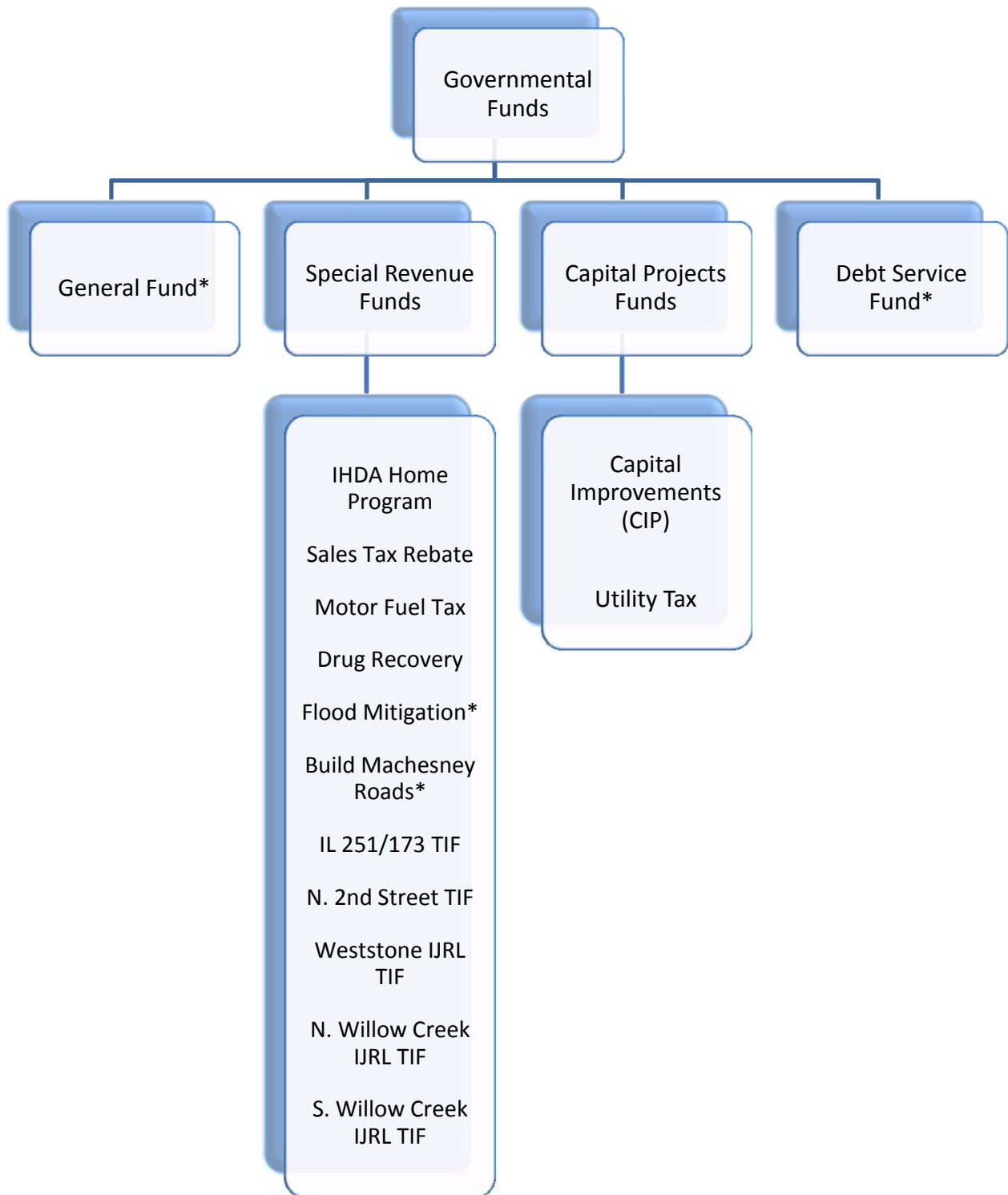
March

- Budget workshop(s) - Staff presents entire budget for review by the Board

April

- Public Hearing
- Board adopts Annual Budget

Fund Structure



**Denotes Major Fund – for budgeting purposes a Major Fund is defined as those funds that are greater than or equal to 10% of the total funding for the fiscal year.*

Fund Structure (Continued)

The Village uses fund accounting designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general capital assets (Capital Improvement Fund), and the servicing of general long-term debt (Debt Service Fund). Governmental funds focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

- The General Fund is the most active of all Funds and is used to account for all activities of the general government not accounted for in another fund. The General Fund includes the operating funds for seven (7) departments:
 - Administration – The Administration department includes the Village Administrator, Finance & HR Manager, Administrative Assistant/Deputy Clerk, and Receptionist/Administrative Assistant. This department is responsible for the general management of the Village and supports all Village activities not covered by other departments.
 - Village Clerk – The Village Clerk is an elected position. The clerk is the official record keeper for the Village and is responsible for maintaining all Village records. The Clerk's office prepares, maintains, and files all Village records, Ordinances, Resolutions, municipal code book, minutes, and official documents.
 - Executive – the Executive department includes the other elected positions of the Village: Village President/Mayor, Village Treasurer, and Board of Trustees.
 - Community Development – The Community Development department consists of the Community Development Director, Planning & Zoning Specialist, and Code Enforcement Inspector. This department is responsible for the planning and development functions of the Village as well as enforcement of the Village's Code Book of Ordinances.
 - Public Works – The Public Works department consists of the Superintendent of Public Works, three Maintenance Workers, and seasonal workers. This department is responsible for oversight of the contracts for various municipal operations, maintenance of parks and public buildings, and street maintenance operations.
 - Building Inspection – This department consists only of the Building Clerk who issues building permits at Village Hall. The rest of the building inspection operations are contracted through Winnebago County.

Fund Structure (Continued)

- Protective Services – The majority of police services are contracted with the Winnebago County Sheriff's Department. The Village employs a retired officer who works at the High School as a part-time School Resource Officer.
- Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Village maintains eleven (11) special revenue funds:
 - IHDA Home Program – this fund accounts for grant monies received from the IL Housing Development Authority to assist qualifying residents in making necessary repairs or upgrades to their home through a forgivable loan.
 - Sales Tax Rebate – the Village utilizes this fund to rebate a portion of sales tax revenues based on Board approved incentive agreements.
 - Motor Fuel Tax – this fund is administered by the State of Illinois and requires separate tracking. The Village receives a per capita share of taxes charged on gasoline sales and can use the funds only on expenditures related to infrastructure within the Village.
 - Drug Recovery – This fund is for the collection of revenues from DUI and drug fines and fees. The revenues are restricted to be spent on certain law enforcement activities.
 - Flood Mitigation – this fund accounts for grant monies received from Federal and State sources to mitigate flood prone properties. Mitigation efforts consist of acquiring properties through voluntary participation by residents and converting them to open green space indefinitely.
 - Build Machesney Roads – this fund was established to account for revenues and expenditures committed for infrastructure improvements (identified list of road repairs, reconstruction, and drainage) throughout the Village. The residents approved via referendum an extra 1% sales tax that became effective July 1, 2008. The tax was set to expire in 2013; however, the residents approved a second referendum to keep the extra 1% sales tax in place for an additional seven years; which is set to expire June 30, 2020. The board also dedicated the Telecommunications tax revenue (the original 1% tax that had been used by the General Fund plus the additional 5% that was made effective July 1, 2008) to cover a bond issue in 2008 to spur the program.
 - IL 251/173 TIF – this was the first TIF setup in the Village and was established in 1991 to spur redevelopment of the area into a primary retail corridor. It was set to expire in 2014; however, the Village was successful in extending the life of the TIF for an additional 12 years for further development; which will now expire in 2026.
 - N. 2nd Street TIF – The TIF was established in 2008 as part of a secondary retail redevelopment project for three distinct areas that are in need of revitalization.

Fund Structure (Continued)

- Weststone IJRL TIF – This is one of three industrial jobs recovery law TIF’s within the Village aimed at spurring job growth throughout the community. The TIF was established in 2011 to assist in redevelopment of agriculture land into industrial and commercial uses around the interstate at IL 173 and I-90.
- North Willow Creek IJRL TIF – also established in 2011 to spur industrial growth.
- South Willow Creek IJRL TIF – This IJRL TIF was also established in 2011 to assist in further development of the industrial park along Burden and Alpine Road and to address various infrastructure needs.
- Capital Projects Funds
 - Capital Improvements – this fund accounts for capital projects other than those funded by the additional 1% road tax and utility tax. The financing for this fund is provided solely through operating transfers from the General Fund.
 - Utility Tax – this fund was setup to separately track the revenues received from the municipal fee on natural gas and electric utilities and the corresponding expenditures. The tax was put into effect March 1, 2013 and expires December 31, 2019.
- Debt Service Funds account for the accumulation of resources and payments of principal and interest. The Village maintains one Debt Service Fund which is used to account for eight (8) debt issuances: *Debt Certificates*-Series 2008A for IL 251/173 TIF improvements, Series 2008B for infrastructure improvements, Series 2011A & 2011B for N. 2nd Street TIF infrastructure improvements, and 2015 for infrastructure improvements. *Promissory Notes*-2013 for Weststone IJRL TIF improvements, 2014 for N. 2nd Street TIF renovation improvements, and 2015 for N. 2nd Street TIF redevelopment project.

Proprietary funds are used to account for activities similar to those found in the private sector, where determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The Village does maintain any proprietary funds.

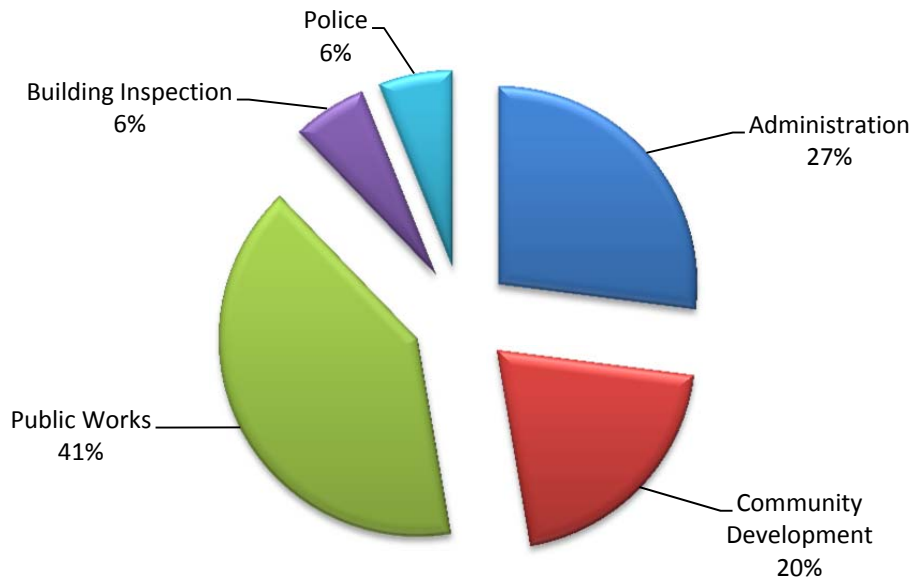
Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are generally used to account for assets that the government holds on behalf of others as their agent. The Village does not maintain any fiduciary funds.

Personnel Summary

The Village contracts many services typically provided by a municipality. Therefore, there is a very flat structure with primarily department heads performing the functions of the Village. Available positions are identified in the Village Code book and annual salaries are approved with the Budget by the Corporate Authorities. The Budget typically includes funds for a cost of living adjustment and the Village's merit pay program. There is no change in the number of personnel for the FY 2017.

Title	Budgeted Department	# of staff employed 2013-2014	# of staff employed 2014-2015	# of staff employed 2015-2016	# of staff budgeted 2016-2017
Village Administrator	Administration	1.0	1.0	1.0	1.0
Finance & HR Manager	Administration	1.0	1.0	1.0	1.0
Admin Assistant/Deputy Clerk	Administration	1.0	1.0	1.0	1.0
Administrative Assistant	Administration	1.0	1.0	1.0	1.0
Public Safety Coordinator	Protective Services	1.0	0.0	0.0	0.0
PT-School Resource Officer	Protective Services	1.0	1.0	1.0	1.0
Community Development Director	Community Develop	1.0	1.0	1.0	1.0
Planning & Zoning Specialist	Community Develop	1.0	1.0	1.0	1.0
Code Enforcement Inspector	Community Develop	1.0	1.0	1.0	1.0
Superintendent of Public Works	Public Works	1.0	1.0	1.0	1.0
Maintenance Workers	Public Works	3.0	3.0	3.0	3.0
Public Works Seasonal Workers	Public Works	2.0	2.0	2.0	2.0
Building Clerk	Building Inspection	1.0	1.0	1.0	1.0
Total # of Village Staff		16.0	15.0	15.0	15.0

Personnel Breakdown by Department

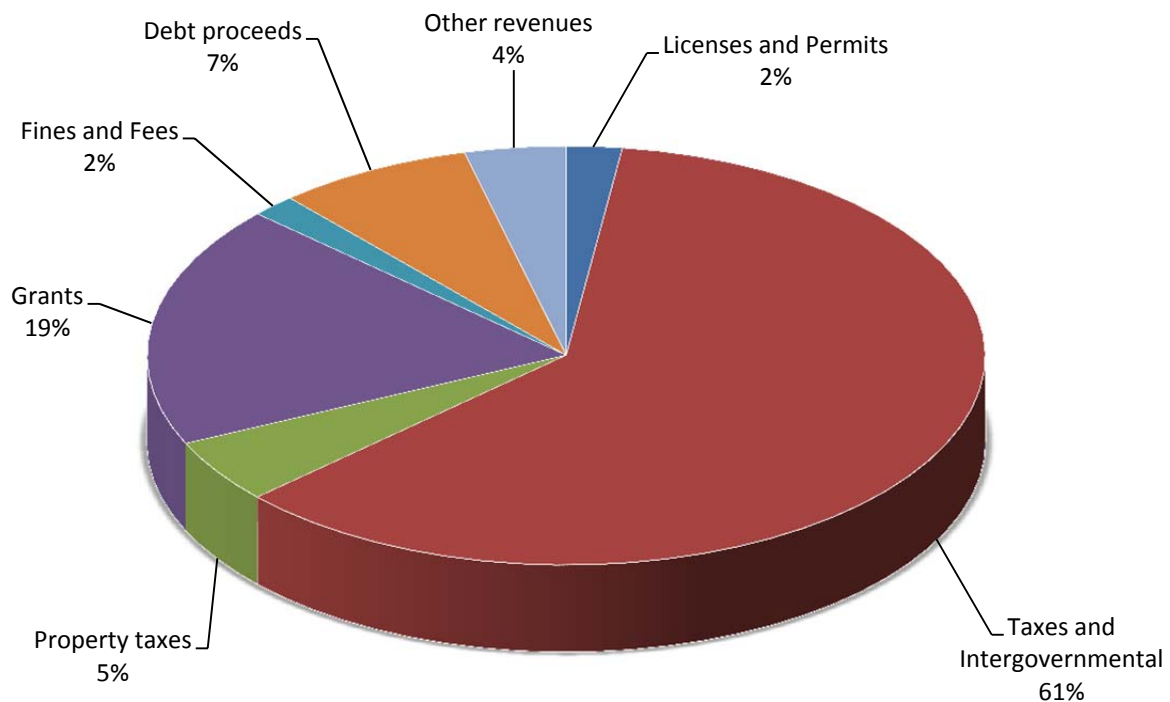


Revenue & Expenditure Summary – All Funds

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Revenues					
General Fund	7,175,694	7,279,988	7,035,600	7,395,103	7,068,100
Special Revenue Funds	10,729,422	12,513,584	9,867,500	6,621,613	8,871,500
Capital Projects Funds	1,923,270	1,608,841	1,880,000	1,892,394	1,517,400
Debt Service Fund	-	-	-	-	2,034,600
Total Revenues	19,828,386	21,402,413	18,783,100	15,909,110	19,491,600
Expenditures					
General Fund	5,607,160	5,682,173	6,244,300	5,990,078	6,312,450
Special Revenue Funds	9,916,763	10,499,444	15,899,276	10,640,554	10,861,200
Capital Projects Funds	930,719	2,468,238	2,721,400	2,390,441	1,553,300
Debt Service Fund	-	-	-	-	2,092,600
Total Expenditures	16,454,642	18,649,855	24,864,976	19,021,073	20,819,550
Net Revenues Over (Under) Expenditures	3,373,744	2,752,558	(6,081,876)	(3,111,963)	(1,327,950)

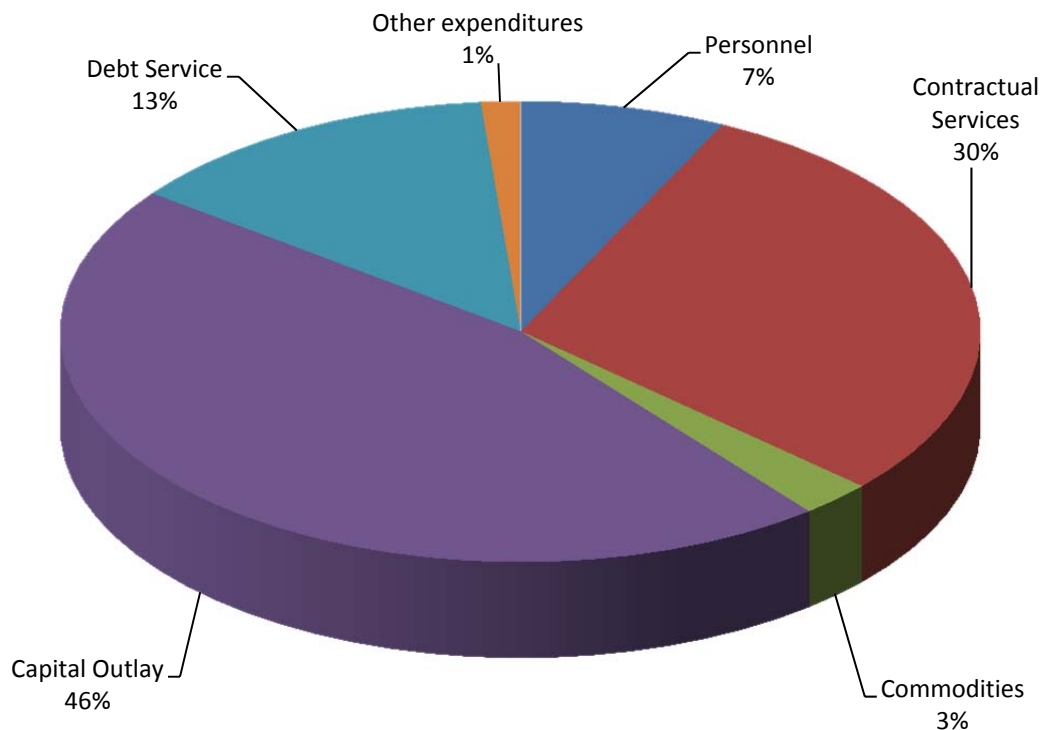
Revenues by Source – All Funds

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Licenses and Permits	425,870	429,620	412,600	435,306	414,600
Taxes and Intergovernmental	12,099,892	12,163,851	12,312,200	12,555,219	12,043,500
Property taxes	973,354	986,918	1,171,700	1,226,400	1,758,400
Grants	3,712,395	1,936,308	4,336,400	708,808	4,724,400
Fines and Fees	341,161	347,301	330,400	369,884	345,400
Debt proceeds	1,500,000	5,000,000	-	-	-
Other revenues	775,714	538,415	219,800	613,493	205,300
Total Revenues	19,828,386	21,402,413	18,783,100	15,909,110	19,491,600
Operating Transfers In	1,240,532	988,952	791,300	1,405,025	755,650
Total Revenues & Transfers	21,068,918	22,391,365	19,574,400	17,314,135	20,247,250



Expenditures by Category – All Funds

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Personnel	1,193,069	1,065,695	1,156,100	1,153,226	1,235,600
Contractual Services	4,846,432	6,122,529	6,151,876	5,238,660	6,078,700
Commodities	415,104	339,340	640,500	559,235	540,800
Capital Outlay	7,570,523	8,535,144	14,232,300	9,493,757	10,077,200
Debt Service	2,200,282	2,319,956	2,072,300	2,063,882	2,092,600
Other expenditures	229,232	267,191	611,900	512,313	794,650
Total Expenditures	16,454,642	18,649,855	24,864,976	19,021,073	20,819,550



Projected Changes in Fund Balance

All Funds

	Estimated Beginning Fund Balance (Deficit) 5/1/2016	Revenues & Other Sources	Expenditures & Other Uses	Estimated Ending Fund Balance (Deficit) 4/30/2017
General Fund	6,348,746	7,068,100	7,068,100	6,348,746
Utility Tax Fund	784,959	1,100,000	1,046,400	838,559
Sales Tax Rebate Fund	-	564,000	564,000	-
Motor Fuel Tax Fund	139,305	587,500	705,000	21,805
IL 251/173 TIF Fund	(109,360)	639,000	671,400	(141,760)
Capital Improvement Fund	1,997,775	848,850	506,900	2,339,725
Drug Recovery Fund	4,916	200	5,000	116
N. 2nd Street TIF Fund	91,785	165,600	123,000	134,385
Weststone IJRL TIF Fund	(144,273)	336,200	657,500	(465,573)
N. Willow Creek IJRL TIF Fund	(5,998)	7,500	15,000	(13,498)
S. Willow Creek IJRL TIF Fund	93,773	59,000	61,000	91,773
Flood Mitigation Fund	-	4,524,400	4,524,400	-
Build Machesney Road Fund	1,246,298	2,754,300	3,534,900	465,698
Debt Service Fund	-	2,092,600	2,092,600	-
	10,447,926	20,747,250	21,575,200	9,619,976

Major Increases or Decreases in Fund Balances

Motor Fuel Tax Fund – Fund balance is expected to decline due to the constant reduction in motor fuel tax revenues and the inflationary increases in street lighting and snow and ice control costs. In future years, the General Fund will have to absorb more of the snow and ice control costs to supplement this fund.

IL 251/173 TIF Fund – Fund balance deficit is expected to decline further if development of any of the last three parcels comes to fruition. If there is no development and therefore no contractual services necessary, then the Fund should remain consistent. The Village is holding an asset for resale which is anticipated to make this Fund whole by the time the TIF expires.

Capital Improvement Fund – Fund balance is expected to increase due to more operating transfers from the General Fund to save for future capital improvement needs. In addition the Village is still awaiting reimbursement from the State for the grant used to build a new boat launch in the prior year.

Drug Recovery Fund – Fund balance is expected to decline if equipment specific to drug recovery is purchased; otherwise the fund balance will stay relatively unchanged.

N. 2nd Street TIF Fund – Fund balance is expected to increase due to an increase in incremental property taxes being received. However, if further development of the TIF occurs, the balance could decline as professional services are needed to move along the development but it is fully anticipated that the TIF will be breakeven at its expiration.

Weststone IJRL TIF Fund – Fund balance deficit is expected to decline further due to TIF related development planned for the upcoming year. Property tax increment is anticipated to cover the expenditures in future years and so the balance should revert to a positive balance in the next few years.

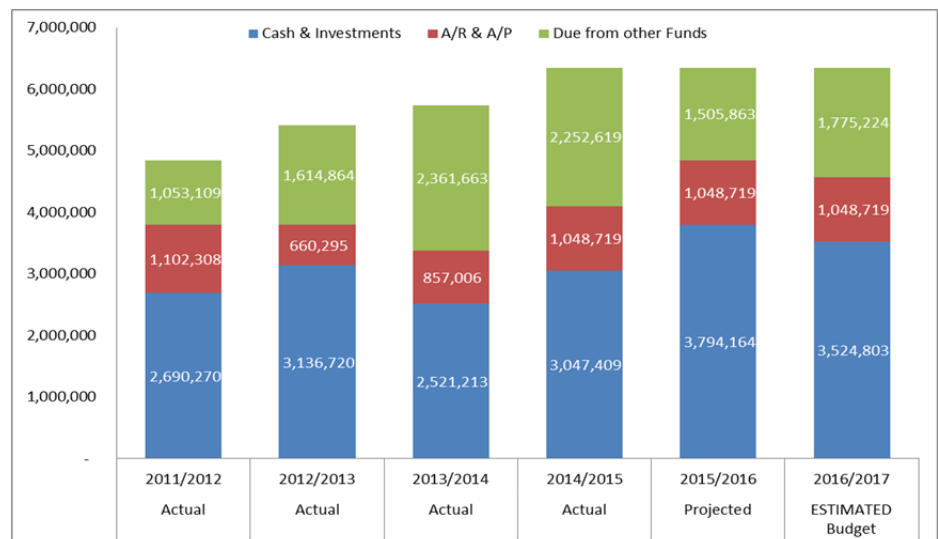
N. Willow Creek IJRL TIF Fund – Fund balance deficit could decline further if professional services are necessary for development, otherwise the balance may turn positive during the year.

Build Machesney Road Fund – Fund balance is expected to decline but remain a positive balance as was planned. There were debt proceeds issued in FY 2015 to build the infrastructure in FY 2016 and with further aggressive plans to continue to repair and maintain infrastructure, the fund balance will be minimal; in prior years there were multi-year savings necessary to accomplish the projects as projected so as the goals are being completed and time remaining on the sales tax winds down, fund balance will continue to decline to zero.

General Fund

Fund balance includes not only liquid assets (cash, investments, etc.) but also items that are non-spendable or not readily convertible into cash such as accounts receivables, amounts due from other governments, amounts due from other funds of the Village (amounts loaned to a TIF district and waiting to be repaid), accounts payable, etc. Therefore, a snapshot of the General Fund estimated fund balance at year end and broken down by cash and investments, accounts receivable and payable, and due from other funds provides a good visual of the total fund balance compared to the actual cash on hand. The Village has been improving its balances in recent years as TIF districts have started reimbursing the General Fund for prior expenditures and thereby increasing the cash balance.

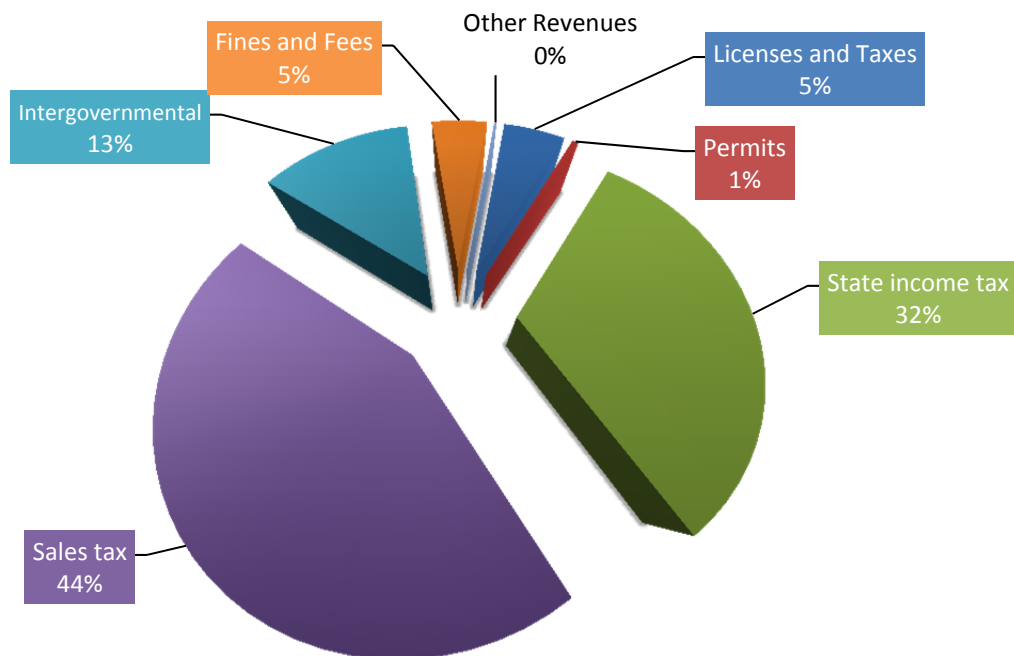
Best practice dictates having an unassigned fund balance at a minimum of three months (25%), but preferably closer to a year of operating expenses, especially due to the volatile revenue streams the Village relies on to conduct its activities. The Village is projecting to have around \$4.5M of available cash (unassigned fund balance) in the General Fund at year end, which is about 64% of the budgeted expenditures and transfers.



Executive Summary

Major Revenue Sources

The Village's top two revenue sources in the General Fund comprise 76% of total revenues, with a majority being derived from sales tax. As such, forecasting revenues can be a difficult task due to unknown factors such as the economy and consumer preferences. Hence, the Village takes a conservative approach towards projecting these revenues.



Sales Tax

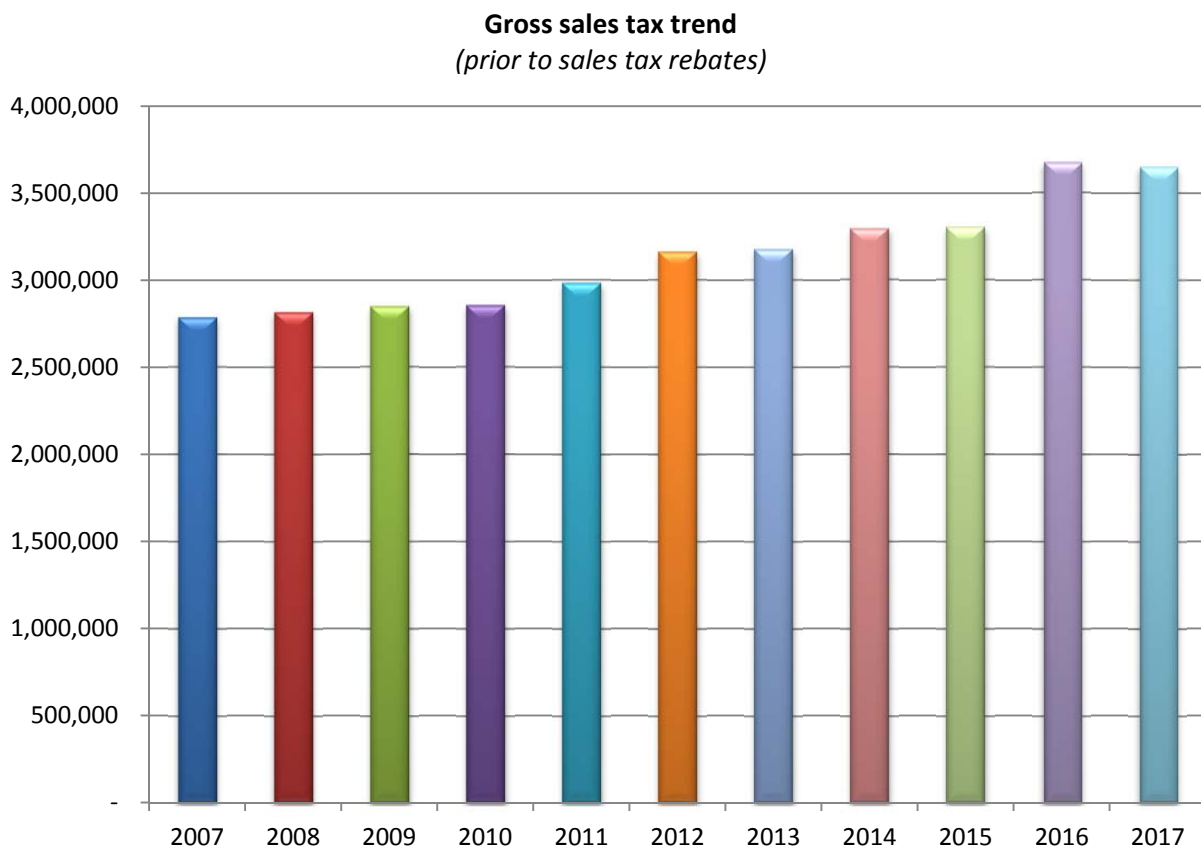
The Village receives one cent (\$0.01) per dollar of retail sales, which is collected by the State and then distributed to the Village. The sales tax rate within the majority of the corporate boundaries is 8.25%; the Village's share is the regular allocation of 1% on retail sales including food and drugs, and an additional 1% (on retail sales excluding certain food and drugs). The additional 1% tax was approved by referendum which is set to expire in 2020. All proceeds from the additional 1% sales tax are to be used on infrastructure projects. The area commonly known as the Machesney Town Center has a sales tax rate of 9.25%; the additional 1% is business district sales tax utilized for redevelopment of the Town Center.

State Income Tax

Income tax is state shared revenue that is distributed to municipalities based on population. The Illinois Municipal League provides projections of state shared revenues which provide the foundation for the annual budgeted amounts.

Revenue Assumptions & Trends

The 1% state sales tax is the largest source of revenue for the Village and has seen incremental growth over the past 10 years. Even during the economic downturn in 2008-2010, the Village's revenue main stream remained constant and once the economy started to come back, sales rebounded and continued to grow. The Village did see an interruption in what could have been further growth in 2013, 2015, and 2016 when the State of Illinois widened and reconstructed IL-173; the primary shopping corridor within the Village. While there was downward pressure in what otherwise was a growing economy, the growth helped offset the construction impact and allowed the Village's main source of revenue to continue relatively consistent through the multi-year construction. 2016 brought the opening of a Meijer superstore which boosted sales tax revenues and with construction being complete in front of the retailers, sales tax is projected to grow in 2017, however, to remain conservative, sales tax revenues were budgeted to remain consistent with the prior year.



Interest income has remained at very low levels and while there have been some discussion at the Federal level about raising rates, we are budgeting no increases. Utility tax revenues vary based on usage and with a milder winter and possible cooler summer, budgeted revenues were reduced by 8.3% to bring them in line with the current year projected amounts. The TIF district revenues are based on increment generated which is tied to property tax values; EAV's are increasing, several buildings have been expanded and/or newly built over the last several years, and overall development has been positive and therefore we anticipate greater revenues across all TIF's. Most other revenue line items are typically consistent from year to year and therefore were budgeted accordingly.

Expenditure Assumptions & Trends

Inflationary pressures and scope of service expansion have the potential to continually drive expenditures higher, however, the Village strives to keep costs down and continually looks for ways to improve efficiencies and reduce expenses. The Village's IMRF contribution marginally increased for calendar year 2016 and so will have minimal impact. The number of personnel remains unchanged and so the increased costs in personnel are related to a 1% cost-of-living adjustment for all employees and a merit pool that is distributed amongst employees based on performance as evaluated by their supervisor and the Village Administrator. Volatility in the insurance industry continues and the possibility exists that the Village may have to switch to a metallic plan in the upcoming year, which could increase costs depending on how the plan makeup changes; therefore the budget includes a 35% increase for five months since the plan renews December 1. The general fund departmental expenditure changes are explained in further detail on the following pages. The remaining funds are primarily TIF and capital improvement related which were budgeted based on actual anticipated costs for various projects or anticipated development.

The Village continues to plan for future needs, so as surplus funds are available they are either retained in the general fund to increase the reserve balance or transferred to the capital improvement fund to save for future infrastructure needs to avoid the costs of financing. The amount of transfers to other funds is similar to the prior year and accounts for the 10% contribution to the TIF funds since the Village does not levy a property tax and provides funding for various capital needs and debt financing.

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Expenditures							
Administration	562,980	480,130	564,300	562,530	586,300	22,000	3.9%
Village Clerk	108,853	95,287	87,600	85,157	99,400	11,800	13.5%
Executive	145,381	137,070	149,300	136,555	146,200	(3,100)	-2.1%
Community Development	202,382	468,804	506,800	443,508	577,350	70,550	13.9%
Public Works	1,043,109	1,081,249	1,379,800	1,292,011	1,245,400	(134,400)	-9.7%
Planning and Zoning	238,679	-	-	-	-	-	0.0%
Building Inspection	59,020	57,450	66,200	58,271	68,400	2,200	3.3%
Protective Services	3,246,756	3,362,183	3,490,300	3,412,046	3,589,400	99,100	2.8%
Total Expenditures	5,607,160	5,682,173	6,244,300	5,990,078	6,312,450	68,150	1.1%
Other Financing Sources (Uses)							
Transfer to IHDA Program	(64,000)	(62,000)	(52,000)	(66,380)	-	52,000	100.0%
Transfer to Quarry TIF	(5,589)	-	-	-	-	-	0.0%
Transfer to IL 251/173 TIF	(84,546)	(86,462)	(385,000)	(385,815)	(27,000)	358,000	-93.0%
Transfer to Capital Improvement	(1,080,000)	(833,800)	(347,500)	(958,954)	(431,450)	(83,950)	24.2%
Transfer to N. 2nd TIF	(6,397)	(6,690)	(6,800)	(6,720)	(39,200)	(32,400)	476.5%
Transfer to Flood Mitigation	-	-	-	14,161	-	-	0.0%
Transfer to Revolving Loan	-	-	-	(1,317)	-	-	0.0%
Transfer to Road Fund	-	-	-	-	(200,000)	(200,000)	-100.0%
Transfer to Debt Service	-	-	-	-	(58,000)	(58,000)	-100.0%
Proceeds from capital lease	-	-	-	-	-	-	0.0%
Total Financing Sources (Uses)	(1,240,532)	(988,952)	(791,300)	(1,405,025)	(755,650)	35,650	-4.5%

General Fund Summary

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Revenues					
Licenses and Taxes	379,837	387,784	378,000	395,387	380,000
Permits	47,661	48,453	40,600	45,051	37,600
Intergovernmental	6,340,032	6,423,164	6,272,700	6,559,199	6,291,300
Fines and Fees	340,206	346,787	330,200	369,584	345,200
Other revenues	67,958	73,800	14,100	25,882	14,000
Total Revenues	7,175,694	7,279,988	7,035,600	7,395,103	7,068,100
Expenditures					
Administration	562,980	480,130	564,300	562,530	586,300
Village Clerk	108,853	95,287	87,600	85,157	99,400
Executive	145,381	137,070	149,300	136,555	146,200
Community Development	202,382	468,804	506,800	443,508	577,350
Public Works	1,043,109	1,081,249	1,379,800	1,292,011	1,245,400
Planning and Zoning	238,679	-	-	-	-
Building Inspection	59,020	57,450	66,200	58,271	68,400
Protective Services	3,246,756	3,362,183	3,490,300	3,412,046	3,589,400
Total Expenditures	5,607,160	5,682,173	6,244,300	5,990,078	6,312,450
Revenues Over (Under) Expenditures	1,568,534	1,597,815	791,300	1,405,025	755,650
Other Financing Sources (Uses)					
Transfer to IHDA Program	(64,000)	(62,000)	(52,000)	(66,380)	-
Transfer to Quarry TIF	(5,589)	-	-	-	-
Transfer to IL 251/173 TIF	(84,546)	(86,462)	(385,000)	(385,815)	(27,000)
Transfer to Capital Improvement	(1,080,000)	(833,800)	(347,500)	(958,954)	(431,450)
Transfer to N. 2nd TIF	(6,397)	(6,690)	(6,800)	(6,720)	(39,200)
Transfer to Flood Mitigation Program	-	-	-	14,161	-
Transfer to Revolving Loan	-	-	-	(1,317)	-
Transfer to Road Fund	-	-	-	-	(200,000)
Transfer to Debt Service	-	-	-	-	(58,000)
Proceeds from capital lease obligations	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,240,532)	(988,952)	(791,300)	(1,405,025)	(755,650)
Net Increase (Decrease) in Fund Balance	328,002	608,863	-	-	-
Beginning Fund Balance	5,411,881	5,739,883	6,348,746	6,348,746	6,348,746
Ending Fund Balance					
Nonspendable					
Prepaid expenses	44,062	46,709	45,000	45,000	45,000
Advance to Quarry TIF	-	-	-	-	-
Advance to 251/173 TIF	676,188	1,017,893	678,000	785,983	709,383
Advance to N. 2nd TIF	826,988	325,502	452,702	478,941	553,941
Advance to Weststone IJRL TIF	83,756	-	192,000	24,162	120,000
Advance to N. WC IJRL TIF	34,290	40,134	86,134	10,544	25,544
Advance to S. WC IJRL TIF	18,830	24,145	70,145	-	61,000
Advance to Revolving Loan Fund	-	4,640	-	-	-
Committed-ROT self insurance reserve	-	-	-	300,000	300,000
Restricted/Assigned	476	950,000	-	-	-
Unassigned	4,055,293	3,939,723	4,824,765	4,704,116	4,533,878
Ending Fund Balance	5,739,883	6,348,746	6,348,746	6,348,746	6,348,746

General Fund

General Fund Revenues

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Licenses and Taxes	379,837	387,784	378,000	395,387	380,000	2,000	0.5%
Permits	47,661	48,453	40,600	45,051	37,600	(3,000)	-7.4%
Intergovernmental	6,340,032	6,423,164	6,272,700	6,559,199	6,291,300	18,600	0.3%
Fines and Fees	340,206	346,787	330,200	369,584	345,200	15,000	4.5%
Other Revenues	67,958	73,800	14,100	25,882	14,000	(100)	-0.7%
Total Revenues	7,175,694	7,279,988	7,035,600	7,395,103	7,068,100	32,500	0.5%

Budget Analysis

The FY 2017 budget includes only a slight increase to general fund revenues. Most revenue items are consistent year to year, however, sales tax projections are always difficult to predict so the Village takes a conservative approach when estimating those revenues.

Licenses and Taxes Revenues are comprised of 53 liquor licenses, franchise fees from cable and natural gas, and the 5% hotel/motel tax from two establishments within the Village. Due to a hotel closing in the prior year, only a minimal increase is anticipated for FY 2017.

Permit Revenues consist of building permits, MS4 permits, and various other permits such as home occupation, driveway, sign, shed, solicitors, etc. The building permit revenues comprise 5% of the revenues from building permits issued within the Village and a reimbursement from the County for a portion of the clerk's wages; Winnebago County retains the remainder of revenues as the fee for providing contracted building inspections. The building permit revenue was reduced slightly to accommodate a possible slowing in the economy, which could impact new housing and construction.

Intergovernmental Revenues include state shared revenues (income tax, local use tax, and auto rental tax), sales tax, road and bridge tax, and reimbursement from the school district for a portion of the school resource officers costs. The sales tax projection was reduced by over \$100k based on an anticipated slowing of the economy, however, we estimate state income tax and local use tax will see increases of over \$113k for the upcoming year, so there is a net increase. IML anticipated larger increases for income and local use tax; however, due to possible uncertainties and impact of the state budget on local governments, we felt it was prudent to reduce revenues by 5% for both line items.

Fines and Fees and Other Revenues consist of circuit court fines, parking fines, zoning fines, impound fees, police vehicle fees, and reimbursement of professional services. Over the past year the Village raised the impound fee from \$200 to \$350 so an additional \$42k is projected. The other revenue items had negligible changes.

Therefore, overall, based on the prior years' history of revenues and possible economic impacts, the budgeted revenues increased 0.5%.

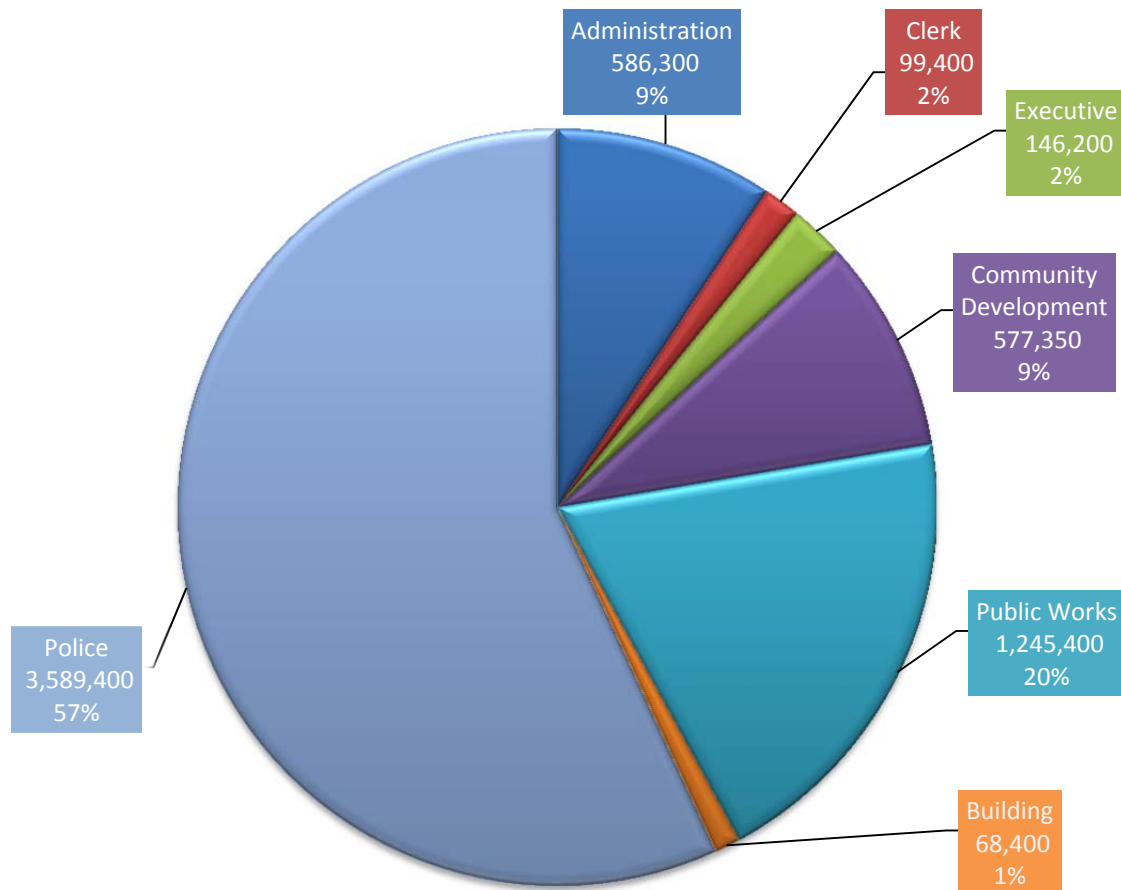
Revenues

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Licenses and Taxes						
00-00-321-10	Liquor licenses	72,483	70,517	66,000	68,358	66,000
00-00-325-10	Cablevision	274,746	279,254	275,000	290,414	280,000
00-00-326-10	Natural gas franchise fee	29,382	30,612	30,000	30,403	30,000
00-00-327-10	Hotel/Motel tax	1,628	6,617	6,000	5,132	3,000
00-00-329-10	Miscellaneous licenses	1,598	784	1,000	1,080	1,000
Total Licenses and Taxes		379,837	387,784	378,000	395,387	380,000
Permits						
00-00-331-10	Building permits	8,365	7,114	7,000	4,371	4,000
00-00-331-11	MS4 permits	7,035	8,552	5,000	9,315	5,000
00-00-331-20	County building permit admin reimb	19,624	19,624	19,600	19,624	19,600
00-00-339-10	Permits	6,827	5,563	4,000	5,856	4,000
00-00-339-20	Vehicle overweight permits	5,810	7,600	5,000	5,885	5,000
Total Permits		47,661	48,453	40,600	45,051	37,600
Intergovernmental						
00-00-341-10	State income tax	2,289,888	2,301,365	2,232,400	2,507,132	2,277,100
00-00-343-10	Video gaming tax	123,950	152,111	144,000	149,651	144,000
00-00-344-10	Auto rental tax	861	742	500	1,194	500
00-00-345-10	Sales tax	3,197,838	3,216,931	3,195,000	3,106,000	3,091,000
00-00-346-10	Local use tax	411,483	474,786	455,800	519,396	524,700
00-00-348-10	Intergovernmental agreements	244,283	204,053	175,000	200,928	179,000
00-00-349-10	Road and bridge tax	71,729	73,176	70,000	74,898	75,000
Total Intergovernmental		6,340,032	6,423,164	6,272,700	6,559,199	6,291,300
Fines and Fees						
00-00-351-10	Circuit court fines	248,753	253,118	220,000	243,064	235,000
00-00-352-10	Parking fines	12,213	12,347	5,000	6,767	5,000
00-00-352-11	Zoning fines	7,925	12,533	5,000	16,931	5,000
00-00-355-11	Liquor violations	3,000	-	-	-	-
00-00-356-10	Impound fees	68,200	68,400	100,000	102,400	100,000
00-00-357-10	Police vehicle fees	115	389	200	422	200
Total Fines and Fees		340,206	346,787	330,200	369,584	345,200
Other Revenues						
00-00-348-20	Plat fees	304	404	-	-	-
00-00-348-50	Professional services reimbursement	29,011	5,734	4,000	5,253	4,000
00-00-381-10	Investment income	5,844	5,425	4,000	4,831	4,000
00-00-382-10	Credit card processing fees	44	112	100	80	-
00-00-388-10	Mowing reimbursements	4,770	4,078	1,000	4,680	1,000
00-00-389-10	Miscellaneous	20,602	11,780	5,000	7,745	5,000
00-00-395-10	Insurance recoveries	5,087	43,916	-	3,293	-
00-00-395-51	Grants	2,296	2,351	-	-	-
Total Other Revenues		67,958	73,800	14,100	25,882	14,000
Total Revenues		7,175,694	7,279,988	7,035,600	7,395,103	7,068,100

General Fund Expenditures

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Expenditures by Department							
Administration	562,980	480,130	564,300	562,530	586,300	22,000	3.9%
Village Clerk	108,853	95,287	87,600	85,157	99,400	11,800	13.5%
Executive	145,381	137,070	149,300	136,555	146,200	(3,100)	-2.1%
Community Development	202,382	468,804	506,800	443,508	577,350	70,550	13.9%
Public Works	1,043,109	1,081,249	1,379,800	1,292,011	1,245,400	(134,400)	-9.7%
Planning and Zoning*	238,679	-	-	-	-	-	0.0%
Building Inspection	59,020	57,450	66,200	58,271	68,400	2,200	3.3%
Protective Services	3,246,756	3,362,183	3,490,300	3,412,046	3,589,400	99,100	2.8%
Total Expenditures	5,607,160	5,682,173	6,244,300	5,990,078	6,312,450	68,150	1.1%

*Planning and Zoning was merged with the Community Development department in FY 2015 and thereafter



Administration

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	316,054	319,047	338,900	345,723	360,300	21,400	6.3%
Contractual services	166,704	124,382	157,500	159,637	177,400	19,900	12.6%
Office expenses	3,579	4,642	5,400	4,917	5,300	(100)	-1.9%
Indirect employee	14,320	10,058	14,200	14,806	14,500	300	2.1%
Capital outlay	37,542	495	21,000	14,218	-	(21,000)	-100.0%
Other expenditures	24,781	21,506	27,300	23,229	28,800	1,500	5.5%
Total Administration	562,980	480,130	564,300	562,530	586,300	22,000	3.9%

Department Description

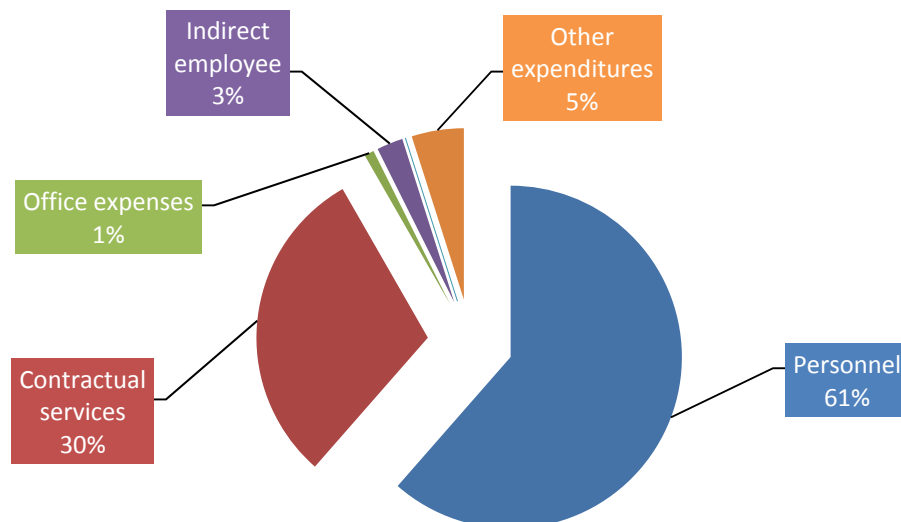
The Administration Department is comprised of four full-time personnel: Village Administrator, Finance & HR Manager, and two Administrative Assistants; one of which also acts as the Deputy Clerk. This department is responsible for providing general and financial information to the Board of Trustees and the public.

The Village Administrator is responsible to the Village Board for supervising and coordinating the activities of all Village departments, including contract management.

The Administration department provides support for all departments in handling general resident inquiries, employee benefits, risk management and insurance coverage, receipt and disbursement of Village funds, various financial reporting, policy development, and the issuance of various licenses.

Budget Analysis

The FY 2017 budget includes a reduction in capital outlay due to both shared Village vehicles being replaced in the last couple years. Contractual services increased to apply for additional grants and to share in the cost of professional services for reviewing the feasibility and development of a new TIF; which will ultimately be reimbursed to the general fund once the TIF is approved.



Administration

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Personnel						
00-01-421-10	Salaries	237,800	247,819	263,400	265,058	278,000
00-01-421-11	Merit increases	6,695	-	-	-	-
00-01-451-10	Health insurance	18,543	19,590	22,000	23,072	24,000
00-01-452-10	Dental insurance	1,386	1,447	1,500	1,353	2,100
00-01-453-10	Unemployment taxes	3,516	3,098	3,500	4,019	4,000
00-01-461-10	Social security	16,976	17,080	17,300	17,600	18,100
00-01-461-11	Medicare	3,970	3,995	4,000	4,120	4,200
00-01-462-10	IMRF	27,168	26,018	27,200	30,501	29,900
Total Personnel		316,054	319,047	338,900	345,723	360,300
Contractual services						
00-01-531-10	Audit	12,790	13,190	15,500	14,050	16,300
00-01-532-10	Engineering	37,375	29,596	32,000	40,372	40,000
00-01-533-10	Legal	70,977	58,956	65,000	80,595	65,000
00-01-540-10	Credit card processing	188	863	1,000	965	1,000
00-01-549-10	Other professional	45,374	21,777	44,000	23,655	55,100
Total Contractual services		166,704	124,382	157,500	159,637	177,400
Office expenses						
00-01-551-10	Postage	953	2,349	2,000	2,256	2,500
00-01-552-10	Telephone	2,283	2,183	2,400	2,185	1,800
00-01-553-10	Publishing	43	110	500	476	500
00-01-554-10	Printing	300	-	500	-	500
Total Office expenses		3,579	4,642	5,400	4,917	5,300
Indirect employee						
00-01-561-10	Professional dues	1,772	1,809	2,800	3,731	2,200
00-01-562-10	Meals/travel	1,912	2,181	3,000	3,000	3,500
00-01-563-10	Training	1,931	62	1,200	1,200	1,600
00-01-565-10	Publications	196	123	200	200	200
00-01-592-10	Insurance-General	8,509	5,883	7,000	6,675	7,000
Total Indirect employee		14,320	10,058	14,200	14,806	14,500
Capital outlay						
00-01-839-10	Equipment	13,105	495	-	-	-
00-01-849-10	Vehicles	24,437	-	21,000	14,218	-
Total Capital outlay		37,542	495	21,000	14,218	-
Other expenditures						
00-01-593-10	Equipment lease	1,154	1,574	2,500	1,972	2,000
00-01-599-10	Equipment maintenance	-	-	-	-	-
00-01-651-10	Office supplies	3,950	1,625	8,000	5,659	8,000
00-01-651-20	Computer expense	5,532	5,835	6,200	6,000	8,000
00-01-942-10	Principal-Capitalized leases	7,362	7,988	5,400	5,323	6,200
00-01-942-11	Interest-Capitalized leases	2,474	1,848	1,200	1,246	600
00-01-949-10	Miscellaneous	4,309	2,636	4,000	3,029	4,000
Total Other expenditures		24,781	21,506	27,300	23,229	28,800
Total Administration		562,980	480,130	564,300	562,530	586,300

Village Clerk

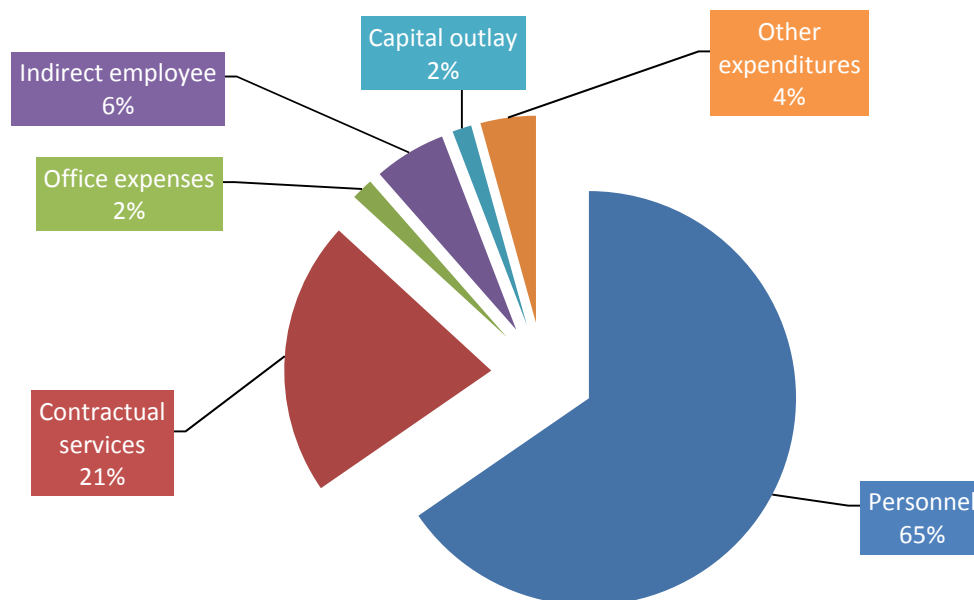
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	68,810	65,015	65,000	65,028	65,000	-	0.0%
Contractual services	29,924	21,932	11,800	12,288	21,300	9,500	80.5%
Office expenses	1,808	1,411	1,600	1,488	1,700	100	6.3%
Indirect employee	5,724	5,394	5,900	3,621	5,600	(300)	-5.1%
Capital outlay	-	-	-	-	1,500	1,500	100.0%
Other expenditures	2,587	1,535	3,300	2,732	4,300	1,000	30.3%
Total Village Clerk	108,853	95,287	87,600	85,157	99,400	11,800	13.5%

Department Description

The Village Clerk Department is comprised of one elected position to a four year term. The Village Clerk, by State Statute, is responsible for maintaining the necessary records of the Village. In addition, the Clerk transcribes various meeting minutes, maintains the Village Code Book of Ordinances, registers voters, prepares and properly posts various meeting agendas, and carries out the duties of the FOIA Officer.

Budget Analysis

The FY 2017 budget is consistent with prior years except for an increase in legal services to accommodate possible election challenges, and the purchase of a replacement laptop.



Village Clerk

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Personnel						
00-02-433-10	Village clerk salary	59,957	60,165	60,000	60,000	60,000
00-02-451-10	Health insurance	4,079	-	-	-	-
00-02-452-10	Dental insurance	251	265	300	269	300
00-02-461-10	Social security	3,666	3,716	3,800	3,859	3,800
00-02-461-11	Medicare	857	869	900	900	900
00-02-462-10	IMRF	-	-	-	-	-
Total Personnel		68,810	65,015	65,000	65,028	65,000
Contractual services						
00-02-533-10	Legal	21,574	12,269	10,000	10,966	20,000
00-02-549-10	Other professional	150	553	800	448	600
00-02-550-10	Website development	7,250	8,250	-	-	-
00-02-550-20	Website maintenance	950	860	1,000	874	700
Total Contractual services		29,924	21,932	11,800	12,288	21,300
Office expenses						
00-02-551-10	Postage	140	417	400	413	500
00-02-552-10	Telephone	1,262	994	1,200	1,075	1,200
00-02-553-10	Publishing	406	-	-	-	-
00-02-554-10	Printing	-	-	-	-	-
Total Office expenses		1,808	1,411	1,600	1,488	1,700
Indirect employee						
00-02-561-10	Professional dues	510	395	400	370	400
00-02-562-10	Meals/travel	3,541	2,891	3,500	1,860	3,500
00-02-563-10	Training	695	1,305	700	710	700
00-02-565-10	Publications	-	-	300	58	300
00-02-592-10	Insurance-General	978	803	1,000	623	700
Total Indirect employee		5,724	5,394	5,900	3,621	5,600
Capital outlay						
00-02-839-10	Equipment	-	-	-	-	1,500
Total Capital outlay		-	-	-	-	1,500
Other expenditures						
00-02-593-10	Equipment lease	323	293	1,700	1,140	2,700
00-02-651-10	Office supplies	696	258	500	500	500
00-02-651-20	Computer expense	528	534	600	642	600
00-02-948-21	Advertising	550	-	-	-	-
00-02-949-10	Miscellaneous	490	450	500	450	500
Total Other expenditures		2,587	1,535	3,300	2,732	4,300
Total Village Clerk		108,853	95,287	87,600	85,157	99,400

Executive

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	126,423	123,377	122,200	122,631	123,500	1,300	1.1%
Contractual services	5,851	6,096	7,900	3,502	5,900	(2,000)	-25.3%
Indirect employee	13,107	7,597	15,000	7,181	16,800	1,800	12.0%
Capital outlay	-	-	4,200	3,241	-	(4,200)	-100.0%
Executive	145,381	137,070	149,300	136,555	146,200	(3,100)	-2.1%

Department Description

The Executive Department is comprised of the Village President, Board of Trustees, and the Village Treasurer. All positions are elected to a four year term and conduct the duties as prescribed by law.

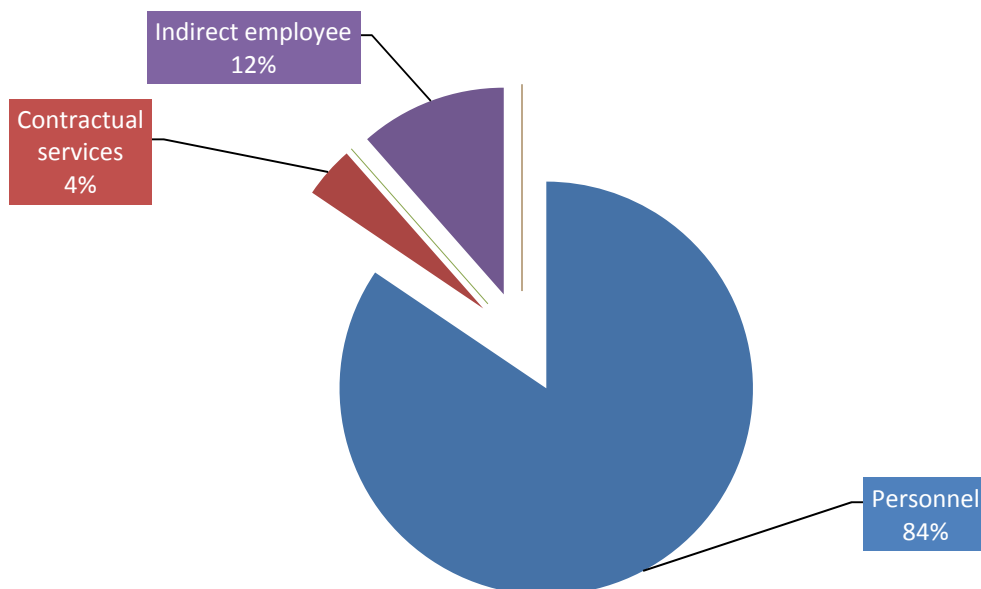
The Village President/Mayor presides over the Village Board meetings and provides leadership in the determination of Village policy and direction. The Village President serves as the representative of the Village throughout the region and promotes Village programs and initiatives.

The Board of Trustees consists of six members and serves as the legislative department of the Village.

The Village Treasurer is a part-time position and oversees and reviews the financial portion of the Village activities.

Budget Analysis

The FY 2017 budget includes expenses for the Mayor, Treasurer, and four trustees to attend the Illinois Municipal League's Annual Conference in Chicago. In addition, there were funds allocated for trustee training events.



Executive

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Personnel						
00-03-431-10	Mayor salary	47,357	47,129	47,000	47,000	47,000
00-03-432-10	Trustees salaries	47,096	46,946	46,800	46,860	46,800
00-03-434-10	Treasurer salary	5,444	5,421	5,400	5,423	5,400
00-03-451-11	Mayor health insurance	10,479	7,737	6,900	6,030	7,700
00-03-452-11	Mayor dental insurance	546	582	600	511	600
00-03-461-10	Social security	6,049	6,041	6,200	6,323	6,200
00-03-461-11	Medicare	1,415	1,413	1,500	1,480	1,500
00-03-462-10	IMRF	8,037	8,108	7,800	9,004	8,300
Total Personnel		126,423	123,377	122,200	122,631	123,500
Contractual services						
00-03-533-10	Legal - Treasurer	5,038	140	400	-	400
00-03-533-11	Legal - Mayor	-	5,130	5,000	1,448	3,000
00-03-533-12	Legal - Trustees	813	826	2,500	2,054	2,500
Total Contractual services		5,851	6,096	7,900	3,502	5,900
Indirect employee						
00-03-949-20	Mayor expense	4,512	3,649	6,000	2,067	6,000
00-03-948-10	Treasurer expense	3,027	1,662	3,000	2,251	3,000
00-03-562-10	Trustee IML Attendance	-	-	-	-	5,300
00-03-563-10	Trustee Training	-	-	-	-	2,500
00-03-949-30	Trustee District 1 expense	1,496	1,622	1,400	1,203	-
00-03-949-40	Trustee District 2 expense	431	-	1,000	360	-
00-03-949-50	Trustee District 3 expense	1,461	21	700	-	-
00-03-949-60	Trustee District 4 expense	1,702	416	1,400	1,250	-
00-03-949-70	Trustee District 5 expense	47	-	800	50	-
00-03-949-80	Trustee District 6 expense	431	227	700	-	-
Total Indirect employee		13,107	7,597	15,000	7,181	16,800
Capital outlay						
00-03-839-10	Equipment	-	-	4,200	3,241	-
Total Capital outlay		-	-	4,200	3,241	-
Total Executive		145,381	137,070	149,300	136,555	146,200

Community Development

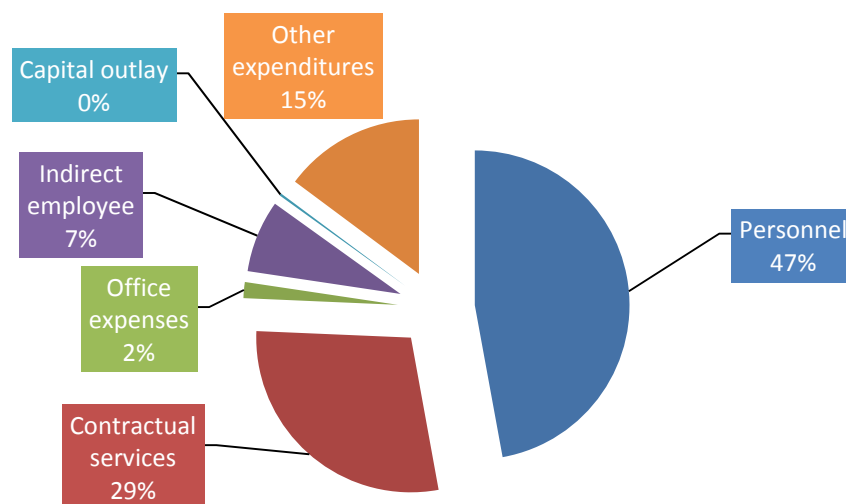
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	83,515	184,867	239,400	228,919	272,100	32,700	13.7%
Contractual services	43,223	160,722	120,000	110,357	164,900	44,900	37.4%
Office expenses	982	7,830	8,600	8,288	9,700	1,100	12.8%
Indirect employee	35,413	42,936	46,100	41,278	43,600	(2,500)	-5.4%
Capital outlay	-	-	-	-	1,500	1,500	100.0%
Other expenditures	39,249	72,449	92,700	54,666	85,550	(7,150)	-7.7%
Total Community develop	202,382	468,804	506,800	443,508	577,350	70,550	13.9%

Department Description

The Community Development Department is comprised of three full-time personnel: Community Development Director, Planning & Zoning Specialist, and Code Enforcement Inspector. This department is responsible for the community development regulatory policies and economic development programs. The Department attracts new and retains existing commercial, business and industrial development. In addition, the Department enforces the Village's Code of Ordinances including zoning and floodplain regulations, processes subdivision zoning petitions, and reviews site plans and development proposals for conformance with Village regulations.

Budget Analysis

The FY 2017 budget includes funds for contractual services to re-write the Village's zoning and subdivision codes of regulations which need an entire overhaul. In addition, the Village will be reviving a Shop Machesney Campaign to highlight the many shops and restaurants throughout the community through social media and other means. The Village Board elected to include \$12,750 for donations to identified community groups. The Community Development department will continue to coordinate and publish the semi-annual newsletter to keep residents informed of everything occurring throughout the Village. The Board once again gave its support to Reclaiming First with a \$25,000 donation; the Reclaiming First program is an initiative by the RACVB and the Rockford Park District to bring amateur sporting events to the region. In addition, the Winnebago County and Chicago-Rockford Airport initiative to bring 500 jobs to the region has been committed to funding annually for 20 years by the Board.



Community Development

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Personnel						
00-04-421-10	Salaries	65,098	141,195	182,600	170,743	195,900
00-04-451-10	Health insurance	4,573	14,176	20,600	21,738	36,000
00-04-452-10	Dental insurance	253	569	900	824	1,600
00-04-453-10	Unemployment taxes	771	3,471	2,300	3,041	3,000
00-04-461-10	Social security	4,118	8,481	11,300	10,699	12,100
00-04-461-11	Medicare	963	1,983	2,700	2,508	2,800
00-04-462-10	IMRF	7,739	14,992	19,000	19,366	20,700
Total Personnel		83,515	184,867	239,400	228,919	272,100
Contractual services						
00-04-532-10	Engineering	2,388	3,733	5,000	5,163	15,000
00-04-533-10	Legal-development	10,295	34,960	25,000	30,728	30,000
00-04-533-12	Legal-enforcement	-	35,444	40,000	38,948	40,000
00-04-534-10	WinGIS services	-	8,516	8,600	8,211	9,100
00-04-534-11	Ifiber	-	6,000	7,200	7,200	7,200
00-04-535-10	RMAP	-	11,547	12,000	8,661	12,000
00-04-549-10	Other professional	30,540	60,522	22,200	11,446	40,600
00-04-595-10	Force mows	-	-	-	-	11,000
Total Contractual services		43,223	160,722	120,000	110,357	164,900
Office expenses						
00-04-551-10	Postage	140	3,102	1,500	1,324	2,500
00-04-552-10	Telephone	461	1,765	1,800	2,040	1,700
00-04-553-10	Publishing	381	1,333	2,300	2,500	2,500
00-04-555-10	Recording fees	-	1,630	3,000	2,424	3,000
Total Office expenses		982	7,830	8,600	8,288	9,700
Indirect employee						
00-04-561-10	Professional dues	33,339	33,201	33,700	33,351	32,900
00-04-562-10	Meals/travel	65	2,459	4,000	2,000	3,400
00-04-563-10	Training	978	1,409	1,400	245	900
00-04-565-10	Publications	-	-	200	72	200
00-04-592-10	Insurance-General	1,031	5,867	6,800	5,610	6,200
Total Indirect employee		35,413	42,936	46,100	41,278	43,600
Capital outlay						
00-04-839-10	Equipment	-	-	-	-	1,500
00-04-849-10	Vehicles	-	-	-	-	-
Total Capital outlay		-	-	-	-	1,500
Other expenditures						
00-04-593-10	Equipment lease	323	730	1,000	744	1,600
00-04-651-10	Office supplies	972	540	1,500	1,000	1,500
00-04-651-20	Computer expense	591	1,985	1,700	1,917	2,200
00-04-655-10	Auto maintenance/fuel	-	2,116	2,400	755	500
00-04-913-10	Donations	-	16,500	7,500	7,500	12,750
00-04-948-10	Special development	29,744	9,731	10,000	-	5,000
00-04-948-20	Marketing communications	2,578	2,408	5,000	5,000	3,400
00-04-948-22	Village newsletter	4,913	9,871	10,000	8,280	10,000
00-04-948-23	Reclaiming First	-	25,000	25,000	25,000	25,000
00-04-948-26	Winnebago County-AAR	-	-	21,000	-	21,000
00-04-948-24	Special events	-	2,100	5,000	2,500	-
00-04-947-10	Planning Commission	-	1,440	2,100	1,470	2,100
00-04-949-10	Miscellaneous	128	28	500	500	500
Total Other expenditures		39,249	72,449	92,700	54,666	85,550
Total Community development		202,382	468,804	506,800	443,508	577,350

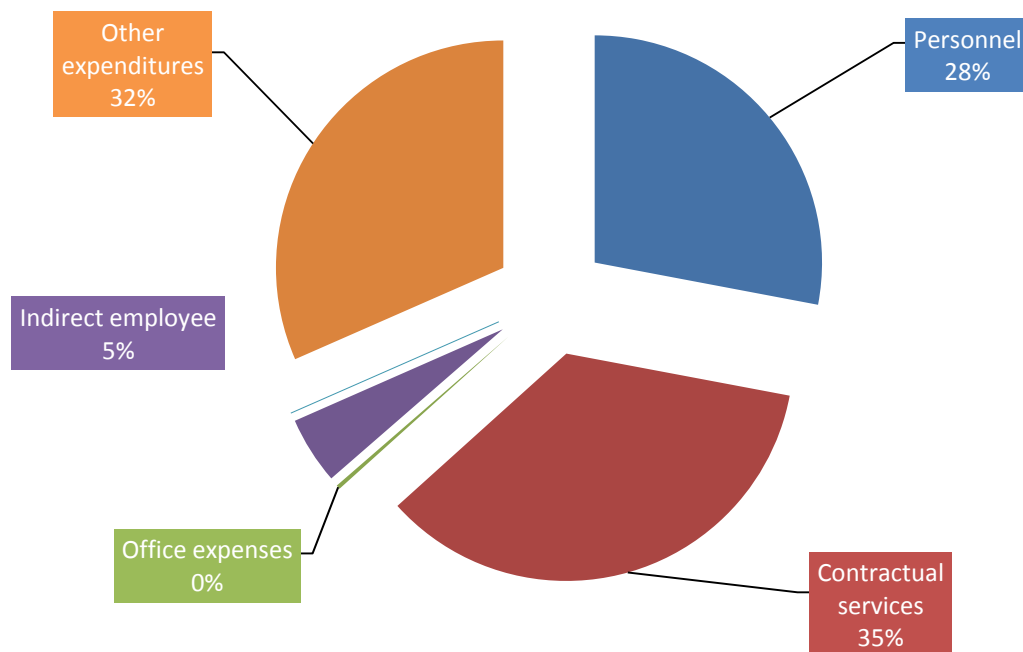
Public Works

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	278,328	296,062	328,500	328,779	348,300	19,800	6.0%
Contractual services	382,631	386,355	473,000	450,147	440,300	(32,700)	-6.9%
Office expenses	2,747	3,792	3,700	3,077	3,700	-	0.0%
Indirect employee	47,634	51,918	66,300	55,719	59,700	(6,600)	-10.0%
Streets	130,413	54,526	142,000	130,343	170,000	28,000	19.7%
Maintenance	112,309	90,364	285,500	249,116	174,000	(111,500)	-39.1%
Utilities	3,940	3,642	4,600	2,897	4,000	(600)	-13.0%
Parks	24,863	40,312	20,800	19,585	10,000	(10,800)	-51.9%
Equipment	10,183	7,164	11,000	8,815	12,600	1,600	14.5%
Supplies	4,338	4,175	5,600	4,801	5,600	-	0.0%
Capital outlay	28,182	125,869	21,600	21,598	-	(21,600)	-100.0%
Other expenditures	17,541	17,070	17,200	17,134	17,200	-	0.0%
Total Public Works	1,043,109	1,081,249	1,379,800	1,292,011	1,245,400	(134,400)	-9.7%

Department Description

The Public Works Department is comprised of four full-time personnel: Superintendent of Public Works and three Maintenance Workers; also the department hires 1-2 seasonal workers as needed.

The Department is responsible for the maintenance of streets, parks, traffic signals, storm water management, and Village owned buildings, vehicles and equipment. The Department outsources many of its activities such as snow and ice control, forestry, mowing, street lighting, street sweeping, street striping, refuse and yard waste collection and mosquito control.



Budget Analysis

The FY 2017 budget provides for the continuation of services at levels similar to the past several years, with an emphasis on improving the Village's public "built space" to enhance the experience of visitors and residents when traveling within the Village and utilizing public spaces. The reduction in expenses is primarily related to the renovation of the Village hall board room which was completed in the prior year and was a one-time expenditure managed by the public works department. Contractual services include mosquito and animal control; forestry costs to remediate the emerald ash borer as well as the maintenance of other trees throughout the Village; street sweeping and striping; and mass transit services. With the perpetual reduction in Motor Fuel Tax revenues, the public works department is annually contributing additional funding towards snow and ice control activities; which previously was mostly covered by the MFT Fund. The Village continues the task of replacing traffic signs to bring them up to the current retro-reflectivity standard. For several years a common goal among the Village Board has been to beautify the Village, which is being accomplished partly through the Corridor program line item; various initiatives can be seen throughout the Village through the upgrade of traffic signals to a decorative standard, replacing entrance signs to the Village, and providing decorative landscaping to various medians and parkways within the Village. The only major equipment item being considered this year is the purchase of a back-up generator for the Village hall building.



Public Works

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Personnel						
00-05-421-10	Salaries	180,124	195,814	204,100	206,524	217,000
00-05-423-10	Temp wages	9,599	12,245	17,200	14,848	15,300
00-05-424-10	Overtime wages	23,212	13,578	20,000	15,858	20,000
00-05-451-10	Health insurance	21,668	30,448	41,500	39,592	46,100
00-05-452-10	Dental insurance	1,689	1,675	1,800	1,745	1,900
00-05-453-10	Unemployment taxes	3,709	3,715	3,100	5,017	4,100
00-05-461-10	Social security	12,551	13,043	13,900	14,846	14,700
00-05-461-11	Medicare	2,935	3,051	3,300	3,472	3,400
00-05-462-10	IMRF	22,570	22,318	23,100	26,377	25,000
00-05-465-10	Uniform allowance	271	175	500	500	800
Total Personnel		278,328	296,062	328,500	328,779	348,300
Contractual services						
00-05-532-10	Engineering	4,643	3,099	20,000	20,531	6,000
00-05-533-10	Legal	9,378	7,125	8,000	6,246	6,000
00-05-536-10	Janitorial	10,712	10,890	13,000	10,890	11,000
00-05-539-10	Animal control	41,839	47,849	48,400	47,917	52,500
00-05-549-10	Other professional	-	942	1,000	448	800
00-05-594-10	Mosquito control	23,157	16,738	24,200	24,103	25,600
00-05-595-10	Mowing	47,318	40,119	61,000	59,719	40,000
00-05-598-10	Forestry	19,252	18,537	20,000	20,000	20,300
00-05-599-11	Street striping	8,650	14,163	20,000	19,579	20,000
00-05-601-10	Street sweeping	15,625	16,375	20,000	20,000	20,000
00-05-602-10	Contracted street signalization	39,891	50,021	52,000	37,960	42,000
00-05-605-10	Contracted street maintenance	7,116	6,771	5,000	2,340	15,000
00-05-652-10	J.U.L.I.E.	3,239	3,545	4,000	4,147	4,700
00-05-916-10	Mass transit	151,811	150,181	176,400	176,267	176,400
Total Contractual services		382,631	386,355	473,000	450,147	440,300
Office expenses						
00-05-551-10	Postage	346	904	800	858	900
00-05-552-10	Telephone	1,755	1,833	2,400	1,979	2,300
00-05-553-10	Publishing	604	1,055	500	240	500
00-05-554-10	Printing	42	-	-	-	-
Total Office expenses		2,747	3,792	3,700	3,077	3,700
Indirect employee						
00-05-561-10	Professional dues	-	-	500	500	1,400
00-05-562-10	Meals/travel	356	26	1,000	1,000	1,500
00-05-563-10	Training	1,572	1,110	7,000	5,600	3,300
00-05-565-10	Publications	-	-	-	-	-
00-05-592-10	Insurance-General	45,706	50,782	57,800	48,619	53,500
Total Indirect employee		47,634	51,918	66,300	55,719	59,700
Streets						
00-05-514-10	Street maintenance	20,752	3,809	10,000	10,000	20,000
00-05-516-10	Snow and ice control	50,537	1,860	75,000	74,989	102,000
00-05-517-10	Flood expense	13,145	-	-	-	-
00-05-614-10	Street supplies	29,855	12,560	10,000	10,000	14,000
00-05-619-10	Signalization maintenance	177	696	2,000	1,000	2,000
00-05-618-10	Traffic signs	15,947	35,601	45,000	34,354	32,000
Total Streets		130,413	54,526	142,000	130,343	170,000

Public Works

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Maintenance						
00-05-519-10	Lift station maintenance	5,195	2	6,000	2,672	10,000
00-05-529-10	Building maintenance	66,748	19,252	187,000	185,858	76,500
00-05-529-11	JCP building maintenance	-	52	16,500	14,768	8,500
00-05-529-30	Corridor program	-	36,397	36,000	15,282	43,000
00-05-656-10	MS4 maintenance	3,597	13,069	4,000	2,000	4,000
05-05-655-10	Auto maintenance	6,976	5,907	10,000	10,000	10,000
00-05-655-20	Fuel costs	22,565	10,544	20,000	10,300	15,000
00-05-599-10	Equipment maintenance	7,228	5,141	6,000	8,236	7,000
Total Maintenance		112,309	90,364	285,500	249,116	174,000
Utilities						
00-05-575-10	Water district charges	374	294	500	446	500
00-05-576-10	Nicor gas charges	3,320	3,112	3,600	2,005	3,000
00-05-578-10	Sanitary sewer charges	246	236	500	446	500
Total Utilities		3,940	3,642	4,600	2,897	4,000
Parks						
00-05-597-30	Parks maintenance	19,863	30,312	15,800	14,585	10,000
00-05-989-10	Parks summer program	5,000	10,000	5,000	5,000	-
Total Parks		24,863	40,312	20,800	19,585	10,000
Equipment						
00-05-573-20	Tools	2,393	2,938	3,000	3,000	5,000
00-05-573-30	Safety equipment	4,794	2,872	3,000	3,000	3,000
00-05-593-10	Equipment leases	540	495	1,000	713	1,600
00-05-596-10	Equipment rental	2,456	859	4,000	2,102	3,000
Total Equipment		10,183	7,164	11,000	8,815	12,600
Supplies						
00-05-615-10	Miscellaneous supplies	2,100	2,759	3,500	2,670	3,500
00-05-651-10	Office supplies	1,068	271	1,000	1,000	1,000
00-05-651-20	Computer expense	1,170	1,145	1,100	1,131	1,100
Total Supplies		4,338	4,175	5,600	4,801	5,600
Capital outlay						
00-05-839-10	Equipment	28,182	66,897	21,600	21,598	-
00-05-849-10	Vehicles	-	58,972	-	-	-
Total Capital outlay		28,182	125,869	21,600	21,598	-
Other expenditures						
00-05-942-10	Principal-capitalized leases	14,146	14,613	15,100	15,073	15,600
00-05-942-11	Interest-capitalized leases	1,982	1,515	1,100	1,061	600
00-05-949-10	Miscellaneous	1,413	942	1,000	1,000	1,000
Total Other expenditures		17,541	17,070	17,200	17,134	17,200
Total Public Works		1,043,109	1,081,249	1,379,800	1,292,011	1,245,400

Building

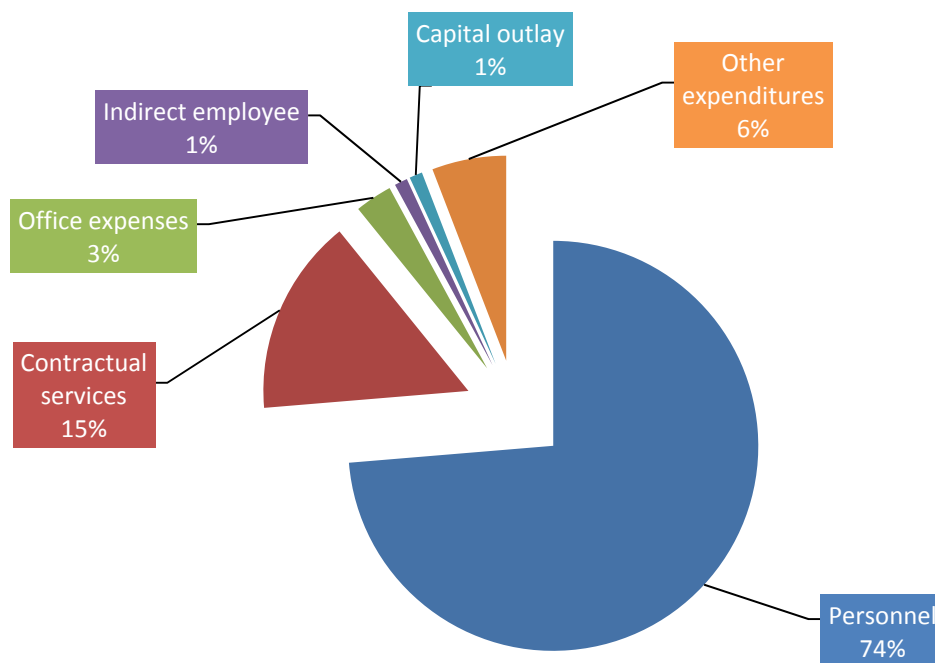
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	40,577	42,600	46,300	46,498	50,400	4,100	8.9%
Contractual services	13,115	10,305	13,800	6,434	10,600	(3,200)	-23.2%
Office expenses	906	1,592	1,900	1,721	2,000	100	5.3%
Indirect employee	1,414	855	1,000	623	700	(300)	-30.0%
Capital outlay	-	-	-	-	700	700	100.0%
Other expenditures	3,008	2,098	3,200	2,995	4,000	800	25.0%
Total Building Inspection	59,020	57,450	66,200	58,271	68,400	2,200	3.3%

Department Description

The Building Department is comprised of one full-time Building Clerk. The Department processes and issues building permits, while the remainder of building inspection services are outsourced to Winnebago County.

Budget Analysis

The FY 2017 budget is comparable to the prior year. Building inspection services continue to be contracted with Winnebago County; the County pays the Village five-percent of the permit revenue produced within the Village and pays up to \$19k towards the wages and benefits of the permit clerk employed by the Village. Therefore, the expenses within this department are primarily personnel and professional services costs.



Building Inspection

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Personnel						
00-07-421-10	Salaries	29,848	31,169	32,300	32,526	35,000
00-07-451-10	Health insurance	4,141	4,834	6,900	6,630	7,700
00-07-452-10	Dental insurance	253	244	300	319	300
00-07-453-10	Unemployment taxes	740	779	800	970	1,000
00-07-461-10	Social security	1,780	1,835	2,000	1,969	2,200
00-07-461-11	Medicare	416	429	500	461	500
00-07-462-10	IMRF	3,399	3,310	3,500	3,623	3,700
Total Personnel		40,577	42,600	46,300	46,498	50,400
Contractual services						
00-07-532-10	Engineering	8,418	7,934	8,000	5,986	8,000
00-07-533-10	Legal	4,697	1,923	5,000	-	2,000
00-07-549-10	Other professional	-	448	800	448	600
Total Contractual services		13,115	10,305	13,800	6,434	10,600
Office expenses						
00-07-551-10	Postage	346	1,006	800	963	1,000
00-07-552-10	Telephone	560	586	1,100	758	1,000
Total Office expenses		906	1,592	1,900	1,721	2,000
Indirect employee						
00-07-561-10	Professional dues	-	-	-	-	-
00-07-562-10	Meals/travel	-	-	-	-	-
00-07-563-10	Training	383	6	-	-	-
00-07-592-10	Insurance-General	1,031	849	1,000	623	700
Total Indirect employee		1,414	855	1,000	623	700
Capital outlay						
00-07-839-10	Equipment	-	-	-	-	700
Total Capital outlay		-	-	-	-	700
Other expenditures						
00-07-593-10	Equipment lease	613	486	1,000	716	1,600
00-07-651-10	Office supplies	1,191	314	1,000	1,000	1,000
00-07-651-20	Computer expense	1,204	1,298	1,100	1,279	1,300
00-07-949-10	Miscellaneous	-	-	100	-	100
Total Other expenditures		3,008	2,098	3,200	2,995	4,000
Total Building Inspection		59,020	57,450	66,200	58,271	68,400

Protective Services

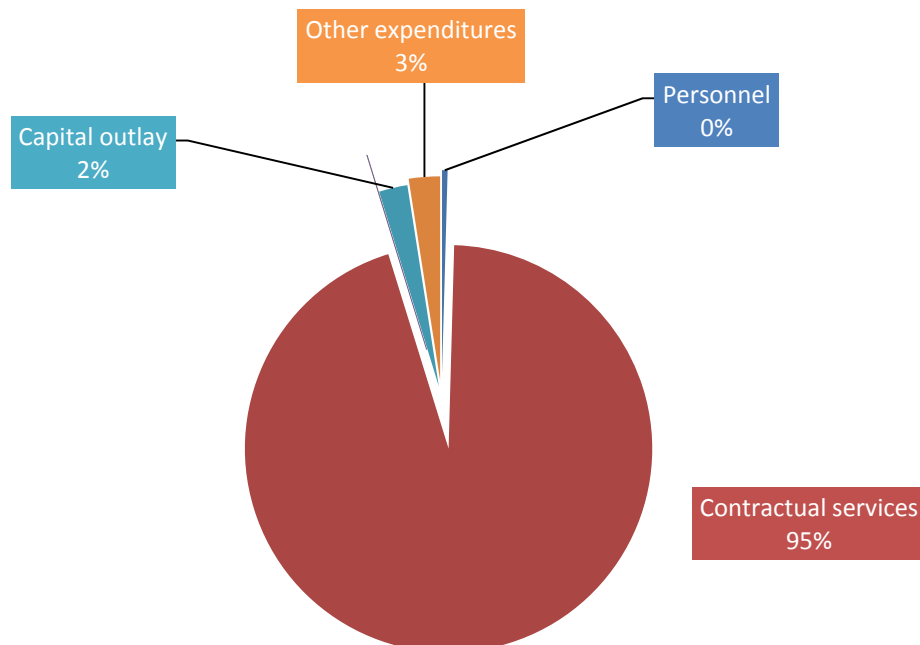
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	40,683	34,727	15,800	15,648	16,000	200	1.3%
Contractual services	2,998,447	3,057,226	3,249,800	3,218,416	3,322,000	72,200	2.2%
Other contractual services	76,282	69,343	80,000	77,885	80,000	-	0.0%
Office expenses	1,424	1,132	1,300	959	1,300	-	0.0%
Capital outlay	87,317	150,976	82,200	51,448	81,300	(900)	-1.1%
Other expenditures	42,603	48,779	61,200	47,690	88,800	27,600	45.1%
Total Protective Services	3,246,756	3,362,183	3,490,300	3,412,046	3,589,400	99,100	2.8%

Department Description

The Protective Services Department has been contracted through the Winnebago County Sheriff's Department since the inception of the Village in 1981. The Village currently pays for twenty-nine sworn officers and one secretary. The officers consist of twenty-two patrol officers (two of which are paid for by the Village's Utility Tax Fund), two school resource officers, three detectives, one Sergeant, and one Machesney Park Division Supervisor. In addition, the Village employs one part-time school resource officer; the position is fully reimbursed by the Harlem School District.

Budget Analysis

The FY 2017 budget consists of an increase of 2.8%, which is primarily the increased cost in the contractual/personnel costs. The additional increase in other expenditures is due to a change in vehicle maintenance costs for the squad cars; previously the County highway department would take care of all maintenance and the reimbursement of costs would be part of the contract. However, the County has ceased those operations and so the Village will now have the cars maintained at various local shops and billed directly to the Village rather than part of the contract.



Protective Services

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
Personnel						
00-08-441-11	Public safety coordinator	24,714	19,349	-	-	-
00-08-425-11	School resource officer	14,546	14,005	15,000	14,589	15,000
00-08-453-10	Unemployment taxes	1,423	1,373	800	1,059	1,000
Total Personnel		40,683	34,727	15,800	15,648	16,000
Contractual services						
00-08-421-10	Secretary	31,585	26,996	27,000	26,989	29,500
00-08-425-10	School resource officers	200,731	208,272	211,800	211,747	218,800
00-08-441-10	Management	106,141	108,785	235,000	193,481	242,200
00-08-442-10	Detectives	398,187	412,357	435,600	435,613	449,200
00-08-443-10	Patrol officers	1,896,508	1,960,443	2,008,000	2,008,009	2,069,200
00-08-530-10	Vehicle fuel & washes	151,780	127,370	109,200	109,180	73,000
00-08-531-10	911 dispatch	136,578	136,578	143,500	153,743	158,400
00-08-531-20	Records costs	63,561	63,561	66,800	66,791	68,800
00-08-540-10	Report forms	800	800	800	800	800
00-08-580-10	MDT alert system	4,176	4,524	4,500	4,524	4,500
00-08-839-20	Cruiser licenses & fees	8,400	7,540	7,600	7,539	7,600
Total Contractual services		2,998,447	3,057,226	3,249,800	3,218,416	3,322,000
Other contractual services						
00-08-533-10	Legal	76,282	69,343	80,000	77,885	80,000
00-08-549-10	Other professional	-	-	-	-	-
Total Other contractual services		76,282	69,343	80,000	77,885	80,000
Office expenses						
00-08-551-10	Postage	-	137	200	302	300
00-08-552-10	Telephone	1,424	995	1,100	657	1,000
Total Office expenses		1,424	1,132	1,300	959	1,300
Capital outlay						
00-08-839-10	Equipment	33,571	69,886	-	-	3,300
00-08-839-13	Laptops	-	-	1,500	1,002	-
00-08-839-30	E-ticketing hardware	-	-	20,700	-	-
00-08-849-10	Vehicles	53,746	81,090	60,000	50,446	78,000
Total Capital outlay		87,317	150,976	82,200	51,448	81,300
Other expenditures						
00-08-592-10	Insurance-General	1,201	2,072	1,000	623	700
00-08-593-10	Equipment lease	544	501	600	552	600
00-08-652-10	Office supplies	2,493	1,897	2,500	1,000	2,500
00-08-653-10	National Night Out	3,980	4,857	4,000	3,611	4,000
00-08-839-11	Field equipment & repairs	33,113	35,771	38,000	36,538	41,900
00-08-655-10	Vehicle maintenance	-	-	-	-	27,000
00-08-839-21	Starcom maintenance	1,272	3,429	11,600	5,076	11,600
00-08-839-31	E-ticketing maintenance	-	-	2,500	-	-
00-08-940-10	Police academy	-	252	1,000	290	500
00-08-941-10	Investment expense	-	-	-	-	-
Total Other expenditures		42,603	48,779	61,200	47,690	88,800
Total Protective Services		3,246,756	3,362,183	3,490,300	3,412,046	3,589,400

Capital Projects Funds

CIP Fund

Fund Description

The Capital Improvement Fund is for major infrastructure or capital items not otherwise covered in other funds. The primary source of funding for this department is General Fund operating transfers.

Budget Analysis

The FY 2017 budget consists of funds for IL 173 improvements and the Shore Drive Boat launch. For the past four years, the IL Department of Transportation (IDOT) has been re-constructing and widening IL-173 to four lanes. As part of the construction project, the Village and developers paid for additional improvements to be constructed, including upgrading the traffic signals to a decorative standard and upgrading drainage throughout the project. The Village (developers reimbursed the Village for their associated costs) paid the initial 80% of the estimated cost in Fiscal Year 2015-2016 and the remaining costs will be owed at completion. Also, in Fiscal Year 2015-2016, the Village utilized a \$200,000 grant through the IL Department of Natural Resources (IDNR) to re-construct the boat launch along Shore Drive and add amenities for parking, lighting, and walking paths. While the construction was completed, the State still owes the Village \$200,000 from the grant reimbursement. The improvements to the boat launch were so well received by the community that the parking lot quickly reached capacity. Therefore, the Village budgeted \$50,000 in the current year to try and alleviate the parking issues in the interim until a long-term fix is viable and the funds will also help to add a shelter to the park area.



Capital Improvement Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
18-00-310-10	Property sale	-	-	-	310,000	-
18-00-381-10	Investment income	5,444	426	-	110	-
18-00-384-10	Assessment revenue	9,800	653	600	653	600
18-00-385-10	Intergovernmental	-	-	275,000	245,786	26,000
18-00-385-11	Demo lien	9,732	-	-	10,939	-
18-00-389-10	Miscellaneous	75,000	-	-	-	-
18-00-395-10	Grants	-	-	200,000	-	200,000
18-00-396-10	Developer reimbursement	580,000	422,173	204,400	210,643	190,800
Total REVENUES		679,976	423,252	680,000	778,131	417,400
EXPENDITURES						
General government						
18-00-532-10	Engineering	8,971	91,180	65,000	42,270	70,000
18-00-533-10	Legal	6,871	2,085	7,000	140	-
18-00-549-10	Professional services	-	-	-	-	-
18-00-949-10	Miscellaneous	-	-	-	-	-
Total General government		15,842	93,265	72,000	42,410	70,000
Capital outlay						
18-00-811-10	Land acquisition	252,428	74,384	1,000	856	200
18-00-811-30	Perryville extension contribution	-	-	-	-	-
18-00-811-40	Shore Drive Boat launch	-	9,060	435,500	435,421	50,000
18-00-811-50	Demolition of structures	3,543	-	-	-	-
18-00-811-60	173 improvements	-	653,930	607,300	389,443	386,700
18-00-839-12	Facilities construction	10,521	-	-	-	-
18-00-850-20	Street construction	1,000	847,202	-	-	-
Total Capital outlay		267,492	1,584,576	1,043,800	825,720	436,900
Total EXPENDITURES		283,334	1,677,841	1,115,800	868,130	506,900
Revenues Over (Under) Expenditures		396,642	(1,254,589)	(435,800)	(89,999)	(89,500)
Other Financing Sources (Uses)						
18-00-399-10	Transfer from General Fund	1,080,000	833,800	347,500	958,954	431,450
Total Other Financing Sources (Uses)		1,080,000	833,800	347,500	958,954	431,450
Net Increase (Decrease) in Fund Balance		1,476,642	(420,789)	(88,300)	868,955	341,950
Beginning Fund Balance		72,967	1,549,609	1,128,820	1,128,820	1,997,775
Ending Fund Balance		1,549,609	1,128,820	1,040,520	1,997,775	2,339,725

Utility Tax Fund

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
REVENUES	1,243,294	1,185,589	1,200,000	1,114,263	1,100,000	(100,000)	-8.3%
EXPENDITURES	647,385	790,397	1,255,600	1,172,311	546,400	(709,200)	-56.5%
OTHER FINANCING (USES)	-	-	(350,000)	(350,000)	(500,000)	(150,000)	42.9%
ENDING FUND BALANCE	797,815	1,193,007	787,407	784,959	838,559	-	0.0%

Fund Description

The Utility Tax Fund is primarily for additional infrastructure projects, but also provides for additional public safety. The Village Board approved a utility tax fee on natural gas and electric utilities beginning in March 2013. The Board committed that at least 55% of the revenues would go towards infrastructure improvements. In addition, the Board instituted a rebate program whereby low-income residents could be rebated the utility taxes paid up to \$50 or \$150 annually depending on the rebate selected.

Budget Analysis

The FY 2017 budget includes funding to construct a long awaited multi-use path. The path will start at the south end of the Village and connect various neighborhoods along Alpine Road to Harlem High School and the Willow Creek Path System. The Village leveraged Federal Transportation Alternatives Program (TAP) funding to increase the scope of the project and provide a better overall project. Also, \$500,000 of utility tax revenues will be transferred to the Road Fund to be used on the major road reconstruction projects this year. During the first two years of the Utility Tax Fund, the Village added 2 police officers (contracted through the Winnebago County Sheriff's Department) to cover additional shifts previously underserved and therefore the annual cost of those officers is paid for by the Utility Tax Fund, as well as any associated equipment costs or replacement cars.

Utility Tax Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
12-00-343-11	Utility tax	1,243,168	1,184,854	1,200,000	1,113,763	1,100,000
12-00-381-10	Investment income	126	735	-	500	-
Total REVENUES		1,243,294	1,185,589	1,200,000	1,114,263	1,100,000
EXPENDITURES						
General government						
12-00-516-01	Rebates	1,726	1,876	2,000	2,000	2,000
Total General government		1,726	1,876	2,000	2,000	2,000
Public safety						
12-00-513-01	Personnel	67,107	140,159	183,600	183,552	189,400
Total Public safety		67,107	140,159	183,600	183,552	189,400
Highways and streets						
12-00-510-01	Street maintenance	188,206	134,581	150,000	145,291	-
12-00-515-01	Job creation activities	-	-	-	-	-
Total Highways and streets		188,206	134,581	150,000	145,291	-
Capital outlay						
12-00-500-01	Street construction	291,792	355,845	610,000	732,447	-
12-00-511-01	Multi-use paths & walk ways	37,719	81,220	310,000	109,021	355,000
12-00-514-01	Public safety-equipment	60,835	76,716	-	-	-
Total Capital outlay		390,346	513,781	920,000	841,468	355,000
Total EXPENDITURES		647,385	790,397	1,255,600	1,172,311	546,400
Revenues Over (Under) Expenditures		595,909	395,192	(55,600)	(58,048)	553,600
Other Financing Sources (Uses)						
12-00-943-60	Transfer to Road Fund	-	-	(350,000)	(350,000)	(500,000)
Total Other Financing Sources (Uses)		-	-	(350,000)	(350,000)	(500,000)
Net Increase (Decrease) in Fund Balance		595,909	395,192	(405,600)	(408,048)	53,600
Beginning Fund Balance		201,906	797,815	1,193,007	1,193,007	784,959
Ending Fund Balance		797,815	1,193,007	787,407	784,959	838,559

Special Revenue Funds

Road Fund

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
REVENUES	3,517,206	7,020,729	3,466,200	3,570,534	2,054,300	(1,411,900)	-40.7%
EXPENDITURES	2,465,096	4,767,343	8,016,100	7,335,357	3,534,900	(4,481,200)	-55.9%
OTHER FINANCING SOURCES	-	-	350,000	350,000	700,000	150,000	42.9%
ENDING FUND BALANCE	2,407,735	4,661,121	461,221	1,246,298	465,698	-	0.0%

Fund Description

The Road Fund was established in Fiscal Year 2008-2009 after a successful referendum approved an additional 1% sales tax, which became effective on July 1, 2008. The additional 1% sales tax is only used on road and drainage improvements throughout the Village. The initial referendum was set to expire after five years, however, a second successful referendum provided for an additional seven years, which expires in 2020. The initial referendum promised 36.5 miles of road would be completed and the Village delivered 37.60 miles. The second referendum and the utility tax combined promised 8.2 miles of reconstruction and 21.4 miles of resurfacing; to date the Village has completed 51% of that promise and is on track to reach the final goal.

Budget Analysis

The FY 2017 budget includes the reconstruction of Prairie/Dorothea, Kingsley/Drexel, and Scott/Heron road, which equates to just less than two miles of road. Several of these areas have frequent flooding so storm sewer will be constructed and curb and gutter will be added to all areas. In addition, three miles of resurfacing will be completed throughout the Village.

There have been two debts issued that are backed by this fund; the associated debt payments and revenue sources were moved to a separate debt fund in the current year and going forward.

Build Machesney Road Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
40-00-325-20	Telecommunication tax <i>(net of debt)</i>	691,668	650,534	604,200	572,132	-
40-00-345-10	Sales tax <i>(net of debt service)</i>	2,656,063	2,665,640	2,696,000	2,840,357	1,902,000
40-00-381-10	Investment income	1,565	1,652	1,000	1,279	500
40-00-389-10	Miscellaneous income	6,185	-	-	3,766	-
40-00-392-10	Debt proceeds	-	3,500,000	-	-	-
40-00-399-40	Intergovernmental agreements	161,725	202,903	165,000	153,000	151,800
Total REVENUES		3,517,206	7,020,729	3,466,200	3,570,534	2,054,300
EXPENDITURES						
General government						
40-00-532-10	Engineering	360,279	721,269	588,200	669,483	342,800
40-00-532-20	Engineering-Roosevelt	-	-	-	-	-
40-00-533-10	Legal	18,159	20,087	20,000	12,412	10,000
40-00-549-10	Professional services	-	-	-	-	-
40-00-949-10	Miscellaneous	14,436	-	-	-	-
40-00-960-10	Senior refunds	107	130	2,000	136	2,000
40-00-941-10	Administrative expense	515	515	600	475	600
Total General government		393,496	742,001	610,800	682,506	355,400
Capital outlay						
40-00-811-10	Land acquisition	100,556	-	300	300	-
40-00-811-20	Land acquisition-Roosevelt	294	-	-	-	-
40-00-850-20	Street construction	1,076,616	2,683,244	5,619,800	4,867,459	2,354,500
40-00-850-30	Street overlays	193,678	604,216	486,700	486,636	825,000
40-00-850-40	Drainage construction	-	-	-	-	-
Total Capital outlay		1,371,144	3,287,460	6,106,800	5,354,395	3,179,500
Debt service						
40-00-930-10	Principal-2008	485,000	525,000	570,000	570,000	-
40-00-931-10	Interest-2008	215,456	196,056	175,100	175,056	-
40-00-930-12	Principal-2015	-	-	500,000	500,000	-
40-00-931-12	Interest-2015	-	-	53,400	53,400	-
40-00-910-10	Debt issuance expense	-	16,826	-	-	-
Total Debt service		700,456	737,882	1,298,500	1,298,456	-
Total EXPENDITURES		2,465,096	4,767,343	8,016,100	7,335,357	3,534,900
Revenues Over (Under) Expenditures		1,052,110	2,253,386	(4,549,900)	(3,764,823)	(1,480,600)
Other Financing Sources (Uses)						
40-00-399-10	Transfer from General Fund	-	-	-	-	200,000
40-00-399-60	Transfer from Utility Tax Fund	-	-	350,000	350,000	500,000
Total Other Financing Sources (Uses)		-	-	350,000	350,000	700,000
Net Increase (Decrease) in Fund Balance		1,052,110	2,253,386	(4,199,900)	(3,414,823)	(780,600)
Beginning Fund Balance		1,355,625	2,407,735	4,661,121	4,661,121	1,246,298
Ending Fund Balance		2,407,735	4,661,121	461,221	1,246,298	465,698

Motor Fuel Tax

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget	\$ Inc (Dec)	% Inc (Dec)
REVENUES	1,859,145	981,232	581,500	674,296	587,500	6,000	1.0%
EXPENDITURES	1,823,234	1,158,907	725,000	722,224	705,000	(20,000)	-2.8%
ENDING FUND BALANCE	364,908	187,233	43,733	139,305	21,805	-	0.0%

Fund Description

The Motor Fuel Tax Fund (MFT) is comprised of the taxes charged on motor fuel used by vehicles operating upon public highways and recreational watercraft operating upon the waters of the State of IL. The tax is currently nineteen cents per gallon and 2.5 cents per gallon on diesel fuel. IDOT allocates the MFT revenues according to state statute and issues monthly distributions to the Village based on a per capita allocation. MFT funds can only be used for items as outlined by IDOT.

Budget Analysis

The FY 2017 budget includes funds to pay for the street lighting throughout the Village as well as a portion of the contracted snow and ice control activities; the remaining portion is paid for by the public works department in the General Fund. With the continual decline in MFT revenues, only these two items are allocated to this fund.

Motor Fuel Tax Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
15-00-343-10	Motor Fuel Tax	700,749	795,116	581,300	593,388	587,500
15-00-395-10	Grants	1,157,534	185,136	-	80,508	-
15-00-381-10	Investment income	862	980	200	400	-
Total REVENUES		1,859,145	981,232	581,500	674,296	587,500
EXPENDITURES						
Highways and streets						
15-00-514-10	Street maintenance	-	200,000	-	-	-
15-00-516-10	Snow and ice control	407,036	420,172	425,000	398,611	400,000
15-00-572-10	Street lighting	258,664	273,091	280,000	299,245	305,000
15-00-850-30	Traffic signals	-	-	20,000	24,368	-
15-00-850-50	173 and Lyford construction	1,157,534	265,644	-	-	-
Total EXPENDITURES		1,823,234	1,158,907	725,000	722,224	705,000
Net Increase (Decrease) in Fund Balance		35,911	(177,675)	(143,500)	(47,928)	(117,500)
Beginning Fund Balance		328,997	364,908	187,233	187,233	139,305
Ending Fund Balance		364,908	187,233	43,733	139,305	21,805

IL 251/173 TIF

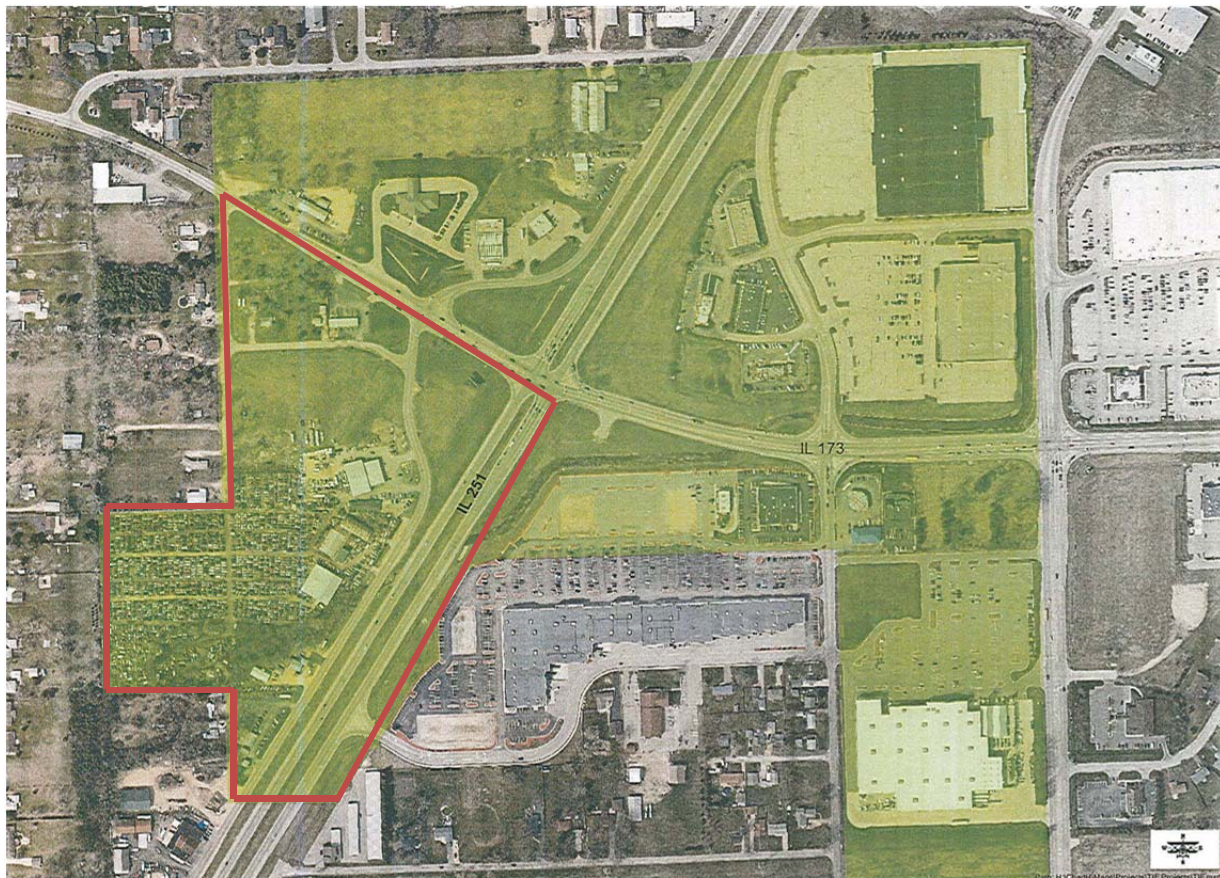
Fund Description

The IL 251/173 TIF Fund was created in 1991 to account for the project costs and resources related to the Tax Increment Financing (TIF) District located at the intersection of N. Second Street (IL Route 251) and IL 173. TIF expenditures are funded by incremental property taxes that result from improving this portion of the Village. The TIF was extended for an additional twelve years to continue to spur development of an unoccupied old Menards building and two outlots along IL 173.

Budget Analysis

The FY 2017 budget includes a surplus distribution to the taxing bodies based on an agreement made when the Village extended the TIF; the Village would retain the increment from three parcels for further development, while the remainder of increment from the other parcels would be ratably distributed back to the taxing districts as a surplus. The budget also includes expenditures for professional services in anticipation of possible development opportunities. The deficit fund balance is primarily funds owed back to the General Fund; which are anticipated to be fully reimbursed prior to the conclusion of the TIF.

IL 251/173 TIF Boundaries



— The outlined area was removed from this TIF in 2008 and included in the N. 2nd Street TIF

IL 251/173 TIF Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
17-00-342-11	Property tax <i>(net of debt service)</i>	845,461	864,617	850,000	858,153	612,000
17-00-390-10	Developer reimbursements	23,703	35,779	-	35,779	-
17-00-381-10	Investment income	295	320	-	453	-
Total REVENUES		869,459	900,716	850,000	894,385	612,000
EXPENDITURES						
General government						
17-00-532-10	Engineering	-	15,926	30,000	30,129	25,000
17-00-533-10	Legal	14,374	19,964	30,000	12,369	20,000
17-00-549-10	Professional services	1,095	1,161	5,000	1,025	5,000
17-00-580-10	Administrative expense	1,040	673	1,000	475	1,000
17-00-590-10	Surplus distrib. to taxing districts	-	-	-	-	612,000
Total General government		16,509	37,724	66,000	43,998	663,000
Capital outlay						
17-00-811-10	Land development/acquisition	7,698	7,887	8,300	8,015	8,400
17-00-850-30	Traffic signals	-	-	600,000	606,039	-
Total Capital outlay		7,698	7,887	608,300	614,054	8,400
Debt service						
17-00-930-10	Principal	1,145,000	1,235,000	270,000	270,000	-
17-00-931-10	Interest	116,433	70,633	21,300	21,233	-
Total Debt service		1,261,433	1,305,633	291,300	291,233	-
Total EXPENDITURES		1,285,640	1,351,244	965,600	949,285	671,400
Revenues Over (Under) Expenditures		(416,181)	(450,528)	(115,600)	(54,900)	(59,400)
Other Financing Sources (Uses)						
17-00-399-10	Transfer from General <i>(net of debt service)</i>	84,546	86,462	385,000	385,815	27,000
Total Other Financing Sources (Uses)		84,546	86,462	385,000	385,815	27,000
Net Increase (Decrease) in Fund Balance		(331,635)	(364,066)	269,400	330,915	(32,400)
Beginning Fund Balance		255,426	(76,209)	(440,275)	(440,275)	(109,360)
Ending Fund Balance		(76,209)	(440,275)	(170,875)	(109,360)	(141,760)

N. 2nd Street TIF

Fund Description

The North 2nd Street TIF was created in 2008 to account for the project costs and resources related to the Tax Increment Financing (TIF) District located along North 2nd Street (IL 251) from Harlem Road to IL-173. TIF expenditures are funded by incremental property taxes that result from improving this portion of the Village.

Budget Analysis

The FY 2017 budget anticipates continued activity and development of the Town Center which is located in the center of the TIF. In addition, certain contractual redevelopment obligations will be payable based on redevelopment agreements with certain developers/companies. Professional services were also budgeted in anticipation of development opportunities. The deficit fund balance is primarily funds owed back to the General Fund and the Utility Tax Fund; both of which are anticipated to be fully reimbursed prior to the conclusion of the TIF.

N. 2nd Street TIF Boundaries



N. 2nd Street TIF Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
20-00-342-11	Property tax <i>(net of debt service)</i>	63,969	66,904	68,200	67,202	84,400
20-00-342-13	Business district sales tax <i>(net of debt)</i>	177,186	115,437	107,000	110,595	42,000
20-00-381-10	Investment income	659	664	-	112	-
20-00-389-10	Miscellaneous income	-	-	-	6,091	-
20-00-392-10	Debt proceeds	-	1,500,000	-	-	-
20-00-395-10	Grants	-	-	-	-	-
Total REVENUES		241,814	1,683,005	175,200	184,000	126,400
EXPENDITURES						
General government						
20-00-532-10	Engineering	20,077	12,843	25,000	15,525	30,000
20-00-533-10	Legal	34,474	66,354	30,000	23,539	30,000
20-00-549-10	Professional services	709	2,344	15,000	23,025	15,000
20-00-830-10	Contractual redevelop obligation	-	6,770	7,200	7,230	47,000
20-00-870-10	Developer incentive	-	527,382	-	-	-
20-00-949-10	Administrative expense	1,193	1,030	1,100	950	1,000
Total General government		56,453	616,723	78,300	70,269	123,000
Capital outlay						
20-00-811-10	Property acquisition	-	-	-	-	-
20-00-850-20	Street construction	60,778	171,661	-	-	-
Total Capital outlay		60,778	171,661	-	-	-
Debt service						
20-00-930-10	Principal-2011	130,000	135,000	135,000	135,000	-
20-00-931-10	Interest-2011	82,143	79,093	75,200	75,178	-
20-00-930-11	Principal-2014	-	-	29,000	29,000	-
20-00-931-11	Interest-2014	-	5,533	24,000	24,000	-
20-00-930-12	Principal-2015	-	-	85,700	85,630	-
20-00-931-12	Interest-2015	-	-	19,800	11,660	-
20-00-910-10	Debt issuance expense	-	4,315	-	-	-
Total Debt service		212,143	223,941	368,700	360,468	-
Total EXPENDITURES		329,374	1,012,325	447,000	430,737	123,000
Revenues Over (Under) Expenditures		(87,560)	670,680	(271,800)	(246,737)	3,400
Other Financing Sources (Uses)						
20-00-399-10	Transfer from General Fund	6,397	6,690	6,800	6,720	39,200
Total Other Financing Sources (Uses)		6,397	6,690	6,800	6,720	39,200
Net Increase (Decrease) in Fund Balance		(81,163)	677,370	(265,000)	(240,017)	42,600
Beginning Fund Balance		(264,405)	(345,568)	331,802	331,802	91,785
Ending Fund Balance		(345,568)	331,802	66,802	91,785	134,385

Weststone IJRL TIF

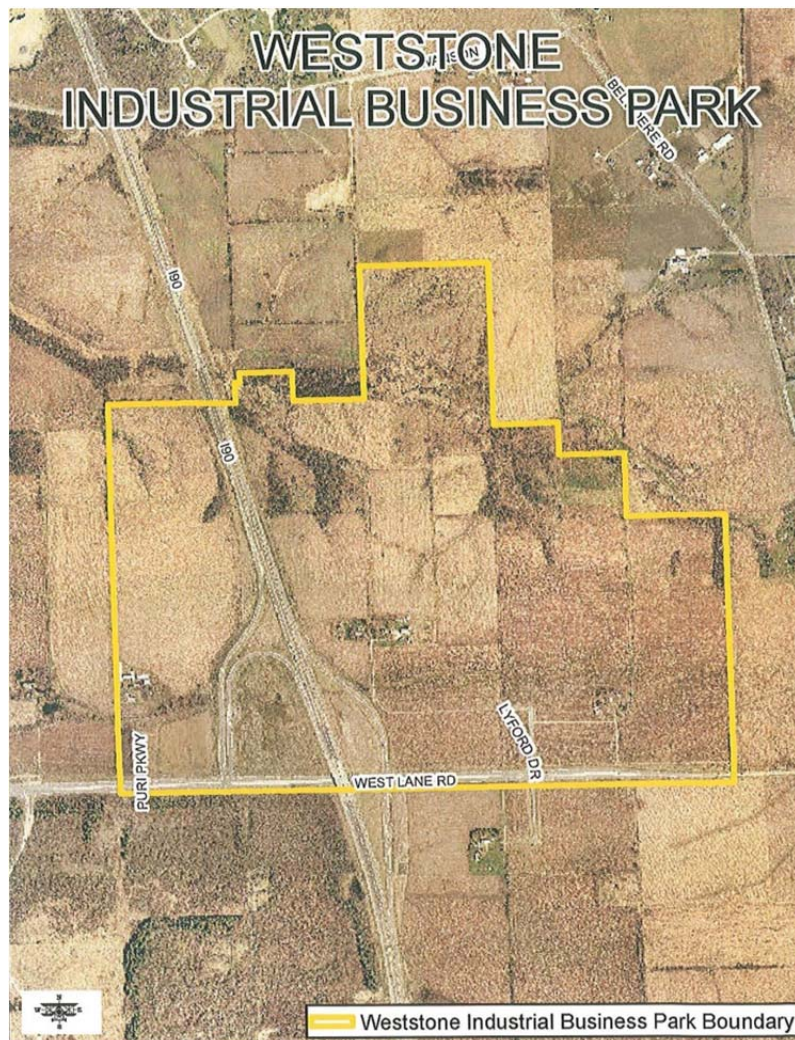
Fund Description

The Weststone IJRL TIF was created in 2011 to account for the project costs and resources related to the Industrial Jobs Recovery Law (IJRL) Tax Increment Financing (TIF) District located along IL-173 at the I-90 interchange. TIF expenditures are funded by incremental property taxes that result from improving this portion of the Village.

Budget Analysis

The FY 2017 budget anticipates a significant increase in property tax revenues from the three new buildings constructed over the last two years. In addition, expenditures include reimbursement of TIF eligible expenditures based on redevelopment agreements authorized by the Board, professional services in anticipation of further development opportunities, and \$400k to share in the cost of extending Puri Parkway infrastructure. The deficit fund balance is primarily funds owed back to the General Fund; which are anticipated to be fully reimbursed prior to the conclusion of the TIF.

Weststone IJRL TIF Boundaries



Weststone IJRL TIF Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
30-00-342-11	Property tax <i>(net of debt service)</i>	340	340	200,000	242,271	336,200
30-00-381-10	Investment income	912	239	-	128	-
30-00-385-10	Intergovernmental	27,673	5,255	-	-	-
30-00-392-10	Debt proceeds	1,500,000	-	-	-	-
Total REVENUES		1,528,925	5,834	200,000	242,399	336,200
EXPENDITURES						
General government						
30-00-532-10	Engineering	35,977	-	80,000	1,000	80,000
30-00-532-15	Engineering-ROW	30,514	-	1,000	-	-
30-00-532-16	Engineering-50/50	143,901	-	1,000	-	-
30-00-532-50	Engineering-Design	-	-	60,000	-	-
30-00-533-10	Legal	28,061	4,609	30,000	13,699	30,000
30-00-549-10	Professional services	4,000	-	20,000	9,463	10,000
30-00-830-10	Contractual redevelop obligation	-	-	-	-	87,500
30-00-949-10	Miscellaneous	715	-	-	-	-
Total General government		243,168	4,609	192,000	24,162	207,500
Capital outlay						
30-00-850-10	Street construction	-	-	400,000	-	400,000
30-00-850-20	Construction-VMP TIF	664,042	-	-	-	-
30-00-850-25	Construction-50/50	565,422	-	-	-	-
30-00-850-30	Construction-ROW IDOT	4,200	-	-	-	-
30-00-870-10	Moving reimbursement	-	-	43,800	50,000	50,000
Total Capital outlay		1,233,664	-	443,800	50,000	450,000
Debt service						
30-00-930-10	Principal	-	-	61,300	61,225	-
30-00-931-10	Interest	26,250	52,500	52,500	52,500	-
Total Debt service		26,250	52,500	113,800	113,725	-
Total EXPENDITURES		1,503,082	57,109	749,600	187,887	657,500
Net Increase (Decrease) in Fund Balance		25,843	(51,275)	(549,600)	54,512	(321,300)
Beginning Fund Balance		(173,353)	(147,510)	(198,785)	(198,785)	(144,273)
Ending Fund Balance		(147,510)	(198,785)	(748,385)	(144,273)	(465,573)

North Willow Creek IJRL TIF

Fund Description

The North Willow Creek IJRL TIF was created in 2011 to account for the project costs and resources related to the Industrial Jobs Recovery Law (IJRL) Tax Increment Financing (TIF) District, which is comprised of two parcels within the Willow Creek Industrial Park. TIF expenditures are funded by incremental property taxes that result from improving this portion of the Village.

Budget Analysis

The FY 2017 budget is minimal, but includes property tax increment from the two parcels and expenditures in case development opportunities arise. The deficit fund balance is primarily funds owed back to the General Fund; which are anticipated to be fully reimbursed within the next couple years.

North Willow Creek IJRL TIF Boundaries



North Willow Creek IRJL TIF Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
31-00-342-11	Property tax	13,734	11,323	8,900	9,442	7,500
31-00-381-10	Investment income	9	17	-	18	-
Total REVENUES		13,743	11,340	8,900	9,460	7,500
EXPENDITURES						
General government						
31-00-532-10	Engineering	-	-	15,000	-	-
31-00-533-10	Legal	1,046	5,843	15,000	410	10,000
31-00-549-10	Professional services	-	-	15,000	-	5,000
31-00-949-10	Miscellaneous	-	-	1,000	-	-
Total General government		1,046	5,843	46,000	410	15,000
Total EXPENDITURES		1,046	5,843	46,000	410	15,000
Net Increase (Decrease) in Fund Balance		12,697	5,497	(37,100)	9,050	(7,500)
Beginning Fund Balance		(33,242)	(20,545)	(15,048)	(15,048)	(5,998)
Ending Fund Balance		(20,545)	(15,048)	(52,148)	(5,998)	(13,498)

South Willow Creek IJRL TIF

Fund Description

The South Willow Creek IJRL TIF was created in 2011 to account for the project costs and resources related to the Industrial Jobs Recovery Law (IJRL) Tax Increment Financing (TIF) District, which primarily encompasses the Willow Creek Industrial Park. TIF expenditures are funded by incremental property taxes that result from improving this portion of the Village. The TIF was amended in 2016 to expand the boundaries to include one additional parcel at the far northwest portion of the TIF (the below map includes this addition).

Budget Analysis

The FY 2017 budget primarily includes professional services in anticipation of development occurring; in future years there will be reimbursements paid for eligible TIF expenditures based on four redevelopment agreements currently in place for this TIF.

South Willow Creek IJRL TIF Boundaries



South Willow Creek IJRL TIF Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
32-00-342-11	Property tax	40,050	43,081	44,000	48,679	59,000
32-00-381-10	Investment income	35	57	-	79	-
Total REVENUES		40,085	43,138	44,000	48,758	59,000
EXPENDITURES						
General government						
32-00-532-10	Engineering	-	-	15,000	-	30,000
32-00-533-10	Legal	4,338	5,315	15,000	11,363	15,000
32-00-549-10	Professional services	-	-	15,000	10,725	15,000
32-00-580-10	Administrative expense	-	-	1,000	-	1,000
32-00-830-10	Contractual redevelop obligation	-	-	-	-	-
Total General government		4,338	5,315	46,000	22,088	61,000
Total EXPENDITURES		4,338	5,315	46,000	22,088	61,000
Net Increase (Decrease) in Fund Balance		35,747	37,823	(2,000)	26,670	(2,000)
Beginning Fund Balance		(6,467)	29,280	67,103	67,103	93,773
Ending Fund Balance		29,280	67,103	65,103	93,773	91,773

Flood Mitigation Fund

Fund Description

The Flood Mitigation Fund is to account for grants received from Federal and State sources to mitigate flood prone properties. Mitigation efforts consist of acquiring properties through voluntary participation of residents and converting them to open green space indefinitely. The Fund was established after the severe flooding in 2008 caused wide-spread damage and the Village embarked on applying for grants for assistance.

Budget Analysis

The FY 2017 budget includes over \$4M of grant funding awarded to the Village to complete phase two and begin phase three of the flood buyout program. To date, the Village has purchased 85 parcels through receipt of grant funding since 2010.



Flood Mitigation Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
35-00-395-20	Grants-IEMA	-	56,837	2,952,300	-	3,936,300
35-00-395-30	Grants-DCEO	2,351,830	1,491,571	984,100	564,116	588,100
Total REVENUES		2,351,830	1,548,408	3,936,400	564,116	4,524,400
EXPENDITURES						
General government						
35-00-532-10	Demo mgmt-Engineer-IEMA	17,461	11,402	30,000	10,996	34,500
35-00-532-11	Demo mgmt-Engineer-DCEO	-	-	-	-	7,500
35-00-533-10	Legal-IEMA	20,718	16,266	45,000	4,745	37,500
35-00-533-11	Legal-DCEO	-	-	-	-	2,500
35-00-534-20	Appraisals-DCEO	1,800	2,700	13,500	1,500	1,500
35-00-534-21	Appraisals-IEMA	-	-	-	-	12,500
35-00-534-30	Closing costs	9,218	6,965	54,000	-	-
35-00-549-10	Professional services	-	187	-	-	-
35-00-549-20	Project management-DCEO	-	28,078	52,800	9,500	10,500
35-00-549-21	Project management-IEMA	-	-	-	-	62,500
35-00-551-10	Postage-DCEO	132	-	-	40	500
35-00-551-11	Postage-IEMA	-	-	-	200	2,500
35-00-580-10	Administrative expense	5,340	3,037	-	6,071	-
Total General government		54,669	68,635	195,300	33,052	172,000
Capital outlay						
35-00-811-10	Property acquisition-DCEO	1,841,316	1,158,900	3,235,100	475,100	475,100
35-00-811-11	Property acquisition-IEMA	-	-	-	-	3,351,200
35-00-811-30	Relocation-DCEO	10,333	110,259	56,000	25,000	21,500
35-00-811-31	Relocation-IEMA	-	-	-	-	47,300
35-00-811-50	Demo & site restoration-DCEO	223,271	121,155	460,000	-	69,000
35-00-811-51	Demo & site restoration-IEMA	-	-	-	-	388,300
Total Capital outlay		2,074,920	1,390,314	3,751,100	500,100	4,352,400
Total EXPENDITURES		2,129,589	1,458,949	3,946,400	533,152	4,524,400
Revenues Over (Under) Expenditures		222,241	89,459	(10,000)	30,964	-
Other Financing Sources (Uses)						
35-00-399-10	Transfer from General Fund	-	-	-	(14,161)	-
Total Other Financing Sources (Uses)		-	-	-	(14,161)	-
Net Increase (Decrease) in Fund Balance		222,241	89,459	(10,000)	16,803	-
Beginning Fund Balance		(328,503)	(106,262)	(16,803)	(16,803)	-
Ending Fund Balance		(106,262)	(16,803)	(26,803)	-	-

IHDA Housing Program

Fund Description

The IHDA Housing Program Fund is to account for grants received from the IL Housing and Development Authority (IHDA) or related entities for housing assistance provided to residents. The Village has participated in the Single Family Owner-Occupied Rehabilitation (SFOOR) program for over fourteen years.

Budget Analysis

There is no budget for the FY 2017. At the time of budget preparation, there was uncertainty whether another round of grant funding would be approved by the State and applications were not being accepted at that time. Therefore, if the State funds the SFOOR program and the Village is awarded a grant, a supplemental budget will be proposed to the Board for approval.

Sales Tax Rebate

Fund Description

The Sales Tax Rebate Fund tracks the portion of sales tax revenues rebated to various parties based on Board approved incentive agreements.

Budget Analysis

The FY 2017 budget anticipates just over \$500k to be rebated to First Midwest Group for the Machesney Crossings shopping center and for the Meijer development. A third rebate, with Menards, has not yet met the deliverables required and therefore no payments have been made. Previously, two other sales tax agreements expired in FY 2013.

Drug Recovery

Fund Description

The Drug Recovery Fund is used to collect and expend funds from D.U.I. and drug fines and fees. The use of such funds is restricted to certain law enforcement activities.

Budget Analysis

The FY 2017 budget anticipates minimal revenues and while no expenditures were anticipated during the preparation of the budget, the available funds were budgeted for expenditure in case a needed item is identified during the year.

IHDA Housing Program

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
09-00-386-10	Grants	203,031	202,764	200,000	64,184	-
Total Revenues		203,031	202,764	200,000	64,184	-
EXPENDITURES						
Contractual services						
09-00-533-10	Legal	6,382	5,794	5,000	4,526	-
09-00-534-10	Title work	705	640	700	220	-
09-00-549-10	Professional services	83,716	71,095	66,000	32,136	-
09-00-580-10	Administration	-	-	-	-	-
09-00-811-30	Relocation	-	1,102	-	-	-
09-00-850-20	Construction	184,720	196,048	179,000	54,480	-
09-00-854-20	Termite inspections	640	260	400	195	-
09-00-949-10	Miscellaneous	651	279	300	-	-
Total Expenditures		276,814	275,218	251,400	91,557	-
Revenues Over (Under) Expenditures		(73,783)	(72,454)	(51,400)	(27,373)	-
Other Financing Sources (Uses)						
09-00-399-10	Transfer from General Fund	64,000	62,000	52,000	66,380	-
Total Other Financing Sources (Uses)		64,000	62,000	52,000	66,380	-
Net Increase (Decrease) in Fund Balance		(9,783)	(10,454)	600	39,007	-
Beginning Fund Balance		(18,770)	(28,553)	(39,007)	(39,007)	
Ending Fund Balance		(28,553)	(39,007)	(38,407)	-	-

Sales Tax Rebate Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
14-00-345-10	Sales tax	100,000	114,331	405,000	361,867	564,000
14-00-381-10	Investment income	17	1	-	-	-
Total REVENUES		100,017	114,332	405,000	361,867	564,000
EXPENDITURES						
General government						
14-00-995-10	Incentive - Speedway	-	-	-	-	-
14-00-995-20	Incentive - Rubloff	-	-	-	-	-
14-00-995-30	Incentive - Machesney Crossings	97,737	101,878	117,000	170,867	180,000
14-00-995-40	Incentive - Menards	-	-	-	-	-
14-00-995-50	Incentive - First 173 Retail	-	-	288,000	191,000	384,000
Total EXPENDITURES		97,737	101,878	405,000	361,867	564,000
Net Increase (Decrease) in Fund Balance		2,280	12,454	-	-	-
Beginning Fund Balance		(14,734)	(12,454)	-	-	-
Ending Fund Balance		(12,454)	-	-	-	-

Drug Recovery Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
19-00-353-10	Drug recoveries	955	514	200	300	200
19-00-381-10	Investment income	5	11	-	4	-
Total REVENUES		960	525	200	304	200
EXPENDITURES						
Capital outlay						
19-00-839-10	Equipment	-	8,637	4,500	-	5,000
Total EXPENDITURES		-	8,637	4,500	-	5,000
Net Increase (Decrease) in Fund Balance		960	(8,112)	(4,300)	304	(4,800)
Beginning Fund Balance		11,764	12,724	4,612	4,612	4,916
Ending Fund Balance		12,724	4,612	312	4,916	116

Debt Service Fund

Fund Description

The Debt Service Fund is used to account for the accumulation of resources for the payment of the Village's various debt obligations. The Village currently has eight outstanding obligations.

Budget Analysis

The FY 2017 budget includes principal and interest payments for eight debt obligations; the Village does not anticipate issuing new debt during the year. This is the first year that one Debt Service Fund was established to report the debt payments and sources for repayment; previously the debt obligations were budgeted in the individual funds responsible for the payments, however, in order to continue to make improvements to the Village's budgeting and reporting, the fund was established to more clearly report debt service obligations.

The Village's bond rating by Standard & Poor's was affirmed and remained unchanged from prior ratings at the 'A' level with a stable outlook in September 2015.

Legal Debt Margin

Chapter 65, 5/8-5-1 of the Illinois Compiled Statutes provides "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% of the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes..."

Assessed valuation (EAV) – 2014	\$298,983,211
Legal debt limit – 8.625% of assessed valuation	\$ 25,787,302
Amount of debt applicable to limit as of 4/30/15	<u>\$ 12,931,484</u>
Legal Debt Margin	<u>\$ 12,855,818</u>

Outstanding Debt

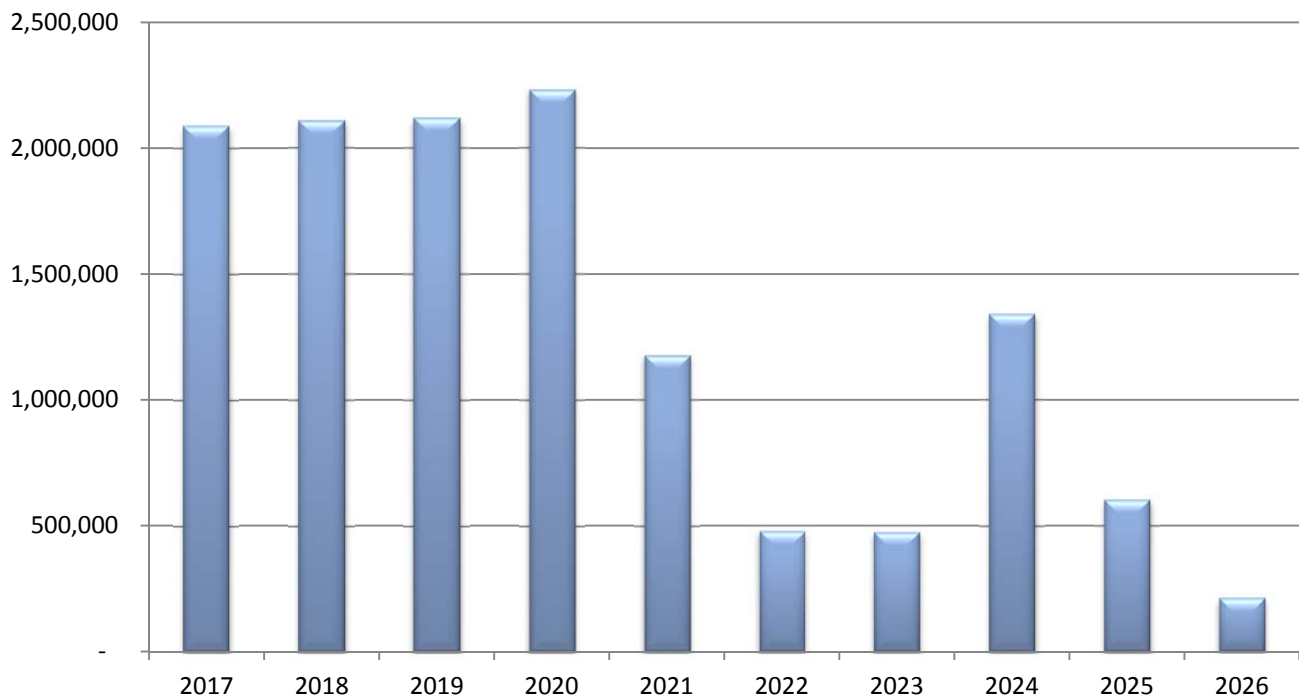
1. **2008 Series A, Debt Certificates** – The Village issued \$4,230,000 with interest rates varying from 3.25-4.00% for various activities within the IL 251/173 TIF district. Semi-annual interest payments are due in June and December and annual principal payments are due in December. The Village pledged incremental property tax revenues generated by the TIF to repay the debt. The final payment on this debt will be paid this year, FY 2017.
2. **2008 Series B, Debt Certificates** – The Village issued \$6,700,000 with interest rates varying from 3.25-4.50% for various road improvements. The voters authorized via referendum an additional 1% sales tax to be used for infrastructure reconstruction and repairs and so in order to jump start the program and do several large projects in the first year, the Village issued debt financing. Semi-annual interest payments are due in June and December and annual principal payments are due in December. In coordination with the approved referendum, the Village increased the telecommunication tax from 1% to 6% and pledged the revenue to repay the debt. The final payment is due 12/1/2020.

3. **2011 Series A, Debt Certificates** – The Village issued \$1,320,000 with interest rates varying from 2.00-4.50% for construction of a new boulevard entrance, traffic signal, and ponds at the Machesney Town Center (formerly the Machesney Park Mall). Semi-annual interest payments are due in July and January and annual principal payments are due in January. The Village pledged the 1% business district sales tax revenues generated by the properties generally within the Town Center area to repay the debt. The final payment is due 1/1/2026.
4. **2011 Series B, Debt Certificates** – The Village issued \$880,000 with interest rates varying from 2.90-4.50% for construction of a new boulevard entrance, traffic signal, and ponds at the Machesney Town Center (formerly the Machesney Park Mall). Semi-annual interest payments are due in July and January and annual principal payments are due in January. The Village pledged the incremental property tax revenues generated by the TIF to repay the debt. The final payment is due 1/1/2026.
5. **2013 Promissory Note** – The Village issued a 10 year note through local bank financing with Illinois Bank & Trust for \$1,500,000 with an interest rate of 3.50% for construction of a new road (Lyford & Greenlee) to establish an industrial business park. The new road started at IL-173 and proceeded north to establish entrances for three new industrial buildings that were built at the same time as the road. The Village leveraged State Economic Development Program (EDP) funding to pay for 100% of the work on IL-173 and 50% of the costs of the new road. In addition to the road, street lighting, traffic signals, and a bike path were constructed. Semi-annual interest payments are due in June and December and annual principal payments are due in December. The Village pledged the incremental property tax revenues generated by the TIF to repay the debt. The final payment is due 12/1/2022.
6. **2014 Promissory Note** – The Village issued a 10 year note through local bank financing with Illinois Bank & Trust for \$600,000 with an interest rate of 4.00% to reimburse Practice Velocity for a portion of the over \$6M redevelopment costs incurred at the Machesney Town Center. Practice Velocity is a medical billing company that is quickly expanding and renovated a former Kohl's building for its offices. Semi-annual interest payments are due in June and December and annual principal payments are due in December. The Village pledged the incremental property tax revenues generated by the Practice Velocity parcel within the TIF to repay the debt. The final payment is due 6/1/2024.
7. **2015 Promissory Note** – The Village issued a 10 year note through local bank financing with Illinois Bank & Trust for \$900,000 with an interest rate of 2.20% to purchase the former JC Penney building at the Machesney Town Center. The building was vacant and was purchased to control development of the site as a key anchor for the entire site and propelling future development. The Village currently uses a portion of the building for public works activities. Semi-annual interest payments are due in June and December and annual principal payments are due in December. The Village backed the debt through the full faith and credit of the general fund. The final payment is due 12/1/2024.
8. **2015 Debt Certificate** – The Village issued a 5 year debt certificate through local bank financing with JP Morgan Chase for \$3,500,000 with an interest rate of 1.52% to expedite the road fund projects. To mitigate future construction cost increases and take advantage of low interest rates, the Village issued financing to accomplish a large section of roads. Semi-annual interest payments are due in April and October and annual principal payments are due in April. The Village pledged the additional 1% road fund sales tax. The final payment is due 4/1/2020.

Summary of Outstanding Debt

Year issued	Type	Purpose	Funding Source	Amount issued	Maturity Date	Principal Outstanding
2008A	Debt Certificates	251/173 TIF Improvements	TIF Tax Increment & Telecomm Tax	\$4,230,000	12/1/2016	\$ 285,000
2008B	Debt Certificates	Road improvements	Telecomm Tax	\$6,700,000	12/1/2020	\$ 3,445,000
2011A	Debt Certificates	N. 2 nd Street TIF Improvements- Boulevard entrance	Business District Sales Tax	\$1,320,000	1/1/2026	\$ 1,005,000
2011B	Debt Certificates	N. 2 nd Street TIF Improvements- Boulevard entrance	TIF Tax Increment	\$ 880,000	1/1/2026	\$ 670,000
2013	Promissory Note	Weststone IJRL TIF- Park 90 infrastructure	TIF Tax Increment	\$1,500,000	12/1/2022	\$ 1,438,775
2014	Promissory Note	N. 2 nd Street TIF – Practice Velocity redevelopment	TIF Tax Increment	\$ 600,000	6/1/2024	\$ 571,000
2015	Promissory Note	N. 2 nd Street TIF – purchase building for redevelopment	General Fund	\$ 900,000	12/1/2024	\$ 814,370
2015	Debt Certificates	Road improvements	1% road fund sales tax	\$3,500,000	4/1/2020	\$ 3,000,000

Principal and Interest Debt Payments (FY 2017 - FY 2026)



Debt Service Fund

Account Number	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Estimate	2016-17 Budget
REVENUES						
92-00-325-20	Telecommunication tax (Roads)	-	-	-	-	514,900
92-00-342-11	Property tax-251/173 TIF	-	-	-	-	238,000
92-00-342-12	Property tax-N. 2nd Street TIF	-	-	-	-	306,900
92-00-342-13	Property tax-Weststone IJRL TIF	-	-	-	-	113,800
92-00-345-10	Sales tax (extra 1%-Roads)	-	-	-	-	798,000
92-00-345-13	Business district sales tax-N. 2nd TIF	-	-	-	-	63,000
Total REVENUES		-	-	-	-	2,034,600
EXPENDITURES						
Debt service						
92-00-930-10	Principal-251/173 TIF	-	-	-	-	285,000
92-00-931-10	Interest-251/173 TIF	-	-	-	-	11,000
92-00-930-15	Principal-N. 2nd TIF-Infrastructure	-	-	-	-	140,000
92-00-931-15	Interest-N. 2nd TIF-Infrastructure	-	-	-	-	71,300
92-00-930-20	Principal-N. 2nd TIF-PV	-	-	-	-	30,200
92-00-931-20	Interest-N. 2nd TIF-PV	-	-	-	-	22,900
92-00-930-25	Principal-N. 2nd TIF-JCP	-	-	-	-	86,600
92-00-931-25	Interest-N. 2nd TIF-JCP	-	-	-	-	18,900
92-00-930-30	Principal-Weststone-Infrastructure	-	-	-	-	63,400
92-00-931-30	Interest-Weststone-Infrastructure	-	-	-	-	50,400
92-00-930-35	Principal-Roads-Infrastructure 2008	-	-	-	-	615,000
92-00-931-35	Interest-Roads-Infrastructure 2008	-	-	-	-	152,300
92-00-930-40	Principal-Roads-Infrastructure 2015	-	-	-	-	500,000
92-00-931-40	Interest-Roads-Infrastructure 2015	-	-	-	-	45,600
Total Debt service		-	-	-	-	2,092,600
Total EXPENDITURES		-	-	-	-	2,092,600
Revenues Over (Under) Expenditures		-	-	-	-	(58,000)
Other Financing Sources (Uses)						
92-00-399-10	Transfer from General Fund (251/173 TIF)	-	-	-	-	58,000
Total Other Financing Sources (Uses)		-	-	-	-	58,000
Net Increase (Decrease) in Fund Balance		-	-	-	-	-
Beginning Fund Balance		-	-	-	-	-
Ending Fund Balance		-	-	-	-	-

Appendix

Financial Policies

The Village is continually updating its policies and while there is currently no formal strategic plan, several policies have been updated or adopted over the last several years for continued improvement. The Village is currently in the process of expanding and clearly defining its fund balance policy to formally document the required percentage of fund balance reserves. In addition, the Village recently overhauled the investment policy, established a credit card policy, and a mobile device policy. In the future, the Village will continue to look to establish more formal policies regarding fiscal and budgetary guidelines, a strategic plan, and capital improvement planning.

Basis of Accounting and Budgeting – The basis of accounting and budgeting for all funds is the modified accrual. Modified accrual recognizes revenues when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or within two months after the end of the fiscal year to pay liabilities of the current period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded when the payment is due.

Balanced Budget – The Village considers a balanced budget when estimated revenues equal estimated expenditures for the fiscal year.

Purchasing Policy – All expenses over \$20,000 must be approved by the Village Board; items less than \$20,000 can be initially approved by the Village Administrator or Village President/Mayor and subsequently submitted to the Board through the warrant process. Staff is responsible for obtaining quotes for purchases and in instances when the expense is over \$20,000, then either a competitive bid process or Request for Proposal (RFP) process for purchases/professional services should be conducted.

Investment Policy – The most recent investment policy was adopted in August 2015 and further revised in February 2016. The policy details the Village's investment guidelines including required collateralization, authorized financial institutions and investments, and reporting requirements.

Glossary & Acronyms

Annual budget – A budget applicable to a single fiscal year.

Assessed valuation – A valuation established for real property as a basis for levying taxes. Equalized assessed valuation means assessed valuation after the state multiplier has been applied. The Village of Machesney Park does not levy a property tax.

Asset – A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

Balanced budget – A budget in which estimated revenues equal estimated expenditures.

Bond – A long-term promise to pay or a means to raise money through the issuance of debt; typically to finance capital projects. A bond issuer promises in writing to repay a specified sum of money to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate.

Budget – A plan of financial operations expressing an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget deficit – The amount by which the total outlays or expenses exceed total revenues for a given fiscal year.

Budget surplus – The amount by which the total revenues exceed expenditures for a given fiscal year.

Capital assets – Tangible assets such as buildings, vehicles, equipment, infrastructure (roads, bridges, etc.) and land used in the operation of the municipality which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period.

Contracted services – Expenditures for services which are obtained through an express contract.

Debt Service Fund – The cash that is required to cover the repayment of principal and interest on a debt for a given fiscal year.

Debt Certificate – A type of bond or debt issuance that provides a promise to pay a set amount of money at a future time and at a specified interest rate.

Expenditure – An outlay of money made by municipalities to provide the programs and services within their approved budget.

Expense – An identified cost incurred to accomplish a particular goal.

Fiscal year – The designation of the twelve month period that makes up the organization's budget or financial year; the Village's fiscal year is May 1 – April 30.

Fiscal year end – The date that marks the end of the fiscal year; the Village's fiscal year end is April 30.

Force mows – Upon failure of an owner to cut or remove weeds or plants exceeding the Village Ordinance, it will be declared a public nuisance and after sending notice the Village will remove or cut the weeds or plants and file a lien against the parcel.

Fund – An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities.

Fund accounting – Organizing the financial records of a municipality into multiple, segregated locations.

Fund balance – The difference between assets and liabilities reported in a governmental fund.

General Fund – The fund used to account for most financial resources and activities governed by the budget process; the general operating fund of the Village.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting.

Government Finance Officers Association (GFOA) – A nationwide association of public finance professionals.

Governmental Accounting Standards Board (GASB) – The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

iFiber – A provider of extremely high speed network transport services.

Illinois Housing Development Authority (IHDA) – Provides grant assistance for affordable housing programs and rehabilitation.

Illinois Municipal League (IML) – A league of Illinois municipalities founded in 1913 that works for the benefit of municipalities promoting competence and integrity in administration of municipal government.

Illinois Municipal League Risk Management Association (IMLRMA) – A risk pool comprised of public entities to stabilize costs and provide liability, property, and workers' compensation coverage through a comprehensive risk management program.

Illinois Municipal Retirement Fund (IMRF) – Retirement fund established under statutes adopted by the Illinois General Assembly, provides employees of local governments and school districts in Illinois with a system for the payment of retirement annuities, disability, and death benefits. IMRF is a defined benefit pension plan.

Industrial Jobs Recovery Law (IJRL) – A type of tax increment financing that is focused on the creation of industrial jobs.

Infrastructure – Public domain capital assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the Village.

Intergovernmental revenues – Funds received from other governments such as federal, state, or other government sources.

Joint Utility Locating Information For Excavators (JULIE) – The Village uses this service to make arrangements for the prompt locating of all Village utilities in areas scheduled for construction work.

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

Modified accrual – A basis of accounting in which revenues are recognized in the period they become available and measurable. Expenditures are recorded when the related fund liability has been incurred.

Motor Fuel Tax (MFT) – A tax on the sale of fuel. The State allocates a portion of the revenues collected to municipalities for funding street improvements.

Municipality – A political unit having corporate status.

Non-Home Rule: A non-home rule unit of local government may exercise only those powers and perform those functions as identified by the State. Non-Home Rule communities are limited in the power to regulate for the protection of the public health, safety, morals, and welfare; to license; to tax and to incur debt.

Ordinance – An enforceable municipal law, statute or regulation that applies to all citizens within that municipality.

Per capita – Refers to an amount per resident. The Village receives certain revenues on a per capita basis meaning that the amount received is attributed to the population of the Village.

Promissory Note – A type of bond or debt issuance in which one party promises in writing to pay a defined sum of money to the other either at a fixed or future time under specific terms.

Reclaiming First – An initiative of the Rockford Area Convention & Visitors Bureau and the Rockford Park District to retain, regain, and grow the amateur sports tourism market for the region.

Resolution – A decision, opinion, policy, or directive of a municipality expressed in a formally drafted document and voted upon.

Revenues – Monies received by a governmental unit from any source.

Rockford Metropolitan Agency for Planning (RMAP) – The metropolitan planning organization for the Rockford region which plans and coordinates decisions regarding the area's transportation systems.

Single Family Owner-Occupied Rehabilitation (SFOOR) – Type of IHDA program that the Village has received grant funding to assist low-income residents in rehabilitating their homes.

Special Revenue Fund – A fund used to account for revenues legally earmarked for a particular purpose.

Standard & Poor's Rating – An independent agency that analyzes the financial credit ratings of organizations; the Village possesses an A rating.

Statute – A law enacted by the legislative branch of the state or federal government.

Tax Increment Financing (TIF) District – A legal entity created by local Ordinance to promote improvements, development, jobs, etc. The taxes generated from the assessed value above the base year (also known as increment) are used to finance various redevelopment costs.

Telecommunications Tax – A tax on the gross sale of telecommunications services by telecommunication providers.

Transfers – Movement of resources between two funds.

WinGIS – A county-wide geographic information system (GIS) in Winnebago County that enables data to be stored and maintained geographically.

Winnebago County-AAR – An initiative of the Greater Rockford Airport Authority and Winnebago County to build a new hangar facility and provide up to 500 jobs for a repair and overhaul provider, AAR. AAR is a leading provider of aviation services to the worldwide commercial aerospace and government/defense industries.