

Village of Machesney Park

Machesney Park, Illinois



2020 - 2021

ANNUAL BUDGET

May 1, 2020 - April 30, 2021

<https://machesneypark.org/>



VILLAGE ELECTED OFFICIALS

Village President

Steve Johnson

Board of Trustees

Joe Seipts	(District 1)	Aaron Wilson	(District 4)
Jake Schmidt	(District 2)	Terri Bailey	(District 5)
James Kidd	(District 3)	Erick Beck	(District 6)

Village Clerk

Lori Mitchell

Village Treasurer

Deborah Alms

VILLAGE STAFF

James Richter II	Acting VA/Community Development
Michelle Johannsen	Finance & HR
Chad Hunter	Superintendent of Public Works
Carrie Houston	Planning & Zoning
Zach Andrews	Code Enforcement
Penny Miller	Administrative Assistant
Jean Davison	Receptionist
Laura LaRosa	Building Clerk
Dan Rickabaugh	Public Works
Stan Oloff	Public Works

Award for Distinguished Budget Presentation



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Village of Machesney Park, Illinois, for its annual budget for the fiscal year May 1, 2019 – April 30, 2020. This was the fourth consecutive year the Village of Machesney Park received this award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. The Village of Machesney Park believes the current budget continues to conform to program requirements and is submitting it to the GFOA to determine its eligibility for another award.

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Letter of Transmittal

To: Village President and Board of Trustees

From: James Richter II, Acting Village Administrator/Budget Officer/Community Development Director
Michelle Johannsen, Finance & HR Manager

Date: June 30, 2020

It is our pleasure to provide the Adopted Annual Budget for the fiscal year beginning May 1, 2020 and ending April 30, 2021 (FY 2021) 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. The Village was successful in receiving this award for the fourth time last year.

Budget Overview

The adoption of the annual budget by the Village Board of Trustees does not constitute a mandate to spend, 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 2021 budget was compiled taking into consideration the 2020 goals and objectives as established by the Board: 1) Business attraction; 2) Comprehensive downtown revitalization; 3) Visibility and presence in the region; 4) Maintaining a balanced budget; and 5) Optimizing police services. The overall objectives and goals the Village strives to meet over the long term are: to provide outstanding customer service for our residents, business community, and visitors; 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.

COVID-19 Impacts

At the time of preparation of the budget, the COVID-19 virus was beginning to impact the state and required stay-at-home orders were being implemented March 21. The public hearing had already been published and the Board approved the first reading of the budget at the April 6 meeting. With impacts and requirements changing daily and no one knowing how long the stay-at-home orders would last, it was too early to start making projections regarding possible revenue impacts. Therefore, it was determined that the Village would proceed and adopt the budget as originally presented. However, staff reviewed the various department expenditures in the General Fund to determine priority spending and required an extra level of review for expenditures exceeding \$1,000 to ensure the item was immediately necessary given the current unknown conditions. Expenditures that could feasibly wait a few months without impacting essential operations were delayed. However, the Village's staffing and operations are already lean, half of the budget accounts for the public safety contract, and snow and ice control is necessary. Therefore, there aren't a lot of high dollar items to easily freeze. Due to the three-month lag in time between the sales occurring and data being distributed from the state, it was determined a more in-depth review of the budget would be completed in July after the April sales tax information was

received and projections could be made; April was the first full month of the stay-at-home orders. The Village has solid fund balance reserves and established a sales tax reserve (“rainy day fund”) just for these instances; therefore, it was determined that spending could continue on an as needed basis until actual revenue numbers could be reviewed and then further adjustments could be made as needed.

Budget Amendments

The Budget Officer 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 follows state guidelines and allows the Village flexibility to operate effectively, while assuring accountability of department heads to manage expenditures appropriately throughout the year. Due to the anticipated impacts from COVID-19, the Village Board is anticipated to meet in mid-July. By that time, the revenue data from a month and a half of the stay-at-home orders will be received and any necessary adjustments to the adopted budget will be reviewed and if necessary, an amended budget adopted. Further, with the resignation of the Village Administrator during this same time, the Community Development Director was appointed as Acting Village Administrator to assume the day-to-day duties of Village operations, including the Budget Officer responsibilities.

Economic Outlook

The adopted budget assumes slow economic growth and we continue to be vigilant utilizing conservative budgeting methods as our local economy is susceptible not only to the effects of national and regional trends, but also to local consumer demand and shopping patterns. The national economy has a slew of uncertainties surrounding trade wars, the federal interest rate changes, and subdued economic growth, possibly even another recession, without even considering the possible impacts from COVID-19, which reminds us to be vigilant with the resources we have and plan for uncertainties in the future. 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. However, the State of Illinois has taken steps to try and level the playing field between brick-and-mortar stores and online retailers for sales and use tax collections, but the true impact is yet to be seen. Unfortunately, at the same time, state minimum wage amounts are increasing, state income taxes may be on the rise subject to a vote in November 2020, and now the COVID-19 pandemic; all of which can be a severe detriment to local businesses, which could cause relocations, reductions in force, or closures. We were already anticipating an uncertain outlook and a possible recession in the budgeted amounts; however, no one could have anticipated the implications of the current pandemic.

The sudden onset of the COVID-19 virus coupled with stay-at-home orders from the state effective March 21, have proven to unfortunately have significant impacts on businesses and consumers within the Village. March sales tax saw a 13% decline from the prior year for the same month. It is anticipated the economic outlook will be slow to rebound and some businesses may never recover. There is much uncertainty surrounding the pandemic and therefore it is important to remain flexible to accommodate immediate and long-term solutions for reduced revenues.

General Fund Analysis

The General Fund supports the day-to-day operations and sets the service levels of the Village. The FY 2021 budgeted total revenues are estimated at \$7,594,700. Two key revenue sources, Sales Tax and State Income Tax, account for 75% of the total General Fund revenues. Expenditures within the General Fund continue the long-standing tradition to utilize contracted services for a majority of the services provided; the largest General Fund expenditure, \$4,198,300 or 55% of the annual budget is contracted police services. For FY 2021, the General Fund budgeted expenditures increased by \$361,000 or 5.0% compared to the prior year budget. In accordance with standard policy, the approved budget for the General Fund is balanced with \$7,594,700 in expenditures and offsetting revenues (including operating transfers to other funds).

Capital Improvements

Due to the outsourcing model adopted by the Village, the exposure to capital improvement expenditures are limited primarily to road and drainage infrastructure needs. Further, the voters approved a dedicated revenue source (1% non-home rule sales tax) to fund road projects, thereby causing little to no impact on general operations of the Village. If additional capital improvements were warranted, transfers from the surplus balance of the General Fund could be made to cover those improvements through the CIP Fund, therefore again not impacting operations.

In addition, the Village operates a minimal park system and public utilities are operated by other outside taxing districts or agencies. Equipment purchases are typically related to the public works department and are budgeted as part of the General Fund. Since the Village outsources functions requiring large equipment that would typically be performed by a municipality, there is minimal impact on the department as special projects are planned and adjusted for accordingly, thereby not impacting standard service levels. Smaller equipment items, such as computers, are budgeted in the applicable department under the General Fund but have been manageable year to year within the constraints of the annual budget.

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 2021 Annual Budget represents a determined effort to meet service demands subject to available revenues. We would like to express our appreciation to the Village Board for their contributions in reviewing the proposed budget and support of staff's recommendations.

Respectfully submitted,



James Richter II
Acting Village Administrator/CDD

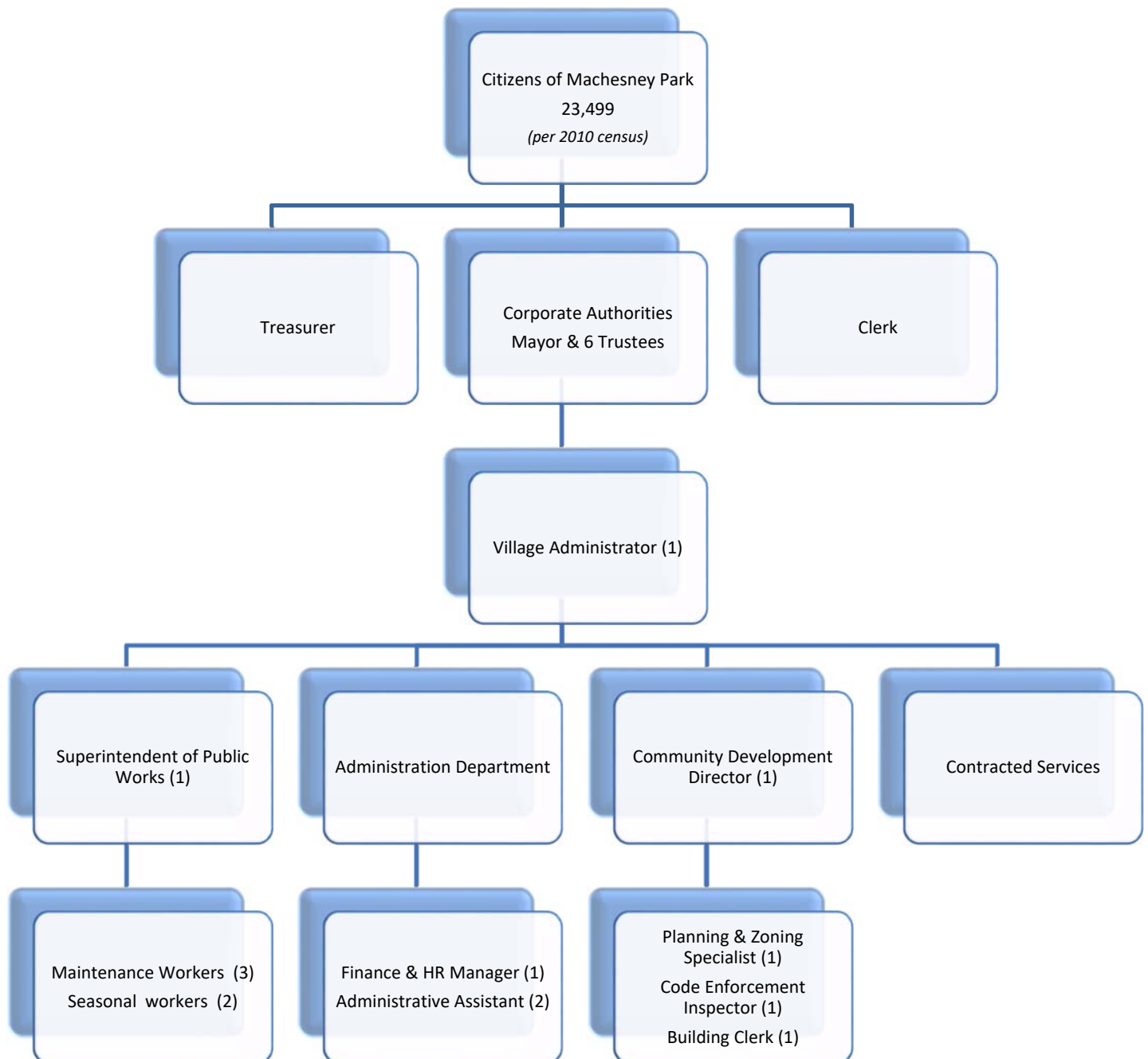


Michelle Johannsen
Finance & HR Manager

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 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)

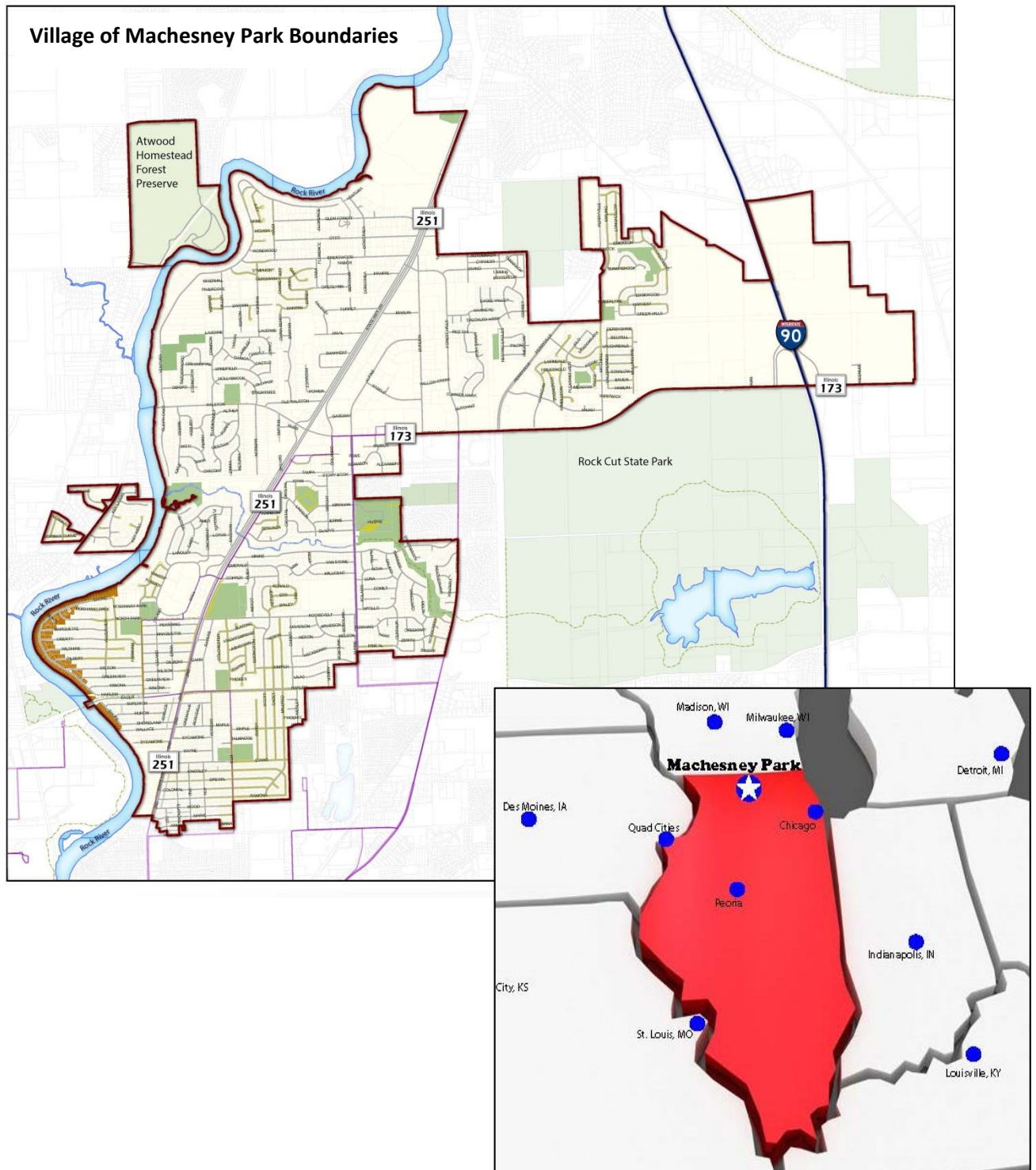
The Machesney Airport closed in 1974 leading to the development of the Machesney Park Mall which opened in 1978. However, by the late 1990's the mall started losing businesses to a competing mall in Rockford; stores came and went and by 2003 the Simon Group sold the mall to local developers. The Village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

Over the years, the Village annexed property for residential and commercial purposes along IL 173 and also created a TIF district, thereby spurring enormous commercial growth along the 173 corridor. In addition, an interchange was constructed at I-90 and IL 173 in July 2007, 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 has a population of 23,499 and is experiencing strong commercial and industrial growth. The Village is located in Northern Illinois within Winnebago County, and is positioned along the 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 and utilizes other agencies for many of its services including police services, fire protection, water & sewer utilities, street construction and maintenance, forestry, engineering services, legal services, building permit inspections, refuse pickup, and various other public works functions.

Statistics

General Statistics

Population (2010)	23,499
Median Age (2018)	39.2
Households (2018)	8,751
Businesses (2012)	1,658
Per Capita Income (2018)	\$27,392
Median Home Value (2018)	\$116,400
Median Household Income (2018)	\$60,353
Unemployment-Winnebago County (included two months to show impact of COVID-19)	3/2020-4.3% 4/2020-22.2%

SOURCE: US Census Bureau and IL Department of Employment Security

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

Category	2013	2014	2015	2016	2017	2018	2019
General Merchandise	\$744,598	\$730,684	\$1,003,421	\$1,152,541	\$1,158,406	\$1,220,307	\$1,234,319
Food	\$93,581	\$108,143	\$90,466	\$103,881	\$110,378	\$114,891	\$117,920
Drinking & Eating Places	\$320,426	\$336,622	\$358,094	\$376,937	\$395,283	\$435,251	\$441,177
Apparel	\$65,390	\$65,717	\$65,440	\$67,934	\$76,664	\$103,350	\$130,724
Furniture & H.H. & Radio	\$92,363	\$83,670	\$94,012	\$100,264	\$91,673	\$94,635	\$75,993
Lumber, Bldg, Hardware	\$664,273	\$673,848	\$702,806	\$729,951	\$779,052	\$783,281	\$827,921
Automotive & Filling Stations	\$623,166	\$623,771	\$576,813	\$546,499	\$537,750	\$559,905	\$604,748
Drugs & Misc. Retail	\$477,458	\$392,711	\$401,251	\$411,270	\$467,266	\$511,954	\$548,783
Agriculture & All Others	\$232,471	\$265,999	\$272,894	\$305,270	\$296,799	\$240,927	\$236,766
Manufacturers	\$22,677	\$21,552	\$26,847	\$30,382	\$29,625	\$32,648	\$35,910
Total Municipal Sales Tax	\$3,336,403	\$3,302,717	\$3,592,044	\$3,824,929	\$3,942,896	\$4,097,149	\$4,254,261
# of taxpayers	486	479	514	527	544	523	540

SOURCE: Illinois Department of Revenue
Village of Machesney Park, IL

Property values

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).

SOURCE: Winnebago County Clerk

Year	EAV
2019	\$342,898,430
2018	\$326,534,799
2017	\$317,457,130
2016	\$310,097,479
2015	\$303,301,945
2014	\$298,983,211
2013	\$309,673,834
2012	\$332,153,077
2011	\$352,553,529
2010	\$362,371,078

EAV by Property Type - 2019		
Residential	\$273,302,648	79.7%
Commercial	43,776,887	12.8%
Industrial	25,511,388	7.4%
Farm	307,507	0.1%
Total	\$342,898,430	100.0%

Regional EAV Comparison	
Rockford	\$1,616,587,168
Loves Park	400,613,843
Machesney Park	342,898,430
Roscoe	226,409,586
Rockton	161,868,113
South Beloit	122,030,225
Cherry Valley	87,673,902

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
Business District Sales Tax-Town Center	1.00%	Retail sales within the Town Center area <i>only</i>	Redevelopment of the Town Center
Business District Sales Tax-I-90/IL 173	1.00%	Retail sales & hotel sales on the west side of I-90 <i>only</i>	Development of vacant land on the west side of Interstate 90
Simplified Telecom Tax	6.00%	Telephone bills	Infrastructure improvements
Natural Gas Utility Tax	5.15%	Natural gas bills	Infrastructure improvements
Electric Utility Tax	\$0.30-\$0.61	Per therm of electricity used	Infrastructure improvements
Hotel/Motel Tax	5.00%	Gross rental receipts	Promote tourism, conventions, and special events within the Village

Note: The Village of Machesney Park does NOT levy a property tax

Budget Process

The annual budget is prepared under the direction of the Village Administrator and all funds are budgeted utilizing the modified accrual basis of accounting (please see the Appendix for further explanation). A budget kick-off meeting was held in early February to go over initial revenue projections and receive input and direction from the Board regarding new initiatives or projects.

Revenue

The Finance Manager and Village Administrator developed revenue projections based on historical patterns and current economic indicators, which formulated 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 relied on per-capita forecasts as published by the Illinois Municipal League (IML).

Expenditures

Estimates of expenditures spread across multiple departments are compiled based on inflationary increases and new projects. Each department head formulated the portion of the budget related to his or her department, including new programs and initiatives; the amounts were reviewed by the Village Administrator and Finance Manager and revisions were made as necessary to balance the budget with available revenues.

Capital Improvements

The Village Engineer maintains a priority list of streets in need of the most maintenance and also those streets necessary to continue to interconnect and enhance the storm sewer system for appropriate drainage. At least annually, the Engineer, Mayor, Administrator, and Superintendent drive the roads and further assess the streets' current condition and revise the list as necessary. The Administrator and Finance Manager annually provide a projection of available funds for the upcoming construction season and budget adoption. The Engineer assigns a dollar value to each construction project for budgeting purposes and staff has a final meeting to ultimately determine the projects to be completed during the upcoming year based on the amount of available funds.

With the extension of the 1% sales tax to fund road improvements, the Village has switched to a three-year rolling CIP plan. The rolling plan allows for flexibility and an opportunity to determine the projects most in need for the upcoming period based on the anticipated revenues over that same period.

Final Review

Once revenue and expenditure estimates were finalized and the budget balanced, staff provided the full draft budget to the Board for review and comment. In addition, a budget workshop was held in March and staff presented and highlighted the goals, challenges, and major changes that impacted the preparation of the budget and was available for questions or changes by the Board. Subsequently, the proposed budget was 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.

Additional Review

Due to the possible impacts from the COVID-19 virus, the Village Board will be re-reviewing the budget in mid-late July to determine whether an amended budget will need to be adopted.

Budget Calendar

January

- Revenue projections
- Capital improvements projections & future planning based on highest need

February

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

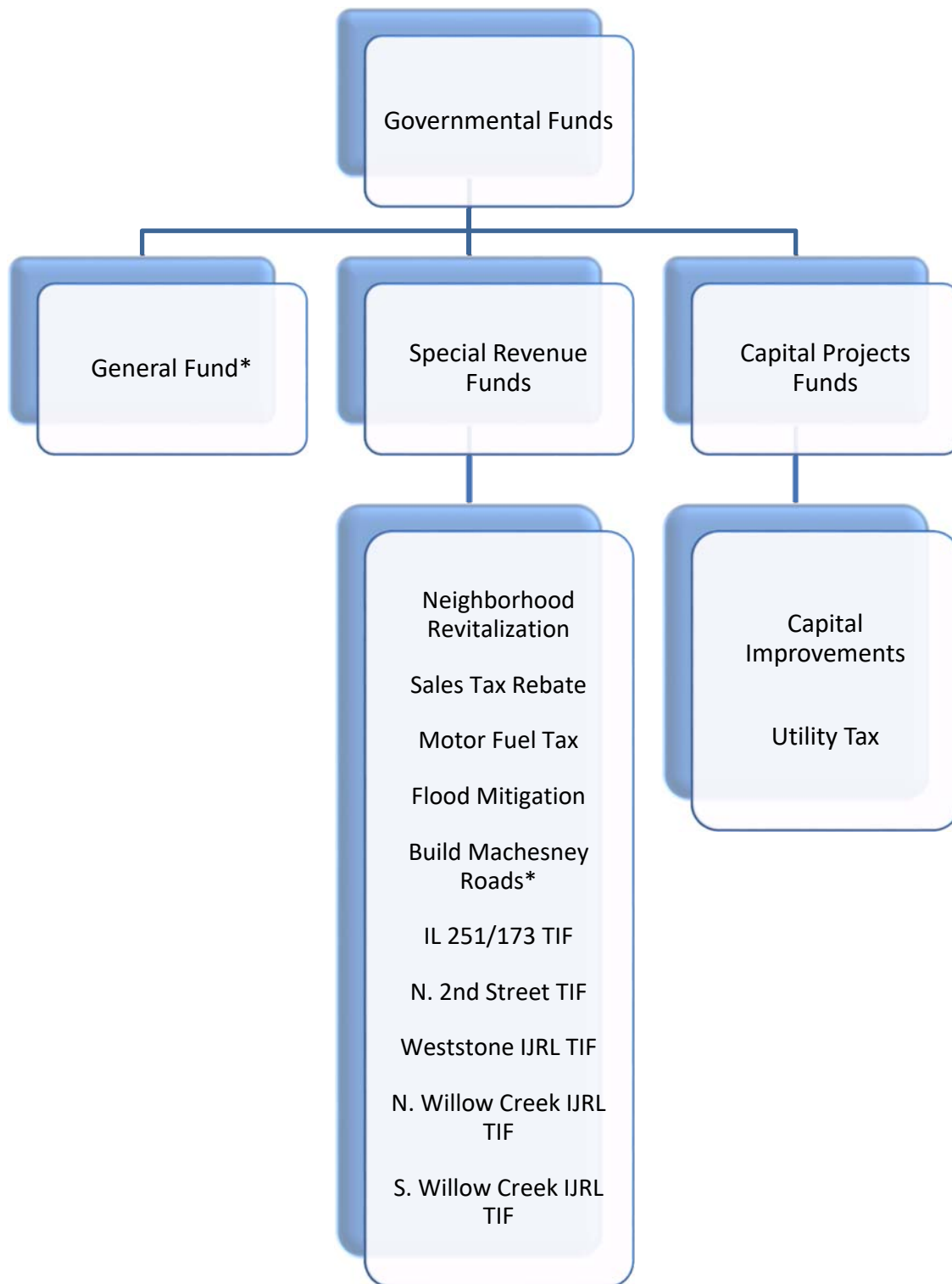
March

- 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)

Below is a representation of the types of expenditures covered by each Fund.

Departments	General Government/ Administration	Community Development	Public Works	Protective Services	Infrastructure
General Fund					
Neighborhood Revitalization Fund					
Sales Tax Rebate Fund					
Motor Fuel Tax Fund					
Flood Mitigation Fund					
Build Machesney Roads Fund					
TIF Funds					
Capital Improvement (CIP) Fund					
Utility Tax Fund					

Fund Structure (Continued)

The Village utilizes 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) and the acquisition or construction of general capital assets (Capital Improvement 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. This fund is reported as a Major Fund. The General Fund includes the operating funds for five (5) 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.
 - Executive – the Executive department includes the elected positions of the Village: Village President/Mayor, Village Clerk, Village Treasurer, and Board of Trustees.
 - Community Development – The Community Development department consists of the Community Development Director, Planning & Zoning Specialist, Code Enforcement Inspector, and Building Clerk. This department is responsible for the planning and development functions of the Village, enforcement of the Village's Code Book of Ordinances, and oversight of building permits which are issued through Village Hall; building inspections are contracted through the City of Loves Park.
 - Public Works – The Public Works department consists of the Superintendent of Public Works, three Maintenance Workers, and seasonal workers as necessary. This department is responsible for oversight of the contracts for various municipal operations, maintenance of parks and public buildings, and street maintenance operations.
 - Protective Services – Police services are contracted with the Winnebago County Sheriff's Department. A separate contract with Winnebago County and nine local municipalities (including the Village) was approved in March 2020 for the Public Safety Answering Point (PSAP) to provide call taking and dispatching of 9-1-1 calls.

Fund Structure (Continued)

- Special Revenue Funds are used to account for specific revenues that are legally restricted by expenditures for particular purposes. The Village maintains ten (10) special revenue funds which are managed by the Administration department:
 - Neighborhood Revitalization – this fund accounts for various activities relating to improving the neighborhoods throughout the Village. Programs include: *Single Family Rehab program* (SFR) - grant monies are received from the IL Housing Development Authority (IHDA) to assist qualifying residents in making necessary repairs or upgrades to their home through a forgivable loan; *Abandoned Property Program* (APP) - grant monies received from IHDA to assist the Village in repairing or demolishing abandoned structures; and the *Initiative To Abate Housing Blight* (ITAHB) – a portion of video gaming revenues are set aside by the Board to combat housing blight within the Village.
 - 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 the funds can only be used on expenditures related to particular public works activities and infrastructure within the Village.
 - Flood Mitigation – this fund accounts for grant monies received from Federal and State sources to mitigate flood prone residential properties along the Rock River. Mitigation efforts consist of acquiring residential 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 throughout the Village (the Board identified certain road repairs, reconstruction, and drainage work to be completed). This fund is reported as a major fund. The residents first approved an extra 1% sales tax via referendum 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. In 2020 the voters once again approved the 1% sales tax to be used exclusively for road improvements with no sunset expiration. The board also dedicated the 6% telecommunications tax revenue to the Road Fund (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 accomplish several large projects upon the inception of the tax.
 - 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.

Fund Structure (Continued)

- N. 2nd Street TIF – this TIF was established in 2008 as part of a secondary retail redevelopment project for three distinct areas along IL Route 251 that are in need of revitalization.
- 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 surrounding 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 also to improve various infrastructure throughout the TIF.

➤ 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 revenues received from the municipal fees placed on natural gas and electric utilities and the corresponding expenditures. The tax was put into effect March 1, 2013 with a sunset of December 31, 2019; however, the Village Board extended the tax indefinitely to be used exclusively for road improvements.

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 not maintain any proprietary funds.

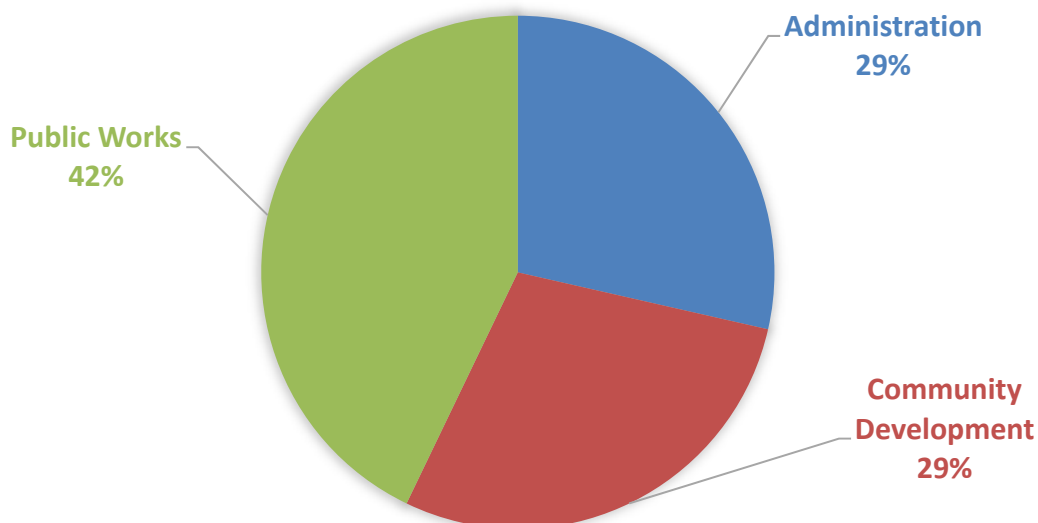
Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are generally used to account for assets that the government holds on behalf of others as their agent. The Village does not maintain 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 included funds for a cost of living adjustment and the Village's merit pay program. There was a reduction of one position for FY 2021 to eliminate the part-time school resource officer (SRO) position due to reduced needs by the School District; the Village had hired a retired officer to help cover multiple campuses. However, the school district has now closed the ninth-grade campus building and therefore the SRO's could be realigned and eliminate the part-time officer employed by the Village.

Title	Budgeted Department	# of staff employed 2017-2018	# of staff employed 2018-2019	# of staff employed 2019-2020	# of staff budgeted 2020-2021
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
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
Building Clerk	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
PT-School Resource Officer	Protective Services	1.0	1.0	1.0	0.0
Total # of Village Staff		15.0	15.0	15.0	14.0

PERSONNEL BREAKDOWN BY DEPARTMENT

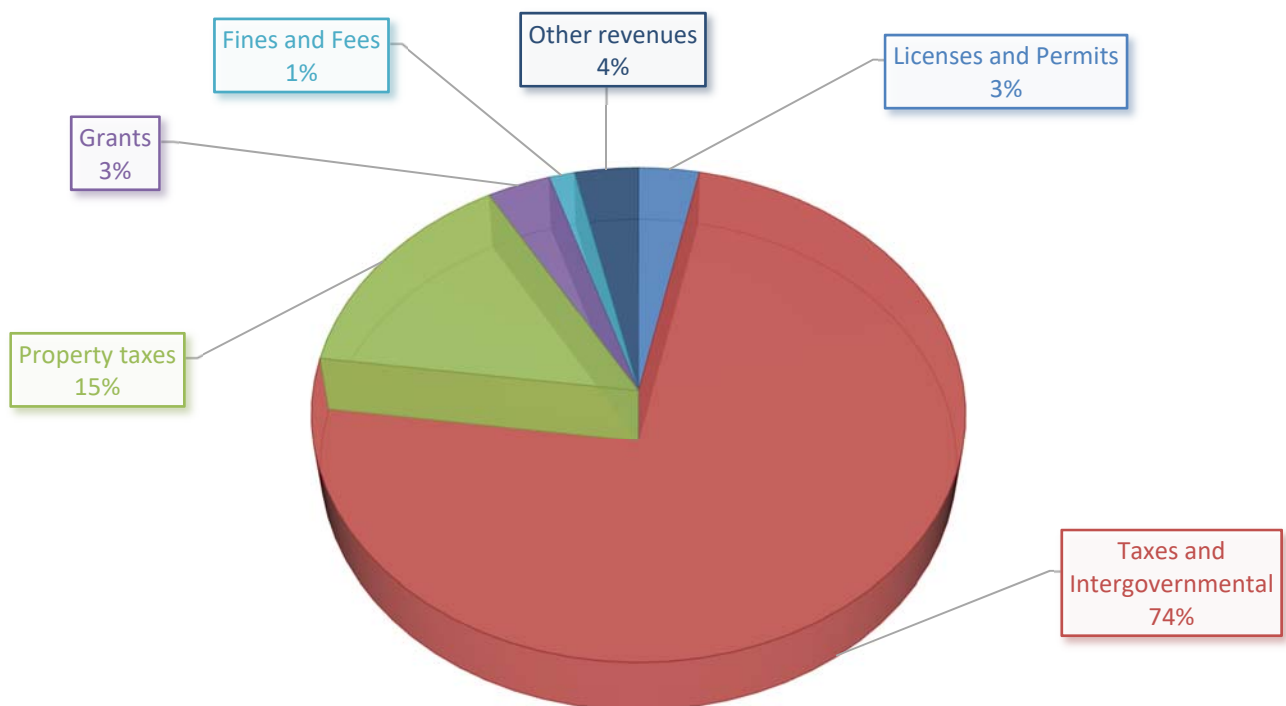


Revenues & Expenditures Summary – All Funds

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Revenues					
General Fund	7,662,913	8,282,367	7,558,000	8,667,843	7,594,700
Special Revenue Funds	7,697,399	8,723,978	7,573,000	8,332,728	8,308,000
Capital Projects Funds	1,172,730	1,260,298	891,400	1,425,363	1,291,400
Total Revenues	16,533,042	18,266,643	16,022,400	18,425,934	17,194,100
Expenditures					
General Fund	6,299,579	6,483,064	7,164,200	6,975,206	7,525,200
Special Revenue Funds	8,196,859	8,817,956	11,580,100	11,649,156	10,184,150
Capital Projects Funds	305,294	324,743	2,349,600	1,623,048	766,100
Total Expenditures	14,801,732	15,625,763	21,093,901	20,247,410	18,475,450
Net Revenues Over (Under) Expenditures	1,731,310	2,640,880	(5,071,501)	(1,821,475)	(1,281,350)

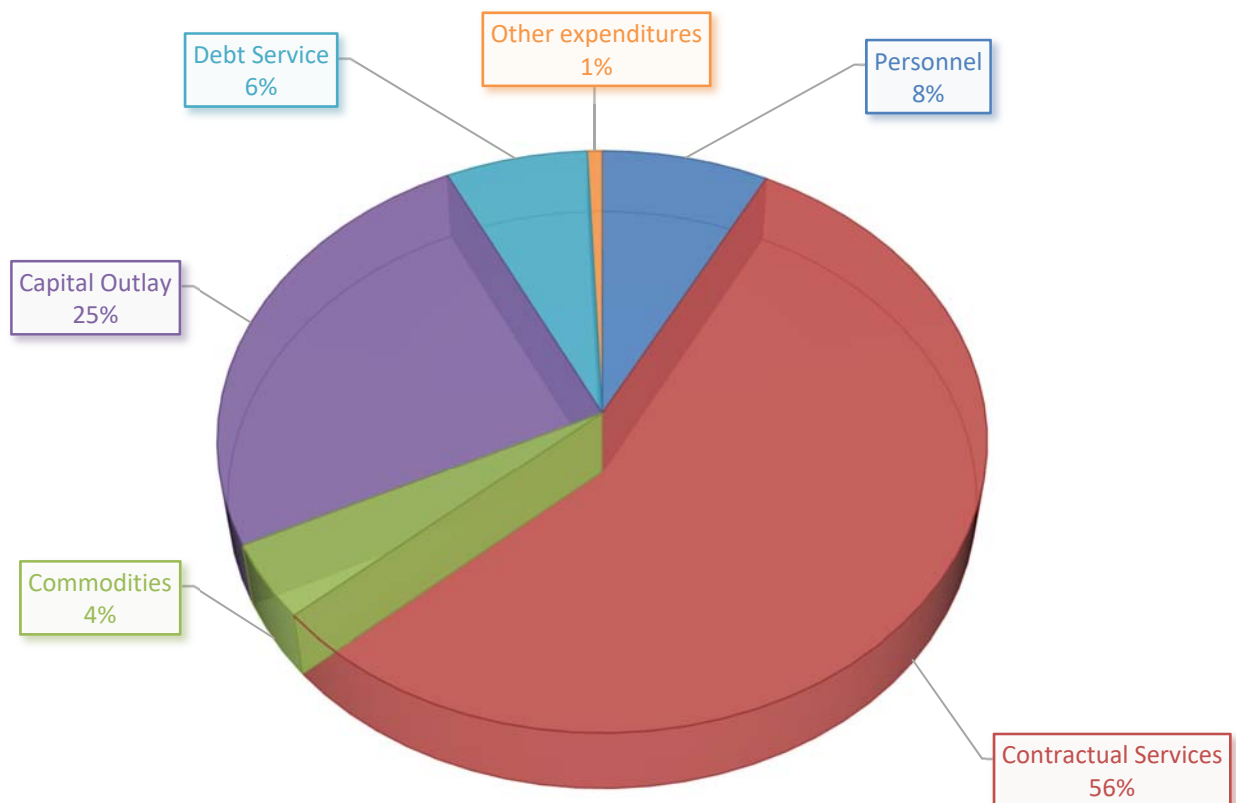
Revenues by Source – All Funds

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Licenses and Permits	562,219	701,046	561,000	676,255	566,500
Taxes and Intergovernmental	12,522,258	13,189,703	11,796,400	13,827,988	12,696,400
Property taxes	2,011,832	2,077,252	2,074,600	2,191,878	2,502,900
Grants	919,693	674,112	882,200	754,974	593,400
Fines and Fees	281,926	287,617	218,100	268,776	237,300
Debt proceeds	-	900,000	-	-	-
Other revenues	235,114	436,913	490,100	706,063	597,600
Total Revenues	16,533,042	18,266,643	16,022,400	18,425,934	17,194,100

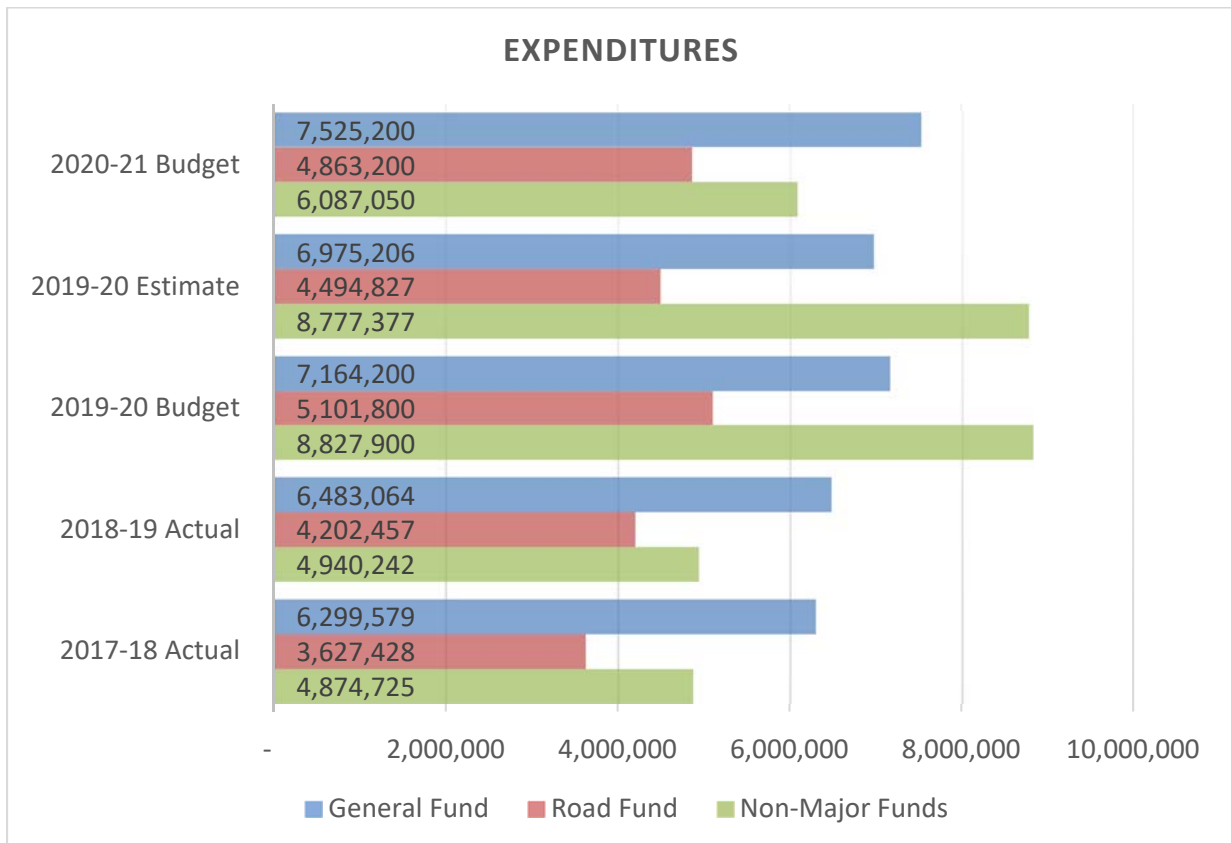
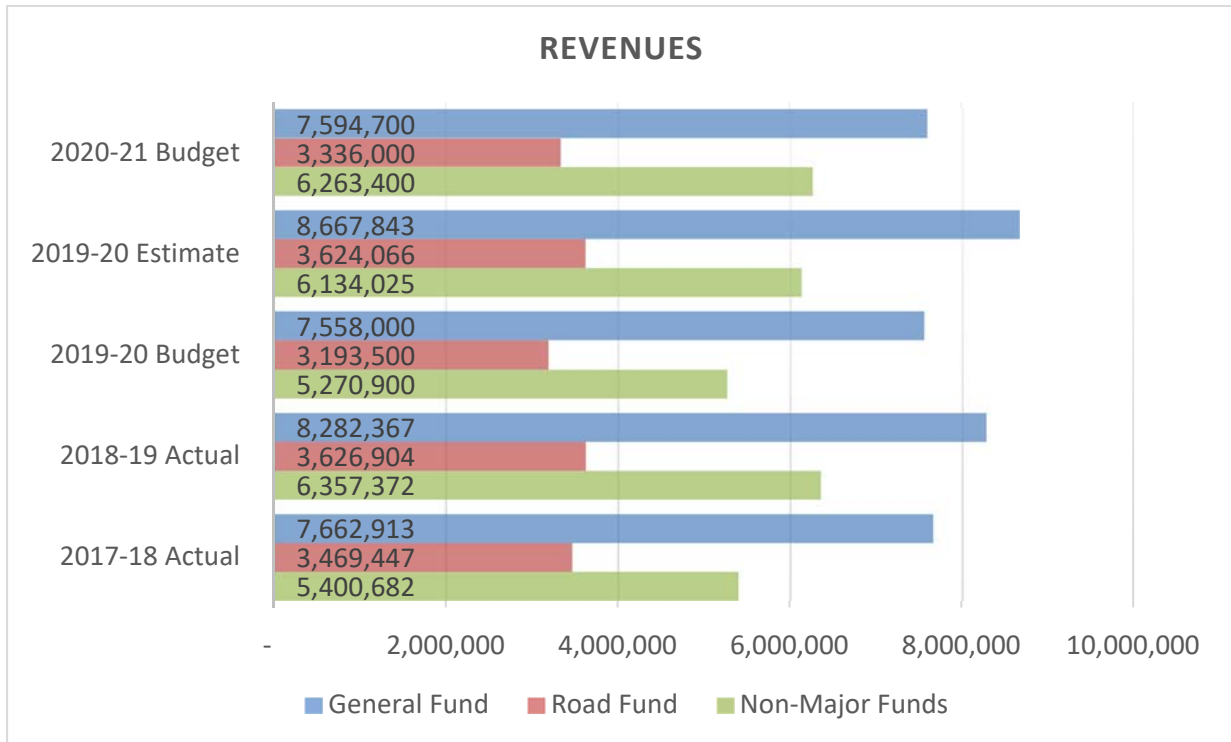


Expenditures by Category – All Funds

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Personnel	1,427,941	1,482,563	1,594,100	1,538,695	1,421,700
Contractual Services	7,612,330	7,707,000	9,699,000	9,509,639	10,321,600
Commodities	525,106	581,785	865,700	645,395	767,300
Capital Outlay	2,961,378	3,594,352	6,489,201	6,118,782	4,624,950
Debt Service	2,110,087	2,125,411	2,272,500	2,268,057	1,212,300
Other expenditures	164,890	134,652	173,400	166,842	127,600
Total Expenditures	14,801,732	15,625,763	21,093,901	20,247,410	18,475,450



Revenues & Expenditures – Major and Non-Major Funds



Projected Changes in Fund Balance

All Funds

	<i>Estimated</i> Beginning Fund Balance (Deficit) 5/1/2020	Revenues & Other Sources	Expenditures & Other Uses	<i>Estimated</i> Ending Fund Balance (Deficit) 4/30/2021
General Fund	10,487,960	7,594,700	7,594,700	10,487,960
Neighborhood Revitalization	103,769	428,100	531,800	69
Utility Tax Fund	772,358	1,100,000	1,100,000	772,358
Sales Tax Rebate Fund	-	505,000	505,000	-
Motor Fuel Tax Fund	911,626	944,000	1,202,600	653,026
IL 251/173 TIF Fund	(561,789)	1,019,000	1,040,600	(583,389)
Capital Improvement Fund	2,135,569	191,400	1,063,800	1,263,169
N. 2nd Street TIF Fund	(855,875)	960,700	1,130,500	(1,025,675)
Weststone IJRL TIF Fund	(387,793)	554,000	439,900	(273,693)
N. Willow Creek IJRL TIF Fund	(1,762)	16,000	5,000	9,238
S. Willow Creek IJRL TIF Fund	(500,984)	449,300	301,000	(352,684)
Flood Mitigation Fund	349,250	465,300	164,550	650,000
Build Machesney Road Fund	2,360,250	4,433,700	4,863,200	1,930,750
	14,812,579	18,661,200	19,942,650	13,531,129

Major Increases or Decreases in Fund Balances

Motor Fuel Tax Fund – Fund balance is expected to decrease due to a planned sidewalk improvement.

Capital Improvement Fund – Fund balance is expected to decline due to completion of the new public works facility; this was the reason for the prior year increases so the improvement could be made with no debt issuance.

N. 2nd Street TIF Fund – Fund balance is expected to decrease due to contractual redevelopment obligations, developer incentives, leasehold improvements, and debt service that requires more than the incremental property taxes and rental income being received at this time. However, as the development projects come to fruition, the balance should improve.

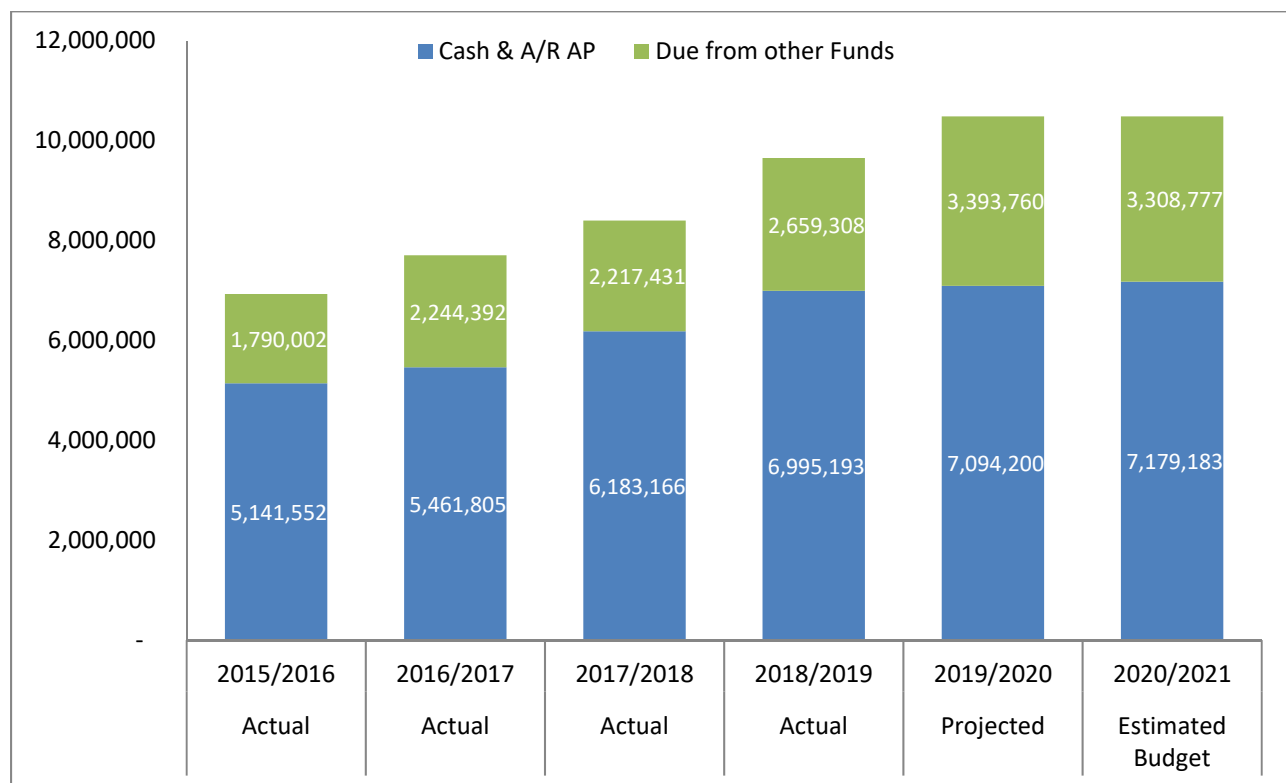
Flood Mitigation Fund – Fund balance is expected to increase due to assigning funds in anticipation of receiving grant funding; the funds will be necessary for the local match.

Build Machesney Road Fund – Fund balance is expected to decline but remain a positive balance as was planned. With aggressive plans to continue to repair and maintain infrastructure, the fund balance will remain minimal as projects are completed.

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, broken down by cash and investments and amounts due from other funds, provides a good visual of the total fund balance compared to the actual cash on hand. The Village is seeing increased development and so the demand for TIF incentives and coverage of upfront costs is anticipated to increase, thereby reducing the cash balance slightly, however, it is planned the General Fund will be fully reimbursed in future years.

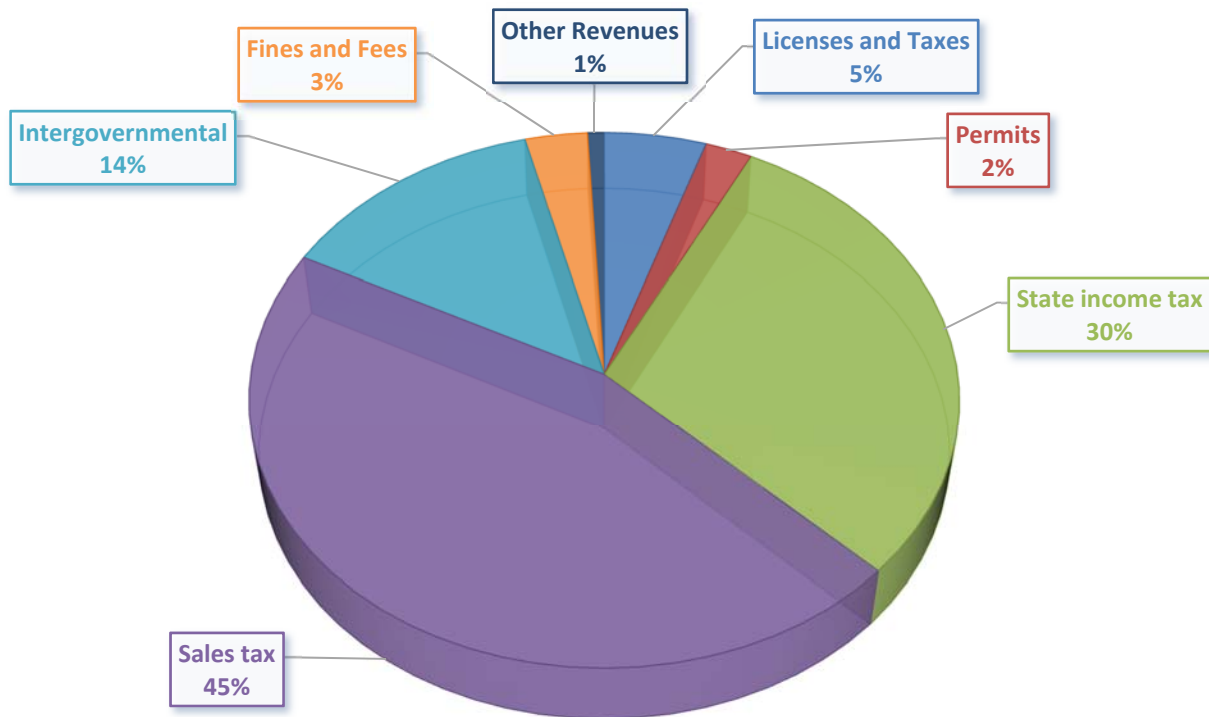
Best practice dictates having an unassigned fund balance at a minimum of three months (25%), but preferably closer to a year of operating expenses, especially due to the volatile revenue streams the Village relies on to conduct its activities. The Village is projecting to have just over \$6.4M of available cash (unassigned fund balance) in the General Fund at year end, which is about 84% of the current year budgeted expenditures and transfers.



Executive Summary

Major Revenue Sources

The Village's top two revenue sources in the General Fund, Sales tax and State income tax, comprise 75% of total revenues, with a majority being derived from sales tax. As such, forecasting revenues is challenging due to unpredictable factors such as the economy and consumer preferences. Hence, the Village takes a conservative approach towards projecting these revenues.



Sales Tax

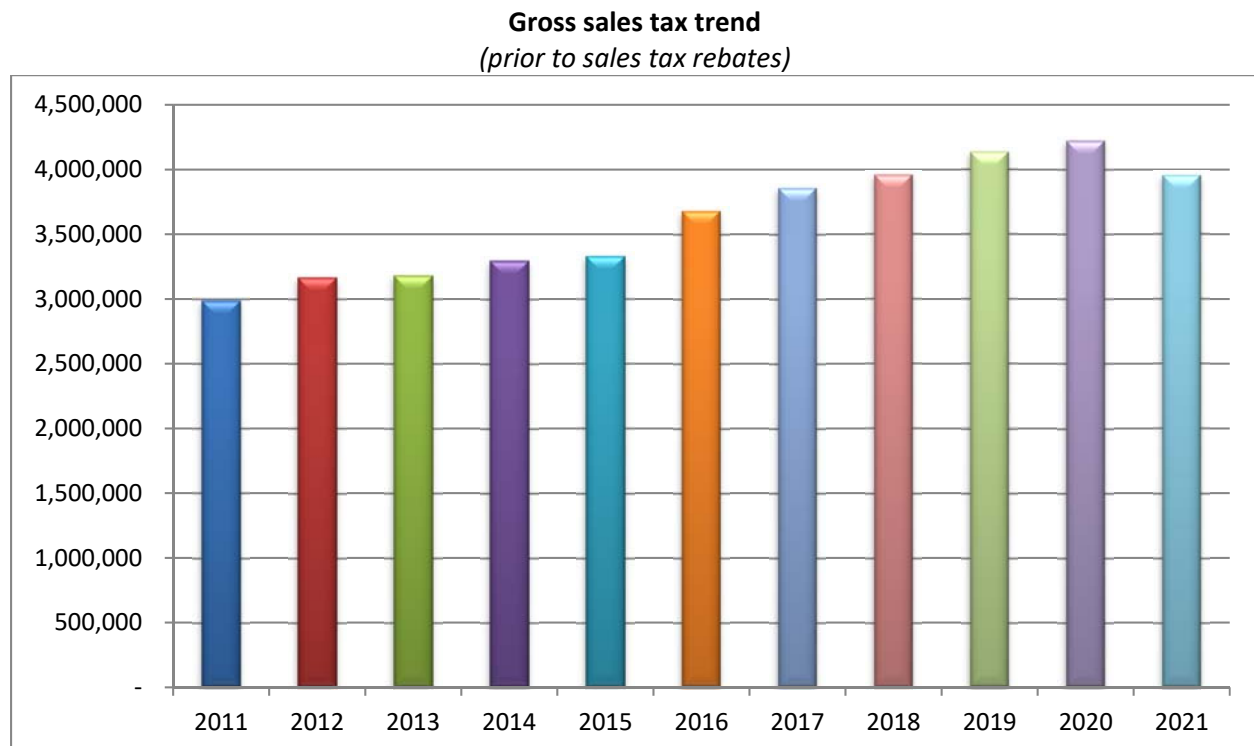
The Village receives one cent (\$0.01) per dollar of retail sales, which is collected by the State and then distributed to the Village. The sales tax rate within the majority of the corporate boundaries is 8.25% (8.75% effective July 1, 2020 due to Winnebago County implementing a 0.50% mental health tax); 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 voter referendum for all proceeds to be used on infrastructure projects; these funds are deposited into the Build Machesney Roads Fund.

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. Due to the uncertainty of impact from federal and state tax changes, the Village remained conservative with projections.

Revenue Assumptions & Trends

The 1% state sales tax is the largest source of revenue for the Village and it has seen incremental growth over the past 10 years. 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. While sales tax revenues have been consistently growing, we wanted to remain conservative due to the volatile nature of the revenue stream that can change at any time and a possible recession on the horizon. Therefore, sales tax revenues were budgeted to decline slightly from the prior year estimated revenues. No adjustments were made to accommodate any possible impacts from COVID-19 since everything was literally unfolding as the budget was adopted. As mentioned previously, once actual revenue data has been received for at least one month of the business closures, a revised estimate will be projected and expenditures amended as necessary.



State income tax and local use tax budgets were increased \$115K between both revenue streams. The budget for both revenues had been too conservative based on historical revenues received and based on projections from IML, so we increased the budget to still remain conservative, but brought them more in-line with actual receipts over the past several years.

Motor Fuel tax revenues were increased based on the doubling of the gas tax by the state. While the revenue distributed to the municipalities will not be doubled since the state allocated fees off the top, there will be a substantial increase in revenues for the year. We continue to utilize the IML projections based on the per capita amount to be distributed.

Revenue assumptions & trends continued

The TIF district revenues are based on increment generated, which is tied to property tax values; we anticipated consistent revenue in the majority of the TIF's, except for the N. 2nd Street TIF and the Weststone IJRL TIF, which were increased due to development projects being finalized and assessed value being added to the books.

The additional 1% sales tax revenue committed for infrastructure improvements was budgeted to decline slightly from the current year estimate; again, to remain conservative due to fluctuations in consumer demands and a possible recession. Additionally, telecommunication tax has seen a decline year over year due to more residents switching away from home phones to the ease and flexibility of a cell phone; data services are not included in the telecommunication tax which is causing the decline in revenues.

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 increased by just under 2.5% for calendar year 2020. IMRF reduced their assumed rate of return from 7.5% to 7.25% and therefore employers have to fund more of the costs not covered by market returns. The number of Village personnel was reduced by one, which was a part-time position in protective services. The increased costs in personnel are related to a 2.3% cost-of-living adjustment for all employees and \$14K for merit that was distributed to certain employees based on performance as evaluated by their supervisor and the Village Administrator. 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 detail line item budgets for all funds may be found in the Appendix.

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 transfers for this year account for the 10% contribution to the TIF funds, since the Village does not levy a property tax.

General Fund Expenditure Summary

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget	\$ Inc (Dec)	% Inc (Dec)
Expenditures							
Administration	562,833	560,732	720,100	794,649	623,900	(96,200)	-13.4%
Executive	190,205	186,899	196,700	189,971	219,000	22,300	11.3%
Community Development	606,279	675,520	761,300	758,790	790,000	28,700	3.8%
Public Works	1,252,553	1,442,101	1,834,200	1,635,228	1,694,000	(140,200)	-7.6%
Protective Services	3,687,709	3,617,812	3,651,900	3,596,568	4,198,300	546,400	15.0%
Total Expenditures	6,299,579	6,483,064	7,164,200	6,975,206	7,525,200	361,000	5.0%
Other Financing Sources (Uses)							
Transfer to Neighborhood Revitalization	(109,017)	(100,000)	(100,000)	(100,000)	-	100,000	100.0%
Transfer to IL 251/173 TIF	(25,206)	(20,633)	(20,300)	(20,940)	(21,000)	(700)	3.4%
Transfer to Capital Improvement	(400,000)	(500,000)	(241,000)	(700,000)	-	241,000	100.0%
Transfer to N. 2nd TIF	(134,711)	(31,936)	(32,500)	(38,238)	(48,500)	(16,000)	49.2%
Transfer from Drug Recovery Fund		5,450	-	-	-	-	0.0%
Proceeds from sale of capital assets	-	26,700	-	-	-	-	0.0%
Proceeds from capital lease obligations	-	75,020	-	-	-	-	0.0%
Total Other Financing Sources (Uses)	(668,934)	(545,399)	(393,800)	(859,178)	(69,500)	324,300	-82.4%

General Fund Summary

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Revenues					
Licenses and Taxes	408,765	407,032	387,500	415,714	387,500
Permits	153,454	294,014	173,500	260,541	179,000
Intergovernmental	6,651,118	7,128,735	6,707,900	7,578,030	6,727,400
Fines and Fees	281,826	287,617	218,100	268,776	237,300
Other revenues	167,750	164,969	71,000	144,782	63,500
Total Revenues	7,662,913	8,282,367	7,558,000	8,667,843	7,594,700
Expenditures					
Administration	562,833	560,732	720,100	794,649	623,900
Executive	190,205	186,899	196,700	189,971	219,000
Community Development	606,279	675,520	761,300	758,790	790,000
Public Works	1,252,553	1,442,101	1,834,200	1,635,228	1,694,000
Protective Services	3,687,709	3,617,812	3,651,900	3,596,568	4,198,300
Total Expenditures	6,299,579	6,483,064	7,164,200	6,975,206	7,525,200
Revenues Over (Under) Expenditures	1,363,334	1,799,303	393,800	1,692,637	69,500
Other Financing Sources (Uses)					
Transfer to Neighborhood Revitalization	(109,017)	(100,000)	(100,000)	(100,000)	-
Transfer to IL 251/173 TIF	(25,206)	(20,633)	(20,300)	(20,940)	(21,000)
Transfer to Capital Improvement	(400,000)	(500,000)	(241,000)	(700,000)	-
Transfer to N. 2nd TIF	(134,711)	(31,936)	(32,500)	(38,238)	(48,500)
Transfer from Drug Recovery Fund	-	5,450	-	-	-
Proceeds from sale of capital assets	-	26,700	-	-	-
Proceeds from capital lease obligations	-	75,020	-	-	-
Total Other Financing Sources (Uses)	(668,934)	(545,399)	(393,800)	(859,178)	(69,500)
Net Increase (Decrease) in Fund Balance	694,400	1,253,904	-	833,459	-
Beginning Fund Balance	7,706,197	8,400,597	9,063,654	9,654,501	10,487,960
Ending Fund Balance	8,400,597	9,654,501	9,063,654	10,487,960	10,487,960

General Fund

General Fund Revenues

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget	\$ Inc (Dec)	% Inc (Dec)
Licenses and Taxes	408,765	407,032	387,500	415,714	387,500	-	0.0%
Permits	153,454	294,014	173,500	260,541	179,000	5,500	3.2%
Intergovernmental	6,651,118	7,128,735	6,707,900	7,578,030	6,727,400	19,500	0.3%
Fines and Fees	281,826	287,617	218,100	268,776	237,300	19,200	8.8%
Other revenues	167,750	164,969	71,000	144,782	63,500	(7,500)	-10.6%
Total Revenues	7,662,913	8,282,367	7,558,000	8,667,843	7,594,700	36,700	0.5%

Budget Analysis

The FY 2021 general fund revenue budget includes an increase of 0.5% compared to the prior year budget. State income tax, sales tax, and local use tax were increased slightly to more closely match the past two years of actual receipts. However, there was a decrease in intergovernmental revenues due to changes within the police contract. In the past the Village's police contract with the County Sheriff covered school resource officers; the Village would pay the County and then the School District would reimburse the Village. A new contract is being drafted between the Sheriff and the Village and therefore going forward, it is anticipated that the Sheriff will contract directly with the School District to accommodate their needs. Therefore, while there is a reduction in revenues, there is also an offsetting reduction in expenditures. Most other revenue items were budgeted consistent to the prior year.

Licenses and Taxes Revenues are comprised of 56 liquor licenses (increase of two from the prior year), franchise fees from cable and natural gas, and the 5% hotel/motel tax from two establishments.

Permit Revenues consist of building permits, MS4 permits, and various other permits such as home occupation, driveway, sign, fence, shed, solicitors, etc. The building permit revenue line item recognizes 100% of the revenues from building permits issued within the Village. The Village contracts building inspection services with the City of Loves Park and therefore pays them 50% of the permit revenues collected. The expense is shown in the Community Development Department and so the net effect to the Village is recognizing 50% of the building permit fees as revenue.

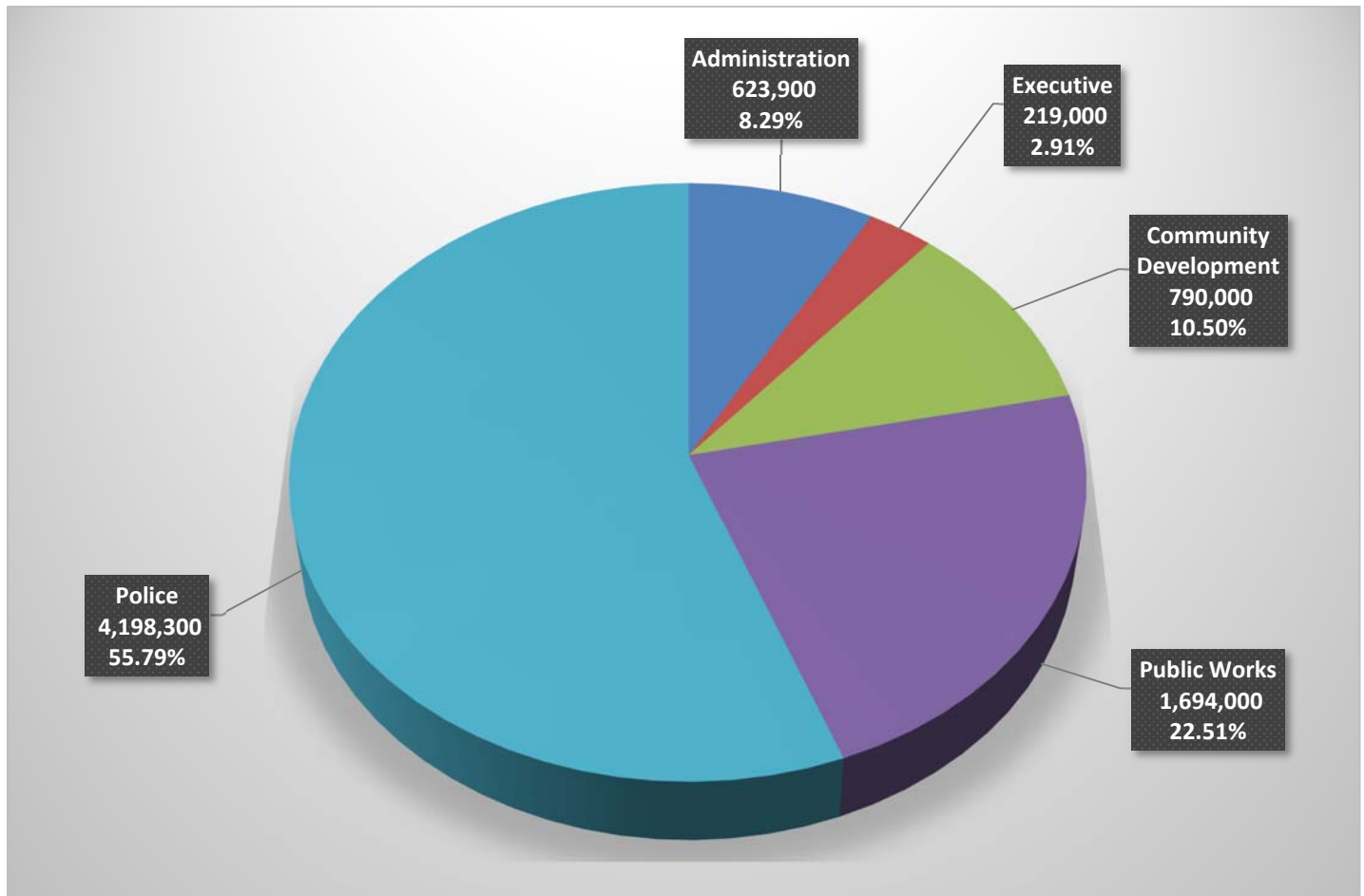
Intergovernmental Revenues include state shared revenues (income tax, local use tax, and auto rental tax), video gaming tax, sales tax, and road and bridge tax. While a new line item was included for the Village's share of the state's cannabis use tax, no revenues had yet been received and so no amounts were budgeted. Overall, intergovernmental revenues increased by \$19,500.

Fines and Fees and Other Revenues consist of circuit court fines, parking fines, zoning fines, impound fees, police vehicle fees, reimbursement of professional services, and investment income. Interest rates and circuit court fine revenue have seen increases over the past couple years and so the budget was conservatively adjusted (\$45K increase); impound fees have been declining, so the budget was reduced by \$12K. Overall fines, fees, and other revenues were increased by \$11K.

Overall, based on the prior years' history of revenues and possible economic impacts, the budgeted revenues increased 0.5%, which is equivalent to \$36,700.

General Fund Expenditures

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget	\$ Inc (Dec)	% Inc (Dec)
Expenditures by Department							
Administration	562,833	560,732	720,100	794,649	623,900	(96,200)	-13.4%
Executive	190,205	186,899	196,700	189,971	219,000	22,300	11.3%
Community Development	606,279	675,520	761,300	758,790	790,000	28,700	3.8%
Public Works	1,252,553	1,442,101	1,834,200	1,635,228	1,694,000	(140,200)	-7.6%
Protective Services	3,687,709	3,617,812	3,651,900	3,596,568	4,198,300	546,400	15.0%
Total Expenditures	6,299,579	6,483,064	7,164,200	6,975,206	7,525,200	361,000	5.0%



Administration

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	370,158	377,465	401,600	396,964	421,500	19,900	5.0%
Contractual services	132,054	148,670	275,900	358,602	156,400	(119,500)	-43.3%
Office expenses	4,101	3,800	5,700	4,649	10,100	4,400	77.2%
Indirect employee	15,059	13,881	18,300	16,886	17,100	(1,200)	-6.6%
Capital outlay	25,084	6,433	2,000	1,991	1,300	(700)	-35.0%
Other expenditures	16,377	10,483	16,600	15,557	17,500	900	5.4%
Total Administration	562,833	560,732	720,100	794,649	623,900	(96,200)	-13.4%

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.

Goals/Projects *(anticipated timelines to accomplish the goals are in italicized parentheses)*

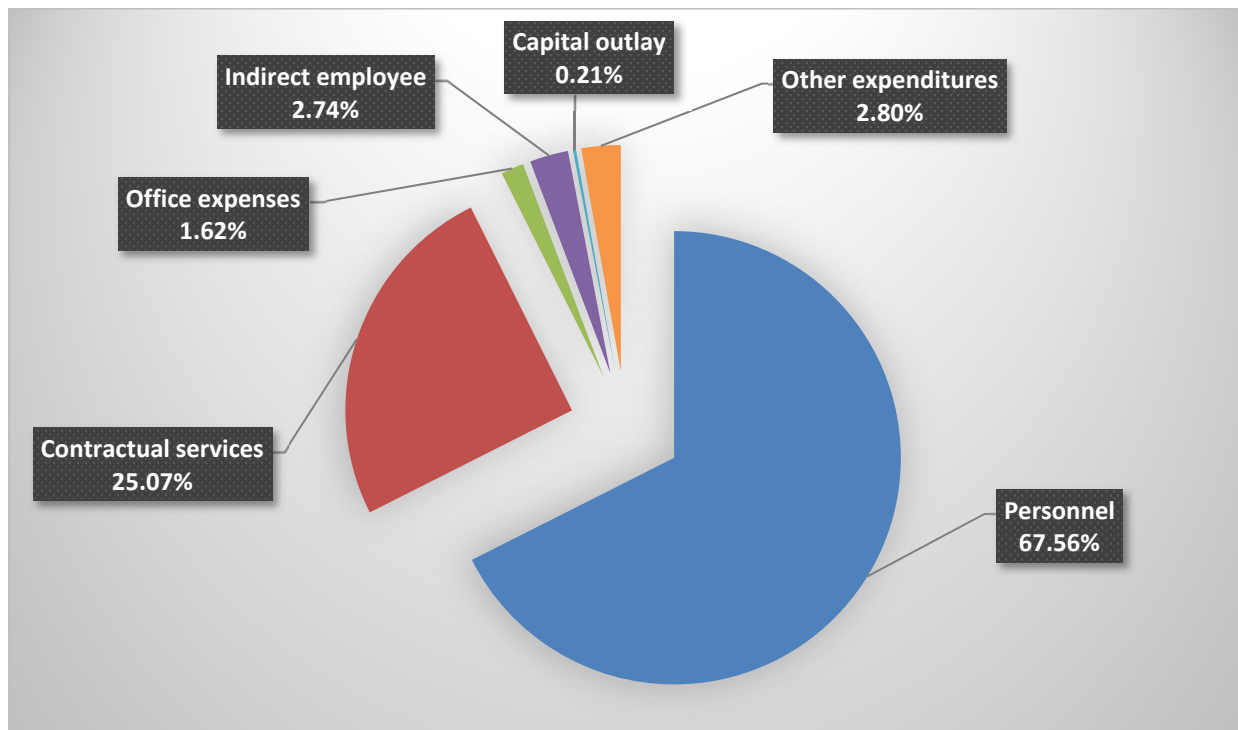
1. Complete a revenue audit of various funds received ~ \$3K *(1 year)*
2. Complete the comprehensive policing study to determine the most cost effective and efficient option for contracting police services (LT directive to provide outstanding customer service) ~ \$6K *(1 year)*
3. Benchmark the health insurance plan and review other options to fund and administer the plan to streamline process for employees *(1-2 years)*
4. Establish annual sexual harassment training program *(1 year to establish but will be ongoing for continuous improvement)*
5. Establish written procedures and cross-training as necessary (LT directive to provide outstanding customer service) *(1-2 years to establish but will be ongoing to remain current)*
6. Update fund balance policy to formalize current practices *(1 year)*
7. Provide an annual balanced budget and apply for the GFOA award annually *(every year)*
8. Emergency management response document identifying specific processes for major flood events *(1-2 years)*
9. Performance measures across all departments *(1-5 years)*

Administration continued

Prior year goals results: 3 of 6 goals effectively completed within budget; 1 goal deemed not feasible; 2 goals carried forward to current year (#5 & #6 above)

Budget Analysis

The FY 2021 budget includes funds to accomplish the current year goals/projects identified above as well as the replacement of a server switch to maintain efficient and current working equipment. The reduction of \$96K from the prior year budget is primarily a result of completing the policing study.



Executive

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	179,169	178,801	178,200	179,408	196,400	18,200	10.2%
Contractual services	-	-	-	-	7,500	7,500	100.0%
Indirect employee	9,693	7,721	15,700	8,679	15,100	(600)	-3.8%
Capital outlay	1,343	377	2,800	1,884	-	(2,800)	-100.0%
Total Executive	190,205	186,899	196,700	189,971	219,000	22,300	11.3%

Department Description

The Executive Department is comprised of the Village President, Board of Trustees, Village Clerk, and the Village Treasurer. All positions are elected to a four-year term and conduct 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.

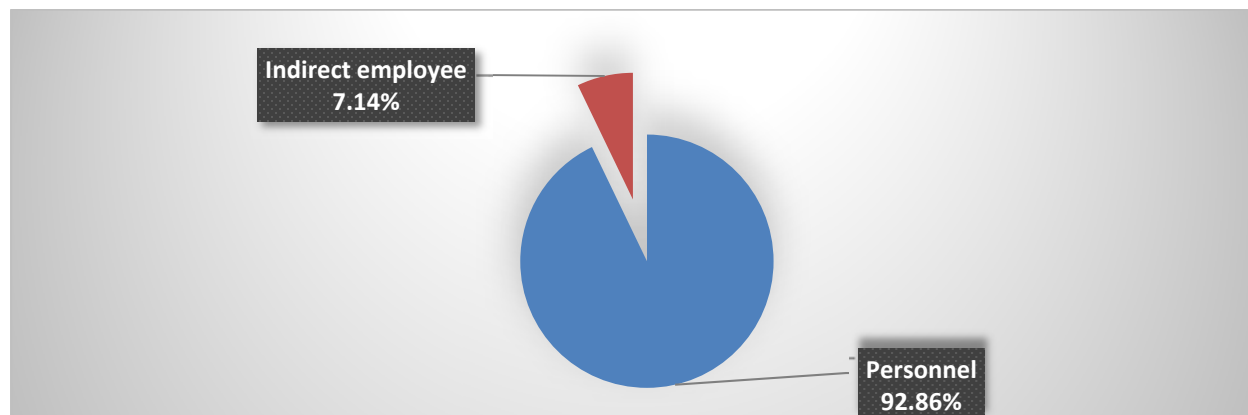
The Board of Trustees consists of six members and serves as the legislative department of the Village.

The Village Clerk 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 posts various meeting agendas, and carries out the duties of the FOIA Officer.

The Village Treasurer is a part-time position and oversees and reviews the financial aspect of Village activities. The elected Treasurer resigned effective May 1, 2020, due to moving residence out of the corporate boundaries and therefore Deborah Alms was appointed to serve the remainder of the term expiring in 2021.

Budget Analysis

The FY 2021 budget included expenditures for six elected officials to attend the Illinois Municipal League's Annual Conference in Chicago, however, due to the impacts of COVID-19 the conference has been cancelled. The budgeted increase of \$22,300 from the prior year budget was due to legal fees in case of election objections and possible health insurance contributions for the Mayor's position.



Community Development

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	334,838	348,413	363,000	354,373	373,200	10,200	2.8%
Contractual services	138,596	215,441	246,800	276,639	291,400	44,600	18.1%
Office expenses	8,379	7,613	12,000	9,441	11,400	(600)	-5.0%
Indirect employee	43,121	44,225	48,700	44,753	48,400	(300)	-0.6%
Capital outlay	-	6,443	21,600	2,668	-	(21,600)	-100.0%
Other expenditures	81,345	53,385	69,200	70,916	65,600	(3,600)	-5.2%
Total Community Develop	606,279	675,520	761,300	758,790	790,000	28,700	3.8%

Department Description

The Community Development Department is comprised of four full-time personnel: Community Development Director, Planning & Zoning Specialist, Code Enforcement Inspector, and Building Clerk. 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, issues building permits, and reviews site plans and development proposals for conformance with Village regulations.

Goals/Projects *(anticipated timelines to accomplish the goals are in italicized parentheses)*

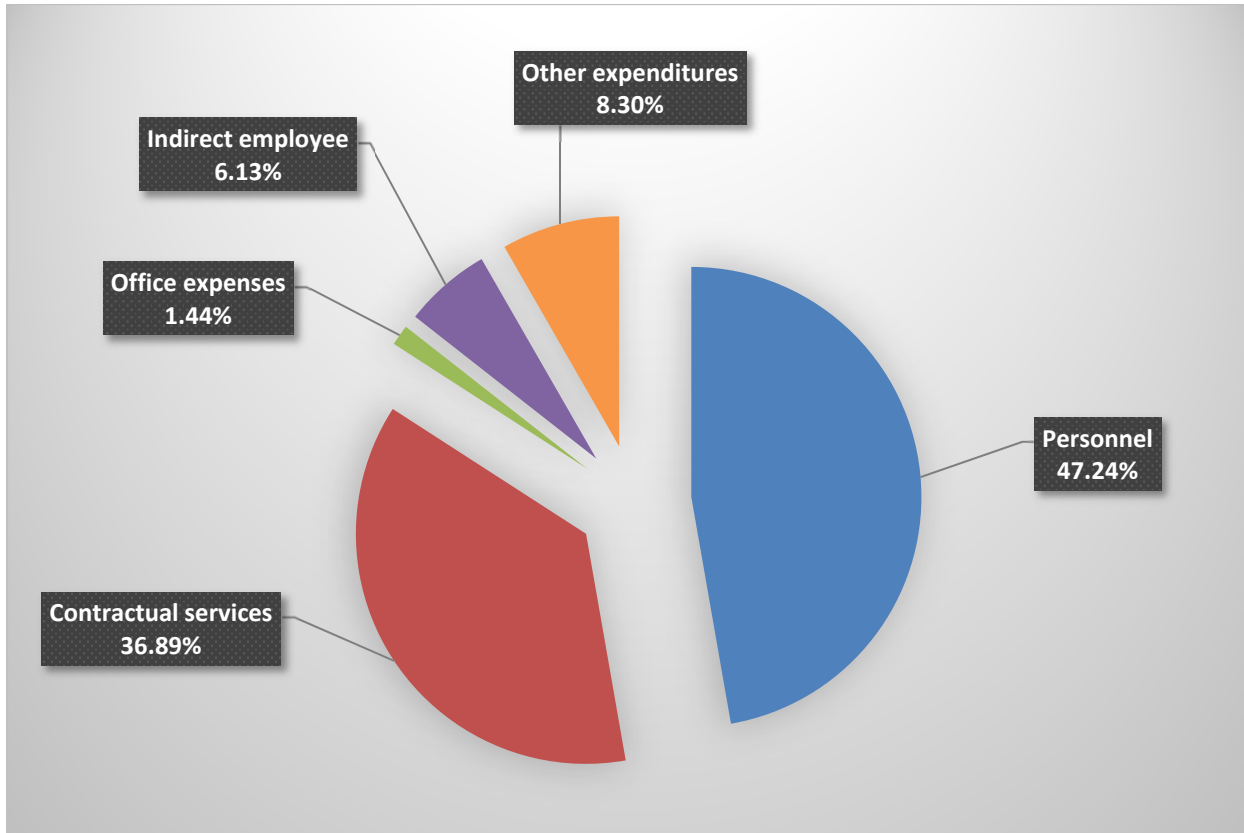
1. Continue updating the zoning and subdivision Village code book sections to bring them current and formulate more understandable processes for residents (LT directive to provide outstanding customer service) ~ \$18K *(1-3 years)*
2. Update the Village's 2020 comprehensive plan (LT directive for economic development efforts) ~ \$15K *(1-2 years)*
3. Establish a contracted service or hire a building official (LT directive to provide outstanding customer service) ~ \$15K *(1-2 years)*
4. Complete implementation of the building permit and code enforcement software to streamline the processes and provide a performance measurement management system (LT directive to provide outstanding customer service) ~ \$13K *(1 year)*
5. Establish a business district at the intersection of IL 251 and Harlem Road in order to incentivize façade improvements of the businesses (LT directive for economic development efforts) ~ \$30K *(1-5 years)*
6. Increase Destination Machesney and Village Facebook followers by 10% each to increase visibility/presence of the Village within the region (LT directive for economic development efforts) *(every year)*
7. Organize three outdoor movie nights and a fall fest event ~ \$4K; due to social distancing requirements from COVID-19 these events will be cancelled *(1 year)*

Community Development continued

Prior year goals results: 4 of 7 goals completed effectively and within budget; 3 goals carried forward to current year (#1, 2, & 5 above).

Budget Analysis

The FY 2021 budget includes funds for the above referenced goals/projects in addition to continuing to coordinate and publish the semi-annual newsletter to keep residents informed of important topics occurring throughout the Village. The increase of \$28,700 from the prior year budget was primarily due to the building official responsibilities being reassigned and the new software program. While the software will be a new annual expenditure going forward, the software will provide greater efficiencies for staff, it will provide performance management metrics and reports, and it will be a user-friendly system for residents to report code violations, potholes, and other requests for service.



Public Works

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	341,200	359,277	411,800	396,828	430,600	18,800	4.6%
Contractual services	455,497	463,255	622,300	574,253	576,500	(45,800)	-7.4%
Office expenses	3,424	4,895	6,100	4,838	5,000	(1,100)	-18.0%
Indirect employee	47,636	52,211	66,100	51,401	65,700	(400)	-0.6%
Streets	189,579	277,857	355,600	340,796	337,200	(18,400)	-5.2%
Maintenance	179,163	135,785	288,200	122,024	212,500	(75,700)	-26.3%
Utilities	2,567	3,042	4,000	3,706	4,100	100	2.5%
Parks	8,333	11,922	19,500	18,647	15,000	(4,500)	-23.1%
Equipment	9,011	8,675	15,500	9,838	15,500	-	0.0%
Supplies	4,303	8,990	8,900	8,709	10,200	1,300	14.6%
Capital outlay	3,675	102,394	14,500	82,832	-	(14,500)	-100.0%
Other expenditures	8,165	13,798	21,700	21,356	21,700	-	0.0%
Total Public Works	1,252,553	1,442,101	1,834,200	1,635,228	1,694,000	(140,200)	-7.6%

Department Description

The Public Works Department is comprised of four full-time personnel: Superintendent of Public Works, Public Works Foreman, and two Maintenance Workers. In addition, the department hires 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 repairs, street sweeping, street striping, refuse and yard waste collection and mosquito control.

Goals/Projects *(anticipated timelines to accomplish the goals are in italicized parentheses)*

1. Community services
 - a. Maintain or improve current service levels
 - i. Remove as many hazard trees and replace damaged trees based on the budget allotment ~ \$37K *(annually)*
 - ii. Establish a sidewalk repair and replacement program, repairing a quadrant of the Village each year (LT directive to maintain infrastructure) ~ \$16K *(1-4 years)*
2. Safety
 - a. Continue replacement of street name signs, no parking signs, and arrow signs throughout the Village to be fully compliant with the new sign regulations ~ \$15K *(5 years)*
 - b. Repairs and maintenance at Village hall ~ \$90K *(1-3 years)*
 - i. Replace broken sidewalk panels, upgrade bathrooms, upgrade office lighting, and reseal parking lots

Public Works continued

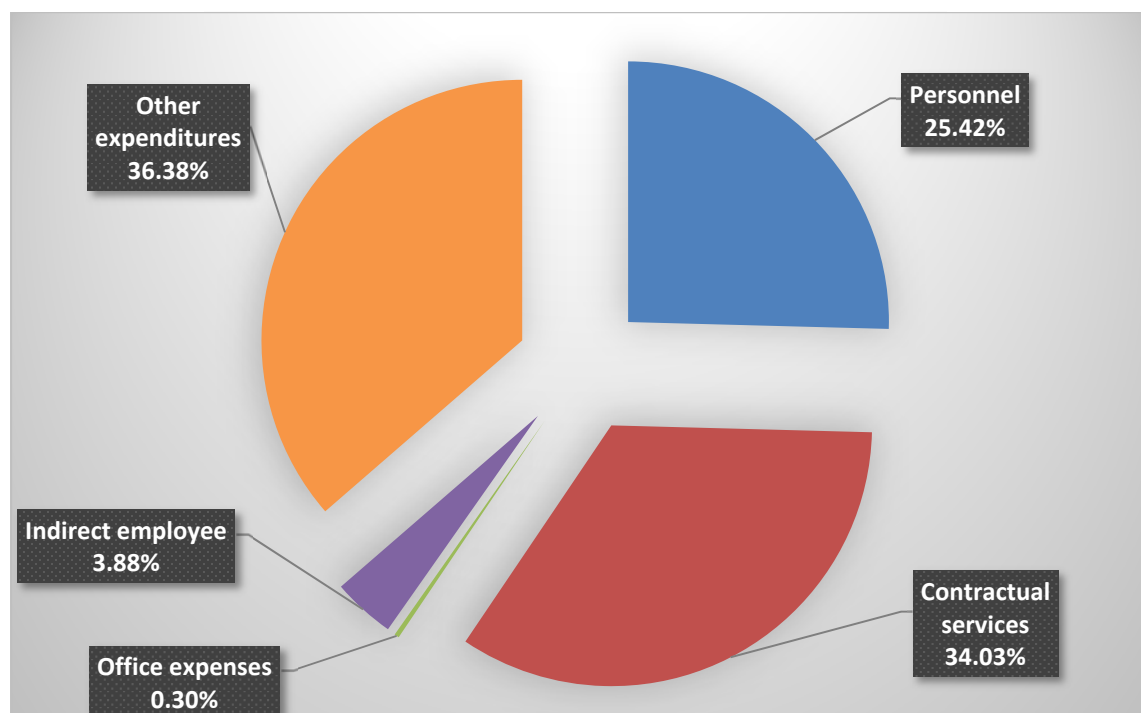
3. Beautification (*annually*)

- a. Landscaping along major corridors (IL 251 & 173) throughout Village to enhance and beautify entryways to the Village (LT directive to maintain infrastructure) ~ \$27K

Prior year goals results: 7 of 9 goals completed effectively and within budget; 2 goals carried forward to current year (#1aii & 2b above).

Budget Analysis

The FY 2021 budget provides for the continuation of services at levels similar to the past several years, with a few enhancements. Contractual services include mosquito and animal control; forestry costs for ongoing maintenance of trees throughout the Village; street sweeping and striping; and mass transit services. 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 members has been to beautify the Village, which is being accomplished partly through the Corridor program line item; other 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. Also, funds were budgeted to accomplish the above referenced goals/projects. The reduction in expenditures of \$140,200 from the prior year budget was primarily due to reallocating maintenance costs relating to a building owned by the Village to the TIF. The building is located within the North 2nd TIF and the Village was utilizing a portion of the building as a temporary public works garage until the new facility could be built, which occurred this year. The Village has been successful in repurposing the building and leasing the other unoccupied spaces to various tenants, making the building a viable redevelopment project within the TIF. Therefore, the expenditures are being reimbursed through rental income generated by the now fully leased and occupied tenant spaces and therefore should be allocated to the TIF.



Protective Services

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget	\$ Inc (Dec)	% Inc (Dec)
Personnel	15,239	15,197	15,600	4,203	-	(15,600)	-100.0%
Contractual services	3,414,780	3,357,224	3,466,100	3,385,249	3,447,400	(18,700)	-0.5%
Other contractual services	85,679	147,791	62,400	70,937	730,400	668,000	1070.5%
Office expenses	737	1,168	1,400	1,028	-	(1,400)	-100.0%
Capital outlay	113,601	45,527	42,500	78,228	-	(42,500)	-100.0%
Other expenditures	57,673	50,905	63,900	56,923	20,500	(43,400)	-67.9%
Total Protective Services	3,687,709	3,617,812	3,651,900	3,596,568	4,198,300	546,400	15.0%

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 pays for twenty patrol officers, detective services and supervisory oversight. The part-time school resource officer employed by the Village and reimbursed by the School District, was eliminated in June 2019 due to the District closing the ninth-grade campus and consolidating locations.

Goals/Projects *(anticipated timelines to accomplish the goals are in italicized parentheses)*

1. Maintain adequate staffing levels (LT directive to provide outstanding customer service) *(annually)*
2. Upgrade three squad cars to SUV's *(annually)*
3. Outfit deputies with body cameras and tasers (LT directive to provide outstanding customer service) *(1 year)*
4. Design new squad decals and uniform patches to identify officers more clearly as the Machesney Park division (LT directive to provide outstanding customer service) *(1 year)*

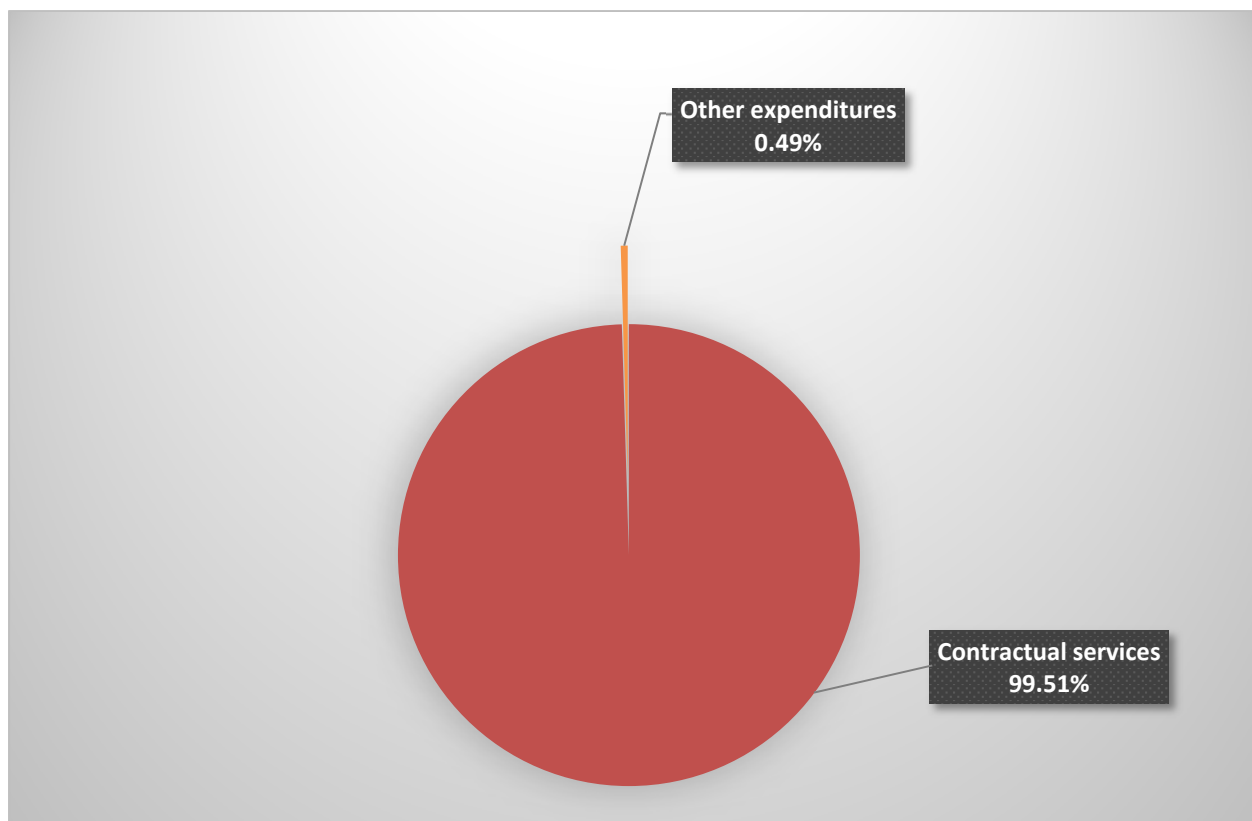
Prior year goals: 4 of 4 goals completed effectively within budget.

Budget Analysis

The Village submitted a two-year notice of termination in April 2018 to the Winnebago County Sheriff's Department, in response to significant budget increases proposed by the County which changed the fundamental terms of the agreement. The Village established an ad-hoc committee to conduct a policing study and determine the best outcome for the Village based on available cost options and opportunities for contracted services. It was determined that for the Village to establish its own department would lead to significant budget increases. Therefore, the ad hoc committee recommended entering into negotiations with the neighboring City of Loves Park as well as Winnebago County to determine the best outcome for levels of service and costs. The City decided not to proceed and therefore the Village underwent negotiations with the County. The final terms were not finalized by the preparation of the budget and therefore estimated costs were included in anticipation of a contract being finalized with

Protective Services continued

Winnebago County through the Sheriff's Department to continue to provide law enforcement services within the Village boundaries. The FY 2021 budget consists of estimates due to collective bargaining agreements lapsing mid-year and the unknown backpay that may be owed as well as the unknown final terms of the contracted service. The Village anticipates continuing to provide twenty patrol officers throughout the Village (same as in years past) and providing quality law enforcement services to the residents. In years past the Utility Tax Fund was paying for two of the twenty officers assigned to the Village, however, upon the extension of the Utility Tax, the Village Board committed 100% of those proceeds to be used on roads and therefore the two officers will be pushed back into the General Fund for funding coverage.



Capital Projects Funds

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Capital Outlay	2,961,378	3,594,352	6,489,201	6,118,782	4,624,950

Resources for capital projects are not without limits and the decision to proceed with a capital project or to purchase equipment must be balanced with the demand for day to day services. Fortunately, the Village has identified specific revenue streams to fund capital improvements, thereby causing no impact on general operations of the Village. The above totals summarize capital outlay budgeted throughout all funds of the Village. Following are the segregated funds that address major capital improvement funding: Build Machesney Roads Fund, Utility Tax Fund, and Capital Improvement (CIP) Fund.

CIP Fund

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES	15,508	37,122	191,400	247,438	191,400
EXPENDITURES	109,922	41,589	2,043,700	1,334,039	763,800
Other Financing Sources (Uses)	<u>385,727</u>	<u>500,000</u>	<u>(59,000)</u>	<u>400,000</u>	<u>(300,000)</u>
Net Increase (Decrease) in Fund Balance	291,313	495,533	(1,911,300)	(686,601)	(872,400)
Beginning Fund Balance	2,035,323	2,326,636	2,827,593	2,822,169	2,135,568
Ending Fund Balance	2,326,636	2,822,169	916,293	2,135,568	1,263,169

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 typically made from surplus funds.

Budget Analysis

The FY 2021 budget consists of funds for the IL 173 infrastructure improvements, improvements to the Shore Drive boat launch, completion of construction a new public works facility, and a transfer to the Flood Mitigation Fund for the local match required for receiving federal grants.

The IL Department of Transportation (IDOT) re-constructed and widened IL-173 to four lanes and 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 is just awaiting the final bill for completion.

CIP Fund continued

Funds were also budgeted to provide for additional parking to accommodate overflow boat trailer parking at the boat launch.

The Village has been temporarily utilizing a portion of a commercial building (formerly occupied by JCPenney) to operate and store equipment, however, the Village has been successful in leasing the remaining commercial building to tenants and so would like to move out to allow for a final tenant space, in hopes of selling the entire building to a developer. The Village has annually been transferring portions of surplus funds for several years into the CIP Fund in anticipation of needing to build a permanent space for the public works department. The Village has amassed various equipment and vehicles over the years that would be better served to store indoors, which is no longer an option at Village hall due to the minimal available space. Therefore, the Village budgeted funds to construct an approximately 10K square foot building in a centrally located industrial park within the Village to effectively respond to service calls, receive and store salt deliveries, and house the various equipment the Village has invested in over the past several years. Due to committing funds over the past several years, there was no debt issuance necessary to design or build the new facility. The construction of the facility is nearly complete, and the final payment will be made during the year.

Finally, the Village has been very active in applying for Federal and State grants to acquire flood-prone properties along the Shore Drive area. There are currently 130 interested property owners on the voluntary flood buyout list and in order to receive Federal grants, the Village must find a means for providing a 25% local match. The Village anticipates applying for state funding, which is eligible to be used as the local match, however, if state funding is not available then local funds would be necessary for the match. Therefore, the Village Board has advised to transfer \$300K of CIP Funds to the Flood Mitigation Fund to be used as the matching funds for the acquisition and demolition of properties located in the floodplain in case the state funding is not available, and a federal grant is awarded.

Utility Tax Fund

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES	1,157,222	1,223,176	700,000	1,177,925	1,100,000
EXPENDITURES	195,372	283,154	305,900	289,009	2,300
Other Financing Sources (Uses)	<u>(400,000)</u>	<u>(800,000)</u>	<u>(1,073,238)</u>	<u>(1,622,560)</u>	<u>(1,097,700)</u>
Net Increase (Decrease) in Fund Balance	561,850	140,022	(679,138)	(733,644)	-
Beginning Fund Balance	804,130	1,365,980	1,244,138	1,506,002	772,358
Ending Fund Balance	1,365,980	1,506,002	565,000	772,358	772,358

Fund Description

The Village Board approved a utility tax fee on natural gas and electric utilities beginning in March 2013. The Utility Tax Fund is primarily for additional infrastructure projects, but also provides for public safety; 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 by the homeowner.

Effective January 2020, the Village Board changed the commitment of the utility tax funds and 100% of the revenues going forward will be used for maintenance, reconstruction, and related infrastructure on existing roads within the Village. Since this fund is now 100% committed to roads, it is anticipated this fund will be merged with the Build Machesney Roads Fund next year.

Budget Analysis

The FY 2021 budget includes over \$1M of utility tax revenues to be transferred to the Road Fund for utilization and expansion of the major road reconstruction and maintenance projects for the 2020 construction season. Please see the Build Machesney Road Fund section for further details.

In January 2019 the Village engaged Azavar Audit Solutions to conduct a revenue review on behalf of the Village; the utility tax revenue was included in that review. If Azavar identified any past, present, or future taxes that were not properly collected or paid to the Village, then the Village would pay Azavar 40% of the corrected revenue for 36 months; the Village would retain 60% for 36 months and thereafter collect 100% of the proceeds. Therefore, the budget included an estimate of the revenue audit fee totaling \$300.

Special Revenue Funds

Build Machesney Road Fund

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES	3,469,447	3,626,904	3,193,500	3,624,066	3,336,000
EXPENDITURES	3,627,428	4,202,457	5,101,800	4,494,827	4,863,200
Other Financing Sources (Uses)	<u>400,000</u>	<u>800,000</u>	<u>1,073,238</u>	<u>1,622,560</u>	<u>1,097,700</u>
Net Increase (Decrease) in Fund Balance	242,019	224,447	(835,062)	751,799	(429,500)
Beginning Fund Balance	1,141,985	1,384,004	1,535,227	1,608,451	2,360,250
Ending Fund Balance	1,384,004	1,608,451	700,165	2,360,250	1,930,750

Fund Description

Principal sources of funding for this fund are the 1% non-home rule sales tax and the 6% telecommunication tax. The Road Fund was established in Fiscal Year 2008-2009 after a successful referendum approved an additional 1% non-home rule 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 expired in 2020. The voters were once again asked and they approved the referendum in 2020 to extend the tax with no sunset with 100% of the revenues going towards infrastructure. The Village has diligently been repairing roads throughout the Village over the past 12 years and will continue the improvements to ensure the residents are afforded great streets to drive on.

Budget Analysis

The FY 2021 budget includes \$4.1M for the anticipated reconstruction of 1.40 miles of road (Pine Al Drive and Hawksview subdivision improvements), path construction of 0.27 miles along Mitchell Road to interconnect with the Rock Cut state park path, and resurfacing of approximately 6.50 miles of road throughout various sections of the Village during the 2020 construction season.

There were two debts issued, FY 2009 and FY 2015, that are paid from revenues within this fund. The FY 2015 debt issuance has been paid off and the FY 2009 issuance will be paid off after this budget year. Please see the Debt section for additional information.

Motor Fuel Tax

Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES	624,605	628,935	587,500	874,730	944,000
EXPENDITURES	<u>486,209</u>	<u>497,205</u>	<u>551,000</u>	<u>603,485</u>	<u>1,202,600</u>
Net Increase (Decrease) in					
Fund Balance	138,396	131,730	36,500	271,245	(258,600)
Beginning Fund Balance	370,255	508,651	577,806	640,381	911,626
Ending Fund Balance	508,651	640,381	614,306	911,626	653,026

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 was increased by the state in August 2019 from \$0.19 per gallon to \$0.38 for gasoline and diesel fuel was increased from \$0.215 to \$0.455 per gallon. 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 2021 budget continues to include funds to pay for the street lighting throughout the Village as well as salt used during the snow and ice control operations. The Village contracts for the actual snow plowing activities, which is budgeted under the public works department within the General Fund.

The increased revenues from the tax increase will provide opportunities for additional projects to be completed; the Village has identified a sidewalk construction project along IL 251 from the southern end of the Village boundary to the mid-point of the Village for the current year expenditure. However, due to the reduction in gasoline usage from the stay-at-home order as a result of the COVID-19 virus, the Village is temporarily delaying this project until better revenue projections can be ascertained.

IL 251/173 TIF

Fund Description

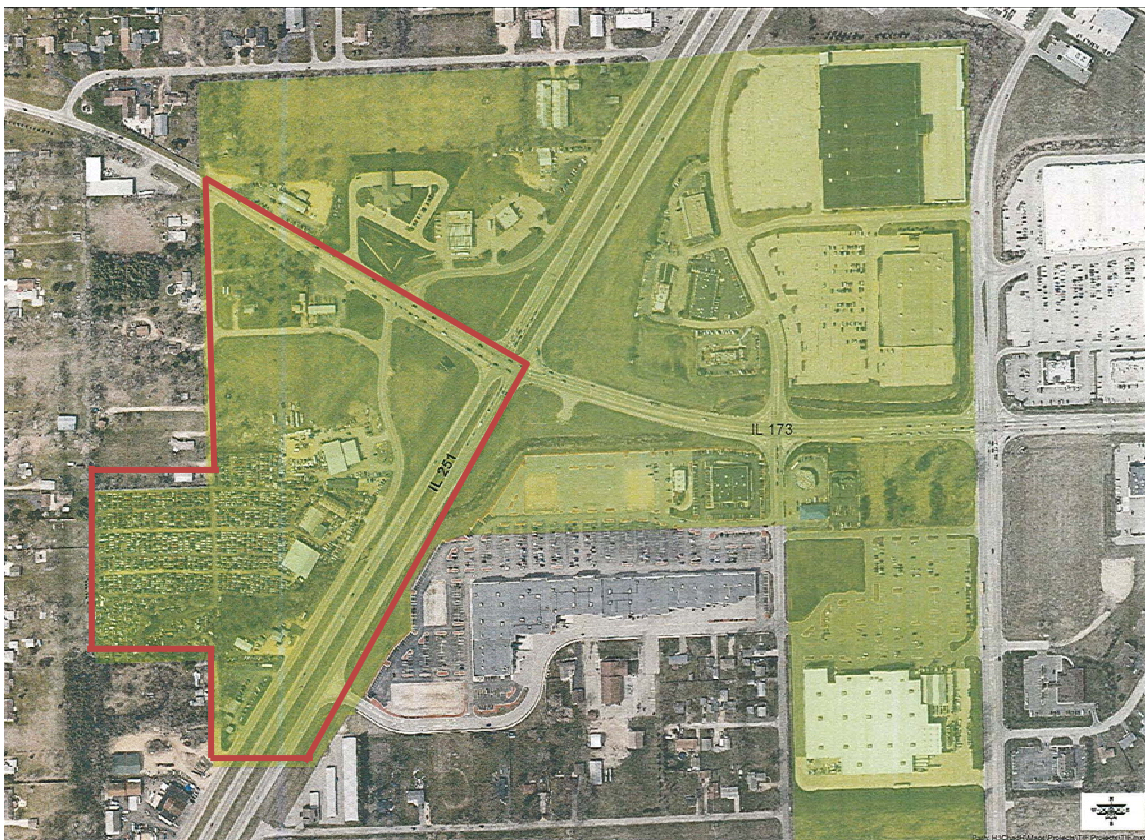
The IL 251/173 TIF Fund was created in 1991 to account for the project costs and resources related to the Tax Increment Financing (TIF) District located at the intersection of N. Second Street (IL Route 251) and IL 173. TIF expenditures are funded by incremental property taxes that result from improving this portion of the Village. The TIF was extended for an additional twelve years, expiring in 2026, to continue to spur development of an unoccupied old Menards building and two out lots along IL 173.

Budget Analysis

The FY 2021 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 increment from the other remaining parcels would be distributed back to the taxing districts as surplus. The budget also includes reimbursements of TIF eligible expenses up to \$250,000 based on redevelopment projects that have occurred within the TIF. Further, the Village sold the remaining vacant lot last year to be developed and therefore, the fund balance is comprised of funds owed back to the General Fund which are fully anticipated to be reimbursed by the expiration 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



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 2021 budget anticipates continued activity and development of the Town Center, which is located in the center of this TIF, and has been a primary focus to continue economic development efforts to attract businesses to this area. In addition, contractual redevelopment obligations, developer incentives, and business district sales taxes will be payable based on redevelopment agreements with developers, as well as annual debt service payments. 8702 N. 2nd is owned by the Village, however, now has full tenant occupancy and therefore the Village will be looking to sell the property to a developer. The fund balance is comprised of this building being held for resale and funds owed back to the General Fund and the Utility Tax Fund; both of which are anticipated to be fully reimbursed prior to the expiration of the TIF.

N. 2nd Street TIF Boundaries



Weststone IJRL TIF

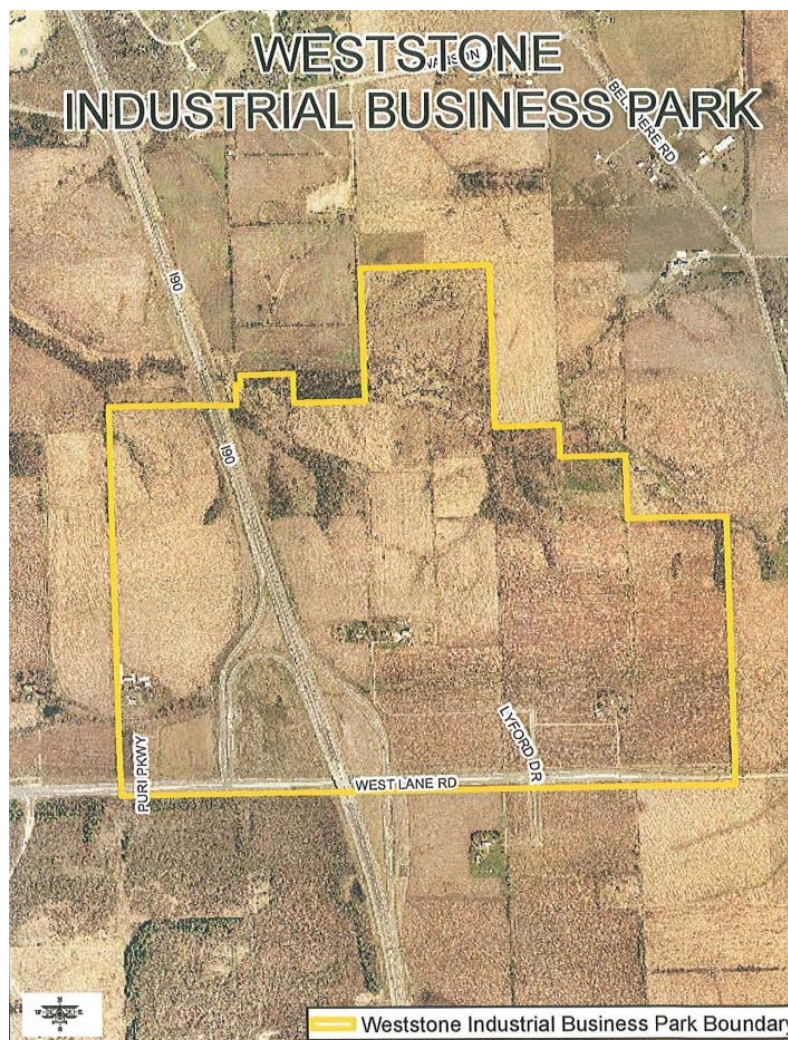
Fund Description

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 2021 budget anticipates increased property tax revenues from the new 100K SF building that was constructed and consistent revenue from the three buildings constructed in 2013 & 2014 on the east side of I-90. Expenditures include reimbursement of TIF eligible expenditures based on redevelopment agreements authorized by the Board and professional services in anticipation of further development opportunities. A new road on the west side of I-90 to be completed this year by the developer is anticipated to spur additional growth. The deficit fund balance is primarily funds owed back to the General Fund and the Utility Tax Fund, which are anticipated to be fully reimbursed prior to the expiration of the TIF.

Weststone IJRL TIF Boundaries



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 2021 budget includes minimal expenditures. Infrastructure that was improved two years prior will be fully reimbursed and additional increment generated by the properties will assist with future development of the vacant lots.

North Willow Creek IJRL TIF Boundaries



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 2021 budget includes expenditures for reimbursement of TIF eligible expenditures based on redevelopment agreements authorized by the Board. The extension of Gregory Road will be complete and therefore will expand the marketability and readily buildable area within the TIF. The deficit fund balance is from infrastructure improvements over the past several years to spur development, but it is anticipated the costs will be fully reimbursed within the next several years from increment.

South Willow Creek IJRL TIF Boundaries



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. To date, the Village has purchased 116 parcels through receipt of grant funding since 2010.

Budget Analysis

Unfortunately, the Village sustained another record flood in March 2019, which crested higher than the 2008 flood. The substantial progress the Village has made in mitigating 116 flood-prone properties has proven successful through reduced costs necessary to respond to flooding and fewer residents impacted. However, there are still 130 interested property owners on the waiting list to be bought out. The FY 2021 budget includes the remaining funds awarded to the Village through the Illinois Department of Natural Resources (IDNR) to complete phase four of the flood buyout program; it is anticipated two properties will be purchased. Further, the Village has one grant application under further review by FEMA and has applied for another grant from IDNR; if funds are awarded a budget amendment will be adopted. The Village continues to submit grant applications and is hopeful funding is awarded to continue to assist residents with flood-prone structures.



Neighborhood Revitalization

Fund Description

The Neighborhood Revitalization Fund is to account for grants received from the Illinois Housing and Development Authority (IHDA) or related entities for revitalizing neighborhoods throughout the Village. The Village has participated in the Single Family Rehabilitation (SFR) program for over eighteen years and two years in the Abandoned Property Program (APP).

Budget Analysis

The FY 2021 budget includes grant revenues and related expenditures for the Single Family Rehabilitation program (SFR). The SFR program provides low-income residents the opportunity to apply for a forgivable loan to rehabilitate the interior or exterior of their homes. The APP program provides resources for the Village to reduce blight through securing, maintaining, demolishing, or rehabilitating abandoned structures; no current applications are funded and so no funds were budgeted this year. The Village also established its own ITAHB Program (Initiative To Abate Housing Blight) and annually commits a portion of video gaming revenues towards addressing blight throughout the Village; those revenues and expenditures are also accounted for in this fund. The Village has made substantial progress in cleaning up abandoned properties and will now be switching focus to efforts surrounding rehabilitation of properties through membership and funding partnerships with the regional Northern Illinois Land Bank Authority.

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 2021 budget anticipates \$505K to be rebated to First Midwest Group for the Machesney Crossings shopping center and the Meijer development. A third rebate, with Menards, has an annual sales threshold to surpass and so it is not anticipated a payment will be owed at this time, however, if it is surpassed a budget amendment would be adopted.

Debt

Bond Rating

The Village's bond rating by Standard & Poor's was raised from "A+" to "AA-" while affirming a stable outlook in February 2020.

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) – 2018	\$326,534,799
Legal debt limit – 8.625% of assessed valuation	\$ 28,163,626
Amount of debt applicable to limit as of 4/30/19	<u>\$ 6,755,579</u>
Legal Debt Margin	<u>\$ 21,408,047</u>

Outstanding Debt

The Village issues debt when there is a specific project/need identified and a specific revenue source to repay the debt. The majority of debt service issued has been related to TIF districts; an analysis of the estimated future increment, from that project only, is reviewed to ensure the debt payments will be covered and therefore not have a large impact on the day to day operations of the Village. The other debt issued was specifically for infrastructure projects and again an analysis was run to identify the anticipated sales tax necessary to cover the debt payments, as well as the annual projects so as not to impact the general fund. In some instances, the Village may need to cover a couple years of debt payments until the increment starts being generated or if telecommunication tax or sales tax is lower than anticipated, but the amounts are eventually repaid to the General Fund so as not to have a long term effect.

1. TIF related debt

- a. **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.
- b. **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.

Outstanding debt continued

- c. **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.
- d. **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.
- e. **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 as a key anchor for the entire site and propelling future development. The Village currently also 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.
- f. **2018 Promissory Note** – The Village issued a 10 year note through local bank financing with Stillman Bank for \$900,000 with an interest rate of 3.40% for construction of a new road (Quantum Court) to expand the industrial business park within the Weststone TIF. Quantum Court extends west from the northerly end point of Greenlee Road, constructed in 2011, and allowed for the construction of a 100k SF building fronting Interstate I-90. 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 10/1/2028.

Outstanding debt continued

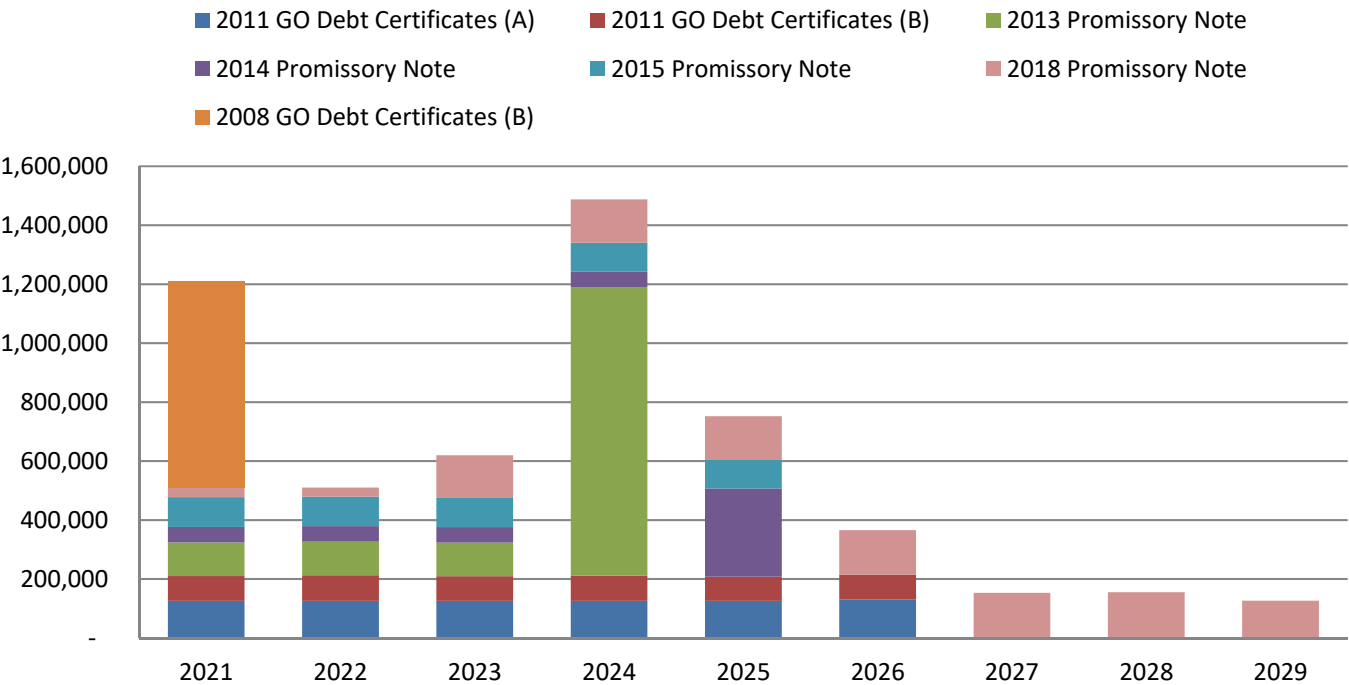
2. Other debt – Infrastructure improvements

- a. **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.

Summary of Outstanding Debt

Year issued	Type	Purpose	Funding Source	Amount issued	Maturity Date	Principal Outstanding as of 4/30/20
TIF Related Debt						
2011A	Debt Certificates	N. 2 nd Street TIF Improvements- Boulevard entrance	Business District Sales Tax	\$1,320,000	1/1/2026	\$ 650,000
2011B	Debt Certificates	N. 2 nd Street TIF Improvements- Boulevard entrance	TIF Tax Increment	\$ 880,000	1/1/2026	\$ 435,000
2013	Promissory Note	Weststone IJRL TIF - Park 90 infrastructure	TIF Tax Increment	\$1,500,000	12/1/2022	\$ 1,171,682
2014	Promissory Note	N. 2 nd Street TIF – Practice Velocity redevelopment	TIF Tax Increment	\$ 600,000	6/1/2024	\$ 442,927
2015	Promissory Note	N. 2 nd Street TIF – purchase building for redevelopment	TIF Tax Increment and General Fund	\$ 900,000	12/1/2024	\$ 462,327
2018	Promissory Note	Weststone IJRL TIF – Park 90 infrastructure	TIF Tax Increment	\$ 900,000	10/1/2028	\$ 900,000
Other Debt						
2008B	Debt Certificates	Road improvements	Telecomm Tax & as necessary 1% road fund sales tax	\$6,700,000	12/1/2020	\$ 670,000

Principal and Interest Debt Payments (FY 2021 - FY 2029)



Financial Policies

The Village is continually updating its policies and while there is currently no formal strategic plan, a goal setting session was established as part of the Village Administrator's annual performance review and further objectives were identified to establish the Board's expectations for the upcoming year. These goals and objectives were utilized as the basis for budgeting within the various departments and funds and were included under the general fund department descriptions previously within this document.

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 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 determine when revenues and expenditures are recognized for the purposes of financial reporting and budget control. All Village funds are budgeted utilizing the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are budgeted when they are measurable and available, and expenditures are budgeted in the period in which the liability is incurred. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers the majority of its revenues as available when they are collected within the current period or within two months after the end of the fiscal year. Expenditures are recorded when the obligation to pay is incurred. However, debt service expenditures are recorded only when payment is due. Capital expenditures are recognized at the time of the purchase for budgeting purposes, but non-cash expenditures, such as accruals for vacation liabilities (compensated absences) and depreciation, are not budgeted.

Balanced Budget

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

Operating Reserves

The Village maintains an operating reserve at least equal to 25% of budgeted annual operating expenses, excluding debt service and transfers. However, due to the volatile nature of the majority of the revenue streams and not levying a property tax, the Village aims to maintain reserves of 80% or more. The Village is in the process of formalizing the reserve requirement.

Debt Policy

The Village typically only issues debt when it can pay the debt service from an identified revenue source and still meet its other obligations from current revenues.

Revenue Forecasting

The Village estimates forecasted/budgeted revenues conservatively, through an objective, analytical process. The Village regularly reports on forecasted vs. actual revenues, providing explanations for significant variances.

Purchasing Policy

All expenses over the state limit (currently \$25,000) must be approved by the Village Board; items less than the state limit 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 the state limit, then either a competitive bid process or Request for Proposal (RFP) process for purchases/professional services should be conducted.

Capitalization Policy

An asset is considered a capital asset when the initial cost of the asset exceeds \$5,000 for equipment, \$10,000 for buildings and improvements, and \$50,000 for infrastructure assets (roads, bridges, sidewalks, and drainage systems). The initial cost will include any costs necessary to put the asset into its intended use.

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. The majority of the Village's investments lie in money market and certificate of deposit accounts.

Financial Reporting

Monthly - The Finance Manager will prepare and distribute a monthly budget vs. actual report to each department head, including the detail for each line item, noting significant variances. The Treasurer will provide a report of cash balances for each fund at each board meeting (twice a month) along with a report on the collateralization of Village funds once a month.

Quarterly – The Finance Manager will prepare and distribute a budget vs. actual report to the Board, including a narrative of the significant items to note and analysis of the financial information. In addition, a report will be presented to the Board that outlines the investment activities during the last quarter and lists all cash and investments and interest earned compared to the benchmark as set forth in the Investment Policy.

Annually – The Treasurer will prepare a report that accounts for all moneys received and expenditures incurred during the preceding fiscal year as outlined in Illinois Statute 65 ILCS 5/3.1-35-65. The Village's financial statements shall be audited annually by an independent qualified third party in accordance with GAAP, which shall be completed within six months of the end of the fiscal year. The audit results and any associated management response will be presented to the Board of Trustees.

Appendix

General Fund Expenditures - Department detail

On the following pages are the detailed line item budgets for each department within the General Fund followed by the detailed budgets for all other funds.

Administration

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Personnel						
00-01-421-10	Salaries	291,092	294,948	310,800	311,557	321,200
00-01-451-10	Health insurance	18,437	23,601	26,900	24,464	27,500
00-01-452-10	Dental insurance	2,053	1,982	2,000	1,994	2,700
00-01-453-10	Unemployment taxes	3,197	1,467	1,700	364	1,400
00-01-461-10	Social security	19,075	18,573	20,100	19,239	20,000
00-01-461-11	Medicare	4,461	4,344	4,700	4,497	4,700
00-01-462-10	IMRF	31,843	32,550	35,400	34,849	44,000
Total Personnel		370,158	377,465	401,600	396,964	421,500
Contractual services						
00-01-531-10	Audit	14,450	12,350	15,300	14,763	15,200
00-01-531-11	Revenue audit	-	-	-	4,362	2,900
00-01-532-10	Engineering	15,374	14,579	20,000	15,845	15,000
00-01-533-10	Legal	81,543	66,490	75,000	98,465	75,000
00-01-540-10	Credit card processing	3,284	-	-	-	-
00-01-549-10	Other professional	17,403	55,251	165,600	225,167	48,300
Total Contractual services		132,054	148,670	275,900	358,602	156,400
Office expenses						
00-01-551-10	Postage	1,735	1,739	3,000	2,329	3,000
00-01-552-10	Telephone	2,064	1,765	1,700	2,017	6,100
00-01-553-10	Publishing	147	282	500	203	500
00-01-554-10	Printing	155	14	500	100	500
Total Office expenses		4,101	3,800	5,700	4,649	10,100
Indirect employee						
00-01-561-10	Professional dues	3,129	2,225	3,500	3,425	2,600
00-01-562-10	Meals/travel	3,033	877	3,500	3,563	4,600
00-01-563-10	Training	980	2,055	2,400	1,755	2,400
00-01-565-10	Publications	69	163	200	96	200
00-01-592-10	Insurance-General	7,848	8,561	8,700	8,047	7,300
Total Indirect employee		15,059	13,881	18,300	16,886	17,100
Capital outlay						
00-01-839-10	Equipment	25,084	6,433	2,000	1,991	1,300
Total Capital outlay		25,084	6,433	2,000	1,991	1,300
Other expenditures						
00-01-593-10	Equipment lease	2,043	2,208	3,900	2,702	3,900
00-01-651-10	Office supplies	3,010	2,398	4,000	3,614	4,000
00-01-651-20	Computer expense	7,060	4,658	4,700	5,965	5,600
00-01-942-10	Principal-Capitalized leases	1,233	-	-	-	-
00-01-942-11	Interest-Capitalized leases	23	-	-	-	-
00-01-949-10	Miscellaneous	3,008	1,219	4,000	3,276	4,000
Total Other expenditures		16,377	10,483	16,600	15,557	17,500
Total Administration		562,833	560,732	720,100	794,649	623,900

Executive

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Personnel						
00-03-431-10	Mayor salary	47,219	47,129	47,000	47,251	47,000
00-03-432-10	Trustees salaries	46,734	46,929	46,800	47,060	46,800
00-03-433-10	Clerk salary	60,165	60,165	60,000	60,501	60,000
00-03-434-10	Treasurer salary	5,425	5,415	5,400	5,431	5,400
00-03-451-11	Mayor/Clerk health insurance	-	-	-	-	17,600
00-03-452-11	Mayor/Clerk dental insurance	45	48	300	292	900
00-03-461-10	Social security	10,248	9,870	9,900	9,869	9,900
00-03-461-11	Medicare	2,396	2,308	2,300	2,308	2,300
00-03-462-10	IMRF	6,937	6,937	6,500	6,696	6,500
Total Personnel		179,169	178,801	178,200	179,408	196,400
Contractual services						
00-03-533-10	Legal	-	-	-	-	7,500
Total Contractual services		-	-	-	-	7,500
Indirect employee						
00-03-949-20	Mayor expense	2,516	1,525	2,000	2,000	2,000
00-03-948-10	Treasurer expense	501	405	500	405	500
00-03-947-10	Clerk expense	3,946	4,246	5,600	4,560	5,300
00-03-562-10	Trustee IML Attendance	2,390	1,270	5,600	1,001	5,800
00-03-563-10	Trustee Training/Events	340	275	2,000	713	1,500
Total Indirect employee		9,693	7,721	15,700	8,679	15,100
Capital outlay						
00-03-839-10	Equipment	1,343	377	2,800	1,884	-
Total Capital outlay		1,343	377	2,800	1,884	-
Total Executive		190,205	186,899	196,700	189,971	219,000

Community Development

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Personnel						
00-04-421-10	Salaries	246,949	256,841	263,600	264,819	271,700
00-04-451-10	Health insurance	36,830	41,113	48,900	40,395	43,400
00-04-452-10	Dental insurance	2,256	1,872	1,900	1,960	1,600
00-04-453-10	Unemployment taxes	3,188	1,522	1,400	594	1,400
00-04-461-10	Social security	15,013	15,412	16,200	15,440	16,700
00-04-461-11	Medicare	3,511	3,494	3,800	3,611	3,900
00-04-462-10	IMRF	27,091	28,159	27,200	27,554	34,500
Total Personnel		334,838	348,413	363,000	354,373	373,200
Contractual services						
00-04-532-10	Engineering	21,544	11,691	30,000	13,438	30,000
00-04-533-10	Legal-development	15,214	22,899	28,000	23,980	28,000
00-04-533-12	Legal-enforcement	19,418	9,858	24,000	24,955	34,000
00-04-534-10	WinGIS services	8,814	6,532	6,700	7,224	7,700
00-04-534-11	Ifiber	7,200	7,200	7,500	8,200	8,700
00-04-535-10	Region 1 Planning Council	8,660	14,434	12,200	11,548	12,000
00-04-545-10	Building permit fee-LP	51,744	130,683	80,000	132,566	80,000
00-04-546-10	Plan review fees	-	-	-	-	5,000
00-04-549-10	Other professional	890	3,880	45,000	15,000	60,000
00-04-550-20	Website maintenance	668	694	900	27,015	13,500
00-04-595-10	Force mows	4,444	7,570	12,500	12,713	12,500
Total Contractual services		138,596	215,441	246,800	276,639	291,400
Office expenses						
00-04-551-10	Postage	1,463	1,546	3,000	2,298	3,000
00-04-552-10	Telephone	2,627	2,471	3,000	2,428	2,400
00-04-553-10	Publishing	1,920	844	2,500	1,295	2,500
00-04-555-10	Recording fees	2,369	2,752	3,500	3,420	3,500
Total Office expenses		8,379	7,613	12,000	9,441	11,400
Indirect employee						
00-04-561-10	Professional dues	32,083	31,785	32,400	32,288	32,400
00-04-562-10	Meals/travel	1,578	2,719	5,500	2,515	4,800
00-04-563-10	Training	655	1,480	1,800	1,800	2,600
00-04-565-10	Publications	565	149	100	58	1,000
00-04-592-10	Insurance-General	8,240	8,092	8,900	8,092	7,600
Total Indirect employee		43,121	44,225	48,700	44,753	48,400
Capital outlay						
00-04-839-10	Equipment	-	-	21,600	2,668	-
00-04-849-10	Vehicles	-	6,443	-	-	-
Total Capital outlay		-	6,443	21,600	2,668	-
Other expenditures						
00-04-593-10	Equipment lease	2,016	2,183	2,800	2,443	2,700
00-04-651-10	Office supplies	1,898	1,151	2,500	1,624	2,500
00-04-651-20	Computer expense	2,570	4,154	5,200	5,725	5,600
00-04-655-10	Auto maintenance/fuel	1,445	3,268	2,400	4,148	2,900
00-04-913-10	Donations	12,424	10,500	8,500	8,500	8,500
00-04-948-10	Special development	636	412	2,500	1,720	2,500
00-04-948-20	Marketing communications	3,945	1,171	3,500	2,447	3,100
00-04-948-22	Village newsletter	9,420	4,680	10,000	15,117	10,400
00-04-948-23	Reclaiming First	25,000	-	-	-	-
00-04-948-26	Winnebago County-AAR	20,000	20,000	20,000	20,000	20,000
00-04-948-24	Special events	-	4,336	9,000	6,922	4,600
00-04-947-10	Planning Commission	1,980	1,530	2,300	1,770	2,300
00-04-949-10	Miscellaneous	11	-	500	500	500
Total Other expenditures		81,345	53,385	69,200	70,916	65,600
Total Community development		606,279	675,520	761,300	758,790	790,000

Public Works

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Personnel						
00-05-421-10	Salaries	223,980	231,104	237,100	236,925	245,600
00-05-423-10	Temp wages	9,558	15,912	28,800	20,000	28,000
00-05-424-10	Overtime wages	19,264	11,876	22,000	20,529	22,000
00-05-451-10	Health insurance	35,890	48,797	67,500	63,085	69,000
00-05-452-10	Dental insurance	1,830	2,189	2,600	2,551	2,700
00-05-453-10	Unemployment taxes	3,836	3,132	2,000	906	2,100
00-05-461-10	Social security	15,340	14,895	17,400	16,852	18,200
00-05-461-11	Medicare	3,588	3,483	4,100	4,006	4,300
00-05-462-10	IMRF	27,207	27,237	29,300	31,000	37,300
00-05-465-10	Uniform allowance	707	652	1,000	974	1,400
Total Personnel		341,200	359,277	411,800	396,828	430,600
Contractual services						
00-05-532-10	Engineering	2,952	4,286	5,500	5,893	5,500
00-05-533-10	Legal	1,105	1,615	2,000	500	2,000
00-05-536-10	Janitorial	10,890	10,890	11,000	8,018	8,900
00-05-539-10	Animal control	59,440	50,918	56,000	55,000	56,100
00-05-549-10	Other professional	7,522	13,929	29,600	50,179	17,200
00-05-594-10	Mosquito control	32,384	33,178	34,200	26,422	35,200
00-05-595-10	Mowing	42,040	55,554	65,000	58,413	65,000
00-05-598-10	Forestry	47,465	24,245	48,000	48,000	43,000
00-05-599-11	Street striping	22,461	23,716	25,000	21,102	25,000
00-05-601-10	Street sweeping	12,300	15,825	20,000	20,700	20,000
00-05-602-10	Contracted street signalization	29,845	22,385	30,000	21,058	35,000
00-05-605-10	Contracted street maintenance	6,241	5,335	44,000	35,670	24,000
00-05-652-10	J.U.L.I.E.	3,091	2,155	2,600	1,985	2,600
00-05-916-10	Mass transit	177,761	199,224	249,400	221,313	237,000
Total Contractual services		455,497	463,255	622,300	574,253	576,500
Office expenses						
00-05-551-10	Postage	550	542	1,000	942	1,000
00-05-552-10	Telephone	2,476	3,558	4,100	3,757	3,000
00-05-553-10	Publishing	398	795	1,000	139	1,000
Total Office expenses		3,424	4,895	6,100	4,838	5,000
Indirect employee						
00-05-561-10	Professional dues	1,386	1,302	1,400	1,400	1,400
00-05-562-10	Meals/travel	175	239	1,700	555	700
00-05-563-10	Training	120	1,215	3,500	548	1,200
00-05-592-10	Insurance-General	45,955	49,455	59,500	48,898	62,400
Total Indirect employee		47,636	52,211	66,100	51,401	65,700
Streets						
00-05-514-10	Street maintenance	524	2,056	6,000	3,187	6,000
00-05-516-10	Snow and ice control	164,928	227,465	301,000	294,480	283,000
00-05-517-10	Flood expense	810	5,414	1,000	1,275	1,000
00-05-614-10	Street supplies	11,010	9,633	14,000	15,095	14,000
00-05-619-10	Signalization maintenance	131	11,647	13,400	12,273	18,000
00-05-618-10	Traffic signs	12,176	21,642	20,200	14,486	15,200
Total Streets		189,579	277,857	355,600	340,796	337,200

Public Works

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Maintenance						
00-05-519-10	Lift station maintenance	5,235	8,522	10,000	17,273	10,000
00-05-529-10	Building maint-Village hall	79,588	18,625	71,000	53,963	105,000
00-05-529-11	Building maint-8702 N. 2nd	34,176	64,121	134,300	-	-
00-05-529-12	Building maint-Public works facility	-	-	6,800	2,890	18,800
00-05-529-30	Corridor program	31,404	12,918	22,000	13,277	33,000
00-05-656-10	MS4 maintenance	-	1,483	4,000	-	4,000
05-05-655-10	Auto maintenance	5,362	6,969	10,000	8,490	10,000
00-05-655-20	Fuel costs	10,237	10,049	20,000	14,744	20,000
00-05-599-10	Equipment maintenance	13,161	13,098	10,100	11,387	11,700
Total Maintenance		179,163	135,785	288,200	122,024	212,500
Utilities						
00-05-575-10	Water district charges	317	376	500	566	600
00-05-576-10	Nicor gas charges	2,011	2,323	3,000	2,669	3,000
00-05-578-10	Sanitary sewer charges	239	343	500	471	500
Total Utilities		2,567	3,042	4,000	3,706	4,100
Parks						
00-05-597-30	Parks maintenance	8,333	11,922	19,500	18,647	15,000
Total Parks		8,333	11,922	19,500	18,647	15,000
Equipment						
00-05-573-20	Tools	3,248	2,401	4,000	3,854	4,000
00-05-573-30	Safety equipment	2,030	210	3,000	2,043	3,000
00-05-593-10	Equipment leases	1,596	1,681	2,000	1,779	2,000
00-05-596-10	Equipment rental	2,137	4,383	6,500	2,162	6,500
Total Equipment		9,011	8,675	15,500	9,838	15,500
Supplies						
00-05-615-10	Miscellaneous supplies	1,973	1,918	3,000	2,508	3,000
00-05-651-10	Office supplies	498	232	1,000	899	1,000
00-05-651-20	Computer expense	1,832	6,840	4,900	5,302	6,200
Total Supplies		4,303	8,990	8,900	8,709	10,200
Capital outlay						
00-05-839-10	Equipment	3,675	102,394	14,500	8,302	-
00-05-849-10	Vehicles	-	-	-	74,530	-
Total Capital outlay		3,675	102,394	14,500	82,832	-
Other expenditures						
00-05-942-10	Principal-capitalized leases	7,976	11,537	18,000	18,003	18,900
00-05-942-11	Interest-capitalized leases	89	2,217	2,700	2,626	1,800
00-05-949-10	Miscellaneous	100	44	1,000	727	1,000
Total Other expenditures		8,165	13,798	21,700	21,356	21,700
Total Public Works		1,252,553	1,442,101	1,834,200	1,635,228	1,694,000

Protective Services

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
Personnel						
00-08-425-11	School resource officer	14,342	14,555	15,000	4,063	-
00-08-453-10	Unemployment taxes	897	642	600	140	-
Total Personnel		15,239	15,197	15,600	4,203	-
Contractual services						
00-08-501-10	Base law enforcement svcs	-	-	-	-	3,447,400
00-08-510-10	PSAP	-	-	-	-	-
00-08-421-10	Secretary	35,033	39,584	39,300	38,316	-
00-08-425-10	School resource officers	226,010	238,919	244,500	241,093	-
00-08-441-10	Management	251,954	268,227	270,300	270,276	-
00-08-442-10	Detectives	463,933	483,273	494,400	487,186	-
00-08-443-10	Patrol officers	2,142,160	1,992,901	2,053,100	2,025,881	-
00-08-530-10	Vehicle fuel & washes	55,107	57,137	62,600	62,559	-
00-08-531-10	911 dispatch	157,563	157,563	165,800	140,318	-
00-08-531-20	Records costs	70,156	70,156	83,200	70,156	-
00-08-535-10	County Law Enf Liability Insur	-	36,600	40,000	36,600	-
00-08-540-10	Report forms	800	800	800	801	-
00-08-580-10	MDT alert system	4,524	4,524	4,500	4,524	-
00-08-839-20	Cruiser licenses & fees	7,540	7,540	7,600	7,539	-
Total Contractual services		3,414,780	3,357,224	3,466,100	3,385,249	3,447,400
Other contractual services						
00-08-533-10	Legal	85,679	147,791	62,400	70,937	67,400
00-08-710-10	Fuel/car washes	-	-	-	-	65,000
00-08-720-10	Squad repairs and maintenance	-	-	-	-	50,000
00-08-730-10	Subscriptions, licenses, & svc fees	-	-	-	-	93,000
00-08-740-10	Overtime	-	-	-	-	107,400
00-08-741-10	Wage arrears	-	-	-	-	103,400
00-08-750-10	Squad cars	-	-	-	-	165,000
00-08-760-10	Support equipment	-	-	-	-	79,200
Total Other contractual services		85,679	147,791	62,400	70,937	730,400
Office expenses						
00-08-551-10	Postage	176	148	300	142	-
00-08-552-10	Telephone	561	1,020	1,100	886	-
Total Office expenses		737	1,168	1,400	1,028	-
Capital outlay						
00-08-839-10	Equipment	37,039	10,454	14,500	5,014	-
00-08-839-12	Equipment-drug recovery	-	-	-	-	-
00-08-839-13	Laptops	24,988	10,074	-	3,500	-
00-08-849-10	Vehicles	51,574	24,999	28,000	69,714	-
Total Capital outlay		113,601	45,527	42,500	78,228	-
Other expenditures						
00-08-592-10	Insurance-General	232	172	200	-	-
00-08-652-10	Office supplies	1,495	779	2,700	2,700	3,000
00-08-652-11	Squad decals/uniforms	-	-	-	-	12,000
00-08-653-10	National Night Out	3,276	2,478	-	-	2,500
00-08-655-10	Vehicle repairs & maint	17,556	22,068	24,500	20,820	-
00-08-655-20	Fuel & car washes	-	-	-	-	-
00-08-839-11	Field equipment & repairs	29,763	20,019	30,000	27,083	-
00-08-839-21	Starcom maintenance	5,076	5,076	6,000	6,320	-
00-08-930-10	Strong neighborhood house	-	-	-	-	2,500
00-08-940-10	Police academy	275	313	500	-	500
Total Other expenditures		57,673	50,905	63,900	56,923	20,500
Total Protective Services		3,687,709	3,617,812	3,651,900	3,596,568	4,198,300

Capital Improvement Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
18-00-381-10	Investment income	14,855	36,469	-	46,785	-
18-00-384-10	Assessment revenue	653	653	600	653	600
18-00-395-10	Grants	-	-	-	200,000	-
18-00-396-10	Developer reimbursement	-	-	190,800	-	190,800
Total REVENUES		15,508	37,122	191,400	247,438	191,400
EXPENDITURES						
General government						
18-00-532-10	Engineering	6,115	38,350	132,000	81,009	22,000
Total General government		6,115	38,350	132,000	81,009	22,000
Capital outlay						
18-00-811-10	Land acquisition	82,983	3,239	-	595	-
18-00-811-40	Shore Drive Boat launch/Parks	-	-	125,000	-	125,000
18-00-811-50	Demolition of structures	20,824	-	-	-	-
18-00-811-60	173 improvements	-	-	386,700	-	386,700
18-00-839-12	Facilities construction	-	-	1,400,000	1,252,435	230,100
Total Capital outlay		103,807	3,239	1,911,700	1,253,030	741,800
Total EXPENDITURES		109,922	41,589	2,043,700	1,334,039	763,800
Revenues Over (Under) Expenditures		(94,414)	(4,467)	(1,852,300)	(1,086,601)	(572,400)
Other Financing Sources (Uses)						
18-00-399-10	Transfer from General Fund	400,000	500,000	241,000	700,000	-
18-00-943-35	Transfer to Flood Mitigation	(14,273)	-	(300,000)	(300,000)	(300,000)
Total Other Financing Sources (Uses)		385,727	500,000	(59,000)	400,000	(300,000)
Net Increase (Decrease) in Fund Balance		291,313	495,533	(1,911,300)	(686,601)	(872,400)
Beginning Fund Balance		2,035,323	2,326,636	2,827,593	2,822,169	2,135,568
Ending Fund Balance		2,326,636	2,822,169	916,293	2,135,568	1,263,169

Utility Tax Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
12-00-343-11	Utility tax	1,151,808	1,209,218	700,000	1,159,728	1,100,000
12-00-381-10	Investment income	5,414	13,958	-	18,197	-
Total REVENUES		1,157,222	1,223,176	700,000	1,177,925	1,100,000
EXPENDITURES						
General government						
12-00-516-01	Rebates	1,330	1,082	2,000	2,000	2,000
12-00-531-11	Revenue audit fee	-	-	-	90	300
Total General government		1,330	1,082	2,000	2,090	2,300
Public safety						
12-00-513-01	Personnel	187,337	203,410	223,900	206,919	-
Total Public safety		187,337	203,410	223,900	206,919	-
Capital outlay						
12-00-511-01	Multi-use paths & walk ways	6,705	-	-	-	-
12-00-514-01	Public safety-equipment	-	78,662	80,000	80,000	-
Total Capital outlay		6,705	78,662	80,000	80,000	-
Total EXPENDITURES		195,372	283,154	305,900	289,009	2,300
Revenues Over (Under) Expenditures		961,850	940,022	394,100	888,916	1,097,700
Other Financing Sources (Uses)						
12-00-943-60	Transfer to Road Fund	(400,000)	(800,000)	(1,073,238)	(1,622,560)	(1,097,700)
Total Other Financing Sources (Uses)		(400,000)	(800,000)	(1,073,238)	(1,622,560)	(1,097,700)
Net Increase (Decrease) in Fund Balance		561,850	140,022	(679,138)	(733,644)	-
Beginning Fund Balance		804,130	1,365,980	1,244,138	1,506,002	772,358
Ending Fund Balance		1,365,980	1,506,002	565,000	772,358	772,358

Build Machesney Road Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
40-00-325-20	Telecommunication tax	441,567	411,592	348,500	364,141	335,000
40-00-345-10	Sales tax	2,977,629	3,146,780	2,800,000	3,206,790	3,000,000
40-00-381-10	Investment income	4,787	17,115	-	18,135	1,000
40-00-399-40	Intergovernmental agreements	45,464	51,417	45,000	35,000	-
Total REVENUES		3,469,447	3,626,904	3,193,500	3,624,066	3,336,000
EXPENDITURES						
General government						
40-00-532-10	Engineering	244,960	257,787	413,000	305,768	491,500
40-00-941-10	Administrative expense	475	475	500	475	500
40-00-960-10	Senior refunds	161	162	200	179	200
Total General government		245,596	258,424	413,700	306,422	492,200
Capital outlay						
40-00-811-10	Land acquisition	-	-	3,000	-	-
40-00-850-20	Street construction	1,127,354	1,678,677	1,757,300	1,267,244	2,170,800
40-00-850-30	Street resurfacing	626,918	624,995	1,175,000	1,168,534	1,500,000
Total Capital outlay		1,754,272	2,303,672	2,935,300	2,435,778	3,670,800
Debt service						
40-00-930-10	Principal-2008 (Amalgamated)	665,000	720,000	775,000	775,000	670,000
40-00-931-10	Interest-2008 (Amalgamated)	124,581	94,656	64,100	64,056	30,200
40-00-930-11	Principal-2015 (Chase)	800,000	800,000	900,000	900,000	-
40-00-931-11	Interest-2015 (Chase)	37,979	25,705	13,700	13,571	-
Total Debt service		1,627,560	1,640,361	1,752,800	1,752,627	700,200
Total EXPENDITURES		3,627,428	4,202,457	5,101,800	4,494,827	4,863,200
Revenues Over (Under) Expenditures		(157,981)	(575,553)	(1,908,300)	(870,761)	(1,527,200)
Other Financing Sources (Uses)						
40-00-399-60	Transfer from Utility Tax Fund	400,000	800,000	1,073,238	1,622,560	1,097,700
Total Other Financing Sources (Uses)		400,000	800,000	1,073,238	1,622,560	1,097,700
Net Increase (Decrease) in Fund Balance		242,019	224,447	(835,062)	751,799	(429,500)
Beginning Fund Balance		1,141,985	1,384,004	1,535,227	1,608,451	2,360,250
Ending Fund Balance		1,384,004	1,608,451	700,165	2,360,250	1,930,750

Motor Fuel Tax Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
15-00-343-10	Motor Fuel Tax	621,755	618,055	587,500	864,290	939,000
15-00-395-10	Grants	-	-	-	-	-
15-00-381-10	Investment income	2,850	10,880	-	10,440	5,000
Total REVENUES		624,605	628,935	587,500	874,730	944,000
EXPENDITURES						
Highways and streets						
15-00-516-10	Snow and ice control	195,259	223,169	240,000	291,127	287,600
15-00-572-10	Street lighting	290,950	274,036	311,000	312,358	325,000
15-00-850-40	Sidewalk construction/maint	-	-	-	-	590,000
Total EXPENDITURES		486,209	497,205	551,000	603,485	1,202,600
Net Increase (Decrease) in Fund Balance		138,396	131,730	36,500	271,245	(258,600)
Beginning Fund Balance		370,255	508,651	577,806	640,381	911,626
Ending Fund Balance		508,651	640,381	614,306	911,626	653,026

IL 251/173 TIF Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
17-00-342-11	Property tax	983,124	982,407	983,000	997,858	998,000
17-00-390-10	Developer reimbursements	-	-	-	80,010	-
17-00-381-10	Investment income	5,204	9,949	-	13,511	-
Total REVENUES		988,328	992,356	983,000	1,091,379	998,000
EXPENDITURES						
General government						
17-00-532-10	Engineering	-	737	13,000	-	-
17-00-533-10	Legal	806	11,455	20,000	8,531	1,000
17-00-549-10	Professional services	588	711	600	1,476	600
17-00-590-10	Surplus distrib. to taxing districts	731,061	776,078	780,000	788,456	789,000
17-00-870-10	Developer incentive	-	223,557	150,000	450,000	250,000
Total General government		732,455	1,012,538	963,600	1,248,463	1,040,600
Capital outlay						
17-00-811-10	Land development/acquisition	10,811	10,957	11,200	17,165	-
17-00-850-20	Street construction	-	-	70,000	42,150	-
17-00-945-10	Loss on sale of asset	-	-	-	485,000	-
Total Capital outlay		10,811	10,957	81,200	544,315	-
Total EXPENDITURES		743,266	1,023,495	1,044,800	1,792,778	1,040,600
Revenues Over (Under) Expenditures		245,062	(31,139)	(61,800)	(701,399)	(42,600)
Other Financing Sources (Uses)						
17-00-399-10	Transfer from General Fund	25,206	20,633	20,300	20,940	21,000
Total Other Financing Sources (Uses)		25,206	20,633	20,300	20,940	21,000
Net Increase (Decrease) in Fund Balance		270,268	(10,506)	(41,500)	(680,459)	(21,600)
Beginning Fund Balance		(141,092)	129,176	111,892	118,670	(561,789)
Ending Fund Balance		129,176	118,670	70,392	(561,789)	(583,389)

N. 2nd Street TIF Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
20-00-342-11	Property tax	311,489	319,362	325,000	382,379	485,000
20-00-342-13	Business district sales tax	91,204	96,907	80,000	103,685	90,000
20-00-381-10	Investment income	4,722	11,437	-	13,221	-
20-00-389-10	Miscellaneous income	-	1,197	-	10,863	-
20-00-394-10	Rental income	20,000	141,964	228,300	325,361	337,200
Total REVENUES		427,415	570,867	633,300	835,509	912,200
EXPENDITURES						
General government						
20-00-532-10	Engineering	118,549	5,200	25,000	5,424	25,000
20-00-533-10	Legal	44,478	23,755	35,000	17,535	35,000
20-00-549-10	Professional services	4,209	25,956	10,000	5,600	10,000
20-00-830-10	Contractual redevelop obligation	132,416	135,321	139,000	136,895	140,000
20-00-840-10	8702 N 2nd St improvements	29,686	23,317	190,000	563,274	143,100
20-00-870-10	Developer incentive	595,713	-	383,000	996	408,000
20-00-949-10	Administrative expense	950	996	1,000	950	1,000
20-00-995-60	BD Sales Tax Incentive - Ruby 10	1,756	1,191	4,000	120	1,200
Total General government		927,757	215,736	787,000	730,794	763,300
Debt service						
20-00-930-10	Principal-2011 (Amalgamated)	145,000	150,000	155,000	155,000	155,000
20-00-931-10	Interest-2011 (Amalgamated)	67,203	61,645	55,900	55,900	55,900
20-00-930-11	Principal-2014 (IBT 1435)	31,366	32,621	34,000	33,926	34,000
20-00-931-11	Interest-2014 (IBT 1435)	21,671	21,233	20,100	19,074	20,100
20-00-930-12	Principal-2015 (IBT 1535)	87,524	88,487	89,500	89,460	89,500
20-00-931-12	Interest-2015 (IBT 1535)	16,038	14,687	12,700	12,140	12,700
Total Debt service		368,802	368,673	367,200	365,500	367,200
Total EXPENDITURES		1,296,559	584,409	1,154,200	1,096,294	1,130,500
Revenues Over (Under) Expenditures		(869,144)	(13,542)	(520,900)	(260,785)	(218,300)
Other Financing Sources (Uses)						
20-00-399-10	Transfer from General Fund	134,711	31,936	32,500	38,238	48,500
Total Other Financing Sources (Uses)		134,711	31,936	32,500	38,238	48,500
Net Increase (Decrease) in Fund Balance		(734,433)	18,394	(488,400)	(222,547)	(169,800)
Beginning Fund Balance		82,711	(651,722)	(671,873)	(633,328)	(855,875)
Ending Fund Balance		(651,722)	(633,328)	(1,160,273)	(855,875)	(1,025,675)

Weststone IJRL TIF Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
30-00-342-11	Property tax	456,354	443,337	433,000	441,141	554,000
30-00-381-10	Investment income	6,568	21,899	-	18,376	-
30-00-385-10	Intergovernmental	-	-	-	23,560	-
30-00-392-10	Debt proceeds	-	900,000	-	-	-
Total REVENUES		462,922	1,365,236	433,000	483,077	554,000
EXPENDITURES						
General government						
30-00-532-10	Engineering	7,365	96,501	92,000	58,233	25,000
30-00-533-10	Legal	569	18,876	30,000	10,301	30,000
30-00-549-10	Professional services	420	14,456	15,000	1,175	15,000
30-00-830-10	Contractual redevelop obligation	43,750	43,750	675,000	678,779	225,000
Total General government		52,104	173,583	812,000	748,488	295,000
Capital outlay						
30-00-850-10	Street construction	-	870,489	475,000	629,549	-
Total Capital outlay		-	870,489	475,000	629,549	-
Debt service						
30-00-930-10	Principal-2013 (IBT-1335)	65,586	67,882	70,300	70,257	72,800
30-00-931-10	Interest-2013 (IBT-1335)	48,139	48,495	46,000	43,468	41,000
30-00-930-11	Principal-2018 (SB)	-	-	-	-	-
30-00-931-11	Interest-2018 (SB)	-	-	36,200	36,205	31,100
Total Debt service		113,725	116,377	152,500	149,930	144,900
Total EXPENDITURES		165,829	1,160,449	1,439,500	1,527,967	439,900
Net Increase (Decrease) in Fund Balance		297,093	204,787	(1,006,500)	(1,044,890)	114,100
Beginning Fund Balance		155,217	452,310	306,542	657,097	(387,793)
Ending Fund Balance		452,310	657,097	(699,958)	(387,793)	(273,693)

North Willow Creek IRJL TIF Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
31-00-342-11	Property tax	14,655	15,905	15,000	17,566	16,000
31-00-381-10	Investment income	135	330	-	310	-
Total REVENUES		14,790	16,235	15,000	17,876	16,000
EXPENDITURES						
General government						
31-00-532-10	Engineering	3,652	-	-	-	-
31-00-533-10	Legal	330	473	1,000	394	5,000
31-00-549-10	Professional services	420	-	-	-	-
Total General government		4,402	473	1,000	394	5,000
Capital Outlay						
31-00-850-10	Street construction	49,448	-	-	-	-
Total Capital outlay		49,448	-	-	-	-
Total EXPENDITURES		53,850	473	1,000	394	5,000
Net Increase (Decrease) in Fund Balance		(39,060)	15,762	14,000	17,482	11,000
Beginning Fund Balance		4,054	(35,006)	(19,336)	(19,244)	(1,762)
Ending Fund Balance		(35,006)	(19,244)	(5,336)	(1,762)	9,238

South Willow Creek IJRL TIF Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
32-00-342-11	Property tax	245,557	315,588	318,000	352,281	449,300
32-00-381-10	Investment income	2,829	6,746	-	6,072	-
Total REVENUES		248,386	322,334	318,000	358,353	449,300
EXPENDITURES						
General government						
32-00-532-10	Engineering	16,350	25,339	22,000	31,394	25,000
32-00-533-10	Legal	636	8,378	10,000	6,743	10,000
32-00-549-10	Professional services	420	3,096	5,000	575	5,000
32-00-830-10	Contractual redevelop obligation	119,618	181,634	203,000	506,094	213,000
Total General government		137,024	218,447	240,000	544,806	253,000
Capital Outlay						
32-00-850-10	Street construction	198,796	-	430,000	473,118	48,000
32-00-850-30	Street resurfacing	-	-	65,000	-	-
Total Capital outlay		198,796	-	495,000	473,118	48,000
Total EXPENDITURES		335,820	218,447	735,000	1,017,924	301,000
Net Increase (Decrease) in Fund Balance		(87,434)	103,887	(417,000)	(659,571)	148,300
Beginning Fund Balance		142,134	54,700	144,646	158,587	(500,984)
Ending Fund Balance		54,700	158,587	(272,354)	(500,984)	(352,684)

Flood Mitigation Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
35-00-395-20	Grants-IEMA	767,218	277,059	-	-	-
35-00-395-25	Grants-FMA	-	-	331,000	260,751	-
35-00-395-35	Grants-IDNR	-	-	108,900	277,612	165,300
Total REVENUES		767,218	277,059	439,900	538,363	165,300
EXPENDITURES						
General government						
35-00-532-10	Demo mgmt-Engineer-IEMA	8,804	1,461	-	-	-
35-00-532-12	Demo mgmt-Engineer-FMA	-	-	3,000	-	-
35-00-533-10	Legal-IEMA	2,000	1,000	-	-	-
35-00-533-12	Legal-FMA	-	-	2,000	-	-
35-00-533-13	Legal-IDNR	-	-	-	181	500
35-00-534-21	Appraisals-IEMA	1,875	-	-	-	-
35-00-534-22	Appraisals-FMA	-	750	-	-	-
35-00-534-23	Appraisals-IDNR	-	-	-	750	-
35-00-534-31	Closing costs-IEMA	3,832	1,916	-	-	-
35-00-534-32	Closing costs-FMA	-	435	4,000	757	-
35-00-534-33	Closing costs-IDNR	-	-	-	851	1,000
35-00-549-21	Project management-IEMA	22,148	4,400	-	-	-
35-00-580-10	Administrative expense	-	-	2,500	-	-
Total General government		38,659	9,962	11,500	2,539	1,500
Capital outlay						
35-00-811-11	Property acquisition-IEMA	572,000	130,000	-	-	-
35-00-811-12	Property acquisition-FMA	-	-	388,000	232,000	-
35-00-811-13	Property acquisition-IDNR	-	-	-	253,000	132,000
35-00-811-31	Relocation-IEMA	15,400	10,064	-	-	-
35-00-811-51	Demo & site restoration-IEMA	101,436	26,094	-	-	-
35-00-811-52	Demo & site restoration-FMA	-	-	39,600	27,402	-
35-00-811-53	Demo & site restoration-IDNR	-	-	-	22,987	31,050
Total Capital outlay		688,836	166,158	427,600	535,389	163,050
Total EXPENDITURES		727,495	176,120	439,100	537,928	164,550
Revenues Over (Under) Expenditures		39,723	100,939	800	435	750
Other Financing Sources (Uses)						
35-00-399-09	Transfer from NR Fund	50,000	-	-	-	-
35-00-399-18	Transfer from CIP Fund	14,273	-	300,000	300,000	300,000
Total Other Financing Sources (Uses)		64,273	-	300,000	300,000	300,000
Net Increase (Decrease) in Fund Balance		103,996	100,939	300,800	300,435	300,750
Beginning Fund Balance		(156,120)	(52,124)	49,200	48,815	349,250
Ending Fund Balance		(52,124)	48,815	350,000	349,250	650,000

Neighborhood Revitalization

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
09-00-386-10	Grants-Single Family Rehab (SFR)	69,669	283,746	428,100	-	428,100
09-00-386-11	Grants-Abandoned Prop. Prog. (APP)	82,806	79,083	14,200	16,611	-
09-00-389-10	Miscellaneous income	-	34,224	-	-	-
Total REVENUES		152,475	397,053	442,300	16,611	428,100
EXPENDITURES						
Contractual services						
09-00-533-10	Legal-SFR	51	510	3,100	-	3,100
09-00-533-11	Legal-APP	459	2,363	-	-	-
09-00-549-10	Administration-SFR	2,643	42,572	40,000	9,733	30,000
09-00-580-10	APP Village contribution	-	14,475	14,100	14,025	-
09-00-601-10	SFR grant eligible costs	92,244	261,171	428,100	450	427,600
09-00-650-10	APP grant eligible costs	82,806	79,583	14,200	16,111	-
09-00-701-10	Abate Housing Blight costs	35,487	22,228	86,700	44,476	71,100
Total EXPENDITURES		213,690	422,902	586,200	84,795	531,800
Revenues Over (Under) Expenditures		(61,215)	(25,849)	(143,900)	(68,184)	(103,700)
Other Financing Sources (Uses)						
09-00-399-10	Transfer from General Fund	109,017	100,000	100,000	100,000	-
09-00-943-35	Transfer to Flood Mitigation Fund	(50,000)	-	-	-	-
Total Other Financing Sources (Uses)		59,017	100,000	100,000	100,000	-
Net Increase (Decrease) in Fund Balance		(2,198)	74,151	(43,900)	31,816	(103,700)
Beginning Fund Balance		-	(2,198)	43,991	71,953	103,769
Ending Fund Balance		(2,198)	71,953	91	103,769	69

Sales Tax Rebate Fund

Account Number	Description	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Budget
REVENUES						
14-00-345-10	Sales tax	541,713	526,999	527,500	492,764	505,000
Total REVENUES		541,713	526,999	527,500	492,764	505,000
EXPENDITURES						
General government						
14-00-995-30	Incentive - Machesney Crossings	141,793	160,812	178,000	169,254	180,000
14-00-995-40	Incentive - Menards	-	-	-	-	-
14-00-995-50	Incentive - First 173 Retail	399,920	366,187	349,500	323,510	325,000
Total EXPENDITURES		541,713	526,999	527,500	492,764	505,000
Net Increase (Decrease) in Fund Balance		-	-	-	-	-
Beginning Fund Balance		-	-	-	-	-
Ending Fund Balance		-	-	-	-	-

Glossary & Acronyms

173 – IL Route 173, also known as West Lane Road, is an east-west state road that runs from IL Route 251 in Machesney Park east to IL Route 137 in Zion near the Illinois-Wisconsin border. The section between 251 and I-90 is the primary shopping corridor within the Village.

251 – IL Route 251, also known as North 2nd Street, is a north-south state road that runs from U.S. 51 at the border of Wisconsin to I-39 and U.S. 51 south of Kappa. This state road runs the entire length of the Village and is a secondary retail market.

Abandoned Property Program (APP) – Type of IHDA program that the Village has received grant funding to reduce blight through securing, maintaining, demolishing, or rehabilitating abandoned structures.

Accrual – A basis of accounting that utilizes a current financial resources measurement focus thereby recognizing revenue as it is earned and realizable and recognizing expenditures when they are incurred.

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

Appropriation – A legal authorization granted by the legislative body (Village Board) to make expenditures or incur obligations for specific purposes. An appropriation is usually made for fixed amounts and are typically granted for a one-year period.

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.

Audit – An examination of an organizations' financial statements and the utilizations of resources.

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.

Business District – A tax imposed on a designated area within a municipality to fund the development or redevelopment of the identified area. The tax is in the form of Business District Retailers' Occupation Tax. The Village has established two business districts which assess an additional 1% sales tax for those designated areas.

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.

City of Loves Park – Municipality located on the southern border of Machesney Park and north of Rockford.

Comprehensive Plan – Long range recommendations for the maintenance and enhancement of existing community areas, and for desirable improvements, developments, and redevelopments within the Village.

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

COVID-19 – a novel coronavirus outbreak, first identified in Wuhan China and spread to the United States in early 2020. It is an illness caused by a virus that can spread from person and person and symptoms range from mild, or no symptoms, to severe illness and death. COVID-19 is a respiratory virus that spreads through coming into close contact with an infected person. No vaccine is currently available. Preventing the spread of the disease can be accomplished through staying home, avoiding close contact with others, wearing a cloth face mask, cleaning and disinfecting frequently touched surfaces, and washing hands often for at least 20 seconds or using hand sanitizer. The virus has quickly spread throughout the world causing a global pandemic that has led to severe economic downturn, stay-at-home orders, quarantine, and closing of businesses except for essential services.

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.

Deficit – The excess of expenditures over revenues during an accounting period.

Depreciation – The process of estimating and recoding the expired useful life of service from a capital asset that cannot or will not be restored by repair and will be replaced.

Destination Machesney – A social media marketing campaign sponsored by the Village to support businesses throughout the Village by keeping consumers informed on the specials and promotions offered by Machesney Park businesses and other important information to make shopping trips more exciting and highlight all of the attractions.

Enterprise Fund – A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is for the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, i.e. water utility, parking system.

Equalized Assessed Valuation (EAV) – The Board of Review, on a county basis, reviews assessed valuation of all townships and may assign multipliers to equalize assessed valuations from township to township. If necessary, the State will then assign multipliers for counties in order that all property will be assessed at 33.33 percent of market value.

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.

Fiduciary Fund – Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs.

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.

Flood buyout program – An initiative started by the Village after the historic flood of 2008 to purchase and demolish residential structures in the floodway through voluntary participation from homeowners.

Flood Mitigation Assistance (FMA) – Provides grant funding to purchase and demolish residential structures in the floodway and for the Village to retain the parcel as open green space in perpetuity.

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.

Freedom of Information Act (FOIA) – Provides the public the right to request access to records from any federal or municipal agency. The FOIA officer is responsible for receiving and responding to requests for documents; the Village Clerk is the FOIA officer for the Village.

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.

Governmental Fund – Funds used to account for the acquisition, use, and balance of expendable financial resources and the related current liabilities. Under current GAAP, there are four governmental fund types-general, special revenue, debt service, and capital projects.

Hazard Mitigation Grant Program (HMGP) – Provides grant funding to purchase and demolish residential structures in the floodway and for the Village to retain the parcel as open green space in perpetuity.

Illinois Department of Natural Resources (IDNR) – Provides reimbursement assistance to purchase and demolish residential structures in the floodway and for the Village to retain the parcel as open green space in perpetuity.

Illinois Department of Transportation (IDOT) – Illinois transportation agency; the Village is located within Region 2 and District 2.

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.

Initiative To Abate Housing Blight (ITAHB) – The Village Board committed \$100,000 of video gaming revenue annually, for three years, to address blight throughout 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.

Liquidity – Available cash or the capacity to obtain it on demand.

Long-term debt – Debt with a maturity of more than one year after the date of issuance.

Major Fund – A primary operating fund of the Village; funds are greater than or equal to 10% of the total funding for the fiscal year.

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. The Village utilizes this basis of accounting for budgeting.

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.

Region 1 Planning Council (formerly known as RMAP) – The metropolitan planning organization for the Rockford region which plans and coordinates decisions regarding the area's transportation systems.

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.

School District – Harlem Consolidated School District 122 is made up of eleven schools, six of which are located within the Village of Machesney Park.

School Resource Officer (SRO) – A uniformed deputy assigned to the school district, specifically the high school within the Village, to ensure schools are a safe places for students to learn.

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

Social distancing – the practice of keeping space between yourself and other people not from your household to reduce the chance of contact with those who knowingly or unknowingly carry an illness. This includes avoiding large gatherings and maintaining a distance of at least six feet from other people both indoors and outdoors.

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

Standard & Poor's Rating (S&P) – 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.

Stay-at-home orders – a set of guidelines issued by the U.S. government and/or state governors to slow the spread of COVID-19. The orders restrict people from leaving their homes for anything other than essential services in order to limit contact with other people to slow the spread of the virus. Slowing the spread of the virus prevents hospitals from becoming overwhelmed with more cases than they can handle.

Surplus – An excess of the assets of a fund over its liabilities and reserves.

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.

Utility tax – The Village Board approved a utility tax fee on natural gas and electric utilities beginning in March 2013 with at least 55% of the proceeds being used on infrastructure. Effective January 2020, 100% of the proceeds are committed to be spent on maintenance, reconstruction, and related infrastructure on existing roads within the Village.

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

Winnebago County – County within the state of Illinois with a population of 295,266 per the 2010 census; it is the seventh most populous county in Illinois with Rockford being the largest city located within the County. The Village of Machesney Park is located within Winnebago County.

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.

Winnebago County Sheriff – The elected sheriff for Winnebago County; the Village contracts law enforcement services with Winnebago County through the Sheriff's department.