



VILLAGE OF
CHATHAM
Family Community Prosperity

Fiscal Year 2019 Annual Budget

Village of Chatham

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Chatham, IL 62629

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VILLAGE OF CHATHAM ANNUAL BUDGET FOR THE FISCAL YEAR ENDED APRIL 30, 2019
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VILLAGE OF CHATHAM

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Fiscal Year 2017-2018 Proposed Budget

Dear Village President Kimsey and Members of the Village Board:

The Village of Chatham's management team is pleased to submit to you the proposed Fiscal Year 2019 Budget. The Budget is presented by Fund, with each Fund's budget summarized by expense types, including Department and Fund Totals.

Management has taken the following approach in preparing the budget. Through discussions with staff and the Village Board items were identified to be funded with existing cash on hand that would enable the Village to focus on customer service, performance, economic development, and quality of life.

In the General Fund, revenues were reviewed and conservatively estimated with a preliminary estimated increase from Fiscal Year 2018 to Fiscal Year 2019 of \$34,473. Existing cash on hand will be used to fund the following items; professional services for a new comprehensive plan and performance audit and the initial development of the Prairie Vista Park. The only equipment purchases planned in the General Fund are from the Police Departments restricted cash accounts and necessary software upgrades for the Administration and Police Departments.

The Village's Electric and Water and Sewer Funds Fiscal Year 2019 Budget was prepared to include only equipment items carried forward from the 2018 Budget and infrastructure additions to extend and maintain utility service to customers. The Electric Fund budget includes a recommended 3% increase in both facility charges and consumption rates to cover the increase in cost from the Village's electric supplier as well as increases in other operational costs. An annual 3 percent increase of the electric facility charges is recommended for Fiscal years 2020, 2021 and 2022 to fund future costs of operations and capital expenditures. The last electric rate increase was in 2015. The Water and Sewer Fund budget includes a pass-through rate increase for water charges which is a result of a \$.88 per 1000 gallon rate increase from the Village's water provider. Included in the budget is a continuation of the \$2.50 a month water facility charge. The additional charge is to fund the debt service of financing the project of painting the ground storage tank and water tower. This project is currently estimated to be financed over a 7-year period.

The Village will continue the approach taken in regards to funding employee accrued time payouts. Arriving at a budget estimate for these costs has been difficult and in many years has resulted in the adoption of a supplemental appropriation at fiscal year-end. The payouts for accrued time are budgeted for in the year they occur. These are actually benefits earned and accumulated from prior years, the Fiscal Year 2019 Budget includes an estimate for all time accrued as of May 1, 2018. Instead of offsetting this expense against estimated 2019 revenues it has been noted as an expense that will be paid from cash on hand.

We encourage you to review the documents and discuss the budget with the Village Manager and other members of Village management.

Budget Summary

Process for Development of the FY 2019 Budget

The Fiscal Year (FY) 2019 Budget was developed by the Village's Management Team consisting of the Village's Village Manager, Chief Fiscal Officer, Chief of Police, Public Works and Utilities Director, Administrative Assistant and Code Enforcement Officer. The Chief Fiscal Officer and the Village Manager lead this process. The Village's FY 2019 Budget focuses on Customer Service, Performance, Economic Development, and Quality of Life. These themes are further clarified by the Village's desire to improve property values and stabilize or lower property taxes in the Village.



Budgetary Trends

Although the Village's revenues and expenditures exhibit signs of stability, it is important to examine trends throughout the budget in order to best plan for any future issues.

- Sales tax has flattened in FY 2018 due to this we are estimating little growth in this revenue source. The Village is hopeful to attract new businesses to Chatham that would increase this revenue source.
- State shared revenues have been reduced by the FY 2019 State Budget. The estimate for income tax, local use tax and motor fuel tax are based on the per capita estimates published by the Illinois Municipal League. Budgeted Income tax revenues for FY 2019 are slightly lower than the budgeted amount in FY 2018. While Local Use tax is estimated to increase from FY 2018 in large part because of the additional revenue generated through the taxing of Internet sales, including purchases made on Amazon.com.

**Table 1. Village of Chatham, Illinois
Statement of Revenues over Expenditures-All Funds**

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
Revenues	\$24,230,114	\$25,861,343	\$22,970,609	\$25,359,374
Expenditures	<u>21,606,069</u>	<u>25,682,717</u>	<u>22,816,213</u>	<u>25,236,817</u>
Total Operating Revenues over Recurring Expenditures	2,624,045	178,626	154,396	122,557
Nonrecurring Revenues				
Expenditures and Transfers	-	(1,722,505)	-	(1,436,879)
Total Revenues over Expenditures	<u>\$2,624,045</u>	<u>\$(1,543,879)</u>	<u>154,396</u>	<u>\$(1,314,322)</u>

The Village's statements of revenue over expenditures are listed in Table 1. Although a deficiency is shown in the budget columns, these are attributable to expenditures intended to be financed with fund reserves.

General Fund

The Village's General Fund is the main operating fund for the Village and includes Administration, Cemetery, Parks and Recreation, Police, and Streets. The Chatham Emergency Management Agency (CEMA) and Code Enforcement costs are also paid from the General Fund. The Village's General Fund operating budget, as presented, is balanced for FY 2019. Non-recurring expenditures are to be funded with reserves. The FY 2018 Budget reflects the budget at January 2018, these numbers were subsequently amended per the Appropriation Transfer Ordinance on April 24, 2018. The FY 2018 Projections were estimated as of February 2018.

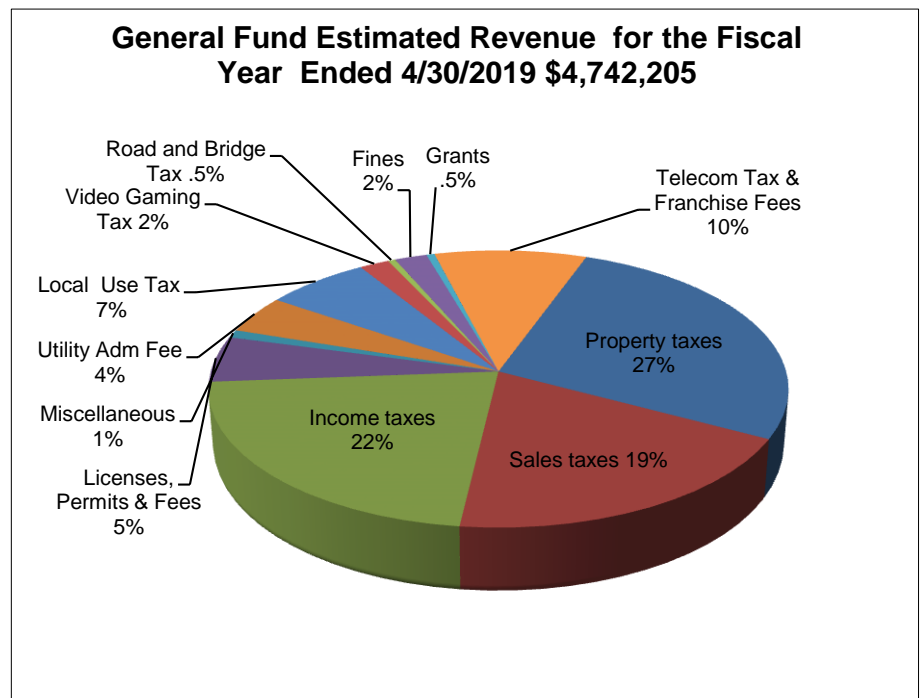
**Table 2. General Fund
Statement of Revenues over Expenditures**

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
Operating Revenues				
Property Taxes	\$1,158,335	\$ 1,218,982	\$ 1,218,149	\$ 1,269,605
State Sales Tax	855,304	903,000	875,245	894,200
Income Tax (LGDF)	1,051,309	1,161,500	1,035,000	1,062,600
Other Revenues	<u>1,964,227</u>	<u>1,424,250</u>	<u>1,441,869</u>	<u>1,515,800</u>
Total Revenues	<u>5,029,175</u>	<u>4,707,732</u>	<u>4,570,263</u>	<u>4,742,205</u>
Recurring Expenditures				
Administration	757,619	827,931	847,358	784,341
Cemetery	41,717	47,205	32,191	32,155
Parks and Recreation	456,551	446,357	476,061	451,578
Streets	537,622	564,576	583,853	596,844
Police	<u>2,711,566</u>	<u>2,788,863</u>	<u>2,773,612</u>	<u>2,840,694</u>
Total Expenditures	<u>4,505,075</u>	<u>4,674,932</u>	<u>4,713,075</u>	<u>4,705,612</u>
Total Operating Revenues over Recurring Expenditures	\$ 524,100	\$ 32,800	\$ (142,812)	\$ 36,593
Nonrecurring Revenues Expenditures and Transfers	<u>-</u>	<u>(1,035,203)</u>	<u>-</u>	<u>(978,321)</u>
Total Revenues over Expenditures	<u>\$ 524,100</u>	<u>\$ (1,002,403)</u>	<u>\$ (142,812)</u>	<u>\$ (941,728)</u>

General Fund Revenues

General Fund revenues are up \$34,473 less than 1%, from the previous year's budget. The major General Fund revenue sources are property, sales, and income taxes. These revenues make up approximately 68% of the overall revenue in the General Fund.

Factors contributing to the slight increase are a smaller increase in the shared income tax revenue after the State restored a portion of a proposed cut as part of the State of Illinois's FY 2019 Budget. Estimated building permit fees are up slightly due to an increase in permit fees. Use tax revenues are up due to Amazon.com tax collections that began in February of 2015. Telecommunications tax revenues have seen little or no growth after several years of decreasing due to service bundling, data packages that are not subject to tax and a movement away from landlines.



Property Taxes

FY 2019 total property tax revenues of \$1,269,605 are \$50,623 or 4.15% higher than the prior year budget primarily due to the increase in the Village's assessed equalized valuation and the addition of the value of new construction and annexed property within the Village.

Sales Taxes

State sales tax revenues are estimated to only increase slightly from the FY 2018 budgeted amount. The Village's top four categories of sales tax generators are drugs and miscellaneous retail, food, automotive and filling stations and lumber and hardware. Sales tax revenue in fiscal year 2018 was less than the amount estimated to be received, which is likely a result of an increase in online sales.

Income Tax

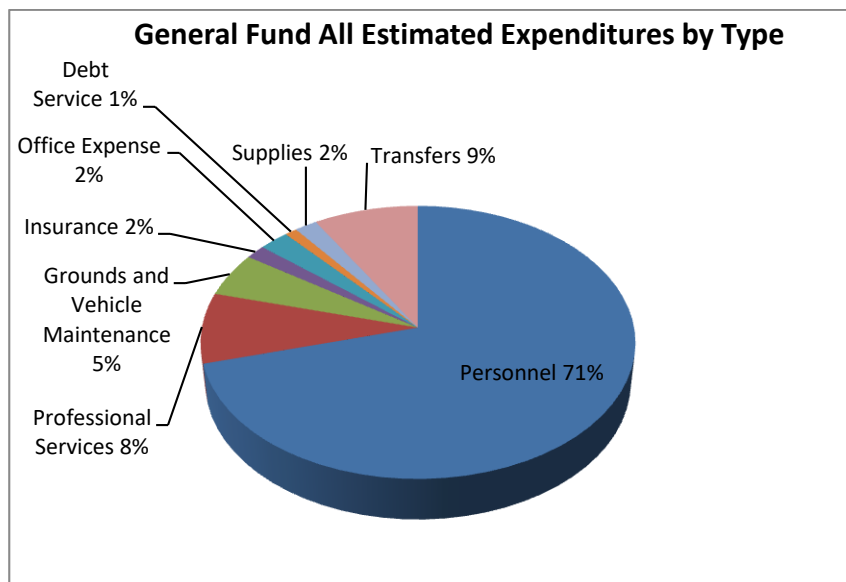
Income tax revenue from the Local Government Distributive Fund (LGDF) is distributed based on population. Estimates are derived from data provided by the Illinois Municipal League. FY 2019 income tax receipts are estimated at \$1,062,600 which represents an increase of \$27,600 from the FY 2018 budget amount.

Other Revenues

Other revenues encompass all remaining General Fund revenues including license and permit fees, charges for services, fines, interest, and miscellaneous revenues. An increase in building permit and cemetery fees is recommended as part of the FY 2019 Budget.

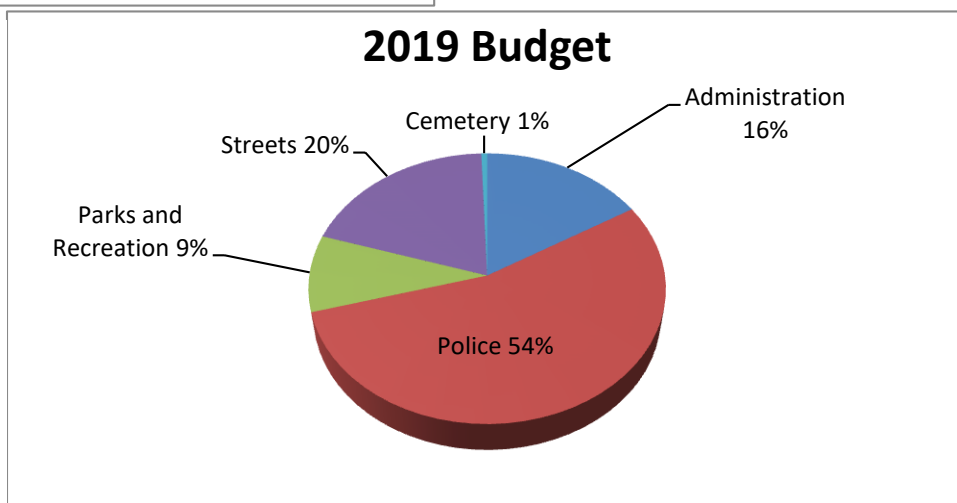
General Fund Expenditures

General Fund expenditures have increased \$72,093 or 1%, from last year's budget. The budget includes carrying forward a \$500,000 transfer of the 2017 bond proceeds to the Capital Projects Fund. As the table below illustrates, 72% of the General Fund budget is attributed to Personnel Costs.



Employee salary and benefit cost are up 10%. This is due to contractual salary increases, an estimated increase of 3.99% for Blue Cross/Blue Shield health insurance premiums and rising costs for public safety pension contributions. This year's budget also includes a new management staff position as well as provisions to fill existing vacancies such as the accountant position created last fiscal year but currently vacant.

Following is a discussion of the General Fund Departments. The graph to the right shows the distribution of General Fund expenditures between the Departments of the General Fund.



Administration

- The Administration budget contains \$80,000 for the expenses in updating the Village's comprehensive plan and completing a performance audit.
- The Village has \$80,000 budgeted in engineering costs for general consulting and planning, development of a pavement management plan and costs related to the review of new subdivision developments. A portion of these costs are reimbursed by Developers
- The Village will continue to make an investment in its information technology by scheduling an upgrade to the Finance and Administration software to upgrade to the latest cloud version.

Police

The Police Department's budgets are relatively level, with the exception of increases to the pension contributions and salaries and benefits. The police pension contribution will increase 13.7%, or \$73,033. These increases are important to continue growing the Police Pension Fund's assets and to improve the funding level.

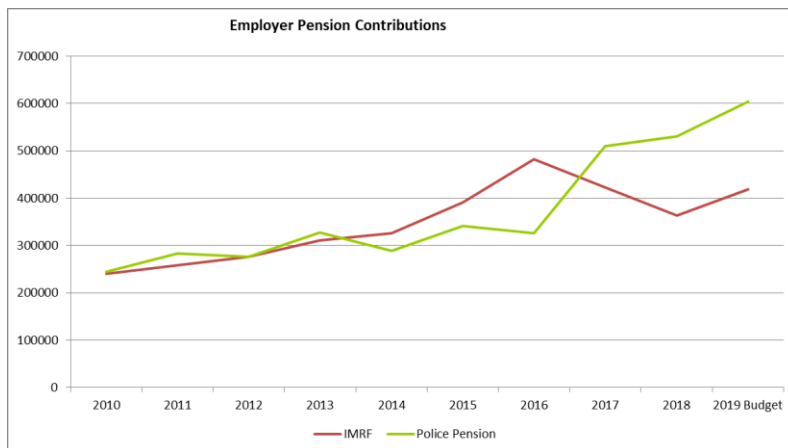
Public Properties and Public Works

The Parks and Recreation and the Street Department budgets are also relatively level. No new equipment purchases are budgeted. The Departments both include the carryforward of expenses and transfers for projects not completed during FY 2018 such as the development costs for Prairie Vista Park, the purchase of an off-road utility vehicle for the Parks and Recreation Department and the transfer of the 2017 Bond Proceeds to the Capital Projects Fund for Street Infrastructure projects.

Pension Funding

The Village is covered by two defined-benefit pension plans that cover all qualifying employees. The funds include the Police Pension Fund (covering sworn police officers) and one statewide fund, the Illinois Municipal Retirement Fund (IMRF), which covers all other qualified employees. The benefits of both pension plans are governed by state law and may only be amended through acts of the Illinois General Assembly.

Below is a history of the Village's pension contributions since 2010.



IMRF contributions increased in 2015 and 2016 with an increase in contributions related to accelerated payments required upon the retirement of individuals with significant accrued time accumulated. The Police Pension Contribution began to increase in 2016 due to change in funding assumptions and actuarial approach reflective of the implementation of GASB 67 and 68.

Motor Fuel Tax Fund

The Motor Fuel Tax (MFT) Fund is the primary source of revenue for the Village's Street Improvement Plan. The Motor Fuel Tax is distributed to municipalities by the State based on population.

Capital Projects Funds

The Capital Projects Fund accounts for monies for infrastructure projects for the Village's governmental funds. In FY 2019, funds are appropriated for a street infrastructure project to be paid for with bond proceeds from the Village's 2017 General Obligation Bond issue. Projects approved are the storm sewer infrastructure repair for the Plummer Boulevard viaduct and the resurfacing of Park Street between Walnut Street and Plummer Boulevard.

Electric Fund



The Village's Electric Fund is one of the Village's proprietary Funds. This fund accounts for providing and billing electric service to the Village's 5600 Electric customers. This Department also installs electrical infrastructure for new subdivisions within the Village limits. A proposed rate increase of 3% is included in the FY 2019 budget. The last electric rate increase was in June 2015.

- The Electric Department is scheduled to install electric infrastructure in Plat 9 of the existing Fox Creek subdivision, Phase 3 of Cardinal Ridge development and 4 Corners Senior Development. These costs are recovered through development fees.
- The cost of the capital lease purchase of a new bucket truck in the amount of \$140,310 will be carried forward from the 2018 budget.

**Table 3. Electric Fund
Statement of Revenues over Expenditures**

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
Operating Revenues				
User Charges	\$ 9,769,100	\$ 9,905,100	\$ 9,696,523	\$10,133,000
Other Revenue	375,541	392,000	302,591	159,400
Total Revenues	10,144,641	10,297,100	9,999,114	10,292,400
Expenses				
Operating Expenses	8,790,064	9,346,123	9,105,160	9,378,618
Total Expenses	8,790,064	9,346,123	9,105,160	9,378,618
Operating Revenues over Operating Expenditures excluding Depreciation	1,354,577	950,977	893,954	913,782
Interfund Loan Revenue	-	-	-	89,707
Investment income	5,203	5,350	6,301	6,500
Capital Lease Proceeds	-	112,000	-	140,310
Debt Service Expense	(343,894)	(353,000)	(352,287)	(358,000)
Capital Expenses	(675,232)	(871,331)	(646,964)	(779,410)
Total Revenues over Total Expenditures excluding Depreciation	\$ 340,654	\$ (156,004)	\$ (98,996)	\$ 12,889

Water and Sewer Fund

In FY 2015, the Village board approved a new rate structure for water and sewer rates. This rate structure eliminated the inclusion of a minimum number of gallons within the monthly facility charge. The new rate structure established a flat facility charge that did not include any consumption with an additional rate per 1000 gallons for consumption. This structure alleviated consumption risk experienced by the Water and Sewer Fund making it less reliant on high usage to balance the fund and shifted more of the cost to a fixed monthly portion to be able to fund capital improvements as well as provide rate stabilization.



Prior to the FY 2015 rate increase the Village's Water Fund had borrowed \$358,828 from the Village's Electric Fund to fund the operations of the Water and Sewer Fund. This debt remains unpaid. The FY 2019 budget includes the first year payment of \$89,707 of a four year repayment plan.

In FY 2018, the Village Board approved to extend a \$2.50/month month facility charge to be effective through August 31, 2027 to fund the painting of the both the water tower and the ground storage tank. For the FY 2019 a rate increase of \$.88 per 1000 gallons is included, this represents a pass through rate increase from the Village's water supplier the South Sangamon Water Commission.

The Village has concluded the initial flushing program at the end of FY 2017. Going forward the Village expects to begin flushing a quarter of the system each year beginning in the fourth quarter of FY 2018. The main expenditure highlights include:

- The painting of the water tower and the above ground storage tank.
- The beginning of the four year repayment plan to the Electric Fund for funds advanced to pay for costs of operations.

**Table 4 Water and Sewer Fund
Statement of Revenues over Expenditures**

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
Operating Revenues				
User Charges	\$ 5,850,893	\$ 6,397,732	\$ 6,235,550	\$ 6,817,800
Other Revenue	202,697	165,800	177,232	163,000
Total Revenues	6,053,590	6,563,532	6,412,782	6,980,800
Expenses				
Operating Expenses	4,856,984	5,838,756	5,309,595	6,164,020
Total Expenses	4,856,984	5,838,756	5,309,595	6,164,020
Operating Revenues over Operating Expenditures excluding Depreciation	1,196,606	724,776	1,103,187	816,780
Investment Income	1,673	1,700	3,353	3,700
Developer contributions of Infrastructure	1,429,415	-	-	-
Loan Proceeds	-	1,200,000	-	1,112,800
Interfund Loan Payment	-	-	-	(89,707)
Debt Service Expense	(152,028)	(287,939)	(155,000)	(279,800)
Capital Expenses	(427,950)	(1,682,732)	(501,219)	(1,478,700)
Total Revenues over Total Expenditures excluding Depreciation	\$ 2,047,716	\$ (44,195)	\$ 450,321	\$ 85,073



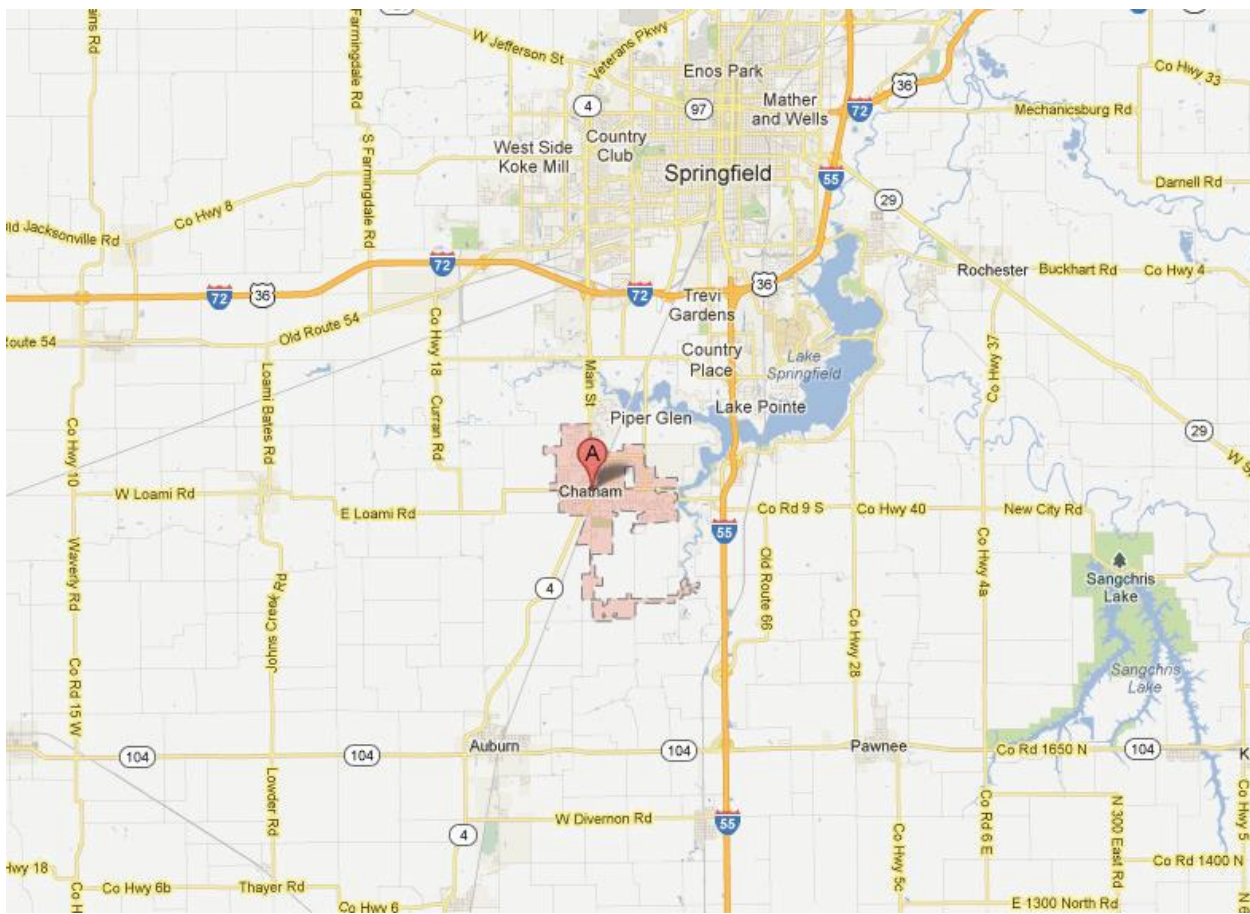
INTRODUCTION

This section contains the Village's goals which set the vision for the Budget document as well as a description of the Village, the budget process and fund structure

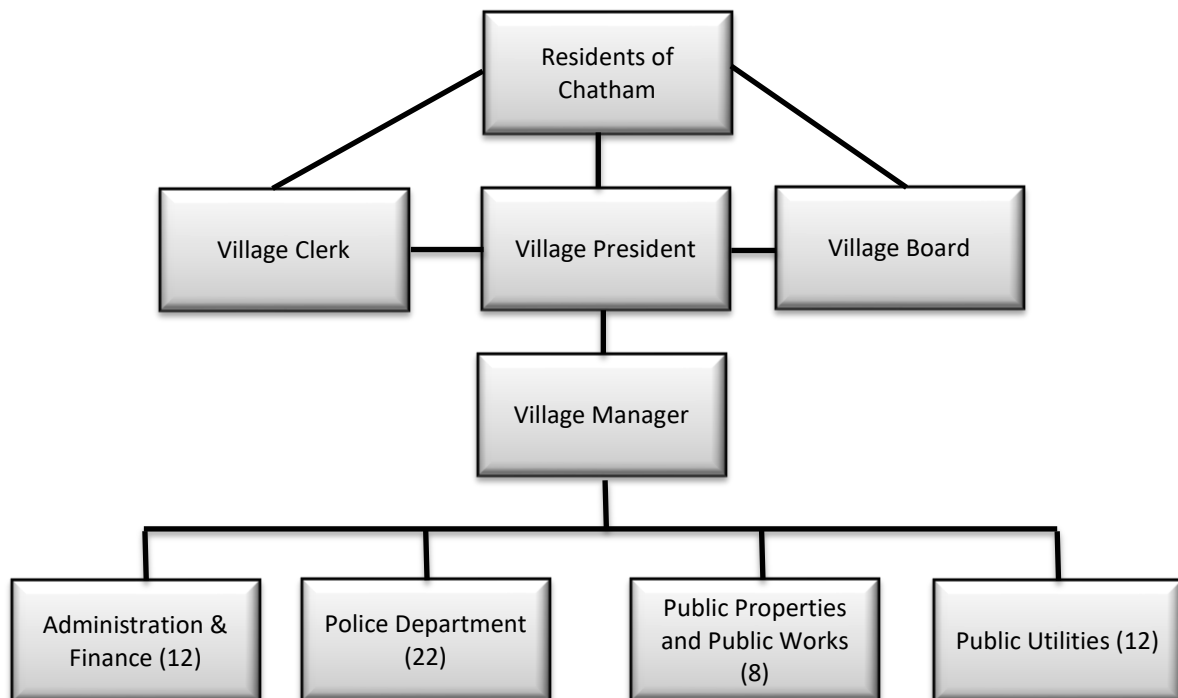
Location of Chatham, Illinois

Chatham is a village located in Sangamon County, Illinois, approximately 3 miles south of the state capital Springfield, Illinois

The image below identifies Chatham's location in Sangamon County



Village of Chatham Organizational Chart



Village Goals

Long Term Strategic Goals

The primary long-term objective of the Village is to improve property values and stabilize or lower property taxes in the Village of Chatham. The following long-term strategic goals or themes were developed to enhance property values, stabilize property taxes and improve the community.

- **Customer Service**- Provide outstanding customer service for our residents, business community and visitors.
- **Performance**- Provide efficient and streamlined services and processes for the community that are sustainable and which effectively utilize technology.
- **Economic Development**- Continue economic development efforts to provide financial stability by attracting new businesses to the area.
- **Quality of Life**- Make Chatham a place where people want to live, work, and play and create a legacy where people want to stay in the community after they “grow-up” and raise their ownchildren.

Short-Term Strategies Related to Long-Term Goals

Maintain Financial Stability & Organizational Excellence

Customer Service, Performance

- Improve and enhance information technology infrastructure & systems to ensure employees have the resources to carry out their jobs efficiently to ensure high levels of customer service

Enhance Communication Efforts

Customer Service, Performance

- Continue community-wide communication efforts with Chatham Taxing Bodies
- Continue communication with the community through:
 - Continue to provide improvements to Village website
 - Consider replacement of the e-alert application
 - Continue use of Chatham 311 “app”
 - As staffing allows implement Open Gov application

Economic Development

Economic Development

- Continue to move forward in economic development efforts including
 - Concentrate on attracting new businesses to Chatham
 - Continue efforts to annex property to Chatham

Collaboration efforts for providing efficient services

Performance, Customer Service

- Evaluate participation in shared code enforcement hearing officer with other communities
- Continue to evaluate other shared services with taxing bodies

Infrastructure

Quality of Life

- Evaluate existing roadways to identify projects for inclusion in either the Motor Fuel Tax Program or the Capital Improvement Plan
- American’s with Disabilities Act Plan and Self Evaluation

Community Profile

Location

The Village of Chatham is a community with an estimated population of 12,624 per the US Census Bureau. It is located in Sangamon County, approximately 3 miles south of the Illinois State Capitol Springfield. The Village lies along the original alignment of historic U.S. Route 66 (Illinois Route 4). Chatham is approximately 4 miles south of exit 93 off Interstate-72 and 2 miles west of exit 88 off Interstate-55.

History

The first settlers arrived in the Chatham area in 1816. The Village of Chatham received its name October 22, 1836. Chatham is located in what was once open prairie between Lick Creek and Panther Creek in Sangamon County, which at that time was about the center of the new state of Illinois, approximately ten miles south of Springfield. The Village was officially incorporated on March 23, 1874.

Farmers and their families settled Chatham. Splendid fields of corn, almost without exception from ten to fifteen feet high sprang up over the area. The high degree of fruitfulness attracted many to settle here, even considering the risk and danger of Indians.

The lives of many Chatham people were interwoven with Abraham Lincoln. In 1837, two state senators and seven representatives from Sangamon County managed to convince the General Assembly to move the State Capitol from Vandalia to Springfield. These legislators called the "Long Nine", included Lincoln and John Dawson. Lincoln was a good friend of Rev. Josiah Porter, minister of the Chatham Presbyterian church. Dr. John Lewis, of Chatham, and Lincoln surveyed and purchased rights to build the railroad from Springfield through Chatham to St. Louis.

Village Services

Police

Police operations focus on the prevention of crime in the Village, enforcement of the law, parking and animal control, coordination of criminal investigations and maintenance of public order. Sworn personnel respond to calls for service and provide community and public safety services to Chatham residents.

Public Properties and Public Works

The Village of Chatham's Public Properties and Public Works Department is comprised of three departments that include Cemeteries, Parks and Recreation and Streets. The Cemetery and Parks and Recreation Departments are responsible for maintaining the Village's cemeteries and parks. The Street Department oversees the maintenance of the Village's infrastructure and right-of-ways.

Public Utilities

The Village of Chatham's Public Utilities are comprised of the Electric and Water and Sewer Departments. The Departments are responsible for providing and billing utility services. The Department also installs and maintains utility infrastructure.

Community Profile

Statistics

Socio-Economic Data (Quick Facts US Census Bureau)

Population - 2010	11,500
Median Age	36
Per Capita Income	\$44,523
Median Home Value	\$188,153
Median Family Income	\$76,593
Unemployment Rate (IDES)	3.7%

Building Permits- New Construction

<u>Calendar Year</u>	<u>Number Issued</u>
2008	67
2009	66
2010	84
2011	67
2012	63
2013	74
2014	92
2015	98
2016	87
2017	60

Electric

Number of Customers served as of 4/30/2017	5,622
Kilowatt hours provided	76,897,052
Residential Electric Rate	
Monthly Facility Charge	\$11.23
Rate per kwh	\$.1102

Water and Sewer

Number of Water Customers Served as of 4/30/2017	5,630
Gallons of Water Billed FY 2017	281,997,700
Residential Inside Water Rates	
Monthly Facility Charge	\$25.99
Water Tank Maintenance Fee Exp 8/31/2027	\$2.50
Charge per 1000 gallons of consumption 6/1/2018	\$9.12
Charge per 1000 gallons of consumption 7/1/2018	\$9.58
Number of Sewer Customers Served as of 4/30/2017	5,387
Gallons of Sewer Billed FY 2017	262,069,000
Residential Sewer Rates	
Monthly Facility Charge	\$11.13
Charge per 1000 gallons of consumption	\$4.52

Community Profile

Taxes

Tax	Rate
Sales Tax	
General Merchandise	6.25%
Qualifying Food and Drugs	1.00%
Vehicle (ST-556)	6.25%
Use Tax	
General Merchandise	6.25%
Qualifying Food and Drugs	1.00%
Vehicle (ST-556)	6.25%
Simplified Telecommunications Tax	13.00%

Property Tax per 100 of Equalized Assessed Value- 2016 Tax Year All Taxing Bodies
(Chatham's rate is .4630 or 6% of the total rate listed below)

Ball Township	7.4953
Chatham Township	7.2924
Woodside Township	7.7204

Budget Process

The Village of Chatham's budget, when adopted by the Village President and Board of Trustees, becomes the official financial plan for the Village's operating departments. Accordingly, preparation of the budget is one of the most important administrative functions performed each year. This budget process summary is designed to provide residents, elected officials and employees with an overview of the budget process. Since the budgetary process involves all operating departments it does not include every aspect of the budget process. However, it can be used as a guide in understanding how the Village creates its annual budget. The budget process ends after the Village Board conducts public meetings to review and approve the proposed budget. The 2019 budget was put on hold during the month of May and part of June in an effort to try and include the effects of the future contract with the Operating Engineers Local 965 and the Fraternal Order of Police. While these contracts are not complete, the Village has decided to go ahead and adopt the Fiscal Year 2019 Budget.

Budget Calendar

Revenue and
Payroll Estimated
Budget Packets
Distributed

February 2018: Estimates for revenues and personal service lines completed. Preliminary budget numbers input for operating line items using same budget amounts as in the Fiscal Year 2018 budget with the exception of debt service, electric, water and sewer expense.

Budget
Requests
Due

March 1, 2018 – March 9, 2018: Department Head's review their Department's operating line items to determine if amounts allocated between line items are adequate.

Budget
Meetings with
Management
Team

March - April 2018: The Village Management Team conducts several meetings to discuss the 2019 Budget.

Budget
Presentation

April 2, 2018 thru June 26, 2018: A preliminary budget document is prepared and the recommended budget is presented to the Village Board. The document includes the recommended budget along with Village-wide and fund summaries, department and other information.

Public Hearing
and Adoption of
Appropriation
Ordinance

July 10, 2018: A Public Hearing is required by State Statutes to allow the public a final opportunity to provide input regarding the budget. The public hearing is held the evening the Appropriation Ordinance is scheduled to be passed just prior to the Village Board Meeting. The budget is passed into law by the adoption of an appropriation ordinance. The final budget document is made available on the Village's website.

Budget Process

Budget Monitoring

During the fiscal year, monthly financial reports are prepared that compare the budgeted amounts by expenditure category and compare revenues to expenditures. These reports are reviewed by the Village Board and Management. Management and Department staff can obtain budget status reports by detail expenditure line item as often as they deem necessary. Variances from the budgeted amounts are examined. Budget transfers or amendments may be made during the fiscal year if necessary.

Transfers or Supplemental Appropriation

All transfers between line items must be approved by the Village Board. The Village Board usually approves line item transfers in the months of January and April. A supplemental appropriation is necessary if a funds budget needs to be increased over what was originally appropriated. Supplemental appropriations are completed in April before the end of the fiscal year. No supplemental appropriation increasing the total budget of a fund may be made unless funds are available for the purpose of the revision.

Fund Structure and Description of Funds

The financial transactions of the Village are reported in individual funds. A Fund is a fiscal and accounting entity with a self-balancing set of accounts that records transactions that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds are organized into three categories: governmental, proprietary, and fiduciary funds. Additionally, under GASB Statement No. 34, funds within these categories are considered major or nonmajor. The following major funds are budgeted:

Governmental Funds

- General Fund

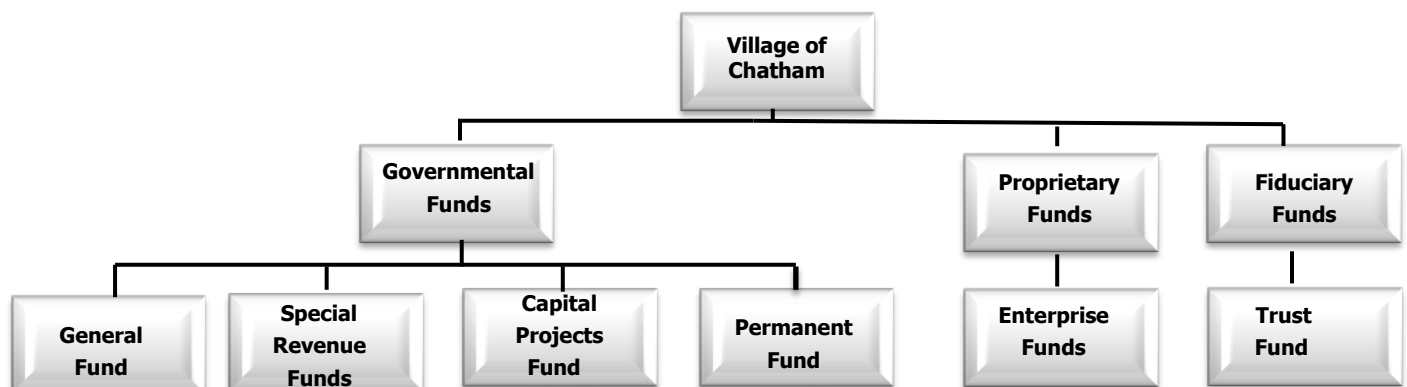
Proprietary Fund

- Electric Fund
- Water and Sewer Fund

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, or expenditures / expenses of an individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

Total assets, liabilities, revenues, or expenditures / expenses of an individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.



Fund Structure and Description of Funds

GOVERNMENTAL FUNDS

The Village maintains the following governmental funds:

General Fund

The **General Fund (100)** accounts for resources traditionally associated with the Village's operations which are not required legally or by sound financial management to be accounted for in another fund including Administration, Cemetery, Parks and Recreation, Streets and Police.

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The **Motor Fuel Tax Fund (500)** is the Village's largest Special Revenue Fund which accounts for the expenditures for street maintenance, improvements and construction authorized by the Illinois Department of Transportation. Financing is provided from the Village's share of State motor fuel taxes. State law requires that these taxes be used to maintain streets. Other special revenue funds of the Village are the **Yard Waste, Recycling and Refuse Fund (120)**, the **Police and Public Works Utility Tax Fund(150)** and the **Veteran's Memorial Fund(420)**.

Capital Projects Fund

Capital Projects Fund(110) is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Permanent Fund

The Village has one permanent fund the **Cemetery Perpetual Care Fund(410)** that is used to account for assets received and held for the perpetual care of the Village cemetery.

PROPRIETARY FUNDS

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Village Board is that the cost of providing these services be financed or recovered through user charges. The Village maintains two enterprise funds; the **Electric Fund(600)** and the **Water and Sewer Fund (700)**. All activities necessary to provide such services are accounted for in these funds including, but not limited to, administration, operations, billing and collection, maintenance and capital improvements.

Fund Structure and Description of Funds

FIDUCIARY FUNDS

Trust Funds

Trust funds are used to account for assets held by the Village in a trustee capacity. The Village has one trust fund that is used to account for assets held in a trustee capacity by the Village for police pension benefit payments. The **Police Pension Fund (300)** accounts for the accumulation of resources to pay pensions to the participants. Resources for this fund are contributed by employees at a rate fixed by law and by the Village through an annual property tax levy based on an actuarial analysis.

Basis of Budgeting

Governmental Funds (General, Special Revenue Permanent and Capital Projects Funds) are budgeted and accounted for in accordance with Generally Accepted Accounting Principles (GAAP), on a modified accrual basis. This means revenues are recorded when they are both measurable and available, and expenditures are recorded when they are expected to draw on current spendable resources.

Proprietary and Fiduciary Funds (Enterprise, Pension Trust) are accounted for in accordance with GAAP, on an accrual basis. Revenues and expenses are recorded at the time they are earned or incurred rather than when cash is actually received or spent. In most cases, these funds are budgeted on the same basis with the following exceptions:

- Principal payments on long-term debt are applied to the outstanding liability for accounting purposes, but expended for budget purposes.
- Debt proceeds are accounted for as liabilities in the financial statements, however, are included as revenue in the budget.
- Capital items in the enterprise fund are recorded as capital assets for accounting purposes, but are treated as expenses in the budget.

Financial Policies

As part of the Fiscal Year 2019 Budget process, the Village Management Team compiled and reviewed the Village's financial policies and have included them in the Village's Fiscal Year 2019 Budget Document.

The Village of Chatham's Financial Policies are the basic guidelines for the management and the Village's financial operations and have been developed within the parameters set forth in the Illinois State Statute and the Village of Chatham Municipal Code. These policies assist the Village Board and management in preparing the budget and managing the Village's fiscal affairs throughout the year. The policies will be reviewed during the budget process and modified as appropriate to accommodate changing fiscal conditions, environmental challenges and Village of Chatham initiatives. In addition to these financial policies, the Village has separate policies on travel, investments, purchasing and fixed assets. The Village's Police Pension Board has separately issued and approved an investment policy.

Financial Planning Policies

1. The fiscal year of the Village will begin on May 1 of each year and end on April 30th of the following year. All accounting and budgeting functions of the Village will occur in conjunction with this fiscal time period.
2. The Village Manager and Chief Fiscal Officer will present a balanced budget to the Village Board annually. A balanced budget means that current operating expenditures, excluding major capital expenditures, accrued time payouts and special projects and initiatives are funded with current revenues. The use of reserves to cover current operating expenditures should be avoided.
3. The Village will avoid budgetary procedures that balance current expenditures at the expense of meeting future year's expenses, such as postponing expenditures, accruing future year's revenues or rolling over short-term debt.
4. The budget will provide for adequate maintenance of capital plant and equipment and for their orderly replacement.
5. The Budget will provide for adequate funding of all retirement systems, with a uniform reduction of unfunded liabilities, in accordance with either state requirements or an independent actuarial study.
6. The Village will prepare a budget document that contains a budget summary describing projects to be undertaken during the budget period, the Village's organization wide goals, an estimate of revenues and budgeted expenditures by line item, departmental goals and capital improvements. A multi-year budget projection for the Village's three major funds (General, Electric and Water and Sewer) will be included as well as a five year Capital Improvement Plan.
7. The Village will maintain a budgetary control process, assisted by a financial accounting software system.

Financial Policies

8. The Village will prepare a monthly financial report comparing actual revenues and expenditures to the approved budgeted amounts on a summary basis. The monthly report will provide financial analysis highlighting the Village's revenue and expenditure activity.

Revenue Policies

1. The Village will maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any single revenue source.
2. The Village will estimate its annual revenues conservatively, using an objective analytical approach, taking into account available information.
3. Potential revenue sources will be examined annually.
4. One-time revenues will not be used to fund ongoing expenditures.
5. The Village will set user fees and user charges for the Electric and Water and Sewer Fund at a level that supports the cost of the utilities, including the costs associated with capital improvements.
6. The Village will review other user charges and fees on an annual basis in order to attempt to recover the cost of providing the service.

Expenditure Policies

1. The Village will fund all operating expenditures in a particular fund from operating revenues generated by the fund. In developing the budget, the management team will consider if service level adjustments may be necessary to meet this objective. Service levels will not be expanded beyond the Village's ability to utilize current revenues to pay for the expansion of services.
2. The Village will assess its organization and service provision efforts in order to provide service enhancements or cost reductions by increasing efficiency or effectiveness. The Village will strive to provide the same quality of service using the most efficient means possible. During each budget process the Village will assess its current organization and make adjustments if it is determined that a particular enhancement would improve operations or reduce cost.
3. The Village will provide sufficient resources to train employees and thereby develop the specialized knowledge and expertise necessary to maintain and improve the quality of Village operations.
4. The Village will strive to adopt new technologies that will improve efficiency and allow the Village to maintain or improve the level of service provided to residents.

Fund Balance and Reserve Policies

1. **Policy:** It is the policy of the Village of Chatham to operate with sound financial management and to provide a stable financial base for the Village at all times in order to maintain sufficient balances to fund operations and protect against the need to reduce service levels or programs.
2. **Scope:** This fund balance policy is established for the governmental funds of the Village of Chatham as accounted for in the Comprehensive Annual Financial Report in accordance with Governmental

Financial Policies

Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

3. **Definitions:** The following individual components constitute the fund balance for all the Village's funds:
 - Nonspendable** - Represents fund balances that cannot be spent because of their form or legally or contractually required to be maintained intact.
 - Restricted** - Represents fund balances which are subject to externally enforceable limitations imposed by external parties or enabling legislation.
 - Committed** - Represents fund balances that have self-imposed limitations put in place by formal action by the Village Board.
 - Assigned** - Represents fund balances that have limitations due to being earmarked for an intended use. Authority to assign fund balances is delegated to the Village's Chief Fiscal Officer.
 - Unassigned** - Represents the residual classification for the General Fund. This is the fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report a deficit fund balance as unassigned.
4. **Committing Fund Balance:** In order to commit fund balance, the Board of Trustees, as the highest level of decision-making authority, must incorporate in an ordinance or resolution of the commitment of funds for specific purposes. These funds must be fully expended for their committed purpose or a separate action by the Board of Trustees for the funds to become uncommitted.
5. **Assigning Fund Balance:** In order to assign fund balance, the Board of Trustees designates the Chief Fiscal Officer as the authority to assign fund balance.
6. **Order of Resource Use:** The Village requires the most restricted fund balances to be utilized first in the following order.
 - Restricted
 - Committed
 - Assigned
 - Unassigned
7. **Annual Review and Determination of Fund Balance Policy:** Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process. Actual final classification of restricted, committed, assigned, non-spendable and unassigned fund balances shall be determined during the annual fiscal year-end process for presentation in the Village's Comprehensive Annual Financial Report.
8. **General Unassigned Fund Balance and Unrestricted Cash Balance:** In the General Fund, the Village will strive to maintain an unassigned fund balance and unrestricted cash balance of a minimum of 17% to 25% of the total budgeted annual expenditures of the most recently approved budget. In the Village's two enterprise funds, the Village will also strive to maintain unrestricted cash balances of a minimum of 17% to 25% of the total budgeted annual expenditures for the most recently approved budget. This reserve is intended to provide for the Village in the event of emergency or due to the loss of or reduction of a major revenue source and to provide adequate

Financial Policies

coverage for variations in cash flows due to the timing of receipts and disbursements.

Capital Improvements

1. The Village will make all capital improvements in accordance with an adopted Capital Improvement Plan(CIP).
2. The CIP will include all capital equipment and improvements with a value of \$20,000 or more.
3. The Village will develop a five-year plan for capital improvements and update it annually. As part of this process, the Village will assess the condition of all major capital assets and infrastructure, at a minimum, building, streets, storm sewers, electric distribution system, water mains and sanitary sewer lines.
4. The Village will enact an annual capital budget based on the five-year Capital Improvement Plan.
5. The Village will coordinate development of the capital improvement budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget projections.
6. The Village will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the board for approval.
7. The Village will determine the least costly financing method for each new project.

Debt Policies

1. The Village will limit long-term borrowing to capital improvements or projects to a time period not greater than the useful life of the asset financed by the debt.
2. The Village will not use long-term debt to finance current operations.
3. When feasible and economical the Village will utilize a competitive private placement with an area financial institution.
4. Consider refunding of debt when at a savings of at least 3% of the net present value can be obtained.
5. Level or declining debt service shall be employed unless operational matters dictate otherwise.

Accounting and Financial Reporting Policies

1. The Village will establish and maintain a high standard of accounting practices
2. The Village will issue a Comprehensive Annual Financial Report(CAFR) in accordance with Generally Accepted Accounting Principles(GAAP). The CAFR shall also satisfy all criteria for the Government Finance Officers Association's Certificate for Achievement for Excellence in Financial Reporting.
3. Monthly financial reports shall be prepared and submitted to the Village Board. The reports shall include a summary of financial activity.
4. An independent certified public accounting firm will perform an annual audit in accordance with generally accepted auditing standards and will issue a financial opinion



EXHIBITS

This section contains detailed information on fees, property taxes, revenue and expenditure trends

Fee Schedule

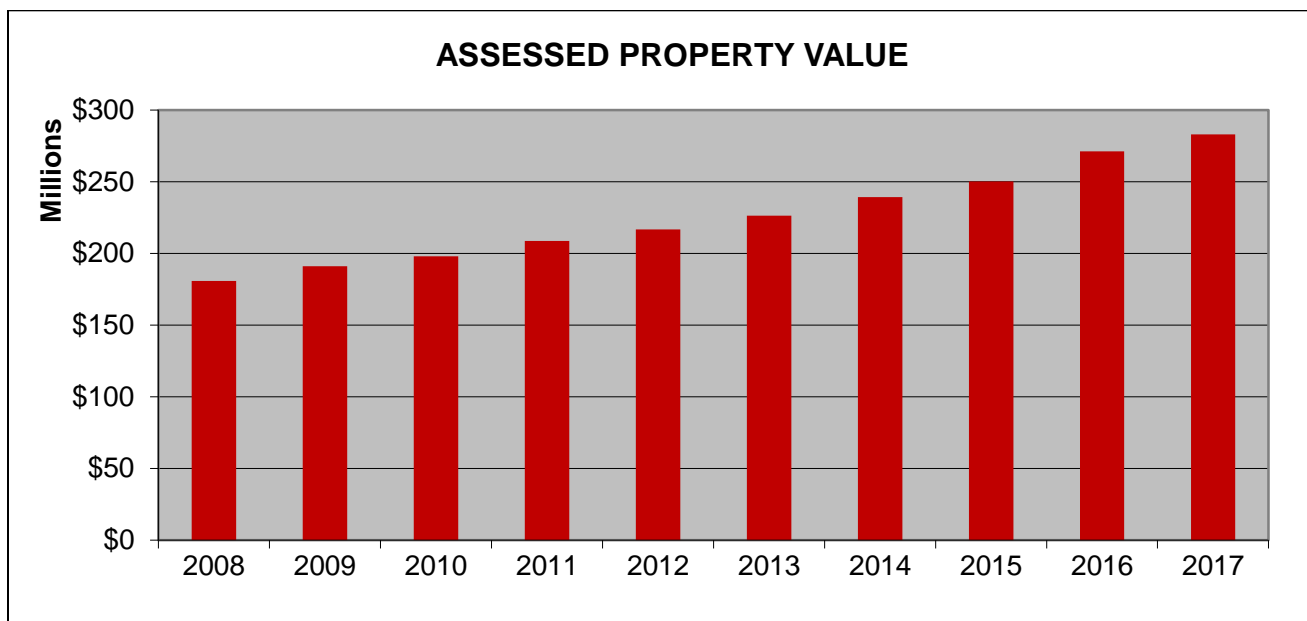
	2018 Budget	2019 Budget	Change
Permits			
Building Permit Charge per square footage	the greater of \$.15 per square ft or \$70	the greater of \$.20 per square ft. or \$85	\$.05 per square ft or \$5
Building Permit Electric Meter Fee	\$115	\$140	\$25
Building Permit Electric Inspection Fee	\$70	\$85	\$15
Building Permit Mechanical Inspection Fee	\$70	\$85	\$15
Building Permit Plumbing Inspection Fee	\$70	\$85	\$15
Building Permit Water Tap Fee	\$1,150	\$1,150	No Change
Contractor Annual Registration	\$20	\$25	\$5
Contractor Tree Trimming Permit	\$25	\$30	\$5
Cemetery			
Cemetery Cornerstones	\$50	\$50	No Change
Cemetery Lot	\$400	\$500	\$100
Cemetery Opening and Closing of gravesite	\$450	\$500	\$50
Utilities			
Bulk Water	\$8.70 per 1000 gallons	\$9.58 per 1000 gallons	\$.88
Customer Deposit Commercial Electric	\$200	\$200	No Change
Customer Deposit Residential Owner Electric	\$100	\$100	No Change
Customer Deposit Residential Tennant Electric	\$200	\$200	No Change
Customer Deposit Commercial Water	\$100	\$100	No Change
Customer Deposit Residential Owner Water	\$50	\$50	No Change
Customer Deposit Residential Tennant Water	\$100	\$100	No Change
Electric Standard Residential Rate			
Rate per kwh	\$0.1102	\$0.1135	\$.0033
Monthly Facility Charge	\$11.23	\$11.57	\$.34
Senior Citizen Electric Residential			
Rate per kwh	\$0.0993	\$0.1022	\$.0029
Monthly Facility Charge	\$11.23	\$11.57	\$.34
Village Park Electric Service Rate			
Rate per kwh	\$0.0993	\$0.1022	\$.0029
Monthly Facility Charge	\$11.23	\$11.57	\$.34
Governmental Electric Service			
Rate per kwh	\$0.0993	\$0.1022	\$.0029
Demand Charge	\$6.0911/multiplier/ demand unit	\$6.2738/multiplier/ demand unit	\$.1827
Monthly Facility Charge	\$24.15	\$24.87	\$.72
General Electric Service Commercial Without Demand			
Rate per kwh	\$0.1300	\$0.1339	\$.0039
Monthly Facility Charge - Single Phase	\$11.23	\$11.57	\$.34
Monthly Facility Charge - Three Phase	\$25.12	\$25.87	\$.75

Fee Schedule

	2018 Budget	2019 Budget	Change
General Electric Service Commercial With Demand			
Rate per kwh	\$0.1030	\$0.1061	\$.0031
Demand Charge	\$6.0911/multiplier/ demand unit	\$6.2738/multiplier/ demand unit	\$.1827
Monthly Facility Charge - Single Phase	\$11.23	\$11.57	\$.34
Monthly Facility Charge - Three Phase	\$24.15	\$24.87	\$.72
Industrial Electric Service			
Rate per kwh	\$0.0901	\$0.0928	\$.0027
Demand Charge	\$8.1110/multiplier/ demand unit	\$8.3543/multiplier/ demand unit	\$.2433
Monthly Facility Charge - Single Phase	\$19.32	\$19.90	\$.58
Monthly Facility Charge - Three Phase	\$48.30	\$49.74	\$1.44
Security Light Monthly Rate	\$8.20	\$8.45	.25
Green Program Monthly Fee	\$2.00	\$2.00	No Change
Water Inside Village			
Monthly Facility Charge - Zero Consumption	\$9.99	\$9.99	No Change
Monthly Facility Charge - Consumption >1	\$25.99	\$25.99	No Change
Additional Monthly Facility Charge Painting Water Tanks	\$2.50	\$2.50	No Change
Consumption charge per 1000 gallons	\$8.70	\$9.58	\$.88
Water Outside Village			
Monthly Facility Charge - Zero Consumption	\$9.99	\$9.99	No Change
Monthly Facility Charge - Consumption >1	\$32.49	\$32.49	No Change
Additional Monthly Facility Charge Painting Water Tanks	\$2.50	\$2.50	No Change
Consumption charge per 1000 gallons	\$12.32	\$13.20	\$.88
Sewer Service			
Monthly Facility Charge	\$11.13	\$11.13	No Change
Consumption charge per 1000 gallons	\$4.52	\$4.52	No Change
Fines			
Cannabis	\$200	\$200	No Change
Code Violation	\$100 and up	\$100 and up	No Change
Dog Fines	\$50-\$750	\$50-\$750	No Change
Drug Paraphernalia	\$200	\$200	No Change
Parking	\$15-\$500	\$15-\$500	No Change
Tow fee	\$250	\$250	No Change
Liquor license	\$150-\$1,000 annually	\$150-\$1,000 annually	No Change
Recycling Bin	\$9	\$9	No Change
Veteran's Memorial Bricks	\$50	\$50	No Change
Waste haulers Annual Fee	\$250 annually	\$250 annually	No Change
Zoning	\$200	\$200	No Change

Property Tax Exhibit

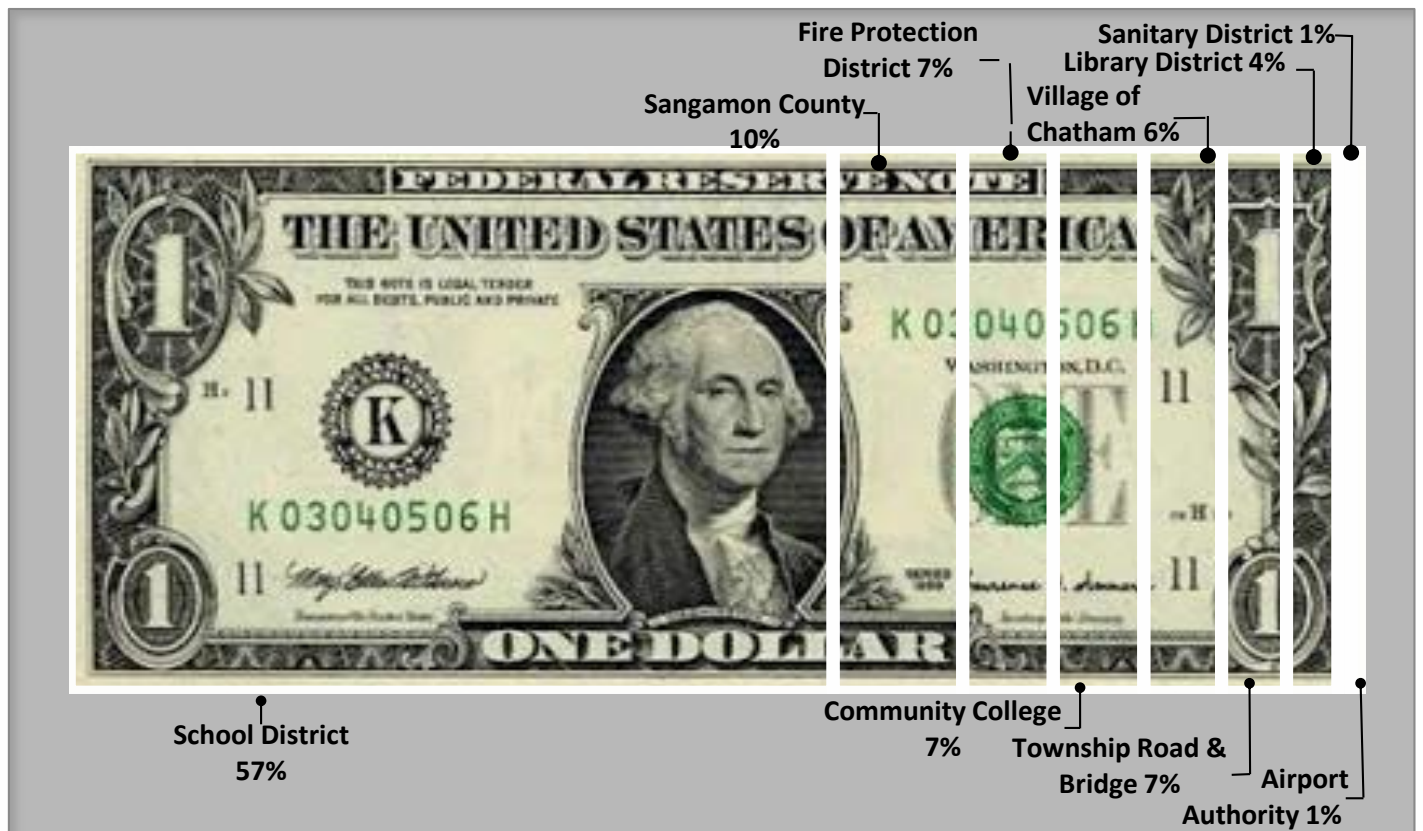
	2014 Extended	2015 Extended	2016 Extended	2017 Estimated
General Fund	\$ 759,317	\$ 611,066	\$ 654,623	\$ 631,917
Police Pension	\$ 326,925	\$ 510,222	\$ 531,274	\$ 604,307
Total Corporate Levy	\$ 1,086,242	\$ 1,121,288	\$ 1,185,897	\$ 1,236,224
Bond and Interest Levy	\$ 37,308	\$ 37,285	\$ 33,085	\$ 33,381
Total Levy	\$ 1,123,550	\$ 1,158,573	\$ 1,218,982	\$ 1,269,605
Property Tax Rate	\$.4698	\$.4630	\$.4495	\$.4488



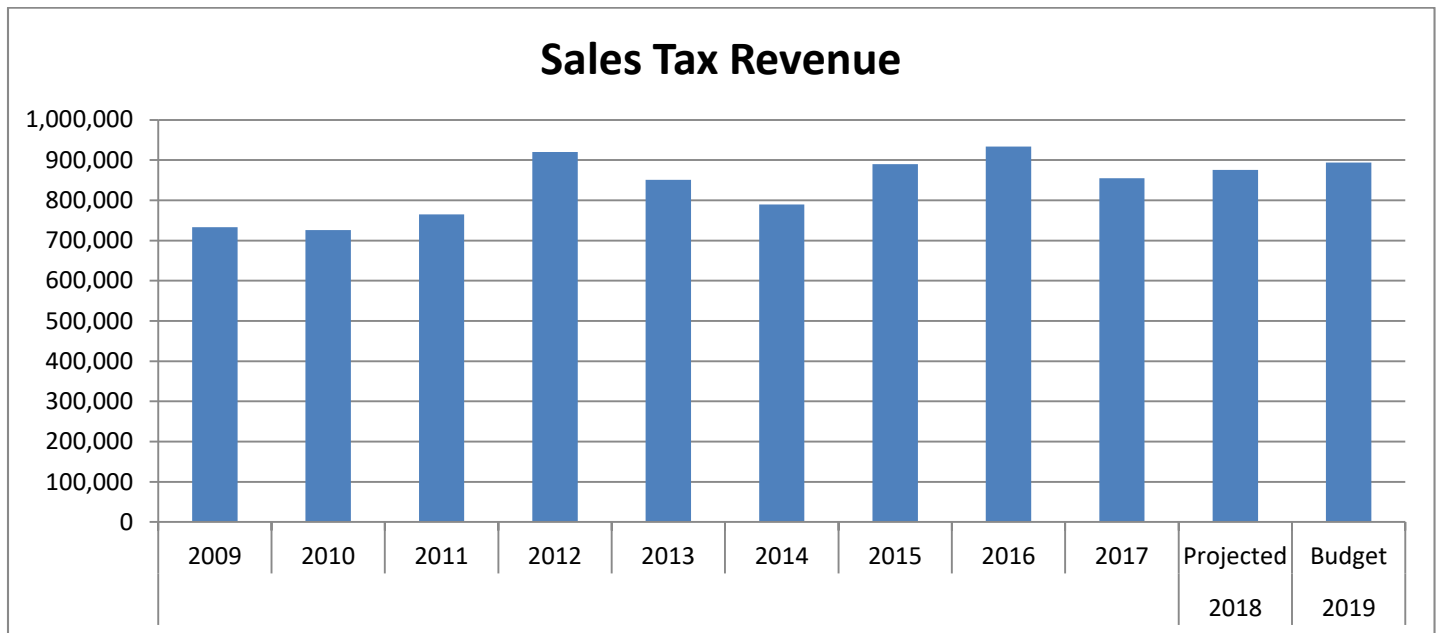
Assessed values have increased 56.57% between 2008 and 2017. The average increase during this period was 5.66%, with the highest growth in 2016 of 8.37% due to the addition of the equalized assessed value of the TIF District that was closed in November of 2015. The lowest increase of 3.67% occurred in 2010. Growth between 2016 and 2017 was 4.32%.

Property Tax Exhibit

Property tax is one of the most significant revenue for the Village's General Fund. Estimated Property Tax Revenue is \$1,269,605 or 27% of the Revenue estimated for the General Fund's Fiscal Year 2019 Budget. However the Village of Chatham's share of a citizen's property tax bill is only 6% as demonstrated in the following image that shows the distribution between taxing districts for the 2016 tax year.



Trends and Projections



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 Projected	2019 Budget
732,982	726,178	764,864	919,896	850,722	789,272	915,887	933,352	855,304	875,245	894,200

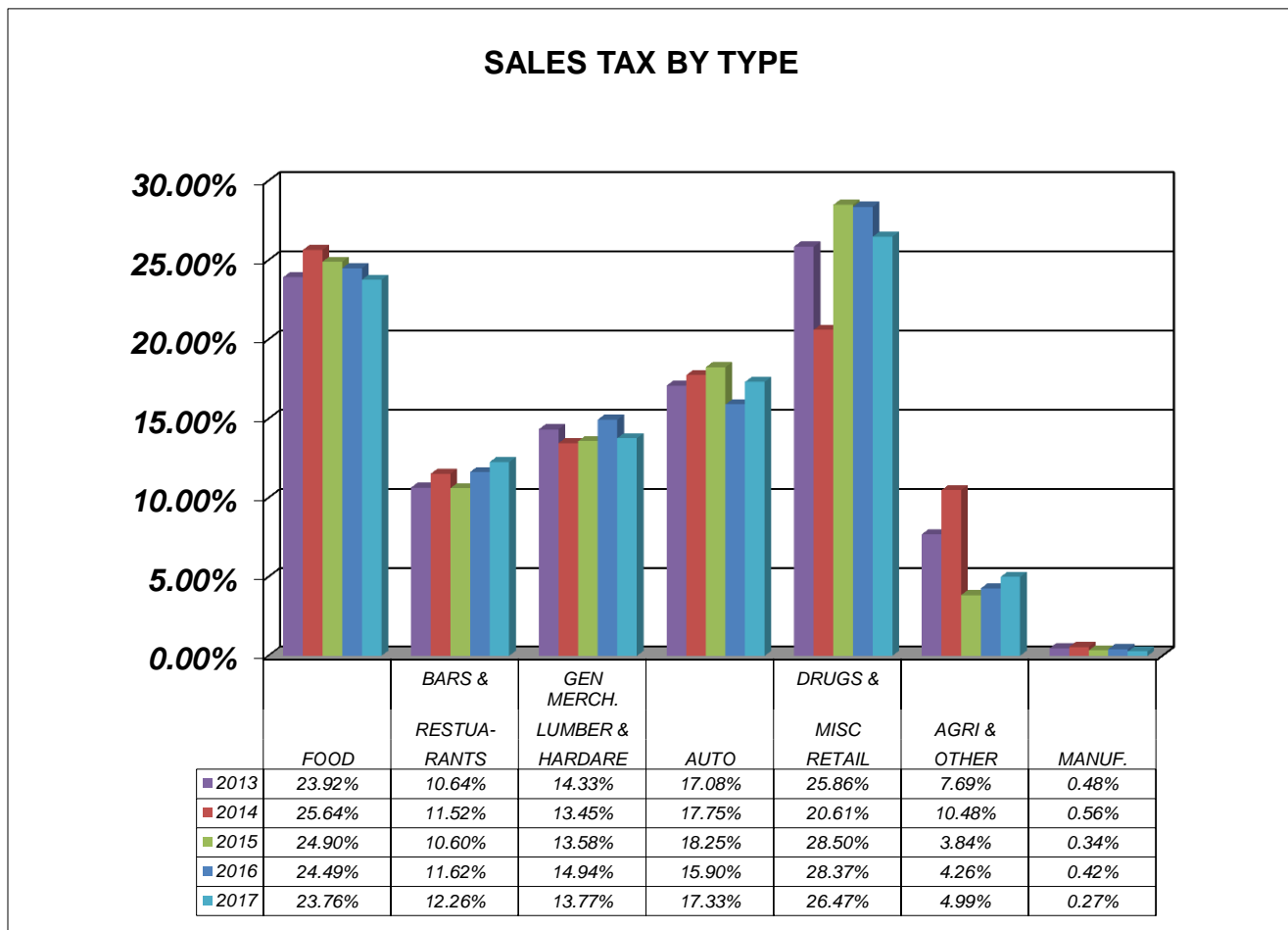
Sales tax revenues are from the local portion of the State sales tax rate. The Village receives one cent (\$0.01) per dollar of retail sales, which is collected by the State and then distributed to the Village. The Municipal Sales Tax is on all retail sales including food and drugs.

This source of revenue is directly related to economic development activity within the Village and is also influenced by general economic conditions. FY 2019 sales tax revenue includes an inflationary increase of 2.2%. Sales tax revenue saw a decline in FY 2017, which was likely a result of a cautious consumer environment due to the lack of a State Budget. The Village will continue to explore economic development opportunities to increase this revenue source.

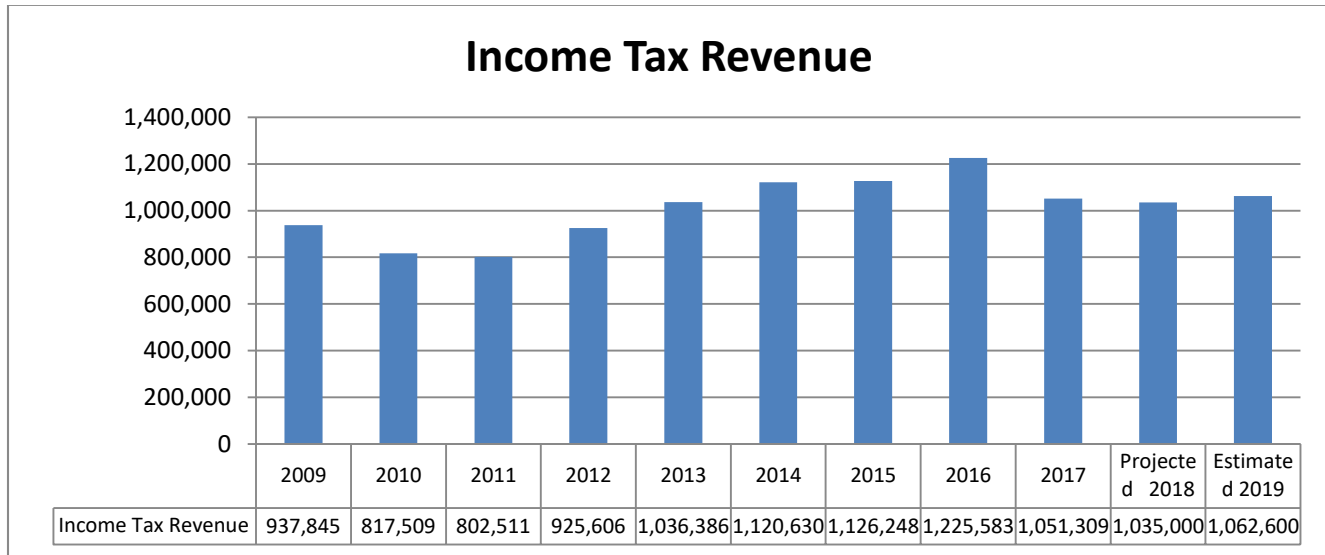
Trends and Projections

Four-Year Comparison of Sales Tax by Type of Sale

The purpose of this graph is to visually display the sources of sales tax revenue received by the Village. Percentages reported above reflect the category percent of the total 1% collected. The Illinois Department of Revenue was the source of the information. The data above represents the calendar years 2013 through 2017.



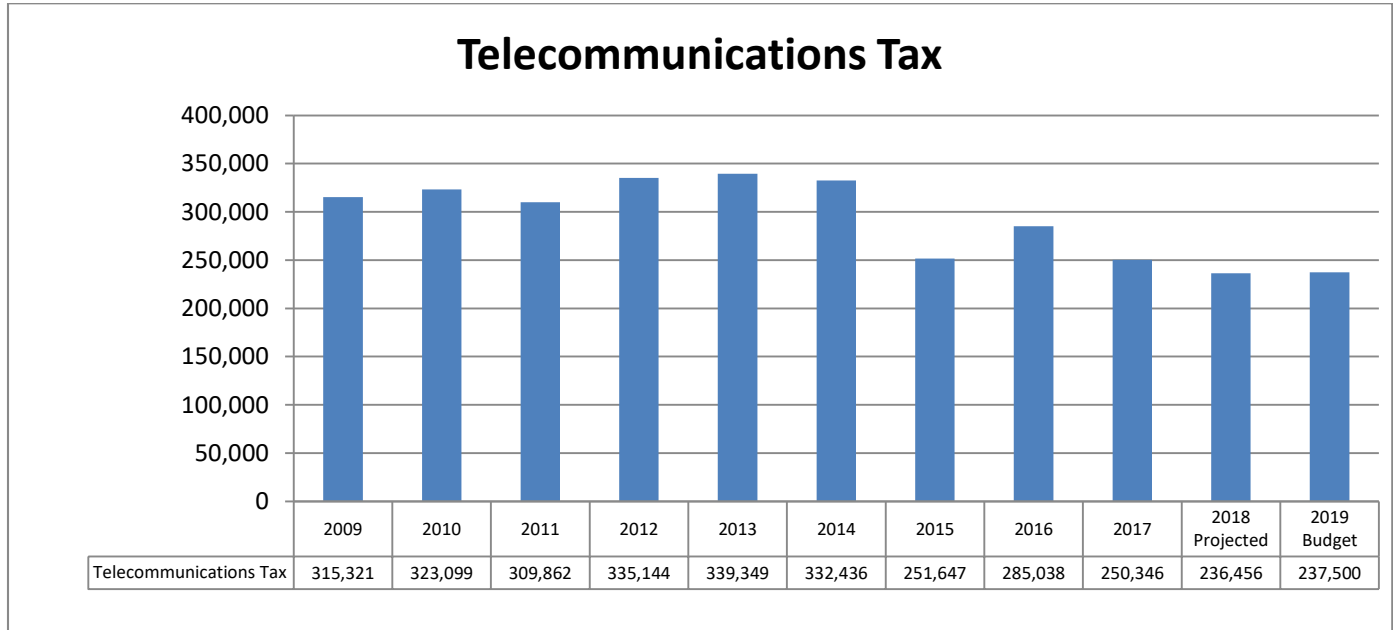
Trends and Projections



The tax data above shows the state income tax distribution from the State of Illinois. State income tax is distributed to municipalities based on population. During the time period reflected above income tax has been effected by increases in the Village's population, changes in economic conditions, delays in payments from the State of Illinois and changes in the income tax rate. Income tax made up anywhere from 22 to 29 percent of the General Fund Revenues for the years shown above.

Through December 2010 local governments received one-tenth of the net collections of all income taxes received. As of January 2011 municipalities receive an adjusted percentage set to 6% to equal prior year allocations. In 2015 the percentage of individual income tax revenues allocated to municipalities increased to 8% due to the decline in the income tax rate. The increase from fiscal year 2011 to 2012 shows the effect of the 2010 census when the Village's population increased from 10,300 to 11,500. Also effective January 2011 was an income tax rate increase from 3% to 5% for individuals and 4.8% to 7% for corporations. In 2015 rates dropped to 3.75% for individuals and 5.25% for corporations. In July of 2017 rates increased to 4.95% for individuals and 7% for corporations.

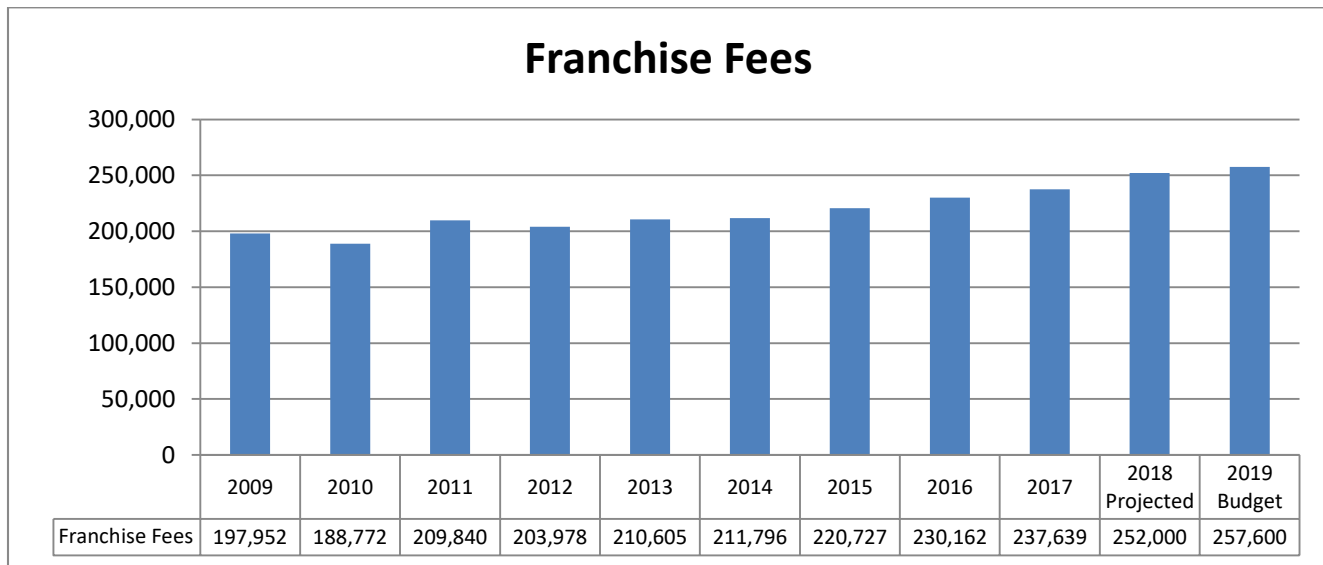
Trends and Projections



The Simplified Municipal Telecommunications Tax Act effective July 1, 2002 repealed the municipal infrastructure maintenance fee and established the simplified municipal telecommunications tax. Under this Act, the Illinois Department of Revenue collects the tax and distributes 99.5% of it to municipalities. The Village's tax rate for the Simplified Telecommunications Tax is 6%. The tax is collected by the State of Illinois and remitted to the Village monthly. The Simplified Telecommunications Tax was consistent until Fiscal Year 2015 when a reduction of revenue incurred due to the settlement of a class action lawsuit. The revenue source rebounded in fiscal year 2016, but not to the level of revenue received prior to 2015. This reduction is likely due to the bundling of services and a reduction in landlines.

Telecommunication tax revenues are allocated between the General Fund and the Police and Public Works Utility Tax Fund. These fees currently represent 4% of the revenues in the General Fund and a 100% of the revenues in the Police and Public Works Utility Tax Fund. In the Police and Public Works Utility Tax Fund this revenue source funds equipment purchases for the Police, Parks and Street Departments.

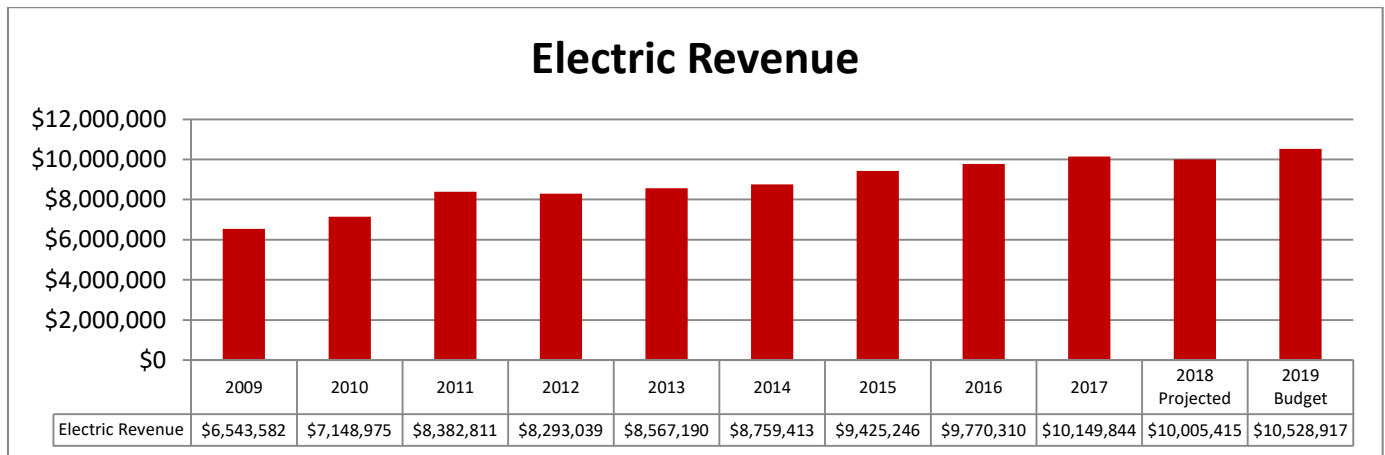
Trends and Projections



Franchise fees are a revenue source within the General Fund. The franchise fees collected are the result of the privilege granted by the Village of Chatham to Ameren/CILCO and Comcast that allows these investor owned utilities to have facilities on public property. Franchise fees currently make up 5.5% of the 2019 General Fund Revenues Budget.

Franchise fees include 1.0039 per therm of natural gas sold and 5% assessed on cable fees. Franchise fees assessed on natural gas revenue are affected by weather, gas prices, and vacancies. Franchise fees assessed on cable charges are affected by changes in customer preferences changing and bundling of services.

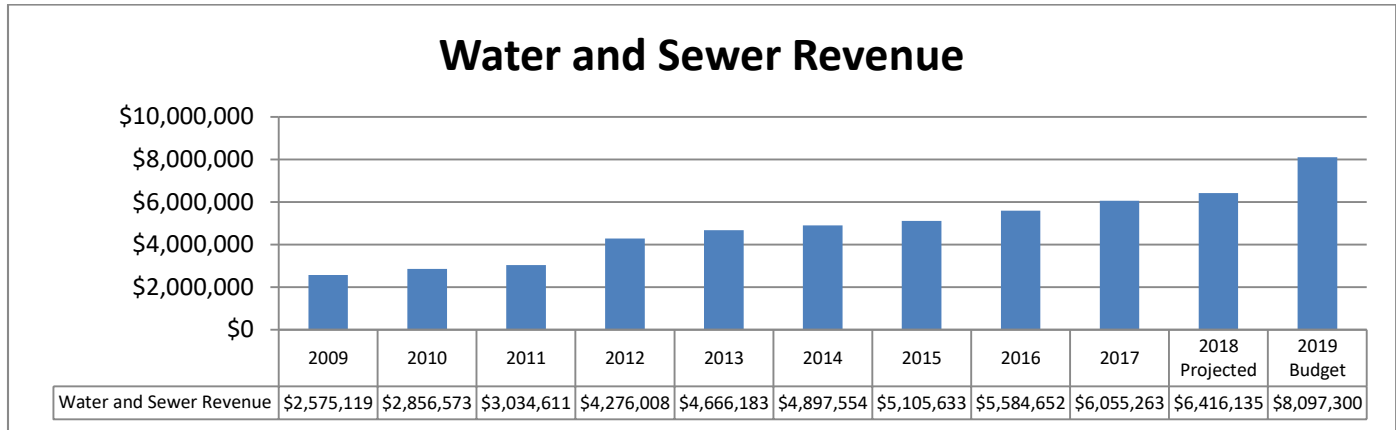
Trends and Projections



Customers, including residents and businesses, are billed monthly for electric services. Electric revenues are based on the amount of electricity used. Electric rates are developed to recover the cost of providing electricity to users. The Village purchases electricity from the Illinois Municipal Electric Agency (IMEA). The Village's electric rate to their customers is affected by the IMEA's rate to the Village. Electric consumption is also effected by summer and winter weather conditions. Hotter summers and colder winters are associated with higher consumption.

In 2009 the Village had an electric rate study conducted which resulted in an increase in electric rates effective December 1, 2009. Electric rates were also increased in fiscal year 2014, also adopted with this rate increase was the provision that rates would be annually adjusted based on the Supply Average Participant Cost from the IMEA as determined each January. Rates increased again in August 2015 as a result of this provision. The IMEA did not project any increases in the Supply Average Cost for fiscal years 2017 and 2018, thus electric rates have stayed the same. The 2019 Budget includes a proposed electric rate increase of 3% for both facility charges and consumption charges due to a slight increase in IMEA's supply average cost and increases in other electric operating costs. The five year projection for the Electric Fund found on page 46 includes proposed annual increases of 3% in the electric facility charge for fiscal years 2020, 2021 and 2022.

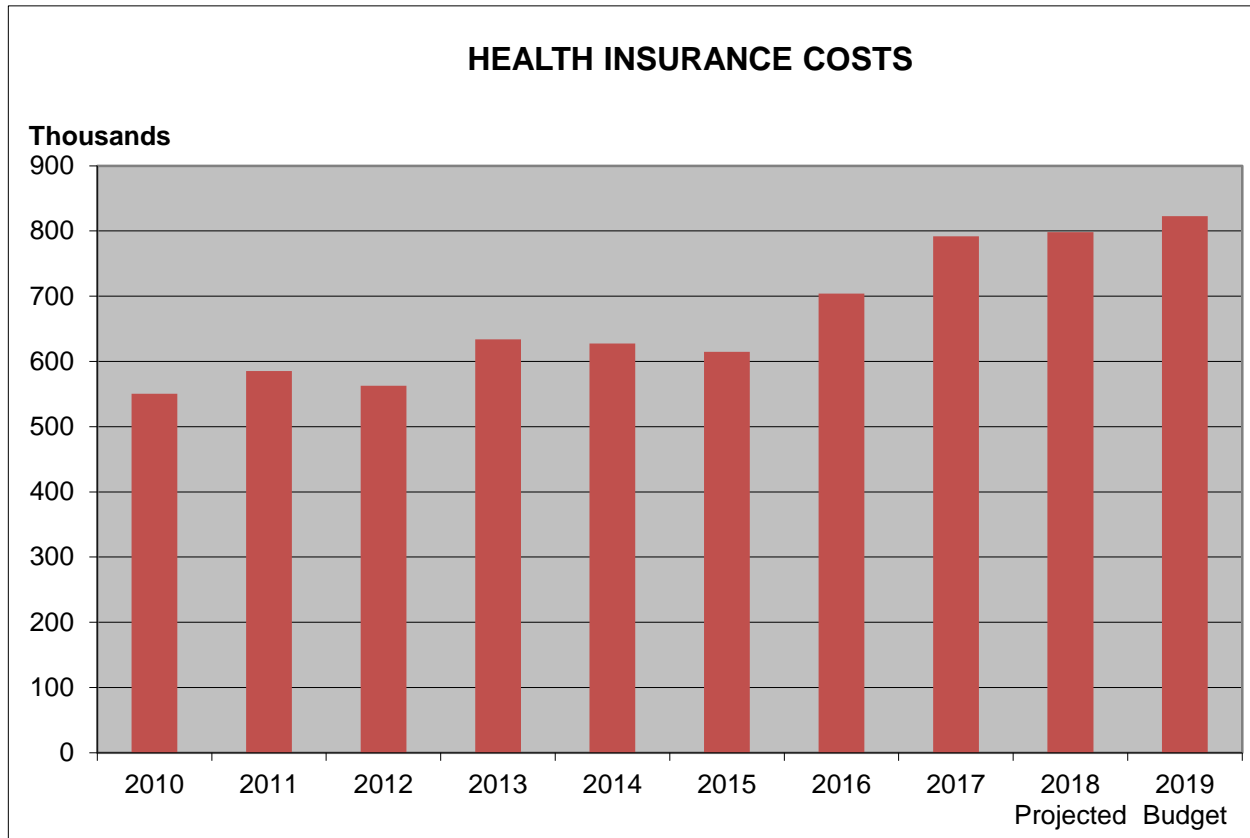
Trends and Projections



Customers, including residents and businesses, are billed monthly for water and sewer services. Water and sewer revenues are based on the volume of water used. Water and sewer rates are developed to recover the cost of providing water to users. The Village receives its water from the South Sangamon Water Commission (SSWC) and the Village pays the Sangamon County Water Reclamation District (SCWRD) for sanitary sewer service. The Village's water and sewer rates to their customers are affected by the SSWC's water rate and the SCWRD's sewer rate to the Village.

During 2010, the Village had a water and sewer rate study and forecast performed for fiscal years 2011 through 2015. The new rate structure adopted in January of 2011 for the water and sewer utilities was designed to build cash balances within the fund as well as produce a net income provided expenditures stay within the parameters used in the study. Due to an increase from the Village's water supplier in September of 2013, the Village increased their water rates. Water and Sewer rates were then restructured in 2015 with an effective date of August 2015. The restructuring eliminated a minimum charge that included some gallons of consumption and adopted a rate structure with a monthly facility charge and a separate consumption charge for all consumption. The restructuring was adopted to alleviate consumption risk experienced by the Water and Sewer Fund, to make the utility less reliant on high usage to balance funds by shifting more of the cost to a fixed monthly portion. In August 2016, the facility charge was increased \$2.50 a month for the duration of one year to fund the Village-wide flushing program. The 2018 budget included a rate increase of \$1.41 per 1000 gallons that is the result of passing along the rate increase the Village received from their supplier the SSWC as well as a continuation of the \$2.50 monthly facility for ten years to fund the painting of both the ground storage tank and the water tower. The 2019 budget includes a rate increase of .88 per 1000 gallons that is the result of passing along a rate increase from the SSWC.

Trends and Projections

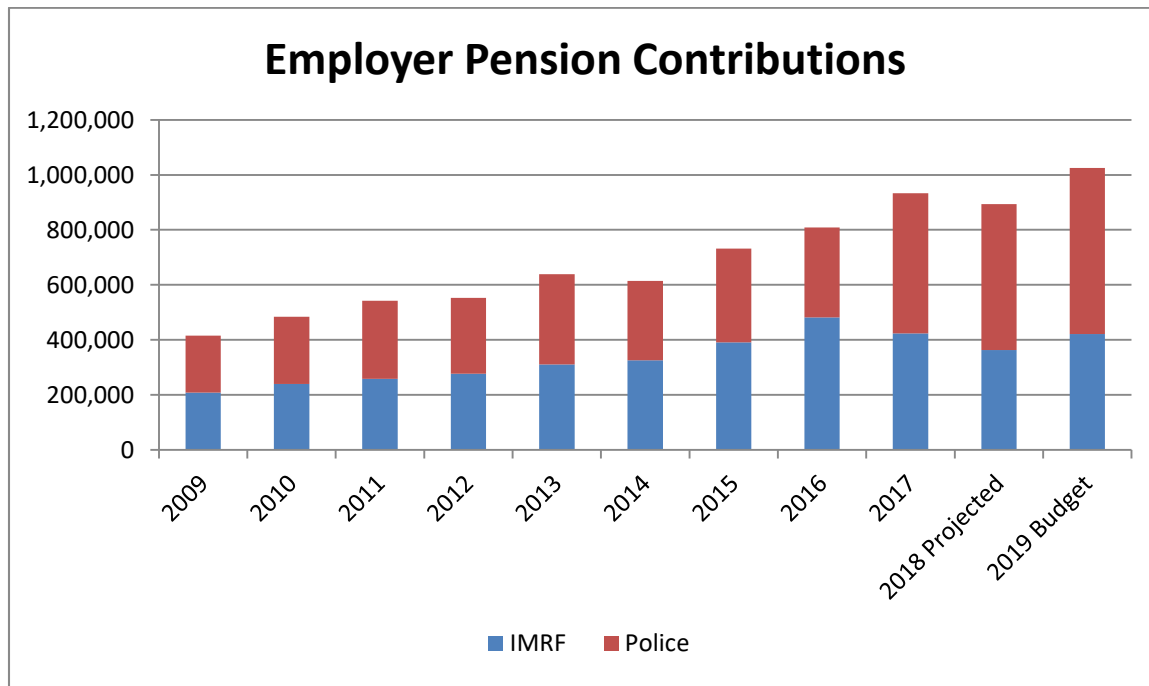


2010	2011	2012	2013	2014	2015	2016	2017	2018 Projected	2019 Budget
550,625	585,187	562,713	634,109	627,387	614,747	703,941	791,662	798,200	816,615

The Village provides health, dental and vision insurance to employees. The Village currently pays 100% of the employee's coverage and 80% towards the dependent or family health coverage. Retirees meeting certain length of service requirements are eligible to remain on the Village's health insurance plan until the retiree is Medicare age. The Village pays either a portion or all of their individual coverage depending on their length of service. Retiree dependents may also remain on the Village's health insurance plan, the retiree is responsible for 100% of the cost of their dependents health insurance. The Village does not pay for retiree dental or vision. The retiree has the option to remain on the plan at their own expense.

In 2009, the Village began participating in a Health Insurance Arrangement, whereby the Village provided a health insurance plan with a higher deductible for employees at a lower premium cost. The Village reimburses employees for costs incurred related to the higher deductible. The Health Insurance Arrangement is administered by Averill Anderson LLC. The costs related to this arrangement are included in the above amounts for insurance costs. Going forward the Village is looking to shift more of the cost of dependent care to the employee.

Trends and Projections



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 Projected	2019 Budget
IMRF	207,901	240,050	258,937	276,898	310,616	325,356	390,527	481,911	423,257	362,800	421,020
Police Pension	207,109	244,569	283,016	275,939	327,890	289,251	341,102	326,621	510,118	530,455	604,307

The Village funds two pensions the Police Pension and the Illinois Municipal Retirement Fund (IMRF). The IMRF plan covers all full-time and eligible part-time non-sworn municipal employees. The fiscal year 2019 budget includes contributions for 39 employees in IMRF and 16 in the Police Pension Plan.

Police pension expenses increased from 2017 to 2019 due to a change in funding assumptions and actuarial approach due to the implementation of GASB 67 and 68. IMRF contributions spiked in 2015 and 2016 with an increase in contributions related to accelerated payments required upon the retirement of individuals with significant accrued time accumulated. The decrease in IMRF from 2018 to 2019 is reflective of a decrease in the Village's required contribution rate which increased from 15.36% for calendar year 2017 to 14.09% for calendar year 2018.

Long-Term Financial Planning

The Village recognizes the importance of long-term financial planning. This year's budget process includes both a five-year Capital Improvement Plan and a five-year Financial Projection for the Village's three major funds; the General Fund, the Electric Fund and the Water and Sewer Fund. The purpose of formulating these projections is to aid the Village in their long-term planning and assist in reviewing revenue sources, fund balances and levels of service. It will allow the Village to proactively address future financial challenges, identify areas of concern and consider the long-term effects of current decisions.

Capital Improvement Plan

The Capital Improvement Program (CIP) is a plan for the Village's capital investments over a five (5) year period. The CIP has been incorporated as part of the Village's Annual Budget Document. The Fiscal Year 2018-2019 is the first year the CIP has been included as part of the Annual Budget Document. The CIP allows the Village to forecast capital costs, funding, and timing for large projects. Each year the CIP is reviewed by the Village's Management Staff and the Village Board within the context of ongoing Village, County, and State planning, programs, and policies, as well as the Village's planning document (Comprehensive Plan).

Five-Year Financial Projection

The Village's five-year financial projection is based on estimates of future revenue and expenditure assumptions. The projection is prepared for the General Fund, Electric Fund and Water and Sewer Fund. The projection includes prior year estimated results and projected results for the current year and following four years.

Revenue Assumptions

Financial trends and currently known information are used in preparing the revenue projections. Actual results may vary based on revenue performance, future economic development or future changes in fees or rates.

General Fund

The Village is a non-home rule community and is subject to the State of Illinois' Property Tax Limitation Law. This law limits the increase in the Village property tax levy to the lesser of 5% or the increase in the December to December change in the Consumer Price Index(CPI). An exception to this limit is allowed for new property growth. The Village is a community that has been consistently experiencing growth in new property for several years. Due to this an estimated increase rate of 4% has been used in projecting property tax revenue. This is above the current CPI increase rate of 2%. The state income tax distribution and the local use tax distribution are based on the Village's population. The current distribution is based on the Village's 2010 population of 11,500. The Village estimates the 2020 population at 14,000. An increase in both income tax and local use tax is reflected in fiscal year 2021.

Long-Term Financial Planning

Electric Fund

Electric rates are based on the cost of providing electric service to customers, the cost to maintain existing infrastructure as well as the cost to extend services to new customers. The Village purchases electricity from the Illinois Municipal Electric Agency (IMEA). In 2015, the Village established by ordinance a process for setting utility rates. This process dictates that the Village will raise rates based on the IMEA's supply average participant cost. The projection includes a recommended electric rate increase for fiscal year 2019 based on staff's review of IMEA's supply average participant cost as well as increased operations costs. Electric rates were last increased in August 2015. Revenue from electric user charges are then projected to increase at a rate of 2% a year for fiscal years 2020 through 2023 due to growth of electric customers.

Water and Sewer Fund

Water and Sewer rates are based on the cost of providing water and sanitary sewer service to customers, the cost of maintaining existing infrastructure as well as the cost to extend services to new customers. The Village purchases water from the South Sangamon Water Commission (SSWC) and sanitary sewer services from the Sangamon County Water Reclamation District (SCWRC). In 2015, the Village established by ordinance a process for setting utility rates. This process dictates that the Village will pass along any rate increases that it receives from their suppliers. The SSWC has established the following water rate increases; \$.88 per thousand gallons in fiscal year 2019 and an additional rate increase of \$.14 in fiscal year 2020. The Village's projected water income reflects passing on both these rate increases to the Village's customers. No increases are currently anticipated for sanitary sewer services. Both water and sanitary sewer revenue are projected using a 2% increase in usage due to customer growth.

Expenditure Assumptions

Salaries and Employee Benefits

Personal services expense is the largest portion of the General Fund budget and the second largest expense of the Electric and Water and Sewer Fund budgets. The Village employees are covered by three labor contracts; Police Officers – Fraternal Order of Police, Electricians – International Brotherhood of Electric Workers, employees of the Parks, Street, Water Department as well as dispatchers and utility office workers – International Union of Operating Engineers. All other employees are not covered by a contract. Contracts with the Fraternal Order of Police and the International Union of Operating Engineers expired as of April 30, 2018. These contracts are still in negotiation. The contract with the International Brotherhood of Electrical Workers ends April 30, 2019. The Village is working to decrease the cost of salaries and employee benefits by limiting the amount the Village will pay going forward for dependent care insurance and implementing a Tier 2 employment package for all new hires going forward. The Village is also exploring the option of becoming part of an insurance cooperative for providing employee health insurance benefits.

Long-Term Financial Planning

Projected Results

General Fund

The General Fund projections show a deficit in Fiscal Year 2020 and small surpluses in Fiscal Years 2021-2023. Included in the projection and beginning in Fiscal Year 2020 is the assessment of the Utility Administration Fee from the Water Fund. The initial fee assessed will be \$10,000 a year and will increase \$10,000 each year. In Fiscal Year 2021, the General Fund is projected to have an increase in revenue due to the anticipated increase in per capita distributions of income and local use tax due to an anticipated increase in population from the 2020 census. For Fiscal Years 2020 through 2023 revenues as well as expenditures other than salaries and other payroll expense, debt and capital expenditures were estimated with a growth rate of 2%. In Fiscal Year 2019, employee salaries and other payroll expenses were budgeted with the assumption that existing vacant positions would be filled mid-year. For Fiscal Year 2020 through 2023, employee salaries and other payroll expense were estimated assuming full staffing of existing positions at a growth rate of 3%. The Village will continue to monitor and adjust revenues and expenditures to ensure that a balance budget is presented each year. Additional revenue sources should be explored to fund improvements to the Village's aging equipment and infrastructure as well as to consider increasing in staffing levels to meet the demands of a growing community.

Electric Fund

Fiscal year 2019 budget includes an electric rate increase of 3% for both facility and consumption charges with a customer growth and consumption rate of 2%. Revenue for Fiscal years 2020 thru 2023 was projected at a customer growth rate of 2% with an annual 3% increase in facility charges each year. Expenditures were projected using a rate of 2% per year with the exception of employee salary, other payroll expense, debt service and capital expenditures. Employee salary and other payroll expense were estimated at a growth rate of 3%. Additional rate increases may be necessary if the Village's electric supplier increases rates or the Village's operating or capital expenditures require the rates be reviewed and adjusted.

Water and Sewer Fund

The Village's Water and Sewer Fund is showing a projected budget surplus for fiscal years 2019 through 2023. This includes a projected rate increase of .88 per 1000 gallons in the Village's water rates. Revenue was projected with a consumption growth rate of 2%. Expenditures were projected using a rate of 2% per year with the exception of employee salary, other payroll expense, debt service and capital expenditures. Employee salary and other payroll expense were estimated at a growth rate of 3%. Included in the projection is a four year payback to the Electric Fund the interfund loan that occurred in Fiscal Year 2015. The payback begins in Fiscal Year 2019 and is planned to be paid off by the end of Fiscal Year 2022. Beginning in 2020, the Utility Administration Fee payable to the Village's General Fund is being considered for assessment again. The starting year's assessment will be \$10,000 and will increase \$10,000 each year until the fee is at an amount equal to 2% of Water and Sewer Fund Operating Revenues. Additional rate increases may be necessary if the Village's water or sanitary sewer supplier increases rates or the Village's operating or capital expenditures require the rates be reviewed and adjusted.

Village of Chatham
General Fund 100 Five Year Projection
Fiscal Years 2019-2023

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Description	Current Year Projection as of 2/20/2018	Projected	Projected	Projected	Projected	Projected
REVENUES						
Property Tax	\$1,218,149	\$ 1,269,605	\$ 1,320,389	\$1,373,205	\$1,428,132	\$1,485,258
Road and Bridge Tax	22,130	22,200	22,644	23,097	23,559	24,030
Sales Tax	875,245	894,200	892,398	910,246	928,451	947,020
State Income Tax	1,035,000	1,062,600	1,083,852	1,296,260	1,322,265	1,348,710
Local Use Tax	290,950	307,625	313,778	320,053	397,422	405,371
Franchise Tax	252,000	257,600	262,752	268,007	273,367	278,835
Business License	22,640	23,200	23,664	24,137	24,620	25,112
Building Permits	64,825	76,350	77,877	79,435	81,023	82,644
Traffic Fines	50,000	51,100	52,122	53,164	54,228	55,312
Other Fines	43,200	44,200	45,084	45,986	46,905	47,844
Recreation Program Rev	36,500	36,500	37,230	37,975	38,734	39,509
Personal Property Replacement	2,600	3,000	3,060	3,121	3,184	3,247
Plan Review-Engineering Fees	80,574	82,500	84,150	85,833	87,550	89,301
Telecommunications Tax	190,000	190,000	193,800	197,676	201,630	205,662
Opening and Closing	14,100	13,675	13,949	14,227	14,512	14,802
Cornerstone Sales	900	800	816	832	849	866
Interest Income	6,300	6,300	6,426	6,555	6,686	6,819
Sale of Services	400	400	408	416	424	433
Miscellaneous Revenue	19,000	26,000	26,520	27,050	27,591	28,143
Contractors Registration	3,660	3,900	3,978	4,058	4,139	4,221
Crime Prevention Revenue	1,500	1,500	1,530	1,561	1,592	1,624
MFT Reimbursement	29,090	50,200	51,204	52,228	53,273	54,338
Gaming Tax Distribution	85,000	87,000	88,740	90,515	92,325	94,172
Utility Fund Administration Fee	205,000	206,000	220,120	234,322	248,609	262,981
Zoning Fees	400	400	408	416	424	433
Park Use Fee	2,100	1,650	1,683	1,717	1,751	1,786
Grants - IDOT	19,000	23,700	19,380	19,768	20,163	20,566
Debt Proceeds	-	-	-	-	1,333,333	-
TOTAL REVENUES	\$4,570,263	\$4,742,205	\$4,847,962	\$5,171,860	\$6,716,741	\$5,529,039
EXPENSES						
Administration Department						
Employee Salaries	\$ 184,350	\$ 195,200	\$ 223,716	\$ 230,427	\$ 237,340	\$ 244,460
Salaries - Officials	53,000	53,000	53,000	53,000	53,000	53,000
Other Payroll Expense	83,400	88,250	101,331	98,315	101,264	104,302
Travel & Training	6,400	9,000	9,180	9,364	9,551	9,742
Legal Expenses	135,000	120,000	137,700	140,454	143,263	146,128
Professional services	205,344	192,960	115,220	117,525	119,875	122,273
Annual Audit Fee	2,700	2,850	2,907	2,965	3,024	3,085
Buildings & Grounds	9,491	19,968	20,367	20,775	21,190	21,614
Vehicle & Equipment	75	2,258	2,303	2,349	2,396	2,444
Emergency Services	18,867	18,250	25,755	26,270	26,796	27,331
Office Expense	19,343	29,950	30,549	31,160	31,783	32,419
IT	36,039	41,525	42,354	43,202	44,066	44,947

Village of Chatham
General Fund 100 Five Year Projection
Fiscal Years 2019-2023

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Description	Current Year Projection as of 2/20/2018	Projected	Projected	Projected	Projected	Projected
EXPENSES						
Administration Department						
Code Enforcement	\$54,959	\$57,350	\$58,497	\$59,667	\$60,860	\$ 62,077
General Insurance	27,420	29,780	30,376	30,983	31,603	32,235
Equipment purchase	8,000	-	-	-	-	-
Refunds	2,300	4,000	4,080	8,000	8,160	8,323
Debt Service	-	-	-	-	90,000	90,000
ADMINISTRATION DEPARTMENT TOTAL	847,358	864,341	857,335	874,456	984,171	1,004,380
Cemetery Department						
Employee Salaries	14,314	12,300	12,669	13,049	13,440	13,843
Other Payroll Expense	5,495	6,410	6,817	7,021	7,231	7,448
Buildings & Grounds Maintenance	12,382	13,445	13,714	13,988	14,268	14,553
CEMETERY DEPARTMENT TOTAL	32,191	32,155	33,200	34,058	34,939	35,844
Parks and Recreation Department						
Employee Salaries	241,000	237,210	244,326	251,656	259,206	266,982
Other Payroll Expense	87,850	92,650	95,430	98,292	101,241	104,278
Travel & Training	107	500	510	520	531	541
Buildings & Grounds Maintenance	55,941	94,414	45,302	46,208	47,132	48,075
Recreation Program	31,846	31,846	32,483	33,133	33,795	34,471
4th of July	7,400	7,400	7,548	7,699	7,853	8,010
Vehicle & Equipment Maintenance	17,887	20,800	21,216	21,640	22,073	22,515
Office Expense	1,633	1,873	1,910	1,949	1,988	2,027
Equipment purchase	30,489	30,497	9,687	9,881	10,078	10,280
Uniforms & Supplies	1,908	5,388	5,496	5,606	5,718	5,832
PARKS AND RECREATION DEPARTMENT TOTAL	476,061	522,578	463,908	476,584	489,615	503,011
Street Department						
Employee Salaries	259,000	263,600	271,508	279,653	288,043	296,684
Other Payroll Expense	130,200	141,300	145,539	149,905	154,402	159,034
Travel & Training	-	500	510	520	531	541
Buildings & Grounds Maintenance	20,290	11,000	11,220	11,444	11,673	11,907
Vehicle & Equipment Maintenance	70,655	67,084	72,324	73,771	75,246	76,751
Office Expense	544	1,011	1,031	1,052	1,073	1,094
General Insurance	21,095	22,350	22,797	23,253	23,718	24,192
Equipment purchase	5,647	10,122	6,426	6,555	6,686	6,819
Uniforms & Supplies	10,450	11,385	11,613	11,845	12,082	12,323
Street Maintenance	8,122	9,942	10,141	10,344	10,551	10,762
Debt Service	57,850	58,550	58,376	58,793	58,680	58,552
STREET DEPARTMENT TOTAL	583,853	596,844	611,485	627,135	642,685	658,659

VILLAGE OF CHATHAM GENERAL FUND 100 FUND SUMMARY						
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Description	Current Year Projection as of 2/20/2018	Projected	Projected	Projected	Projected	Projected
EXPENSES						
Police Department						
Employee Salaries	\$1,476,500	\$1,472,050	\$1,569,720	\$1,616,812	\$ 1,665,316	\$1,715,275
Other Payroll Expense	518,500	537,405	567,139	584,153	601,677	619,728
Police Pension Contribution	530,455	604,307	628,479	653,618	679,763	706,954
Travel & Training	8,176	14,000	14,280	14,566	14,857	15,154
Professional services	2,155	5,246	5,351	5,458	5,567	5,678
Buildings & Grounds	4,623	8,925	9,104	9,286	9,471	9,661
Vehicle & Equipment	38,874	49,400	50,388	51,396	52,424	53,472
Police Restricted Account	29,326	33,821	34,497	35,187	35,891	36,609
Office Expense	37,553	50,684	51,698	52,732	53,786	54,862
IT	10,571	13,908	14,186	14,470	14,759	15,054
General Insurance	42,500	42,777	43,633	44,505	45,395	46,303
Equipment purchase	47,316	9,292	4,684	4,778	4,873	4,971
Uniforms & Supplies	27,063	32,700	33,354	34,021	34,702	35,396
POLICE DEPARTMENT TOTAL	<u>2,773,612</u>	<u>2,874,515</u>	<u>3,026,513</u>	<u>3,120,982</u>	<u>3,218,481</u>	<u>3,319,117</u>
EXPENDITURES TOTALS:	\$ 4,713,075	\$ 4,890,433	\$ 4,992,441	\$ 5,133,215	\$ 5,369,891	\$ 5,521,011
General Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:	(142,812)	(148,228)	(144,479)	38,645	1,346,850	8,028
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Estimated liability related to accrued benefits	-	(293,500)	(293,500)	(293,500)	(293,500)	(293,500)
Use of Cash on Hand to pay costs related to accrued benefits	-	293,500	293,500	293,500	293,500	293,500
Use of Cash on Hand to pay for planning, park development and restricted account purchases	-	184,821	-	-	-	-
Transfer Debt Proceeds to Capital Projects	-				(1,333,333)	-
SUBTOTAL	-	-	-	-	-	-
BUDGET SURPLUS/(DEFICIT)	\$ (142,812)	\$ 36,593	\$ (144,479)	\$ 38,645	\$ 13,517	\$ 8,028

VILLAGE OF CHATHAM
ELECTRIC FUND 600 FIVE YEAR PROJECTION
FISCAL YEARS 2019-2023

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Description	Current Year Projection as of 2/20/2018	Projected	Projected	Projected	Projected	Projected
REVENUES						
Electric Sales	\$ 9,332,000	\$ 9,768,000	\$ 9,986,360	\$10,185,627	\$10,388,880	\$ 10,596,197
Penalties	108,106	110,000	119,560	121,952	124,391	126,878
Interest	6,301	6,500	6,630	6,763	6,898	7,036
Reimbursement of Expense	14,700	14,000	14,280	14,566	14,857	15,184
Miscellaneous Revenue	42,741	77,000	78,540	80,111	81,713	83,347
Development Fees	245,150	68,400	69,768	71,163	72,587	74,038
Debt Proceeds	-	140,310	-	-	1,333,334	-
Utility Tax Collected	256,417	255,000	261,538	266,769	272,104	277,546
Interfund Loan Revenue	-	89,707	89,707	89,707	89,707	-
TOTAL REVENUES	<u>10,005,415</u>	<u>10,528,917</u>	<u>10,626,383</u>	<u>10,836,658</u>	<u>12,384,471</u>	<u>11,180,226</u>
EXPENSES						
Employee Salaries	1,007,500	1,010,640	1,040,959	1,059,357	1,080,544	1,102,155
Other Payroll Expense	377,900	413,050	425,442	438,205	451,351	464,892
Travel & Training	5,618	11,000	11,220	11,444	11,673	11,907
Audit	12,150	12,200	12,350	12,550	12,750	12,950
Buildings & Grounds	120,786	124,488	126,978	129,517	132,108	134,750
Vehicle & Equipment	46,174	49,000	49,980	50,980	51,999	53,039
Office Expense	94,426	103,150	105,213	107,317	109,464	111,653
IT	37,744	51,940	52,979	54,038	55,119	56,222
General Insurance	81,535	87,650	89,841	92,087	94,389	96,749
Equipment purchase	51,867	225,410	89,600	50,000	51,000	52,020
Uniforms & Supplies	17,224	16,600	16,932	17,271	17,616	17,968
Street Maintenance	738	1,400	1,428	1,457	1,486	1,515
Construction Expense	344,662	389,000	396,780	387,716	1,696,471	270,199
Meter and Transformer	250,436	165,000	168,300	171,666	175,099	178,601
IMEA Electric Expense	6,815,000	7,001,000	7,141,020	7,283,840	7,429,517	7,578,108
Utility Tax Expense	248,364	255,000	255,000	260,100	265,302	270,608
Debt Service	352,287	358,000	352,391	354,081	441,126	447,807
Refunds	-	500	500	500	500	500
Bad Debt Expense	35,000	35,000	35,000	35,000	35,000	35,000
General Fund Administration	<u>205,000</u>	<u>206,000</u>	<u>210,120</u>	<u>214,322</u>	<u>218,609</u>	<u>222,981</u>
EXPENDITURES TOTALS:	<u>10,104,411</u>	<u>10,516,028</u>	<u>10,582,033</u>	<u>10,731,448</u>	<u>12,331,123</u>	<u>11,119,624</u>
Electric Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:	(98,996)	12,889	44,350	105,210	53,348	60,602
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Estimated liability related to accrued benefits	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
Use of Cash on Hand to pay costs related to accrued benefits	175,000	175,000	175,000	175,000	175,000	175,000
SUBTOTAL	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BUDGET SURPLUS/(DEFICIT)	<u>\$ (98,996)</u>	<u>\$ 12,889</u>	<u>\$ 44,350</u>	<u>\$ 105,210</u>	<u>\$ 53,348</u>	<u>\$ 60,602</u>

VILLAGE OF CHATHAM WATER AND SEWER FUND 700 FIVE YEAR PROJECTION FISCAL YEARS 2019-2023							
		2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Description		Current Year Projection as of	Projected	Projected	Projected	Projected	Projected
REVENUES							
Water Sales		\$ 4,236,240	\$ 4,743,500	\$ 4,838,370	\$4,935,137	\$ 5,033,840	\$ 5,134,517
Bulk Water Sales		6,700	6,800	6,936	59,222	60,406	61,614
Sewer Income		1,920,539	1,994,000	2,033,880	2,074,558	2,116,049	2,158,370
Penalties		72,071	73,500	75,595	77,107	78,649	80,222
Interest		3,353	3,700	3,774	3,849	3,926	4,005
Sales of Services		161,000	145,000	147,900	150,858	153,875	156,953
Reimbursement of Expense		-	-	-	-	-	-
Miscellaneous Revenue		16,232	18,000	18,360	18,727	19,102	19,484
Loan Proceeds		-	1,112,800	-	-	1,333,333	-
TOTAL REVENUES		6,416,135	8,097,300	7,124,815	7,319,458	8,799,180	7,615,165
EXPENSES							
Employee Salaries		534,000	620,460	669,912	690,009	710,710	732,031
Other Payroll Expense		243,500	296,029	308,515	317,770	327,303	337,123
Travel & Training		1,476	6,250	6,375	6,503	6,633	6,765
Legal Expenses		-	-	-	-	-	-
Professional services		76,654	152,500	155,550	158,661	161,834	161,833
Audit		12,150	12,200	12,444	12,550	12,750	12,950
Buildings & Grounds Maintenance		119,826	128,588	135,240	137,945	140,703	143,518
Vehicle & Equipment Maintenance		26,323	38,700	39,874	41,071	42,293	43,539
Office Expense		36,057	46,100	47,022	47,962	48,922	49,900
IT		35,750	38,500	39,270	40,055	40,857	41,674
General Insurance		35,900	37,800	38,556	39,520	40,508	41,521
Equipment purchase		91,022	80,900	82,518	84,168	85,852	87,569
Uniforms & Supplies		20,694	26,900	27,438	27,987	28,546	29,117
Street Maintenance		20,120	17,000	17,340	17,687	18,041	18,401
Construction Expense - Water		156,197	1,367,800	225,000	225,000	1,558,333	225,000
Construction Expense - Sewer		-	30,000	30,000	30,000	30,000	30,000
Meter Expense		254,000	146,000	100,000	75,000	50,000	50,000
Electric expense		34,808	43,000	43,860	44,737	45,632	46,545
Water Expense		2,836,000	3,338,000	3,454,830	3,523,927	3,594,405	3,666,293
Sewer Expense		1,257,037	1,286,000	1,311,720	1,337,954	1,364,713	1,392,008
Debt Service		155,000	279,800	276,000	276,000	366,000	366,000
Refunds		2,300	2,700	2,700	2,700	2,700	2,700
Bad Debt Expense		17,000	17,000	17,000	17,000	17,000	17,000
General Fund Administration Fee		-	-	10,000	20,000	30,000	40,000
EXPENDITURES TOTALS:		5,965,814	8,012,227	7,051,164	7,174,206	8,723,735	7,541,487
Water and Sewer Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:		450,321	85,073	73,651	145,252	75,445	73,678
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS							
Estimated liability related to accrued benefits		(72,000)	(72,000)	(72,000)	(72,000)	(72,000)	(72,000)
Use of Cash on Hand to pay costs related to accrued benefits		72,000	72,000	72,000	72,000	72,000	72,000
Payback of Interfund Loan			(89,707)	(89,707)	(89,707)		
Use of Cash on Hand for interfund loan payment			89,707	89,707	89,707		
SUBTOTAL		-	-	-	-	-	-
BUDGET SURPLUS/(DEFICIT)		\$450,321	\$ 85,073	\$ 73,651	\$145,252	\$ 75,445	\$ 73,678



GENERAL FUND FISCAL YEAR 2019 BUDGET

VILLAGE OF CHATHAM					
GENERAL FUND 100					
FUND SUMMARY					
	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended January 2018	2017-2018 Estimated as of February 2018	2018-2019 Estimated/ Requested
REVENUES					
Property Tax	\$ 1,122,508	\$ 1,158,335	\$ 1,218,982	\$ 1,218,149	\$ 1,269,605
Road and Bridge Tax	23,867	18,814	20,000	22,130	22,200
Sales Tax	933,352	855,304	903,000	875,245	894,200
State Income Tax	1,225,583	1,051,309	1,161,500	1,035,000	1,062,600
Local Use Tax	264,653	280,974	290,950	290,950	307,625
Franchise Tax	230,162	237,639	237,500	252,000	257,600
Business License	18,625	20,717	21,000	22,640	23,200
Building Permits	67,683	78,487	87,000	64,825	76,350
Traffic Fines	51,157	58,566	55,000	50,000	51,100
Other Fines	25,000	33,041	28,000	43,200	44,200
Recreation Program Rev	33,070	41,846	33,500	36,500	36,500
Personal Property Replacement	2,780	2,921	3,000	2,600	3,000
Plan Review-Engineering Fees	38,862	91,060	60,000	80,574	82,500
Telecommunications Tax	228,030	200,277	227,750	190,000	190,000
Opening and Closing	12,600	8,925	12,150	14,100	13,675
Cornerstone Sales	600	1,000	1,000	900	800
Interest Income	3,588	5,092	4,700	6,300	6,300
Sale of Services	532	621	600	400	400
Miscellaneous Revenue	56,489	32,866	26,000	19,000	26,000
Contractors Registration	4,480	3,405	4,100	3,660	3,900
Crime Prevention Revenue	1,164	8,680	1,900	1,500	1,500
MFT Reimbursement	16,142	39,190	17,400	29,090	50,200
Gaming Tax Distribution	57,601	74,128	67,000	85,000	87,000
Utility Fund Administration Fee	195,100	200,200	205,000	205,000	206,000
Zoning Fees	400	200	200	400	400
Park Use Fee	1,355	1,405	1,500	2,100	1,650
Federal Grants - IDOT	15,611	17,494	19,000	19,000	19,000
Federal Grants - DOJ	-	4,407	-	-	-
Other Grants	500	2,272	-	-	-
Donations - Parks	-	-	-	-	4,700
Donations - 4th of July	-	-	-	-	-
Loan/Bond Proceeds	-	500,000	-	-	-
TOTAL REVENUES	\$ 4,631,494	\$ 5,029,175	\$ 4,707,732	\$ 4,570,263	\$ 4,742,205
NORMAL OPERATING EXPENDITURES					
Administration Department	\$ 667,035	\$ 757,619	\$ 827,931	\$ 847,358	\$ 784,341
Cemetery Department	43,578	41,717	47,205	32,191	32,155
Parks and Recreation Department	416,344	456,551	446,357	476,061	451,578
Street Department	538,380	537,622	564,576	583,853	596,844
Police Department	2,289,497	2,711,566	2,788,863	2,773,612	2,840,694
TOTAL EXPENDITURES	\$ 3,954,834	\$ 4,505,075	\$ 4,674,932	\$ 4,713,075	\$ 4,705,612
EXCESS (DEFICIENCY) OF CURRENT YEAR REVENUES					
OVER CURRENT YEAR EXPENDITURES	\$ 676,660	\$ 524,100	\$ 32,800	\$ (142,812)	\$ 36,593

VILLAGE OF CHATHAM						
GENERAL FUND 100						
FUND SUMMARY						
	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended January 2018	2018-2019 Est. Actual February 2018	2018-2019 Estimated/ Requested	
FISCAL YEAR 2019 EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Estimated liability related to accrued benefits	\$ -	\$ -	\$ -	\$ -	\$ (293,500)	
Use of Cash on Hand to pay costs related to accrued benefits					293,500	
Bond Proceeds to be transferred to Capital Projects Fund					(500,000)	
Bond Proceeds received in Fiscal Year 2017 to be used in 2019					500,000	
Special request items outside of normal operating expenditures					(130,000)	
Use of Cash on Hand to pay costs related to comprehensive plan, Prairie Vista Park Development and Equipment purchases.					130,000	
Purchase of XUV Vehicle for the Parks Department Carried Forward from 2018					(21,000)	
Use of Cash on Hand to pay costs carried forward from 2018 Budget					21,000	
Police Equipment Expense to be Paid from Restricted Accounts					(33,821)	
Public Safety Restricted Cash on Hand to be used for Police Equipment Purchases					33,821	
SUBTOTAL					-	
BUDGET DEFICIT/SURPLUS	\$ 676,660	\$ 524,100	\$ 32,800	\$ (142,812)	\$ 36,593	

VILLAGE OF CHATHAM						
ANNUAL OPERATING BUDGET						
FOR THE YEAR ENDED APRIL 30, 2019						
GENERAL FUND 100						
DEPARTMENT DETAIL BY LINE ITEM						
		2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended January 2018 See Note 1	2017-2018 Estimated as of February 2018 See Note 1	2018-2019 Estimated Requested
Administration Department	Expenditure Type					
Employee Salaries	Personnel	\$ 201,208	\$ 178,483	\$ 217,950	\$ 184,350	\$ 195,200
Salaries - Officials	Personnel	51,600	51,100	53,000	53,000	53,000
Other Payroll Expense	Personnel	119,375	81,798	104,450	83,400	88,250
Travel & Training	Professional Services	-	-	9,000	6,400	9,000
Legal Expenses	Professional Services	96,321	123,022	135,000	135,000	120,000
Professional services	Professional Services	91,920	143,888	192,961	205,344	112,960
Annual Audit Fee	Professional Services	2,500	2,500	2,850	2,700	2,850
Buildings & Grounds Maintenance	Maintenance	11,788	22,114	19,968	9,491	19,968
Vehicle & Equipment Maintenance	Maintenance	1,072	438	2,258	745	2,258
Emergency Services	Professional Services	17,187	19,505	25,250	18,867	18,250
Office Expense	Office Expense	25,235	25,880	30,450	19,343	29,950
IT	Office Expense	20,506	32,585	41,524	36,039	41,525
Code Enforcement	Professional Services	-	43,437	57,350	54,959	57,350
General Insurance	Insurance	26,996	29,516	28,920	27,420	29,780
Equipment purchase	Equipment and Supplies	-	-	8,000	8,000	-
Refunds	Office Expense	1,327	3,353	4,000	2,300	4,000
ADMINISTRATION DEPARTMENT TOTAL		\$ 667,035	\$ 757,619	\$ 932,931	\$ 847,358	\$ 784,341
Cemetery Department						
Employee Salaries	Personnel	\$ 22,643	\$ 24,620	\$ 28,150	\$ 14,314	\$ 12,300
Other Payroll Expense	Personnel	7,717	5,692	7,360	5,495	6,410
Buildings & Grounds Maintenance	Maintenance	13,218	11,405	13,445	12,382	13,445
CEMETERY DEPARTMENT TOTAL		\$ 43,578	\$ 41,717	\$ 48,955	\$ 32,191	\$ 32,155
Parks and Recreation						
Employee Salaries	Personnel	\$ 228,502	\$ 225,651	\$ 257,000	\$ 241,000	\$ 237,210
Other Payroll Expense	Personnel	92,706	76,425	94,540	87,850	92,650
Travel & Training	Professional Services	-	130	500	107	500
Buildings & Grounds Maintenance	Maintenance	31,069	43,678	94,414	55,941	44,414
Recreation Program	Professional Services	30,109	31,097	31,846	31,846	31,846
4th of July	Professional Services	7,000	7,000	7,400	7,400	7,400
Vehicle & Equipment Maintenance	Maintenance	21,125	18,953	20,800	17,887	20,800
Office Expense	Office Expense	1,427	1,563	1,873	1,633	1,873
Equipment purchase	Equipment and Supplies	2,296	49,883	30,489	30,489	9,497
Uniforms & Supplies	Equipment and Supplies	2,110	2,171	5,388	1,908	5,388
PARKS AND RECREATION DEPARTMENT TOTAL		\$ 416,344	\$ 456,551	\$ 544,250	\$ 476,061	\$ 451,578
Street Department						
Employee Salaries	Personnel	\$ 235,616	\$ 219,592	\$ 260,659	\$ 259,000	\$ 263,600
Other Payroll Expense	Personnel	105,042	118,158	135,177	130,200	141,300
Travel & Training	Professional Services	-	-	500	-	500
Buildings & Grounds Maintenance	Maintenance	8,314	11,219	28,000	20,290	11,000
Vehicle & Equipment Maintenance	Maintenance	59,521	46,413	70,906	70,655	67,084
Office Expense	Office Expense	473	710	1,011	544	1,011
General Insurance	Insurance	21,278	20,654	22,544	21,095	22,350
Equipment purchase	Equipment and Supplies	26,314	43,573	6,300	5,647	10,122
Uniforms & Supplies	Equipment and Supplies	6,548	10,518	11,385	10,450	11,385
Street Maintenance	Maintenance	6,617	3,878	9,942	8,122	9,942
Real Property Expense		5,000	-	-	-	-
Debt Service	Debt Service	63,657	62,907	8,152	57,850	58,550
STREET DEPARTMENT TOTAL		\$ 538,380	\$ 537,622	\$ 604,576	\$ 583,853	\$ 596,844

VILLAGE OF CHATHAM						
ANNUAL OPERATING BUDGET						
FOR THE YEAR ENDED APRIL 30, 2019						
GENERAL FUND 100						
DEPARTMENT DETAIL BY LINE ITEM						
		2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended January 2018 See Note 1	2017-2018 Estimated as of February 2018 See Note 1	2018-2019 Estimated Requested
Police Department						
Employee Salaries	Personnel	\$1,340,376	\$1,406,172	\$ 1,692,000	\$ 1,476,500	\$ 1,472,050
Other Payroll Expense	Personnel	431,781	491,145	551,500	518,500	537,405
Police Pension Contribution	Personnel	326,622	510,118	531,274	530,455	604,307
Travel & Training	Professional	7,287	12,747	14,000	8,176	14,000
Professional services	Professional	1,857	2,769	5,246	2,155	5,246
Buildings & Grounds Maintenance	Maintenance	6,109	4,202	8,925	4,623	8,925
Vehicle & Equipment Maintenance	Maintenance	34,093	33,941	49,400	38,874	49,400
Police Restricted Account Expense	Equipment and	7,208	52,419	29,560	29,326	-
Office Expense	Office Expense	38,732	41,022	50,684	37,553	50,684
IT	Office Expense	5,360	7,579	13,908	10,571	13,908
General Insurance	Insurance	38,313	38,904	43,284	42,500	42,777
Equipment purchase	Equipment and	33,030	83,370	43,942	47,316	9,292
Uniforms & Supplies	Equipment and	18,729	27,178	32,700	27,063	32,700
POLICE DEPARTMENT TOTAL		<u>\$2,289,497</u>	<u>\$2,711,566</u>	<u>\$ 3,066,423</u>	<u>\$ 2,773,612</u>	<u>\$2,840,694</u>
GENERAL FUND SUBTOTALS OPERATING EXPENDITURES BY DEPARTMENT		<u>\$3,954,834</u>	<u>\$4,505,075</u>	<u>\$5,197,135</u>	<u>\$4,713,075</u>	<u>\$4,705,612</u>
Estimated liability related to accrued benefits - Adm	Personnel	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Estimated liability related to accrued benefits - Cem	Personnel	-	-	-	-	1,500
Estimated liability related to accrued benefits – Parks	Personnel	-	-	-	-	28,000
Estimated liability related to accrued benefits – Streets	Personnel	-	-	-	-	34,000
Estimated liability related to accrued benefits – Police	Personnel	-	-	-	-	205,000
Comprehensive Plan Expense - Adm	Professional Services	-	-	-	-	80,000
Park development and upgrade expense - Parks	Maintenance	-	-	-	-	50,000
Purchase of XUV Vehicle for the Parks Department Carried Forward from 2018	Equipment and Supplies					21,000
Transfer to Capital Projects Fund to pay remainder on Plummer Blvd Project	Transfers	-	-	13,000	-	-
Bond Proceeds to be transferred to Capital Projects Fund	Transfers	-	-	500,000	-	500,000
Purchases from Restricted Cash Accounts - Police	Equipment and Supplies	-	-	-	-	33,821
EXPENDITURES TO BE PAID FROM CASH BALANCES						<u>\$ 978,321</u>
GENERAL FUND TOTALS		<u>\$3,954,834</u>	<u>\$4,505,075</u>	<u>\$5,710,135</u>	<u>\$4,713,075</u>	<u>\$5,683,933</u>

Note 1 - Some Line items were projected to exceed budget at the fiscal year end, these line items will be adjusted by an Appropriation Transfer Ordinance on April 24, 2018

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDED APRIL 30, 2019
GENERAL FUND**

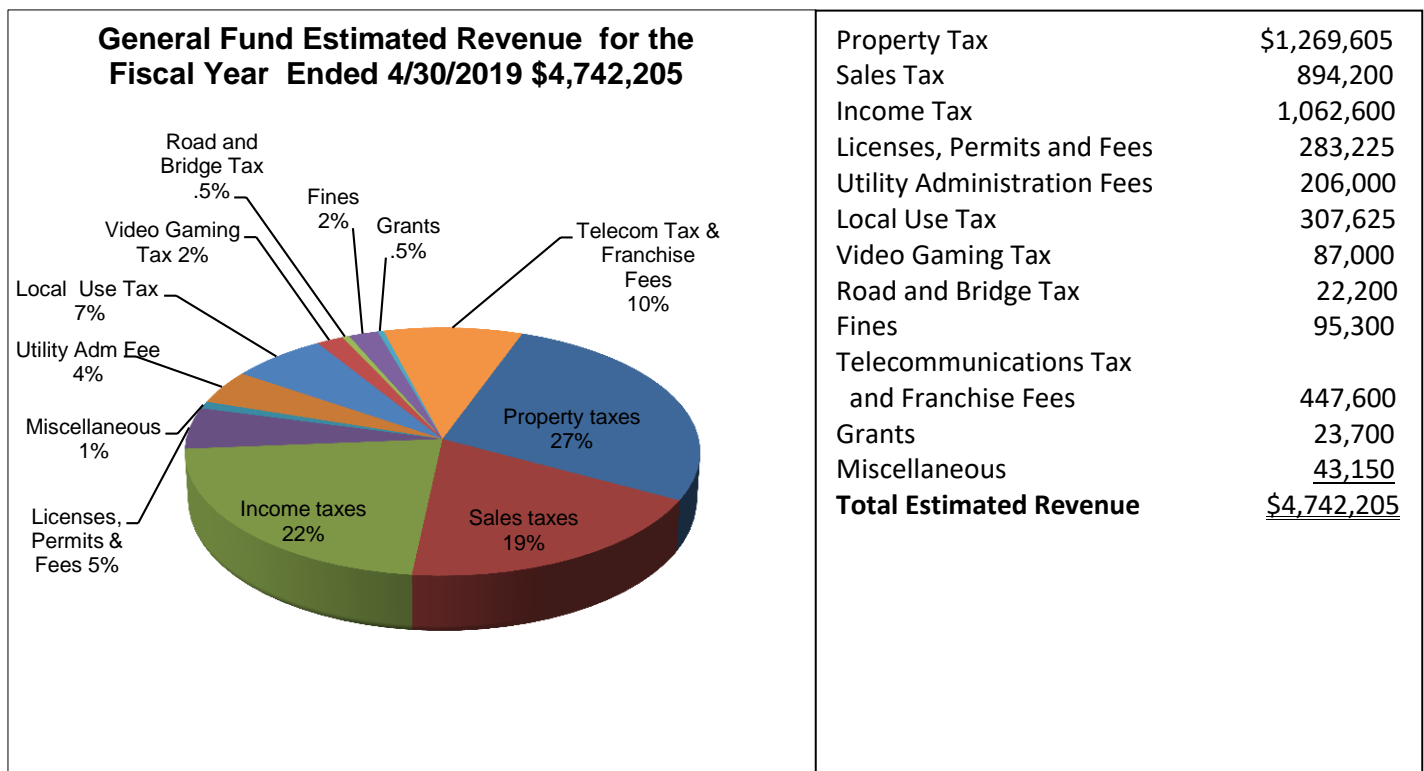
GENERAL FUND

Description

The General Fund is the Village of Chatham's largest governmental fund. Operations of the following departments are included within the fund; Administration, Cemetery, Parks and Recreation, Police and Streets.

General Fund Revenue

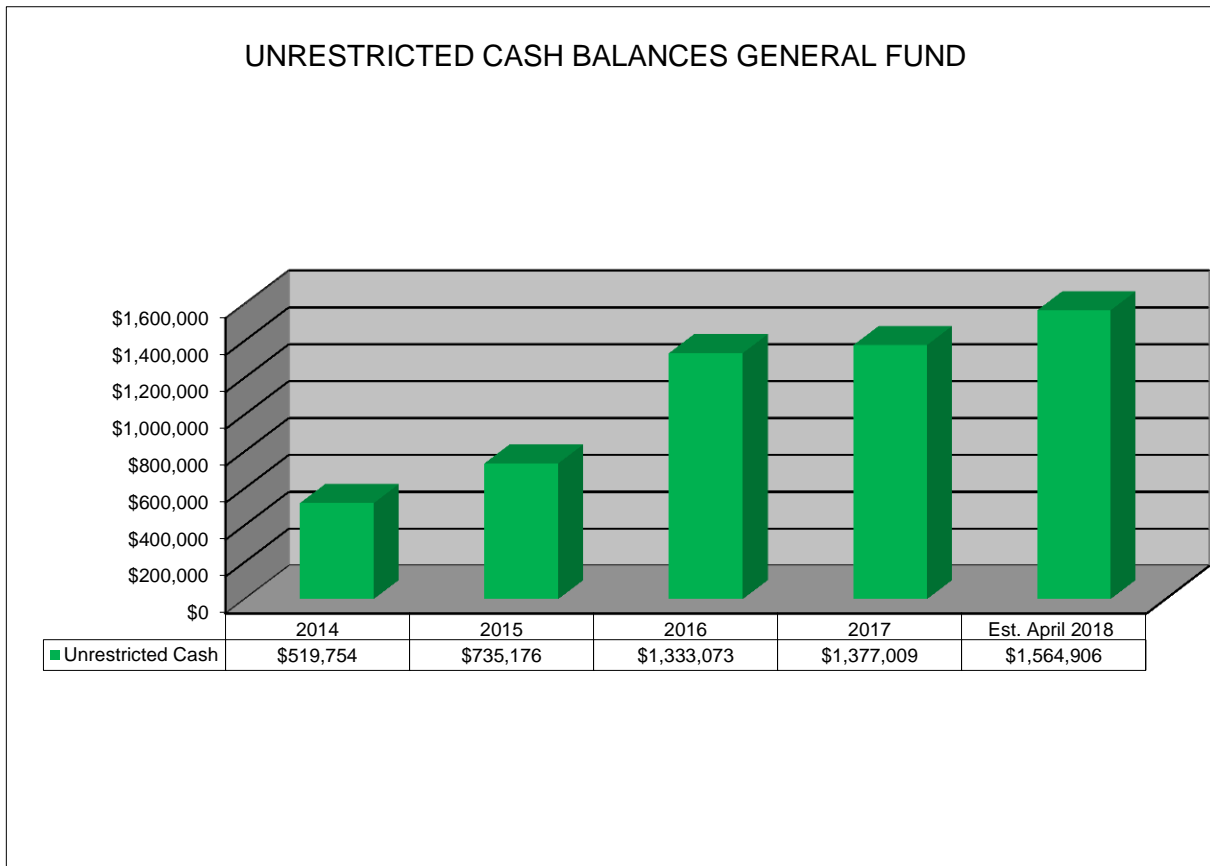
The General Funds' Revenue Sources are Property Tax, Sales Tax, Income Tax, Licenses, Permits and Fees, Interfund Utility Administration Fee, Local Use Tax, Video Gaming Tax, Road and Bridge Tax, Fines, Telecommunications Tax and Franchise Fees, Grants and Miscellaneous. The following pie chart details the estimated revenue for fiscal year 2019 for the General Fund.



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019**

GENERAL FUND – Continued Cash on Hand

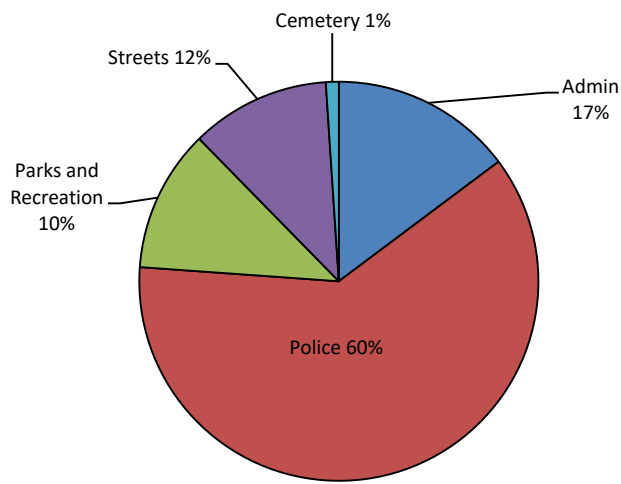
The General Fund’s Fiscal Year 2019 budget includes the proposal to utilize cash on hand for payouts of accrued time to employees. The potential payout for the Village’s General Fund totals \$293,500. The following is a graph of cash on hand at April 30th for the last 4 years as well as the estimated balance for April 30, 2018. Ideally the Village should maintain an unrestricted cash balance of two to three months total budgeted annual expenditures of the most recently approved budget. This would equate to a cash balance between \$951,689 and \$1,427,534.



General Fund Expenditures

The following graphs present the allocation of General Fund Operating Expenditures by Department and by Expenditure type to be funded by Estimated Revenues. Personnel costs the largest expenditure type in the General Fund have been estimated based on rates of pay in existing ordinances and the salary and benefit packages offered in contracts that are still in negotiation. In addition a 3.99% increase has been budgeted for health insurance costs and an 8.27% decrease in the Village's IMRF contribution for retirement. The costs related to accrued time payouts of \$293,500, \$80,000 in costs related to the comprehensive plan and performance audit, \$50,000 for the Prairie Vista Park Development, \$21,000 for the purchase of a XUV off-road vehicle for the Parks and Recreation Department carried forward from the FY 2018 budget and purchases of \$33,821 from restricted public safety accounts are not included in the charts below.

General Fund Expenditures by Dept.



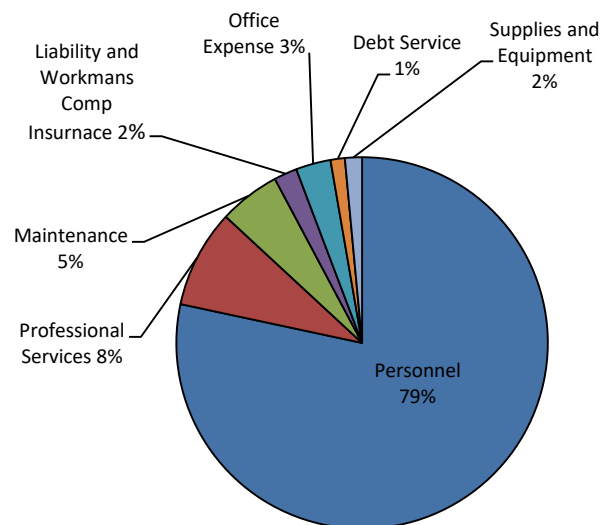
General Fund Operating Expenditures by Department

Administration	\$784,341
Cemetery	32,155
Parks and Recreation	451,578
Streets	596,844
Police	<u>2,840,694</u>
Total Expenditures	<u>\$4,705,612</u>

General Fund Operating Expenditures by Type

Personnel	\$3,708,682
Professional Services	374,903
Maintenance	251,058
Office Expense	142,950
Insurance Expense	94,907
Equipment and Supplies	74,562
Debt Service	<u>58,550</u>
Total Expenditures	<u>\$4,705,612</u>

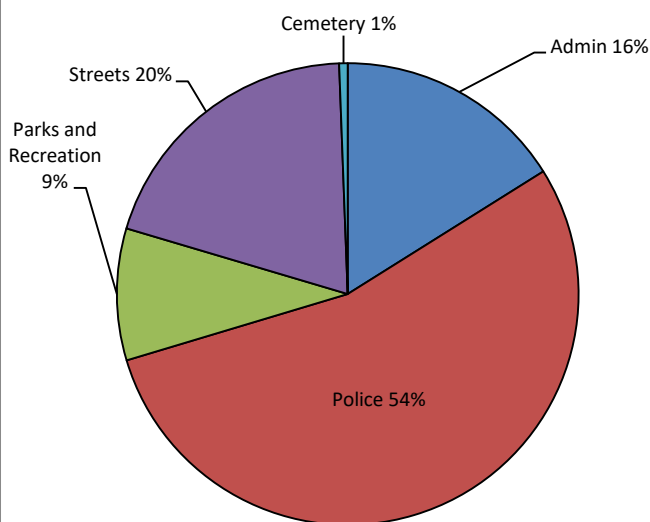
General Fund Operating Expenditures by Type



General Fund Expenditures

The charts below show the effect by Department and expenditure type of including accrued time payouts of \$293,500, costs related to the comprehensive plan and performance audit to be paid from cash on hand of \$130,000, purchases of \$33,831 from restricted public safety accounts, \$21,000 for the purchase of a XUV off-road vehicle for the Parks Department carried forward from the FY 2018 Budget and the \$500,000 transfer of Bond Proceeds to the Capital Project Fund

2019 Budget



General Fund All Estimated Expenditures by Department

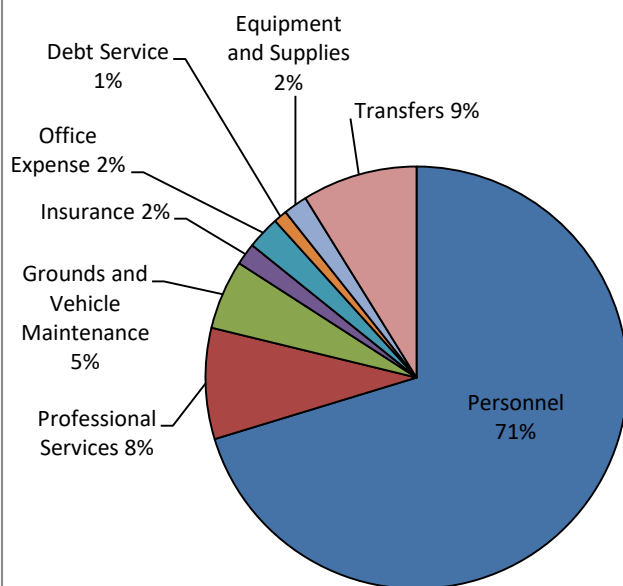
Administration	\$889,341
Cemetery	33,655
Parks and Recreation	550,578
Streets	1,130,844
Police	<u>3,079,515</u>
Total Expenditures	<u>\$5,683,933</u>

General Fund All Estimated Expenditures by Type

Personnel	\$4,002,182
Professional Services	454,903
Maintenance	301,058
Office Expense	142,950
Insurance Expense	94,907
Equipment and Supplies	129,383
Debt Service	58,550
Transfers	<u>500,000</u>

Total Expenditures **\$5,683,933**

General Fund All Estimated Expenditures by Type



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND ADMINISTRATION DEPARTMENT**

Description

The Administration Department budget of the Village of Chatham supports the Village Board; Village communication efforts to keep residents informed about topics pertinent to their lives in Chatham, Village Board meetings, legal fees, code enforcement, building permits, engineering costs and provide operational support and oversight to the entire organization.



Goals and Objectives for the Fiscal Year ended April 30, 2018

- **Update the Village's comprehensive plan**
- **Completion of performance audit**
- **Continue with process of annexations**
- **Implement the Open.Gov application as staffing permits**

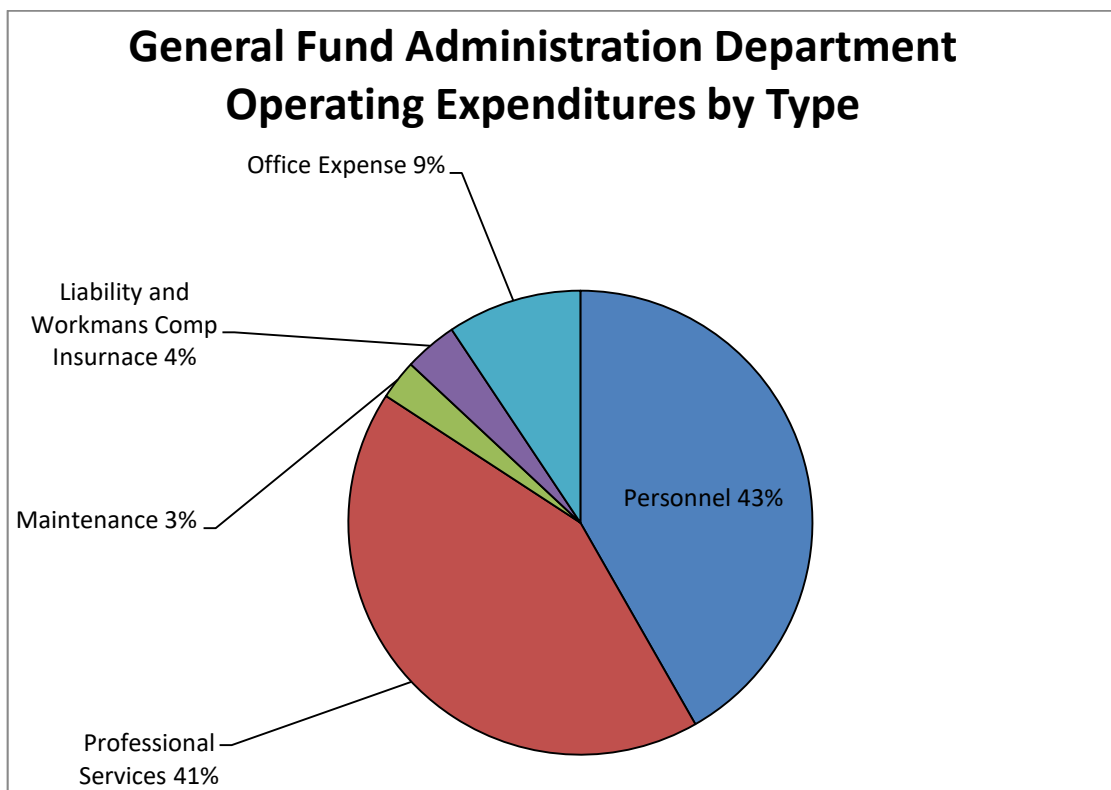
Expenditure by Type Summary

The following is the proposed operating budget by Expenditure Type for the Administration Department. Personnel costs are estimated based on full staffing levels. An increase in office expense includes \$6,000 or one third of the estimated cost to upgrade the Village's Finance and Administration software to the latest version. An additional \$25,000 of personnel expenses will be added for potential accrued time payouts that could be paid out during the fiscal year and \$80,000 will be added to Professional Services for the updating of the Village's Comprehensive plan and completion of the performance audit to bring the General Fund Administration Department budget to a total of \$889,341.

Expenditure Type	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended 1/23/2018	2017-2018 Est. Actual 02/2018	2018-2019 Proposed
Personnel	\$372,183	\$311,381	\$375,400	\$320,750	\$336,450
Professional Services	207,928	332,352	422,411	423,270	320,411
Maintenance	12,860	22,552	22,226	10,236	22,226
Office Expense	47,068	61,818	75,974	57,682	75,474
Insurance	26,996	29,516	28,920	27,420	29,780
Equipment and Supplies	-	-	8,000	8,000	-
Administration Department Total	\$667,035	\$757,619	\$932,931	\$847,358	\$784,341

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND ADMINISTRATION DEPARTMENT- CONTINUED**

The largest expense category of the Administration Department is personnel cost. A percentage of the costs of the following positions are paid from the Administration Department Village Manager 33%, Chief Fiscal Officer 20%, Administrative Assistant 33%, Code Enforcement Officer 100%, and between 5% up to 30% of the 5 Utility and Accounting Staff positions. The next largest category is Professional Services which includes costs for legal fees, engineering fees, permit inspection fees and other consultants. The following pie chart shows the % breakdown by expenditure type for the Administration Department.



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND CEMETERY DEPARTMENT**



Description

The Cemetery Department budget accounts for the costs to maintain the Village's Cemeteries. Ten percent of personnel costs of two Parks and Recreation employees are allocated to the Cemetery Department to reflect the time spent for maintenance of the cemetery grounds. Buildings and grounds maintenance costs are also included in the Department costs for contractual services related to grave digging and weed control.

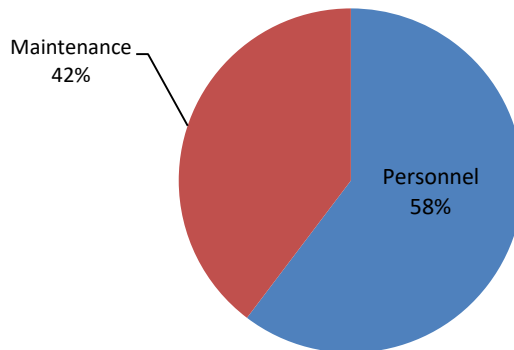
Expenditure by Type Summary

The following is the proposed budget for the General Fund Cemetery Department. An additional \$1,500 of personnel expenses will be added for potential accrued time payouts that could be paid out during the fiscal year to bring the General Fund Cemetery Department budget to a total of \$33,655.

Expenditure Type	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended 1/23/2018	2017-2018 Est. Actual 02/2018	2018-2019 Proposed
Personnel	\$30,360	\$30,312	\$35,510	\$19,809	\$18,710
Maintenance	13,218	11,405	13,445	12,383	13,445
Cemetery Department Total	\$43,578	\$41,717	\$48,995	\$32,191	\$32,155

The largest expense category of the Cemetery Department is personnel cost at 58%. The remaining 42% of the General Fund's Cemetery Budget is for maintenance expenses.

**General Fund Cemetery Department
Operating Expenditures by Type**



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND PARKS AND RECREATION DEPARTMENT**

Description

The Parks and Recreation Department budget accounts for the costs to maintain the Village's Parks. The budget includes 90% of personnel costs related to two full-time Parks staff and 100% of a third full-time Parks Department employee, 100% of one part-time Recreation Director, 20% of costs for the Mechanic position and 20% of the GIS Technician/Maintainer position. Also included is an estimate of \$39,000 for part-time summer Parks and Recreation workers. The remaining costs relate to the cost to maintain the Village's Park properties.



Objectives and Special Purchases for Parks and Recreation Department for the Fiscal Year ended April 30, 2019

- **Coordinate training for Parks Department staff in the area of grounds maintenance \$500**
- **Development costs for Prairie Vista Park \$50,000**
- **Includes \$31,846 to pay Recreation Program vendors**
- **Purchase of a XUV off-road vehicle carried forward from the FY 2018 Budget \$21,000**

Expenditure by Type Summary

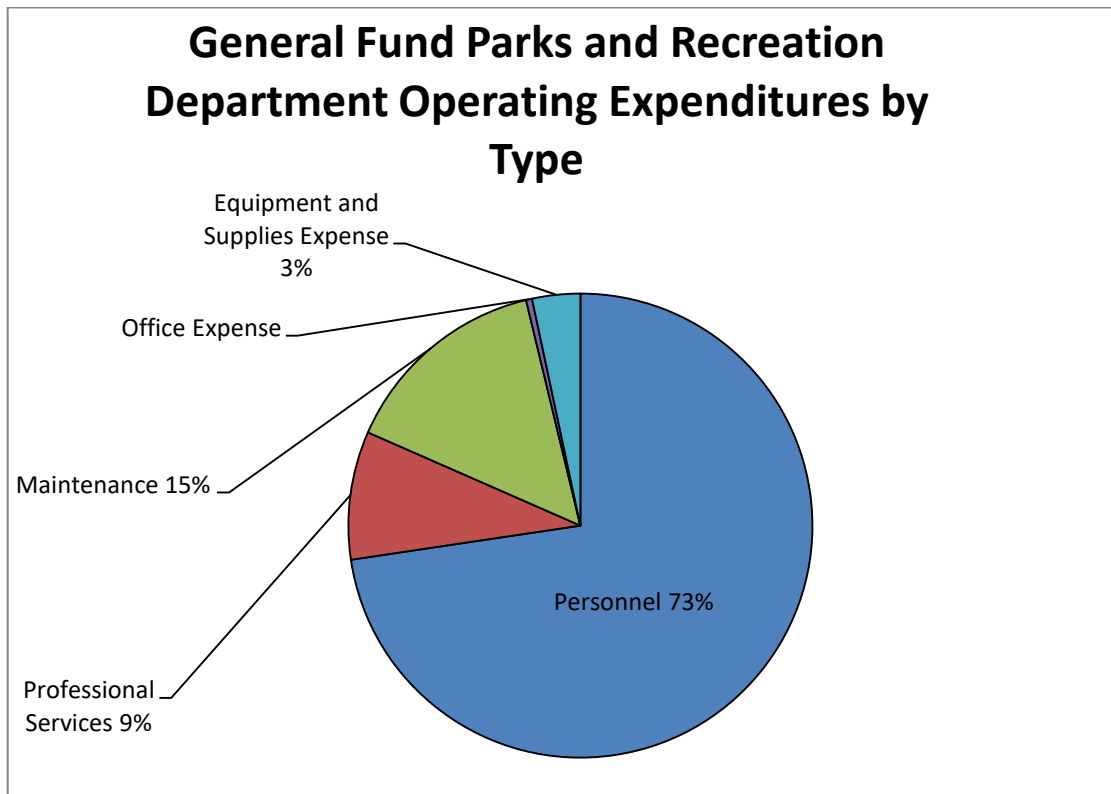
The following is the proposed operating budget by Expenditure Type for the Parks and Recreation Department.

Expenditures not included below that would be funded by cash on hand if sufficient revenues are not received are \$28,000 of personnel expenses for potential accrued time payouts that could be paid out during the fiscal year, \$50,000 for the Prairie Vista Park development, \$21,000 for the purchase of an off-road vehicle carried forward from the FY 2018 Budget to bring the General Fund Parks and Recreation Department budget to a total of \$550,578.

Expenditure Type	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended 1/23/2018	2017-2018 Est. Actual 02/2018	2018-2019 Proposed
Personnel	\$321,208	\$302,076	\$351,540	\$328,850	\$329,860
Professional Services	37,109	38,227	39,746	39,353	39,746
Maintenance	52,194	62,631	115,214	73,828	65,214
Office Expense	1,427	1,563	1,873	1,633	1,873
Equipment and Supplies	4,406	52,054	35,877	32,397	14,885
Parks and Recreation Department Total	\$416,344	\$456,551	\$544,250	\$476,061	\$451,578

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND PARKS AND RECREATION DEPARTMENT - CONTINUED**

The largest expense category of the Parks and Recreation Department is personnel cost. The next largest category is maintenance expense which includes costs for both grounds, vehicle and equipment maintenance. The following pie chart shows the % breakdown by expenditure type for the Parks and Recreation Department.



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND STREET DEPARTMENT**



The Street Department within the Village's General Fund accounts for a portion of the cost to maintain the Village's Streets. Street maintenance costs are also accounted for in the Village's Motor Fuel Tax Fund. The budget includes 75% of personnel costs related to five full-time Street Department staff and 10% of four full-time Water Department employees. Other positions that have a 20% cost allocation to the Street Department include the Mechanic and the GIS Technician/Maintainer.

Objectives and Special Purchases for General Fund Street Department for the Fiscal Year ended April 30, 2019

- Transfer of bond proceeds to the Capital Projects Fund for the Street Construction Project \$500,000
- Utilize staff to complete patching of streets and repairing sidewalks

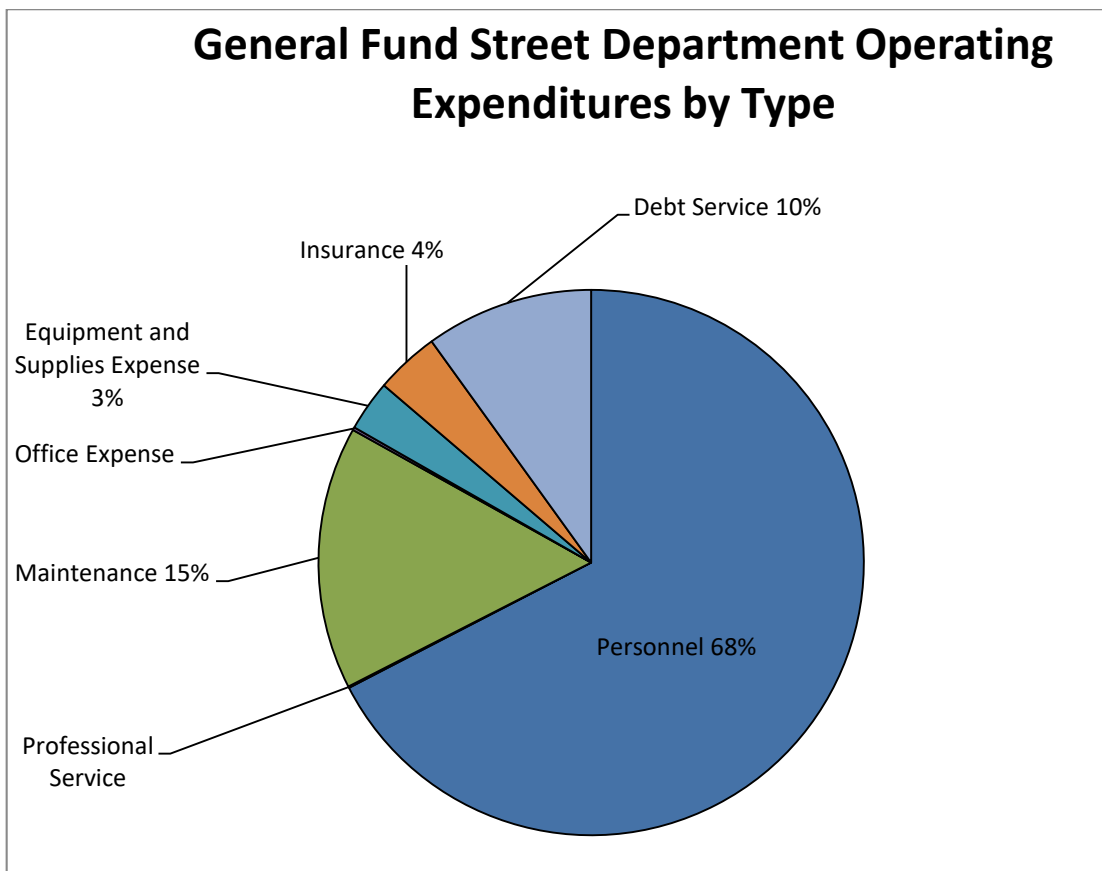
Expenditure by Type Summary

The following is the proposed operating budget by Expenditure Type for the Street Department within the General Fund. Expenditures not included below that would be funded by cash on hand if sufficient revenues are not received are an additional \$34,000 of personnel expenses will be added for potential accrued time payouts that could be paid out during the fiscal year and the \$500,000 transfer of the bond proceeds to the Capital Projects Fund for the Street Construction Project to bring the General Fund Street Department budget to a total of \$1,130,844.

Expenditure Type	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended 1/23/2018	2017-2018 Est. Actual 02/2018	2018-2019 Proposed
Personnel	\$340,658	\$337,750	\$395,836	\$389,200	\$404,900
Professional Services	-	-	500	-	500
Maintenance	74,452	61,510	108,848	99,067	88,026
Office Expense	473	710	1,011	544	1,011
Equipment and Supplies	32,862	54,091	17,685	16,097	21,507
Insurance	21,278	20,654	22,544	21,095	22,350
Debt Service	63,657	62,907	58,152	57,850	58,550
Street Department Total	\$533,380	\$537,622	\$604,576	\$583,853	\$596,844

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND STREET DEPARTMENT - CONTINUED**

The largest expense category of the General Fund Street Department is personnel cost. The next largest category is maintenance expense which includes costs for grounds, vehicle and equipment, and street maintenance. Ten percent of expenditures are related to debt service on capital projects and 3% are for the purchase of supplies and equipment. The following pie chart shows the % breakdown by expenditure type for the General Fund Street Department.



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND POLICE DEPARTMENT**

The Police Department coordinates public safety efforts throughout the Village. The Department is prepared to respond to emergency and non-emergency calls for service 24 hours a day, 7 days a week, 365 days a year. The 2019 budget includes 16 sworn police officer positions and 6 dispatch positions. The dispatch positions are funded 70% by the Police Department. Other staff included in the Police Department budget is 20% of both the Mechanic and the GIS Technician/Maintainer positions.



Objectives and Special Purchases for General Fund Police Department for the Fiscal Year ended April 30, 2019

- Hire 2 officers to fill vacancies
- Purchases of equipment from Police Department restricted cash \$33,821

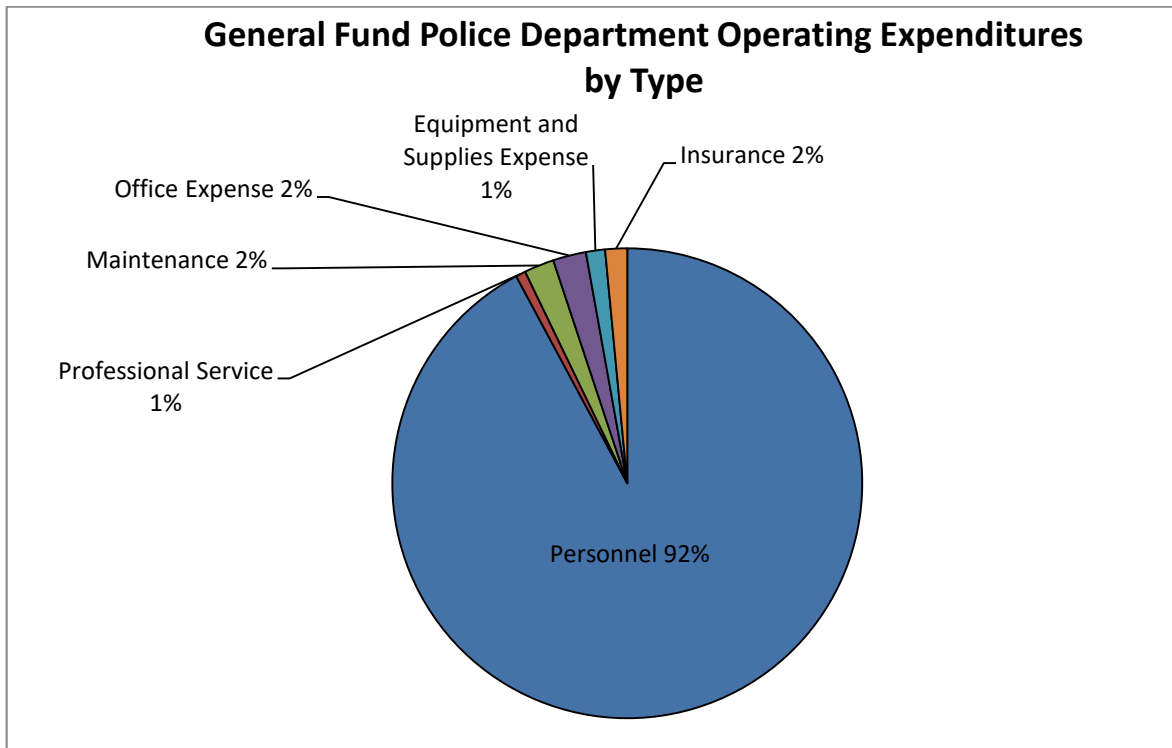
Expenditure by Type Summary

The following is the proposed operating budget by Expenditure Type for the Police Department within the General Fund. Expenditures not included below that would be funded by cash on hand if sufficient revenues are \$33,821 to be expended from restricted cash accounts and an additional \$205,000 of personnel expenses will be added for potential accrued time payouts that could be paid during the fiscal year this would bring the General Fund Police Department budget to a total of \$3,079,515.

Expenditure Type	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended 1/23/2018	2017-2018 Est. Actual 02/2018	2018-2019 Proposed
Personnel	\$2,098,779	\$2,407,435	\$2,774,774	\$2,525,455	\$2,613,762
Professional Services	9,144	15,516	19,246	10,331	19,246
Maintenance	40,202	38,143	58,325	43,497	58,325
Office Expense	44,092	48,601	64,592	48,124	64,592
Equipment and Supplies	58,967	162,967	106,202	103,705	41,992
Insurance	38,313	38,904	43,284	42,500	42,777
Police Department Total	\$2,289,497	\$2,711,566	\$3,066,423	\$2,773,612	\$2,840,694

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
GENERAL FUND POLICE DEPARTMENT - CONTINUED**

The largest expense category of the General Fund Police Department is personnel cost at 92%. The following pie chart shows the % breakdown by expenditure type for the General Fund Police Department.





ELECTRIC FUND FISCAL YEAR 2019 BUDGET

VILLAGE OF CHATHAM						
ELECTRIC FUND 600						
FUND SUMMARY						
		2015-2016	2016-2017	2017-2018	2017-2018	2018-2019
Description		Actual	Actual	Budget Amended as of January	Estimated as of February 2018 See Note 1	Requested/ Proposed
REVENUES	Revenue Type					
Electric Sales	Electric Sales	\$ 9,285,909	\$ 9,420,455	\$ 9,548,000	\$ 9,332,000	\$ 9,768,000
Penalties	Penalties	102,173	101,346	102,100	108,106	110,000
Interest	Other	3,646	5,203	5,350	6,301	6,500
Reimbursement of Expense	Other	10,555	16,250	13,000	14,700	14,000
Miscellaneous Revenue	Other	70,637	115,061	93,000	42,741	77,000
Development Fees	Development Fees	71,942	244,230	286,000	245,150	68,400
Other Grants	Other	34,482	-	-	-	-
Capital Lease Proceeds	Capital Lease	-	-	112,000	-	140,310
Utility Tax Collected	State Utility Tax	244,737	247,299	255,000	256,417	255,000
Interfund Loan Revenue		-	-	-	-	89,707
TOTAL REVENUES		9,824,082	10,149,844	10,414,450	10,005,415	10,528,917
EXPENSES	Expenditure Type					
Electric Fund						
Employee Salaries	Personnel	951,645	946,283	1,049,640	1,007,500	1,010,640
Other Payroll Expense	Personnel	405,262	479,726	401,250	377,900	413,050
Travel & Training	Services & Charges	12,005	8,147	11,000	5,618	11,000
Audit	Services & Charges	10,600	10,600	12,200	12,150	12,200
Buildings & Grounds Maintenance	Services & Charges	135,815	141,186	124,488	120,786	124,488
Vehicle & Equipment Maintenance	Services & Charges	31,121	44,728	49,000	46,174	49,000
Office Expense	Services & Charges	96,613	92,843	103,150	94,427	103,150
IT	Services & Charges	20,473	25,801	40,000	37,744	51,940
General Insurance	Services & Charges	79,697	81,299	86,325	81,535	87,650
Equipment purchase	Capital	49,784	197,695	222,600	51,867	225,410
Uniforms & Supplies	Supplies	17,304	14,557	17,100	17,224	16,600
Street Maintenance	Supplies	803	-	1,400	738	1,400
Construction Expense	Capital	211,010	356,824	396,000	344,662	389,000
Meter and Transformer Expense	Capital	50,171	120,713	252,731	250,435	165,000
IMEA Electric Expense	Electric Purchases	6,326,726	6,477,380	6,955,070	6,815,000	7,001,000
Utility Tax Expense	State Excise Tax	241,322	243,170	255,000	248,364	255,000
Debt Service	Debt Services	392,024	343,894	353,000	352,287	358,000
Refunds	Services & Charges	-	230	500	-	500
Bad Debt Expense	Services & Charges	15,644	23,914	35,000	35,000	35,000
General Fund Administration Fee	Services & Charges	195,100	200,200	205,000	205,000	206,000
EXPENDITURES TOTALS:		9,243,118	9,809,190	10,570,454	10,104,411	10,516,028
Electric Fund Surplus (Deficit)		580,963	340,654	(156,004)	(98,996)	12,889
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Estimated liability related to accrued benefits		-	-	-	-	(175,000)
Use of Cash on Hand to pay costs related to accrued benefits		-	-	-	-	175,000
SUBTOTAL		-	-	-	-	-
BUDGET SURPLUS/(DEFICIT)		\$ 580,963	\$ 340,654	\$ (156,004)	\$ (98,996)	\$ 12,889

Note 1 - Some Line items were projected to exceed budget at the fiscal year end, these line items will be adjusted by an Appropriation Transfer Ordinance on April 24, 2018

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
ELECTRIC FUND**



Description

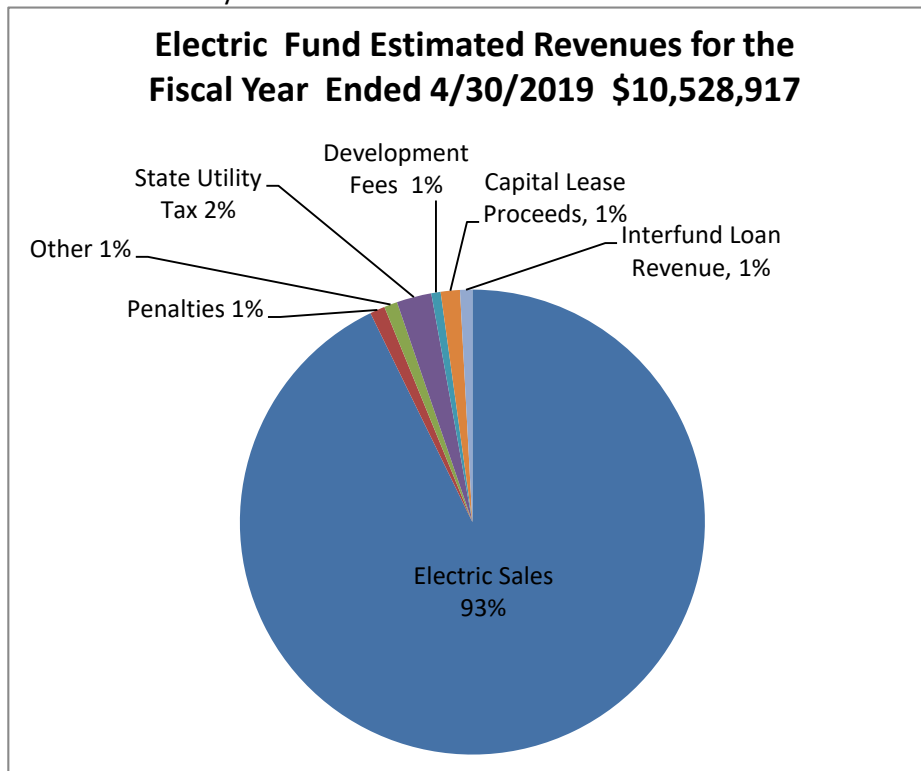
The Electric Fund is the larger of the Village of Chatham's two proprietary funds and only contains one Department the Electric Department. The Electric Department is responsible for providing and billing electric service to the Village's 5,600 Electric customers. The Department also installs electrical infrastructure for new subdivisions within the Village's limits.

Objectives and Special Purchases for Electric Fund for the Fiscal Year ended April 30, 2019

- Development is expected to continue in Cardinal Ridge Phase 3, Glendale and 4 Corners Senior Development, the Village is estimated to receive \$68,400 in Development Fees to reimburse for the extension of electric service
- Carryforward from Fiscal Year 2018 is the capital lease purchase of a new bucket truck, purchase price estimated at \$140,310
- Implement a 3% electric rate increase to cover increase costs from electric supplier as well as increase in other operational costs. Last rate increase was in 2015
- Begin receiving payments on Interfund Loan from Water and Sewer Fund

Revenue

The Electric Funds' main Revenue Sources is from Electric user charges. The following pie chart details the estimated revenue for fiscal year 2019 for the Electric Fund

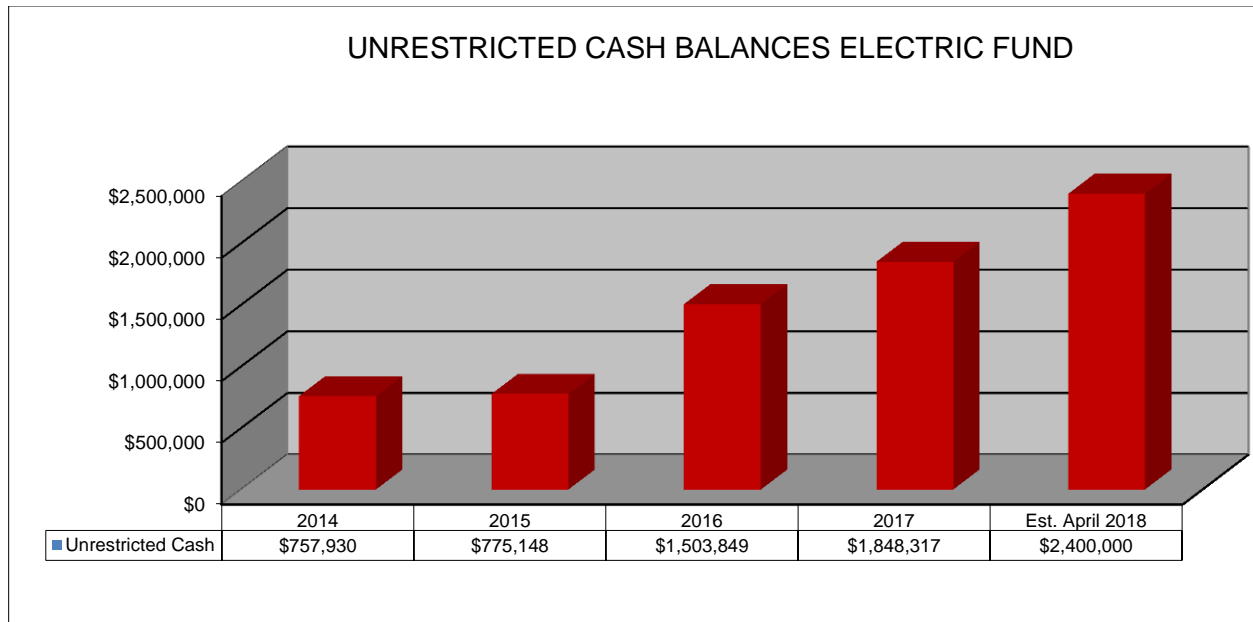


Revenues:	
Electric Sales	\$9,768,000
Penalties	110,000
Other	97,500
State Utility Tax	255,000
Development Fees	68,400
Capital Lease Proceeds	140,310
Interfund Loan Revenue	<u>89,707</u>
Total	<u>\$10,528,917</u>

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
ELECTRIC FUND – Continued**

Cash on Hand

The Electric Fund’s Fiscal Year 2019 budget includes the proposal to utilize cash on hand for payouts of accrued time to employees. The potential payout for the Village’s Electric Fund totals \$175,000. The Village paid out approximately \$46,439 in fiscal year 2018. The following is a graph of cash on hand at April 30th for the last 4 years and the estimated balance at April 30, 2019. The estimated balance of \$2,400,000 at April 30, 2018 includes \$281,580 of amounts on deposit in the Utility Rate Stabilization Account and \$107,685 on deposit for the Electric Fund’s share of the Electric Customer Deposits. Ideally the Village should maintain an unrestricted cash balance of two to three months total budgeted annual expenditures of the most recently approved budget. This would equate to a cash balance between \$1,761,742 and \$2,642,613.



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
ELECTRIC FUND – Continued**

Expenditure by Type Summary

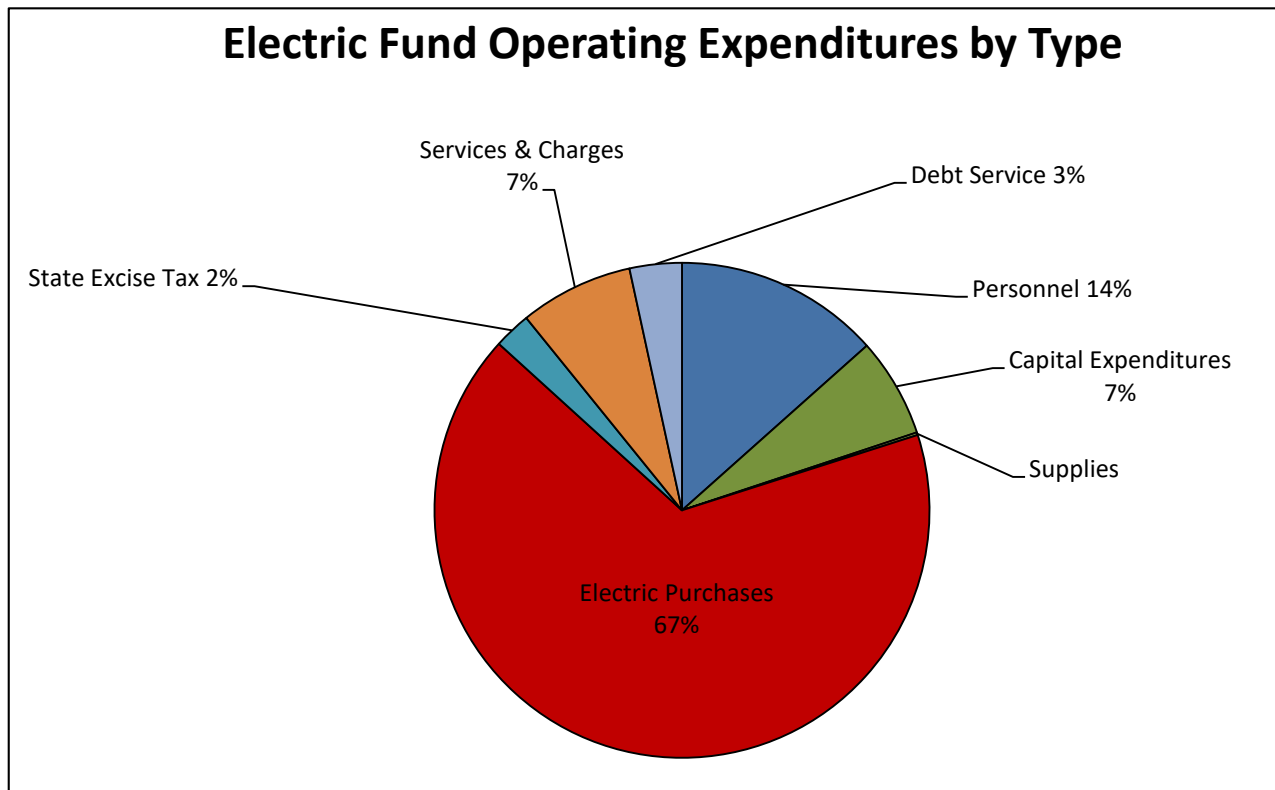
The following is the proposed operating budget by Expenditure Type for the Electric Fund. An additional \$175,000 of personnel expenses will be added for potential accrued time payouts that could be paid during fiscal year 2019; this would bring the Electric Fund budget to a total of \$10,691,028.

Expenditure Type	2015-2016 Actual	2016-2017 Actual	2016-2017 Budget Amended 1/23/2018	2017-2018 Est. Actual 02/2018	2018-2019 Proposed
Personnel	\$1,356,906	\$1,426,009	\$1,450,890	\$ 1,385,400	\$1,423,690
Services & Charges	597,067	628,948	666,663	-	680,928
Supplies	18,107	14,557	18,500	17,962	18,000
Electric Purchases	6,326,726	6,477,381	6,955,000	6,815,000	7,001,000
State Excise Tax	241,322	243,170	255,000	248,364	255,000
Capital Expenditures	310,996	675,232	871,331	646,964	779,410
Debt Service	392,024	343,894	353,000	352,287	358,000
Electric Fund total	\$9,243,117	\$9,809,191	\$10,570,454	\$10,122,611	\$10,516,028

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
ELECTRIC FUND – Continued**

Expenditure

The largest expense category of the Electric Department is Electric Expense paid to IMEA which represents 67% of total costs. Personnel expense makes up the next highest expenditure type at 14%. 100% of the costs of the following positions are paid by the Electric Department; 1 Public Utilities Manager and General Foreman, 1 Line Foreman, 3 Line Journeymen, 1 Underground Specialist. A 50% share of costs of the Groundman/Locator position, and 70% of the Groundman/Meter Reader are also expensed in the Electric Fund. Other positions that are partially paid from the Electric Department are the Village Manager 34%, Chief Fiscal Officer 40%, Administrative Assistant 34%, and between 35% up to 47.5% of the 5 Utility and Accounting Staff positions and 15% of the 6 Dispatch positions. In addition a 20% cost allocation to the Electric Department for the Mechanic and the GIS Technician/Maintainer. Personnel costs are the second largest expenditure type in the Electric Fund and have been estimated based on rates of pay established in existing ordinances. In addition a 3.99% increase has been estimated for health insurance costs the Village's IMRF contribution has been estimated at 14.09% of covered wages.





WATER AND SEWER FUND FISCAL 2018 BUDGET

VILLAGE OF CHATHAM						
WATER AND SEWER FUND 700						
FUND SUMMARY						
		2015-2016	2016-2017	2017-2018	2017-2018	2018-2019
Description		Actual	Actual	Budget as Amended January 2018 See Note 1	Estimated as of February 2018 See Note 1	Requested/ Proposed
REVENUES	Revenue Type					
Water Sales	Water Sales	\$3,654,785	\$3,912,596	\$ 4,404,932	\$ 4,236,240	\$ 4,743,500
Bulk Water Sales	Water Sales	2,032	2,545	2,800	6,700	6,800
Sewer Income	Sewer Sales	1,746,701	1,868,188	1,939,000	1,920,539	1,994,000
Penalties	Penalties	68,116	67,564	68,000	72,071	73,500
Interest	Other	315	1,673	1,700	3,353	3,700
Sales of Services	Connection Fees	95,500	176,675	148,500	161,000	145,000
Reimbursement of Expense	Other	15,125	-	-	-	-
Miscellaneous Revenue	Other	11,446	26,022	17,300	16,232	18,000
Loan Proceeds	Loan Proceeds	-	-	1,200,000	-	1,112,800
TOTAL REVENUES		<u>5,594,020</u>	<u>6,055,263</u>	<u>7,782,232</u>	<u>6,416,135</u>	<u>8,097,300</u>
EXPENSES	Expenditure Type					
Employee Salaries	Personnel	548,023	513,229	637,927	534,000	620,460
Other Payroll Expense	Personnel	282,041	222,045	305,262	243,500	296,029
Travel & Training	Services &	2,244	1,980	6,250	1,476	6,250
Legal Expenses	Services &	-	33,291	-	-	-
Professional services	Services &	44,109	154,633	152,500	76,654	152,500
Audit & Accounting	Services &	10,600	10,600	12,200	12,150	12,200
Buildings & Grounds Maintenance	Services &	44,292	73,930	132,598	119,826	128,588
Vehicle & Equipment Maintenance	Services &	34,739	45,637	58,700	26,323	38,700
Office Expense	Services &	38,751	33,989	46,100	36,057	46,100
IT	Services &	21,875	23,308	38,500	35,750	38,500
General Insurance	Services &	32,632	34,198	37,375	35,900	37,800
Equipment purchase	Capital	37,819	115,798	92,754	91,022	80,900
Uniforms & Supplies	Supplies	15,669	15,584	26,900	20,694	26,900
Street Maintenance	Supplies	8,229	8,443	17,000	20,120	17,000
Construction Expense	Capital	132,885	187,223	1,455,000	156,197	1,367,800
Construction Expense - Sewer	Capital	-	-	30,000	-	30,000
Meter Expense	Capital	164,888	124,929	233,732	254,000	146,000
Water Expense	Water Purchases	2,471,710	2,390,807	2,925,000	2,836,000	3,338,000
Sewer Expense	Sewer Purchases	1,154,527	1,246,371	1,268,000	1,257,037	1,286,000
Electric expense	Services &	45,030	33,477	43,000	34,808	43,000
Debt Service	Debt Service	150,194	152,028	287,939	155,000	279,800
Refunds	Services &	-	2,300	2,700	2,300	2,700
Bad Debt Expense	Services &	<u>9,053</u>	<u>13,162</u>	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>
EXPENDITURE TOTALS:		<u>5,249,310</u>	<u>5,436,962</u>	<u>7,826,437</u>	<u>5,965,814</u>	<u>8,012,227</u>
Water and Sewer Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts		344,710	618,301	(44,205)	450,321	85,073
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Payback of Interfund Loan to Electric Fund						(89,707)
Use of Cash on Hand for Interfund Loan Payment						89,707
Estimated liability related to accrued benefits		-	-	-	-	(72,000)
Use of Cash on Hand to pay costs related to accrued benefits		-	-	-	-	72,000
SUBTOTAL			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BUDGET SURPLUS/(DEFICIT)		<u>\$ 344,710</u>	<u>\$ 618,301</u>	<u>\$ (44,205)</u>	<u>\$ 450,321</u>	<u>\$ 85,073</u>

Note 1 - Some Line items were projected to exceed budget at the fiscal year end, these line items will be adjusted by an Appropriation Transfer Ordinance on April 24,

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
WATER AND SEWER FUND**

Description

The Village of Chatham's Water and Sewer Fund accounts for the Village's water and sanitary sewer operations. The Water and Sewer Department is responsible for providing and billing water and sanitary service to the Village's 5,600 Water customers and 5,400 Sewer customers. The Department also installs water main extensions and maintains the infrastructure related to water and sewer operations.

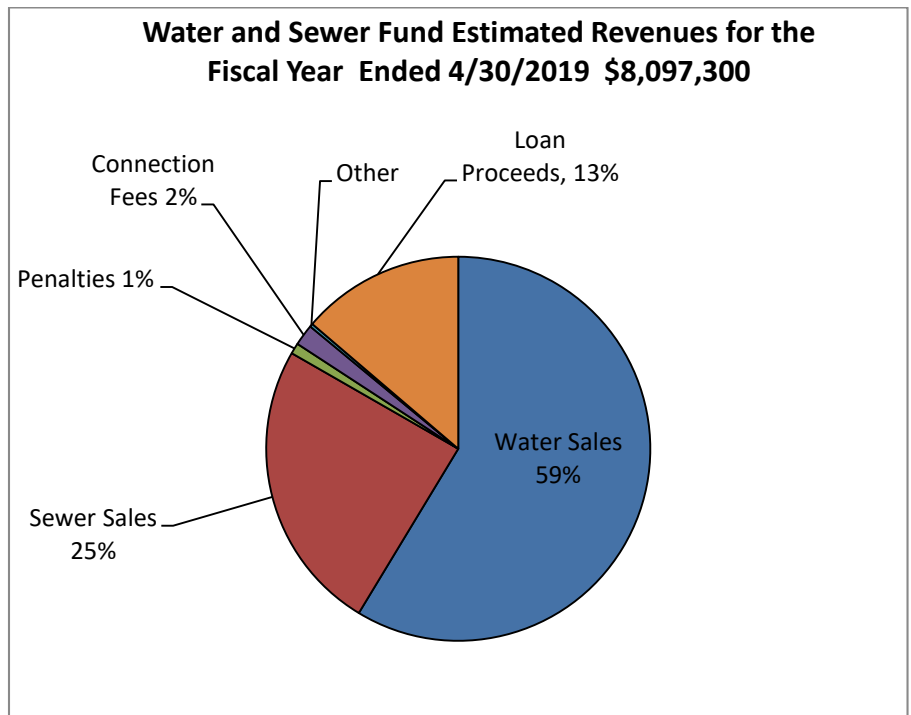


Objectives and Special Purchases for Water and Sewer Fund for the Fiscal Year ended April 30, 2018

- **\$1,200,000 project to paint both the ground storage tank and water tower to be financed by a 7 year loan that will be funded by the additional \$2.50 facility charge set to expire August 31, 2027**
- **Pass along the rate increases from the South Sangamon Water Commission resulting in a total increase to the water consumption charge of an additional \$.88 per 1000 gallons**
- **Begin a four-year repayment schedule for the \$358,828 advanced from the Electric Fund in Fiscal Year 2015**

Water and Sewer Fund Revenue

The Water and Sewer Funds' main Revenue Source is from Water and Sewer user charges. The following pie chart details the estimated revenue for fiscal year 2019 for the Water and Sewer Fund



Water and Sewer Sales are the main source of revenue for the Water and Sewer Fund and represent 84% of the Fund's revenue.

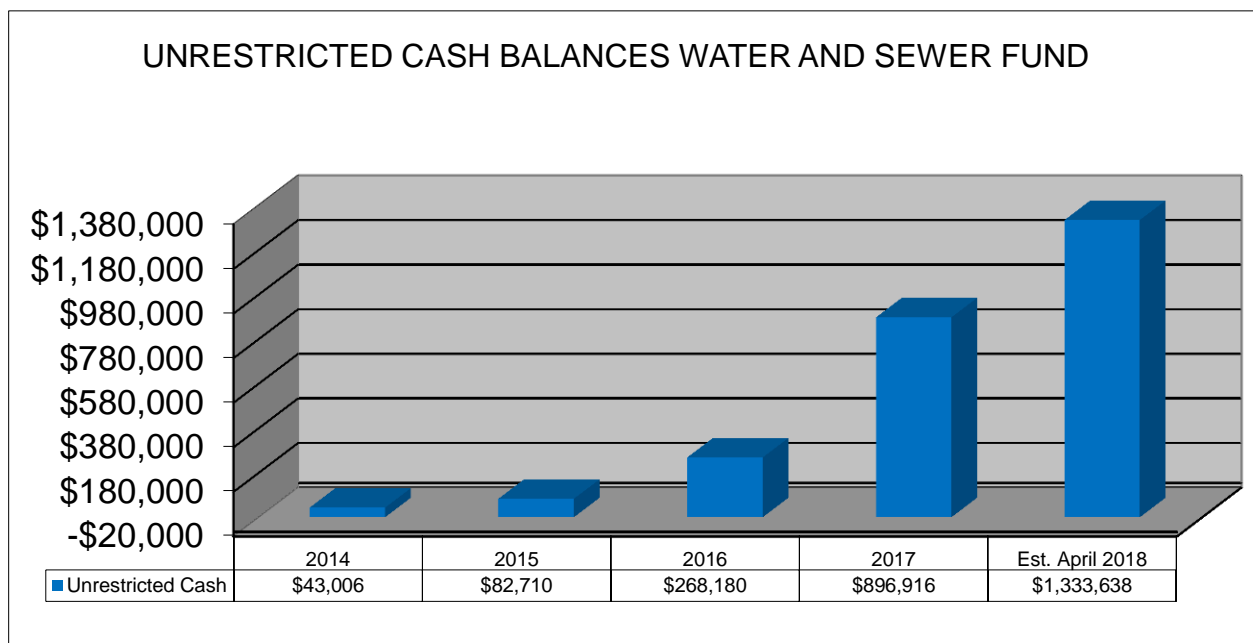
Revenues:

Water Sales	\$4,750,300
Sewer Sales	1,994,000
Penalties	73,500
Connection Fees	145,000
Other	21,700
Loan Proceeds	<u>1,112,800</u>
Total	<u>\$8,097,300</u>

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
WATER AND SEWER FUND - CONTINUED**

Cash on Hand

The Water and Sewer Fund's Fiscal Year 2019 budget includes the proposal to utilize cash on hand for payouts of accrued time to employees. The potential payout for the Village's Water Fund totals \$72,000. The Village paid out approximately \$27,722 in fiscal year 2018. The following is a graph of cash on hand at April 30th for the last 4 years and the estimated balance at April 30, 2018. The estimated balance of \$1,333,638 at April 30, 2018 included \$52,050 of amounts on deposit for Water and Sewer Customer Deposits and \$187,801 on deposit for the Water and Sewer Fund's share of the Utility Rate Stabilization Account. Ideally the Village should maintain an unrestricted cash balance of two to three months total budgeted annual expenditures of the most recently approved budget. This would equate to a cash balance between \$1,304,405 and \$1,956,607



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
WATER AND SEWER FUND –CONTINUED**

Expenditure by Type Summary

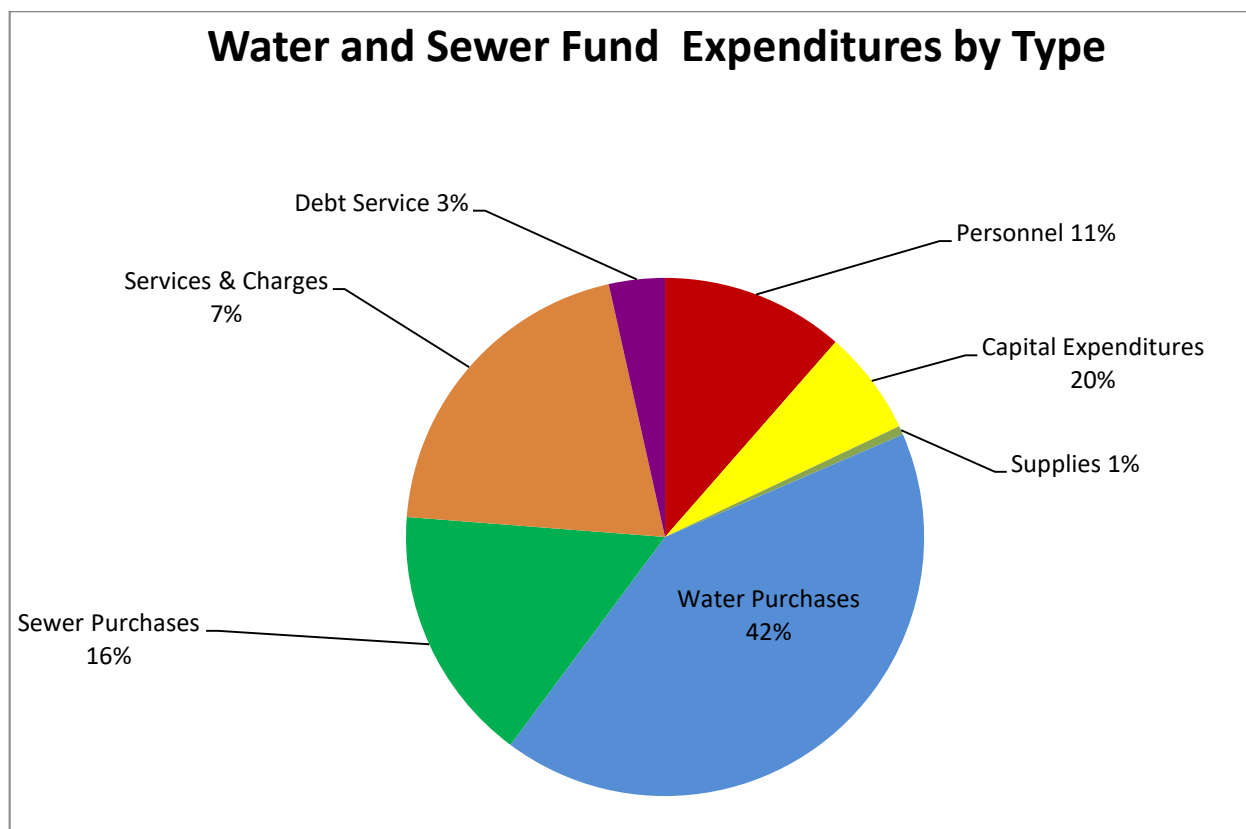
The following is the proposed operating budget by Expenditure Type for the Water and Sewer Fund. An additional \$72,000 of personnel expenses will be added for potential accrued time payouts that could be paid during fiscal year 2019 and a portion of the payback of the interfund loan to the Electric Fund of \$89,707. This would bring the Water and Sewer Fund budget to a total of \$8,173,934.

Expenditure Type	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget Amended 1/23/2018	2017-2018 Est. Actual 02/2018	2018-2019 Proposed
Personnel	\$830,064	\$735,274	\$943,189	\$777,500	\$916,489
Services & Charges	283,325	460,505	546,923	- 398,244	523,338
Supplies	23,898	24,027	43,900	40,814	43,900
Water Purchases	2,471,710	2,390,807	2,925,000	2,836,000	3,338,000
Sewer Purchases	1,154,527	1,246,371	1,268,000	1,257,037	1,286,000
Capital Expenditures	335,592	427,950	1,811,486	501,219	1,624,700
Debt Service	150,194	152,028	287,939	155,000	279,800
Water and Sewer Fund Total	\$5,249,310	\$5,436,962	\$7,826,437	\$5,965,814	\$8,012,227

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
WATER AND SEWER FUND – CONTINUED**

Expenditures

The largest expense categories of the Water and Sewer Department are water and sewer purchases, which represents 57% of total costs. This year capital expenditures makes up the next highest expenditure type due to the water tower and above ground storage tank painting project at 20%. Personnel expense makes up the next highest expenditure type at 11%. 90% of the costs of 4 Water Maintainer positions, a 50% share of costs of the Groundman/Locator position, and 30% of the Groundman/Meter Reader are also expensed in the Water and Sewer Fund. Other positions that are partially paid from the Water and Sewer Department are the Village Manager 33%, Chief Fiscal Officer 40%, Administrative Assistant 33%, GIS Manager 33%, and between 35% up to 47.5% of the 5 Utility and Accounting Staff positions and 15% of the 6 Dispatch positions. In addition a 20% cost allocation to the Water and Sewer Department for the Mechanic and the GIS Technician/Maintainer. Personnel costs are the second largest expenditure type in the Electric Fund and have been estimated based on rates of pay established in existing ordinances. In addition a 3.99% increase has been estimated for health insurance costs the Village's IMRF contribution has been estimated at 14.09% of covered wages.





OTHER VILLAGE FUNDS

CAPITAL PROJECTS FUND

YARD WASTE, RECYCLING AND REFUSE FUND

POLICE AND PUBLIC WORKS UTILITY TAX FUND

POLICE PENSION FUND

CEMETERY PERPETUAL CARE FUND

VETERAN'S MEMORIAL FUND

MOTOR FUEL TAX FUND

FISCAL YEAR 2019 BUDGET

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
CAPITAL PROJECTS FUND**



Description

The Village's Capital Project Fund accounts for resources used for the acquisition or construction of capital facilities other than those financed by the enterprise fund activities. The Fund's major revenue sources are transfers from the General Fund and grant proceeds from the Illinois Department of Transportation.

Objectives for the Capital Projects Fund for the Fiscal Year ended April 30, 2019

- Resurface Park Street from Walnut to Plummer Blvd to be funded with the Series 2017 General Obligation Bonds and Motor Fuel Tax.
- Plummer Boulevard viaduct storm sewer repair project

VILLAGE OF CHATHAM							
CAPITAL PROJECTS FUND 110							
FUND SUMMARY							
		2015-2016	2016-2017	2017-2018	2017-2018	2018-2019	
Description		Actual	Actual	Budget Amended 1/23/2018	Est. Actual 2/2018	Requested/Proposed	
REVENUES	Revenue Type						
Interest Income	Other	\$ 392	\$ 300	\$ -	\$ 300	\$ -	
Federal Grants - IDOT	Grants	16,756	-	-	-	-	
Transfer from General Fund	Transfers	-	-	513,000	-	500,000	
Transfer from TIF	Transfers	64,892	763,927	-	-	-	
TOTAL REVENUES		\$82,040	764,227	513,000	300	\$ 500,000	
EXPENDITURES	Expenditure Type						
Construction Expense - Parks Department	Capital	88,989	175,765	175,765	52,215	\$ -	
Construction Expense - Street Department	Capital	126,073	763,927	500,000	-	600,000	
TOTAL EXPENDITURES		215,062	764,927	675,765	52,215	600,000	
Capital Projects Fund Surplus/(Deficit) Before Utilizing Cash on Hand		(133,022)	298	(162,765)	(51,915)	\$ (100,000)	
Use of Cash on Hand		133,022	-	162,765	51,915	100,000	
Capital Projects Fund Surplus/(Deficit)		\$ -	\$ 298	\$ -	\$ -	\$ -	

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
YARD WASTE RECYCLING AND REFUSE FUND**

Description

The Village's Yard Waste, Recycling and Refuse Project Fund accounts for programs such as the annual Village Clean-up, the twice a year leaf pick-up program and the monthly curbside pick-up of branches and limbs. Costs for these programs as well as 15% of the personnel costs of the Street Departments five employees are paid from the Fund. The Fund's major revenue source is the \$2 a month Green Program Fees charged to the Village's Utility customers.



Objectives for the Yard Waste, Refuse and Recycling Fund for the Fiscal Year ended April 30, 2019

- For fiscal year 2019 continue to provide programs such as the Annual Village Clean-up, the twice a year leaf pick-up program and the curbside pick-up of branches
- Evaluate the cost versus the benefit of the program and consider alternatives

VILLAGE OF CHATHAM							
YARD WASTE, RECYCLING AND REFUSE FUND 120							
FUND SUMMARY							
		2015-2016	2016-2017	2017-2018	2017-2018	2018-2019	
Description		Actual	Actual	Budget Amended 1/23/2018	Est. Actual 02/2018	Requested/ Proposed	
REVENUES	Revenue Type						
Other Income	Other Income	\$ 1,667	\$ 1,659	\$ 1,700	\$ 1,750	\$ 1,900	
Green Program Fee	Fees and Service Charges	134,272	136,176	135,600	137,640	138,000	
TOTAL REVENUES		135,939	137,835	137,300	139,390	139,900	
EXPENDITURES	Expenditure Type						
Street Department							
Employee Salaries	Personnel	40,064	40,977	74,590	42,300	75,090	
Other Payroll Expense	Personnel	17,181	19,586	27,086	22,050	26,328	
Clean-up Expense	Professional Services	15,905	11,175	16,000	11,100	12,000	
Yard Waste Supplies and Services	Yard Waste Supplies and Services	23,336	14,080	18,600	23,800	24,000	
Equipment purchase	Equipment and Supplies	27,354	11,933	-	-	-	
Bad Debt Expense		250	466	1,000	1,000	1,000	
TOTAL EXPENDITURES		124,090	98,217	137,276	100,250	138,418	
Yard Waste, Recycling and Refuse Fund Surplus/(Deficit)		\$ 11,849	\$ 39,618	\$ 24	\$ 39,140	\$ 1,482	

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
POLICE AND PUBLIC WORKS UTILITY TAX FUND**



Description

The Village's Police and Public Works Utility Tax Fund is utilized to purchase equipment for the Police, Parks and Recreation, and Street Departments. The Fund's major revenue source is the allocation of 20% of the Telecommunications Tax that the Village receives each month from the Illinois Department of Revenue

Objectives for the Police and Public Works Utility Tax Fund for the Fiscal Year ended April 30, 2019

- The Street Department will utilize the Public Works share to continue to pay for a Street Sweeper and a 2015 Dump Truck acquired thru capital lease purchases.
- The Police Department will utilize their share of the Fund in fiscal year 2019 to continue to acquire 3 Police Vehicles thru a capital lease transaction.
- The Police Department will acquire an additional police vehicle through a capital lease when the lease obligation is paid off for the purchase of two of the three vehicles noted above.

VILLAGE OF CHATHAM						
POLICE AND PUBLIC WORKS UTILITY TAX FUND 150						
FUND SUMMARY						
		2015-2016	2016-2017	2017-2018	2017-2018	2018-2019
Description		Actual	Actual	Budget Amended 1/23/2018	Est. Actual 02/2018	Requested/ Proposed
REVENUES	Revenue Type					
Telecommunications Tax	Telecommunications Tax	\$ 57,008	\$ 50,069	\$ 59,500	\$ 46,456	\$ 47,500
Interest	Other	13	10	-	-	-
Capital Lease Proceeds	Capital Lease Proceeds	152,500	33,000	-	-	30,000
TOTAL REVENUES		209,521	83,079	59,500	46,456	77,500
EXPENDITURES	Expenditure Type					
Equipment purchase - Streets	Equipment	144,501	31,563	31,572	25,229	23,750
Equipment purchase - Police	Equipment	85,652	59,581	32,568	27,131	53,750
TOTAL EXPENDITURES		230,153	91,144	64,140	52,360	77,500
		-	-	-	-	
Police and Public Works Utility Tax Fund Surplus/(Deficit) Before Utilizing Cash on Hand		(20,632)	(8,065)	(4,640)	(5,904)	-
Use of Cash on Hand		20,632	8,065	4,640	5,904	-
Police and Public Works Utility Tax Fund Surplus/(Deficit)		\$ -	\$ -	\$ -	\$ -	\$ -

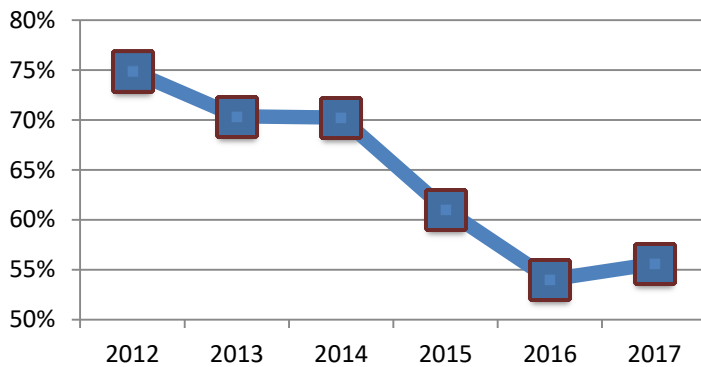
**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
POLICE PENSION FUND**

Description

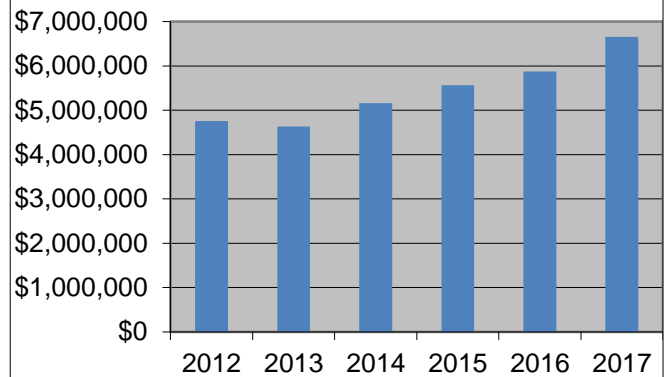
The Police Pension Fund is used to account for the accumulation of resources to be used for disability and retirement benefit payments to sworn members of the Police Department. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by the police force members at rates fixed by state statute and by the Village through an annual property tax levy determined by an actuarial analysis. Revenues are also generated by investment income. At the end of 2017 the Police Pension Funding level increased slightly from 2016 when the funding level declined as a result of a low investment return combined with changes in actuarial assumptions.



POLICE PENSION PERCENTAGE FUNDED



POLICE PENSION VALUE OF ASSETS



VILLAGE OF CHATHAM					
POLICE PENSION FUND 300					
FUND SUMMARY					
	2015-2016	2016-2017	2017-2018	2017-2018	2018-2019
Description	Actual	Actual	Budget Amended 1/23/2018	Est. Actual 2/ 2018	Requested/ Proposed
REVENUES					
Employer Contrib-Property Taxes	\$ 326,622	\$ 510,118	\$ 531,274	\$ 530,455	\$ 604,307
Member Contributions	108,237	111,324	120,000	112,500	117,500
Investment Income	(41,575)	493,840	250,000	244,000	244,000
Total Revenues	393,284	1,115,282	901,274	886,955	965,807
EXPENDITURES					
Reserved for Pol Pension Benefits	290,496	309,649	868,574	318,340	880,107
Travel & Training	1,921	1,809	5,000	4,052	7,000
Legal Expenses	8,404	7,200	7,200	7,200	7,200
Professional services	1,500	2,500	2,500	2,500	2,500
Office Expense	12,511	15,235	18,000	18,231	23,500
Refunds	-	-	-	14,515	45,500
Total Expenditures	314,832	336,393	901,274	364,838	965,807
Police Pension Fund Net Increase/(Decrease)	\$ 78,452	\$ 778,889	\$ -	\$ 522,117	\$ -

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
CEMETERY PERPETUAL CARE FUND**



Description

The Village's Cemetery Perpetual Care Fund is used to account for assets received and held for the perpetual care of the Village Cemetery. The Fund's major revenue source is from sales of cemetery lots and investment income. Expenditures budgeted for fiscal year 2019 are for potential lot sale refunds.

VILLAGE OF CHATHAM						
CEMETERY PERPETUAL CARE FUND 410						
FUND SUMMARY						
	2015-2016	2016-2017	2017-2018	2017-2018	2018-2019	
Description	Actual	Actual	Budget Amended 1/23/2018	Est. Actual of 02/2018	Requested/ Proposed	
REVENUES						
Lot Sales	\$ 8,800	\$ 11,200	\$ 14,000	\$ 12,800	\$ 11,200	
Interest	1,230	1,274	1,200	1,225	1,300	
Total Revenues	10,030	12,474	15,200	14,025	12,500	
EXPENDITURES						
Refunds	3,200	-	-	400	5,000	
Total Expenditures	3,200	-	-	400	5,000	
Cemetery Perpetual Care Fund Surplus/(Deficit)	\$ 6,830	\$ 12,474	\$ 15,200	\$ 13,625	\$ 7,500	

FOR THE FISCAL YEAR ENDING APRIL 30, 2019

The Village's Veteran's Memorial Fund was established for the care and maintenance of the Chatham Veteran's Memorial.

VILLAGE OF CHATHAM

VETERAN'S MEMORIAL FUND 420

FUND SUMMARY

	2015-2016		2016-2017		2017-2018		2017-2018	2018-2019
Description	Actual		Actual		Budget Amended 1/23/2018		Est. Actual 02/2018	Requested/ Proposed
REVENUES								
Interest	\$ 17		\$ 17		\$ 20		\$ 20	\$ 20
Memorial Brick Sales	1,050		450		850		600	600
Total Revenues	1,067		467		870		620	620
EXPENDITURES								
Parks and Recreation								
Buildings & Grounds Maintenance	641		587		800		180	600
Total Expenditures	641		587		800		180	600
Veteran's Memorial Fund Surplus/(Deficit)	\$ 426		\$ (120)		\$ 70		\$ 440	\$ 20

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2019
MOTOR FUEL TAX FUND**



Description

The Motor Fuel Tax Fund is used to account for maintenance and construction of streets and roads, as approved by the Illinois Department of Transportation. Costs are funded by the Village's share of gasoline taxes distributed by the state.

Objectives for the Motor Fuel Tax Fund for the Fiscal Year ended April 30, 2019

- Village Wide Winter Maintenance \$33,375
- Street Sweeping \$10,125
- Drainage, Sidewalks, Curbs, Patching, Roadside Maintenance, Traffic Control Devices
- Project areas identified for the Motor Fuel Tax Program within Fiscal Year 2019 include Plummer Boulevard and Park Avenue

VILLAGE OF CHATHAM					
MOTOR FUEL TAX FUND 500					
FUND SUMMARY					
	2015-2016	2016-2017	2017-2018	2017-2018	2018-2019
Description	Actual	Actual	Budget Amended 1/23/2018	Est. Actual 2/2018	Requested/ Proposed
REVENUES					
Motor Fuel Tax	\$ 309,629	\$ 306,972	\$ 296,125	\$ 307,698	\$ 293,825
Interest and Other Revenue	522	840	800	1,907	800
Total Revenues	310,151	307,812	296,925	309,605	294,625
EXPENDITURES					
Streets and Public Works					
Professional services	14,942	20,250	37,697	37,697	23,431
Street Maintenance	86,644	251,206	392,879	338,955	263,845
Gen Fund Labor and Equip	25,727	70,074	51,515	51,515	50,200
Total Expenditures	127,313	341,530	482,091	428,167	337,476
Motor Fuel Tax Fund Surplus/(Deficit)	182,838	(33,718)	(185,166)	(118,562)	(42,851)
Use of Cash on Hand		33,718	185,166	118,562	42,851
Motor Fuel Tax Fund Surplus/(Deficit)	\$ 182,838	\$ -	\$ -	\$ -	\$ -



Capital Improvement Plan 2019-2023

Village of Chatham

116 E. Mulberry Street
Chatham, IL 62629

(217) 483-2451

**VILLAGE OF CHATHAM
Capital Improvement Plan
FOR THE FISCAL YEARS ENDED APRIL 30
2019-2023
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Introduction Capital Improvement Plan

The Capital Improvement Program (CIP) is a plan for the Village's capital investments over a five (5) year period. The CIP has been incorporated as part of the Village's Annual Budget Document. The Fiscal Year 2018-2019 is the first year the CIP has been documented as part of the Annual Budget Document. The CIP allows the Village to forecast capital costs, funding, and timing for large projects. Each year the CIP is reviewed by the Village's Management Staff and the Village Board within the context of ongoing Village, County, and State planning, programs, and policies, as well as the Village's planning document (Comprehensive Plan).

The current CIP includes five (5) years of projected capital expenditures totaling \$12,418,743. The first year of the Program (2018) is included in the FY2018-2019 Budget. The projects for 2019 & 2020 will be incorporated into the capital portion of the FY2019-2020 Budget. The remaining three (3) years (2021, 2022, and 2023) will serve as a financial plan for capital investments for those years.

ORGANIZATION OF THE CIP

The CIP's organization permits a comprehensive treatment of all pending capital projects. An executive summary provides total CIP budget information prior to the individual project descriptions. The Plan Summary presents all projects included in the plan and the identified funding source in a table format. The major portion of the plan contains the individual project descriptions, organized categorically by department. Each project sheet contains information regarding the description, existing conditions, funding, benefits, and impact on operating costs of each project.

FINANCING THE CIP

The following funding sources may be used to finance a project in the CIP:

- Enterprise Funds (Electric, Water and Sewer Funds 600 and 700): The Electric Fund and Water and Sewer Fund are the only enterprise funds or business-type activity of the Village. They are used to account for all revenues and expenses of the Village's electric, water and sewer utilities. They are primarily funded by charges for utility service. The majority of spending from this fund is used for operating expenses for supplying the Village's electric, water and sewer services, but they are also used for electric, water and sewer capital improvements and other related expenses.
- Capital Projects Fund (Fund 110): This fund receives its revenue from transfers from the Village's governmental funds, grants and governmental bond issues. It is used to finance infrastructure improvements for the Village's governmental activities such as streets, sidewalks, storm sewers and park improvements.
- Police and Public Works Utility Tax Fund (Fund 150): This fund's revenue source is 20% of telecommunication tax receipts. Spending from this fund includes either direct purchases or capital lease purchases of equipment and vehicles for the Parks, Streets, and Police Departments.
- Motor Fuel Tax (MFT Fund 500): This fund is used to account for motor fuel tax revenue and the expenditures allowed by Illinois State Statute. Spending from this fund typically includes engineering services, supplies for road maintenance and repair, and infrastructure improvements.
- Police Restricted Revenues: The Police Department receives funds from DUI fines, supervision fines and asset forfeitures that by statute must be used for Police Department vehicles, DUI enforcement equipment or other expenditures related to the Police Department's operations. Police Department vehicles and DUI enforcement equipment.

Introduction Capital Improvement Plan

Other sources of revenues include the following:

- Grants: Funding provided to the Village by other governmental entities.
- Asset Liquidation: The proceeds from the sale or trade of assets being replaced that qualify as capital.
- Miscellaneous Sources: Funding sources that do not fall within one of the above categories. When a project lists this as a source of funding, a further description of the funding can be found in the narrative section of the project sheet.

THE FUNDING GAP

The five-year fiscal forecast for this CIP represents a recognized “budget gap” between the amount of projects and the amount of funding sources. The gap is initially identified in Fiscal Year 2020 at \$143,300 and escalates to \$153,601 in 2023. While this seems concerning, it is not a realistic concern due to the fundamental assumptions in budgeting being very conservative in estimated revenue projections while also being aggressive in estimated cost projections. Overtime the projections will become more accurate and the numbers will come into alignment as the Village progresses through the years of the plan.

Key to ensuring the accuracy of a five-year CIP is reviewing and amending the CIP annually. An annual review and amendment allows the projections to become more accurate for the upcoming years, generally the following 2 years, and the project cost estimates to become more precise. It also allows for adjustments to be made should revenue projections fail to meet expectations or exceed said projections. This is a constant and evolving plan that sets goals five-years into the future but consciously adjusts the plan as each year approaches in a way that makes the goals real and attainable. In summary, staff will never allow the fund balances to attain real negative balances in any impactful manner.

DEFINITION OF CAPITAL IMPROVEMENT

Most communities define capital improvements as major public expenditures, usually physical in nature, that include a depreciating asset valued over a determined amount. Local policies may specify the cost and useful life of qualified projects. For example, a small community may set minimum project costs at \$1,000 or \$2,500, while larger communities may set the threshold at \$10,000 or \$25,000. The Village’s capitalization policy is \$5,000. Expenditures below this level are considered “operational” and appear in the annual operating budget and not the CIP. The Government Finance Officers Association (GFOA) recommends a useful service life of at least three to five years, although this term may vary based on the specific asset.

“Depreciation” is an accounting method for allocating the cost of a tangible **asset** over its useful life. Businesses **depreciate** long-term **assets** for both tax and accounting purposes.

Common categories of capital expenditures include:

1. Purchase of major equipment (*ex. dump truck, backhoe, line truck*).
2. Acquisition of land for a public purpose (*ex. parks, road improvement, cemetery expansion*).
3. Construction, expansion or major renovation of a public building or facility (*ex. Municipal hall, substation, painting of water tower and ground storage tank*).
4. Related planning, engineering, design, appraisal or feasibility costs required to complete one of the above project types.

Introduction Capital Improvement Plan

GOALS OF THE CIP

The CIP is prepared according to two major goals:

- To address the Village's immediate and long-term capital needs, especially those related to:
 - Maintaining the existing infrastructure in order to protect the Village's investments.
 - Expanding the tax base in a way that will benefit both current and future citizens.
 - Managing and encouraging orderly growth in compliance with the Comprehensive Plan.
 - Providing Village services in the most efficient and safe manner.
 - Maintaining and improving the quality of life in a way that enhances the perception of the community by residents and potential investors.
- To explore all feasible funding sources (as time and resources permit) in order to finance the Village's capital needs. This includes external funding opportunities including, but not limited to, grants and other federal and state managed programs.

The CIP is also prepared with the guidance of the goals outlined in the Village's Annual Budget Document:

- Maintain financial stability and organizational excellence
- Enhance communication efforts
- Economic development
- Collaboration of efforts for providing efficient services
- Quality infrastructure

FUNDING PRIORITIES

Projects with the following characteristics are given priority for funding:

- Public health and public safety – prevents or corrects a major or minor health or safety hazard
- Legal requirement – clearly addresses a mandate by State or Federal law
- Major deferred maintenance on existing infrastructure/facilities – lack of project will likely result in compounded repair costs in the future and/or materially disrupt the function of the facilities
- Economic development – directly increases net annual revenues and creates indirect community wealth, such as jobs, business retention, or increased commercial development
- Operating budget impact – directly reduces operating costs or is eligible for outside funding sources
- Extent of primary service area – serves the entire Village
- Relationship to other projects – completes a project that is already underway or advances the effectiveness of another project
- Comprehensive and/or strategic plans or policies – is consistent with the Village's existing long range plans

Introduction Capital Improvement Plan

- Equitable distribution – considers geographic, environmental and socio-economic balance
- Joint use – combines two or more projects in the same site or facility resulting in immediate or future savings
- Best practices – maintains the Village’s systems or facilities for delivering services and information to the public

RELATIONSHIP OF THE CIP TO THE OPERATING BUDGET

The operating budget and the CIP are closely related. When the Village commits to a capital project, there is an associated long-range impact on operating funds. Most capital projects affect future operating budgets either positively or negatively by influencing maintenance costs or by providing capacity for new services to be offered. Such impacts vary widely from project to project and, as such, are evaluated individually during the process of assessing project feasibility.

CAPITAL EXPENDITURES AND IMPROVEMENTS

The Village will annually review the condition of the Village’s capital equipment and infrastructure. Priorities for replacement and renovation will be determined based on needs, funding alternatives and availability of resources.

Capital Improvements Planning Program

Annually, the current status of the Village’s infrastructure, replacement, renovation needs and potential new projects will be noted and CIP will be updated. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resources available. For each project associated operating, maintenance and replacement costs will be identified. The CIP will also present any long-term borrowing plans and associated debt payment schedules. The Village may plan to any of use the following debt instruments in carrying out the CIP; general obligation bonds, revenue bonds, debt certificates, promissory notes and capital lease financing.

Capital Expenditure Financing

The Village recognizes that there are several methods of financing capital items. It can budget the funds from current revenues, take the funds from cash on hand, utilize funds from grants, or it can borrow the money through some form of debt instrument. Debt financing includes general obligation bonds, revenue bonds, debt certificates, promissory notes and capital lease agreements.

Capitalization Threshold for Tangible Capital Assets

The Government Finance Officers Association (GFOA) recommends that best practice guidelines be followed in establishing capitalization thresholds for tangible capital-type items. The Village’s capitalization policy includes the following:

Introduction Capital Improvement Plan

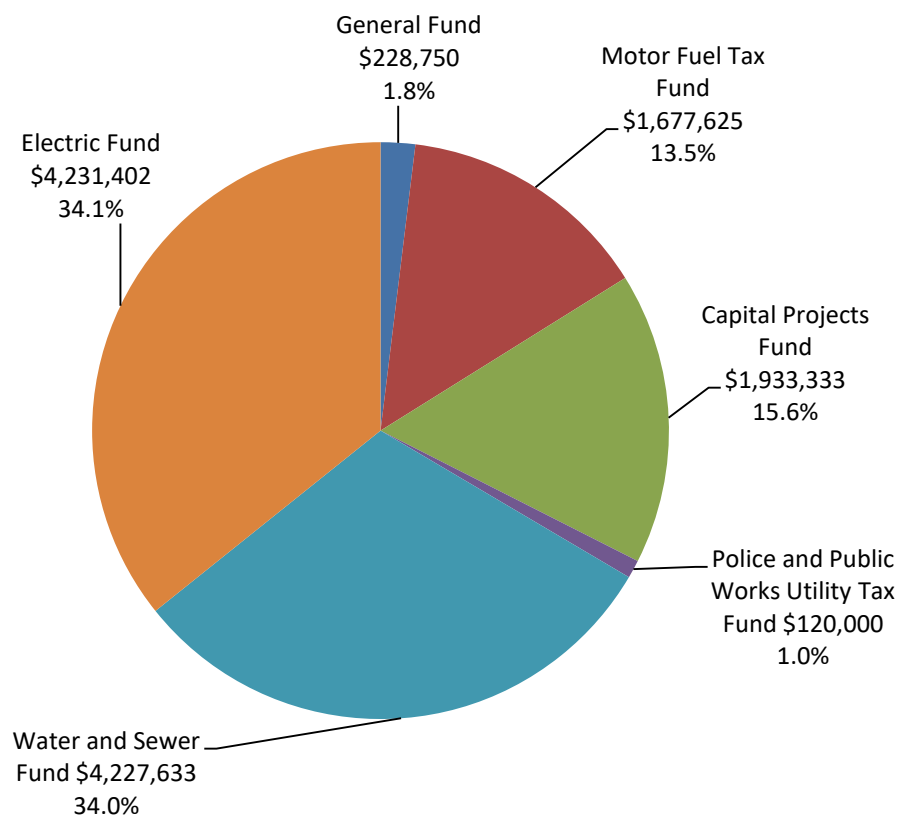
- Individual items costing \$5,000 or more will be capitalized and depreciated according to Governmental Accounting Standards Board rules. This amount will be adjusted as changes are recommended in GFOA's "*best practices*" guidelines.
- Tangible capital-type items will only be capitalized if they have any estimated useful life of at least five (5) years following the date of acquisition.
- Capitalization thresholds will be applied to individual items rather than to groups of similar items (e.g., desks and tables).

Summary

The Five Year Capital Improvement Plan is a large document with many individual projects. The document is prepared and reviewed by the Village Manager, Chief Fiscal Officer, Administrative Assistant, Chief of Police and Public Utilities Manager. Departments are responsible for identifying capital projects which are then prioritized based on need and availability of funding. The necessity of the capital acquisition or improvement is evaluated based on Village Board goals, residents' concerns, current and future maintenance costs, revenue generation, ability to meet current levels of service, safety issues and legal requirements. Projects with currently available funding sources such as grant revenues may be prioritized. Following review of the Capital Improvement Program is presented to the Village Board.

Totals by Fund

The largest portion of the CIP comes from the Village's Enterprise Funds or Electric Fund and Water and Sewer Fund. The two funds combine account for 68.1% of the 2019-2023 CIP. The primary projects are for infrastructure improvements for the utility operations as well as 67% of the costs associated with the construction of a new municipal facility. The Capital Projects Fund represents 15.6% of the plan and includes costs associated with the development of a new Park, and 33% of the costs associated with the construction of a new municipal facility. The Motor Fuel Tax Fund share of the plan is 13.5% and will fund repair and maintenance costs to extend the useful life of the Village's streets. The General Fund and the Police and Public Works Utility Tax Fund share of the CIP are 1.8% and 1% respectively. Items planned for purchase out of these funds are vehicles and equipment related to information technology.



Summary

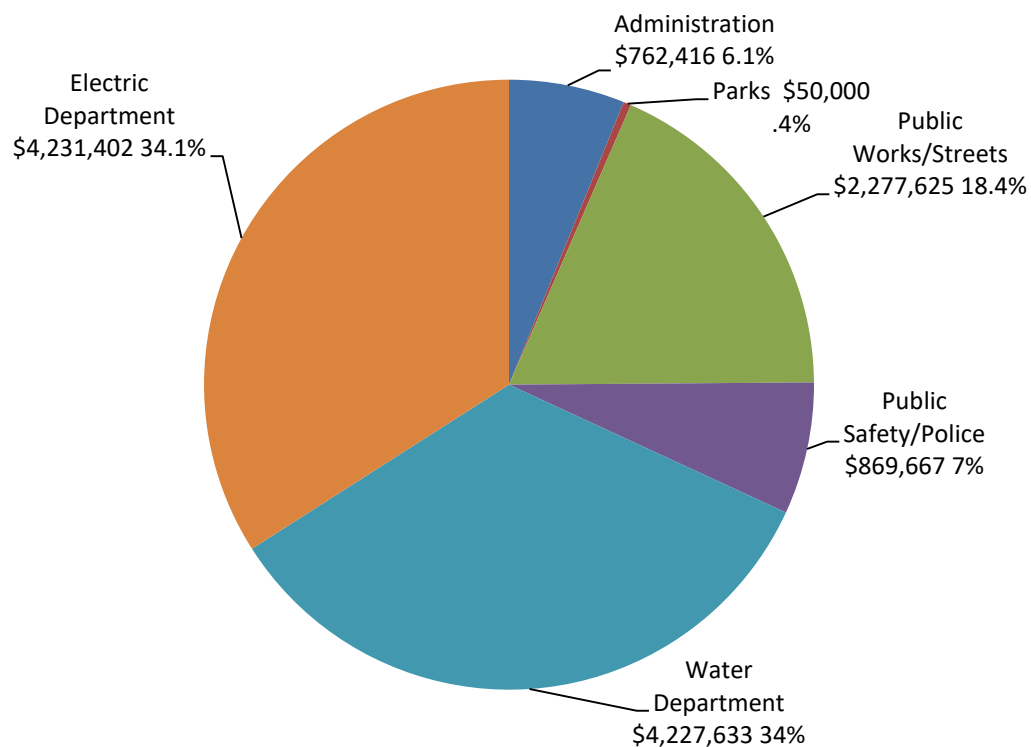
Totals by Department

The majority of capital improvements come from the Utility Departments (Electric and Water), which accounts for 68.1% of the total CIP. These projects are primarily improvements to the Village's utility infrastructure.

Public Works/Streets capital improvements account for the second largest portion of the 2019-2023 CIP. These projects are primarily improvements to the Village's Streets.

Public Safety/Police make up 7% of the CIP for 2019-2023. The primary expense for the Police Department is the Department's share of the construction of a new municipal facility to accommodate the growing department needs. The replacement of police vehicles and IT equipment makes up the remainder.

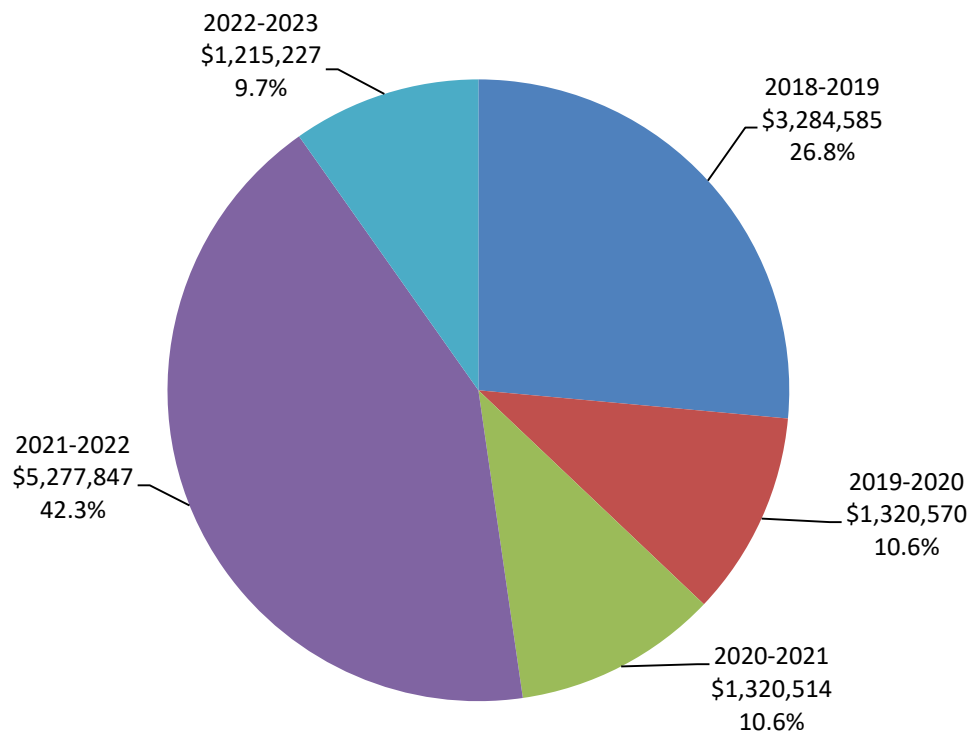
Administration and Parks make up the remaining 6.5% of the CIP. The main expenses in the Administration Department are the Department's share of the construction of a new municipal facility and IT equipment. The Parks Department includes expenses related to the development of the Prairie Vista Park



Summary

Totals by Fiscal Year

The 2018-2019 fiscal year includes the spending of the 2017 general obligation bond proceeds of \$500,000 on a street infrastructure project and \$1,112,800 in the Water and Sewer Fund on painting of the water tower and ground storage tank. The remaining CIP in 2018-2019 addresses immediate issues with infrastructure, vehicles, and equipment. For fiscal years 2019-2020 and 2020-2021 and 2022-2023, the CIP is lower due to no large projects are projected for these years. In fiscal year 2021-2022, the CIP is estimated at \$5,277,847 due to the timing in the plan of the construction of a new municipal facility. This is planned for fiscal year 2021-2022 when the Village will receive an increase in per capita share in income tax and local use tax. A portion of this increase in General Fund revenue could fund the debt service requirement of the Administration Department and Police Department's share of the project. The project would be paid for with a long-term debt obligation.



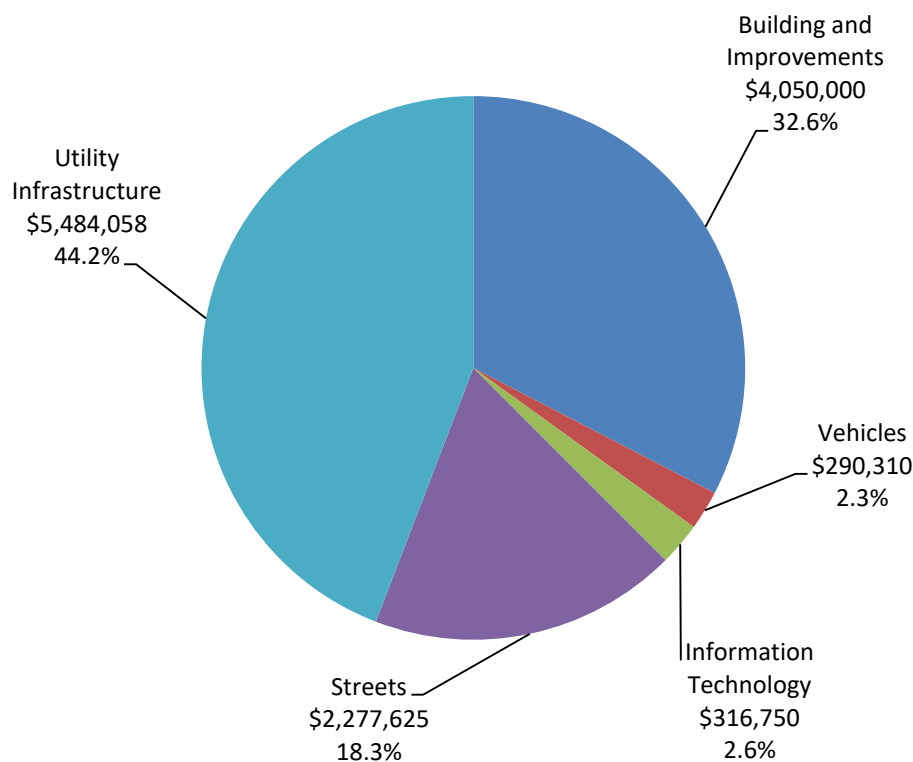
Summary

Totals by Category

Utility Infrastructure projects are the largest project type in the CIP, making up 44.2% of the project costs. Street infrastructure projects are 18.3% of the CIP.

Building and Improvements of \$4,050,000 are 32.6% of the CIP. \$4,000,000 of the estimated cost is related to the projected construction of a municipal facility in fiscal year 2021-2022.

Vehicles and Information Technology make up the remainder and include almost annual replacement of police vehicles as well as annual updates to the Village network, IT equipment and software.



Summary

Funding Sources

The CIP is financed through the following Village funds or specific revenue sources. The individual project sheet will indicate if a project is intended to be financed with a specific revenue source, such as a grant, within the fund. The proposed funding sources are described below.

General Fund (Fund 100)

The General Fund is the major operating fund in the Village's Budget and provides for all activities not account for in other funds.

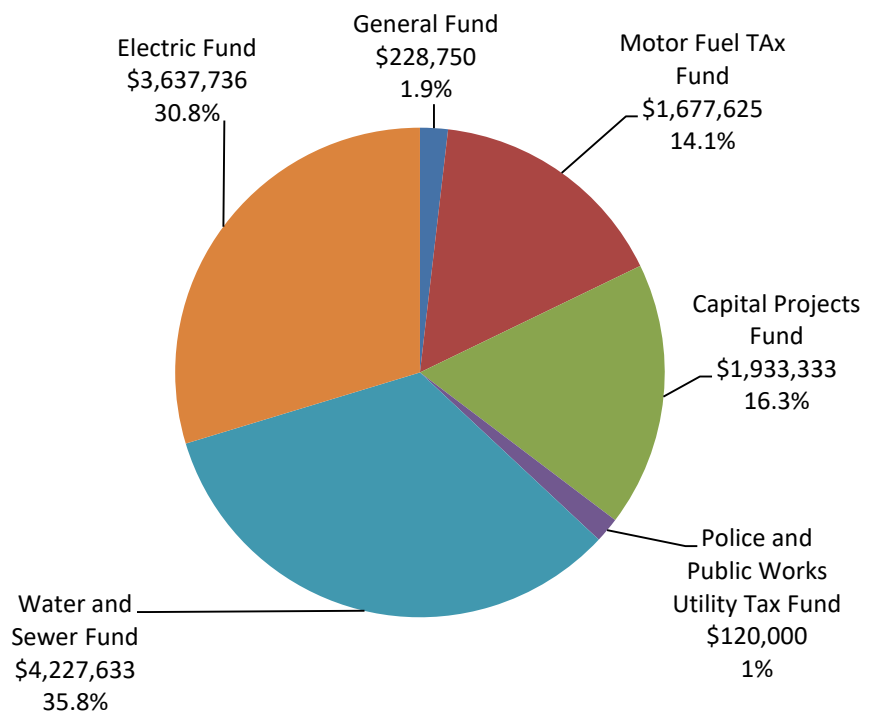
Capital Projects Fund (Fund 110)

The Capital Projects Fund is used to account for large construction projects for buildings, streets, and parks. Revenue sources include grants, proceeds from debt issues and transfers from Governmental Funds.

Police and Public Works Utility Tax Fund (Fund 150)

The Police and Public Utility Tax Fund is used to account for the purchase of equipment and vehicles for the Village's Parks, Streets and Police Departments. The revenue source for this fund is 20% of the telecommunications tax that is received by the Village.

Capital Improvements by Funding Source



Motor Fuel Tax Fund (MFT Fund 500)

The State of Illinois has imposed a gasoline tax on the privilege of operating motor vehicles on public highways in Illinois. MFT dollars are collected by the State and remitted to the municipality on a per capita basis.

Summary

Electric Fund (Fund 600)

The Electric Fund generates revenue through electric rates as well as development fees charged to developers to fund. A portion of the revenue generated by user fees fund new infrastructure and improvements to the existing system. The development fees fund the installation of new infrastructure to serve new subdivisions and developments.

Water and Sewer Fund (Fund 700)

The Water and Sewer Fund generates revenue through water and sewer rates to assist in funding capital improvements.

Summary

The following tables show an overview of the Village's Five Year Capital Improvement Plan. As previously mentioned in the introduction of the plan is a funding gap. The gap is initially identified in Fiscal Year 2020 at \$143,000 and escalates to \$153,601 in 2023. This is due to the fundamental assumptions in budgeting being very conservative in estimated revenue projections while also being aggressive in estimated cost projections. Overtime the projections will become more accurate and the numbers will come into alignment as the Village progresses through the years of the plan.

Five Year Capital Improvement Plan Fiscal Year 2019 Budget

CATEGORY	Fiscal Year				
	2019	2020	2021	2022	2023
Buildings and Improvements	50,000	-	-	4,000,000	-
Vehicles	200,310	30,000	-	30,000	30,000
Information Technology	63,350	63,350	63,350	63,350	63,350
Streets	896,125	300,000	360,500	360,500	360,500
Utility Infrastructure	2,074,800	927,220	896,664	823,997	761,377
Totals - All Categories	3,284,585	1,320,570	1,320,514	5,277,847	1,215,227

PROPOSED FUNDING SOURCE	Fiscal Year				
	2019	2020	2021	2022	2023
General Fund (100)	109,750	29,750	29,750	29,750	29,750
Capital Projects Fund (110)	600,000	-	-	1,333,333	-
Police and Public Works Utility Tax Fund (150)	30,000	30,000	-	30,000	30,000
Motor Fuel Tax Fund (500)	296,125	300,000	360,500	360,500	360,500
Electric Fund (600)	717,810	445,420	436,498	1,718,732	319,276
Water and Sewer Fund (700)	1,530,900	372,100	347,100	1,655,433	322,100
Totals - All Categories	3,284,585	1,177,270	1,173,848	5,127,748	1,061,626



Public Properties- Parks Department Projects

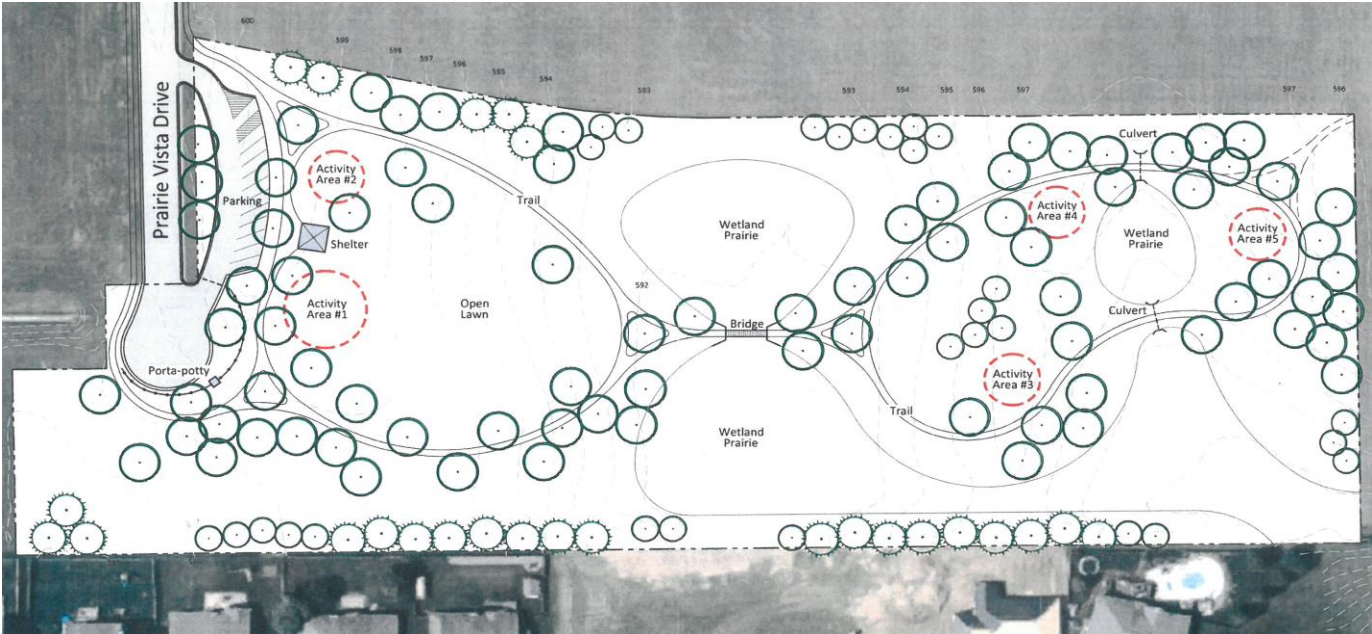
Capital General Fund - Parks Department – Development Costs for Prairie Vista Park

Development Costs for Prairie Vista Park

FY 2019

\$50,000

☐ Critical ☒ Recommended ☐ Contingent on Funding



Project Start Date: Fiscal Year 2019

Project End Date: To be determined

Project Description

The Village has designated a section of property located in the northwest area of Chatham to serve as a passive park for the Village’s residents. The Village has designated \$50,000 to begin the development on the park. This Village’s 2007 Comprehensive Plan noted that park areas are not evenly distributed within the boundaries of the Village. The northwest area of Chatham is an area noted where there is not a park area within easy walking distance. The plan also noted the Village’s existing park areas are mostly devoted to sporting activities, the development of this park would address the Village’s need for passive open spaces.

Project Considerations

A funding source has not been identified for the construction phase of the park. The Village will need to locate a funding source to complete the development of the park.

Project Impact

The development of an additional park would create additional work for the Parks Department staff to maintain. In addition to staff hours to maintain the park, additional costs will be incurred for materials and supplies to maintain the park.



Public Works – Street Department Projects

Capital Project Fund - Street Department – Street Infrastructure Project

Street Infrastructure Project

FY 2019

\$400,000-\$425,000



Critical



Recommended



Contingent on Funding

Project Start Date: Fiscal Year 2019

Project End Date: Fiscal Year 2019



Project Description

Resurface Park Street from Walnut Street to Plummer Boulevard. This stretch of road currently has an average daily traffic count of 3,500 and the pavement rating is between 4 and 6 on a 10 point scale. This project will be funded from the proceeds of the 2017 Bond issue.

Project Impact

This project will make a significant improvement to one of the Village's major roadways. The work performed on this street will improve the pavement rating and will extend the useful life of the street.

Annual \$ Impact on Capital Budget	Description of Capital Budget Impact
\$400,000-\$425,000	One time construction cost

Carryover History

This item is carried forward from the FY 2018 budget.

Capital Project Fund - Street Department – Storm Sewer Repair Project

Storm Sewer Infrastructure Repair Project

FY 2019

\$175,000



Critical



Recommended



Contingent on Funding

Project Start Date: Fiscal Year 2019

Project End Date: Fiscal Year 2019



Project Description

A sinkhole under the sidewalk along the Plummer Boulevard viaduct is causing the storm sewer pipes underneath to crack. If not repaired this will affect the structure of the viaduct and Plummer Boulevard. The pipe will be relined using a trenchless repair method. A liner will be blown into the existing pipe and inflated using high pressure hot steam. This effectively molds the new liner to the inside of the existing sewer line completely sealing all leaks, cracks, and voids and forms a new strong pipe within a pipe. The new pipe will be seamless and resistant to root infestation, cracking, and leaking and will increase the storm sewers useful life. This project will be funded from the proceeds of the 2017 Bond issue along with existing cash on hand in the Capital Projects Fund.

Project Impact

This repair project will prevent major damage to Plummer Boulevard and the viaduct. In addition it will create a stronger storm sewer pipe and increase the storm sewers useful life.

Annual \$ Impact on Capital Budget	Description of Capital Budget Impact
\$175,000	One time construction cost

Capital Project Fund - Street Department – Walnut Street Project

Widen Walnut Street between Gordon Drive and Park Street FY 2020

\$1,500,000

☐ Critical

☐ Recommended

☒ Contingent on Funding

Project Start Date: Fiscal Year 2020

Project End Date: Fiscal Year 2020



Project Description

This project is for the widening of Walnut Street between Park Avenue and Gordon Drive from two lanes to three lanes. The area on the South Side of Walnut between Park Avenue and the Baptist Church is zoned for business development. This would make the area more attractive to current and future developers. This project is contingent on the Village receiving funding from the Springfield Area Transportation Study Program as well as developer contributions. The Village would need to be prepared to fund 15 to 20 percent of the project costs.

Project Impact

Walnut Street between Gordon Drive and Park Avenue currently has an average daily traffic count of 6,300. Widening this section of road will improve the traffic flow along this street. It will also make this area more attractive for future development.

Annual \$ Impact on Capital Budget	Description of Capital Budget Impact
Not Determined	One time construction cost

Capital Project Fund - Street Department – Participation in New Interstate 55 Interchange

Construct a new east-west road connecting new interchange to Route 4

☐ Critical ☐ Recommended ☒ Contingent on Funding



Project Description

The project would involve the construction of an interchange on Interstate 55 that would utilize an existing overpass south of the Chatham exit. The Village would participate in constructing a road that would connect to the interchange and would run east to west and connect to Illinois Route 4. The project would require grade separation at the railroad tracks. This project is in the conception stage. It would involve participation by multiple government agencies. No cost estimates are available.

Project Impact

This project would provide another access to Chatham from the interstate. Constructing another east/west road in Chatham would accommodate development in the Village's southern and eastern boundaries. It would also alleviate east and west bound traffic on the Village's other roadways.

Motor Fuel Tax Fund – Street Department Pavement Repair and Maintenance

Pavement Repair and Maintenance	FY 2019	\$314,045
	FY 2020	\$300,000
	FY 2021	\$360,500
	FY 2022	\$360,500
	FY 2023	\$360,500

☐ Critical ☒ Recommended ☐ Contingent on Funding

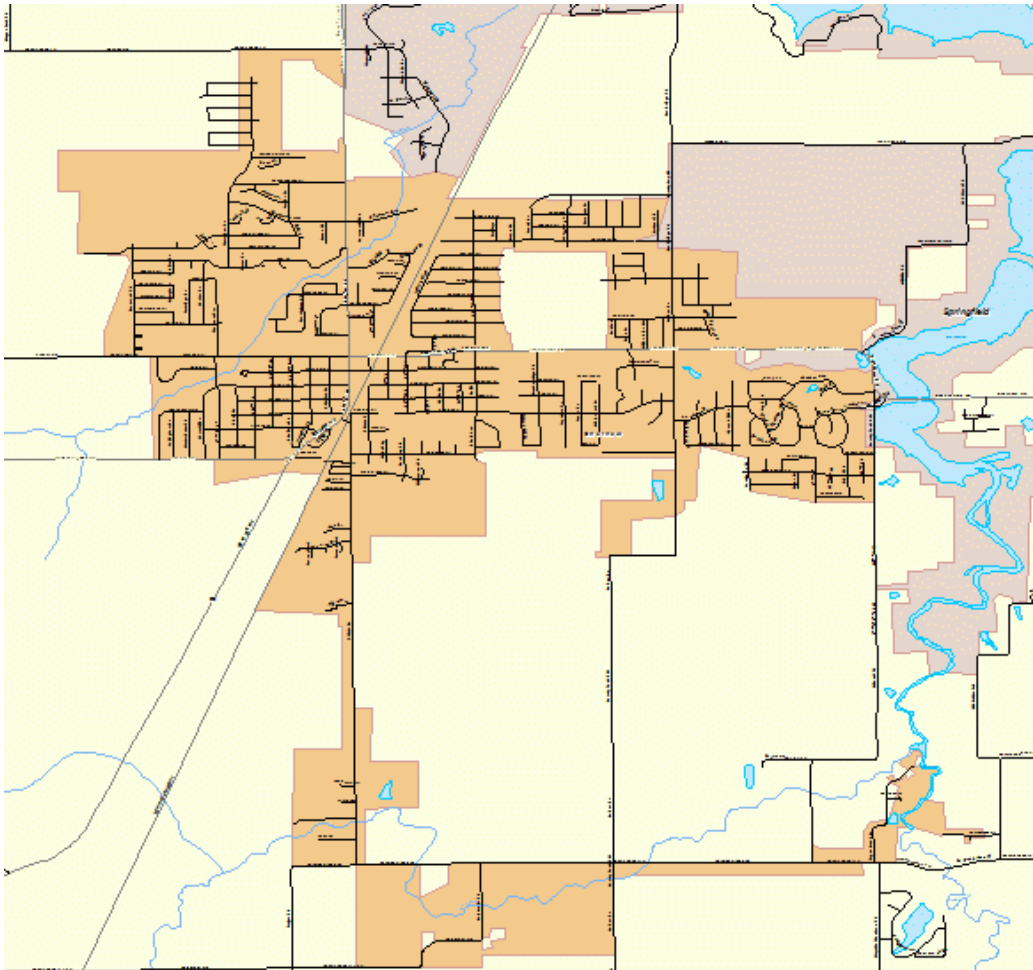
Project Description – Motor Fuel Tax Annual Pavement Repair and Maintenance Program

A portion of the Village of Chatham’s Motor Fuel Tax distribution is used each year for resurfacing the Village’s Streets. The Village’s Engineering consultants with the assistance of the Village’s Street Department staff evaluate the streets and identify roadways that could benefit the most from being resurfaced. The Village Engineer uses the Pavement Surface Evaluation and Rating System (PASER) to evaluate the roadway and assign a rating to identify the streets for the program. Due to limited resources, the Village utilizes their MFT funds to improve streets with ratings in the range from __ to __, as total reconstruction is cost prohibitive. The rate at which a pavement deteriorates depends on its environment, amount of daily traffic, construction quality and maintenance. Timely and effective maintenance can extend a pavement’s life.

The following is a summary of the ratings used.

Pavement Condition	Rating
No maintenance required	9 & 10
Little or no maintenance	8
Routine maintenance, crack sealing and minor patching	7
Preservative treatments (sealcoating)	5 & 6
Structural improvement and leveling (overlay or recycling)	3 & 4
Reconstruction	1 & 2

Motor Fuel Tax Fund - Street Department – Pavement Repair and Maintenance



The following are the streets that have been identified for the Village's MFT program for fiscal years 2019-2023

Fiscal Year	Street
2019	Plummer Boulevard
2019	Park Avenue
2020	Not Yet Determined
2020	Not Yet Determined
2021	Not Yet Determined
2021	Not Yet Determined
2022	Not Yet Determined
2022	Not Yet Determined
2023	Not Yet Determined
2023	Not Yet Determined



Public Safety– Police Department Projects

General Fund and Police and Public Works Utility Tax Fund - Police Department – Patrol Vehicle Replacement

Patrol Vehicle Replacement

FY 2019- FY 2023

\$150,000

☒ Critical

☐ Recommended

☐ Contingent on Funding



Fund	Revenue Source	2019	2020	2021	2022	2023	Total
General Fund	Police Vehicle Fees	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Police and Public Works Utility Tax Fund	Capital Lease	\$ 30,000	\$ 30,000		\$ 30,000	\$ 30,000	\$ 120,000
Total		\$ 60,000	\$ 30,000	\$ -	\$ 30,000	\$ 30,000	\$ 150,000

Project Description

Continue to replace police vehicles as funding allows. Currently the Village of Chatham's Police vehicle fleet contains 8 vehicles that are 10 years or older. The Village has been periodically funding this project by purchasing vehicles through capital lease financing agreements. The capital lease financing agreements are for three year periods and are funded from a portion of the telecommunications utility tax received by the Village in the Police and Public Works Utility Tax Fund. The Village's Police Department also accumulates funds from police vehicle fees in the General Fund. This revenue source is restricted by statute to fund costs associated with Police Vehicles. Based on the current revenue stream from this revenue source, the Village could accumulate enough funds every five years to purchase a vehicle.

Operational Impact

The Village of Chatham's Police Department currently has a fleet of 19 vehicles with 42% being 10 years or older. As the vehicles age they incur more frequent repair costs.

Project Impact

Annual \$ Impact on 2019 Capital Budget	Description of Operating Budget Impact
\$60,000	Annual lease payment

General Fund - Police Department – Upgrade Portable Radio System

Department wide upgrade of radio system		FY 2020- FY 2023	\$99,342		
<input type="checkbox"/>	Critical	<input checked="" type="checkbox"/>	Recommended	<input type="checkbox"/>	Contingent on Funding
					

Project Description

Replace the Police Department’s radio system with the purchase of 17 APX700 digital portable radios. Currently the Village of Chatham’s Police Department is utilizing radios that are eight years old. The manufacturer has ceased production of the model and is no longer making repair parts. The APX700 portable radio is a dual band radio that can be used to communicate with both the Chatham Fire Protection District and the Ball-Chatham School District.

Operational Impact

The Village of Chatham’s Police Department currently utilizes a radio system that is out of date and the Village will eventually be unable to repair. The new radios are newer technology that will expand the Police Department’s communication abilities.



Enterprise Fund Electric Fund Projects

Electric Fund - Vehicle

Bucket Truck

FY 2019

\$140,310

☒ Critical

☐ Recommended

☐ Contingent on Funding

Make Altec
Model 55'
Year 2001
Purchase Cost \$78,685
Purchased FY 2002
Depreciable Life 5 Years
Useful Life 12 years
Current Life 17 years



Vehicle Description

Electric Department personnel operate this vehicle to repair and maintain the Village's electric infrastructure. The vehicle is equipped with a 53' articulating telescopic device with a 4-function control handle.

Recent Maintenance Costs

Date	Maintenance Performed	Cost
6/2017	Collapsible power reel	\$1,709.32
9/2017	Pump	\$3,578.04

Project Alternative

This vehicle was originally scheduled for replacement in FY 2018. The purchase was approved by the Board on August 22, 2017. However, this vehicle will be built to specifications and will not be assembled until approximately 300 days from the order date, which will occur during fiscal year 2019. The vehicle will be purchased through a capital lease financing.

Operational Impact

This is one of the two bucket trucks the Village's Electric Department uses to maintain and install electric infrastructure. A breakdown reduces the Village's response time to install infrastructure and to respond to power outages.

Project Impact

Annual \$ Impact on Operating Budget	Description of Operating Budget Impact
\$24,000	Annual lease payment

Electric Fund – Electric Meter and Transformer Program

Purchase of meters and transformers for new construction and for replacements

FY 2019-FY 2023 \$858,666

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2019	2020	2021	2022	2023	Total
Meters	\$25,000	\$ 25,500	\$ 26,010	\$ 26,010	\$ 27,061	\$ 129,581
Transformers	\$140,000	\$ 142,800	\$ 145,656	\$ 148,569	\$ 151,540	\$ 728,565
Total	\$165,000	\$ 168,300	\$ 171,666	\$ 175,099	\$ 178,601	\$ 858,666

Project Description

A portion of the Village's Annual Electric Fund Budget is dedicated to the purchase of meters and transformers. These items purchased are for new construction with the remainder used for replacement purposes. The Village estimates the average life of an electric meter to be 20 years and the life of a transformer to be 25 years.

Operational Impact

The purchase of meters and transformers are necessary to extend electric service to new areas and customers of the Village. These assets wear out over time and need to be replaced in order to maintain the integrity of the Village's electric infrastructure. These costs are funded by electric user fees, electric meter fees, and electric development fees.

Electric Fund – Expansion of Electric System

Purchase of materials and hiring of contractors for installation of electric infrastructure

FY 2019-FY 2023 \$1,806,832

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2019	2020	2021	2022	2023	Total
Contract Services	\$ 139,000	\$ 137,857	\$ 134,512	\$ 142,690	\$ 92,137	\$ 646,196
Materials	\$ 250,000	\$ 258,923	\$ 253,204	\$ 220,447	\$ 178,062	\$ 1,160,636
Total	\$ 389,000	\$ 396,780	\$ 387,716	\$ 363,137	\$ 277,776	\$ 1,806,832

Project Description

A portion of the Village's Annual Electric Fund Budget is dedicated to the purchase of materials and contractual services to install electric infrastructure. These items purchased are for new construction. The Village estimates the average life of electric infrastructure to be 40 years.

Operational Impact

The purchase of materials and related contractual services are necessary to extend electric service to new areas and customers of the Village. These assets wear out over time and need to be replaced in order to maintain the integrity of the Village's electric infrastructure. These costs are funded by electric development fees.



Enterprise Fund Water and Sewer Fund Projects

Water and Sewer Fund – Painting of Ground Storage Tank and Water Tower

Painting of Ground Storage Tank and Water Tower

FY – 2020 \$1,112,800

☒ Critical

☐ Recommended

☐ Contingent on Funding



Project Start Date: Fiscal Year 2019

Project End Date: Fiscal Year 2019

Project Description

A project has been approved to paint the Village's water tower and ground storage tank. The contract has been awarded and work is to be completed during fiscal year 2019. The project will be financed over a period not to exceed 10 years. The Village Board has approved a \$2.50 monthly flat charge per customer beginning in September 2017 and ending in August 2027 to pay the debt service cost related to the project.

Operational Impact

The painting of the water tower and ground storage tank are necessary to improve and maintain the structures as well as improve the appearance. These costs are funded by water customer user fees.

Water and Sewer Fund – Water Meter Program

Purchase of meters for new construction and for replacements

FY 2019-FY 2023 \$421,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2019	2020	2021	2022	2023	Total
Meters	\$146,000	\$ 100,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 421,000

Project Description

A portion of the Village's Annual Water and Sewer Fund Budget is dedicated to the purchase of meters. The meters purchased are for new construction with the remainder used for replacement purposes. During fiscal year 2018, the Village began implementing a fixed meter network. The network will allow the Village to electronically read meters active on the system at the same time. The system also collects 40 days of usage data that will assist the Village staff in identifying problems. The Village has been changing out meters over the past few years in preparation for the program. Meter costs should decrease over the next few fiscal years with the completion of the installation of the fixed meter network equipment. The the average life of a fixed meter network water meter is estimated to be 10 years.

Operational Impact

The purchase of meters are necessary to extend water and sewer service to new areas and customers of the Village. These assets wear out over time and need to be replaced in order to maintain the integrity of the Village's water and sewer infrastructure. These costs are funded by water and sewer user fees and water tap fees.

Water and Sewer Fund – Expansion of Water System

Purchase of materials and hiring of contractors for installing water main to loop water system

FY 2019-FY 2023 \$1,275,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2019	2020	2021	2022	2023	Total
Contract Services	\$35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 175,000
Materials	\$220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 1,100,000
Total	\$255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 1,275,000

Project Description

A portion of the Village's Annual Water and Sewer Fund Budget is dedicated to the purchase of materials and contractual services to install water infrastructure. These items purchased are to extend water main to areas within the Village as well as loop the Village's existing system to improve water pressure to the Village's customers. The Village has identified the following areas that would benefit from looping the water main system; Pulliam Road to Palm Road, Covered Bridge Road to Old Indian Trail, Cardinal Ridge to Wesley Chapel Road and South Main to County Road. The Village estimates the average life of water and sewer infrastructure to be 40 years.

Operational Impact

The purchase of materials and related contractual services are necessary to extend water service to new areas as well as improve water pressure to customers of the Village. These assets wear out over time and need to be replaced in order to maintain the integrity of the Village's water infrastructure. These costs are funded by water user fees.



Multi-Fund Projects

Multi Fund Project– Construction of a Village Hall

Construction of a Village Hall to house the Village Administration Department, Police Department and Utility Office FY 2021 \$4,000,000



Critical



Recommended



Contingent on Funding



Project Description

The Village has outgrown the existing facilities that serve the administrative offices, utility offices and the police department. The utility office staff is currently housed in a separate small building which is a staff safety issue. The Municipal Hall that houses the Police Department and administrative staff was originally a metal shed structure. It does not have an adequate reception area to serve the public, the layout of the offices are not easily accessible for persons with disabilities and the building is not functional for the administrative offices or the Police Department.

Impact

This project would serve Departments of the General, Electric and Water and Sewer Funds and should be paid for out of these Funds. Construction costs would be expended in the Capital Projects, Electric and Water and Sewer Funds. This project would require a 20 year bond issue with debt service to be paid from General Fund Revenues, Electric User Fees and Water and Sewer User Fees. This project has been cost prohibitive for the Village's General Fund in the past. However, in fiscal year 2022 the Village should begin receiving an increase in per capita revenue. A portion of this increased revenue stream could be allocated to fund the General Fund's related debt service cost for this project. Utility user fees would fund the Enterprise Funds debt service expense.

Multi Fund Project– Information Technology

Continue to Update the Village's Existing IT Systems

FY 2019-FY 2023 \$316,750

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2019	2020	2021	2022	2023	Total
General Fund Administration Department	\$19,150	\$ 19,150	\$ 19,150	\$ 19,150	\$ 19,150	\$95,750
General Fund Police Department	\$10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$53,000
Electric Fund	\$16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$82,500
Water and Sewer Fund	\$17,100	\$ 17,100	\$ 17,100	\$ 17,100	\$ 17,100	\$85,500
Total	\$63,350	\$ 63,350	\$ 63,350	\$ 63,350	\$ 63,350	\$316,750

Project Description

A portion of each year's IT budget is used for the replacement of equipment and the upgrading of software. The above amounts have been estimated for this purpose. It is important for the Village's servers, computers and software to be up to date in order to prevent equipment failure and provide adequate support for the functions of the Village.

Impact

The Village relies on its IT system to provide services throughout the Village. Not providing for the replacement of equipment and upgrading of software could affect the Village's ability to serve citizens.