



VILLAGE OF
CHATHAM
Family Community Prosperity

Fiscal Year 2020 Annual Budget

Village of Chatham

116 E. Mulberry Street
Chatham, IL 62629

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VILLAGE OF CHATHAM ANNUAL BUDGET FOR THE FISCAL YEAR ENDED APRIL 30, 2020
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June 25, 2019

Dear Village President Kimsey and Members of the Village Board:

I am pleased to submit to you the proposed Fiscal Year 2020 Budget. The Budget is presented by fund, with each fund's budget summarized by expense type, including department and fund totals.

One of the single most important things the Village does each year is adopt a budget. Besides providing for the obvious appropriation authority, the annual budget identifies the Village's goals, accomplishments, long-term financial outlook, and five-year capital plan to name a few. Much time, energy and commitment is spent by both the elected officials and the staff to provide a comprehensive budget. The budget is the organizational foundation from which everything we do is built upon.

The proposed consolidated budget of \$26,653,059 concentrates on the Village of Chatham's goals of customer service, performance, economic development and quality of life. The Village is in the process of completing a comprehensive plan and performance audit. Preliminary results have identified that the Village citizens want more focus on the maintenance of the Village's streets. The Fiscal Year 2020 budget includes the adding of a position in the Street Department as well as changes to the Village's Green Program to enable the Village to work on this area.

The Village develops a budget based on conservative revenue estimates and strives to maintain a low operating budget, utilizing reserves when necessary to fund nonrecurring expenditures and capital costs. Economic factors considered during the budget process;

- Property taxes have provided the Village with a stable revenue source, although the source is subject to an annual tax cap the Village still is experiencing growth due to new residential developments
- The impact the State of Illinois budget has on the distributions of state shared revenues from the Local Government Distributive Fund
- The Village's growth in residents translates to growth in the Village Electric and Water and Sewer utility services. The Village annually reviews utility rates and passes along supplier rate increases in order to ensure the health and stability of the Village's utility funds

Budget Development

The Fiscal Year (FY) 2020 Budget was developed by the Village's Management Team consisting of the Village Manager, Chief Fiscal Officer, Chief of Police, Electric and Streets General Foreman, Water and Parks General Foreman and Administrative Assistant. The Chief Fiscal Officer and the Village Manager lead this process. The Village's FY 2020 Budget focuses on the Village's long-term strategic goals of 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.



As part of the budget development the management team also looks at the following short-term strategies; maintain financial stability and organizational excellence, enhance communication efforts, pursue economic development, collaboration of efforts to provide efficient services and installation of infrastructure.

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.

- Utility revenues for FY 2020 remain stable. Electric rates were increased by 3% during Fiscal Year 2019. A small water supplier consumption rate increase of .14 per 1000 gallons will be passed onto the utility customers during FY 2020. A Green Program Fee increase from \$2 to \$4 a month is proposed in order for the expanded program to be fully funded by the Green Program Fee.
- State shared revenues have increased for the FY 2020 Budget. The estimate for income tax and local use tax are based on the per capita estimates published by the Illinois Municipal League. 2020 Budget amounts for income tax and local use tax are both slightly higher than the estimated revenues for FY 2019

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

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated Actual	FY 2020 Budget
Revenues	\$22,846,051	\$25,359,374	\$25,714,944	\$25,612,813
Expenditures	20,333,832	24,512,417	23,055,210	24,294,631
Total Operating Revenues over Recurring Expenditures	2,512,219	846,957	2,659,734	1,318,182
Nonrecurring Revenues				
Expenditures and Transfers	(1,650,959)	(2,251,879)	(1,342,067)	(2,358,428)
Total Revenues over Expenditures	\$ 861,260	\$ (1,404,922)	\$1,317,667	\$(1,040,246)

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 one-time expenditures and capital expenditures intended to be financed with fund reserves.

General Fund

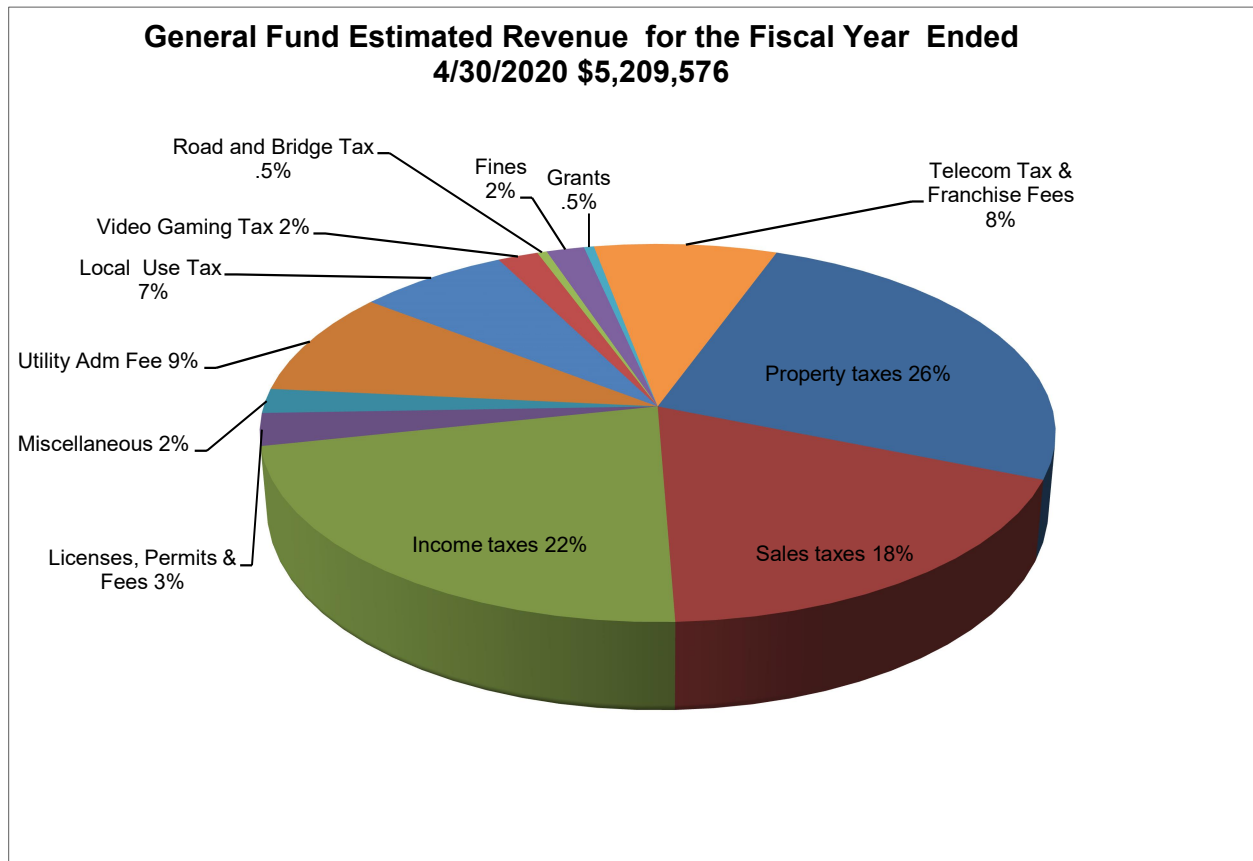
The Village's General Fund is the main operating fund for the Village and includes Administration, Cemetery, Parks and Recreation, Police, and Streets. The Chatham Emergency Management Agency (CEMA) and Code Enforcement costs are also paid from the General Fund. The Village's General Fund operating budget, as presented, is balanced for FY 2020. Non-recurring expenditures are to be funded with reserves. The FY 2019 Budget was amended in April 2019.

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

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated Actual	FY 2020 Budget
Operating Revenues				
Property Taxes	\$1,217,149	\$ 1,269,605	\$ 1,269,035	\$ 1,327,916
State Sales Tax	892,060	894,200	922,111	950,000
Income Tax (LGDF)	1,078,568	1,062,600	1,116,523	1,158,700
Other Revenues	1,384,645	1,515,800	1,468,121	1,772,960
Total Revenues	<u>4,572,422</u>	<u>4,742,205</u>	<u>4,775,790</u>	<u>5,209,576</u>
Recurring Expenditures				
Administration	790,563	784,341	747,250	912,061
Cemetery	30,684	32,155	29,303	37,505
Parks and Recreation	431,394	501,578	467,119	483,958
Streets	576,788	596,844	523,954	692,502
Police	2,759,051	2,840,694	2,775,731	3,067,915
Total Expenditures	<u>4,588,480</u>	<u>4,755,612</u>	<u>4,543,357</u>	<u>5,193,941</u>
Total Operating Revenues over Recurring Expenditures	\$ (16,058)	\$ (13,407)	\$ 232,433	\$ 15,635
Nonrecurring Revenues Expenditures and Transfers	<u>-</u>	<u>(928,321)</u>	<u>(449,348)</u>	<u>(525,519)</u>
Total Revenues over Expenditures	<u>\$ (16,058)</u>	<u>\$ (941,728)</u>	<u>\$ (216,915)</u>	<u>\$ (509,884)</u>

General Fund Revenues

General Fund revenues are up \$467,371 approximately 10%, from the previous year's budget. Over 50% of the increase is due to an increase in the General Fund's Utility Administration Fee assessment to the Village's Electric and Water and Sewer Funds. The assessment for the Electric Fund increased from 2% to 3% of utility revenues. In the Water and Sewer Fund a 2% increase was resumed after several years of the fee not being assessed. The major General Fund revenue sources are property, sales, and income taxes. These revenues make up approximately 66% of the overall revenue in the General Fund.



Property Taxes

FY 2020 total property tax revenues of \$1,327,916 are \$58,881 or 4.64% 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 increase \$55,800 or 6.2% from the FY 2019 budgeted amount and about 3% more than the 2019 estimated actual 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.

Income Tax

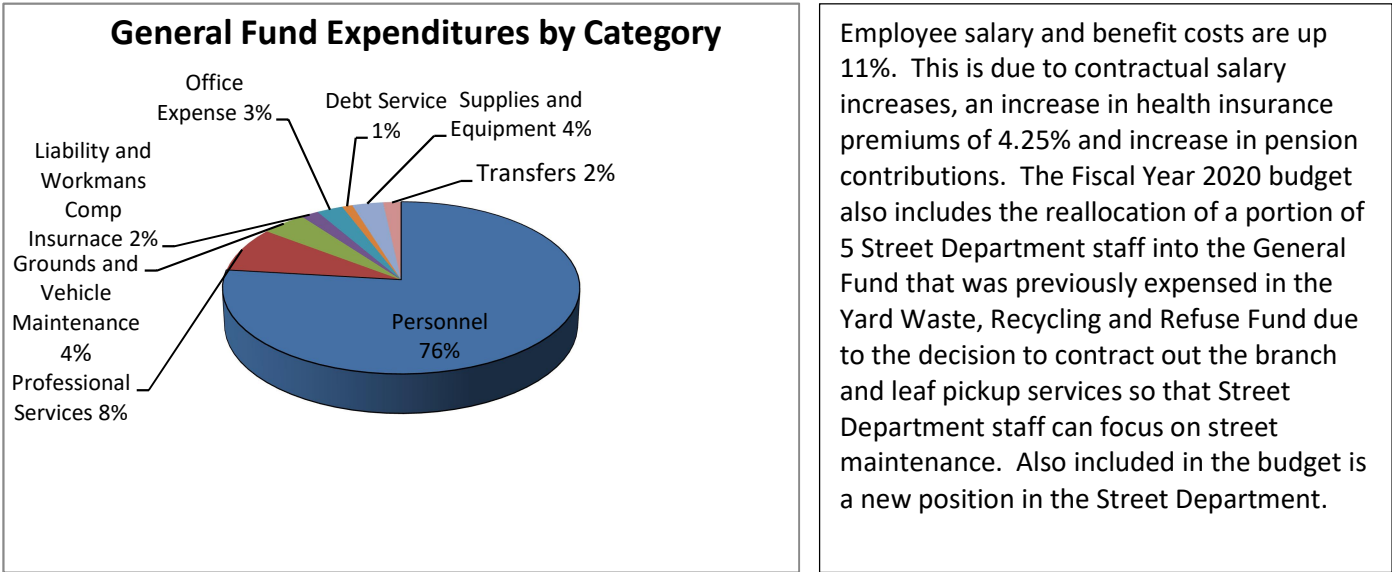
Income tax revenue from the Local Government Distributive Fund (LGDF) is distributed based on population. Estimates are derived from data provided by the Illinois Municipal League. FY 2020 income tax receipts are estimated at \$1,158,700 which represents an increase of \$96,100 from the FY 2019 budget amount.

Other Revenues

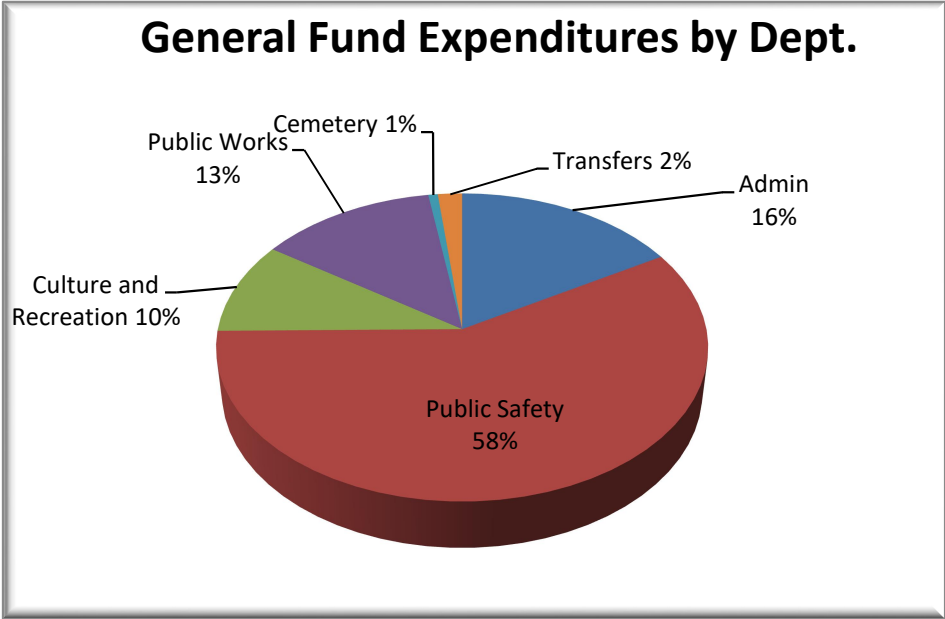
Other revenues encompass all remaining General Fund revenues including license and permit fees, charges for services, fines, interest, and miscellaneous revenues. An increase in park reservation fees and grave opening and closing fees is recommended as part of the FY 2020 Budget.

General Fund Expenditures

Total General Fund expenditures including both recurring and nonrecurring expenditures have increased \$35,527 or less than 1%, from last year’s budget. As the table below illustrates, 76% of the General Fund budget is attributed to Personnel Costs.



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

Both the Village’s comprehensive plan and performance audit are planned to be completed within Fiscal Year 2020. The Village has also \$103,000 budgeted in engineering costs for general consulting and planning 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 implementing a new Park reservation software as well as evaluate new components of the Civic Pay/Springbrook software

Police

The Police Department's budget has increased \$268,579. Increases in salaries and benefits line items account for \$220,023. The Department also has purchases of police vehicles budgeted in the amount \$73,600 of which \$33,600 is carried forward from the Fiscal Year 2019 budget.

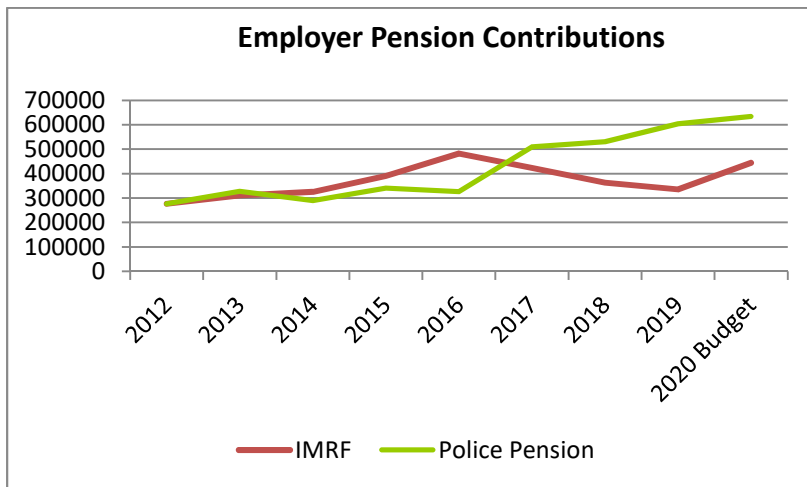
Public Properties and Public Works

The Parks and Recreation Department budget includes \$22,500 to purchase two Super Z mowers and a \$49,700 transfer to the Capital Projects Fund for the tennis court to pickle ball court conversion. The Street Department operating budget has increased \$110,158 due to the planned hiring of a new employee for the Department and the reallocating of Street Department salaries from the Yard Waste, Recycling and Refuse Fund to the General Fund

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 2012.



IMRF contributions increased in 2015 and 2016, the increase in contributions was 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.

Yard Waste Recycling and Refuse Fund

The Green Program monthly fee is the primary source of revenue for the fund. The Village has decided to contract out the services of leaf bag and branch pickup. The existing program was not allowing Street Department staff to devote enough time to street maintenance. The program includes the Village annual clean-up and has been expanded to include street sweeping. In order to fund the program the existing \$2 a month Green Program Fee will be increased to \$4 a month.

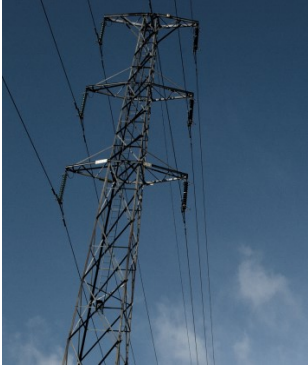
Motor Fuel Tax Fund

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 2020, funds are appropriated for the work remaining to resurface Park Street which will be paid for with the remaining bond proceeds from the Village's 2017 General Obligation Bond issue. Also included in the FY 2020 Capital Projects Fund budget is the project to convert 3 tennis courts to pickle ball courts.

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 5900 Electric customers. This Department also installs electrical infrastructure for new subdivisions within the Village limits. The Electric Department provides the residents and businesses of Chatham with reliable and economic service. In Fiscal year 2019, the Village increased electric rates 3% due to an increase in supplier and operational costs. No rate electric rate increases are planned for Fiscal year 2020.

- The Electric Department Budget contains the creation of a 1st year apprentice position to plan ahead for future Department retirements.
- The cost of the capital lease purchase of a new line truck in the amount of \$240,000 is included as well as the purchase of a two smaller trucks one for \$38,000 that is carried forward from the 2019 budget and one for \$14,000.
- Purchase of 3 warning sirens for \$75,000 part of which will be paid for by a \$50,000 grant from DCEO the remainder is paid from development fee assessments.

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

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated Actual	FY 2020 Budget
Operating Revenues				
User Charges	\$ 9,863,811	\$ 10,133,000	\$ 10,497,292	\$10,573,000
Other Revenue	299,734	249,107	101,216	137,500
Total Revenues	10,163,545	10,382,107	10,598,508	10,710,500
Expenses				
Operating Expenses	9,028,019	9,538,618	9,181,670	9,942,418
Total Expenses	9,028,019	9,538,618	9,181,670	9,942,418
Operating Revenues over Operating Expenditures excluding Depreciation	1,135,526	843,489	1,416,838	768,082
Interfund Loan Revenue	-	-	89,707	89,707
Investment income	6,450	6,500	20,900	20,100
Capital Lease Proceeds	-	140,310	140,310	240,000
Debt Service Expense	(348,421)	(358,000)	(357,555)	(353,000)
Capital Expenses	(688,558)	(794,410)	(607,170)	(965,900)
Total Revenues over Total Expenditures excluding Depreciation	\$ 104,997	\$ (162,111)	\$ 703,030	\$ (201,011)

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. The Village began repaying the debt during FY 2019. The FY 2020 budget includes the second year payment of \$89,707 of a four year repayment plan.

In FY 2018, the Village Board approved to extend a \$2.50/month monthly 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 2020 a rate increase of \$.14 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 concluded the initial flushing program at the end of FY 2017 with a plan to flush a quarter of the system each year after. The Village expects to flush a quarter of the system during FY 2020.

The expenditure highlights of the FY 2020 budget include:

- The Fund will resume paying the Utility Administration Fee to the Village's General Fund estimated at 2% of Water and Sewer revenues or approximately \$145,000.
- The second payment 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**

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated Actual	FY 2020 Budget
Operating Revenues				
User Charges	\$ 6,342,143	\$ 6,817,800	\$ 6,663,421	\$ 7,053,800
Other Revenue	219,681	163,000	248,094	199,000
Total Revenues	6,561,824	6,980,800	6,911,515	7,252,800
Expenses				
Operating Expenses	5,400,656	6,343,727	6,023,845	6,653,867
Total Expenses	5,400,656	6,343,727	6,023,845	6,653,867
Operating Revenues over Operating Expenditures excluding Depreciation	1,161,168	637,073	887,670	598,933
Investment Income	3,711	3,700	11,178	10,600
Loan Proceeds	-	1,112,800	1,112,800	44,335
Interfund Loan Payment	-	(89,707)	(89,707)	(89,707)
Debt Service Expense	(153,586)	(190,800)	(159,748)	(298,419)
Capital Expenses	(772,921)	(1,549,700)	(1,470,379)	(529,993)
Total Revenues over Total Expenditures excluding Depreciation	\$ 238,372	\$ (76,634)	\$ 291,814	\$ (264,251)

Conclusion

The Village's budget adequately funds the needs of the Village and sets the appropriate spending policies for the Village's 2020 Fiscal Year. Included in the Budget Document is a five year Capital Improvement Plan that enables the Village to forecast capital costs, funding, and timing for large projects. Each member of the management team has played an important and valuable role in the development of the budget. I encourage you to review the documents and discuss the budget with members of the Village Management team.

Sincerely,

Patrick McCarthy
Village Manager



INTRODUCTION

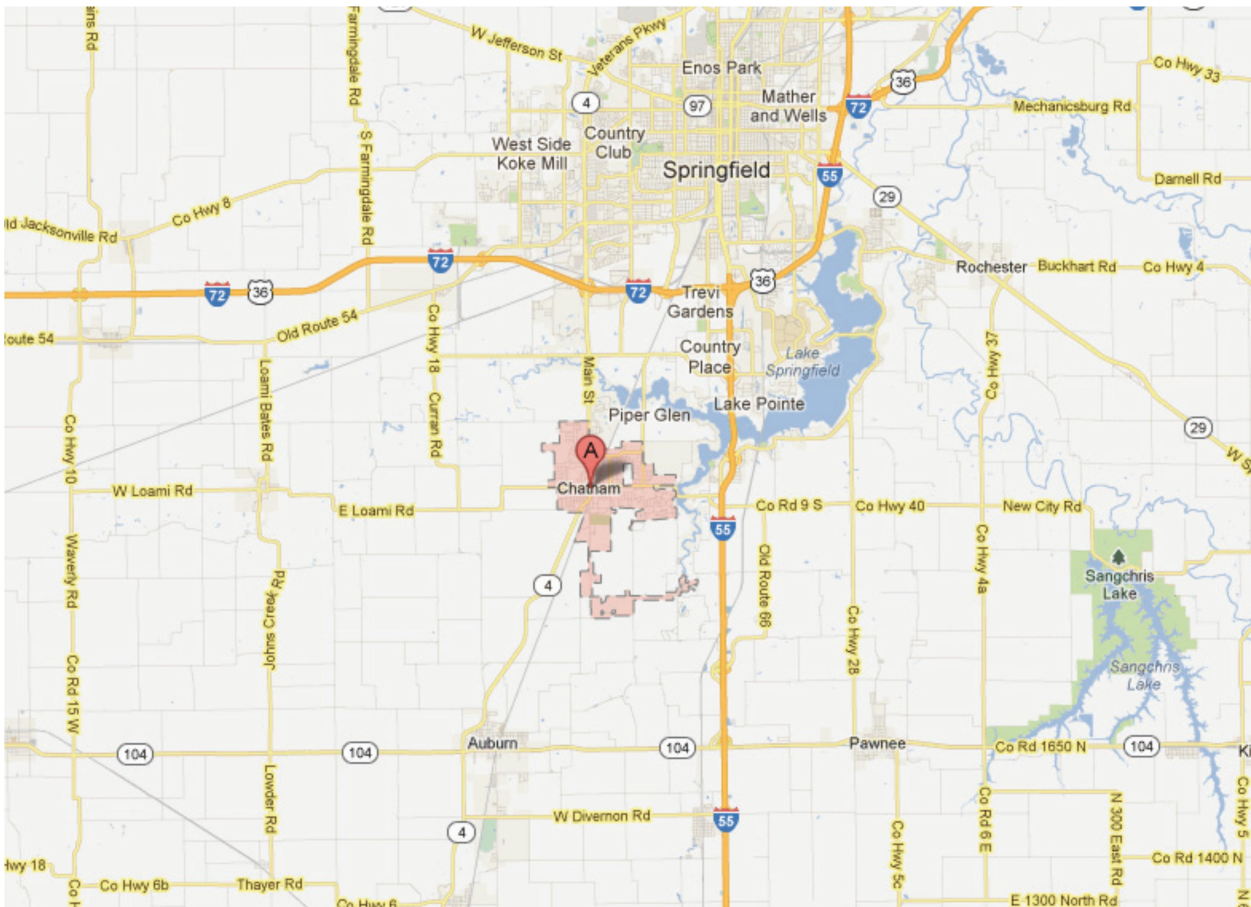
Introduction

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, fund structure and financial policies

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 Principal Village Officials and Organizational Chart

VILLAGE OF CHATHAM, ILLINOIS PRINCIPAL VILLAGE OFFICIALS

VILLAGE PRESIDENT
Dave Kimsey

BOARD OF TRUSTEES

Kristin Chiaro
Andrew Detmers
Brett Gerger

Ryan Mann
Matt Mau
Paul Scherschel

VILLAGE CLERK
Amy Dahlkamp

VILLAGE MANAGER
Patrick McCarthy

DEPARTMENT DIRECTORS:

Sherry Dierking, Chief Fiscal Officer

Vern Foli, Chief of Police

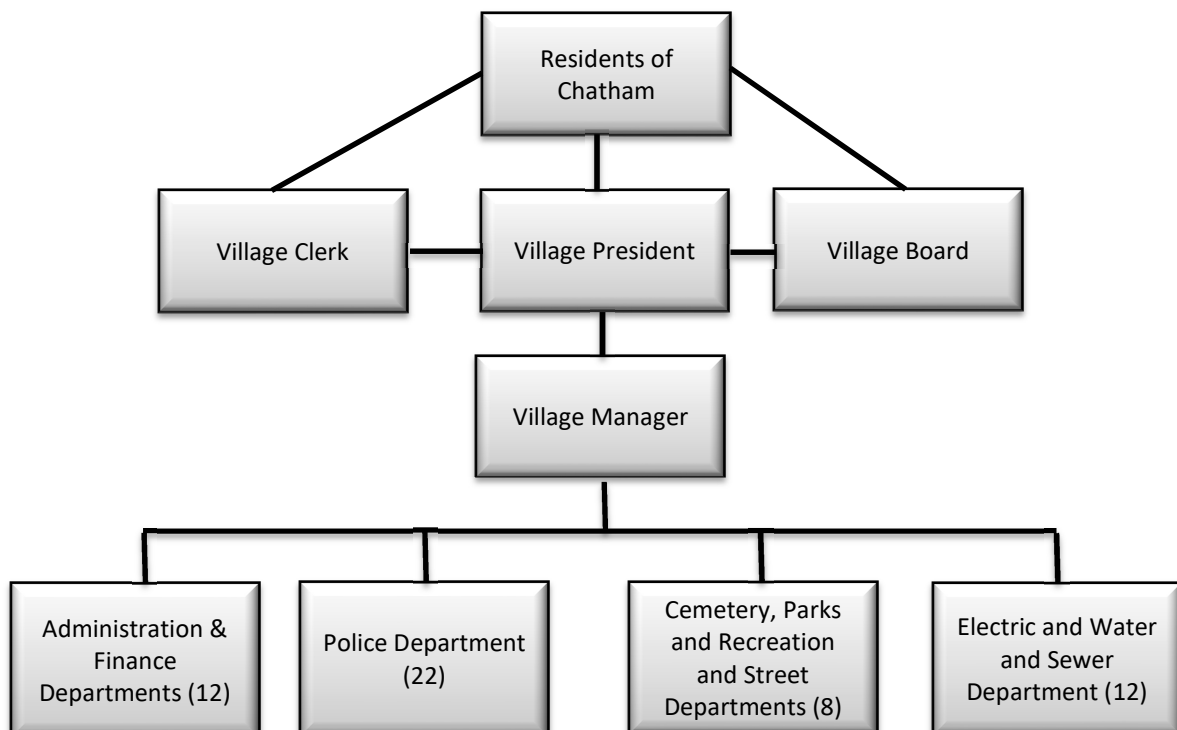
Shane Hill, Public Utilities Manager and General Foreman Electric and Streets Departments

Dustin, Patterson, General Foreman Water and Parks Departments

Jill Butler, Administrative Assistant

Ryan Crawford, Code Enforcement Manager

VILLAGE OF CHATHAM, ILLINOIS 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 own children.

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
 - Continue use of Chatham 311 “app”
 - As staffing allows implement Open Gov application
 - Continue outreach and incorporation of community feedback through completion of the comprehensive plan

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

Village Goals

		Maintain Financial Stability & Organizational Excellence	Enhance Communication Efforts	Economic Development	Collaboration efforts for providing efficient services	Infrastructure
Department	Objective	Customer Service, Performance	Customer Service, Performance	Economic Development	Performance, Customer Service	Quality of Life
Administration	Completion of comprehensive plan and performance audit	✓			✓	
Administration	Continue with process of annexations			✓		
Administration	Implement transparency information solution and explore other components of utility payment software as staffing permits	✓	✓			
Administration	Development of new service manuals and update existing service manuals as staffing permits	✓				
Administration	Begin planning and exploring options for future municipal complex					✓
Parks and Recreation	Engineering costs for completion of the Chatham Parks Master Plan to help Village pursue grants for park development projects					✓
Parks and Recreation	Complete project to convert 3 tennis courts to 8 pickle ball courts					✓
Parks and Recreation	Implementation of park reservation software	✓				
Streets	Hire an additional maintainer to work on street maintenance				✓	
Streets	Within the Green Program contract out the service of branch and leaf pickup to better serve customers and to reallocate street staff hours to street maintenance	✓			✓	
Streets	Expansion of Green program in Yard, Waste Recycling and Refuse Fund to include Street Sweeping	✓			✓	
Police	Evaluate the need to fill existing vacancies based on review of performance audit results				✓	
Police	Continue existing safety and crime prevention programs		✓			
Police	Utilize existing communication tools (website and Facebook) as part of a well-rounded outreach campaign on timely important issues		✓			
Electric	Hiring of a 1st year apprentice lineman to plan for future department retirements	✓			✓	
Electric	Continue installing new service connections and replace existing meters with fixed network meters	✓		✓		✓
Electric	Continue replacement of overhead electric lines with underground services					✓
Electric	Consider upgrades to existing electric distribution system as system approaches capacity					✓
Electric	Purchase of 3 warning sirens partially funded by grant from state agency		✓			✓
Water and Sewer	Pass along rate increase of .14 from Village's water supplier	✓				
Water and Sewer	Continue water main flushing program by flushing a quarter of the system during FY 2020					✓
Water and Sewer	Install new service connections and replace existing meters with fixed network meters	✓		✓		✓
Water and Sewer	Continue with plans to make infrastructure improvements to the Village's water mains to increase pressure and availability			✓		✓
Water and Sewer	Upgrade SCADA software to Windows 10 compatibility	✓				

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	35
Per Capita Income	\$35,064
Median Home Value	\$213,626
Median Family Income	\$82,118
Unemployment Rate (IDES)	3.0%

Building Permits- Single Family Homes New Construction

<u>Fiscal Year</u>	<u>Number Issued</u>
2010	78
2011	71
2012	69
2013	69
2014	69
2015	79
2016	78
2017	62
2018	40
2019	29

Electric

Number of Customers served as of 4/30/2019	5,877
Kilowatt hours provided	81,460,853
Residential Electric Rate	
Monthly Facility Charge	\$11.57
Rate per kwh	\$.1135

Water and Sewer

Number of Water Customers Served as of 4/30/2019	5,894
Gallons of Water Billed FY 2019	291,726,800
Residential Inside Water Rates	
Monthly Facility Charge	\$25.99
Water Tank Maintenance Fee expires 8/31/2027	\$2.50
Charge per 1000 gallons of consumption 5/1/2019	\$9.58
Charge per 1000 gallons of consumption 7/1/2019	\$9.72
Number of Sewer Customers Served as of 4/30/2019	5,649
Gallons of Sewer Billed FY 2019	269,644,500
Residential Sewer Rates	
Monthly Facility Charge	\$11.13
Charge per 1000 gallons of consumption	\$4.52

Community Profile

Taxes

Tax	Rate
Sales Tax (May 1, 2019-June 30, 2019)	
General Merchandise	6.25%
Qualifying Food and Drugs	1.00%
Vehicle (ST-556)	6.25%
Sales Tax Effective July 1, 2019 and after	
General Merchandise (1% increase County Schools Facilities tax)	7.25%
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- 2018 Tax Year All Taxing Bodies (Chatham's rate is .4530 or 6% of the total rate listed below)	
Ball Township	7.4810
Chatham Township	7.5163
Woodside Township	7.8008

Budget Process

The Village of Chatham follows the Appropriation process as set forth in Chapter 50 of the Illinois Compiled Statutes. It requires that the Village pass an Annual Appropriation Ordinance within the first quarter of the fiscal year. The Village of Chatham expands on this requirement by developing an Annual Budget that provides supporting documentation for the Annual Appropriation Ordinance. Prior to the beginning of the fiscal year and the adoption of the Annual Appropriation Ordinance and Annual Budget, the Village board adopts an ordinance authorizing expenditures based on the appropriation of the preceding fiscal year.

The Annual Appropriation Ordinance and the supporting Annual Budget Document upon adoption 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.

Budget Calendar

Revenue and
Payroll Estimated

February 2019: Estimates for revenues and personal service lines completed. Preliminary budget numbers input for operating line items using the same budget amounts as in the Fiscal Year 2019 budget with the exception of debt service, electric, water and sewer expense.

Preliminary Review
of Estimates with
Village Manager

March 1, 2019 – March 15, 2019: Preliminary budget results reviewed with the Village Manager and Budget materials assembled.

Budget Meetings and
Board Approval of
Ordinance Authorizing
FY2020
Expenditures

March 18, 2019- May 31, 2019: The Village Management Team conducts several meetings to discuss the 2020 Budget. On April 23, 2019, the Village Board adopts an ordinance authorizing expenditures pending the adoption of the fiscal year 2020 annual appropriation ordinance based on the appropriation of the preceding fiscal year 2019.

Budget
Presentation

June 11, 2019: A preliminary budget document is prepared and the recommended budget is presented to the Village Board. The document includes the recommended budget along with fund summaries, department operation details and other information.

Public Hearing
and Adoption of
Appropriation
Ordinance

June 25, 2019: As required by State Statute, a public hearing is held to allow the public a final opportunity to provide input regarding the budget. The public hearing occurs prior to the meeting that the Appropriation Ordinance is scheduled to be passed. The Annual Appropriation Ordinance and supporting Budget Document is then approved. Both the Appropriation Ordinance and the Budget Document are available for review 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 fund's 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

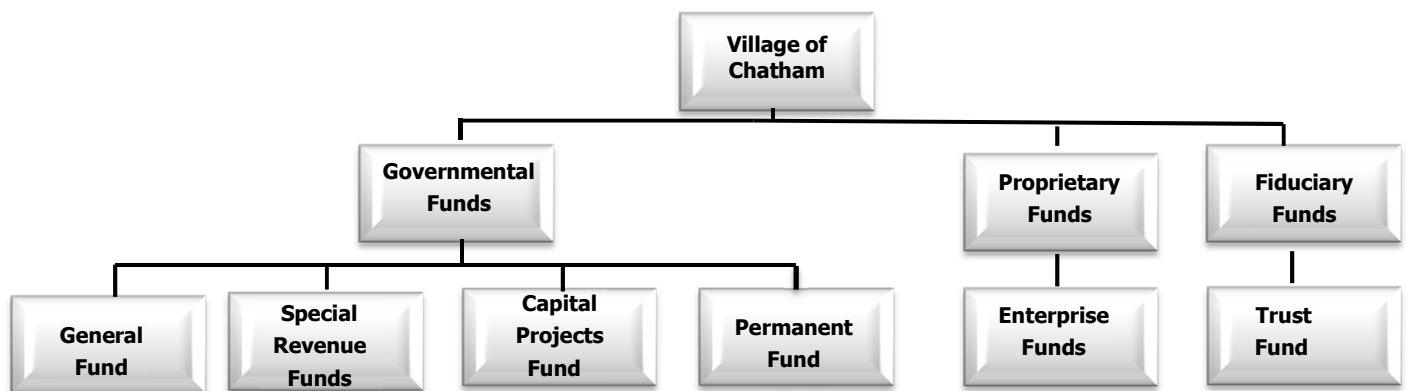
Proprietary Fund

- 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.

USE OF FUNDS BY DEPARTMENT

Funds	Administration Department	Cemetery Department	Parks & Recreation Department	Street Department	Police Department	Electric Department	Water and Sewer Department
General Fund - Appropriated	✓	✓	✓	✓	✓		
Electric Fund - Appropriated						✓	
Water & Sewer Fund - Appropriated							✓
Capital Projects Fund - Appropriated				✓			
Yard Waste Recycling & Refuse Fund - Appropriated				✓			
Police & Public Works Utility Tax Fund - Appropriated				✓	✓		
Police Pension Fund -Appropriated					✓		
Cemetery Perpetual Care Fund - Appropriated		✓					
Veteran's Memorial Fund - Appropriated			✓				
Motor Fuel Tax Fund - Appropriated				✓			

Basis of Budgeting

The Village approves an appropriation for each of the Village's Funds.

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

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 because the fund balance is either 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 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 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 \$10,000 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

Exhibits

This section contains detailed information on fees, property taxes, revenue and expenditure trends, long-term financial planning, estimated changes in fund balance and net position, personnel position summary schedule and debt service.

Fee Schedule

	2019 Budget	2020 Budget	Change
Permits			
Building Permit Charge per square footage	the greater of \$.20 per square ft or \$85	the greater of \$.20 per square ft. or \$85	No Change
Building Permit Electric Meter Fee	\$140	\$140	No Change
Building Permit Electric Inspection Fee	\$85	\$85	No Change
Building Permit Mechanical Inspection Fee	\$85	\$85	No Change
Building Permit Plumbing Inspection Fee	\$85	\$85	No Change
Building Permit Water Tap Fee	\$1,150	\$1,150	No Change
Contractor Annual Registration	\$25	\$25	No Change
Contractor Tree Trimming Permit	\$30	\$30	No Change
Cemetery			
Cemetery Cornerstones	\$60	\$60	No Change
Cemetery Lot	\$500	\$500	No Change
Cemetery Opening and Closing of gravesite	\$500	\$650	\$150
Utilities			
Bulk Water	\$9.58 per 1000 gallons	\$9.72 per 1000 gallons	\$.14
Customer Deposit Commercial Electric	\$200	\$200	No Change
Customer Deposit Residential Owner Electric	\$100	\$100	No Change
Customer Deposit Residential Tenant 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 Tenant Water	\$100	\$100	No Change
Electric Standard Residential Rate			
Rate per kwh	\$0.1135	\$0.1135	No Change
Monthly Facility Charge	\$11.57	\$11.57	No Change
Senior Citizen Electric Residential			
Rate per kwh	\$0.1022	\$0.1022	No Change
Monthly Facility Charge	\$11.57	\$11.57	No Change
Village Park Electric Service Rate			
Rate per kwh	\$0.1022	\$0.1022	No Change
Monthly Facility Charge	\$11.57	\$11.57	No Change
Governmental Electric Service			
Rate per kwh	\$0.1022	\$0.1022	No Change
Demand Charge	\$6.2738/multiplier/demand unit	\$6.2738/multiplier/demand unit	No Change
Monthly Facility Charge	\$24.87	\$24.87	No Change
General Electric Service Commercial Without Demand			
Rate per kwh	\$0.1339	\$0.1339	No Change
Monthly Facility Charge - Single Phase	\$11.57	\$11.57	No Change

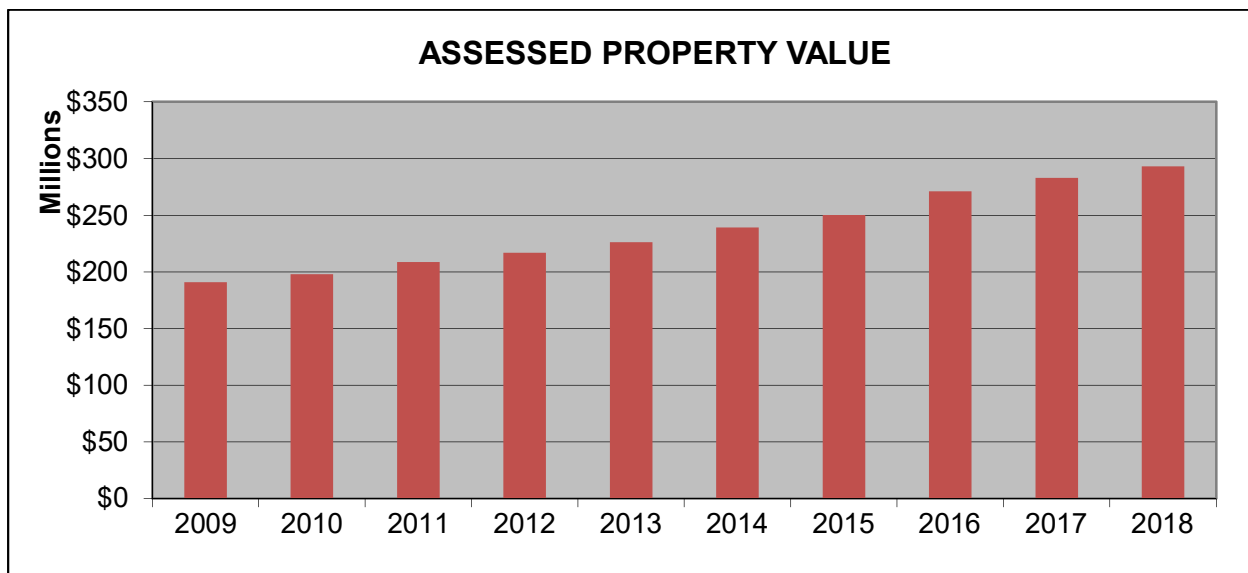
Fee Schedule

	2019 Budget	2020 Budget	Change
General Electric Service Commercial With Demand			
Rate per kwh	\$0.1061	\$0.1061	No Change
Demand Charge	\$6.2738/multiplier/ demand unit	\$6.2738/multiplier/ demand unit	No Change
Monthly Facility Charge - Single Phase	\$11.57	\$11.57	No Change
Monthly Facility Charge - Three Phase	\$24.87	\$24.87	No Change
Industrial Electric Service			
Rate per kwh	\$0.0928	\$0.0928	No Change
Demand Charge	\$8.3543/multiplier/ demand unit	\$8.3543/multiplier/ demand unit	No Change
Monthly Facility Charge - Single Phase	\$19.90	\$19.90	No Change
Monthly Facility Charge - Three Phase	\$49.75	\$49.75	No Change
Security Light Monthly Rate	\$8.45	\$8.45	No Change
Green Program Monthly Fee	\$2.00	\$4.00	\$2.00
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	\$9.58	\$9.72	\$.14
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	\$13.20	\$13.34	\$.14
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
Facility Rental Fees	\$5-\$56.25/hour	\$2.50-\$75/hour	(\$2.50)-\$18.75
Fingerprinting	\$40.00	\$52.50	\$12.50
Liquor license	\$150-\$1,000 annually	\$150-\$1,000 annually	No Change
Recycling Bin	\$9	\$13	\$4
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

	2015 Extended	2016 Extended	2017 Extended	2018 Estimated
General Fund	\$ 611,066	\$ 654,623	\$ 631,917	\$ 660,440
Police Pension	\$ 510,222	\$ 531,274	\$ 604,307	\$ 634,351
Total Corporate Levy	\$ 1,121,288	\$ 1,185,897	\$ 1,236,224	\$ 1,294,791
Bond and Interest Levy	\$ 37,285	\$ 33,085	\$ 33,381	\$ 33,125
Total Levy	\$ 1,158,573	\$ 1,218,982	\$ 1,269,605	\$ 1,327,916
Property Tax Rate	\$.4630	\$.4495	\$.4488	\$.4530

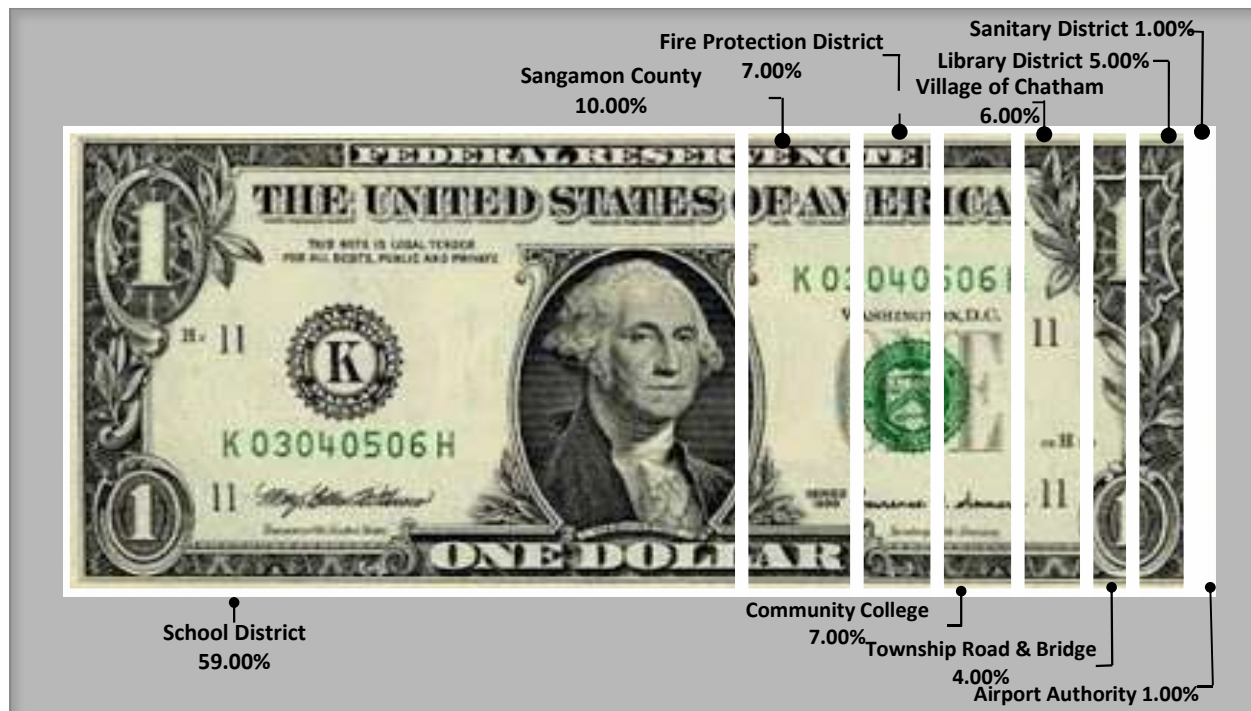
Property tax revenues of \$1,327,916 from the 2018 levy are included in the fiscal year 2020 budget. This represents an increase of \$58,311 or 4.64%, which is primarily due to the increase in the Village's assessed equalized valuation and the addition of the value of new construction and annexed property within the Village.



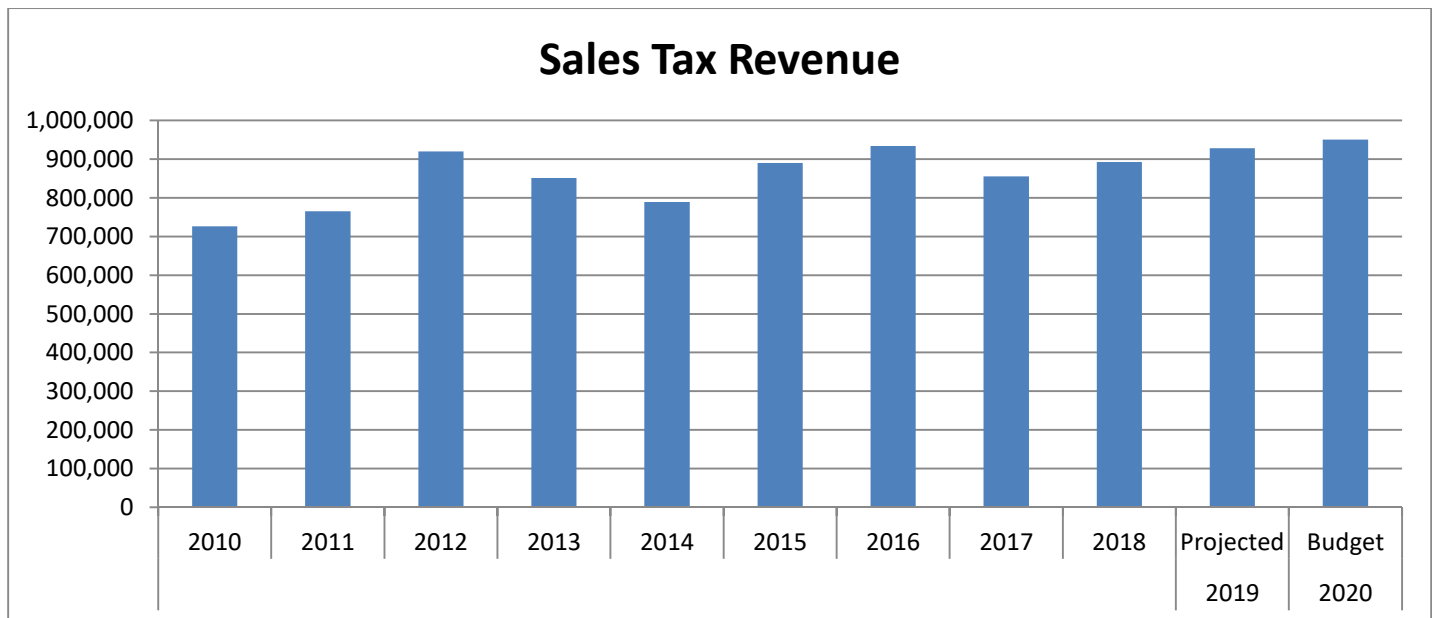
Assessed values have increased 53.5% between 2009 and 2018. The average increase during this period was 5.66%, with the highest growth in 2016 of 8.37% due to the addition of the equalized assessed value of the TIF District that was closed in November of 2015. The lowest increase of 3.62% occurred in 2018.

Property Tax Exhibit

Property tax is one of the most significant revenue for the Village's General Fund. Estimated Property Tax Revenue is \$1,327,916 or 25% of the Revenue estimated for the General Fund's Fiscal Year 2020 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 2018 tax year.



Trends and Projections



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Projected	2020 Budget
726,178	764,864	919,896	850,722	789,272	915,887	933,352	855,304	892,060	922,111	950,000

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.

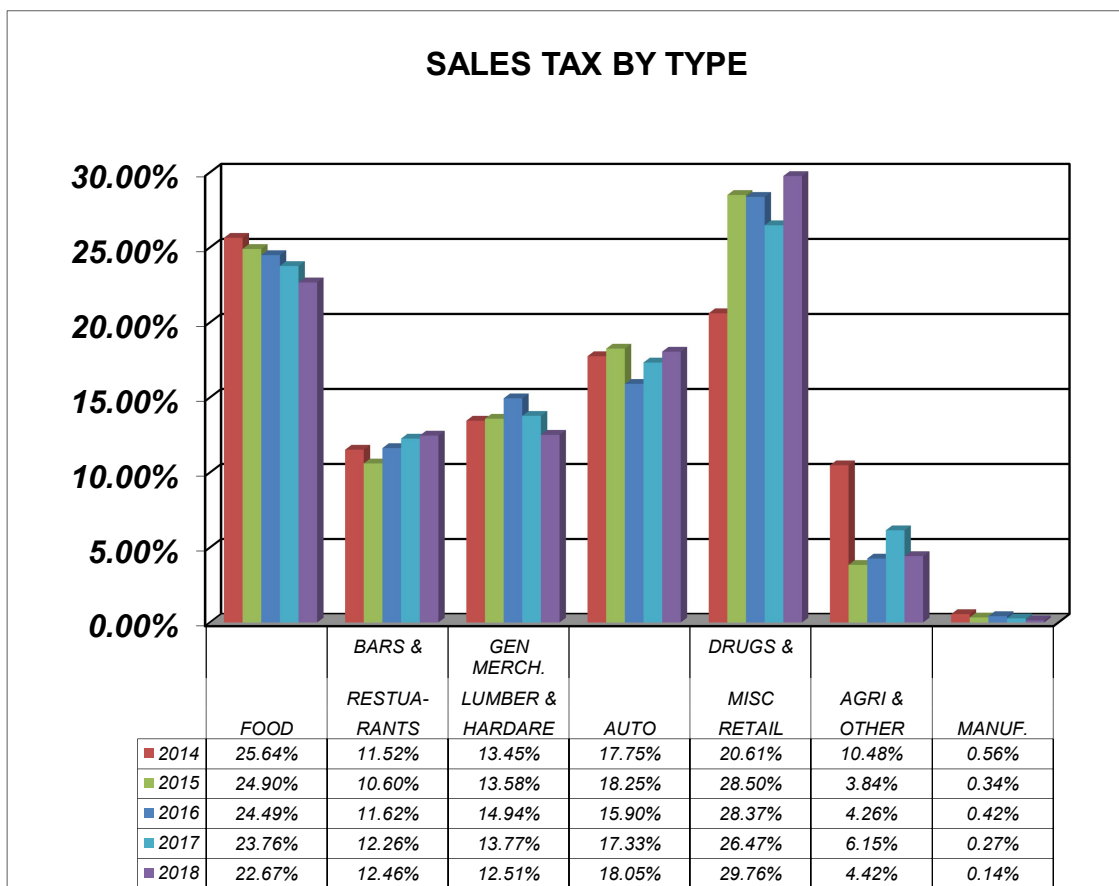
This source of revenue is directly related to economic development activity within the Village and is also influenced by general economic conditions. FY 2020 sales tax revenue includes an inflationary increase of 2.4%. Sales tax revenue saw a decline in FY 2017, which was likely a result of a cautious consumer environment due to the lack of a State Budget. The Village will continue to explore economic development opportunities to increase this revenue source.

State sales tax revenues are estimated to increase \$55,800 or 6.2% from the FY 2019 budgeted amount and about 3% more than the 2019 estimated actual 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

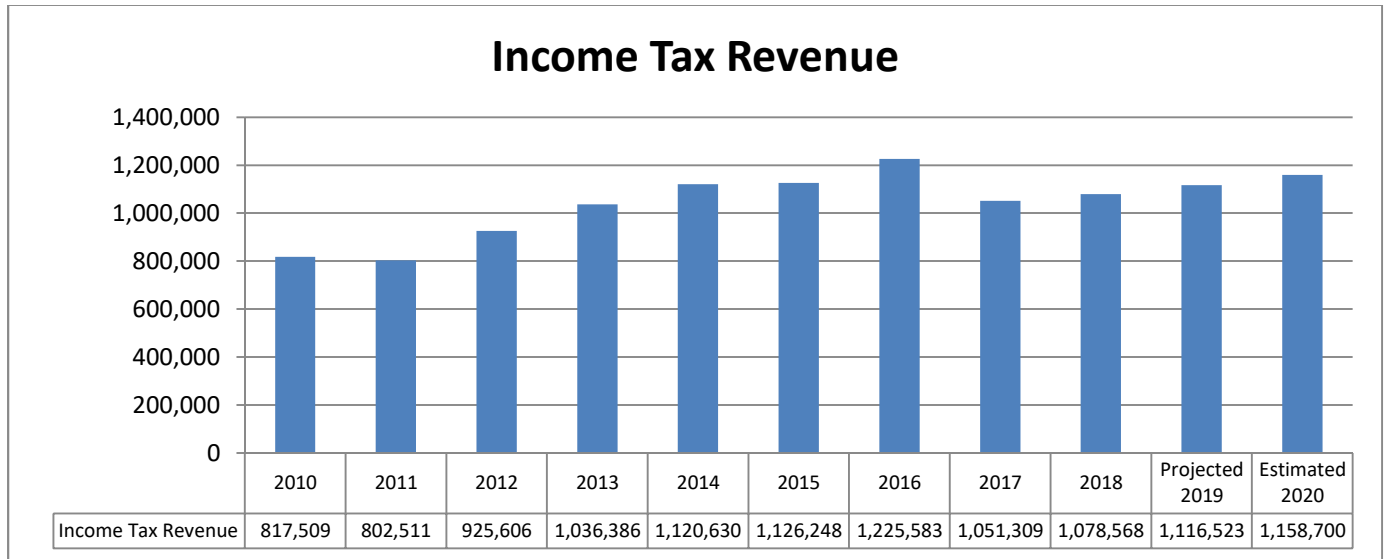
Trends and Projections

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 2014 through 2018.



Trends and Projections

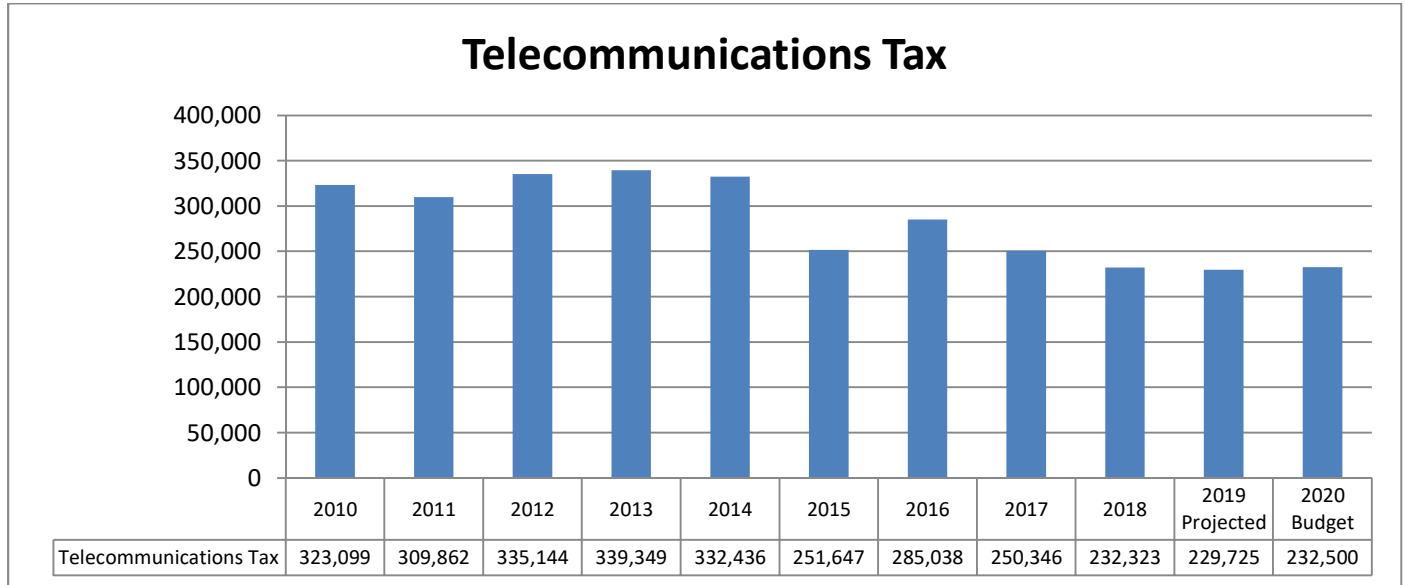


The tax data above shows the state income tax distribution from the State of Illinois. State income tax is distributed to municipalities based on population. During the time period reflected above income tax has been affected by increases in the Village's population, changes in economic conditions, delays 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. 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.

Estimates are derived from data provided by the Illinois Municipal League. FY 2020 income tax receipts are estimated at \$1,158,700 which represents an increase of \$96,100 from the FY 2019 budget amount.

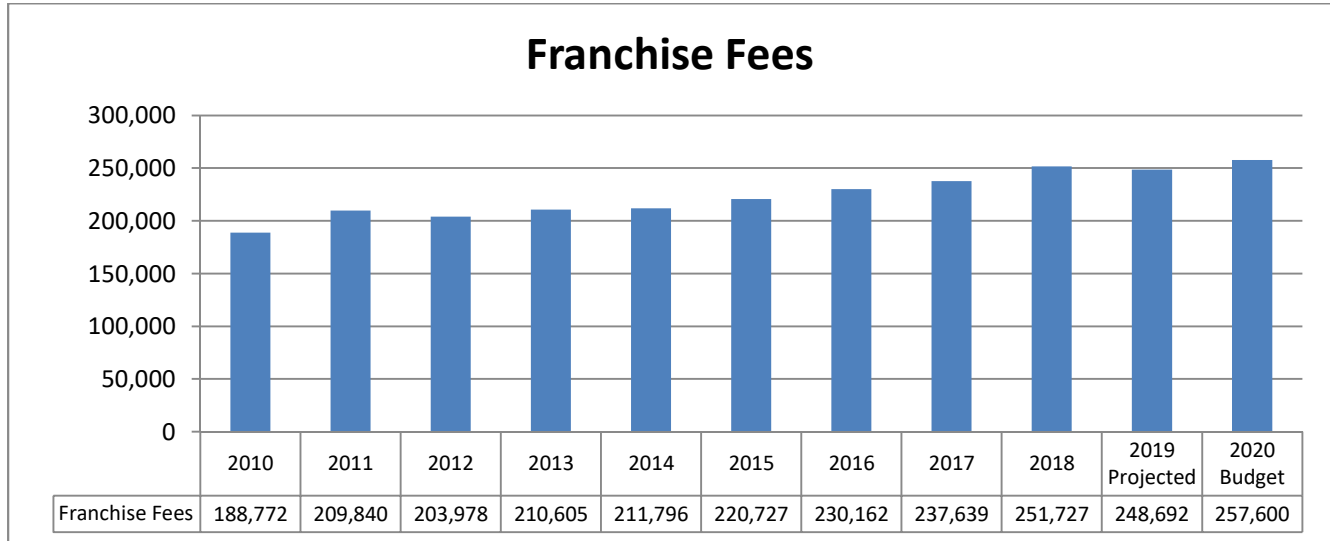
Trends and Projections



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 slightly in fiscal year 2016, but has experienced a decline in the following years to date. This reduction is likely due to the bundling of services and a reduction in landlines. No growth is projected in the fiscal year 2020 budget for telecommunications tax.

Telecommunication tax revenues are allocated between the General Fund and the Police and Public Works Utility Tax Fund. These fees currently represent 3.5% 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

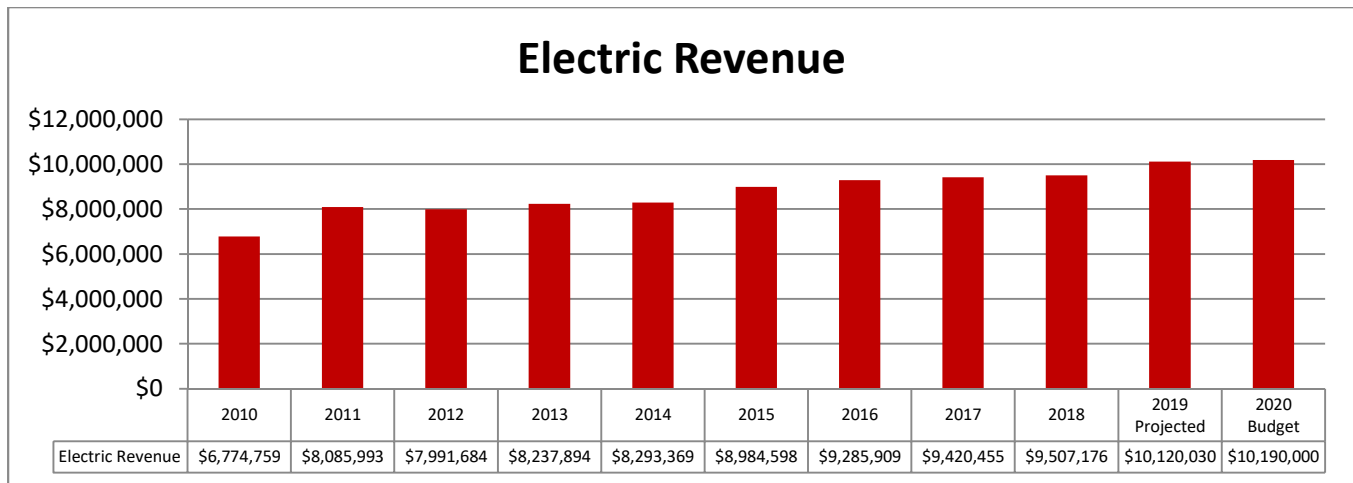


Franchise fees are a revenue source within the General Fund. The franchise fees collected are the result of the privilege granted by the Village of Chatham to Ameren/CILCO and Comcast that allows these investor owned utilities to have facilities on public property. Franchise fees currently make up 5.5% of the 2020 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.

The amount estimated for franchise fees in the fiscal year 2020 budget is the same as the prior year budget. This amount is based on review of prior year revenues.

Trends and Projections

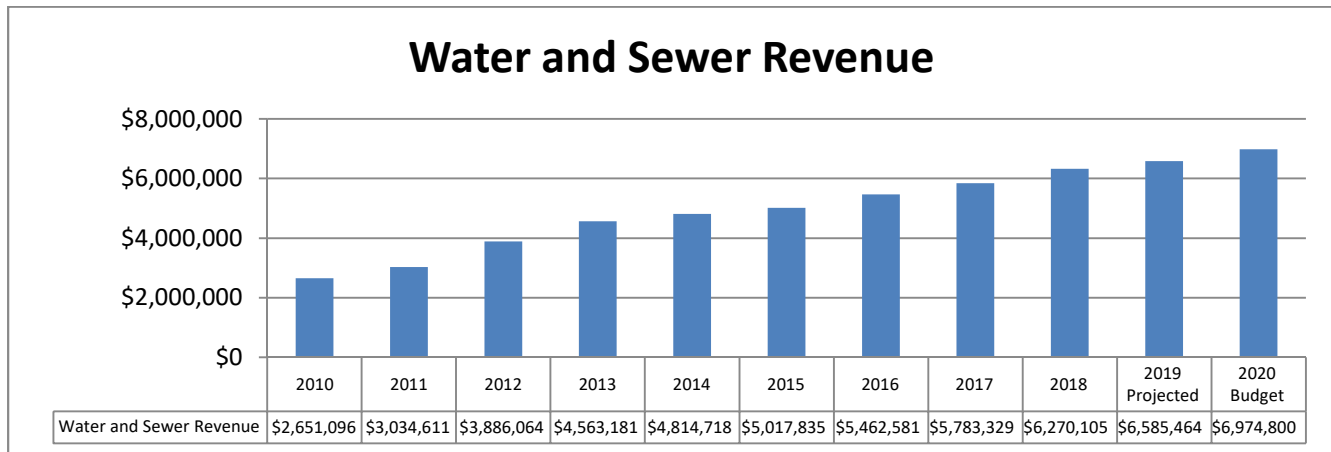


Customers, including residents and businesses, are billed monthly for electric services. Electric revenues are based on the amount of electricity used. Electric rates are developed to recover the cost of providing electricity to users. The Village purchases electricity from the Illinois Municipal Electric Agency (IMEA). The Village's electric rate to their customers is affected by the IMEA's rate to the Village. Electric consumption is also affected 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. Along 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 stayed the same. In 2019, the IMEA indicated a slight increase in the Supply Average Cost this combined with an increase in other operating costs resulted in an electric rate increase of 3% for both facility charges and consumption charges. The rate increase was not implemented until the 2nd quarter of fiscal year 2019.

No rate increases are projected for fiscal year 2020. In projecting electric revenue for fiscal year 2020, a review of consumption and revenue for the past 5 fiscal years is completed. An average consumption is applied to the existing rate schedule to calculate a conservative estimate for electric revenue.

Trends and Projections

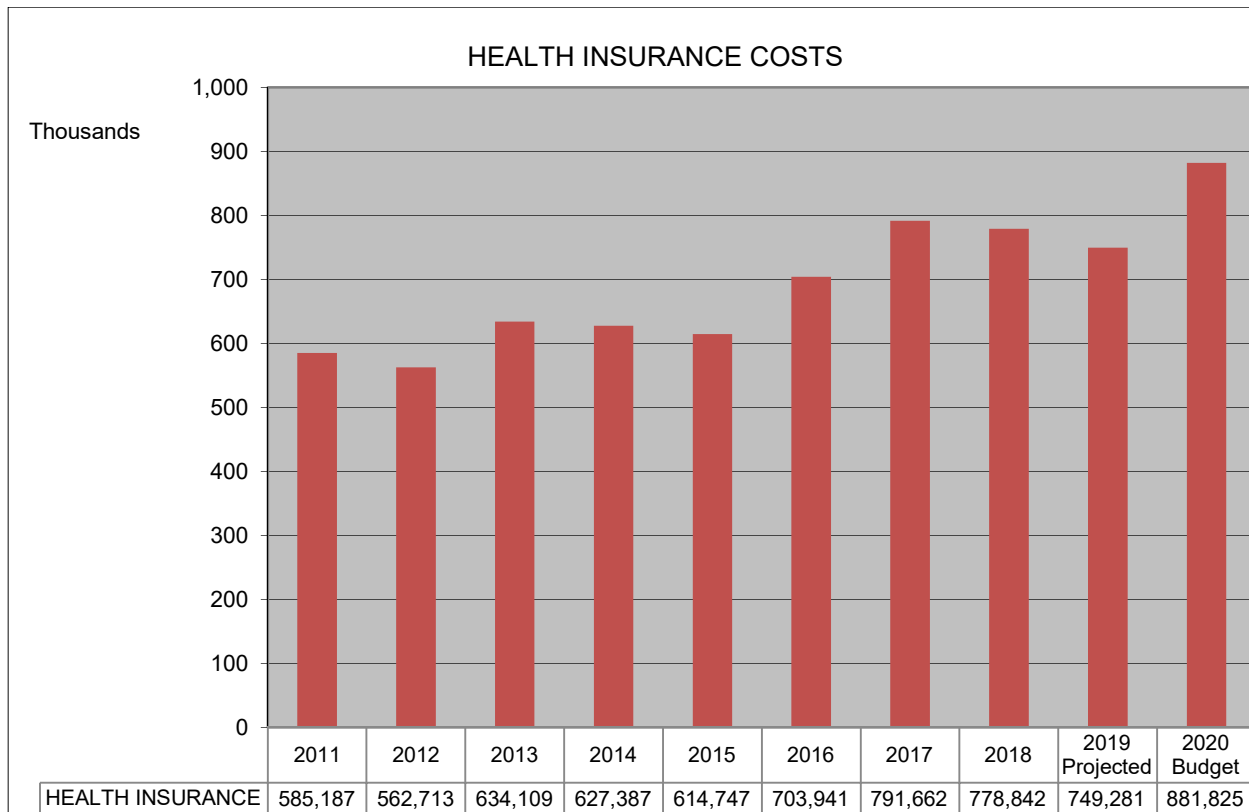


Customers, including residents and businesses, are billed monthly for water and sewer services. Water and sewer revenues are based on the volume of water used. Water and sewer rates are developed to recover the cost of providing water to users. The Village receives its water from the South Sangamon Water 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. In September 2013, the Village increased their water rates to pass along a rate increase from the Village's water supplier. 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 and 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 initial Village-wide flushing program. The 2018 budget included a rate increase of \$1.41 per 1000 gallons that was 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 and 2020 budgets include rate increases of .88 and .14 per 1000 gallons that is the result of passing along a rate increase from the SSWC.

In estimating fiscal year 2020 Water and Sewer Revenue, a review of consumption and the number of customers is completed and is applied to the proposed rate schedule to calculate a conservative estimate for water and sewer revenue.

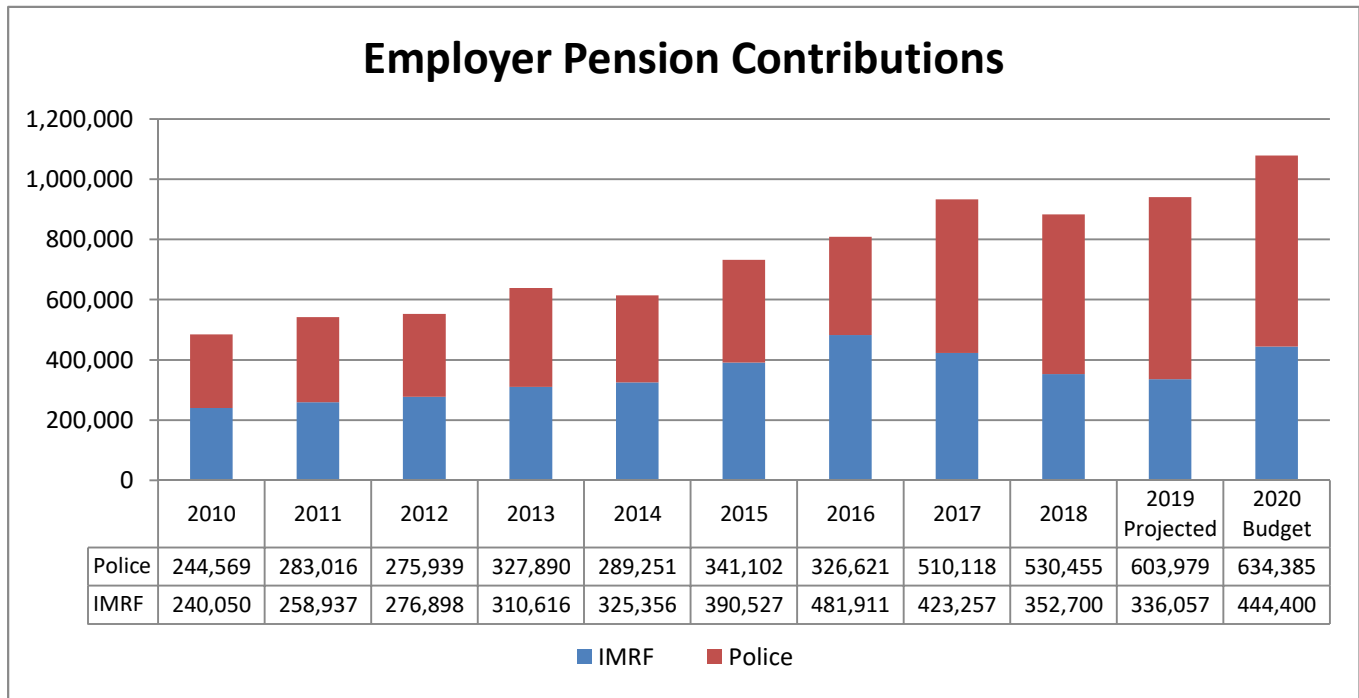
Trends and Projections



The Village provides health, dental and vision insurance to employees. From Fiscal Year 2011 through 2018, the Village currently paid 100% of the employee's coverage and 80% towards the dependent or family health coverage. During Fiscal Year 2019 the Village began shifting more costs of the dependent care coverage to the employee by only paying 78% of dependent care coverage for most employee groups. For the Fiscal Year 2020, this percentage will decrease to 76% of dependent care coverage. The projected budget for Fiscal Year 2020 has increased approximately \$126,000 over the 2019 projected expense due to the Fiscal Year 2020 budget which includes the potential cost of filling 2 vacant positions and adding 2 new positions as well as a 4.25% cost increase in health insurance rates.

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 dependent's 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.

Trends and Projections



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 2020 budget includes contributions for 41 employees in IMRF and 16 in the Police Pension Plan.

Police pension expenses increased from 2017 to 2020 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 increase in IMRF from 2019 to 2020 is reflective of an increase in the number of employees as well as an increase in the Village's preliminary required contribution rate for calendar year 2020 which is estimated to increase to 13.07% from the calendar year 2019 rate of 11.55%.

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 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 programs, 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 2022. Beginning in Fiscal Year 2020, the Utility Administration Fee assessed to the Electric Fund increased from 2% of Electric Fund revenue to 3% and a Utility Administration Fee began being assessed to the Water

Long-Term Financial Planning

General Fund - continued

and Sewer Fund that is assessed at 2% of Water and Sewer Fund revenues.

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. Electric rates were last increased in Fiscal Year 2019. Revenue from electric user charges are then projected to increase at a rate of 2% a year for fiscal years 2021 through 2024 due to growth in the number 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 set a water rate increase of \$.14 in fiscal year 2020. The Village's projected water income reflects passing on this rate increase 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, Electric Department personnel – 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 expire in April 2021. The contract with the International Brotherhood of Electrical Workers expires on April 30, 2022. The Village has worked 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 new hires within the Operating Engineers employee group.

Long-Term Financial Planning

Projected Results

General Fund

The General Fund projections show operating surpluses for Fiscal Years 2020 and 2021 and small operating deficits in 2022, 2023 and 2024. In Fiscal Year 2022, the General Fund is projected to have an increase in revenue related to an 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 2020, employee salaries and other payroll expenses were budgeted with the assumption that existing vacant positions would be filled in the second quarter of the Fiscal Year. For Fiscal Years 2021 through 2024, employee salaries and other payroll expense were estimated assuming full staffing of existing positions at a growth rate of 3%. In Fiscal Year 2022, when the Village's per capita revenues increase due to the increase in population for the census. A long-term borrowing is planned in the amount of \$1,333,333 for the construction of a new municipal hall. The Electric and Water and Sewer Fund will share in this project. The Village will continue to monitor and adjust revenues and expenditures to ensure that a balanced operating 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

The Electric Fund projections show operating surpluses for Fiscal Years 2020 through 2023 and a small operating deficit in Fiscal Year 2024. Revenue for Fiscal years 2020 thru 2024 was projected at a customer 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%. A long-term borrowing is planned in Fiscal Year 2022 in the amount of \$1,333,333 for the construction of a new municipal hall. 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 small projected operating budget deficits for fiscal years 2020 through 2024. This includes a projected rate increase of .14 per 1000 gallons in the Village's water rates in FY 2020. 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 began 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 will be assessed at a rate of 2% of Water and Sewer Fund revenues. A long-term borrowing is planned in Fiscal Year 2022 in the amount of \$1,333,333 for the construction of a new municipal hall. 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 to be reviewed and adjusted.

Long-Term Financial Planning

VILLAGE OF CHATHAM GENERAL FUND 100 FUND SUMMARY						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
REVENUES						
Property Tax	\$ 1,269,035	\$ 1,327,916	\$ 1,381,033	\$ 1,436,274	1,493,725	\$ 1,553,474
Road and Bridge Tax	23,141	23,200	23,664	24,137	24,620	25,112
Sales Tax	922,111	950,000	969,000	988,380	1,008,148	1,028,311
State Income Tax	1,116,523	1,158,700	1,181,874	1,205,511	1,322,265	1,348,710
Local Use Tax	340,021	364,600	371,892	379,330	471,029	480,449
Franchise Tax	248,692	257,600	262,752	268,007	273,367	278,835
Business License	20,900	22,400	22,848	23,305	23,771	24,246
Building Permits	74,003	81,300	82,926	84,585	86,276	88,002
Traffic Fines	43,485	45,500	46,410	47,338	48,285	49,251
Other Fines	39,405	46,000	46,920	47,858	48,816	49,792
Recreation Program Rev	22,842	24,500	24,990	25,490	26,000	26,520
Personal Property Replacement	2,457	3,000	3,060	3,121	3,184	3,247
Plan Review-Engineering Fees	12,111	-	-	-	-	-
Telecommunications Tax	183,780	185,000	188,700	192,474	196,323	200,250
Opening and Closing	13,425	20,375	20,783	21,198	21,622	22,055
Cornerstone Sales	530	810	826	843	860	877
Interest Income	16,474	16,100	16,422	16,750	17,085	17,427
Sale of Services	639	600	612	624	637	649
Miscellaneous Revenue	18,869	26,000	26,520	27,050	27,591	28,143
Contractors Registration	3,810	4,000	4,080	4,162	4,245	4,330
Crime Prevention Revenue	9,520	7,000	7,140	7,283	7,428	7,577
MFT Reimbursement	49,378	50,200	51,204	52,228	53,273	54,338
Gaming Tax Distribution	92,846	98,000	99,960	101,959	103,998	106,078
Utility Fund Administration Fee	206,000	466,000	475,320	484,826	494,523	504,413
Zoning Fees	500	400	408	416	424	433
Park Use Fee	690	1,350	1,377	1,405	1,433	1,461
Federal Grants - IDOT	6,172	19,000	19,380	19,768	20,163	20,566
Federal Grants - DOJ	396	400	408	416	424	-
Other Grants	4,145	9,625	9,818	10,014	10,214	-
Donations - Parks	33,890	-	-	-	-	-
Loan/Bond Proceeds	-	-	-	-	1,333,333	-
TOTAL REVENUES	\$ 4,775,790	\$ 5,209,576	\$ 5,340,327	\$ 5,474,752	\$ 7,123,062	\$ 5,924,546
EXPENSES						
Administration Department						
Employee Salaries	\$ 222,176	\$ 264,800	\$ 272,744	\$ 280,926	\$ 289,354	\$ 298,035
Salaries - Officials	51,350	53,000	53,000	53,000	53,000	53,000
Other Payroll Expense	78,032	92,800	96,036	99,420	102,958	106,142
Travel & Training	3,257	9,000	9,180	9,364	9,551	9,742
Legal Expenses	115,094	128,000	130,560	133,171	135,835	138,551
Professional services	111,140	171,961	115,220	117,525	119,875	122,273
Annual Audit Fee	2,700	3,600	3,672	3,745	3,820	3,897
Buildings & Grounds Maintenance	16,528	19,968	20,367	20,775	21,190	21,614
Vehicle & Equipment Maintenance	657	2,258	2,303	2,349	2,396	2,444
Emergency Services	1,584	18,250	18,615	18,987	19,367	19,754
Office Expense	20,094	29,950	30,549	31,160	31,783	32,419
IT	36,648	46,524	47,454	48,404	49,372	50,359
Code Enforcement	59,251	65,350	66,657	67,990	69,350	70,737
General Insurance	28,474	32,100	32,742	33,397	34,065	34,746
Refunds	265	4,000	4,080	8,000	8,160	8,323
Debt Service	-	-	-	-	90,000	90,000
ADMINISTRATION DEPARTMENT TOTAL	747,250	941,561	903,179	928,213	1,040,076	1,062,036

Long-Term Financial Planning

VILLAGE OF CHATHAM						
GENERAL FUND 100						
FUND SUMMARY						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
Cemetery Department						
Employee Salaries	\$ 11,883	14,800	15,244	15,701	16,172	16,658
Other Payroll Expense	4,665	6,260	6,489	6,729	6,981	7,244
Buildings & Grounds Maintenance	12,755	18,445	18,814	19,190	19,574	19,965
CEMETERY DEPARTMENT TOTAL	29,303	39,505	40,547	41,620	42,727	43,867
Employee Salaries	\$ 240,560	\$ 277,000	\$ 285,310	293,869	302,685	311,766
Other Payroll Expense	78,948	96,740	100,175	103,768	107,529	111,466
Travel & Training	120	500	510	520	531	541
Professional services	6,000	30,000	-	-	-	-
Buildings & Grounds Maintenance	56,843	49,414	50,402	51,410	52,439	53,487
Recreation Program	20,155	23,846	24,323	24,809	25,306	25,812
4th of July	7,400	7,400	7,548	7,699	7,853	8,010
Vehicle & Equipment Maintenance	21,748	23,800	24,276	24,762	25,257	25,762
Office Expense	1,999	1,873	1,910	1,949	1,988	2,027
Equipment purchase	29,240	31,997	9,687	9,881	10,078	10,280
Uniforms & Supplies	4,106	5,388	5,496	5,606	5,718	5,832
PARKS AND RECREATION DEPARTMENT TOTAL	\$ 467,119	\$ 547,958	\$ 509,637	\$ 524,273	\$ 539,384	\$ 554,983
Street Department						
Employee Salaries	\$ 226,411	\$ 376,400	\$ 387,692	\$ 399,323	\$ 411,302	\$ 423,642
Other Payroll Expense	101,188	178,400	185,690	193,349	201,398	209,859
Travel & Training	476	500	510	520	531	541
Buildings & Grounds Maintenance	23,532	14,000	14,280	14,566	14,857	15,154
Vehicle & Equipment Maintenance	58,899	67,084	68,426	69,794	71,190	72,614
Office Expense	667	1,011	1,031	1,052	1,073	1,094
General Insurance	26,218	23,600	24,072	24,553	25,045	25,545
Equipment purchase	723	10,122	10,324	10,531	10,742	10,956
Uniforms & Supplies	11,622	11,385	11,613	11,845	12,082	12,323
Street Maintenance	15,774	-	-	-	-	-
Debt Service	58,444	58,500	58,376	58,793	58,680	58,552
STREET DEPARTMENT TOTAL	\$ 523,954	\$ 741,002	\$ 762,014	\$ 784,326	\$ 806,900	\$ 830,280
Police Department						
Employee Salaries	\$ 1,469,752	1,768,000	1,821,040	1,875,671	1,931,941	1,989,900
Other Payroll Expense	475,636	602,000	630,000	659,518	690,641	723,462
Police Pension Contribution	603,979	634,385	659,760	686,151	713,597	742,141
Travel & Training	12,110	14,000	14,280	14,566	14,857	15,154
Professional services	5,899	5,246	5,351	5,458	5,567	5,678
Buildings & Grounds Maintenance	4,290	8,925	9,104	9,286	9,471	9,661
Vehicle & Equipment Maintenance	46,738	49,400	50,388	51,396	52,424	53,472
Police Restricted Account Expense	7,697	56,179	57,303	58,449	59,618	60,810
Office Expense	46,221	50,684	51,698	52,732	53,786	54,862
IT	13,387	13,908	14,186	14,470	14,759	15,054
General Insurance	43,008	46,050	46,971	47,910	48,869	49,846
Equipment purchase	15,812	66,617	67,949	69,308	70,694	72,108
Uniforms & Supplies	31,202	32,700	33,354	34,021	34,702	35,396
POLICE DEPARTMENT TOTAL	\$ 2,775,731	\$ 3,348,094	\$ 3,461,384	\$ 3,578,936	\$ 3,700,926	\$ 3,827,544

Long-Term Financial Planning

VILLAGE OF CHATHAM GENERAL FUND 100 FUND SUMMARY						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
Transfers						
Transfer to Capital Projects Fund Administration						
Transfer to Capital Projects Fund Streets	449,348	51,600	-	-	1,333,333	-
Transfer to Capital Projects Fund Parks	-	49,740	-	-	-	-
TRANSFERS TOTAL	449,348	101,340	-	-	1,333,333	-
EXPENDITURE TOTAL:	\$ 4,992,705	\$ 5,719,460	\$ 5,676,761	\$ 5,857,368	\$ 7,463,346	\$ 6,318,710
General Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:	\$ (216,915)	\$ (509,884)	\$ (336,434)	\$ (382,616)	\$ (340,284)	\$ (394,164)
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Use of Cash on Hand to pay costs related to accrued benefits	-	338,000	338,000	338,000	338,000	338,000
Use of Cash on Hand to pay for planning, park development and restricted account purchases	-	135,919	-	-	-	-
Transfer Debt Proceeds to Capital Projects	449,348	51,600	-	-	-	-
SUBTOTAL	\$ 449,348	\$ 525,519	\$ 338,000	\$ 338,000	\$ 338,000	\$ 338,000
OPERATING BUDGET SURPLUS/(DEFICIT)	\$ 232,433	\$ 15,635	\$ 1,566	\$ (44,616)	\$ (2,284)	\$ (56,164)

Long-Term Financial Planning

VILLAGE OF CHATHAM						
ELECTRIC FUND 600 FIVE YEAR PROJECTION						
FISCAL YEARS 2020-2024						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
REVENUES						
Electric Sales	\$ 10,120,030	\$ 10,190,000	\$ 10,393,800	\$ 10,601,676	\$ 10,813,710	\$ 11,029,984
Penalties	116,936	119,000	124,726	127,220	129,765	132,360
Interest	20,900	20,100	20,502	20,912	21,330	21,757
Reimbursement of Expense	18,357	17,500	17,850	18,207	18,571	18,980
Miscellaneous Revenue	45,181	70,000	71,400	72,828	74,285	75,770
Development Fees	37,678	-	40,000	40,800	41,616	42,448
Other Grants	-	50,000	-	-	-	-
Debt Proceeds	140,310	240,000	-	1,333,334	-	-
Utility Tax Collected	260,326	264,000	269,280	274,666	280,159	285,762
Interfund Loan Payment	89,707	89,707	89,707	89,707	-	-
TOTAL REVENUES	\$ 10,849,425	\$ 11,060,307	\$ 11,027,265	\$ 12,579,350	\$ 11,379,436	\$ 11,607,061
EXPENSES						
Electric Fund						
Employee Salaries	\$ 1,008,889	\$ 1,261,640	\$ 1,299,489	\$ 1,338,474	\$ 1,378,628	\$ 1,419,987
Other Payroll Expense	355,472	427,100	442,302	458,208	474,855	492,284
Travel & Training	5,010	11,000	11,220	11,444	11,673	11,907
Audit	12,150	12,500	12,350	12,550	12,750	12,950
Buildings & Grounds Maintenance	109,853	164,488	167,778	171,133	174,556	178,047
Vehicle & Equipment Maintenance	40,062	49,000	49,980	50,980	51,999	53,039
Office Expense	117,434	98,650	100,623	102,635	104,688	106,782
IT & GIS	29,540	51,940	52,979	54,038	55,119	56,222
General Insurance	87,601	94,000	95,880	98,277	100,734	103,252
Equipment purchase	213,490	505,900	89,600	50,000	51,000	52,020
Uniforms & Supplies	21,344	16,600	16,932	17,271	17,616	17,968
Street Maintenance	1,237	2,000	2,040	2,081	2,122	2,165
Construction Expense	258,627	300,000	387,716	1,696,471	270,199	281,603
Meter and Transformer Expense	135,053	160,000	171,666	174,579	178,601	182,173
IMEA Electric Expense	6,907,740	7,133,000	7,275,660	7,421,173	7,569,597	7,720,989
Utility Tax Expense	256,861	264,000	269,280	274,666	280,159	285,762
Debt Service	357,555	353,000	354,081	441,126	447,808	448,719
Refunds	-	500	500	500	500	500
Bad Debt Expense	22,477	35,000	35,000	35,000	35,000	35,000
General Fund Administration Fee	206,000	321,000	327,420	333,968	340,648	347,461
EXPENDITURES TOTALS:	\$ 10,146,395	\$ 11,261,318	\$ 11,162,496	\$ 12,744,574	\$ 11,558,252	\$ 11,808,830
Electric Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:	\$ 703,030	\$ (201,011)	\$ (135,231)	\$ (165,224)	\$ (178,816)	\$ (201,769)
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Use of Cash on Hand to pay costs related to accrued benefits	-	192,000	192,000	192,000	192,000	192,000
Use of Development Fees collected in prior year for Village's share of grant costs		9,810				
SUBTOTAL	\$ -	\$ 201,810	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000
OPERATING BUDGET SURPLUS/(DEFICIT)	\$ 703,030	\$ 799	\$ 56,769	\$ 26,776	\$ 13,184	\$ (9,769)

Long-Term Financial Planning

VILLAGE OF CHATHAM						
WATER AND SEWER FUND 700 FIVE YEAR PROJECTION						
FISCAL YEARS 2020-2024						
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
REVENUES						
Water Sales	\$ 4,657,265	\$ 4,937,000	\$ 5,035,740	\$ 5,136,455	\$ 5,239,184	\$ 5,343,968
Bulk Water Sales	3,158	3,800	3,876	61,637	62,870	64,128
Sewer Income	1,925,041	2,034,000	2,074,680	2,116,174	2,158,497	2,201,667
Penalties	77,957	79,000	80,580	82,192	83,835	85,512
Interest	11,178	10,600	10,812	11,028	11,249	11,474
Sales of Services	148,100	169,000	172,380	175,828	179,344	182,931
Miscellaneous Revenue	99,994	30,000	30,600	31,212	31,836	32,473
Debt Proceeds	1,112,800	44,335	-	1,333,333	-	-
TOTAL REVENUES	8,035,493	7,307,735	7,408,668	8,947,859	7,766,815	7,922,153
EXPENSES						
Water and Sewer Fund						
Employee Salaries	641,231	820,900	845,527	870,893	897,020	923,930
Other Payroll Expense	252,135	298,429	309,878	321,884	334,479	347,695
Travel & Training	2,384	6,250	6,375	6,503	6,633	6,765
Professional services	311,135	97,000	55,000	56,100	57,222	57,221
Audit	12,150	12,500	12,750	12,550	12,750	12,950
Buildings & Grounds Maintenance	116,885	128,588	131,160	133,783	136,459	139,188
Vehicle & Equipment Maintenance	37,551	38,700	39,474	40,263	41,069	41,890
Office Expense	38,850	79,400	80,988	82,608	84,260	85,945
IT	30,340	44,500	45,390	46,298	47,224	48,168
General Insurance	38,800	41,000	41,820	42,866	43,937	45,036
Equipment purchase	88,305	144,485	91,137	92,960	94,819	96,715
Uniforms & Supplies	26,507	29,900	30,498	31,108	31,730	32,365
Street Maintenance	15,000	17,000	17,340	17,687	18,041	18,401
Construction Expense	1,240,972	239,508	255,000	1,588,333	255,000	255,000
Meter Expense	141,102	146,000	75,000	50,000	50,000	50,000
Electric expense	3,197,413	43,000	43,860	44,737	45,632	46,545
Water Expense	1,248,276	3,520,000	3,643,200	3,716,064	3,790,385	3,866,193
Sewer Expense	36,267	1,312,000	1,338,240	1,365,005	1,392,305	1,420,151
Debt Service	159,748	298,419	279,646	366,000	366,000	366,000
Refunds	-	2,700	2,700	2,700	2,700	2,700
Bad Debt Expense	18,921	17,000	17,000	17,000	17,000	17,000
General Fund Administration Fee	-	145,000	147,900	150,858	153,875	156,953
Interfund Loan Payment	89,707	89,707	89,707	89,707	-	-
EXPENDITURES TOTALS:	7,743,679	7,571,986	7,599,590	9,145,907	7,878,540	8,036,811
Water and Sewer Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:	\$ 291,814	\$ (264,251)	\$ (190,922)	\$ (198,048)	\$ (111,725)	\$ (114,658)
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS AND NONCASH TRANSACTIONS						
Use of Cash on Hand for Interfund Loan Payback	89,707	89,707	89,707	89,707	-	-
Carryforward from Fiscal Year 2019 purchase of booster pump	-	75,508	-	-	-	-
Use of Cash on Hand to pay costs related to accrued benefits	-	101,000	101,000	101,000	101,000	101,000
SUBTOTAL	\$ 89,707	\$ 266,215	\$ 190,707	\$ 190,707	\$ 101,000	\$ 101,000
OPERATING BUDGET SURPLUS/(DEFICIT)	\$ 381,521	\$ 1,964	\$ (215)	\$ (7,341)	\$ (10,725)	\$ (13,658)

Estimated Changes in Fund Balance and Net Position

	GENERAL	ELECTRIC	WATER & SEWER	CAPITAL PROJECTS	YARD WASTE RECYCLING & REFUSE	POLICE & PUBLIC WORKS UTILITY TAX	CEMETERY PERPETUAL CARE	MOTOR VETERAN'S MEMORIAL	FUEL TAX	POLICE PENSION
	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND
	(Note 1)	(Note 2)	(Note 2)	(Note 3)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)
Budgeted Revenues	\$5,209,576	\$11,060,307	\$7,307,735	\$101,340	\$395,420	\$114,635	\$14,100	\$1,240	\$294,075	\$1,114,385
Budgeted Expenditures	<u>5,719,460</u>	<u>11,261,318</u>	<u>7,571,986</u>	<u>101,340</u>	<u>422,733</u>	<u>109,576</u>	<u>5,000</u>	<u>1,200</u>	<u>346,061</u>	<u>1,114,385</u>
Excess(Deficit) of Revenues over Expenditures	(509,884)	(201,011)	(264,251)	-	(27,313)	5,059	9,100	40	(51,986)	-
Estimated Fund Balance/Net Position April 30, 2019	<u>1,958,044</u>	<u>10,690,569</u>	<u>10,137,272</u>	<u>39,902</u>	<u>291,664</u>	<u>11,446</u>	<u>452,544</u>	<u>11,511</u>	<u>213,550</u>	<u>7,939,988</u>
Estimated Fund Balance/Net Position April 30, 2020	<u>\$1,448,160</u>	<u>\$ 10,489,558</u>	<u>\$9,873,021</u>	<u>\$39,902</u>	<u>\$264,351</u>	<u>\$16,505</u>	<u>\$461,644</u>	<u>\$11,551</u>	<u>\$161,564</u>	<u>7,939,988</u>
Estimated Unrestricted Cash Balance April 30, 2020	<u>\$1,284,556</u>	<u>\$2,794,237</u>	<u>\$1,325,098</u>							
Estimated Fund Balance/Net Position to Budgeted Expenditures	<u>25.32%</u>									
Estimated Unrestricted Cash to Budgeted Expenditures	<u>22.46%</u>	<u>24.81%</u>	<u>17.50%</u>							

Note 1 The Village's Financial Policies require that the General Fund Unassigned Fund Balance and the General Fund Unrestricted Cash Balance be maintained at a minimum of 17% to 25% of total budgeted annual expenditures. For the Fiscal Year 2020 the budget meets this requirement.

Note 2 The Village's Financial Policies require that the Electric and Water and Sewer Unrestricted Cash Balances be maintained at a minimum of 17% to 25% of total budgeted annual expenditures. For the Fiscal Year 2020 the budget meets this requirement.

Note 3 No minimum Assigned Fund Balance is required of the Capital Projects Fund.

Note 4 Special revenue funds, the Cemetery Perpetual Care Fund and the Police Pension Trust Funds do not have a minimum fund balance requirement.

Increases or Decreases exceeding 10%:

The estimated decrease in fund balance is \$509,884 or 26%. Included in the General Fund budget is \$525,519 of nonrecurring expenditures and expenditures carried forward from prior periods. \$338,000 is related to potential accrued time payoffs that are eligible for payout but may not occur and \$187,519 is for transfers for capital projects and expenditures from restricted funds.

Position Summary Schedule

Personnel - Position Summary Schedule				
Department	Fiscal Years		2020	Total Change 2019 VS 2020
	2018	2019		
<u>Administration and Finance</u>				
Village Manager	1	1	1	0
Administrative Assistant	1	1	1	0
Chief Fiscal Officer	1	1	1	0
Code Enforcement Officer	1	1	1	0
Accountant	1	1	1	0
Utilities Administration Manager	1	1	1	0
Senior Utility Clerk	0	2	2	0
Utility Clerk	3	1	1	0
GIS Technician/Maintainer	1	1	1	0
<u>Police</u>				
Sworn Police				
Chief of Police	1	1	1	0
Deputy Chief of Police	1	1	1	0
Sergeants	3	3	3	0
Police Officers	11	11	11	0
Non-Sworn Police				
Senior Dispatcher	0	2	1	-1
Dispatcher	6	4	5	1
<u>Public Utilities</u>				
General Foreman-Electric	1	1	1	0
Line Foreman-Electric	1	1	1	0
Lineman	3	3	3	0
Lineman 1st Year Apprentice	0	0	1	1
Underground Specialist	1	1	1	0
Meter Reader/Helper	1	1	1	0
Locator/Helper	1	1	1	0
General Foreman-Water	0	1	1	0
Lead Worker - Water	1	1	1	0
Maintainer-Water	3	4	4	0
<u>Public Properties and Public Works</u>				
Lead Worker - Streets	1	1	1	0
Lead Worker - Parks	1	1	1	0
Maintainer - Streets	4	4	5	1
Maintainer - Parks	2	2	2	0
Mechanic	1	1	1	0
Total Village	53	55	57	2

Proposed changes for Fiscal Year 2020 Budget include the addition of two new positions, a maintainer in the Street Department to assist the department in focusing more time on street maintenance and a Lineman 1st Year Apprentice to prepare the Electric Department for possible future year retirements.

Debt Service

Description

The Village of Chatham is a non-home rule municipality. As a non-home rule municipality, the Village is limited in the amount of general obligation debt it can incur. That limit is 8.625% of the community's equalized assessed valuation or \$24,822,671. General Obligation debt is paid from General Fund revenues. The Village's existing debt is \$460,500.

Assessed Valuation – 2018	<u>\$293,138,212</u>
Legal Debt Limit = 8.625 of Assessed Value	25,283,171
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(460,500)</u>
Legal Debt Margin	<u>\$24,822,671</u>

The Village currently has one General Obligation Bond Issue and one Electric Alternative Revenue Source Bond issue outstanding. In addition, the Village has issued 3 promissory notes. The detail on each issue and the related debt service schedule are included in this section. The Village does not have any plans on issuing additional bonds or promissory notes in the Fiscal Year 2020 budget.

General Obligation Bonds

The Village issues general obligation bonds to provide for the acquisition, construction and installation of various improvements and facilities. General obligation bonds outstanding at the end of the fiscal year are as follows:

\$500,000 General Obligation Bonds, Series 2017 payable through December 30, 2036
in various amounts ranging from \$19,000 to \$32,500; interest rate of 2.99% \$ 460,500

General Obligation Bonds Series 2017			
	Principal	Interest	Total
2019-2020	\$ 19,500	\$ 13,769	\$ 33,269
2020-2021	20,500	13,186	33,686
2021-2022	21,000	12,573	33,573
2022-2023	21,500	11,945	33,445
2023-2024	22,000	11,302	33,302
2024-2025	23,000	10,644	33,644
2025-2026	23,500	9,957	33,457
2026-2027	24,000	9,254	33,254
2027-2028	25,000	8,537	33,537
2028-2029	25,500	7,789	33,289
2029-2030	26,500	7,027	33,527
2030-2031	27,500	6,234	33,734
2031-2032	28,000	5,412	33,412
2036-2037	<u>153,000</u>	<u>13,995</u>	<u>166,995</u>
	<u>\$ 460,500</u>	<u>\$141,624</u>	<u>\$ 602,124</u>

Debt Service

The Village has issued other debt that is not subject to the debt limitation a description of each issue follows.

2014 Electric Alternate Revenue Source Refunding Bond

The Village issued alternate revenue source in which the Village has pledged electric revenue derived from the acquired or constructed assets to pay the debt service. The Village's Series 2014 Electric Alternative Revenue Refunding Bond Issue was done for the purpose of reducing debt service costs and to also consolidate two previous debt issues for the construction of the Independence substation. Amounts outstanding at the end of the fiscal year are as follows:

\$3,805,000 Electric Refunding Bond Alternate Revenue Source, Series 2014, for the purpose of refunding certain prior bonds of the Village, payable through November 1, 2028 in various amounts ranging from \$105,000 to \$336,000; interest rates ranging from 2.96 % to 3.78% \$ 2,598,000

Electric Alternative Revenue Source			
Bonds, Series 2014			
2019-2020	\$ 263,000	\$ 89,391	\$ 352,391
2020-2021	273,000	81,081	354,081
2021-2022	279,000	72,126	351,126
2022-2023	295,000	62,807	357,807
2023-2024	306,000	52,719	358,719
2024-2025	314,000	42,192	356,192
2025-2026	321,000	31,234	352,234
2026-2027	336,000	19,870	355,870
2027-2028	106,000	7,976	113,976
2028-2029	<u>105,000</u>	<u>3,969</u>	<u>108,969</u>
	<u>\$ 2,598,000</u>	<u>\$ 463,365</u>	<u>\$ 3,061,365</u>

Notes Payable

Street and Water Shop Building Note

On October 15, 2014, the Village entered into an agreement with a financial institution to finance costs associated with the construction of a shop building for the street and water departments. The Village borrowed \$460,000 at an interest rate of 1.74% to be paid in monthly installments of \$4,185 beginning November 15, 2014, with a final payment due October 15, 2024. The assets and related obligation have been allocated half to the General Fund and half to the Waterworks and Sewerage Fund. The principal balance for the Note at April 30, 2019 was \$262,914.78. Debt Service Schedule of principal and interest payments on the notes payable are as follows:

Debt Service

Street and Water Shop Building Note – Continued

	Street and Water Shop Loan		
	Principal	Interest	Total
2019-2020	\$ 45,850	\$ 4,364	\$ 50,214
2020-2021	46,780	3,434	50,214
2021-2022	47,601	2,613	50,214
2022-2023	48,435	1,778	50,213
2023-2024	49,283	930	50,213
2024-2025	<u>24,966</u>	<u>142</u>	<u>25,108</u>
Total	<u>\$ 262,915</u>	<u>\$ 13,261</u>	<u>\$ 276,176</u>

Water Promissory Note, Series 2014

On March 7, 2014, the Village entered into an agreement with a financial institution to finance the costs of a settlement agreement with the City of Springfield, Illinois. The Village borrowed \$710,000 at an interest rate of 1.25 percent to be paid in semi-annual interest payments payable on August 1 and February 1 of each year beginning August 1, 2014. Principal will be paid in installments on February 1 of each of the years until maturity February 1, 2024. The interest rate remained fixed until January 31, 2019 and thereafter, the rate will change to a floating rate equal to the Prime Rate minus 2% not to exceed 2.25%. The principal balance for the business-type activities as of April 30, 2019 was \$366,021. The related obligation has been allocated to the Waterworks and Sewerage Fund. Future principal and interest payments on the notes payable are as follows:

	Water Settlement Loan		
	Principal	Interest	Total
2019-2020	\$ 69,983	\$ 8,236	\$ 78,219
2020-2021	71,558	6,660	78,218
2021-2022	73,168	5,050	78,218
2022-2023	74,814	3,404	78,218
2023-2024	<u>76,498</u>	<u>1,720</u>	<u>78,218</u>
Total	<u>\$ 366,021</u>	<u>\$ 25,070</u>	<u>\$ 391,091</u>

Water Promissory Note – Water Tower and Ground Storage Painting Project

On January 31, 2019, the Village entered into an agreement with a financial institution to finance the cost of painting the water tower and ground storage tank. The Village borrowed \$1,112,800 at an

Debt Service

Water Promissory Note – Water Tower and Ground Storage Painting Project Continued

interest rate of 2.98% to be paid in monthly principal and interest payments beginning on March 1, 2019 and with a final payment on February 1, 2026. The principal balance for the Note at April 30, 2019 was \$1,076,359. Debt Service Schedule of principal and interest payments on the notes payable are as follows:

Water Tower and Ground Storage Painting Project Loan			
	Principal	Interest	Total
2019-2020	\$ 133,665	\$ 42,651	\$ 176,316
2020-2021	150,263	26,053	176,316
2021-2022	154,803	21,513	176,316
2022-2023	159,480	16,836	176,316
2023-2024	164,269	12,047	176,316
2024-2025	169,260	7,056	176,316
2025-2026	<u>144,619</u>	<u>2,311</u>	<u>146,930</u>
	<u>\$ 1,076,359</u>	<u>\$ 128,467</u>	<u>\$ 1,204,826</u>



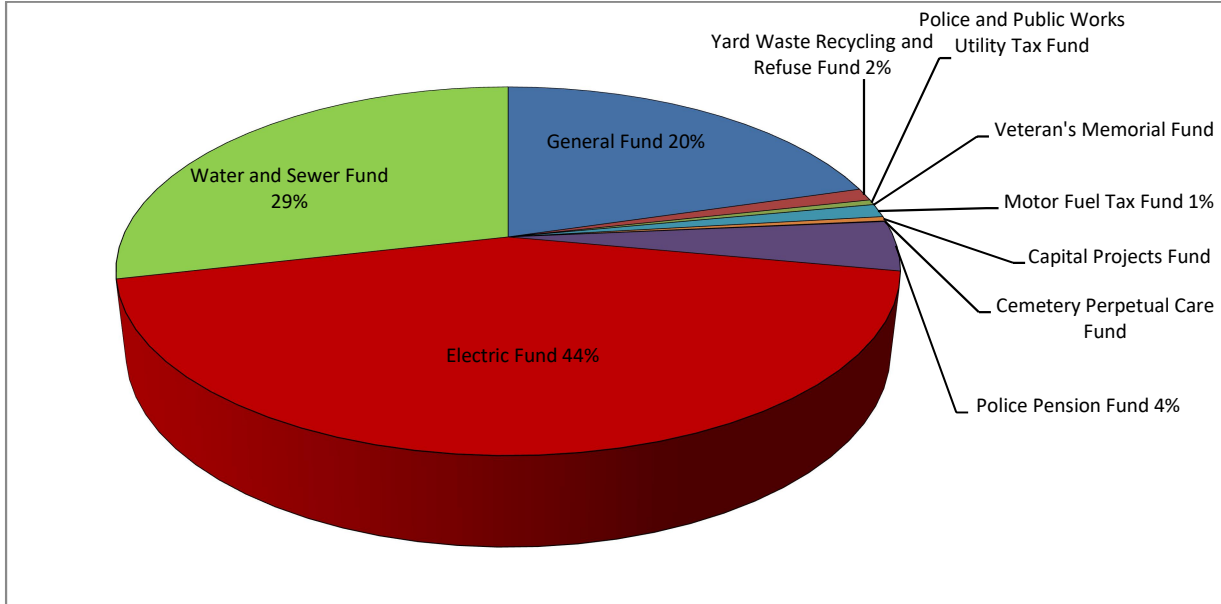
Budget Summary

Budget Summary

This section contains a summary of revenues and other financing sources and expenditures and other financing uses for all Budgeted Funds of the Village Funds

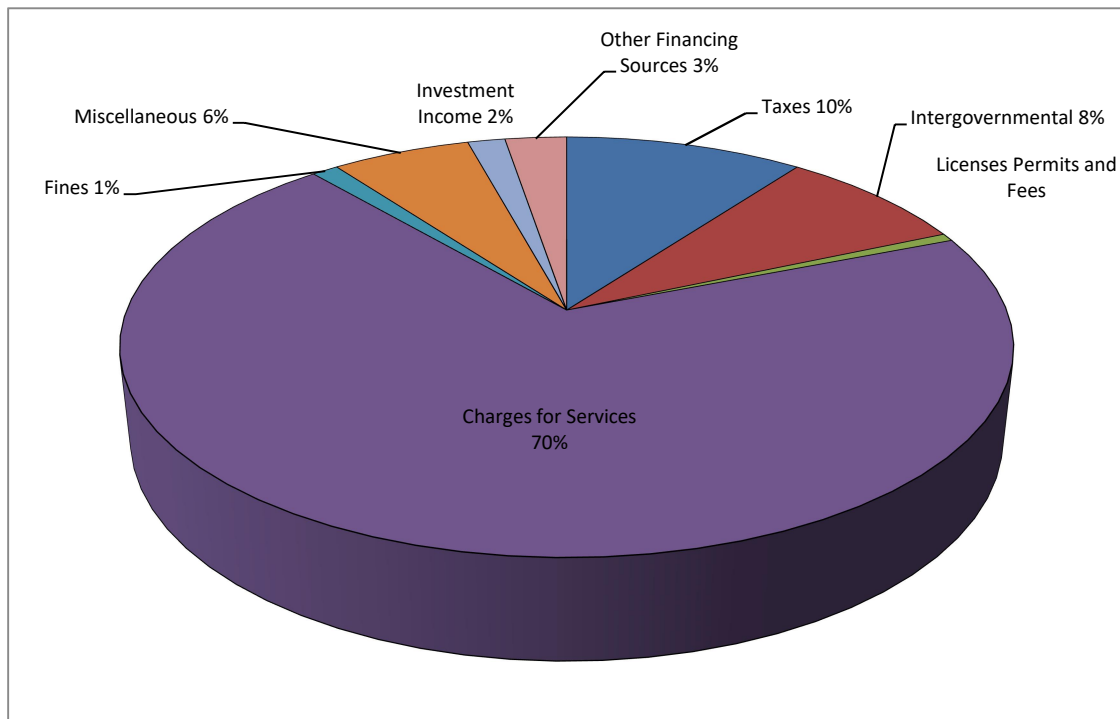
Revenues by Fund – All Funds

FUND	REVENUES AND OTHER FINANCING SOURCES				
	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget	2018-2019 Estimated Actual	2019-2020 Budget
General Fund	\$ 5,014,754	\$ 4,572,422	\$ 4,742,205	\$ 4,775,790	\$ 5,209,576
<u>Special Revenue Funds</u>					
Yard Waste, Recycling and Refuse Fund	137,835	140,938	139,900	145,905	395,420
Police and Public Works Utility Tax Fund	83,079	46,466	77,500	45,954	114,635
Veteran's Memorial Fund	467	568	620	389	1,240
Motor Fuel Tax Fund	307,812	310,630	294,625	309,361	294,075
	529,193	498,602	512,645	501,609	805,370
Capital Projects Fund	764,227	313	500,000	449,760	101,340
<u>Permanent Fund</u>					
Cemetery Perpetual Care Fund	12,474	10,976	12,500	12,542	14,100
<u>Enterprise Funds</u>					
Electric Fund	10,149,844	10,169,995	10,528,917	10,849,425	11,060,307
Water and Sewer Fund	6,055,263	6,565,535	8,097,300	8,035,493	7,307,735
	16,205,107	16,735,530	18,626,217	18,884,918	18,368,042
<u>Trust Funds</u>					
Police Pension Fund	1,115,282	1,028,208	965,807	1,090,325	1,114,385
Total Village Revenue	\$ 23,641,037	\$ 22,846,051	\$ 25,359,374	\$ 25,714,944	\$ 25,612,813



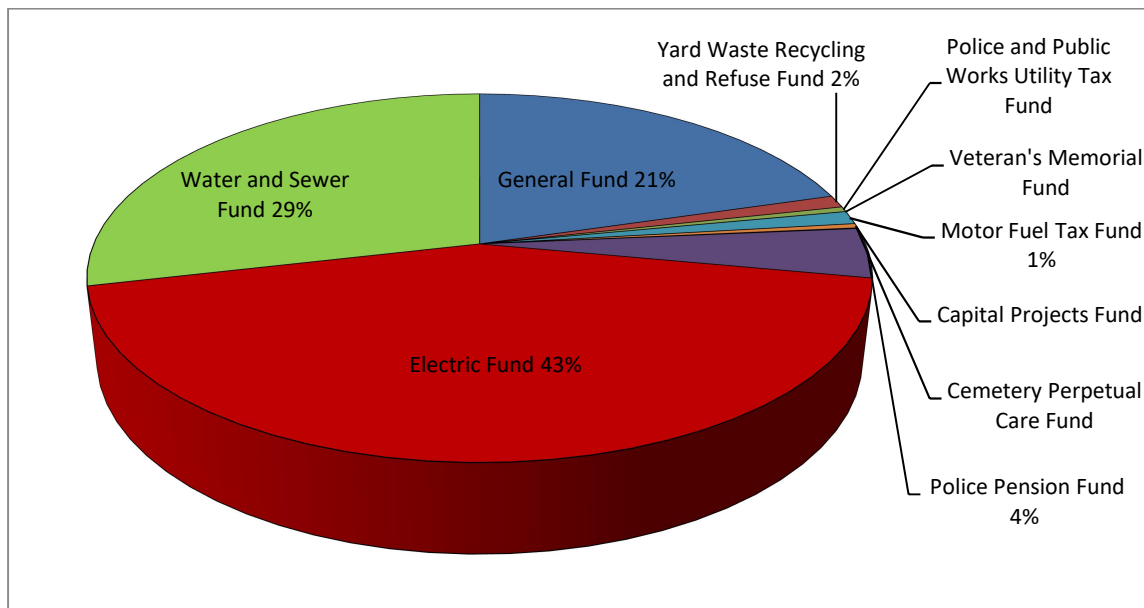
Revenues by Source– All Funds

Source	REVENUE BY SOURCE				
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
	Actual	Actual	Budget	Estimated Actual	Budget
Taxes					
Property	\$ 1,158,335	\$1,217,149	\$1,269,605	\$1,269,035	\$1,327,916
Replacement taxes	2,921	2,381	3000	2,457	3,000
Road and Bridge	18,814	22,130	22,200	23,141	23,200
Motor Fuel Tax	306,972	308,845	293,825	307,816	292,675
Local Use	280,974	298,323	307,625	340,021	364,600
Telecommunications and Franchise	487,985	484,050	495,100	478,417	490,100
Video Gaming	74,128	87,064	87,000	92,846	98,000
Total Taxes	2,330,129	2,419,942	2,478,355	2,513,733	2,599,491
Intergovernmental					
Sales	855,304	892,060	894,200	922,111	950,000
Income Tax	1,051,309	1,078,568	1,062,600	1,116,523	1,158,700
Total Intergovernmental	1,906,613	1,970,628	1,956,800	2,038,634	2,108,700
License Permits and Fees	486,265	412,031	301,425	181,489	149,385
Charges for Services	15,763,934	16,321,542	17,050,300	17,256,194	17,859,600
Fines	260,517	262,181	278,800	277,783	289,500
Miscellaneous	1,088,403	1,012,231	1,158,257	1,223,376	1,525,680
Investment Income	508,248	398,496	262,620	431,570	407,945
Other Financing Sources	1,296,927	49,000	1,872,817	1,792,165	672,512
Total Village Revenues	\$ 23,641,036	\$ 22,846,051	\$ 25,359,374	\$ 25,714,944	\$ 25,612,813



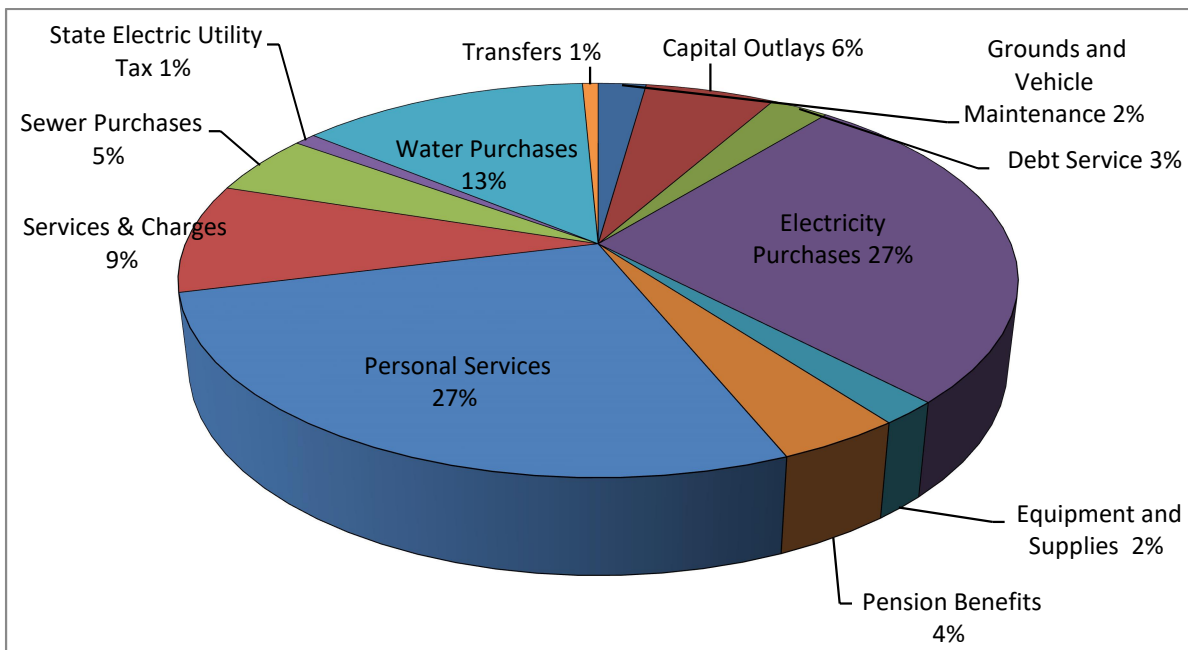
Expenditures by Fund – All Funds

FUND	EXPENDITURES AND OTHER FINANCING USES				
	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget	2018-2019 Estimated Actual	2019-2020 Budget
General Fund	\$ 4,505,075	\$ 4,588,480	\$ 5,683,933	\$ 4,992,705	\$ 5,719,460
<u>Special Revenue Funds</u>					
Yard Waste, Recycling and Refuse Fund	98,217	89,291	228,418	182,494	422,733
Police and Public Works Utility Tax Fund	91,144	49,026	77,500	38,567	109,576
Veteran's Memorial Fund	587	172	1,200	805	1,200
Motor Fuel Tax Fund	341,530	427,898	337,476	326,497	346,061
	531,478	566,387	644,594	548,363	879,570
Capital Projects Fund	763,927	72,525	600,000	500,492	101,340
<u>Permanent Fund</u>					
Cemetery Perpetual Care Fund	-	400	5,000	800	5,000
<u>Enterprise Funds</u>					
Electric Fund	9,809,190	10,064,998	10,691,028	10,146,395	11,261,318
Water and Sewer Fund	5,436,962	6,327,163	8,173,934	7,743,679	7,571,986
	15,246,152	16,392,161	18,864,962	17,890,074	18,833,304
<u>Trust Funds</u>					
Police Pension Fund	336,393	364,838	965,807	464,843	1,114,385
Total Village Expenditures	\$ 21,383,025	\$ 21,984,791	\$ 26,764,296	\$ 24,397,277	\$ 26,653,059



Expenditures by Category – All Funds

CATEGORY	EXPENDITURES BY CATEGORY ALL FUNDS				
	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget	2018-2019 Estimated Actual	2019-2020 Budget
Grounds and Vehicle Maintenance	\$ 518,107	\$ 639,760	\$ 638,981	\$ 572,543	\$ 583,279
Capital Outlays	1,867,109	1,537,004	2,944,110	2,578,041	1,583,233
Debt Service	558,829	560,155	607,350	575,747	709,919
Electricity Purchases	6,477,381	6,721,366	7,062,400	6,907,740	7,133,000
Equipment and Supplies	410,773	221,098	315,605	203,057	564,064
Pension Benefits	309,649	332,855	925,607	431,512	1,074,185
Personnel	5,610,799	5,833,452	6,506,579	5,947,980	7,243,829
Services & Charges	1,750,029	1,690,231	2,327,957	1,939,052	2,474,503
Sewer Purchases	1,246,371	1,245,198	1,286,000	1,248,276	1,312,000
State Utility Tax	243,170	245,934	277,000	256,861	264,000
Water Purchases	2,390,807	2,957,738	3,283,000	3,197,413	3,520,000
Transfers	-	-	589,707	539,055	191,047
Total Village Expenditures	\$ 21,383,024	\$ 21,984,791	\$ 26,764,296	\$ 24,397,277	\$ 26,653,059





General Fund Fiscal Year 2020 Budget

GENERAL FUND

General Fund Revenues by Source

The General Fund is used to account for all revenues and expenditures used to finance services associated with municipal governments which are not required to be accounted for in other funds. The types of expenditures accounted for in the Village of Chatham's General Fund are related to Administration, Cemetery, Parks and Recreation, Police and Streets. The primary revenues used to finance these functions are property tax, sales tax, income tax, telecommunication tax and franchise fees and licenses permits and fees. The fiscal year 2020 budget includes plans to increase the interfund utility administration fee assessed to the Electric Fund from 2% to 3% of Electric Fund revenues and to begin reassessing a utility administration fee to the Water and Sewer Fund of 2% of Water and Sewer Fund revenues. The budget also includes plans to increase grave opening and closing fees, park reservation fees and the amount charged for fingerprinting.

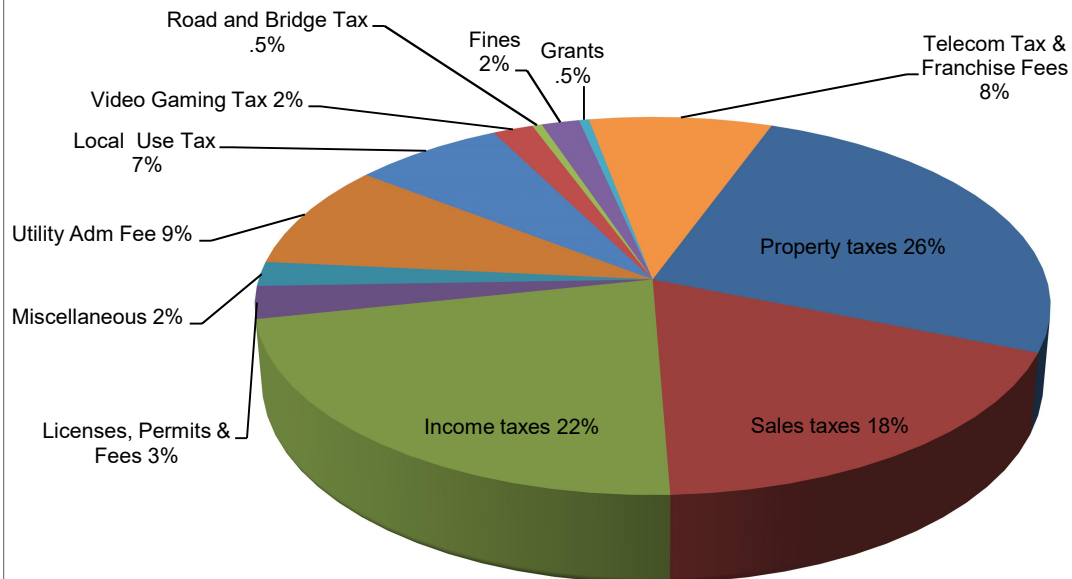
VILLAGE OF CHATHAM GENERAL FUND 100 FUND SUMMARY						
		2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
Description		Actual	Actual	Budget Amended as of April 2019	Estimated Actual	Requested/ Proposed
REVENUES	Revenue Type					
Property Tax	Property Tax	\$ 1,158,335	\$ 1,217,149	\$ 1,269,605	\$ 1,269,035	\$ 1,327,916
Road and Bridge Tax	Road and Bridge Tax	18,814	22,130	22,200	23,141	23,200
Sales Tax	Sales Tax	855,305	892,060	894,200	922,111	950,000
State Income Tax	Income Tax	1,051,309	1,078,568	1,062,600	1,116,523	1,158,700
Local Use Tax	Local Use Tax	280,974	298,323	307,625	340,021	364,600
Franchise Tax	Telecommunications Tax and Franchise Fees	237,639	251,727	257,600	248,692	257,600
Business License	License, Permits and Fees	20,717	22,390	23,200	20,900	22,400
Business Permits	License, Permits and Fees	78,487	68,429	76,350	74,003	81,300
Traffic Fines	Fines	58,566	39,279	51,100	43,485	45,500
Other Fines	Fines	33,041	42,806	44,200	39,405	46,000
Recreation Program Revenue	License, Permits and Fees	41,846	32,013	36,500	22,842	24,500
Personal Property Replacement	Miscellaneous	2,921	2,381	3,000	2,457	3,000
Plan Review-Engineering Fees	License, Permits and Fees	91,060	30,574	82,500	12,111	-
Telecommunications Tax	Telecommunications Tax and Franchise Fees	200,277	185,858	190,000	183,780	185,000
Opening and Closing	License, Permits and Fees	8,925	12,825	13,675	13,425	20,375
Cornerstone Sales	License, Permits and Fees	1,000	650	800	530	810
Interest Income	Miscellaneous	5,092	6,212	6,300	16,474	16,100
Sales of Services	Miscellaneous	621	383	400	639	600
Miscellaneous Revenue	Miscellaneous	18,444	31,576	26,000	18,869	26,000
Contractors Registration	Miscellaneous	3,405	3,400	3,900	3,810	4,000
Crime Prevention Revenue	Miscellaneous	8,680	2,925	1,500	9,520	7,000
MFT Reimbursement	Miscellaneous	39,190	20,410	50,200	49,378	50,200
Gaming Tax Distribution	Video Gaming Tax	74,128	87,064	87,000	92,846	98,000
Utility Fund Administration Fee	Utility Fund Administration	200,200	205,000	206,000	206,000	466,000
Zoning Fees	Miscellaneous	200	600	400	500	400
Park Use Fee	Miscellaneous	1,405	2,005	1,650	690	1,350
Federal Grants – IDOT	Grants	17,494	13,184	19,000	6,172	19,000
Federal Grants - DOJ	Grants	4,407	-	-	396	400
Other Grants	Grants	2,272	2,001	4,700	4,145	9,625
Donations - Parks	Miscellaneous	-	500	-	33,890	-
Lease/Bond Proceeds	Lease/Bond Proceeds	500,000	-	-	-	-
TOTAL REVENUES		\$ 5,014,754	\$ 4,572,422	\$ 4,742,205	\$ 4,775,790	\$ 5,209,576

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDED APRIL 30, 2020
GENERAL FUND**

REVENUES BY CATEGORY

Property Tax	\$1,327,916
Sales Tax	950,000
Income Tax	1,158,700
Licenses, Permits and Fees	149,385
Utility Administration Fees	466,000
Local Use Tax	364,600
Video Gaming Tax	98,000
Road and Bridge Tax	23,200
Fines	91,500
Telecommunications Tax and Franchise Fees	442,600
Grants	29,025
Miscellaneous	<u>108,650</u>
Total Estimated Revenue	<u>\$5,209,576</u>

**General Fund Estimated Revenue for the Fiscal Year Ended
4/30/2020 \$5,209,576**



Expenditures by Detail Line Item

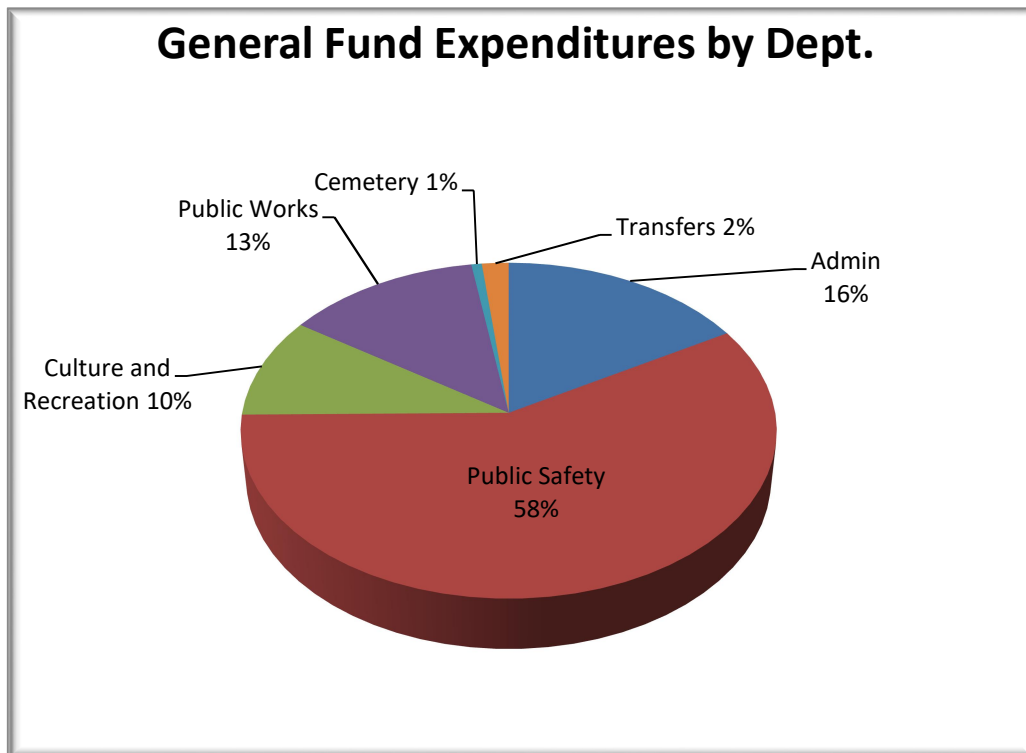
VILLAGE OF CHATHAM ANNUAL BUDGET FOR THE YEAR ENDED APRIL 30, 2020 GENERAL FUND 100 EXPENDITURES BY DEPARTMENT DETAIL BY LINE ITEM						
		2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Estimated Requested
Administration Department	Expenditure Type					
Employee Salaries	Personnel	\$178,483	\$185,817	\$232,700	\$222,176	\$264,800
Salaries - Officials	Personnel	51,100	52,750	53,000	51,350	53,000
Other Payroll Expense	Personnel	81,798	80,563	88,250	78,032	92,800
Travel & Training	Professional Services	-	4,785	9,000	3,257	9,000
Legal Expenses	Professional Services	123,022	149,889	128,000	115,094	128,000
Professional services	Professional Services	143,888	149,700	159,461	111,140	171,961
Annual Audit Fee	Professional Services	2,500	2,700	2,850	2,700	3,600
Buildings & Grounds Maintenance	Maintenance	22,114	11,932	19,968	16,528	19,968
Vehicle & Equipment Maintenance	Maintenance	438	565	2,258	657	2,258
Emergency Services	Professional Services	19,505	20,000	18,250	1,584	18,250
Office Expense	Office Expense	25,880	17,971	29,950	20,094	29,950
IT	Office Expense	32,585	26,338	46,524	36,648	46,524
Code Enforcement	Professional Services	43,437	49,275	65,350	59,251	65,350
General Insurance	Insurance	29,516	28,291	29,783	28,474	32,100
Equipment purchase	Equipment and Supplies	-	7,922	-	-	-
Refunds	Office Expense	3,353	2,065	4,000	265	4,000
ADMINISTRATION DEPARTMENT TOTAL		\$757,619	\$790,563	\$889,341	\$747,250	\$941,561
Cemetery Department						
Employee Salaries	Personnel	\$24,620	\$13,815	\$13,800	\$11,883	\$14,800
Other Payroll Expense	Personnel	5,692	5,324	5,410	4,665	6,260
Buildings & Grounds Maintenance	Maintenance	11,405	11,545	14,445	12,755	18,445
CEMETERY DEPARTMENT TOTAL		\$41,717	\$30,684	\$33,655	\$29,303	\$39,505
Parks and Recreation						
Employee Salaries	Personnel	\$225,651	\$233,235	\$259,110	\$240,560	\$277,000
Other Payroll Expense	Personnel	76,425	82,986	83,950	78,948	96,740
Travel & Training	Professional Services	130	80	500	120	500
Professional Services	Professional Services	-	-	50,000	6,000	30,000
Buildings & Grounds Maintenance	Maintenance	43,678	53,118	61,414	56,843	49,414
Recreation Program	Professional Services	31,097	30,076	23,846	20,155	23,846
4th of July	Professional Services	7,000	7,400	7,400	7,400	7,400
Vehicle & Equipment Maintenance	Maintenance	18,953	17,895	24,800	21,748	23,800
Office Expense	Office Expense	1,563	1,673	2,173	1,999	1,873
Equipment purchase	Equipment and Supplies	49,883	2,036	31,997	29,240	31,997
Uniforms & Supplies	Equipment and Supplies	2,171	2,895	5,388	4,106	5,388
PARKS AND RECREATION DEPARTMENT TOTAL		\$456,551	\$431,394	\$550,578	\$467,119	\$547,958
Street Department						
Employee Salaries	Personnel	\$219,592	\$237,178	\$270,100	\$226,411	\$376,400
Other Payroll Expense	Personnel	118,158	126,995	134,300	101,188	178,400
Travel & Training	Professional Services	-	-	500	476	500
Buildings & Grounds Maintenance	Maintenance	11,219	23,690	29,000	23,532	14,000
Vehicle & Equipment Maintenance	Maintenance	46,413	78,071	67,084	58,899	67,084
Office Expense	Office Expense	710	575	1,011	667	1,011
General Insurance	Insurance	20,654	21,758	26,850	26,218	23,600
Equipment purchase	Equipment and Supplies	43,573	9,184	10,122	723	10,122
Uniforms & Supplies	Equipment and Supplies	10,518	12,903	14,385	11,622	11,385
Street Maintenance	Maintenance	3,878	8,286	18,942	15,774	-
Debt Service	Debt Service	62,907	58,148	58,550	58,444	58,500
STREET DEPARTMENT TOTAL		\$537,622	\$576,788	\$630,844	\$523,954	\$741,002

VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE YEAR ENDED APRIL 30, 2020
GENERAL FUND 100
DEPARTMENT DETAIL BY LINE ITEM

		2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Estimated Requested
Police Department						
Employee Salaries	Personnel	\$1,406,172	\$1,467,784	\$1,642,650	\$1,469,752	\$1,768,000
Other Payroll Expense	Personnel	491,145	509,128	537,405	475,636	602,000
Police Pension Contribution	Personnel	510,118	530,455	604,307	603,979	634,385
Travel & Training	Professional Service	12,747	13,501	14,000	12,110	14,000
Professional services	Professional Services	2,769	1,657	7,246	5,899	5,246
Buildings & Grounds Maintenance	Maintenance	4,202	4,978	8,925	4,290	8,925
Vehicle & Equipment Maintenance	Maintenance	33,941	42,821	52,900	46,738	49,400
Police Restricted Account Expense	Equipment and Supplies	52,419	4,652	45,821	7,697	56,179
Office Expense	Office Expense	41,022	46,347	50,684	46,221	50,684
IT	Office Expense	7,579	13,964	14,908	13,387	13,908
General Insurance	Insurance	38,904	46,017	43,777	43,008	46,050
Equipment purchase	Equipment and Supplies	83,370	50,318	21,692	15,812	66,617
Uniforms & Supplies	Equipment and Supplies	27,178	27,429	35,200	31,202	32,700
POLICE DEPARTMENT TOTAL		\$2,711,566	\$2,759,051	\$3,079,515	\$2,775,731	\$3,348,094
Transfers						
Transfer to Capital Projects Fund Streets	Transfers	-	-	500,000	449,348	51600
Transfer to Capital Projects Fund Parks	Transfers	-	-	-	-	49740
TRANSFERS TOTAL		\$ -	\$ -	\$500,000	\$449,348	\$101,340
TOTAL GENERAL FUND		\$4,505,075	\$4,588,480	\$5,683,933	\$4,992,705	\$5,719,460

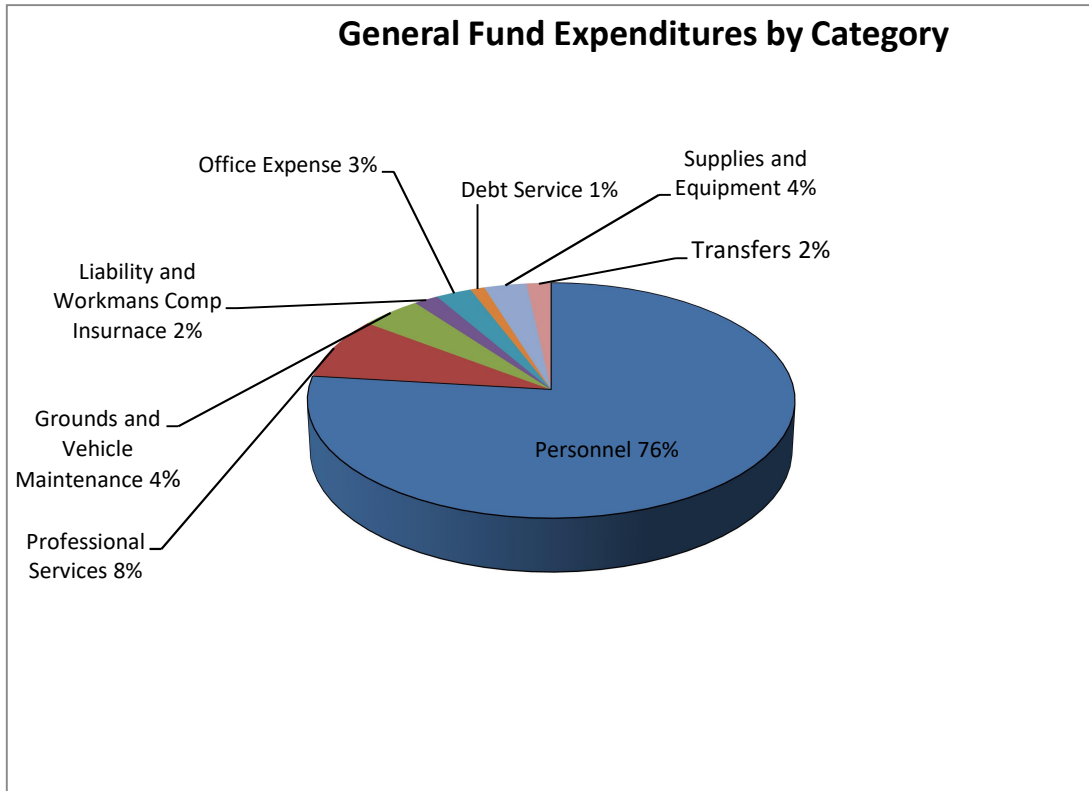
**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
GENERAL FUND – Continued**

EXPENDITURES BY DEPARTMENT	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget	2018-2019 Estimated Actual	2019-2020 Estimated Requested
Administration	\$ 757,619	\$790,563	\$889,341	\$747,250	\$941,561
Cemetery	41,717	30,684	33,655	29,303	39,505
Parks and Recreation	456,551	431,394	550,578	467,119	547,958
Streets	537,622	576,788	630,844	523,954	741,002
Police	2,711,566	2,759,051	3,079,515	2,775,731	3,348,094
Transfers	-	-	500,000	449,348	101,340
TOTAL GENERAL FUND	<u>\$4,505,075</u>	<u>\$4,588,480</u>	<u>\$5,683,933</u>	<u>\$4,992,705</u>	<u>\$5,719,460</u>



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
GENERAL FUND – Continued**

EXPENDITURES BY CATEGORY	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget	2018-2019 Estimated Actual	2019-2020 Estimated Requested
Personnel	\$3,388,954	\$3,526,030	\$3,924,982	\$3,564,580	\$4,364,585
Professional Services	386,095	\$429,063	486,403	345,186	\$477,653
Grounds and Vehicle Maintenance	196,241	252,901	299,736	257,764	253,294
Insurance	89,074	96,066	100,407	97,700	101,750
Office Expense	112,692	108,933	149,250	119,281	147,950
Debt Service	62,907	58,148	58,550	58,444	58,500
Supplies and Equipment	269,112	117,339	164,605	100,402	214,388
Transfers	-	-	500,000	449,348	101,340
TOTAL GENERAL FUND	<u>\$4,505,075</u>	<u>\$4,588,480</u>	<u>\$5,683,933</u>	<u>\$4,992,705</u>	<u>\$5,719,460</u>

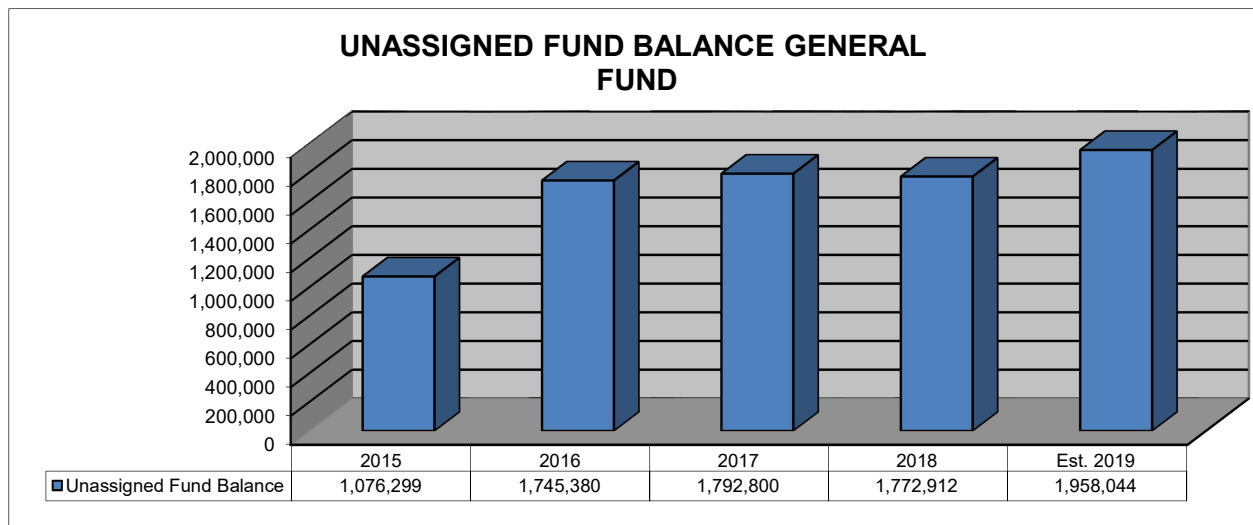
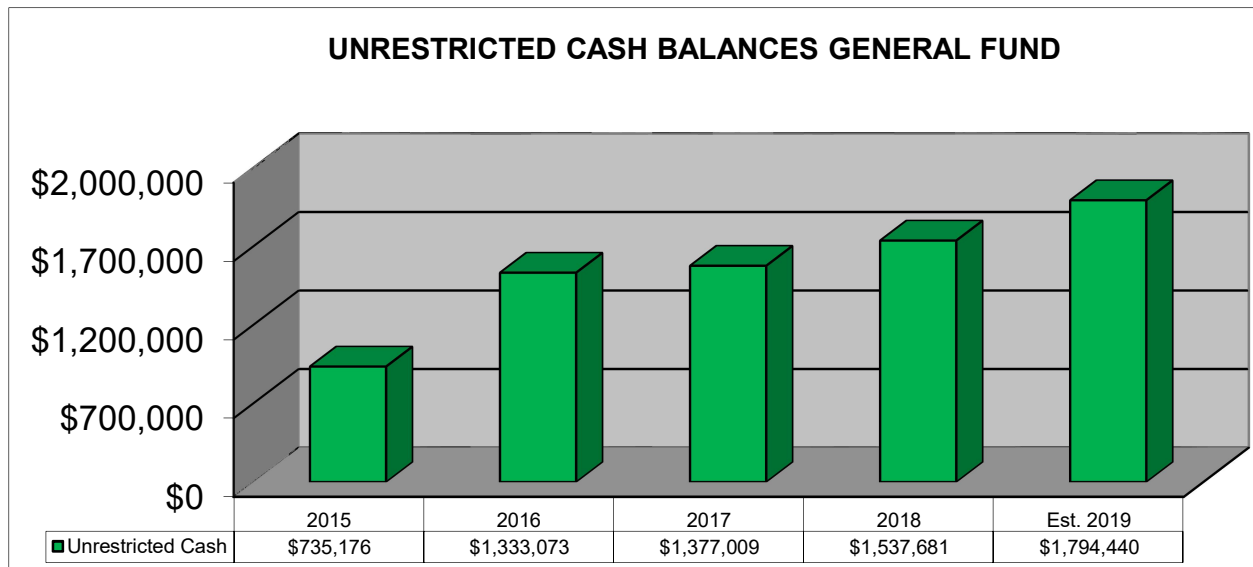


**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
GENERAL FUND - Continued**

Cash on Hand and Unassigned Fund Balance

The Village's financial policies recommend that the Village will strive to maintain both an unrestricted cash balance and an unassigned fund balance of a minimum of 17% to 25% of the total annual budgeted expenditures for the General Fund. The General Fund's Fiscal Year 2020 budget includes the utilization of cash reserves if necessary for projects carried forward from prior periods as well as an amount budgeted for potential payouts related to employee accrued time and other benefits. The amount included in the Fiscal Year 2020 budget for these items is \$525,519.

The following graphs show the of unrestricted cash on hand and unassigned fund balance at April 30th for the last 4 years and the estimated balance at April 30, 2019. For the Fiscal Year 2020 Budget Year this would equate to a cash balance between \$953,243 and \$1,429,865.



ADMINISTRATION DEPARTMENT

Description

The Administration Department budget of the Village of Chatham supports the Village Board; the 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 provides operational support and oversight to the entire organization.



BUDGET HIGHLIGHTS AND ONGOING AND NEW PROJECT INITIATIVES FISCAL YEAR 2020 ADMINISTRATION DEPARTMENT BUDGET

- Completion of the update to the Village's comprehensive plan. Work on the comprehensive plan started during fiscal year 2019 and is expected to be completed during fiscal year 2020
- Completion of performance audit. In conjunction with the comprehensive plan work started on the performance audit during fiscal year 2018 and is expected to be completed in fiscal year 2020
- Continue with process of annexations
- Implement the Open.Gov application as staffing permits. The Open.Gov application is a transparency information solution to internally and externally report budgeting, financial and performance information.
- Begin process of updating utility office customer service manual. The current manual was approved in January of 2016
- Begin process of developing service manuals for other areas of the Village
- Begin planning and exploring options for future municipal complex. As part of the Village's Capital Improvement Plan the Village plans to construct a new municipal complex. The project is currently planned to be financed between multiple funds; the General Fund, Electric Fund and Water and Sewer Fund
- Explore the option and possibly implement integrated voice response(IVR) component of CivicPay/Springbrook software to utilize for telephone credit card payments and alerts to utility billing customers

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
ADMINISTRATION DEPARTMENT**

STAFFING LEVELS

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 following chart shows the number of positions that this equates to in full-time equivalents from fiscal year 2017 through fiscal year 2020.

Full-time Equivalents (FTE)	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget
Administration and Finance	4	4	4	4	4
Total Administration Department	4	4	4	4	4

ACTIVITY MEASURES

*Projected through the end of the fiscal year

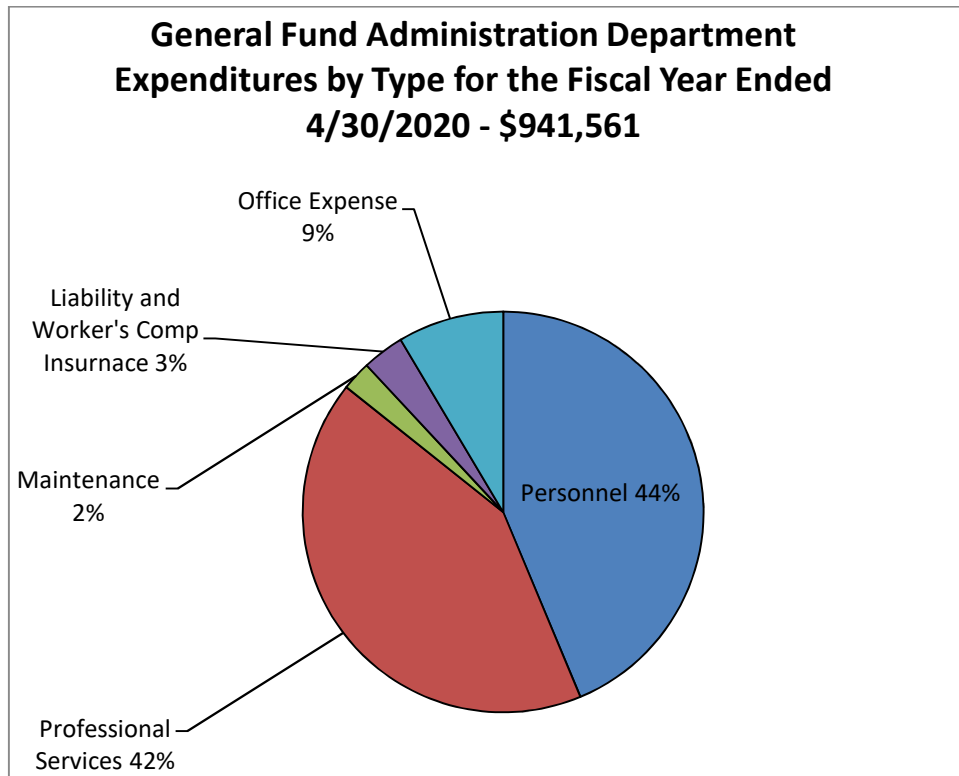
Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*
Accounts Payable Checks Processed	2,157	2,044	2,045	1,979	1,966
Liquor Licenses Issued	23	25	26	28	25
Total Building Permits issued	216	226	188	173	102
Single Family Homes	79	78	62	40	29
Duplexes	8	14	8	3	-
Apartments	1	-	4	5	6
Commercial	1	9	7	8	3
Additions	5	7	2	6	3
Remodel, Alteration or Repair	35	27	20	25	8
Garages, Sheds, Pool Houses	7	6	5	4	4
Fences	65	66	52	59	35
Pools	9	6	16	10	7
Sprinkler Systems	6	13	12	13	7

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
ADMINISTRATION DEPARTMENT**

BUDGET SNAPSHOT

Expenditure Type	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Personnel	\$311,381	\$319,129	\$373,950	\$351,558	\$410,600
Professional Services	332,352	376,349	382,911	293,026	396,161
Maintenance	22,552	12,497	22,226	17,185	22,226
Office Expense	61,818	46,374	80,474	57,007	80,474
Equipment and Supplies	-	7,923	-	-	-
Liability and Worker's Comp Insurance	29,516	28,291	29,780	28,474	32,100
Administration Department Total	\$757,619	\$790,563	\$889,341	\$747,250	\$941,561

The largest expense category of the Administration Department is personnel cost. 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.



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. The Village also hires part-time staff in the summer to assist with maintenance of the Parks and Cemeteries. Buildings and grounds maintenance costs are also included in the Department costs for contractual services related to grave digging and weed control.

BUDGET HIGHLIGHTS AND ONGOING AND NEW PROJECT INITIATIVES FISCAL YEAR 2020 CEMETERY DEPARTMENT BUDGET

- An increase in maintenance contractual services due to an increase in grave-digging contractor fees.

STAFFING LEVELS

Full-time Equivalents (FTE)	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget
Full-time Parks and Recreation Staff	.20	.20	.20	.20	.20
Part-time Parks and Recreation Staff	.15	.15	.15	.15	.15
Total Cemetery Department	.35	.35	.35	.35	.35

ACTIVITY MEASURES

*Projected through the end of the fiscal year

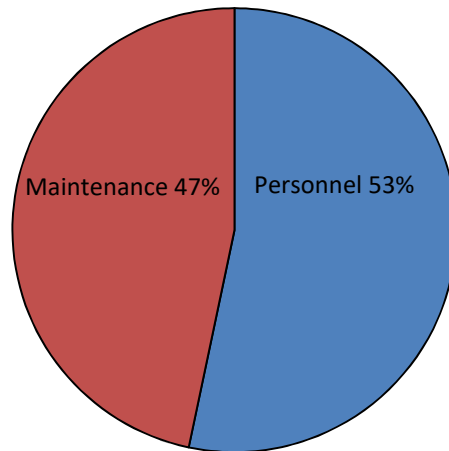
Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*
Number of Grave Openings	46	29	30	35	35
Number of Cornerstone Sales	23	12	20	13	9

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
CEMETERY DEPARTMENT**

BUDGET SNAPSHOT

Expenditure Type	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Personnel	\$30,312	\$19,139	\$19,210	\$16,548	\$21,060
Maintenance	11,405	11,545	14,445	12,755	18,445
Cemetery Department Total	\$41,717	\$30,684	\$33,655	\$29,303	\$39,505

**General Fund Cemetery Department Expenditures by
Type for the Fiscal Year Ended 4/30/2020 - \$39,505**



PARKS AND RECREATION DEPARTMENT

Description

The Village through the Chatham Parks and Recreation Department seeks to establish, maintain and enhance the community's park settings and recreational opportunities. The Village currently has 5 parks it maintains. Included are South Park located on South Main, Jaycee Park located on East Walnut, West Park on Downing Drive, Village Square Park on Route 4 and Covered Bridge Park on Covered Bridge Road. A sixth passive park is in the development stage and will be located off of Prairie Vista Drive



BUDGET HIGHLIGHTS AND ONGOING AND NEW PROJECT INITIATIVES FISCAL YEAR 2020 PARKS AND RECREATION DEPARTMENT BUDGET

- Purchase of two Super Z 72" mowers
- Engineering costs for completion of the Chatham Parks Master Plan in the amount of \$19,500, the plan will help the Village pursue grants to fund park development projects
- Includes \$23,846 to pay Recreation Program vendors
- Transfer to Capital Projects Fund of \$49,740 for the project of converting 3 tennis courts to 8 pickle ball courts, half of the costs will be paid with donations from community organizations
- Implementation of a new park reservation software

STAFFING LEVELS

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.

Full-time Equivalents (FTE)	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget
Full-time Parks and Recreation Staff	3	3	3	3	3
Part-time Parks and Recreation Staff	1.4	1.4	1.4	1.4	1.4
Total Parks and Recreation Department	4.4	4.4	4.4	4.4	4.4

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
PARKS AND RECREATION DEPARTMENT**

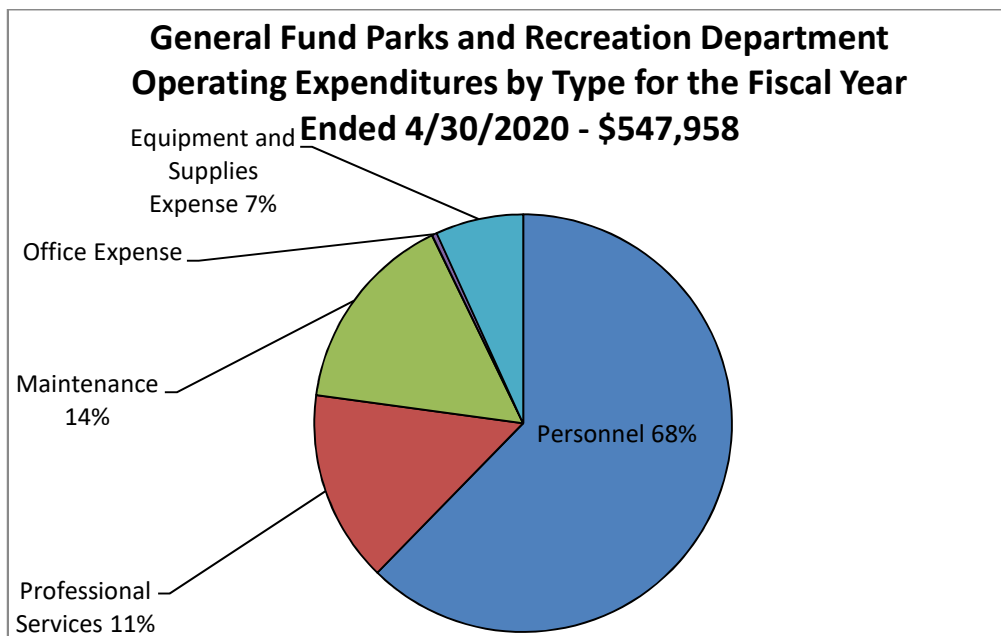
ACTIVITY MEASURES

*Projected through the end of the fiscal year

Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*
Number of Paid Park Reservations	21	30	22	33	21
Number of Recreation Registrations Paid	338	269	301	268	209

BUDGET SNAPSHOT

Expenditure Type	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Personnel	\$302,076	\$316,221	\$357,860	\$319,508	\$373,740
Professional Services	38,227	37,556	81,746	33,675	61,746
Maintenance	62,631	71,013	73,214	78,591	73,214
Office Expense	1,563	1,673	1,873	1,999	1,873
Equipment and Supplies	52,054	4,931	35,885	33,346	37,385
Parks and Recreation Department Total	\$456,551	\$431,394	\$550,578	\$467,119	\$547,958



STREET DEPARTMENT



The Street Department is responsible for the operation, maintenance and improvement of the Village's roadways and providing safe, reliable and efficient delivery of public services. The Department is also responsible for maintenance of traffic and street signage as well as snow and ice removal.

BUDGET HIGHLIGHTS AND ONGOING AND NEW PROJECT INITIATIVES FISCAL YEAR 2020 STREETS DEPARTMENT BUDGET

- Utilize staff to complete patching of streets and repairing sidewalks
- Hire an additional maintainer to work on street maintenance

STAFFING LEVELS

The budget includes 90% of personnel costs related to six 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.

Full-time Equivalents (FTE)	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget
Street Department	5	5	5	5	6
Total Street Department	5	5	5	5	6

ACTIVITY MEASURES

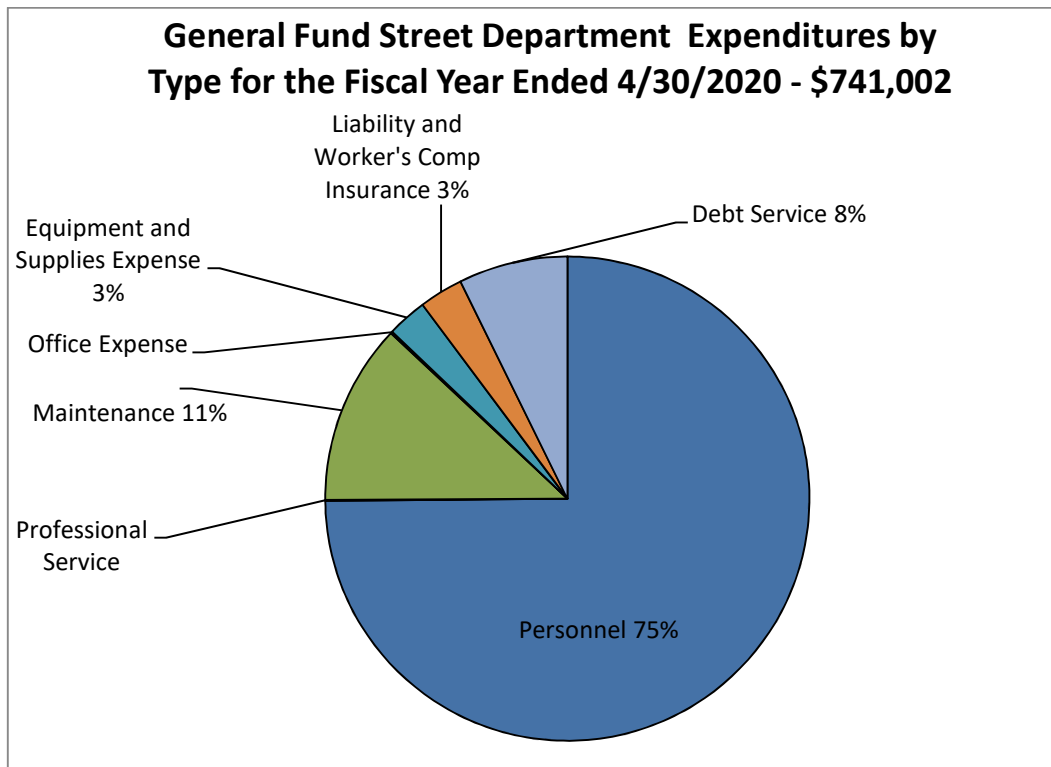
*Projected through the end of the fiscal year

Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*
Street Salting (Tons)	200	219	205	209	246
Streets Maintained (Miles)	74.38	74.63	76.17	78.21	79.42
Storm Sewer Maintained (Miles)	54.78	55.07	55.50	56.65	57.37

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
STREET DEPARTMENT**

BUDGET SNAPSHOT

Expenditure Type	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Personnel	\$337,750	\$364,173	\$404,400	\$327,599	\$554,800
Professional Services	-	-	500	476	500
Maintenance	61,510	110,047	115,026	98,205	81,084
Office Expense	710	575	1,011	667	1,011
Equipment and Supplies	54,091	22,087	24,507	12,345	21,507
Liability and Worker's Comp Insurance	20,654	21,758	26,850	26,218	23,600
Debt Service	62,907	58,148	58,550	58,444	58,500
Street Department Total	\$537,622	\$576,788	\$630,844	\$523,954	\$741,002



POLICE DEPARTMENT

The Police Department delivers a wide variety of law enforcement services to the community providing calls for service 24 hours a day, 7 days a week, 365 days a year. The Police budget provides for uniformed patrol, criminal investigations, traffic law enforcement, motor vehicle crash investigations, training, community relations activities, crime prevention programs, and school safety programs.



BUDGET HIGHLIGHTS AND ONGOING AND NEW PROJECT INITIATIVES FISCAL YEAR 2020 POLICE DEPARTMENT BUDGET

- Purchases of equipment from Police Department restricted cash \$56,179 including the purchase of a police vehicle carried forward from fiscal year 2019
- Purchase of a second police vehicle in the amount of \$40,000 from the fiscal year 2020 budget to retire older vehicles in the police vehicle fleet
- Evaluate the need to fill the existing vacancies based on review of performance audit results
- Continue with the Department's mission of making a positive impact in the Chatham community with the various programs about safety and crime prevention, including the annual bicycle rodeo for kids, the "Cops N' Cones" event at a local ice cream shop, and an annual food drive to raise food supplies for Chatham's local food pantry
- Continue participating in the Illinois Department of Transportation's traffic safety grant program, which funds staff hours for traffic safety stops during designated enforcement campaign dates.
- Utilize existing communication tools (website and Facebook) as part of a well-rounded outreach campaign on timely and important issues

STAFFING LEVELS

The 2020 budget includes 16 sworn police officer positions and 6 dispatch positions; however the staffing level of sworn officers could be adjusted down to 15 or 14 dependent upon the performance audit results. 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.

Full-time Equivalents (FTE)	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget
Sworn Officers	16	14	16	14	16
Dispatchers	6	6	6	6	6
Other support positions	.4	.4	.4	.4	.4
Total Cemetery Department	22.4	20.4	22.4	20.4	22.4

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
POLICE DEPARTMENT**

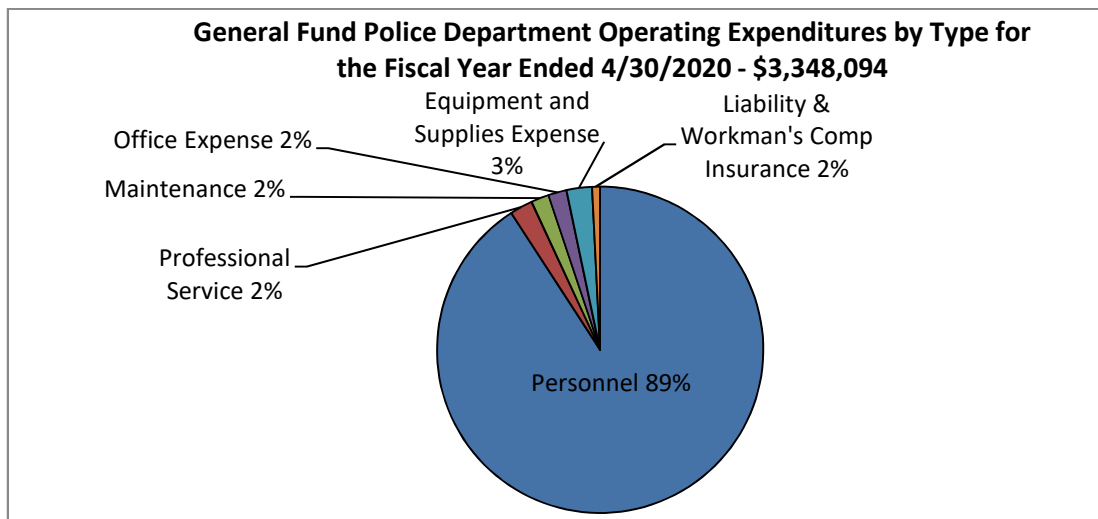
ACTIVITY MEASURES

Information presented on a calendar year basis

Measure	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Calls for Service	7374	7536	7786	9153	9841
Traffic Violations					
Citations Issued	1548	1402	1261	1381	1278
Written Warnings Issued	2278	1441	1239	1398	1277
Index Crimes	105	111	87	117	100
Index Crime and Drug Arrests	118	101	93	24	17

BUDGET SNAPSHOT

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Personnel	\$2,407,435	\$2,507,367	\$2,784,362	\$2,549,367	\$3,004,385
Professional Services	67,935	19,810	67,067	25,706	75,425
Maintenance	38,143	47,799	61,825	51,028	58,325
Office Expense	46,483	59,981	58,685	56,395	59,958
Equipment and Supplies	68,200	73,776	85,884	77,423	123,384
Liability and Worker's Comp Insurance	83,370	50,318	21,692	15,812	26,617
Police Department Total	\$2,711,566	\$2,759,051	\$3,079,515	\$2,775,731	\$3,348,094





ELECTRIC FUND

FISCAL YEAR 2020

BUDGET

ELECTRIC DEPARTMENT

DEPARTMENT SUMMARY



The Electric Fund is the larger of the Village of Chatham's two proprietary funds. The Electric Department is the only department within the Village's Electric Fund. The Department provides the residents and businesses of Chatham with reliable and economic service. Reliability includes ensuring adequate power supplies to meet current and projected demand, improving the infrastructure to deliver the power as needed and providing uninterrupted service.

Electric Department personnel continuously monitor, inspect, maintain and coordinate the improvement of the electric infrastructure to ensure that the system is functioning efficiently and that services are properly metered.

BUDGET HIGHLIGHTS AND ONGOING AND NEW PROJECT INITIATIVES FISCAL YEAR 2020 ELECTRIC FUND BUDGET

- Electric rates are projected to remain the same
- The Village purchases electricity from the Illinois Municipal Electric Agency, they have projected that the Village of Chatham's average cost of Mills/kWh will remain the same or be slightly lower
- The Electric Fund will be hiring a lineman to replace the open lineman position in the Department.
- An additional 1st year apprentice position has been added to plan for future department retirements
- Continue installing new service connections and replace existing meters with fixed network meters
- Continue replacing overhead electric lines with underground service
- As the existing electric distribution system approaches peak capacity consider fusing coordination of a new overhead three-phase line running down Route 4 and west on Mansion Road and adding an additional transformer to the Independence substation
- Carryforward from Fiscal Year 2019 is the purchase of a new vehicle, purchase price estimated at \$38,000
- Purchase a small truck for \$14,000 from the Fiscal Year 2020 budget to replace a 15 year old Electric Department vehicle
- Purchase a new line truck valued at \$240,000 through a capital lease
- Purchase of 3 warning sirens for \$75,000 part of which will be paid for by a \$50,000 grant from DCEO

STAFFING LEVELS

Full-time Equivalents (FTE)	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget
Administration and Finance	3	3	3	3	3
Transmission & Distribution	8	8	8	8	9
Total Electric Fund	11	11	11	11	12

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
ELECTRIC FUND**

ACTIVITY MEASURES

*Projected through the end of the fiscal year

Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*
Electric Customers	5,433	5,496	5,622	5748	5,877
Kilowatt hours provided to customers	75,891,180	75,857,545	76,897,052	77,091,817	81,460,853
Meters installed for new service	122	99	111	156	131
Meters replaced	24	49	22	57	49
Miles of Primary Underground Electric Lines Installed	1.70	2.03	2.76	1.77	2.07
Miles of Secondary Underground Electric Lines Installed	2.03	0.48	2.76	1.77	1.76

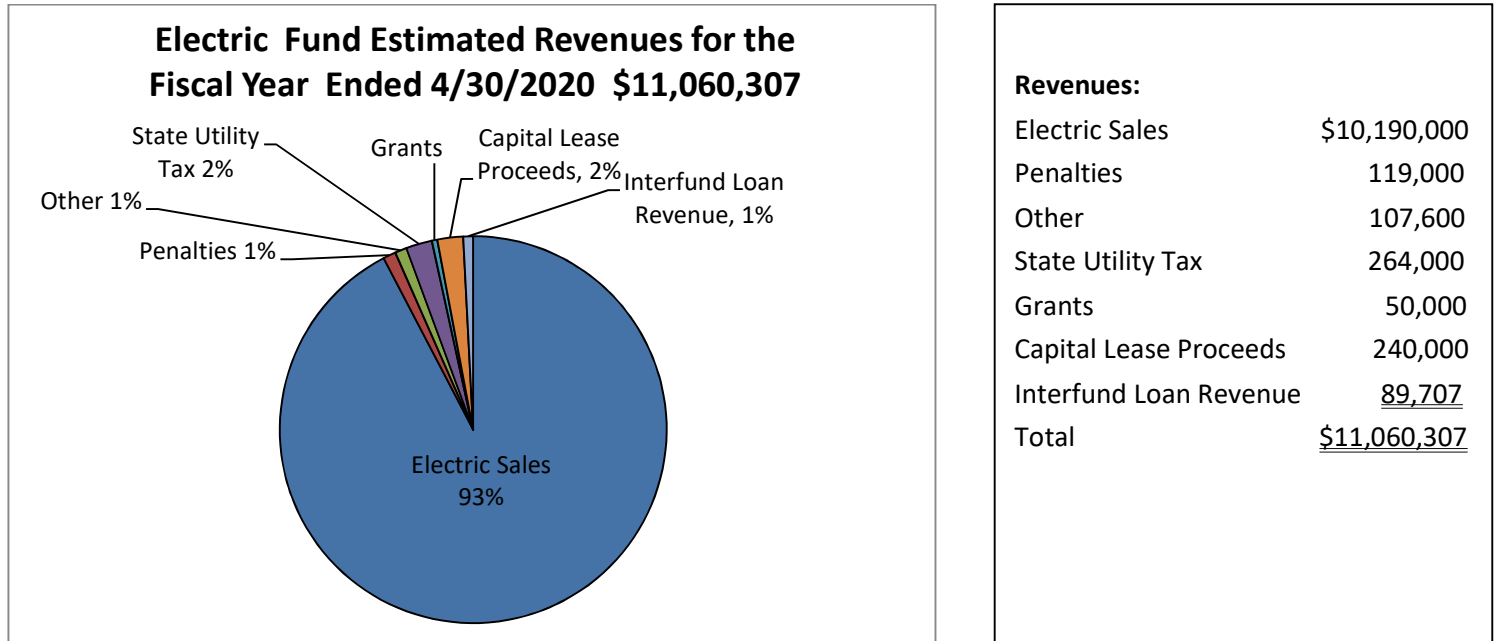
BUDGET SNAPSHOT

Expenditure Type	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Personnel	\$1,426,008	\$1,410,345	\$1,458,690	\$ 1,364,361	\$1,688,740
Services & Charges	628,948	634,063	715,928	630,127	838,078
Supplies	14,557	16,311	24,600	22,581	18,600
Electric Purchases	6,477,381	6,721,366	7,062,400	6,907,740	7,133,000
State Excise Tax	243,170	245,934	277,000	256,861	264,000
Capital Expenditures	675,232	688,558	794,410	607,170	965,900
Debt Service	343,894	348,421	358,000	357,555	353,000
Electric Fund Total	\$9,809,190	\$10,064,998	\$10,691,028	\$10,146,395	\$11,261,318

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
ELECTRIC FUND**

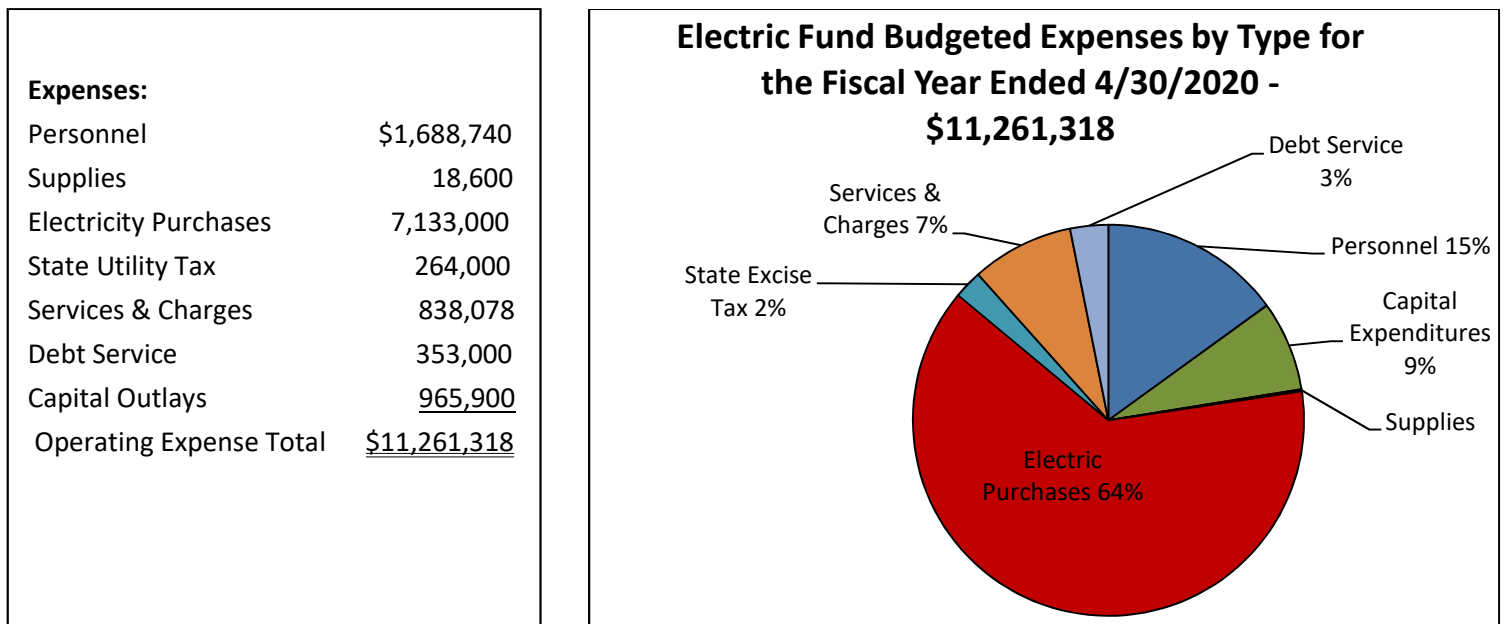
**Budget and Fund Analysis
Revenue**

The following chart shows the breakdown of Electric Fund Estimated Revenues by Type.



Expenses by Type Summary

The following chart shows the proposed Electric Fund Budget by Expense Type.

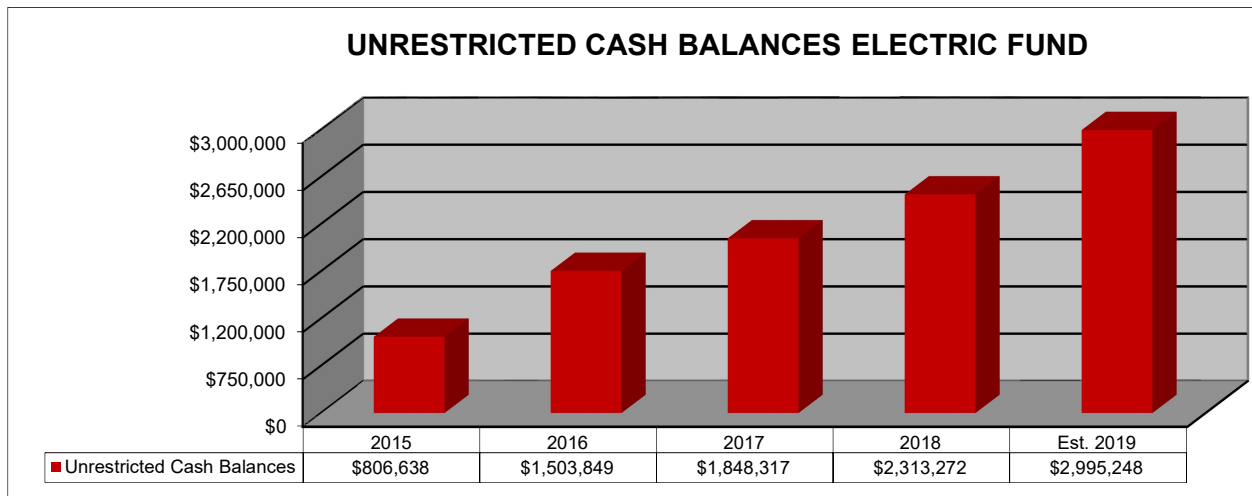


**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
ELECTRIC FUND - Continued**

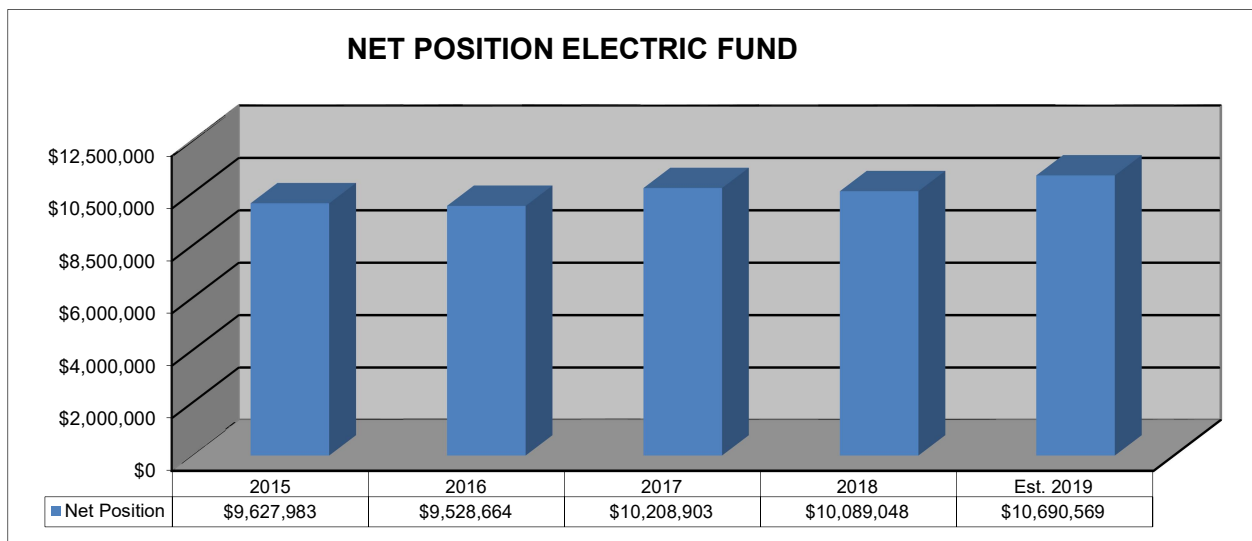
Unrestricted Cash and Net Position

The Village's financial policies recommend that the Village will strive to maintain cash balances of a minimum of 17% to 25% of the total annual budgeted expenses of each enterprise fund. Electric Fund's Fiscal Year 2020 budget includes the utilization of cash reserves if necessary for projects carried forward from prior periods as well as an amount budgeted for potential payouts related employee accrued time and other benefits. The amount included in the Fiscal Year 2020 budget for these items is \$201,810.

The following is a graph of unrestricted cash on hand at April 30th for the last 4 years and the estimated balance at April 30, 2019. The Village's policies recommend that the Electric Fund should maintain an unrestricted cash balance of two to three months total budgeted annual expenses of the most recently approved budget. For the fiscal year 2020 budget this would equate to a cash balance between \$1,876,886 and \$2,815,329.



The difference between assets and deferred outflows and liabilities and deferred inflows as reported in the Government-wide financial Statement of the Comprehensive Annual Financial Report. The Electric Fund's net position is projected to increase for fiscal year 2019.



VILLAGE OF CHATHAM
ELECTRIC FUND 600
FUND SUMMARY

		2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
Description	Revenue Type	Actual	Actual	Budget Amended as of January	Estimated Actual	Requested/ Proposed
REVENUES	Revenue Type					
Electric Sales	Electric Sales	\$ 9,420,455	\$ 9,507,176	\$ 9,768,000	\$ 10,120,030	\$ 10,190,000
Penalties	Penalties	101,346	108,058	110,000	116,936	119,000
Interest	Other	5,203	6,450	6,500	20,900	20,100
Reimbursement of Expense	Other	16,250	14,675	14,000	18,357	17,500
Miscellaneous Revenue	Other	115,061	39,909	77,000	45,181	70,000
Development Fees	Development Fees	244,230	245,150	68,400	37,678	-
Other Grants	Other	-	-	-	-	50,000
Capital Lease Proceeds	Capital Lease Proceeds	-	-	140,310	140,310	240,000
Utility Tax Collected	State Utility Tax	247,299	248,577	255,000	260,326	264,000
Interfund Loan Revenue		-	-	89,707	89,707	89,707
TOTAL REVENUES		<u>10,149,844</u>	<u>10,169,995</u>	<u>10,528,917</u>	<u>10,849,425</u>	<u>11,060,307</u>
EXPENSES	Expenditure Type					
Electric Fund						
Employee Salaries	Personnel	946,283	966,358	1,085,640	1,008,889	1,261,640
Other Payroll Expense	Personnel	479,726	443,987	373,050	355,472	427,100
Travel & Training	Services & Charges	8,147	6,158	11,000	5,010	11,000
Audit	Services & Charges	10,600	12,150	12,200	12,150	12,500
Buildings & Grounds Maintenance	Services & Charges	141,186	133,952	124,488	109,853	164,488
Vehicle & Equipment Maintenance	Services & Charges	44,728	42,358	49,000	40,062	49,000
Office Expense	Services & Charges	92,843	100,753	138,150	117,434	98,650
IT	Services & Charges	25,801	22,903	51,940	29,540	51,940
General Insurance	Services & Charges	81,299	87,025	87,650	87,601	94,000
Equipment purchase	Capital	197,695	58,426	225,410	213,490	505,900
Uniforms & Supplies	Supplies	14,557	15,758	22,600	21,344	16,600
Street Maintenance	Supplies	-	553	2,000	1,237	2,000
Construction Expense	Capital	356,824	380,892	389,000	258,627	300,000
Meter and Transformer Expense	Capital	120,713	249,240	180,000	135,053	160,000
IMEA Electric Expense	Electric Purchases	6,477,380	6,721,366	7,062,400	6,907,740	7,133,000
Utility Tax Expense	State Excise Tax	243,170	245,934	277,000	256,861	264,000
Debt Service	Debt Services	343,894	348,421	358,000	357,555	353,000
Refunds	Services & Charges	230	290	500	-	500
Bad Debt Expense	Services & Charges	23,914	23,474	35,000	22,477	35,000
General Fund Administration Fee	Services & Charges	<u>200,200</u>	<u>205,000</u>	<u>206,000</u>	<u>206,000</u>	<u>321,000</u>
EXPENDITURES TOTALS:		<u>9,809,190</u>	<u>10,064,998</u>	<u>10,691,028</u>	<u>10,146,395</u>	<u>11,261,318</u>
Electric Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:		340,654	104,997	(162,111)	703,030	(201,011)
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Use of Cash on Hand to pay costs related to accrued benefits		-	-	175,000	-	192,000
Use of Development Fees collected In prior year for Village's share of grant costs		-	-	-	-	<u>9,810</u>
SUBTOTAL		-	-	175,000	-	201,810
OPERATING BUDGET SURPLUS/(DEFICIT)		\$ 340,654	\$ 104,997	\$ 12,889	\$ 703,030	\$ 799



WATER AND SEWER FUND FUND FISCAL YEAR 2020 BUDGET

WATER AND SEWER DEPARTMENT

DEPARTMENT SUMMARY



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 5,900 Water customers and 5,700 Sewer customers. The Water and Sewer Department ensures the adequate and continuous non-interrupted flow of quality water for residential, commercial, and firefighting purposes, and ensures adequate and continuous non-interrupted flow of sanitary material for conveyance through the Village's sewer system to the Sangamon County Water Reclamation District.

Water and Sewer Department personnel continuously monitor, inspect, maintain and coordinate the improvement of the water distribution system to identify leaks and to ensure usage is properly metered. The Department personnel also monitors, maintains and coordinates improvements to the sanitary sewer system

BUDGET HIGHLIGHTS AND ONGOING AND NEW PROJECT INITIATIVES FISCAL YEAR 2020 WATER AND SEWER FUND BUDGET

- Pass along the rate increases from the South Sangamon Water Commission resulting in a total increase to the water consumption charge of an additional \$.14 per 1000 gallons. The Village purchases water from the South Sangamon Water Commission, the Village of Chatham's rate will increase \$.14 per 1000 gallons to a cost of \$9.28 per 1000 gallons effective June 1, 2019.
- The Water and Sewer Fund plans to continue with the water main flushing program. During fiscal year 2020, the Department plans to flush a quarter of the Village's water main.
- Continue installing new service connections and replace existing meters with fixed network meters
- Continue with plans to make infrastructure improvements to the Village's water mains to increase water pressure and availability by looping the water lines in several locations such as Goldenrod from South Main Street to Illinois Route 4, along Mansion Road and from Covered Bridge to Old Indian Trail.
- Pay to General Fund a Utility Administration Fee. Fee is calculated at 2% of Estimated Revenues
- Capital lease purchase of a mini excavator in the amount of \$44,335
- Purchase of an equipment trailer for \$10,800
- Installation of a booster pump at the pump house \$75,508 carried forward from FY 2019
- Upgrade the SCADA for Windows 10 compatibility

STAFFING LEVELS

Full-time Equivalents (FTE)	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget
Administration and Finance	3	3	4	4	4
Transmission & Distribution	5	5	5	5	6
Total Water and Sewer Fund	8	8	9	9	10

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
WATER AND SEWER FUND**

ACTIVITY MEASURES

*Projected through the end of the fiscal year

Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*
Water Customers	5441	5522	5630	5757	5894
Sewer Customers	5,184	5,265	5,387	5513	5,649
Gallons of Water Supplied to Customers	276,099,100	278,235,000	281,997,700	286,688,900	291,726,800
Meters Installed for New Service	152	123	102	193	148
Meters Replaced	349	379	689	575	589
Miles of Water Main Added to System	1.07	.32	3.56	2.56	1.88
Miles of Sanitary Sewer Added to System	1.07	0.23	1.15	1.66	1.03

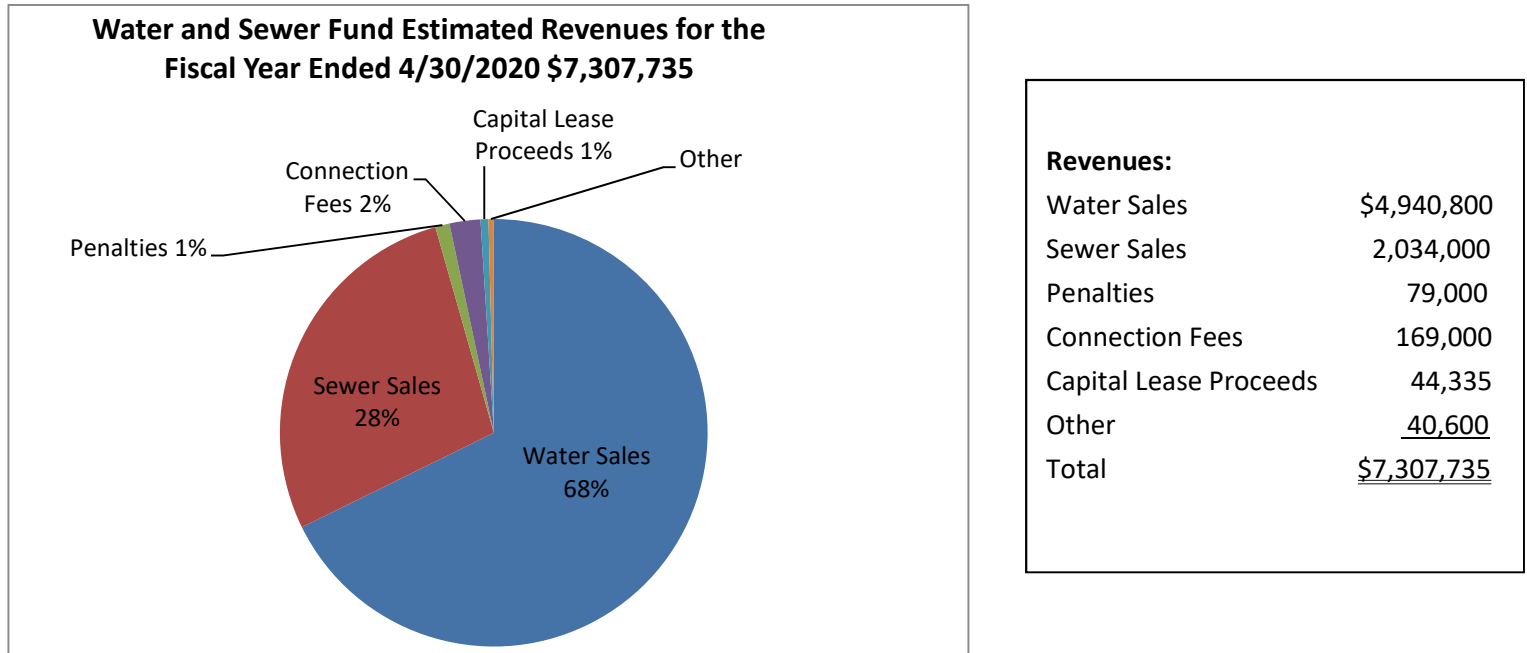
BUDGET SNAPSHOT

Expenditure Type	2016-2017 Actual	2017-2018 Actual	2018-2019 Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Personnel	\$ 735,274	\$ 833,130	\$ 973,489	\$ 893,366	\$ 1,119,329
Services & Charges	460,505	326,168	752,338	643,283	655,638
Supplies	24,027	38,422	48,900	41,507	46,900
Water Purchases	2,390,807	2,957,738	3,283,000	3,197,413	3,520,000
Sewer Purchases	1,246,371	1,245,198	1,286,000	1,248,276	1,312,000
Capital Expenditures	427,950	772,921	1,549,700	1,470,379	529,993
Debt Service	152,028	153,586	190,800	159,748	298,419
Interfund Loan Payment	-	-	89,707	89,707	89,707
Water and Sewer Fund Total	\$ 5,436,962	\$ 6,327,163	\$ 8,173,934	\$ 7,743,679	\$ 7,571,986

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
WATER AND SEWER FUND**

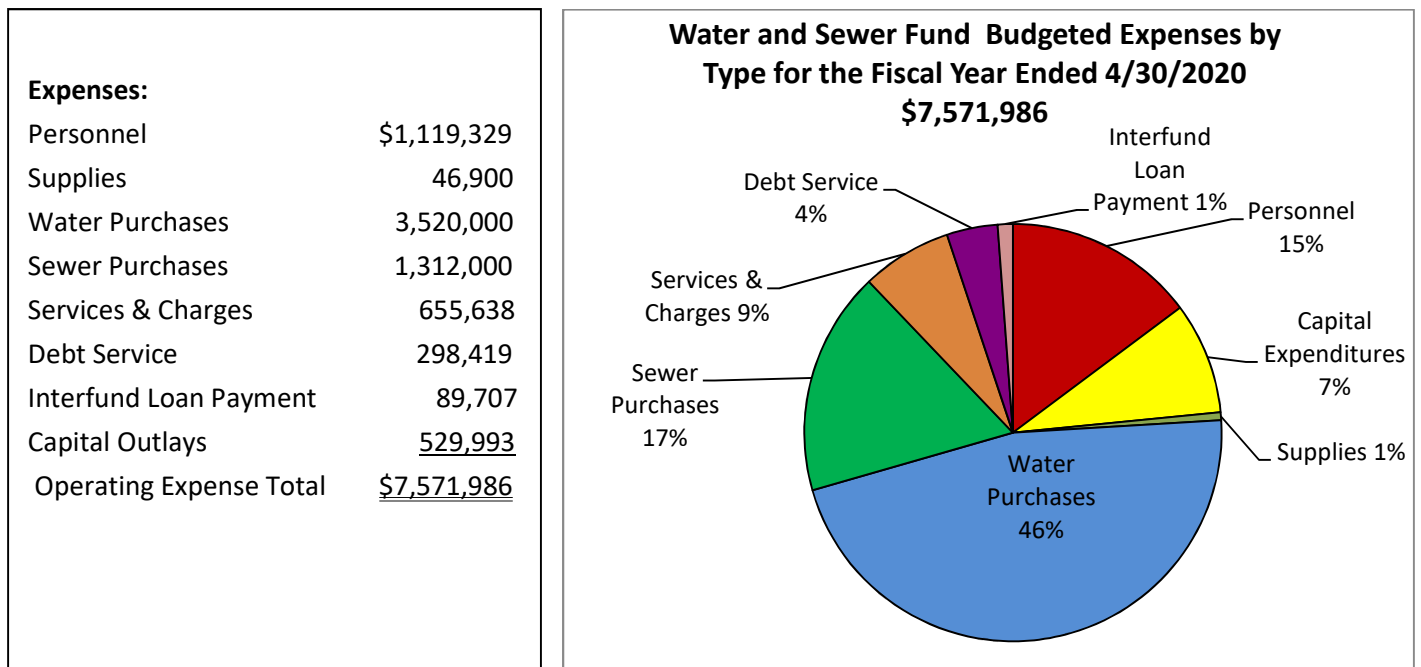
**Budget and Fund Analysis
Revenue**

The following chart shows the breakdown of Water and Sewer Fund Estimated Revenues by Type.



Expenses by Type Summary

The following chart shows the proposed Water and Sewer Fund Budget by Expenses Type

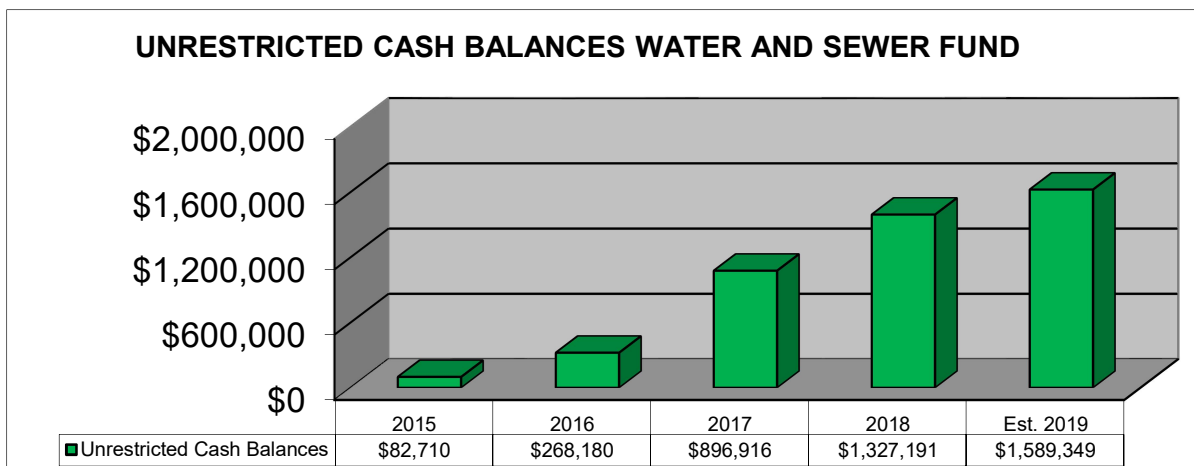


**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
WATER AND SEWER FUND – Continued**

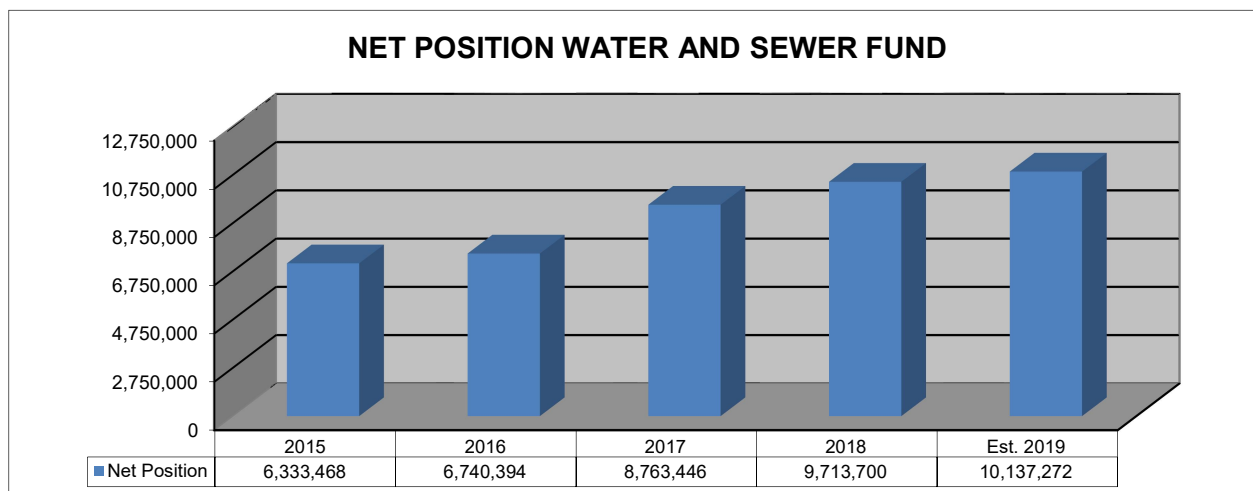
Unrestricted Cash and Net Position

The Village's financial policies recommend that the Village will strive to maintain cash balances of a minimum of 17% to 25% of the total annual budgeted expenses of each enterprise fund. The Water and Sewer Fund's Fiscal Year 2020 budget includes the utilization of cash reserves if necessary for projects carried forward from prior periods as well as an amount budgeted for potential payouts related employee accrued time and other benefits. The amount included in the Fiscal Year 2020 budget for these items is \$266,215.

The following is a graph of unrestricted cash on hand at April 30th for the last 4 years and the estimated balance at April 30, 2019. The Village's policies recommend that the Water and Sewer Fund should maintain an unrestricted cash balance of two to three months total budgeted annual expenses of the most recently approved budget. For fiscal year 2020 this would equate to a cash balance between \$1,261,998 and \$1,892,997.



The difference between assets and deferred outflows and liabilities and deferred inflows as reported in the Government-wide financial Statement of the Comprehensive Annual Financial Report. The Water and Sewer Fund's net position has grown each year and is projected to increase for fiscal year 2019.



**VILLAGE OF CHATHAM
WATER AND SEWER FUND 700
FUND SUMMARY**

		2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
Description		Actual	Actual	Budget as Amended April 2019	Estimated Actual	Requested/ Proposed
REVENUES	Revenue Type					
Water Sales	Water Sales	\$3,912,596	\$4,342,934	\$ 4,743,500	\$ 4,657,265	\$ 4,937,000
Bulk Water Sales	Water Sales	2,545	5,721	6,800	3,158	3,800
Sewer Income	Sewer Sales	1,868,188	1,921,450	1,994,000	1,925,041	2,034,000
Penalties	Penalties	67,564	72,038	73,500	77,957	79,000
Interest	Other	1,673	3,711	3,700	11,178	10,600
Sales of Services	Connection Fees	176,675	156,400	145,000	148,100	169,000
Miscellaneous Revenue	Other	26,022	63,281	18,000	99,994	30,000
Capital Lease Proceeds	Loan Proceeds	-	-	-	-	44,335
Loan Proceeds	Loan Proceeds	-	-	1,112,800	1,112,800	-
TOTAL REVENUES		<u>6,055,263</u>	<u>6,565,535</u>	<u>8,097,300</u>	<u>8,035,493</u>	<u>7,307,735</u>
EXPENSES	Expenditure Type					
Employee Salaries	Personnel	513,229	543,248	677,460	641,231	820,900
Other Payroll Expense	Personnel	222,045	289,882	296,029	252,135	298,429
Travel & Training	Services & Charges	1,980	1,885	6,250	2,384	6,250
Legal Expenses	Services & Charges	33,291	-	-	-	-
Professional services	Services & Charges	154,633	54,533	361,500	311,135	97,000
Audit & Accounting	Services & Charges	10,600	12,150	12,200	12,150	12,500
Buildings & Grounds Maintenance	Services & Charges	73,930	72,864	136,588	116,885	128,588
Vehicle & Equipment Maintenance	Services & Charges	45,637	30,043	38,700	37,551	38,700
Office Expense	Services & Charges	33,989	35,923	46,100	38,850	79,400
IT	Services & Charges	23,308	25,029	44,500	30,340	44,500
General Insurance	Services & Charges	34,198	36,973	39,800	38,800	41,000
Equipment purchase	Capital	115,798	118,132	91,900	88,305	144,485
Uniforms & Supplies	Supplies	15,584	23,332	31,900	26,507	29,900
Street Maintenance	Supplies	8,443	15,090	17,000	15,000	17,000
Construction Expense	Capital	187,223	387,574	1,295,800	1,240,972	239,508
Meter Expense	Capital	124,929	267,215	162,000	141,102	146,000
Water Expense	Water Purchases	2,390,807	2,957,738	3,283,000	3,197,413	3,520,000
Sewer Expense	Sewer Purchases	1,246,371	1,245,198	1,286,000	1,248,276	1,312,000
Electric expense	Services & Charges	33,477	37,161	43,000	36,267	43,000
Debt Service	Debt Service	152,028	153,586	190,800	159,748	298,419
General Fund Administration Fee	Services Charges	-	-	-	-	145,000
Interfund Loan Payment	Interfund Loan Payment	-	-	89,707	89,707	89,707
Refunds	Services & Charges	2,300	1,437	2,700	-	2,700
Bad Debt Expense	Services & Charges	<u>13,162</u>	<u>18,170</u>	<u>21,000</u>	<u>18,921</u>	<u>17,000</u>
EXPENSE TOTALS:		<u>5,436,962</u>	<u>6,327,163</u>	<u>8,173,934</u>	<u>7,743,679</u>	<u>7,571,986</u>
Water and Sewer Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts & Interfund Loan Payments		618,301	238,372	(76,634)	291,814	(264,251)
EXPENSES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Use of Cash on Hand for Interfund Loan Payment				89,707	89,707	89,707
Carryforward from of expenditures from prior fiscal year						75,508
Use of Cash on Hand to pay costs related to accrued benefits		-	-	<u>72,000</u>	-	<u>101,000</u>
SUBTOTAL		<u>-</u>	<u>-</u>	<u>161,707</u>	<u>-</u>	<u>266,215</u>
OPERATING BUDGET SURPLUS/(DEFICIT)		<u>\$ 618,301</u>	<u>\$ 238,372</u>	<u>\$ 85,070</u>	<u>\$ 381,521</u>	<u>\$ 1,964</u>

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 2020 BUDGET

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

BUDGET SNAPSHOT

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Revenues	\$764,227	\$313	\$500,000	\$449,760	\$101,340
Expenditures	\$763,927	\$72,525	\$600,000	\$500,492	\$101,340
Fund Balance *	\$162,846	\$90,634	\$(9,366)	\$39,902	\$39,902

*Fiscal Year 2019 and 2020 Budget and 2019 Actual Fund Balance Estimated

Objectives for the Capital Projects Fund for the Fiscal Year ended April 30, 2020

- Complete resurfacing of Park Street from Walnut to Plummer Blvd to be funded with the Series 2017 General Obligation Bonds and Motor Fuel Tax. Capital Projects Fund share of project remaining is \$51,600
- Conversion of three tennis courts into pickle ball courts \$49,740

VILLAGE OF CHATHAM CAPITAL PROJECTS FUND 110 FISCAL YEAR 2020 BUDGET DETAIL BY ACCOUNT

		2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Requested/ Proposed
Description						
REVENUES	Revenue Type					
Interest Income	Other	\$ 300	\$ 313	\$ -	\$ 412	\$ -
Federal Grants - IDOT	Grants	-	-	-	-	-
Transfer from General Fund	Transfers	-	-	500,000	449,348	101,340
Transfer from TIF	Transfers	763,927	-	-	-	-
TOTAL REVENUES		764,227	313	500,000	449,760	101,340
EXPENDITURES	Expenditure Type					
Construction Expense - Parks Department	Capital	-	52,215	-	-	49,740
Construction Expense - Street Department	Capital	763,927	20,310	600,000	500,492	51,600
TOTAL EXPENDITURES		763,927	72,525	600,000	500,492	101,340
Capital Projects Fund		\$ 300	\$(72,212)	\$(100,000)	\$(50,732)	\$ -

YARD WASTE RECYCLING AND REFUSE FUND

DESCRIPTION

The Village has decided to contract out the services of leaf bag and branch pickup. The existing program was not allowing Street Department staff to devote enough time to street maintenance. The program will also include the Village annual clean-up and has been expanded to include street sweeping. In order to fund the program the existing \$2 a month Green Program Fee will be increased to \$4 a month. The Village is currently planning on supplying the labor for the leaf bag and branch pickup through July 15th and is planning to contract the services out after that. Due to the expansion of the program to include the service of street sweeping, the Yard Waste, Recycling and Refuse Fund budget will also include personal services costs for one employee for six month as well as a lease purchase of a new street sweeper.



BUDGET SNAPSHOT

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Revenues	\$137,835	\$140,938	\$139,900	\$145,905	\$395,420
Expenditures	\$98,217	\$89,291	\$228,418	\$182,494	\$422,733
Fund Balance *	\$276,606	\$328,253	\$239,735	\$291,664	\$264,351

*Fiscal Year 2019 and 2020 Budget and 2019 Actual Fund Balance Estimated

BUDGET HIGHLIGHTS AND OBJECTIVES FOR THE YARD WASTE, REFUSE AND RECYCLING FUND FOR THE FISCAL YEAR ENDED APRIL 30, 2020

- Increase monthly Green Program fee from \$2 a month to \$4 a month to cover annual costs of the program
- Budget includes the use of Village Labor for the first two and a half months of Fiscal Year 2020 as well as the salary and benefits of one Street Department employee for six months to perform street sweeping
- The Yard Waste Supplies and Services line item has been increased to allow for costs of contracting out costs of leaf pickup \$47,288 and branch pickup \$123,670
- Includes an estimate for a capital lease purchase of a street sweeper with a purchase price of \$130,000 and with an estimated annual lease payment of \$30,600

STAFFING LEVELS

15% of the personnel cost of the Street Departments five employees were allocated to the Yard Waste Recycling and Refuse Fund through Fiscal Year 2019. In Fiscal Year 2020 this allocation is reduced due to show costs for five Street Department staff for only the first two and a half months of the fiscal year plus one staff member for 6 months

Full-time Equivalents (FTE)	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Budget	FY 2019 Actuals	FY 2020 Budget
Street	1	1	1	1	.8
Total Streets Department	1	4	1	1	.8

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
YARD WASTE RECYCLING AND REFUSE FUND**

ACTIVITY MEASURES

*Projected through the end of the fiscal year

Measure	FY 2017	FY 2018	FY 2019*
Number of Dumpsters	36	39	30
Number of Yard Waste Bags Purchased	44,000	70,000	44,000

VILLAGE OF CHATHAM YARD WASTE, RECYCLING AND REFUSE FUND 120 FISCAL YEAR 2020 BUDGET DETAIL BY ACCOUNT							
		2016-2017		2017-2018		2018-2019	
Description		Actual		Actual		Budget Amended April 2019 Estimated Actual	Requested/ Proposed
REVENUES	Revenue Type						
Other Income	Other Income	\$ 1,659		\$ 1,654		\$ 1,900	\$ 3,620
Green Program Fee	Fees and Service Charges	136,176		139,284		138,000	261,800
Capital Lease Proceeds	Capital Lease Proceeds	-		-		-	130,000
TOTAL REVENUES		137,835		140,938		139,900	395,420
EXPENDITURES	Expenditure Type						
Street Department							
Employee Salaries	Personnel	40,977		42,639		99,090	49,700
Other Payroll Expense	Personnel	19,586		21,308		50,328	21,475
Clean-up Expense	Professional Services	11,175		11,100		12,000	12,000
Yard Waste Supplies and Services	Yard Waste Supplies and Services	14,080		13,780		42,000	177,958
Vehicle and Equipment Maintenance	Maintenance	-		-		24,000	-
Equipment purchase	Equipment and Supplies	11,933		-		-	160,600
Bad Debt Expense	Yard Waste Supplies and Services	466		464		1,000	1,000
TOTAL EXPENDITURES		98,217		89,291		228,418	422,733
Yard Waste, Recycling and Refuse Fund		\$ 39,618		\$ 51,647		\$ (88,518)	\$ (27,313)

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

BUDGET SNAPSHOT

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Revenues	\$83,079	\$46,466	\$77,500	\$45,954	\$114,635
Expenditures	\$91,144	\$49,026	\$77,500	\$38,567	\$109,576
Fund Balance *	\$6,619	\$4,059	\$4,059	\$11,446	\$16,505

*Fiscal Year 2019 and 2020 Budget and 2019 Actual Fund Balance Estimated

BUDGET HIGHLIGHTS AND OBJECTIVES FOR THE POLICE AND PUBLIC WORKS UTILITY TAX FUND FOR THE FISCAL YEAR ENDED APRIL 30, 2020

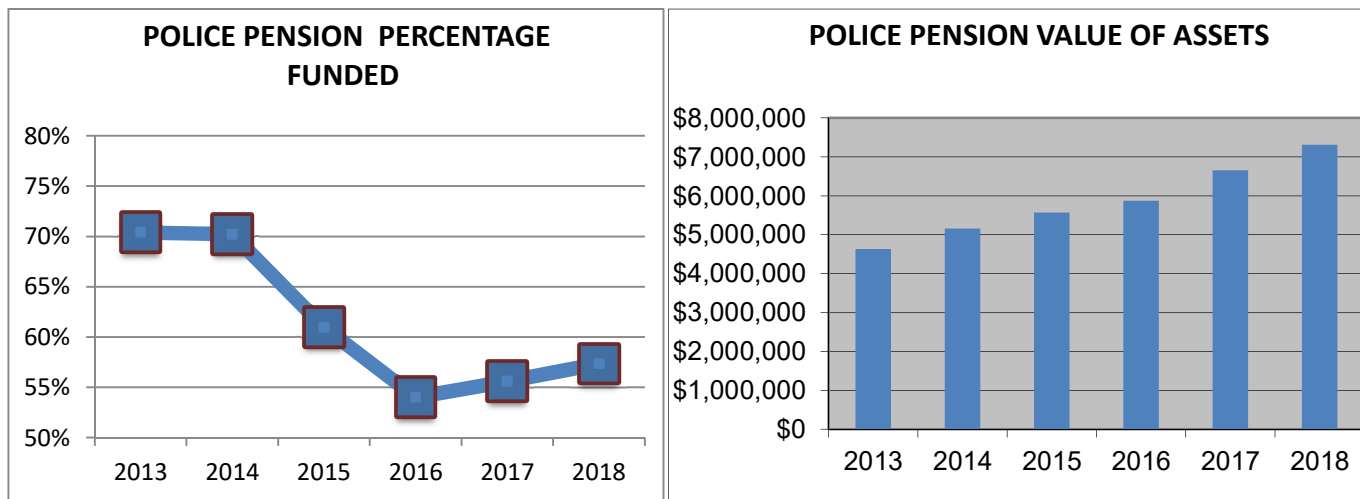
- The Street Department will utilize the Public Works share to continue to pay for a 2015 Dump Truck acquired through a capital lease purchase.
- The Police Department will acquire two additional police vehicles through capital leases; one purchase is being carried forward from Fiscal Year 2019 the other will occur when an existing lease obligation is paid off.

VILLAGE OF CHATHAM POLICE AND PUBLIC WORKS UTILITY TAX FUND 150 FISCAL YEAR 2020 BUDGET DETAIL BY ACCOUNT						
Description		2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Requested/ Proposed
REVENUES	Revenue Type					
Telecommunications Tax	Telecommunications Tax	\$ 50,069	\$ 46,465	\$ 47,500	\$ 45,945	\$ 47,500
Interest	Other	10	1	-	9	5
Capital Lease Proceeds	Capital Lease Proceeds	33,000	-	30,000	-	67,130
TOTAL REVENUES		83,079	46,466	77,500	45,954	114,635
EXPENDITURES	Expenditure Type					
Equipment purchase - Streets	Equipment	31,563	23,672	23,750	22,941	18,696
Equipment purchase - Police	Equipment	59,581	25,354	53,750	15,626	90,880
TOTAL EXPENDITURES		91,144	49,026	77,500	38,567	109,576
					-	
Police and Public Works Utility Tax Fund		\$ (8,065)	\$ (2,560)	\$ -	\$ 7,387	\$ 5,059

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. Rules and regulations of the fund are established by state statute. Resources are contributed by the police force members at a rate fixed at 9.91% 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 2018 the Police Pension Funding level is gradually increasing from 2016 when the funding level declined as a result of a low investment return combined with changes in actuarial assumptions.



BUDGET SNAPSHOT

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Revenues	\$1,115,282	\$1,028,208	\$965,807	\$1,090,325	\$1,114,385
Expenditures	\$336,393	\$364,837	\$965,807	\$464,843	\$1,114,385
Net Assets *	\$6,651,135	\$7,314,506	\$7,314,506	\$7,939,988	\$7,939,988

*Fiscal Year 2019 and 2020 Budget and 2019 Actual Net Assets Estimated

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2020
POLICE PENSION FUND**

VILLAGE OF CHATHAM POLICE PENSION FUND 300 FISCAL YEAR 2020 BUDGET DETAIL BY ACCOUNT						
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020	
Description	Actual	Actual	Budget Amended April 2019	Estimated Actual	Requested/ Proposed	
REVENUES						
Employer Contrib-Property Taxes	\$ 510,118	\$ 530,455	\$ 604,307	\$ 603,979	\$ 634,385	
Member Contributions	111,324	118,016	117,500	109,075	124,000	
Investment Income	493,840	379,738	244,000	377,271	356,000	
Total Revenues	1,115,282	1,028,209	965,807	1,090,325	1,114,385	
EXPENDITURES						
Reserved for Pol Pension Benefits	309,649	318,340	878,107	385,213	1,028,685	
Travel & Training	1,809	4,052	7,000	3,590	7,000	
Legal Expenses	7,200	7,200	7,200	7,200	7,200	
Professional services	2,500	2,500	2,500	2,500	2,500	
Office Expense	15,235	18,231	23,500	20,041	23,500	
Refunds	-	14,515	47,500	46,299	45,500	
Total Expenditures	336,393	364,838	965,807	464,843	1,114,385	
Police Pension Fund	\$ 778,889	\$ 663,371	\$ -	\$ 625,482	\$ -	

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 2020 are for potential lot sale refunds.

BUDGET SNAPSHOT

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Revenues	\$12,474	\$10,976	\$12,500	\$12,542	\$14,100
Expenditures	\$-	\$400	\$5,000	\$800	\$5,000
Fund Balance *	\$430,226	\$440,802	\$448,302	\$452,544	\$461,644

*Fiscal Year 2019 and 2020 Budget and 2019 Actual Fund Balance Estimated

ACTIVITY MEASURE

*Projected through the end of the fiscal year

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*
Lots sold	57	23	28	21	18

VILLAGE OF CHATHAM CEMETERY PERPETUAL CARE FUND 410 FUND SUMMARY

	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
Description	Actual	Actual	Budget Amended April 2019	Estimated Actual	Requested/ Proposed
REVENUES					
Lot Sales	\$ 11,200	\$ 9,600	\$ 11,200	\$ 8,800	\$ 10,400
Interest	1,273	1,376	1,300	3,742	3,700
Total Revenues	12,473	10,976	12,500	12,542	14,100
EXPENDITURES					
Refunds	-	400	5,000	800	5,000
Total Expenditures	-	400	5,000	800	5,000
Cemetery Perpetual Care Fund	\$ 12,473	\$ 10,576	\$ 7,500	\$ 11,742	\$ 9,100

VETERAN'S MEMORIAL FUND



Description

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

The Fund's major revenue source is from sales of memorial bricks.

ACTIVITY MEASURE

*Projected through the end of the fiscal year

Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019*
Bricks sold	19	21	9	11	7

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Revenues	\$467	\$568	\$620	\$389	\$1,240
Expenditures	\$587	\$172	\$1,200	\$805	\$1,200
Fund Balance *	\$11,531	\$11,927	\$11,347	\$11,511	\$11,551

* Fiscal Year 2019 and 2020 Budget and 2019 Actual Fund Balance Estimated

VILLAGE OF CHATHAM VETERAN'S MEMORIAL FUND 420 FISCAL YEAR 2020 BUDGET DETAIL BY ACCOUNT					
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
Description	Actual	Actual	Budget Amended April 2019	Estimated Actual	Requested/ Proposed
REVENUES					
Interest	\$ 17	\$ 18	\$ 20	\$ 39	\$ 40
Memorial Brick Sales	450	550	600	350	1,200
Total Revenues	467	568	620	389	1,240
EXPENDITURES					
Parks and Recreation					
Buildings & Grounds Maintenance	587	172	1200	805	1,200
Total Expenditures	587	172	1200	805	1,200
Veteran's Memorial Fund	\$ (120)	\$ 396	\$ (580)	\$ (416)	\$ 40

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.

BUDGET SNAPSHOT

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget Amended April 2019	2018-2019 Estimated Actual	2019-2020 Proposed
Revenues	\$307,812	\$310,630	\$294,625	\$309,361	\$294,075
Expenditures	\$341,530	\$427,898	\$337,476	\$326,497	\$346,061
Fund Balance *	\$347,954	\$230,686	\$187,835	\$213,550	\$161,564

*Fiscal Year 2019 and 2020 Budget and 2019 Actual Fund Balance Estimated

BUDGET HIGHLIGHTS AND OBJECTIVES FOR THE MOTOR TAX FUND FOR THE FISCAL YEAR ENDED APRIL 30, 2020

- Village Wide Winter Maintenance \$33,375
- Drainage, Sidewalks, Curbs, Patching, Roadside Maintenance, Traffic Control Devices
- Project areas identified for the Motor Fuel Tax Program within Fiscal Year 2020 include Plummer Boulevard and Park Avenue

VILLAGE OF CHATHAM MOTOR FUEL TAX FUND 500 FISCAL YEAR 2020 BUDGET DETAIL BY ACCOUNT					
	2016-2017	2017-2018	2018-2019	2018-2019	2019-2020
Description	Actual	Actual	Budget Amended April 2019	Estimated Actual	Requested/ Proposed
REVENUES					
Motor Fuel Tax	\$ 306,972	\$ 308,846	\$ 293,825	\$ 307,816	\$ 292,675
Interest and Other Revenue	840	1,784	800	1,545	1,400
Total Revenues	307,812	310,630	294,625	309,361	294,075
EXPENDITURES					
Streets and Public Works					
Professional services	20,250	41,211	23,431	23,431	17,276
Street Maintenance	251,206	341,676	263,845	253,688	248,585
Gen Fund Labor and Equip	70,074	45,011	50,200	49,378	80,200
Total Expenditures	341,530	427,898	337,476	326,497	346,061
Motor Fuel Tax Fund	(33,718)	(117,268)	(42,851)	(17,136)	(51,986)



Capital Improvement Plan

2020 - 2024

VILLAGE OF CHATHAM
Capital Improvement Plan
FOR THE FISCAL YEARS ENDED APRIL 30
2020-2024
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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 was 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 \$12,561,601. The first year of the Program (2020) is included in the FY2019-2020 Budget. The projects for 2020 will be incorporated into the capital portion of the FY2019-2020 Budget. The remaining four (4) years (2021, 2022, 2023, and 2024) 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. A plan 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.

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. 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. Over time the projections will become more accurate and the numbers will come into alignment as the Village progresses through the years of the plan. A funding gap is identified in Fiscal Year 2021 in the amount of \$1,500,000 due to a revenue has not been secured to fund the project to widen Walnut Street between Gordon Drive and Park Street.

The 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 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

- 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
- Equitable distribution – considers geographic, environmental and socio-economic balance

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 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

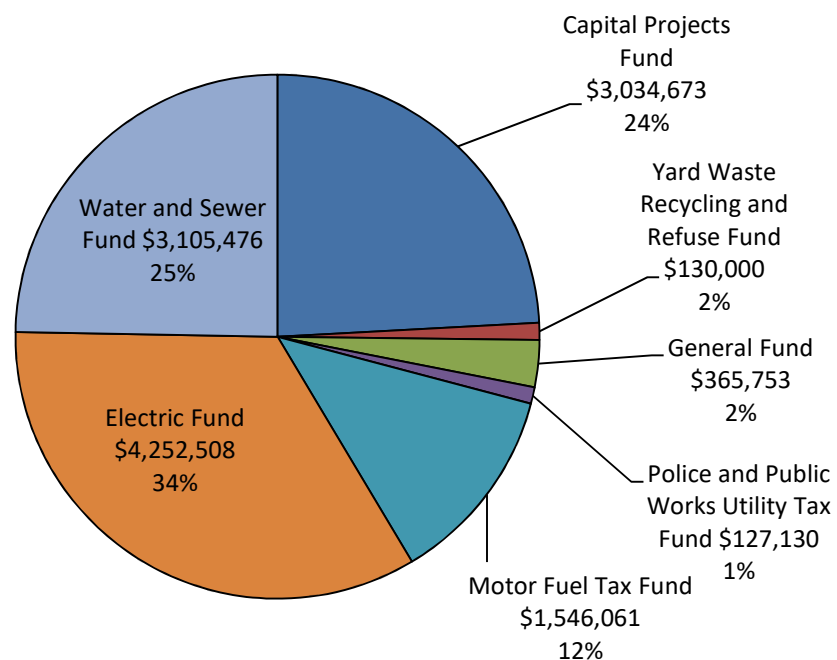
- Individual items costing \$5,000 or more will be capitalized and depreciated according to Governmental Accounting Standards Board rules. This amount will be adjusted as changes are recommended in GFOA's "*best practices*" guidelines.
- Tangible capital-type items will only be capitalized if they have 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).

Plan 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, Electric and Streets Foreman and Water and Parks Foreman. 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 the review of the Capital Improvement Program, it is incorporated into the Village's budget document and 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 combined account for 59% of the 2020-2024 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 24% of the plan and includes costs associated with the development of a new Park and 33% of the costs associated with the Park Street project. The Motor Fuel Tax Fund share of the plan is 12% and will fund repair and maintenance costs to extend the useful life of the Village's streets. The General Fund, Yard Waste, Recycling and Refuse Fund and the Police and Public Works Utility Tax Fund share of the CIP is between 2% and 1%. Items planned for purchase out of these funds are vehicles and equipment related to information technology.



Plan Summary

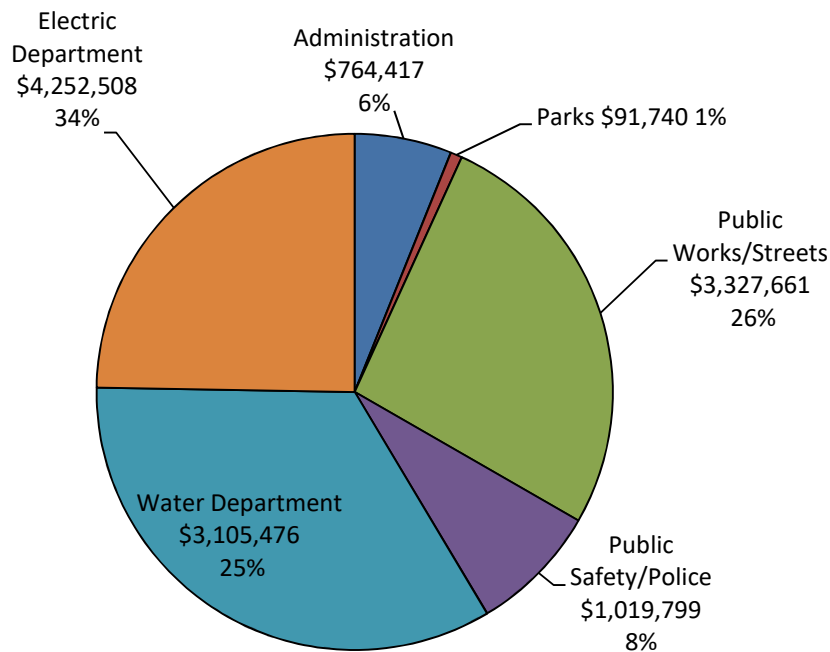
Totals by Department

The majority of capital improvements come from the Utility Departments (Electric and Water), which accounts for 59% 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 2020-2024 CIP. These projects are primarily improvements to the Village's Streets.

Public Safety/Police make up 8% of the CIP for 2020-2024. 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.

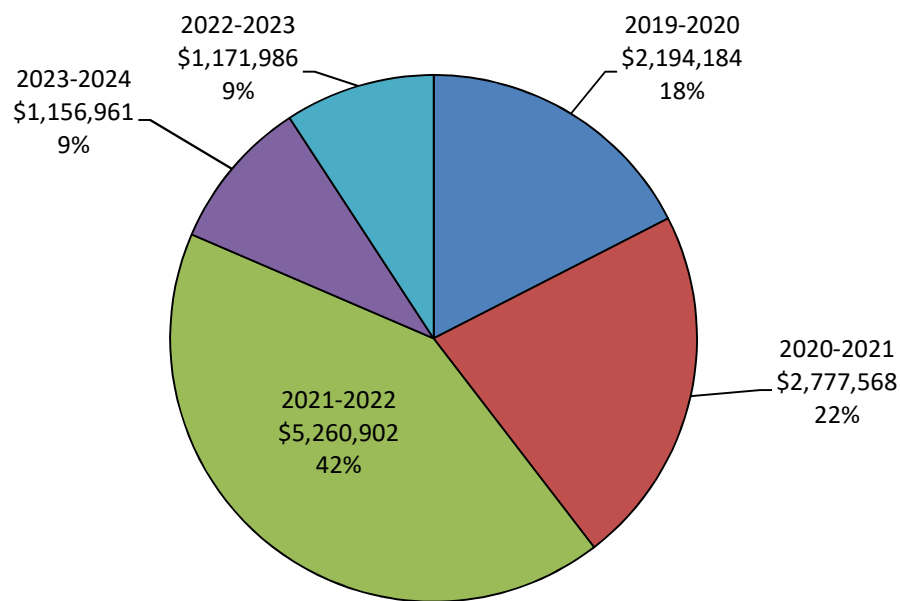
Administration and Parks make up the remaining % of the CIP. The main expenses in the Administration Department are the Department's share of the construction of a new municipal facility and IT equipment. The Parks Department includes expenses related to the Park development including the conversion of 3 tennis courts to pickle ball courts.



Plan Summary

Totals by Fiscal Year

The 2019-2020 fiscal year includes the remainder to finish the Parks Street resurfacing project as well as addresses immediate issues with infrastructure, vehicles, and equipment. For fiscal years 2020-2021 and 2022-2023 and 2023-2024, the CIP is lower due to no large projects are projected for these years. In fiscal year 2021-2022, the CIP is estimated at \$5,260,902 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.



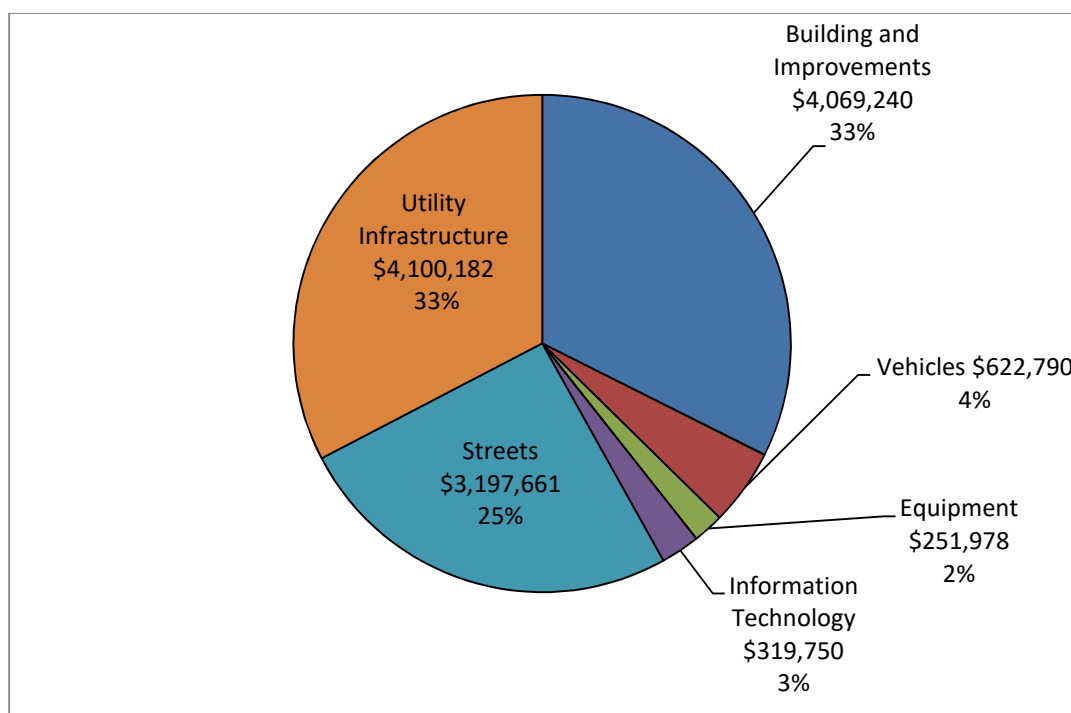
Plan Summary

Totals by Category

Utility Infrastructure projects are the largest project type in the CIP, making up 33% of the project costs.

Building and Improvements of \$4,069,240 are 33% 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.



Plan 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 or 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 accounted for in other funds.

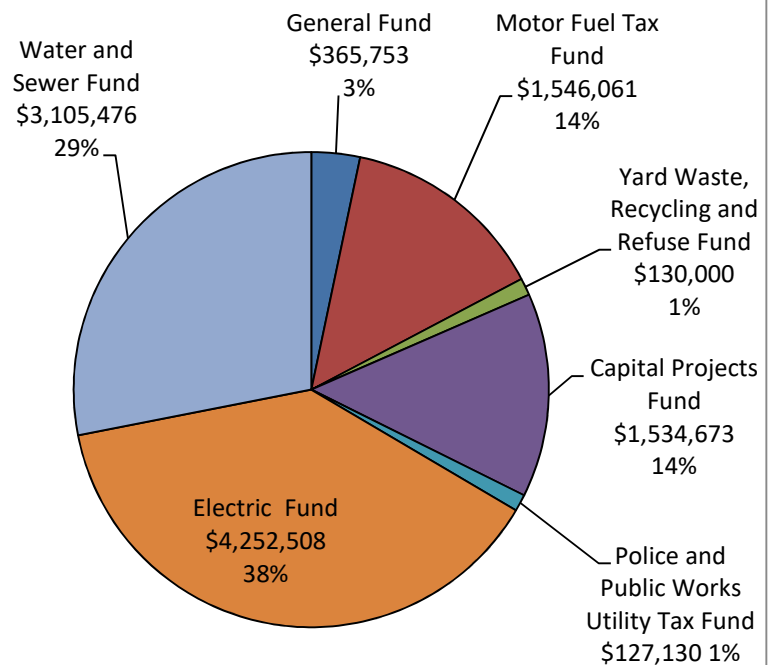
Capital Projects Fund (Fund 110)

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



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.

Plan Summary

Electric Fund (Fund 600)

The Electric Fund generates revenue through electric rates as well as development fees. A portion of the revenue generated by user fees funds 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.

Plan 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. A funding gap is identified in Fiscal Year 2021 at \$1,500,000 and is due to the fundamental assumptions in budgeting being very conservative in estimated revenue projections while also being aggressive in estimated cost projections. Over time 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 2020 Budget

CATEGORY	Fiscal Year				
	2020	2021	2022	2023	2024
Buildings and Improvements	69,240	-	4,000,000	-	-
Vehicles	562,790	-	30,000	30,000	-
Equipment	152,635	24,836	24,836	24,836	24,836
Information Technology	66,350	63,350	63,350	63,350	63,350
Streets	497,661	1,800,000	300,000	300,000	300,000
Utility Infrastructure	845,508	889,382	842,716	753,800	768,776
Totals - All Categories	2,194,184	2,777,568	5,260,902	1,171,986	1,156,961

PROPOSED FUNDING SOURCE	Fiscal Year				
	2020	2021	2022	2023	2024
General Fund (100)	147,410	54,586	54,586	54,586	54,585
Capital Projects Fund (110)	201,340	-	1,333,333	-	-
Yard Waste, Recycling and Refuse Fund (120)	130,000				
Police and Public Works Utility Tax Fund (150)	67,130	-	30,000	30,000	-
Motor Fuel Tax Fund (500)	346,061	300,000	300,000	300,000	300,000
Electric Fund (600)	843,500	575,882	1,887,550	465,220	480,276
Water and Sewer Fund (700)	458,743	347,100	1,655,433	322,100	322,100
Totals - All Categories	2,194,184	1,277,568	5,260,902	1,171,986	1,156,961



Public Properties-

Parks Department

Projects

General Fund - Parks Department – Purchase of 2 Super Z mowers

2 Super Z mowers

FY 2020

\$22,500

☐ Critical

☒ Recommended

☐ Contingent on Funding



Description

The Park's Department Budget includes the purchase of 2 Super Z mowers at an estimated cost of \$11,250 each. The mowers will be used on a daily to weekly basis during the growing season to maintain the grounds of the Village's park properties. The additional mowers will allow staff to complete the weekly maintenance in less time freeing up staff time for other maintenance activities.

Operational Impact

The purchase of two new mowers will reduce the amount of repairs to the Village's existing mowers.

Project Impact

Annual \$ Impact on 2020 Capital Budget	Description of Operating Budget Impact
\$22,500	One time purchase

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

Development Costs for Prairie Vista Park

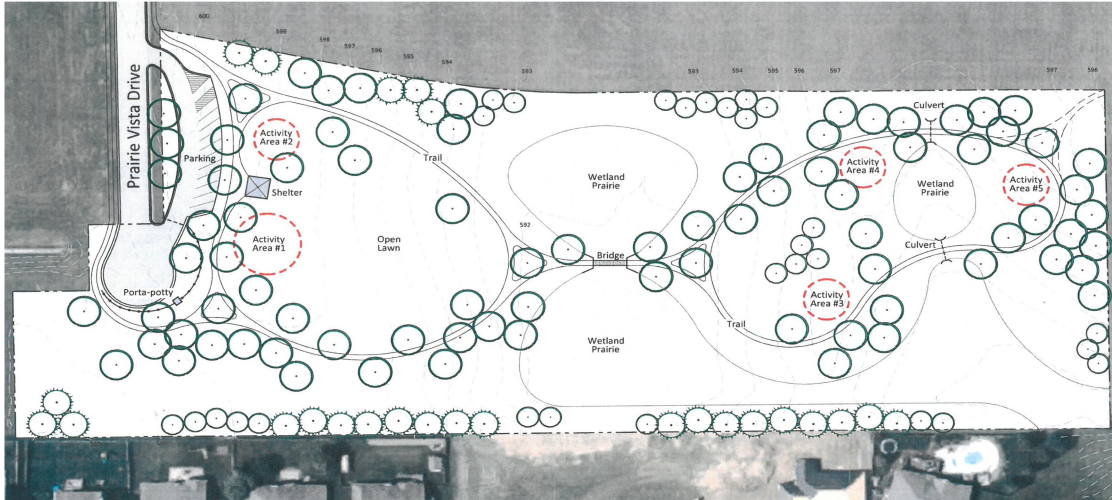
FY 2020

\$19,500

☐ Critical

☒ Recommended

☐ Contingent on Funding



Project Start Date: Fiscal Year 2020

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 \$19,500 to complete a master plan for Chatham's parks. This will enable the Village to apply for grant funding 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.

Capital Projects Fund - Parks Department – Convert 3 Tennis Courts to Pickle Ball Courts

Costs for Pickle Ball Courts

FY 2020

\$49,740



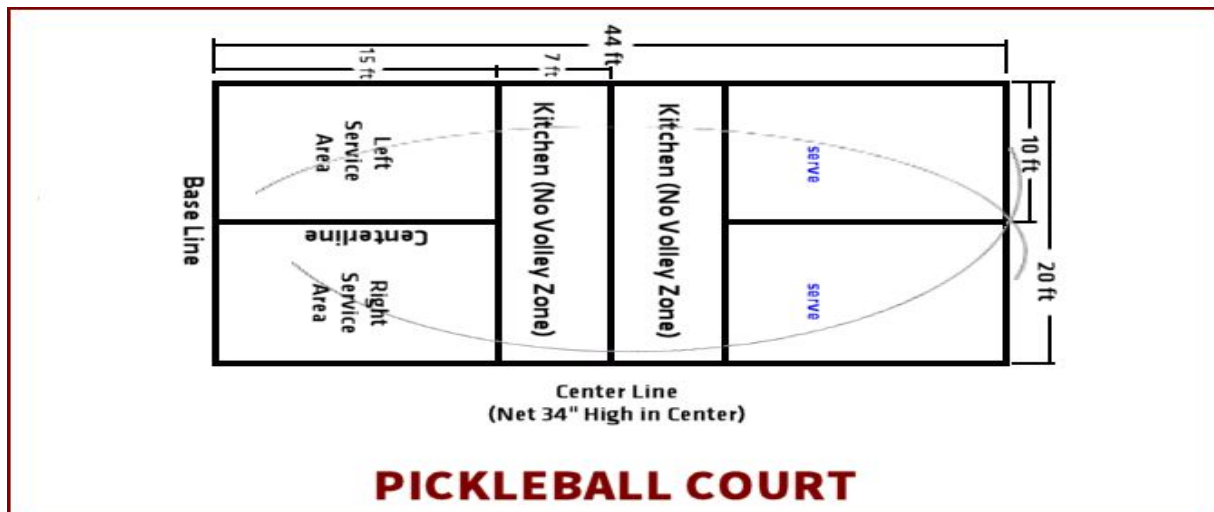
Critical



Recommended



Contingent on Funding



Project Start Date: Fiscal Year 2020

Project End Date: Fiscal Year 2020

Project Description

Conversion of three of the tennis courts located in Chatham Community Park into eight Pickle ball courts.

Project Considerations

A Local pickle ball group has accumulated \$29,200 in community donations to fund a portion of the project. The Village will fund the remaining \$20,540.

Project Impact

The addition of pickle ball courts to the Village's park facilities will increase usage of the Village's Community Park. This could increase the number of staff hours and cost of materials to maintain the area.



Public Works Street Department Projects

General Fund -

Capital Project Fund - Street Department – Street Infrastructure Project

Street Infrastructure Project

FY 2020

\$151,600



Critical



Recommended



Contingent on Funding

Project Start Date: Fiscal Year 2019

Project End Date: Fiscal Year 2020



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 remaining proceeds of the 2017 Bond issue, funds accumulated in the Capital Project Fund as well as Motor Fuel Tax Funds.

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 Operating Budget Impact
\$151,600	One time construction cost

Carryover History

This item is carried forward from the FY 2019 budget and the costs are allocated between the Motor Fuel Tax Fund and the Capital Projects Fund.

Capital Project Fund - Street Department – Walnut Street Project

Widen Walnut Street between Gordon Drive and Park Street FY 2021

\$1,500,000

☐ Critical

☐ Recommended

☒ Contingent on Funding

Project Start Date: Fiscal Year 2021

Project End Date: Fiscal Year 2021



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. The Village would need to be prepared to fund 10 to 20 percent of the project costs. The Village's share of costs could possibly be funded by developer contributions.

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 Operating 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 2020	\$346,061
	FY 2021	\$300,000
	FY 2022	\$300,000
	FY 2023	\$300,000
	FY 2024	\$300,000

☐ Critical ☒ Recommended ☐ Contingent on Funding

Project Description

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 5 to 7, 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

The Village's Fiscal Year 2020 Program includes the remaining cost to resurface Park Avenue. This project is also funded with the remaining 2017 Bond Proceeds. Patching and sealcoating are planned for portions of the Village's main thoroughfares such as Gordon Drive, Plummer Boulevard, Park Avenue and Walnut Street as the northwest part of the older part of Chatham. In future years, the Village plans to build up funds in the Motor Fuel Tax Fund by reserving a portion of the Motor Fuel Tax Revenues each year. This will enable the Village to do a larger scale project every four to five years.

Yard Waste Recycling and Refuse Fund - Street Department – Capital Lease Purchase Street Sweeper

Street Sweeper

FY 2020

\$130,000



Critical



Recommended



Contingent on Funding



Description

The Yard Waste Recycling and Refuse Fund Budget includes the capital lease purchase of a street sweeper to keep the Village's Streets clean as part of the Village's revised Green Program. The estimated value of the vehicle is \$130,000. The Village will acquire the street sweeper through a capital lease purchase with an estimated annual payment of \$30,600 for 5 years.

Operational Impact

The purchase will replace the Village's existing Street Sweeper, which no longer cleans the streets effectively.

Project Impact

Annual \$ Impact on 2020 Capital Budget	Description of Operating Budget Impact
\$130,000	\$30,600



Public Safety Police Department Projects

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

Patrol Vehicle Replacement

FY 2020- FY 2024

\$160,790

☒ Critical

☐ Recommended

☐ Contingent on Funding



Fund	Revenue Source	2020	2021	2022	2023	2024	Total
General Fund	Police Vehicle Fees	\$ 73,660	\$ -	\$ -	\$ -	\$ -	\$ 73,660
Police and Public Works Utility Tax Fund	Capital Lease	\$ 67,130	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ 127,130
Total		\$ 140,790	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ 200,790

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. In Fiscal Year 2020, the Village has budgeted a capital lease purchase of two police vehicles from the Police and Public Works Utility Tax Fund as well as purchases of two vehicles from the General Fund. One of the planned vehicle purchases from the General Fund is carried forward from the Fiscal Year 2019 budget and will be purchased with funds accumulated in the police vehicle fee account.


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 2020 Capital Budget	Description of Operating Budget Impact
\$140,790	Annual lease payment

General Fund - Police Department – Upgrade Portable Radio System

Department wide upgrade of radio system	FY 2021- FY 2024	\$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

Line Truck

FY 2020

\$240,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



Vehicle Description

Electric Department personnel operate this vehicle to repair and maintain the Village's electric infrastructure.

Project Alternative

The vehicle will be purchased through a capital lease financing.

Operational Impact

The Electric Department's line truck is 16 years old. The Village's Electric Department uses this truck 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 Capital Budget	Description of Operating Budget Impact
\$240,000	Annual lease payment \$60,000

Electric Fund - Vehicle

Pick-up Truck

FY 2020

\$38,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



Vehicle Description

Electric Department personnel would operate this vehicle in their day to day activities to drive to various worksites around the Village.

Operational Impact

This vehicle would replace a 16 year old pick-up truck in the Electric Department's vehicle fleet that has become prone to breaking down. A breakdown reduces the Village's response time in responding to service calls.

Project Impact

Annual \$ Impact on 2020 Capital Budget	Description of Impact 2020 Operating Budget
\$38,000	One time purchase price

Electric Fund - Vehicle

Small Pick-up Truck

FY 2020

\$14,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



Vehicle Description

Electric Department personnel would operate this vehicle in their day to day activities for meter reading and locating of utility services around the Village.

Operational Impact

This vehicle would replace a 15 year old truck in the Electric Department's vehicle fleet that has become prone to breaking down. A breakdown can affect the Village's response time in performing utility locates as well as cause delays in meter reading activity.

Project Impact

Annual \$ Impact on 2020 Capital Budget	Description of Impact 2020 Operating Budget
\$14,000	One time purchase price

Electric Fund – Emergency Warning Sirens

3 Emergency Warning Sirens

FY 2020

\$75,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



Description

The Village of Chatham operates an emergency warning siren system that is activated during severe weather. The system sounds an alarm to alert citizens who are outside that severe weather is approaching. The sirens will expand the Village's current emergency warning siren system.

Operational Impact

The Village of Chatham received a grant for \$50,000 to pay for two of the three sirens. The remaining \$25,000 will be partially paid with funds collected from Developers. The Village currently assesses developers a siren fee when installing electric infrastructure for new developments

Project Impact

Annual \$ Impact on 2020 Capital Budget	Description of Impact 2020 Operating Budget
\$75,000	One time purchase price

Electric Fund – Electric Meter and Transformer Program

Purchase of meters and transformers for new construction and for replacements

FY 2020-FY 2024 \$867,019

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2020	2021	2022	2023	2024	Total
Meters	\$20,000	\$ 26,010	\$ 26,010	\$ 27,061	\$ 27,602	\$ 126,683
Transformers	\$140,000	\$ 145,656	\$ 148,569	\$ 151,540	\$ 154,571	\$ 740,336
Total	\$160,000	\$ 171,666	\$ 174,579	\$ 178,601	\$ 182,173	\$ 867,019

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 2020-FY 2024 \$1,602,655

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2020	2021	2022	2023	2024	Total
Contract Services	\$100,000	\$ 134,512	\$ 142,690	\$ 92,137	\$ 99,980	\$ 569,319
Materials	\$200,000	\$ 253,204	\$ 220,447	\$ 178,062	\$ 181,623	\$ 1,033,336
Total	\$300,000	\$ 387,716	\$ 363,137	\$ 270,199	\$ 281,603	\$ 1,602,655

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- Off Road Equipment

Mini Excavator

FY 2020

\$44,335

☐ Critical

☒ Recommended

☐ Contingent on Funding



Vehicle Description

The Water and Sewer Department Budget includes the purchase of a John Deere model 35G mini excavator. Water and Sewer Department personnel would operate this vehicle to install Water taps. The equipment allows the department to install a tap and minimizes the amount of repair to the surrounding landscape.

Project Alternative

The equipment will be purchased through a capital lease financing.

Operational Impact

This equipment would be an alternative to using the Water and Sewer Department's backhoe. The department's backhoe is currently 18 years old. A breakdown reduces the Village's response time to install infrastructure and to respond to water breaks.

Project Impact

Annual \$ Impact on Operating Budget	Description of Operating Budget Impact
\$5,450	Annual lease payment

Water and Sewer Fund- Equipment

Equipment Trailer

FY 2020

\$10,800

☐ Critical

☒ Recommended

☐ Contingent on Funding



Vehicle Description

The Water and Sewer Department Budget includes the purchase of a Behnke Equipment Trailer. Water and Sewer Department personnel would use this equipment to mobilize the mini-excavator that will be used to install water taps.

Operational Impact

This equipment would be used mainly to transport the mini-excavator for water taps. The trailer would also be used to transport other equipment to job sites.

Project Impact

Annual \$ Impact on 2020 Capital Budget	Description of 2020 Operating Budget Impact
\$10,800	One time purchase price

Water and Sewer Fund – Water Meter Program

Purchase of meters for new construction and for replacements

FY 2020-FY 2024 \$371,000

☐ Critical ☒ Recommended ☐ Contingent on Funding



	2020	2021	2022	2023	2024	Total
Meters	\$146,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 371,000

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 Village estimates the average life of a water meter to be 15 years.

Operational Impact

The purchases 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 2020-FY 2024 \$1,259,508

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2020	2021	2022	2023	2024	Total
Contract Services	\$35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 175,000
Materials	\$204,508	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 1,084,508
Total	\$239,508	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 1,259,508

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 2022 \$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 2020-FY 2024 \$319,750

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2020	2021	2022	2023	2024	Total
General Fund Administration Department	\$21,150	\$ 19,150	\$ 19,150	\$ 19,150	\$ 19,150	\$97,750
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	\$18,100	\$ 17,100	\$ 17,100	\$ 17,100	\$ 17,100	\$86,500
Total	\$66,350	\$ 63,350	\$ 63,350	\$ 63,350	\$ 63,350	\$319,750

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.



GLOSSARY

GLOSSARY

Accrual:	A basis of accounting in which revenues are recognized in the accounting period they are earned and become measurable. Expenditures are recognized in the period that they are incurred, if measurable.
Appropriation:	A legislative authorization for expenditures for specific purposes within a specific time frame.
Assessed Value:	The value placed on real and other property as a basis for levying taxes.
Balanced Budget:	A balanced budget means that operating revenues equal or exceed operating expenses. One-time capital or other expenditures normally are funded from Fund Reserve and are not factored into whether or not the budget is balanced.
Budget:	A description of the spending and general financial plans that focus on the accomplishment of specific goals and objectives established by the Village Board over a specified time period.
Capital Assets:	Land, improvements to land, building, building improvements, vehicles, machinery, equipment, infrastructure and other assets that are used in operations and have initial useful lives extending beyond a single reporting period.
Capital Improvements / Capital Outlay:	Projects or products that are long-term assets. These expenditures generally have estimated useful lives of five years or longer and typically is in excess of \$5,000.
Capital Projects Fund:	A fund used to account for infrastructure improvements including streets, storm sewers, sidewalks, bike trails, and park improvements
Capital Improvement Plan:	A five-year projection of the Village's capital improvement needs. The plan also includes the source of funding for each particular project. The first year of the plan represents the current fiscal year capital budget.
Cash-basis:	A type of accounting in which revenue and expenditure transactions are recognized only when cash is increased or decreased.
Charges for Services:	User charges for services provided by the Village to those specifically benefiting from those services.

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Contractual Services:	Items of expenditure from services the Village received primarily from an outside company.
Debt Service:	The payment of principal and interest on borrowed funds. The Village has debt service for general obligation bonds.
Department:	A major administrative division of the Village with overall management responsibility for an operation or a group of related operations within a functional area. A department may have more than one program and may be accounted for in more than one fund.
Depreciation:	The allocation of the cost of a fixed asset over the asset's useful life. Through this process the entire cost of the asset, less the salvage value, is ultimately charged off as an expense. This method of cost allocation can be used in proprietary funds.
Enterprise Fund:	A fund used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. The Electric and Water and Sewer Funds are examples of the Village's enterprise funds.
Financial Plan:	The use of the budget as a means to summarize the Village's finances including revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the estimated current year actual, and the proposed budget year.
Fiscal Year (FY):	A time period for which the Village's finances are recorded and maintained. The Village's fiscal year begins May 1 and ends April 30.
Fund:	Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances that are segregated for the purpose of carrying on specific activities or attaining certain objectives.
Fund Balance:	Difference between assets and liabilities reported in a governmental fund.
Generally Accepted Accounting Principles	The standards used for financial report preparation, as determined by (GAAP): the Governmental Accounting Standards Board (GASB), so that the Village's financial statements may be fairly compared to prior reports and to the reports of other governmental entities.

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General Fund:	The major fund in most governmental units, the general fund accounts for all activities not accounted for in other funds. Most tax funded functions are accounted for in the General Fund.
Government Finance Officers Associations (GFOA):	An association that aims to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices.
Governmental Accounting Standards Board (GASB):	An independent board that establishes standards of financial accounting and reporting for state and local governmental entities. The standards guide the preparation of external financial reports of those entities.
Governmental Funds:	Fund generally used to account for tax-supported funds.
Illinois Municipal Retirement Fund (IMRF):	State mandated pension fund for all full-time and eligible part-time Village employees, except sworn fire and police employees.
Information Technology:	A term used to broadly define computer operations and the processing of automated information in the Village organization.
Levy:	To impose taxes for the support of government activities.
Long-term Debt:	Financial obligation with maturity of more than one year after the date of issuance.
Modified Accrual:	A basis of accounting in which revenues are recognized in the period they become available and measurable. Expenditures are recorded when the related fund liability has been incurred or the invoice is received.
Motor Fuel Tax (MFT):	Revenue allocated by the state to municipalities for funding street improvements.
Net Position:	The difference between assets and deferred outflows and liabilities and deferred inflows as reported in the Government-wide Financial Statement of the Comprehensive Annual Financial Report.

GLOSSARY

Non-Home Rule:	A non-home rule unit of local government, pursuant to the Illinois State Constitution, may exercise only those powers and perform those functions as identified by the State. Non-Home Rule communities are limited in the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax and to incur debt.
Operating Expenses/ Expenditures:	Expenses/Expenditures that generally recur annually and are expected to continue in the future unless service levels are impacted.
Operating Revenues:	Revenues that recur annually with reasonable stability. By Village policy, operating revenues should exceed operating expenditures on an annual basis.
Proprietary Fund:	Funds that focus on the determination of operating income, changes in net assets, financial position and cash flows. There are two different types of proprietary funds: enterprise and internal service activities.
Special Revenue Fund:	A fund used to account for revenues legally earmarked for a particular purpose.
Tax Levy:	An ordinance that directs the County Clerk to assess a tax proportionally against all properties located within a taxing district for the purpose of raising a specific amount of tax for taxing district.
Telecommunications Tax:	A tax on the gross sale of telecommunications services by telecommunications providers.
Transfers:	Movements of resources between two Funds.