



VILLAGE OF
CHATHAM
Family Community Prosperity

Fiscal Year 2021 Annual Budget

Village of Chatham

116 E. Mulberry Street
Chatham, IL 62629

(217)483-2451

Distinguished Budget Award The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Village of Chatham, Illinois for its annual budget for the fiscal year beginning May 1, 2019. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and as a communications device. This award is valid for a period of only one year. The Village believes the current budget continues to conform to program requirements and will be submitting the budget document to the GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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**Village of Chatham
Illinois**

For the Fiscal Year Beginning

May 1, 2019

Christopher P. Morill

Executive Director

VILLAGE OF CHATHAM ANNUAL BUDGET FOR THE FISCAL YEAR ENDED APRIL 30, 2021
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July 14, 2020

Dear Village President Kimsey and Members of the Village Board:

I am pleased to submit to you the proposed Fiscal Year 2021 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.

As staff was beginning to put together the Fiscal Year 2021 budget, the COVID-19 pandemic required the Village to put the process on hold in order observe trends and gather information to adjust revenue projections. The proposed consolidated budget of \$26,378,914 still concentrates on the Village of Chatham's goals of customer service, performance, economic development and quality of life. At the same time the Village will be holding off on non-critical spending. The Village will continue to monitor our budget closely to look for any changes or fluctuations that would require an adjustment to the Village's spending plan.

The Village is fortunate to have built up adequate fund reserves in all of our major operating funds, the General Fund, Electric fund and Water and Sewer Fund in order to continue necessary Village operations. These reserves are in place for situations exactly like the COVID-19 pandemic.

The Village develops a budget based on conservative revenue estimates and strives to maintain a low operating budget, utilizing reserves when necessary. 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 most recent Illinois Municipal League projections adjusted for the COVID-19 pandemic were used in preparation of the Fiscal Year 2021 Budget
- 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. In March, at the start of the COVID-19 pandemic, the Village observed a decrease in new residents moving to Chatham, this reduction has been reflected in the utility revenues estimated for the Fiscal Year 2021 budget.

Budget Development

The Fiscal Year (FY) 2021 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, Administrative Assistant and the Accountant. The Chief Fiscal Officer and the Village Manager lead this process. The Village's FY 2021 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 2021 remain stable. An increase in sanitary sewer rates will be passed along to utility customers during FY 2021. Penalty income in the Utility Fund has been reduced due to changes in collection procedures in the first quarter of the fiscal year related to the COVID-19 pandemic.
- State shared revenues have decreased for the FY 2021 Budget. The latest per capita estimate published by the Illinois Municipal League was used to estimate income tax and local use tax. The estimated income tax is lower than the FY 2020 estimate and the local use tax is slightly higher.

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
Revenues	\$25,661,543	\$25,591,813	\$24,041,966	\$25,315,983
Expenditures	<u>23,005,461</u>	<u>24,397,757</u>	<u>21,736,388</u>	<u>24,178,182</u>
Total Operating Revenues over Recurring Expenditures	2,656,082	1,194,056	2,305,578	1,137,801
Nonrecurring Revenues				
Expenditures and Transfers	<u>(1,374,309)</u>	<u>(2,292,302)</u>	<u>(1,674,249)</u>	<u>(2,200,732)</u>
Total Revenues over Expenditures	<u>\$ 1,281,773</u>	<u>\$ (1,098,246)</u>	<u>\$ 631,329</u>	<u>\$(1,062,931)</u>

The Village's statements of revenue over expenditures are listed in Table 1. Although a deficiency is shown in the budget columns, these are attributable to 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 FY 2021 General Fund operating budget, as presented, is utilizing a small amount of reserves due to the impact of COVID-19 revisions. Non-recurring expenditures are to be funded with reserves. The FY 2020 Budget was amended in April 2020.

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
Operating Revenues				
Property Taxes	\$1,269,605	\$ 1,327,916	\$ 1,325,565	\$ 1,420,635
State Sales Tax	894,200	950,000	928,819	807,100
Income Tax (LGDF)	1,062,600	1,158,700	1,246,420	1,118,950
Other Revenues	1,515,800	1,772,960	1,737,619	1,819,785
Total Revenues	<u>4,742,205</u>	<u>5,209,576</u>	<u>5,238,423</u>	<u>5,166,470</u>
Recurring Expenditures				
Administration	747,250	912,061	729,287	982,961
Cemetery	29,303	37,505	30,250	38,505
Parks and Recreation	467,120	483,958	465,941	459,312
Streets	523,954	692,502	651,392	709,018
Police	2,775,730	3,067,915	3,039,565	3,023,230
Total Expenditures	<u>4,543,357</u>	<u>5,193,941</u>	<u>4,916,435</u>	<u>5,213,026</u>
Total Operating Revenues over Recurring Expenditures	\$ 198,848	\$ 15,635	\$ 321,988	\$ (46,556)
Nonrecurring Revenues Expenditures and Transfers	<u>(449,348)</u>	<u>(525,519)</u>	<u>(101,258)</u>	<u>(459,609)</u>
Total Revenues over Expenditures	<u>\$ (250,500)</u>	<u>\$ (509,884)</u>	<u>\$ 220,730</u>	<u>\$ (506,165)</u>

General Fund Revenues

General Fund revenues are down \$43,106 approximately 1%, from the previous year's budget. This is the combined effect of a reduction in revenue projections due to the COVID-19 pandemic offset by an increase in the General Fund's Utility Administration Fee assessment to the Village's Water and Sewer Fund. The assessment for the Water and Sewer Fund increased from 2% to 3% of utility revenues. The major General Fund revenue sources are property, sales, and income taxes. These revenues make up approximately 65% of the overall revenue in the General Fund.



Property Taxes

FY 2021 total property tax revenues of \$1,420,635 are \$92,719 or 6.98% 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 decrease \$142,900 or 15.04% from the FY 2020 budgeted amount and about 13% less than the 2019 estimated actual amount. This reduction is due to the estimated effect of the COVID-19 pandemic on the Village's sales tax revenue. The Village's top five categories of sales tax generators are drugs and miscellaneous retail, food, automotive and filling stations, drinking and eating places and lumber and hardware.

Income Tax

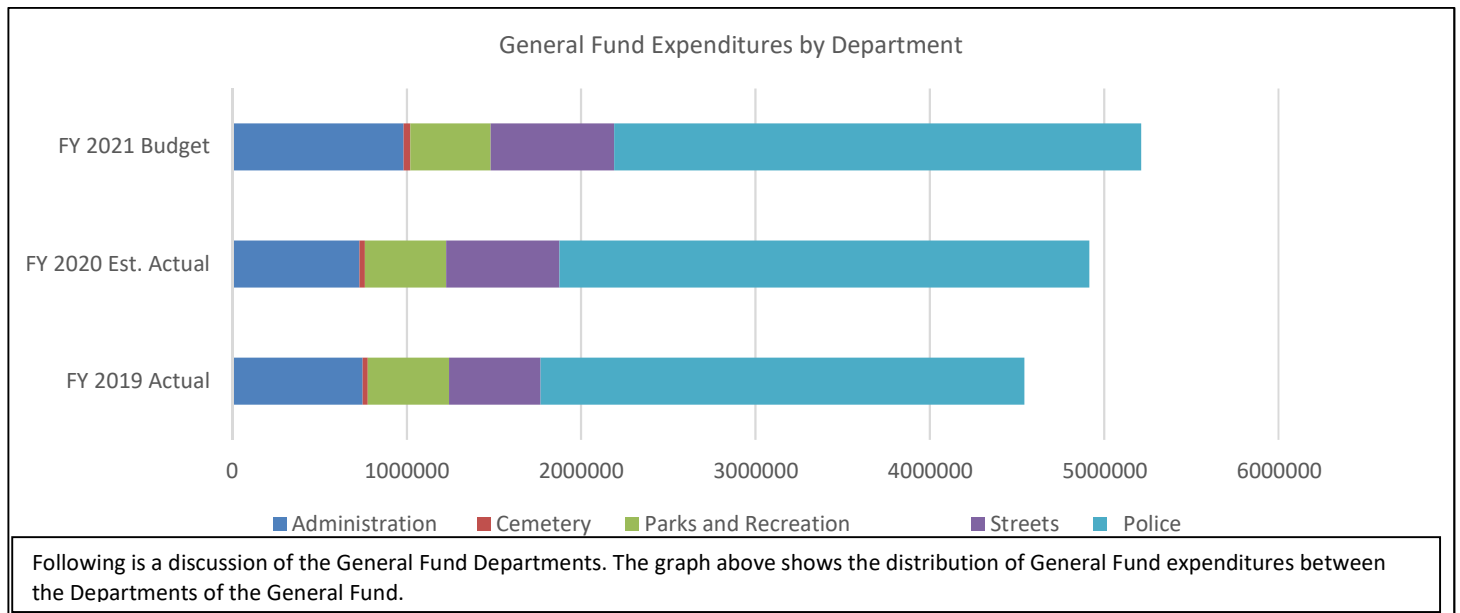
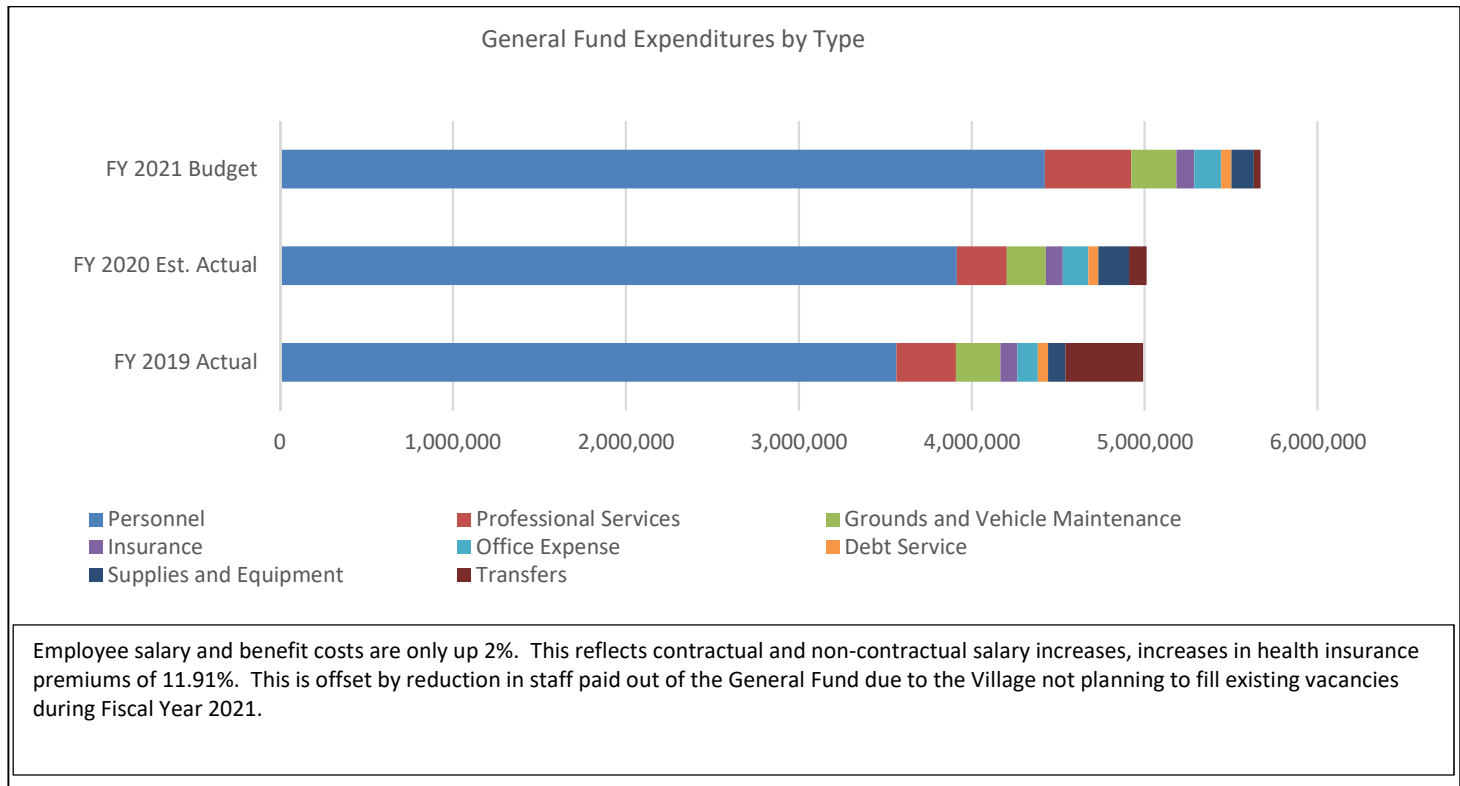
Income tax revenue from the Local Government Distributive Fund (LGDF) is distributed based on population. Estimates are derived from data provided by the Illinois Municipal League. FY 2021 income tax receipts are estimated at \$1,118,950 which represents a decrease of \$39,750 from the FY 2020 budget amount.

Other Revenues

Other revenues encompass all remaining General Fund revenues including license and permit fees, charges for services, fines, interest, and miscellaneous revenues.

General Fund Expenditures

Total General Fund expenditures including both recurring and nonrecurring expenditures have decreased \$46,825 or less than 1%, from last year’s budget. As the table below illustrates, 78% of the General Fund budget is attributed to Personnel Costs.



Administration

The Village’s comprehensive plan is planned to be completed within Fiscal Year 2021. The Village has also \$96,900 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 with the process of annexations and will explore options for the future municipal complex.

Police

The Police Department's budget has decreased \$70,564. The decrease is attributed to a reduction in the number of positions funded in the Department's budget. The Department also has \$32,300 budgeted to be expensed out of restricted accounts.

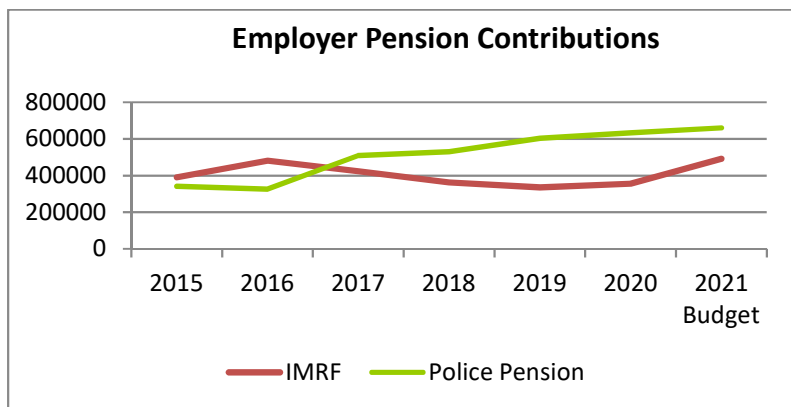
Public Properties and Public Works

The Parks and Recreation Department budget decreased by \$12,646. No equipment purchases are planned and the Recreation Program has been reduced to only involve producing a brochure to advertise programs offered within the area. The Street Department budget has increased \$25,016. A purchase of a truck from Chatham Township is included in the budget for the 4th quarter of Fiscal Year 2021. The purchase is contingent on the availability of funds in both the General Fund and the Police and Public Works Utility Tax 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 2015.



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. In Fiscal Year 2020, the Village 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 Program Fee was 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. For Fiscal Year 2021, the Motor Fuel Tax Fund also contains Rebuild Illinois Funds distributed from the State of Illinois.

Capital Projects Funds

The Capital Projects Fund accounts for monies for infrastructure projects for the Village's governmental funds. In FY 2021, funds are appropriated to complete sidewalks with the funds received from a settlement with a developer.

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 6000 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. No electric rate increases are planned for Fiscal Year 2021.

- The following equipment purchases are carried forward from Fiscal Year 2020; a capital lease purchase of a new line truck in the amount of \$259,751 is included as well as the purchase of a truck and truck bed totaling \$45,074.
- Completion of the siren project to be paid from a grant from DCEO with the remainder being paid from development fee assessments.
- Begin work on Mansion Road project to install underground three-phase line running down Route 4 and west on Mansion Rd project cost estimated at \$349,000.

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
Operating Revenues				
User Charges	\$10,497,292	\$ 10,573,000	\$ 9,996,028	\$10,349,250
Other Revenue	241,526	137,500	60,322	133,200
Total Revenues	10,738,818	10,710,500	10,056,350	10,482,450
Expenses				
Operating Expenses	9,181,670	9,942,418	9,402,066	9,837,368
Total Expenses	9,181,670	9,942,418	9,402,066	9,837,368
Operating Revenues over Operating Expenditures excluding Depreciation	1,557,148	768,082	654,284	645,082
Interfund Loan Revenue	89,707	89,707	89,707	89,707
Investment income	20,900	20,100	26,518	28,190
Capital Lease Proceeds	-	240,000	-	259,751
Debt Service Expense	(357,555)	(353,000)	(352,391)	(323,500)
Capital Expenses	(607,170)	(965,900)	(244,328)	(1,082,187)
Total Revenues over Total Expenditures excluding Depreciation	\$ 703,030	\$ (201,011)	\$ 173,790	\$ (382,957)

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 2021 budget includes the third-year payment of \$89,707 of a four-year repayment plan.

In FY 2018, the Village Board approved to extend a \$2.50 monthly facility charge to be effective through August 31, 2027 to fund the painting of both the water tower and the ground storage tank. For FY 2021 a sewer rate increase of \$.18 per 1000 gallons and \$.16 in the monthly facility charge is included, this represents a pass-through rate increase from the Village's sanitary sewer supplier the Sangamon County Water Reclamation District.

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 2021.

The expenditure highlights of the FY 2021 budget include:

- The Utility Administration Fee paid to the Village's General Fund will increase from 2% to 3% of Water and Sewer revenues or approximately \$178,725.
- The third 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 Expenses**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
Operating Revenues				
User Charges	\$ 6,663,421	\$ 7,053,800	\$ 6,717,674	\$ 7,058,475
Other Revenue	248,094	199,000	142,120	163,000
Total Revenues	6,911,515	7,252,800	6,859,794	7,221,475
Expenses				
Operating Expenses	6,023,845	6,653,867	6,267,203	6,723,717
Total Expenses	6,023,845	6,653,867	6,267,203	6,723,717
Operating Revenues over Operating Expenditures excluding Depreciation	887,670	598,933	592,591	497,758
Investment Income	11,178	10,600	12,289	13,400
Loan Proceeds	1,112,800	44,335	25,640	-
Interfund Loan Payment	(89,707)	(89,707)	(89,707)	(89,707)
Debt Service Expense	(159,748)	(298,419)	(279,646)	(281,618)
Capital Expenses	(1,470,379)	(529,993)	(446,716)	(280,450)
Total Revenues over Total Expenditures excluding Depreciation	\$ 291,814	\$ (264,251)	\$(185,549)	\$ (140,617)

Conclusion

The Village's budget adequately funds the needs of the Village and sets the appropriate spending policies for the Village's 2021 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 M. McCarthy

Patrick McCarthy
Village Manager



INTRODUCTION

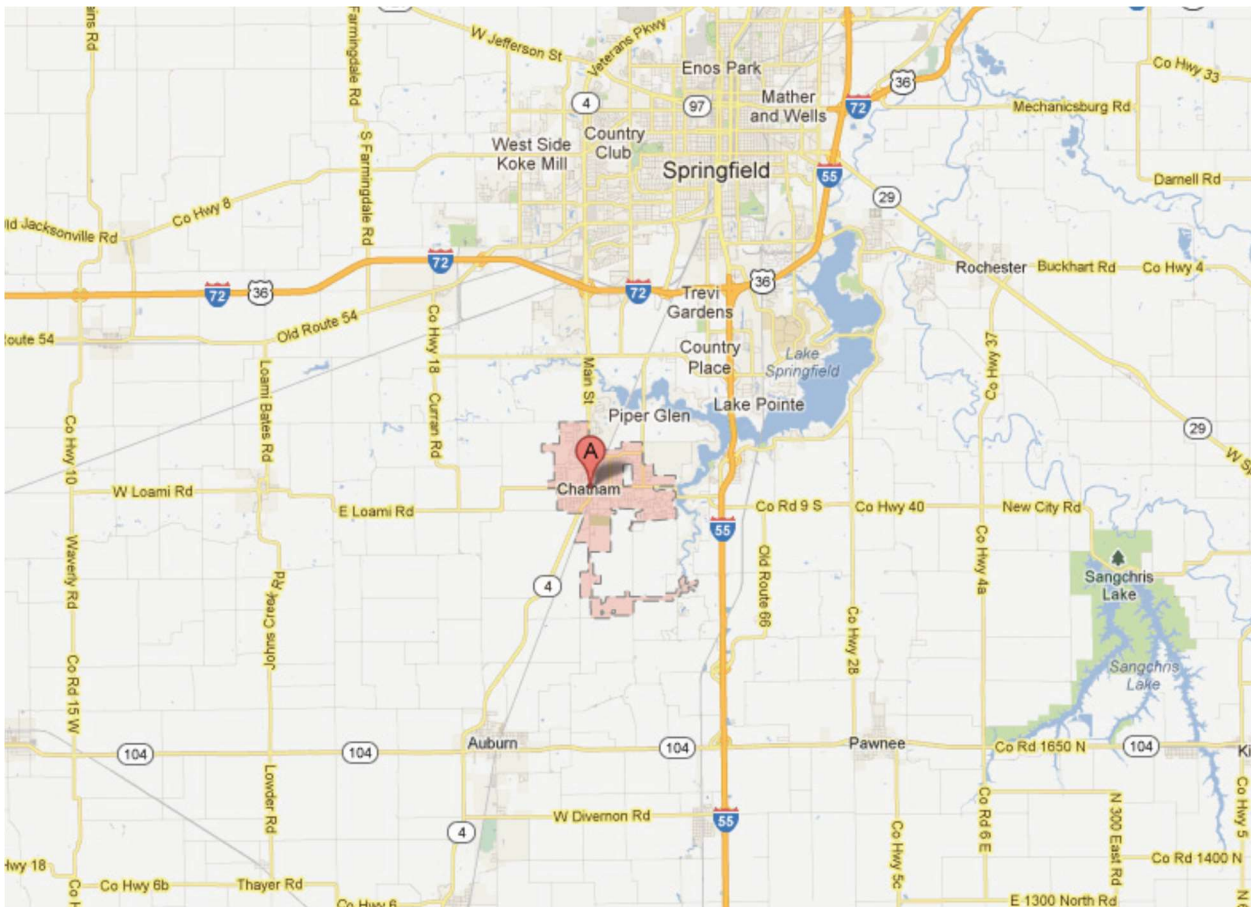
Introduction

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

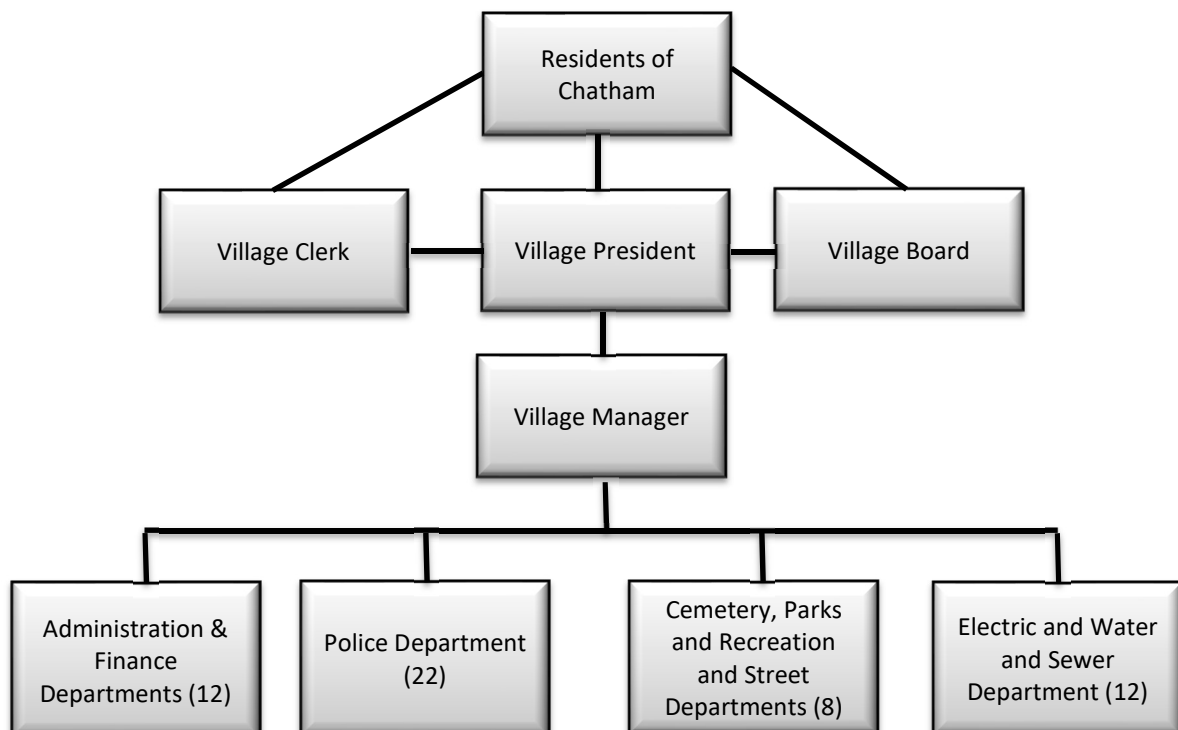
Shane Hill, Public Utilities Manager and General Foreman Electric and Streets Departments

Dustin Patterson, General Foreman Water and Parks Departments

Jill Butler, Administrative Assistant

Ryan Crawford, Code Enforcement Manager

VILLAGE OF CHATHAM, ILLINOIS ORGANIZATIONAL CHART



Note: Fire Services are provided by the Chatham Fire Protection District an entity separate from the Village of Chatham

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	Status	Results
Department	Objective	Customer Service, Performance	Customer Service, Performance	Economic Development	Performance, Customer Service	Quality of Life		
Administration	Completion of comprehensive plan and performance audit	✓			✓		In Progress	Performance audit complete and accepted by board, incorporating appropriate suggestions as applicable. Comprehensive plan is at a draft stage – group size limitations and need for public engagement and hearing has been limited by COVID-19 restrictions. Steering Committee to resume meetings and reviews in July 2020
Administration	Continue with process of annexations			✓			On-Going	Annexations are processed as requested, and driven from consistent outreach to the next adjacent property owners – after securing the Currie Trust and Glenwood Lake Estates, as well as successfully lobbying for change in state law that led the ability to annex 2 schools. The prospect of annexing large chunks at once slows to a meticulous parcel by parcel approach, absent a significant adjacent development.
Administration	Actively work on succession plan by hiring an additional accountant during second half of fiscal year	✓	✓		✓		New	The proposed budget has funds marked for the hiring of an accountant to begin succession planning for the retirement of the Village's Chief Fiscal Officer
Administration	Implement Open Gov transparency information solution	✓	✓				In Progress	OpenGov progressed to internal views and sharing with village board, historical information uploaded and system is beginning to be used. Public transparency site expected to be launched during Fiscal Year 2021
Administration	Explore other components of utility payment software as staffing permits	✓	✓				In Progress	During Fiscal Year 2020, the Village implemented the telephone payment feature of the Springbrook Integrated Voice Response system. During Fiscal Year 2021, the Village plans to implement the outbound message component to send notifications by phone to the Village's utility customers.

Village Goals

		Maintain Financial Stability & Organizational Excellence	Enhance Communication Efforts	Economic Development	Collaboration efforts for providing efficient services	Infrastructure	Status	Results
Department	Objective	Customer Service, Performance	Customer Service, Performance	Economic Development	Performance, Customer Service	Quality of Life		
Administration	Development of new service manuals and update existing service manuals as staffing permits	✓					In Progress	Completed revision of utilities customer service manual with board approval and adoption of relevant policy changes. Completed updating of the Village Personnel Manual.
Administration	Begin planning and exploring options for future municipal complex					✓	In Progress	Multiple exploratory conversations with potential partners, site reviews, strategic adaptation possibilities for existing facilities, and initial planning on space needs. Potential Funding sources still need to be identified.
Parks and Recreation	Engineering costs for completion of the Chatham Parks Master Plan to help Village pursue grants for park development projects					✓	In Progress	Parks Master Plan was completed this past year. Developed initial estimates on pond construction to provide recreational and conservation enhancements. Working with CWLP and Soil and Water Conservation on grant development and project feasibility. Began preliminary plans for a dog park for the Village.
Parks and Recreation	Complete project to convert 3 tennis courts to 8 pickleball courts					✓	Complete	Pickleball courts have been completed and appear to be very successful. Tennis courts have also been resurfaced along with a large amount of tree removal and trimming in that area.
Parks and Recreation	Implementation of park reservation software	✓					Complete	The new park reservation has been installed and tested, we were just getting ready to go live with it and Covid-19 struck causing parks to be under restrictions. We expect great results from this system.
Parks and Recreation	Reduce existing recreation program	✓					In Progress	Reduce staff to one to produce brochure advertising area programs
Streets	Hire an additional maintainer to work on street maintenance				✓		Complete	Completed, utilized staff to complete patching of streets and sidewalks.
Streets	Within the Green Program contract out branch and leaf pickup to better serve customers	✓					Complete	The services of branch and leaf pickup have been contracted out through June 30, 2022. This will free up the time of Street Department staff to work on Street Maintenance

Village Goals

		Maintain Financial Stability & Organizational Excellence	Enhance Communication Efforts	Economic Development	Collaboration efforts for providing efficient services	Infrastructure	Status	Results
Department	Objective	Customer Service, Performance	Customer Service, Performance	Economic Development	Performance, Customer Service	Quality of Life		
Streets	Expansion of Green program in Yard, Waste Recycling and Refuse Fund to include Street Sweeping	✓				✓	Complete	Completed, street sweeper leased and street department worker assigned to duty.
Police	Evaluate the need to fill existing vacancies based on review of performance audit results				✓		Complete	Filled needed positions and proactively trained to prepare for upcoming vacancies and retirements to preserve CPD staffing budget by controlling overtime.
Police	Continue existing safety and crime prevention programs		✓				On-Going	Maintained and continued to enhance community outreach programs with partnerships with CAPLD and BCSD and other community partners.
Police	Purchases of equipment from Police Department restricted cash \$32,300					✓	New	
Police	Utilize existing communication tools (website and Facebook) as part of a well-rounded outreach campaign		✓				On-Going	Ongoing community outreach continues to increase support and confidence in cooperation with CPD.
Electric	Hiring of a 1st year apprentice lineman to plan for future department retirements				✓		On-Hold	Apprentice was hired during fiscal year but did not complete training. Due to COVID19, the Village is not filling any vacant positions and is evaluating what path to take next with this position.
Electric	Continue installing new service connections and replace existing meters with fixed network meters	✓		✓		✓	On-Going	Installed new service connections in Glendale Estates, Iron Bridge, the Highlands, Cardinal Ridge. Approximately 50% of village now on fixed network meter reading. Replacement has slowed, new meters installed on new construction and for new residents at existing homes, or replaced if a problem arises
Electric	Continue replacement of overhead lines with underground					✓	On-Going	Removed overhead lines and installed underground on Downing, Mayfield and Deerfield streets and Willow Glen subdivision.

Village Goals

		Maintain Financial Stability & Organizational Excellence	Enhance Communication Efforts	Economic Development	Collaboration efforts for providing efficient services	Infrastructure	Status	Results
Department	Objective	Customer Service, Performance	Customer Service, Performance	Economic Development	Performance, Customer Service	Quality of Life		
Electric	Consider upgrades to existing electric distribution system as system approaches capacity					✓	In Progress	Spec and bid equipment for Route 4 and Mansion Road service loop to provide for redundancy and additional connection points on newly available commercial property on Route 4 to aid in system reliability and enhanced economic development potential, completion should be in fiscal year 2021.
Electric	Purchase of 3 warning sirens partially funded by grant from state agency		✓			✓	In Progress	Installation to be completed during Fiscal Year 2021.
Electric	Average cost of Mills/kWh from the Village's electric supplier to remain the same	✓					On-Going	The Village reviews the adequacy of its electric rate structure annually as well as monitors the Electric Utilities revenue and expenditures throughout the year.
Electric	Capacitor for substation at a cost of \$26,000 to be reimbursed by IMEA					✓	New	
Electric	Carryforward of line truck and truck purchase					✓	In Progress	Purchases were planned for fiscal year 2020, but not completed and are carried forward to fiscal year 2021.
Water and Sewer	Pass along rate increase of .14 from Village's water supplier	✓					Complete	Completed with board action. Extensive work with SSWC on cost containment, enhancement and finance strategies to get to FY 2021 without a projected increase in cost.
Water and Sewer	Pass along rate increases from Village's sanitary sewer supplier	✓					In Progress	The Village's sanitary sewer provider passed a 10-year plan of rate in fiscal year 2020. The Village passed a resolution in August of 2020 for annual rate increases through April 2022. The Village will re-evaluate the need to further increase rates during Fiscal Year 2022 in correlation to the sanitary sewer providers scheduled rate increases.

Village Goals

		Maintain Financial Stability & Organizational Excellence	Enhance Communicatio n Efforts	Economic Development	Collaboratio n efforts for providing efficient services	Infrastructure	Status	Results
Department	Objective	Customer Service, Performance	Customer Service, Performance	Economic Development	Customer Service, Performance	Quality of Life		
Water and Sewer	Continue water main flushing program by flushing a quarter of the system					✓	On-Going	Completed first quadrant – held further flushing through summer and as a cost control measure while bills were being deferred during COVID-19 response.
Water and Sewer	Install new service connections and replace existing meters with fixed network meters	✓		✓		✓	On-Going	Installed new service connections in Glendale Estates, Iron Bridge, the Highlands, Cardinal Ridge. Established service loop in Foxx Creek extension. Approximately 95% of village now on fixed network for meter reading
Water and Sewer	Continue with plans to make infrastructure improvements to water mains to increase pressure and availability			✓		✓	On-Going	Loop and service enhancements made by moving service taps from older mains and transferring them over to newer mains.
Water and Sewer	Upgrade SCADA software for Windows 10	✓					In Progress	Work started at the end of Fiscal Year 2020 and expected to be complete in early Fiscal Year 2021.
Water and Sewer	Increase Utility Administration Fee Assessment	✓					In Progress	In Fiscal Year 2020, began reassessing fee at 2% of estimated revenues, in Fiscal Year 2021 will increase to 3% of estimated revenues
Street and Water	If revenues and expenditures are on target with projections purchase needed vehicles for Street and Water Departments					✓	New	
All Department's	Due to the effect of Covid- 19, the Village will not be filling existing personnel vacancies or adding any new positions unless noted above.	✓					New	

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 in the area. 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 and Town Charts Demographic Data)

Population - 2010	11,500
Persons under 20	3,370
Persons in their 20's	1,148
Persons in their 30's	2,034
Person's in their 40's	1,459
Person's in their 50's	1,401
Person's in their 60's	1,250
Person's 70 and above	838
Median Age	36
Per Capita Income	\$37,076
Median Home Value	\$187,900
Median Family Income	\$84,749
Unemployment Rate (IDES) Reflects Impact of COVID-19	11.8%

Building Permits- Single Family Homes New Construction

<u>Fiscal Year</u>	<u>Number Issued</u>
2011	71
2012	69
2013	69
2014	69
2015	79
2016	78
2017	62
2018	40
2019	29
2020	41

Electric

Number of Customers served as of 4/30/2020	6,005
Kilowatt hours provided	78,859,162
Residential Electric Rate	
Monthly Facility Charge	\$11.57
Rate per kwh	\$.1135

Community Profile

Water and Sewer

Number of Water Customers Served as of 4/30/2020	6,000
Gallons of Water Billed FY 2020	279,122,500
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	\$9.72
Number of Sewer Customers Served as of 4/30/2020	5,754
Gallons of Sewer Billed FY 2020	259,537,700
Residential Sewer Rates	
Monthly Facility Charge	\$11.72
Charge per 1000 gallons of consumption	\$4.89

Taxes

<u>Tax</u>	<u>Rate</u>
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- 2019 Tax Year All Taxing Bodies
(Chatham's rate is .4530 or 6% of the total rate listed below)

Ball Township	7.6317
Chatham Township	7.6232
Woodside Township	7.3961

Housing Types

Single Family Homes 4,346
2 Units 152
3 or 4 units 152
5 or more units 354
Mobile homes 50

Land Use Percentages

Residential 88.2%
Commercial 11%
Industrial and Railroad .4%
Farm .4%

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

Goals Reviewed,
Revenue and
Payroll Estimated

February 2020: The Village Manager along with the Village Board review upcoming budget goals. 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 2021 budget with the exception of debt service, electric, water and sewer expense.

Preliminary Review
of Estimates with
Village Manager

March 1, 2020 – March 11, 2020: Preliminary budget results reviewed with the Village Manager and Budget materials assembled.

Budget Meetings and
Board Approval of
Ordinance Authorizing
FY2021
Expenditures

March 12, 2020- June 9, 2020: The Village Management Team conducted their first meeting to discuss the 2021 Budget on March 12, 2020. On March 17, 2020 work on budget was put on hold due to the COVID-19 pandemic. On April 28, 2020, the Village Board adopts an ordinance authorizing expenditures pending the adoption of the fiscal year 2021 annual appropriation ordinance based on the appropriation of the preceding fiscal year 2020. Beginning on May 5, 2020, budget work resumed revenues estimates were revised and vacant positions were removed from the budget.

Budget
Presentation

June 23, 2020: 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

July 14, 2020: As required by State Statute, a public hearing is held to allow the public a final opportunity to provide input on 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 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

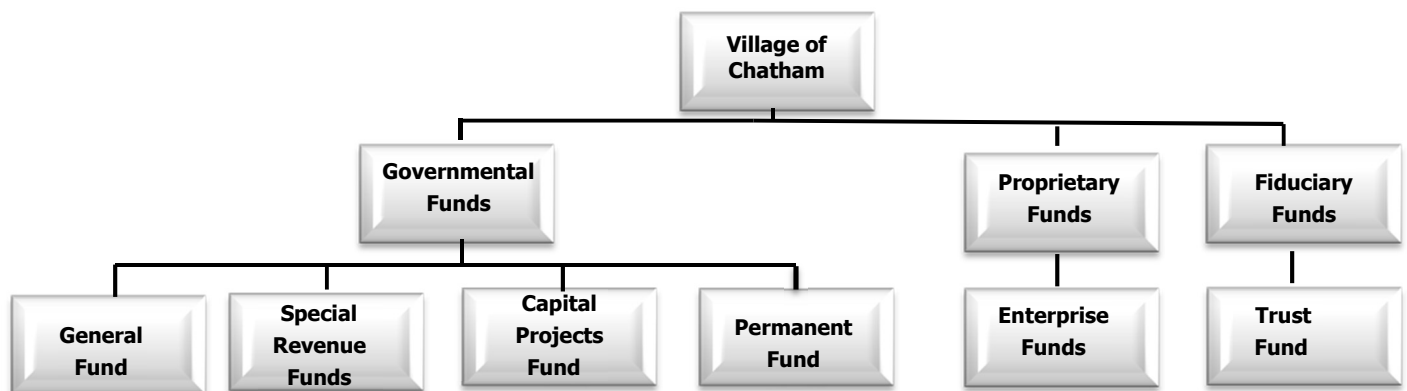
Proprietary Fund

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

Debt Policies

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

Accounting and Financial Reporting Policies

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



EXHIBITS

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

	2020 Budget	2021 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	\$650	\$650	No Change
Utilities			
Bulk Water	\$9.72 per 1000 gallons	\$9.72 per 1000 gallons	No Change
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

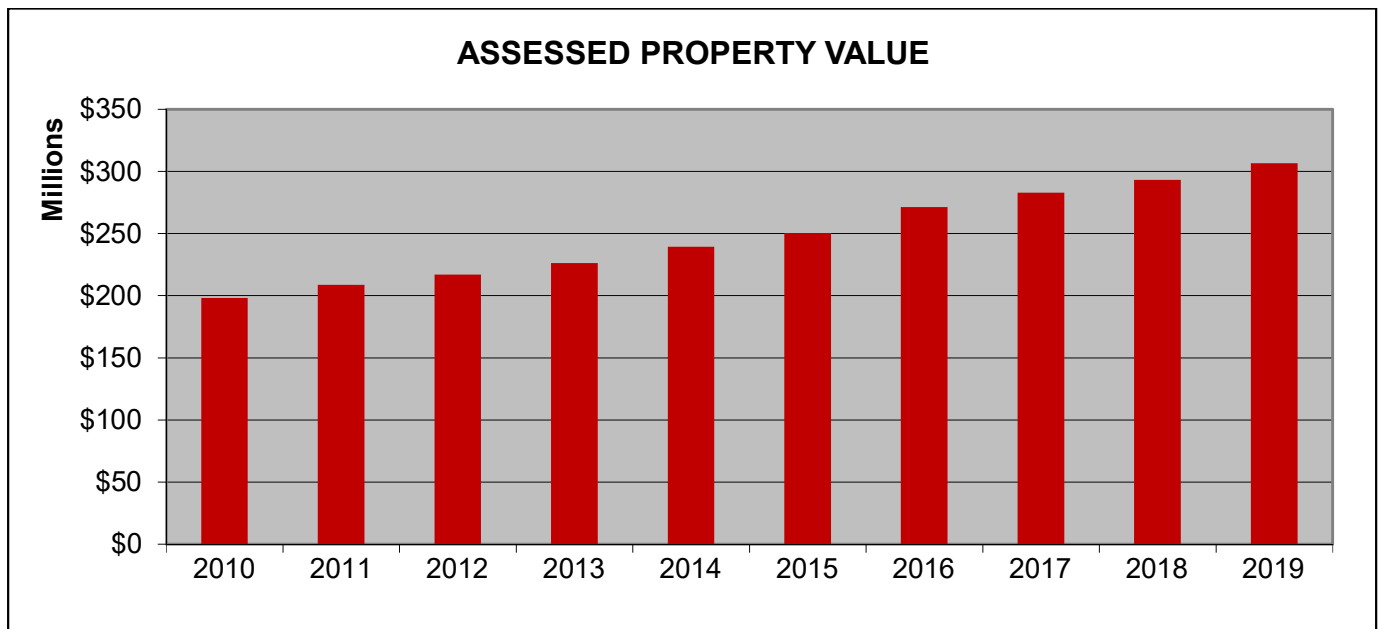
Fee Schedule

	2020 Budget	2021 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	\$4.00	\$4.00	No Change
Water Inside Village			
Monthly Facility Charge - Zero Consumption	\$9.99	\$9.99	No Change
Monthly Facility Charge - Consumption >1	\$25.99	\$25.99	No Change
Additional Monthly Facility Charge Painting Water Tanks	\$2.50	\$2.50	No Change
Consumption charge per 1000 gallons	\$9.72	\$9.72	No Change
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	\$13.34	\$13.34	No Change
Sewer Service			
Monthly Facility Charge	\$11.56	\$11.72	\$.16
Consumption charge per 1000 gallons	\$4.71	\$4.89	\$.18
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	\$2.50-\$75/hour	\$2.50-\$75/hour	No Change
Fingerprinting	\$52.50	\$52.50	No Change
Liquor license	\$150-\$1,000 annually	\$150-\$1,000 annually	No Change
Recycling Bin	\$13	\$13	No Change
Veteran's Memorial Bricks	\$50	\$50	No Change
Waste haulers Annual Fee	\$250 annually	\$250 annually	No Change
Zoning	\$200	\$200	No Change

Property Tax Exhibit

	2016 Extended	2017 Extended	2018 Extended	2019 Extended
General Fund	\$ 654,623	\$ 631,917	\$ 660,440	\$ 720,430
Police Pension	\$ 531,274	\$ 604,307	\$ 634,351	\$ 666,497
Total Corporate Levy	\$ 1,184,897	\$ 1,236,224	\$ 1,294,791	\$ 1,386,927
Bond and Interest Levy	\$ 33,085	\$ 33,381	\$ 33,125	\$ 33,708
Total Levy	\$ 1,218,982	\$ 1,269,605	\$ 1,327,916	\$ 1,420,635
Property Tax Rate	\$.4495	\$.4488	\$.4530	\$.4636

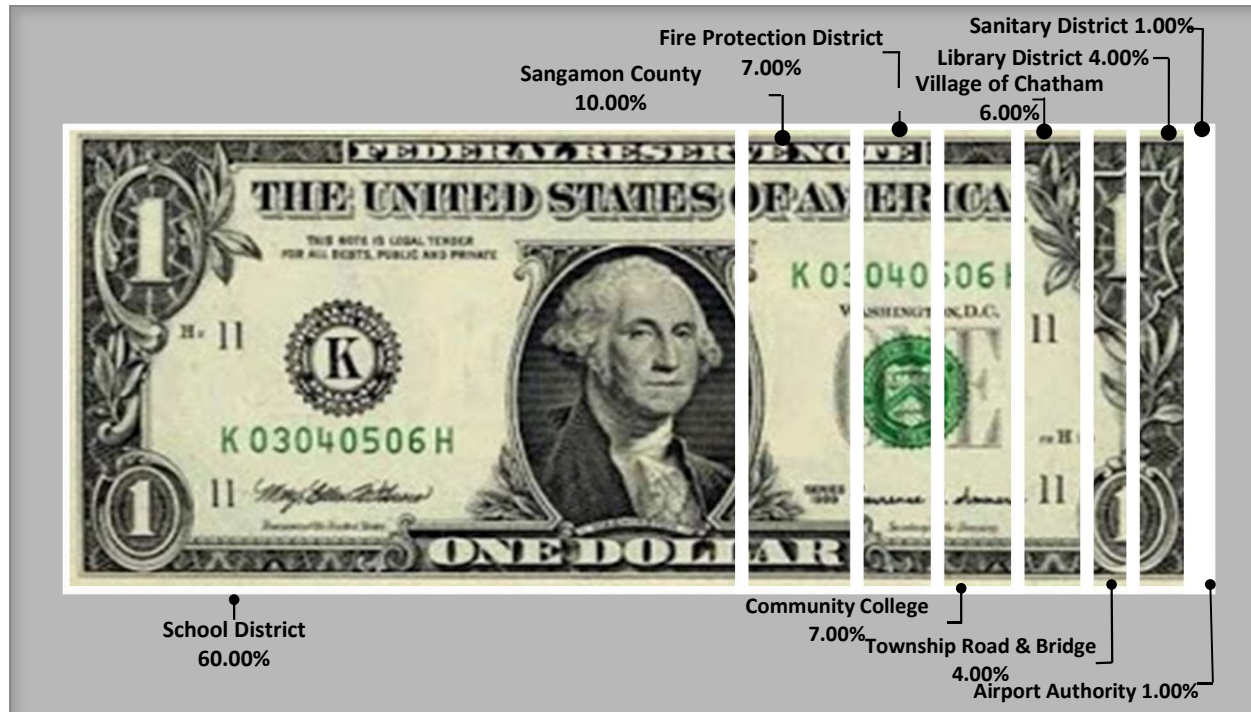
Property tax revenues of \$1,420,635 from the 2019 levy are included in the fiscal year 2021 budget. This represents an increase of \$92,719 or 7%, which is primarily due to the increase in the Village's assessed equalized valuation and the addition of the value of new construction and annexed property within the Village.



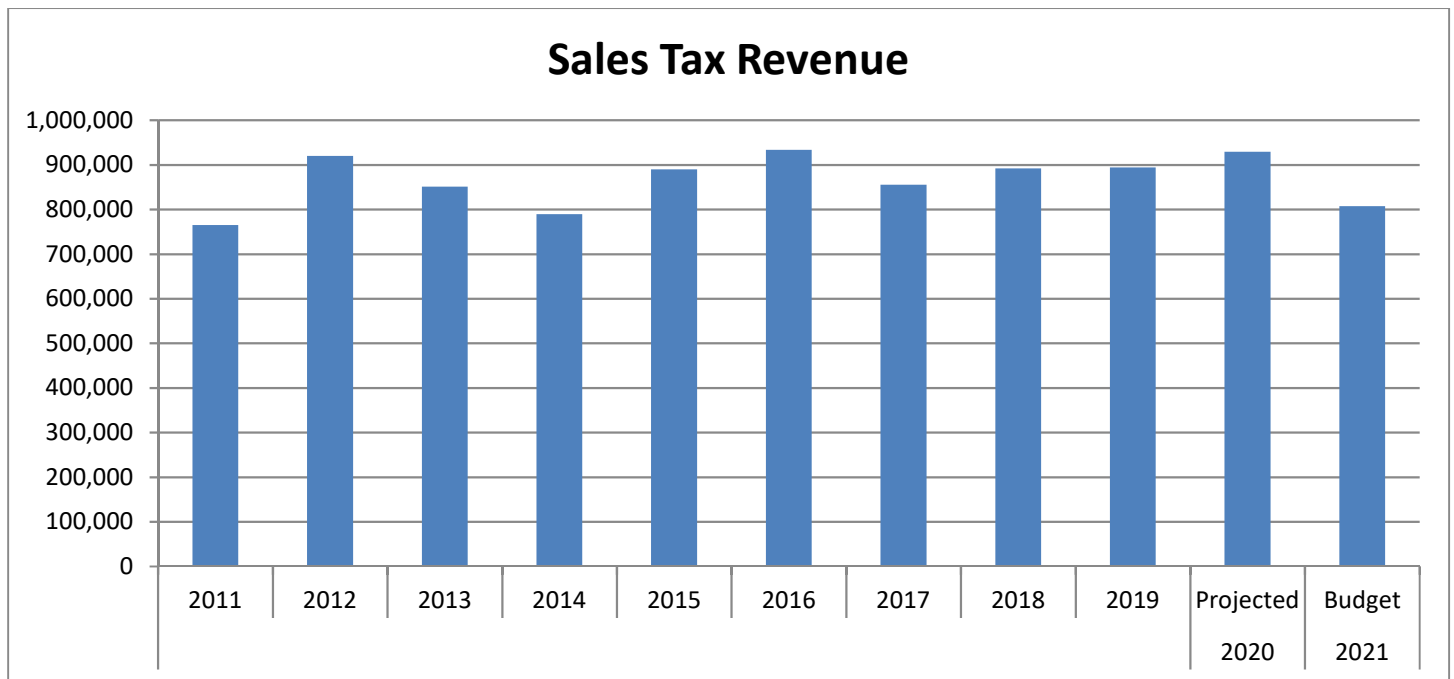
Assessed values have increased 54.8% between 2010 and 2019. The average increase during this period was 5.48%, with the highest growth in 2016 of 8.37% due to the addition of the equalized assessed value of the TIF District that was closed in November of 2015. The lowest increase of 3.62% occurred in 2018.

Property Tax Exhibit

Property tax is one of the most significant revenue for the Village's General Fund. Estimated Property Tax Revenue is \$1,420,635 or 28% of the Revenue estimated for the General Fund's Fiscal Year 2021 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 2019 tax year.



Trends and Projections



2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 Projected	2021 Budget
764,864	919,896	850,722	789,272	915,887	933,352	855,304	892,060	894,200	928,819	807,100

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.

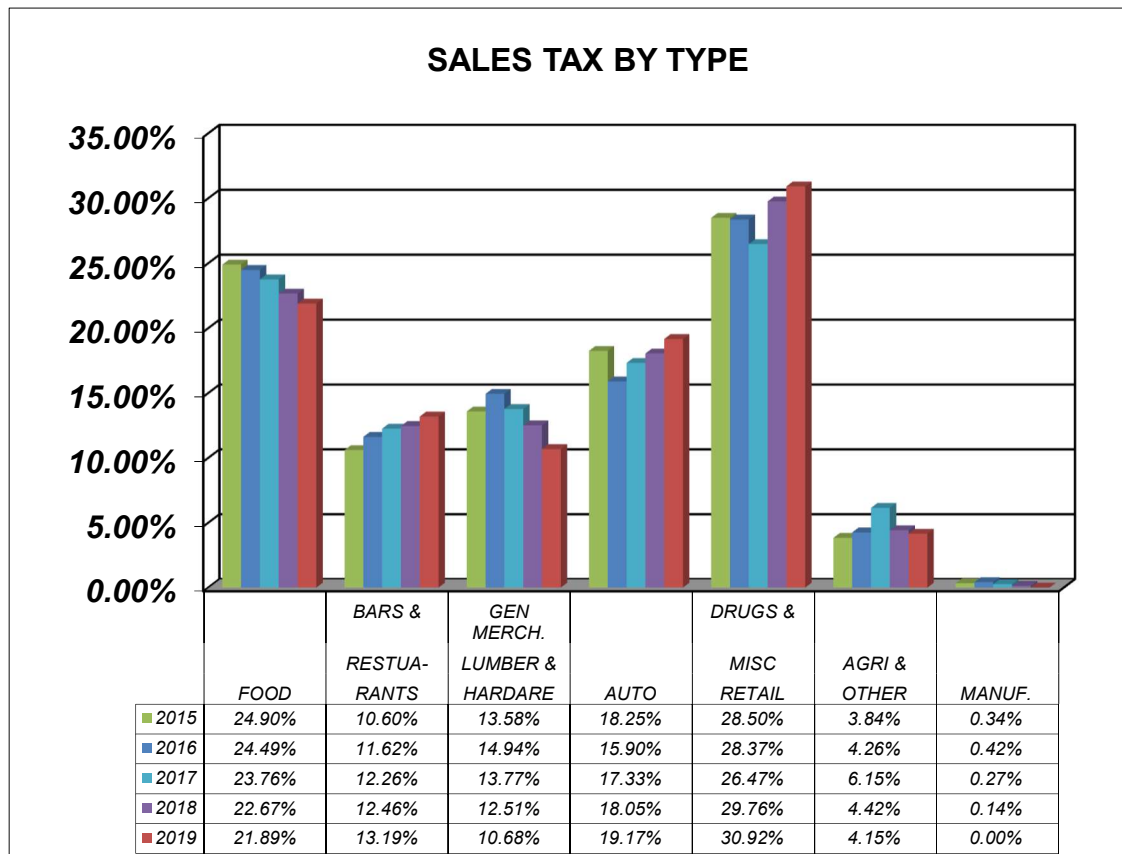
This source of revenue is directly related to economic development activity within the Village and is also influenced by general economic conditions. FY 2021 sales tax revenue was originally projected to include an inflationary increase of 2%. This projection was revised to a 15% decrease due to the COVID-19 pandemic. 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 decrease \$142,900 or 15% from the FY 2020 budgeted amount and 13% less than the 2020 estimated actual amount. The Village's top five categories of sales tax generators are drugs and miscellaneous retail, food, automotive and filling stations, drinking and eating places and lumber and hardware.

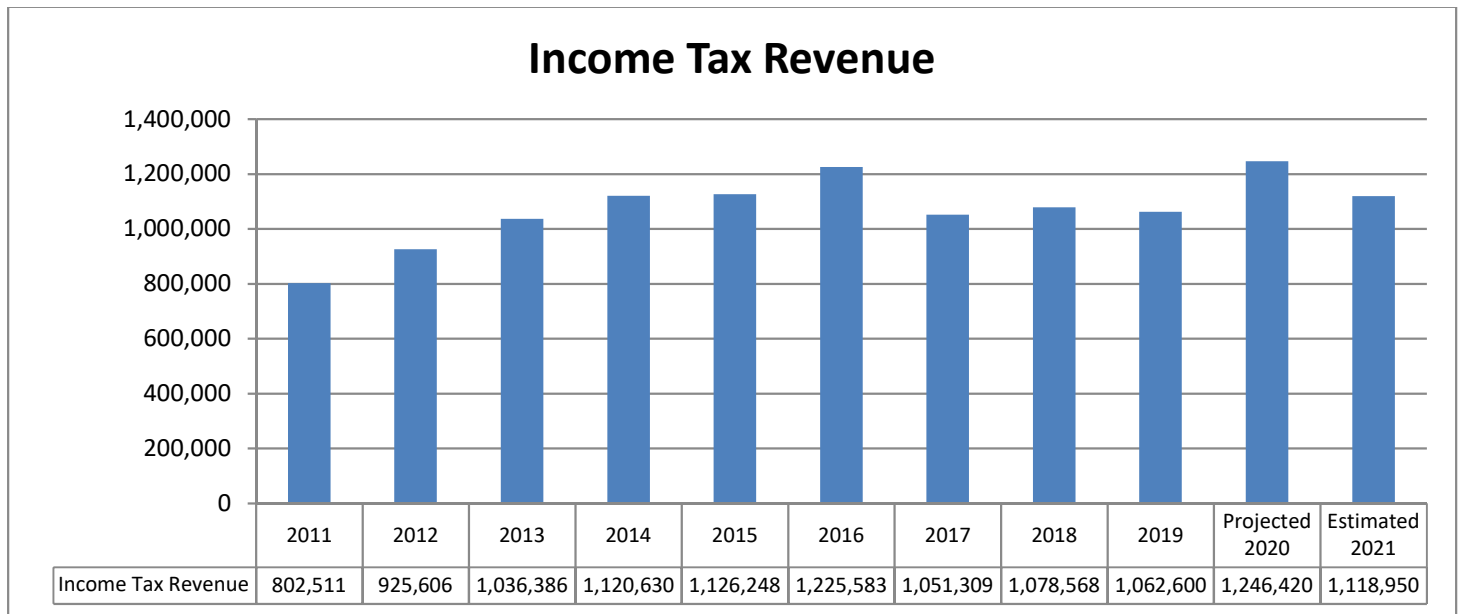
Trends and Projections

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 reflect the category percent of the total 1% collected. The Illinois Department of Revenue was the source of the information. The data represents the calendar years 2015 through 2019.



Trends and Projections

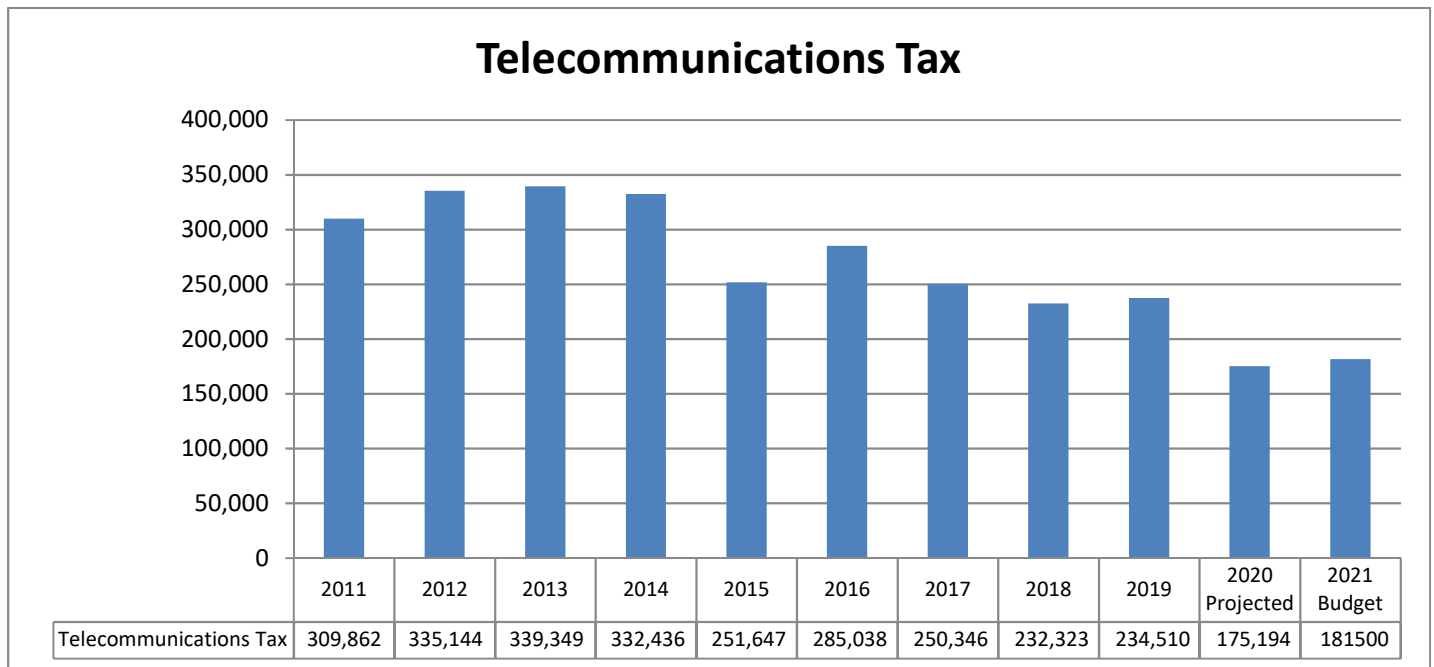


The tax data above shows the state income tax distribution from the State of Illinois. State income tax is distributed to municipalities based on population. During the time period reflected above income tax has been affected by increases in the Village's population, changes in economic conditions, delays in payments from the State of Illinois and changes in the income tax rate. Income tax made up anywhere from 21 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 that were revised in June 2020 for the effects of COVID-19. FY 2021 income tax receipts are estimated at \$1,118,950 which represents a decrease of \$39,750 from the FY 2020 budget amount.

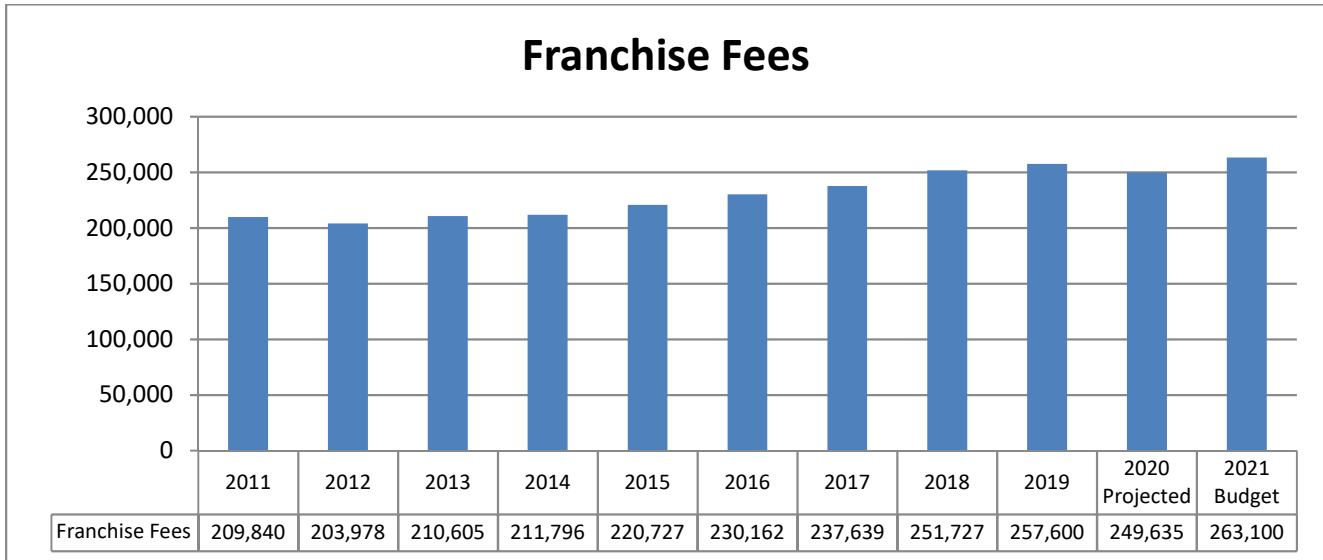
Trends and Projections



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 with a significant decline of 26% in fiscal year 2020. This reduction is likely due to the bundling of services and a reduction in landlines.

Telecommunication tax revenues are allocated between the General Fund and the Police and Public Works Utility Tax Fund. These fees currently represent 2.8% 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

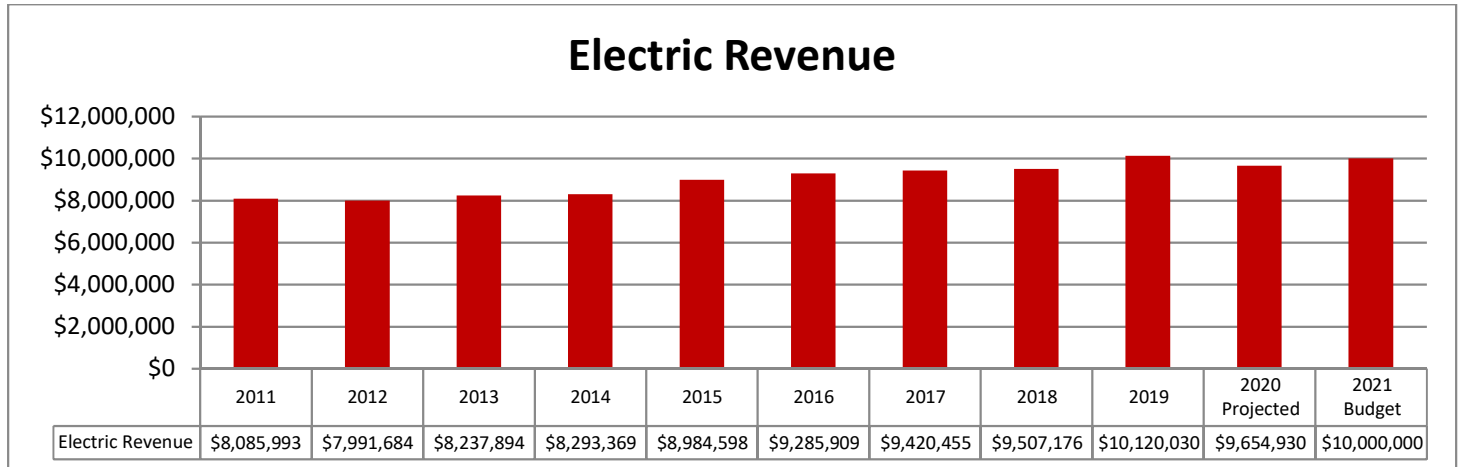


Franchise fees are a revenue source within the General Fund. The franchise fees collected are the result of the privilege granted by the Village of Chatham to Ameren/CILCO and Comcast that allows these investor owned utilities to have facilities on public property. Franchise fees currently make up 5.5% 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 increase in franchise fees in the fiscal year 2021 budget is 2.15% over the prior year budget. This amount is estimated based on review of the most recent quarterly payment from Comcast for franchise fees and the most recent Ameren/CILCO payment.

Trends and Projections

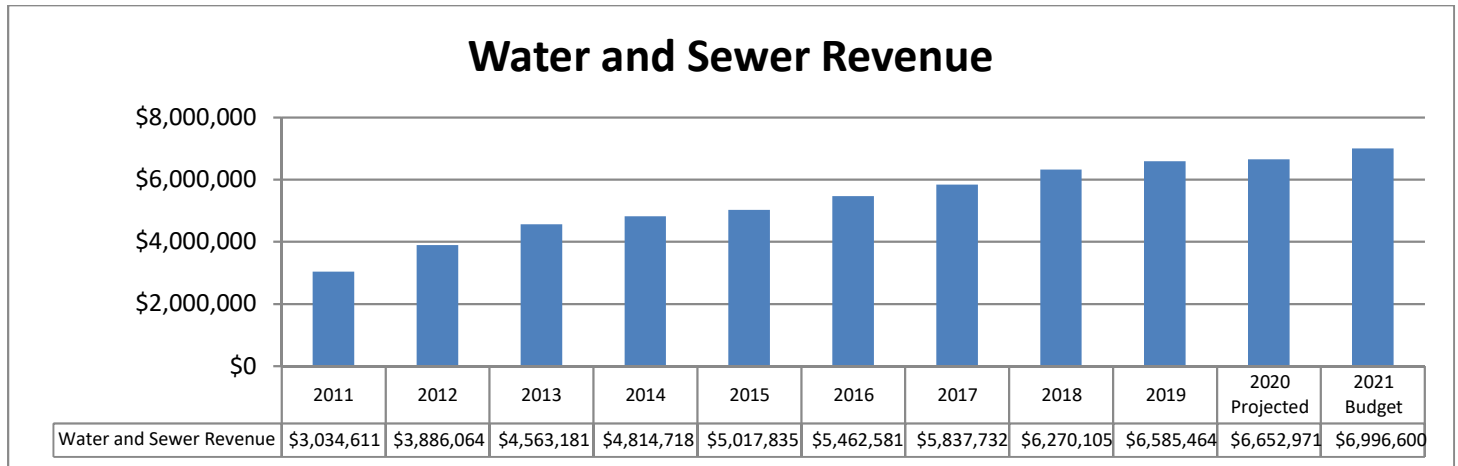


Customers, including residents and businesses, are billed monthly for electric services. Electric revenues are based on the amount of electricity used. Electric rates are developed to recover the cost of providing electricity to users. The Village purchases electricity from the Illinois Municipal Electric 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.

Electric rates were 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 2021. In projecting electric revenue for fiscal year 2021, estimated future energy purchase information is obtained from the IMEA. This information is compared to the consumption and revenue for the past 5 fiscal years. An average consumption is determined and applied to the existing rate schedule to calculate a conservative estimate for electric revenue.

Trends and Projections

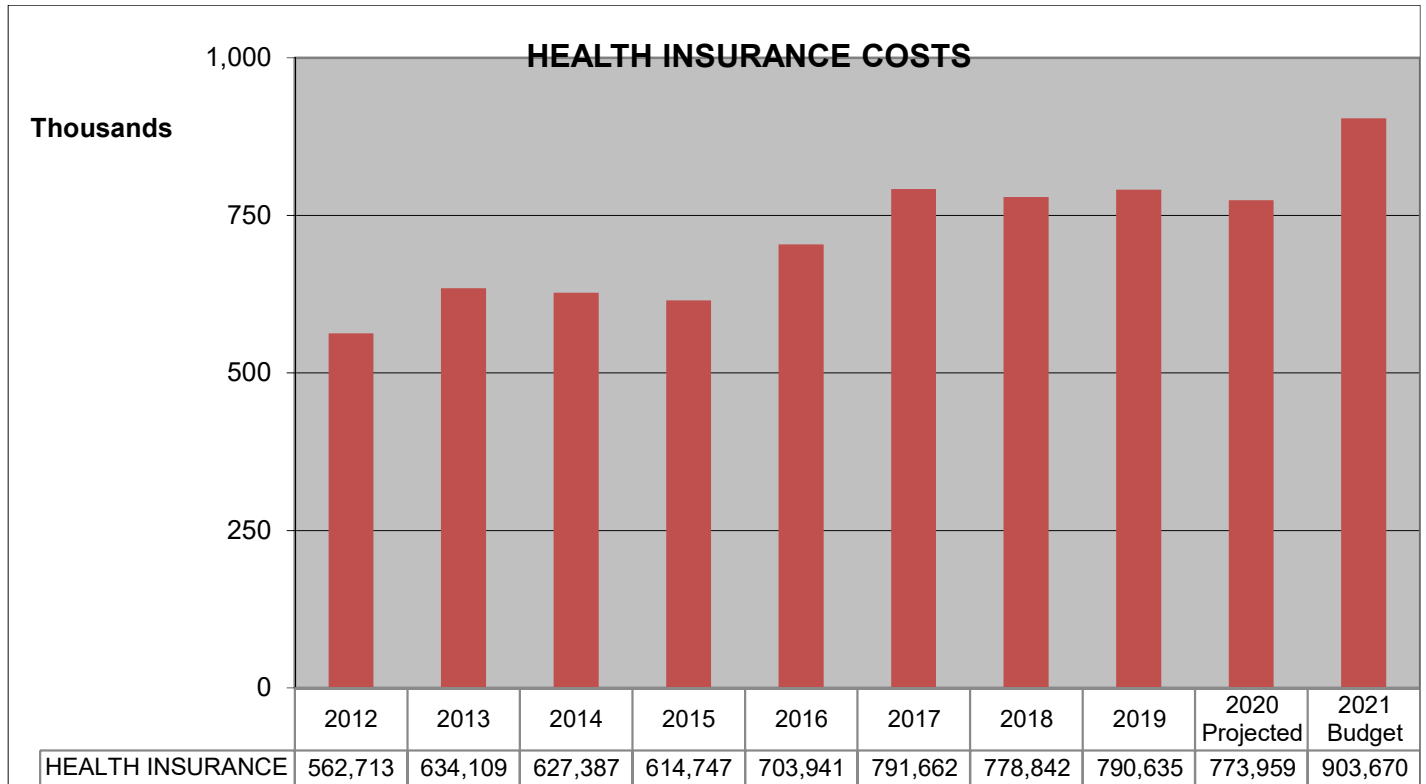


Customers, including residents and businesses, are billed monthly for water and sewer services. Water and sewer revenues are based on the volume of water used. Water and sewer rates are developed to recover the cost of providing water to users. The Village receives its water from the South Sangamon Water 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 is the result of passing along the rate increase the Village received from their supplier the SSWC as well as a continuation of the \$2.50 monthly facility for ten years to fund the painting of both the ground storage tank and the water tower. The 2019 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. The 2021 Budget includes a sewer rate increase of .16 in the monthly facility charge and .18 per 1000 gallon consumption charge increase to pass along rate increases the Village received from their sanitary sewer service provider.

In estimating fiscal year 2021 Water and Sewer Revenue, a review of consumption and the number of customers is completed and is applied to the existing rate schedules to calculate a conservative estimate for water and sewer revenue.

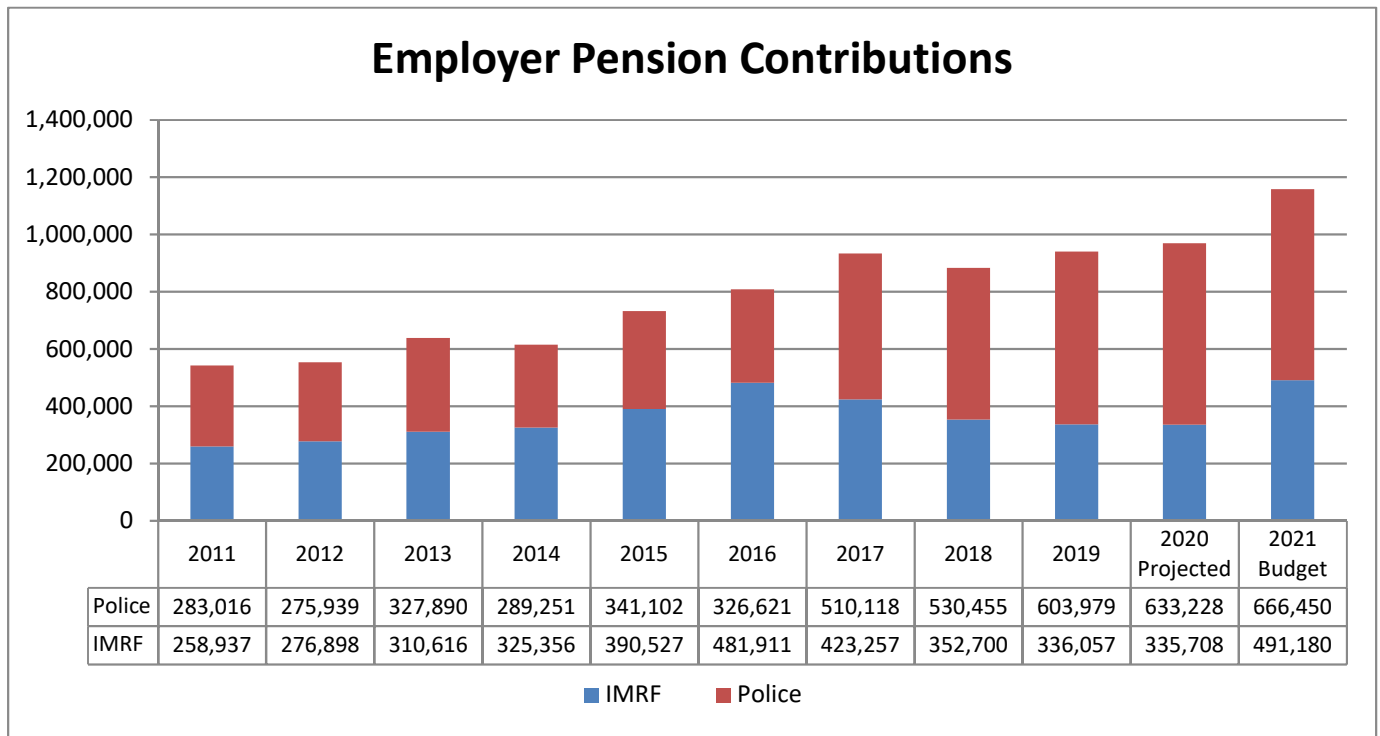
Trends and Projections



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 and in Fiscal Year 2021, this percentage will decrease to 74%. The projected budget for Fiscal Year 2021 has increased approximately \$130,000 over the 2020 projected expense due to a 11.91% cost increase in health insurance rates. The new rates are effective for both Fiscal Years 2021 and 2022.

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 2021 budget includes contributions for 39 employees in IMRF and 15 in the Police Pension Plan.

Police pension expenses increased from 2017 to 2021 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 2020 to 2021 is due to potential accelerated payments for employees eligible for retirement during Fiscal Year 2021

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 2021, the Utility Administration Fee assessed to the Water and Sewer Fund increased from 2% of to 3% of Water and Sewer Fund revenues. The rate assessed to the Electric Fund is 3% of Electric revenues.

Long-Term Financial Planning

Electric Fund

Electric rates are based on the cost of providing electric service to customers, the cost to maintain existing infrastructure as well as the cost to extend services to new customers. The Village purchases electricity from the Illinois Municipal Electric Agency (IMEA). In 2015, the Village established by ordinance a process for setting utility rates. This process dictates that the Village will raise rates based on the IMEA's supply average participant cost. 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 2022 through 2025 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. During Fiscal Year 2020, The Sangamon County Water Reclamation District passed a multi-year rate increases for Fiscal Years 2020 through 2029. The Village's projected sewer income reflects passing on these rate increases to the Village's customers. No increases are currently anticipated for water 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 2022 through 2025. 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 2022 through 2024 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 2021, employee salaries and other payroll expenses were budgeted with the assumption that existing vacant positions would not be filled due to the reduction in income projected from the effects of the COVID-19 pandemic. Beginning in Fiscal Year 2021, the Utility Administration fee will be assessed to both utility funds at a rate of 3% of utility fund revenues. For Fiscal Years 2022 through 2025, employee salaries and other payroll expense were estimated at the reduced staffing levels at a growth rate of 3%. In Fiscal Year 2023 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 shows an operating surplus for Fiscal Year 2022 and operating deficits in Fiscal Years 2021 and 2023 through 2025. Revenue for Fiscal year 2021 was projected by reviewing estimated kilowatt hour information provided by the IMEA. Revenue for Fiscal Years 2022 thru 2025 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 2023 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 budget surpluses for most years between Fiscal Years 2021 through 2025. For Fiscal Year 2021 revenue was projected assuming no growth in existing customers using historical consumption rates per customer. In Fiscal Years 2022 through 2025 a growth rate of 2% was projected. Due to the Sangamon County Water Reclamation Districts multi-year rate increase and the Village's policy to pass along rate increases to customers, both Sewer revenue and expense have been increased to reflect this. Other 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 2021, the Utility Administration Fee payable to the Village's General Fund will be assessed at an increased rate of 3% of Water and Sewer Fund revenues. A long-term borrowing is planned in Fiscal Year 2023 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 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						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
REVENUES						
Property Tax	\$ 1,325,565	\$ 1,420,635	\$ 1,477,460	\$ 1,536,559	1,598,021	\$ 1,661,942
Road and Bridge Tax	24,433	24,500	24,990	25,490	26,000	26,520
Sales Tax	928,819	807,100	928,819	947,395	966,343	985,670
State Income Tax	1,246,420	1,118,950	1,246,420	1,547,728	1,578,683	1,610,257
Local Use Tax	396,816	408,250	416,415	517,079	527,420	537,969
Franchise Tax	249,635	263,100	268,362	273,729	279,204	284,788
Business License	21,350	29,325	29,912	30,510	31,120	31,742
Building Permits	94,433	93,250	95,115	97,017	98,958	100,937
Traffic Fines	38,049	43,000	43,860	44,737	45,632	46,545
Other Fines	26,770	25,200	25,704	26,218	26,742	27,277
Recreation Program Rev	10,710	750	765	780	796	812
Personal Property Replacement	3,236	2,300	2,346	2,393	2,441	2,490
Telecommunications Tax	141,914	145,000	147,900	150,858	153,875	156,953
Opening and Closing	14,200	15,200	15,504	15,814	16,130	16,453
Cornerstone Sales	840	825	842	858	875	893
Interest Income	19,833	21,850	22,287	22,733	23,187	23,651
Sale of Services	810	1,150	1,173	1,196	1,220	1,245
Miscellaneous Revenue	57,209	26,000	26,520	27,050	27,591	28,143
Contractors Registration	3,750	4,000	4,080	4,162	4,245	4,330
Crime Prevention Revenue	8,816	7,000	7,140	7,283	7,428	7,577
MFT Reimbursement	37,210	-	-	-	-	-
Gaming Tax Distribution	103,260	102,500	104,550	106,641	108,774	110,949
Local Share Cannabis Use Tax	1,881	9,660	9,853	10,050	10,251	10,456
Utility Fund Administration Fee	466,000	490,725	541,605	557,786	570,874	578,275
Park Use Fee	490	650	663	676	690	704
Federal Grants - IDOT	6,569	19,000	19,380	19,768	20,163	20,566
Federal Grants - DOJ	855	-	-	-	-	-
Federal Grants - DCEO	-	75,000	-	-	-	-
Other Grants	8,550	11,550	11,781	12,017	12,257	-
Loan/Bond Proceeds	-	-	-	1,333,333	-	-
TOTAL REVENUES	\$ 5,238,423	\$ 5,166,470	\$ 5,473,447	\$ 7,319,860	\$ 6,138,922	\$ 6,277,143
EXPENSES						
Administration Department						
Employee Salaries	\$ 242,417	\$ 279,500	\$ 287,885	\$ 296,522	\$ 305,417	\$ 314,580
Salaries - Officials	51,600	53,000	53,000	53,000	53,000	53,000
Other Payroll Expense	77,407	100,950	102,149	105,832	109,686	113,182
Travel & Training	4,461	9,000	9,180	9,364	9,551	9,742
Legal Expenses	79,024	128,000	130,560	133,171	135,835	138,551
Professional services	100,197	141,861	144,698	147,592	150,544	153,555
Annual Audit Fee	3,000	3,600	3,672	3,745	3,820	3,897
Buildings & Grounds Maintenance	10,675	17,468	17,817	18,174	18,537	18,908
Vehicle & Equipment Maintenance	812	2,258	2,303	2,349	2,396	2,444
Emergency Services	2,387	18,250	18,615	18,987	19,367	19,754
Office Expense	22,738	29,950	30,549	31,160	31,783	32,419
IT	53,800	52,624	53,676	54,750	55,845	56,962
Code Enforcement	48,714	65,350	66,657	67,990	69,350	70,737
General Insurance	31,163	32,650	33,303	33,969	34,648	35,341
Refunds	892	4,000	4,080	8,000	8,160	8,323
Grant Expense	-	75,000	-	-	-	-
Debt Service	-	-	-	90,000	90,000	90,000
ADMINISTRATION DEPARTMENT TOTAL	729,287	1,013,461	958,144	1,074,605	1,097,939	1,121,395

Long-Term Financial Planning

VILLAGE OF CHATHAM						
GENERAL FUND 100						
FUND SUMMARY						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
Cemetery Department						
Employee Salaries	\$ 12,321	16,300	16,789	17,293	17,811	18,346
Other Payroll Expense	4,654	6,760	6,841	7,086	7,342	7,610
Buildings & Grounds Maintenance	13,275	18,445	18,814	19,190	19,574	19,965
CEMETERY DEPARTMENT TOTAL	30,250	41,505	42,444	43,568	44,728	45,922
Employee Salaries	\$ 254,714	\$ 299,500	\$ 308,485	317,740	327,272	337,090
Other Payroll Expense	77,614	102,240	103,495	107,145	113,625	114,957
Travel & Training	389	500	510	520	531	541
Professional services	13,500	30,000	-	-	-	-
Buildings & Grounds Maintenance	41,401	49,414	50,402	51,410	52,439	53,487
Recreation Program	12,771	2,000	2,040	2,081	2,122	2,165
4th of July	7,400	7,400	7,548	7,699	7,853	8,010
Vehicle & Equipment Maintenance	21,316	26,800	27,336	27,883	28,440	29,009
Office Expense	2,447	2,573	2,624	2,677	2,730	2,785
Equipment purchase	30,505	9,497	9,687	9,881	10,078	10,280
Uniforms & Supplies	3,884	5,388	5,496	5,606	5,718	5,832
PARKS AND RECREATION DEPARTMENT TO	\$ 465,941	\$ 535,312	\$ 517,623	\$ 532,641	\$ 550,809	\$ 564,155
Street Department						
Employee Salaries	\$ 326,170	\$ 376,200	\$ 387,486	\$ 399,111	\$ 411,084	\$ 423,416
Other Payroll Expense	145,028	192,150	193,875	201,989	210,518	219,488
Travel & Training	350	500	510	520	531	541
Buildings & Grounds Maintenance	6,815	14,000	14,280	14,566	14,857	15,154
Vehicle & Equipment Maintenance	77,016	75,000	76,500	78,030	79,591	81,182
Office Expense	725	1,011	1,031	1,052	1,073	1,094
General Insurance	22,845	23,950	24,429	24,918	25,416	25,924
Equipment purchase	2,800	10,122	10,324	10,531	10,742	10,956
Uniforms & Supplies	11,267	13,985	14,265	14,550	14,841	15,138
Debt Service	58,376	59,100	58,680	58,552	58,409	58,751
STREET DEPARTMENT TOTAL	\$ 651,392	\$ 766,018	\$ 781,380	\$ 803,817	\$ 827,062	\$ 851,645
Police Department						
Employee Salaries	\$ 1,583,340	1,752,000	1,804,560	1,858,697	1,914,458	1,971,891
Other Payroll Expense	507,029	578,600	582,226	609,763	638,803	669,436
Police Pension Contribution	633,228	666,450	693,108	720,832	749,666	779,652
Travel & Training	18,102	14,000	14,280	14,566	14,857	15,154
Professional services	2,916	5,246	5,351	5,458	5,567	5,678
Buildings & Grounds Maintenance	6,754	8,925	9,104	9,286	9,471	9,661
Vehicle & Equipment Maintenance	47,306	49,400	50,388	51,396	52,424	53,472
Police Restricted Account Expense	42,728	32,300	32,946	33,605	34,277	34,963
Office Expense	51,583	50,684	51,698	52,732	53,786	54,862
IT	15,623	14,908	15,206	15,510	15,820	16,137
General Insurance	44,232	46,700	47,634	48,587	49,558	50,550
Equipment purchase	56,871	25,617	26,129	26,652	27,185	27,729
Uniforms & Supplies	29,853	32,700	33,354	34,021	34,702	35,396
POLICE DEPARTMENT TOTAL	\$ 3,039,565	\$ 3,277,530	\$ 3,365,984	\$ 3,481,105	\$ 3,600,574	\$ 3,724,580

Long-Term Financial Planning

VILLAGE OF CHATHAM						
GENERAL FUND 100						
FUND SUMMARY						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
Transfers						
Transfer to Capital Projects Fund Administration	-	-	-	1,333,333	-	-
Transfer to Capital Projects Fund Parks	49,740			-		
Transfer to Capital Projects Fund Streets	51,518	38,809	-	-	-	-
TRANSFERS TOTAL	<u>101,258</u>	<u>38,809</u>	<u>-</u>	<u>1,333,333</u>	<u>-</u>	<u>-</u>
EXPENDITURE TOTAL:	\$ 5,017,693	\$ 5,672,635	\$ 5,665,575	\$ 7,269,068	\$ 6,121,114	\$ 6,307,697
General Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:	\$ 220,730	\$ (506,165)	\$ (192,128)	\$ 50,793	\$ 17,809	\$ (30,554)
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Use of Cash on Hand to pay costs related to accrued benefits	-	358,500	358,500	358,500	358,500	358,500
Use of Cash on Hand to pay for planning, park development and restricted account purchases	-	62,300	-	-	-	-
Transfer Debt Proceeds to Capital Projects		38,809	-	-	-	-
SUBTOTAL	\$ -	\$ 459,609	\$ 358,500	\$ 358,500	\$ 358,500	\$ 358,500
OPERATING BUDGET SURPLUS/(DEFICIT)	\$ 220,730	\$ (46,556)	\$ 166,372	\$ 409,293	\$ 376,309	\$ 327,946

Long-Term Financial Planning

VILLAGE OF CHATHAM						
ELECTRIC FUND 600 FIVE YEAR PROJECTION						
FISCAL YEARS 2021-2025						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Description	Estimated Actual	Budget	Projected	Projected	Projected	Projected
REVENUES						
Electric Sales	\$ 9,654,930	\$ 10,000,000	\$ 10,200,000	\$ 10,404,000	\$ 10,612,080	\$ 10,824,322
Penalties	97,055	89,250	122,400	124,848	127,345	129,892
Interest	26,519	28,190	28,754	29,329	29,915	30,514
Reimbursement of Expense	16,520	43,200	44,064	44,945	45,844	46,853
Miscellaneous Revenue	43,801	45,000	45,900	46,818	47,754	48,709
Development Fees	-	-	40,000	40,800	41,616	42,448
Other Grants	-	45,000	-	-	-	-
Debt Proceeds	-	259,751	-	1,333,334	-	-
Utility Tax Collected	244,043	260,000	265,200	270,504	275,914	281,432
Interfund Loan Payment	89,707	89,707	89,707	-	-	-
TOTAL REVENUES	\$ 10,172,575	\$ 10,860,098	\$ 10,836,025	\$ 12,294,578	\$ 11,180,470	\$ 11,404,170
EXPENSES						
Electric Fund						
Employee Salaries	\$ 1,067,051	\$ 1,155,240	\$ 1,189,897	\$ 1,225,594	\$ 1,262,362	\$ 1,300,233
Other Payroll Expense	350,017	441,950	447,645	462,856	478,748	495,344
Travel & Training	9,409	11,000	11,220	11,444	11,673	11,907
Legal Fees	9,400	-	-	-	-	-
Audit	12,500	13,200	13,464	13,733	14,008	14,288
Buildings & Grounds Maintenance	162,716	160,688	163,902	167,180	170,523	173,934
Vehicle & Equipment Maintenance	49,979	58,000	59,160	60,343	61,550	62,781
Office Expense	93,278	98,650	100,623	102,635	104,688	106,782
IT & GIS	42,148	51,940	52,979	54,038	55,119	56,222
General Insurance	91,374	95,100	97,002	99,427	101,913	104,461
Equipment purchase	79,555	496,805	89,600	50,000	51,000	52,020
Uniforms & Supplies	20,120	25,100	25,602	26,114	26,636	27,169
Street Maintenance	-	2,000	2,040	2,081	2,122	2,165
Construction Expense	80,508	458,716	363,137	1,603,533	281,603	287,235
Meter and Transformer Expense	84,265	126,666	174,579	177,550	182,173	185,816
IMEA Electric Expense	6,908,110	7,096,000	7,237,920	7,382,678	7,530,332	7,680,939
Utility Tax Expense	240,753	260,000	269,280	274,666	280,159	285,762
Debt Service	352,391	323,500	321,760	422,559	428,134	430,014
Refunds	-	500	500	500	500	500
Bad Debt Expense	24,211	56,000	35,000	35,000	35,000	35,000
General Fund Administration Fee	321,000	312,000	318,240	324,605	331,097	337,719
EXPENDITURES TOTALS:	\$ 9,998,785	\$ 11,243,055	\$ 10,973,549	\$ 12,496,538	\$ 11,409,340	\$ 11,650,289
Electric Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:	\$ 173,790	\$ (382,957)	\$ (137,525)	\$ (201,958)	\$ (228,870)	\$ (246,119)
EXPENDITURES TO BE PAID FROM CASH ON HAND OR RESTRICTED CASH ACCOUNTS						
Use of Cash on Hand to pay costs related to accrued benefits	-	218,500	192,000	192,000	192,000	192,000
Use of funds for expenses carried forward from prior year		70,074				
SUBTOTAL	\$ -	\$ 288,574	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000
OPERATING BUDGET SURPLUS/(DEFICIT)	\$ 173,790	\$ (94,383)	\$ 54,475	\$ (9,958)	\$ (36,870)	\$ (54,119)

Long-Term Financial Planning

VILLAGE OF CHATHAM						
WATER AND SEWER FUND 700 FIVE YEAR PROJECTION						
FISCAL YEARS 2021-2025						
Description	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	Estimated Actual	Budget	Projected	Projected	Projected	Projected
REVENUES						
Water Sales	\$ 4,691,297	\$ 4,840,000	\$ 4,936,800	\$ 5,035,536	\$ 5,136,247	\$ 5,238,972
Bulk Water Sales	1,491	2,100	2,142	60,426	61,635	62,868
Sewer Income	1,960,183	2,154,500	2,263,518	2,428,845	2,541,835	2,658,785
Penalties	64,703	61,875	63,113	64,375	65,662	66,975
Interest	12,289	13,400	13,668	13,941	14,220	14,505
Sales of Services	137,673	153,000	156,060	159,181	162,365	165,612
Miscellaneous Revenue	4,445	10,000	10,200	10,404	10,612	10,824
Debt Proceeds	25,640	-	-	1,333,333	-	-
TOTAL REVENUES	6,897,723	7,234,875	7,445,500	9,106,043	7,992,575	8,218,542
EXPENSES						
Water and Sewer Fund						
Employee Salaries	731,899	841,600	866,848	892,853	919,639	947,228
Other Payroll Expense	267,441	345,129	348,982	362,061	375,767	390,135
Travel & Training	1,883	3,050	3,111	3,173	3,237	3,301
Professional services	84,851	56,000	57,120	58,262	59,428	59,427
Audit	12,500	13,200	13,464	13,733	14,008	14,288.10
Buildings & Grounds Maintenance	90,237	103,588	105,660	107,773	109,928	112,127
Vehicle & Equipment Maintenance	36,716	41,200	42,024	42,864	43,722	44,596
Office Expense	68,323	79,400	80,988	82,608	84,260	85,945
IT	50,647	50,500	51,510	52,540	53,591	54,663
General Insurance	38,827	40,450	41,259	42,290	43,348	44,431
Equipment purchase	123,693	138,350	84,879	86,577	88,308	90,075
Uniforms & Supplies	22,146	21,900	22,338	22,785	23,240	23,705
Street Maintenance	14,727	14,000	14,280	14,566	14,857	15,154
Construction Expense	185,238	140,000	255,000	1,588,333	255,000	255,000
Meter Expense	137,785	100,000	75,000	50,000	50,000	50,000
Electric expense	35,753	43,000	43,860	44,737	45,632	46,545
Water Expense	3,341,919	3,340,000	3,456,900	3,526,038	3,596,559	3,668,490
Sewer Expense	1,299,032	1,420,000	1,491,852	1,600,817	1,675,287	1,752,367
Debt Service	279,646	281,618	276,000	366,000	366,000	366,000
Refunds	-	2,700	2,700	2,700	2,700	2,700
Bad Debt Expense	25,302	31,375	17,000	17,340	17,687	18,041
General Fund Administration Fee	145,000	178,725	223,365	233,181	239,777	246,556
Interfund Loan Payment	89,707	89,707	89,707	-	-	-
EXPENDITURES TOTALS:	7,083,272	7,375,492	7,663,848	9,211,234	8,081,976	8,290,773
Water and Sewer Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:	\$ (185,549)	\$ (140,617)	\$ (218,348)	\$ (105,192)	\$ (89,401)	\$ (72,232)
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	-	-	-
Carryforward of expenditures from prior fiscal year	75,508	-	-	-	-	-
Use of Cash on Hand to pay costs related to accrued benefits	-	115,500	115,500	115,500	115,500	115,500
SUBTOTAL	\$ 165,215	\$ 205,207	\$ 205,207	\$ 115,500	\$ 115,500	\$ 115,500
OPERATING BUDGET SURPLUS/(DEFICIT)	\$ (20,334)	\$ 64,590	\$ (13,141)	\$ 10,308	\$ 26,099	\$ 43,268

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	\$5,166,470	\$10,860,098	\$7,234,875	\$39,034	\$290,800	\$36,530	\$18,585	\$1,200	\$530,441	\$1,137,950
Budgeted Expenditures	<u>5,672,635</u>	<u>11,243,055</u>	<u>7,375,492</u>	<u>38,809</u>	<u>354,246</u>	<u>36,530</u>	<u>83,489</u>	<u>1,200</u>	<u>435,508</u>	<u>1,137,950</u>
Excess(Deficit) of Revenues over Expenditures	(506,165)	(382,957)	(140,617)	225	(63,446)	0	(64,904)	0	94,933	-
Estimated Fund Balance/Net Position April 30, 2020	<u>2,124,781</u>	<u>10,697,965</u>	<u>9,912,945</u>	<u>42,678</u>	<u>310,691</u>	<u>9,035</u>	<u>471,650</u>	<u>11,644</u>	<u>381,026</u>	<u>8,153,930</u>
Estimated Fund Balance/Net Position April 30, 2021	<u>\$1,618,616</u>	<u>\$ 10,315,008</u>	<u>\$9,722,328</u>	<u>\$42,903</u>	<u>\$247,245</u>	<u>\$9,035</u>	<u>\$406,746</u>	<u>\$11,644</u>	<u>\$475,959</u>	<u>8,153,930</u>
Estimated Unrestricted Cash Balance April 30, 2021	<u>\$1,544,533</u>	<u>\$2,861,748</u>	<u>\$1,226,822</u>							
Estimated Fund Balance/Net Position to Budgeted Expenditures	28.53%									
Estimated Unrestricted Cash to Budgeted Expenditures	27.23%	25.45%	16.63%							

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 2021 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 2021 the Electric Fund budget meets this requirement, the Water and Sewer Fund Budget falls slightly below. It is unlikely that 100% of the Water and Sewer Fund budget will be spent, however if the balance does fall below the target, the Village will adjust spending in the upcoming years to bring the balances back within the targeted range.

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. The Cemetery Perpetual Care Fund Fiscal Year 2021 includes spending down \$78,789 of funds accumulated in the fund committed for cemetery care.

Increases or Decreases exceeding 10%:

The estimated decrease in fund balance is \$506,165 or 24%. Included in the General Fund budget is \$459,609 of nonrecurring expenditures and expenditures carried forward from prior periods. \$358,500 is related to potential accrued time payoffs that are eligible for payout but may not occur and \$71,109 is for capital project transfers and expenditures from restricted funds.

Position Summary Schedule

Personnel - Position Summary Schedule				
Department	Fiscal Years			Total Change
	2019	2020	2021	2020 VS 2021
<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	1.5	0.5
Utilities Administration Manager	1	1	1	0
Senior Utility Clerk	1	2	2	0
Utility Clerk	2	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	10	-1
Non-Sworn Police				
Senior Dispatcher	2	1	1	0
Dispatcher	4	5	5	0
<u>Public Utilities</u>				
General Foreman-Electric	1	1	1	0
Line Foreman-Electric	1	1	1	0
Lineman	3	3	2	-1
Lineman 1st Year Apprentice	0	1	0	-1
Underground Specialist	1	1	1	0
Meter Reader/Helper	1	1	1	0
Locator/Helper	1	1	1	0
General Foreman-Water	1	1	1	0
Lead Worker - Water	1	1	1	0
Maintainer-Water	4	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	5	5	0
Maintainer - Parks	2	2	2	0
Mechanic	1	1	1	0
Total Village	55	57	54.5	(2.5)

Proposed changes include not filling vacancies in the Electric and Police Departments as well as hiring an additional Accountant at mid-year as part of succession planning.

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 \$26,432,653. General Obligation debt is paid from General Fund revenues. The Village's existing debt is \$441,000.

Assessed Valuation – 2019	<u>\$306,435,547</u>
Legal Debt Limit = 8.625 of Assessed Value	26,430,066
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(441,000)</u>
Legal Debt Margin	<u>\$25,989,066</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 2021 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% \$ 441,000

General Obligation Bonds Series 2017			
	Principal	Interest	Total
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
2032-2037	<u>153,000</u>	<u>13,995</u>	<u>166,995</u>
	<u>\$ 441,000</u>	<u>\$127,855</u>	<u>\$ 568,855</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. During Fiscal Year 2020, the issue was refinanced to obtain lower interest rates on the bonds. 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 1.70 % to 2.40% \$ 2,335,000

Electric Alternative Revenue Source			
Bonds, Series 2014			
2020-2021	273,000	50,207	323,207
2021-2022	279,000	42,761	321,761
2022-2023	295,000	37,738	332,738
2023-2024	306,000	32,134	338,134
2024-2025	314,000	26,013	340,013
2025-2026	321,000	19,420	340,420
2026-2027	336,000	12,518	348,518
2027-2028	106,000	4,958	110,958
2028-2029	<u>105,000</u>	<u>2,520</u>	<u>107,520</u>
	<u>\$ 2,335,000</u>	<u>\$ 228,269</u>	<u>\$ 2,563,269</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, 2020 was \$217,083.45. 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
2020-2021	\$46,783	\$3,431	\$50,214
2021-2022	47,605	2,609	50,214
2022-2023	48,439	1,774	50,213
2023-2024	49,288	925	50,213
2024-2025	<u>24,968</u>	<u>127</u>	<u>25,095</u>
Total	<u>\$ 217,083</u>	<u>\$ 8,866</u>	<u>\$ 225,949</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, 2020 was \$296,038. 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
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>\$ 296,038</u>	<u>\$ 16,834</u>	<u>\$ 312,872</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, 2020 was \$930,480. Debt Service Schedule of principal and interest payments on the notes payable are as follows:

	Principal	Interest	Total
2020-2021	137,758	23,870	161,628
2021-2022	154,800	21,516	176,316
2022-2023	159,477	16,839	176,316
2023-2024	164,295	12,021	176,316
2024-2025	169,258	7,058	176,316
2025-2026	<u>144,892</u>	<u>1,986</u>	<u>146,878</u>
	<u>\$ 930,480</u>	<u>\$ 83,290</u>	<u>\$ 1,013,770</u>



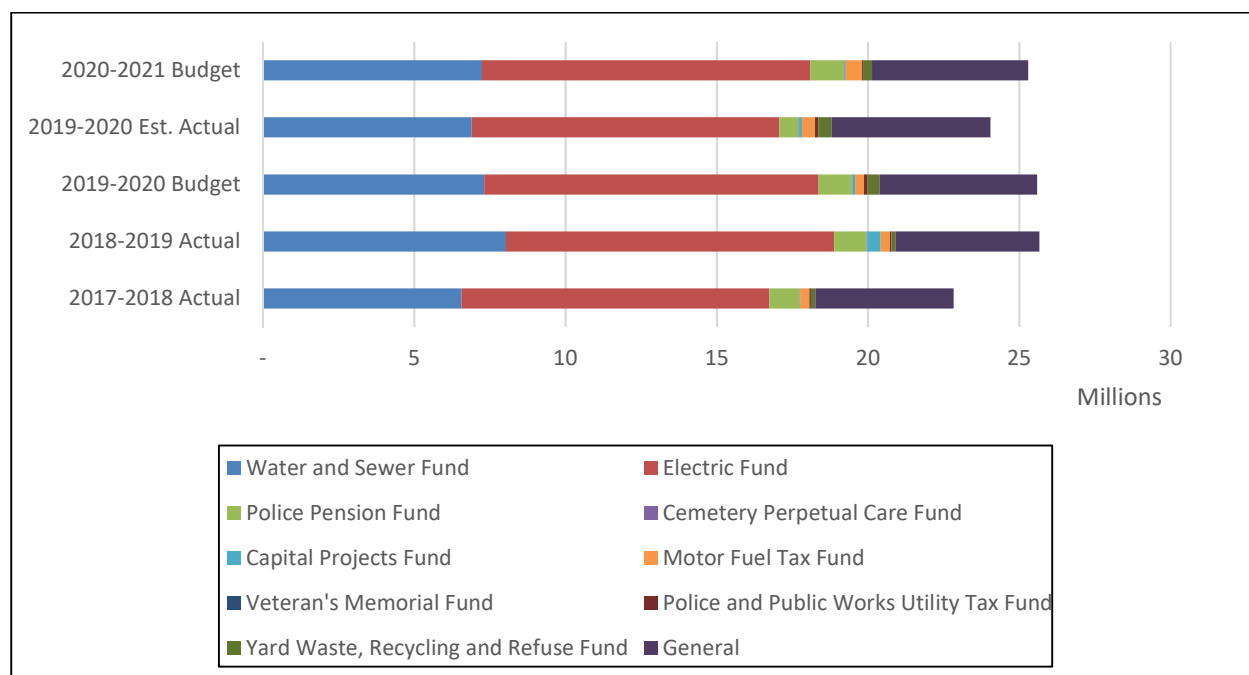
Budget Summary

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

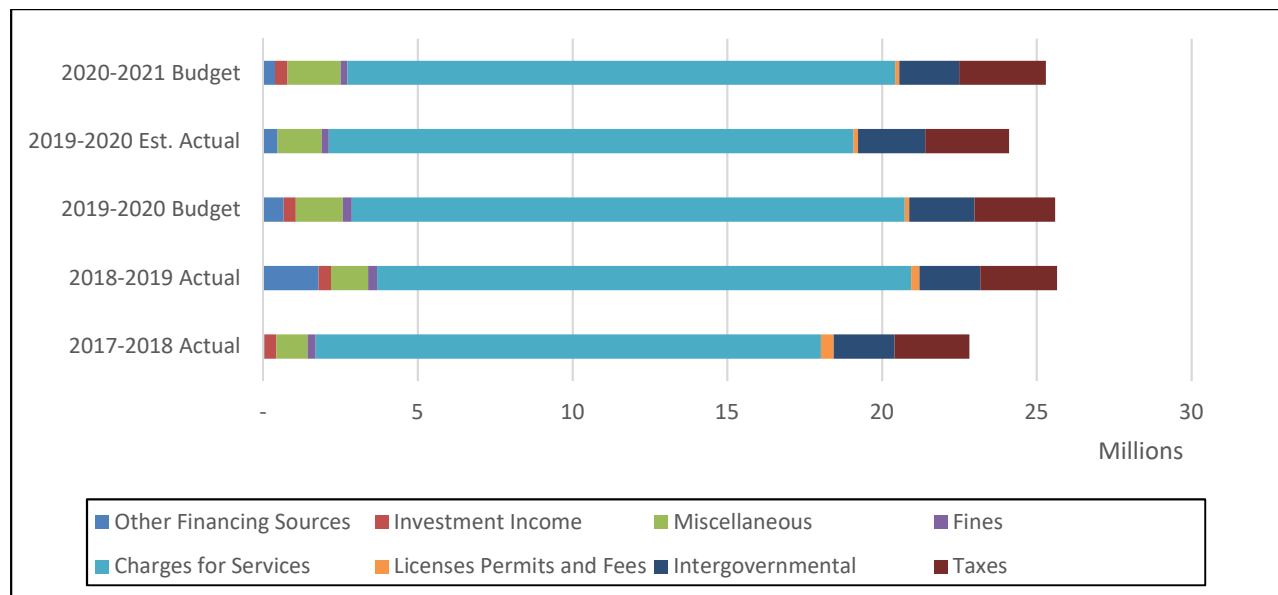
Revenues by Fund – All Funds

FUND	REVENUES AND OTHER FINANCING SOURCES				
	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget	2019-2020 Estimated Actual	2020-2021 Budget
General Fund	\$ 4,572,422	\$ 4,742,205	\$ 5,209,576	\$ 5,238,423	\$ 5,166,470
<u>Special Revenue Funds</u>					
Yard Waste, Recycling and Refuse Fund	140,938	146,313	395,420	445,688	290,800
Police and Public Works Utility Tax Fund	46,466	44,518	114,635	107,579	36,530
Veteran's Memorial Fund	568	389	1,240	537	1,200
Motor Fuel Tax Fund	310,630	308,488	294,075	429,711	530,441
	498,602	499,708	805,370	983,515	858,971
Capital Projects Fund	313	449,760	101,340	101,568	39,034
<u>Permanent Fund</u>					
Cemetery Perpetual Care Fund	10,976	12,542	14,100	19,106	18,585
<u>Enterprise Funds</u>					
Electric Fund	10,169,995	10,849,425	11,060,307	10,172,575	10,860,098
Water and Sewer Fund	6,565,535	8,035,493	7,307,735	6,897,723	7,234,875
	16,735,530	18,884,918	18,368,042	17,070,298	18,094,973
<u>Trust Funds</u>					
Police Pension Fund	1,011,898	1,072,410	1,093,385	629,056	1,137,950
Total Village Revenue	\$ 22,829,741	\$ 25,661,543	\$ 25,591,813	\$ 24,041,966	\$ 25,315,983



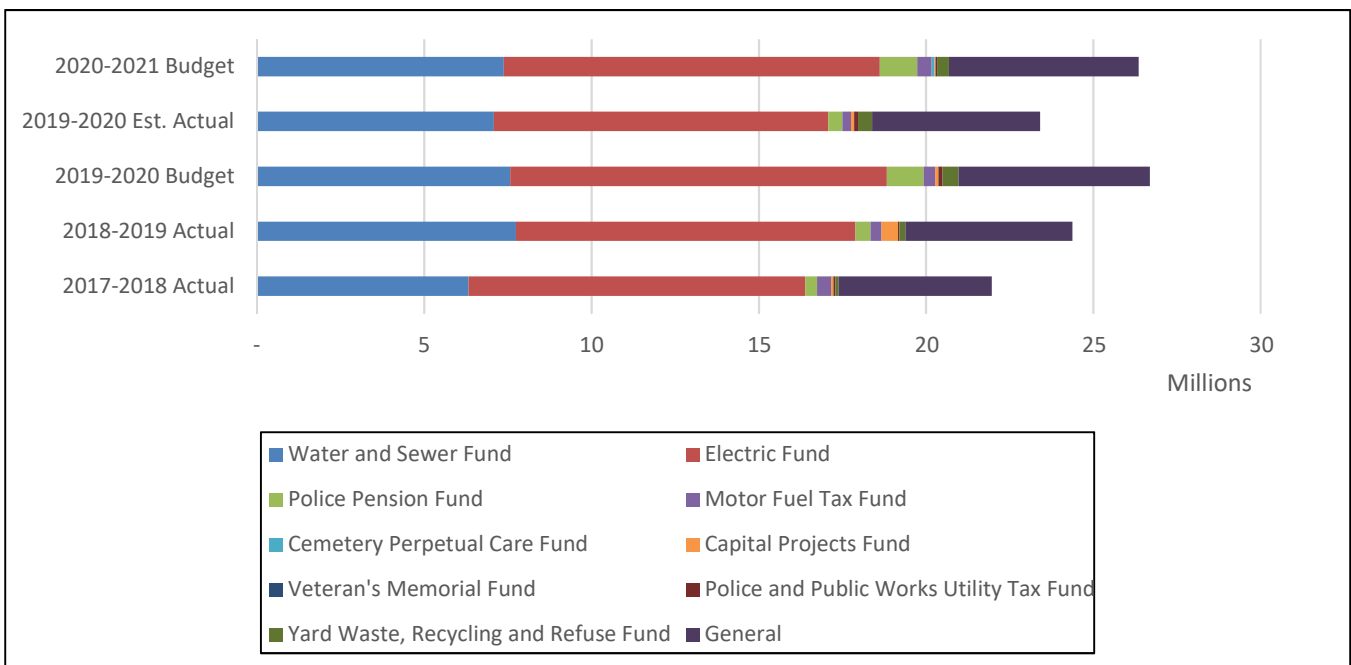
Revenues by Source— All Funds

Source	REVENUE BY SOURCE				
	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
	Actual	Actual	Budget	Estimated Actual	Budget
Taxes					
Property	\$ 1,217,149	\$1,269,605	\$1,327,916	\$1,325,565	\$1,420,635
Replacement taxes	2,381	3,000	3000	3,236	2,300
Road and Bridge	22,130	22,200	23,200	24,433	24,500
Motor Fuel Tax	308,845	306,944	292,675	428,105	402,500
Local Use	298,323	307,625	364,600	396,816	408,250
Telecommunications and Franchise	484,050	492,110	490,100	424,829	444,600
Video Gaming	87,064	87,000	98,000	103,260	102,500
Total Taxes	2,419,942	2,488,484	2,599,491	2,706,244	2,805,285
Intergovernmental					
Sales	892,060	894,200	950,000	928,819	807,100
Income Tax	1,078,568	1,062,600	1,158,700	1,246,420	1,118,950
Total Intergovernmental	1,970,628	1,956,800	2,108,700	2,175,239	1,926,050
License Permits and Fees	412,031	270,703	149,385	141,533	139,350
Charges for Services	16,321,542	17,256,602	17,859,600	16,956,560	17,696,880
Fines	262,181	290,193	289,500	226,577	219,325
Miscellaneous	1,012,231	1,203,117	1,525,680	1,431,465	1,715,071
Investment Income	382,186	403,479	386,945	(62,029)	425,755
Other Financing Sources	49,000	1,792,165	672,512	466,377	388,267
Total Village Revenues	\$ 22,829,741	\$ 25,661,543	\$ 25,591,813	\$ 24,041,966	\$ 25,315,983



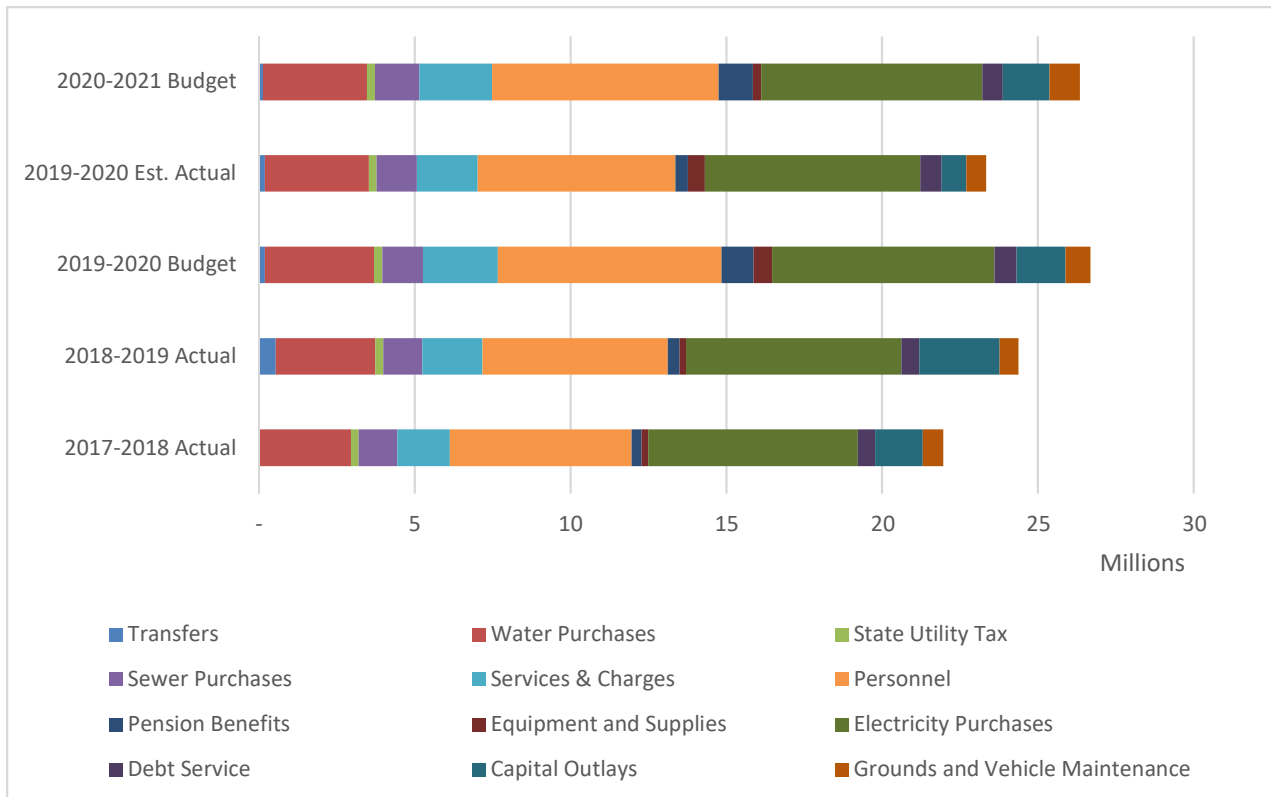
Expenditures by Fund – All Funds

FUND	EXPENDITURES AND OTHER FINANCING USES				
	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget	2019-2020 Estimated Actual	2020-2021 Budget
General Fund	\$ 4,588,480	\$ 4,992,705	\$ 5,719,460	\$ 5,017,693	\$ 5,672,635
<u>Special Revenue Funds</u>					
Yard Waste, Recycling and Refuse Fund	89,291	182,902	477,733	426,661	354,246
Police and Public Works Utility Tax Fund	49,026	38,566	112,576	108,555	36,530
Veteran's Memorial Fund	172	805	1,200	404	1,200
Motor Fuel Tax Fund	427,898	326,498	346,061	261,361	435,508
	566,387	548,771	937,570	796,981	827,484
Capital Projects Fund	72,525	500,492	101,340	98,792	38,809
<u>Permanent Fund</u>					
Cemetery Perpetual Care Fund	400	800	5,000	-	83,489
<u>Enterprise Funds</u>					
Electric Fund	10,064,998	10,146,395	11,261,318	9,998,785	11,243,055
Water and Sewer Fund	6,327,163	7,743,679	7,571,986	7,083,272	7,375,492
	16,392,161	17,890,074	18,833,304	17,082,057	18,618,547
<u>Trust Funds</u>					
Police Pension Fund	348,527	446,928	1,093,385	415,114	1,137,950
Total Village Expenditures	\$ 21,968,480	\$ 24,379,770	\$ 26,690,059	\$ 23,410,637	\$ 26,378,914



Expenditures by Category – All Funds

EXPENDITURES BY CATEGORY ALL FUNDS					
CATEGORY	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget	2019-2020 Estimated Actual	2020-2021 Budget
Grounds and Vehicle Maintenance	\$ 654,004	\$ 609,416	\$ 798,737	\$ 662,560	\$ 977,086
Capital Outlays	1,534,004	2,578,041	1,574,333	789,836	1,499,346
Debt Service	560,155	560,746	709,919	690,413	664,218
Electricity Purchases	6,721,366	6,907,740	7,133,000	6,908,110	7,096,000
Equipment and Supplies	221,099	203,055	598,664	540,912	266,789
Pension Benefits	318,340	385,213	1,028,685	401,279	1,097,750
Personnel	5,833,451	5,947,981	7,178,129	6,353,899	7,274,519
Services & Charges	1,677,191	1,930,973	2,398,545	1,990,959	2,354,690
Sewer Purchases	1,245,198	1,248,276	1,312,000	1,299,032	1,420,000
State Utility Tax	245,934	256,861	264,000	240,753	260,000
Water Purchases	2,957,738	3,197,413	3,503,000	3,341,919	3,340,000
Transfers	-	539,055	191,047	190,965	128,516
Total Village Expenditures	\$ 21,968,480	\$ 24,379,770	\$ 26,690,059	\$ 23,410,637	\$ 26,378,914





General Fund Fiscal Year 2021 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.

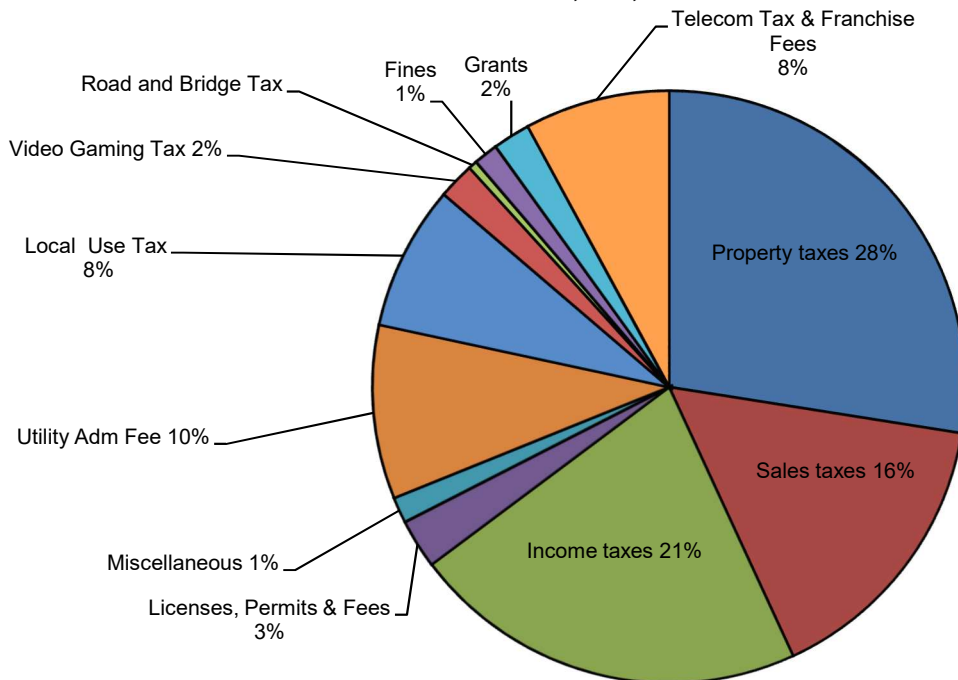
VILLAGE OF CHATHAM						
GENERAL FUND 100						
FUND SUMMARY						
	Type	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended as of April 2020	2019-2020 Estimated Actual	2020-2021 Estimated/ Requested
REVENUES						
Property Tax	Property Tax	\$ 1,217,149	\$ 1,269,605	\$ 1,327,916	\$ 1,325,565	\$ 1,420,635
Road and Bridge Tax	Road and Bridge Tax	22,130	22,200	23,200	24,433	24,500
Sales Tax	Sales Tax	892,060	894,200	950,000	928,819	807,100
State Income Tax	Income Tax	1,078,568	1,062,600	1,158,700	1,246,420	1,118,950
Local Use Tax	Local Use Tax	298,323	307,625	364,600	396,816	408,250
Franchise Tax	Telecommunication Tax and Franchise Fees	251,727	257,600	257,600	249,635	263,100
Business License	License, Permits and Fees	22,390	23,200	22,400	21,350	29,325
Building Permits	License, Permits and Fees	68,429	76,350	81,300	94,433	93,250
Traffic Fines	Fines	39,279	51,100	45,500	38,049	43,000
Other Fines	Fines	42,806	44,200	46,000	26,770	25,200
Recreation Program Rev	License, Permits and Fees	32,013	36,500	24,500	10,710	750
Personal Property Replacement	Miscellaneous	2,381	3,000	3,000	3,236	2,300
Plan Review-Engineering Fees	License, Permits and Fees	30,574	82,500	-	-	-
Telecommunications Tax	Telecommunication Tax and Franchise Fees	185,858	190,000	185,000	141,914	145,000
Opening and Closing	License, Permits and Fees	12,825	13,675	20,375	14,200	15,200
Cornerstone Sales	License, Permits and Fees	650	800	810	840	825
Interest Income	Miscellaneous	6,212	6,300	16,100	19,833	21,850
Sale of Services	Miscellaneous	383	400	600	810	1,150
Miscellaneous Revenue	Miscellaneous	31,576	26,000	26,000	57,209	26,000
Contractors Registration	Miscellaneous	3,400	3,900	4,000	3,750	4,000
Crime Prevention Revenue	Miscellaneous	2,925	1,500	7,000	8,816	7,000
MFT Reimbursement	Miscellaneous	20,410	50,200	50,200	37,210	-
Gaming Tax Distribution	Video Gaming Tax	87,064	87,000	98,000	103,260	102,500
Local Share Cannabis Use Tax	Miscellaneous	-	-	-	1,881	9,660
Utility Fund Administration Fee	Utility Administration Fee	205,000	206,000	466,000	466,000	490,725
Zoning Fees	Miscellaneous	600	400	400	-	-
Park Use Fee	Miscellaneous	2,005	1,650	1,350	490	650
Federal Grants - IDOT	Grants	13,184	19,000	19,000	6,569	19,000
Federal Grants - DOJ	Grants	-	-	400	855	-
Federal Grants - DCEO	Grants	-	-	-	-	75,000
Other Grants	Grants	2,001	4,700	9,625	8,550	11,550
Donations - Parks	Miscellaneous	500	-	-	-	-
TOTAL REVENUES		\$ 4,572,422	\$ 4,742,205	\$ 5,209,576	\$ 5,238,423	\$ 5,166,470

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDED APRIL 30, 2021
GENERAL FUND**

REVENUES BY CATEGORY

Property Tax	\$1,420,635
Sales Tax	807,100
Income Tax	1,118,950
Licenses, Permits and Fees	139,350
Utility Administration Fees	490,725
Local Use Tax	408,250
Video Gaming Tax	102,500
Road and Bridge Tax	24,500
Fines	68,200
Telecommunications Tax and Franchise Fees	408,100
Grants	105,550
Miscellaneous	<u>72,610</u>
Total Estimated Revenue	<u>\$5,166,470</u>

**General Fund Estimated Revenue for the Fiscal Year Ended 4/30/2021
\$5,166,470**



Expenditures by Detail Line Item

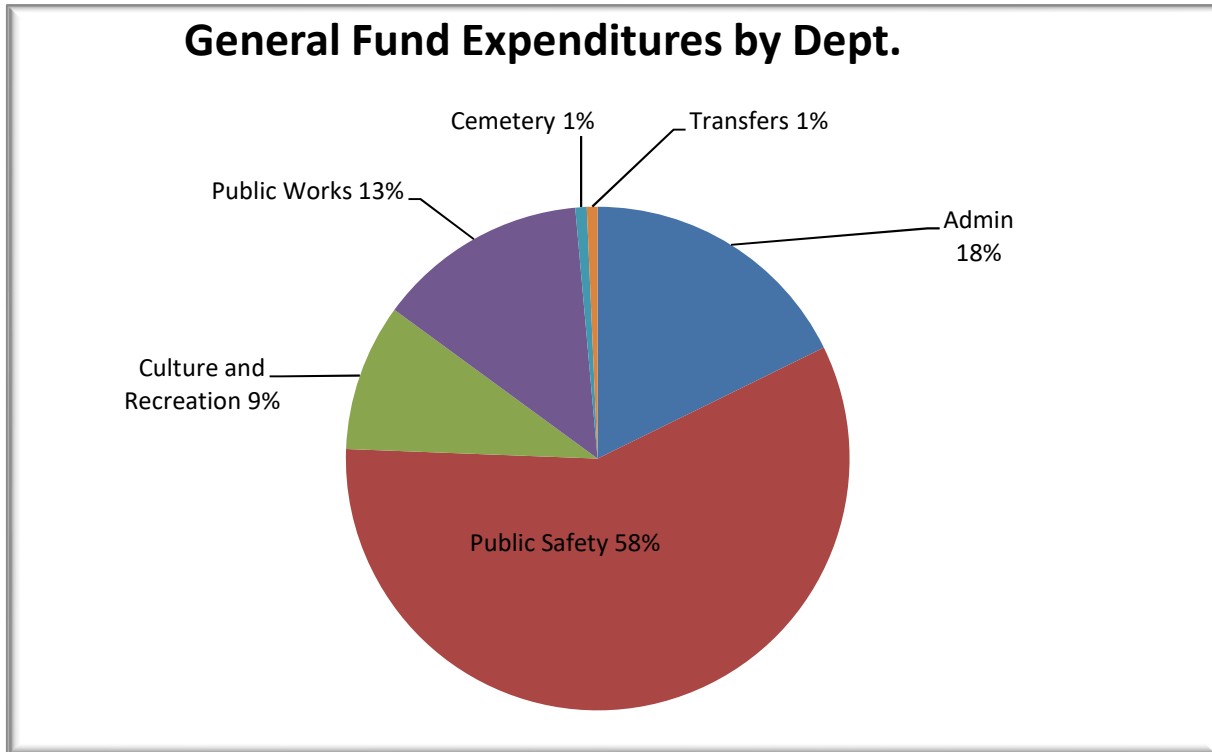
VILLAGE OF CHATHAM ANNUAL BUDGET FOR THE YEAR ENDED APRIL 30, 2021 GENERAL FUND 100 EXPENDITURES BY DEPARTMENT DETAIL BY LINE ITEM						
		2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Estimated Requested
Administration Department	Expenditure Type					
Employee Salaries	Personnel	\$185,817	\$222,176	\$264,800	\$242,417	\$279,500
Salaries - Officials	Personnel	52,750	51,350	53,000	51,600	53,000
Other Payroll Expense	Personnel	80,563	78,032	92,800	77,407	100,950
Travel & Training	Professional Services	4,785	3,257	9,000	4,461	9,000
Legal Expenses	Professional Services	149,889	115,094	121,000	79,024	128,000
Professional services	Professional Services	149,700	111,140	165,861	100,197	141,861
Annual Audit Fee	Professional Services	2,700	2,700	3,600	3,000	3,600
Buildings & Grounds Maintenance	Maintenance	11,932	16,528	19,968	10,675	17,468
Vehicle & Equipment Maintenance	Maintenance	565	657	2,258	812	2,258
Emergency Services	Professional Services	20,000	1,584	18,250	2,387	18,250
Office Expense	Office Expense	17,971	20,094	29,950	22,738	29,950
IT	Office Expense	26,338	36,648	59,624	53,800	52,624
Code Enforcement	Professional Services	49,275	59,251	65,350	48,714	65,350
General Insurance	Insurance	28,291	28,474	32,100	31,163	32,650
Equipment purchase	Equipment and Supplies	7,922	-	-	-	-
Grant Expense	Professional Services	-	-	-	-	75000
Refunds	Office Expense	2,065	265	4,000	892	4,000
ADMINISTRATION DEPARTMENT TOTAL		\$790,563	\$747,250	\$941,561	\$729,287	\$1,013,461
Cemetery Department						
Employee Salaries	Personnel	\$13,815	\$11,883	\$14,800	\$12,321	\$16,300
Other Payroll Expense	Personnel	5,324	4,665	6,260	4,654	6,760
Buildings & Grounds Maintenance	Maintenance	11,545	12,755	18,445	13,275	18,445
CEMETERY DEPARTMENT TOTAL		\$30,684	\$29,303	\$39,505	\$30,250	\$41,505
Parks and Recreation						
Employee Salaries	Personnel	\$233,235	\$240,560	\$277,000	\$254,714	\$299,500
Other Payroll Expense	Personnel	82,986	78,948	96,740	77,614	102,240
Travel & Training	Professional Services	80	120	500	389	500
Professional Services	Professional Services	-	6,000	30,000	13,500	30,000
Buildings & Grounds Maintenance	Maintenance	53,118	56,843	49,414	41,401	49,414
Recreation Program	Professional Services	30,076	20,155	20,146	12,771	2,000
4th of July	Professional Services	7,400	7,400	7,400	7,400	7,400
Vehicle & Equipment Maintenance	Maintenance	17,895	21,748	26,800	21,316	26,800
Office Expense	Office Expense	1,673	1,999	2,573	2,447	2,573
Equipment purchase	Equipment and Supplies	2,036	29,240	31,997	30,503	9,497
Uniforms & Supplies	Equipment and Supplies	2,895	4,106	5,388	3,884	5,388
PARKS AND RECREATION DEPARTMENT TOTAL		\$431,394	\$467,119	\$547,958	\$465,941	\$535,312
Street Department						
Employee Salaries	Personnel	\$237,178	\$226,411	\$355,300	\$326,170	\$376,200
Other Payroll Expense	Personnel	126,995	101,188	170,900	145,028	192,150
Travel & Training	Professional Services	-	476	500	350	500
Buildings & Grounds Maintenance	Maintenance	23,690	23,532	14,000	6,815	14,000
Vehicle & Equipment Maintenance	Maintenance	78,071	58,899	90,584	77,016	75,000
Office Expense	Office Expense	575	667	1,011	725	1,011
General Insurance	Insurance	21,758	26,218	23,600	22,845	23,950
Equipment purchase	Equipment and Supplies	9,184	723	10,122	2,800	10,122
Uniforms & Supplies	Equipment and Supplies	12,903	11,622	16,485	11,267	13,985
Street Maintenance	Maintenance	8,286	15,774	-	-	-
Debt Service	Debt Service	58,148	58,444	58,500	58,376	59,100
STREET DEPARTMENT TOTAL		\$576,788	\$523,954	\$741,002	\$651,392	\$766,018

VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE YEAR ENDED APRIL 30, 2021
GENERAL FUND 100
DEPARTMENT DETAIL BY LINE ITEM

		2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Estimated Requested
Police Department						
Employee Salaries	Personnel	\$1,467,784	\$1,469,752	\$1,757,500	\$1,583,340	\$1,752,000
Other Payroll Expense	Personnel	509,128	475,636	602,000	507,029	578,600
Police Pension Contribution	Personnel	530,455	603,979	634,385	633,228	666,450
Travel & Training	Professional Service	13,501	12,110	18,500	18,101	14,000
Professional services	Professional Services	1,657	5,899	5,246	2,916	5,246
Buildings & Grounds Maintenance	Maintenance	4,978	4,290	8,925	6,754	8,925
Vehicle & Equipment Maintenance	Maintenance	42,821	46,738	52,400	47,306	49,400
Police Restricted Account Expense	Equipment and Supplies	4,652	7,697	56,179	42,728	32,300
Office Expense	Office Expense	46,347	46,221	55,684	51,584	50,684
IT	Office Expense	13,964	13,387	17,408	15,623	14,908
General Insurance	Insurance	46,017	43,008	46,050	44,232	46,700
Equipment purchase	Equipment and Supplies	50,318	15,812	61,117	56,871	25,617
Uniforms & Supplies	Equipment and Supplies	27,429	31,202	32,700	29,853	32,700
POLICE DEPARTMENT TOTAL		<u>\$2,759,051</u>	<u>\$2,775,731</u>	<u>\$3,348,094</u>	<u>\$3,039,565</u>	<u>\$3,277,530</u>
Transfers						
Transfer to Capital Projects Fund Streets	Transfers	-	-	51,600	51,518	38809
Transfer to Capital Projects Fund Parks	Transfers	-	449348	49740	49740	-
TRANSFERS TOTAL		-	449348	<u>\$101,340</u>	<u>\$101,258</u>	<u>\$38,809</u>
TOTAL GENERAL FUND		<u>\$4,588,480</u>	<u>\$4,992,705</u>	<u>\$5,719,460</u>	<u>\$5,017,693</u>	<u>\$5,672,635</u>

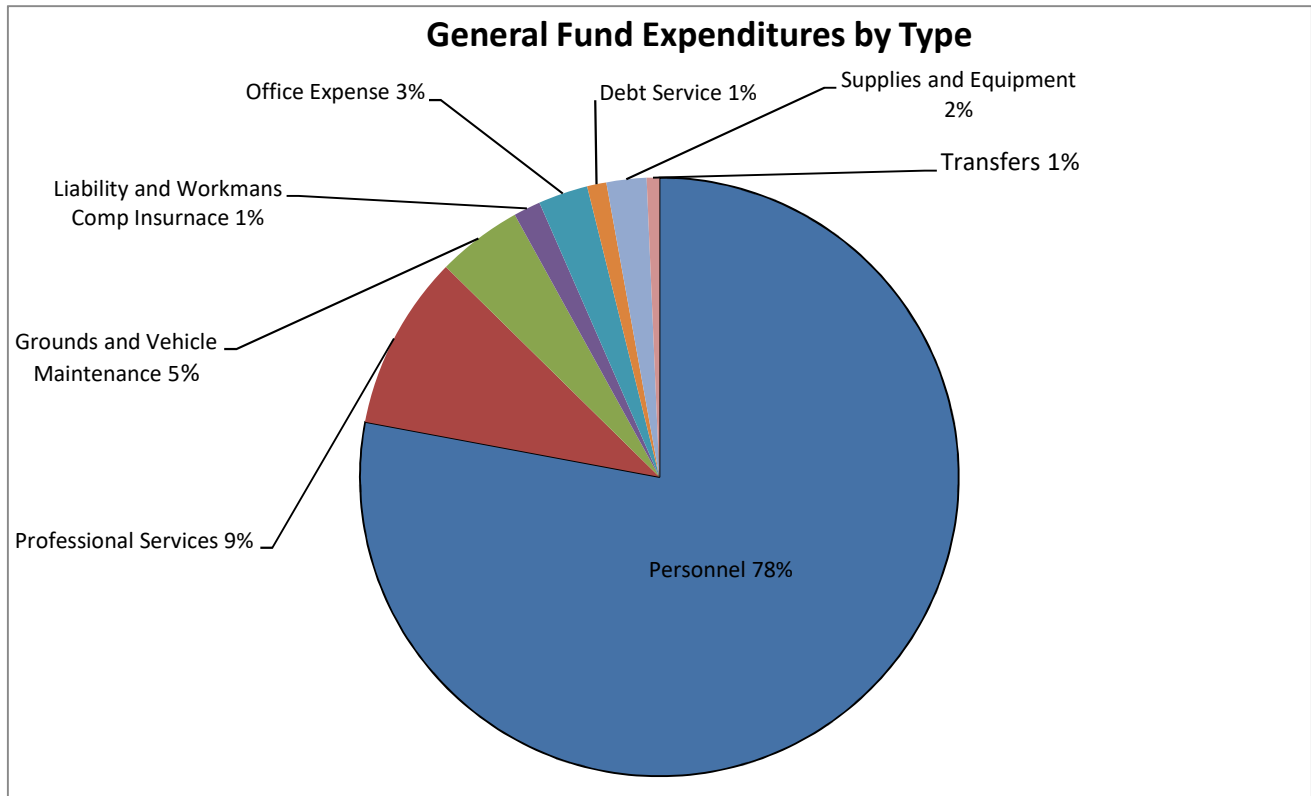
**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
GENERAL FUND – Continued**

EXPENDITURES BY DEPARTMENT	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget	2019-2020 Estimated Actual	2020-2021 Estimated Requested
Administration	\$790,563	\$747,250	\$941,561	\$729,287	\$1,013,461
Cemetery	30,684	29,303	39,505	30,250	41,505
Parks and Recreation	431,394	467,120	547,958	465,941	535,312
Streets	576,788	523,954	741,002	651,392	766,018
Police	2,759,051	2,775,730	3,348,094	3,039,565	3,277,530
Transfers	-	449,348	101,340	101,258	38,809
TOTAL GENERAL FUND	<u>\$4,588,480</u>	<u>\$4,992,705</u>	<u>\$5,719,460</u>	<u>\$5,017,693</u>	<u>\$5,672,635</u>



**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
GENERAL FUND – Continued**

EXPENDITURES BY CATEGORY	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget	2019-2020 Estimated Actual	2020-2021 Estimated Requested
Personnel	\$3,526,029	\$3,564,581	\$4,343,485	\$3,915,522	\$4,423,650
Professional Services	429,063	345,186	472,353	288,609	500,707
Grounds and Vehicle Maintenance	252,901	257,765	274,794	225,370	261,710
Insurance	96,066	97,700	101,750	98,240	103,300
Office Expense	108,933	119,281	155,750	147,809	155,750
Debt Service	58,148	58,443	58,500	58,376	59,100
Supplies and Equipment	117,340	100,401	211,488	177,907	129,609
Transfers	-	449,348	101,340	101,258	38,809
TOTAL GENERAL FUND	<u>\$4,588,480</u>	<u>\$4,992,705</u>	<u>\$5,719,460</u>	<u>\$5,013,091</u>	<u>\$5,672,635</u>

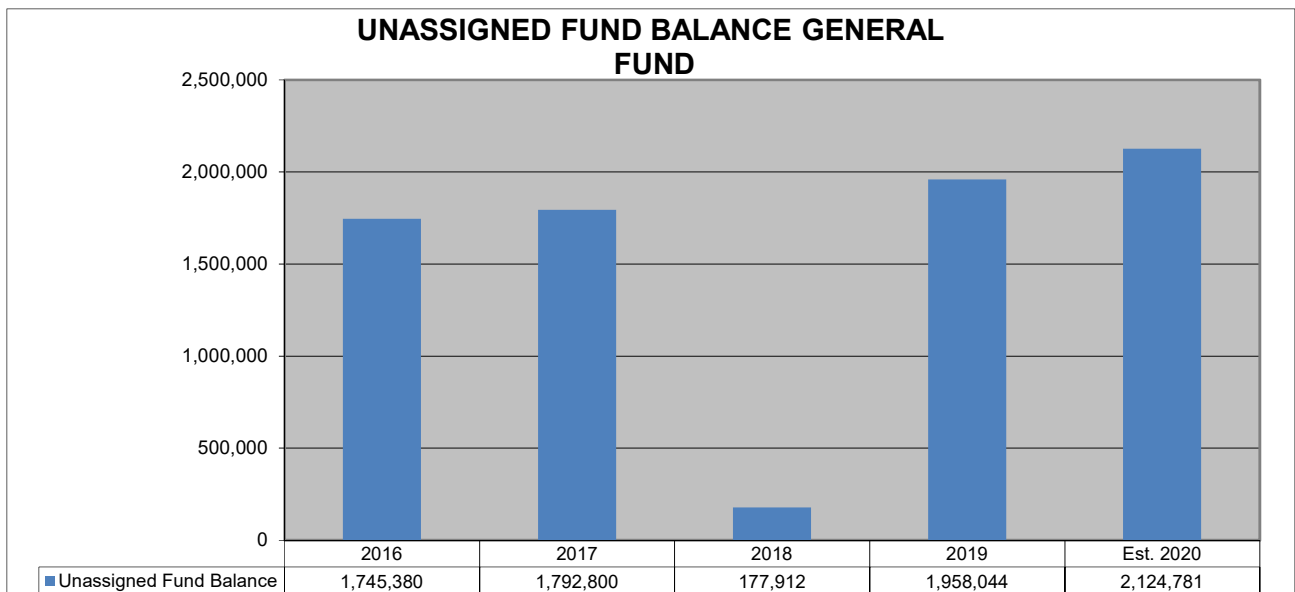
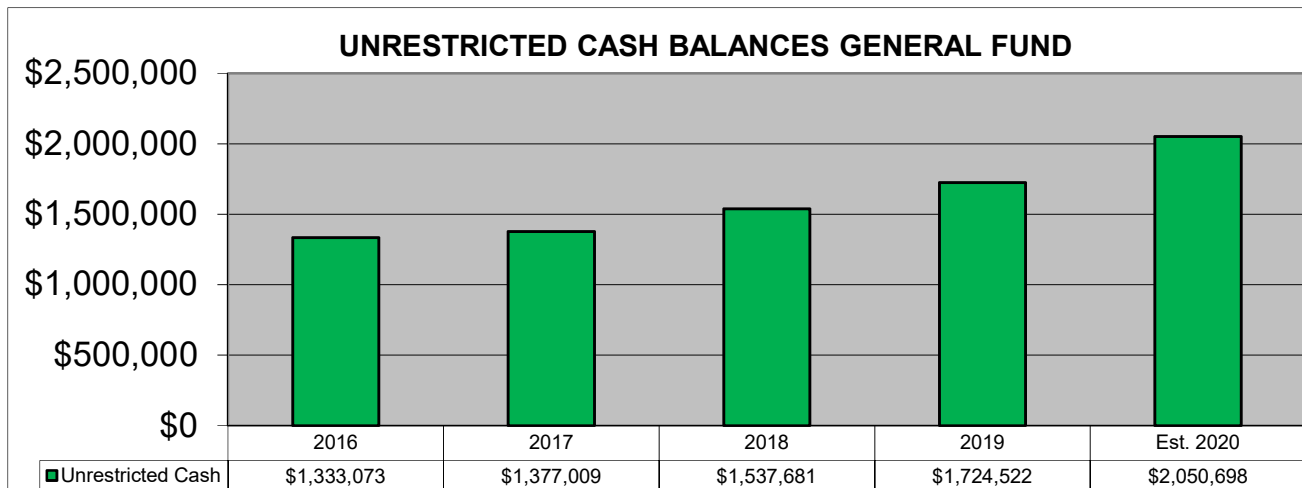


**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
GENERAL FUND - Continued**

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 2021 budget includes the utilization of cash reserves if necessary for projects carried forward from prior periods, amounts budgeted for potential payouts related employee accrued time and other benefits and a possible operating deficit of \$46,556 due to the effects of COVID-19. The amount included in the Fiscal Year 2021 budget for these items is \$506,165.

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, 2020. For the Fiscal Year 2021 Budget Year this would equate to a cash balance between \$945,439 and \$1,418,159.



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 2021 ADMINISTRATION DEPARTMENT BUDGET

Objective and Initiatives	Long-Term Goal	Short-Term Strategy	Status	Results
Completion of comprehensive plan and performance audit	Customer Service, Performance	Maintain Financial Stability & Organizational Excellence, Collaboration for Providing Efficient Services	In Progress	Performance audit complete and accepted by board, incorporating appropriate suggestions as applicable. Comprehensive plan is at a draft stage – group size limitations and need for public engagement and hearing has been limited by COVID-19 restrictions. Steering Committee to resume meetings and reviews in July 2020
Continue with process of annexations	Economic Development	Economic Development	On-Going	Annexations are processed as requested, and driven from consistent outreach to the next adjacent property owners – after securing the Currie Trust and Glenwood Lake Estates, as well as successfully lobbying for change in state law that led the ability to annex 2 schools. The prospect of annexing large chunks at once slows to a meticulous parcel by parcel approach, absent a significant adjacent development.
Actively work on succession plan by hiring an additional accountant during second half of fiscal year	Customer Service, Performance	Maintain Financial Stability & Organizational Excellence, Enhance Communication Efforts, Collaboration for Providing Efficient Services	New	The proposed budget has funds marked for the hiring of an accountant to begin succession planning for the retirement of the Village's Chief Fiscal Officer
Implement Open Gov transparency information solution	Customer Service, Performance	Maintain Financial Stability & Organizational Excellence, Enhance Communication Efforts	In Progress	OpenGov progressed to internal views and sharing with village board, historical information uploaded and system is beginning to be used. Public transparency site expected to be launched during Fiscal Year 2021
Explore other components of utility payment software as staffing permits	Customer Service, Performance	Maintain Financial Stability & Organizational Excellence, Enhance Communication Efforts	In Progress	During Fiscal Year 2020, the Village implemented the telephone payment feature of the Springbrook Integrated Voice Response system. During Fiscal Year 2021, the Village plans to implement the outbound message component to send notifications by phone to the Village's utility customers.
Development of new service manuals and update existing service manuals as staffing permits	Customer Service, Performance	Maintain Financial Stability & Organizational Excellence	In Progress	Completed revision of utilities customer service manual with board approval and adoption of relevant policy changes. Completed updating of the Village Personnel Manual.
Begin planning and exploring options for future municipal complex	Quality of Life	Infrastructure	In Progress	Multiple exploratory conversations with potential partners, site reviews, strategic adaptation possibilities for existing facilities, and initial planning on space needs. Potential Funding sources still need to be identified.

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
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 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2021 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

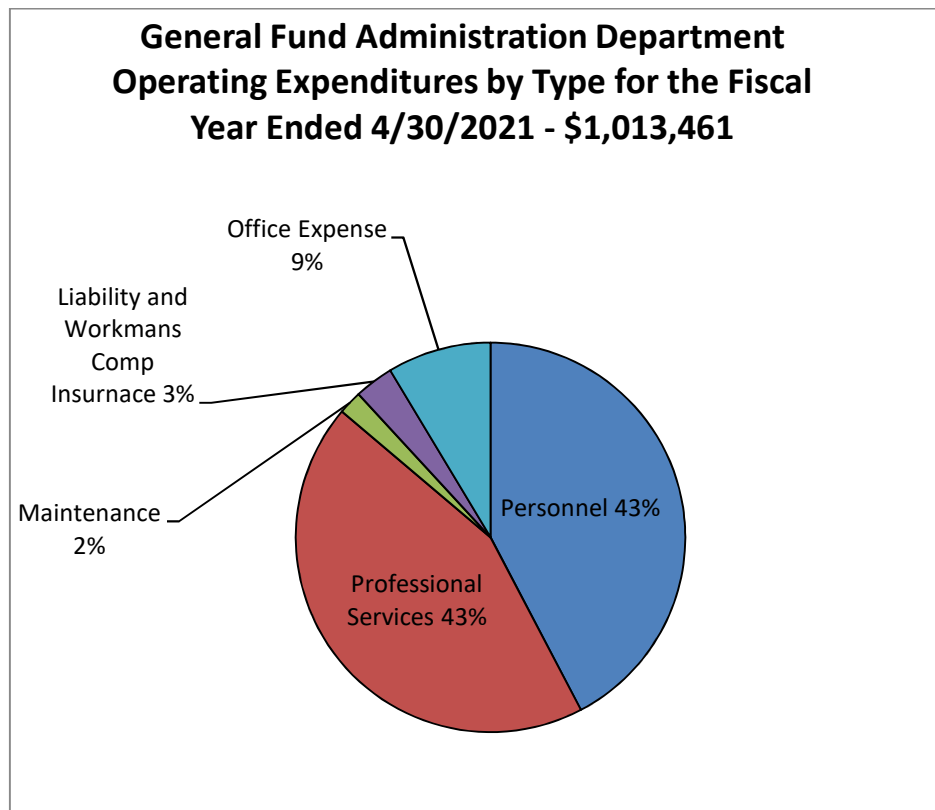
Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*
Accounts Payable Checks Processed	2,044	2,045	1,979	1,966	1,958
Number of Code Enforcement Service Requests	52	33	12	15	10
% Code Enforcement Service Requests Closed within 7 Days	19%	76%	83%	33%	80%
Percentage of Account Reconciliations completed within 30 days by Finance Dept.	92%	92%	92%	92%	92%
Percentage of Accounts Receivable over 30 days	11.49%	9.81%	9.39%	10.61%	15.32%
Liquor Licenses Issued	25	26	28	25	28
Total Building Permits issued	226	188	173	102	139
Single Family Homes	78	62	40	29	41
Duplexes	14	8	3	-	2
Apartments	-	4	5	6	6
Commercial	9	7	8	3	2
Additions	7	2	6	3	4
Remodel, Alteration or Repair	27	20	25	8	22
Garages, Sheds, Pool Houses	6	5	4	4	2
Fences	66	52	59	35	42
Pools	6	16	10	7	5
Sprinkler Systems	13	12	13	7	13

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
ADMINISTRATION DEPARTMENT**

BUDGET SNAPSHOT

Expenditure Type	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Personnel	\$319,129	\$351,558	\$410,600	\$371,424	\$433,450
Professional Services	376,349	293,026	383,061	237,783	441,061
Maintenance	12,497	17,185	22,226	11,487	19,726
Office Expense	46,374	57,007	93,574	77,430	86,574
Equipment and Supplies	7,923	-	-	-	-
Liability and Worker's Comp Insurance	28,291	28,474	32,100	31,163	32,650
Administration Department Total	\$790,563	\$747,250	\$941,561	\$729,287	\$1,013,461

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. Due to the effects of COVID-19, the Village is limiting the hiring of 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 2021 CEMETERY DEPARTMENT BUDGET

- Continue to maintain the Village cemeteries with a reduced part-time summer staff.

STAFFING LEVELS

Full-time Equivalents (FTE)	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2021 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

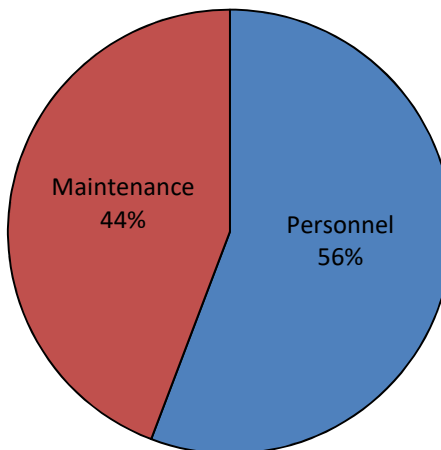
Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*
% Department Service Requests Closed within 7 Days (Due to the seasonal nature of the work, requests may not be able to be closed within 7 days)	N/A	N/A	N/A	50%	25%
Number of Grave Openings	29	30	35	35	35
Number of Cornerstone Sales	12	20	13	9	14

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
CEMETERY DEPARTMENT**

BUDGET SNAPSHOT

Expenditure Type	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Personnel	\$19,139	\$16,548	\$21,060	\$16,975	\$23,060
Maintenance	11,545	12,755	18,445	13,275	18,445
Cemetery Department Total	\$30,684	\$29,303	\$39,505	\$30,250	\$41,505

**General Fund Cemetery Department Expenditures by
Type for the Fiscal Year Ended 4/30/2021 - \$41,505**



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, Veteran's Memorial 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 2021 PARKS AND RECREATION DEPARTMENT BUDGET

Objective and Initiatives	Long-Term Goal	Short-Term Strategy	Status	Results
Engineering costs for completion of the Chatham Parks Master Plan to help Village pursue grants for park development projects	Quality of Life	Infrastructure	In Progress	Parks Master Plan was completed this past year. Developed initial estimates on pond construction to provide recreational and conservation enhancements. Working with CWLP and Soil and Water Conservation on grant development and project feasibility. Began preliminary plans for a dog park for the Village.
Complete project to convert 3 tennis courts to 8 pickleball courts	Quality of Life	Infrastructure	Completed	Pickleball courts have been completed and appear to be very successful. Tennis courts have also been resurfaced along with a large amount of tree removal and trimming in that area.
Implementation of park reservation software	Customer Service, Performance	Maintain Financial Stability & Organizational Excellence	Completed	The new park reservation has been installed and tested, we were just getting ready to go live with it and Covid-19 struck causing parks to be under restrictions. We expect great results from this system.
Reduced existing recreation Program	Customer Service, Performance	Maintain Financial Stability & Organizational Excellence	In Progress	Reduced staff to one to produce a brochure advertising programs offered within the area with information on who to contact to sign-up

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, 20% of costs for the Mechanic position and 20% of the GIS Technician/Maintainer position. The Village only plans on hiring 4 part-time seasonal workers in the Parks Department for the mowing and weed-eating of the parks and cemeteries .

Full-time Equivalents (FTE)	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2021 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, 2021
PARKS AND RECREATION DEPARTMENT**

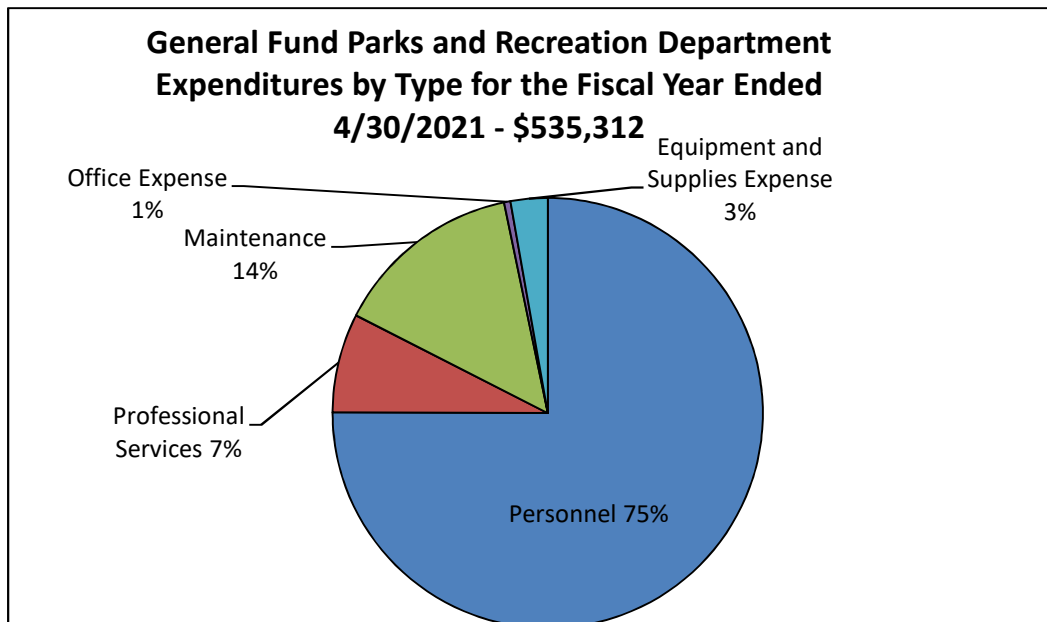
ACTIVITY MEASURES

*Projected through the end of the fiscal year

Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*
% Parks Department Service Requests Closed within 7 Days (Due to the seasonal nature of the work, requests may not be able to be closed within 7 days.)	73%	80%	93%	57%	25%
Number of Paid Park Reservations	30	22	33	21	16
Number of Recreation Registrations Paid	269	301	268	209	113

BUDGET SNAPSHOT

Expenditure Type	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Personnel	\$316,221	\$319,508	\$373,740	\$332,328	\$401,740
Professional Services	37,556	33,675	58,046	34,060	39,900
Maintenance	71,013	78,591	76,214	62,717	76,214
Office Expense	1,673	1,999	2,573	2,447	2,573
Equipment and Supplies	4,931	33,346	37,385	34,389	14,885
Parks and Recreation Department Total	\$431,394	\$467,119	\$547,958	\$465,941	\$535,312



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 2021 STREETS DEPARTMENT BUDGET

Objective and Initiatives	Long-Term Goal	Short-Term Strategy	Status	Results
Hire an additional maintainer to work on street maintenance	Customer Service, Performance	Collaboration for Providing Efficient Services	Completed	Utilized staff to complete patching of streets and sidewalks.
In the fourth quarter of Fiscal Year 2021 if line items are under budget, utilize funds from the Utility Tax Fund and General Fund within the Street Department Budget to purchase truck from Chatham Township	Quality of Life	Infrastructure	New	

STAFFING LEVELS

The budget includes 100% of personnel costs related to five full-time Street Department staff and 20% of one Street Department staff whose time is primarily dedicated to the Green Program street sweeping activity. 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 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2021 Budget
Street Department	5	5	6	6	6
Total Street Department	5	5	6	6	6

ACTIVITY MEASURES

*Projected through the end of the fiscal year

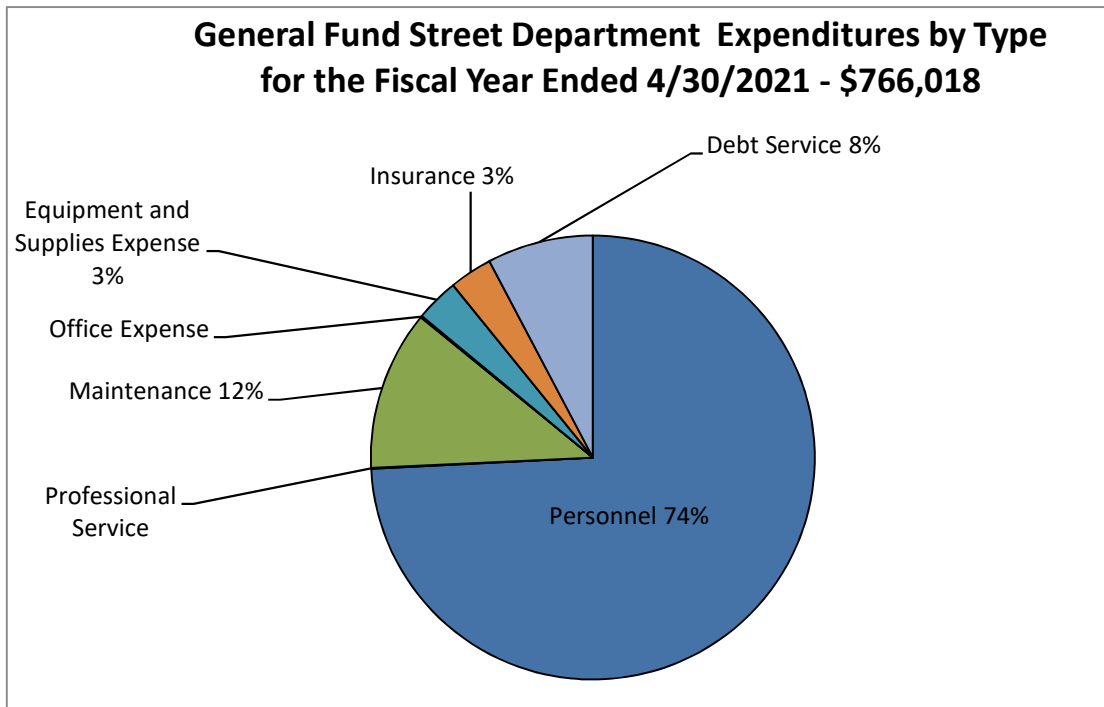
Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*
% of Street Dept Work Orders closed within 7 days (See Note)	80%	86%	84%	77%	65%
Street Salting (Tons)	219	205	209	246	385
Streets Maintained (Miles)	74.63	76.17	78.21	79.42	79.42
Storm Sewer Maintained (Miles)	55.07	55.50	56.65	57.37	57.37

Note: Due to the nature of the work, requests may not be able to be closed within 7 days.

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
STREET DEPARTMENT**

BUDGET SNAPSHOT

Expenditure Type	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Personnel	\$364,173	\$327,599	\$533,700	\$471,198	\$568,350
Professional Services	-	476	500	350	500
Maintenance	110,047	98,205	99,584	83,831	89,000
Office Expense	575	667	1,011	725	1,011
Equipment and Supplies	22,087	12,345	24,107	14,067	24,107
Liability and Worker's Comp Insurance	21,758	26,218	23,600	22,845	23,950
Debt Service	58,148	58,444	58,500	58,376	59,100
Street Department Total	\$576,788	\$523,954	\$741,002	\$651,392	\$766,018



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 2021 POLICE DEPARTMENT BUDGET

Objective and Initiatives	Long-Term Goal	Short-Term Strategy	Status	Results
Evaluate the need to fill existing vacancies based on review of performance audit results	Performance, Customer Service	Collaboration for Providing Efficient Services	Complete	Filled needed positions and proactively trained to prepare for upcoming vacancies and retirements to preserve CPD staffing budget by controlling overtime.
Continue existing safety and crime prevention programs	Performance, Customer Service	Enhance communication efforts	On-Going	Maintained and continued to enhance community outreach programs with partnership with the CAPLD and BCSD as well as numerous community partners.
Utilize existing communication tools (website and Facebook) as part of a well-rounded outreach campaign on timely important issues	Performance, Customer Service	Enhance communication efforts	On-Going	Ongoing community outreach continues to increase support and confidence in cooperation with CPD.
Purchases of equipment from Police Department restricted cash \$32,300	Quality of Life	Infrastructure	New	
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.	Quality of Life	Collaboration for Providing Efficient Services	On-Going	The Department has participated in the traffic grant safety program since Fiscal Year 2013

STAFFING LEVELS

The 2021 budget includes 15 sworn police officer positions and 6 dispatch positions. The dispatch positions are funded 70% by the Police Department. Other staff included in the Police Department budget is 20% of both the Mechanic and the GIS Technician/Maintainer positions.

Full-time Equivalents (FTE)	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2021 Budget
Sworn Officers	14	14	16	16	15
Dispatchers	6	6	6	6	6
Other support positions	.4	.4	.4	.4	.4
Total Police Department	20.4	20.4	22.4	22.4	22.4

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
POLICE DEPARTMENT**

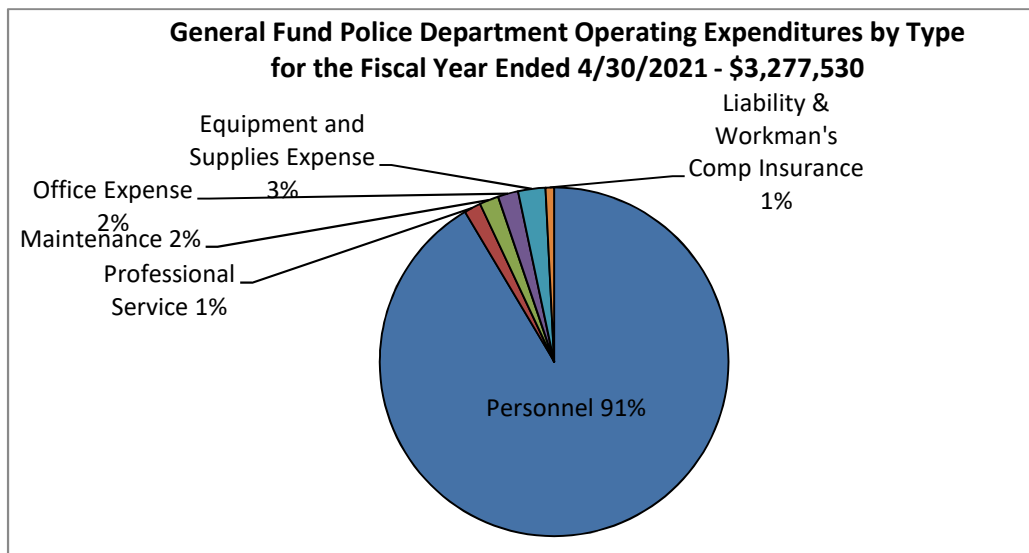
ACTIVITY MEASURES

Information presented on a calendar year basis

Measure	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
Calls for Service	7536	7786	9153	9841	9190
Traffic Violations					
Citations Issued	1402	1261	1381	1278	1180
Written Warnings Issued	1441	1239	1398	1277	1241
Index Crimes	111	87	117	100	96
Index Crime and Drug Arrests	101	93	24	17	25

BUDGET SNAPSHOT

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Personnel	\$2,507,367	\$2,549,368	\$2,993,885	\$2,723,597	\$2,997,050
Professional Services	19,810	25,707	79,925	63,745	51,546
Maintenance	47,799	51,028	61,325	54,060	58,325
Office Expense	59,981	56,395	63,458	59,855	61,608
Equipment and Supplies	73,776	77,421	88,384	81,437	83,384
Liability and Worker's Comp Insurance	50,318	15,812	61,117	56,871	25,617
Police Department Total	\$2,759,051	\$2,775,731	\$3,348,094	\$3,039,565	\$3,277,530





ELECTRIC FUND

FISCAL YEAR 2021

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 2021 ELECTRIC FUND BUDGET

Objective and Initiatives	Long-Term Goal	Short-Term Strategy	Status	Results
Hiring of a 1st year apprentice lineman to plan for future department retirements	Performance, Customer Service	Collaboration for Providing Efficient Services	On-Hold	Apprentice was hired during fiscal year but did not complete training. Due to COVID19, the Village is not filling any vacant positions and is evaluating what path to take next with this position.
Continue installing new service connections and replace existing meters with fixed network meters	Performance, Customer Service Economic Development, Quality of Life	Maintain Financial Stability & Organizational Excellence, Economic Development, Infrastructure	On-Going	Installed new service connections in Glendale Estates, Iron Bridge, the Highlands, Cardinal Ridge. Approximately 50% percentage of village now on fixed network for meter reading. Replacement has slowed, new meters are installed on new construction and for new residents at existing homes, or replaced if a problem arises.
Continue replacement of overhead electric lines with underground services	Quality of Life	Infrastructure	On-Going	Removed overhead lines and installed underground on Downing, Mayfield and Deerfield streets and Willow Glen subdivision.
Consider upgrades to existing electric distribution system as system approaches capacity	Quality of Life	Infrastructure	In Progress	Spec and bid equipment for Route 4 and Mansion Road service loop to provide for redundancy and additional connection points on newly available commercial property on Route 4 to aid in system reliability and enhanced economic development potential, completion should be in fiscal year 2021.
Purchase of 3 warning sirens partially funded by grant from state agency	Performance, Customer Service, Quality of Life	Enhance Communication Efforts, Infrastructure	In Progress	Installation to be completed during Fiscal Year 2021.
Electric rates are projected to remain the same	Performance, Customer Service	Maintain Financial Stability & Organizational Excellence	On-Going	The Village reviews the adequacy of its electric rate structure annually as well as monitors the Electric Utilities revenue and expenditures throughout the year
The Village's average cost of Mills/kWh from the Illinois Municipal Electric Agency (IMEA) are projected to remain the same or slightly lower	Performance, Customer Service	Maintain Financial Stability & Organizational Excellence	On-Going	The Village reviews the adequacy of its electric rate structure annually as well as monitors the Electric Utilities revenue and expenditures throughout the year
Add a capacitor to the Independence substation at a cost of \$26,0000 to be reimbursed by the IMEA	Quality of Life	Infrastructure	New	
Asset purchases of a new line truck through a capital lease in the amount of \$259,751 and the purchase of a truck and truck bed in the amount of \$45,074	Quality of Life	Infrastructure	In Progress	These purchases were planned for the Fiscal Year 2020 but not completed and are being carried forward to the Fiscal Year 2021 budget

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
ELECTRIC FUND**

STAFFING LEVELS

Full-time Equivalents (FTE)	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2020 Budget
Administration and Finance	3	3	3	3	3
Transmission & Distribution	8	8	9	9	7
Total Electric Fund	11	11	12	12	10

ACTIVITY MEASURES

*Projected through the end of the fiscal year

Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*
Electric Customers	5,496	5,622	5,748	5,877	6,005
Kilowatt hours provided to customers	75,857,545	76,897,052	77,091,817	81,460,853	75,859,162
% Electric Department Service Requests Closed within 7 Days	97%	96%	89%	91%	92%
Meters installed for new service	99	111	156	131	140
Meters replaced	49	22	57	49	44
Miles of Primary Underground Electric Lines Installed	2.03	2.76	1.77	2.07	-
Miles of Secondary Underground Electric Lines Installed	.48	2.76	1.77	1.76	-

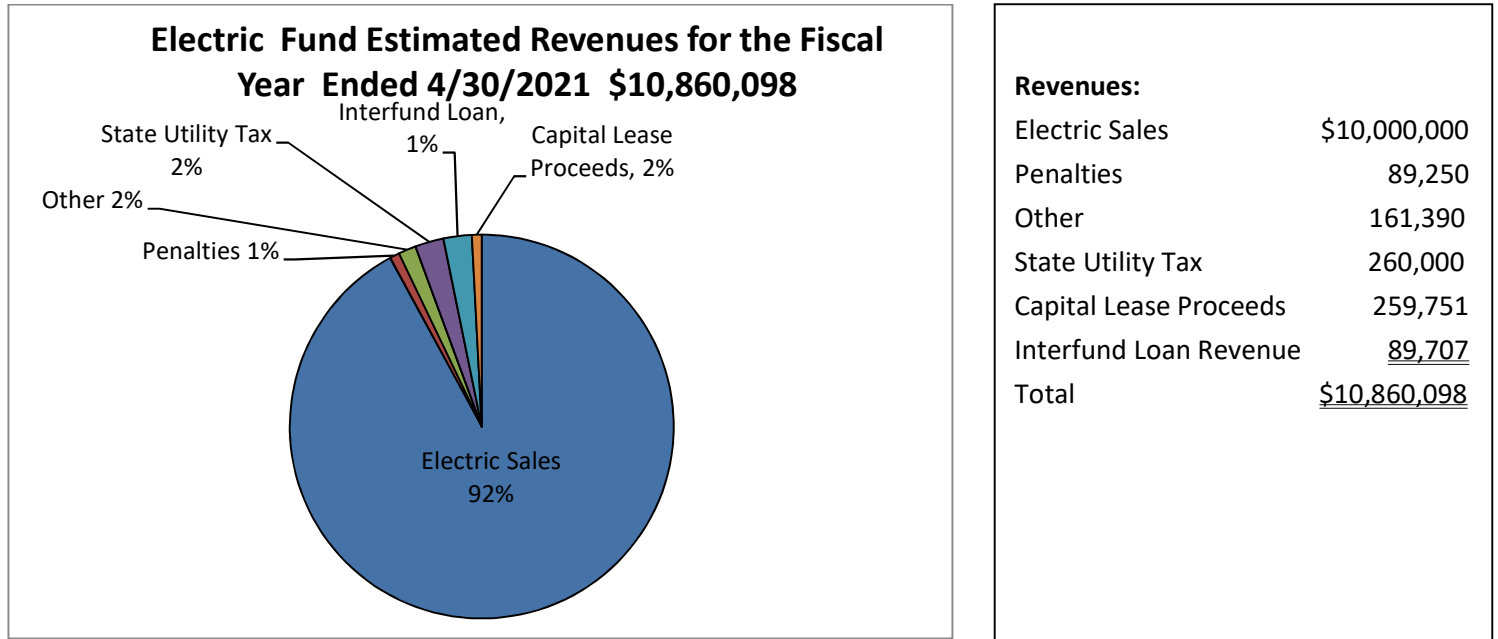
BUDGET SNAPSHOT

Expenditure Type	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Personnel	\$1,410,345	\$1,364,361	\$1,688,740	\$ 1,417,068	\$1,597,190
Services & Charges	634,063	630,128	859,478	816,015	857,078
Supplies	16,311	22,580	27,100	20,120	27,100
Electric Purchases	6,721,366	6,907,740	7,133,000	6,908,110	7,096,000
State Excise Tax	245,934	256,861	264,000	240,753	260,000
Capital Expenditures	688,558	607,170	936,000	244,328	1,082,187
Debt Service	348,421	357,555	353,000	352,391	323,500
Electric Fund Total	\$10,064,998	\$10,146,395	\$11,261,918	\$9,998,785	\$11,243,055

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
ELECTRIC FUND**

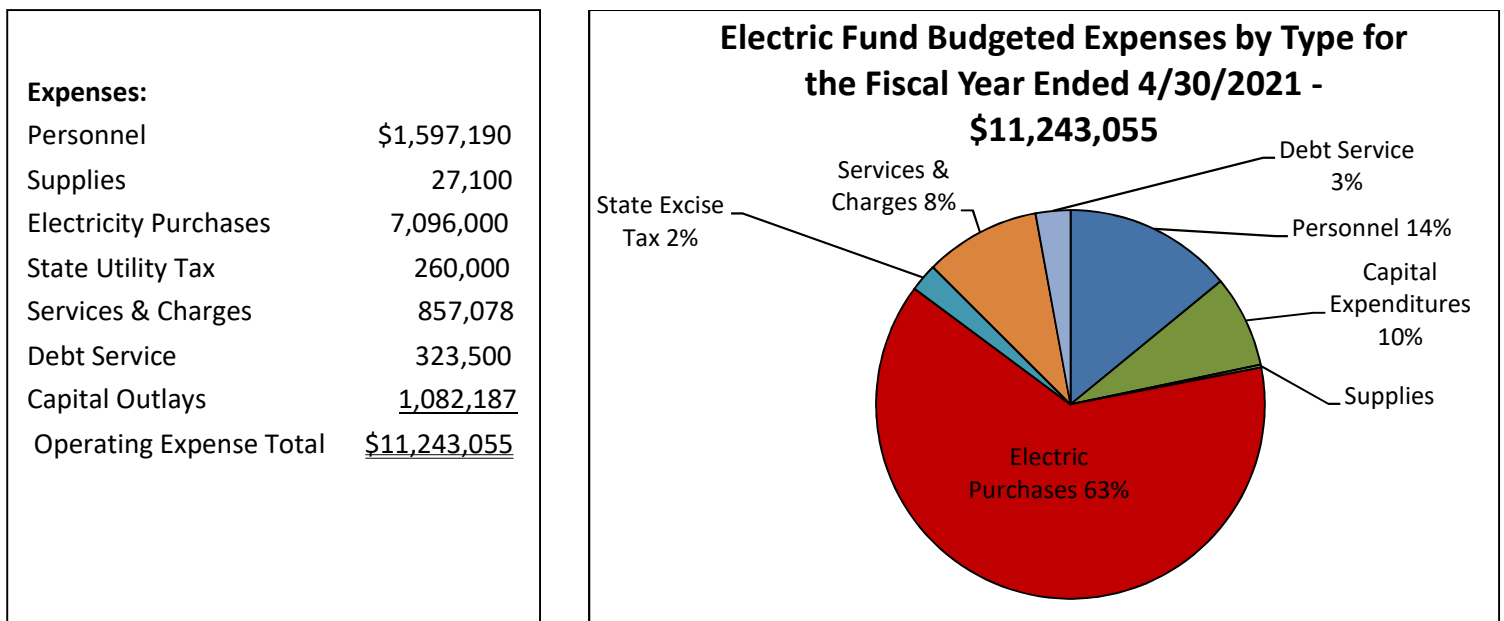
**Budget and Fund Analysis
Revenue**

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.

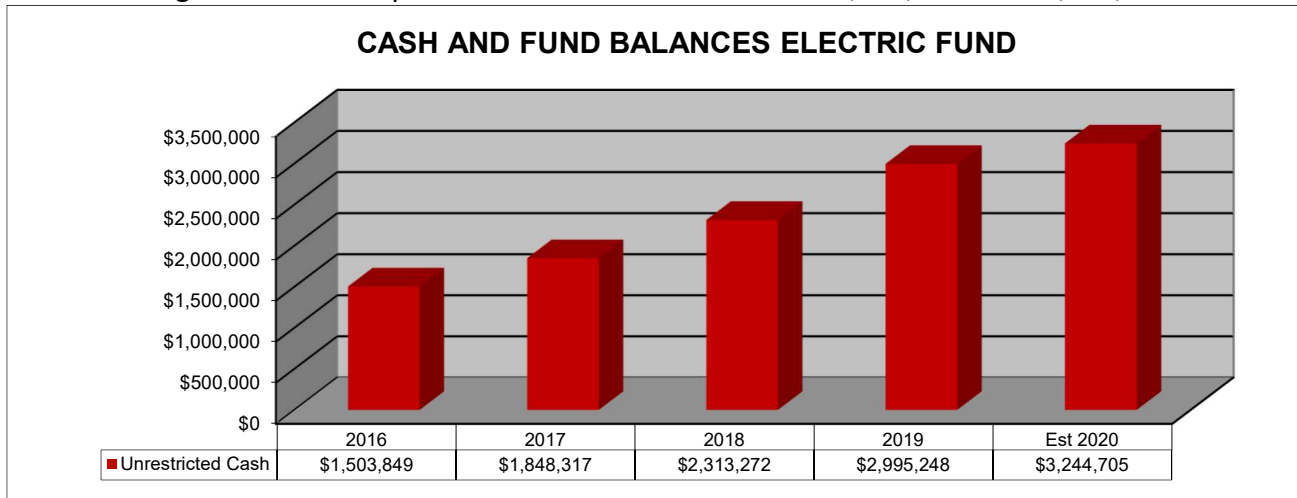


**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
ELECTRIC FUND - Continued**

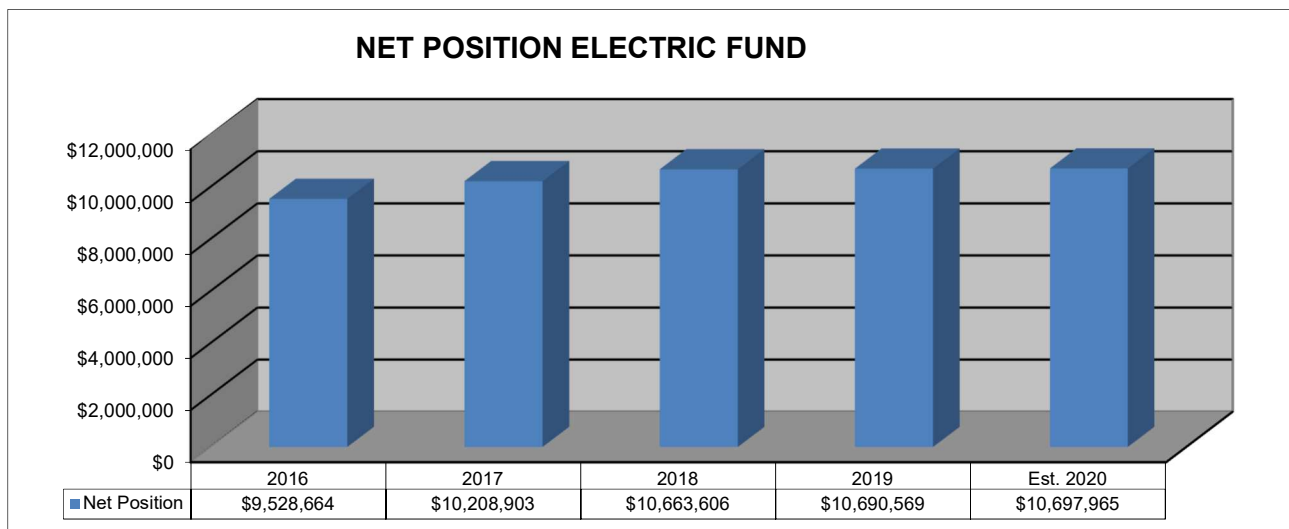
Unrestricted Cash and Net Position

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 2021 budget includes the utilization of cash reserves if necessary for equipment and projects carried forward from prior periods, amounts budgeted for potential payouts related employee accrued time and other benefits as well as \$94,383 for a possible operating deficit due to the effects of COVID-19. The total amount included in the Fiscal Year 2021 budget for these items is \$382,957.

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, 2020. 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 2021 budget this would equate to a cash balance between \$1,873,843 and \$2,810,674.



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 2020.



VILLAGE OF CHATHAM ELECTRIC FUND 600 FUND SUMMARY						
		2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
Description		Actual	Actual	Budget Amended as of April 2020	Estimated Actual	Requested/ Proposed
REVENUES	Revenue Type					
Electric Sales	Electric Sales	\$ 9,507,176	\$ 10,120,030	\$ 10,190,000	\$ 9,654,930	\$ 10,000,000
Penalties	Penalties	108,058	116,936	119,000	97,055	89,250
Interest	Other	6,450	20,900	20,100	26,519	28,190
Reimbursement of Expense	Other	14,675	18,357	17,500	16,520	43,200
Miscellaneous Revenue	Other	39,909	45,181	70,000	43,801	45,000
Development Fees	Development Fees	245,150	37,678	-	-	-
Other Grants	Other	-	-	50,000	-	45,000
Capital Lease Proceeds	Capital Lease Proceeds	-	140,310	240,000	-	259,751
Utility Tax Collected	State Utility Tax	248,577	260,326	264,000	244,043	260,000
Interfund Loan Revenue		-	89,707	89,707	89,707	89,707
TOTAL REVENUES		<u>10,169,995</u>	<u>10,849,425</u>	<u>11,060,307</u>	<u>10,172,575</u>	<u>10,860,098</u>
EXPENSES	Expenditure Type					
Electric Fund						
Employee Salaries	Personnel	966,358	1,008,889	1,261,640	1,067,051	1,155,240
Other Payroll Expense	Personnel	443,987	355,472	427,100	350,017	441,950
Travel & Training	Services & Charges	6,158	5,010	11,000	9,409	11,000
Legal Fees	Services & Charges	-	-	9,400	9,400	-
Audit	Services & Charges	12,150	12,150	12,500	12,500	13,200
Buildings & Grounds Maintenance	Services & Charges	133,952	109,853	164,488	162,716	160,688
Vehicle & Equipment Maintenance	Services & Charges	42,358	40,062	58,000	49,979	58,000
Office Expense	Services & Charges	100,753	117,434	98,650	93,278	98,650
IT	Services & Charges	22,903	29,540	54,940	42,148	51,940
General Insurance	Services & Charges	87,025	87,601	94,000	91,374	95,100
Equipment purchase	Capital	58,426	213,490	505,900	79,555	496,805
Uniforms & Supplies	Supplies	15,758	21,344	25,100	20,120	25,100
Street Maintenance	Supplies	553	1,237	2,000	-	2,000
Construction Expense	Capital	380,892	258,627	282,500	80,508	458,716
Meter and Transformer Expense	Capital	249,240	135,053	147,600	84,265	126,666
IMEA Electric Expense	Electric Purchases	6,721,366	6,907,740	7,133,000	6,908,110	7,096,000
Utility Tax Expense	State Excise Tax	245,934	256,861	264,000	240,753	260,000
Debt Service	Debt Services	348,421	357,555	353,000	352,391	323,500
Refunds	Services & Charges	290	-	500	-	500
Bad Debt Expense	Services & Charges	23,474	22,477	35,000	24,211	56,000
General Fund Administration Fee	Services & Charges	<u>205,000</u>	<u>206,000</u>	<u>321,000</u>	<u>321,000</u>	<u>312,000</u>
EXPENDITURES TOTALS:		<u>10,064,998</u>	<u>10,146,395</u>	<u>11,261,318</u>	<u>9,998,785</u>	<u>11,243,055</u>
Electric Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts:		104,997	703,030	(201,011)	173,790	(382,957)
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	-	218,500
Use of Funds for expenses carried forward from prior year		-	-	<u>9,810</u>	-	<u>70,074</u>
SUBTOTAL		-	-	201,810	-	288,574
OPERATING BUDGET SURPLUS/(DEFICIT)		\$ 104,997	\$ 703,030	\$ 799	\$ 173,790	\$ (94,383)



WATER AND SEWER FUND FUND FISCAL YEAR 2021 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 6,000 Water customers and 5,754 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 2021 WATER AND SEWER FUND

Objective and Initiatives	Long-Term Goal	Short-Term Strategy	Status	Results
Pass along rate increase of .14 from Village's water supplier	Performance, Customer Service	Maintain Financial Stability & Organizational Excellence	Complete	Completed with board action. Extensive work with SSWC on cost containment, enhancement and finance strategies to get to FY 2021 without a projected increase in cost.
Pass along rate increases from Village's sanitary sewer supplier	Performance, Customer Service	Maintain Financial Stability & Organizational Excellence	In-Progress	The Village's sanitary sewer provider passed a 10-year plan of rate increases after the beginning of fiscal year 2020. The Village passed a resolution in August of 2020 for annual rate increases through April 2022. The Village will re-evaluate the need to further increase rates during Fiscal Year 2022 in correlation to the sanitary sewer providers scheduled rate increases.
Continue water main flushing program by flushing a quarter of the system	Performance, Customer Service Economic Development, Quality of Life	Maintain Financial Stability & Organizational Excellence, Economic Development, Infrastructure	On-Going	Completed first quadrant – held further flushing through summer and as a cost control measure while bills were being deferred during COVID-19 response.
Install new service connections and replace existing meters with fixed network meters	Performance, Customer Service Economic Development, Quality of Life	Maintain Financial Stability & Organizational Excellence, Economic Development, Infrastructure	On-Going	Installed new service connections in Glendale Estates, Iron Bridge, the Highlands, Cardinal Ridge. Established service loop in Foxx Creek extension. Approximately 95% percentage of village now on fixed network for meter reading
Continue with plans to make infrastructure improvements to the Village's water mains to increase pressure and availability	Economic Development, Quality of Life	Economic Development, Infrastructure	On-Going	Loop and service enhancements made by moving service taps from older mains and transferring them over to newer mains.
Upgrade SCADA software to Windows 10 compatibility	Performance, Customer Service	Maintain Financial Stability & Organizational Excellence	In Progress	Work started at the end of Fiscal Year 2020 and expected to be complete in early Fiscal Year 2021.
Begin paying to General Fund a Utility Administration Fee again. Fee estimated to increase from 2% to 3% of estimated revenues in Fiscal Year 2021	Performance, Customer Service	Maintain Financial Stability & Organizational Excellence	In-Progress	During Fiscal Year 2020 the Village began reassessing the Administration fee at 2% of estimated revenues. Increasing the fee to 3% of estimated revenues will have both utilities contributing at the same level.
If revenues and expenditures are on target with projections purchase needed vehicle in the amount of \$50,000 for the Water Department	Quality of Life	Infrastructure	New	

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
WATER AND SEWER FUND**

STAFFING LEVELS

Full-time Equivalents (FTE)	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2021 Budget
Administration and Finance	3	4	4	4	4
Transmission & Distribution	5	5	6	6	6
Total Water and Sewer Fund	8	9	10	10	10

ACTIVITY MEASURES

*Projected through the end of the fiscal year

Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*
Water Customers	5,522	5,630	5,757	5,894	6,000
Sewer Customers	5,265	5,387	5,513	5,649	5,754
Gallons of Water Supplied to Customers	278,235,000	281,997,700	286,688,900	291,726,800	279,122,500
% Water and Sewer Department Service Requests Closed within 7 Days (Due to the nature of the work, requests may not be able to be closed within 7 days)	53%	63%	49%	46%	59%
Meters Installed for New Service	123	102	193	148	123
Meters Replaced	379	689	575	589	528
Miles of Water Main Added to System	.32	3.56	2.56	1.88	-
Miles of Sanitary Sewer Added to System	.23	1.15	1.66	1.03	-

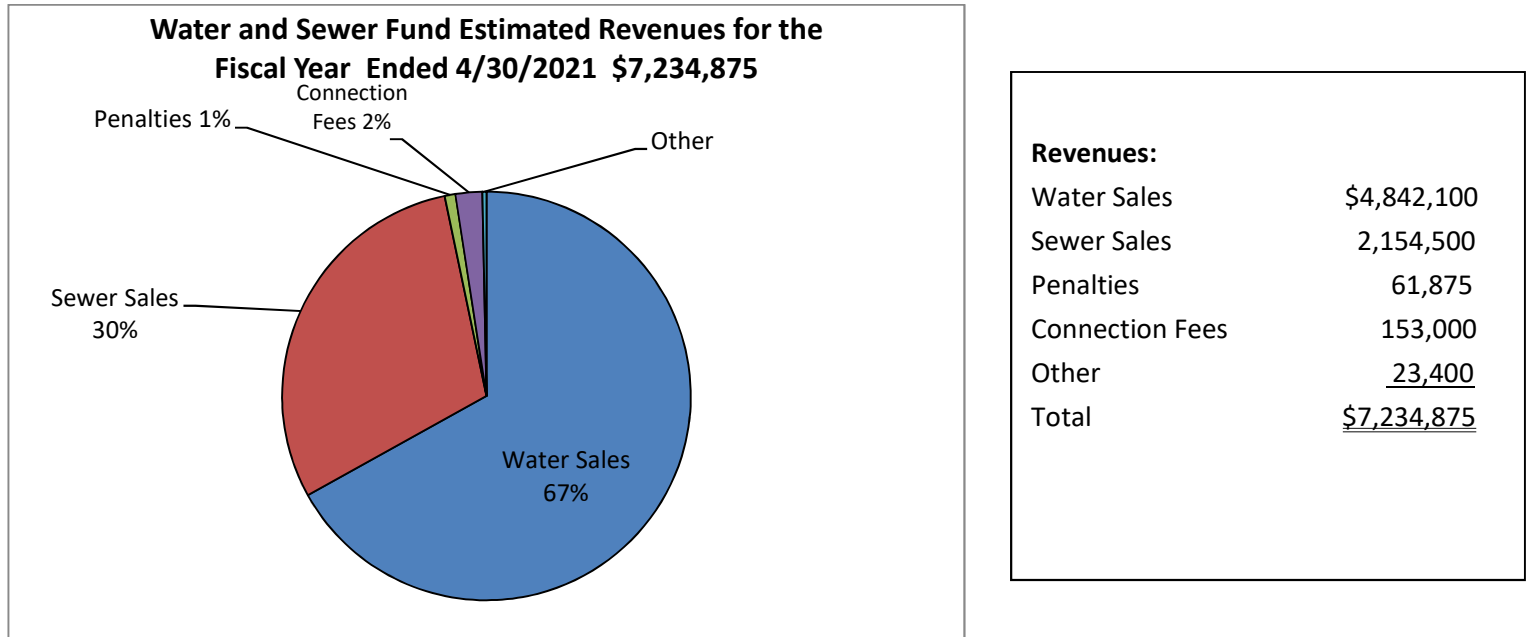
BUDGET SNAPSHOT

Expenditure Type	2017-2018 Actual	2018-2019 Actual	2019-2020 Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Personnel	\$ 833,130	\$ 893,366	\$ 1,091,329	\$ 999,340	\$ 1,186,729
Services & Charges	326,168	643,283	693,638	590,039	643,188
Supplies	38,422	41,507	46,900	36,873	35,900
Water Purchases	2,957,738	3,197,413	3,503,000	3,341,919	3,340,000
Sewer Purchases	1,245,198	1,248,276	1,312,000	1,299,032	1,420,000
Capital Expenditures	772,921	1,470,379	536,993	446,716	378,350
Debt Service	153,586	159,748	298,419	279,646	281,618
Interfund Loan Payment	-	89,707	89,707	89,707	89,707
Water and Sewer Fund Total	\$ 6,327,163	\$ 7,743,679	\$ 7,571,986	\$ 7,083,272	\$ 7,375,492

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
WATER AND SEWER FUND**

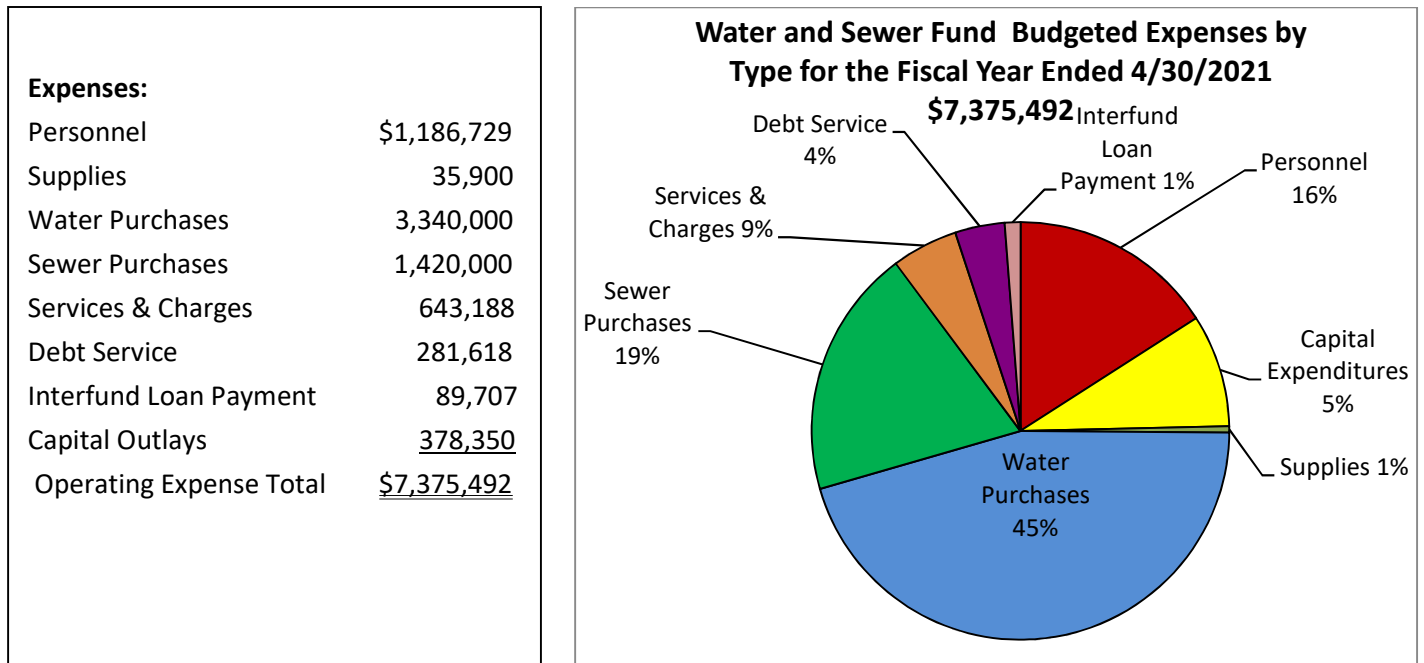
**Budget and Fund Analysis
Revenue**

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

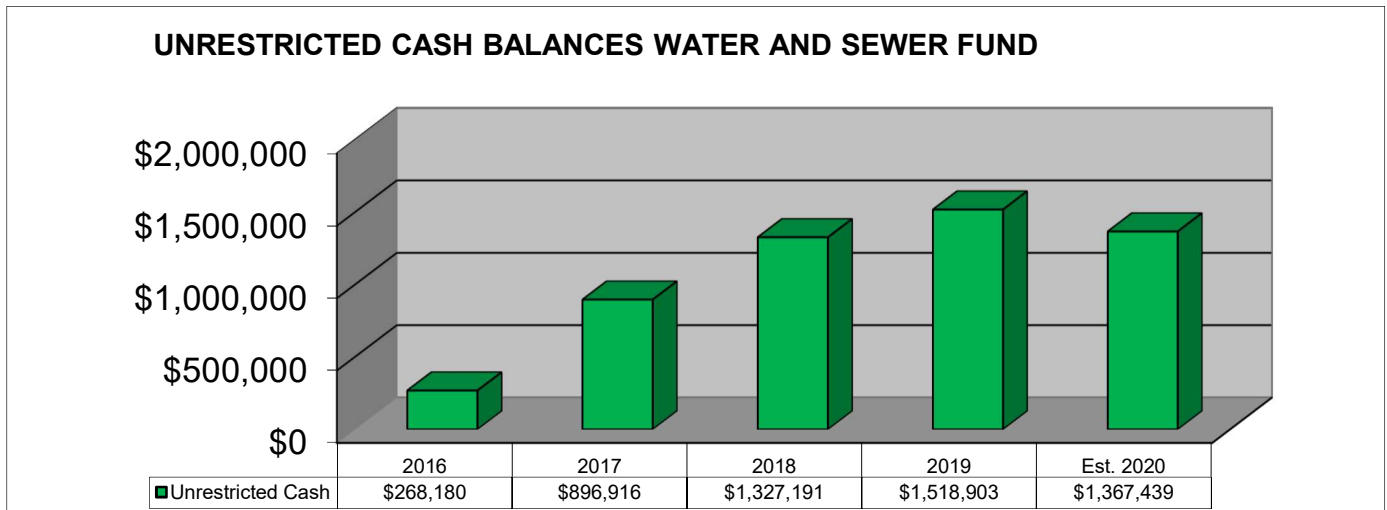


**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
WATER AND SEWER FUND – Continued**

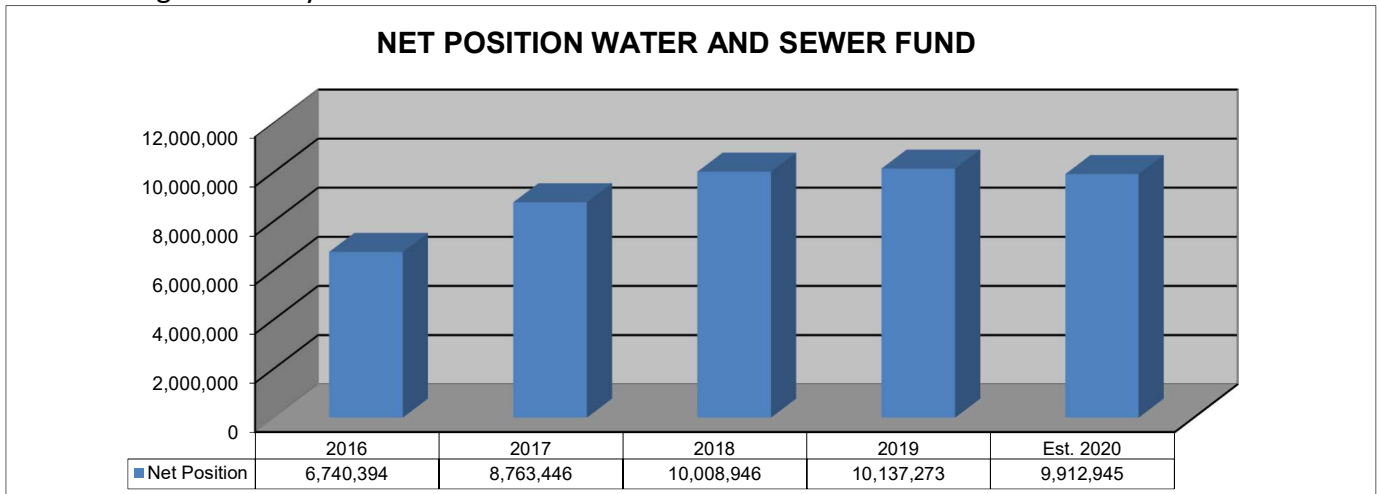
Unrestricted Cash and Net Position

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 2021 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 2021 budget for these items is \$205,207.

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, 2020. 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 2021 this would equate to a cash balance between \$1,229,249 and \$1,843,873.



The Water and Sewer Fund's net position has grown each year since 2019 and is projected to decrease for fiscal year 2020 due to an increase in costs from the Village's sanitary sewer provider and a delay in passing along the cost to the Village's sanitary sewer customers.



VILLAGE OF CHATHAM WATER AND SEWER FUND 700 FUND SUMMARY						
		2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
Description		Actual	Actual	Budget as Amended April 2020	Estimated Actual	Requested/ Proposed
REVENUES	Revenue Type					
Water Sales	Water Sales	\$4,342,934	\$4,657,265	\$ 4,937,000	\$ 4,691,297	\$ 4,840,000
Bulk Water Sales	Water Sales	5,721	3,158	3,800	1,491	2,100
Sewer Income	Sewer Sales	1,921,450	1,925,041	2,034,000	1,960,183	2,154,500
Penalties	Penalties	72,038	77,958	79,000	64,703	61,875
Interest	Other	3,711	11,178	10,600	12,289	13,400
Sales of Services	Connection Fees	156,400	148,100	169,000	137,675	153,000
Miscellaneous Revenue	Other	63,281	99,993	30,000	4,445	10,000
Capital Lease Proceeds	Loan Proceeds	-	-	44,335	25,640	-
Loan Proceeds	Loan Proceeds	-	1,112,800	-	-	-
TOTAL REVENUES		<u>6,565,535</u>	<u>8,035,493</u>	<u>7,307,735</u>	<u>6,897,723</u>	<u>7,234,875</u>
EXPENSES	Expenditure Type					
Employee Salaries	Personnel	543,248	641,231	792,900	731,899	841,600
Other Payroll Expense	Personnel	289,882	252,135	298,429	267,441	345,129
Travel & Training	Services & Charges	1,885	2,384	6,250	1,883	3,050
Professional services	Services & Charges	54,533	311,135	97,000	84,851	56,000
Audit & Accounting	Services & Charges	12,150	12,150	12,500	12,500	13,200
Buildings & Grounds Maintenance	Services & Charges	72,864	116,885	128,588	90,237	103,588
Vehicle & Equipment Maintenance	Services & Charges	30,043	37,551	60,700	36,716	41,200
Office Expense	Services & Charges	35,923	38,850	79,400	68,323	79,400
IT	Services & Charges	25,029	30,340	55,500	50,647	50,500
General Insurance	Services & Charges	36,973	38,800	41,000	38,827	40,450
Equipment purchase	Capital	118,132	88,305	144,485	123,693	138,350
Uniforms & Supplies	Supplies	23,332	26,507	29,900	22,146	21,900
Street Maintenance	Supplies	15,090	15,000	17,000	14,727	14,000
Construction Expense	Capital	387,574	1,240,972	239,508	185,238	140,000
Meter Expense	Capital	267,215	141,102	153,000	137,785	100,000
Water Expense	Water Purchases	2,957,738	3,197,413	3,503,000	3,341,919	3,340,000
Sewer Expense	Sewer Purchases	1,245,198	1,248,276	1,312,000	1,299,032	1,420,000
Electric expense	Services & Charges	37,161	36,267	43,000	35,753	43,000
Debt Service	Debt Service	153,586	159,748	298,419	279,646	281,618
General Fund Administration Fee	Services Charges	-	-	145,000	145,000	178,725
Interfund Loan Payment	Interfund Loan Payment	-	89,707	89,707	89,707	89,707
Refunds	Services & Charges	1,437	-	2,700	-	2,700
Bad Debt Expense	Services & Charges	<u>18,170</u>	<u>18,921</u>	<u>22,000</u>	<u>25,302</u>	<u>31,375</u>
EXPENSE TOTALS:		<u>6,327,163</u>	<u>7,743,679</u>	<u>7,571,986</u>	<u>7,083,272</u>	<u>7,375,492</u>
Water and Sewer Fund Surplus (Deficit) Before Utilizing Cash on Hand for Accrued Time Payouts & Interfund Loan Payments		238,372	291,814	(264,251)	(185,549)	(140,617)
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	75,508	-
Use of Cash on Hand to pay costs related to accrued benefits		-	-	<u>101,000</u>	<u>-</u>	<u>115,500</u>
SUBTOTAL		<u>-</u>	<u>-</u>	<u>266,215</u>	<u>165,215</u>	<u>205,207</u>
OPERATING BUDGET SURPLUS/(DEFICIT)		<u>\$ 238,372</u>	<u>\$ 291,814</u>	<u>\$ 1,964</u>	<u>\$ (20,334)</u>	<u>\$ 64,590</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 2021 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 grant proceeds from the Illinois Department of Transportation.

BUDGET SNAPSHOT

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Revenues	\$313	\$449,760	\$101,340	\$101,568	\$39,034
Expenditures	\$72,525	\$500,492	\$101,340	\$98,792	\$38,809
Fund Balance *	\$90,634	\$39,902	\$39,902	\$42,678	\$42,903

*Fiscal Year 2020 and 2021 Budget and 2020 Actual Fund Balance Estimated

Objectives for the Capital Projects Fund for the Fiscal Year ended April 30, 2021

- Utilize funds received from subdivision settlement to complete work on sidewalks \$38,809

VILLAGE OF CHATHAM CAPITAL PROJECTS FUND 110 FISCAL YEAR 2021 BUDGET DETAIL BY ACCOUNT						
Description		2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Requested / Proposed
REVENUES	Revenue Type					
Interest Income	Other	\$ 313	\$ 412	\$ -	\$ 310	\$ 225
Federal Grants - IDOT	Grants	-	-	-	-	-
Transfer from General Fund	Transfers	-	449,348	101,340	101,258	38,809
TOTAL REVENUES		313	449,760	101,340	101,568	39,034
EXPENDITURES	Expenditure Type					
Construction Expense - Parks Department	Capital	52,215	-	49,740	49,740	-
Construction Expense - Street Department	Capital	20,310	500,492	51,600	49,052	38,809
TOTAL EXPENDITURES		72,525	500,492	101,340	98,792	38,809
Capital Projects Fund		\$(72,212)	\$(50,732)	\$-	\$2,776	\$225

YARD WASTE RECYCLING AND REFUSE FUND

DESCRIPTION

The Village will continue to contract out the services of leaf bag and branch pickup, since the previous program was not allowing Street Department staff to devote enough time to street maintenance. As part of the changes to the program, the Village will no longer provide leaf bags. In addition, the program includes the Village annual clean-up and has been expanded to include street sweeping. The program is funded with a monthly Green Program Fee of \$4. 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 80% of the personal services costs for one employee for the entire fiscal year as well as a lease purchase of a new street sweeper.



BUDGET SNAPSHOT

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Revenues	\$140,938	\$146,313	\$395,420	\$445,688	\$290,800
Expenditures	\$89,291	\$182,902	\$477,733	\$426,661	\$354,246
Fund Balance *	\$328,253	\$291,664	\$209,351	\$310,691	\$247,245

*Fiscal Year 2020 and 2021 Budget and 2020 Actual Fund Balance Estimated

BUDGET HIGHLIGHTS AND OBJECTIVES FOR THE YARD WASTE, REFUSE AND RECYCLING FUND FOR THE FISCAL YEAR ENDED APRIL 30, 2021

Objective and Initiatives	Long-Term Goal	Short-Term Strategy	Status	Results
Within the Green Program contract out branch and leaf pickup to better serve customers	Performance, Customer Service	Maintain Financial Stability & Organizational Excellence	Complete	The services of branch and leaf pickup have been contracted out through June 30, 2022. This will free up the time of Street Department staff to work on Street Maintenance
Expansion of Green program in Yard, Waste Recycling and Refuse Fund to include Street Sweeping	Performance, Customer Service Quality of Life	Maintain Financial Stability & Organizational Excellence, Infrastructure	Complete	Completed, street sweeper leased and street department worker assigned to duty.

STAFFING LEVELS

Through Fiscal Year 2019, 15% of the personnel cost of the Street Departments five employees were allocated to the Yard Waste Recycling and Refuse Fund. Beginning in Fiscal Year 2020 this allocation was reduced to show only 80% of the cost of one Street Department employee to work on the street sweeping activity of the Green Program. Fiscal Year 2020 was the transition period for changes to this program and actual hours worked were less than 80% of one staff member. For fiscal year 2021 it is expected that one employee will actually spend 80% of their time working on the Green Program.

Full-time Equivalents (FTE)	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Budget	FY 2020 Actuals	FY 2021 Budget
Street	1	1	.8	.1	.8
Total Streets Department	1	1	.8	.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 2018	FY 2019	FY 2020*
Number of Dumpsters	39	30	35
Number of Yard Waste Bags Purchased -Village will no longer provide bags beginning in 2020	70,000	44,000	0

VILLAGE OF CHATHAM YARD WASTE, RECYCLING AND REFUSE FUND 120 FISCAL YEAR 2021 BUDGET DETAIL BY ACCOUNT						
		2017-2018	2018-2019	2019-2020	2019-2020	2020-2021
Description		Actual	Actual	Budget Amended April 2020	Estimated Actual	Requested/ Proposed
REVENUES	Revenue Type					
Other Income	Other Income	\$ 1,654	\$ 3,631	\$ 3,620	\$ 3,248	\$ 3,520
Green Program Fee	Fees and Service Charges	139,284	142,682	261,800	266,943	287,280
Capital Lease Proceeds	Capital Lease Proceeds	-	-	130,000	175,497	-
TOTAL REVENUES		140,938	146,313	395,420	445,688	290,800
EXPENDITURES	Expenditure Type					
Street Department						
Employee Salaries	Personnel	42,639	80,699	33,100	14,902	47,500
Other Payroll Expense	Personnel	21,308	44,974	21,475	7,067	19,450
Clean-up Expense	Professional Services	11,100	9,450	28,600	14,039	28,600
Yard Waste Supplies and Services	Yard Waste Supplies and Services	13,780	36,463	192,958	192,338	220,046
Vehicle and Equipment Maintenance	Maintenance	-	10,908	-	-	-
Equipment purchase	Equipment and Supplies	-	-	200,600	197,457	37,650
Bad Debt Expense	Yard Waste Supplies and Services	464	408	1,000	858	1,000
TOTAL EXPENDITURES		89,291	182,902	477,733	426,661	354,246
Yard Waste, Recycling and Refuse Fund		\$51,647	\$ (36,589)	\$ (82,313)	\$ 19,027	\$ (63,446)

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

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Revenues	\$46,466	\$44,518	\$114,635	\$107,579	\$36,530
Expenditures	\$49,026	\$38,566	\$112,576	\$108,555	\$36,530
Fund Balance *	\$4,059	\$10,011	\$12,070	\$9,035	\$9,035

*Fiscal Year 2020 and 2021 Budget and 2020 Actual Fund Balance Estimated

BUDGET HIGHLIGHTS AND OBJECTIVES FOR THE POLICE AND PUBLIC WORKS UTILITY TAX FUND FOR THE FISCAL YEAR ENDED APRIL 30, 2021

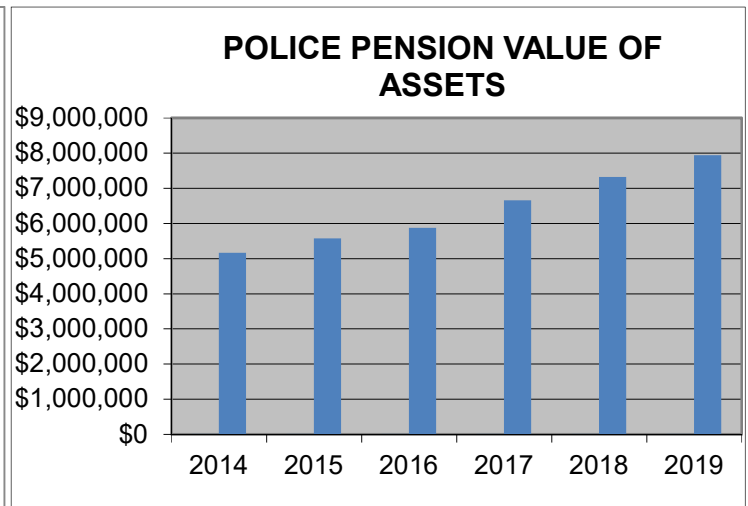
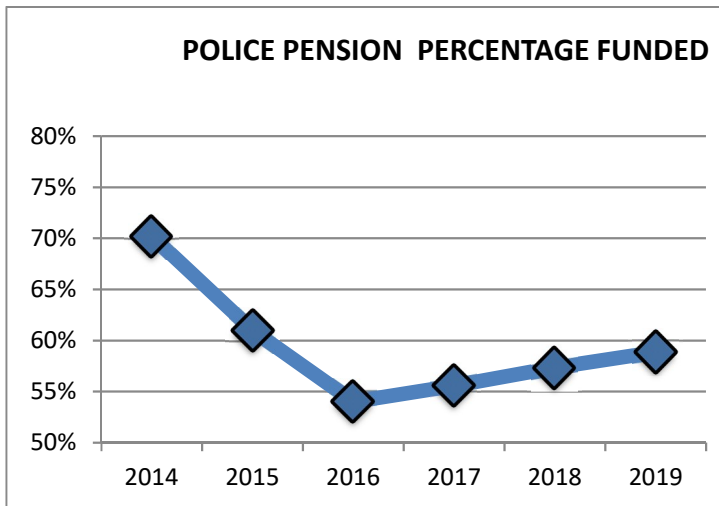
- The Street Department will continue to pay for capital lease purchase of a 2015 Dump Truck. The Street Department will utilize funds from the Utility Tax Fund and General Fund if funds are available at the beginning of the fourth quarter of Fiscal Year 2021 in Utility Tax Fund and available in the General Fund Street Department Budget to purchase a Truck from Chatham Township
- The Police Department will utilize the Police Department share to continue to pay for existing lease obligations for the capital lease purchase of police vehicles.

VILLAGE OF CHATHAM POLICE AND PUBLIC WORKS UTILITY TAX FUND 150 FISCAL YEAR 2021 BUDGET DETAIL BY ACCOUNT						
Description		2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Requested/ Proposed
REVENUES	Revenue Type					
Telecommunications Tax	Telecommunications Tax	\$ 46,465	\$ 44,510	\$ 47,500	\$ 33,280	\$ 36,500
Interest	Other	1	8	5	24	30
Capital Lease Proceeds	Capital Lease Proceeds	-	-	67,130	74,275	-
TOTAL REVENUES		46,466	44,518	114,635	107,579	36,530
EXPENDITURES	Expenditure Type					
Equipment purchase - Streets	Equipment	23,672	22,940	18,696	17,133	18,280
Equipment purchase - Police	Equipment	25,354	15,626	93,880	91,422	18,250
TOTAL EXPENDITURES		49,026	38,566	112,576	108,555	36,530
					-	
Police and Public Works Utility Tax Fund		\$ (2,560)	\$ 5,952	\$ 2,059	\$ (976)	\$ -

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 2019 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

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Additions	\$1,028,208	\$1,090,325	\$1,114,385	\$647,739	\$1,137,950
Deductions	\$364,837	\$464,843	\$1,114,385	\$433,797	\$1,137,950
Net Assets *	\$7,314,506	\$7,939,988	\$7,939,988	\$8,153,930	\$8,153,930

*Fiscal Year 2020 and 2021 Budget and 2020 Actual Net Assets Estimated

**VILLAGE OF CHATHAM
ANNUAL BUDGET
FOR THE FISCAL YEAR ENDING APRIL 30, 2021
POLICE PENSION FUND**

VILLAGE OF CHATHAM POLICE PENSION FUND 300 FISCAL YEAR 2021 BUDGET DETAIL BY ACCOUNT						
	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021	
Description	Actual	Actual	Budget Amended April 2020	Estimated Actual	Requested/ Proposed	
REVENUES						
Employer Contrib-Property Taxes	\$ 530,455	\$ 603,979	\$ 634,385	\$ 633,228	\$ 660,450	
Member Contributions	118,016	109,075	124,000	122,579	121,500	
Investment Income	379,737	377,271	356,000	(108,068)	356,000	
Total Revenues	1,028,208	1,090,325	1,114,385	647,739	1,137,950	
EXPENDITURES						
Reserved for Pol Pension Benefits	318,340	385,213	1,028,685	401,279	1,097,750	
Travel & Training	4,052	3,590	7,000	1,877	7,000	
Legal Expenses	7,200	7,200	7,200	7,200	7,200	
Professional services	2,500	2,500	2,500	2,500	23,500	
Office Expense	18,230	20,041	23,500	20,941	2,500	
Refunds	14,515	46,299	45,500	-	-	
Total Expenditures	364,837	464,843	1,114,385	433,797	1,137,950	
Police Pension Fund	\$ 663,371	\$ 625,482	\$ -	\$ 213,942	\$ -	

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. During Fiscal Year 2021, the Village plans to spend down \$78,789 accumulated in the Fund that is committed for cemetery care to upgrade the road within the cemetery. In addition, the Village plans to also begin in Fiscal Year 2021 allocating 80% of funds received on lot sales to use for the cemetery care to build up funds to construct a mausoleum for cremations.

BUDGET SNAPSHOT

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2019-2020 Proposed
Revenues	\$10,976	\$12,542	\$14,100	\$19,106	\$18,585
Expenditures	\$400	\$800	\$5,000	\$-	\$83,489
Fund Balance *	\$440,802	\$452,544	\$461,644	\$471,650	\$406,746

*Fiscal Year 2020 and 2021 Budget and 2020 Actual Fund Balance Estimated

ACTIVITY MEASURE

*Projected through the end of the fiscal year

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*
Lots sold	23	28	21	18	30

VILLAGE OF CHATHAM CEMETERY PERPETUAL CARE FUND 410 FUND SUMMARY						
	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021	
Description	Actual	Actual	Budget Amended April 2020	Estimated Actual	Requested/ Proposed	
REVENUES						
Lot Sales	\$ 9,600	\$ 8,800	\$ 10,400	\$ 15,000	\$ 14,200	
Interest	1,376	3,742	3,700	4,106	4,385	
Total Revenues	10,976	12,542	14,100	19,106	18,585	
EXPENDITURES						
Grounds maintenance	-	-	-	-	78,489	
Refunds	400	800	5,000	-	5,000	
Total Expenditures	400	800	5,000	-	83,489	
Cemetery Perpetual Care Fund	\$ 10,576	\$ 11,472	\$ 9,100	\$ 19,106	\$ (64,904)	

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 2016	FY 2017	FY 2018	FY 2019	FY 2020*
Bricks sold	21	9	11	7	10

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Revenues	\$568	\$389	\$1,240	\$537	\$1,200
Expenditures	\$172	\$805	\$1,200	\$404	\$1,200
Fund Balance *	\$11,927	\$11,511	\$11,551	\$11,644	\$11,644

VILLAGE OF CHATHAM VETERAN'S MEMORIAL FUND 420 FISCAL YEAR 2021 BUDGET DETAIL BY ACCOUNT						
	2017-2018	2018-2019	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Requested/ Proposed	
Description	Actual	Actual				
REVENUES						
Interest	\$ 18	\$ 39	\$ 40	\$ 37	\$ 50	
Memorial Brick Sales	550	350	1,200	500	1,150	
Total Revenues	568	389	1,240	537	1,200	
EXPENDITURES						
Parks and Recreation						
Buildings & Grounds Maintenance	172	805	1200	404	1,200	
Total Expenditures	172	805	1200	404	1,200	
Veteran's Memorial Fund	\$ 396	\$ (416)	\$ 40	\$ 133	\$ -	

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. Starting in Fiscal Year 2020, the Village began receiving a monthly distribution from Transportation Renewal Fund in addition to the monthly Motor Fuel Tax Fund distribution. The Village also received \$126,316 from the Rebuild Illinois Fund in May 2020.

BUDGET SNAPSHOT

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget Amended April 2020	2019-2020 Estimated Actual	2020-2021 Proposed
Revenues	\$310,630	\$308,488	\$294,075	\$429,711	\$530,441
Expenditures	\$427,898	\$326,498	\$346,061	\$261,361	\$435,508
Fund Balance *	\$230,686	\$212,676	\$160,690	\$381,026	\$475,959

*Fiscal Year 2020 and 2021 Budget and 2020 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 \$39,425
- Drainage, Sidewalks, Curbs, Patching, Roadside Maintenance, Traffic Control Devices
- Project to utilize \$126,316 in funding received from Rebuild Illinois program

VILLAGE OF CHATHAM MOTOR FUEL TAX FUND 500 FISCAL YEAR 2021 BUDGET DETAIL BY ACCOUNT						
	2017-2018	2018-2019	2019-2020	2019-2020	2020-2021	
Description	Actual	Actual	Budget Amended April 2020	Estimated Actual	Requested/ Proposed	
REVENUES						
Motor Fuel Tax	\$ 308,846	\$ 306,944	\$ 292,675	\$ 428,105	\$ 402,500	
Rebuild Illinois Funds	-	-	-	-	126,316	
Interest and Other Revenue	1,784	1,544	1,400	1,606	1,625	
Total Revenues	310,630	308,488	294,075	429,711	530,441	
EXPENDITURES						
Streets and Public Works						
Professional services	41,211	23,431	17,276	17,271	20,867	
Street Maintenance	341,676	253,689	248,585	174,603	288,325	
Rebuild Illinois Project					126,316	
Gen Fund Labor and Equip	45,011	49,378	80,200	69,487	-	
Total Expenditures	427,898	326,498	346,061	261,361	435,508	
Motor Fuel Tax Fund	(117,268)	(18,010)	(51,986)	168,350	94,933	



Capital Improvement Plan

2021 - 2025

**VILLAGE OF CHATHAM
Capital Improvement Plan
FOR THE FISCAL YEARS ENDED APRIL 30
2021-2025
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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 \$12,174,791. The first year of the Program (2021) is included in the FY2020-2021 Budget. The projects for 2021 will be incorporated into the capital portion of the FY2020-2021 Budget. The remaining four (4) years (2022, 2023, 2024, and 2025) 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 2022 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

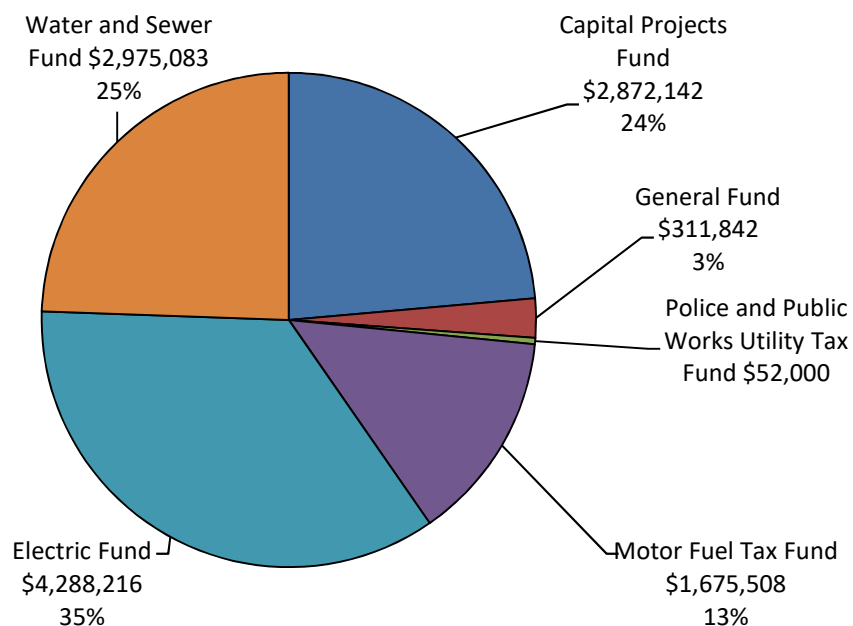
- Individual items costing \$5,000 or more will be capitalized and depreciated according to Governmental Accounting Standards Board rules. This amount will be adjusted as changes are recommended in GFOA's "*best practices*" guidelines.
- Tangible capital-type items will only be capitalized if they have 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, Accountant, 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 and the Capital Projects Fund. These three funds combined account for 84% of the 2021-2025 CIP. The primary projects are for infrastructure improvements for the utility operations as well as the costs associated with the construction of a new municipal facility. The Motor Fuel Tax Fund share of the plan is 13% 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 3%. Items planned for purchase out of these funds are vehicles and equipment related to information technology.



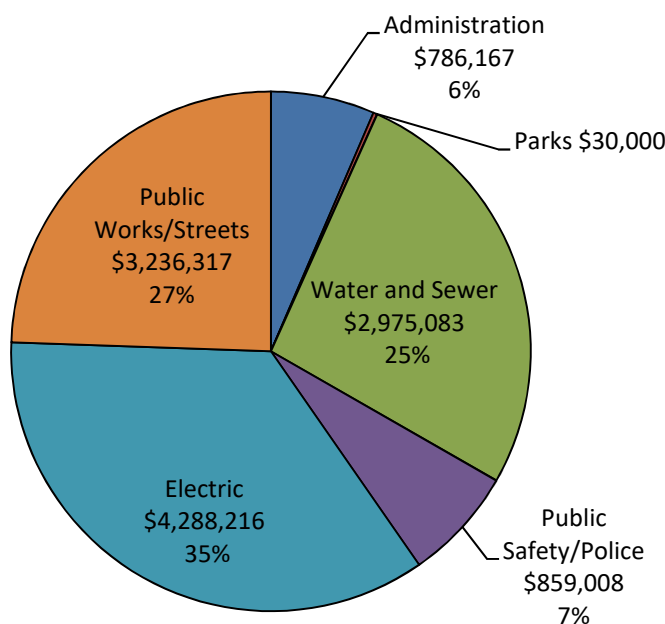
Plan Summary

Totals by Department

The majority of capital improvements come from the Utility Departments (Electric and Water) and the Public Works Departments, which accounts for 87% of the total CIP. These projects are primarily improvements to the Village's utility infrastructure and for improvements to the Village's streets.

Public Safety/Police make up 7% of the CIP for 2021-2025. The primary expense for the Police Department is the Department's share of the construction of a new municipal facility to accommodate the growing department needs. The replacement of police vehicles and IT equipment makes up the remainder.

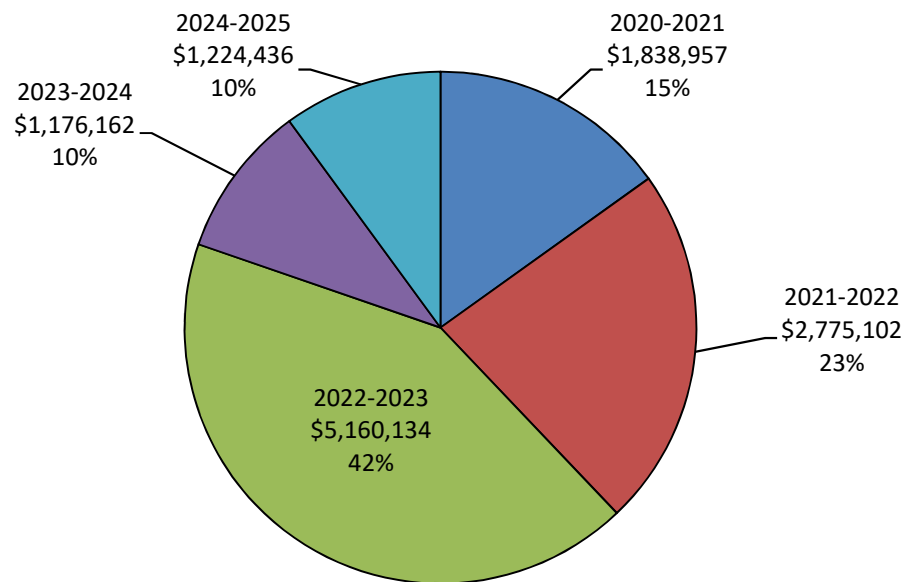
Administration and Parks make up the remaining 6 % of the CIP. The main expenses in the Administration Department are the Department's share of the construction of a new municipal facility and IT equipment. The Parks Department includes expenses related to the Park development.



Plan Summary

Totals by Fiscal Year

The 2020-2021 fiscal year includes projects that address immediate issues with infrastructure, vehicles, and equipment including electric work on the Mansion Road Project to install underground three-phase line running down Route 4 and then west on Mansion Road to Cardinal Ridge that will create a loop in the system servicing the Northwest end of the Village. For fiscal years 2021-2022 and 2023-2024 and 2024-2025, the CIP is lower due to no large projects are projected for these years. In fiscal year 2022-2023, the CIP is estimated at \$5,160,134 due to the timing in the plan of the construction of a new municipal facility. This is planned for fiscal year 2022-2023 after the Village has received 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.

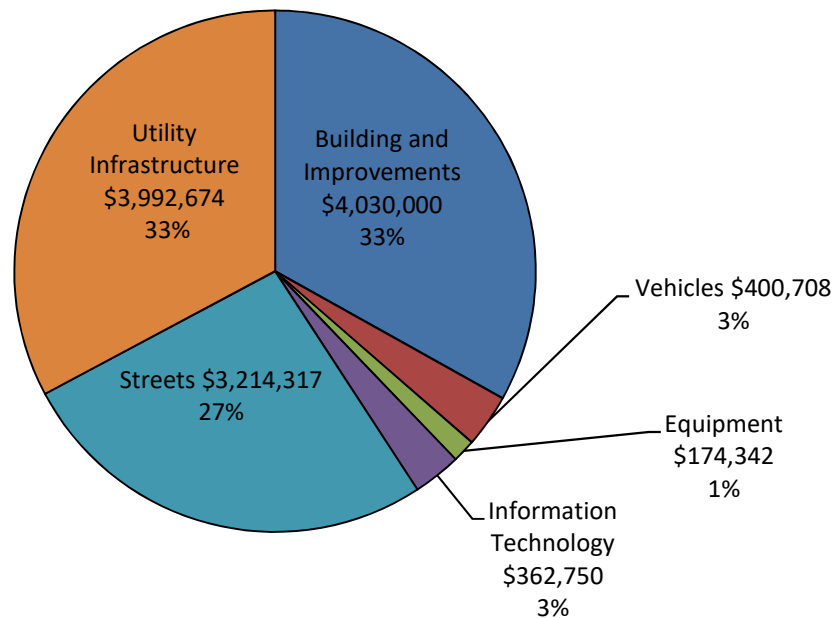


Plan Summary

Totals by Category

Utility Infrastructure and Building and Improvement projects are the largest project types in the CIP, making up 33% each of the project costs. \$4,000,000 of the Building and Improvements category's estimated cost is related to the projected construction of a municipal facility in fiscal year 2022-2023.

Vehicles and Information Technology make up the remainder and include replacement of 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, 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.

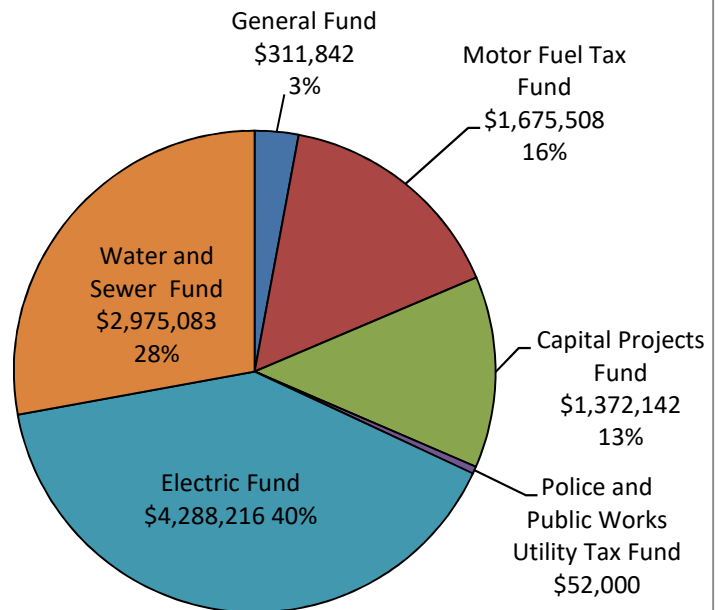
Police and Public Works Utility Tax Fund (Fund 150)

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.

Motor Fuel Tax Fund (Fund 500)

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

Capital Improvements by Funding Source



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 2022 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 2021 Budget

CATEGORY	Fiscal Year				
	2021	2022	2023	2024	2025
Buildings and Improvements	30,000	-	4,000,000	-	-
Vehicles	361,708	-	-	-	39,000
Equipment	75,000	24,836	24,835	24,836	24,835
Information Technology	72,550	72,550	72,550	72,550	72,550
Streets	474,317	1,810,000	310,000	310,000	310,000
Utility Infrastructure	825,382	867,716	752,749	768,776	778,051
Totals - All Categories	1,838,957	2,775,102	5,160,134	1,176,162	1,224,436

PROPOSED FUNDING SOURCE	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund (100)	73,700	59,536	59,535	59,536	59,585
Capital Projects Fund (110)	38,809	-	1,333,333	-	-
Police and Public Works Utility Tax Fund (150)	13,000	-	-	-	39,000
Motor Fuel Tax Fund (500)	435,508	310,000	310,000	310,000	310,000
Electric Fund (600)	966,590	554,216	1,797,583	480,276	489,551
Water and Sewer Fund (700)	311,350	351,350	1,659,683	326,350	326,350
Totals - All Categories	1,838,957	1,275,102	5,160,134	1,176,162	1,224,436

Capital Budget Impact on Operating Budget

The impact of capital project operating costs on the annual budget requires careful consideration. Operating costs are a fundamental element of the Village's Capital Improvement Program and the overall budget development. Reliable operating cost estimates are necessary from the onset of each budget cycle, for the Village must determine specific ongoing expense it will incur once a project has been completed. For example, once additional Park space is developed it will require additional staff hours and supply costs to maintain. Additions such as replacing aging equipment and vehicles with a new vehicle or piece of equipment should result in a lower maintenance cost.

The following table shows estimated impacts of operating costs for capital items included within the capital improvement program budget for the FY 2021 – FY 2025 Capital Improvement Program. Amounts represent an addition to or a reduction of operating costs.

Project/Description	Fiscal Year				
	2021	2022	2023	2024	2025
Street Department – Purchase of Used 1-Ton Truck	-	(1,200)	(1,200)	(1,200)	(1,200)
Police Department – Patrol Vehicle Replacement	-	-	-	-	(1,200)
Electric Fund – Line Truck	-	(2,400)	(2,400)	(2,400)	(2,400)
Electric Fund – Vehicle	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Water and Sewer Fund – Vehicle	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)



Public Properties-

Parks Department

Projects

General Fund - Parks Department – Development Costs

Development Costs for Village Parks

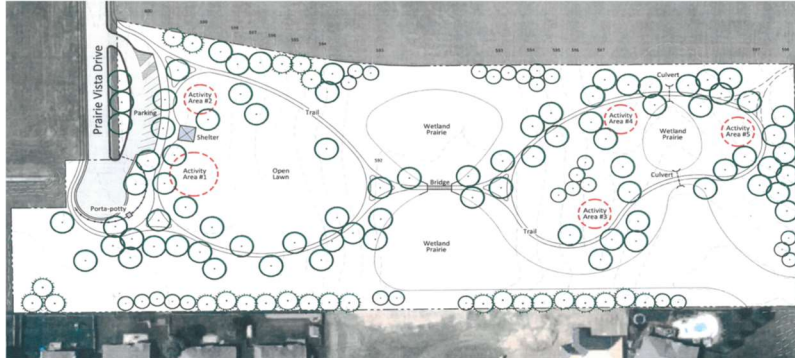
FY 2021

\$30,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



Project Start Date: Fiscal Year 2021

Project End Date: To be determined

Project Description

The Village will continue work on improving and expanding the Village park areas. Areas of concentration are a section of property located in the northwest area of Chatham to serve as a passive park for the Village's residents. Also, of interest is the development of a dog park to be located at the Village's westside park near the pavilion. The dog park project has an estimated cost of \$80,000. The estimated cost includes fencing, concrete, water fountains, structures for park visitors, and a new roof for the pavilion.

A portion of the \$30,000 in the Fiscal Year 2021 budget has been designated 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 projects. This Village's 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 these project 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 projects. 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, costs will be incurred for materials and supplies to maintain the park.



Public Works Street Department Projects

Capital Project Fund - Street Department – North Pointe Sidewalk Project

Complete sidewalks not finished by developer FY 2021 \$38,809



☐ Critical ☒ Recommended ☐ Contingent on Funding

Project Description

In fiscal year 2020, the Village of Chatham reached a settlement with the Developer of North Pointe subdivision for sidewalk infrastructure not completed. The Village received \$38,809 and plans on completing the installation of the planned sidewalks within the development.

Project Impact

Sidewalks play a vital role in community life. They enable citizen movement and access throughout the community. They also promote walking that encourages both a healthy population and environment.

Capital Project Fund - Street Department – Walnut Street Project

Widen Walnut Street between Gordon Drive and Park Street FY 2022

\$1,500,000

☐ Critical

☐ Recommended

☒ Contingent on Funding

Project Start Date: Fiscal Year 2022

Project End Date: Fiscal Year 2022



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 Capital Budget Impact
Not Determined	One-time construction cost

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

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

☐ Critical ☐ Recommended ☒ Contingent on Funding



Project Description

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

Project Impact

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

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

Pavement Repair and Maintenance	FY 2021	\$309,192
Rebuild Illinois Program	FY 2021	\$126,316
Pavement Repair and Maintenance	FY 2022	\$310,000
Pavement Repair and Maintenance	FY 2023	\$310,000
Pavement Repair and Maintenance	FY 2024	\$310,000
Pavement Repair and Maintenance	FY 2025	\$310,000

☐ 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 2021 includes patching and sealcoating for portions of the Village's main thoroughfares. In Fiscal Year 2021 the Village received \$126,316 in Rebuild Illinois Funds. The Rebuild Illinois Funds can be combined with the regular Motor Fuel Tax Distribution to use on a single project or be used to replace existing roadways on separately identified projects. 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.

General Fund and Police and Public Works Utility Tax Fund - Street Department – Purchase of Used 1-Ton Truck

1-Ton Truck

FY 2021

\$22,000

☐ Critical

☐ Recommended

☒ Contingent on Funding



Description

The Street Department has requested to purchase a 1-Ton Dump Truck from Chatham Township through funding in the General Fund and Police and Public Works Utility Tax Fund. The purchase is planned for the 4th quarter of Fiscal Year 2021 and is dependent on the accumulation of \$13,000 of the Public Works share of the telecommunication tax in the Police and Public Works Utility Tax Fund as well as for funding to be available in the General Fund

Operational Impact

The purchase will help the Street Department maintain the Village's streets and reduce repair costs of the Department's aging vehicles.

Project Impact

Annual \$ Impact on 2021 Capital Budget	Description of Operating Budget Impact
\$22,000	Reduce annual maintenance costs \$1,200



Public Safety Police Department Projects

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

Patrol Vehicle Replacement

FY 2021- FY 2025

\$39,000

☒ Critical

☐ Recommended

☐ Contingent on Funding



Fund	Revenue Source	2021	2022	2023	2024	2025	Total
General Fund	Police Vehicle Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police and Public Works Utility Tax Fund	Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ 39,000	\$ 39,000
Total		\$ -	\$ -	\$ -	\$ -	\$ 39,000	\$ 39,000

Project Description

Continue to replace police vehicles as funding allows. Currently the Village of Chatham's Police vehicle fleet contains 7 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 to four- year periods and are funded from a portion of the telecommunications utility tax received by the Village in the Police and Public Works Utility Tax Fund. The Village's Police Department also accumulates funds from police vehicle fees in the General Fund. This revenue source is restricted by statute to fund costs associated with police vehicles. Based on the current revenue stream from this revenue source, the Village could accumulate enough funds every five years to purchase a vehicle.


Operational Impact

The Village of Chatham's Police Department currently has a fleet of 19 vehicles with 39% being 10 years or older. As the vehicles age they incur more frequent repair costs.

Project Impact

Annual \$ Impact on 2021 Capital Budget	Description of Operating Budget Impact
\$0	Reduce FY 2025 maintenance costs \$1,200

General Fund - Police Department – Upgrade Portable Radio System

Department wide upgrade of radio system		FY 2022- FY 2025	\$99,342
<input type="checkbox"/> Critical	<input checked="" type="checkbox"/> Recommended	<input type="checkbox"/> Contingent on Funding	
<div></div>		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

Carryforward from FY 2020 Electric Fund – Line Truck

Line Truck

FY 2021

\$259,751

☐ 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
\$259,751	Reduce annual maintenance costs \$2,400

Carryforward from FY 2020 Electric Fund – Vehicle

Pick-up Truck

FY 2021

\$29,957

☐ 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 2021 Capital Budget	Description of Impact 2021 Operating Budget
\$38,000	Reduce annual maintenance cost \$1,200

Carryforward from FY 2020 Electric Fund – Emergency Warning Sirens

3 Emergency Warning Sirens

FY 2021

\$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 2021 Capital Budget	Description of Impact 2021 Capital 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 2021-FY 2025 \$846,784

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2021	2022	2023	2024	2025	Total
Meters	\$26,010	\$ 26,010	\$ 26,010	\$ 27,602	\$ 28,154	\$ 133,786
Transformers	\$100,656	\$ 148,569	\$ 151,540	\$ 154,571	\$ 157,662	\$ 712,998
Total	\$126,666	\$ 174,579	\$ 177,550	\$ 182,173	\$ 185,816	\$ 846,784

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 2021-FY 2025 \$1,660,890

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2021	2022	2023	2024	2025	Total
Contract Services	\$134,512	\$ 142,690	\$ 92,137	\$ 99,980	\$ 101,980	\$ 571,299
Materials	\$324,204	\$ 220,447	\$ 178,062	\$ 181,623	\$ 185,255	\$ 1,089,591
Total	\$458,716	\$ 363,137	\$ 270,199	\$ 281,603	\$ 287,235	\$ 1,660,890

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. During Fiscal Year 2021, work is scheduled to begin on the Mansion Road Project to install underground three-phase line running down Route 4 and then west on Mansion Road to Cardinal Ridge. This will create a loop in the system servicing the Northwest end of the Village. Project cost estimated at \$349,000. 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 – Vehicle

1- Ton Truck

FY 2021

\$50,000

☐ Critical

☐ Recommended

☒ Contingent on Funding



Vehicle Description

Water and Sewer Department personnel would operate this vehicle in their day to day activities to drive to worksites and install water taps around the Village.

Operational Impact

This would be an additional vehicle for the Water and Sewer Department's vehicle fleet. It would allow Water and Sewer Department staff to be able to drive individually to work locations and service calls without having to coordinate driving arrangements for staff who would be required to ride along or be dropped off and picked up. The purchase is planned for the 4th quarter of Fiscal Year 2021 and is dependent upon the Water and Sewer Fund achieving budgeted revenue and expense targets.

Project Impact

Annual \$ Impact on 2021 Capital Budget	Description of Impact 2021 Operating Budget
\$50,000	Reduce annual maintenance cost \$1,200

Water and Sewer Fund – Water Meter Program

Purchase of meters for new construction and for replacements

FY 2021-FY 2025 \$325,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2021	2022	2023	2024	2025	Total
Meters	\$100,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 325,000

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 2021-FY 2025 \$1,160,000

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2021	2022	2023	2024	2025	Total
Contract Services	\$20,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 160,000
Materials	\$120,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 1,000,000
Total	\$140,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000	\$ 1,160,000

Project Description

A portion of the Village's Annual Water and Sewer Fund Budget is dedicated to the purchase of materials and contractual services to install water infrastructure. These items purchased are to extend water main to areas within the Village as well as loop the Village's existing system to improve water pressure to the Village's customers. The Village has identified the following areas that would benefit from looping the water main system; Pulliam Road to Palm Road, Covered Bridge Road to Old Indian Trail, Cardinal Ridge to Wesley Chapel Road and South Main to County Road. The Village estimates the average life of water and sewer infrastructure to be 40 years. The Fiscal Year 2021 capital budget for the extension of water main has been reduced due to the uncertainty of the effect of COVID-19, it is anticipated in the upcoming fiscal years the budget will resume to past levels.

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 2023 \$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 2021-FY 2025 \$362,750

☐ Critical

☒ Recommended

☐ Contingent on Funding



	2021	2022	2023	2024	2025	Total
General Fund Administration Department	\$23,900	\$ 23,900	\$ 23,900	\$ 23,900	\$ 23,900	\$119,500
General Fund Police Department	\$10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$54,000
Electric Fund	\$16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$82,500
Water and Sewer Fund	\$21,350	\$ 21,350	\$ 21,350	\$ 21,350	\$ 21,350	\$106,750
Total	\$72,550	\$ 72,550	\$ 72,550	\$ 72,550	\$ 72,550	\$362,750

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.

GLOSSARY

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.

GLOSSARY

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.
Restricted Fund Balance	Represents fund balances which are subject to externally enforceable limitations imposed by external parties or enabling legislation.
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.
Unassigned Fund Balance	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.
Unrestricted Fund Balance	Is the portion of that total fund balance that is not restricted by externally enforceable limitations imposed by external parties or enabling legislation.